

Translation

# Articles of Incorporation

CTI Engineering Co., Ltd.  
(March 2022)

## Articles of Incorporation

### CHAPTER I. GENERAL PROVISIONS

#### Article 1. (Company Name)

The name of the company shall be “*Kabushiki Kaisha Kensetsu Gijutsu Kenkyusho*” and in English it shall be “CTI Engineering Co., Ltd” (hereinafter referred to as the “Company”).

#### Article 2. (Purpose)

The purpose of the Company shall be to engage in the following businesses:

- (1) Surveying, planning, designing, management and consultancy concerning construction work;
- (2) Geological surveys, testing and evaluation;
- (3) Measurement services;
- (4) Environmental surveys, observation, analysis, impact assessment and preservation projects;
- (5) Construction-related testing, trials and study;
- (6) Production of construction-related models;
- (7) Compilation of records relating to construction and the environment;
- (8) Surveying, planning, designing, and management concerning architecture;
- (9) Energy-related business;
- (10) Agriculture-related business;
- (11) Manufacture and sales of alcoholic beverages
- (12) Planning, designing, development, and sales of information systems and software;
- (13) Supply of temporary workers;
- (14) Property and casualty insurance agency; and
- (15) Any and all businesses incidental to any of the aforementioned businesses.

#### Article 3. (Location of Head Office)

The head office of the Company shall be located in Chuo-ku, Tokyo, Japan.

#### Article 4. (Method of Public Notice)

Public notices of the Company shall be electronic public notices; provided, however, that if the Company is unable to issue an electronic public notice due to an unavoidable reason, public notices of the Company shall be issued in the *Nihon Keizai Shimbun*.



## CHAPTER II. SHARES

### Article 5. (Total Number of Authorized Shares)

The total number of authorized shares of the Company shall be forty million (40,000,000) shares.

### Article 6. (Acquisition of Company Shares)

The Company may, pursuant to Article 165, Paragraph 2 of the Companies Act, acquire its own shares in market transactions, etc. by resolution of the Board of Directors.

### Article 7. (Number of Shares Constituting One Unit of Stock)

The number of shares constituting one unit of stock of the Company shall be one hundred (100).

### Article 8. (Transfer Agent)

1. The Company shall appoint a transfer agent.

2. The transfer agent and its handling office shall be designated by resolution of the Board of Directors of the Company and public notice thereof shall be issued by the Company.

### Article 9. (Share Handling Regulations)

The business and handling charges, as well as the procedures for shareholders to exercise their voting rights, etc., pertaining to entry or record to the register of shareholders and the ledger of stock acquisition rights, the purchase of shares less than one unit, other shares and stock acquisition rights, shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Share Handling Regulations determined at the Board of Directors of the Company.

### Article 10. (Record Date)

1. The Company shall deem those shareholders with voting rights whose name are listed or recorded in the last register of shareholders as of the last day of each business year to be shareholders entitled to exercise their rights at the ordinary general meeting of shareholders to be held with respect to such business year.

2. Notwithstanding the preceding paragraph, whenever necessary, in accordance with resolution of the Board of Directors of the Company and upon giving prior public notice, the Company may entitle the shareholders or registered pledgees of shares listed or recorded in the register of shareholders as of a certain date to exercise their rights.

### CHAPTER III. GENERAL MEETING OF SHAREHOLDERS

#### Article 11. (Period of Convocation)

The ordinary general meeting of shareholders shall be convened in March each year and an extraordinary general meeting of shareholders shall be convened whenever necessary.

#### Article 12. (Convocation of Meetings and Chairman)

Except as otherwise provided by laws and regulations, the President and Director shall convene the general meeting of shareholders and act as chairman thereof, by resolution of Board of Directors; provided, however, in the event that the President and Director is unable to act, another Director, determined in accordance with an order of priority previously determined by resolution of the Board of Directors, shall convene the general meeting of shareholders and act as the chairman thereof.

#### Article 13. (Measures for Electronic Provision, etc.)

1. 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.

2. 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.

#### Article 14. (Exercise of Voting Rights by Proxy)

1. A shareholder may exercise his/her voting rights by authorizing one (1) other shareholder with voting rights to act as his/her proxy.

2. In the event of the preceding paragraph, a shareholder or his/her proxy shall submit to the Company a document evidencing his/her authority of representation for each general meeting of shareholders.

#### Article 15. (Method of Adopting Resolutions)

1. Except as otherwise provided by laws and regulations or this Articles of Incorporation, resolutions of a general meeting of shareholders shall be adopted by a majority of the votes of the shareholders present thereat who entitled to exercise voting rights.

2. Except as otherwise provided by the Articles of Incorporation, resolutions to be adopted pursuant to Article 309, Paragraph 2 of the Companies Act shall be adopted by two-third (2/3) or more of the votes of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

Article 16. (Minutes)

In the minutes of a general meeting of shareholders, the summary and results of the proceedings thereof and other matters provided by laws and regulations shall be listed or recorded.

**CHAPTER IV. DIRECTORS AND BOARD OF DIRECTORS**

Article 17. (Appointment of Board of Directors)

The Company shall have a Board of Directors.

Article 18. (Number and Election of Directors)

1. The number of Directors of the Company shall not exceed twelve (12) and each Director shall be elected by a resolution of a general meeting of shareholders.

2. Resolutions for the election of Directors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

Article 19. (Exclusion of Cumulative Voting)

Resolutions for the elections of Directors shall not be by cumulative voting.

Article 20. (Term of Office of Directors)

The term of office of a Director shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within one (1) year from his/her election to office.

Article 21. (Representative Director(s))

Representative Director(s) shall be elected by resolution of the Board of Directors of the Company.

Article 22. (Executive Directors)

The Board of Directors of the Company shall elect by resolution one (1) President and Director from among the Representative Directors. The Board of Directors may also appoint one (1) Chairman & Director and one (1) Vice Chairman & Director from among the Directors.

Article 23. (Convocation of Meetings and Chairman)

Except as otherwise provided by laws and regulations, the President and Director shall convene

the meetings of the Board of Directors and act as the chairman thereof; provided, however, when the President and Director 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 meetings of the Board of Directors and act as the Chairman thereof.

Article 24. (Procedure to Convene Meetings of the Board of Directors)

Notice of convocation of a meeting of the Board of Directors of the Company shall be sent to each Director and Statutory Auditor at three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.

Article 25. (Method of Adopting Resolutions of the Board of Directors)

Resolutions of the Board of Directors of the Company shall be adopted by a majority of the votes of the Directors present at a meeting attended by a majority of the Directors.

Article 26. (Omission of the Procedure for Adopting Resolutions of the Board of Directors)

The Company may deem that the matters to be resolved by the Board of Directors are adopted by a resolution of the Board of Directors when all the Directors unanimously express their agreement to such matters in writing or by electromagnetic record except when objected to by a Statutory Auditor.

Article 27. (Minutes of the Board of Directors)

In the minutes of a meeting of the Board of Directors, the summary and results of the proceedings thereof and other matters provided by laws and regulations shall be listed or recorded, and the Chairman, the Directors and Statutory Auditors present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.

Article 28. (Compensation etc. for Directors)

The amount of compensation etc. to be granted to Directors shall be determined by resolution of a general meeting of shareholders.

Article 29. (Advisers)

The Board of Directors may elect several advisers by a resolution thereof. The advisers shall serve to offer advice in respect to the business of the Company upon a request by the President and Director.

Article 30. (Board of Directors Regulations)

The matters concerning the Board of Directors of the Company shall be governed by, in addition

to laws and regulations or these Articles of Incorporation, the Board of Directors regulations adopted or amended by the Board of Directors of the Company.

Article 31. (Limited Liability Contracts with External Directors)

The Company may conclude a limited liability contract with External Directors to limit their liability for damages due to negligence of their duties pursuant to Article 427, Paragraph 1 of the Companies Act. However, the contract limits compensation liability to five million (5,000,000) yen or the amount stipulated by laws and regulations, whichever is higher.

## **CHAPTER V. STATUTORY AUDITORS AND BOARD OF STATUTORY AUDITORS**

Article 32. (Appointment of Statutory Auditors and Board of Statutory Auditors)

The Company shall have Statutory Auditors and a Board of Statutory Auditors.

Article 33. (Number and Election of Statutory Auditors)

1. The number of Statutory Auditors shall not exceed four (4) and each Statutory Auditor shall be elected by a resolution of a general meeting of shareholders.

2. Resolutions for the election of Statutory Auditors shall be adopted by a majority vote of the attending shareholders who hold one-third (1/3) or more of the voting rights of shareholders entitled to exercise voting rights.

Article 34. (Term of Office of Statutory Auditors)

1. The term of office of a Statutory Auditor shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within four (4) years from his/her election to office.

2. The term of office of a Statutory Auditor elected to fill a vacancy shall be the same as the remaining term of office of the retired Statutory Auditor.

3. Resolution for the election of the Substitute Statutory Auditor elected under Article 329, Paragraph 2 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 (4) years from his/her election to office.

4. When a Substitute Statutory Auditor referred to in the preceding paragraph is appointed as a Statutory Auditor, his/her term of office shall be the same as the remaining term of office of the retired Statutory Auditor.

Article 35. (Full-time Statutory Auditor)



The Board of Statutory Auditors shall elect by resolution one or more Full-time Statutory Auditors.

Article 36. (Procedure to Convene the Board of Statutory Auditors Meeting)

Notice of convocation of a meeting of the Board of Statutory Auditors of the Company shall be sent to each Corporate Auditor at least three (3) days prior to the meeting; provided, however, that in the event of urgency, such period may be shortened.

Article 37. (Method of Adopting Resolution of the Board of Statutory Auditors)

Except as otherwise provided by laws and regulations, resolutions of the Board of Corporate Auditors of the Company shall be adopted by a majority of the Corporate Auditors.

Article 38. (Minutes of the Board of Statutory Auditors)

In the minutes of a meeting of the Board of Statutory Auditors, the summary and results of the proceedings thereof and other matters provided by laws and regulations shall be listed or recorded, and the Statutory Auditors present shall inscribe their names and affix their seals thereon or put their electronic signatures thereon.

Article 39. (Compensation etc. for Statutory Auditors)

The amount of compensation etc. to be granted to Statutory Auditors shall be determined by resolution of the general meeting of shareholders.

Article 40. (Board of Statutory Auditors Regulations)

The matters concerning the Board of Statutory Auditors of the Company shall be governed by, in addition to laws and regulations or these Articles of Incorporation, the Board of Statutory Auditors Regulations adopted or amended by the Board of Statutory Auditors of the Company.

Article 41. (Limited Liability Contracts with External Auditors)

The Company may conclude a limited liability contract with External Auditors to limit their liability for damages due to negligence of their duties pursuant to Article 427, Paragraph 1 of the Companies Act. However, the contract limits compensation liability to five million (5,000,000) yen or the amount stipulated by laws and regulations, whichever is higher.

## **CHAPTER VI. ACCOUNTING AUDITORS**

### Article 42. (Appointment of Accounting Auditors)

The Company shall have Accounting Auditors.

### Article 43. (Election of Accounting Auditors)

Accounting Auditors shall be elected by a resolution of a general meeting of shareholders.

### Article 44. (Term of Office of Accounting Auditors)

1. The term of office of an Accounting Auditor shall expire upon conclusion of the ordinary general meeting of shareholders held with respect to the last business year ending within one (1) year from his/her election to office.

2. Unless otherwise resolved at the ordinary general meeting of shareholders referred to in the preceding paragraph, Accounting Auditors shall be deemed to be reelected at such ordinary general meeting of shareholders.

### Article 45. (Compensation etc. for Accounting Auditors)

The amount of compensation etc. to be granted to Accounting Auditors shall be determined by the Representative Director with the consent of the Board of Statutory Auditors.

## **CHAPTER VI. ACCOUNTS**

### Article 46. (Business Year)

The business year of the Company shall commence on January 1 and shall end on December 31 of each year.

### Article 47. (Year-end Dividends)

The Company shall pay dividends from surplus in cash to the shareholders or the registered pledgees of shares whose name are listed or recorded in the last register of shareholders as of December 31 (hereinafter referred to as “year-end dividends”) of each year by a resolution of the general meeting of shareholders.

### Article 48. (Interim Dividends)

The Company may pay dividends from surplus as provided for in Article 454, Paragraph 5 of the Companies Act to the shareholders or the registered pledgees of shares whose name are listed or recorded in the last register of shareholders as of June 30 (hereinafter referred to as “interim

dividends”) of each year by a resolution of the Board of Directors.

Article 49. (Expiration Period for Year-end Dividends, etc.)

1. If the year-end or interim dividends are not claimed within three (3) years from the date of commencement of payment thereof, the Company shall be relieved of the obligation to make such payment.

2. No interest shall accrue on any outstanding year-end or interim dividends.