

3Q / 60th Term (2022) Financial Results

November 10, 2022



CTI Engineering Co., Ltd.

3Q / 60th Term – Results Outline (Consolidated)

- **Orders Received amount increased**
4.4% YoY to 70.4 billion yen
- **Sales amount increased** 19.1% YoY to 61.4 billion yen
- **Operating Profit increased** 30.2% YoY to 6.5 billion yen

Steady orders received amount
Upward revisions to sales and each profit

- Orders have remained steady in both domestic and overseas businesses since last year
- Results remain steady, both sales and each profit are expected to increase, and initial forecast has been revised upward

(JPY million)

	59th Term 2021 3Q	60th Term 3Q 2022	Change (%) (YoY)	60th Term 2022 (FY Revised Forecast)	Progress vs. Revised Forecast (%)
Orders Received	67,503	70,459	+4.4	84,000	83.9
Sales Amount	51,602	61,446	(+19.1)	82,000	74.9
Operating Profit	5,003	6,513	(+30.2)	7,700	84.6
OP Margin	9.7%	10.6%	(+0.9pt)	9.4%	-
Ordinary Profit	5,065	6,689	(+32.1)	7,900	84.7
Net Income Attributable to Owners of the Parent	3,255	4,516	(+38.7)	5,300	85.2

* Environmental Research & Solutions Co.,Ltd. entered the scope of consolidation in the fiscal year ending December 2022

* 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 Year-on-Year change percentages shown here are for reference purposes.

3Q / 60th Term – Results Outline (Non-Consolidated)

- **Orders Received amount** were 45.4 billion yen, unchanged from last year
- **Sales amount** increased 13.6% YoY to 38.1 billion yen
- **Operating Profit** increased 26.7 % YoY to 5.6 billion yen

Steady Orders Received amount
Upward revisions to sales and each profit

- Steady orders, primarily from Government institutions, within the scope of five-year accelerated measures to prevent/mitigate natural disasters, and strengthen national land resilience (through to FY 2025)
- Results remain steady, both sales and each profit are expected to increase, and initial forecast has been revised upward

(JPY million)

	59th Term 2021 2Q	60th Term 2022 2Q	Change (%) (YoY)	60th Term 2022 (FY Revised Forecast)	Progress vs. Revised Forecast (%)
Orders Received	45,843	45,401	△1.0	51,000	89.0
Sales Amount	33,590	38,151	(+13.6)	51,000	74.8
Operating Profit	4,466	5,657	(+26.7)	6,800	83.2
OP Margin	13.3%	14.8%	(+1.5pt)	13.3%	-
Ordinary Profit	4,658	5,894	(+26.5)	7,100	83.0
Net Income	3,106	4,054	(+30.5)	4,800	84.5

* 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 Year-on-Year change percentages shown here are for reference purposes.

Domestic Consulting Engineering Business

- **Orders Received amount** were 50.5 billion yen, unchanged from last year
- **Sales amount increased** 15.6% YoY to 43.1 billion yen
- **Operating Profit increased** 26.8% YoY to 5.8 billion yen

Steady performance in orders received in the domestic business, continuing from last year

- Steady orders, primarily from Government institutions, within the scope of five-year accelerated measures to prevent/mitigate natural disasters, and strengthen national land resilience (through to FY 2025)
- Operating profit margin increased due to higher business unit prices and more efficient business production

(JPY million)

	59th Term 2021 3Q	60th Term 2022 3Q	Change (%) (YoY)	60th Term 2022 (FY Revised Forecast)	Progress vs. Revised Forecast (%)
Orders Received	50,124	50,572	+0.9	57,000	88.7
Sales Amount	37,350	43,188	(+15.6)	58,500	73.8
Operating Profit	4,589	5,817	(+26.8)	6,900	84.3
OP Margin	12.3%	13.5%	(+1.2pt)	11.8%	-

* 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 Year-on-Year change percentages shown here are for reference purposes.

Overseas Consulting Engineering Business

- **Orders Received amount increased** 14.4% YoY to 19.8 billion yen
- **Sales amount increased** 28.1% YoY to 18.2 billion yen
- **Operating Profit increased** 68.4% YoY to 689 million yen

Results Recovery Overseas

- Steady performance for Waterman's Public Sector-related Business in the UK, and in Ireland and Australia
- CTI Engineering International, too, saw a recovery in business progress in Asia

(JPY million)

	59th term 2021 3Q	60th Term 2022 3Q	Change (%) (YoY)	60th Term 2022 (FY Revised Forecast)	Progress vs. Revised Forecast (%)
Orders Received	17,379	19,887	+14.4	27,000	73.7
Sales Amount	14,252	18,257	(+28.1)	23,500	77.7
Operating Profit	409	689	(+68.4)	800	86.2
OP Margin	2.9%	3.8%	(+0.9pt)	3.4%	-

* 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 Year-on-Year change percentages shown here are for reference purposes.

* Orders received amount includes amount changes from currency fluctuations

60th Term (2022) Forecasts(Non/Consolidated)

Upward revisions to initial forecasts for both consolidated and non-consolidated
Upward revision to dividends forecast

(JPY million)

		59th Term 2021 (Realized)	60th Term 2022 Initial Forecast	60th Term 2022 Revised Forecast	Change (YoY)	Change (%) Vs. Initial Forecast
Consolidated	Orders Received	84,448	79,000	84,000	△ 0.5	+ 6.3
	Sales Amount	74,409	78,000	82,000	(+10.2)	+ 5.1
	Operating Profit	6,991	6,400	7,700	(+10.1)	+20.3
	OP Margin	9.4%	8.2%	9.4%	(± 0.0pt)	+1.2pt
	Ordinary Profit	7,118	6,500	7,900	(+11.0)	+21.5
	Net Income Attributable to Owners of the Parent	4,471	4,300	5,300	(+18.5)	+23.3
Non-Consolidated	Orders Received	53,433	50,000	51,000	△ 4.6	+ 2.0
	Sales Amount	48,591	49,000	51,000	(+ 5.0)	+ 4.1
	Operating Profit	5,823	5,600	6,800	(+16.8)	+21.4
	OP Margin	12.0%	11.4%	13.3%	(+1.3pt)	+1.9pt
	Ordinary Profit	6,085	5,900	7,100	(+16.7)	+20.3
	Net Income	3,922	4,000	4,800	(+22.4)	+20.0
	Dividends	60Yen	60Yen	100Yen	—	—

* 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.

60th Term (2022) Earnings Forecasts (By Segment)

Expectations for both domestic and overseas markets to exceed initial forecasts

(JPY million)

	Segment	59th Term 2021 (Realized)	60th Term 2022 (Initial Forecast)	60th Term 2022 (Revised Forecast)	Change (YoY)	Change (%) Vs. Initial Forecast
Domestic Business	Orders Received	58,660	56,400	57,000	△ 2.8	+ 1.1
	Sales Amount	53,696	55,800	58,500	(+ 8.9)	+ 4.8
	Operating Profit	6,032	5,800	6,900	(+14.4)	+19.0
	OP Margin	11.2%	10.4%	11.8%	(+0.6pt)	+1.4pt
Overseas Business	Orders Received	25,787	22,600	27,000	+ 4.7	+19.5
	Sales Amount	20,713	22,200	23,500	(+13.5)	+ 5.9
	Operating Profit	951	600	800	(△16.0)	+33.3
	OP Margin	4.6%	2.7%	3.4%	(△1.2pt)	+0.7pt
Total	Orders Received	84,448	79,000	84,000	△ 0.5	+ 6.3
	Sales Amount	74,409	78,000	82,000	(+10.2)	+ 5.1
	Operating Profit*	6,991	6,400	7,700	(+10.1)	+20.3
	OP Margin	9.4%	8.2%	9.4%	(+0.0pt)	+1.2pt

* Environmental Research & Solutions Co.,Ltd., which entered the scope of consolidation in FY 2022, is classified under the Domestic Business segment

* 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 Year-on-Year change amounts and percentages shown here are for reference purposes

* Operating profit total figures presented following inter-segment adjustments

Notes on handling this material

- The forward-looking information disclosed by our company, including future plans, forecasts and management strategies, is based on information available at the time of disclosure and certain assumptions deemed to be reasonable, and involves risks and uncertainties relating to economic conditions, business-related policies, tax systems, changes in various systems and international developments.
- Actual results may differ materially from these forward-looking statements due to a variety of factors.

