CTI Engineering Co., Ltd.

July 21, 2026

Notice Concerning Completion of Payment for the Disposal of Treasury Shares and Partial Forfeiture

CTI Engineering Co., Ltd. (the "Company") hereby announces that the payment procedures for the Disposal of Treasury Shares through a Third-Party Allotment to the Employee Stock Ownership Association (the "Disposal of Treasury Shares"), as resolved at a meeting of the Board of Directors held on January 30, 2026, were completed. The initially planned number of shares to be disposed of and the total disposal value have changed due to partial forfeiture as described below. For details of this matter, please refer to the "Notice Concerning Disposal of Treasury Shares Through Third-Party Allotment" released on January 30, 2026.

1. Overview of the Disposal of Treasury Shares (changes are underlined)

	After Change	Before Change
(1)Date of disposal	July 20, 2026	July 20, 2026
(2)Number of shares for disposal	<u>23,069</u> shares (Ordinary shares)	<u>59,500</u> shares* (Ordinary shares)
(3)Disposal price	JPY 2,959 per share	JPY 2,959 per share
(4)Amount of funds to be procured	JPY <u>68,261,171</u>	JPY <u>176,060,500*</u>
(5)Method of offering or disposal (scheduled disposal recipient)	Disposal through third-party allotment (Employee Stock Ownership Association (the "Association"))	Disposal through third-party allotment (Employee Stock Ownership Association (the "Association"))
(6)Other matters	The disposal of treasury shares shall be subject to the securities registration statement under the Financial Instruments and Exchange Act taking effect.	The disposal of treasury shares shall be subject to the securities registration statement under the Financial Instruments and Exchange Act taking effect.
	<u>[Deleted]</u>	<u>*The "Number of shares for disposal" and the "Amount of funds to be procured" are maximum estimates.</u> <u>The actual "Number of shares for disposal" and "Amount of funds to be procured" will depend on the number of eligible employees who agree to Special Incentive Scheme for Employee Stock Ownership Association (the "Scheme") and are eligible to participate in the</u>

		Scheme (the “Eligible Employees”). The "Number of shares for disposal" and the "Amount of funds to be procured" will be announced as soon as they are determined.

２． Reason for Change

The number of shares to be disposed of and the total disposal value have been finalised following the completion of the employee participation promotion and the determination of the number of participants in the Employee Stock Ownership Association.

３. Future Outlook

The impact of the Disposal of Treasury Shares on the Company's consolidated financial results for the fiscal year ending December 31, 2026 is expected to be minimal. Should any matters requiring disclosure arise in the future, the Company will promptly disclose such matters.