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Securities code: 9621

March 6, 2026

(Commencement Date of Measures for Electronic Provision: March 2, 2026)

**To Shareholders with Voting Rights:**

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

**NOTICE OF  
THE 63RD 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 63rd 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 63rd Annual General Meeting of Shareholders.”

In addition to the Company’s website, this information is posted on the Tokyo Stock Exchange website.

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

[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 Thursday, March 26, 2026, Japan time.

- 1. Date and Time:** Friday, March 27, 2026 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 63rd Fiscal Year (January 1, 2025 - December 31, 2025) and results of audits of Consolidated Financial Statements by Accounting Auditor and Board of Auditors
    2. Non-consolidated Financial Statements for the Company’s 63rd Fiscal Year (January 1, 2025 – December 31, 2025)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendments to the Articles of Incorporation  
**Proposal 3:** Election of Eleven (11) Directors

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

- (1) Of the matters subject to measures for electronic provision, the following matters are not stated in the documents to be delivered to shareholders who have requested a paper copy pursuant to laws and regulations and Article 13, Paragraph 2 of the Articles of Incorporation of the Company. Accordingly, the documents to be delivered to shareholders who have requested a paper copy are part of the documents audited by the Auditors and the Accounting Auditor in preparing the Audit Report.
  - 1) Notes to Consolidated Financial Statements
  - 2) Notes to Non-consolidated Financial Statements
- (2) 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.
- (3) 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.
- (4) 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.

# 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  
75 yen per share of common stock of the Company  
The total amount of dividend in this case would be 2,068,319,775 yen.
3. Effective date of distribution of surplus  
March 30, 2026

**Proposal 2: Partial Amendments to the Articles of Incorporation**

**1. Reasons for the proposal**

- (1) The Company proposes to add a purpose in order to clarify the details of the business in line with the current situation of the businesses of the Company and its subsidiaries and prepare for the diversification of their business development in the future. (Article 2 with proposed amendments)
- (2) This amendment will allow the convener and chairman of the Board of Directors to also serve as Directors other than Representative Director and President, CEO for the purpose of making the supervision of the Executive Directors by the Non-Executive Directors more effective and improving the objectivity and transparency of decision-making. (Article 23 with proposed amendments)
- (3) This is in response to changes in the section numbers in the Companies Act due to the revision of the Companies Act. (Article 34 with proposed amendments)

**2. Details of amendments**

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses:</p> <ul style="list-style-type: none"> <li>(1) Surveying, planning, designing, management and consultancy concerning construction work;</li> <li>(2) Geological surveys, testing and evaluation;</li> <li>(3) Measurement services;</li> <li>(4) Environmental surveys, observation, analysis, impact assessment and preservation projects;</li> <li>(5) Construction-related testing, trials and study;</li> <li>(6) Production of construction-related models;</li> <li>(7) Compilation of records relating to construction and the environment;</li> <li>(8) Surveying, planning, designing, and management concerning architecture; (Newly established)</li> <li>(9) Energy-related business;</li> <li>(10) Agriculture-related business;</li> <li>(11) Manufacture and sales of alcoholic beverages;</li> <li>(12) Planning, designing, development, and sales of information systems and software;</li> <li>(13) Supply of temporary workers;</li> <li>(14) Property and casualty insurance agency;</li> <li>(15) Any and all businesses incidental to any of the aforementioned businesses.</li> </ul>	<p>(Purpose) Article 2 The purpose of the Company shall be to engage in the following businesses:</p> <ul style="list-style-type: none"> <li>(1) Surveying, planning, designing, management and consultancy concerning construction work;</li> <li>(2) Geological surveys, testing and evaluation;</li> <li>(3) Measurement services;</li> <li>(4) Environmental surveys, observation, analysis, impact assessment and preservation projects;</li> <li>(5) Construction-related testing, trials and study;</li> <li>(6) Production of construction-related models;</li> <li>(7) Compilation of records relating to construction and the environment;</li> <li>(8) Surveying, planning, designing, and management concerning architecture;</li> <li><u>(9) Advisory service for property development; and the operation, management, leasing, and brokerage of property;</u></li> <li>(10) Energy-related business;</li> <li>(11) Agriculture-related business;</li> <li>(12) Manufacture and sales of alcoholic beverages;</li> <li>(13) Planning, designing, development, and sales of information systems and software;</li> <li>(14) Supply of temporary workers;</li> <li>(15) Property and casualty insurance agency;</li> <li>(16) Any and all businesses incidental to any of the aforementioned businesses.</li> </ul>

Current Articles of Incorporation	Proposed Amendments
<p>(Convener of the Board of Directors and Chairman)  Article 23.  Except as otherwise provided by laws and regulations, <u>the Representative Director and President, CEO</u> shall convene the Board of Directors and act as the chairman thereof; provided, however, when <u>the Representative Director and President, CEO</u> is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall convene the Board of Directors and act as the chairman thereof.</p>	<p>(Convener of the Board of Directors and Chairman)  Article 23.  <u>1.</u> Except as otherwise provided by laws and regulations, <u>Directors previously determined by the Board of Directors</u> shall convene the Board of Directors and act as the chairman thereof; provided, however, <u>that:</u>  <u>2.</u> when <u>the Director set forth in the preceding paragraph</u> is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors of the Company, shall convene the Board of Directors and act as the chairman thereof.</p>
<p>(Term of Office of Statutory Auditors)  Article 34.  1-2. (Article omitted.)  3. Resolution for the election of the Substitute Statutory Auditor elected under Article 329, Paragraph <u>2</u> of the Companies Act shall be effective until the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four years from his/her election to office.  4. (Article omitted.)</p>	<p>(Term of Office of Statutory Auditors)  Article 34.  1-2. (No change from the current.)  3. Resolution for the election of the Substitute Statutory Auditor elected under Article 329, Paragraph <u>3</u> of the Companies Act shall be effective until the conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four years from his/her election to office.  4. (No change from the current.)</p>

**Proposal 3: Election of Eleven (11) Directors**

The terms of office of all eleven (11) current Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the election of eleven (11) Directors including four (4) External Directors is proposed.

The candidates for Directors are as follows:

No.	Name	Current position at the Company	Attributes	Board meeting attendance rate
1	Tetsumi Nakamura	Representative Director, Chairman	[Reappointment]	100%
2	Tatsuya Nishimura	Representative Director and President, CEO	[Reappointment]	100%
3	Naoto Suzuki	Director, Senior Managing Executive Officer	[Reappointment]	100%
4	Naoki Fujiwara	Director, Managing Executive Officer	[Reappointment]	100%
5	Toshikazu Matsuoka	Director, Managing Executive Officer	[Reappointment]	100%
6	Masahiro Emori	Director, Managing Executive Officer	[Reappointment]	100%
7	Mitsuho Amano	Director, Managing Executive Officer	[Reappointment]	100%
8	Fumiko Kosao	Director	[Reappointment] [External Director] [Independent Director]	93%
9	Yoshihisa Sonobe	Director	[Reappointment] [External Director] [Independent Director]	100%
10	Atsuko Ogasawara	Director	[Reappointment] [External Director] [Independent Director]	93%
11	Toru Kuwano	Director	[Reappointment] [External Director] [Independent Director]	100%

**(Reference) Corporate Governance Highlights**Number of years in office as External Director

Average number of years in office: 4.25 years

1 year: 1  
3 years: 1  
4 years: 1  
9 years: 1

Percentage of Independent External Directors

External Ratio: 36% (4/11)

Independent external: 4  
Internal: 7

Gender diversity

Female ratio:

18% (2/11)  
Female: 2  
Male: 9

Note: Shows the composition of the Board of Directors if this proposal is approved and passed.



Candidate  
Number

## 1 Tetsumi Nakamura

Reappointment

Date of birth: March 4, 1957

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 72,159

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

April 1979	Joined the Company	March 2016	Managing Executive Officer
April 2002	General Manager, River & Water Resources Div., Tokyo Main Office	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
March 2010	Executive Officer	May 2023	Chairman, The Japan Civil Engineering Consultants Association
April 2011	Managing Principal, Tohoku Office	March 2024	Representative Director, Chairman, the Company (current position)
March 2013	Director		
March 2015	Managing Principal, Kyushu Office		

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. He took office as Representative Director and President, CEO in March 2019, and he has been demonstrating strong leadership in the expansion of orders received, development of new businesses, workstyle reform, promotion of DX, and sustainability management. He leverages his management expertise in supervising the entire Group to further improve corporate value as Representative Director, Chairman since March 2024. 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, and positions and responsibilities at the Company

Number of the Company's shares held: 56,118

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
April 2006	General Manager, River & Water Resources Div., Tokyo Main Office	March 2019	Director, Senior Managing Executive Officer
April 2010	Assistant Managing Principal, Chubu Office	April 2019	Chief, Planning & Business Development Headquarters
March 2015	Executive Officer	March 2021	Representative Director
April 2015	Deputy Managing Principal, Tokyo Main Office	March 2022	Executive Vice President
		March 2024	Representative Director and President, CEO (current position)

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 headquarters organizations of the Company and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Director in March 2019 and Representative Director in March 2021, and he has been demonstrating strong leadership in the expansion of the Group's business, including overseas and new businesses, and in the formulation and implementation of corporate strategies. As Representative Director and President, CEO since March 2024, he leverages his management expertise in improving the corporate value and sustainable growth of the Group. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

### 3 Naoto Suzuki

Reappointment

Date of birth: November 22, 1961

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 17,638

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

April 1987	Joined Yachiyo Engineering Co., Ltd.	April 2017	Deputy Chief, Administration Headquarters, General Manager, Personnel Div.
May 1991	Joined the Company		
April 2006	General Manager, Road & Transportation Engineering Div., Osaka Main Office	March 2020	Director (current position), Chief, Administration Headquarters
April 2011	General Manager, Sales & Marketing Div., Osaka Main Office	March 2022	Managing Executive Officer
April 2012	Assistant Managing Principal, Osaka Main Office	March 2024	Senior Managing Executive Officer (current position), Chief, Planning & Business Development Headquarters (current position)
March 2017	Executive Officer		

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 of the Company 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 he has been demonstrating strong leadership as Chief of Administration Headquarters and an officer in charge of labor management, accounting, and diversity promotion. He took office as Chief of Planning & Business Development Headquarters in March 2024, and he leverages his management expertise in improving the corporate value of the Group through the formulation of corporate strategies, M&As, new business development, etc. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

### 4 Naoki Fujiwara

Reappointment

Date of birth: January 11, 1964

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 24,053

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

April 1989	Joined the Company	March 2018	Executive Officer, the Company
April 2007	General Manager, Water Management & Research Div., Tokyo Main Office	March 2019	Director, CTI Engineering International Co., Ltd.
April 2012	General Manager, River & Water Resources Div., Tokyo Main Office	April 2019	Deputy Chief, Planning & Business Development Headquarters, the Company
April 2014	Assistant Managing Principal, Chubu Office	March 2021	Managing Executive Officer (current position)
April 2016	General Manager, International Div.	March 2023	Director (current position)
June 2017	Executive Director, Waterman Group Plc (current position)	March 2024	President and CEO, CTI Engineering International Co., Ltd. (current position)

Significant concurrent positions

Executive Director, Waterman Group Plc

President and CEO, CTI Engineering International Co., Ltd.

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 President and CEO of CTI Engineering International Co., Ltd. in March 2024, and has been leading the Group's overseas business development. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 5 Toshikazu Matsuoka

Reappointment

Date of birth: November 27, 1962

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 10,439

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

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.
April 2015	Managing Principal, Chugoku Office	March 2022	Managing Executive Officer (current position)
April 2017	Assistant Managing Principal, Osaka Main Office	March 2024	Director (current position), Chief, Administration Headquarters (current position)

Reason for nomination as candidate for Director

Mr. Toshikazu Matsuoka has served in numerous prominent positions in the transportation & urban business sector, business establishments, and headquarters organizations of the Company and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Director in March 2024 and currently leverages his management expertise to strengthen the administration base by supervising the Group's finance and accounting, IR and SR, human resource development, labor management, general affairs, etc. as Chief of Administration Headquarters. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 6 Masahiro Emori

Reappointment

Date of birth: May 14, 1963

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 23,031

Board of Directors meeting attended: 100% (10/10)

April 1988	Joined the Company	March 2021	Managing Executive Officer (current position)
April 2014	General Manager, Road & Transportation Engineering Div., Tokyo Main Office	April 2021	Deputy Managing Principal, Tokyo Main Office
April 2015	General Manager, Transportation Systems Div., Tokyo Main Office	March 2022	Managing Principal, Chubu Office
April 2017	Assistant Managing Principal, Tokyo Main Office	March 2024	Managing Principal, Osaka Main Office
March 2019	Executive Officer	March 2025	Director (current position)
April 2019	Deputy Chief, Planning & Business Development Headquarters	April 2025	Managing Principal, Tokyo Main Office (current position)

Reason for nomination as candidate for Director

Mr. Masahiro Emori has served in numerous prominent positions in the transportation & urban business sector, business establishments, and headquarters organizations of the Company and possesses extensive experience and deep insight related to our Group's business activities, business strategies, and marketing. He took office as Director in March 2025 and demonstrates strong leadership in the management of large-scale offices as Managing Principal of Tokyo Main Office, 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

## 7 Mitsuho Amano

Reappointment

Date of birth: May 13, 1965

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 12,349

Board of Directors meeting attended: 100% (10/10)

April 1991	Joined the Company	March 2019	Executive Officer
April 2012	General Manager, Water Management & Research Div., Tokyo Main Office	April 2019	Deputy Managing Principal, Tokyo Main Office
April 2014	General Manager, River & Water Resources Div., Tokyo Main Office	March 2021	Managing Executive Officer (current position)
April 2016	Assistant Managing Principal, Chubu Office	April 2021	Managing Principal, Tohoku Office
April 2017	Assistant Managing Principal, Tokyo Main Office	March 2023	Managing Principal, Tokyo Main Office
		March 2025	Director (current position), Chief, Engineering Headquarters (current position)

Reason for nomination as candidate for Director

Mr. Mitsuho Amano has served in numerous prominent positions in the water & land business sector and offices of the Company and possesses extensive experience and deep insight related to our Group's business activities and all engineering sectors. He took office as Director in March 2025, and leverages his management expertise to improve the quality of the Company's deliverables, raise productivity, and advance DX as Chief of Engineering Headquarters. He also contributes to the expansion of the Group's business as an officer in charge of the water & land business sector. Therefore, the Company nominates him once again as a candidate for Director.



Candidate  
Number

## 8 Fumiko Kosao

Reappointment External Independent Director

Date of birth: April 17, 1954

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 0

Board of Directors meeting attended: 93% (13/14)

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 (current position)
July 2011	District Director, Gyoda Tax Office, Kantoshinetsu Regional Taxation Bureau	June 2017	External Director, METAWATER Co., Ltd. (current position)
July 2014	District Director, Nihonbashi Tax Office, Tokyo Regional Taxation Bureau	July 2020	External Director (Audit & Supervisory Board Member), TOELL CO., Ltd.
August 2015	Registered Certified Public Tax Accountant Fumiko Kosao Certified Public Tax Accountant Office (current position)	June 2023	Outside Director, THE NIPPON ROAD CO., LTD. (current position)

Significant concurrent positions

Fumiko Kosao Certified Public Tax Accountant Office

External Director, METAWATER Co., Ltd.

Outside Director, THE NIPPON ROAD CO., LTD.

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. Furthermore, she has served as Chair of the Nomination & Compensation Advisory Committee of the Company since April 2025, and has contributed to enhancing the systems for the nomination and compensation of management team. 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

## 9 Yoshihisa Sonobe

Reappointment External Independent Director

Date of birth: October 17, 1956

Career summary, and positions and responsibilities at the Company

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 (current position)
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. Furthermore, he has served as Chair of the Corporate Governance Committee of the Company since April 2025, and has contributed to enhancing the Company's corporate governance. 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

## 10 Atsuko Ogasawara

Reappointment External Independent Director

Date of birth: October 6, 1960

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 0

Board of Directors meeting attended: 93% (13/14)

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 (current position)
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. (current position)
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. (current position)
May 2017	Director, Japan High School Baseball Federation	February 2021	Director, Kansai Innovation Center (current position)
		March 2023	Director, the Company (current position)

Significant concurrent positions

Director, The Daido Life Foundation

Outside Director, Senshu Ikeda Holdings, Inc.

Non-Executive Director (non-full time), The Senshu Ikeda Bank, Ltd.

Director, Kansai Innovation Center

Reason for nomination as candidate for External Director and expected roles

Ms. Atsuko Ogasawara has served in prominent positions such as 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 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 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.



Candidate  
Number

## 11 Toru Kuwano

Reappointment External Independent Director  
Date of birth: May 3, 1952

Career summary, and positions and responsibilities at the Company

Number of the Company's shares held: 0

Board of Directors meeting attended: 100% (10/10)

April 1976	Joined Toyo Information Systems Co., Ltd. (currently TIS Inc.)	April 2011	President and Representative Director, TIS Inc.
June 2000	Director, Toyo Information Systems Co., Ltd.	June 2018	Chairman, President and Representative Director, TIS Inc.
April 2004	Executive Director, TIS Inc.	April 2021	Chairman and Director, TIS Inc.(current position)
April 2008	Executive Managing Director, TIS Inc.	March 2025	Director, the Company (current position)
April 2010	Executive Vice President and Representative Director, TIS Inc.		

Significant concurrent positions  
Chairman and Director, TIS Inc.

Reason for nomination as candidate for External Director and expected roles

Mr. Toru Kuwano experienced management in a major IT service company and has been actively investing in and promoting collaboration with startups and domestic and overseas ventures to develop financial systems, promote AI and robot-related businesses, and advance businesses incorporating new technologies. The Company believes that he will leverage his extensive experience, a high level of expertise, 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 perspective in IT and DX and his extensive experience and expertise as an experienced manager.

- Notes:
1. There are no special interests between the candidates for Directors and the Company.
  2. As Mr. Masahiro Emori, Mr. Mitsuho Amano, and Mr. Toru Kuwano were newly elected as Directors at the 62nd Annual General Meeting of Shareholders (on March 25, 2025), the number of Board of Directors meetings held is different from that of other Directors.
  3. Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, Ms. Atsuko Ogasawara, and Mr. Toru Kuwano are candidates for External Directors. The Company has designated Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, Ms. Atsuko Ogasawara, and Mr. Toru Kuwano 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. Mr. Toru Kuwano is the Chairman and Director of TIS Inc. There were transactions between TIS Inc. and the Company only during the fiscal year ended December 31, 2024, but these totaled less than 10 million yen, an insignificant amount. Therefore, he meets the requirements of an independent officer as stipulated in the independence standards of the Exchange and the Company.
  4. The Company has concluded a limited liability contract with Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, Ms. Atsuko Ogasawara, and Mr. Toru Kuwano 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.
  5. 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).
  6. 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 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.

7. The term of office of Ms. Fumiko Kosao as an External Director of the Company will be nine years at the conclusion of this General Meeting of Shareholders. The term of office of Mr. Yoshihisa Sonobe as an External Director of the Company will be four years at the conclusion of this General Meeting of Shareholders. The term of office of Ms. Atsuko Ogasawara as an External Director of the Company will be three years at the conclusion of this General Meeting of Shareholders. The term of office of Mr. Toru Kuwano as an External Director of the Company will be one year at the conclusion 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 3 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	●	●	●			●		●	●
	Naoto Suzuki	●	●	●	●	●	●	●	●	
	Naoki Fujiwara	●	●	●		●				●
	Toshikazu Matsuoka	●	●		●		●	●		●
	Masahiro Emori	●	●	●						
	Mitsuho Amano	●	●			●				
	Fumiko Kosao	●			●			●		
	Yoshihisa Sonobe	●		●		●	●	●	●	●
	Atsuko Ogasawara	●			●		●		●	
	Toru Kuwano	●	●	●		●	●		●	
Auditor	Akira Tateyama	●	●			●				
	Keizo Mitsuke	●	●				●	●	●	
	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.

# Business Report

(January 1, 2025 - December 31, 2025)

## I. Overview of the Corporate Group

### 1. Performance in This Fiscal Year

#### (1) Business progress and results

During the fiscal year under review, the Japanese economy recovered moderately, although some impacts from continued price increases on personal consumption and from U.S. trade and other policies were observed.

With regard to the business environment surrounding the CTI Group, in the Domestic Business, the fiscal 2025 national budget for public works for disaster prevention/mitigation and national land resilience remained at the same level as in the previous fiscal year. Accordingly, the promotion of disaster prevention/mitigation measures such as river basin flood control and climate change adaption as well as of measures against aging infrastructure such as river and road maintenance projects continued.

In the Overseas Business, the market environment surrounding CTI Engineering International Co., Ltd. deteriorated due to ODA budget contraction. In the UK, which is overseen by Waterman Group Plc, the impact of the situations in Ukraine and the Middle East caused high inflation to persist, and this led to a weakening in private works. In addition, the fiscal policy combining tax increases and spending cuts, which continued after the change of government, resulted in a slowdown in the progress of public works.

Within this business environment, the Group formulated its Mid-Term Management Plan 2027 with the aim of achieving sustainable enhancement of corporate value. In FY2025 (63rd term), the initial year of the plan, the Group set forth the following priority agenda items: 1) Business Portfolio Transformation (a. Deepening of Core Businesses; b. Acceleration of Growth Areas; c. Exploration of New Businesses; and d. Overseas Business Development); and 2) Rebuild of Foundation for Growth (a. Strengthening Investment in Human Capital; b. DX/Production System Reform; c. Challenges for Sustainability; and d. Strengthening Group Governance), and implemented numerous initiatives.

As a result of these efforts, Orders Received by the Group during the fiscal year under review increased by 16.2% YoY to 109,701 million yen. Meanwhile, Sales increased by 3.4% YoY to 101,038 million yen. Ordinary Profit decreased by 1.9% YoY to 9,350 million yen, and Net Income Attributable to Owners of the Parent decreased by 11.8% YoY to 5,952 million yen.

Results are summarized by segment below.

#### i. Domestic consulting engineering business

Based on favorable conditions for order intake due to the Five-Year Road Program for disaster prevention, disaster mitigation, and building national resilience, which the Japanese government has been promoting, the Group pursued business portfolio transformation. As a result, orders from local governments increased, and targets for orders received in the all three businesses designated as growth areas (energy, information provision service, and CM/PM) were met. Sales were also in line with the target. Profits were affected by some subsidiaries failing to meet their targets.

Accordingly, orders received for the domestic consulting engineering business increased by 10.2% YoY to 72,411 million yen, sales increased by 4.2% YoY to 69,724 million yen, and segment income was 8,611 million yen, the same level as the previous year.

#### ii. Overseas consulting engineering business

CTI Engineering International Co., Ltd. based in Southeast Asia received orders for large-scale projects for which the contracts had been delayed, and although the target for orders received was met, in particular, profit was significantly affected by lower capacity utilization due to contract delays. Waterman Group Plc, which operates mainly in the UK, was affected by inflation and the impact of fiscal policy following the change of government, and although profit declined from the previous year, sales and profit were both in line with targets.

Accordingly, orders received for the overseas consulting engineering business increased by 30.0% YoY to 37,290 million yen, sales increased by 1.9% YoY to 31,313 million yen, and segment income

decreased by 29.7% YoY to 543 million yen.

(2) Issues to be addressed

In the domestic consulting engineering business, the First Medium-Term National Resilience Implementation Plan, which covers the five-year period from fiscal 2026 to fiscal 2030, was approved by the Cabinet in June 2025. The fiscal 2026 national budget for public works for disaster prevention/mitigation and national land resilience is expected to exceed the level of the previous fiscal year. Therefore, the promotion of disaster prevention/mitigation measures such as climate change adaptation as well as of measures against aging infrastructure such as river and road maintenance projects is forecast to continue.

In the overseas consulting engineering business, although the business in Southeast Asia overseen by CTI Engineering International Co., Ltd. is expected to grow steadily overall, the deterioration of market conditions due to intense competition is a concern. In the UK, where Waterman Group Plc oversees business, there are signs of a recovery in budget for public works, and inflation is moderating. However, interest rates have remained elevated, and the economic outlook is expected to remain unpredictable.

Based on the review of the business plan for the fiscal year under review, the initial year of the Mid-Term Management Plan 2027, the Group has set the basic policy of the business plan for FY2026 (64th term) the second year of the Mid-Term Management Plan 2027, as follows. We aim to advance as a “Global Infrastructure Solution Group” that contributes to the sustainable development of society.

1) Acceleration of Business Portfolio Transformation

We will further accelerate the Business Portfolio Transformation that made substantial progress in FY2025 and continue to expand our business. Specifically, we will work to enhance the competitiveness of core businesses, strengthen the foundations of growth areas, accelerate growth in new business domains, and improve the profitability of overseas operations.

2) Increase the Employee Engagement Ranking

Achieve both reduced workloads and qualitative growth, Strengthen strategic communication and Enhance human resource development

3) Improve productivity through quality and production system reforms

Strengthen profitability by improving productivity through technical excellence, enhanced PM, and operational efficiency and Integrate AI as a core tool into daily technical and administrative operations to achieve both process innovation and quality improvement

4) Strengthen group governance for both offensive and defensive perspectives

Strengthen internal control and monitoring systems, Develop an organizational structure to maximize group synergies, Enhance monitoring of SG&A expenses and Establish investment discipline for domestic and international projects based on the cost of capital

We humbly request the continued support and guidance of our shareholders.

(3) Financing

Not applicable.

(4) Capital investment

Not applicable.

(5) Business transfers, absorption-type company splits, or incorporation-type company splits

Not applicable.

(6) Acquisition of business of other companies

Not applicable.

(7) Succession of rights and obligations concerning the business of other corporations, etc., due to an absorption-type merger or absorption-type company split

Not applicable.

(8) Acquisition or disposition of shares or other equity interests or share acquisition rights, etc. in other companies

Not applicable.

## (9) Assets and earnings

(million yen)

Items	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Orders received	85,887	92,473	94,400	109,701
Sales	83,485	93,057	97,678	101,038
Ordinary profit	8,235	10,153	9,535	9,350
Net income attributable to owners of the parent	5,874	7,534	6,746	5,952
Net income per share (yen)	207.75	271.06	243.10	214.45
Total assets	73,296	79,914	87,694	96,344
Net assets	47,719	55,093	61,674	66,815
Net assets per share (yen)	1,680.41	1,979.45	2,213.71	2,412.45

Note: The Company conducted a 2-for-1 stock split of its common shares as of January 1, 2025. Net income per share and net assets per share are calculated based on the premise that the stock split was conducted at the beginning of the fiscal year ended December 31, 2022.

## (10) Material parent and subsidiaries

### i. Material parent

Not applicable as the Company has no parent company.

### ii. Material subsidiaries

Company name	Capital	Voting right ratio	Main business contents
CTI Engineering International Co., Ltd.	100 million yen	100%	Consulting engineering
Waterman Group Plc	3.3 million pounds sterling	100%	Consulting engineering, Building
Waterman Group (Aus) Pty Limited	7.6 million Australian dollars	(Note) 62.5%	Consulting engineering, Building
Waterman Aspen Limited	0.2 million pounds sterling	(Note) 100%	Dispatch of engineers
Japan Urban Engineering Co., Ltd.	100 million yen	100%	Consulting engineering, Land readjustment works
Chi-ken Sogo Consultants Co., Ltd.	100 million yen	100%	Consulting engineering, Geological survey works
NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd.	100 million yen	100%	Architectural design and supervision
Environmental Research & Solutions Co., LTD.	40 million yen	100%	Environmental measurement certification, Environmental surveys and analysis
HIROKEN CONSULTANTS Co., LTD.	10 million yen	100%	Consulting engineering

Note: The voting rights are all held indirectly by the Company through its subsidiary Waterman Group Plc.

## 2. Situation at the End of This Fiscal Year

### (1) Major businesses

The Group is engaged in the engineering consulting business related to social capital development, which includes public and private works for rivers, dams, roads, environment, information, cities and construction.

#### i. Domestic consulting engineering business

This business includes planning, research, feasibility studies, design, client support, construction supervision, management for operation and maintenance for public works in Japan as well as incidental system development, maintenance and supporting of general clerical works, land readjustment works, geological survey works, architectural design and supervision, environmental measurement certification, and environmental research and analysis. The Company and its subsidiary HIROKEN CONSULTANTS Co., LTD. is mainly in charge of all of these operations, except for land readjustment works, geological survey works, architectural design and supervision, and environmental measurement certification, and environmental research and analysis. The Company's subsidiary Japan Urban Engineering Co., Ltd. is in charge of land readjustment works. The Company's subsidiary Chi-ken Sogo Consultants Co., Ltd. is in charge of geological survey works. The Company's subsidiary NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd. is in charge of architectural design and supervision. The Company's subsidiary Environmental Research & Solutions Co., Ltd. is in charge of environmental measurement certification, and environmental surveys and analysis.

#### ii. Overseas consulting engineering business

This business includes project finding, formulation of master plans, planning, research, feasibility studies, design, construction supervision and management for operation and maintenance for overall public works projects overseas, as well as building-related operations including structural design and facilities and equipment design, and the dispatch of engineers. The Company is in charge of consulting engineering services together with subsidiaries CTI Engineering International Co., Ltd. and Waterman Group Plc. The Company's subsidiaries Waterman Group Plc and Waterman Group (Aus) Pty Limited are in charge of building-related operations. The Company's subsidiary Waterman Aspen Limited is in charge of the dispatch of engineers.

(2) Major offices

i. The Company

Headquarters

21-1 Nihonbashi-hamacho 3-chome, Chuo-ku, Tokyo, Japan

Branches, etc.

Tokyo Main Office (Chuo-ku, Tokyo)

Tokyo Main Office Saitama Branch Office (Urawa-ku, Saitama)

Osaka Main Office (Chuo-ku, Osaka)

Hokkaido Office (Chuo-ku, Sapporo)

Tohoku Office (Aoba-ku, Sendai)

Hokuriku Office (Chuo-ku, Niigata)

Chubu Office (Naka-ku, Nagoya)

Chugoku Office (Higashi-ku, Hiroshima)

Shikoku Office (Takamatsu-shi, Kagawa)

Kyushu Office (Chuo-ku, Fukuoka)

Okinawa Office (Naha-shi, Okinawa)

Research Center Tsukuba (Tsukuba-shi, Ibaraki)

Branch offices

Aomori Branch Office (Aomori-shi, Aomori), and 42 other branch offices nationwide

ii. Subsidiaries

CTI Engineering International Co., Ltd. (Chuo-ku, Tokyo)

Waterman Group Plc (London, United Kingdom)

Waterman Group (Aus) Pty Limited (South Melbourne, Australia)

Waterman Aspen Limited (London, United Kingdom)

Japan Urban Engineering Co., Ltd. (Taito-ku, Tokyo)

Chi-ken Sogo Consultants Co., Ltd. (Arakawa-ku, Tokyo)

NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd. (Shibuya-ku, Tokyo)

Environmental Research & Solutions Co., Ltd. (Seika-cho, Soraku-gun, Kyoto)

HIROKEN CONSULTANTS Co., LTD. (Fukuyama-shi, Hiroshima)

### (3) Employees

#### i. Corporate group

Number of employees	Change from previous fiscal year-end
4,087 (1,108)	Up 121 (up 2)

Note: Number of employees is the number of active employees. The number in parenthesis ( ) is excluded from the above number and shows the annual average number of temporary employees (part-time and casual workers).

#### ii. The Company

Number of employees	Change from previous fiscal year-end	Average age	Average years of service
2,263 (599)	Up 112 (up 11)	42.22 years	12.31 years

Note: Number of employees is the number of active employees. The number in parenthesis ( ) is excluded from the above number and shows the annual average number of temporary employees (part-time and casual workers).

### (4) Major lenders

Not applicable

### (5) Other material matters concerning the corporate group

Not applicable

## II. Current Status of the Company (As of December 31, 2025)

### 1. Shares

(1) Number of authorized shares	80,000,000 shares
(2) Number of issued shares	28,318,172 shares
(3) Number of shareholders	4,375
(4) Major shareholders (Top 10)	

Name	Number of shares held (thousands)	Ratio of the number of shares held
The Master Trust Bank of Japan, Ltd. (trust account)	3,114	11.3%
HIKARI POWER LIMITED	2,793	10.1
CTI Engineering Employees' Stock-sharing Association	2,159	7.8
Yasumitsu Shigeta	793	2.9
Custody Bank of Japan, Ltd. (trust account)	750	2.7
MUFG Bank, Ltd.	743	2.7
Mitsubishi UFJ Trust and Banking Corporation	708	2.6
Sumitomo Life Insurance Company	600	2.2
Dai-ichi Life Insurance Company, Limited	538	2.0
JAPAN ABSOLUTE VALUE FUND GENERAL PARTNER THOMAS OWSLEY RODES	508	1.8

Notes: 1. Treasury shares held by the Company (740,575 shares) are not included in the table above.

2. Ratio of the number of shares held is calculated after deducting the number of treasury shares.

### (5) Shares delivered to company officers as consideration for execution of duties during the fiscal year under review

In accordance with a resolution of the Board of Directors meeting held on April 25, 2025, the Company delivered the following common shares to officers of the Company as restricted stock compensation on May 23, 2025.

Category	Number of shares	Number of beneficiaries
Directors (excluding External Directors)	17,079	7
Executive Officers who do not concurrently serve as Directors	14,418	13

### (6) Other material matters concerning shares

The Company resolved to acquire own shares at a meeting of the Board of Directors held on November 12, 2025, and acquired own shares as follows during the fiscal year under review:

Status of acquisition of own shares as of December 31, 2025

- Class and number of shares acquired: 213,300 shares of common stock of the Company
- Total amount of share acquisition costs: 635,994,294 yen
- Acquisition period: From November 13, 2025 to December 31, 2025
- Method of acquisition: Market purchases on the Tokyo Stock Exchange

(Reference) Resolution of the Board of Directors meeting held on November 12, 2025

- a) Class and number of shares to be acquired: Up to 700,000 shares of common stock of the Company
- b) Total amount of share acquisition costs: Up to 1,500,000,000 yen
- c) Acquisition period: From November 13, 2025 to April 30, 2026
- d) Method of acquisition: Market purchases on the Tokyo Stock Exchange

## 2. Share Acquisition Rights

Not applicable as the Company does not issue share acquisition rights.

### 3. Status of Directors and Auditors

#### (1) Positions and responsibilities of Directors and Auditors

Position	Name	Responsibilities and significant concurrent positions
Representative Director, Chairman	Tetsumi Nakamura	
Representative Director and President, CEO	Tatsuya Nishimura	
Director, Senior Managing Executive Officer	Naoto Suzuki	Chief, Planning & Business Development Headquarters
Director, Managing Executive Officer	Naoki Fujiwara	President and CEO, CTI Engineering International Co., Ltd. Executive Director, Waterman Group Plc
Director, Managing Executive Officer	Toshikazu Matsuoka	Chief, Administration Headquarters
Director, Managing Executive Officer	Masahiro Emori	Managing Principal, Tokyo Main Office
Director, Managing Executive Officer	Mitsuho Amano	Chief, Engineering Headquarters
Director	Fumiko Kosao	Certified Public Tax Accountant, Fumiko Kosao Certified Public Tax Accountant Office External Director, METAWATER Co., Ltd. Outside Director, THE NIPPON ROAD CO., LTD.
Director	Yoshihisa Sonobe	
Director	Atsuko Ogasawara	Director, The Daido Life Foundation Outside Director, Senshu Ikeda Holdings, Inc. Non-Executive Director, The Senshu Ikeda Bank, Ltd. Director, Kansai Innovation Center
Director	Toru Kuwano	Chairman and Director, TIS Inc.
Auditor	Akira Tateyama	
Auditor	Keizo Mitsuke	
Auditor	Yasuro Tanaka	Attorney
Auditor	Go Ishikawa	Attorney, Senior Partner, SAKURADA DORI PARTNERS, Outside Auditor, ALTECH CO., LTD.

#### Notes:

1. Directors, Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, Ms. Atsuko Ogasawara, and Mr. Toru Kuwano, are External Directors.
2. Auditors, Mr. Yasuro Tanaka and Mr. Go Ishikawa, are External Auditors.
3. The Company has designated Directors, Ms. Fumiko Kosao, Mr. Yoshihisa Sonobe, Ms. Atsuko Ogasawara, and Mr. Toru Kuwano, and Auditors, Mr. Yasuro Tanaka and Mr. Go Ishikawa, as Independent Directors and Auditors in accordance with the rules of Tokyo Stock Exchange, Inc. and notified the same to the said exchange.
4. Auditor, Mr. Go Ishikawa, has notified the Regional Commissioner of the Tokyo Regional Taxation Bureau of his intention to engage in tax accountant services. He has been appointed by the Tokyo District Court as a bankruptcy trustee, civil rehabilitation supervisor, and individual rehabilitation commissioner, and handles tax claims. Through his practice as an attorney, he has considerable knowledge of finance and accounting.
5. The Company has entered into a legal advisory agreement with Auditor, Mr. Go Ishikawa, but his annual compensation is less than 5 million yen and therefore is immaterial.
6. The status of significant concurrent positions of external officers is described in “4. Matters Concerning External Officers (1) Significant concurrent positions at other corporations, etc. and relationships between the Company and counterparties” under “Business Report II. Current Status of the Company.”
7. Representative Director, Mr. Tetsumi Nakamura, retired from his concurrent position of Chairman of the Japan Civil Engineering Consultants Association in May 2025 due to the expiration of his term of office.
8. Representative Director, Mr. Yoshiaki Nanami passed away on January 7, 2025, and resigned as Representative Director, Executive Vice President on the same date.

(2) Outline of liability limitation agreement

The Company has concluded a limited liability contract with each External Director and each External Auditor to limit their liability for damages as stipulated in Article 423, Paragraph 1 of the Companies Act. The maximum liability limit under the agreement is 5 million yen or the amount provided by applicable laws, whichever is greater.

(3) Outline of indemnity agreement

Not applicable

(4) Outline of directors and officers liability insurance contract

The Company has entered into a directors and officers liability insurance contract as stipulated in Article 430-3, Paragraph 1 of the Companies Act with an insurance company to cover legal liability for damages and litigation expenses incurred due to claims for damages arising from acts committed by officers, in the execution of their duties. However, to ensure that the officers insured by the contract execute their duties appropriately, liability arising from their acts to gain personal benefit or convenience illegally is not covered. The insurance contract covers all Directors, Auditors, and Executive Officers of the Company and its subsidiaries, and insurance premiums are fully borne by the Company.

(5) Remuneration for Directors and Auditors for this fiscal year

i. Total amount of compensation of Directors and Auditors

Category	Number of payees	Total amount of compensation (million yen)	Amount of compensation by classification (million yen)		
			Basic compensation	Performance-linked compensation	Non-monetary compensation
Directors [Of which, External Directors]	15 [5]	285 [33]	201 [33]	41 [-]	43 [-]
Auditors [Of which, External Auditors]	5 [2]	49 [14]	49 [14]	-	-
Total [Of which, External Directors/Auditors]	20 [7]	334 [48]	250 [48]	41 [-]	43 [-]

Notes:

1. The amounts of compensation for Directors do not include employee salaries for Directors who serve concurrently as employees.
2. The amount of performance-linked compensation for Directors is the amount that has been expensed as reserve for bonuses to directors in the fiscal year under review.
3. The content of non-monetary compensation is restricted stock of the Company, for which Directors (excluding External Directors) of the Company are eligible for allotment.
4. The number of payees stated above includes four Directors (three Internal Directors and one External Director) and one Auditor who retired during the fiscal year.

ii. Resolutions at the general meeting of shareholders regarding the compensation of Directors and Auditors

The 51st Annual General Meeting of Shareholders held on March 27, 2014 resolved the annual limit of Directors' compensation of 400 million yen (excluding employee salaries for Directors who serve concurrently as employees), with 11 Directors (including 0 External Directors) in office at the conclusion of the said General Meeting of Shareholders. In addition, the 60th Annual General Meeting of Shareholders held on March 28, 2023 resolved the annual limit of monetary receivables for granting restricted stock to Directors (excluding External Directors) of 100 million yen (excluding employee salaries for Directors who concurrently serve as employees), with 12 Directors (including 4 External Directors) in office at the conclusion of the said General Meeting of Shareholders.

The 31st Annual General Meeting of Shareholders held on March 30, 1994 resolved the annual limit of Auditors' compensation of 80 million yen, with 3 Auditors (including 1 External Auditor) in office at the conclusion of the said General Meeting of Shareholders.

iii. Policies regarding the determination of the contents of compensation for individual Directors

a. Policy on determining amounts

The Company established the policies regarding the determination of compensation for individual Directors and Auditors as follows by resolution of the Board of Directors meeting held on February 14, 2023.

[Compensation for Directors (excluding External Directors)]

Compensation for Directors (excluding External Directors) consists of fixed compensation (monthly compensation) as consideration for the execution of duties, compensation linked to consolidated business performance in the relevant fiscal year (monetary bonuses), and non-monetary compensation (restricted stock compensation) as long-term incentive compensation. The standard ratio of each compensation is as follows:

	Fixed compensation	Variable compensation	
	Monthly compensation	Monetary bonuses	Restricted stock compensation
Setting standard (ratios)	67.5%	20.0%	12.5%

[Compensation for External Directors]

Compensation for External Directors shall consist solely of fixed compensation (monthly compensation) from the perspective of their roles and independence. The specific amount of compensation shall be determined in accordance with the method of determining fixed compensation in the compensation of Internal Directors.

[Compensation for Auditors]

From the perspective of high independence, their compensation shall consist of monthly compensation only. The specific amount of compensation shall be determined through consultation among the Auditors.

b. Summary of details of determination policies

Method of determining compensation for Directors (excluding External Directors)

Fixed compensation

Fixed compensation (monthly compensation) shall be appropriately calculated in accordance with a predetermined table of monthly compensation standards for officers within the range of maximum amount of compensation of Directors which was determined by the resolution of the General Meeting of Shareholders, and shall be determined by resolution of the Board of Directors after deliberation by the Nomination & Compensation Advisory Committee.

Performance-linked compensation (monetary bonuses)

With regard to performance-linked compensation (monetary bonuses), the base amount of bonuses shall be set according to the consolidated business performance of the relevant fiscal year, and the specific amount of each Director shall be set within the range of compensation, after evaluation by the Representative Director and President, CEO of the degree of contribution of each Director, in accordance with their assigned responsibilities, for each type of operating profit, orders received, ROE, and ESG using the following calculation formula, and shall be resolved at the Board of Directors meeting after deliberation by the Council for Personnel Affairs of Officers, etc. and by the Nomination & Compensation Advisory Committee. Consolidated operating profit, orders received and profit before tax in accordance with assigned responsibilities, average ROE for the three most recent fiscal years, and ESG indicators have been adopted as specific metrics, and each coefficient is calculated based on the degree of achievement with respect to the targets and goals determined at the beginning of the fiscal year. The reason for the selection of consolidated operating profit and orders received and profit before

tax in accordance with assigned responsibilities is to make clear the interconnection with short-term business activities, and the reason for the selection of three-year average ROE and ESG indicators is to make clear the responsibility for increasing corporate value over the medium to long term. With regard to actual results for the metrics in the fiscal year under review, consolidated operating profit was 9,136 million yen and the three-year average ROE was 11.9%. As for orders received, profit before tax in accordance with assigned responsibilities, and ESG indicators, aside from CTI Engineering International Co., Ltd. falling short of its targets, the targets and goals determined at the beginning of the fiscal year were generally achieved.

Payment category	Eligible persons	Weight	Method of payment calculation
Payment as short-term incentives	Representative and deputy representative of business establishments, president of Group companies	30%	(i) Basic bonus amount × 30% × (ii) Consolidated operating income coefficient
		20%	(i) Basic bonus amount × 20% × (iii) Average of commissioned profit coefficient and commissioned order coefficient
	Officer and deputy officer responsible for departments, officer and deputy officer responsible for international affairs	30%	(i) Basic bonus amount × 30% × (ii) Consolidated operating income coefficient
		20%	(i) Basic bonus amount × 20% × (iv) Commissioned order coefficient
	Officers other than the above	50%	(i) Basic bonus amount × 50% × (ii) Consolidated operating income coefficient
Payment as long-term incentives	All officers	50%	(i) Basic bonus amount × 50% × (v) ROE evaluation index
		+20%	(i) Basic bonus amount × 20% × (vi) ESG evaluation index

#### Non-monetary compensation (restricted stock compensation)

With regard to non-monetary compensation (restricted stock compensation), the number of shares granted shall be calculated according to the position and shall be determined by resolution of the Board of Directors after deliberation by the Nomination & Compensation Advisory Committee. In addition, the Transfer Restriction Period shall expire at the time of vacation of office.

With regard to non-monetary compensation (restricted stock compensation), provisions have been established to the effect that the Company may, after deliberation by the Board of Directors, acquire all shares granted without consideration in the following cases: (i) cases where the Director has been engaged in the business of a company that competes with the Group without the consent of the Company, (ii) cases where the Director has caused damage to the Group due to fraudulent accounting or large losses, etc., or (iii) other cases where the Company has judged that the shares should be acquired without consideration.

- c. Reason for the judgment by the Board of Directors that the contents of compensation for individual Directors is in line with the determination policies

Regarding the compensation for individual Directors for the relevant fiscal year, the Board of Directors has confirmed the method of determination of compensation and the contents of compensation are consistent with the determination policies and that the recommendations of the Nomination & Compensation Advisory Committee, which is chaired by an External Director, have been respected, and has judged that they are in line with the determination policies.

#### 4. Matters Concerning External Officers

##### (1) Significant concurrent positions at other corporations, etc. and relationships between the Company and counterparties

Position and name		Significant concurrent positions at other corporations, etc.	Relationship with the counterparty
Director	Fumiko Kosao	Fumiko Kosao Certified Public Tax Accountant Office External Director, METAWATER Co., Ltd. Outside Director, THE NIPPON ROAD CO., LTD.	No
Director	Yoshihisa Sonobe	N/A	---
Director	Atsuko Ogasawara	Director, The Daido Life Foundation Outside Director, Senshu Ikeda Holdings, Inc. Non-Executive Director, The Senshu Ikeda Bank, Ltd. Director, Kansai Innovation Center	No
Director	Toru Kuwano	Chairman and Director, TIS Inc.	No
Auditor	Yasuro Tanaka	N/A	---
Auditor	Go Ishikawa	Senior Partner, SAKURADA DORI PARTNERS Outside Auditor, ALTECH CO., LTD.	No

Note: No spouse of or relative to the third degree of kinship to the above external officers serves as an officer or employee of the Company or a specified associated service provider of the Company.

##### (2) Main activities in this fiscal year

###### i. Attendance of meetings of the Board of Directors and Board of Auditors

Position and name	Board of Directors meetings (held 14 times)		Board of Auditors meetings (held 14 times)	
	Number of meetings attended	Attendance rate	Number of meetings attended	Attendance rate
Director Fumiko Kosao	13	93%	---	---
Director Yoshihisa Sonobe	14	100%	---	---
Director Atsuko Ogasawara	13	93%	---	---
Director Toru Kuwano	10	100%	---	---
Auditor Yasuro Tanaka	14	100%	14	100%
Auditor Go Ishikawa	14	100%	14	100%

Note: External Director, Mr. Toru Kuwano, has attended meetings of the Board of Directors held since assuming office on March 25, 2025.

###### ii. Comments made in meetings of the Board of Directors and Board of Auditors

Director, Ms. Fumiko Kosao, conducted supervision and gave advice to ensure the appropriateness of finance and accounting based on her viewpoint as an experienced Certified Public Tax Accountant, thereby appropriately supervising business execution. Furthermore, as Chair of the Nomination & Compensation Advisory Committee, she has led the Committee's activities, and leveraged her expertise to lead appropriate committee administration in enhancing the systems for the nomination and compensation of management team. In addition, as a member of the Corporate Governance Committee, she has offered useful opinions toward the enhancement of corporate governance.

Director, Mr. Yoshihisa Sonobe, gave advice on the Group's management strategies, including business development, and capital policies based on his extensive insight and experience in finance and accounting, thereby appropriately supervising business execution. Furthermore, as a member of the Nomination & Compensation Advisory Committee, he has made comments from an objective and neutral standpoint concerning matters related to the nomination and compensation of management team. In addition, as Chair of the Corporate Governance Committee, he has led the Committee's activities, leveraging his expertise to lead initiatives to enhance the effectiveness of the Board of Directors, and offered useful opinions toward the enhancement of corporate governance.

Director, Ms. Atsuko Ogasawara, gave advice based on her extensive experience and expertise in the business community, thereby appropriately supervising business execution. Furthermore, as a member

of the Nomination & Compensation Advisory Committee, she has made comments from an objective and neutral standpoint concerning matters related to the nomination and compensation of management team. In addition, as a member of the Corporate Governance Committee, she has offered useful opinions toward the enhancement of corporate governance.

Director, Mr. Toru Kuwano, gave advice based on his extensive management experience, advanced expertise, and broad knowledge, thereby appropriately supervising business execution. Furthermore, as a member of the Nomination & Compensation Advisory Committee, he has made comments from an objective and neutral standpoint concerning matters related to the nomination and compensation of management team. In addition, as a member of the Corporate Governance Committee, he has offered useful opinions toward the enhancement of corporate governance.

Auditors, Mr. Yasuro Tanaka and Mr. Go Ishikawa, actively asked questions of the Directors at the meetings of the Board of Directors, and they also leveraged their insights in the legal area and their extensive experience accumulated as attorneys and, for Mr. Go Ishikawa's part, his knowledge of finance and accounting accumulated through his work as an attorney, to make comments and recommendations. In the Board of Auditors meetings, they reported on the audits that they had conducted, exchanged information closely with other Auditors, and leveraged their insights primarily in the legal area and extensive experience accumulated as attorneys to express necessary opinions.

(3) Total amounts of compensation

Category	Number of payees	Total amount of compensation (million yen)
External Directors	5	33
External Auditors	2	14

Notes: 1. Compensation of the Company's External Directors and External Auditors consists solely of basic compensation, and there is no performance-linked compensation or non-monetary compensation.  
2. The number of payees stated above includes one External Director who retired upon the expiration of his term at the conclusion of the 62nd Annual General Meeting of Shareholders held on March 25, 2025.

(4) Amounts of compensation received from the parent company or subsidiaries of the parent company

Not applicable.

## 5. Accounting Auditor

### (1) Name

Deloitte Touche Tohmatsu LLC

### (2) Amount of compensation for audit services and reasons why the Board of Auditors agreed to that amount

The Board of Auditors agreed to the compensation for audit services because it judged it to be reasonable upon consideration of Accounting Auditor's audit plan, the status of execution of its audit in the previous fiscal year, its method of calculating estimates, and other factors.

Details	Compensation amount
Amount of compensation for the Accounting Auditor for the fiscal year under review	72 million yen
Total amount of money or other economic benefits to be paid by the Company and its subsidiaries	72 million yen

Note: In the audit agreement concluded between the Company and the Accounting Auditor, no distinction is made between audit compensation for audits based on the Companies Act and audits based on the Financial Instruments and Exchange Act, and such distinction cannot be substantively made. For this reason, the above amounts indicate the total amounts for these two types of audit.

### (3) Audits of consolidated subsidiaries

Consolidated subsidiary of the Company, Waterman Group Plc, obtains audits from an accounting auditor other than the Accounting Auditor of the Company.

### (4) Policy for determination of dismissal or non-reappointment

If there is difficulty for the Accounting Auditor to execute its duties or the Board of Auditors determines it necessary to dismiss or not reappoint the Accounting Auditor, the Board of Auditors shall decide on a proposal for dismissal or non-reappointment, and the Board of Directors shall submit a proposal to the same effect to the General Meeting of Shareholders based on the decision. If the Accounting Auditor is deemed to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Accounting Auditor shall be dismissed by the Board of Auditors with the unanimous approval of the Auditors. In this case, the Auditor selected by the Board of Auditors shall report to the effect that the Accounting Auditor was dismissed and the reasons therefor at the first General Meeting of Shareholders called after the dismissal.

### (5) Disposition of suspension of operations in the past two years

Not applicable.

### (6) Outline of contents of liability limitation agreement

Not applicable.

### (7) Accounting Auditor that has resigned or been dismissed

Not applicable.

## 6. Establishment and Operating Status of a System to Ensure the Appropriateness of Business Activities

The CTI Engineering Group's Business Philosophy is "challenging to create a safe, comfortable, and enriching society using world-class technology and expertise." We recognize that the development and operation of an appropriate system for business execution under this Business Philosophy is a key responsibility of management that leads to increased corporate value. Accordingly, we have established the following systems to ensure the appropriateness of business operations.

### (1) Systems to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation

We clarify matters that Directors and employees of the CTI Engineering Group should observe in the execution of their duties, enhance the compliance system and the business management system, and improve these systems through monitoring and other means. Specifically, we shall have no relationship whatsoever with antisocial forces or organizations that threaten order and safety of society, adopt a resolute stance against all unreasonable demands, and reject them. In addition, in accordance with the Regulations for Handling Whistleblowing, we strive to enhance the whistleblowing system in order to prevent illegal or unfair practices, detect and correct them at an early stage, and prevent their recurrence.

### (2) Systems for the storage and management of information on the execution of duties by Directors

Striving for transparency in corporate governance, Directors maintain an information management system in accordance with the CTI Engineering Group Information Security Policy and other internal regulations, and appropriately disclose, store, discontinue, and manage documents and other information related to the execution of their duties.

### (3) Regulations concerning the management of the risk of loss and other systems

We strengthen the risk management system to minimize risk occurrence and establish systems that enable us to respond swiftly and appropriately in the event of a crisis. In addition, we collect information for each of the subsidiaries to strengthen the risk management system.

### (4) Systems to ensure that the duties of Directors are executed efficiently

We clarify the duties and authority assigned to Directors, such as decision-making on operations, supervisory functions, and the separation of business execution roles, and hold the Board of Directors Meeting and Management Meeting regularly (at least once a month) to make decisions on matters after thorough discussions. Management plans are to be regularly verified and refined while confirming business results. We establish internal control systems to ensure cooperation and coordination between our offices and divisions. Our Administration Headquarters and other related departments at the Headquarters actively assist our subsidiaries to ensure that business is executed efficiently.

### (5) Systems to ensure the appropriateness of business activities in the CTI Engineering Group (including systems for reporting to the parent company matters related to the execution of duties by Directors, etc., of subsidiaries)

We establish management systems for the CTI Engineering Group based on basic policies such as the Business Philosophy and management strategy of the CTI Engineering Group. In addition, in accordance with the provisions of the Regulations on the Management of Subsidiaries, the Directors of subsidiaries report to the parent company on key management matters and obtain prior approval from the parent company as necessary.

### (6) Concerning employees who are requested by Auditors to assist them in their duties

In the event that Auditors request employees to be appointed to assist them in the performance of their duties, we are to consult with the Auditors, select employees on the basis of their qualifications, and obtain the Auditors' consent regarding such appointments.

- (7) Concerning the independence of employees mentioned in the preceding item from Directors, and ensuring the effectiveness of instructions from Auditors

Employees appointed to assist Auditors are not to be subject to the instructions and orders of Directors. When these employees concurrently hold other roles, they are not to be subject to instructions and orders given by Directors while they assist Auditors in their duties. In addition, we are to obtain the consent of Auditors regarding the transfer, evaluation, reward and punishment, etc., of such employees.

- (8) Systems for Directors and employees to report to Auditors, other systems for reporting to Auditors, and systems to ensure that those who report to Auditors are not treated disadvantageously for making such reports

Directors and employees of the CTI Engineering Group are to report to Auditors whenever an event occurs or is likely to occur that may have a significant impact on the management of the company. We maintain an internal system for reporting, and determine matters to be reported to Auditors in advance through discussions between Directors and Auditors. In addition, we prohibit the disadvantageous treatment of employees for having made such reports to Auditors.

- (9) Concerning procedures for advance payment or reimbursement of expenses incurred in the performance of duties by Auditors, and policies for the handling of other expenses or liabilities arising from the performance of their duties

Regarding the expenses, etc., incurred by Auditors in the performance of their duties, we promptly pay such expenses to Auditors, including advance payments, and settle any liabilities, except when Directors prove that such expenses, etc., are not necessary for the performance of Auditors' duties.

- (10) Other systems for ensuring effective audits by Auditors

Directors and Auditors recognize the necessity of developing the audit environment (including cooperation with the internal audit department) and other matters to ensure the effectiveness of audits by Auditors, and confirm these matters through discussion as necessary to ensure that there is a system for the implementation of audits.

- (11) Overview of operating status of systems necessary to ensure the appropriateness of business activities

The overview of the operating status of systems necessary to ensure the appropriateness of business activities in the fiscal year under review is as follows:

- i. Systems to ensure that the execution of duties by Directors and employees complies with laws, regulations, and the Articles of Incorporation

Under the principle of "to act with integrity, fairness, and responsibility" espoused in the Code of Corporate Conduct, the Company has established Regulations of the Board of Directors, Organization Regulations, and Regulations for the Division of Responsibility for Operations to clarify the duties of Directors and employees. The Company has also established the Legal Affairs & Compliance Division and the Audit Section as organizations reporting directly to the Representative Director and President, CEO for ongoing improvement through initiatives such as compliance training that includes Group companies, implementation of internal audits, and monitoring of matters raised in internal audits. In addition, the Risk Management Committee deliberates on key compliance matters regarding the Group, has established the Compliance Regulations, and is working to further enhance the whistleblowing system. In this way, the Company has built mechanisms by which risk information is accurately communicated to upper management. Further, in addition to strengthening the Group's compliance system through cooperation between the Legal Affairs & Compliance Division and relevant departments, the Company's Board of Directors promptly make decisions on key factors affecting the Group in accordance with laws, regulations, the Articles of Incorporation, and internal rules.

- ii. Systems for the storage and management of information on the execution of duties by Directors

The Company has developed the Regulations for Management of Confidential Information, the

Regulations for the Protection of Personal Information, the CTI Group Information Security Policy, the Basic Policy on Information Security, and the Information Security Implementation Procedures in order to strictly manage information that needs to be stored and managed, including documents such as contracts, materials for board meetings, minutes, key business information, and personal information in the course of business.

iii. Regulations concerning the management of the risk of loss and other systems

Based on the Risk Management Regulations, the Company has formulated policies and measures for risk management, identifies risks, and formulates countermeasures, based on which each department manages its individual risks at the Risk Management Committee, chaired by the Representative Director and President, CEO. The Risk Management Committee assesses the status of individual risk management, and provides guidance and supervision. The Committee makes regular reports on the status of efforts to the Board of Directors, and with the deliberation of reported matters by the Board of Directors, risk management is comprehensively controlled and managed. Material risks related to non-financial metrics are addressed through information sharing in collaboration with the Sustainability Committee. The Company has also set forth the actions to be taken by the Company in the event of an emergency in the Guidelines for the Operation of Emergency Headquarter, and in this way, aims to bring the emergency situation under control appropriately as soon as possible and restore trust in the Company.

iv. Systems to ensure that the duties of Directors are executed efficiently

The Company clearly sets forth the duties and authority assigned to Directors in the Regulations of the Board of Directors, Authority Regulations, and other internal rules, and holds the Board of Directors meetings and Management Meeting regularly to make decisions efficiently and swiftly.

v. Systems to ensure the appropriateness of business activities in the CTI Engineering Group

The Company has established Regulations on the Management of Subsidiaries and appoints a responsible officer to supervise Group companies. The Company also holds the Group Management Meeting, operational meetings, and liaison meetings with Group companies to share information and strengthen collaboration.

vi. Systems to support audits by Auditors of the Company

Auditors of the Company attend material meetings such as those of the Board of Directors, Management Meeting, Executive Officers' Meeting, and Group Management Meeting of the Company, and directly check the status of business execution. Auditors of the Company also hold regular meetings with the Accounting Auditor and internal audit department to exchange information and coordinate activities.

## 7. Basic Policy on Control of the Company

No policies have been determined.

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Note: The amounts and numbers of shares stated in this Business Report are rounded down to the nearest presented unit. Fractions are rounded off to the nearest presented unit.

# Consolidated Financial Statements

## Consolidated Balance Sheet

(As of December 31, 2025)

(million yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>62,519</b>	<b>Current liabilities</b>	<b>22,712</b>
Cash and bank deposits	15,988	Accounts payable	3,545
Notes receivable, completed work receivables and contract assets	44,144	Short-term borrowings	1,380
Prepaid expenses for uncompleted services	155	Lease obligations	950
Other	2,830	Accrued income taxes	1,823
Allowance for doubtful accounts	-600	Contract liabilities	4,169
<b>Fixed assets</b>	<b>33,825</b>	Reserve for bonuses	3,042
<b>Tangible fixed assets</b>	<b>13,549</b>	Reserve for bonuses to directors	213
Buildings and structures	3,809	Allowance for losses in operations	121
Machinery and transportation equipment	284	Other	7,465
Land	4,601	<b>Fixed liabilities</b>	<b>6,816</b>
Lease assets	475	Long-term borrowings	78
Right-of-use assets	3,322	Lease obligations	3,054
Construction in progress	30	Provision for warranties for completed operation	543
Other	1,025	Deferred tax liabilities	786
<b>Intangible fixed assets</b>	<b>6,974</b>	Net defined benefit liability	914
Lease assets	36	Provision for loss on guarantees	142
Goodwill	6,607	Asset retirement obligations	849
Other	331	Other	447
<b>Investments and other assets</b>	<b>13,300</b>	<b>Total liabilities</b>	<b>29,529</b>
Investment securities	4,540	<b>(Net assets)</b>	
Long-term loans	807	<b>Shareholders' equity</b>	<b>58,566</b>
Deferred tax assets	202	<b>Capital</b>	<b>3,025</b>
Net defined benefit asset	5,813	<b>Capital surplus</b>	<b>3,830</b>
Other	2,069	<b>Profit surplus</b>	<b>53,188</b>
Allowance for doubtful accounts	-133	<b>Treasury stock</b>	<b>-1,478</b>
		<b>Accumulated other comprehensive income</b>	<b>7,962</b>
		<b>Other valuation difference on available-for-sale securities</b>	<b>1,841</b>
		<b>Foreign currency translation adjustment</b>	<b>3,199</b>
		<b>Remeasurements of defined benefit plans</b>	<b>2,921</b>
		<b>Non-controlling interests</b>	<b>285</b>
		<b>Total net assets</b>	<b>66,815</b>
<b>Total assets</b>	<b>96,344</b>	<b>Total liabilities and net assets</b>	<b>96,344</b>

## Consolidated Profit and Loss Account

(January 1, 2025 - December 31, 2025)

(million yen)

Description	Amount	
<b>Sales</b>		<b>101,038</b>
<b>Cost of sales</b>		<b>71,457</b>
<b>Gross profit</b>		<b>29,580</b>
<b>Selling, general and administrative expenses</b>		<b>20,444</b>
<b>Operating income</b>		<b>9,136</b>
<b>Non-operating revenues</b>		
Interest earned	100	
Dividend earned	133	
Insurance dividend earned	41	
House rent earned	39	
Other	121	436
<b>Non-operating expenses</b>		
Interest expense	103	
Commission paid	3	
Loss on investments in investment partnerships	30	
Foreign exchange losses	37	
Provision of allowance for doubtful accounts on loans and other receivables	27	
Commission for acquisition of treasury stock	4	
Other	14	221
<b>Ordinary profit</b>		<b>9,350</b>
<b>Extraordinary gain</b>		
Gain on sale of non-current assets	0	
Gain on sale of investment securities	615	<b>615</b>
<b>Extraordinary loss</b>		
Loss from fixed assets disposal	32	
Impairment losses	432	
Loss on liquidation of subsidiaries and associates	88	
Unrealized loss on investment securities	219	
Provision for loss on guarantees	142	
Other	50	965
<b>Net income before income tax</b>		<b>9,000</b>
Corporation tax, inhabitants taxes and enterprise tax	2,899	
Deferred income taxes etc.	94	2,994
<b>Net income</b>		<b>6,006</b>
Net income attributable to non-controlling interests		54
<b>Net income attributable to owners of the parent</b>		<b>5,952</b>

## Statement of Fluctuations in Consolidated Shareholders' Equity

(January 1, 2025 - December 31, 2025)

(million yen)

	Shareholders' equity				
	Capital	Capital surplus	Profit surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,025	3,650	49,318	-890	55,104
Changes of items during the period					
Dividends from surplus	-	-	-2,082	-	-2,082
Net income attributable to owners of the parent	-	-	5,952	-	5,952
Acquisition of treasury stock	-	-	-	-637	-637
Disposal of treasury stock	-	24	-	49	74
Changes in liabilities for written put options over non-controlling interests	-	155	-	-	155
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-	-	-	-	-
Total changes of items during the period	-	179	3,869	-588	3,461
Balance at the end of current period	3,025	3,830	53,188	-1,478	58,566

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Other valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,781	2,549	2,017	6,348	221	61,674
Changes of items during the period						
Dividends from surplus	-	-	-	-	-	-2,082
Net income attributable to owners of the parent	-	-	-	-	-	5,952
Acquisition of treasury stock	-	-	-	-	-	-637
Disposal of treasury stock	-	-	-	-	-	74
Changes in liabilities for written put options over non-controlling interests	-	-	-	-	-	155
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	60	650	903	1,614	64	1,678
Total changes of items during the period	60	650	903	1,614	64	5,140
Balance at the end of current period	1,841	3,199	2,921	7,962	285	66,815

# Non-Consolidated Financial Statements

## Non-Consolidated Balance Sheet

(As of December 31, 2025)

(million yen)

Description	Amount	Description	Amount
<b>(Assets)</b>		<b>(Liabilities)</b>	
<b>Current assets</b>	<b>40,980</b>	<b>Current liabilities</b>	<b>12,978</b>
Cash and bank deposits	5,902	Accounts payable	2,784
Notes receivable, completed work receivables and contract assets	28,354	Lease obligations	121
Prepaid expenses for uncompleted services	28	Accounts payable	683
Advance payment	655	Accrued income taxes	1,668
Short-term loans	4,991	Accrued consumption taxes	909
Other	1,047	Accrued expenses	1,590
<b>Fixed assets</b>	<b>31,287</b>	Contract liabilities	1,352
<b>Tangible fixed assets</b>	<b>8,871</b>	Deposits received	1,142
Buildings	3,186	Reserve for bonuses	2,632
Structures	122	Reserve for bonuses to directors	41
Machinery and equipment	84	Allowance for losses in operations	17
Furniture and fixtures	547	Other	34
Land	4,485	<b>Fixed liabilities</b>	<b>2,246</b>
Lease assets	415	Lease obligations	340
Construction in progress	30	Reserve for retirement benefits	1,131
<b>Intangible fixed assets</b>	<b>290</b>	Provision for loss on guarantees	142
Leasehold	16	Asset retirement obligations	630
Software	215	Other	1
Lease assets	34	<b>Total liabilities</b>	<b>15,224</b>
Telephone rights	22	<b>(Net assets)</b>	
Other	0	<b>Shareholders' equity</b>	<b>55,202</b>
<b>Investments and other assets</b>	<b>22,125</b>	<b>Capital</b>	<b>3,025</b>
Investment securities	3,804	<b>Capital surplus</b>	<b>4,172</b>
Shares in subsidiaries and affiliates	13,750	Capital reserve	4,122
Investments	245	Other capital surplus	50
Long-term loans	807	<b>Profit surplus</b>	<b>49,481</b>
Long-term prepaid expenses	15	Profit reserve	176
Deferred tax assets	624	Other profit surplus	49,304
Lease and guarantee deposit	1,382	General reserve	8,700
Prepaid pension cost	1,624	Profit surplus brought forward	40,604
Other	4	<b>Treasury stock</b>	<b>-1,478</b>
Allowance for doubtful accounts	-133	<b>Valuation and translation differences</b>	<b>1,841</b>
		<b>Other valuation difference on available-for-sale securities</b>	<b>1,841</b>
		<b>Total net assets</b>	<b>57,043</b>
<b>Total assets</b>	<b>72,267</b>	<b>Total liabilities and net assets</b>	<b>72,267</b>

## Non-Consolidated Profit and Loss Account

(January 1, 2025 - December 31, 2025)

(million yen)

Description	Amount	
<b>Sales</b>		<b>60,969</b>
<b>Cost of sales</b>		<b>40,476</b>
<b>Gross profit</b>		<b>20,492</b>
<b>Selling, general and administrative expenses</b>		<b>11,972</b>
<b>Operating income</b>		<b>8,520</b>
<b>Non-operating revenues</b>		
Interest and dividend earned	353	
House rent earned	102	
Other	95	550
<b>Non-operating expenses</b>		
Interest expense	4	
Commission paid	3	
Rental expenses	53	
Loss on investments in investment partnerships	30	
Provision of allowance for doubtful accounts on loans and other receivables	27	
Commission for acquisition of treasury stock	4	
Other	0	123
<b>Ordinary profit</b>		<b>8,947</b>
<b>Extraordinary gain</b>		
Gain on sale of investment securities	615	615
<b>Extraordinary loss</b>		
Loss from fixed assets disposal	22	
Impairment losses	432	
Loss on liquidation of subsidiaries and associates	88	
Unrealized loss on investment securities	219	
Unrealized loss on shares in subsidiaries and affiliates	49	
Provision for loss on guarantees	142	
Other	0	955
<b>Net income before income tax</b>		<b>8,607</b>
Corporation tax, inhabitants taxes and enterprise tax	2,483	
Deferred income taxes etc.	215	2,698
<b>Net income</b>		<b>5,908</b>

## Statement of Fluctuations in Non-Consolidated Shareholders' Equity

(January 1, 2025 - December 31, 2025)

(million yen)

	Shareholders' equity							
	Capital	Capital surplus			Profit reserve	Profit surplus		
		Capital reserve	Other capital surplus	Total capital surplus		General reserve	Profit surplus brought forward	Total profit surplus
Balance at the beginning of current period	3,025	4,122	25	4,148	176	8,700	36,778	45,655
Changes of items during the period								
Dividends from surplus	-	-	-	-	-	-	-2,082	-2,082
Net income	-	-	-	-	-	-	5,908	5,908
Acquisition of treasury stock	-	-	-	-	-	-	-	-
Disposal of treasury stock	-	-	24	24	-	-	-	-
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-	-	-	-	-	-	-	-
Total changes of items during the period	-	-	24	24	-	-	3,826	3,826
Balance at the end of current period	3,025	4,122	50	4,172	176	8,700	40,604	49,481

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury stock	Total shareholders' equity	Other valuation difference on available-for-sale securities	Total valuation and translation adjustments	
Balance at the beginning of current period	-890	51,938	1,781	1,781	53,720
Changes of items during the period					
Dividends from surplus	-	-2,082	-	-	-2,082
Net income	-	5,908	-	-	5,908
Acquisition of treasury stock	-637	-637	-	-	-637
Disposal of treasury stock	49	74	-	-	74
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	-	-	60	60	60
Total changes of items during the period	-588	3,263	60	60	3,323
Balance at the end of current period	-1,478	55,202	1,841	1,841	57,043