

Sustainability Management / Materiality (Material Issues)

Basic Policy

Artner's basic approach to promoting sustainability activities is to support the growth and self-actualization of our engineers based on our management philosophy of being an "Engineer Support Company that supports our engineers' dreams," while seeking to maximize enterprise value, contribute to the resolution of social issues through our business activities, and build a foundation for sustainable growth and growth for the next generation. Based on this approach, we have 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 our corporate activities. In

addition, considering stakeholder interests and social issues, as well as their impact on our business management, we have identified eight materiality topics (material issues) that should be prioritized and are engaging in effective management practices and business activities to resolve these issues. To ensure that our sustainability initiatives are accessible to all stakeholders, we provide information in our Annual Report, on our sustainability website, and through other means.

< Basic Sustainability Policy >

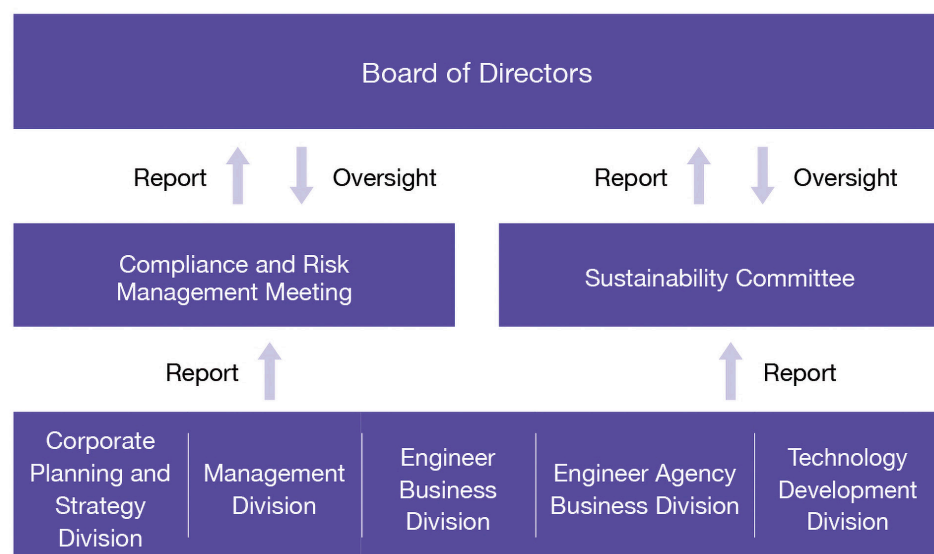
Cultivating people	To foster engineers to support manufacturing industries.
Employee happiness	To provide a workplace environment that makes the work of all employees meaningful and fulfilling.
Corporate governance	To sustain and develop positive relationships with all stakeholders, while strictly abiding 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.

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.

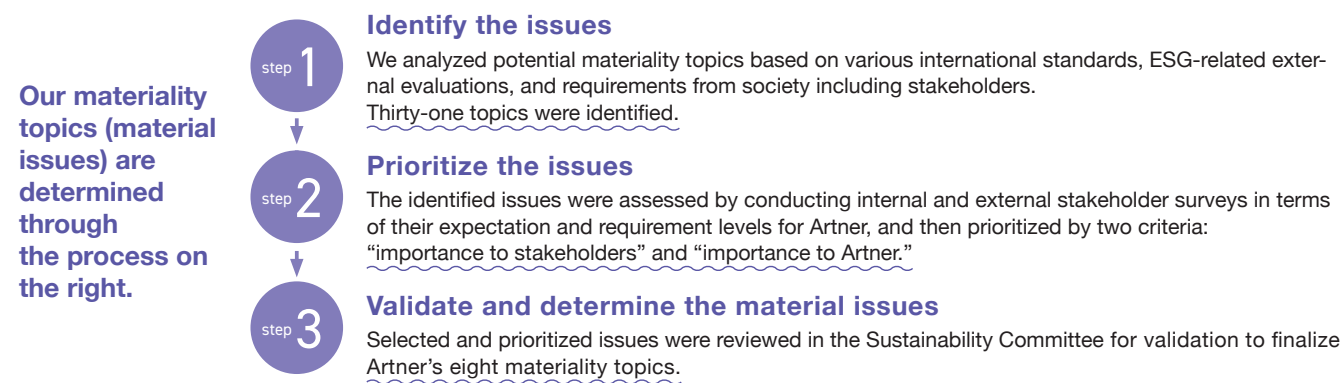
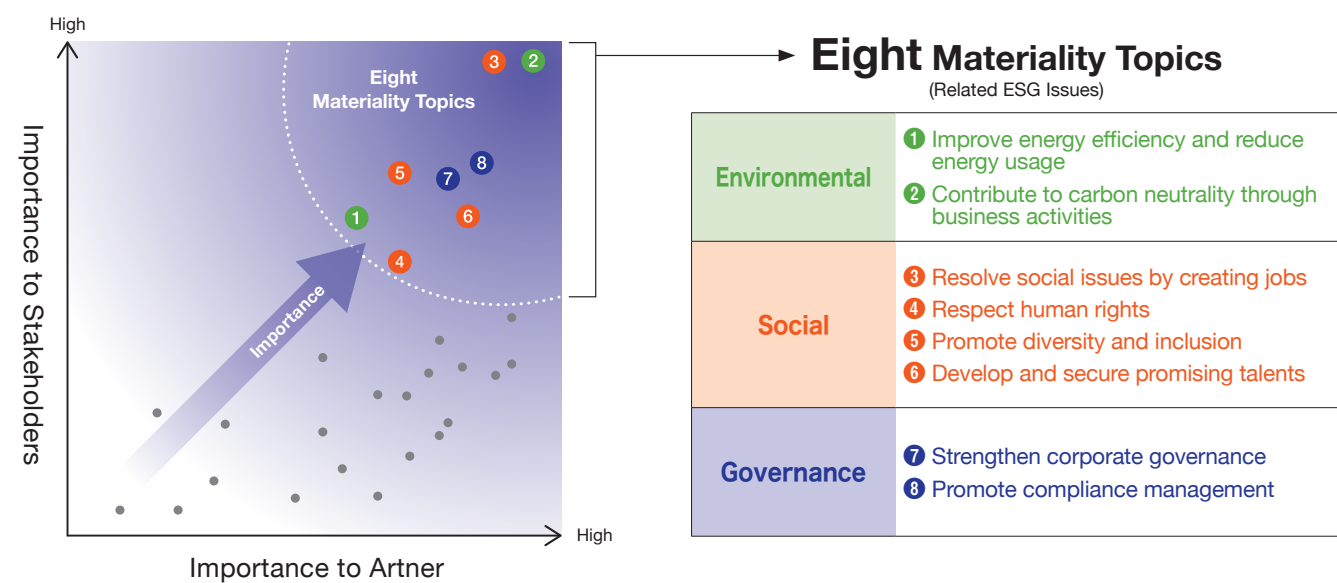
The Committee, chaired by the President and CEO, is composed mainly of Directors who are not members of the Audit and Supervisory Committee, Directors who are members of the Audit and Supervisory Committee, and division heads and managers, and is held four times a year. Additionally, the Board of Directors deliberates on and resolves matters concerning sustainability-related risks and opportunities, including environmental and social risks, gives instructions on how to deal with them, and supervises the progress of such initiatives.

< Structure for Promoting Sustainability >



Strategy

Considering stakeholder interests and social issues, as well as their impact on our business management, Artner has identified eight materiality topics that should be prioritized. Based on our understanding of the importance of the materiality topics we have identified, we are committed to engaging in effective management practices and business activities to resolve these issues.



Risk Management

In addition to clarifying the system for the overall management of various risks and opportunities, we classify and define each business risk and opportunity by type and have the department in charge of each type of risk and opportunity monitor and analyze the risk and opportunity situation. We also have a system in place for the overall management of various types of risks through the Compliance and Risk Management Meeting, where we clarify and implement the management and countermeasures for each type of risk. We manage sustainability-related risks and opportunities, including environmental and social risks, by theme. For climate change, we analyze the impact of environmental changes on our businesses and the effectiveness of response measures in accordance with the TCFD framework. We have also established a human rights due diligence

system that administers questionnaire surveys to partners on their complicity in human rights violations and other topics.

Indicators and Targets

We have 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. We review these materiality topics (material issues), indicators, and targets as necessary, based on the business environment and awareness of the issues.

*For materiality (material issues) KPIs, targets, and results, see "Non-financial Data (KPIs, Targets, and Results)" on pages 65 to 68.

Related SDGs, Risks, Opportunities, KPIs, Targets, and Initiatives

Through its business activities, Artner aims to help resolve social problems, thereby contributing to the realization of the UN's Sustainable Development Goals (SDGs) for the world.

The Member States of the United Nations adopted the Sustainable Development Goals (SDGs) in September 2015. The aim of the SDGs is to achieve 17 goals by 2030 with a view towards ending all forms of poverty, fighting inequalities, and tackling climate change while ensuring that no one is left behind.



Category	ID	Item	Related SDGs	Reason for selection	Risk	Opportunity	KPI	Target	Initiatives
Environmental	1	Improve energy efficiency and reduce energy usage		As a company, we have a social responsibility to reduce our offices' electricity and resource usage, and energy-saving measures lead directly to cost reduction and environmental conservation. Reducing greenhouse gas emissions is also a societal demand. Our commitment to it will earn us stakeholders' trust and fair appraisals of our enterprise value.	- Declining reputation and technological obsolescence if we are slow to respond - Increasing risk of extreme weather and natural disasters caused by climate change - Increasing costs due to stricter environmental regulations, etc.	- Increasing demand for dispatch of related engineers due to a growing need to adapt to a decarbonized and recycling society - Increasing funding from ESG investors	Greenhouse gas (GHG) emissions (Scope 1 and Scope 2) Greenhouse gas (GHG) emissions (Scope 3) Energy consumption (crude oil equivalent)	Net zero (FY2050) Net zero (FY2050) Reduction on an ongoing basis	Promoting energy-saving efforts, such as saving electricity used for lights, air conditioning, and PCs in offices and switching to LEDs; regularly measuring electricity usage and CO₂ emissions and setting reduction targets; switching to low-carbon vehicles, such as renting EVs; exploring the possibility of adopting renewable energy; going paperless and reducing the usage of copy paper Reinforcing the recruitment and training of engineers in the EV, FCV, and semiconductor-related fields; dispatching engineers to more carbon neutrality-related projects; building awareness through in-house training and information dissemination; supporting the TCFD recommendations and information disclosure based thereon
	2	Contribute to carbon neutrality through business activities		The Medium-Term Business Plan (FY2026 to FY2030) sets out carbon neutrality as the pillar of our business activities. We will recruit and train engineers in the fields of electric vehicles (EVs), fuel cell vehicles (FCVs), semiconductor-related products, etc., and participate in more technology development projects, thereby seizing growth opportunities that will lead directly to enterprise value creation.			Share of engineers placed in carbon neutrality projects among all engineers	50.0%	
Social	3	Resolve social issues by creating jobs		The core business of Artner as an Engineer Support Company is job creation through providing engineers with expertise in diverse fields. We are expected to help address the issues of labor shortages due to the declining birthrate and aging population and of regional revitalization.			Share of carbon neutrality recruitment targets for new graduates and career hires Turnover rate (engineers) *Excluding retirement and turnover via the Company's assistance program to change jobs	55.0% Under 10.0%	Reinforcing the recruitment of female/young engineers; supporting career pursuit through the job change assistance program
	4	Respect human rights		We have established our human rights policy based on the awareness that respecting human rights is a social responsibility we must fulfill as a company. It is essential for us as an engineer dispatching company to protect our employees' human rights and working environments at clients' sites. Since the occurrence of human rights violation can lead to the loss of trust, it is vital to ensure that we thoroughly implement measures against discrimination and harassment.	- Increasing competition and costs in the talent acquisition market - Declining quality of talent and labor productivity - Declining reputation associated with human rights issues	- More opportunities to acquire excellent talent - Innovation creation through diversity - Higher employee motivation - Contributing to the realization of a sustainable society	Number of serious human rights issues Number of discrimination incidents Percentage of employees who have received harassment training	None None 100.0%	Human rights/harassment prevention training; establishing and operating a helpline to receive any reports on compliance violations and inquiries related to human rights and anti-corruption; surveys on the status of human rights initiatives intended for suppliers
	5	Promote diversity and inclusion		Society expects that diverse talent, including women, people with disabilities, and non-Japanese, actively develop their careers. Such diversity and career development also help enhance the Company's competitiveness. With government policies to promote women's participation and advancement in the workplace, etc., promoting diversity will lead us to hire and retain human resources and create opportunities for innovation.			Share of female employees (engineers) Share of non-Japanese talents Employment rate of employees with disabilities	10.0% or more Recruitment on an ongoing basis Legally required employment rate	Establishing the Diversity Promotion Office; providing diversity training and LGBTQ+ workshops; increasing the number of female employees in managerial positions and improving the childcare and nursing care leave usage rates
	6	Develop and secure promising talents		As the issues of the declining birthrate and aging population and of engineer shortages due to booming design and development activities in the manufacturing industry are becoming increasingly serious, talent development and retention are a source of competitive advantages. Providing well-developed in-house training and qualification acquisition assistance, creating more accommodating systems for employees' skill development and ways of working, and benefiting society with our technological capabilities lead directly to our advantages in competition for excellent talent.			Average hours of annual training per employee (engineer) Average cost of annual training per employee (engineer) Turnover rate (engineers) *Excluding retirement and turnover via the Company's assistance program to change jobs	Same level each year Same level each year Under 10.0%	Skill Development Seminars, Career Support Courses, Manager training, and other education and training to support employees in upskilling; supporting career development through new employee training; qualification acquisition assistance; conducting online or in-person company information sessions and interviews; attentive regular follow-ups for universities and prospective employees; holding social gatherings and other events for prospective employees
	7	Strengthen corporate governance	-	As a company, we have a social responsibility to establish a fair and transparent corporate governance framework, which serves as the foundation for trust from external stakeholders. We will ensure greater transparency of the framework, faster processes, and enhanced internal control, thereby preventing scandals and establishing a stable management foundation.	Loss of social trust and deterioration of enterprise value due to violation of laws and regulations or corporate behavior that deviates from social norms	Establishing a stable business foundation through more transparent decision-making and appropriate responses to changes	Appointment ratio of Independent Directors Ratio of Outside Directors in the Nomination and Remuneration Committee	One-third or more Majority	Appointing Independent Directors and establishing relevant committees; holding Board of Directors meetings and committee meetings; establishing internal control and risk management frameworks; information disclosure (IR and the General Meeting of Shareholders)
	8	Promote compliance management		Compliance with laws and regulations, coupled with robust information security, is the foundation of trust in a company. Given that any compliance violation can lead to the loss of social trust and to legal sanctions, it is essential to ensure compliance across the company.	Increasing funding costs	- Strengthening relationships with diverse stakeholders - Increasing funding from ESG investors	Number of major compliance violations Number of major information security incidents	None None	Compliance and information security training; operating a whistleblowing helpline and an audit system; excluding antisocial forces and implementing anti-organized crime measures

Climate Change (Information Disclosure Based on TCFD Recommendations)

We disclose information in accordance with the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB).



Basic Policy

In recent years, our social environment has continued to change on a global scale, and addressing social issues, such as initiatives based on the recommendations of the TCFD, has become an important item on the management agenda. We regard addressing climate change as a material issue and have made carbon neutrality a pillar of our business activities in our new Medium-Term Business Plan (FY2023–FY2025). We will continue to strategically prioritize markets linked to carbon neutrality, such as electric vehicle (EV), fuel cell vehicle (FCV), automated driving, and semiconductor-related markets, and will focus on recruitment, education, and sales for these markets. Moreover, by having our engineers participate in carbon neutrality-related technology development projects such as these, we 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, we announced our support for the recommendations from the TCFD. We will disclose information in a manner consistent with the recommendations published by the TCFD, with the aim of achieving a sustainable society.

Governance

As we have rated climate change as a high-priority issue, we have 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 main members of the Committee consist 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. 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.

Strategy

As our social environment continues to change on a global scale, we believe that dealing with social issues, such as initiatives based on the recommendations from the TCFD, is an important managerial agenda.

Risk Management

At the Compliance and Risk Management Meeting, we identify risks that need to be addressed among various risks such as climate change, set priorities for responding to such risks, and manage 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.

Indicators and Targets

We calculate our greenhouse gas (GHG) emissions as shown below. Our goal for FY2051 is to achieve net zero GHG emissions.

Greenhouse gas (GHG) emissions (Scope 1 and Scope 2) Unit: tCO2

Description	Target	Result					
	FY2051	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Scope 1 Use of fuel for rental cars	Net zero	26.1	18.0	11.4	7.5	20.9	22.1
Scope 2 Use of electricity at our locations		82.5	79.3	79.9	91.2	133.2	119.8
Total		108.6	97.3	91.3	98.7	154.1	141.9

Greenhouse gas (GHG) emissions (Scope 3) Unit: tCO2

Description	Target	Result					
	FY2051	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Scope 3 Purchased goods and services; employee commuting, business travel, etc.	Net zero	—	—	1,002.8	1,147.7	1,471.8	1,780.4

<Our Response to Risks and Opportunities>

Artner conducts scenario analysis by identifying key risks and opportunities related to climate change and carrying out qualitative assessments of their impacts. We included our main business area of engineer dispatching while using two scenarios (4°C scenario and combined 1.5°C and 2°C scenarios) to examine the impact of climate change in the year 2030. We extracted risks and opportunities, and the degree of impact on our business activities was evaluated on a three-point scale of large, medium, and small. Regarding the financial impact of climate change on our business, we consider the risk of climate change to be low, as we are primarily engaged in engineer dispatching services in Japan and do not need to own production facilities or other equipment.

<Timeframe> 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
<Evaluation> Based on financial impact - Large: Impact is clearly large; Medium: Degree of impact is unknown; Small: Impact is clearly small; Gray: Assumed to have no impact

Risk item			Business impact		Business impact		Response		
Large category	Medium category	Small category	Consideration: risks	Evaluation (risks)	Consideration: opportunities	Evaluation (opportunities)	Ongoing efforts	Examples of our response to risks	Examples of our activities to achieve opportunities
Transition (1.5°C and 2°C scenarios)	Technology	Advances in low-carbon technologies	Our main customers are in the automotive industry, which requires us to provide engineers who can develop products related to low-carbon technologies. If we are slower than our competitors to respond to these technologies, our 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, our sales may increase due to an increased demand for the dispatch of engineers to our existing clients and new clients.	Large	Disclosed in Medium-Term Business Plan Participate in the automotive industry, etc., our main customers	Capture demand for the development of low-carbon products such as EVs and other low-carbon vehicles, as well as energy-saving and renewable energy equipment, etc.	
			Our main customers are in the automotive industry, which requires us to provide engineers who can develop products related to low-carbon technologies. If we are slower than our competitors to respond to these technologies, our 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 the low-carbon business. Enhancing our recruitment and training systems as well as our 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 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.	Large	Disclosed in Medium-Term Business Plan Participate in the automotive industry, etc., our main customers		
	Market	Change in demand for important products	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 our customer base, is making much progress in this area than other industries. If our efforts are deemed insufficient, there is a risk that our 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 we become recognized as a leader in addressing climate change issues, this could lead to increased sales.	Large	Disclosed in Medium-Term Business Plan Participate in the automotive industry, etc., our main customers	Contribute to the development of customers' low-carbon products by dispatching engineers with low-carbon skills. Acquire new clients by strengthening the low-carbon skillsets of our engineers	
			Change in reputation of our 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	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	Short-to long-term		
	Reputation	Change in reputation from customers	Change in reputation of our 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	—	Formulate a BCP in preparation for the potential occurrence of natural disasters	
			Change in reputation from investors	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	Short-to long-term		
	Physical impact (4°C scenario)	Acute	If our clients are adversely affected by increased natural disasters causing operation downtime, etc., our sales may decrease due to reduced demand for engineers as a result of R&D budget cutbacks. Also, in the event that our offices and training facilities are affected by such disasters, costs for recovery and relocation may be incurred.	Large		—	Disaster Prevention Manual	Respond to the growing demand for the development of air conditioning products	
		Chronic	Increased average temperature	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 our engineers and increased sales.	Medium	Disclosed in Medium-Term Business Plan Participation in the automotive industry, etc., for major customers		

The Relationship Between Personnel Policies and Enterprise Value

Personnel Measures Connected to the Medium-Term Business Plan

The company has taken a medium to long term perspective in implementing a personnel-related management strategy in the Medium-Term Business Plan (FY2026-FY2030), namely “Basic Policy: ii. Promote diversity and inclusion in talent management,” in order to respond to changes in the external environment and internal issues, and to build a foundation for sustainable growth now and in the future.

< Basic Measures >

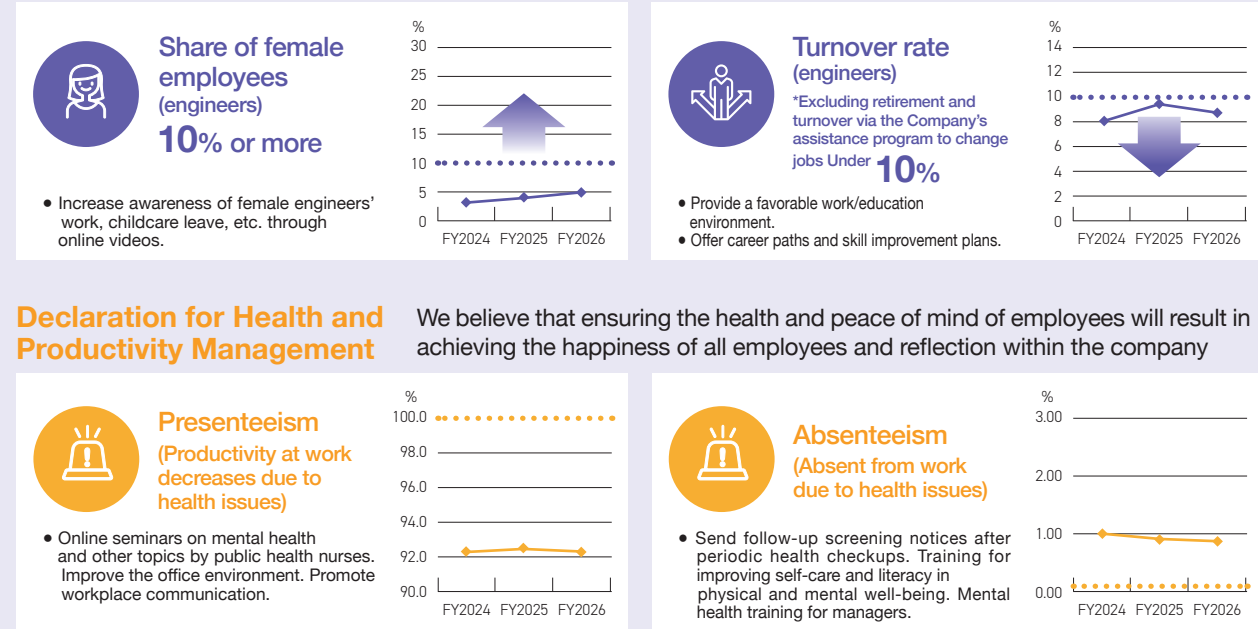
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Promote Diversity and Inclusion in Talent Management

- 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

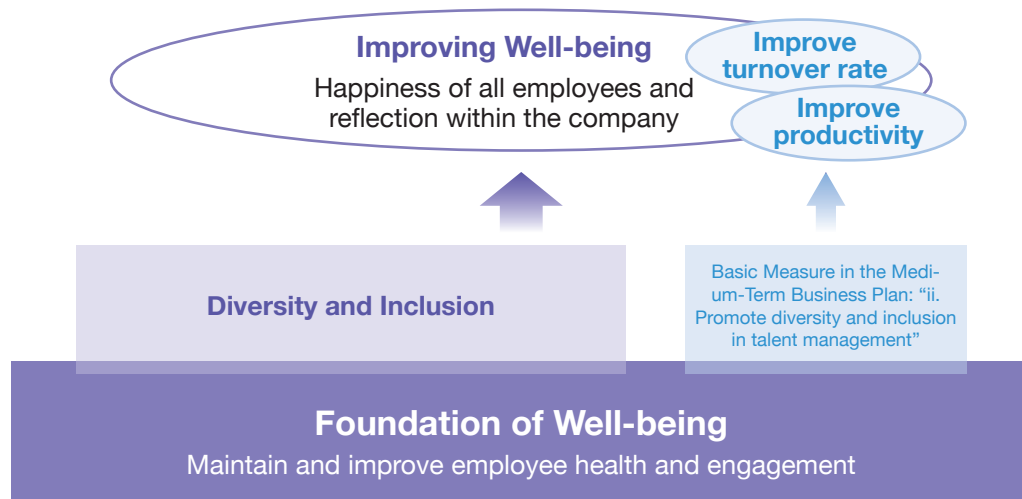
Basic Policy on Human Capital Management

We believe that talent is our greatest business asset, and that talent development and organizational development are key areas essential to the Company’s growth



Well-being

Our company holds that maintaining and improving employee health and engagement is the foundation of well-being. By building upon that foundation and promoting diversity and inclusion, we aim to achieve greater diversity in values, thereby contributing to the happiness of all employees and to the reflection within the company.

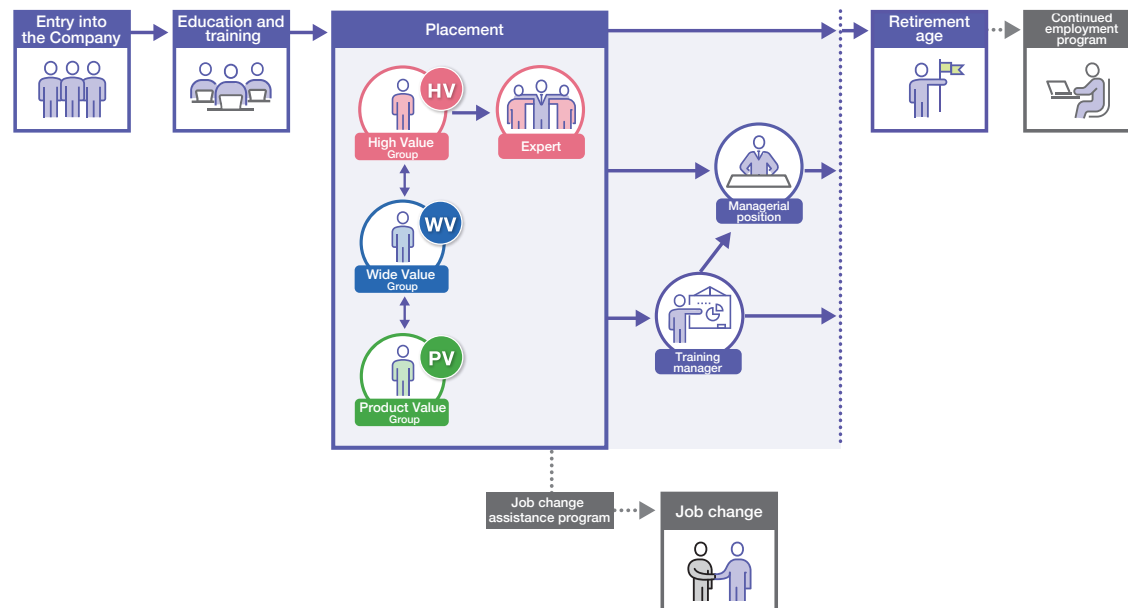


Employee Engagement

We believe that improving engagement for each and every employee leads to growth for both the individual and the company. We have set employee engagement as an indicator for measuring sustainable growth and are working to improve it, as it illustrates the extent to which employees connect with the company's purpose and organizational culture, and their enthusiasm for their work.

Career Paths Suited to Various Working Styles

After undergoing education and training, engineers that join the Company as regular employees are assigned to a suitable group and placed with clients. Employees then have multiple career paths available to them, from remaining in the field until retirement, to becoming experts and training managers, or entering middle managerial positions. We also offer a continued employment program and job change assistance program, and a system that supports changes in employment when an engineer and client both wish for it. We strive to create an environment where employees can work with peace of mind.



Support for employee skill improvement through education and training

By supporting employee skill and career development, we aim to improve engagement across the organization and grow our business. In addition to undergoing training, sales representatives regularly visit engineers and conduct online interviews to maintain close communication.

Skill Development Seminars

Seminars are held by inviting lecturers from various fields to help engineers acquire a wide range of knowledge and develop their human skills, not limited to specific technical areas.

Around 10 times a year, outside lecturers share technical information on various topics for our engineers' personal growth. The seminars especially help those with practical experience to develop criteria for making effective use of their experience.

Career Support Courses

To meet the skill requirements of the manufacturers to which our engineers are dispatched, courses for different jobs and career levels are offered.

Engineers receive both on-the-job and off-the-job team training concerning technology and products in high demand, conducted by employees actually participating in a manufacturer's project.

Employee Engagement Score

For the purpose of visualizing the gap between our employees and our vision and tying these efforts into continuous work environment improvements, we conducted an Employee Engagement Survey in FY2026 following the one we administered in FY2025. The engagement score for FY2026 was 74.2%, a 0.2-point increase year over year. The survey results clearly identified improvements in working conditions, work styles, and the work environment; the continuation and reinforcement of talent development and career support; and the enhancement of interdepartmental collaboration and internal communication as priority issues. In response to these issues, we will proceed to examine specific measures based on employee feedback. Going forward, through the analysis of survey results and execution of improvement measures, we will keep working toward the realization of a work environment where every single employee feels a genuine sense of fulfillment in their work and can continuously play an active role.

	FY2025	FY2026
Engagement Score	74.0%	74.2%

Initiatives for Improving Employee Engagement Scores

Based on the results of our Employee Engagement Survey, we promote various measures for improving engagement scores. We support the continuous skill development of our employees and the career development of young engineers by enhancing our training video content and providing training programs for employees in their second and third years with us. Additionally, through the likes of the company newsletter, town hall meetings, and welcome parties for new employees following their entry into the Company, we promote communication among employees and with management, which helps reduce feelings of isolation and foster a sense of belonging. Through these endeavors, we are building an organization where each and every employee can feel a genuine sense of growth and go about their jobs with a high level of motivation.

1. Providing a Genuine Sense of Growth Through Education and Training
- Enhancement of training videos (allowing employees to watch training sessions they were unable to attend) - Support for employee skill development - Second-year and third-year training programs - Opportunities for young engineers to reflect on their personal growth and career paths
2. Designing Close Communication (Measures to Address Feelings of Isolation and a Decline in Sense of Belonging)
- Company newsletter - Town hall meetings - Second-year and third-year training programs - Welcome parties following entry into the Company (for new employees)

Health and Productivity Management / Occupational Health and Safety

Declaration for Health and Productivity Management

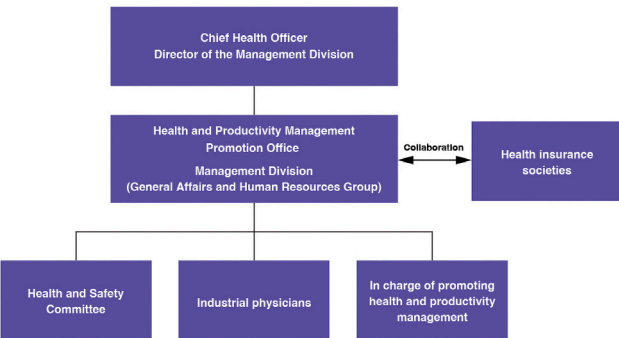
Based on Artner's management philosophy of being an Engineer Support Company, we at Artner believe that ensuring the health and peace of mind of employees at work will eventually result in achieving the happiness of all the employees and reflection within the company.

Under our mission to promote human resource development and the happiness of all the employees, we declare that we will work to create a workplace environment where each and every employee can work vigorously and in good mental and physical health.

Organization

Director Responsible for the Management Division will serve as the overall supervisor and the Management Division (General Affairs and Human Resources Group) will function as the Health and Productivity Management Promotion Office to plan, operate, and promote different initiatives.

In promoting the initiatives, these stakeholders will collaborate with the Health and Safety Committee, industrial physicians, and health insurance societies, and report on the progress at the Sustainability Committee meeting.



Occupational Health and Safety

By considering the occupational health and safety of our employees, Artner strives to enhance enterprise value and create an organization where all the employees can work safely and with peace of mind. In addition, because we believe that the ability of our 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, we promote employee health management and health promotion initiatives.

Risks Related to Potential Hazards Involved in Labor

We strive 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.

Mental Health Care for Employees

To support the mental and physical health of our employees, we provide them with mental health care from professional counselors, thereby helping in the prevention and early detection of mental health issues.

Various Forms of Training Conducted

Mental health training for managers by clinical psychologists

Mental health training by clinical psychologists is provided to managers and to staff working in sales, recruitment, and training. We can provide continuous mental health support to our employees by gaining a deeper understanding of how to recognize and care for mental illness.

*As for workplace mental health measures at companies or other organizations, managers and supervisors (e.g., heads of divisions or departments) provide one-on-one guidance or counseling to employees who directly report to them and improve the work environment.

Training to eliminate presenteeism

Public health nurses provide training on the main causes of presenteeism*: poor mental health, sleep issues, and eye strain. We hope that participants will use this training in their own self-care efforts, reviewing their own lifestyles in order to maintain and improve their health.

*Presenteeism: When productivity is reduced to health issues, though the employee does not miss work and therefore does not become an attendance management issue.

Training on generative AI

For engineers, we hold courses at Skill Development Seminars on the role of designers in the age of AI and the reinforcement of new business development capabilities. For administrative employees, we conducted training sessions that cover a fundamental understanding of generative AI as well as Copilot utilization. We are endeavoring to develop talent company-wide, capable of thriving in this age of AI and DX.

Diversity and Inclusion

Improving the Employment Environment to Promote 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. We also strive to increase the number of female executives and improve the rate of childcare and nursing leave utilization.

Diversity and LGBTQ+ Initiatives

At Artner, we believe that promoting workplace diversity and giving all employees the opportunity to demonstrate their full potential lead to innovation and value creation. For this purpose, we strive 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.

Establishing a Diversity Promotion Office

In September 2011, Artner set up a Diversity Promotion Office (now Diversity Team), centered around people with disabilities. In addition to promoting the employment of people with disabilities, we also aim to create a workplace that enables all employees to feel fulfilled by their work.

Online Discussion Between a Male Employee Who Took Child-care Leave and the Manager Who Supported His Choice



To enable our male employees to actively take part in childcare, we encourage both female and male employees to take advantage of our childcare leave system. For this report, we conducted an interview with a male employee who actually took childcare leave and the manager who supported his choice.



When my wife entered the stable phase of her pregnancy and I reported that to the Company, my manager and colleagues asked, "Aren't you going to take childcare leave?" That prompted me to look into the system and associated allowances, which led me to decide to take childcare leave. When I told my manager that I wanted to take three months of childcare leave, he asked, "Are you sure you don't want to take it for longer?" I was truly grateful he said that.



Artner has had a childcare leave system in place for some time, so as his manager, I felt comfortable sending him on leave. I also personally traveled from East Japan to Osaka about twice a week on business to provide on-site support.



I truly felt secure. I created a procedure manual and spent a week handing over my duties. The HR staff handled my case with courtesy as well and left me feeling that Artner was a great company.

Active Hiring of People with Disabilities

Artner actively hires people with disabilities. In 2018, Artner was officially recognized by Osaka Prefecture for its outstanding company efforts in support of people with disabilities. (This award is part of the prefecture's initiatives to actively support the employment of people with disabilities.)

Japanese language training for foreign personnel

We administer this training to international students after they complete basic training. Their studies cover a wide range that includes culture and etiquette at Japanese enterprises and Japanese expressions and grammar, tailored to students' individual Japanese level. The purpose of the training is to have international students develop practical ability to communicate in Japanese, from drafting emails to conversing about business.

Employment of Senior Talent

At Artner, employees who wish to continue working after the age of 60 can take advantage of the "continued employment program." To adapt to the rapid aging of Japan's population, and with the aim of creating an environment where motivated seniors can remain active without a time limit, we have established this program that offers continued employment for engineers who would like to continue working in design and development after reaching the retirement age of 60.

Balancing Work and Family Care: Artner's Short-Term and Long-Term Family Care System

Anyone can find themselves in a situation where they need to provide care to someone. Artner has established short-term and long-term family care leave in accordance with pertinent laws and regulations, thereby putting a system in place that allows employees to choose according to their situation. Furthermore, we have established a system for shortened shifts to help employees balance work and family care. In light of legal amendments made in May 2024, we consistently operate the system in accordance with the latest laws and regulations. We ensure thorough awareness through the publication of rules on the Company's intranet, the preparation of guidebooks, email notifications, and compliance training. Our belief is that providing information that pushes the system beyond a mere formality helps make it easier for employees to take advantage of it when they need to.



Comments by an engineer who has actually used the system
I used five days of short-term family care leave in a year to accompany my mother for hospital visits and stays as well as to help her move into a care facility. As I had reviewed the rules when I took maternity and childcare leave in the past, I was able to move the application process along smoothly while consulting with HR staff. Since I had explained the situation to my assigned company and manager in advance, I did not feel hesitant to take time off. It was truly helpful to be able to care for my mother without having to worry about my remaining paid leave days, and it also gave me some emotional breathing room. In my experience, knowing about the system in advance proves to be helpful in balancing work and family care.

Human Rights

Human Rights

Our company operates in the human resources business, and has signed the United Nations Global Compact and supports its Ten Principles. As such, we recognize the importance of respecting human rights within our supply chain. We have already implemented initiatives related to human rights. Our Basic Sustainability Policy includes the goal of achieving “happiness for all employees,” and places the respect for human rights as one of eight “materiality (material issues)” that should be prioritized. The UN’s Guiding Principles on Business and Human

Rights (UNGP) clarify the responsibility companies have to respect human rights, and recent years have seen this become an increasingly important issue in regard to business continuity. Taking into account our previous efforts and the social background, we established our Human Rights Policy in February 2024. This policy will be an integral part of our business activities going forward, and we will encourage our suppliers to do the same, thereby further promoting our efforts to respect human rights.

Human Rights Policy (Summary)

1. Basic view on human rights

2. Key international human rights norms that this policy complies with

3. Scope

4. Initiatives to ensure human rights are respected in our business activities
5. Governance

6. Human rights due diligence

7. Remediation and relief

8. Education and training

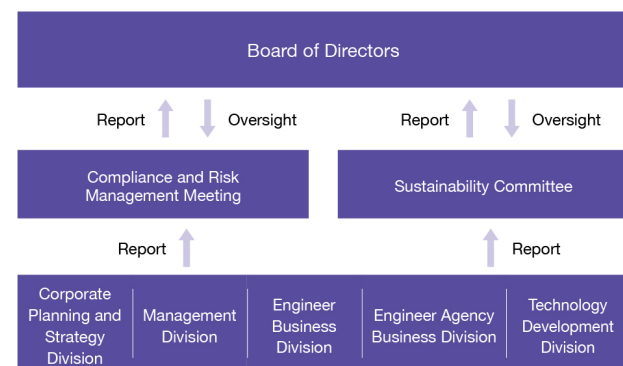
9. Information disclosure

10. Dialogue and discussion with stakeholders

Human Rights details <https://www.artner.co.jp/en/sustainability/social/human-rights/>

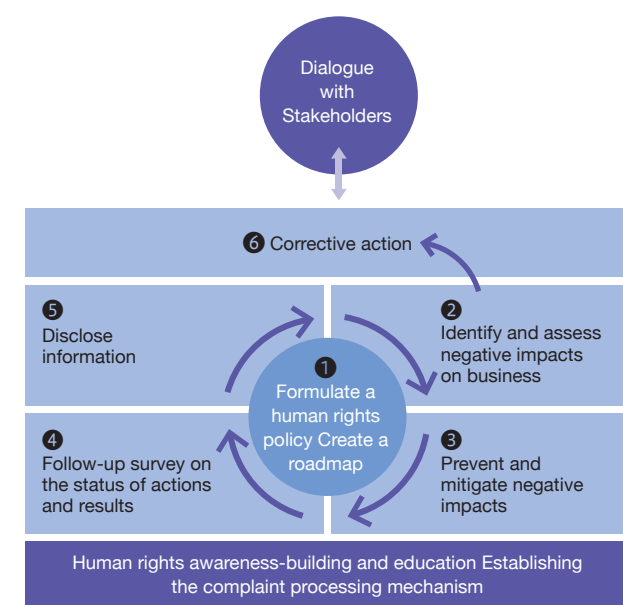
Human Rights Promotion System

Artner considers human rights to be a key sustainability issue and has established the Sustainability Committee under the direct supervision of the Board of Directors to establish human rights-related sustainability policies, targets, and action plans; manage and evaluate progress toward these targets; deliberate on individual measures; and report to the Board of Directors.



Human Rights Due Diligence

We have established a human rights due diligence system through which we identify negative impacts on human rights and work to prevent and mitigate them. In FY2024, we conducted a questionnaire-based survey of our partners on their basic stance, respect for human rights, and health and safety issues. We also assessed the status of their human rights initiatives, organized the issues, and formulated a three-year roadmap. During the fiscal year in question, we conducted a human rights risk assessment in order to identify the negative impacts of our business activities and supply chain on human rights, and created a risk map for gaining an overall picture of priority issues. In addition, because the circumstances surrounding human rights are constantly changing, we will endeavor to mitigate human rights risks by continuously striving to keep current with the latest information and human rights standards.



Key Human Rights Issues Identified Through Our Human Rights Risk Assessment

Through our human rights risk assessment, we identified key human rights issues that must be addressed with priority based on the potential for negative impacts on human rights arising from our business activities and supply chain and the severity of those impacts. In conducting the assessment, we identified business fields with significant risks, organized the processes through which negative impacts arise, evaluated our involvement, and assigned a priority order for responses. As a result, we identified the following as human rights issues of relatively high importance, among other issues: harassment as well as unreasonable instructions and coercion at client companies; isolation and a decline in psychological safety resulting from being the sole employee on permanent assignment; mental health issues; customer harassment; unfairness in evaluations, working conditions, and the like; leaks of personal information in the course of business; child labor and forced labor in the supply chain; human rights risks related to conflict minerals; and insufficient verification and management of respect for human rights on the supplier side. Going forward, we will promote measures to prevent and mitigate the identified key issues through education and awareness-raising, the operation of consultation desks and our complaint processing mechanism, collaboration with client companies and partners, supply chain

management, and so forth. We will also review assessment results and the effectiveness of measures on a regular basis to help improve the effectiveness of our efforts to respect human rights.

Complaint Processing Mechanism (Internal Whistleblowing System)

We have established a helpline to receive any reports on compliance violations and inquiries related to human rights and anti-corruption, and take steps as necessary for relief and remediation upon investigation. We strictly enforce the confidentiality and protection of whistleblowers’ personal information and prohibit the disadvantageous treatment of whistleblowers based on their reports. During the fiscal year in question, we conducted a review using a checklist to further enhance the effectiveness of our complaint processing mechanism. In conducting the review, we verified the overall operation of the system from such perspectives as its legitimacy, ease of use, fairness, and transparency, and identified elements that require improvement. Note that during the current fiscal year, there were zero consultations regarding human rights. We will continue to work on establishing mechanisms that allow those seeking consultations to do so with peace of mind and on spreading awareness of those mechanisms.

Initiatives

All employees at our company receive ongoing training that gives them basic views on how to think about human rights, and that raises awareness about human rights.

Human Rights Training

	Training theme	Description
2025	Human rights	(1) What are human rights? (2) Outline of the main human rights risks that companies should consider (3) The need for corporate human rights efforts and their impact (4) Artner's human rights efforts (5) Artner's human rights policy
2024	Human rights	(1) What are human rights? (2) Outline of the main human rights risks that companies should consider (3) The need for corporate human rights efforts and their impact (4) Artner's human rights efforts (5) Artner's human rights policy
2023	Human rights	(1) What are human rights? (2) Increasing attention on how companies are addressing human rights (3) Subjects (rights holders) whom companies should respect (4) Human rights risks (5) Human rights fields that companies should respect (6) Main impacts of adequate/inadequate human rights efforts (7) Artner's human rights policy

Supply Chain Management

Artner recognizes respect for human rights in its business activities, including those in its supply chain, as an important matter. For partners, we share our procurement policy and verify that human rights are being respected through regular questionnaire surveys. We form a grasp of risk and analyze it based on the results of those surveys, and issue requests for improvements as necessary. In doing so, we continue endeavoring to practice appropriate supply chain management.

Procurement Policy

- As a responsible member of society, we will comply with laws and regulations and respect social justice and basic human rights.

• We will establish equal and fair business relationships and procure the best and most appropriate resources.

• We will conduct fair transactions and act by putting ourselves in our customers’ shoes.
- We will meet customer needs by providing products that offer value in all aspects of price, quality, safety, and the environment.

• We will strive to use environmentally friendly products.

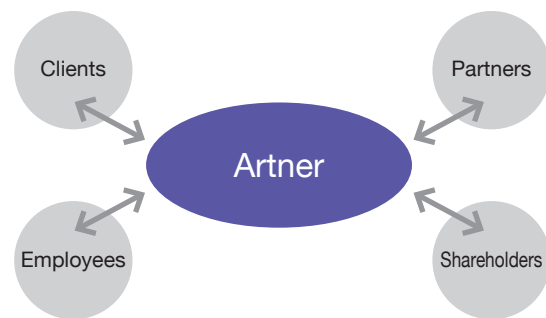
• We will strive to properly manage documents and information.

• We will strictly manage information that should be kept confidential.

Stakeholder Engagement / Social Contribution

Stakeholder Engagement

To ensure that our company runs sustainably, it is important that we hold dialogues with stakeholders and integrate their expectations and demands into our business strategy and activities. While creating more opportunities for communication, we will strive to further reflect stakeholder perspectives into our corporate management.



Stakeholder	Approach	Engagement	Frequency	Values provided
Clients	We will become a group of ambitious and highly motivated engineers that live up to the trust of our clients and grow together, building on dialogues with clients in diverse industries as their trusted technical partner.	- Information provision through our Annual Report, IR Reports, and official website - Dialogues and hearings with clients - Talent education and training - Job change assistance program	Regularly Any time	Placement of engineers with high added value
Partners	We will aim to build good partnerships based on mutual trust through equitable and fair transactions.	- Information provision through our Annual Report, IR Reports, and official website - Dialogues using online conferencing tools - Improve energy efficiency and reduce energy usage - Contribute to carbon neutrality through business activities	Regularly Any time	Co-creation of value
Employees	We will aim for the happiness of all employees and reflection within the company, believing that talent is our greatest business asset, and that talent development and organizational development are key areas essential to the Company's growth.	- Provision of skill development opportunities through training and seminars - Employee Stock Ownership Association - Health and productivity management - Mental health care - Labor union - Social gatherings - A range of salary systems - Limited area system - Internal recruitment program - Job change assistance program	Regularly Any time	- Happiness of all the employees and reflection within the company - Retention of employment
Shareholders	Artner's No.1 business challenge is steadily improving shareholder value over the long term. In addition to expanding our business and ensuring profitability, we will aim to build trustful relationships through faithful and fair information disclosures and active communication.	- General Meeting of Shareholders - Briefing for analysts and institutional investors - Briefing for individual investors - Information provision through our Annual Report, IR Reports, and official website - One-on-one meetings - Inquiry form and telephone	Regularly Any time	- Sustainable growth - Profit distribution

Industry-Academia Collaboration

Deepening industry-academia collaboration by combining universities' advanced technologies and Artner's practical skills.

Lectures at Universities

Our training staff give practical lectures at universities as part-time lecturers and seminar lecturers.



Publication of Educational Materials

With the cooperation of companies and universities, we have put together books on the training know-how that we have accumulated, and use the books in our education and training.



Collaboration with Academic Societies and Organizations

We present papers at affiliated academic societies and organizations. We are deepening our friendship with members of universities.

- Japan Society for Graphic Science
- Japan Society for Design Engineering
- The Japan Society of Mechanical Engineers
- The Institute of Electrical Engineers of Japan, etc.

Skill Development Papers

Our training systems and outputs are made available as papers to educational and business professionals. The papers are used for developing a wide range of human resources.



Regional Contribution

As a member of the local community, we are involved in community outreach activities such as supporting the education of the next generation of manufacturing professionals and beautifying the environment.

Initiatives to Clean Public Spaces

As part of its community service activities, Artner organizes a cleanup of Esaka Park, located near our learning centers in Western Japan, and of Shin-Yokohama Ekimae Park, located near our Tokyo headquarters and learning centers in Eastern Japan, inviting the participation of all of our directors, managers, and employees.



Participation in Environmental Conservation Activities at Futatsuike Park in Tsurumi Ward, Yokohama City

As part of our community service activities, we took part in environmental conservation activities organized by the Futatsuike Park Preservation Society at Futatsuike Park in Tsurumi Ward, Yokohama City. These activities involve the uprooting of Canada goldenrod plants. Root removal is positioned as a measure intended to reduce impacts on natural capital by helping to restore biodiversity and stabilize ecosystems through the regeneration of native vegetation. Under our Basic Sustainability Policy, we are promoting initiatives geared toward biodiversity.



Donations and Support

We donate to various organizations to contribute to the achievement of the SDGs.

Support (Donations) for the Akai Hane Central Community Chest of Japan

We provided assistance to the Akai Hane Central Community Chest of Japan, which engages in support and aid activities to address living issues in the community (such as child poverty, social withdrawal ("hikikomori"), and assistance for the elderly and disabled children and adults).

Support (Donations) for the United Nations World Food Programme (UN WFP)

In support of its activities, we make donations to the United Nations World Food Programme (UN WFP), which endeavors to save children in poverty from hunger and help with their sound development through efforts such as food assistance to 83 countries and school lunch assistance to over 30 countries in the world, alongside improving school enrollment rates and expanding educational opportunities.

Donations to the World Wide Fund for Nature Japan (WWF Japan)

In April 2025, Artner donated ¥500,000 to WWF Japan, an organization focused on restoring the declining biodiversity and preventing global warming, with the aim of building a future in which people and nature thrive in harmony. Going forward, the Company will continue to pursue the further growth of its businesses, alongside actively supporting international and social causes and the conservation of the natural environment.

Artner Supports the "Plastics Smart" Campaign by the Ministry of the Environment of Japan

As a supporter of the "Plastics Smart" campaign promoted by the Ministry of the Environment of Japan, Artner has registered its initiatives based on the "Artner Plastic Smart Declaration" on the campaign's official website. With a view to achieving SDG 14, "Life Below Water," Artner established the "Plastic Smart Declaration," and promotes conduct mindful of the 3Rs of Reduce, Reuse, and Recycle across the company. We also collect plastic bottle caps at our business locations across Japan to be recycled. Part of the proceeds from the recycled bottle caps are donated to Japan Committee, Vaccines for the World's Children (JCV), a certified NPO. In turn, these donations are used to provide vaccine assistance in collaboration with UNICEF.

