

59th Term (2021) Financial Results

February 22, 2022



CTI Engineering Co., Ltd.

Agenda

1. Financial Results – 59th Term (2021)

2. Management Plan – 60th Term (2022)

3. CTI Group -Summary Of Mid-Term Management Plan 2021

4. CTI Group - Mid-Term Management Plan For 2024

1

Financial Results – 59th Term (2021)

59th Term – Results Outline (Consolidated)

- Orders Received amount increased 22.2% YoY to 84,400 million yen – a significant increase
- Sales amount increased 14.1% YoY to 74,400 million yen – growing for the 9th consecutive term
- Operating Profit increased 37.5% YoY to 6,900 million yen – growing for the 5th consecutive term

Exceeded previous records by a large margin

- Significant increase in orders received, sales amount, and for each profit line, allowing us to greatly exceed previous records
- Continued strong performance in the Domestic business, on account of the promotion of disaster prevention/mitigation and efforts to build national land resilience
- In the Overseas business, Waterman’s public sector-related business in the UK delivered a strong performance, with a recovery exceeding pre-COVID-19 levels

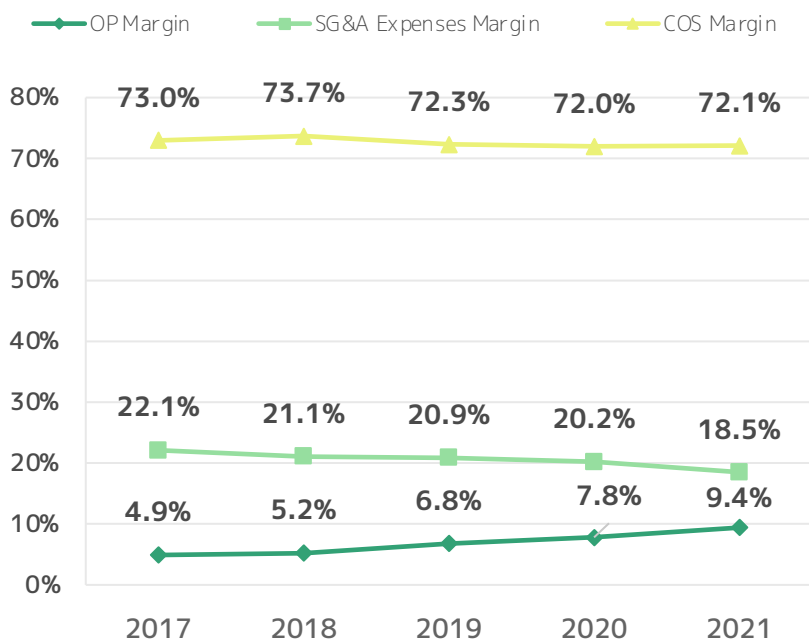
(JPY million)

	58th Term 2020 (Realized)	59th Term 2021 (Initial Forecast)	59th Term 2021 (Realized)	Change (%) (YoY)	Change (%) Vs. Initial Forecast
Orders Received	69,127	67,000	84,448	22.2%	26.0%
Sales Amount	65,190	67,000	74,409	14.1%	11.1%
Operating Profit	5,085	4,900	6,991	37.5%	42.7%
Ordinary Profit	5,216	4,900	7,118	36.4%	45.3%
Net Income Attributable to Owners of the Parent	3,650	3,300	4,471	22.5%	35.5%

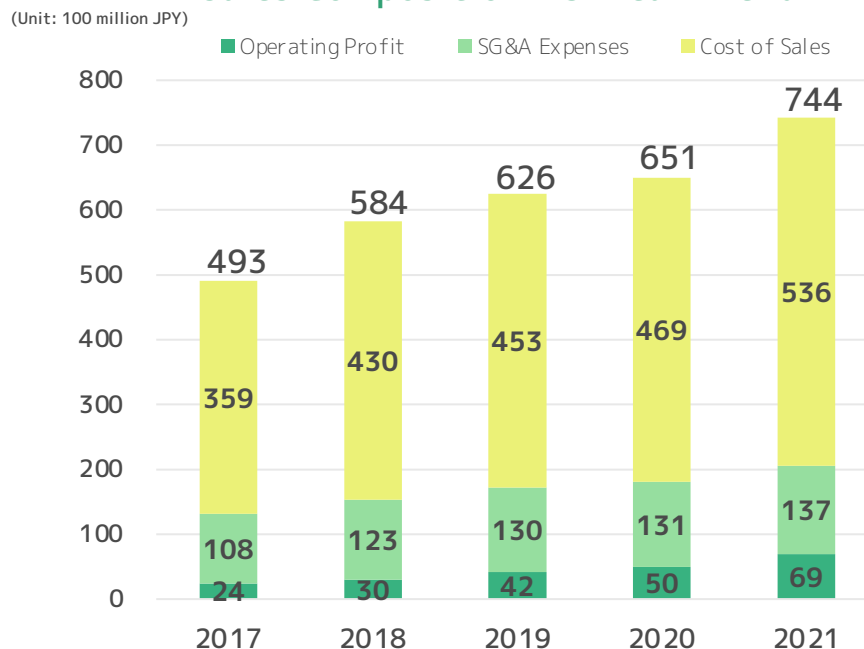
Income Statement (Consolidated) – 5-Year Trend

- Sales Amount 74,400 million yen
- Operating Profit 6,900 million yen
- Cost of Sales Margin 72.1% (+0.1pt YoY)
- SG&A Expenses Margin 18.5% (-1.7pt YoY)
- Operating Profit Margin 9.4% (+1.6pt YoY)

Operating Profit Margin – 5-Year Trend

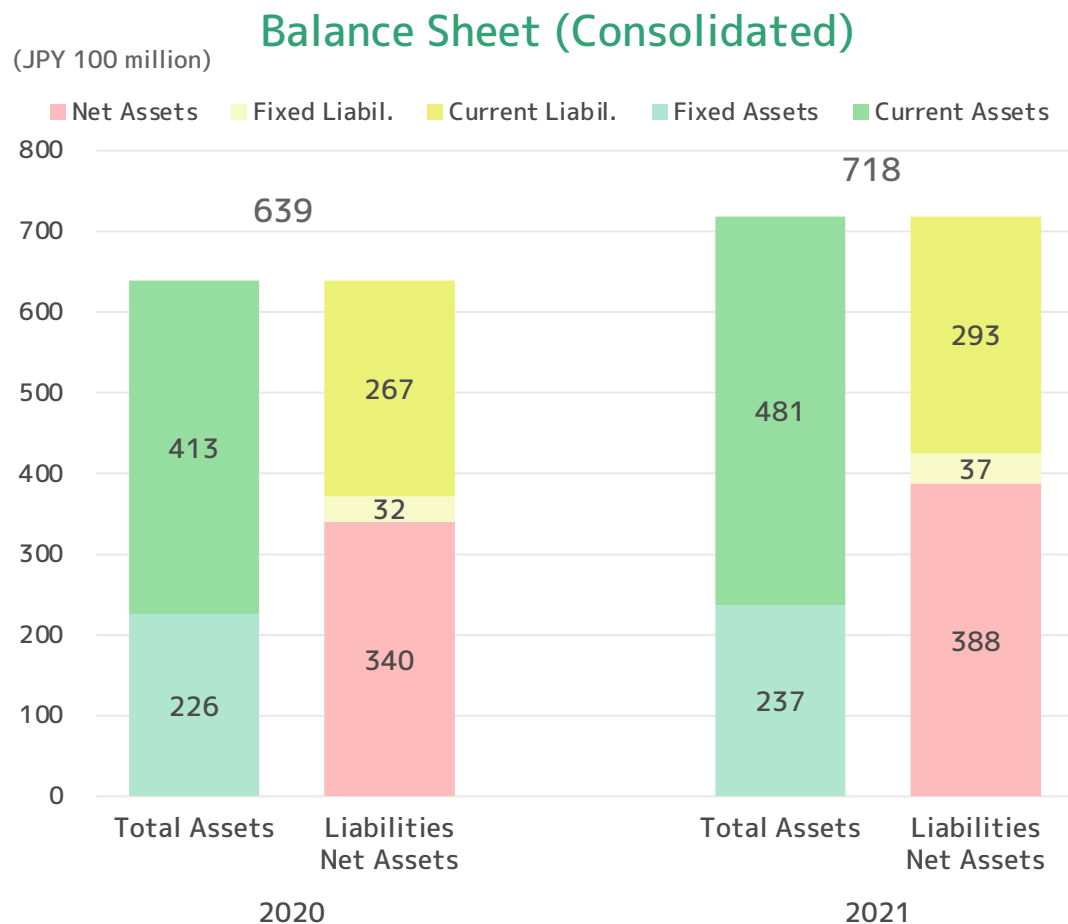


Sales Composition – 5-Year Trend



Balance Sheet (Consolidated) – YoY Comparison

- Consolidated total assets increased 7,900 million yen from the end of LFY, to 71,800 million yen



Total Assets

71,800 million yen (+7,900 million yen)

Cash & bank deposits
20,500 million yen (+3,800 million yen)

Bill Receivables & AR – completed construction
9,800 million yen (+2,600 million yen)

Liabilities

33,000 million yen (+3,100 million yen)

Advances received from projects in progress
14,200 million yen (+400 million yen)

Interest-bearing debt
900 million yen (+100 million yen)

Net Assets

38,800 million yen (+4,800 million yen)

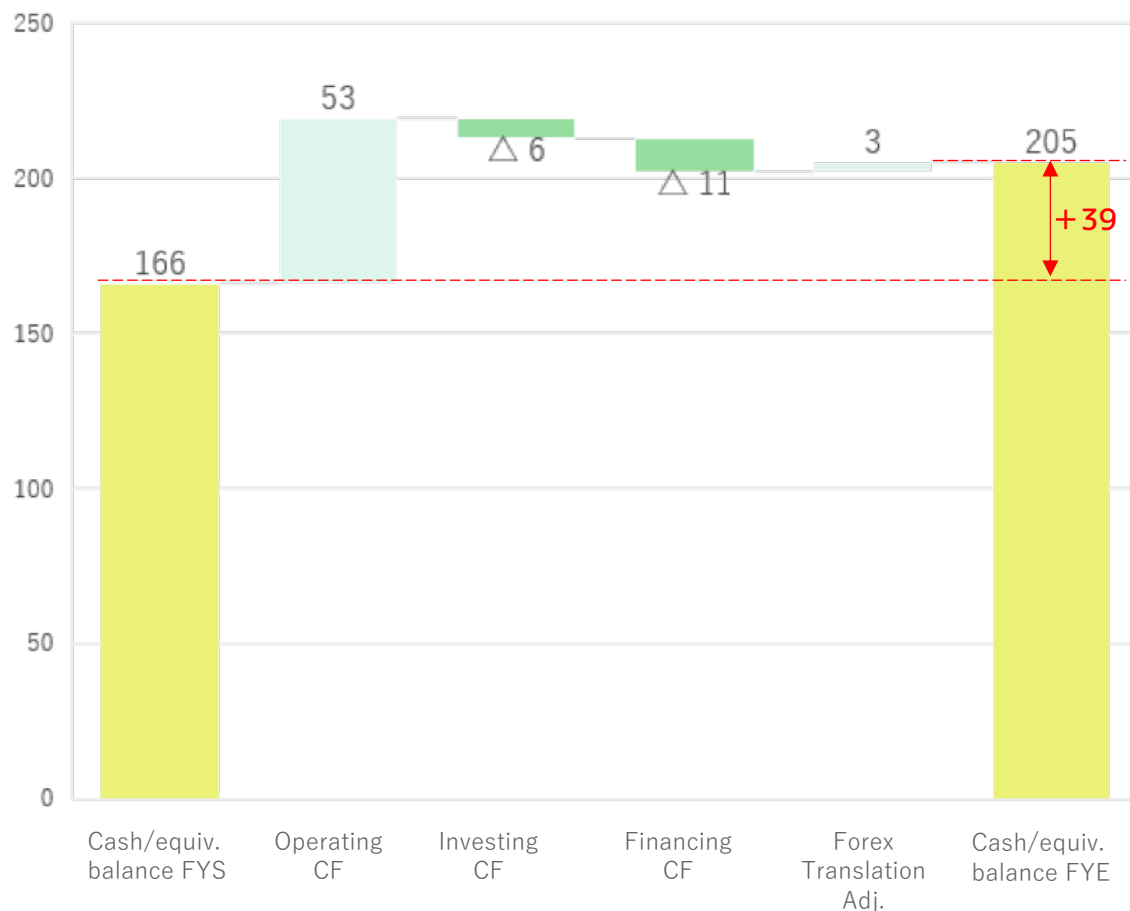
Net Worth Ratio **53.8%**
(+0.9 points)

ROE **12.3%**
(+1.0 points)

Cash Flow (Consolidated)

Operating CF increased thanks to an increase in profits

(JPY 100 million)



Cash & cash equivalents closing balance

20,500 million yen
(+ 3,900 million yen YoY)

Operating CF +5,300 million yen

Earnings Before Tax	+6,800 million yen
Depreciation expenses	+1,000 million yen
Corporate taxes, etc.	-2,300 million yen

Investing CF -600 million yen

Acquisition of PPE	-300 million yen
Acquisition of intangible assets	-200 million yen

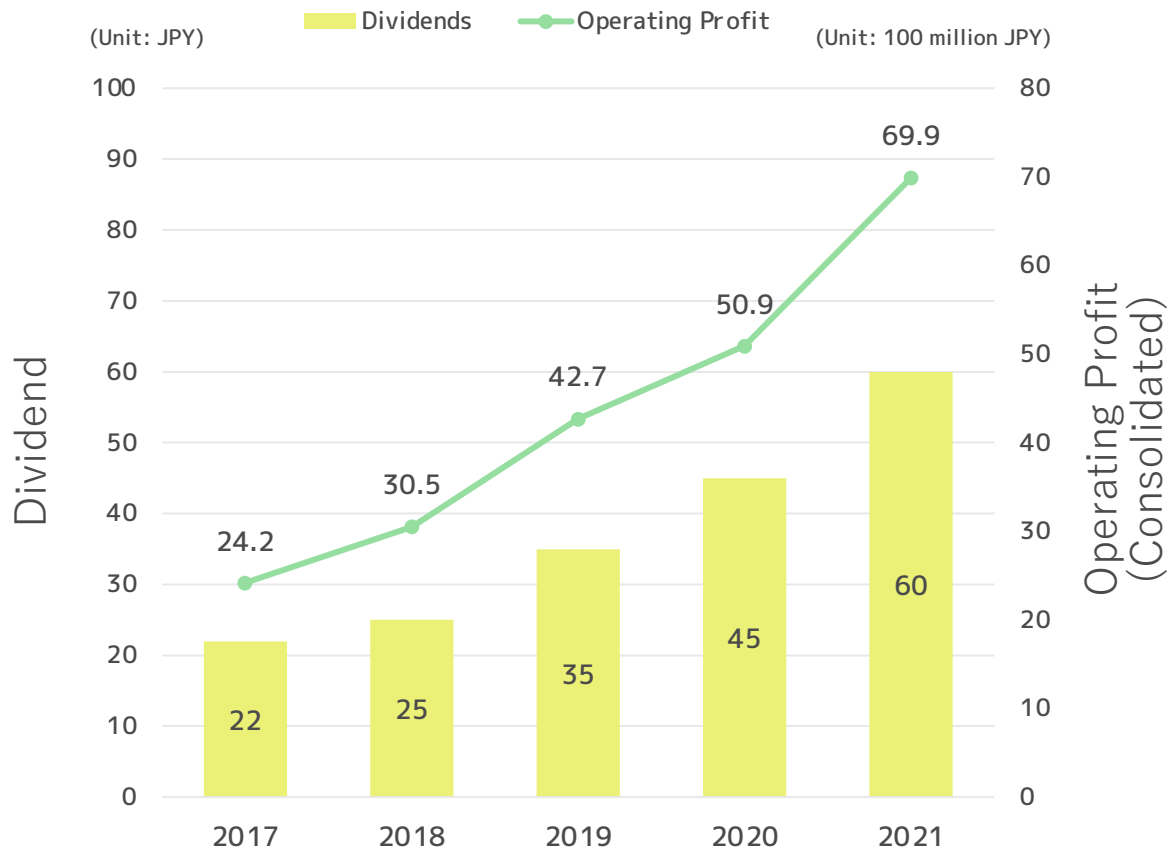
Financing CF -1,100 million yen

Dividends paid	-600 million yen
Repayment of lease obligations	-400 million yen

Dividend Policy

Raised dividends for the 5th consecutive FY thanks to a sustained profit increase

Operating Profit & Dividends - Trend



Approach to Shareholder Returns

- Secure attractive shareholder returns and also retained earnings for use toward future investment
- Fundamental principle of offering stable dividends
- Aim for a dividend payout ratio of 30% over the mid-to-long term

59th Term – Results Outline (By Segment)

Significant sales/profit increase in the Domestic & Overseas segments

(JPY million)

	Segment	58th Term 2020 (Realized)	59th Term 2021 (Realized)	Change (YoY)	Change (%) (YoY)
Domestic Business	Orders Received	50,979	58,660	+7,680	+15.1%
	Sales Amount	48,978	53,696	+4,718	+9.6%
	Operating Profit	5,032	6,032	+1,000	+19.9%
Overseas Business	Orders Received	18,147	25,787	+7,639	+42.1%
	Sales Amount	16,211	20,713	+4,501	+27.8%
	Operating Profit	45	951	+906	—
Total	Orders Received	69,127	84,448	+15,320	+22.2%
	Sales Amount	65,190	74,409	+9,219	+14.1%
	Operating Profit*	5,085	6,991	+1,905	+37.5%

*Operating profit total figures presented following inter-segment adjustments

Domestic Consulting Engineering Business

- Orders Received amount increased 15.1% YoY to 58,600 million yen – a significant increase
- Sales amount increased 9.6% YoY to 53,600 million yen
- Operating Profit increased 19.9% YoY to 6,000 million yen

Continued strong domestic performance, driven by non-consolidated results

- Strong orders, primarily from Government institutions, within the scope of policy to prevent/mitigate natural disasters, and the promotion of national land resilience
- Increase in productivity through the promotion of remote working and remote support
- Profitability also increased, by raising engineer unit value and increasing contract lot size

(JPY million)

	58th Term 2020 (Realized)	59th Term 2021 (Initial Forecast)	59th Term 2021 (Realized)	Change (%) (YoY)	Change (%) Vs. Initial Forecast
Orders Received	50,979	49,100	58,660	+15.1%	+19.5%
Sales Amount	48,978	49,900	53,696	+9.6%	+7.6%
Operating Profit (OP Margin)	5,032 (10.3%)	4,850 (9.7%)	6,032 (11.2%)	+19.9% (+1.0pt)	+24.4% (+1.5pt)

59th Term – Results Outline (Non-Consolidated)

- Orders Received amount increased 15.2% YoY to 53,400 million yen – growing for the 6th consecutive term
- Sales amount increased 9.6% YoY to 48,500 million yen – growing for the 9th consecutive term
- Operating Profit increased 20.4% YoY to 5,800 million yen - growing for the 5th consecutive term

New records reached for multiple consecutive terms

- New records reached for multiple consecutive terms for orders received amount and sales amount, on account of the promotion of disaster prevention/mitigation and efforts to build national land resilience
- Orders received amount reached 50,000 million yen for the first time ever

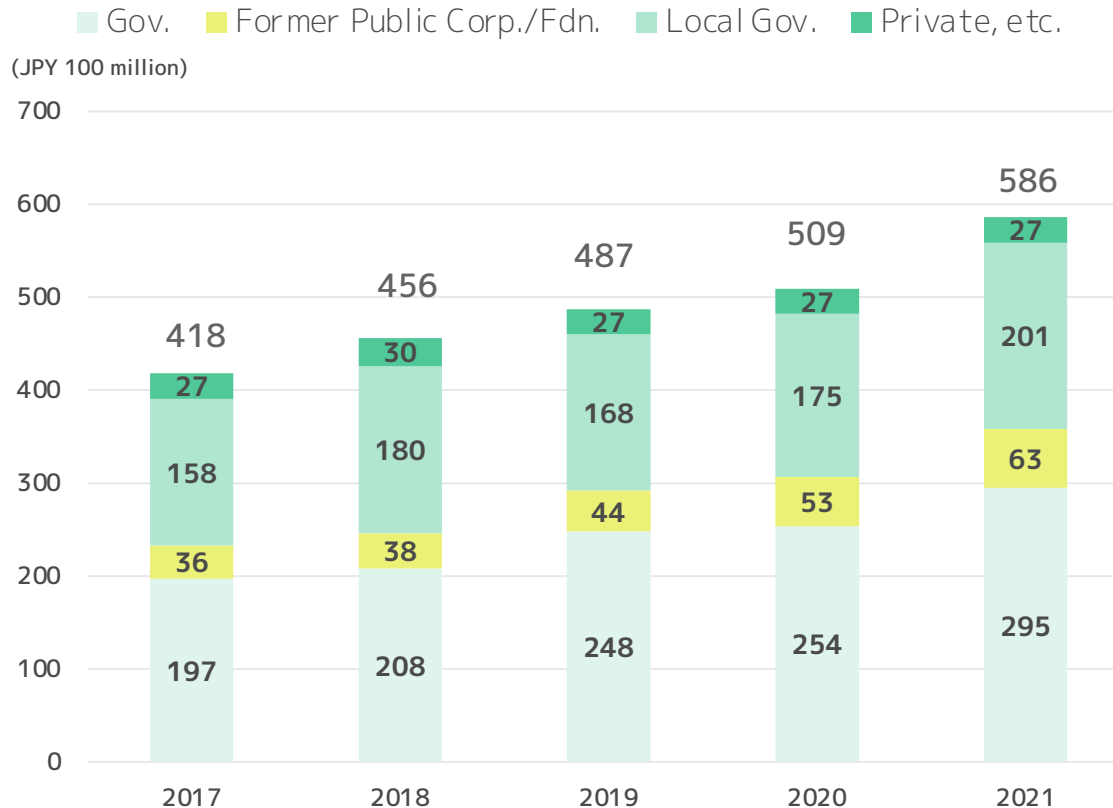
(JPY million)

	58th Term 2020 (Realized)	59th Term 2021 (Initial Forecast)	59th Term 2021 (Realized)	Change (%) (YoY)	Change (%) Vs. Initial Forecast
Orders Received	46,374	44,000	53,433	+15.2%	+21.4%
Sales Amount	44,322	45,000	48,591	+9.6%	+8.0%
Operating Profit (OP Margin)	4,835 (10.9%)	4,700 (10.4%)	5,823 (12.0%)	+20.4% (+1.1pt)	+23.9% (+1.6pt)
Ordinary Profit	5,019	4,800	6,085	+21.2%	+26.8%
Net Income	3,613	3,300	3,922	+8.6%	+18.9%

Orders Received Amount By Source - Trend (Domestic)

Significant increase in order amount, primarily from the Japanese Government and its promotion of efforts to build national land resilience

Orders Received Amount By Source



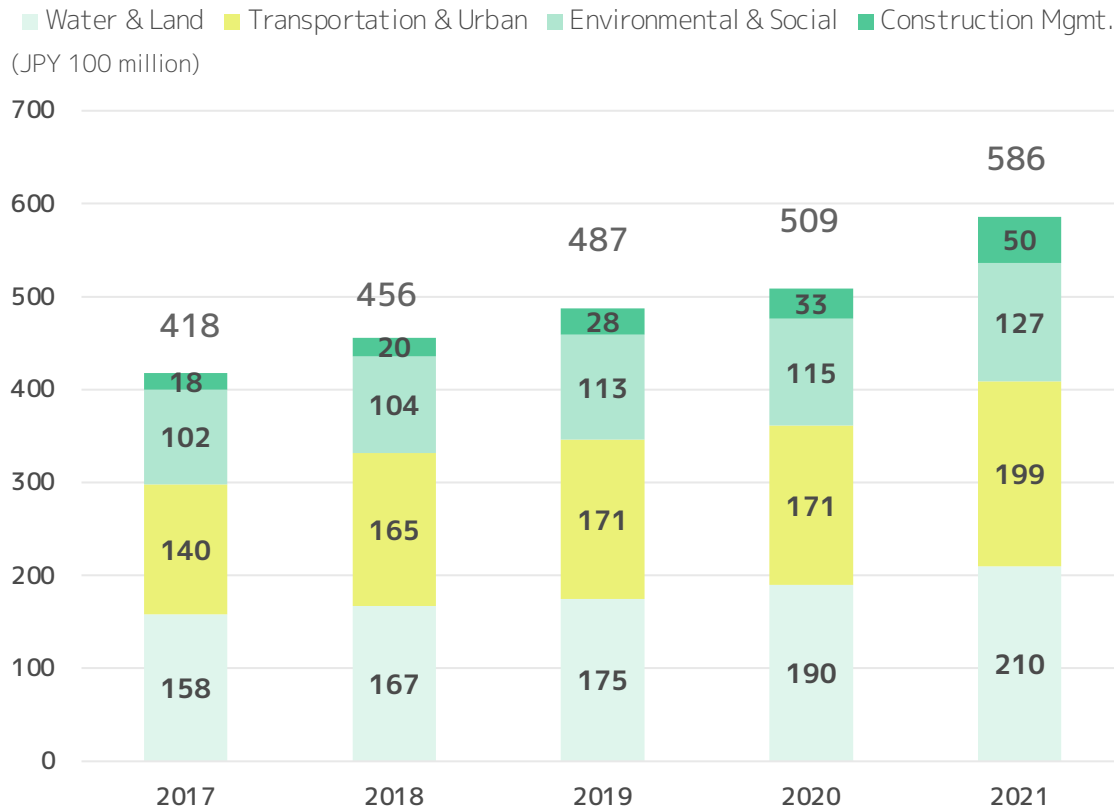
Status By Source

- Increase of 4,100 million yen from government institutions (+16.1% YoY)
- Increase of 1,000 million yen from former public corporations and foundations (+18.0% YoY)
- Increase of 2,600 million yen from Local Gov. (+14.9%YoY)
- Orders from the private sector remained mostly flat

Orders Received Amount By Sector – Trend (Domestic)

- Each Sector registered a significant increase in orders received

Orders Received Amount By Sector



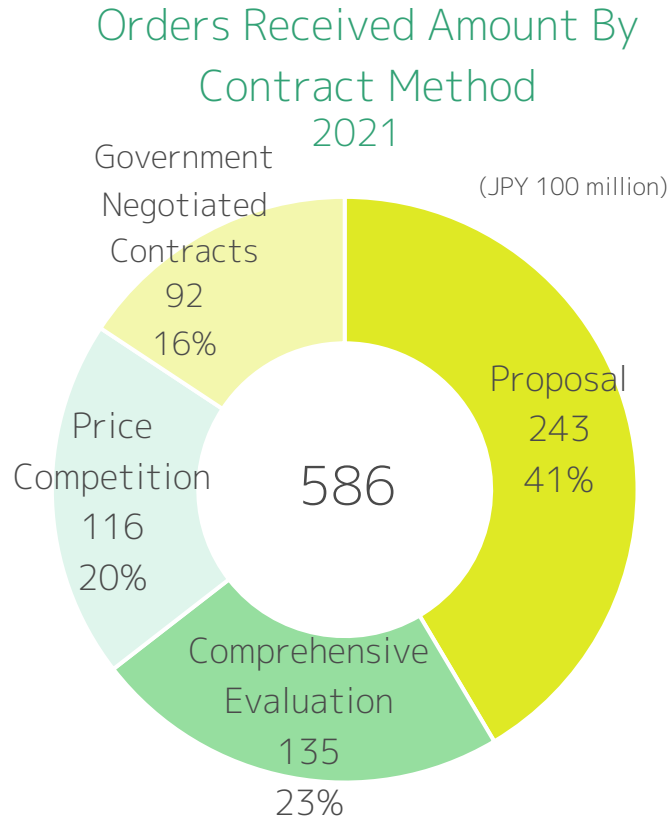
Status By Sector

- Increase of 2,000 million yen in the Water & Land Sector (+10.4% YoY)
- Increase of 2,800 million yen in the Transportation & Urban Sector (+15.9% YoY)
- Increase of 1,200 million yen in the Environmental & Social Sector (+11.0% YoY)
- Increase of 1,700 million yen in the Construction Management Sector (+51.6% YoY)

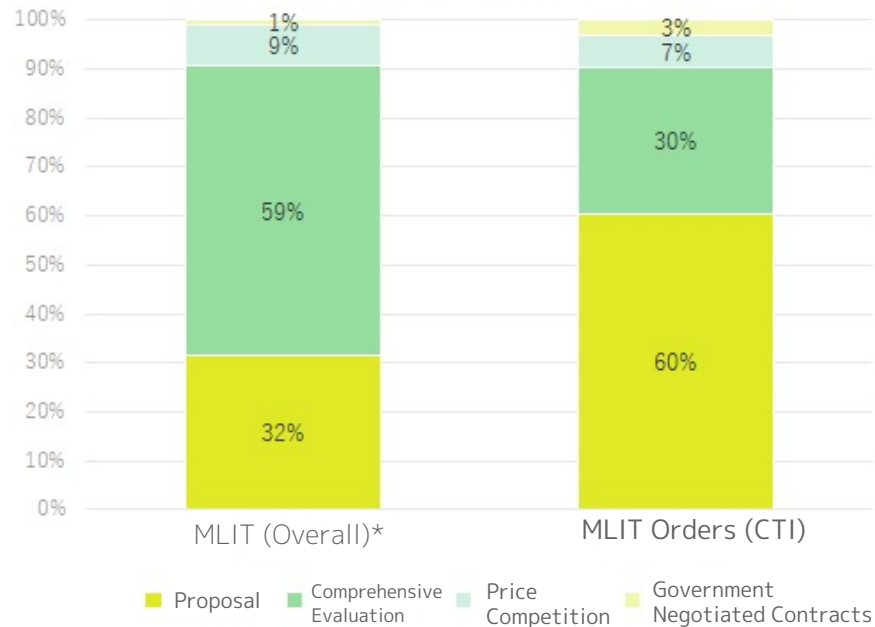
Orders Received Amount By Contract Method (Domestic)

Methods associated with engineering competitiveness (proposal & comprehensive evaluation) and Government negotiated contracts account for 80% of orders
 Proposal and Government negotiated contracts – which boast a high successful bid percentage - account for 57% of orders

MLIT overall percentage of proposal contracts is 32%; 60% for CTI



Ratio of Projects by Contract Method – 2020 (Non-consolidated)

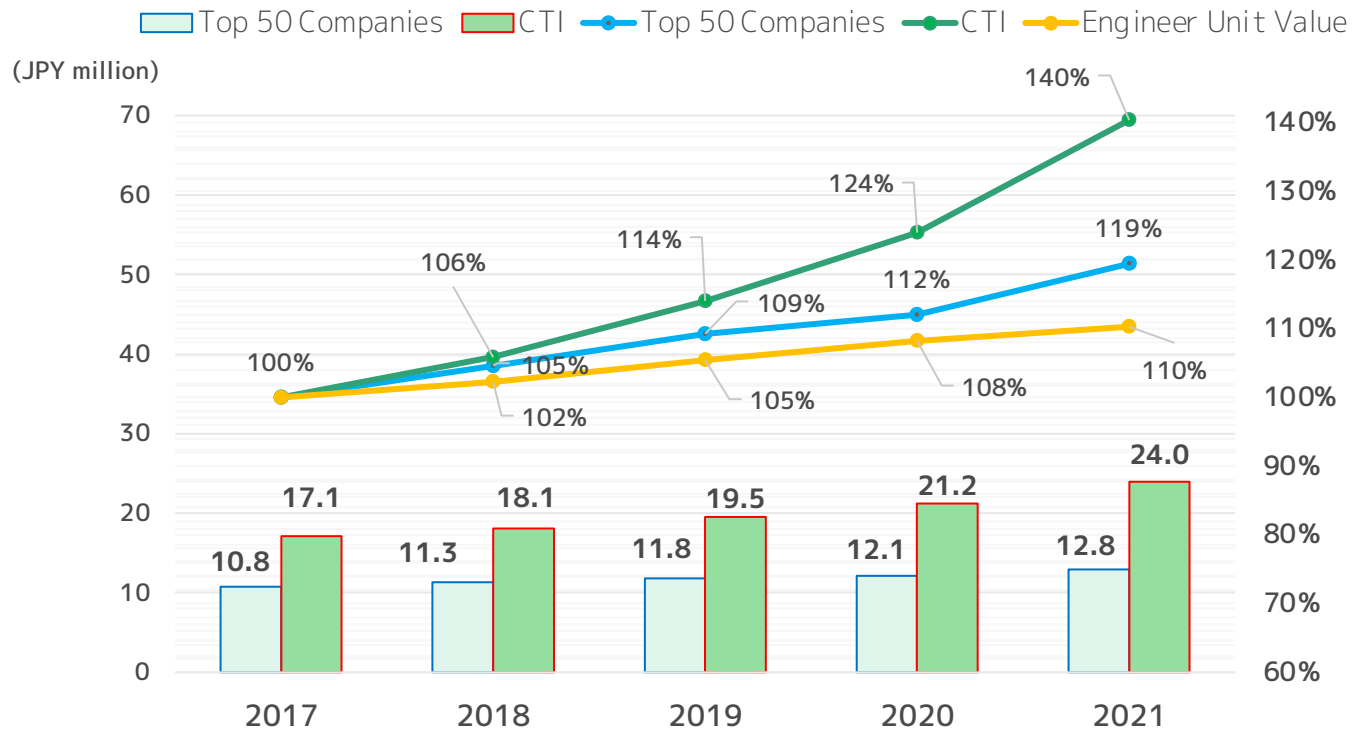


*Calculated from data published by the Ministry of Land, Infrastructure, Transport and Tourism, Regional Development Bureau (Civil engineering consulting) (Excludes client support)

Contract Amount Per Project (Non-Consolidated)

The contract amount per project has increased on account of larger project scale

Contract Amount Per Project & Average Unit Value Trend & Rate Of Increase since 2017

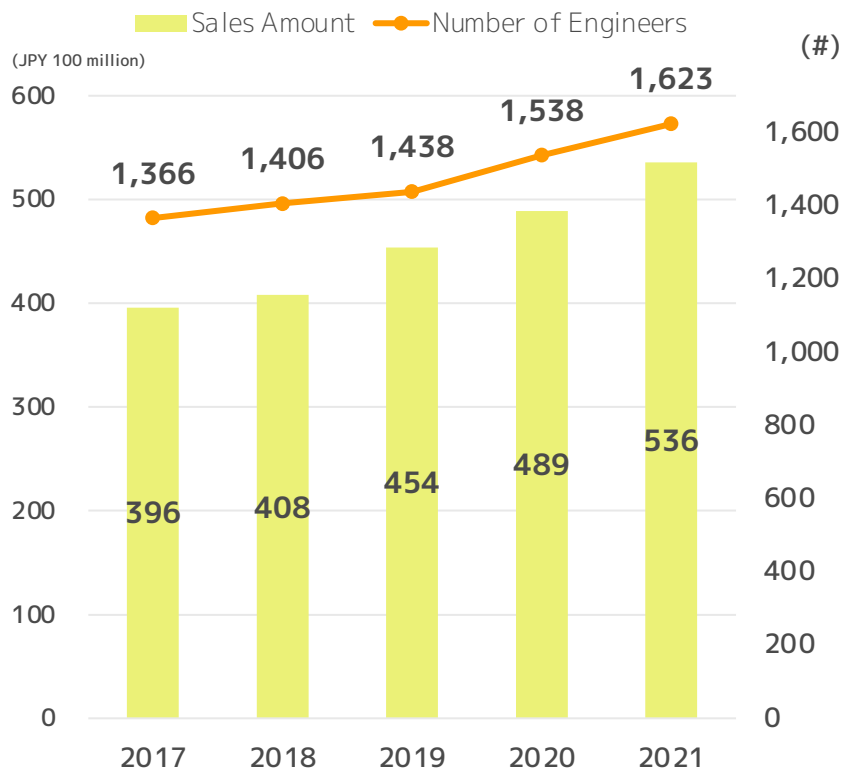


Source: Ministry of Land, Infrastructure, Transport and Tourism Policy Bureau Information Policy Division
Office for Statistical Research and Analysis on Economy in Construction Market - Official Documents
"Survey of Construction-related Industries" (Month of November);
"Survey of Table 2 Construction-related Industries (50 construction consulting companies)
Contract amount per project for the top 50 companies derived from : 2020 (December aggregate); 2021 (November aggregate)

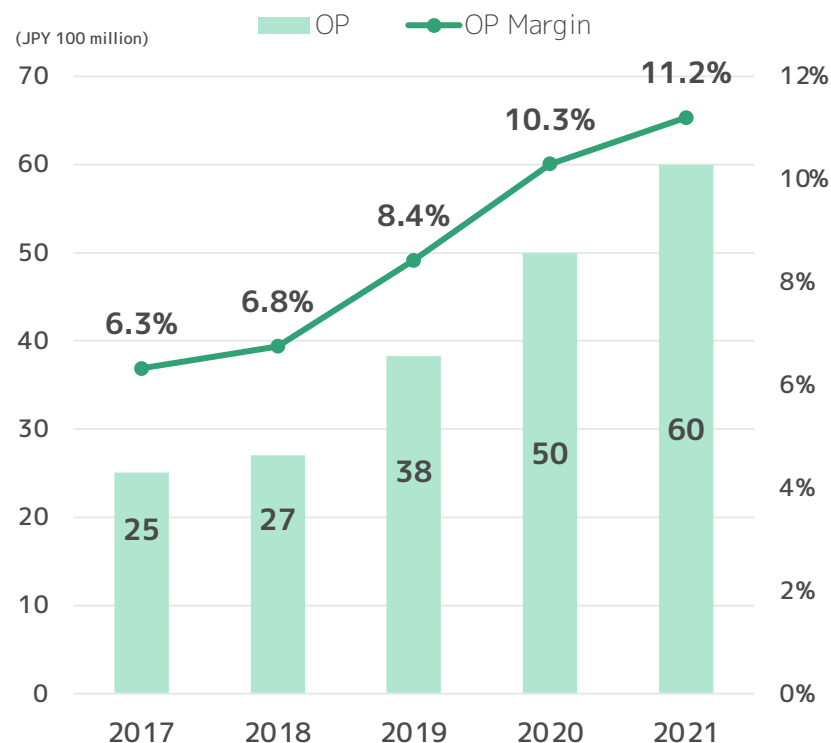
Sales Amount & Profit Trend (Domestic)

Sales and operating profit margin both rose, thanks to the enhancement of Human Resources and an increase in productivity

Trend in Sales Amount and Engineers



Trend in OP and OP Margin



Overseas Consulting Engineering Business

- Orders Received amount increased 42.1% YoY to 25,700 million yen - a significant increase
- Sales amount increased 27.8% YoY to 20,700 million yen - a significant increase
- Operating Profit increased significantly YoY, by 900 million yen - exceeding pre-pandemic levels (2019 – 400 million yen)

Results Recovery and Significant Increase in Sales/Profits

- Waterman's Public Sector-related Business in the UK drove this results recovery
- While CTI Engineering International secured large orders in SE Asia, travel restrictions have been reinstated

(JPY million)

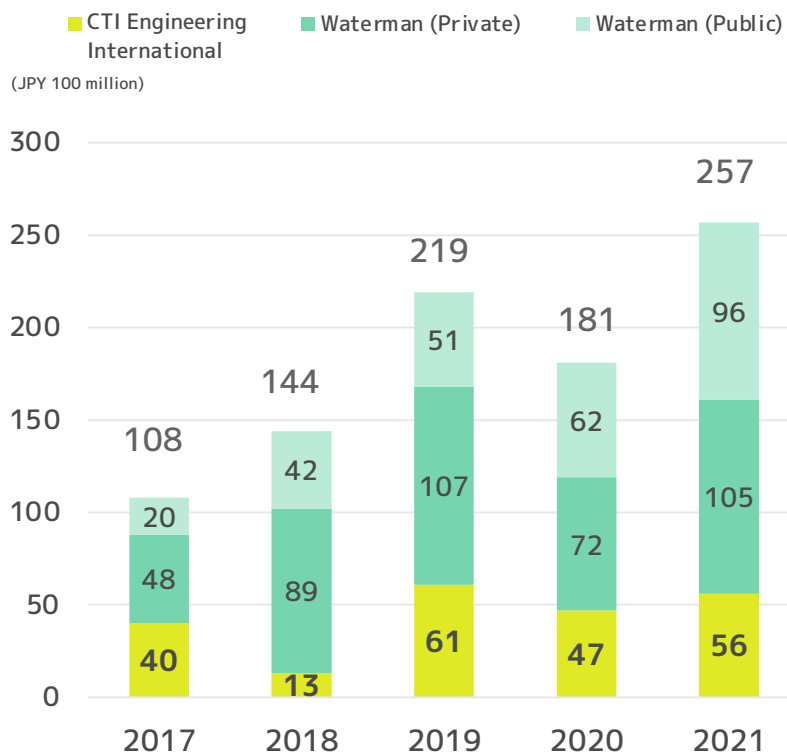
	58th Term 2020 (Realized)	59th Term 2021 (Forecast)	59th Term 2021 (Realized)	Change (%) (YoY)	Change (%) Vs. Initial Forecast
Orders Received	18,147	17,900	25,787	+42.1%	+44.1%
Sales Amount	16,211	17,100	20,713	+27.8%	+21.1%
Operating Profit (Operating Profit Margin)	45 (0.3%)	50 (0.3%)	951 (4.6%)	– (+4.3pt)	– (+4.3pt)

* Orders received amount includes amount changes from currency fluctuations

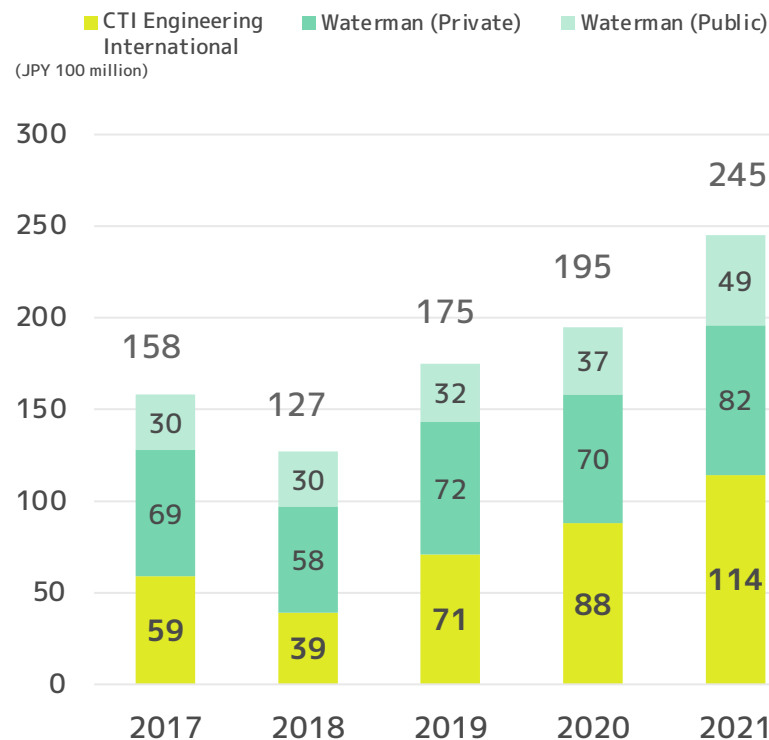
Orders Received Amount Trend (Overseas)

Recovery in orders for both Waterman and CTI Engineering International

Trend in Orders Received Amount



Trend in Order Balance

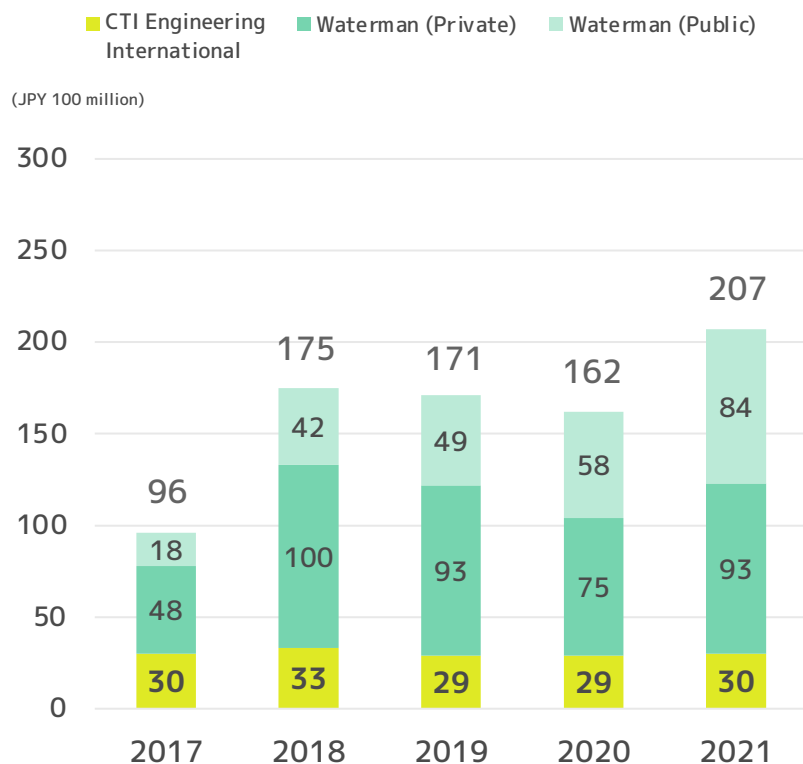


(Note) Waterman was added to the scope of consolidation in 2H of FY 2017

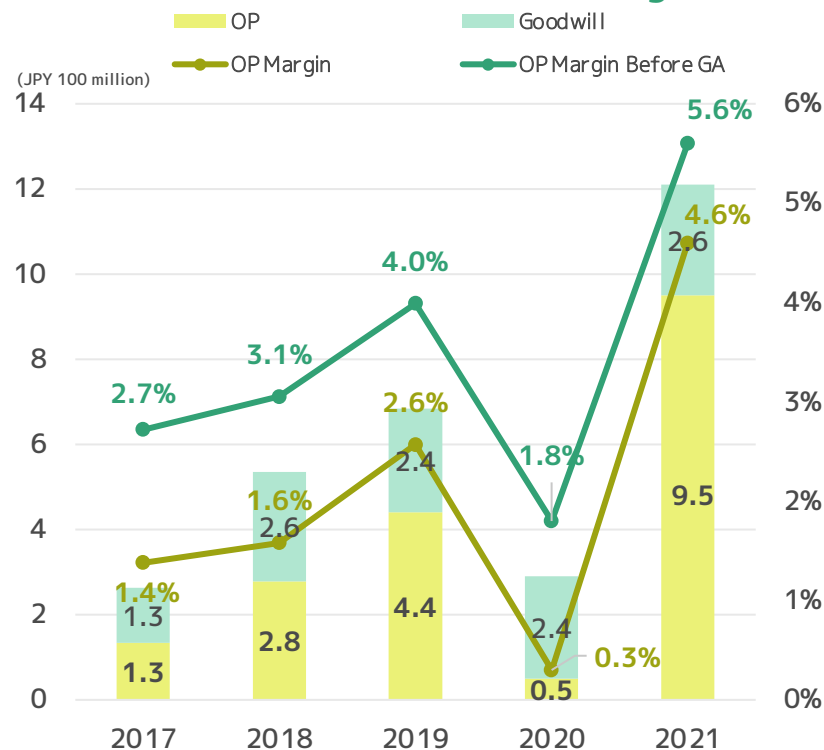
Sales Amount & Profit Trend (Overseas)

Waterman's Public Sector-related Business in the UK drove results, resulting in a positive trend reversal overseas

Trend in Sales Amount



Trend in OP and OP Margin



(Note) Waterman was added to the scope of consolidation in 2H of FY 2017

2

Management Plan – 60th Term (2022)

60th Term (2022) Management Plan

60th Term Business Plan (Non/Consolidated)

(JPY million)

		59th Term 2021 (Realized)	60th Term 2022 (Forecast)	Change (%) (YoY) *
Consolidated	Orders Received	84,448	79,000	(-6.5%)
	Sales Amount	74,409	78,000	(+4.8%)
	Operating Profit	6,991	6,400	(-8.5%)
	Ordinary Profit	7,118	6,500	(-8.7%)
	Net Income (Parent)	4,471	4,300	(-3.8%)
Non-Consolidated	Orders Received	53,433	50,000	(-6.4%)
	Sales Amount	48,591	49,000	(+0.8%)
	Operating Profit	5,823	5,600	(-3.8%)
	Ordinary Profit	6,085	5,900	(-3.1%)
	Net Income	3,922	4,000	(+2.0%)
	Dividends	60 yen	60 yen	—

* Due to the application of ASBJ Statement No. 29 Accounting Standard for Revenue Recognition starting in the fiscal year ending December 2022, with the exclusion of orders received, the forecasts listed above refer to figures following the application of this Standard for Revenue Recognition. The Year-on-Year change percentages shown here are for reference purposes.

Additionally, Environmental Research & Solutions Co.,Ltd. entered the scope of consolidation in the fiscal year ending December 2022 and is therefore included in the performance forecasts listed above.

60th Term (2022) Management Plan

Concept of the Management Plan (Domestic Consulting Engineering Business)

Status and challenges

- In the 59th Term (2021) orders received and operating profit greatly exceeded the initial forecast. This was thanks to an increase in orders resulting from budget allocations to the Government's efforts to build national land resilience, to effective COVID-19 countermeasures, and to efficiencies resulting from the promotion of IT.
- In the 60th term, we will advance a structure allowing us to expand into new fields as we, for example, establish a new sector this FY – the Energy Sector.
- Our efforts remain insufficient to expand production by, for example, recruiting more personnel. Our efforts to reduce working hours are ongoing.

60th Term (2022) Business Plan - Concept

- We will be curbing orders received in light of a focus on new businesses and new sectors like the Energy Sector, and also as part of our efforts to reduce working hours
- We forecast an increase in the sales amount
- We forecast a slight decrease in operating profit, on account of pro-active investment allowing us to expand our business
 - We have earmarked 1,100 million yen (+100 million yen YoY) in R&D investment toward business expansion
 - Increase in personnel expenses due to investment in human capital, such as by enhancing recruiting

(JPY million)

		59th Term (2021)			60th Term (2022)	Change (%) (YoY) *
		Initial Forecast	Realized	Achievement (%)	Forecast	
Domestic Consulting Engineering Business	Orders Received	49,100	58,660	119.5%	56,400	(-3.9%)
	Sales Amount	49,900	53,696	107.6%	55,800	(+3.9%)
	Operating Profit (OP Margin)	4,850 (9.7%)	6,032 (11.2%)	124.4% —	5,800 (10.4%)	(-3.9%) (-0.8pt)

* Due to the application of ASBJ Statement No. 29 Accounting Standard for Revenue Recognition starting in the fiscal year ending December 2022, with the exclusion of orders received, the forecasts listed above refer to figures following the application of this Standard for Revenue Recognition. The Year-on-Year change percentages shown here are for reference purposes.

Additionally, Environmental Research & Solutions co., Ltd. entered the scope of consolidation in the fiscal year ending December 2022 and is therefore included in the performance forecasts listed above, within the Domestic Consulting Engineering Business

60th Term (2022) Management Plan

Concept of the Management Plan (Overseas Consulting Engineering Business)

■ Status and challenges

- While we are seeing a gradual recovery from the significant impact of COVID-19, the situation remains uncertain in the possible emergence of new variants
- During the 59th Term (2021), we enhanced our production bases overseas. However, uncertainty remains due to a coup d'état and other factors
- Against this backdrop, we continue seeing suspensions, delays in the Overseas business, and the postponement of orders in new businesses

■ 60th Term (2022) Business Plan - Concept

- We formulated an orders received forecast premised on a recovery trend from the impact of COVID-19
- We forecast an increase in the sales amount and have established an OP target we are fully confident to achieve
- Gradually alleviate the impact of the COVID-19 pandemic and secure orders and carry out production

(JPY million)

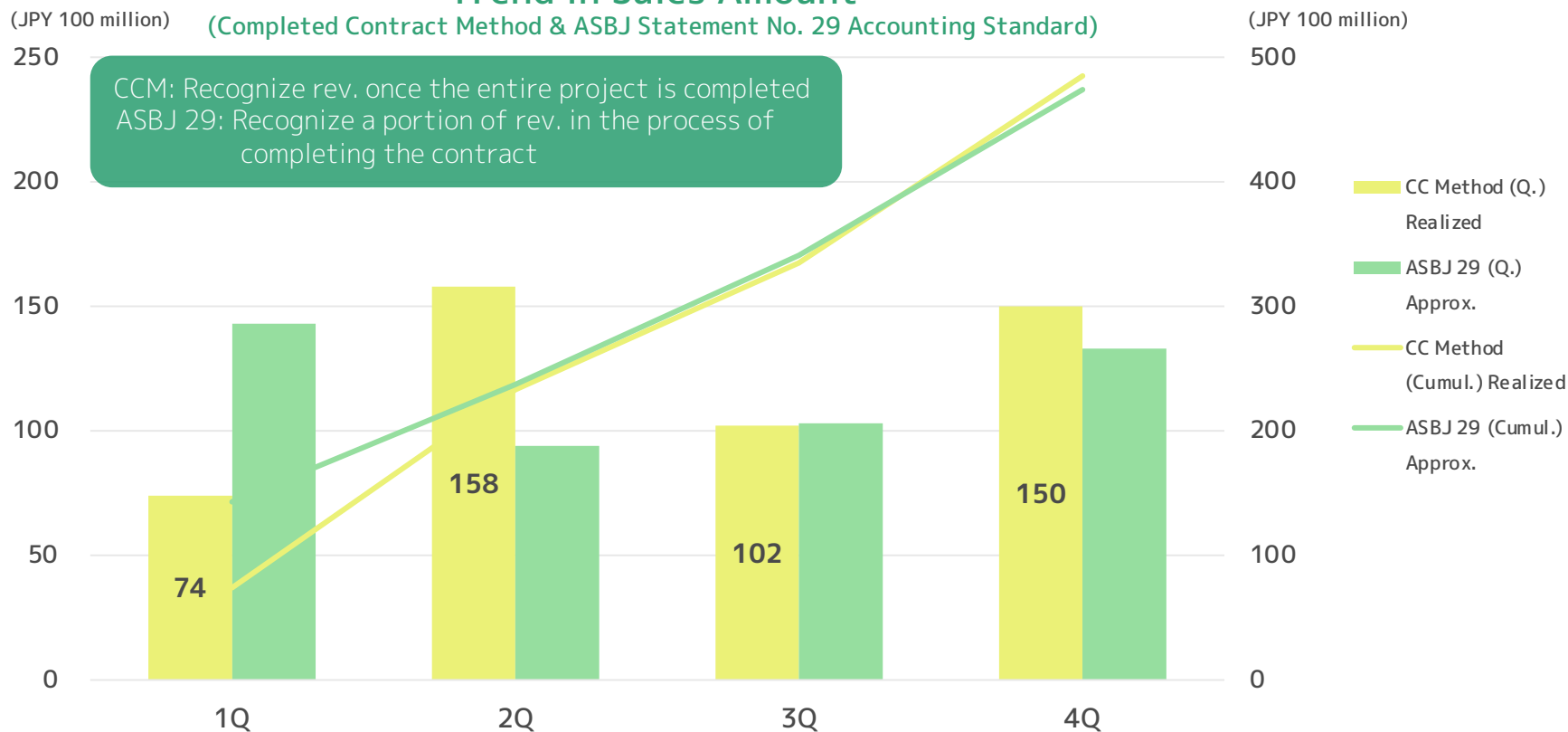
		59th Term (2021)			60th Term (2022) Forecast	Change (%) (YoY) *
		Initial Forecast	Realized	Achievement (%)		
Overseas Consulting Engineering Business	Orders Received	17,900	25,787	144.1%	22,600	(-12.4%)
	Sales Amount	17,100	20,713	121.1%	22,200	(+7.2%)
	Operating Profit (OP Margin)	50 (0.3%)	951 (4.6%)	-% —	600 (2.7%)	(-37.0%) (-1.9pt)

* Due to the application of ASBJ Statement No. 29 Accounting Standard for Revenue Recognition starting in the fiscal year ending December 2022, with the exclusion of orders received, the forecasts listed above refer to figures following the application of this Standard for Revenue Recognition.
The Year-on-Year change percentages shown here are for reference purposes.

Impact Of The Adoption Of Accounting Standard for Revenue Recognition

Starting in the fiscal year ending December 2022, the company applies ASBJ Statement No. 29 Accounting Standard for Revenue Recognition. Revenue recognition will occur as progress in completing the contract is made. As such, a larger sales amount is expected to be recorded in the first quarter, compared to the Completed Contract Method, which was previously used

Trend in Sales Amount



* Shown here are FY 12/2021 (Non-consolidated) realized results (CC method) and FY 12/2021 (Non-consolidated) results approximated assuming use of ASBJ 29 Accounting Standard

60th Term (2022) Management Plan

■ 60th Term Management Plan - Slogan

Take reliable steps toward business structure transformation, with production system reform as a core pillar, and promote sustainability management

■ 60th Term Management Plan – Priority Themes

- Reliable promotion of production system reform
- Promote Group cooperation in order to ensure the achievement of business structure transformation
- Strengthening governance
- Promotion of Sustainability Management

3

CTI Group - Summary Of Mid-Term Management Plan 2021

Summary Of Mid-Term Management Plan 2021

■CTI Group's Management: Achieve stable management and business expansion

The Group has achieved its targets both Domestically and Overseas, for orders received amount, sales amount, and OP

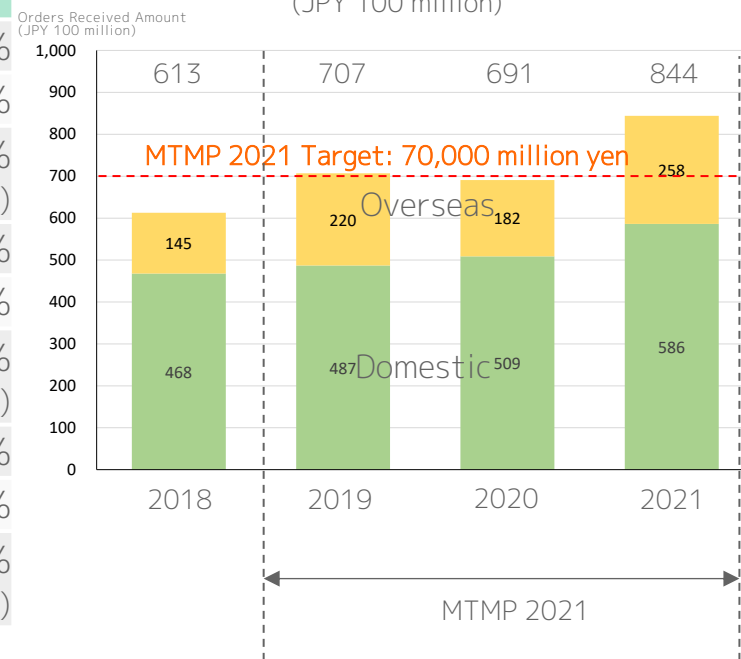
2021 realized results & management targets figures for the MTMP 2021

(JPY 100 million)

		MTMP (2021) Forecast	59th Term (2021) Realized	Change (%) Vs. Forecast
Domestic	Orders Received	500	586	+17.3%
	Sales Amount	505	536	+7.4%
	OP (OP Margin)	41 (8.2%)	60 (11.2%)	+47.1% (+3.0pt)
Overseas	Orders Received	200	257	+28.9%
	Sales Amount	200	207	+3.6%
	OP (OP Margin)	6 (3.0%)	9 (4.6%)	+58.7% (+1.6pt)
Total	Orders Received	700	844	+20.6%
	Sales Amount	700	744	+6.3%
	OP (OP Margin)	47 (6.7%)	69 (9.4%)	+48.7% (+2.7pt)

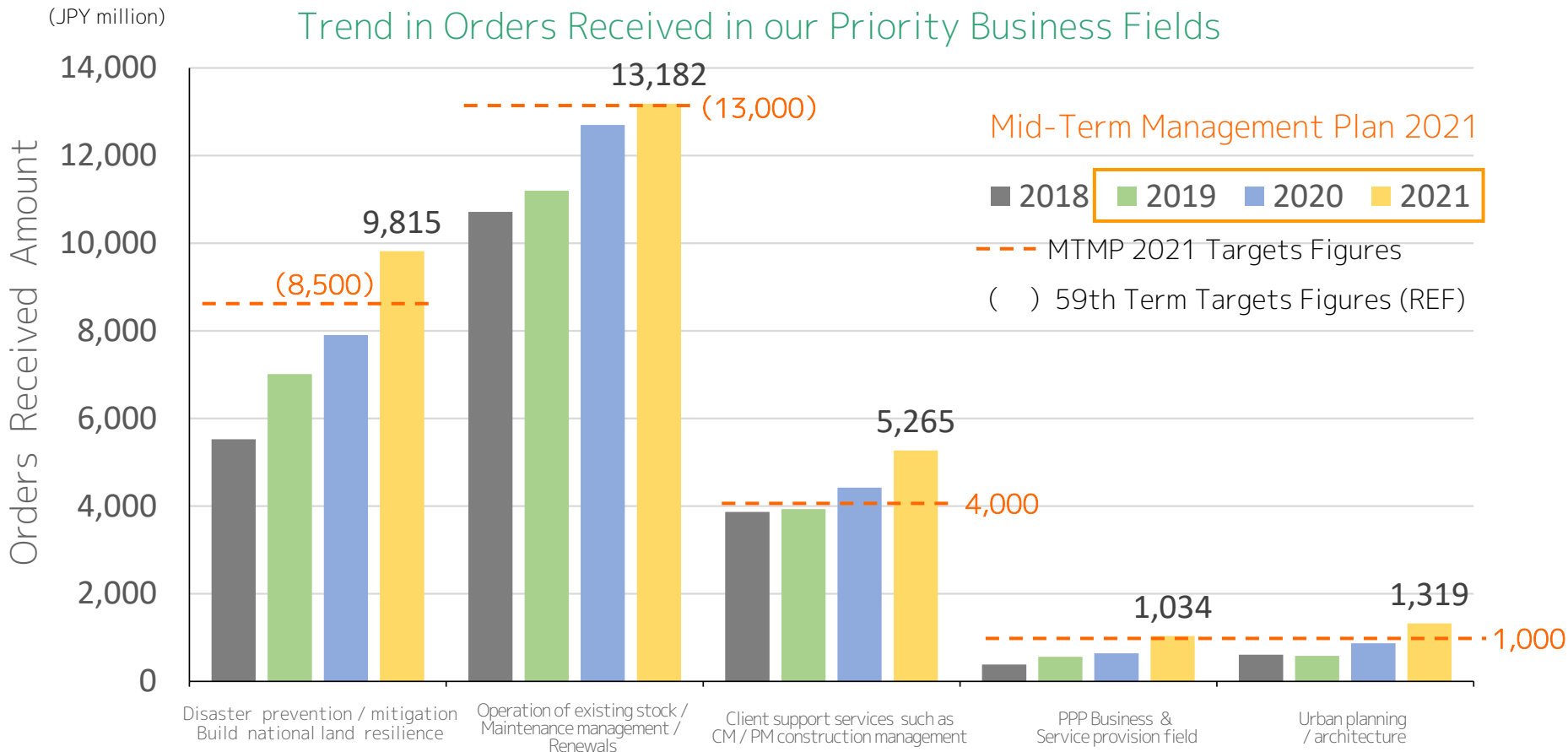
CTI Group – Orders Received (Realized)

Group Total – Orders Received Amount
(JPY 100 million)



Summary Of Mid-Term Management Plan 2021

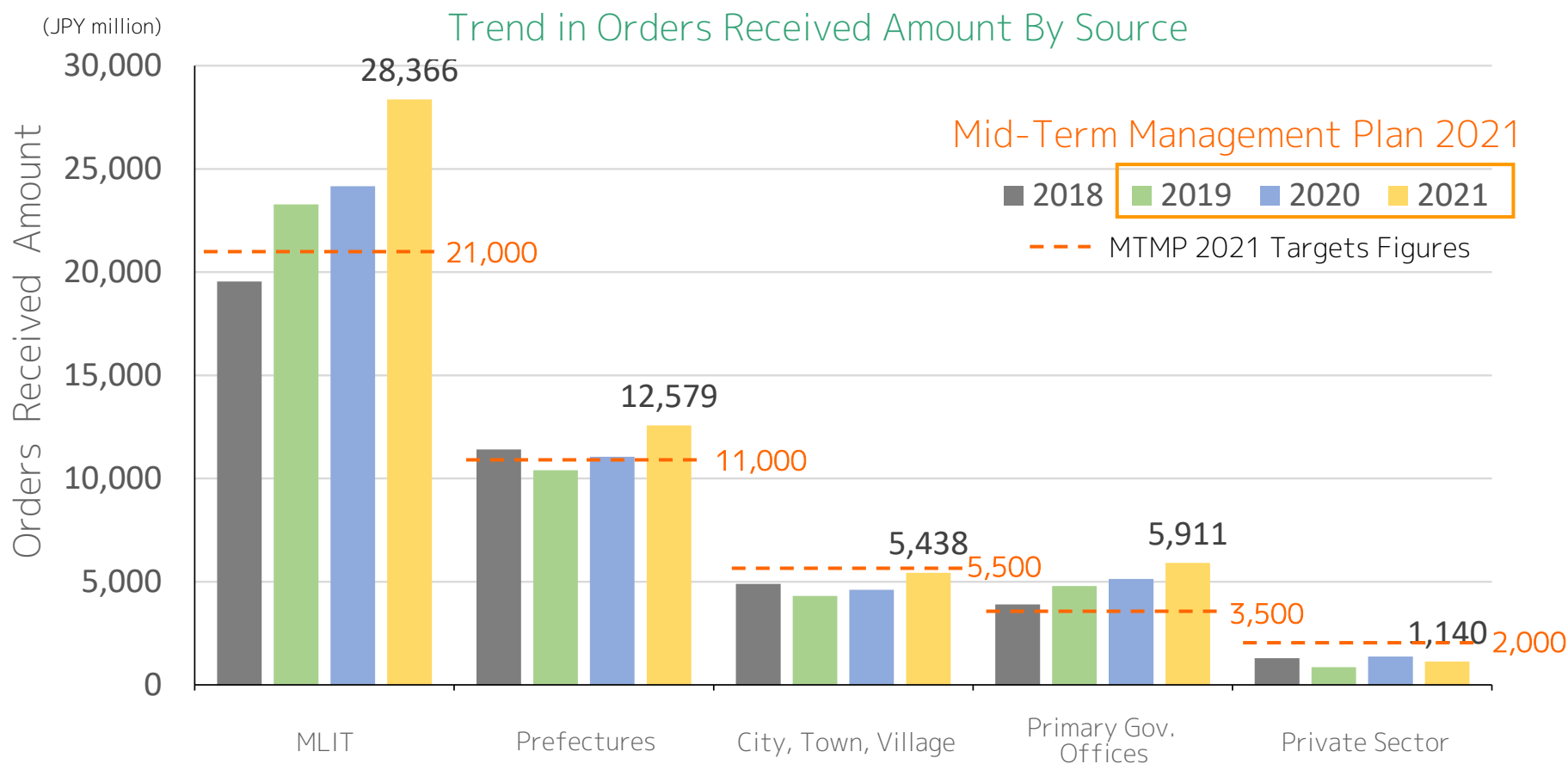
- CTIE's Management: Speedy change and continuous growth
 - Achieved the expansion of orders received in all of our priority business fields
 - Greatly exceeded our disaster prevention/mitigation and client support targets



Summary Of Mid-Term Management Plan 2021

■ CTIE's Management: Speedy change and continuous growth

- Reached target for orders received from MLIT and Prefectural Governments
- We have not been able to increase orders received from cities, towns, and villages and the private sector sufficiently



Summary Of Mid-Term Management Plan 2021

■ Managerial issues for the CTI Group

We need to change our structure to be able to cope with the drastically changing social and business environment

- There is a need for the development of new technologies and business expansion, in order to cope with large-scale disasters and an aging infrastructure
- Energy issues such as carbon neutrality; SDGs; Need for the swift expansion into new fields
- There is a need to revolutionize production by adapting to the New Normal Era and promoting DX
- There is a need for the expansion of our business operations overseas, taking into account global economic trends and the needs of each individual country

■ Managerial issues for CTIE

Transformation of the business structure and production systems remains pending

【Business Structure】

- There is a need to accelerate the expansion from survey, plan, design work, toward new services like client support and PPP
- There is a need to accelerate the expansion into new areas like urban planning & architecture, system development, energy, etc.
- We still receive relatively few orders from local governments and the private sector, compared to orders received from MLIT, so we need to expand our client base

【Production Systems】

- There is a need to translate R&D investment results in business expansion and quality/productivity improvements
- There is a need to carry out Human Resources training in order to improve ICT literacy for all employees across all Group companies

【Work styles & Governance】

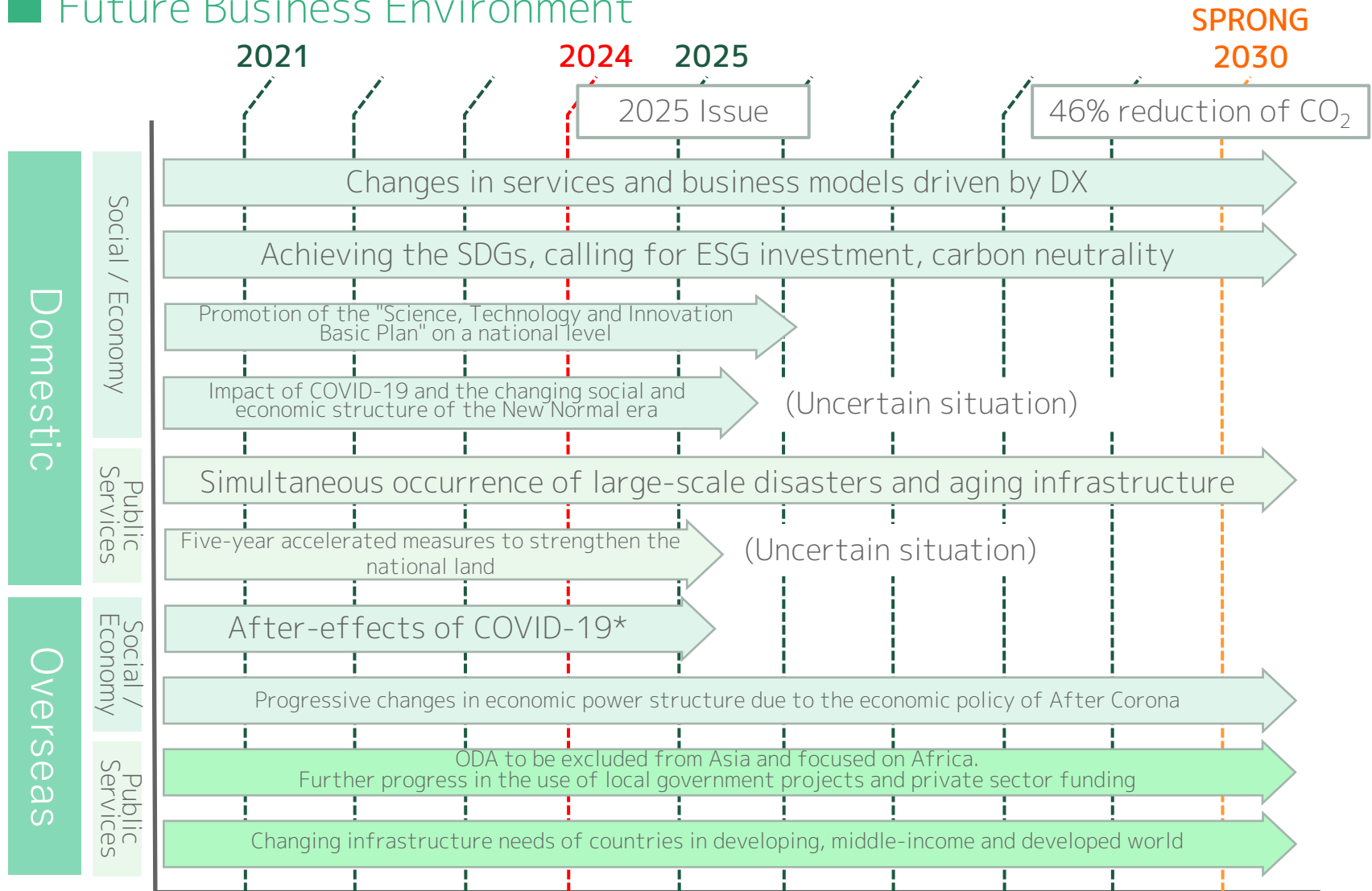
- There is a need to adapt to diverse work styles and welcome diversity
- There is a need to prevent accidents and compliance issues

4

CTI Group's Mid-Term Management
Plan For 2024

CTI Group's Mid-Term Management Plan For 2024

Future Business Environment



Continued travel restrictions due to the after-effects of COVID-19 and the deterioration of the economy in many countries

CTI Group's Mid-Term Management Plan For 2024

■ Goals of CTI Engineering Group

We will aim to improve corporate value, and work as a cohesive unit in order to contribute to the continuous growth of society, to **become a Global Infrastructure Solutions Group**

Contributing to the Sustainable Development of Society

Improve Corporate Value

Improve Employee Satisfaction

Improve Customer Satisfaction

Improve Shareholder Satisfaction

Growth as a Global Infrastructure Solutions Group

Business expansion by promoting cooperation among group companies

Stable Management and Improvement of profitability for key CTI Group Companies

Strengthening Group Governance

Promotion of Sustainability Management at entire CTI Group

CTI Group's Mid-Term Management Plan For 2024

■ Management Targets Figures (Business Expansion Targets)

- Group: EOY 2024 Sales Amount: 85,000 million yen; OP Margin: 8% (6,800 million yen)
- Non-consolidated: EOY 2024 Sales Amount: 55,000 million yen; OP Margin: 10% (5,500 million yen)

(JPY 100 million)

		59th Term (2021) Realized	60th Term (2022) Forecast	MTMP 2024	
Consolidated	Orders Received	844	790	850	
	Sales Amount	744	780	850	
	Operating Profit	69	64	68	
	(OP Margin)	(9.4%)	(8.2%)	(8.0%)	
	Domestic Consulting Engineering Business	Orders Received	586	564	630
		Sales Amount	536	558	630
		Operating Profit	60	58	60
		(OP Margin)	(11.2%)	(10.4%)	(9.5%)
Overseas Consulting Engineering Business	Orders Received	257	226	220	
	Sales Amount	207	222	220	
	Operating Profit	9	6	8	
	(OP Margin)	(4.6%)	(2.7%)	(3.6%)	
Non-consolidated	Orders Received	534	500	550	
	Sales Amount	485	490	550	
	Operating Profit	58	56	55	
	(OP Margin)	(12.0%)	(11.4%)	(10.0%)	

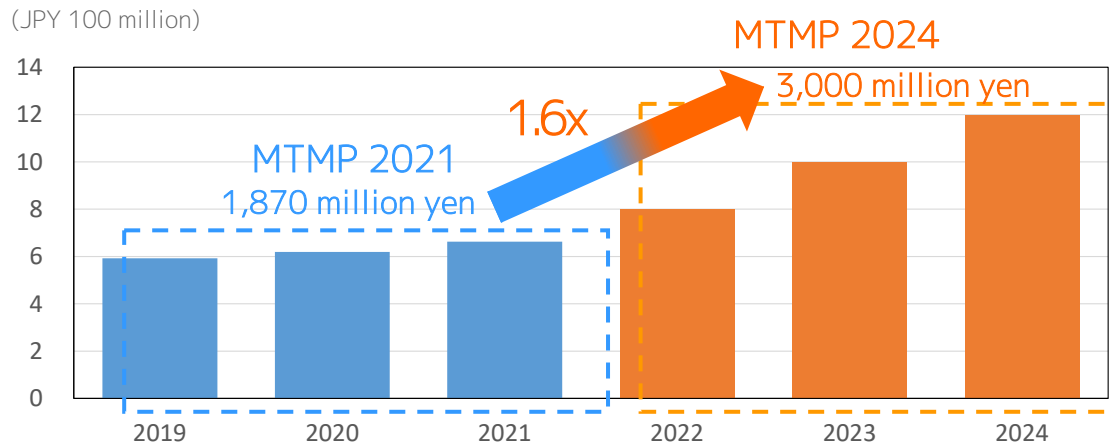
CTI Group's Mid-Term Management Plan For 2024

CTI Group's Management Targets Figures

Commitment to stakeholders

Motivating/attractive workplace	▶ Improving employee satisfaction
Complaints	▶ Zero
On-site accidents	▶ Zero
ROE	▶ More than 10%
Net R&D Investment	▶ 3,000 million yen over 3 years

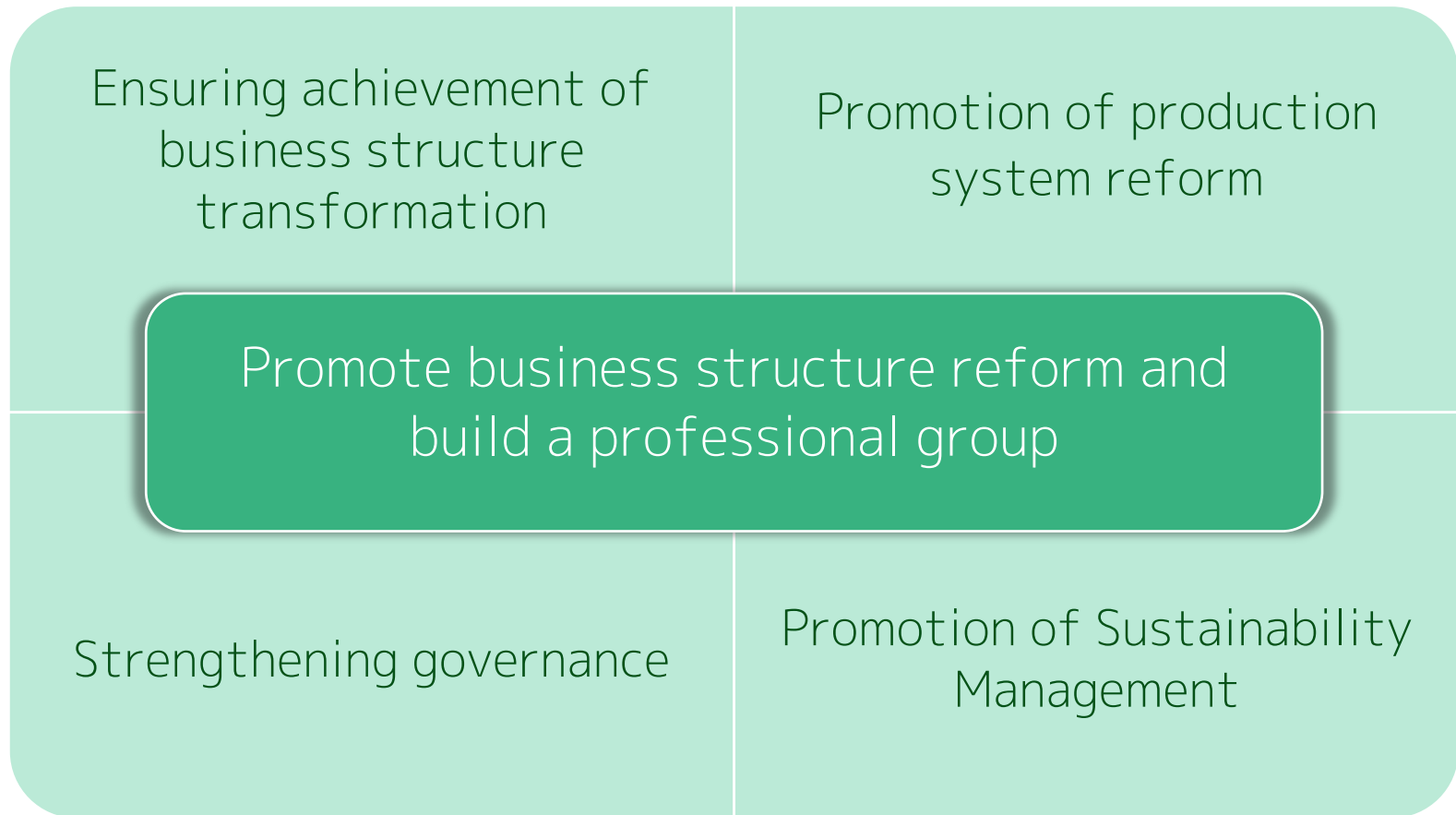
R&D Investment



CTI Group's Mid-Term Management Plan For 2024

- Goals of CTI Engineering

CTI Engineering Co., Ltd. aims to "promote business structure reform and build a professional group."



CTI Group's Mid-Term Management Plan For 2024

■ Concrete initiatives in order to achieve our targets

Business structure transformation

Secure & train Human Resources;
Work style reforms

Strengthen governance

Initiatives Addressing Climate Change /
Environmental Initiatives

Promote sustainability management

Contribute to
SDGs

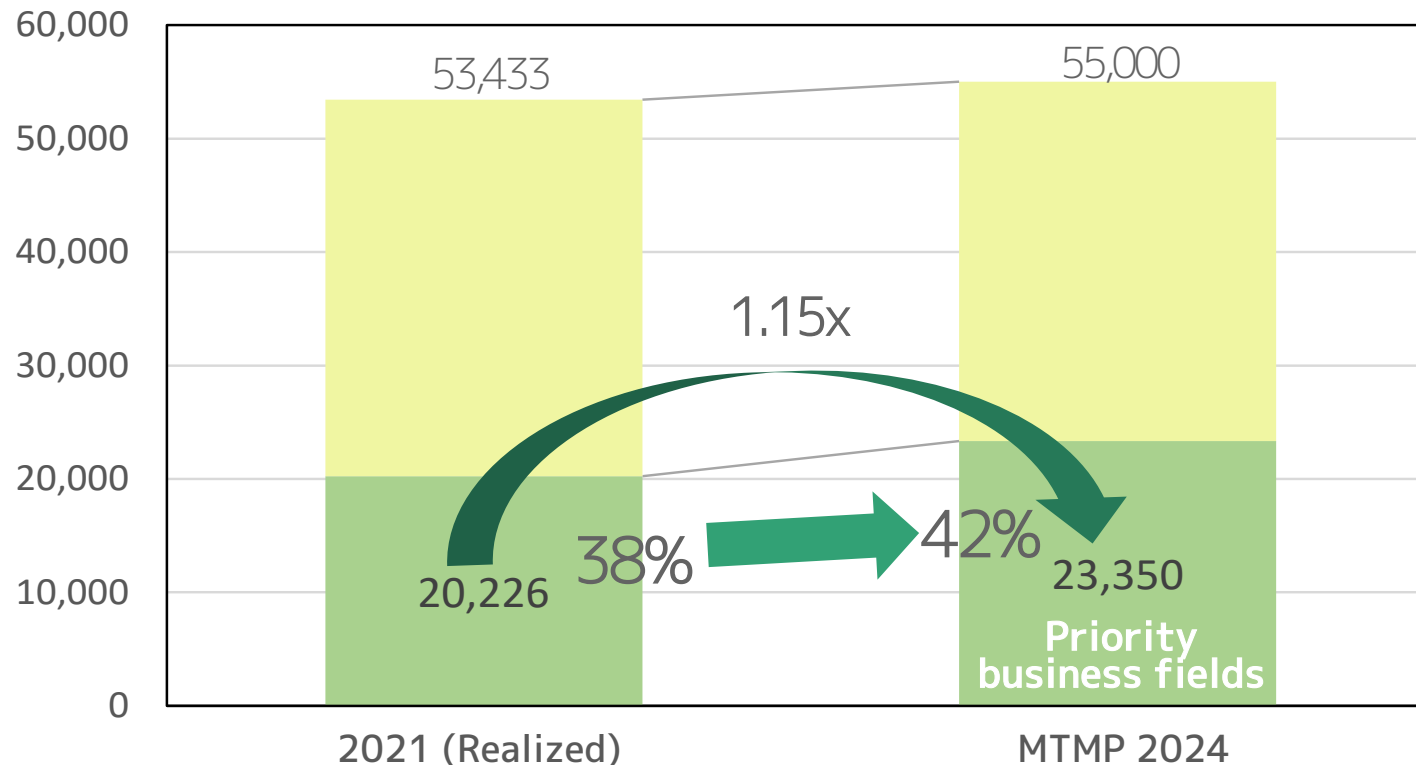
ESG management

CTI Group's Mid-Term Management Plan For 2024

Business Structure Reform

- Priority business fields
 - Establish priority business fields according to social issues and grow sales in those fields.
 - Increase the ratio to total sales of sales in priority business fields.

(JPY million)



CTI Group's Mid-Term Management Plan For 2024

Business Structure Reform

■ Priority business development areas

Social issues

- Build national land resilience
- Measures to combat climate change
- Aging population with declining birth rates
- Decarbonized society
- Clean energy
- Promotion of DX etc.

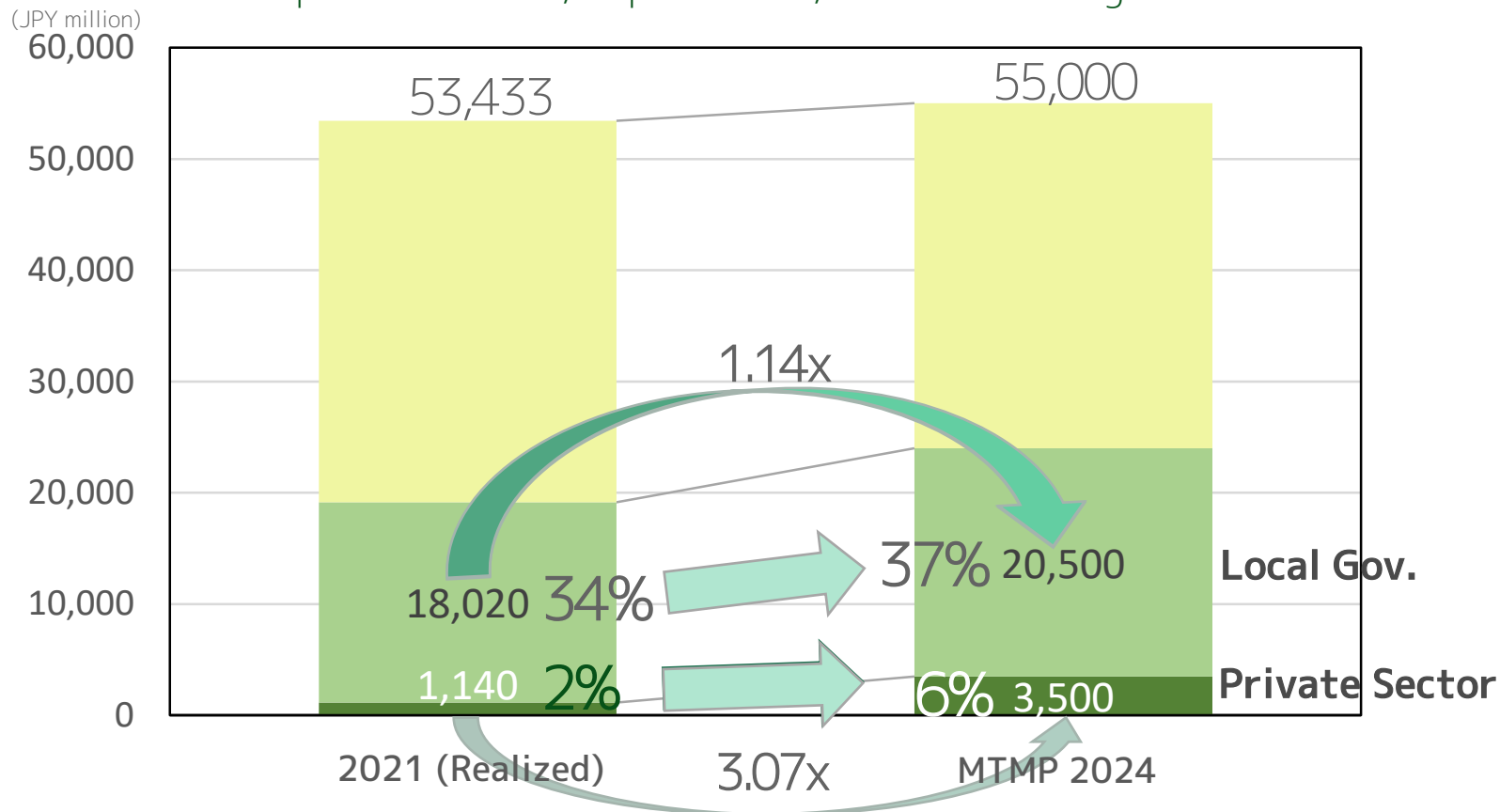
Priority business development areas	Targets
Disaster prevention and mitigation	· Responding to natural disasters such as climate change and major earthquakes
Urban planning and architecture	· Urban and regional regeneration, architectural and equipment design, etc.
Soil, ground and geology	· Railways, abandoned mines and stockpiles, geological disposal and geothermal and water resources development, etc.
Environmental management	· Environmental analysis and assessment, environmental risk management, marine plastic waste management, green infrastructure, etc.
Information services and system development	· Providing systems and applications for on-demand transport, etc. · Providing weather and disaster risk information
Energy	· Design, management and operation of hydropower, woody biomass, wind and solar power
PPP projects	· PFI, concession, designated and comprehensive management
Client support	· Construction management, PM · CM, project supervision
Business entities	

CTI Group's Mid-Term Management Plan For 2024

Business Structure Reform

■ Priority markets for expansion

- Expand our business in the sector of local governments and the private sector, and increase the ratio of sales to total sales
- For the private sector, in particular, we will aim to grow sales three-fold



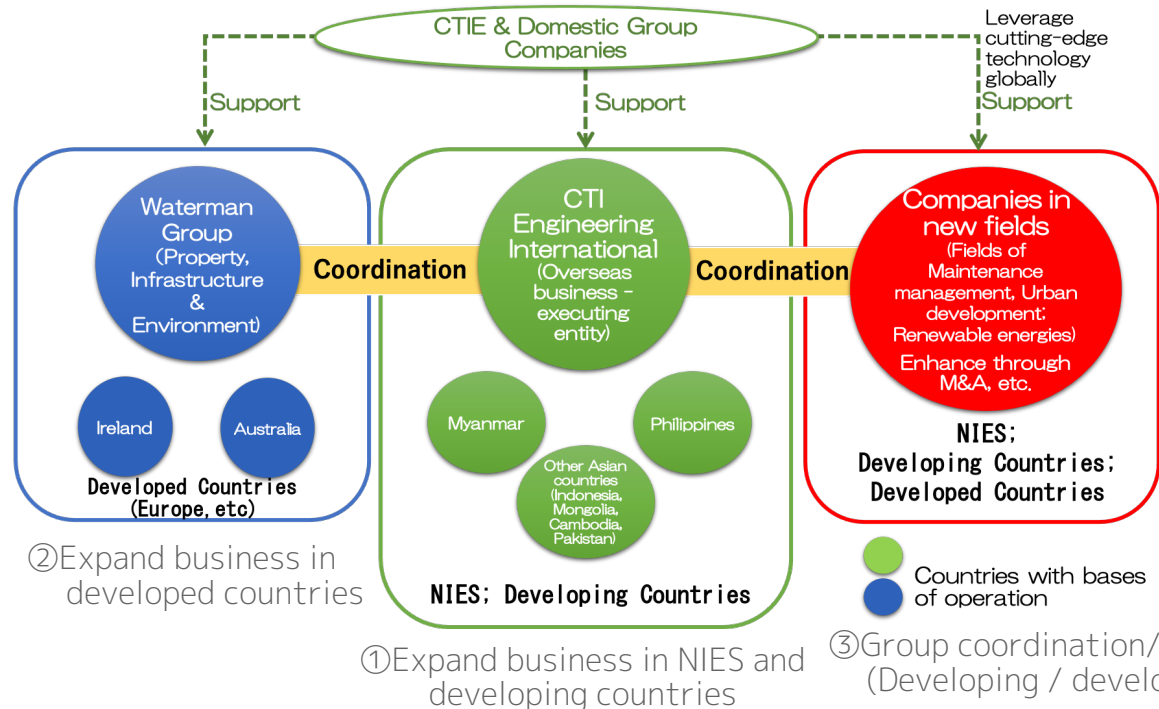
CTI Group's Mid-Term Management Plan For 2024

Business Structure Reform

Expansion of Overseas business

- Carry out preparations to welcome the transfer of foreign engineers from overseas subsidiaries
- Promote training programs involving seconding overseas
- Execute technological development based on the exchange of technology within the CTI Group

Visualization of the CTI Group's New Global Expansion



CTI Group's Mid-Term Management Plan For 2024

Business Structure Reform

Promote DX

CTI_G-DX

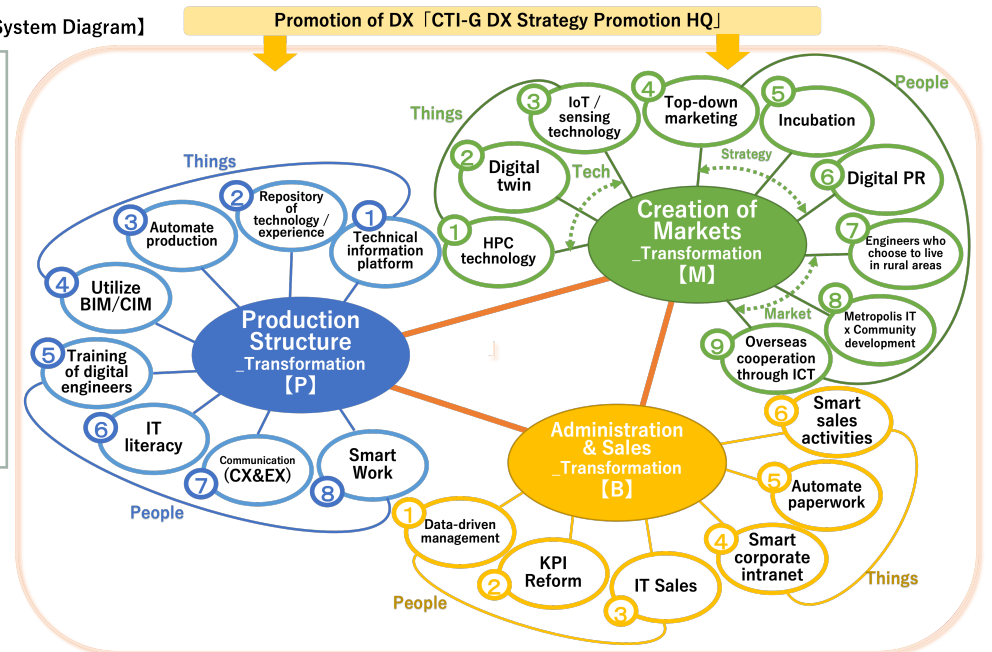
Deepen the CTI_G (CTI Group's) consulting engineering business, and carry out the digital transformation of all activities – covering the production structure, administration and sales – in order to accelerate the expansion into new business domains with a view toward the future of society



CTI_G-DX transforms business models and work styles through IT innovation!

[CTI_G-DX Measures – System Diagram]

Promote CTI-DX in a variety of corporate activity situations, within production structure, the creation of markets, and administration & sales – for both people and things



CTI Group's Mid-Term Management Plan For 2024

Initiatives Addressing Climate Change / Environmental Initiatives

CTI Group's Sustainable Challenge

The CTI Group's Code of Conduct forms the basis of all of the Group's activities. Within this, we have positioned Sustainability as a foundational concept, and view infrastructure development supporting a sustainable society as a core business.

Within the scope of the CTI Group's Sustainable Challenge, we offer new value contributing to the simultaneous achievement of disaster prevention, environmental protection, and to revitalizing local communities, toward realizing sustainability within infrastructure development, co-created through multi-stakeholder cooperation and by leveraging the power of nature.

Challenge Within Productive Activity

- Propose disaster prevention & mitigation measures leveraging nature's cushioning and restorative power
- Propose solutions to help us co-exist with the natural environment, by reducing the amount of energy used in the lifecycle of infrastructure development, and reducing waste
- Propose solutions contributing to the revitalization of local communities by leveraging ecosystem services derived from natural capital

Challenge Toward Improving Corporate Value

- Reduce CO2 emissions resulting from our corporate activities down to zero by 2030
- Establish a sustainable investment budget in order to promote investment in businesses for the improvement of sustainability in local communities, R&D, and employee training.

Sustainable Challenge Disclosures

The CTI Group will be following the 4 disclosure pillars associated with the Task Force on Climate-Related Financial Disclosures (TCFD), while at the same time mentioning initiatives related to green infrastructure

CTI Group's Mid-Term Management Plan For 2024

Secure & Train Human Resources; Work Style Reforms

CTI Well-Being Declaration

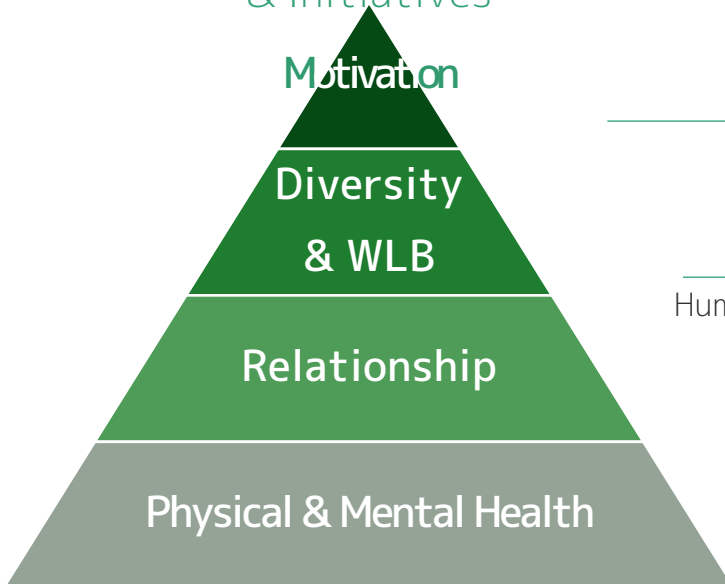
At CTI Engineering Co., Ltd., people are our greatest resource. On the basis of our business philosophy of "striving to create a safe, comfortable and enriching society using world-class technology and expertise," we believe that all of our diverse employees should be able to fulfill their roles in the company, work with enthusiasm while fully demonstrating their abilities, and grow with a sense of purpose. We believe that this will lead to our further growth as a company and to the creation of a sustainable and prosperous society.

In order to achieve this, we need to provide an environment where employees can work with peace of mind, and all of our employees must be in a "state of well-being," or "happiness," in which they are healthy both physically and mentally.

We hereby declare that we have established the CTI Engineering Basic Policy on Well-Being with the aim of achieving the happiness of all of our employees, and that we will promote various initiatives necessary to achieve this aim.

Tetsumi Nakamura, Managing Director and Chief Executive Officer

CTI's Employee Well-Being Targets & Initiatives



Employees can feel the company and themselves growing, and work autonomously with goals and a sense of purpose

CTI-HRM
(Human Resources Management)

Personnel System reform

Diverse ways of working are recognized, and employees are able to maintain a good work-life balance

Promote diversity

CTI Smart Work

Human relationships based on trust and respect are formed in the workplace

Work environment reform

Employees are financially comfortable and in good health both physically and mentally

Work style reform

Health Management

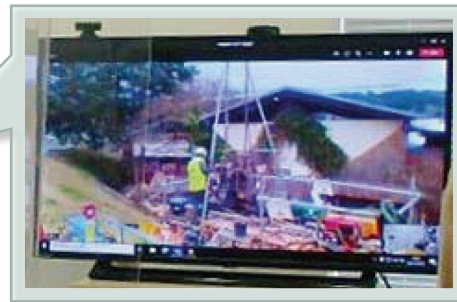
CTI Group's Mid-Term Management Plan For 2024

Strengthen Governance

Strengthening compliance

Thorough risk management

Enhancing quality & safety management



Safety patrol leveraging telecommunications technology (ICT training)

Achieved good results comparable to in-person guidance, while at the same time helping to prevent the spread of COVID-19

Key Risks & Response Policy 2022

Planning / Sales Headquarters

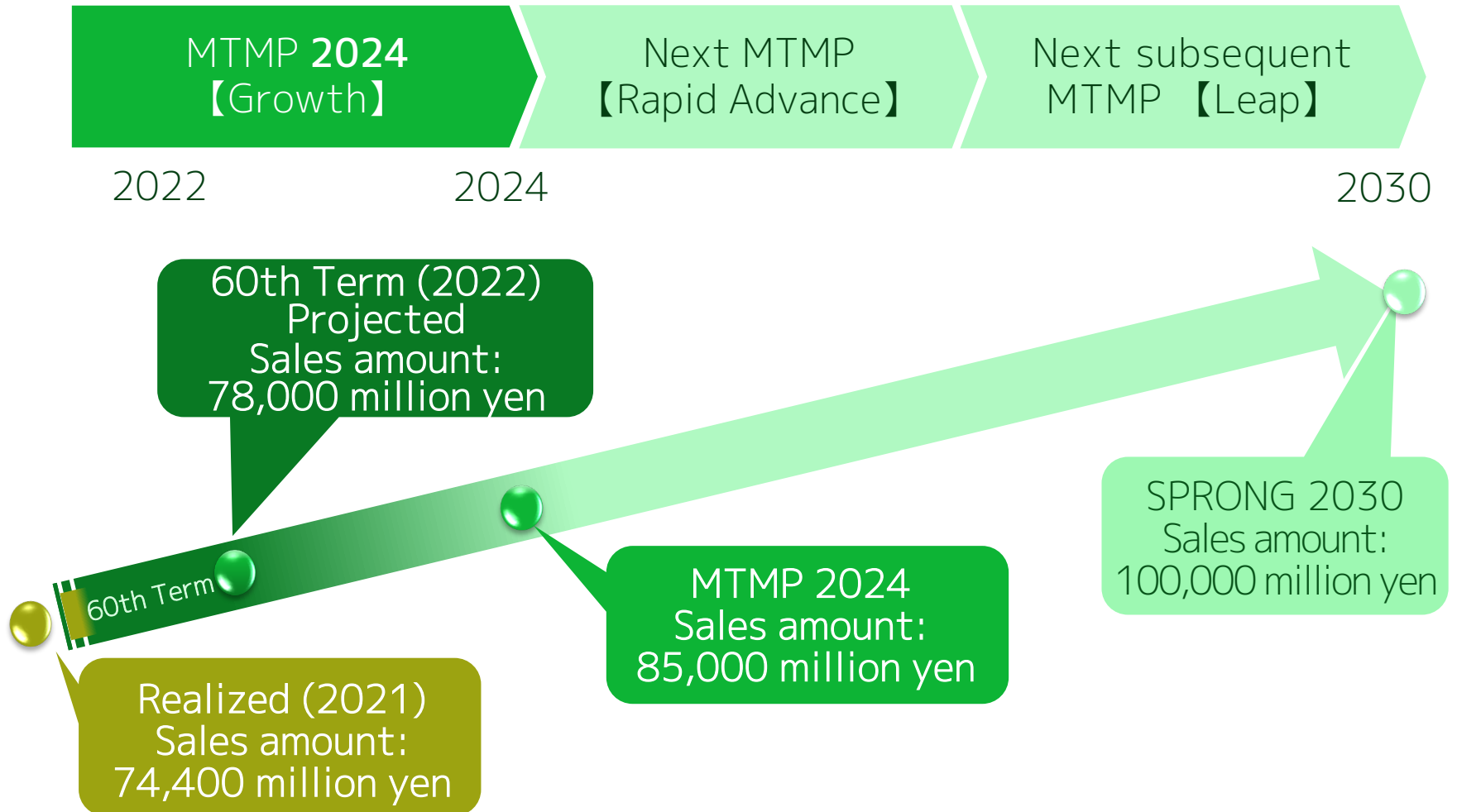
Spread of COVID-19		Work conditions in strict accordance with COVID-19 Guidelines <ol style="list-style-type: none"> 1) Strict adherence to a policy of avoiding crowded places 2) Promote remote work leveraging telecommunication tools
Working hours exceeding the 36 Agreement		Gradually implement order planning, the expansion of the production system, and improve production efficiency <ol style="list-style-type: none"> 1) Planned selection of projects expected not to significantly exceed order targets 2) Secure productivity by hiring new graduates, mid-career hires, and by working together with other companies 3) Improve productivity through digitalization
QC issues with deliverables		Use self-checklists and verification 100% of the time to prevent mistakes <ol style="list-style-type: none"> 1) Secure time for self-checklists and verification within process management 2) Strengthen monitoring of the execution status of self-checklists and verification
Compliance violations		Continuous compliance training in order to change awareness <ol style="list-style-type: none"> 1) Compliance with laws, morals, social norms, company rules 2) Prevent all forms of harassment through continuous training and awareness-raising activities
Information Security Incidents		Procedure implementation of information security in strict accordance with protocol <ol style="list-style-type: none"> 1) Follow procedure implementation protocol for information security 2) Forbid the opening of suspicious e-mails / careless opening of attachments
On-site accidents		Strict execution of safety controls across all work processes - taking into account work site characteristics <ol style="list-style-type: none"> 1) Formulate planning worksheets and execute plans taking into account work site / project characteristics 2) Strict safety controls, both on-site and when traveling

Key Risks & Response Policy - Poster

CTI Group's Mid-Term Management Plan For 2024

■ CTI Group's Management Targets Figures

New Medium/Long-Term Vision 「**SPRONG 2030**」



Thank you for listening!

