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Securities code: 9621

March 11, 2024

(Commencement Date of Measures for Electronic Provision: March 4, 2024)

**To Shareholders with Voting Rights:**

Tetsumi Nakamura  
Representative Director and President, CEO  
CTI Engineering Co., Ltd.  
21-1, Nihombashi-hamacho 3-chome,  
Chuo-ku, Tokyo

**NOTICE OF  
THE 61ST ANNUAL GENERAL MEETING OF SHAREHOLDERS**

We would like to express our appreciation for your continued support and patronage.

We are pleased to inform you that the 61st Annual General Meeting of Shareholders (the “Meeting”) of CTI Engineering Co., Ltd. (the “Company”) will be held for the purposes as described below.

In convening this General Meeting of Shareholders, matters subject to measures for electronic provision have been provided electronically and are posted on the Company’s website as “Notice of the 61st Annual General Meeting of Shareholders.”

[The Company’s website] <https://www.ctie.co.jp/english/ir/>

In addition to the above website, this information is posted on the following website.

[Tokyo Stock Exchange website (TSE Listed Company Search)]  
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

To view the information, please access the TSE website above, enter and do a search using the issue name (CTI Engineering) or securities code (9621), select “Basic information” and “Documents for public inspection/PR information” in turn.

If not attending the meeting in person, you may exercise your voting rights on the internet or in writing. Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights following the Guide to Exercising Voting Rights (pages 3 and 4 of the Japanese version) by 5:00 p.m. on Monday, March 25, 2024, Japan time.

- 1. Date and Time:** Tuesday, March 26, 2024 at 10:00 a.m. Japan time (Reception opens at 9:00 a.m.)
- 2. Place:** Banquet Room Fuji-Higashi no ma, 4F, Hotel Grand Arc Hanzomon located at 1-1, Hayabusa-cho, Chiyoda-ku, Tokyo, Japan
- 3. Agenda of the Annual General Meeting of Shareholders:**
  - Matters to be reported:**
    1. Business Report, Consolidated Financial Statements for the Company’s 61st Fiscal Year (January 1, 2023 – December 31, 2023) and results of audits of Consolidated Financial Statements by Accounting Auditor and Board of Auditors
    2. Non-consolidated Financial Statements for the Company’s 61st Fiscal Year (January 1, 2023 – December 31, 2023)Please refer to “Adjournment of the 61st Annual General Meeting of Shareholders” on page 3 of the Notice of the General Meeting of Shareholders for the handling of the matters to be reported.

**Proposals to be resolved:**

**Proposal 1:** Appropriation of Surplus

**Proposal 2:** Election of Twelve (12) Directors

**4. Matters to be determined upon convocation**

- (1) If you wish to exercise your voting rights by proxy, you may give your proxy vote to one (1) other shareholder with voting rights only. Please note that written evidence of right of proxy must be submitted.
- (2) In the event that voting rights are exercised both via the internet and in writing, only the vote placed via the internet shall be treated as valid. In addition, if voting rights are exercised multiple times via the internet, the last vote cast shall be treated as valid.
- (3) If your Voting Rights Exercise Form does not indicate your vote for or against the proposals, your vote will be deemed to be in favor of the proposals.

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- If you are attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
  - If any revisions are made to the matters subject to measures for electronic provision, the details of the revisions will be posted on the relevant websites.

## **Adjournment of the 61st Annual General Meeting of Shareholders**

At the 61st Annual General Meeting of Shareholders scheduled to be held on March 26, 2024 (the “General Meeting of Shareholders”), we plan to report to its shareholders on the following agenda items: “Business Report, Consolidated Financial Statements for the Company’s 61st Fiscal Year (January 1, 2023—December 31, 2023) and results of audits of Consolidated Financial Statements by Accounting Auditor and Board of Auditors” and “Non-consolidated Financial Statements for the Company’s 61st Fiscal Year (January 1, 2023—December 31, 2023)” (the “Matters to be reported”). However, as stated in the “Notice of Postponement of Announcement of Financial Results of FY2023 and Establishment of an Internal Investigation Committee” disclosed on February 9, 2024, there was the suspicion of an inappropriate cost management of the order received work. It is expected that it will take a number of days for the investigation of this matter and the accompanying financial closing procedures, audit procedures by the accounting auditor, etc. As a result, we are unable to provide the Business Report, Consolidated Financial Statements, Nonconsolidated Financial Statements, Results of Audit, etc. for the 61st fiscal year that should be attached to the Notice of the General Meeting of Shareholders, and it is not possible to report the Matters to be reported at the General Meeting of Shareholders. Therefore, we plan to propose to the shareholders at the General Meeting of Shareholders that we separately hold an Adjournment of the General Meeting of Shareholders (the “Adjournment Meeting”), report the Matters to be reported at the Adjournment Meeting, and that we request that the date, time and place of the Adjournment Meeting be left to the discretion of the Board of Directors (the “Proposals”). After the Proposals are approved at the General Meeting of Shareholders, we will separately send a notice of the Adjournment Meeting and hold the Adjournment Meeting. Since the Adjournment Meeting is a part of the General Meeting of Shareholders, the shareholders who can attend the Adjournment Meeting are the same as the shareholders who can exercise their voting rights at the General Meeting of Shareholders.

# Reference Documents for the General Meeting of Shareholders

## **Proposal 1:** Appropriation of Surplus

The Company proposes to appropriate surplus for the fiscal year under review as described below, in consideration of factors including future business development while maintaining a stable dividend policy and enhancing returns of profit to shareholders.

### Matters regarding year-end dividend

1. Type of dividend property  
Cash
2. Allotment of dividend property to shareholders and its total amount  
150 yen per share of common stock of the Company  
The total amount of dividend in this case would be 2,079,657,600 yen.
3. Effective date of distribution of surplus  
March 27, 2024

**Proposal 2: Election of Twelve (12) Directors**

The terms of office of all twelve (12) current Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of twelve (12) Directors including four (4) External Directors is proposed.

All twelve (12) Directors will resign due to expiration of term of office at the adjournment of this General Meeting of Shareholders (at the conclusion of deliberations on March 26, 2024), and the appointment of the twelve (12) succeeding Directors will also take place at the adjournment of this General Meeting of Shareholders (at the conclusion of deliberations on March 26, 2024).

The candidates for Directors are as follows:

No.	Name	Current position at the Company	Attributes	
1	Tetsumi Nakamura	Representative Director and President, CEO	[Reappointment]	Male
2	Tatsuya Nishimura	Representative Director, Executive Vice President	[Reappointment]	Male
3	Yoshiaki Nanami	Representative Director, Executive Vice President	[Reappointment]	Male
4	Naoto Suzuki	Director, Managing Executive Officer	[Reappointment]	Male
5	Nobuyuki Maeda	Director, Managing Executive Officer	[Reappointment]	Male
6	Toshihide Uemura	Director, Managing Executive Officer	[Reappointment]	Male
7	Naoki Fujiwara	Director, Managing Executive Officer	[Reappointment]	Male
8	Toshikazu Matsuoka	Managing Executive Officer	[New candidate]	Male
9	Shuichi Ikebuchi	Director	[Reappointment] [External Director] [Independent Director]	Male
10	Fumiko Kosao	Director	[Reappointment] [External Director] [Independent Director]	Female
11	Yoshihisa Sonobe	Director	[Reappointment] [External Director] [Independent Director]	Male
12	Atsuko Ogasawara	Director	[Reappointment] [External Director] [Independent Director]	Female

Candidate  
Number

## 1 Tetsumi Nakamura

Reappointment

Date of birth: March 4, 1957

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 31,683

Board of Directors meeting attended: 100% (14/14)

April 1979	Joined the Company	March 2015	Managing Principal, Kyushu Office
April 2002	General Manager, River & Water Resources Div., Tokyo Main Office	March 2016	Managing Executive Officer
		April 2017	Managing Principal, Tokyo Main Office
April 2006	Assistant Managing Principal, Tokyo Main Office	March 2018	Senior Managing Executive Officer
April 2009	Deputy Managing Principal, Tokyo Main Office	March 2019	Representative Director and President, CEO (present post)
March 2010	Executive Officer	May 2023	Chairman, The Japan Civil Engineering Consultants Association (present post)
April 2011	Managing Principal, Tohoku Office		
March 2013	Director		

Reason for nomination as candidate for Director

Mr. Tetsumi Nakamura has served in numerous prominent positions in the water & land business sector and business establishments of the Company, and possesses extensive experience and deep insight related to our Group's management and business activities. He has been demonstrating strong leadership to improve the corporate value of the Group and achieve its sustainable growth through expansion of orders received, development of new businesses, workstyle reform, promotion of DX, and sustainability management as Representative Director and President, CEO since March 2019. Therefore, the Company nominates him once again as a candidate for Director.

Candidate  
Number

## 2 Tatsuya Nishimura

Reappointment

Date of birth: August 9, 1959

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 23,230

Board of Directors meeting attended: 100% (14/14)

April 1985	Joined the Company	March 2017	Managing Executive Officer
April 2004	General Manager, Water Management & Research Div., Tokyo Main Office	April 2017	Managing Principal, Tohoku Office
		March 2019	Director, Senior Managing Executive Officer
April 2006	General Manager, River & Water Resources Div., Tokyo Main Office	April 2019	Chief, Planning & Business Development Headquarters (present post)
April 2010	Assistant Managing Principal, Chubu Office	March 2021	Representative Director (present post)
March 2015	Executive Officer	March 2022	Executive Vice President (present post)
April 2015	Deputy Managing Principal, Tokyo Main Office		

Reason for nomination as candidate for Director

Mr. Tatsuya Nishimura has served in numerous prominent positions in the water & land business sector, business establishments, and business development sector of the Company and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Representative Director in March 2021 and currently leverages his management expertise to expand the Group's business as Chief of Planning & Business Development Headquarters as well as an officer in charge of the construction management business sector and international business. Therefore, the Company nominates him once again as a candidate for Director.

Candidate  
Number

## 3 Yoshiaki Nanami

Reappointment

Date of birth: January 2, 1960

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 7,500

Board of Directors meeting attended: 100% (14/14)

April 1982	Joined Ministry of Construction (currently Ministry of Land, Infrastructure, Transport and Tourism)	March 2019	Director, Managing Executive Officer, Chief, Engineering Headquarters
June 2016	Director-General, Shikoku Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism	March 2021	Senior Managing Executive Officer, Managing Principal, Tokyo Main Office
November 2017	Joined the Company, Executive Manager	March 2023	Representative Director (present post), Executive Vice President (present post), Chief, Governance Management Headquarters (present post),
March 2018	Executive Officer, Deputy Chief, Engineering Headquarters		

Reason for nomination as candidate for Director

Mr. Yoshiaki Nanami has served in numerous prominent positions in the field of flood control and water resources at the Ministry of Land, Infrastructure, Transport and Tourism and possesses extensive experience in heading organizations and a high level of expertise related to the construction industry and technology in the field of flood control and water resources. After joining the Company in November 2017, he demonstrated strong leadership as Chief of Engineering Headquarters and Managing Principal of Tokyo Main Office. He took office as Representative Director in March 2023, and he is currently leveraging his management expertise to strengthen internal control and compliance as Chief of Governance Management Headquarters. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 4 Naoto Suzuki

Reappointment

Date of birth: November 22, 1961

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 6,522

Board of Directors meeting attended: 100% (14/14)

April 1987	Joined Yachiyo Engineering Co., Ltd.	March 2017	Executive Officer
May 1991	Joined the Company	April 2017	Deputy Chief, Administration Headquarters, General Manager, Personnel Div.
April 2006	General Manager, Road & Transportation Engineering Div., Osaka Main Office	March 2020	Director (present post), Chief, Administration Headquarters (present post)
April 2011	General Manager, Sales & Marketing Div., Osaka Main Office	March 2022	Managing Executive Officer (present post)
April 2012	Assistant Managing Principal, Osaka Main Office		

Reason for nomination as candidate for Director

Mr. Naoto Suzuki has served in numerous prominent positions in the transportation & urban business sector, business establishments, and headquarters organizations, and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Director in March 2020 and currently leverages his management expertise to strengthen the administration base by supervising the Group's workstyle reform, finance and accounting, human resource development, and IR, etc. as Chief of Administration Headquarters and an officer in charge of labor management, accounting, and diversity promotion. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 5 Nobuyuki Maeda

Reappointment

Date of birth: September 23, 1959

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 12,422

Board of Directors meeting attended: 100% (14/14)

April 1982	Joined the Company	March 2016	Executive Officer, the Company
April 2006	General Manager, Road & Transportation Engineering Div., Tokyo Main Office	March 2019	Managing Executive Officer (present post)
April 2010	Assistant Managing Principal, Tohoku Office	April 2019	Managing Principal, Tohoku Office
April 2014	Representative Director and President, Japan Urban Engineering Co., Ltd.	April 2021	Chief, Engineering Headquarters (present post)
		March 2022	Director (present post)

Reason for nomination as candidate for Director

Mr. Nobuyuki Maeda has served in numerous prominent positions in the transportation & urban business sector and business establishments of the Company as well as the position of Representative Director and President at Japan Urban Engineering Co., Ltd., a major Group company, and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Director in March 2022 and currently leverages his management expertise to improve the quality of the Company's deliverables as Chief of Engineering Headquarters, and contributes to the expansion of the Group's business as an officer in charge of the transportation & urban business sector. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 6 Toshihide Uemura

Reappointment

Date of birth: January 11, 1960

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 18,093

Board of Directors meeting attended: 100% (14/14)

April 1982	Joined the Company	March 2016	Executive Officer
April 2007	General Manager, Waterworks Engineering Div., Kyushu Office	March 2019	Managing Executive Officer (present post)
April 2011	Assistant Managing Principal, Kyushu Office	April 2019	Managing Principal, Chubu Office
April 2014	Deputy Chief, Planning Headquarters, General Manager, Corporate Planning Div.	March 2022	Director (present post), Managing Principal, Kyushu Office (present post)

Reason for nomination as candidate for Director

Mr. Toshihide Uemura has served in numerous prominent positions in the water & land business sector, business establishments, and headquarters organizations, and possesses extensive experience and deep insight related to our Group's business strategies, and marketing. He took office as Director in March 2022 and currently demonstrates strong leadership in the management of the Company's business establishments as Managing Principal of Kyushu Office. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 7 Naoki Fujiwara

Reappointment

Date of birth: January 11, 1964

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 10,322

Board of Directors meeting attended: 100% (11/11)

April 1989	Joined the Company	March 2018	Executive Officer, the Company
April 2007	General Manager, Water Management & Research Div., Tokyo Main Office	April 2019	Deputy Chief, Planning & Business Development Headquarters (present post)
April 2012	General Manager, River & Water Resources Div., Tokyo Main Office	March 2020	Director, CTI Engineering International Co., Ltd. (present post)
April 2014	Assistant Managing Principal, Chubu Office	March 2021	Managing Executive Officer, the Company (present post)
April 2016	General Manager, International Div.	March 2023	Director (present post)
June 2017	Executive Director, Waterman Group Plc (present post)		

Reason for nomination as candidate for Director

Mr. Naoki Fujiwara has served in numerous prominent positions in the water & land business sector and business establishments of the Company and has served as Executive Director of Waterman Group Plc and Director of CTI Engineering International Co., Ltd., which are major Group companies. In addition to knowledge and experience in the technology field, he possesses extensive experience and deep insight related to international business. He assumed the office of Director in March 2023, and has been leading the Group's overseas business development also as the deputy officer in charge of the international business. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 8 Toshikazu Matsuoka

New candidate

Date of birth: November 27, 1962

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 3,715

Board of Directors meeting attended: -

April 1988	Joined Aoki Corporation (currently Asunaro Aoki Construction Co., Ltd.)	April 2019	Deputy Chief, Administration Headquarters, General Manager, General Affairs Div.
February 1999	Joined the Company	March 2020	Executive Officer
April 2011	General Manager, Road & Transportation Engineering Div., Osaka Main Office	April 2020	Deputy Chief, Administration Headquarters, General Manager, Personnel Div. (present post)
April 2015	Managing Principal, Chugoku Office	March 2022	Managing Executive Officer (present post)
April 2017	Assistant Managing Principal, Osaka Main Office		

Reason for nomination as candidate for Director

Mr. Toshikazu Matsuoka joined the Company in February 1999 after gaining experience at a construction company. After serving in numerous prominent positions in the transportation & urban business sector, business establishments, and administration sector of the Company, he assumed the office of Executive Officer in March 2020. He has demonstrated strong leadership in the reform of personnel treatment systems, workstyle reforms, labor management, and human resource management of the Company as Deputy Chief of Administration Headquarters and General Manager of Personnel Division. Therefore, the Company nominates him as a candidate for Director.



Candidate  
Number

## 9 Shuichi Ikebuchi

Reappointment External Independent Director

Date of birth: July 5, 1943

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 0

Board of Directors meeting attended: 100% (14/14)

February 1979	Professor, Disaster Prevention Research Institute, Kyoto University	April 2007	Professor Emeritus, Kyoto University; Research Advisor, Foundation of River & Watershed Environment Management
April 1996	Chief, Water Resources Research Center, Disaster Prevention Research Institute, Kyoto University	April 2013	Research Fellow, The River Foundation (present post)
May 1999	Director, Disaster Prevention Research Institute, Kyoto University	June 2016	Director, Kinki Construction Association (part-time) (present post)
October 2004	Director and General Manager, Research Institute, Meteorological Engineering Center, Inc.	March 2017	Director, the Company (present post)

Reason for nomination as candidate for External Director and expected roles

Mr. Shuichi Ikebuchi is an expert in disaster prevention, a field in which business operations are expected to expand in the future. He leverages his extensive experience, broad insight, and global perspectives in the overall management of the Company. Therefore, the Company nominates him once again as a candidate for External Director.

If he is elected as an External Director, the Company expects him to play appropriate roles in ensuring the adequacy and appropriateness of its decision-making process through supervision and advice regarding the Company's management issues based on his expertise and broad insight as an academic expert.





Candidate  
Number

## 10 Fumiko Kosao

Reappointment External Independent Director

Date of birth: April 17, 1954

### Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 0

Board of Directors meeting attended: 100% (14/14)

April 1973	Joined National Tax Agency	June 2016	External Auditor, TOBISHIMA CORPORATION
July 1997	Teacher, Tokyo Training Center, National Tax College	March 2017	Director, the Company (present post)
July 2011	District Director, Gyoda Tax Office, Kantoshinetsu Regional Taxation Bureau	June 2017	External Director, METAWATER Co., Ltd. (present post)
July 2014	District Director, Nihonbashi Tax Office, Tokyo Regional Taxation Bureau	July 2020	External Director (Audit & Supervisory Board Member), TOELL CO., Ltd. (present post)
August 2015	Registered Certified Public Tax Accountant Fumiko Kosao Certified Public Tax Accountant Office (present post)	June 2023	Outside Director, THE NIPPON ROAD CO., LTD. (present post)

### Reason for nomination as candidate for External Director and expected roles

Ms. Fumiko Kosao has served in positions such as Tax Office District Director, and possesses extensive experience in heading organizations, as well as expertise related to tax affairs and corporate accounting as a Certified Public Tax Accountant. The Company believes that she will leverage her extensive experience and broad insight in the overall management of the Company and nominates her once again as a candidate for External Director.

If she is elected as an External Director, the Company expects her to play appropriate roles in ensuring the adequacy and appropriateness of its decision-making process through supervision and advice regarding the Company's management issues based on her expertise and broad insight as a Certified Public Tax Accountant.

Ms. Kosao has never engaged in corporate management except by serving as an External Officer, but the Company believes that she can appropriately fulfill her duties as an External Director based on the above reasons.



Candidate  
Number

## 11 Yoshihisa Sonobe

Reappointment External Independent Director

Date of birth: October 17, 1956

### Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 0

Board of Directors meeting attended: 100% (14/14)

April 1980	Joined Teijin Limited	April 2019	Senior Executive Officer; Chief Financial Officer; Teijin Limited
June 2009	Corporate Officer; General Manager, Corporate Strategy Division, Teijin Limited	April 2020	Representative Director, Teijin Limited
April 2011	CFO; General Manager, Accounting and Finance Unit, Teijin Limited	April 2021	Director; Part-Time Advisor, Teijin Limited
April 2014	General Manager, Corporate Strategy Unit, Teijin Limited	March 2022	Director, the Company (present post)
June 2014	Director, Teijin Limited		
April 2016	Executive Officer, Teijin Limited		
April 2017	Chief Officer, Corporate Strategy; Chief Officer, Legal Affairs & Intellectual Property (Chief Officer, Global Business Strategy (in charge of overseas financial management companies (Europe, US, China))), Teijin Limited		

### Reason for nomination as candidate for External Director and expected roles

Mr. Yoshihisa Sonobe experienced management in a large company and leverages his insight in finance and accounting to contribute to maximizing corporate value by promoting business portfolio reform, management of global joint ventures, M&As overseas, and improvement of corporate governance as a corporate strategy officer and CFO. The Company believes that he will leverage his extensive experience and broad insight in the overall management of the Company and nominates him once again as a candidate for External Director.

If he is elected as an External Director, the Company expects him to play appropriate roles in ensuring the adequacy and appropriateness of its decision-making process through supervision and advice regarding the Company's management issues based on his knowledge and broad insight related to finance and accounting and global business.



Candidate  
Number

## 12 Atsuko Ogasawara

Reappointment External Independent Director  
Date of birth: October 6, 1960

Career summary, positions, responsibilities, and significant concurrent positions

Number of the Company's shares held: 0

Board of Directors meeting attended: 100% (11/11)

April 1983	Joined The Mainichi Newspapers Co., Ltd.	June 2018	Deputy Representative, Osaka Headquarters, The Mainichi Newspapers Co., Ltd.
April 2006	General Manager, Okayama Bureau, The Mainichi Newspapers Co., Ltd.	June 2018	Director, The Daido Life Foundation (present post)
April 2008	General Manager, Economic Department, Osaka Headquarters, The Mainichi Newspapers Co., Ltd.	April 2020	Executive Director (part-time), National University Corporation Osaka University
May 2011	General Manager, Kyoto Bureau, The Mainichi Newspapers Co., Ltd.	June 2020	Outside Director, Senshu Ikeda Holdings, Inc. (present post)
April 2016	General Manager, General Business Bureau, The Mainichi Newspapers Co., Ltd.	June 2020	Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd. (present post)
May 2017	Director, Japan High School Baseball Federation	February 2021	Director, Kansai Innovation Center (present post)
		March 2023	Director, the Company (present post)

Reason for nomination as candidate for External Director and expected roles

Ms. Atsuko Ogasawara has served in prominent positions at a major newspaper company and possesses extensive experience, a high level of expertise, and broad insight. In addition, she has served as Director of Japan High School Baseball Federation, and has achievements as Executive Director in charge of branding at a national university corporation. The Company believes that she will leverage her extensive experience and broad insight in the overall management of the Company and nominates her as a candidate for External Director.

If she is elected as an External Director, the Company expects her to play appropriate roles in ensuring the adequacy and appropriateness of its decision-making process through supervision and advice regarding the Company's management issues based on her extensive experience and expertise in the business community.

Ms. Ogasawara has never engaged in corporate management except by serving as an External Officer, but the Company believes that she can appropriately fulfill her duties as an External Director based on the above reasons.

- Notes:
1. There are no special interests between the candidates for Directors and the Company.
  2. As Mr. Naoki Fujiwara and Ms. Atsuko Ogasawara were newly elected as Directors at the 60th Annual General Meeting of Shareholders (on March 28, 2023), the number of Board of Directors meetings attended is different from that of other Directors.
  3. Mr. Naoki Fujiwara is scheduled to assume office as President and CEO of CTI Engineering International Co., Ltd., a wholly owned subsidiary of the Company, at its 25th Annual General Meeting of Shareholders to be held on March 18, 2024 and subsequent Board of Directors meeting.
  4. Mr. Shuichi Ikebuchi, Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, and Ms. Atsuko Ogasawara are candidates for External Directors. The Company has designated Mr. Shuichi Ikebuchi, Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, and Ms. Atsuko Ogasawara as Independent Directors in accordance with the rules of the Tokyo Stock Exchange and notified the same to the Tokyo Stock Exchange. If their reappointment is approved, the Company plans to continue to designate them as Independent Directors.
  5. The Company has concluded a limited liability contract with Mr. Shuichi Ikebuchi, Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, and Ms. Atsuko Ogasawara as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 31 of the Articles of Incorporation of the Company. The contract limits compensation liability to five million yen or the amount stipulated by laws and regulations, whichever is higher. If their reappointment is approved at this General Meeting of Shareholders, the Company plans to continue the contract.
  6. If the candidates for Directors assume office, the Company will continue to consider concluding a liability contract as stipulated in Article 430-2, Paragraph 1 of the Companies Act (to cover expenses as stipulated in Item 1 of the above paragraph and losses stipulated in Item 2 of the above paragraph within the statutory scope on the condition that there is no malicious intent or gross negligence in the performance of their duties).

7. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal liability for damages and litigation expenses incurred due to claims for damages arising from acts committed by the insured, including the Directors of the Company, in the execution of their duties. However, to ensure that the properness of the insureds' execution of their duties, in cases where the insureds have illegally received the provision of personal benefit or convenience, etc., they shall not be covered by this policy. If the candidates for Directors assume office, they will be the insureds of the contract. The Company also plans to renew the insurance contract with the same conditions at the next renewal. Insurance premiums will be paid in full by the Company.
8. The terms of office of Mr. Shuichi Ikebuchi and Ms. Fumiko Kosao as External Directors of the Company will be seven years at the adjournment of this General Meeting of Shareholders. The term of office of Mr. Yoshihisa Sonobe as an External Director of the Company will be two years at the adjournment of this General Meeting of Shareholders. The term of office of Ms. Atsuko Ogasawara as an External Director of the Company will be one year at the adjournment of this General Meeting of Shareholders.

(Reference) Skill Matrix of the Company's Directors and Auditors

The skill matrix indicates knowledge, experience, and abilities that each Director and Auditor possesses, fields in which they can leverage their particular expertise, and fields to which they are particularly expected to contribute if Proposal 2 is approved and passed at this General Meeting of Shareholders.

Name		Skill Matrix								
		Management	Engineering Quality	Business strategy/Marketing	HR/HR development	IT DX	Sustainability ESG	Finance/Accounting/Tax affairs	Legal affairs/Risk management	Global
Director	Tetsumi Nakamura	●	●	●		●	●			
	Tatsuya Nishimura	●	●	●			●			●
	Yoshiaki Nanami	●	●		●				●	●
	Naoto Suzuki	●	●		●	●	●	●	●	
	Nobuyuki Maeda	●	●			●				
	Toshihide Uemura	●	●	●						
	Naoki Fujiwara	●	●	●		●				●
	Toshikazu Matsuoka	●	●		●		●			●
	Shuichi Ikebuchi	●	●							●
	Fumiko Kosao	●			●			●		
	Yoshihisa Sonobe	●		●		●		●	●	●
Atsuko Ogasawara	●			●		●		●		
Auditor	Keizo Mitsuke	●	●				●	●	●	
	Shigeo Nakashita	●	●						●	
	Yasuro Tanaka								●	●
	Go Ishikawa	●						●	●	●

(Reference) Independence Standards for External Directors and External Auditors

(Excerpt from the Basic Policy on Selection of Candidates for Directors and Auditors and Dismissal of Directors and Auditors)

External Directors, External Auditors and candidates thereof who satisfy the following requirements shall be deemed to be independent.

- (1) A person who is not currently or has not been in the past ten (10) years an executive\*<sup>1</sup> of the Company or its affiliated companies.
- (2) A person whose spouse or relative within the second degree of kinship is not an executive of the Company.
- (3) A person who is not a major business partner\*<sup>2</sup> of the Company or an executive of a corporation whose major business partner is the Company.
- (4) A person who is not a major shareholder of the Company (a person who directly or indirectly holds 5% or more of the total voting rights) or an executive thereof.
- (5) A person who is not an executive of a corporation whose shares are held by the Company for the purpose of cross-shareholdings.
- (6) A person who does not belong to an audit corporation that is the Accounting Auditor of the Company.
- (7) A person who is not an attorney-at-law, certified public accountant, tax accountant, consultant, etc., or an executive of an organization, that receives a large amount\*<sup>3</sup> of remuneration from the Company other than officer remuneration.
- (8) A person who is not a person or an executive of an organization that receives a large amount\*<sup>3</sup> of donations or grants from the Company.
- (9) In the event that an Executive Director or an Auditor of the Company concurrently serves as an External Director or an External Auditor of another corporation, he/ she is not an executive of such other corporation.
- (10) A person whose spouse or relative within the second degree of kinship does not fall under any of (3) to (9) above.
- (11) A person who did not fall under any of (2) to (10) above in the past five years.
- (12) A person whose total term of office as External Director or External Auditor of the Company is not more than 12 years. However, this shall not apply to cases where it is recognized the candidate has made irreplaceable contribution to the Board of Directors or the Board of Auditors.

\*1: "An executive" refers to Director, Executive Officer, other persons equivalent thereto, or an employee.

\*2: "A major business partner" refers to a business partner whose transactions with the Company exceed 1% of the Company's consolidated net sales in any of the recent three fiscal years, or a business partner who has loaned the Company an amount equivalent to 1% or more of the Company's consolidated total assets.

\*3: "A large amount" refers to an average of five million yen or more per year in the case of an individual and 10 million yen or more per year in the case of an organization over the last three fiscal years.