

Note: This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.

Securities code: 9621
March 7, 2022

To Shareholders with Voting Rights:

Tetsumi Nakamura
Managing Director and Chief Executive Officer
CTI Engineering Co., Ltd.
21-1, Nihombashi-hamacho 3-chome,
Chuo-ku, Tokyo

**NOTICE OF
THE 59TH 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 59th Annual General Meeting of Shareholders (the “Meeting”) of CTI Engineering Co., Ltd. (the “Company”) will be held for the purposes as described below.

To prevent the spread of COVID-19, we ask you to exercise your voting rights by all means in writing or via the internet in advance and refrain from attending the Meeting in person.

If you are exercising your voting rights in advance, please review the attached reference documents for the General Meeting of Shareholders 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 Wednesday, March 23, 2022, Japan time.

- 1. Date and Time:** Thursday, March 24, 2022 at 10:00 a.m. Japan time (Reception opens at 9:00 a.m.)
- 2. Place:** Banquet Room Hikari no ma, 3F, 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 59th Fiscal Year (January 1, 2021 – December 31, 2021) and results of audits of Consolidated Financial Statements by Accounting Auditor and Board of Auditors
 2. Non-consolidated Financial Statements for the Company’s 59th Fiscal Year (January 1, 2021 – December 31, 2021)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of Twelve (12) Directors
 - Proposal 4:** Payment of Bonuses to Directors

-
- If you are attending the Meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
 - Should the Reference Documents for the General Meeting of Shareholders and Business Report, Consolidated Financial Statements, and Non-consolidated Financial Statements provided in this Notice of the Annual General Meeting of Shareholders require revisions, the revised versions will be posted on the Company’s website (URL: <http://www.ctie.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and References

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
60 yen per share of common stock of the Company
The total amount of dividend in this case would be 848,385,060 yen.
3. Effective date of distribution of surplus
March 25, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the proposal

- (1) The acquisition of the Company's own shares will be conducted to enable flexible capital policies.
(Article 6 after proposed amendments)
- (2) The amended provisions stipulated in the proviso to Article 1 of the supplementary provisions of the "Act Partially Amending the Companies Act" (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.
 - (i) After the proposed amendments, Article 13, Paragraph 1 shall stipulate that information contained in the reference materials for the general meeting of shareholders, etc. shall be provided electronically.
 - (ii) After the proposed amendments, Article 13, Paragraph 2 shall lay down provisions to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
 - (iii) The provisions on disclosure via the internet of the reference documents for the general meeting of shareholders, etc. and deemed provision of information (Article 12 of the current Articles of Incorporation) shall become unnecessary and shall therefore be deleted.
 - (iv) In line with the above establishment and deletion of provisions, supplementary provisions related to the effective date, etc. shall be established.
- (3) Amendments to article numbers and other necessary changes will be made in line with the new establishment or deletion of articles.

2. Details of amendments

The details of the amendments are as follows.

(Amended parts are underlined.)

Current Articles of Incorporation	Proposed Amendments
CHAPTER II. SHARES	CHAPTER II. SHARES
Article 5 <Omitted>	Article 5 <No change> (<u>Acquisition of Company Shares</u>)
<Newly established>	Article 6 The Company may, pursuant to <u>Article 165, Paragraph 2 of the Companies Act, acquire its own shares in market transactions, etc. by resolution of the Board of Directors.</u>

Current Articles of Incorporation	Proposed Amendments
<p>Article <u>6</u> – Article <u>9</u> <Omitted> CHAPTER III. GENERAL MEETING OF SHAREHOLDERS Article <u>10</u> – Article <u>11</u> <Omitted> <u>(Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and Deemed Provision of Information)</u> <u>Article 12 The Company shall be deemed to have provided the shareholders with the necessary information with respect to the matters to be stated or indicated in the reference documents for the general meeting of shareholders, the business reports, the financial statements and the consolidated financial statements, by disclosing such information via the Internet in accordance with the Ordinance of the Ministry of Justice.</u> <Newly established> Article <u>13</u> – Article <u>48</u> <Omitted></p>	<p>Article <u>7</u> – Article <u>10</u> <No change> CHAPTER III. GENERAL MEETING OF SHAREHOLDERS Article <u>11</u> – Article <u>12</u> <No change> <Deleted> (Measures for Electronic Provision, Etc.) <u>Article 13</u> 1. <u>The Company shall, when convening a general meeting of shareholders, provide information contained in the reference materials for the general meeting of shareholders, etc. electronically.</u> 2. <u>Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ordinance of the Ministry of Justice in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u> Article <u>14</u> – Article <u>49</u> <No change></p>

Current Articles of Incorporation	Proposed Amendments
<p><Newly established></p>	<p><u>Supplementary Provisions</u> <u>(Transitional Measures for Electronic Provision of Materials for the General Meeting of Shareholders)</u> <u>Article 1</u></p> <ol style="list-style-type: none"> <li data-bbox="820 394 1418 734">1. <u>The deletion of Article 12 (Disclosure via the Internet of the Reference Documents for the General Meeting of Shareholders, etc. and Deemed Provision of Information) of the Articles of Incorporation before amendments and the establishment of Article 13 (Measures for Electronic Provision, Etc.) after amendments shall come into effect on September 1, 2022.</u> <li data-bbox="820 741 1418 1003">2. <u>Notwithstanding the provisions of the preceding paragraph, Article 12 of the Articles of Incorporation before amendments shall remain in force with respect to a general meeting of shareholders to be held on or before the last day of February 2023.</u> <li data-bbox="820 1010 1418 1198">3. <u>These supplementary provisions shall be deleted on March 1, 2023 or after three months from the date of the general meeting of shareholders set forth in the preceding paragraph, whichever is later.</u>

Proposal 3: Election of Twelve (12) Directors

The term of office of eleven (11) Directors will expire at the conclusion of this Meeting. Accordingly, the Company proposes to increase the number of External Directors by one (1) to enhance the management supervision function of the Board of Directors and further improve corporate governance, and elect twelve (12) Directors including three (3) External Directors.

The candidates for Directors are as follows:

No.	Name	Current position at the Company	
1	Kazuhiro Terai	Vice Chairman & Director	[Reappointment]
2	Tetsumi Nakamura	Managing Director and Chief Executive Officer	[Reappointment]
3	Tatsuya Nishimura	Senior Managing Executive Officer & Managing Director	[Reappointment]
4	Yoshiaki Nanami	Senior Managing Executive Officer & Director	[Reappointment]
5	Tsutomu Akiba	Managing Executive Officer & Director	[Reappointment]
6	Hiroshi Kiuchi	Managing Executive Officer & Director	[Reappointment]
7	Naoto Suzuki	Executive Officer & Director	[Reappointment]
8	Nobuyuki Maeda	Managing Executive Officer	[New candidate]
9	Toshihide Uemura	Managing Executive Officer	[New candidate]
10	Shuichi Ikebuchi	Director	[Reappointment] [External Director] [Independent Director]
11	Fumiko Kosao	Director	[Reappointment] [External Director] [Independent Director]
12	Yoshihisa Sonobe	—	[New candidate] [External Director] [Independent Director]

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares held
1	Kazuhiro Terai (February 28, 1956) [Reappointment]	<p>April 1981 Joined the Company</p> <p>April 1999 General Manager, Environmental Measures Div., Headquarters Environment Dept., Osaka Office</p> <p>April 2003 General Manager, Management Business Div.</p> <p>April 2007 Deputy Branch Administrator, Tokyo Head Office</p> <p>March 2012 Executive Officer</p> <p>April 2012 Deputy Administrator, Tokyo Head Office</p> <p>March 2013 Director</p> <p>April 2013 Chief, Headquarters Management Dept.</p> <p>March 2016 Managing Executive Officer</p> <p>April 2017 Principal, Osaka Head Office</p> <p>March 2018 Senior Managing Executive Officer</p> <p>March 2019 Executive Officer, Vice President & Managing Director</p> <p>April 2019 Principal, Tokyo Head Office</p> <p>March 2021 Vice Chairman & Director (present post)</p>	23,800
<p>[Reason for nomination as candidate for Director]</p> <p>Mr. Kazuhiro Terai has served in numerous prominent positions in the water & land business sector, environmental & social business sector, business establishments, and administrative sector of the Company, and possesses extensive experience and deep insight related to our Group's management and business activities. He has been contributing to improving corporate value and leveraging his management expertise in the overall supervision of the Group as Vice Chairman & Director since March 2021. Therefore, the Company nominates him once again as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of the Company's shares held
2	Tetsumi Nakamura (March 4, 1957) [Reappointment]	April 1979	Joined the Company	26,400
		April 2002	General Manager, Water Resources Dept., Tokyo Head Office	
		April 2006	Deputy Branch Administrator, Tokyo Head Office	
		April 2009	Deputy Administrator, Tokyo Head Office	
		March 2010	Executive Officer	
		April 2011	Principal, Tohoku Office	
		March 2013	Director	
		March 2015	Principal, Kyushu Office and Okinawa Office	
		March 2016	Managing Executive Officer	
		April 2017	Principal, Tokyo Head Office	
		March 2018	Senior Managing Executive Officer	
		March 2019	President and Chief Executive Officer (present post)	
	[Reason for nomination as candidate for Director] Mr. Tetsumi Nakamura has served in numerous prominent positions in the water & land business sector and business establishments of the Company, and possesses extensive experience and deep insight related to our Group's management and business activities. He has been demonstrating strong leadership to improve the corporate value of the Group and achieve its sustainable growth through expansion of orders received, development of new businesses, workstyle reform, and CSR as President and Chief Executive Officer since March 2019. Therefore, the Company nominates him once again as a candidate for Director.			
3	Tatsuya Nishimura (August 9, 1959) [Reappointment]	April 1985	Joined the Company	19,500
		April 2004	General Manager, Water Management & Research Div., Tokyo Head Office	
		April 2010	Deputy Branch Administrator, Chubu Office	
		March 2015	Executive Officer	
		April 2015	Deputy Administrator, Tokyo Head Office	
		March 2017	Managing Executive Officer	
		April 2017	Principal, Tohoku Office	
		March 2019	Director, Senior Managing Executive Officer (present post)	
		April 2019	Chief, Planning & Business Development Headquarters (present post)	
		March 2021	Managing Director (present post)	
	[Reason for nomination as candidate for Director] Mr. Tatsuya Nishimura has served in numerous prominent positions in the water & land business sector, business establishments, and Business development sector of the Company and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Senior Managing Executive Officer & Managing Director in March 2021 and has been leveraging his management expertise to expand the Group's business as Chief of Planning & Business Development Headquarters as well as an officer in charge of the construction management business sector and international business. Therefore, the Company nominates him once again as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of the Company's shares held
4	Yoshiaki Nanami (January 2, 1960) [Reappointment]	July 2017	Retired as Director-General, Shikoku Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism	3,600
		November 2017 March 2018 March 2019 March 2021	Joined the Company, Executive Manager Executive Officer, Deputy Chief, Headquarters Engineering Dept. Director (present post), Managing Executive Officer, Chief, Headquarters Engineering Dept. Senior Managing Executive Officer, Principal, Tokyo Head Office (present post)	
[Reason for nomination as candidate for Director] Mr. Yoshiaki Nanami has served in numerous prominent positions in the field of flood control and water resources at the Ministry of Land, Infrastructure, Transport and Tourism and possesses extensive experience in heading organizations and a high level of expertise related to the construction industry and technology in the field of flood control and water resources. After joining the Company in November 2017, he took office as Managing Executive Officer & Director in March 2019 and leveraged his management expertise to improve the quality of the Company's deliverables as Chief of Headquarters Engineering Department. He currently demonstrates strong leadership in large-scale office management as Principal of Tokyo Head Office. Therefore, the Company nominates him once again as a candidate for Director.				
5	Tsutomu Akiba (July 7, 1957) [Reappointment]	April 1980 April 2004 April 2006 April 2010 March 2013 April 2013 March 2015 March 2017 April 2017 March 2019 April 2019	Joined the Company General Manager, Road & Transportation Engineering Div., Tokyo Head Office Deputy Branch Administrator, Tohoku Office Deputy Chief, Headquarters Business Development Dept. Executive Officer Principal, Chubu Office Principal, Tohoku Office Managing Executive Officer (present post) Principal, Kyushu Office and Okinawa Office Director (present post) Chief, Governance Management Headquarters (present post)	22,300
		[Reason for nomination as candidate for Director] Mr. Tsutomu Akiba has served in numerous prominent positions in the transportation & urban business sector, sales sector and business establishments of the Company and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Managing Executive Officer & Director in March 2019 and currently leverages his management expertise to improve the Group's governance, expand its business, and undertake productivity reform as Chief of Governance Management Headquarters and an officer in charge of the transportation & urban business sector, information, and IT innovation promotion. Therefore, the Company nominates him once again as a candidate for Director.		

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of the Company's shares held
6	Hiroshi Kiuchi (July 9, 1958) [Reappointment]	April 1981	Joined the Company	17,100
		April 2005	General Manager, Water Resources Div., Osaka Head Office	
		April 2011	Deputy Branch Administrator, Osaka Head Office	
		March 2015	Executive Officer	
		April 2015	Deputy Administrator, Tokyo Head Office	
		November 2015	President & Managing Director, NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd.	
		March 2017	Managing Executive Officer, the Company (present post)	
		March 2019	Director (present post)	
	April 2019	Principal, Osaka Head Office (present post)		
[Reason for nomination as candidate for Director] Mr. Hiroshi Kiuchi has served in numerous prominent positions in the water & land business sector and business establishments of the Company as well as the position of President & Managing Director at NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd., a major Group company, and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Managing Executive Officer & Director in March 2019 and currently demonstrates strong leadership in the management of core business sites as Principal of Osaka Head Office. Therefore, the Company nominates him once again as a candidate for Director.				
7	Naoto Suzuki (November 22, 1961) [Reappointment]	April 1991	Retired from Yachiyo Engineering Co., Ltd.	3,800
		May 1991	Joined the Company	
		April 2006	General Manager, Road & Transportation Engineering Div., Osaka Head Office	
		April 2011	General Manager, Sales & Marketing Division, Osaka Head Office	
		April 2012	Deputy Branch Administrator, Osaka Head Office	
		March 2017	Executive Officer (present post)	
		April 2017	Deputy Chief, Headquarters Management Dept., General Manager, Personnel Div., Headquarters Management Dept.	
		March 2020	Director, Chief, Headquarters Management Dept. (present post)	
	[Reason for nomination as candidate for Director] Mr. Naoto Suzuki has served in numerous prominent positions in the transportation & urban business sector, sales sector, business establishments, and administrative sector 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 currently leverages his management expertise to strengthen the administration base by supervising the Group's workstyle reform, accounting and finance, human resource development, and IR, etc. as Chief of Headquarters Management Department and an officer in charge of labor management, accounting, and diversity promotion. Therefore, the Company nominates him once again as a candidate for Director.			

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of the Company's shares held
8	Nobuyuki Maeda (September 23, 1959) [New candidate]	April 1982	Joined the Company	10,000
		April 2006	General Manager, Road & Transportation Engineering Div., Tokyo Head Office	
		April 2010	Deputy Branch Administrator, Tohoku Office	
		April 2014	President & Managing Director, Japan Urban Engineering Co., Ltd.	
		March 2016	Executive Officer, the Company	
		March 2019	Managing Executive Officer (present post)	
		April 2019	Principal, Tohoku Office	
		April 2021	Chief, Headquarters Engineering Dept. (present post)	
[Reason for nomination as candidate for Director] Mr. Nobuyuki Maeda has served in numerous prominent positions in the transportation & urban business sector and business establishments of the Company as well as the position of President & Managing Director at Japan Urban Engineering Co., Ltd., a major Group company, and possesses extensive experience and deep insight related to our Group's management and business activities. He took office as Managing Executive Officer in March 2019 and currently leverages his management expertise to improve the quality of our deliverables as Chief of Headquarters Engineering Department. Therefore, the Company nominates him as a candidate for Director.				
9	Toshihide Uemura (January 11, 1960) [New candidate]	April 1982	Joined the Company	15,800
		April 2007	General Manager, Waterworks Engineering Div., Kyushu Office	
		April 2011	Deputy Branch Administrator, Kyushu Office	
		April 2014	Deputy Chief, Planning Headquarters; General Manager of Management Planning Div., Headquarters Planning Dept.	
		March 2016	Executive Officer	
		March 2019	Managing Executive Officer (present post)	
		April 2019	Principal, Chubu Office (present post)	
[Reason for nomination as candidate for Director] Mr. Toshihide Uemura has served in numerous prominent positions in the water & land business sector, business establishments, and headquarters organizations, and possesses extensive experience and deep insight related to our Group's business activities, business strategies, and marketing. He took office as Managing Executive Officer in March 2019 and currently demonstrates strong leadership in the management of the Company's business establishments as Principal of Chubu Office. Therefore, the Company nominates him as a candidate for Director.				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions		Number of the Company's shares held
10	Shuichi Ikebuchi (July 5, 1943) [Reappointment]	February 1979	Professor, Disaster Prevention Research Institute, Kyoto University	—
		April 1996	Chief, Water Resources Research Center, Disaster Prevention Research Institute, Kyoto University	
		May 1999	Director, Disaster Prevention Research Institute, Kyoto University	
		October 2004	Director and General Manager, Research Institute, Meteorological Engineering Center, Inc.	
		April 2007	Professor Emeritus, Kyoto University; Research Advisor, Foundation of River & Watershed Environment Management	
		April 2013	Research Fellow, The River Foundation (present post)	
		March 2017	Director, the Company (present post)	
<p>[Reason for nomination as candidate for External Director and expected roles]</p> <p>Mr. Shuichi Ikebuchi is an expert in disaster prevention, a field in which business operations are expected to expand in the future. He leverages his extensive experience, broad insight, and global perspectives in the overall management of the Company. Therefore, the Company nominates him once again as a candidate for External Director.</p> <p>If he is elected as an External Director, the Company expects him to play appropriate roles in ensuring the adequacy and appropriateness of its decision-making process through supervision and advice regarding the Company's management issues based on his expertise and broad insight as an academic expert.</p>				
11	Fumiko Kosao (April 17, 1954) [Reappointment]	April 1973	Employed by National Tax Agency	—
		July 1997	Teacher, Tokyo Training Center, National Tax College	
		July 2011	District Director, Gyoda Tax Office, Kantoshinetsu Regional Taxation Bureau	
		July 2014	District Director, Nihonbashi Tax Office, Tokyo Regional Taxation Bureau	
		August 2015	Registered Certified Public Tax Accountant (present post) Fumiko Kosao Certified Public Tax Accountant Office (present post)	
		June 2016	External Auditor, TOBISHIMA CORPORATION	
		March 2017	Director, the Company (present post)	
		June 2017	External Director, METAWATER Co., Ltd. (present post)	
		July 2020	External Director (Audit & Supervisory Board Member), TOELL CO., Ltd. (present post)	
<p>[Reason for nomination as candidate for External Director and expected roles]</p> <p>Ms. Fumiko Kosao has served in positions such as District Director of Nihonbashi Tax Office, Tokyo Regional Taxation Bureau, and possesses extensive experience in heading organizations, as well as expertise related to tax affairs and corporate accounting as a Certified Public Tax Accountant. The Company believes that she will leverage her extensive experience and broad insight in the overall management of the Company and nominates her once again as a candidate for External Director.</p> <p>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.</p> <p>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.</p>				

No.	Name (Date of birth)	Career summary, positions, responsibilities, and significant concurrent positions	Number of the Company's shares held
12	Yoshihisa Sonobe (October 17, 1956) [New candidate]	<p>April 1980 Joined Teijin Limited</p> <p>June 2009 Corporate Officer; Head of Corporate Planning, Teijin Limited</p> <p>April 2011 CFO; General Manager, Accounting and Finance Unit, Teijin Limited</p> <p>April 2014 General Manager, Corporate Strategy Unit, Teijin Limited</p> <p>June 2014 Director, Teijin Limited</p> <p>April 2016 Executive Officer, Teijin Limited</p> <p>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</p> <p>April 2019 Senior Executive Officer; Chief Financial Officer; Teijin Limited</p> <p>April 2020 Representative Director, Teijin Limited</p> <p>April 2021 Director; Part-Time Advisor, Teijin Limited (present post)</p> <p>June 2021 Retired as Director of Teijin Limited</p>	—
<p>[Reason for nomination as candidate for External Director and expected roles]</p> <p>Mr. Yoshihisa Sonobe leverages his insight in accounting and finance 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 (General Manager, Corporate Officer and Executive Officer) and CFO (Corporate Officer and Senior Executive Officer). The Company believes that he will leverage his extensive experience and broad insight in the overall management of the Company and nominates him as a candidate for External Director.</p> <p>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 accounting and finance and global business.</p>			

- Notes:
1. There are no special interests between the candidates for Directors and the Company.
 2. Mr. Shuichi Ikebuchi, Ms. Fumiko Kosao, and Mr. Yoshihisa Sonobe are candidates for External Directors. The Company has designated Mr. Shuichi Ikebuchi and Ms. Fumiko Kosao 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. Yoshihisa Sonobe fulfills the requirements for Independent Director in accordance with the rules of the Tokyo Stock Exchange, and if his appointment is approved at this General Meeting of Shareholders, the Company plans to also designate him as an Independent Director.
 3. The Company has concluded a limited liability contract with Mr. Shuichi Ikebuchi and Ms. Fumiko Kosao as stipulated in Article 427, Paragraph 1 of the Companies Act and Article 30 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 renew the contract. If the appointment of Mr. Yoshihisa Sonobe is approved at this General Meeting of Shareholders, the Company plans to conclude a similar contract with him.
 4. If the election of each candidate is approved, the Company plans to conclude a liability contract as stipulated in Article 430-2, Paragraph 1 of the Companies Act and 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.

5. 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. In the event that damages are claimed due to actions (including inaction) by the Company's Directors, who are the insured, in their position as the Company's officers, the contract covers damages and litigation costs incurred by the insured. (However, it does not cover any claims for damages arising from illegal obtainment of personal gain or benefit by the insured.)

The insurance premiums are fully paid by the Company.

If the candidates for Directors assume office, they will be the insured of the contract. The Company also plans to renew the insurance contract with the same conditions at the next renewal.

6. The terms of office of Mr. Shuichi Ikebuchi and Ms. Fumiko Kosao as External Directors of the Company will be five years at the conclusion of this General Meeting of Shareholders.

(Reference) Skill Matrix of the Company's Directors (if the candidates for Directors are elected at this General Meeting of Shareholders)

The skill matrix indicates knowledge, experience, and abilities that each Director possesses, fields in which they can leverage their particular expertise, fields to which they are particularly expected to contribute and diversity scores of each Director.

Name	Corporate management	Engineering	Business strategy/ Marketing	HR/HR development	Finance/ Accounting/ Tax affairs	Legal affairs/ Risk management	Global
Kazuhiro Teraï	●	●		●	●	●	
Tetsumi Nakamura	●	●	●				
Tatsuya Nishimura	●	●	●				●
Yoshiaki Nanami	●	●		●			●
Tsutomu Akiba	●	●	●			●	
Hiroshi Kiuchi	●	●					
Naoto Suzuki	●	●		●	●		
Nobuyuki Maeda	●	●					
Toshihide Uemura	●	●	●				
Shuichi Ikebuchi	●	●					●
Fumiko Kosao	●			●	●		
Yoshihisa Sonobe	●		●		●	●	●

Proposal 4: Payment of Bonuses to Directors

Considering the business performance for the fiscal year under review, the Company proposes to pay a total of 40,400,000 yen in bonuses to nine (9) Directors, excluding External Directors, among Directors in office at the end of the fiscal year.

This proposal has been determined based on the policy on determining the individual compensation of Directors for the fiscal year under review (for details, please see page 31 of the Japanese version). The Company has therefore judged the same as appropriate.

The Company requests that the amount paid to each Director be left to the discretion of the Board of Directors.