

Basic Policy on Internal Control over Financial Reporting

On May 25, 2006, our Board of Directors resolved the “Basic Policy on Internal Control Systems,” which addresses the establishment of internal control systems required by the Companies Act.

Based on the “Basic Policy on Internal Control Systems,” the CTI Engineering Co., Ltd. (the Company) and the CTI Engineering Group will strive to establish, properly maintain and operate internal control over financial reporting in order to ensure the accuracy and reliability of our financial reports.

1. Responsibility

The President and Managing Director of the Company is responsible for promoting matters related to internal control over financial reporting in the Company and the CTI Engineering Group.

2. Management system

Decisions concerning the planning and scope of evaluations of internal control over financial reporting are made jointly each fiscal year by the Chief of the Administration Headquarters and the Head of the Audit Section and are approved by the Representative Director and President.

The evaluation of internal control over financial reporting is performed by the Audit Section, and the results are approved by the Representative Director and President.

3. Evaluation period and record date

The initial year in which the evaluation of internal control over financial reporting shall apply is the fiscal year beginning on January 1, 2009, and the evaluation will be conducted every fiscal year thereafter. The record date is December 31, the end of the fiscal year.

4. Education and training

We will provide necessary education and training to ensure that internal control over financial reporting is properly implemented.

Established on January 1, 2009

Revised April 1, 2025

CTI Engineering Co., Ltd.

Tatsuya Nishimura, Representative Director and President, CEO