

1Q / 61st Term (2023) Financial Results

May 11, 2023



CTI Engineering Co., Ltd.

1Q / 61st Term – Results Outline (Consolidated)

- Orders Received amount increased 4.1% YoY to 25,600 million yen
- Sales amount increased 5.2% YoY to 24,700 million yen
- Operating Income increased 7.2% YoY to 3,700 million yen

Increase in orders received, sales, and each income line item

- Continuing the trend from last FY, both the Domestic and Overseas businesses registered a strong performance in orders received
- Increase in orders received, sales, and each income line item
- The Domestic business has a large number of public projects, leading to work progress clustering toward the end of the fiscal year. This, in turn, leads sales and income to cluster in 1Q

(JPY million)

	60th Term 2022 1Q	61st Term 2023 1Q	Change (%) (YoY)	61st Term 2023 (FY Forecast)	Progress vs. Forecast (%)
Orders Received	24,647	25,668	+4.1	84,000	30.6
Sales Amount	23,538	24,760	+5.2	84,000	29.5
Operating Income	3,490	3,742	+7.2	7,200	52.0
O I M a r g i n	14.8%	15.1%	+0.3pt	8.6%	—
Ordinary Income	3,531	3,779	+7.0	7,300	51.8
N e t I n c o m e Attributable to Owners of the Parent	2,444	2,770	+13.3	4,900	56.5

1Q / 61st Term – Results Outline (Non-consolidated)

- Orders Received amount increased 6.2% YoY to 16,700 million yen
- Sales amount increased 2.4% YoY to 16,200 million yen
- Operating Income increased 3.1% YoY to 3,200 million yen

Increase in orders received, sales, and each income line item

- Continued strength in terms of orders, thanks to demand within the scope of five-year (through to FY 2025) accelerated measures to prevent/mitigate natural disasters and strengthen national land resilience
- Strong performance, continuing the trend from last FY

(JPY million)

	60th Term 2022 1Q	61st Term 2023 1Q	Change (%) (YoY)	61st Term 2023 (FY Forecast)	Progress vs. Forecast (%)
Orders Received	15,767	16,741	+6.2	52,000	32.2
Sales Amount	15,874	16,258	+2.4	52,000	31.3
Operating Income	3,174	3,272	+3.1	6,300	51.9
O I M a r g i n	20.0%	20.1%	+0.1pt	12.1%	—
Ordinary Income	3,209	3,284	+2.3	6,500	50.5
N e t I n c o m e Attributable to Owners of the Parent	2,208	2,457	+11.3	4,500	54.6

1Q / 61st Term Results Outline (By Segment)

- Strong performance in orders received, for both the Domestic and Overseas businesses

(JPY Million)

Segment	Item	60th Term 2022 1Q	61st Term 2023 1Q	Change (YoY)	Change (%) (YoY)
Domestic Business	Orders Received	17,053	17,822	+769	+4.5
	Sales Amount	17,811	18,382	+571	+3.2
	Operating Income	3,286	3,615	+329	+10.0
	O I M a r g i n	18.4%	19.7%	—	+1.3pt
Overseas Business	Orders Received	7,593	7,845	+251	+3.3
	Sales Amount	5,726	6,377	+650	+11.4
	Operating Income	205	136	△69	△33.7
	O I M a r g i n	3.6%	2.1%	—	△1.5pt
T o t a l	Orders Received	24,647	25,668	+1,020	+4.1
	Sales Amount	23,538	24,760	+1,222	+5.2
	Operating Income*	3,490	3,742	+251	+7.2
	O I M a r g i n	14.8%	15.1%	—	+0.3pt

*Operating income total figures presented following inter-segment adjustments.

Domestic Consulting Engineering Business

- Orders Received amount increased 4.5% YoY to 17,800 million yen
- Sales amount increased 3.2% YoY to 18,300 million yen
- Operating Income increased 10.0% YoY to 3,600 million yen

As in LFY, continued strong performance in orders received; increase in sales and income

- Continued strength in terms of orders, especially from Government institutions, thanks to demand within the scope of five-year accelerated measures to prevent/mitigate natural disasters and strengthen national land resilience (through to FY 2025)
- Progress in operations led to increases in sales and income, and rising OI margins

(JPY Million)

	60th Term 2022 1Q	61st Term 2023 1Q	Change (%) (YoY)	61st Term 2023 (FY Forecast)	Progress vs. Forecast (%)
Orders Received	17,053	17,822	+4.5	59,000	30.2
Sales Amount	17,811	18,382	+3.2	59,000	31.2
Operating Income	3,286	3,615	+10.0	6,500	55.6
O I M a r g i n	18.4%	19.7%	+1.3pt	11.0%	-

Overseas Consulting Engineering Business

- Orders Received amount increased 3.3% YoY to 7,800 million yen
- Sales amount increased 11.4% YoY to 6,300 million yen
- Operating Income decreased 33.7% YoY to 140 million yen

Strong performance in orders received; increase in sales

- Steady performance for Waterman's Public Sector-related Business in the UK; increase in sales
- On the other hand, CTI Engineering International registered a decrease in contracts in 1Q in Asia, leading to a decrease in operating income

(JPY Million)

	60th Term 2022 1Q	61st Term 2023 1Q	Change (%) (YoY)	61st Term 2023 (FY Forecast)	Progress vs. Forecast (%)
Orders Received	7,593	7,845	+3.3	25,000	31.4
Sales Amount	5,726	6,377	+11.4	25,000	25.5
Operating Income	205	136	△33.7	700	19.5
O I Margin	3.6%	2.1%	△1.5pt	2.8%	-

*Orders received amount includes amount changes from currency fluctuations.

61st Term (2023) Full Fiscal Year Forecast (Non-consolidated/Consolidated)

(JPY Million)

		60th Term 2022 (Realized)	61st Term 2023 (FY Forecast)	Change (%) (YoY)
C o n s o l i d a t e d	Orders Received	85,887	84,000	△2.2
	Sales Amount	83,485	84,000	+0.6
	Operating Income (O I Margin)	8,017 (9.6%)	7,200 (8.6%)	△10.2 (△1.0pt)
	Ordinary Income	8,235	7,300	△11.4
	Net Income Attributable to Owners of the Parent	5,874	4,900	△16.6
N o n - c o n s o l i d a t e d	Orders Received	51,226	52,000	+1.5
	Sales Amount	51,359	52,000	+1.2
	Operating Income (O I Margin)	6,705 (13.1%)	6,300 (12.1%)	△6.0 (△1.0pt)
	Ordinary Income	7,024	6,500	△7.5
	Net Income Attributable to Owners of the Parent	5,167	4,500	△12.9
	D i v i d e n d s	100 yen	100 yen	—

Disclaimer

- Any forward-looking statements as part of information disclosed by the Company, such as (but not restricted to) information pertaining to future plans, outlooks, management strategy, etc., are based on the information available at the time of disclosure and/or on certain assumptions deemed reasonable. As such, these contain risks and uncertainties related to changes in the state of the economy, government policies impacting the Company's businesses, changes to the tax code and/or other regulatory changes and/or in the International status quo.
- Realized results may differ materially from the aforementioned forward-looking statements, due to a variety of factors and causes.

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and 60 years incorporation