Corporate Governance

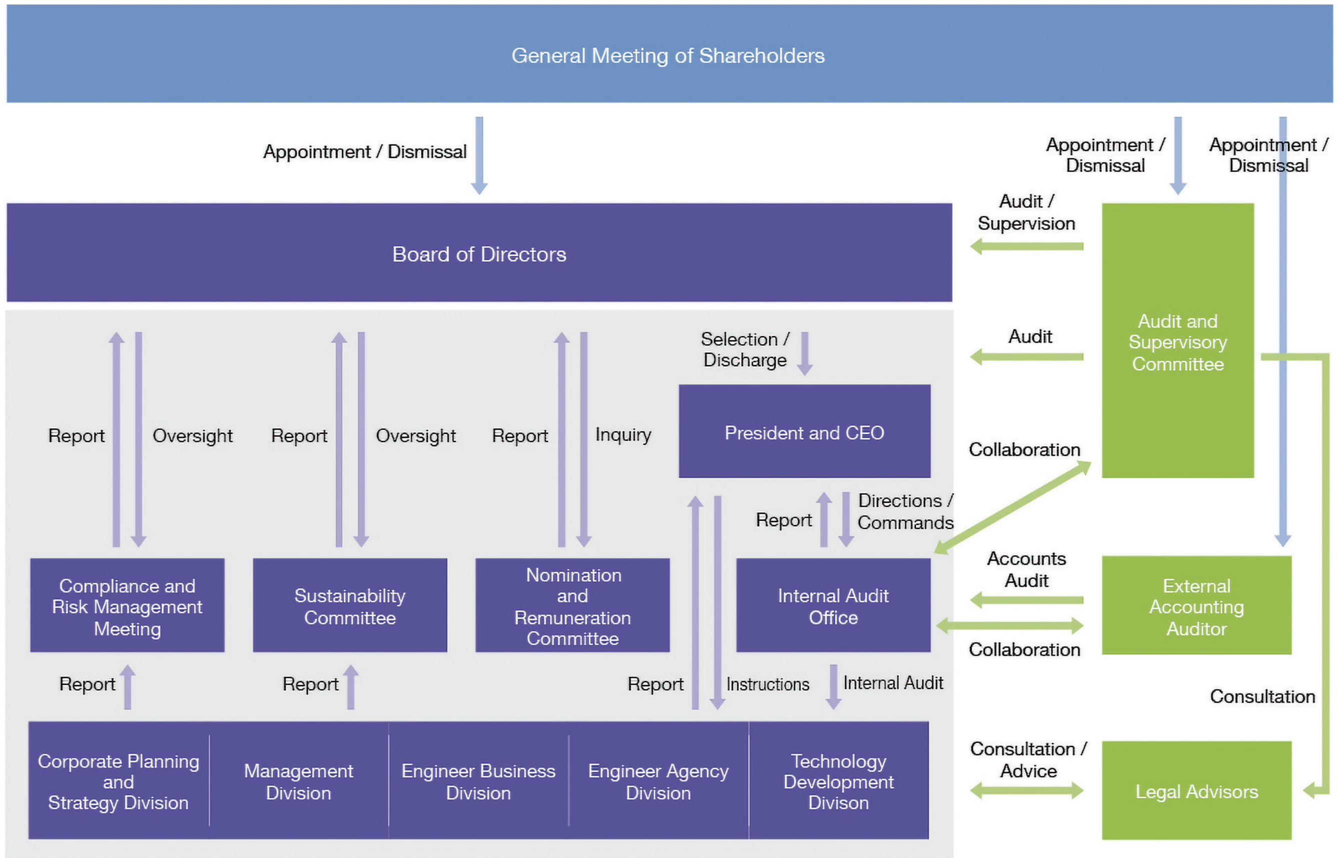
Basic Views

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 three 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 meets twice a month and 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 Sustainability Committee, chaired by the President and CEO, is composed mainly of division and department heads in addition to six Directors. The committee meets four times a year.

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 (FY2026)

< 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	32 out of 32 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		5 out of 5 meetings (100% attendance rate)
Managing Director	HARIGAE Tomonori	32 out of 32 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		
Director	OKUSAKA Kazuya	32 out of 32 meetings (100% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		
Director	SATO So	2 out of 7 meetings (29% attendance rate)	12 out of 12 meetings (100% attendance rate)	4 out of 4 meetings (100% attendance rate)		
Director	EGAMI Yoji	2 out of 7 meetings (29% 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	32 out of 32 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)	5 out of 5 meetings (100% attendance rate)
Outside Director and member of the Audit and Supervisory Committee	TERAMURA Yasuhiko	32 out of 32 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)	5 out of 5 meetings (100% attendance rate)
Outside Director and member of the Audit and Supervisory Committee	MORII Shinichiro	32 out of 32 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)	5 out of 5 meetings (100% attendance rate)

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

< 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	**Deliberations and Reports** 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.

Policies for Determining the Remuneration of Directors and Calculation Methods for the Fiscal Year Ended January 31, 2026

Remuneration of Directors

The remuneration of directors consists of a basic remuneration and a performance-linked bonus. The upper limits of the remuneration established by resolution at the General Meeting of Shareholders held on April 27, 2017, are ¥200 million per year for three directors who are not members of the Audit and Supervisory Committee and ¥30 million per year for three directors who are members of the Committee.

Board of Directors and the Audit and Supervisory Committee

The Board of Directors and the Audit and Supervisory Committee have authority over the remuneration of directors. This authority extends to deliberating and determining the amount of a basic remuneration and a performance-linked bonus for each director.
The remuneration of directors who are not members of the Audit and Supervisory Committee is determined solely by the Board of Directors, whereas the remuneration of Audit and Supervisory Committee members is determined by deliberation among the members of the Committee.

Determining the Policy for Determining the Remuneration for Each Individual

The method of determining this policy is set forth in the rules concerning the remuneration of directors, resolved by the Board of Directors.

Board of Directors

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

Policy for Determining the Percentage of the Amount of Remuneration for Each Individual

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

Basic Remuneration

The basic remuneration is determined based on the amount established for each director position, with the Company´s business performance, relative weight against employee salaries, and remuneration levels at other companies taken into consideration. However, if it is not appropriate to pay a remuneration calculated in such a manner due to a significant decline in the Company´s business performance or other factors, the Company reserves the right to reduce the amount of basic remuneration.

Metrics for Performance-Linked Bonuses

The metrics for performance-linked bonuses are calculated using a formula based on the Company´s annual profit, as this is judged to be the most reasonable way to measure the performance of directors.

Total Amount of Remuneration for Each Director Paid

We have omitted providing information here as no directors were paid remuneration of ¥100 million or more.

Incentive Policies for Directors

Performance-linked remuneration may be paid to Directors out of up to 2% of annual profits.

Total Amount of Remuneration of Directors (FY2026)

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

*The above table includes two Directors who resigned at the conclusion of the Ordinary General Meeting of Shareholders held on April 24, 2025.

Analysis and Evaluation of the Effectiveness of the Board of Directors

Under its Corporate Governance Code, Artner Co., Ltd. (“the Company”) periodically analyzes and evaluates the effectiveness of its Board of Directors in order to make it work better. On this occasion, we carried out analysis and evaluation for the fiscal year ended January 31, 2026, and hereby notify the summary of the findings.

Evaluation Method and Process

A questionnaire survey to evaluate effectiveness for the fiscal year ended January 31, 2026, was distributed to all eight directors. Based on the responses collected, the Board of Directors discussed its issues and actions to address them.

Evaluation Items

The Company conducted a 34-item questionnaire survey to evaluate effectiveness. The survey asked members of the Board to make a self-evaluation by giving comments and grading on a point scale. The survey focused on the following five areas:

a. The composition of the Board of Directors;
b. Planning, convening, and administrating board meetings;
c. Matters selected for deliberation at board meetings;
d. Administrative assistance provided to the Board of Directors; and
e. Relationships with shareholders.
f. Group governance

Summary of Analysis and Evaluation Results

There is a shared recognition that it is desirable to further enhance discussions and oversight with respect to items relating to the ensuring of the diversity of the Board of Directors and those relating to Group governance. More specifically, the Company has come to recognize that going forward, it must proceed to examine the following areas on an ongoing basis: the diversity of the members of the Board of Directors, deliberations of medium- to long-term corporate strategy and of the Medium-Term Business Plan, ongoing discussions of succession plans for the Representative Director and of the nomination of Director candidates, risk management systems for the entire Group, and so forth.

Way Forward

The Board of Directors will take the necessary actions to address some remaining issues identified from the survey to continue to enhance its effectiveness.

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 dispatch-ing 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, regula-tions, 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.	To cope with the likes of disasters and accidents, we set forth Business Continuity Plans (BCPs) and manuals and elevate organizational resilience in order to mitigate 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 environ-ment 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.

2. Scope

This policy applies to all officers and employees of Artner. Furthermore, we request all business partners affiliated with our businesses and services to understand and support this policy.

3. Initiatives to prevent corruption in our business activities

- 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

4. Governance

Our initiatives under this policy will be regularly reported to and managed by the Compliance and Risk Management Meeting and the Sustainability Committee. The Board of Directors will be informed of its details and provide supervision.

5. Whistleblowing system

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.

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 areas including corporate transactions, overseas branches, and fund management during his 29 years in banking, cultivating practical knowledge in financial accounting, particularly in the fields of funds and securities. Was later transferred to an international logistics company, where he worked in general management for 13 and a half years. Was responsible for management as Senior Managing Director, oversaw overseas subsidiaries in six Southeast Asian countries and handled M&A, and served in representative posts at multiple subsidiaries. Engaged in the entire M&A process, from drafting and agreement conclusion to post-acquisition PMI, in addition to negotiations in the automobile and machinery industries, deepening his understanding of management practices that included subsidiary management and risk management. Was made a member of the Audit and Supervisory Committee of the Company in 2021. Currently leveraging his expertise in general management, group management, M&A, and risk management in overseeing discussions and decision-making by the Board of Directors as well as focusing on developing the next generation of management talent and improving remuneration systems as Chair of the Nomination and Remuneration Committee.

(center)

NOMURA Ryuichiro

Independent Director and standing member of the Audit and Supervisory Committee

Has worked extensively in corporate transactions, a New York branch, in foreign exchange, loans, and other operations in banking for 30 years, cultivating practical knowledge in financial accounting and corporate finance. Was especially involved in loans for a long time, responsible for investor relations and matters related to stocks and shareholder meetings, and was also involved in practical affairs based on shareholder perspectives as head of the transfer agent department. Was subsequently involved in management at a real estate company for eight years and also served as the representative of a REIT company under a general trading company, deepening his experience in practical management. Was made a member of the Audit and Supervisory Committee of the Company in 2022, serving as a standing member since 2023. Currently leveraging his expertise in financial accounting cultivated through his involvement in loans and his understanding of practical affairs related to investor relations and stocks gained through his involvement in transfer agent affairs in discussions and judgments as a member of the Audit and Supervisory Committee.

(right)

MORII Shinichiro

Director and member of the Audit and Supervisory Committee

Spent 45 years at a housing equipment and fixtures manufacturer, overseeing an entire region as a branch manager. Was involved in coordinating with the production and development departments and formulating medium-term area strategies in addition to general marketing and sales, and was also responsible for developing new clients and providing sales advice. Cultivated knowledge of areas such as human capital enhancement, talent development, turnover rate reduction, and engagement improvement while targeting markets and customers from a manufacturer's perspective and also being involved in organizational management for a long time. Has served as a member of the Audit and Supervisory Committee of the Company since 2021. Currently focusing on offering recommendations leveraging manufacturer perspectives as well as addressing key issues such as talent development and retention and engagement improvement.

Based on the effectiveness evaluation for the previous fiscal year, what improvements were made by the Board of Directors?

Nomura: With the introduction of the Executive Officer system in May 2025, our Board of Directors made the transition to a structure that allows it to focus on deciding and overseeing management strategy. As a result, management decisions are made with greater speed, and the discussions that take place regarding business risks are now more focused.

Teramura: Reducing the size of the Board of Directors has led to more substantive, lively discussions compared to before. In FY2026, two subsidiaries were added through M&A, and concrete discussions based on actual conditions have been held regarding the post-merger integration (PMI) process as well. The management of Group companies is extremely important, and it is my belief that frank discussions at Board of Directors meetings contribute greatly to enhancing our supervisory functions.

Morii: With regard to the evaluation results, including diversity within the Board of Directors, efforts are being made to enhance disclosure and discussions, and the content of the regular exchanges of opinions that take place between Outside Directors, the Nomination and Remuneration Committee, and the President is now incorporated in Board of Directors meetings. These initiatives have also led to the introduction of the Executive Officer system and have contributed to the strengthening of corporate governance and the enhancement of our supervisory functions.

Among the issues that became visible in the effectiveness evaluation for this fiscal year, which points are particularly important for sustainable growth and what discussions have taken place to address them?

Nomura: The most important issue is building sustainable organizational and personnel structures. The multilayered placement of talent through recruitment and development activities with a view to five years down the road is a key theme in our Medium-Term Business Plan as well. In order to achieve that, we have been discussing and making repeated recommendations regarding personnel and labor affairs, organizational challenges, the nature of recruitment activities, the prevention of employee turnover, and so forth.

Teramura: Our succession plan for the President and CEO and the diversification of Board members are critical issues for sustainable growth. As part of our response to those issues, we introduced the Executive Officer system last year and have been working to develop management talent. Furthermore, it is also necessary to strengthen the talent pool for those ranking below department heads, such as leader- and chief-level employees, to build an organization that is both sustainable and robust. While discussions of matters such as the design of the personnel and salary systems are taking place at Board of Directors meetings as well, challenges remain in recruitment activities and talent retention. We therefore strive to voice our opinions and raise issues without overlooking matters that may seem trivial on the surface.

Morii: I believe that organizing a group of high-achieving engineers is a key challenge of ours. To make that happen, we are putting a wide range of topics on the table, such as methods for recruiting new graduates and career hires, the status of skill development training, and the controlling of engineer turnover, and engaging in discussions with greater depth from an objective point of view.

How do you assess the contribution of the Medium-Term Business Plan (FY2026 to FY2030) to sustainable growth and the enhancement of enterprise value, as well as the progress made in the first fiscal year of the Medium-Term Business Plan?

Nomura: Our Medium-Term Business Plan is a key initiative that contributes to the building of a foundation for sustainable and next-generation growth. However, at this juncture, that foundation cannot be said to be sufficient. We must continue reinforcing it. One point worthy of recognition in the first fiscal year of the Medium-Term Business Plan is the improvement in communication among the individual departments. I expect such improvements to lead to an increase in employee motivation, a revitalized organization, and a reduction in engineer turnover.

Teramura: As the environment surrounding engineers changes rapidly, we are implementing Basic Measures centered on strengthening our ability to supply engineers who are capable of meeting our clients' needs. One of those measures is our effort to raise the proportion of staff assigned to high-end fields. We are endeavoring to raise the level of our technical prowess by redesigning our recruitment and educational activities for each segment. Additionally, reinforcing our contracting business also serves to internally support the active participation of engineers who find it difficult to work in a dispatch capacity due to their employment conditions. My view is that a steady buildup of these measures will consistently contribute to the enhancement of our enterprise value.

Morii: I expect that M&A and business alliances with other companies in the same industry will translate into future performance growth. At the same time, we need to further accelerate our efforts to secure talent in order to address the steadily expanding market. We will continue to closely monitor progress toward achieving the numerical sustainability targets set forth in our Medium-Term Business Plan.

How do you assess the effectiveness of the Executive Officer system introduced last year?

Nomura: Since the introduction of the Executive Officer system, I feel there are many aspects that can be commended with respect to the initiatives individual departments took regarding their operations and performance. At the same time, it is essential that each and every Executive Officer keeps reevaluating their efforts and striving to make improvements, asking themselves questions like "Are we consistently taking action with the Basic Policy and Basic Measures under the Medium-Term Business Plan in mind?" "Are efforts being made to revitalize our organization and ensure efficient operations?" and "Are we focusing enough on the guidance and development of our team members?"

Teramura: Our Executive Officers are taking on even greater responsibility than before in their efforts to achieve the targets of their individual departments, and interdepartmental discussions have become more active and concrete. Previously, I was sometimes concerned about the aspects of departmentalism that were present. However, since the system was introduced, enthusiasm for company-wide initiatives has grown, and lively discussions are now taking place during interdepartmental meetings. I find this to be a very positive change.

Morii: At meetings of the newly established Management Committee, all Directors and Executive Officers hold discussions on a quarterly basis to review policies and directions and share information through the exchange of opinions on corporate risks and other matters. Additionally, interdepartmental meetings are held regularly among Executive Officers as well, allowing for swift discussions to identify and resolve issues.

In terms of the development of next-generation leaders and succession planning, how does the Executive Officer system function? Also, what issues are there, if any?

Nomura: It is extremely critical that we actively appoint talent who will uphold the next generation. I believe that having Executive Officers serve as the heads of individual departments is resulting in further promotions of mid-career employees to leadership positions and the appointment of young employees, and is proving effective in developing management talent. The current challenge we face is that, because the management ranks in staff departments are stretched thin, reassigning employees across departments

is not an easy task. In my opinion, reducing the silo mentality among departments and letting employees gain experience in multiple departments while they are still young will lead to the development of future management talent.

Teramura: Each Executive Officer is leveraging their wealth of experience in their respective departments to turn cross-departmental recommendations, which had previously been impossible to implement, into concrete measures. This is an example of an area in which we are seeing strong momentum. Given that they are being asked to take responsibility for the operations of their own department under demanding targets, display accountability in meetings, and bear responsibility for the final results, it is not an exaggeration to say that Executive Officers are experiencing the very battlefield of management. I would say the effects of the management talent development we initially anticipated are steadily becoming apparent. On the other hand, there is still room for improvement in terms of how to strengthen the pool of executive-level talent who will form the next generation of management. This will be our next key focus.

Morii: Along with the introduction of the Executive Officer system, it is urgent that we review evaluation criteria and develop and expand a tiered talent structure. At present, we are reviewing our evaluation criteria for engineers, and we believe these efforts will also tie into talent development. It is also necessary for us to implement regular cross-departmental rotations within our administration. The bold selection and promotion of young talent is another challenge we cannot avoid in working toward revitalizing the organization as a whole.

Given developments in AI technology, what kind of actions and discussions do you consider important for governance purposes from the dual perspectives of business opportunities and risks?

Nomura: Developments in AI technology are accelerating at an ever-increasing pace. As part of our segment strategy, we intend to actively respond to growing AI development needs by boosting the proportion of high-end personnel in our dispatching business. Currently, individual departments are actively promoting the recruitment of new talent capable of handling high-end fields, on-the-job training and education aimed at developing high-level talent, and client development to secure sites for dispatch.

Teramura: It is recognized that, in the future, there is a risk that client needs in some fields may be replaced by AI. At this point in time, however, clients are not making any concrete moves in that respect. We view this as a stage for ascertaining the situation. As a measure to take in the immediate term, we are promoting the transition of low-end engineers, who are most likely to be replaced by AI, to high-end fields. From the standpoint of governance, it is important that these major risks and countermeasures be fully discussed at Board of Directors meetings and other forums, and that the Board continuously verifies whether the various risks accompanying AI utilization are being appropriately identified and managed.

Morii: While the utilization of AI helps reduce time and costs and improve the accuracy of matching projects with talent, there are also risks such as a decline in customer demand and the leakage of information. For the purposes of governance, it is important that we establish restrictions and proprietary rules regarding AI utilization while factoring in such opportunities and risks, and ensure thorough information management.

What challenges and initiatives are being discussed with respect to recruitment and development activities and the prevention of turnover in order to enhance the value of engineers?

Nomura: Demand for engineer dispatching continues to be high, and competition in recruitment activities is becoming more intense. As students begin their job searches earlier and earlier, our Board of Directors is also engaging in constant, repeated discussions on the best way to recruit high-quality talent. In terms of talent development, our Medium-Term Business Plan calls for the expansion of our contracting business, and we are working to develop talent capable of handling high-end projects through on-the-job training. In particular, we are recommending the further strengthening of interdepartmental collaboration and the sharing of challenges with all employees. It is important that we thoroughly implement a company-wide optimization mindset that transcends the boundaries of individual departments in order to engineer internal revitalization.

Teramura: We have concrete plans to revise our personnel evaluation and salary systems. Our Technology Development Division intends to create individual profiles for each engineer and utilize them in education and evaluations. The revisions to our salary system are also being considered in line with this. Additionally, regarding administrative staff positions, in response to the workload generated by an increase in the number of engineers, discussions are being conducted on areas such as streamlining through system investments, organizational restructuring, and the optimization of personnel placements, and progress is being made in improvements.

Morii: We hope to link repeated discussions on issues such as boosting engagement, presenting skill maps, making employee evaluation criteria more transparent, and clarifying annual salary ranges to recruitment and development activities and the prevention of turnover.

With regard to the strategy of the Artner Group, including business alliances and the acquisition of subsidiaries, what is your view on the expected effects, progress, and challenges?

Nomura: In 2025, a series of M&A and business alliances came to fruition, and efforts to seek out new revenue opportunities began as a result. Expanding our foundation through the acquisition of subsidiaries and business alliances will significantly contribute to sustainable growth and enhancement of our enterprise value by expanding our presence in high-end fields, growing our contracting business, and developing engineers in new fields, for example. In the future, while expanding our contracting business will remain important, required skill levels will grow even higher, with risk anticipated to grow as well. This fiscal year marks a critical phase in which we will get our integration on track and maximize synergies. We will proceed to conduct audits to confirm whether our Internal Control System and priority

policies are appropriately established and operated at subsidiaries and other entities. Additionally, with two subsidiaries joining our Group, Group audits will be performed starting this fiscal year. At the end of the fiscal year, we will also examine the impairment of consolidated goodwill.

Teramura: Regarding the two subsidiaries, Directors from our headquarters concurrently serve as Directors of the subsidiaries and are handling their operations. At our headquarters, we have formed a project team, and are moving forward with feasible measures with the involvement of the management strategy, sales, education, management, and recruitment departments. Already, synergies are beginning to emerge in aspects such as sales, education, and recruitment. The status of our subsidiaries is shared and moni-

tored at Board of Directors meetings and Management Committee meetings. I anticipate progress in management at the subsidiaries with respect to internal controls as well as we move forward.

Morii: My view is this will also link to new client development and enable us to engineer a stronger structure for our contracting department, which we aim to expand. To identify synergies, we are discussing how to proceed with internal controls and integration at Management Committee meetings, monthly performance report meetings, and Nomination and Remuneration Committee meetings.

Is there anything you would like to say to our shareholders and investors in closing?

Nomura: A large proportion of our engineers are assigned to R&D as well as design and development fields. We are seeing strong demand for engineers from automobile-related manufacturers and semiconductor manufacturing equipment manufacturers. I feel that, by steadily implementing the various measures set forth in our Medium-Term Business Plan, we will be able to keep growing sustainably. Moreover, our President has taken the lead in engaging in dialogue with shareholders and investors, and our efforts to strengthen IR activities in this manner have led to high appraisal from markets. As an Outside Director, I will endeavor to do my part for Artner's growth from the position of someone who represents all stakeholders.

Teramura: Artner is strongly oriented toward engineer dispatching in high-end fields. As a company, our recruitment, sales, and education measures for achieving that, namely our segment strategy, are firmly grounded. Technological progress has been remarkable, and while it is impossible to circumvent future risks due to the emergence of AI, I have every reason to believe that Artner's potential for sustainable growth as a company will remain unshakable thanks to our engineers' commitment to improving their technical prowess and our internal systems that support that mindset. In terms of governance as well, with subsidiaries joining the Group, there are a number of challenges we must tackle moving forward. However, I feel we can steadily deal with them too.

Morii: In a market that looks to expand past ¥1.6 trillion, we are implementing a proprietary training flow with the goal of becoming a group of engineers providing the greatest added value in the industry. Through systematic programs that include general training, outside on-the-job training, basic training, customized training, and Career Support Courses, we elevate engineers' skills and cultivate their ability to handle our clients and project assignments. Through these initiatives, we will continue contributing to the sustainable enhancement of our enterprise value.

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Executive Team

Directors Who Are Not Members of the Audit and Supervisory Committee

As of May 1, 2026

SEKIGUCHI Sozo | President and CEO

In charge of the Corporate Planning and Strategy Division, the Engineer Business Division <Current tenure: 33 years>

Born December 31, 1964

June 1983	Joined MEITEC CORPORATION (now MEITEC Group Holdings Inc.)
April 1988	Joined Osaka Technology Center Co., Ltd. (previous name of the Company)
March 1993	Appointed Director; Head of the Business Planning Office
February 1998	Appointed Director; Vice President
February 2002	Appointed President and CEO (current)
February 2012	Appointed Head of the Hyper Artner Business Division
February 2012	Appointed Head of the Hyper Artner Business Division
March 2025	Appointed Head of the Corporate Planning and Strategy Division, Head of the Engineer Business Division
May 2025	Appointed In charge of the Corporate Planning and Strategy Division, the Engineer Business Division (current)
September 2025	CLIP SOFT Corporation Representative Director (current)
December 2025	JOUHOU GIKEN, Ltd. Representative Director (current)

HARIGAE Tomonori | Managing Director

In charge of the Management Division, the Engineer Agency Business Division <Current tenure: 35 years>

Born May 24, 1954

April 1978	Joined Toyobo Interior Co., Ltd.
March 1982	Joined Osaka Technology Center Co., Ltd. (previous name of the Company)
March 1990	Appointed Head of the Kanto Business Dept.
March 1991	Appointed Director
March 1993	Appointed Managing Director; Head of the General Affairs Dept.
February 2007	Appointed Managing Director; Head of the Management Division
May 2008	Appointed Director; Head of the Management Division (current)
May 2008	Appointed Director; Head of the Management Division
March 2025	Appointed Director; Head of the Management Division, Head of the Engineer Agency Business Division
April 2025	Appointed Managing Director; Head of the Management Division, Head of the Engineer Agency Business Division
May 2025	Appointed Managing Director; In charge of the Management Division, the Engineer Agency Business Division (current)
September 2025	CLIP SOFT Corporation Director (current)

OKUSAKA Kazuya | Director

In charge of the Technology Development Division <Current tenure: 22 years>

Born September 3, 1955

April 1978	Joined Osaka Technology Center Co., Ltd. (previous name of the Company)
October 1993	Appointed Head of the No.3 Business Dept.
February 2002	Appointed Standing Auditor
April 2004	Appointed Managing Director; Head of the Human Resources Dept.
February 2007	Appointed Managing Director; Head of the Human Resources Division
April 2007	Appointed Managing Director; Head of the Business Management Division
March 2009	Appointed Managing Director; Head of the Technology Development Division
February 2010	Appointed Managing Director; Head of the Business Promotion Division
February 2011	Appointed Managing Director; Head of the Engineer Business Division
April 2011	Appointed Director; Head of the Engineer Business Division
February 2013	Appointed Director; Head of the Human Resources Business Division
February 2016	Appointed Director; Head of the Engineer Business Division (current)
March 2025	Appointed Director; Head of the Technology Development Division
May 2025	Appointed Director; In charge of the Technology Development Division (current)
December 2025	JOUHOU GIKEN, Ltd. Director (current)

Directors Who Are members of the Audit and Supervisory Committee

As of May 1, 2026

NOMURA Ryuichiro | Directors Who Are Members of the Audit and Supervisory Committee As of May 1, 2026 | Outside Director / Independent Director <Current tenure: 3 years>

Born February 18, 1956

April 1978	Joined Yasuda Trust & Banking Co., Ltd. (now Mizuho Trust & Banking Co., Ltd.)
May 1999	Appointed Kinshicho Branch Manager
April 2002	Appointed Hiroshima Branch Manager
April 2004	Appointed Head of the Securities Agency Sales Dept.
October 2005	Appointed Head of the Solution Sales Dept.
April 2007	Appointed Executive Officer; Head of the Solution Sales Dept.
April 2008	Joined Mizuho Realty Co., Ltd. as Senior Managing Executive Officer
September 2016	Joined Taiyo House Co., Ltd. as Vice President
March 2020	Joined Nihon Unist Inc. as Advisor
August 2020	Joined Marubeni Private Reit Inc. as Executive Officer
July 2022	Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee
April 2023	Joined Artner Co., Ltd. as Director and standing member of the Audit and Supervisory Committee (current)

TERAMURA Yasuhiko | Director and member of the Audit and Supervisory Committee | Outside Director / Independent Director <Current tenure: 5 years>

Born November 22, 1955

April 1978	Joined The Bank of Yokohama, Ltd.
December 1997	Appointed New York Branch Manager
April 2003	Appointed Executive Officer; Head of the Financial Markets Dept.
April 2006	Appointed Managing Executive Officer
June 2006	Joined Kyodo Shiryo Co., Ltd. (now Feed One Co., Ltd.) as Part-time Auditor
November 2007	Joined Mabuchi Corporation as Managing Director
November 2008	Appointed Senior Managing Director
June 2011	Joined Sagami Transportation & Warehouse Co., Ltd. as Outside Director
November 2018	Joined Multitrans, Ltd. as CEO
April 2021	Joined Artner Co., Ltd. as Director and standing member of the Audit and Supervisory Committee
April 2023	Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)

MORII Shinichiro | Director and member of the Audit and Supervisory Committee | Outside Director / Independent Director <Current tenure: 5 years>

Born November 28, 1953

March 1976	Joined Takara Standard Co., Ltd.
May 2006	Appointed Kansai Direct Demand Branch President
April 2011	Appointed Executive Officer; Kansai Direct Demand Branch President
April 2013	Appointed Managing Executive Officer; Kansai Direct Demand Branch President
April 2019	Appointed Managing Executive Officer; Kansai Direct Demand Branch Manager and Chubu Direct Demand Branch Manager
June 2020	Appointed Advisor
April 2021	Joined Artner Co., Ltd. as Director and member of the Audit and Supervisory Committee (current)

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, 2026

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