

CTI Engineering Co., Ltd. has faced social issues with integrity throughout its history as a pioneering consulting engineer. It has worked to solve a variety of infrastructure development issues by constantly improving its engineering capabilities. As technological innovation accelerates, we will serve as a group of professionals who will ambitiously take on new technologies and always provide the best infrastructure services. We will work tirelessly to create a society where people can live safely and securely with an eye on the future.

Integrated Report 2025



CTI CTI Engineering Co., Ltd.

Business Philosophy

We strive to create a safe, comfortable and enriching society using world-class technology and expertise

Code of Corporate Conduct

Sustainability

Contribute to the creation of a sustainable society

We provide professional services to help create a sustainable society—i.e., a low-carbon, recycling-oriented society that exists in harmony with nature.

People First

Promote corporate activities with a culture of putting people first

We promote our corporate activities to ensure that people live safe, secure, and comfortable. We always put people first, fostering a corporate culture in which diverse talents play active roles.

Social Commitment

Commit to solving social issues

We commit to solving issues through our corporate activities by making full use of our expertise and promoting continuous innovation.

Trust

Build relationships of trust with our stakeholders

We build relationships of trust with our stakeholders by engaging in sincere dialogue, disclosing appropriate information, and training our people to provide the highest quality of service.

Integrity and Fairness

Act with integrity, fairness, and responsibility

We act with integrity, fairness, and responsibility as an independent and autonomous company by abiding by legal, ethical, and social standards to maintain long-standing relationships with our stakeholders.

Risk Management

Ensure risk management at the highest standards

We share vital information, tools, and insights on natural disasters, cyberattacks, terrorist threats, and other external risks with our stakeholders, cooperating with them to ensure thorough management of such risks.

Editorial Policy
CTI Engineering Co., Ltd. ("the Company") publishes its integrated report as an integrated communication tool for its stakeholders. We hope that this report will provide a full understanding of the Company's stance from its founding to the present, as well as our efforts to increase corporate value further. We used the International Integrated Reporting Council (IIRC)'s disclosure framework to compile this report.

Reporting Period
In principle, the fiscal year ended December 31, 2024 (January 2024–December 2024), with some information from January 2025 onward also included.

Caution Regarding Forward-Looking Statements
This integrated report contains forward-looking statements about matters such as forecasts of the Company's future financial results. These statements represent the judgments of the Company's management based on currently available information. The Company's future performance may differ significantly from the content of these statements for a variety of reasons. As a result, the forward-looking statements in this report do not guarantee forecast accuracy or future performance.

CONTENTS

Introduction

Business Philosophy, Code of Corporate Conduct	1
Ethics Framework	2
The Trajectory of Value Creation — The Path of CTI Engineering	3
The Business and Role of Consulting Engineers	5
At a Glance	7

Top Message

Message from the CEO	9
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Value Creation Story

CTI Engineering Group's Value Creation Story	13
Strength of the CTI Engineering Group —Capital Utilized to Create Mid- to Long-Term Value	15
Sustainability Management	17
Materiality for Value Creation (Important Issues)	19

Approach to Enhance Corporate Value

1 Expansion of Cash Flow and Enhancement of Earning Power

CTI Engineering Group's Mid- to Long-Term Vision	21
Mid-Term Management Plan	23
The Two Pillars of Mid-Term Management Plan 2027 01 Business Portfolio Transformation	25
Business Segment Domestic Consulting Engineering Business	27
Business Segment Overseas Consulting Engineering Business	33

Financial Strategy	35
Human Resource Strategy	41

2 Maintenance and Improvement of Growth Potential

The Two Pillars of Mid-Term Management Plan 2027 02 Rebuild of Foundation for Growth	43
DX / Production System Reform Improving Productivity and Ensuring Quality and Safety through AI and Digitalization	45

3 Reduction of Capital Cost

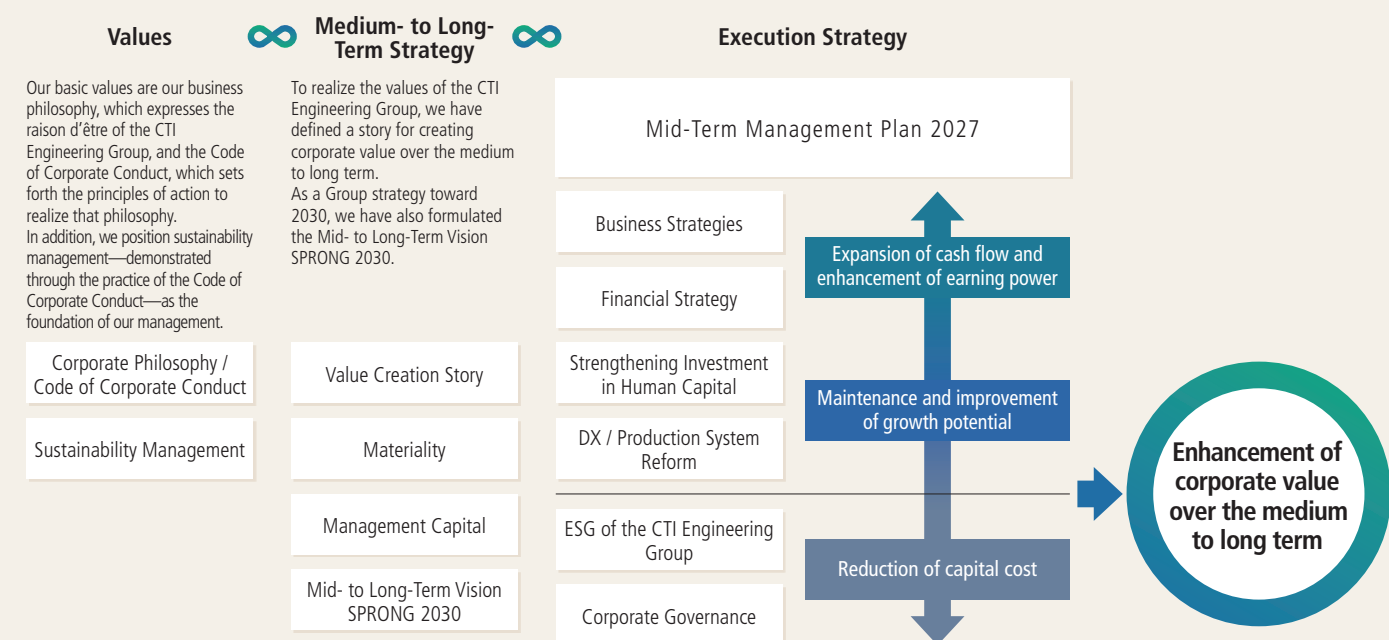
CTI Engineering Group Challenges for Sustainability	47
Climate Change Efforts (Disclosures Based on the TCFD Recommendations)	49
Enhance Human Resources and Achieve Well-Being	51
Human Resource Management	53
DE&I Promotion	57
Health Management	59
Corporate Governance	61
Messages from External Directors	67
Directors and Auditors	69

Management and Financial Information

Consolidated Financial Summary	71
Company Information	73

Ethics Framework

As the foundation for understanding the CTI Engineering Group's value creation process, the following diagram illustrates the relationships among the key components and the initiatives associated with each.



* "SPRONG" means "leap" in Dutch. In the Edo period, Japan was plagued almost every year by flood damage, and the Meiji government invited Dutch engineer Johannis de Rijke to carry out flood control works throughout the country. The CTI Engineering Group is Japan's first construction consulting company, having originated from the river and coastal fields connected to the flood control projects undertaken by de Rijke. Our medium- to long-term vision seeks not only to secure the core businesses we have developed to date, but also to clarify the direction of business expansion and make a leap forward as a Global Infrastructure Solutions Group. For this reason, we chose "SPRONG," a Dutch word closely connected to the CTI Engineering Group, as the short form.

Since its founding as Construction Technology Institute (Zaidan Hojin Kensetsu Gijutsu Kenkyujo), CTI Engineering Co., Ltd. has leveraged its technology and expertise to solve social issues through the years.

As one of Japan's leading comprehensive construction consulting companies, we have conducted research, planning and design work in various fields of social infrastructure development to create a safe, secure and flourishing society.

Today we continue striving to build a better future using our world-class technical capabilities and the combined strengths of the CTI Engineering Group.



The Kenchiku Kaikan, where the Institute's office was located

Aug. 1945

Construction Technology Institute (Zaidan Hojin Kensetsu Gijutsu Kenkyujo) founded as the first construction consulting company in Japan



Staff busy with design work due to increased demand for dam construction

Apr. 1963

Construction Technology Institute Co., Ltd. established
Number of employees: **104**
Sales: **¥100 million**

Feb. 1964

Company name changed to CTI Engineering Co., Ltd.

1968

Following the revision of the River Act in 1964, the Company took the lead in introducing the latest technologies and rose to the top of the industry in orders received for river planning



Manggahan Floodway
The Company's first overseas consulting project, awarded exclusively to it by the Philippine government



Simulated pyroclastic flow experiment using a miniature model of Mt. Unzen Fugen-dake



Coastal town development project for beach restoration at Oya Coast, which suffered devastating damage from the Great East Japan Earthquake (Kesennuma City, Miyagi Prefecture)

2013

Enforcement of the Basic Act for National Resilience Contributing to Preventing and Mitigating Disasters for Developing Resilience in the Lives of the Citizenry

2007

With the enforcement of the Act on Promoting Quality Assurance in Public Works, entered an era of full-fledged technological competition

Mar. 1999

CTI Engineering International Co., Ltd. established

Jun. 2006

Japan Urban Engineering Co., Ltd. joined the Group

Oct. 2010

Chi-ken Sogo Consultants Co., Ltd. joined the Group

Jul. 2015

Environmental Research & Solutions Co., Ltd. joined the Group

Nov. 2015

NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd. joined the Group

Jun. 2017

Waterman Group Plc joined the Group

Nov. 2024

HIROKEN CONSULTANTS Co., LTD. joined the Group



Postwar reconstruction

High economic growth Pollution problems

From quantity to quality

Global environmental issues

Disaster reconstruction
Strengthen national land resilience

Background and Establishment of the Construction Technology Institute

The history of the Construction Technology Institute (Zaidan Hojin Kensetsu Gijutsu Kenkyujo), the predecessor of CTI Engineering Co., Ltd., began in December 1944, as Japan headed toward its defeat in World War II. The board of directors of the Japan Civil Engineering and Construction Control Association approved a proposal to establish a foundation with the aim of "developing construction machinery that would rival that of the United States" for airfield construction. It was against this backdrop that the Construction Technology Institute was established on August 1, 1945. Merely two weeks after its founding, however, the Japanese government accepted the Potsdam Declaration. Although defeat in the war cast doubt on the Institute's survival, it was decided that it would continue in order to "meet the demand for urgent national construction." Thus, was born Japan's first construction consulting company.

Expansion into the "Water" Field

After 1950, when the Korean War brought a boom in special procurements, orders for construction consulting services increased year by year. The Construction Technology Institute (Zaidan Hojin Kensetsu Gijutsu Kenkyujo) accurately grasped the nation's postwar intention to rebuild its land and was quick to focus on hydroelectric power generation and the dam construction associated with it. It was also during this period that the Institute began full-scale hydraulic model experiments—sowing the seeds for its later reputation as the Construction Technology Institute renowned for water-related projects.

Responding to Major Changes in the Times

In 1964, the registration system for construction consultants was launched, leading to the establishment of many construction consulting companies. Amid this trend, the Construction Technology Institute (Zaidan Hojin Kensetsu Gijutsu Kenkyujo) recognized the need to compete successfully and to establish a company focused solely on revenue-related operations. Accordingly, in April 1963, Construction Technology Institute Co., Ltd. was founded. The following year, it was renamed CTI Engineering Co., Ltd., which remains its name today.

Taking the opportunity of the 1964 revision of the River Act, the Company was quick to introduce electronic computers, which at the time were very costly. This became a decisive factor in the advancement of the river planning field, and in 1968, the Company rose to the top of the industry in orders received for river planning.

Toward Full-Scale Technological Competition

In the 1990s, preparations for stock listing progressed with the aims of "enhancing the Company's social standing," "supporting asset formation for officers and employees," and "building corporate assets through financing," culminating in over-the-counter registration and subsequent listing. Around this time, the construction consulting industry entered an era of full-fledged technological competition, driven by reforms to the bidding and contracting system and the enforcement of the Act on Promoting Quality Assurance in Public Works (commonly known as the Quality Assurance Act).

Achieving Sustainable Business Expansion through Human Resource Enhancement and M&A

Driven by growing domestic needs for national resilience and the expansion of overseas business through the addition of Waterman Group Plc to the Group, in 2018 we achieved ahead of schedule the targets of our Mid- to Long-Term Vision CLAVIS 2025. Consequently, in August 2021 we formulated a new CTI Engineering Group Mid- to Long-Term Vision SPRONG 2030, under which we are working toward our goals with the aim of growing into our desired future state as a Global Infrastructure Solutions Group.

And into the Future

Since its establishment, the Company has led the industry as a pioneer. Leveraging the technologies and experience cultivated over the years, it has now grown into a "comprehensive construction consulting company" competing for the top position in domestic market sales. There are 12 Group companies and approximately 4,500 Group employees.

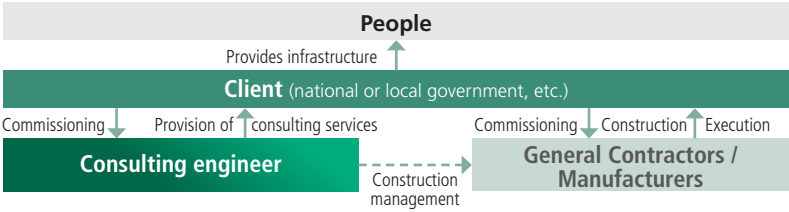
Going forward, we will continue to fulfill our social responsibilities through our corporate activities, while solving social issues and preserving and creating cultures that people value, thereby achieving the sustainable development of both society and the Company.

What Is a Consulting Engineer?

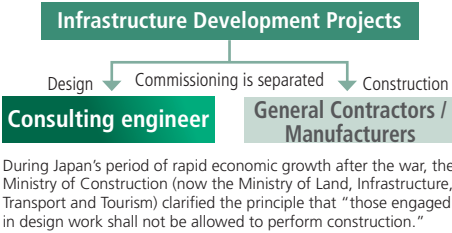
Consulting engineers, as the client’s technical advisor, apply their specialized knowledge and experience throughout the life cycle of the construction project, including project conceptualization, research, planning, design, construction management, and maintenance management in order to deliver safe and high-quality infrastructure such as roads, bridges, dams, rivers, and water supply and sewerage systems that the public needs. For clients such as national and local governments, who make business decisions and formulate plans, consulting engineers handle nearly all aspects of the project flow. However, in Japan, where orders for design and building processes are placed separately, in principle, the construction work itself is carried out by construction companies.

Consulting engineers must maintain a high level of engineering expertise in order to perform their jobs, as their work significantly impacts the quality and cost of the facilities to be built. Consulting engineers play a key role in helping to resolve the growing number of problems we face in society today as natural disasters become more frequent, global environmental problems worsen and infrastructure ages.

How the Consulting Engineer Fits into the Team



Principle of Separation between Design and Construction



We Are Multi-Disciplinary Consulting Engineers with Both Specialized Expertise and Broad Capabilities

Consulting engineers can be divided into “specialized consultants,” who focus on a specific technical field and demonstrate advanced expertise, and “comprehensive consultants,” who take responsibility for a wide range of specialized technical fields and handle large-scale, complex projects.

The Company has Professional Engineers in all 21 registration disciplines, and has a system in place that allows us to respond across a wide spectrum of fields. In addition, we have sales offices in all 47 prefectures, where our engineers work in close cooperation to deliver finely tuned, community-based services.

Learn more about “Consulting Engineers” <https://www.ctie.co.jp/english/company/consultant/>



Registration System for Consulting Engineers and Professional Engineers

Businesses must staff an engineering administrator who is certified as a Professional Engineer in accordance with the Professional Engineer Act in order to be registered by the Minister of Land, Infrastructure, Transport and Tourism (MLIT) under the Registration System for Consulting Engineers.

What Is the Registration System for Consulting Engineers?

The Registration System for Consulting Engineers allows a consulting engineer to be registered with the MLIT if they meet certain requirements in all or some of the 21 civil engineering registration disciplines.

For each discipline in which registration is to be obtained, an engineering administrator must be staffed. The engineering administrator must be a Professional Engineer who has passed the second stage examination required by the Professional Engineer Act in the optional subjects corresponding to each registration discipline and works full time in that discipline. A registered entity must have a financial foundation or be financially creditworthy. A corporation must have stated capital of ¥5.0 million or more, as well as equity capital of ¥10.0 million or more.

Who Is a Professional Engineer?

A Professional Engineer refers to “a person who conducts business on matters of planning, research, design, analysis, testing, evaluation or guidance thereof, which require advanced and adaptive expertise in science and technology” (Article 2, Professional Engineer Act). Professional Engineer is a national certification program administered by the Ministry of Education, Culture, Sports, Science and Technology (MEXT). Professional Engineers have a duty to maintain high engineering ethics and to strive to continuously improve their skills.

The Professional Engineer certification is one of the certifications recognized as a qualifying requirement to work as a supervising engineer or inspection engineer in consulting engineer work. Having Professional Engineers on staff is rated highly when engineers are evaluated as part of proposals and other situations.

Registration Disciplines

- 1) River, Sabo, Coastal & Ocean Engineering
- 2) Port, Harbor & Airport Engineering
- 3) Electric Power Civil Engineering
- 4) Road Engineering
- 5) Railway Engineering
- 6) Water Supply & Industrial Water Supply Engineering
- 7) Sewerage Engineering
- 8) Irrigation, Drainage & Rural Engineering
- 9) Forest Civil Engineering
- 10) Fisheries Civil Engineering
- 11) Waste Management
- 12) Landscaping
- 13) Urban & Regional Planning
- 14) Geology
- 15) Soil Mechanics & Foundation
- 16) Materials & Structures Engineering
- 17) Tunnel Engineering
- 18) Construction Planning, Management & Cost Estimation
- 19) Environmental Assessment & Management for Construction
- 20) Mechanical Design Engineering
- 21) Electrical & Electronics Engineering

Disaster Support Measures

Flow of Infrastructure Development

Consulting engineers are involved from the very beginning, when national and local governments formulate project planning, design, construction management, and post-completion maintenance. Using road construction as an

example, the following illustrates the flow of infrastructure development.

Concept and Planning Stage

To help clients determine whether or not to construct a road, consulting engineers forecast the potential benefits of road development, consider the opinions of experts and the intentions of local residents, and support the creation of concepts and plans by examining the necessity of the project.



Construction Management

Consulting engineers provide the services necessary at construction sites to ensure that the work carried out by construction companies is executed reliably in accordance with the design.



Project Conceptualization

Planning

Research & Design

Construction

Construction Management

Maintenance Management

Research & Design Stage

Work proceeds step by step, with increasing precision.

- Preliminary Design: Based on survey results such as topography, geology, and environment, consulting engineers comprehensively examine factors including economic efficiency and convenience to propose the optimal road route and structure. Environmental impact assessments are also conducted at this stage.
- Preliminary Design: Using more detailed topographic maps, the specific location and structure of the road are determined. The type and scale of major structures such as bridges and tunnels are also decided at this stage, with repeated reviews as necessary.
- Detailed Design (Implementation Design): Based on the finalized road plan, detailed drawings necessary for construction are prepared.



Maintenance Management

Because keeping maintenance costs down is important, consulting engineers investigate the deterioration of facilities while ensuring the safety and reliability of structures, and prepare maintenance plans and repair designs. In the case of roads in particular, inspections of bridges and tunnels are carried out to assess their condition, and repair and reinforcement plans are developed to extend their service life. In recent years, as infrastructure built during Japan’s period of rapid economic growth has aged, maintenance work has been on the rise.



As consulting engineers, we, at the request of government agencies, dispatch numerous engineers to disaster sites immediately after an event to conduct damage assessments and emergency inspections of roads, bridges, rivers, ports, sewerage systems, and other infrastructure. During the Great East Japan Earthquake and the Noto Peninsula Earthquake, for example, we urgently increased our technical staff to respond to these situations.

Through the development and maintenance of infrastructure, our social mission as consulting engineers is to protect people’s lives and property and to support a safe and secure society.



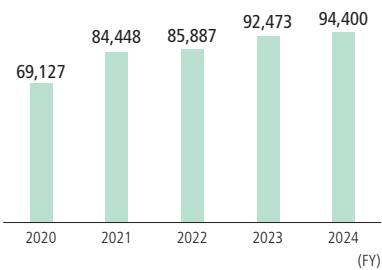
Financial Highlights

Key Financial Indicators

for the fiscal year ended December 31, 2024 (consolidated)

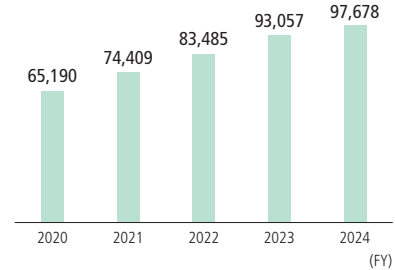
Orders Received (¥ million)

¥94,400 (Domestic ¥65,724 million)
million (Overseas ¥28,676 million)



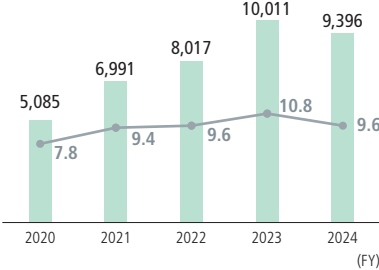
Sales (¥ million)

¥97,678 (Domestic ¥66,945 million)
million (Overseas ¥30,733 million)



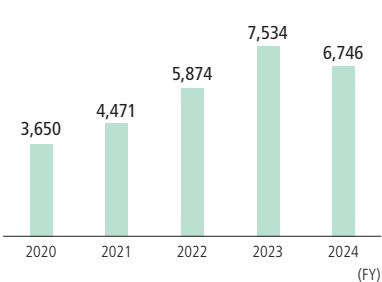
Operating Income (¥ million) /
Operating Income Margin (%)

¥9,396 million 9.6%



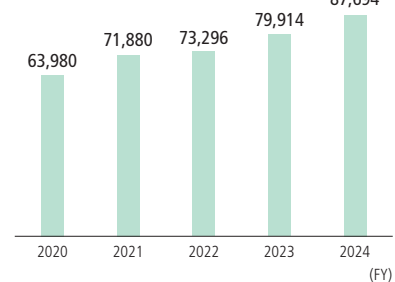
Net Income Attributable to Owners of the Parent
(¥ million)

¥6,746 million



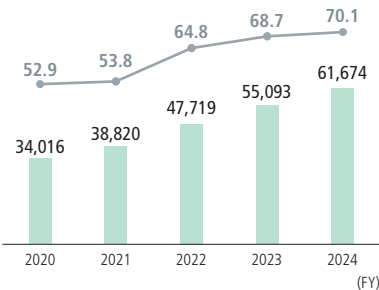
Total Assets (¥ million)

¥87,694 million

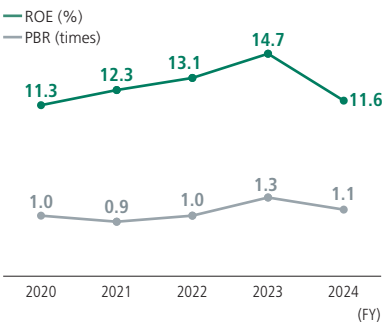


Net Assets (¥ million) / Net Worth Ratio (%)

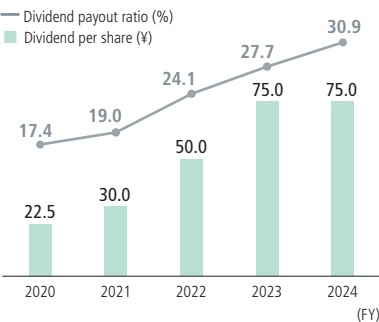
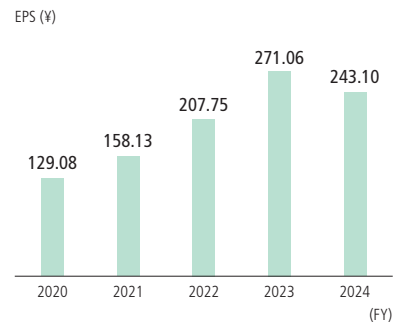
¥61,674 million 70.1%



PBR / ROE

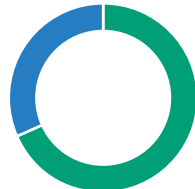


Shareholder Returns



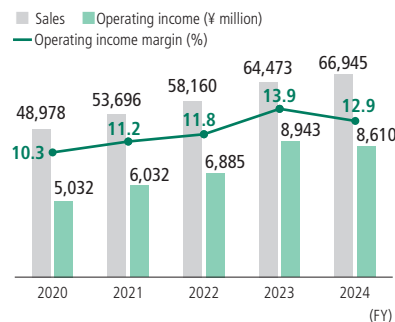
Sales Composition
by Segment

Overseas 31.5% Domestic 68.5%

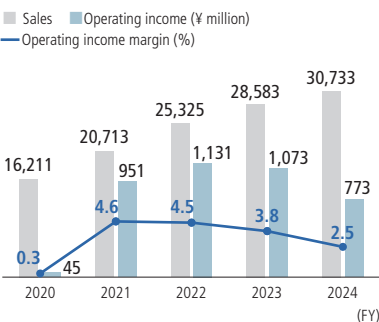


FY2024 (consolidated)

Domestic Consulting Engineering Business



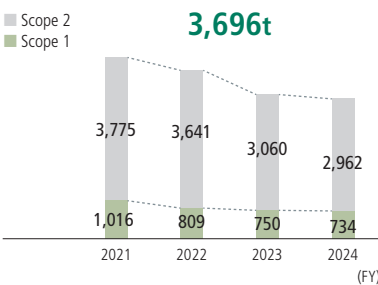
Overseas Consulting Engineering Business



Non-Financial Highlights

Environment

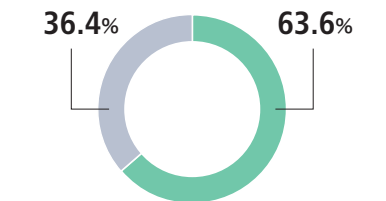
CO₂ Emissions



Governance

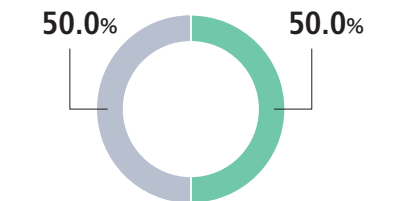
Board of Directors' Composition (As of March 2025)

4 external directors (2 male, 2 female) 7 internal directors (7 male)



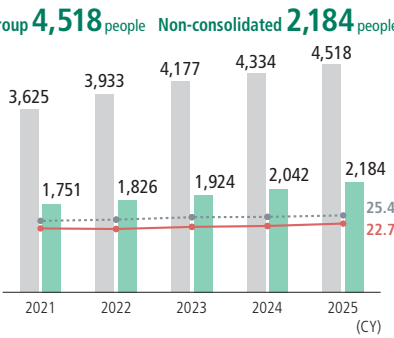
Auditors' Composition (As of March 2025)

2 external auditors (2 male) 2 internal auditors (2 male)

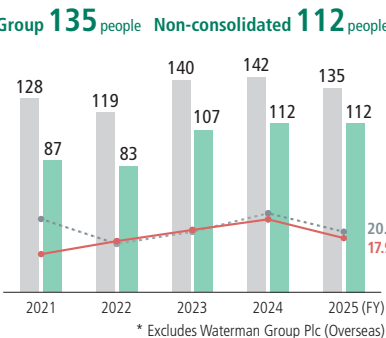


Society

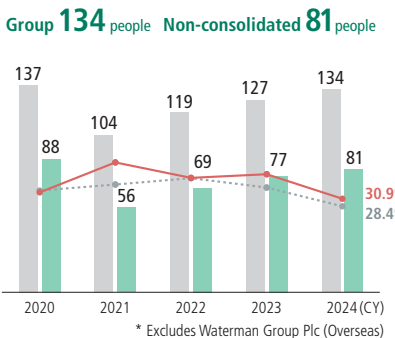
Number of Employees (As of January 1, 2025)



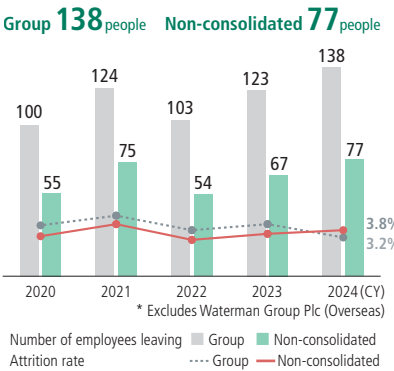
Number of New Graduate Recruits (FY2025)



Number of Mid-Career Recruits
(January 1 to December 31, 2024)



Number of Employees Leaving / Attrition Rate
(January 1 to December 31, 2024)



Average Age
(As of January 1, 2025)

Male 47.2
Female 41.6

Number of Female Managers
(As of January 1, 2025)

59 people (8.0%)

Number of Employees with Professional Engineer Qualifications (As of April 2025)

Group 1,649 people Non-consolidated 1,436 people

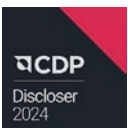
Ratio of Childcare Leave Taken
(January 1 to December 31, 2024)

Male 84.5%
Female 100% * CTI Engineering Co., Ltd. (non-consolidated)

Average Paid Leave Utilization Rate
(As of May 31, 2025)

74.9% * CTI Engineering Co., Ltd. (non-consolidated)

External Recognition



Environmental Information
Disclosure Platform
CDP 2024: Climate Change "B" rating



Certification for Women's Advancement
Received "Eruboshi" (two stars) certification
as a company with outstanding initiatives
for promoting women's participation and advancement



Certified Health & Productivity Management
Outstanding Organization 2025
Recognized as a Certified Health & Productivity Management Outstanding
Organization under the large enterprise category for six consecutive years since 2020

Tatsuya Nishimura

Representative Director
and President, CEO

Aiming for a new growth stage by working on business portfolio transformation and rebuild of foundation for growth

Looking Back on My First Year Since Becoming President

One year has passed since I became President of CTI Engineering. Looking back at the business environment surrounding us, while the government's supplementary budget for disaster prevention and mitigation as well as national resilience has been firmly secured in Japan, the overall market has been deteriorating slightly, such as the rising compensation rate for engineers, resulting in a decline in the number of orders from certain clients. In addition, the overseas market environment is very uncertain, with soaring labor costs due to inflation, the Russia-Ukraine problem, and conflicts in the Middle East, and the volume of orders is decreasing. Recent events in Japan include a large earthquake on the Noto Peninsula in Ishikawa Prefecture in January 2024, followed by heavy rain disasters. Since the start of this year, with the road collapse accident occurring in Yashio City, Saitama Prefecture, I think that the importance of disaster prevention and mitigation measures as well as infrastructure maintenance has increased

significantly. In response to this situation, a new mid-term plan for the implementation of national resilience is scheduled to start in fiscal 2026, and I believe that a certain level of budget for infrastructure development will be secured.

The road collapse accident in Yashio City highlighted the problem of aging infrastructure, particularly the sewerage system. After the Sasago Tunnel collapse in Yamanashi Prefecture, it became clear that Japan needed to properly maintain the nation's infrastructure, and inspections of tunnels and bridges are now carried out every five years. The country has also been carrying out proper maintenance of the sewerage system to prevent it from deteriorating, but ultimately I think we have not been able to address it adequately. It is necessary to focus on risks, such as where events like this will occur, and how we should carry out countermeasures in a focused manner. Now that we can expect budgets to be allocated for public works project-related

expenses, we must make a range of proposals to ensure that people in Japan can live safely and with peace of mind.

On the business front, we were able to achieve results in terms of winning orders domestically, especially by having engineering and marketing sectors work together to make proposals to local governments. Meanwhile, overseas, we worked to respond appropriately to the challenging profit-making environment, mainly at Waterman Group Plc in the UK. In the UK, defense-related budgets are on the rise, and Waterman Group Plc worked on winning orders for defense-related work and made steady efforts to secure profits, which

led to positive outcomes.

Our basic policy is to approach our work earnestly with our strong engineering capabilities. We have been recognized by the market as a company with advanced engineering capabilities and have received proposals and advanced comprehensive evaluation work. We will focus on winning orders through proposals based on this engineering capability, and I believe that by further improving our engineering skills by making full use of DX and increasing productivity, we can reduce working hours and further improve profitability.

Mid-Term Management Plan 2024 Results and Issues

Looking back over the three years of the Mid-Term Management Plan 2024, the budget for disaster prevention and mitigation and national resilience was firmly secured during the period, and the order volume was large, so the business environment was favorable for us. In addition, with regard to recruitment, both new graduate and mid-career recruitment proceeded as planned, as we were able to improve our earnings by establishing a solid production system. Overseas, Waterman Group Plc has also grown, driven by the expansion of public works. As a result, in the fiscal year ended December 31, 2024, the final fiscal year of the plan, the Group as a whole achieved orders received of ¥94.4 billion, exceeding the previous year's level, and non-consolidated orders received amounted to ¥58.0 billion, which was 106% compared to the previous fiscal year, and very positive results. In addition, consolidated sales amounted to ¥97.6 billion, which significantly exceeded the target of ¥85.0 billion. Furthermore, by improving the

profitability of our core businesses, we were able to achieve an operating income margin of 9.6%, versus our target of 9.0%, and an ROE of 11.6%, versus the target of 10% or more. I believe that these results were due to improved productivity and increased profit margins.

However, very unfortunately, mistakes occurred in some of our operations. Serious problems arose with outsourcing and costs, and a fatal accident occurred during on-site work. We would like to once again apologize to all of our stakeholders for these incidents, and we will implement thorough measures to prevent them from occurring again. Going forward, we are determined to bolster our risk management while examining any possible risks. I strongly feel that we must be a company that not only focuses on our business figures, but also one that fulfills our social responsibilities as a company. I believe that it all comes down to maintaining a sound corporate culture.

Mid-Term Management Plan 2027 / Promoting Business Portfolio Transformation

In light of our business performance for the fiscal year ended December 31, 2024, we have reviewed the CTI Engineering Group's Mid- to Long-Term Vision SPRONG 2030. Our consolidated sales for 2024 reached close to ¥100.0 billion, which was also the target of our previous plan, so we felt we should aim even higher this time, and have set a target of ¥130.0 billion, considering our business capabilities and the market environment. We have also raised our operating income margin target to 11% or more, and have set a new ROE target of 12% or more. This is based on the idea of clearly indicating targets for how efficiently we will use the capital entrusted to us by our shareholders.

To achieve this Mid- to Long-Term Vision, we have formulated the Mid-Term Management Plan 2027, with 2027 as the target year. Based on the numerical targets of the revised Mid- to Long-Term Vision, the Mid-Term Management Plan 2027 establishes targets of sales of ¥110.0 billion, an operating income margin of 11%, and an ROE of 12%.

Under this Mid-Term Management Plan, we will embark on a new growth strategy based on the two pillars: business portfolio

transformation and rebuild of foundation for growth. In the previous Mid-Term Management Plan, we used the term "transforming business structure," but we have refined the details and changed this to business portfolio transformation, and will redouble our efforts. In addition, we have also updated terms like "production system reform" and "strengthening governance" and are now using the phrase rebuild of foundation for growth, and we will strive to build a more sound and robust foundation for growth.

Regarding business portfolio transformation, the previous plan used the term "transforming business structure" with the objective of transforming the three areas of clients, domains, and business processes. This time around, however, we have raised the stage and are aiming to deepen our original core business area, as well as accelerate growth areas that are highly profitable and likely to continue to expand as growth fields. We have also clarified four pillars: the aforementioned two along with the exploration of new businesses with significant potential and the development of our overseas business. Accelerating development in growth areas is a particularly urgent issue for us,

so we will focus on energy, information services, and construction management (CM) / project management (PM) as key fields. In the energy field, for example, wind power generation and energy management systems are promising and can be expected to be profitable, so we want to expand these through collaborations with venture companies and the like. In the information services field, we plan to grow our business with respect to flood forecasting systems, disaster response support systems during emergencies, next-generation mobility and flood risk prediction. Furthermore, in CM/PM we will leverage our strengths as a multi-disciplinary consulting engineer to provide support services to clients who have a shortage of engineers, and we will aim to expand CM/PM and client support (construction management and construction supervision support) services related to disaster response and the promotion of urban and regional development projects. In order to steadily promote these initiatives, I believe it is necessary to support the creation of new businesses by our clients and to increase the number of human resources for businesses that need to be worked on urgently either during or after a disaster.

Regarding overseas business, Waterman Group Plc is currently carrying out infrastructure-related businesses in three developed countries: the UK, Australia, and Ireland. Meanwhile, CTI Engineering International is engaged in businesses mainly in

developing countries such as those in Southeast Asia and Africa. Going forward, both companies will firmly expand their businesses. In addition, we plan to establish new offices in Australia, Malaysia, and other countries. To that end, we will utilize M&A and work as a unified Group to grow our market.

We are currently formulating an action plan for our Mid-Term Management Plan 2027. In particular, in the action plan for business portfolio transformation, we are looking into how to take action in each of our four business sectors—Water & Land, Transportation & Urban, Environmental & Social, and Construction Management—over the next three years. In addition, in the search for new businesses, we will determine to what extent we can commercialize the business over the next three years, and we expect that domains and businesses that are expected to be profitable will be included as themes for accelerating growth fields in the next mid-term management plan. For example, our Group company Environmental Research & Solutions has been working mainly on analysis of the issue of PFAS (fluorocarbons) that has become an important issue in recent years, as well as environmental DNA. If we can anticipate profitability, we intend to use these results to accelerate growth fields. In this way, we are also focusing on expanding businesses that Group companies and CTI Engineering can collaborate on.

Mid-Term Management Plan 2027 / Rebuild of Foundation for Growth

For rebuild of foundation for growth, we need to strengthen investment in human capital. At the same time, we need to improve engagement so that employees feel that the Company is a worthwhile place to work. To this end, we need to ensure that employees fully understand the Diversity, Equity, and Inclusion (DE&I) initiatives we are promoting and make evaluations that are tailored to each individual. Reforming our production system is another important matter. Previously, we did not announce target values for productivity, but this time around we have clearly stated our target for a 10% improvement, which we hope will also lead to increased employee motivation. We will also strive to reduce working hours by promoting digital transformation (DX) and by bolstering PM. I believe that these two themes, along with sustainability and strengthening Group governance, must be realized without fail.

I myself feel that there are significant issues regarding human resources. In order to understand these issues, I regularly gather about 20 employees and hold a meeting to find out what young people in the Company are thinking these days. I tell them what kind of human resources I want them to be, what I would like to see them do, and how I want them to think, and explain what the Company's business figures mean. Then, I listen to their questions about what I have discussed, and hear what they are currently struggling with, and what they want from the Company. What I have learned is that there is a tendency among young people to think that it is enough to just work efficiently, and I sense that a focus on technical aspects is fading

somewhat. In fact, there are times when I feel that recent new employees need to have more of a mastery in specialized technologies and more knowledge. In the past, you had to earn credits for structural mechanics, hydraulics, and soil mechanics, the three core engineering disciplines, as required subjects at university, but these days students are able to graduate without earning these credits. I want young people to learn and fully understand these specialized technical fields. In today's world you can use generative AI and other tools to get some answers, but I feel that we need to go beyond that and develop personnel who can make judgments and develop proposals on their own.

Regarding the promotion of DX, which plays a part in rebuild the foundation for growth, the DX Promotion Division established in the Engineering Headquarters is at the center of our DX activities. As a result, we are building up human resources and teams that can make quick and accurate decisions, as well as being capable of offering proposals and demonstrating leadership. In research and development, we are also promoting image processing and three-dimensional design using AI. Dedicated staff from the Research Center for Sustainable Societies are working on research, and we are creating a system in which the outcomes of research are applied in the field, or the DX Promotion Division actively presents information related to AI and RPA.

In terms of the environment, we have been working to reduce greenhouse gas emissions since 2022 based on the CTI Engineering Group Sustainable Challenge Promotion Plan. For

example, we continue to carry out activities such as using as much electricity from renewable energy as possible in our own buildings. In addition to this, we are also focusing on contributing to the sustainability of the region. In our work, we aim to determine how much we can contribute to society as a

result of our work, and set targets for proposals to reduce environmental impact and protect the natural environment, and then turn these proposals into businesses. We also set targets for ISO 14000 and check the level of achievement every year.

Evaluation of Corporate Value by the Capital Market

Regarding our valuation in the capital market, our ROE is in the 11–12% range and our PBR is 1.1x, and therefore the current valuation from the capital market is not at all desirable considering our current ROE level. I recognize that the reason for this is the low PER. One of the factors is the low expectations for our future rate of growth, partly due to the fact that our business is centered on public work projects. In addition, we release little information externally regarding our use of cash flows and about our investment policy, and awareness of construction consulting companies and the industry as a whole is still low. In response to this market valuation, it is difficult to raise our profit margin all at once, so we intend to communicate

to stakeholders that we will work to steadily increase profits. In addition, regarding productivity, the current Mid-Term Management Plan includes a clear goal of a 10% improvement in production efficiency, EPS growth of 10% or more, and other targets. Furthermore, we are reducing cross-shareholdings, with the aim of eliminating them by 2030. Regarding shareholder returns, we intend to maintain a consolidated dividend payout ratio of 30% or more, and if we are unable to use funds for growth investments, we plan to provide additional shareholder returns. In this way, we believe that steadily accumulating profits will lead to a higher PER, which will in turn lead to an improvement in our PBR.

To Our Stakeholders

This year marks the 80th anniversary of the founding of our predecessor, the Construction Technology Institute. Since its founding, we have grown by placing value on people and engineering, and we have focused on improving our engineering capabilities. I believe that our efforts over the years have led to us winning many projects from clients, including the Ministry of Land, Infrastructure, Transport and Tourism, which is one of the reasons why we are more profitable than our competitors. Going forward, in light of the road collapse accident in Yashio City, preventing infrastructure deterioration will become extremely important. We have been working on various types of technology development related to preventing disasters and infrastructure deterioration. For example, we have focused on contributing to society through such activities as developing and implementing technology to detect unknown water in sewers using acoustic AI and laser hammering technology that supports the efficiency and safety of inspection work in tunnels. We will continue to advance the use of the maintenance and management technologies we have developed, and by promoting the development of new technologies through investment in research and development, we will work to prevent infrastructure deterioration and do our best to realize a safer and more secure society.

One of the most important issues for us is strengthening our human capital. We must develop human resources and foster engineers who will lead the industry. For example, we support employees in obtaining degrees through the graduate school system for working adults, so that they can acquire advanced expertise and build new human networks. I believe this will help us develop human resources capable of leading the industry. Furthermore, through activities to promote our DE&I Promotion Plan 2030, which was formulated in December 2024, we aim to

build a corporate culture in which employees find their work to be rewarding and are motivated to grow as professionals. I ask all of our stakeholders to understand our vision and the initiatives we are advancing, and continue to support us.



Vision for 2030: Global Infrastructure Solutions Group

Five Key Factors Expressing the CTI Engineering Group's Vision

1. Human resources



Cultivate, strengthen, and vitalize autonomous human resources

- High level of engagement
- Teamwork skills of diverse human resources
- Abundant global human resources

2. Engineering



Enhance advanced specialized engineering skills

- Provide high-quality services
- Polish specialized technologies
- Develop and acquire new technologies

3. Environment



Contribute to a sustainable society

- Contribute to the creation of a sustainable society through business activities
- Efforts to reduce environmental impact

4. Corporate value



Enhance corporate value

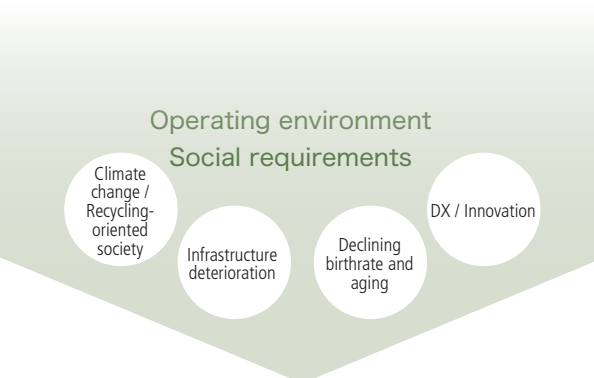
- Management that emphasizes capital efficiency
- Realization of steady profit growth
- Offensive and defensive corporate governance

5. Transformation



Take on the challenge of transformation

- Incorporate innovative technologies
- Take on the challenge of new business development
- Take on the challenge of private-sector and overseas market expansion





Human CapitalA Group of Engineers Boasting Advanced Engineering Capabilities

The greatest management capital of the CTI Engineering Group is people. Engineers with advanced expertise and national qualifications such as Professional Engineer certification contribute to the sustained development of society by helping to solve all domestic and international infrastructure-related issues.

Number of Employees with Professional Engineer Qualifications

P.54

At CTI Engineering, we have introduced a proprietary system focusing on Initial Professional Development (IPD), which is designed to speed up the growth of young engineers and foster engineers with the necessary competencies to succeed internationally. The system helps them develop engineer competencies and skills to more rapidly acquire Professional Engineer certification.

Nationally, the average age of Professional Engineers who have passed the second stage examination is over 40, but around 85% of our engineers have gained this qualification in their 30s.

Promote Well-Being

P.51

In strengthening human capital, well-being is regarded a top priority and is promoted by top management because the happiness of our employees promotes increased creativity and productivity and drives the attraction of exceptional human resources.

Enhance Human Capital

P.56

We not only actively recruit human resources that support the human capital growth cycle, but also support the challenges taken on by each individual by enhancing our personnel systems and compensation packages.

[Main measures]

- Hiring new graduates and mid-career professionals
- Support for reemployment and activity after retirement
- Personnel and reward systems that encourage challenges and growth

Invest in Training Professional Human Resources

P.53

The CTI Engineering Group's strength lies in its comprehensive capabilities that leverage the unique characteristics of each Group company. A further characteristic is our broad-ranging and highly specialized business domains and required engineering capabilities.

CTI Engineering Group Human Resources Management (CTIG-HRM) is our basic policy on human resource management, and it is executed strategically to ensure each and every employee working at the CTI Engineering Group grows autonomously and plays an active role while embodying our vision for the type of human resources required.



Number of Employees with Professional Engineer QualificationsAs of June 2025

Mechanical Engineering	4	Fisheries	13
Electrical & Electronics Engineering	27	Industrial Engineering	2
Civil Engineering	901	Information Engineering	13
Water Supply & Sewerage	67	Applied Science	36
Environmental Engineering	14	Environment	40
Agriculture	7	Engineering Management	307
Forest	5		

* CTI Engineering Co., Ltd. (non-consolidated)
* If one person holds qualifications in two disciplines, they are counted as two people.

Average Age of Professional Engineers Who Have Passed the Second Stage Examination (20 disciplines + Engineering Management)FY2024

CTI Engineering Co., Ltd. (non-consolidated)	34.5 (52 people)
Nationwide average*	42.1 (2,395 people)

Number who passed the test in parentheses ()
* Source: Statistical information for the second stage examination of the Professional Engineer, The Institution of Professional Engineers, Japan website



Financial CapitalSound Financial Structure

Sales, operating income margin, and ROE targeted under our Mid-Term Management Plan 2024 all achieved their targets in results for the fiscal year ended December 31, 2024.

The Company is a multi-disciplinary consulting engineer vying for the top in domestic market sales. A strength is its track record since its foundation in supporting the country's river infrastructure, where it boasts the No. 1 sales in the industry and which is a pillar of earnings.

Sales (consolidated) Targets ¥85.0 billion ¥97.6 billion	Operating income margin (consolidated) Targets 9.0% 9.6%	ROE Targets 10% or more 11.6%
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No.1 in sales in River, Sabo, Coastal & Ocean Engineering

* Source: Feature article in NIKKEI CONSTRUCTION, April 2025 issue
Construction Consultant Settlement Rankings 2025 (ranking by field)



Intellectual CapitalAccumulation of Technologies Cultivated over 80 Years in Business

Strength in Technology Competition

Regarding orders received in a contract format in the domestic consulting engineering business, orders received via the proposal method or comprehensive evaluation method, which evaluate engineering capabilities, account for around 60% of the total, which is a testament to the CTI Engineering Group's high level of technical competitiveness.

New Business Development

P.26

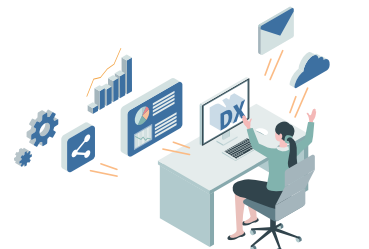
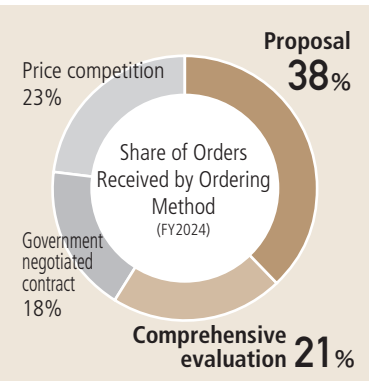
At the CTI Engineering Group, we are creating a core business for the next generation by investing in new business development unconstrained by existing business demarcations and actively investing to expand and strengthen service areas.

Under the Mid-Term Management Plan 2027, the three areas of energy, information provision services, and CM/PM are positioned as growth fields. These are businesses that began with R&D and now have excellent growth potential and profitability, and we intend to accelerate them as priority areas.

Raising Productivity, Ensuring Quality

The need to solve issues in production systems and make further advancements has led to DX promotion and enhancement of the PM system to improve productivity and ensure quality.

Under the Mid-Term Management Plan 2027, we are planning investment in DX of ¥3.5 billion over the three-year period from 2025 to 2027.



Social and Relationship CapitalStrong Customer Base

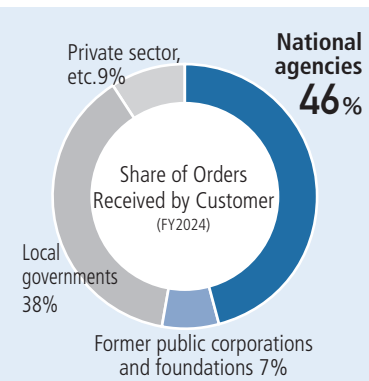
Customer Base Centered on the Public Sector

The public sector, including national and local governments, accounts for around 90% of orders, giving us a stable earnings structure.

Comprehensive Consultant Doing Business Nationwide and Globally

The Company has sales offices in all 47 prefectures. It provides detailed services to local customers with an abundance of engineers. In addition, by building a supply chain in collaboration with CTI Engineering Group companies, partner companies, and overseas sites (in the U.K., Ireland, Australia, the Philippines, etc.), the Company provides safe and secure infrastructure solution services on a global basis.

The Company is one of the few multi-disciplinary consulting engineers with engineers in all 21 registration disciplines designated by the Minister of Land, Infrastructure, Transport and Tourism.



As a new step, the Company launched the Sustainability Promotion Section in April 2025. This is part of efforts to strengthen systems for promoting corporate initiatives to create a sustainable society in a more integrated, strategic manner.

The Company's business philosophy expresses sustainability management itself. Toward realization of the philosophy, we will aim to both raise corporate value over the mid to long term and contribute to the sustained development of society. We will work to put sustainability management into practice through efforts that include identifying important issues, increasing internal awareness, and strengthening information disclosure. The challenge has just begun, but the entire Company is united in the aim to be a company that can grow sustainably with society.



Hisashi Nomiya
Executive Officer
General Manager, Sustainability Promotion Section
Planning & Business Development Headquarters

The CTI Engineering Group has established a business philosophy of “We strive to create a safe, comfortable and enriching society using world-class technology and expertise” and a Code of Corporate Conduct for the philosophy's realization. The Company is striving to simultaneously realize its own sustained development and that of society by fulfilling its social responsibilities as a corporation through its business activities, solving social issues, and protecting and creating a culture that values people.

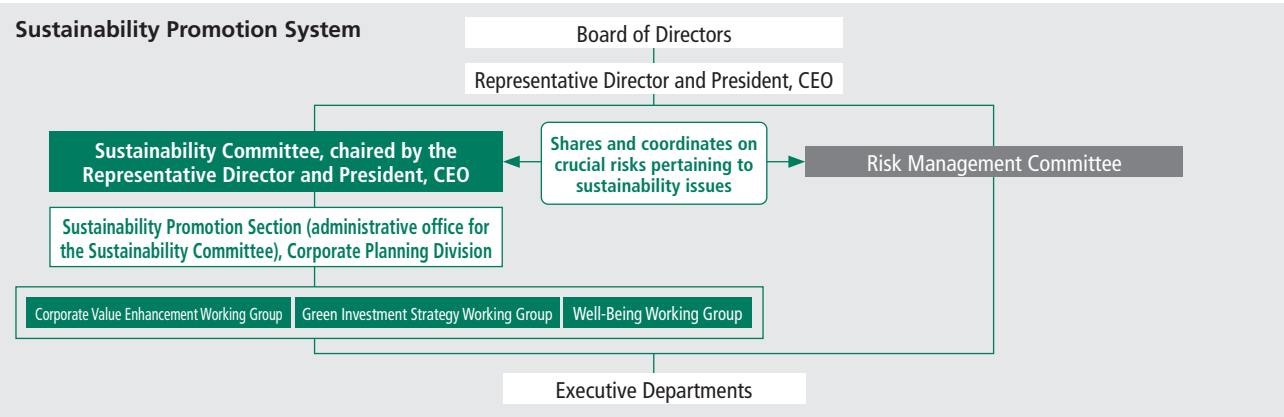
Sustainability management at the CTI Engineering Group is positioned at the core of management, and through practice of the Code of Corporate Conduct, we will raise the mid- to long-term corporate value of the CTI Engineering Group while simultaneously realizing the sustained development of society.



Promotion System for Sustainability Management

We have established a Sustainability Committee (chaired by the Representative Director and President, CEO) with the same status as the Management Meeting, creating a governance structure that embeds sustainability into the structure for addressing management issues.

The Sustainability Committee discusses materiality (important issues) from the perspective of sustainability management, monitors the materiality issues that have been identified, and reviews the process via a PDCA cycle as necessary. It also deliberates on research, technology development and human resource development policies that contribute to reductions in greenhouse gas emissions and the creation of sustainable communities. The committee makes decisions on key matters with approval of the Executive Officers' Meeting and Board of Directors.



Sustainability Committee Members

Chairman	Representative Director and President, CEO (director of sustainability)
Members	[CTI Engineering] Chief, Administration Headquarters (deputy director of sustainability), Chief, Planning & Business Development Headquarters, Branch Presidents [Consolidated Group Companies] Representative directors and presidents, CEOs

Activities of Working Groups Under the Sustainability Committee

Corporate Value Enhancement Working Group	Formulates, promotes, and manages policies, measures and indicators for promotion of social contribution activities that help raise the corporate value of the CTI Engineering Group
Green Investment Strategy Working Group	Formulates, promotes and manages environmental promotion policies, measures and indicators
Well-Being Working Group	Formulates, promotes and manages measures and indicators related to human capital based on the CTI Engineering Basic Policy on Well-Being

Social Contribution Activities

In its main business of infrastructure development, the Company has contributed to solutions to social issues by providing high-quality results while taking into account the global and local environment. In addition, as a member of the local community, we have striven to be a good corporate citizen and have conducted a variety of social contribution activities. These have included leveraging our technologies, human resources, and other resources to provide educational support to children, students, and people involved in the civil engineering industry as well as efforts to revitalize local communities.

Education Support Activities

Extracurricular Instruction for High School Students
Since 2012, we have been supporting extracurricular learning as part of the study assignments of high schools in Saitama Prefecture that are designated as Super Science High Schools (SSH) by the Ministry of Education, Culture, Sports, Science and Technology.

Employees of the Company have served as teachers, providing instruction on the themes of green infrastructure and green energy. This activity creates opportunities for high school students to learn the importance of social infrastructure.

On the theme of green infrastructure, a proposal by high school students on community development near the school through green infrastructure won an Award for Excellence at the 4th Green Infrastructure Awards (sponsored by the Ministry of Land, Infrastructure, Transport and Tourism) for contributing to the promotion of green infrastructure by utilizing the diverse functions possessed by the natural environment. The students considered, from the perspective of a high school student, issues and solutions from the standpoint of green infrastructure (safety and security, environment, regional revitalization) for local infrastructure development centering on school commuting routes.



On a field trip (to observe wind power)

Local Contribution Activities

Cooperating in Activities to Improve Fish Habitats
In cooperation with the local fishing cooperative, NPOs and Horokanai Town, we carried out measures to create a habitat for the natural spawning and fry of fish species for sport fishing and propagation of Japanese huchen, masu salmon, and other fish, a major pillar of the local economy in Horokanai, Hokkaido. An employee of the Company long involved in protection of river environments served as the instructor. The project carried out small-scale nature restoration in which an environment was created suited to the spawning of Japanese huchen and the life of their fry. Such activities are important not only for the protection of local biodiversity, but by bringing people from the community together to work on the project, they provide valuable opportunities to deepen exchanges and think about the environment.

This activity was published in Horokanai Town's public relations magazine, *Koho Horokanai* (Oct. 2024, No. 826).



Providing technical instruction onsite

Disaster Preparedness Support Activities

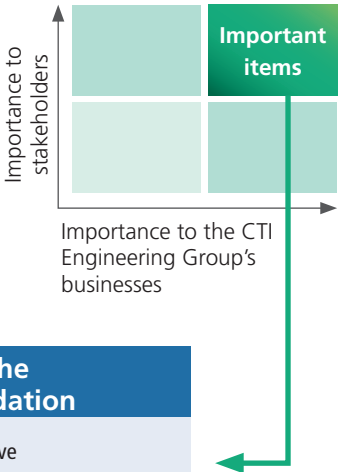
Protecting Lives and Property through Infrastructure Development and Maintenance Management
Immediately after the Noto Peninsula Earthquake of 2024, we were at the forefront of surveying the damage, including confirming the situation with clients and responding to their requests. In addition, the Noto Area Reconstruction Promotion Office Nanao Branch was established locally to strengthen support activities for restoration and reconstruction in the Noto region.



Road damage surveys

CTI Engineering Group's Materiality (Important Issues)

The CTI Engineering Group's social environment presents a diverse array of issues, such as demands for greater diversity in personnel and stronger corporate governance, in addition to global problems such as climate change and energy. In this social environment, under its Mid- to Long-Term Vision SPRONG 2030, the CTI Engineering Group aims to make great strides forward as a Global Infrastructure Solutions Group that can resolve all sorts of issues related to infrastructure in Japan and overseas, and contribute to the sustainable development of society. To ensure that we take steady steps toward making this happen, we have identified the important issues we should address as our materiality issues.

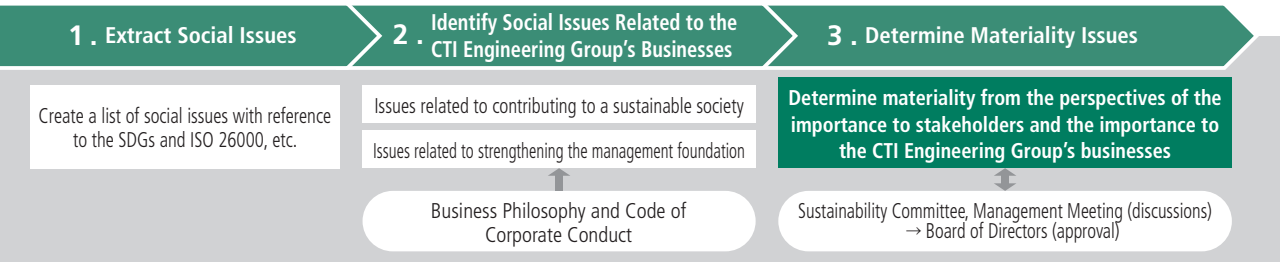


























Seven Important Issues the CTI Engineering Group Should Address (Materiality Issues)

Contributing to a Sustainable Society	Strengthening the Management Foundation
I. Contribute to infrastructure development that supports safety and security	V. Enhance human resources and achieve well-being
II. Contribute to the sustained development of countries, communities and society	VI. Strengthen corporate governance
III. Contribute to a decarbonized and recycling-oriented society and ecosystem preservation	VII. Assure and improve the quality of deliverables and services
IV. Create value through digital transformation (DX)	

Materiality Determination Process

1. Extract Social Issues
- We created a list of social issues with reference to the SDGs and ISO 26000, particularly issues that are related to contributing to a sustainable society and those related to the Company's management foundation.
2. Identify Social Issues Related to the CTI Engineering Group's Businesses
- Based on the CTI Engineering Group's Business Philosophy and Code of Corporate Conduct, we identified the issues related to the CTI Engineering Group's businesses from among the social issues. The issues related to the CTI Engineering Group's businesses were then organized by classifying them into issues related to contributing to a sustainable society and issues related to strengthening the management foundation.
3. Determine Materiality Issues
- We assessed the importance of each issue from the perspectives of the importance to stakeholders and the importance to the CTI Engineering Group's businesses and identified seven materiality issues through discussion by the Sustainability Committee, the Management Meeting and the Board of Directors. The Sustainability Committee monitors the identified materiality issues and revises them as necessary through PDCA cycles.
- With regard to important risks related to sustainability issues identified by the Risk Management Committee, the Risk Management Committee and Sustainability Committee share information and collaborate with each other and hold discussions on specific targets.



Category	Important Issues	Reason for Selection	Risks	Opportunities	Main Initiatives	Relationship to SDGs Targets
Contributing to a Sustainable Society	 Contribute to infrastructure development that supports safety and security	The increasing severity of natural disasters due to climate change and the aging of infrastructure developed during Japan's period of high economic growth, among other challenges, have become social issues. Meanwhile, funding for infrastructure development and the lack of infrastructure developers are also challenges, requiring more efficient and effective infrastructure development. Leveraging its accumulated expertise and experience, the CTI Engineering Group will address issues related to infrastructure development, which supports a safe and secure society.	<ul style="list-style-type: none">Increased disaster risk from climate change and earthquakes, etc.Infrastructure deteriorationUnchanged public works budget in the domestic marketLack of infrastructure developersUnchanged ODA budget in international markets	<ul style="list-style-type: none">Increase in response operations due to intensification of disastersUpdating aging infrastructure, increased maintenance demandIntroduction of diverse bidding systems through amendments to the Quality Assurance ActIncreased competitiveness through raising engineer unit pricesInitiatives to expand high-quality infrastructure exports	<ul style="list-style-type: none">Strengthen measures to address national resilienceExpand business to public-private partnerships and the private-sector market	 
	 Contribute to the sustained development of countries, communities and society	The stagnation of regional economies and maintenance of social infrastructure services have become social issues due to factors such as the declining birthrate and aging of society. In addition, there are certain regions of the world that are suffering from a lack of infrastructure development, which is necessary for economic development. By harnessing the initiative of revitalizing regions through next-generation mobility and its track record of developing infrastructure in Japan, the CTI Engineering Group will contribute to the sustained development of society in Japan and other parts of the world.	<ul style="list-style-type: none">Sustaining local livelihoods in the face of population declineStagnation in local communitiesMaintenance of social infrastructure servicesWorsening of market environment due to international economic stagnationEmergence of energy and security issuesMaterial price hikes due to worsening international conditionsLack of financial resources for public works projects in many countries due to tight national finances	<ul style="list-style-type: none">Growing need for solutions to population decline, stagnation of local communities, and maintenance of social infrastructure servicesChange in logistics systems prompted by the 2024 problem	<ul style="list-style-type: none">Expand business to municipalitiesPromote global business expansion	  
	 Contribute to a decarbonized and recycling-oriented society and ecosystem preservation	Realizing a recycling-oriented society with a reduced environmental impact through such means as shifting to sustainable energy has become a global priority. The preservation of ecosystems and protection of biodiversity in bodies of water and on land areas have also become urgent priorities. By leveraging the CTI Engineering Group's experience in consulting services related to environmental analysis and environmental preservation measures, the CTI Engineering Group will contribute to the creation of a recycling-oriented society and the preservation of ecosystems.	<ul style="list-style-type: none">Increase in extreme weather and natural disasters due to climate changeReputational risk related to environmental protectionInternational instability risk in energy procurement (geopolitical risk, market risk)	<ul style="list-style-type: none">Increased demand for net zero and renewable energy due to adoption of the SDGs and Paris AgreementRecycling-oriented society with lower environmental impactProtection of ecosystems and diversity	<ul style="list-style-type: none">Expand business to the energy and environmental management sectorsPromote the CTI Engineering Group Challenges for Sustainability	   
	 Create value through digital transformation (DX)	The CTI Engineering Group aims to contribute to society through technology. Therefore, it is essential for the CTI Engineering Group to stay on top of rapidly evolving technology. The digitalization and innovation of companies are sources of competitiveness, and the use of innovative technologies also helps to solve social issues. The CTI Engineering Group will apply the outcomes of its digital transformation (DX) initiatives to solve social issues, along with putting these outcomes to good use in streamlining business production processes and increasing corporate value.	<ul style="list-style-type: none">Intensifying competition, such as entry of other industriesCybersecurityDelayed response to change and new technologies, homogeneity with other companiesReduced engineering capabilities from excessive automation	<ul style="list-style-type: none">More efficient operations and higher productivityEmergence of innovative technologies such as generative AICreation of new technology menus via DXSource of innovationImproved reputation	<ul style="list-style-type: none">Expand business to the information services sectorStrengthen investment in technological innovation	
Strengthening the Management Foundation	 Enhance human resources and achieve well-being	The CTI Engineering Group's greatest management resource is its people. Therefore, it is extremely important for us to hire, train, and revitalize our people. We believe that when employees are happy, it drives their creativity and productivity, which in turn attracts more talented people. For this reason, the CTI Engineering Group regards well-being as its most important challenge, and top management will promote it as a significant issue.	<ul style="list-style-type: none">Intensifying competition to acquire human resourcesInsufficient project development capabilitiesIncreased working hours due to lower productivity	<ul style="list-style-type: none">High level of engineering expertiseAccumulation of broad-ranging knowledge and experience by exceptional engineersCustomer base cultivated through long-term trustDiversification of work styles	<ul style="list-style-type: none">Promote well-being managementStrengthen recruitment and development of human resources	   
	 Strengthen corporate governance	The CTI Engineering Group believes that transparent governance is essential to promoting sustainable reforms under fair business practices. Through proper and proactive information disclosure, we will build relationships of trust with stakeholders. Concurrently, we will ensure fair decision-making and management and implement proactive and defensive governance, with the aim of sustainably increasing corporate value.	<ul style="list-style-type: none">Stagnation in business activitiesLoss of public trust due to fraud cases, etc.Existing corporate value	<ul style="list-style-type: none">Establishment of stable management base through decision-making transparency and improvement and by responding appropriately to changeAcquire stakeholder trust	<ul style="list-style-type: none">Strengthen risk managementImplement management that considers capital efficiencyConduct proper and proactive information disclosure	 
	 Assure and improve the quality of deliverables and service	The CTI Engineering Group's deliverables and services are directly related to people's safety and security. Therefore, assuring the quality of deliverables and services, as well as retaining the trust of customers and other stakeholders, can be described as a lifeline for the CTI Engineering Group's corporate activities. The CTI Engineering Group will endeavor to provide high-quality final products and services as it strives to enhance customer satisfaction, its public reputation, and its technical competitiveness.	<ul style="list-style-type: none">Occurrence of mistakes and errorsLoss of stakeholder trust due to errors, etc.	<ul style="list-style-type: none">Improved competitiveness from higher qualityAcquire trust from stakeholders	<ul style="list-style-type: none">Raise the sophistication of quality managementPromote reform of production systems	

Growth Strategy

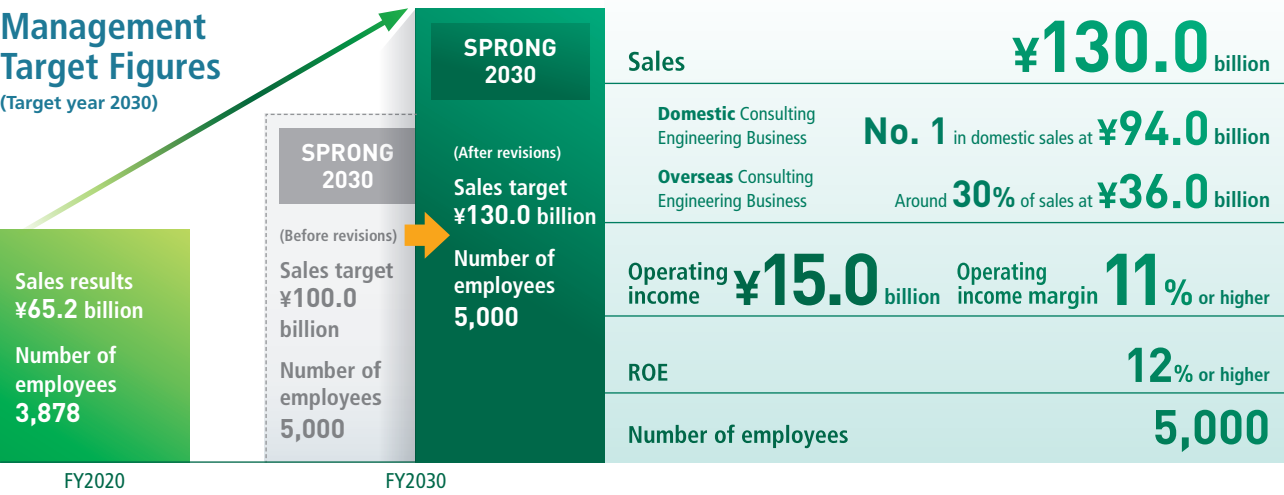
The CTI Engineering Group is a group of professionals that grows through the worldwide activities of the Group's employees. Aiming to make great strides as a Global Infrastructure Solutions Group that contributes to the sustainable development of society, we formulated our Mid- to Long-Term Vision SPRONG 2030 in August 2021. Three years have passed since it was created, and we expect to be able to achieve a portion of the numerical management targets ahead of schedule. Taking this into account as well as changes in the recent business environment and other factors, SPRONG 2030 was partially revised in February 2025.

CTI Engineering Group's Mid- to Long-Term Vision **SPRONG 2030**

Vision: **Global Infrastructure Solutions Group**

Aiming to make great strides forward as a Global Infrastructure Solutions Group that can resolve all sorts of issues related to infrastructure in Japan and overseas, and contribute to the sustainable development of society

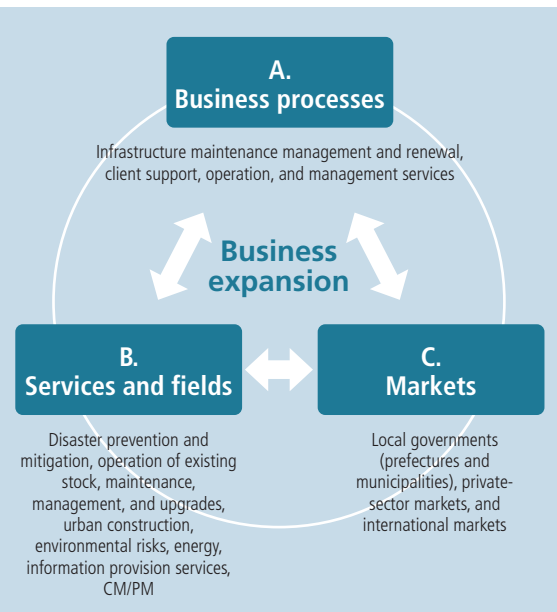
Management Target Figures
(Target year 2030)



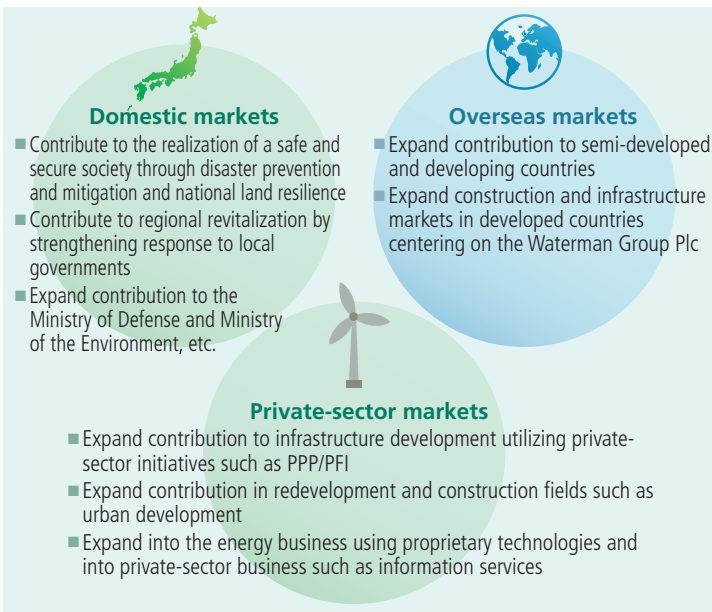
Direction of Business Expansion

We will expand business processes, business fields (services), and markets. In particular, we aim to expand into private-sector markets in Japan and overseas utilizing existing and new technologies.

Direction of Business Expansion



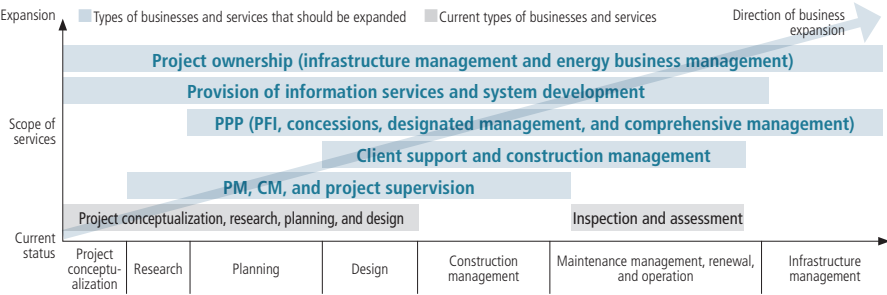
Direction of Market Expansion



Direction of Business Expansion in Japan

A. Expansion of Business Processes

The Company will develop engineering services provided in various fields, such as rivers, roads, information, and the environment, for all business processes related to infrastructure.



B. Expansion of Services and Fields

We will expand business in various fields through implementing R&D results and establishing new engineering sectors.

Core Businesses

Disaster prevention and mitigation, operation of existing stock, maintenance, management, and upgrades, urban construction, environmental risks, and other project conceptualization, research, planning, and design, etc. for social infrastructure development

Growth Areas

Energy
Information services
PM/CM

New Fields

Technology fields with future potential but which are not profitable currently

Overseas Business

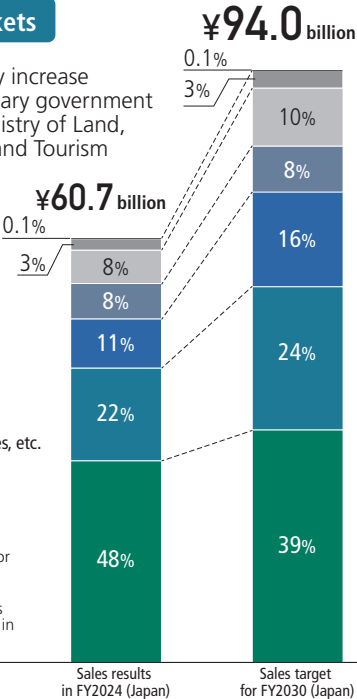
Same as core business fields

C. Expansion of Markets

The Company will steadily increase orders received from primary government agencies, such as the Ministry of Land, Infrastructure, Transport and Tourism (MLIT), and further expand its business to local governments (prefectures and municipalities) and private-sector markets.



* Results for 2024 do not account for offset amounts between CTI Engineering Group companies. 2030 targets are estimates of sales based on the Group's overall sales in Japan target of ¥130.0 billion.



Direction of International Business Expansion

We will promote global expansion in developing and developed countries.

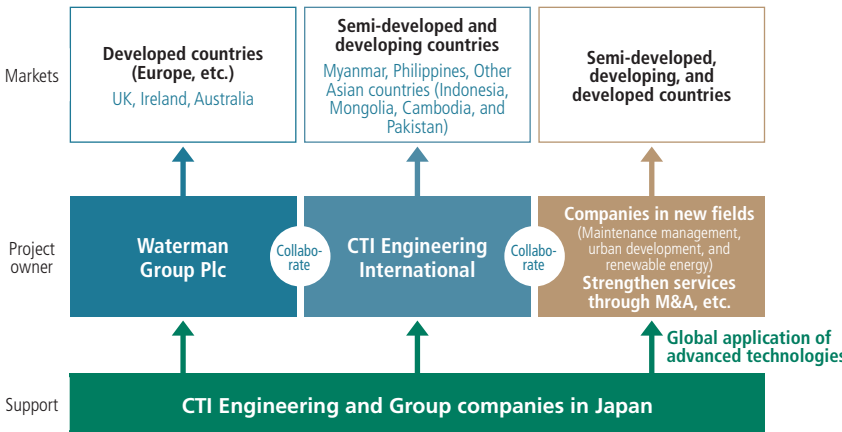


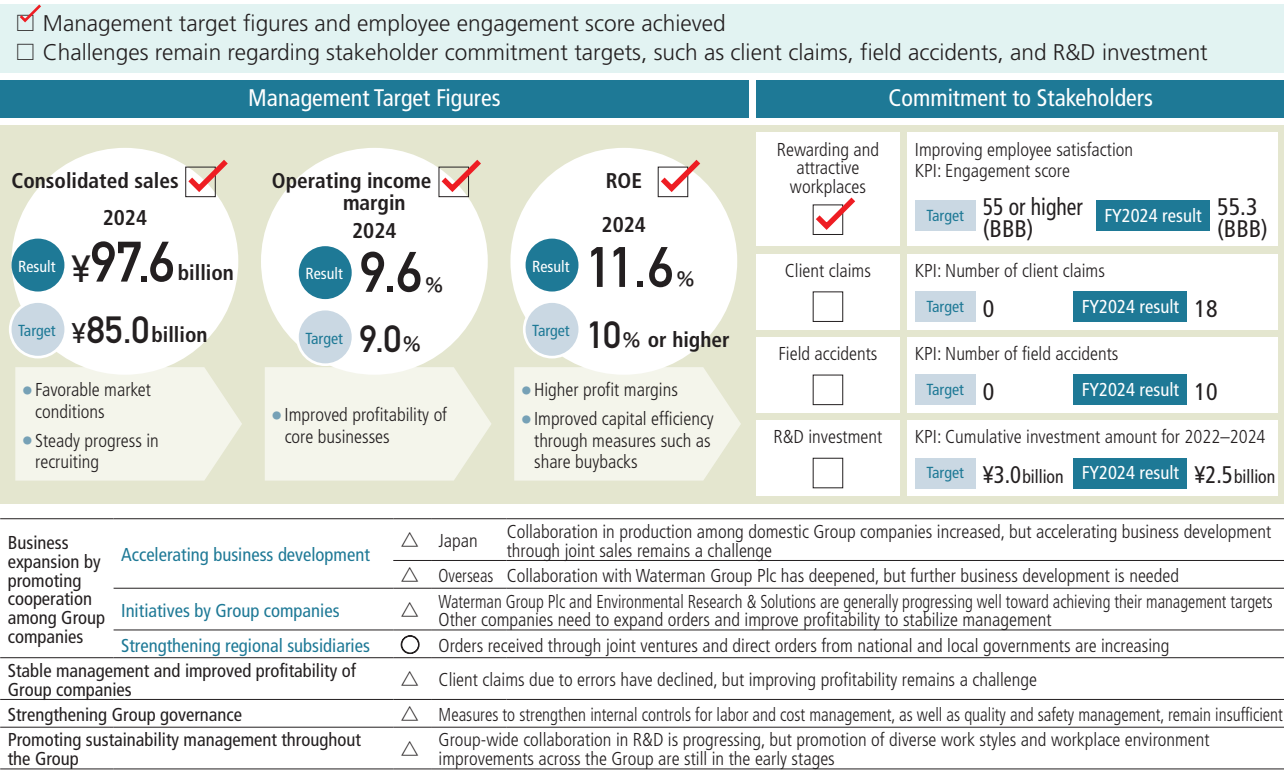
Image of Business Field Expansion

Along with firm growth in core business fields such as disaster prevention and mitigation and operation of existing stock, which are the CTI Engineering Group's mainstay fields, growth fields, such as energy, information services, and CM/PM, will drive expansion. From 2027 onward we will expand new business based on the results of investment in R&D.

Review of the Mid-Term Management Plan 2024

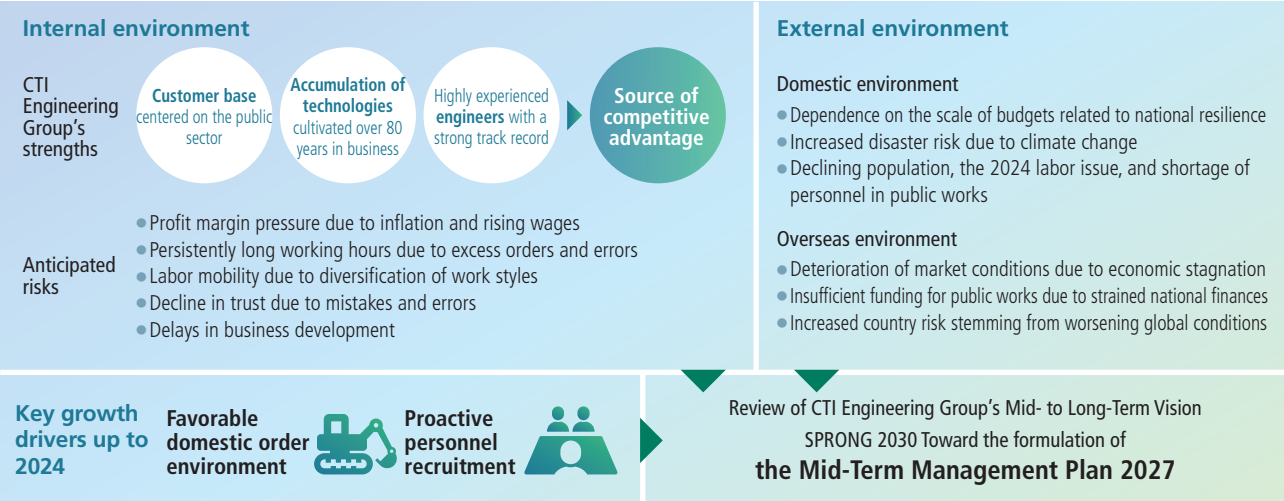
The CTI Engineering Group has been working toward achieving its goals under SPRONG 2030, which sets forth the Vision of becoming a Global Infrastructure Solutions Group.

The Mid-Term Management Plan 2024, which covered the three-year period from the fiscal year ended December 31, 2022 to the fiscal year ended December 31, 2024, benefited from favorable market conditions driven by national initiatives, such as the Five-Year Accelerated Measures to Prevent and Mitigate Natural Disasters and Strengthen National Land Resilience. Combined with proactive hiring efforts, these factors enabled the Group to achieve all of its management target figures—including sales, operating income, operating income margin, and ROE—one year ahead of schedule.

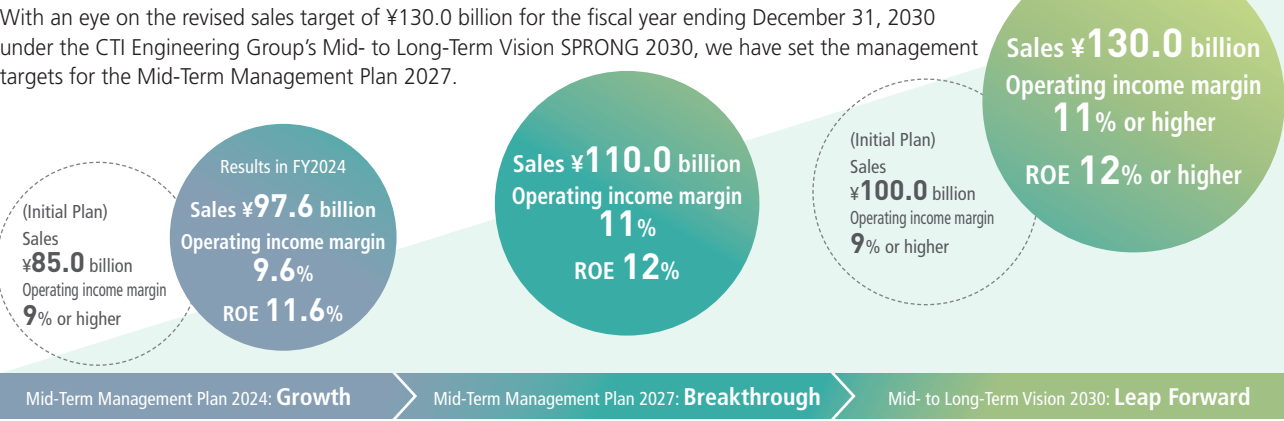


Overview of the Mid-Term Management Plan 2027

Based on the achievements, challenges, and growth drivers through 2024, and in response to changes in the internal and external environment, the CTI Engineering Group has formulated the Mid-Term Management Plan 2027, which outlines the Group's roadmap for the next three years. In doing so, some of the management target figures under SPRONG 2030 have been revised to better support sustainable growth.



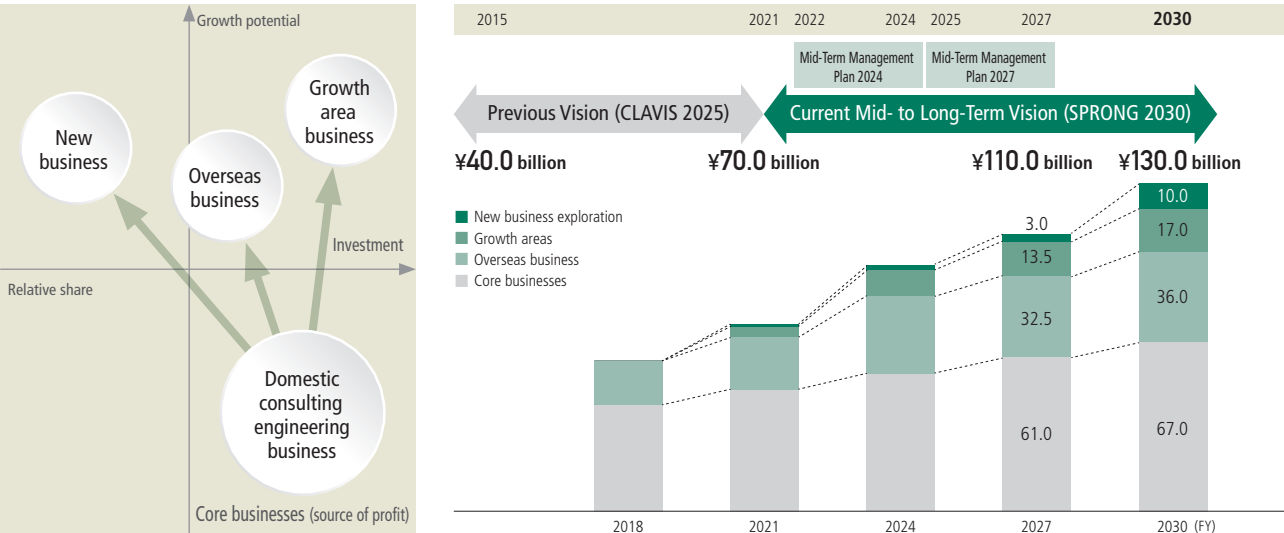
CTI Engineering Group's Management Target Figures



The Two Pillars of the Mid-Term Management Plan 2027 01

Business Portfolio Transformation

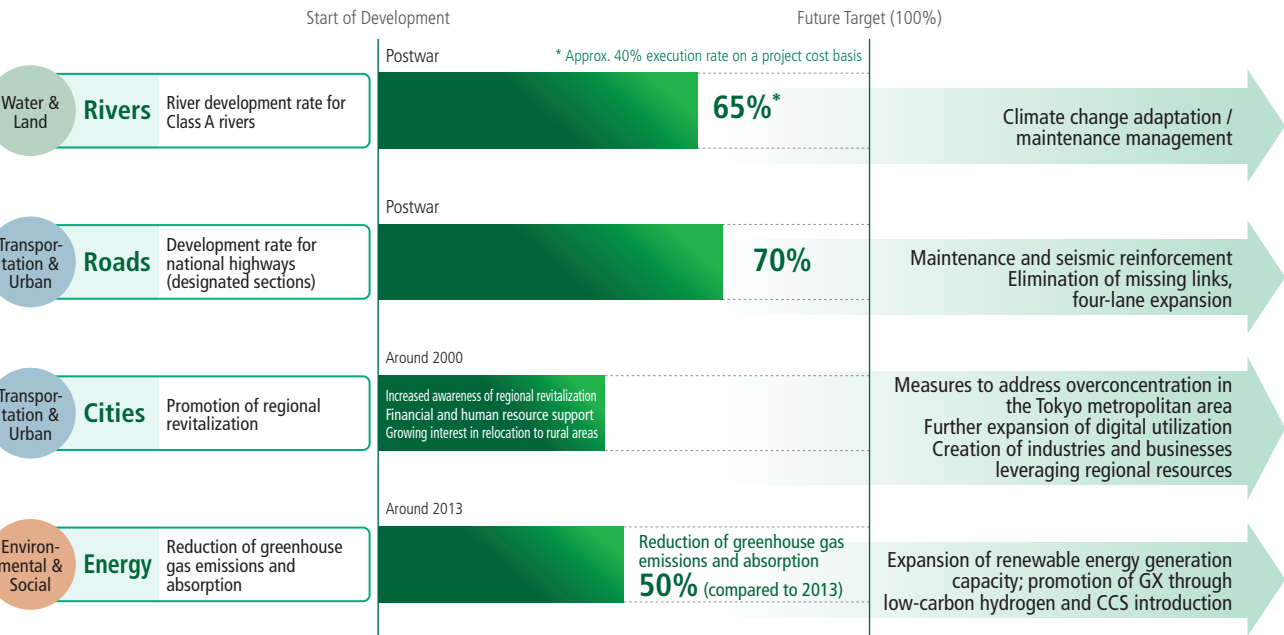
The CTI Engineering Group will work to strengthen the profitability of its core businesses—such as project conceptualization, planning, research, design, and construction management in social and economic infrastructure development, which is the Group's main area of business. At the same time, we will focus investment in promising growth areas to build a well-balanced business portfolio capable of responding to changes in the business environment. In addition to ensuring steady growth in core businesses, we will explore the potential for new businesses while promoting growth in fields such as energy, information services, and CM/PM.



Growth Image through Business Portfolio Transformation

Domestic Market Environment (Status of Infrastructure Development)

Development progress in key infrastructure areas such as rivers and roads remains at approximately 65–70%. With growing needs for climate change adaptation and the maintenance of aging infrastructure, the market in these areas remains substantial, and further development is required. In addition, initiatives aimed at further promoting regional revitalization and achieving net zero are expected to generate even more business opportunities going forward.

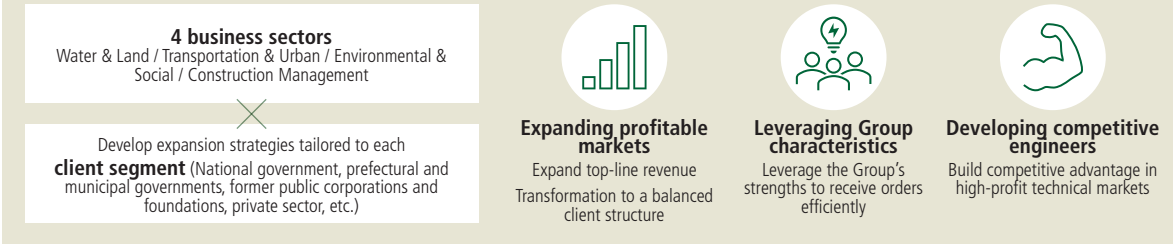


Sources: River Data Book 2024 (Ministry of Land, Infrastructure, Transport and Tourism)—River development rate for the largest postwar flood, as of March 31, 2023, Road Data Book 2024 (MLIT), as of March 31, 2022, 10 Years of Regional Revitalization Initiatives and Future Directions (June 2024), FY2023 Annual Report on Energy (Energy White Paper 2024)

Net zero (2050)

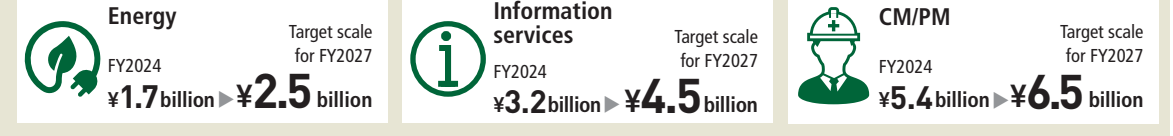
01/1 Deepening of Core Business Domains Enhancing the quality of core business areas to achieve sustainable growth

The domestic consulting engineering business aims to deepen its strength through expansion into more profitable markets and improved profitability.



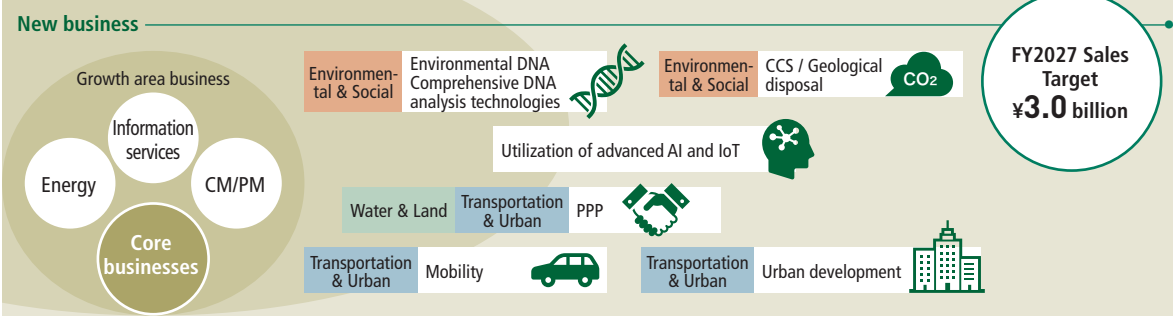
01/2 Acceleration of Growth Areas Driving promising growth areas through focused investment

We will accelerate the development of key areas identified under the Mid-Term Management Plan 2024, with continued growth expected in highly profitable fields such as energy, information services, and CM/PM (construction management / project management).



01/3 Exploration of New Businesses Broad exploration of fields with future potential

Although current profitability is limited, we will pursue research and development as well as venture investments in promising technology fields to explore the potential for commercialization. With a view toward taking the lead in technologies that will be essential to society in the next 5 to 10 years, we will make forward-looking investments.



01/4 Expansion of Overseas Business Enhancing profitability in existing countries and expanding into new markets

We will strengthen operations in current countries and regions (through yen loans, MDB projects, and shifts to growth areas), while also expanding into new countries and regions with high growth and profitability potential. This includes actively pursuing external partnerships, such as M&A. In addition, we will work to increase both sales and profitability by establishing a Group-wide collaborative production structure.



Our core operations consist of multi-disciplinary consulting engineering services for public works projects in Japan, including project conceptualization, planning, research, design, client support, construction management, and operation and maintenance. These services are complemented by system development, maintenance and management, general administrative outsourcing, land readjustment, geological surveys, architectural design and supervision, environmental measurement certification, and environmental research and analysis.

All operations other than land readjustment, geological surveys, architectural design and supervision, and environmental measurement certification and analysis are mainly handled by CTI Engineering and HIROKEN CONSULTANTS. Land readjustment is handled by Japan Urban Engineering; geological surveys by Chi-ken Sogo Consultants; architectural design and supervision by NISSOKEN ARCHITECTS & ENGINEERS; and environmental measurement certification and environmental research and analysis by Environmental Research & Solutions.

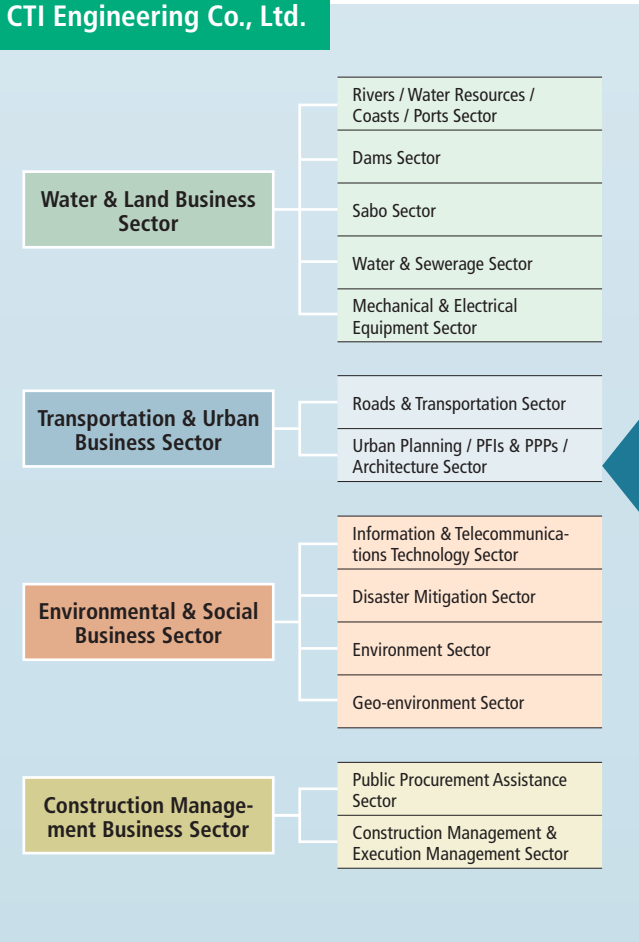
The domestic consulting engineering business is based on 4 business sectors divided into 13 engineering sectors. Our major consolidated Group companies are developing businesses independently in addition to collaborating with the business sectors in charge of our core business fields. Together, they are collaborating to strengthen the business foundation and expand operations.

In addition, our local subsidiaries not only support CTI Engineering Group production, which is led by the Company, but also make full use of their production technologies to take orders from outside customers as well.

CTI Engineering Group Production System

Our 13 engineering sectors with advanced expertise support a variety of infrastructure while addressing subjects that require complex technologies through collaboration across engineering sectors and among Group companies.

Furthermore, production support from our local subsidiaries ensures the CTI Engineering Group's high quality and an efficient production system.



Major Domestic Consolidated Group Companies

Japan Urban Engineering Co., Ltd. Representative Director and President: Kengo Katsura
Business activities: Urban development, urban planning, community development, land readjustment projects, urban redevelopment projects, civil engineering design and development permitting, compensation consulting, surveying, disaster recovery, and real estate consulting
Transportation & Urban Business

Chi-ken Sogo Consultants Co., Ltd. Representative Director and President: Koichiro Sado
Business activities: Geological surveys and analysis; groundwater and soil contamination surveys; planning and design of roads, rivers, and underground facilities; planning and design of sabo (erosion control) and disaster prevention measures; and surveys and design for slope disaster prevention and landslide countermeasures
Environmental & Social Business

NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd. Representative Director and President: Koichi Hamada
Business activities: Design, supervision, research, and planning related to architecture and building equipment; PM/CM services for overall building projects; building surveys, assessments, and analysis; and development of long-term maintenance and repair plans
Transportation & Urban Business

Environmental Research & Solutions Co., Ltd. Representative Director and President: Katsue Nishiyama
Business activities: Environmental consulting (soil contamination countermeasures, water treatment, environmental impact assessments); environmental research and analysis (water quality, waste, exhaust gases, dioxins, PCBs, asbestos, PFAS); workplace environment measurement; drinking water testing; and genetic analysis (environmental DNA)
Environmental & Social Business

HIROKEN CONSULTANTS Co., LTD. Representative Director and President: Kunikazu Kotaki
Business activities: Infrastructure development (civil engineering design, development design, agricultural civil engineering, construction environment, various inspections, surveying, compensation consulting, geological surveys), as well as waste-related projects, retail and land development, soil surveys, and ICT services (including 3D surveying and 3D design)
Water & Land Business Transportation & Urban Business Environmental & Social Business

Other Group Companies

Local subsidiaries

- CTI REED Co., Ltd.
- CTI Wing Co., Ltd.
- CTI Ground Planning Co., Ltd.
- Yuasa Consultant Co., Ltd.

Specialized subsidiaries (New business development)

- CTI Ascend Co., Ltd.

FY2024 Achievements and Challenges

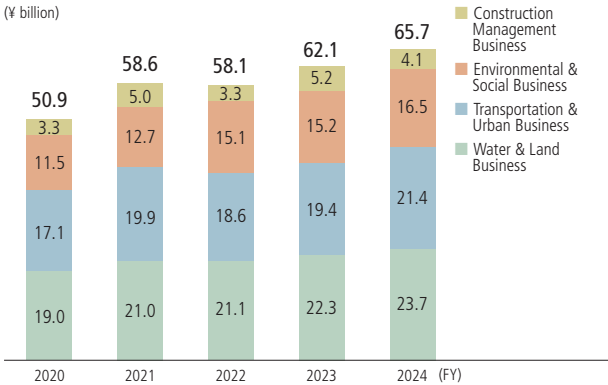
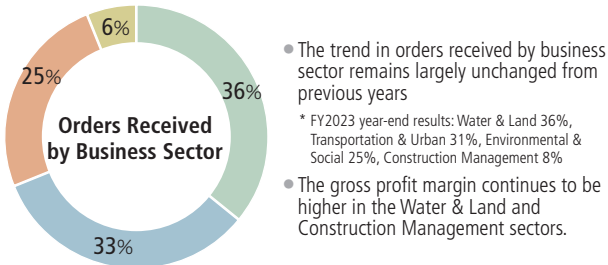
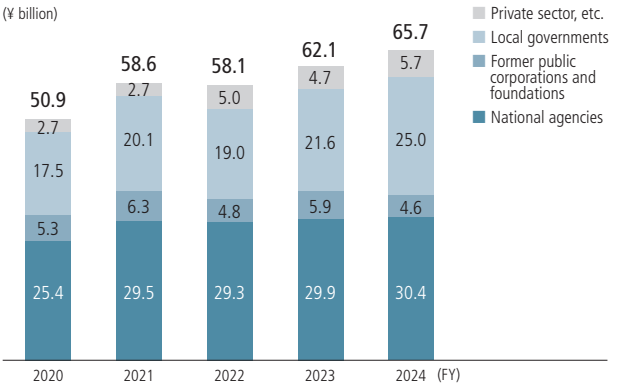
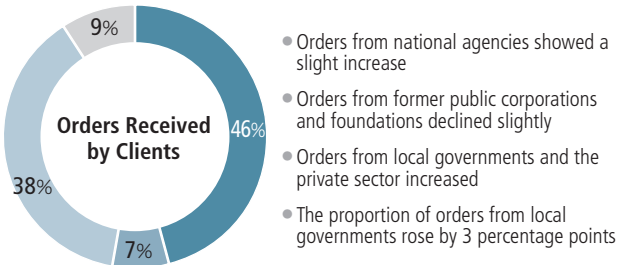
In the domestic consulting engineering business, the CTI Engineering Group continued to perform steadily, supported by government-led initiatives to strengthen disaster prevention and mitigation measures and to promote national land resilience in response to aging infrastructure.

Orders received in fiscal 2024 remained strong, driven by the Five-Year Accelerated Measures to Prevent and Mitigate Natural Disasters and Strengthen National Land Resilience, reaching 105.2% of the target. Sales also exceeded the plan at 101.4%, supported not only by disaster prevention and national resilience projects but also by increased revenue in fields such as energy, urban and architectural development, environmental analysis, and PPP*. Operating income was generally in line with the revised plan, achieving 99.0% of the target.

Item	FY2023	FY2024			FY2024 (Revised Plan)	
		Change	YoY Comparison		Progress vs. Plan	
Orders received	62,161	65,724	+3,563	+5.7%	62,500	105.2%
Sales	64,473	66,945	+2,471	+3.8%	66,000	101.4%
Operating income	8,943	8,610	-333	-3.7%	8,700	99.0%
Operating income margin	13.9%	12.9%	—	-1.0pt	13.2%	—

In the domestic consulting engineering business, the revised Basic Act for National Resilience came into effect in June 2023. The government's public works-related budget for fiscal 2025 is expected to remain at the same level as the previous year, with continued allocation for disaster prevention, disaster mitigation, and national land resilience. Accordingly, progress is anticipated in areas such as river basin flood control, climate change adaptation, and addressing the deterioration of infrastructure including rivers and roads. Additionally, rising social demands are expected in response to recovery and reconstruction from the Noto Peninsula Earthquake, regional revitalization, national defense, digital transformation (DX), and net zero carbon emissions. However, given the current political instability, it will be important to closely monitor future developments.

* PPP (Public-Private Partnership): A framework in which public services are provided through collaboration between the government and the private sector.



Water & Land Business Sector
— For a Prosperous Land Coexisting with Water

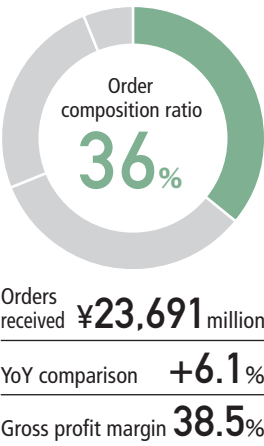
As water-related disasters intensify and occur more frequently due to climate change, and as water infrastructure continues to age, it is essential for all stakeholders involved in river basins—government, residents, private companies, and research institutions—to work together to create a safe and secure society. The Water & Land Business Sector takes a broad view of issues across entire river basins, including disaster prevention and mitigation, water resources, energy, the natural environment, and socioeconomic factors. We address these challenges by integrating technical expertise in rivers, coasts, dams, erosion control, water supply and sewerage, and mechanical and electrical facilities. We also provide comprehensive water management services aimed at sustainable river basins by harnessing generative AI that combines engineering knowledge with global information, automated design technology that greatly enhances design process productivity, and advanced analytical and ICT technologies that support infrastructure operations.

Engineering SectorMain Business Domains

Rivers / Water Resources / Coasts / Ports Sector	Disaster countermeasures for floods, tsunamis, and storm surges; river basin disaster resilience and sustainability; watershed hydrology; research, analyses, experiments, planning, design, construction planning and maintenance management of rivers and coasts; seismic countermeasures for river management and coastal protection facilities
Dams Sector	Planning, design and construction planning of new dams and dam upgrades, sediment management, measures to extend the service life of dams, management of dam operation, etc.
Sabo Sector	Planning, design, construction planning and maintenance management of erosion control facilities; sediment disaster research, forecasts and non-mechanical mitigation measures
Water & Sewerage Sector	Planning, design and construction planning of pipes, drains, and water supply and sewerage facilities; evaluation of the seismic performance of related structures; design of aseismic reinforcement works; detection of structural degradation; planning to extend service life
Mechanical & Electrical Equipment Sector	Planning, design, construction planning and maintenance management planning of mechanical and electric equipment for dams, river systems, water supply and sewerage systems, etc.



Mitsuho Amano
Water & Land Business Sector
Director, Managing Executive Officer



Representative Project

Left-Bank Flood Mitigation Measures at Arashiyama Historic Sites and Scenic Areas

The Katsura River, which flows through Arashiyama in Kyoto Prefecture—one of Japan’s most iconic scenic areas—has a low level of flood protection. In particular, the road elevation on the left bank upstream of Togetsukyo Bridge is lower than the planned high-water level, and flooding has occurred almost every year in recent times. This area, including the river, was designated in 1927 as both a Historic Site and a Scenic Area under the Law for the Protection of Cultural Properties. Accordingly, river improvement efforts were required to take the scenic landscape into careful consideration.

The “left-bank flood mitigation measures” were part of a river improvement project led by the Yodogawa River Office of the Kinki Regional Development Bureau, Ministry of Land, Infrastructure, Transport and Tourism. As part of the project, Japan’s first-ever vertically rising movable watertight barrier, which rises only during floods, was developed. CTI Engineering was responsible for the entire process, including research, planning, civil and mechanical design, demonstration testing, construction planning and management, and participation in various committees.

Our outstanding technical capabilities were recognized for achieving both flood control and preservation of the landscape and environment, while also enhancing the area’s overall value. As a result, the project received the 2022 Zenken Award, the 2023 Good Design Award, and the JSCE Civil Engineering Design Prize 2023—Excellence Award.



Top: Normal conditions (watertight barrier stored)
Bottom: Flood conditions (watertight barrier deployed)



Transportation & Urban Business Sector
— Building the Foundation for People’s Lives and Social Activities

The Transportation & Urban Business Sector is a team of engineers with expertise in a wide range of fields, including transportation, urban planning, regional development, architecture, and PPP/ PFI. We have contributed to the development of key infrastructure that supports national and community development from both tangible and intangible perspectives. We have also engaged in initiatives aimed not only at addressing needs under normal conditions but also at responding quickly to increasingly severe disasters and strengthening preparedness.

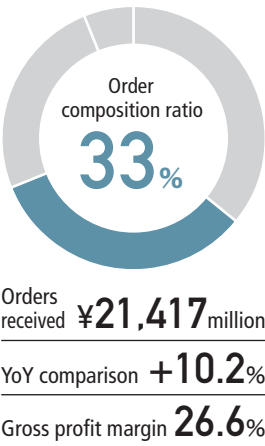
Looking ahead, we will accurately capture needs that change with the times in areas such as digital transformation (DX), AI, energy strategies, smart mobility, and regional revitalization. By creating new demand, we aim to deliver high-value-added transportation and urban infrastructure services.

Engineering SectorMain Business Domains

Roads & Transportation Sector	Roadworks assessment, planning, and design; road maintenance management; provision of road traffic management information and establishment of systems for distributing relief supplies in times of disaster; planning, design, extension of service life, and maintenance management of bridges
Urban Planning / PFIs & PPPs / Architecture Sector	Community development that responds to social issues (aging population and declining birthrate, local development, regional improvement, safety and security, and urban landscape), support for commercialization through PFI and PPP, support for urban transportation projects (developing plans for transportation systems and public transportation operation, planning district transportation, and supporting transportation projects for MaaS and automated driving)



Masahiro Emori
Transportation & Urban Business Sector
Director, Managing Executive Officer



Representative Project

Naganohara Town Fudo Ohashi Bridge Project

The 590-meter-long Fudo Ohashi Bridge spans Lake Yamba Agatsuma in Naganohara Town, Gunma Prefecture, and began construction in March 2004 as the world’s first steel-concrete composite truss extradosed bridge. In 2009, the Hatoyama administration announced the suspension of the Yamba Dam project, bringing national media attention to the bridge as a symbolic structure. However, since the bridge was part of a replacement prefectural road associated with the Yamba Dam construction, the project continued. The decision was supported by Gunma Prefecture’s commitment to proceed and the national government’s announcement to continue the project as part of livelihood restoration efforts, following the results of a public opinion survey conducted in 2010. CTI Engineering was responsible for the bridge’s design at that time.

The bridge integrates two advanced technologies: the PC composite truss, which is lightweight and highly aesthetic, and the extradosed bridge, which reduces material use and construction costs. Recognized for significantly contributing to the advancement of composite bridge construction, Fudo Ohashi Bridge was awarded the JSCE Civil Engineering Tanaka Award 2010—Excellence in Bridge Design and Construction.



Fudo Ohashi Bridge



Environmental & Social Business Sector

— A Foundation for Various Civil Engineering Fields

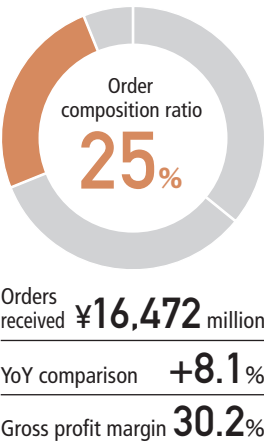
The Environmental & Social Business Sector comprises the Geo-environment Sector, which deals with geology and groundwater that provide foundational and advanced technical support to the projects handled by the Water & Land and Transportation & Urban Business Sectors (“other business sectors”). These include the Information & Telecommunications Technology Sector and Environment Sector, which cover information and communications, resource circulation, and the use of renewable energy to enhance the sophistication and multifunctionality of other sectors’ projects; and the Disaster Mitigation Sector, which supports risk management before and after disasters. Although the sector’s 398 engineers, each with diverse technical expertise, are engaged in independent tasks, they maintain strong collaboration with other business sectors to solve problems comprehensively. The sector actively fulfills its role in realizing our mission as a multi-disciplinary consulting engineer.

Engineering SectorMain Business Domains

Information & Telecommunications Technology Sector	Computerization measures, proposals and introduction support for DX, planning and development of information systems related to infrastructure, planning and design of electrical facilities and telecommunication facilities
Disaster Mitigation Sector	Formulation of various disaster prevention plans for rivers, roads, cities, volcanoes and facilities for largescale, complex disasters; support for disaster planning and implementation, including manual preparation, planning and operation of training programs
Environment Sector	Environmental research, planning, utilization, and conservation measures in infrastructure development; planning and project support for the creation of a decarbonized, recycling-oriented society through the use of renewable energy, etc.
Geo-environment Sector	Proposals for reducing geological risks related to civil engineering structures, disaster prevention and mitigation, environmental recovery, water resource development and decarbonization in the planning, design, construction, and maintenance management phases



Hideaki Sekine
Environmental & Social Business Sector
Managing Executive Officer



Representative Project

Onga River Multi-Nature Fishway Park

The Onga River Multi-Nature Fishway Park, approximately 400 meters in length, is located on the left bank of the river mouth of the Onga River, a Class A river in northern Kyushu. This project involved replacing a roughly 50-meter-long concrete fishway at the Onga River estuary barrage with a 200-meter-long nature-oriented fishway designed in harmony with the river’s ecosystem. While the original fishway caused an abrupt shift from saltwater to freshwater, the new fishway enables fish to gradually adapt to changes in salinity as they swim upstream. In addition, the new fishway supports spawning and the rearing of juvenile fish—capabilities that conventional fishways lack.

The area around the fishway has also been developed into a local park and part of the prefectural cycling road network. The project encompassed a wide range of considerations, including movement flow planning, pictogram-based information signage, and universal design elements. CTI Engineering contributed to the project through design studies and detailed design work.

The project was highly praised for improving the natural environment around the estuary barrage over time and for sustaining its rich public value over the long term. It received the JSCE Civil Engineering Design Prize 2022—Encouragement Award.



Onga River Multi-Nature Fishway Park

JSCE Civil Engineering Design Prize 2022—Encouragement Award

Construction Management Business Sector

— A Coordinator That Supports Construction Projects

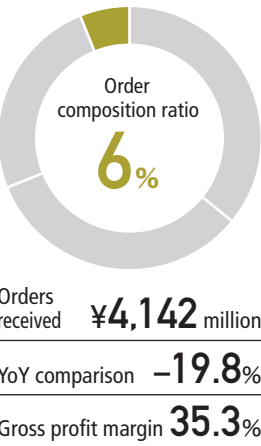
Unlike conventional consulting services such as research, planning, and design, the Construction Management Business Sector supports and manages construction project procurement and operations from the client’s perspective. Acting on behalf of project owners such as local governments, construction managers with advanced expertise in design and construction coordinate among stakeholders and oversee quality, scheduling, and other aspects of project execution. In recent years, demand for this sector has grown rapidly due to the increasing scale and complexity of projects, which has placed greater burdens on project owners. Going forward, we will continue leveraging our comprehensive technical capabilities to ensure project success and aim to establish ourselves as a top runner in the field of construction management.

Engineering SectorMain Business Domains

Public Procurement Assistance Sector	Timely provision of the right technologies and professionals to ensure that public works projects are implemented properly and smoothly; post-project assistance including monitoring and evaluation
Construction Management & Execution Management Sector	PM/CM for construction projects (maintaining neutrality in various management activities carried out by project owners at each stage of design, ordering, and construction and making use of technical expertise to act as an agent for project owners); supporting project owners in construction projects (preparing documents essential to the implementation of contracted work, verifying and confirming the construction status, and attending construction inspections, etc.)



Naoto Suzuki
Construction Management Business Sector
Director, Senior Managing Executive Officer



Representative Project

Onagawa Central District, Onagawa Earthquake Reconstruction Project

In Onagawa Town, Miyagi Prefecture, where much of the town’s functions were lost due to the Great East Japan Earthquake, the Onagawa Town Reconstruction Liaison Council, a private organization focused on the future and landscape of the community, was established just one month after the earthquake. At the same time, the Onagawa Town Development Promotion Council was launched to promote reconstruction through citizen participation. This project originated from discussions held within subsequent groups such as the Onagawa Town Development Working Group and the Onagawa Town Reconstruction Design Conference, where the mayor, municipal staff, construction professionals, urban design experts, and residents came together to deliberate the use and design of public spaces. CTI Engineering has been involved in Onagawa’s recovery since immediately after the disaster, contributing to studies on the reconstruction of the commercial area, the establishment of the Onagawa Town Central Commercial District Reconstruction Council, and the formulation of the Onagawa Town Urban Core Revitalization Plan, which laid the foundation for the Onagawa Central District.

Renga Michi, the brick pathway that forms the backbone of the Onagawa Central District, has become a vibrant and relaxing gathering place for both residents and tourists. This achievement earned high praise and was recognized with the 2018 Good Design Award and the JSCE Civil Engineering Design Prize 2019—Grand Prize.



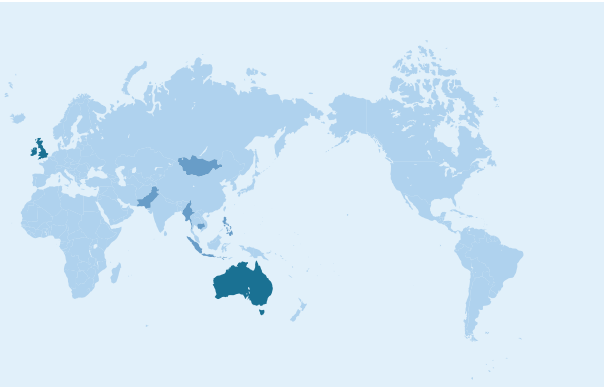
Renga Michi extending from Onagawa Station Plaza to the sea

2018 Good Design Award
JSCE Civil Engineering Design Prize 2019—Grand Prize

Main operations include multi-disciplinary consulting engineering services covering the entire lifecycle of construction projects overseas—from project identification and master planning to project conceptualization, research, planning, design, construction management, and operation and maintenance. This also includes architecture-related services such as structures and building services, as well as secondment of engineers.

Multi-disciplinary consulting engineering services are provided by CTI Engineering, CTI Engineering International, Waterman Group Plc, and its subsidiary Waterman Moylan Consulting Engineers Limited. Architecture-related services are handled by Waterman Group Plc and its subsidiary Waterman Group (Aus) Pty Limited. The engineer secondment business is managed by Waterman Aspen Limited.

In the overseas consulting engineering business, CTI Engineering, CTI Engineering International, and Waterman Group Plc are working together as one to formulate and systematically develop a global expansion strategy for the CTI Engineering Group to expand worldwide, from developing countries to developed countries.



FY2024 Achievements and Challenges

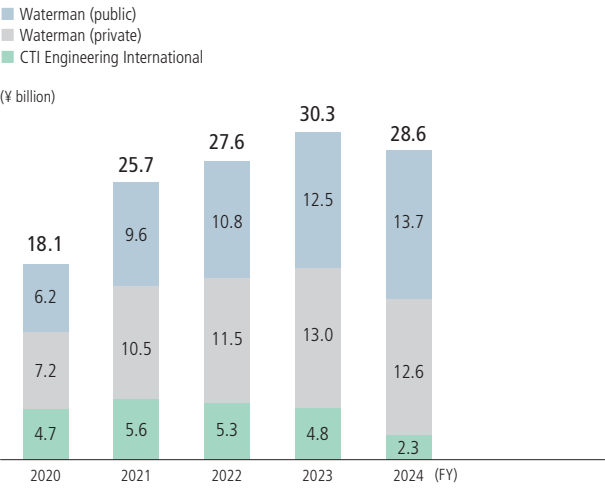
While the public sector business of Waterman Group Plc, which operates mainly in the UK, remained steady, its private sector segment faced some challenges. Meanwhile, CTI Engineering International, based in Southeast Asia, experienced delays in securing large-scale projects.

Sales were nearly in line with the revised plan, achieving 99.1%; however, operating income declined YoY due to rising inflation and labor costs.

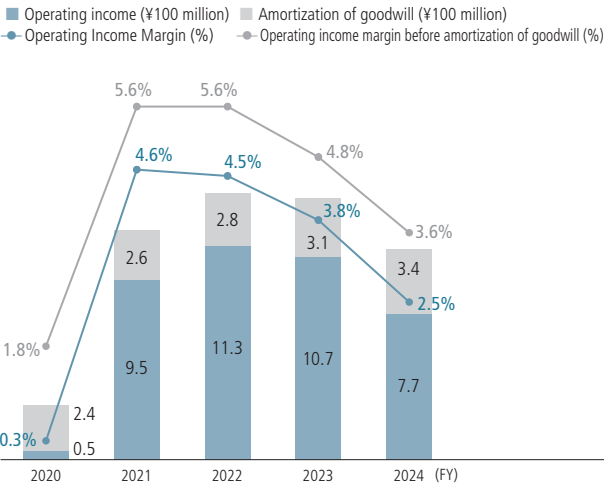
Item	FY2023	FY2024			FY2024 (Revised Plan)	
			Change	YoY Comparison		Progress vs. Plan
Orders received	30,312	28,676	−1,636	−5.4% (−13.4%)	31,500	91.0%
Sales	28,583	30,733	+2,150	+7.5% (−0.9%)	31,000	99.1%
Operating income	1,073	773	−299	−27.9% (−33.6%)	900	85.9%
Operating income margin	3.8%	2.5%	—	−1.2pt	2.9%	—

* Orders received includes changes in the value of the fiscal year-end order backlog at overseas subsidiaries due to foreign exchange valuation. The percentage in parentheses excludes the impact of foreign exchange valuation at overseas subsidiaries.

Trends in Orders Received



Trends in Operating Income and Operating Income Margin



In the overseas consulting engineering business, operations in Southeast Asia under the oversight of CTI Engineering International are showing signs of improvement. However, in the UK, where operations are overseen by Waterman Group Plc, expenses are expected to rise further due to factors such as increased corporate tax burdens under the newly formed Labour government, creating an uncertain business environment. In addition, prolonged geopolitical instability in Ukraine and the Middle East, global inflationary trends, and monetary tightening are causes for concern and will require continued close monitoring.

CTI Engineering International

CTI Engineering International originated as the overseas division of CTI Engineering and became an independent entity in 1999 to support international projects. For over a quarter of a century, the company has contributed to building safe and comfortable living environments in developing countries, primarily as a development consultant for official development assistance (ODA) projects.

While the business environment is gradually returning to pre-pandemic conditions following the easing of COVID-19 impacts, international uncertainty has deepened due to events such as Russia’s invasion of Ukraine and the ongoing conflict between Israel and Hamas. Additional concerns include global inflation, major foreign exchange fluctuations, and monetary tightening.

Infrastructure development needs are rising, particularly in Asia and Africa, against the backdrop of global population growth. In recent years, disasters driven by climate change have become increasingly frequent, making climate adaptation a critical and urgent challenge.

To respond swiftly to these changing circumstances, CTI Engineering International has been strengthening and expanding its overseas presence—including establishing a local subsidiary in the Philippines in 2021—while also securing orders from new clients such as the Asian Development Bank (ADB), local governments, and private-sector entities, and reinforcing alliances with overseas consulting firms. We will continue accelerating these efforts to expand orders and sales while promoting reform of our production structure.

Guided by our corporate philosophy of “We Contribute to a Better World with Confidence and Professional Expertise,” each of our employees is committed to delivering highly value-added technical services as a leading driver of the CTI Engineering Group’s global expansion. In doing so, we will help solve a wide range of global infrastructure challenges and contribute to the creation of safer, more comfortable living environments and the sustainable development of societies around the world.



Naoki Fujiwara
Representative Director and
President
CTI Engineering International
Co., Ltd.

Waterman Group Plc

During the eight years since becoming a member of the CTI Engineering Group, we have experienced difficult times such as the COVID-19 pandemic and the UK’s exit from the EU, but we have been able to adapt to the economic policies of the UK government and expand our engineer secondment business, which has resulted in stable profits.

We have been able to share our technologies for road surface evaluation (iDRIMS), crack detection, and unknown water detection with CTI, and we have conducted demonstration tests to apply these technologies in the UK. This has been a meaningful collaboration. In the future, in addition to further expanding personnel exchanges, we will deepen the sharing of flood control technologies and knowledge for adaptation to climate change, which is one of the strengths of CTI, as well as net zero carbon initiatives, with the aim of developing such technologies in the UK.

To achieve the goals of the Group’s Mid-Term Management Plan 2027, we are considering reorganising our structure and building services consulting business in order to improve efficiency and overall strength. Residential and transportation have traditionally been areas of strength, and we will focus particularly on residential, as the current administration has pledged to supply 1.5 million units over the next five years. A new area of focus is defence, where we are rapidly expanding our business under the policy of raising defence spending to 2.5% of GDP by 2027. In the rail sector, we are aiming for further growth based on the trend of local investment in regional transportation network development. With regard to healthcare, we are looking to expand into the UK and Ireland, leveraging our experience in building services in Australia. In addition, the data center-related business is expanding in response to the growing need for digitalisation, and the group will also promote digitalisation to improve operational efficiency.

To realise the Mid-to Long-Term Vision 2030, we will continue to expand and diversify our operations in the energy sector, while keeping a close eye on investment trends. Our strengths lie in our multi-discipline service and flexible response to client needs, and we aim to be the “consultant of choice for our clients.” At the same time, we will strive to improve employee engagement and continue to be “the company of choice for our employees.” In our future business development, we will focus on the Asia-Pacific region, including Australia, as our priority target, and will work with a sense of speed. In addition to further strengthening group collaboration, we intend to focus on M&A of planning-related companies that are involved in the upstream process of infrastructure development and regeneration, as well as securing professional human resources.



Neil Humphrey
CEO
Waterman Group Plc

We will place emphasis on capital cost and shareholder value and pursue improvements in capital efficiency as well as sustainable growth in corporate value.

Toshikazu Matsuoka
Director, Managing Executive Officer



Recognition of the Current Business Environment

I believe that the current business environment surrounding our Company has fundamentally remained largely unchanged compared to the previous fiscal year. Of course, in terms of the financial environment, there has been a rise in interest rates, but as our Company has little interest-bearing debt, this has not had a significant impact on our overall profitability. In our domestic consulting engineering business (domestic business), I believe that the business environment remains solid, supported by continued growing societal interest in disaster prevention and mitigation, along with national policies such as national land resilience. Meanwhile, our overseas consulting engineering

business (overseas business) has been slightly affected by currency fluctuations. In addition, in the UK, which accounts for approximately 80% of our overseas business, issues such as inflation and rising labor costs remain unresolved, and this has impacted our business to a certain extent. Looking at the current global situation, the outlook remains uncertain due to geopolitical risks such as US policies and the situation in the Middle East. While these factors have not directly impacted on our business, the Company's share price is currently being affected by the sluggish stock market.

FY2024 Results and Review of the Mid-Term Management Plan 2024

In this business environment, in the fiscal year ended December 31, 2024 (previous fiscal year), consolidated sales increased but profits decreased compared to the prior fiscal year, with consolidated sales of ¥97.6 billion, a consolidated operating income margin of 9.6%, and ROE of 11.6%. The increase in sales was primarily due to an increase in orders resulting from the Five-Year Accelerated Measures to Prevent and Mitigate Natural Disasters and Strengthen National Land Resilience, as well as increased orders in business areas such as energy, urban planning/architectural, environmental analysis, and PPP, which drove sales growth in our domestic business. Meanwhile, profits were in line

with our forecast of a decline in profits in our domestic business, which incorporated measures to prevent errors and bolstered investments. Furthermore, in our overseas business, contract delays at CTI Engineering International and rising labor costs led to a decline in profit margins. Over the past three years, the Company had been working on the Mid-Term Management Plan 2024 (the previous mid-term plan) to realize the CTI Engineering Group's Mid- to Long-Term Vision SPRONG 2030. During these three years, we achieved our numerical management targets. Consolidated sales were boosted by a favorable market environment and steady

personnel recruitment. Regarding the operating income margin, progress was made on increasing profitability in our core business, while with ROE, we achieved our target of over 10% due to an improved profit margin and better capital efficiency through share buybacks and other factors. Furthermore, in terms of qualitative performance, we achieved our employee engagement score target for creating a "rewarding and attractive workplace." However, we fell short in areas such as complaints, on-site accidents, and R&D investment, leaving our stakeholder commitment-related

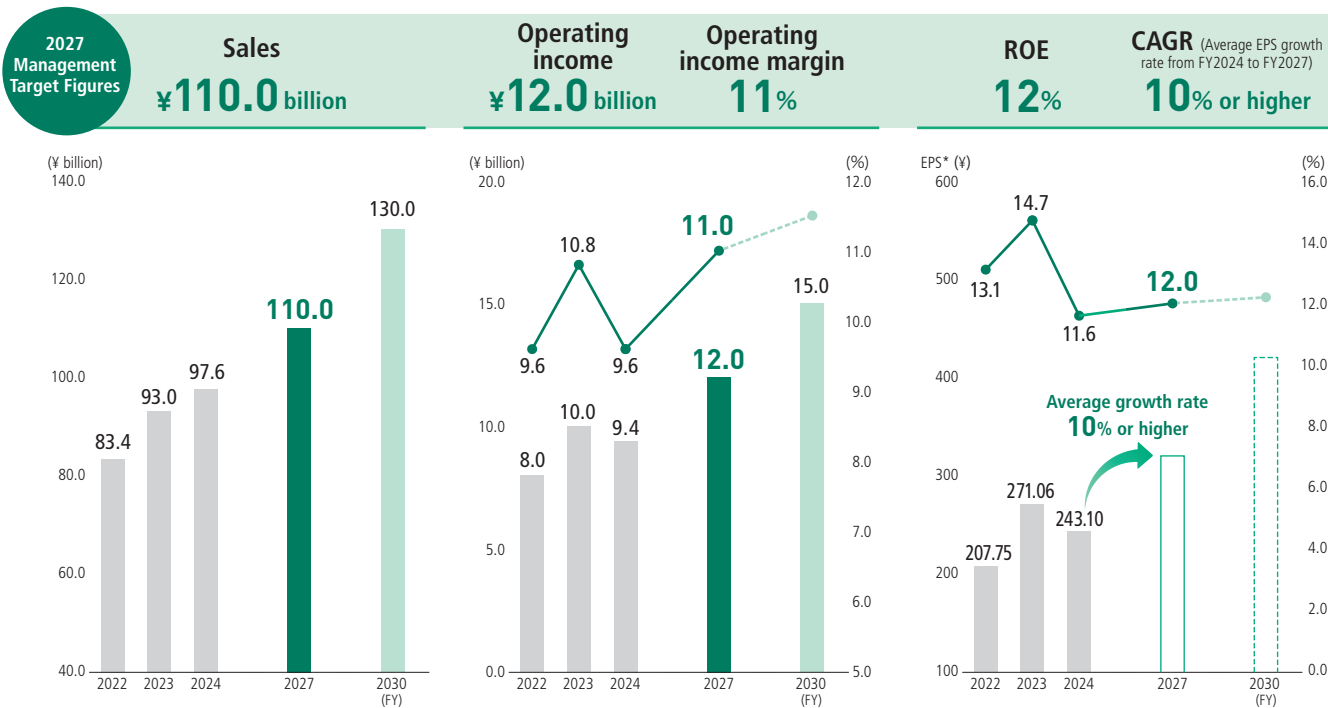
efforts as a remaining challenge. In summarizing our efforts including on the qualitative front, we have seen some progress in promoting Group collaboration, but challenges remain in terms of accelerating business development and improving and stabilizing the management of Group companies. I recognize that going forward, we must strengthen internal controls, including labor and cost management as well as quality and safety management, and further streamline our administrative departments.

Financial Strategy in the Mid-Term Management Plan 2027 with the Revision of SPRONG 2030

As I mentioned above, our consolidated sales in the previous fiscal year neared the target of ¥100.0 billion set when SPRONG 2030 was first formulated. Taking into account our growth performance in recent years, we have decided to upwardly revise our sales target for 2030 to ¥130.0 billion. In line with this, we are aiming for the operating income of ¥15.0 billion and have also raised our target for the operating income margin from 9% to 11% or more. We have clearly outlined the path and figures for sales expansion through 2030 by deepening our core business areas, accelerating growth areas, exploring new businesses, and expanding our overseas business, and we view this as an important goal that we must achieve. However, we also recognize that this target will not be easy to realize, so we must aggressively pursue new growth possibilities and change our profit structure. Simply put, our prior business model was

based primarily on receiving orders and carrying out production for projects from the Ministry of Land, Infrastructure, Transport and Tourism and local governments, thereby ensuring stable profits. However, going forward, we will need to expand our information-providing service business into the private sector as well. Recently, we have also begun developing services that make full use of technologies such as AI and DX. I believe that our earnings structure will change dramatically if we can expand the possibilities in this field. In line with these revisions to our targets based on SPRONG 2030, the targets for the Mid-Term Management Plan 2027, which runs through the fiscal year ending December 31, 2027, are consolidated sales of ¥110.0 billion, operating income of ¥12.0 billion, an operating income margin of 11%, and ROE of 12%.

Establishment of Mid-Term Management Plan 2027 Targets Eyeing the Revised CTI Engineering Group's Mid- to Long-Term Vision SPRONG 2030

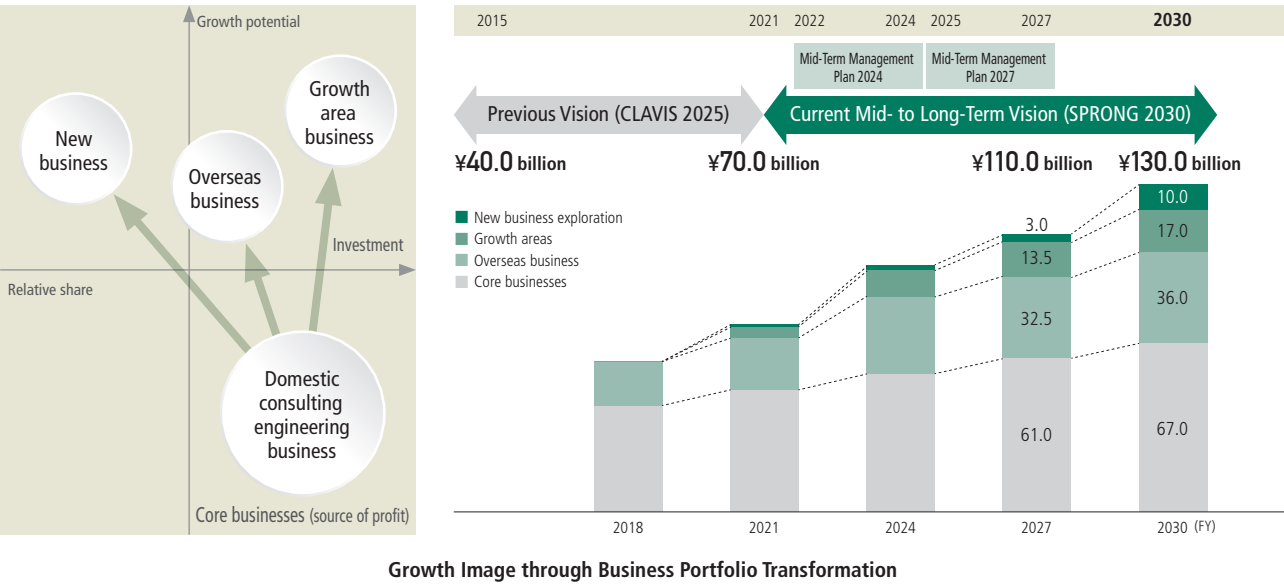


* Effective January 1, 2025, the Company implemented a two-for-one stock split of common shares. EPS was calculated assuming a stock split was conducted at the beginning of each year.

Transforming the Business Portfolio and Deepening Our Core Business Areas

From a financial perspective, transforming our business portfolio, one of the key pillars of our new mid-term management plan, is based on our core business areas, which are our source of revenue. It involves enhancing our business portfolio by accelerating growth areas, exploring new businesses, and expanding our overseas business. I believe that the most important thing is to continue to grow our core business areas and expand our market share. Currently, projects from the Ministry of Land, Infrastructure, Transport and Tourism account for approximately half of the Company's sales. We will continue to increase orders from the Ministry of Land,

Infrastructure, Transport and Tourism, while at the same time strengthening our foundation for growth by expanding into markets such as local governments and the private sector. While the relative share of sales from the Ministry will shrink in three years, our plan is to shift toward these markets. In November 2024, we acquired HIROKEN CONSULTANTS, a regional consulting firm based in Hiroshima. In order to grow our local government projects going forward, we will need to acquire or form business alliances with such regional engineering consulting firms, and we intend to focus even more on this.



Accelerate Growth Areas, Expand Overseas Business

In terms of growth areas, the Company will accelerate three key areas that are expected to continue growing and have high profitability; namely the energy business, the information-providing services business, and the CM/PM business, which were areas prioritized in our previous Mid-Term Management Plan 2024. In particular, for the energy and information-providing services businesses, we have already begun strategic efforts to achieve high-probability and dramatic growth by utilizing both our own resources as well as M&A and business

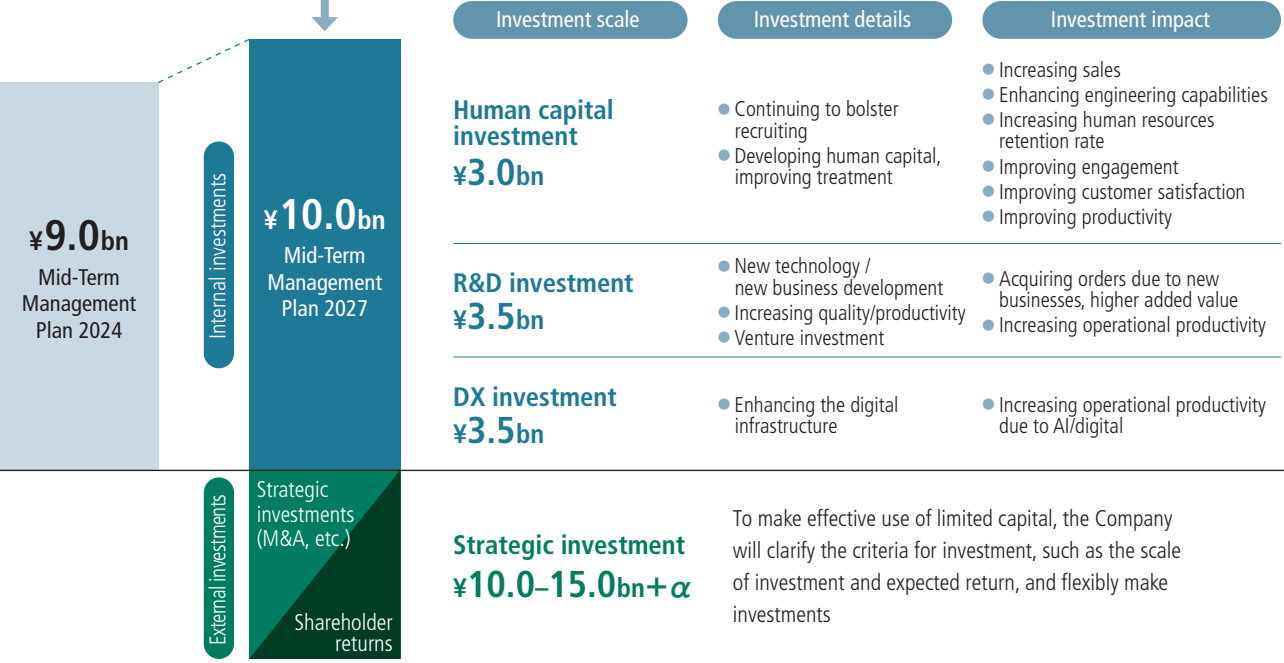
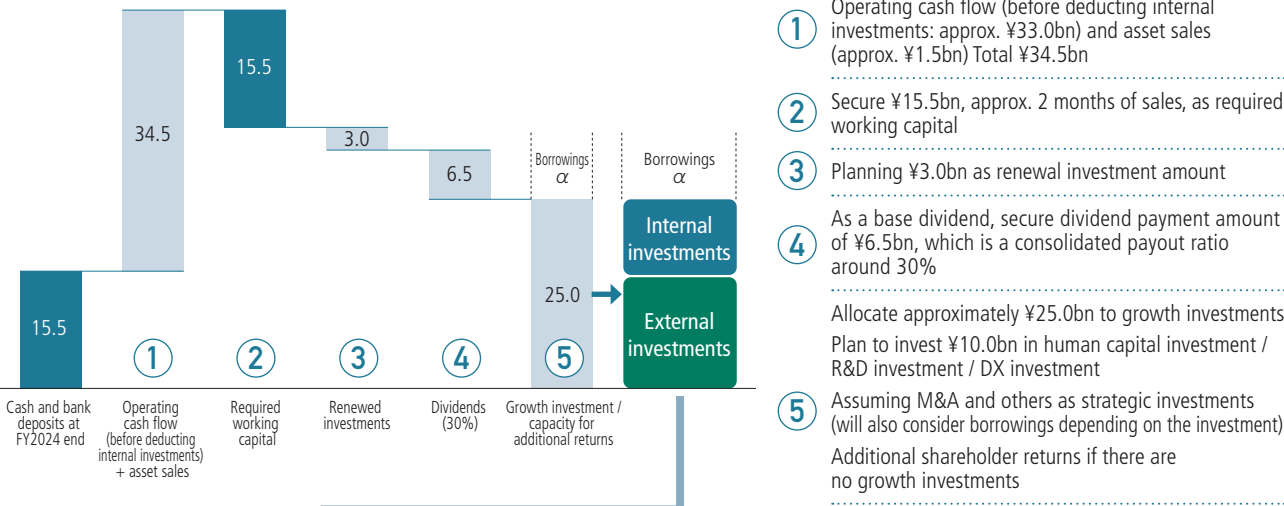
alliances with venture companies and expert consultants. Regarding our overseas business, in addition to strengthening operations in the countries and regions where we have offices, we recognize that a key to business expansion is to select and invest in offices in new countries and regions with high growth and profitability, and we are therefore considering M&A and other external investments. Specifically, we plan to bolster external collaborations, including M&A, in order to establish new offices in Australia and Malaysia.

Promote Proactive Growth Investment

The Company has now clarified our capital allocation policy and we plan to make focused growth investments of ¥25.0 billion over the next three years. Breaking this down, we plan to prioritize investment of ¥10.0 billion in human capital, which directly contributes to the growth of the CTI Engineering Group, as well as investments in R&D and DX which will improve operational productivity and lead to future growth in orders. In terms of business structure, we must build a system that can generate stable profits through increasing production efficiency.

We will allocate ¥15.0 billion to strategic investments such as M&A to achieve sustainable growth. From a financial perspective, I believe these strategic investments are extremely important and will contribute to the sustainable growth of the CTI Engineering Group and an improvement of our corporate value over the medium to long term. Furthermore, rather than limiting our investments to ¥15.0 billion, we will be flexible and consider additional investments (including borrowings) depending on the specific investment.

Basic Cash Allocation Policy during the Mid-Term Management Plan 2027



Working to Further Enhance Corporate Value and Receive Higher Valuation from the Capital Market

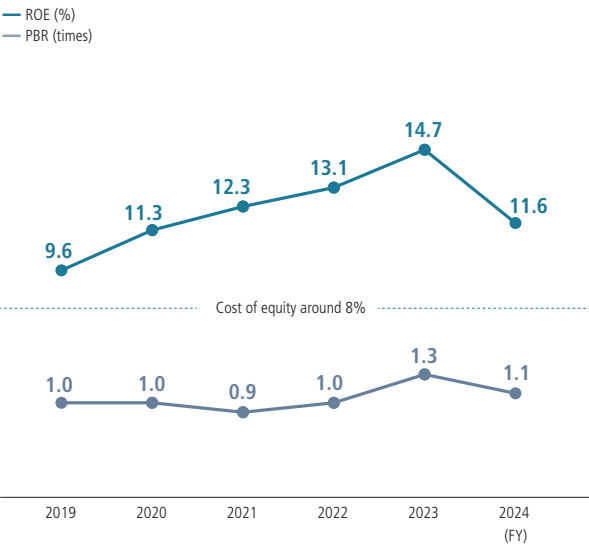
In the fiscal year ended December 31, 2024, our return on equity (ROE) was 11.6%, our price-to-book ratio (PBR) was 1.1x, and our cost of capital was approximately 8%. Looking at the ROE figure, our PBR level is by no means satisfactory, and I believe this is primarily due to our low price-to-earnings ratio (PER). I feel this is due to the capital market's insufficient expectations for our future growth and our inability to fully explain our approach with respect to allocations for investments and returns.

Our future policies are: (1) achieve steady profit growth; (2) promote growth investment; (3) realize a balance between both growth and returns based on capital allocation; (4) promote strong governance and sustainability management; and (5) further enhance the disclosure of non-financial information and improve investor engagement.

(1) Achieve Steady Profit Growth

We are working to maximize corporate value by emphasizing an increase in capital efficiency and through sustained improvements in ROE and PER. Stable and continuous profit growth is essential to achieve this. In our current mid-term management plan, we have set a clear numerical target of achieving an average annual growth rate of 10% or more in EPS over the next three years. This demonstrates our strong commitment not just to achieving growth, but high-quality profit growth. To accomplish this, we will transform our business portfolio and accelerate the allocation of resources to areas with high growth and high profitability.

Fiscal Year-End PBR/ROE



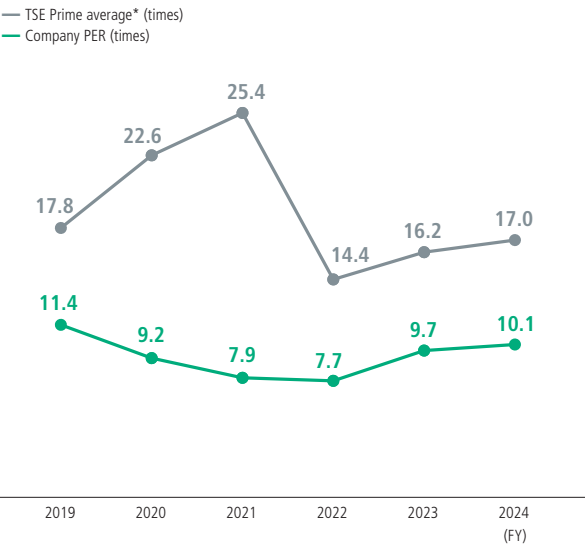
(2) Promote Growth Investment

We will make investment decisions with a thorough awareness of the cost of capital and promote strategic growth investments for the future while maintaining financial soundness. I believe that improving capital efficiency is also necessary to increase our ROE. We plan to reduce cross-shareholdings by half by 2027 and to nearly zero by 2030. In addition, we will advance investment management that applies a hurdle rate based on the cost of capital. Meanwhile, with regards to borrowings, we will promote the use of financial debt with an emphasis on financial discipline. This will include necessary borrowings for investments that will generate returns, regardless of the investment quota indicated in our growth investments.

(3) Realize a Balance between Both Growth and Returns Based on Capital Allocation

In order to further improve our PER, we have clearly stated our policy of strengthening our growth potential and reducing our cost of capital. We will continue to carefully consider strategic investments, such as the M&A mentioned earlier. If we do not find opportunities for strategic investments, our policy is to flexibly allocate our high level of cash to shareholder returns, rather than leaving it idle. With regard to shareholder returns, we have set a minimum consolidated dividend payout ratio of 30% or more, and our basic policy during the period of our new mid-term management plan is a DOE of 3%. Taking into account the progress on growth investments and our business performance and financial position, we will flexibly implement additional shareholder returns with a target total payout ratio of approximately 35–50%, while also considering share buybacks.

Fiscal Year-End PER



* PER (TSE Prime average) uses the value for December of each year in the TSE Statistical Data "Prime Market and Consolidated Integration (Simple)" as a reference.

(4) Promote Strong Governance and Sustainability Management

Strengthening governance across the entire Group is essential to further increase our corporate value. Going forward, we will continue to thoroughly instill awareness of risk and compliance and strengthen our internal control processes by creating workplaces where harassment or misconduct are not tolerated, and by building a system capable of responding to risks.

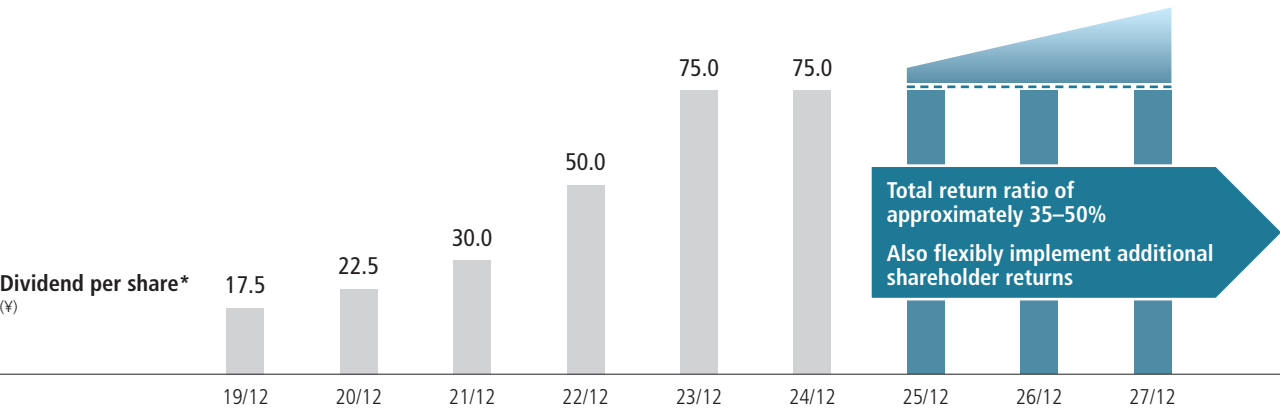
(5) Further Enhance Disclosure of Non-Financial Information and Improve Investor Engagement

In addition to the above, we will also strengthen communication with investors and shareholders. Over the past few years, we have been holding an increasing number of IR meetings with institutional investors, and in 2024 we held two Company information sessions for individual investors, in Tokyo and Osaka. Through these activities, we hope to broaden our shareholder base, further enhance information disclosure, while deepening dialogue with investors.

Entering my second year as Chief Financial Officer, as I participate in IR meetings, I am acutely aware of the challenge of clearly communicating the overall direction of our capital policy and achieving a solid return on the capital entrusted to us by our shareholders. I believe it is important for us to make investments that deliver solid returns for our shareholders, steadily build up the resulting profits, and return them to shareholders appropriately. I also recognize that demonstrating the outcomes of these efforts in a tangible form is essential to building trust with investors. Meanwhile, there are cases where we may be considering an M&A transaction but no disclosure is made due to timing issues, and there are also challenges such as investors not being able to see what investments are being made and what kind of returns are being achieved from them, despite our net worth ratio increasing year by year. While there are times when it is difficult to achieve short-term results, we will continue to take a medium- to long-term perspective and strive to provide highly transparent disclosure of information about our capital utilization policy and results.

Shareholder Returns (Dividend Amount and Dividend Payout / Total Return Ratio)

- Implement shareholder returns with a consolidated dividend payout ratio of 30% or more as the minimum level
- Basic policy is a DOE of 3% during the period of the Mid-Term Management Plan 2027
- Based on the progress of growth investments and the financial situation, we will flexibly implement additional shareholder returns with a target total return ratio of approximately 35–50%



ROE	9.6%	11.3%	12.3%	13.1%	14.7%	11.6%	12% or higher
EPS (¥)*	99.30	129.08	158.13	207.75	271.06	243.10	CAGR24-27 annual average growth rate 10% or more
Dividend payout ratio	17.6%	17.4%	19.0%	24.1%	27.7%	30.9%	30% or higher

* Effective January 1, 2025, the Company implemented a two-for-one stock split of common shares. Dividend and EPS were calculated assuming a stock split was conducted at the beginning of each year.

On January 1, 2025, we conducted a two-for-one stock split of our common stock, with the aim of lowering the price per investment unit of the Company's shares, creating an environment that makes it easier for investors to invest, expanding our investor base, and improving the liquidity of the Company's shares.

Focusing on the three pillars of acquiring, utilizing, and developing human resources to foster self-driven personnel across the Group

Toshikazu Matsuoka Director, Managing Executive Officer



Further Strengthening Investment in Human Capital

Over the three years of the Mid-Term Management Plan 2024, we have continued to invest in human capital. To date, our efforts have mainly focused on recruitment and human resource development at CTI Engineering on a stand-alone basis. However, with a view to further enhancing corporate value, we recognize the importance of strengthening investment in human capital across the entire Group. Achieving the CTI Engineering Group’s medium- to long-term growth requires a strategic approach to both the quality and quantity of human capital, centered on recruitment, human resource development, and human resource exchange, including engineers from all Group companies. With this in mind, in March 2024 we formulated the Basic Policy of the CTI Engineering Group Human Resources Management (CTIG-HRM) to enhance the Group’s overall human resource capabilities. This basic policy identifies three priority themes—human resource acquisition, utilization, and development—and, going forward, we will accelerate actions toward building a talent base that supports integrated Group management and sustainable growth.

For human resource acquisition, CTI Engineering on a stand-alone basis is progressing in line with plan, ensuring stable recruitment. However, many Group companies face severe challenges in acquiring human resources, making it urgent to improve competitiveness in recruiting. Securing excellent engineers on a stable basis is essential for the CTI Engineering Group’s business expansion. Going forward, in addition to strengthening recruitment PR, we will work to enhance the Group’s overall brand power with the aim of reinforcing our recruitment foundation.

For human resource utilization, we aim to create new value by further strengthening collaboration with Group companies and promoting exchanges among engineers to integrate their expertise. We will also actively promote human resource exchange both inside and outside the Group to facilitate the

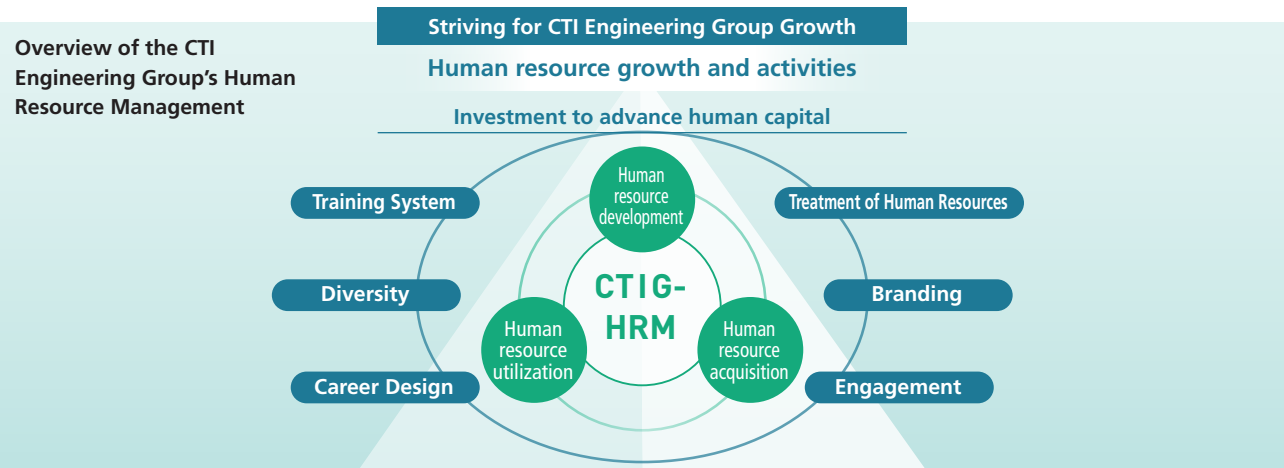
acquisition of diverse knowledge and skills, introduce new perspectives, and expand human networks.

For human resource development, CTI Engineering on a stand-alone basis has promoted a planned training system as a formal program. However, many Group companies do not yet have sufficient development frameworks in place. In light of this challenge, we have decided to rebuild the Group-wide training system and implement human resource development initiatives for engineers and employees across all Group companies. Simply applying CTI Engineering’s programs directly to Group companies will not necessarily work in every case. Therefore, we will consider whether to create common programs for the entire Group or to design individual programs tailored to each company’s circumstances, with CTI Engineering taking the lead in providing support. From this fiscal year, as a new initiative, we have begun preparations to establish a specialized organization that will centrally manage human resource information across all Group companies and support the formulation of measures by each company. In April 2025, we launched a working group under our internal Human Resource Development Committee to begin discussions with Group companies on a Group-wide talent management framework for acquiring, developing, and utilizing human resources. Furthermore, we are promoting diversity, equity & inclusion (DE&I) to enable flexible work arrangements tailored to the needs and life stages of each employee, and to fairly evaluate outcomes and contributions. In particular, based on the DE&I Promotion Plan 2030 formulated in December 2024, we are working to create an environment in which all employees can work comfortably and thrive, regardless of time constraints, gender, or nationality. As part of promoting the active participation of diverse talent, we are placing special emphasis on increasing the number of female employees, female managers, and employees from overseas.

Achieving the Target Level for Our Human Resources

We position improving employee engagement as one of our key management priorities and are working to strengthen our human capital. Our engagement score is a deviation score based on an external benchmark of around 10,000 companies, and

that for 2024 was 55.3 (BBB rank), placing us in the upper-middle range. However, our goal is not to remain at an average level, but to realize an organizational culture in which employees can work with enthusiasm and drive. To this end, we



Measure Direction



Sustainable growth of human resources

- Clarify diverse career paths and the skills required, and build an environment in which employees can grow toward their own aspirations
- Establish a system to systematically develop engineers who represent the industry
- Develop human resources who, amid advances in automation and AI utilization, can refine their specialized engineering skills and make technical proposals and decisions



Acquiring diverse talent

- Enhance the appeal of the entire Group and widely disclose it both inside and outside the organization to strengthen the CTI Engineering Group’s ability to attract talent
- Establish a framework for accepting people from diverse backgrounds to acquire a broad range of talent



Activation of diverse talent

- Promote DE&I to enable flexible work arrangements tailored to each employee’s needs and life stage, and to ensure fair evaluation
- Stimulate human resource exchanges within and outside the organization to diversify knowledge and skills, introduce new perspectives, and expand human networks



Improving employee engagement

- Achieve employee well-being and aim for an engagement score one rank higher

have set a three-year target of achieving a score of 58 or higher (A rank). We have also set a three-year target of keeping the attrition rate below 3%. Rather than aiming solely to meet this figure, we will implement measures to balance workplace comfort with job satisfaction. For example, we will take a multifaceted approach to supporting employee retention and success, including correcting long working hours, raising awareness among managers, and supporting career building.

The CTI Engineering Group is working to improve the quality of its human capital by focusing on the four skills—specialized engineering skills, cooperative and collaborative skills, execution skills, and management skills—and the two mentalities—an ethical viewpoint and mentality of autonomy—defined in the CTIG-HRM. Among these, one of the key challenges in human resource development is specialized engineering skills. In fiscal 2024, around 100 new graduates joined the Company. However, in recent years, there has been a mix of recruits who have systematically studied technical subjects at university and those who have not. In such circumstances, relying solely on on-the-job training (OJT) may lead to situations where employees carry out their work without sufficient basic understanding, which in turn can result in lower quality and potential safety risks. To address this challenge, we launched a new Fundamental Engineering Training Program for new

employees starting in fiscal 2024. Senior engineers from within the Company and university professors serve as instructors, delivering approximately 100 programs. The training provides opportunities to relearn the fundamentals in a practical format, such as design exercises based on actual past projects.

I believe that a mentality of autonomy is the most important quality, and that personnel with this mindset are the driving force behind our sustainable growth. In a rapidly changing business environment, the ability of individuals to identify issues on their own, think independently, and take proactive action is key to strengthening a company’s competitiveness. Of course, the ability to reliably carry out assigned tasks is also important, but in addition to that, it is essential to foster personnel who can identify issues and make proposals or take action, and to cultivate systems and an organizational culture that appropriately evaluate such attitudes. I am convinced that investing in human capital in this way will lead to enhanced corporate value over the medium to long term.

With this belief, we will work to visualize our investment in human capital and the resulting returns, quantitatively showing how much we have invested and what effects have been achieved. By doing so, we aim to enhance the transparency of our management policies and help our shareholders and investors gain a clear understanding of our human capital management.

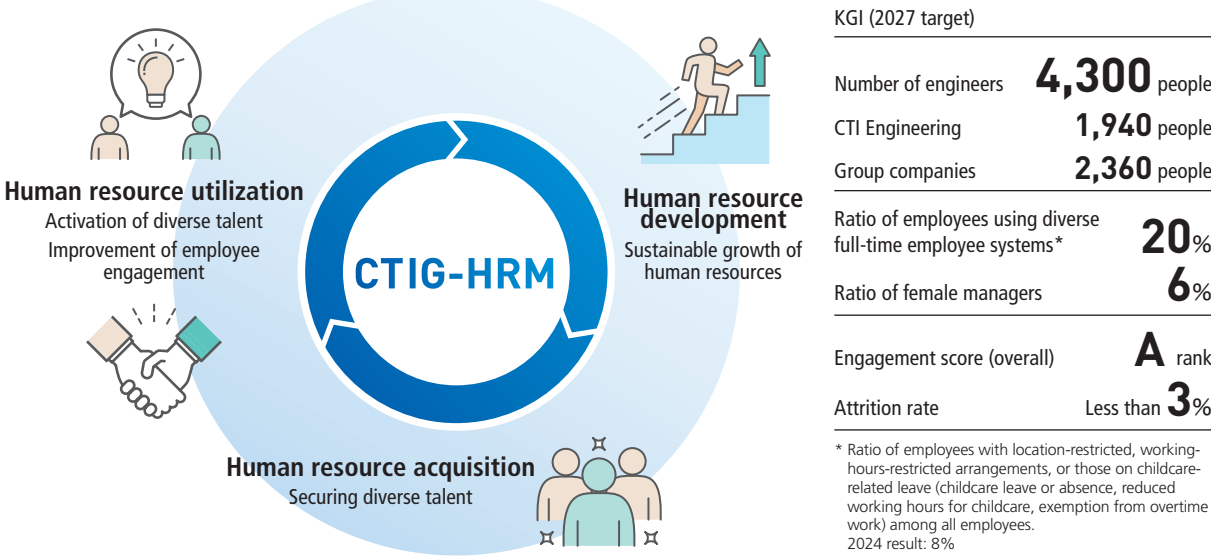
The Two Pillars of the Mid-Term Management Plan 2027 02

Rebuild of Foundation for Growth

To promote the transformation of the business portfolio, we will rebuild the Company's foundation as the bedrock for growth.

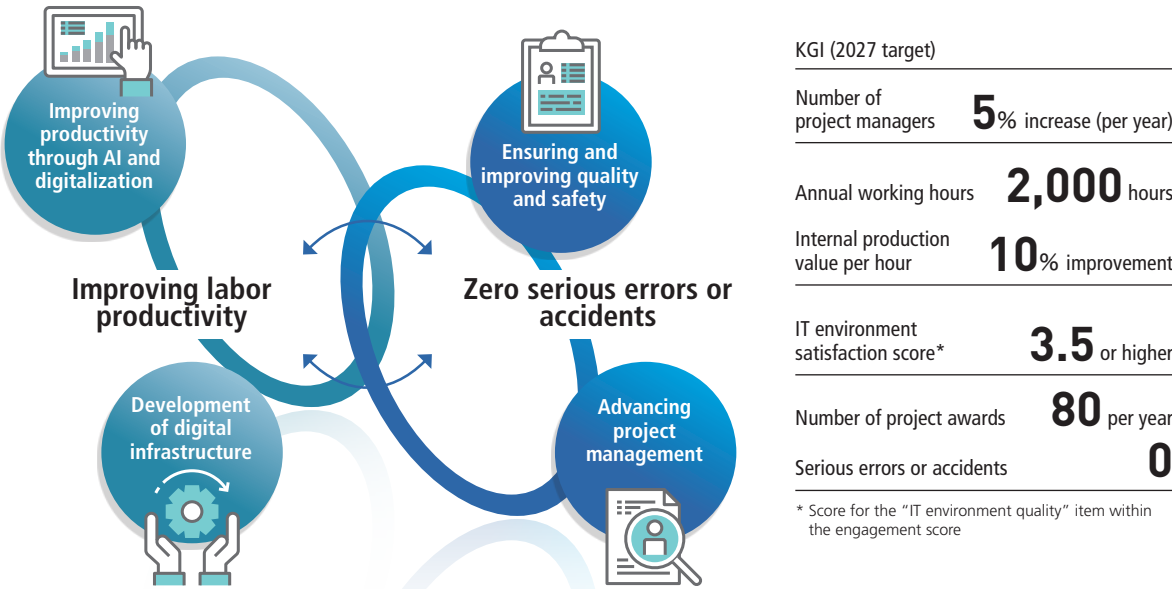
02/1 Strengthening Investment in Human Capital Aiming to secure, autonomously develop, and activate talent

We aim to create a workplace environment where diverse personnel can each fulfill their responsibilities and, through teamwork, demonstrate their full potential. We will support each individual in nurturing intellectual curiosity and proactively engaging in self-improvement so they can experience personal growth, and by taking on the challenge of developing new businesses based on advanced specialized engineering skills, we will promote the development and enhancement of talent that leads the industry. Furthermore, we will work to create a workplace where all employees can work with peace of mind, and by improving engagement, we will realize greater vitality across the entire organization.



02/2 DX / Production System Reform Improving productivity and ensuring quality and safety through AI and digitalization

After developing a digital infrastructure, we will promote the digitization of technical assets, reduce workloads through the standardization of work processes, ensure and improve quality by thoroughly implementing reviews and self-checks using quality activity support tools, and carry out productivity reforms, thereby delivering high-quality services to our customers.



02/3 Challenges for Sustainability Contributing to a decarbonized, recycling-oriented society and the conservation of ecosystems

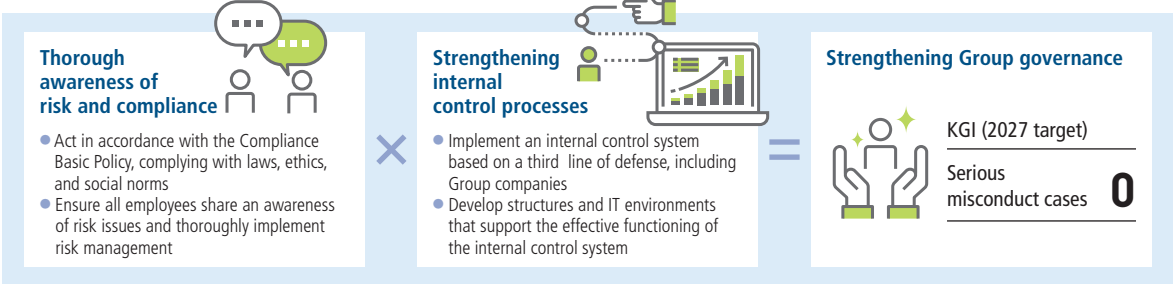
Based on the CTI Engineering Group Sustainable Challenge Promotion Plan, we will implement CO₂ emissions reduction measures to achieve net zero by 2030, promote consulting services that contribute to sustainability, and contribute to building a sustainable society and reducing environmental impact through our operations and corporate activities.

CTI Engineering Group Sustainable Challenge Promotion Plan



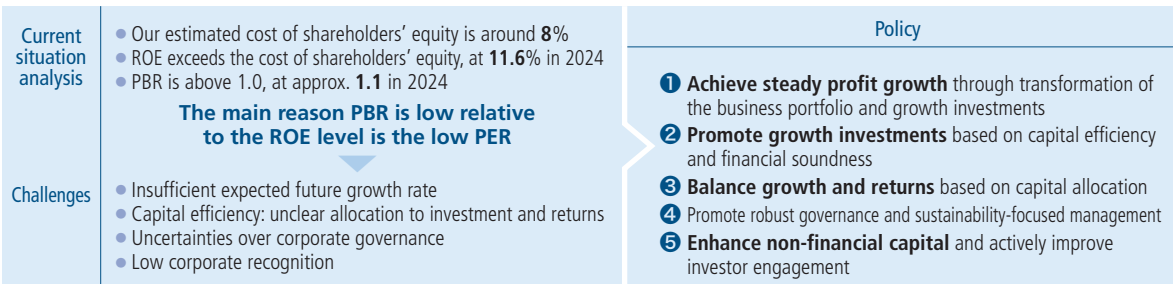
02/4 Strengthening Group Governance Embedding compliance awareness and systematizing internal controls

To create a workplace where harassment and misconduct do not occur and are not tolerated, and where risk management is firmly in place, we will strengthen awareness of risk and compliance and enhance internal control processes. Through these measures, we will build robust corporate governance that balances offense and defense, aiming for management that earns the trust of the market.



02/5 Management Conscious of Cost of Capital and Stock Price Enhancing corporate value through improved capital efficiency

With the goal of keeping capital cost below ROE, we will promote profit growth, investment in growth fields, and M&A. In addition, by utilizing shareholder returns and financial measures, we will balance short-term profit generation with medium- to long-term growth, working to improve PBR and PER while strengthening sustainability.



The CTI Engineering Group aims to grow into the desired future state outlined in its Mid- to Long-Term Vision SPRONG 2030 as a Global Infrastructure Solutions Group. To achieve this, it is essential to resolve the issues present in our existing production systems and further evolve them. Accordingly, we are actively investing in the development of technologies that enhance productivity and ensure quality and safety, while promoting DX initiatives.

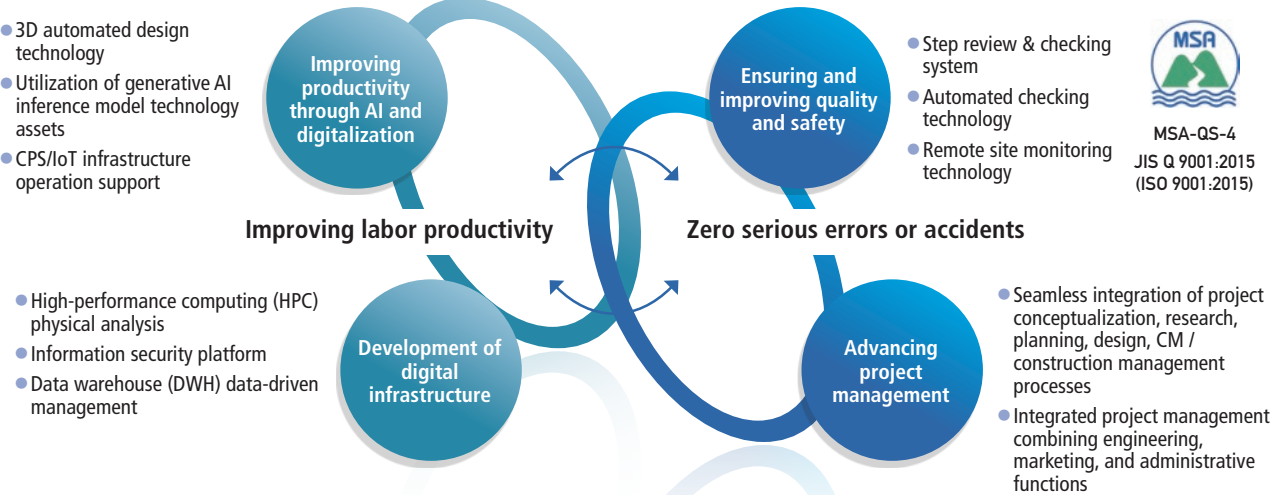
1 Solve social issues through infrastructure services utilizing ICT

2 Dramatically improve the productivity of the engineering, marketing, and administrative divisions through ICT utilization

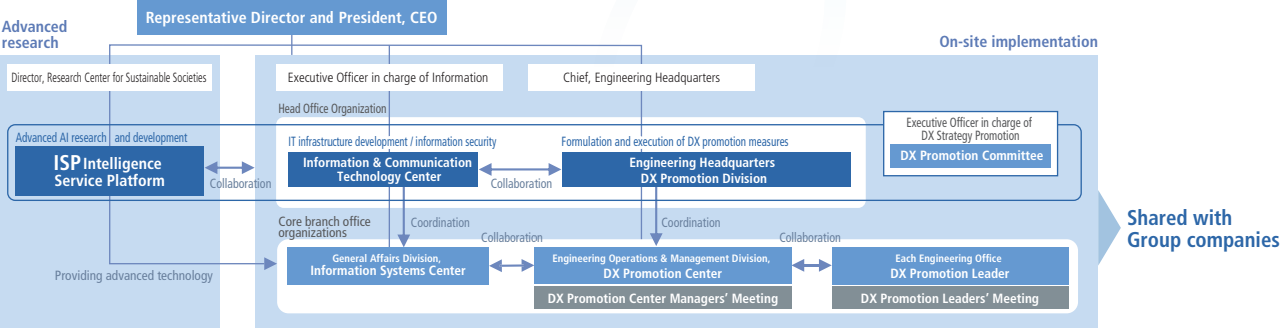
3 Strengthen information security in the use of ICT

These three points form the core of the CTI Engineering Group's DX / production system reform. For the various social issues related to disaster prevention and mitigation, energy, and regional revitalization, we will combine all structured global information generated through generative AI with the talent and expertise of the CTI Engineering Group to deliver optimal solutions. To achieve this, we will link initiatives in areas such as human resource management, quality and safety management, business portfolio transformation, technology development investment, intellectual property management, and information security through data, thereby promoting data-driven management.

Mitsuho Amano
DX Strategy Promotion Officer
Director, Managing Executive Officer



DX Promotion Framework Diagram



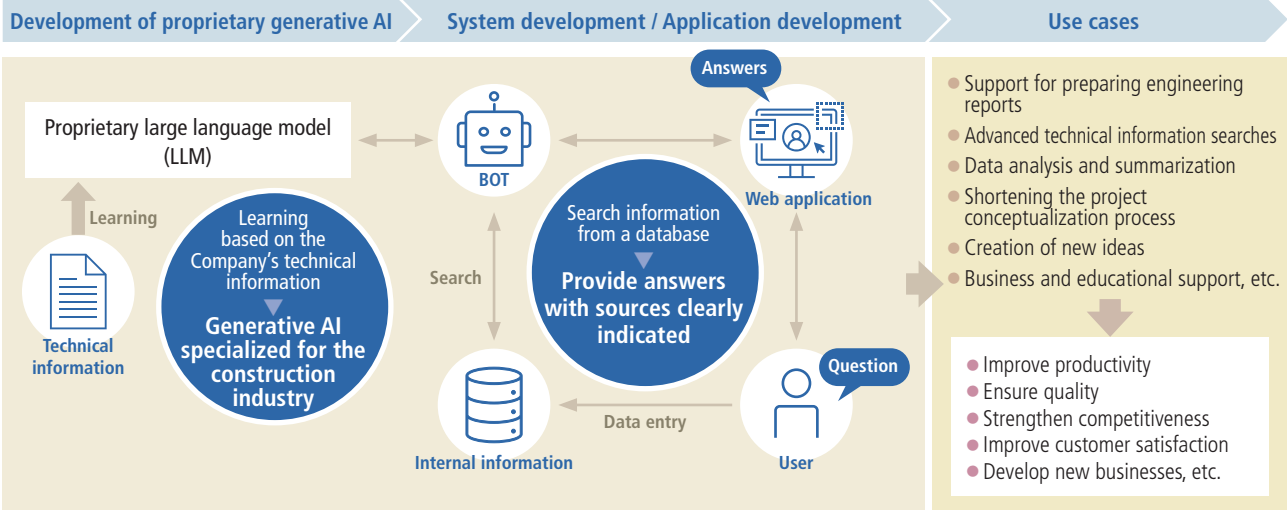
We have established the DX Promotion Committee, chaired by the Executive Officer in charge of DX Strategy Promotion, which—centered on the Engineering Headquarters DX Promotion Division, the Information & Communication Technology Center, and the Research Center for Sustainable Societies Intelligence Service Platform (ISP)—discusses Group-wide policies for utilizing IT.

The Engineering Headquarters DX Promotion Division formulates and implements initiatives for on-site execution of DX promotion measures. At core branch offices, we have established DX Promotion Centers to monitor the progress and identify issues in implementing DX measures in the field. Each engineering office assigns a DX Promotion Leader to take the lead in promoting the development of production environments using IT and in creating new business opportunities. The Information & Communication Technology Center and the Information Centers at core branch offices are responsible for developing IT infrastructure and implementing information security measures to support these initiatives. The Research Center for Sustainable Societies ISP conducts research and development on the latest AI technologies.

Topic 1 Development of a Business Support System Utilizing Generative AI

We have built business support systems such as generative AI with knowledge of the Company's technical information and AI chatbots that respond based on internal documents and further developed web applications based on these systems for deployment within the Company. Through these efforts, we will further enhance competitiveness, improve production efficiency, and ensure quality.

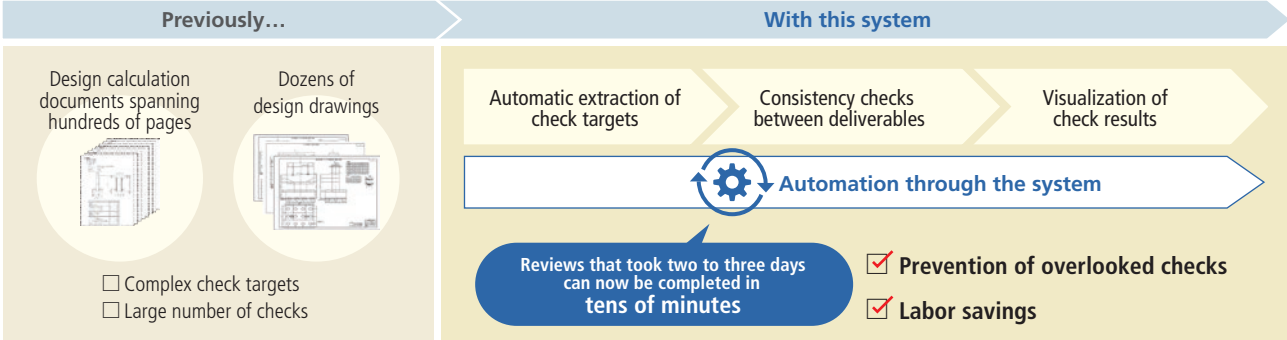
- Developed a proprietary generative AI system aimed at enhancing competitiveness, improving production efficiency, and ensuring quality
- Developed an in-house large language model (LLM) using the technical information held within the Company
- Enabled the development of application systems tailored to various needs for utilizing generative AI



Topic 2 Development of an Error Detection System for Design Work

As part of measures to prevent errors in design work, we have developed a system that automatically checks the consistency of drawings and design calculation results. Previously, error checking was carried out exhaustively by humans, but automation reduces the risk of overlooked checks, helping to prevent design errors (ensuring quality) and reduce the workload of inspection engineers.

- Automatically checks the consistency of drawings and design calculations for sluice gates, culverts, and bridges
- Enables workload reduction (labor-saving and advanced processes) for inspection engineers and prevention of design errors (ensuring quality)



Securing and Developing IT Personnel

Centering on the DX Promotion Division, which is responsible for planning and implementing DX promotion initiatives, we are proactively recruiting personnel specialized in IT. We have also introduced a training program in which employees temporarily transfer from engineering office—the front line—to the DX Promotion Division, allowing them to acquire IT expertise in a short period of time by engaging in the CTI Engineering Group's DX strategy. In addition, to raise IT skill levels across the Group—not only for engineering staff, but also for administrative and marketing personnel—we conduct training aimed at acquiring common foundational knowledge of IT (IT literacy) and encourage employees to obtain the IT Passport certification.

The CTI Engineering Group positions sustainability as one of the basic concepts in the Code of Corporate Conduct, which serves as the Group's standard for business, and made infrastructure development that supports a sustainable society as its core business. In order to achieve sustainability through infrastructure development, the CTI Engineering Group proposes new values that contribute to simultaneously realizing local disaster prevention, environmental conservation, and regional revitalization through co-creation by diverse entities and the skillful utilization of the power of nature.

1 Challenges in Consulting Services 2 Challenges to Promote Sustainability in Society

CTI Engineering Group Sustainable Challenge Promotion Plan

As a commitment to realizing sustainability through infrastructure development, the CTI Engineering Group announced the CTI Engineering Group Challenges for Sustainability on June 22, 2022. To realize the goals set forth in this declaration, the Sustainability Committee—chaired by the Representative Director and President, CEO—has clarified the sustainable challenge promotion targets and formulated the following specific promotion plan to achieve them by 2030. The Sustainability Committee is also responsible for monitoring the implementation status of the Sustainable Challenge Promotion Plan and proposing measures for its execution.

The CTI Engineering Group's Aims

Challenges for Sustainability Promotion Goals 2030:

As a medium-term goal through 2030, the CTI Engineering Group aims to achieve net zero greenhouse gas emissions from business activities.

Challenges for Sustainability Promotion Goals 2050:

As a long-term goal through 2050, we aim to achieve net zero greenhouse gas emissions, including in our own supply chain. Throughout both of these periods, in addition to pursuing proposals that contribute to sustainability in the CTI Engineering Group's consulting services, we will contribute to improving the sustainability of communities by proactively investing in businesses, research and development, and human resource development that contribute to sustainability.

Status of Initiatives

1 Achieving Net Zero for the CTI Engineering Group

In order to reduce the CTI Engineering Group's greenhouse gas emissions, we have promoted energy conservation activities such as turning off lights during lunch breaks at Group company offices. However, due to the increase in the number of employees and the accompanying expansion of floor space, greenhouse gas emissions were 4,790 tonnes in 2021, but in 2024 we reduced emissions by 1,094 tonnes to 3,696 tonnes by securing non-fossil value at occupied buildings.

We are advancing net zero initiatives across Group companies, such as installing EV charging facilities at the Kyushu Office building, with the goal of achieving net zero emissions by 2030.

2 Contributing to the Sustainability of Communities

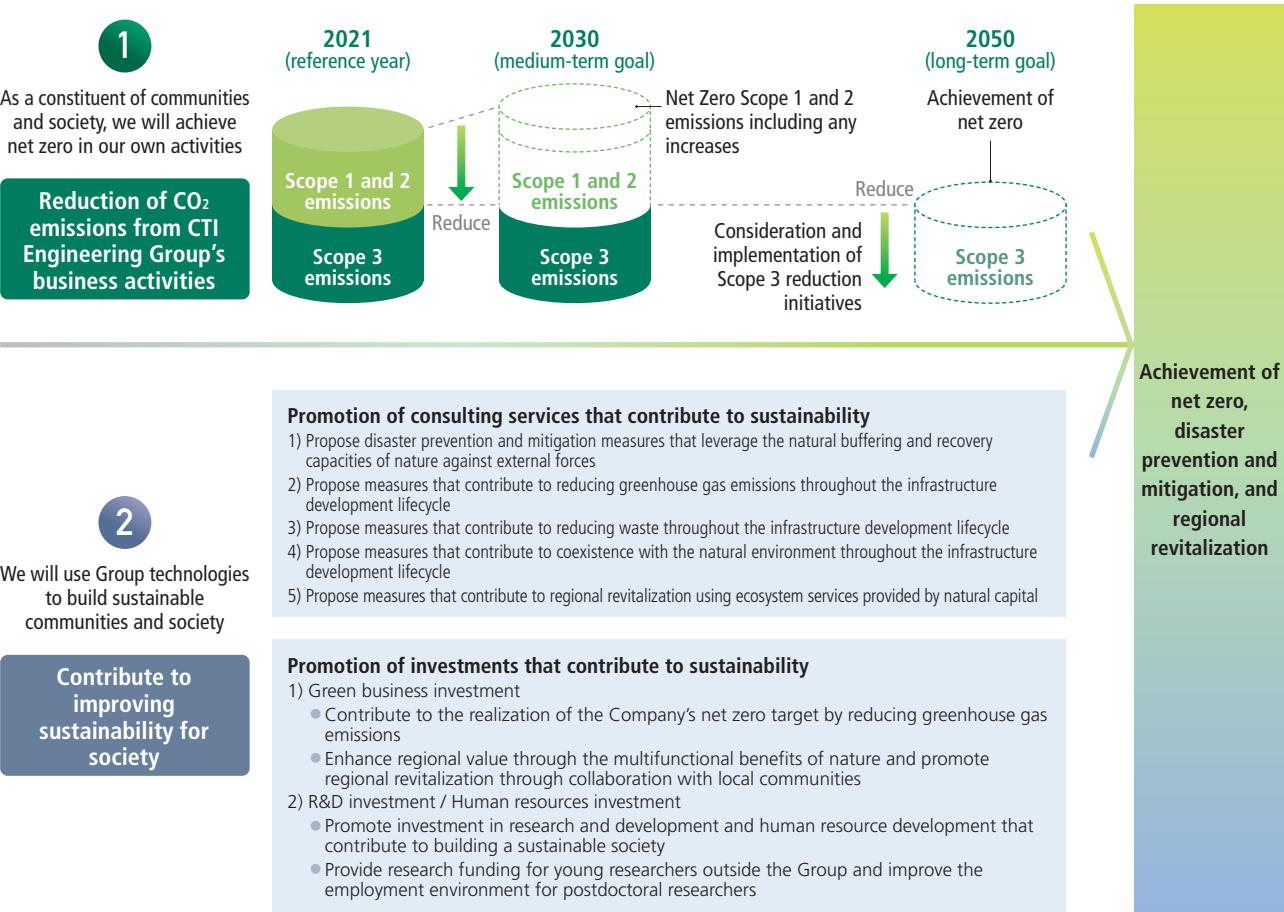
As part of efforts such as developing technologies to enhance the sustainability of local communities, we have established a sustainable investment block within our R&D investment framework. In 2024, total R&D investment amounted to ¥1.3 billion, of which sustainable investments totaled ¥390 million, accounting for 30% of total R&D investment.

Additionally, in our consulting services, from 2023 we began incorporating the provision of proposals that contribute to the sustainability of communities into our quality and environmental management system.

Category		Outcome			
		2021 (Reference Year)	2022	2023	2024
Achieving net zero for the CTI Engineering Group	The CTI Engineering Group's greenhouse gas emissions	4,790 t	4,451 t	3,810 t	3,696 t
Contributing to the sustainability of communities	Reduction in greenhouse gas emissions due to green business investment*1	651 t	803 t	722 t	575 t
	Percentage of sustainable investment blocks in R&D investment	—	—	23% of total budget	30% of total budget

*1 Results of Kamaishi mega solar project

The CTI Engineering Group Is Building Sustainable Communities and a Sustainable Society



Topics

Obtains Permission for Flood Forecasting Services under the Meteorological Service Act as a Private Company

First in Japan

Flood forecasting is a vital service that monitors river water levels and flow rates in real time to predict the risk of flooding. With concerns by the recent increase in flood damage due to climate change, the need for swift and accurate forecasts has become ever more critical.

On November 25, 2024, the Company obtained permission from the Japan Meteorological Agency, under the Meteorological Service Act, to provide flood forecasting services as a private company. This marks the first such case in Japan and represents a significant step toward enabling broader use of our flood prediction technologies, which have been cultivated over many years.

Leveraging this achievement, we will continue to advance technology development, accumulate expertise in flood forecasting, and pursue licensing for additional river systems, aiming to deliver flood forecasting services that provide safety and peace of mind to many residents and businesses.

Authorized Flood Forecasting Details: (1) Target Area: **Uruigawa Bridge Observation Station, Uruigawa River Basin, Fuji River System**
(2) Forecasted Phenomena/Items: **Floods, Water Levels**

Until now...

The distribution of flood and sediment disaster forecasts was limited to the national and prefectural governments

With the revision of the Meteorological Service Act

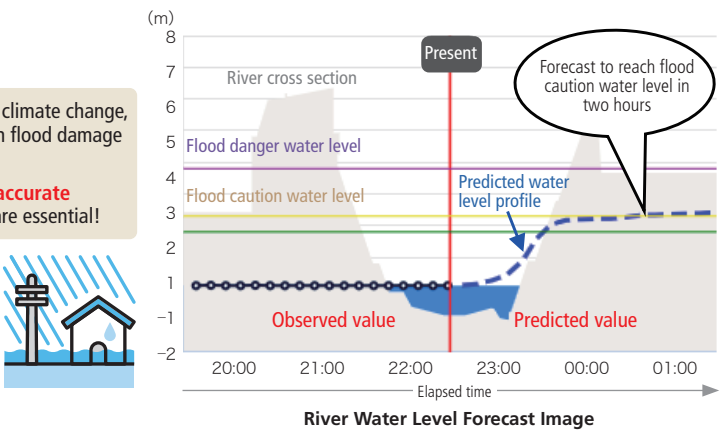
Private company with forecast service licenses can now also carry out these services

Future developments

We will add functions to our Riskma (Water Disaster Risk Mapping System) to incorporate flood prediction models authorized for forecasting services, and roll out finely tuned information services for municipalities and the private sector

Due to recent climate change, the increase in flood damage is a concern

→ **Fast and accurate forecasts are essential!**



Riskma (Water Disaster Risk Mapping System) <https://www.riskma.net/en/top>

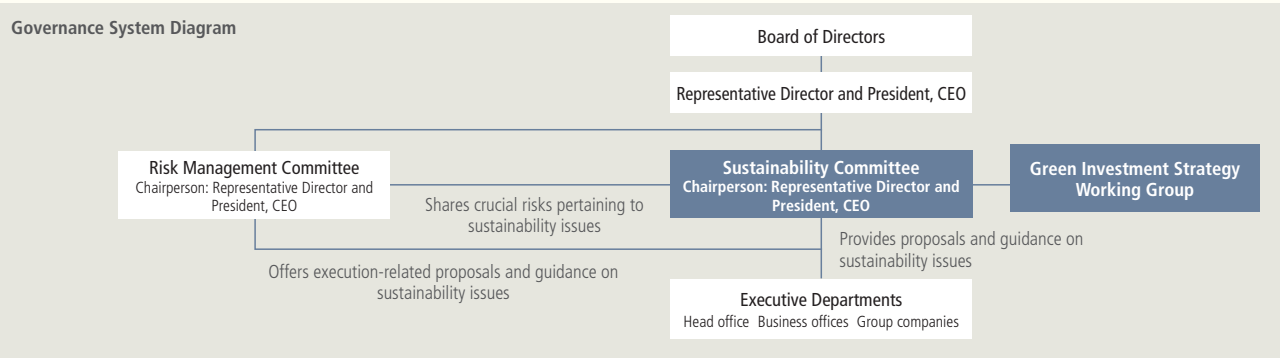


The CTI Engineering Group announced its support for the Task Force on Climate-related Financial Disclosures (TCFD) recommendations in March 2020 and established the CTI Engineering Group Challenges for Sustainability Promotion Plan (released December 8, 2022) in December 2022, aiming to tackle climate change and achieve sustainability through infrastructure development. The Group is committed to making its own activities net zero as a member of the community and society, along with contributing to building a sustainable community and society by leveraging the Group’s technologies.

1. Governance

We have developed a governance system by establishing the Sustainability Committee (Chairperson: Representative Director and President, CEO) at the same level as the Management Meeting and incorporating sustainability into management issues. The Sustainability Committee deliberates on policies related to research, technology development, enhancement of human resource training, and other contributions to reducing greenhouse gas emissions and building a sustainable community. Decisions are made on key matters following deliberations at the Board of Directors’ meeting.

The progression of climate change in tandem with global warming will result in various risks and opportunities for the Group’s business in the medium to long term. To identify and assess their impact on the Group’s finances and strategies and to appropriately reflect such risks and opportunities into our management policy, we collect and analyze information and assess impacts mainly through the Green Investment Strategy Working Group under the Sustainability Committee. The Committee then determines the action policies and plans of the Group.



2. Risk Management

The progression of climate change in tandem with global warming will result in various risks and opportunities for the Group’s business in the medium to long term. We have established the Risk Management Committee to promote appropriate risk management for the Group based on its risk management regulations, including identifying and controlling risks that could negatively impact on our business operations before such risks materialize. The Sustainability and Risk Management committees will work together to manage the risks associated with climate change.

3. Strategy

We have conducted a qualitative assessment of the major risks and opportunities anticipated in the medium to long term, based on the scenarios assumed in the impact assessment of the Group’s business. The risks and opportunities identified were as follows. Transition risks included bolstered emissions regulations, such as carbon taxes levied on business activities; and the Group’s increased social responsibility due to heightened awareness of climate change in society. Physical risks included more natural disasters, such as typhoons and heavy rain. Opportunities included rising demand for social infrastructure planning and designing in order to prevent and mitigate disasters caused by growing climate change impacts, as well as demand for services to transition to decarbonized energy sources, such as renewable energy.

We will assess the risks and opportunities for the Group’s business, both quantitatively and precisely, and enhance our strategy to contain more specific countermeasures and other content.

Major Risks and Opportunities Associated with Climate Change and Their Countermeasures

Category			Description	Financial 1.5°C	Impact 4°C	Countermeasures
Transition	Risk	Policy/ regulation	● Increase in utility and energy management costs due to charges on fossil fuel use	Medium	Small	● Transition to renewable energy ● Reduce CO ₂ emissions by turning company buildings into net zero energy buildings, fully electrified buildings, etc.
		Market	● Increased corporate responsibility due to heightened awareness of environmental considerations in society	Medium	Medium	● Contribute to achieving the sustainability of local communities
	Opportunity	Policy/ regulation	● Expanding demand for services related to regional and corporate decarbonization and climate change adaptation	Medium	Small	● Conduct business in the public and private sectors related to building a decarbonized society
			● Increasing demand for renewable energy, etc.	Medium	Small	● Develop technologies and conduct business related to renewable energy ● Develop technologies and conduct business related to creation and management of credit
Physical	Risk	Acute	● Increase in business continuity risks due to natural disasters, such as typhoons and heavy rain	Small	Medium	● Develop business continuity plans (BCP) for disaster measures ● Strengthen measures for avoiding natural disaster risks
	Opportunity	Chronic	● Rising demand for consulting services related to disaster prevention and mitigation and enhancing national resilience	Large	Large	● Strengthen schemes for disaster prevention and mitigation and enhancing national resilience ● Develop technologies and conduct business aimed at disaster prevention and mitigation

Since its founding, the Company has been engaged in consulting services related to disaster prevention and mitigation, and in recent years, to national resilience. In addition, under the CTI Engineering Group Sustainable Challenge Promotion Plan formulated in 2022, we are working to promote five challenges in our consulting services aimed at contributing to the improvement of sustainability in local communities and society. These initiatives align with opportunities arising from the transition to a decarbonized society.

Five Challenges in Consulting Services

- ① Propose disaster prevention and mitigation measures that leverage nature’s buffering and recovery capacities against external forces
- ② Propose measures that contribute to reducing greenhouse gas emissions throughout the infrastructure development lifecycle
- ③ Propose measures that contribute to reducing waste throughout the infrastructure development lifecycle
- ④ Propose measures that contribute to coexistence with the natural environment throughout the infrastructure development lifecycle
- ⑤ Propose measures that contribute to regional revitalization by utilizing ecosystem services provided by natural capital

By identifying the sales from consulting services related to disaster prevention and mitigation, national resilience, and the five challenges in 2023, we estimated the financial impact. The results confirmed that the opportunities arising from the transition to a decarbonized society and the opportunities associated with the physical impacts of climate change have a significant effect on the CTI Engineering Group’s financial impact. Accordingly, taking into account both the progress of decarbonization and the social needs arising from climate change, we reflected risks and opportunities in the Group’s strategy under the Mid-Term Management Plan 2027. This includes deepening our core business areas such as disaster prevention and mitigation, and positioning energy, including decarbonization, as a growth field to be accelerated.

4. Metrics and Targets

The Group aims to reduce the environmental impact of its own corporate activities. Furthermore, fulfilling its responsibility as a company engaged in public projects, the Group aims to improve the sustainability of local communities and thereby enhance its corporate value built on the trust and empathy of relevant stakeholders. To this end, in the medium term, the Group has set the target of “reducing CO₂ emissions from corporate activities to virtually zero by 2030,” with the goal of reducing Scope 1 and Scope 2 emissions to net zero. In the long term, the Group has set the target of “achieving net zero greenhouse gas emissions, including its supply chain, by 2050,” with the goal of reducing Scope 3 emissions, including those from its supply chain, to net zero.

At the same time, to “invest in projects that improve the sustainability of local communities, while promoting related R&D and human resource development,” the Group has established a sustainability limit within its R&D investment framework and is actively advancing technology development and other initiatives.

Current Situation of the Targets and Metrics Based on Our Challenges for Sustainability Promotion Plan

Classification			Target	2023	2024
Net zero emissions by the Group	Greenhouse gas emissions	Emissions (①+②)	Net zero greenhouse gas emissions by 2030	3,810 t-CO ₂ /year	3,696 t-CO ₂ /year
		Scope 1 (①)		750 t-CO ₂ /year	734 t-CO ₂ /year
		Scope 2 (②)	Net zero greenhouse gas emissions by 2050	3,060 t-CO ₂ /year	2,962 t-CO ₂ /year
		Scope 3		42,700 t-CO ₂ /year	44,387 t-CO ₂ /year
Contribution to the sustainability of local communities	R&D investment (non-consolidated)	Sustainable investment blocks in R&D investment	50% of R&D investment budget	23%	30%

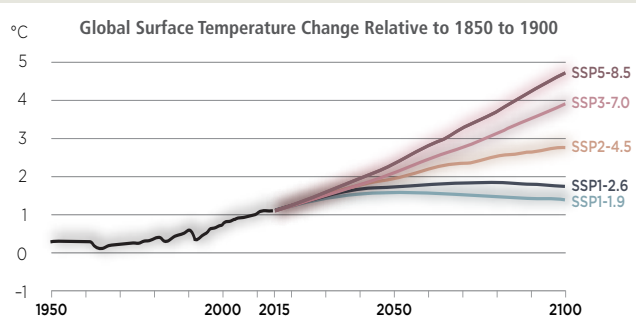
Reference Scenarios for Assessing Climate Change Impact

For assessing the impact of climate change, the Group adopted scenarios used by the Intergovernmental Panel on Climate Change (IPCC), specifically the 1.5°C scenario (SSP1-1.9) and the 4°C scenario (SSP5-8.5).

In the 1.5°C scenario, it was assumed that, to keep the change in the Earth’s average temperature below 1.5°C, a socio-economic environment is realized where various policy measures are implemented with the aim of decreasing emissions to net zero by 2050, and a shift to decarbonized energy sources, such as renewable energy, and improved energy efficiency are promoted.

In the 4°C scenario, it was assumed that a socio-economic environment is realized where current levels of effort are maintained, and policy measures such as carbon taxes are not introduced. As a result, climate change due to global warming progresses, leading to rising demand for adaptation measures for climate change impacts, such as increased floods and other natural disasters.

Based on these scenarios, we analyze the risks and opportunities for the Group’s business and make disclosures on high-priority risks and opportunities for the Group.



Source: Japan Meteorological Agency, “Summary for Policymakers, IPCC AR6 WG1 Report (Provisional Translation),” December 2022

As a company that contributes to society through technology, our greatest form of management capital is our people. Therefore, it is critical for us to invest in recruiting, training, and revitalizing our people. Enhancing and revitalizing our people leads directly to improving productivity and production quality, and ultimately results in giving back to employees and contributing to improved revenue. In the course of enhancing our people, the happiness of employees drives their creativity and productivity, which in turn attracts more talented people. For this reason, we regard well-being as our most important challenge and have established the CTI Engineering Basic Policy on Well-Being. Guided by this policy, we are promoting well-being as a significant management issue.

Human Resource Policy

1. Our people are our capital

2. Integrity is our core value

3. We aim to become professionals in societal development

4. We seek out people who possess initiative, adaptability, and a sense of responsibility

5. The power of teamwork and placing the right people in the right jobs

CTI Engineering Well-Being Declaration

At CTI Engineering Co., Ltd., people are our greatest management resource. On the basis of our Business Philosophy of “We strive 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 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.

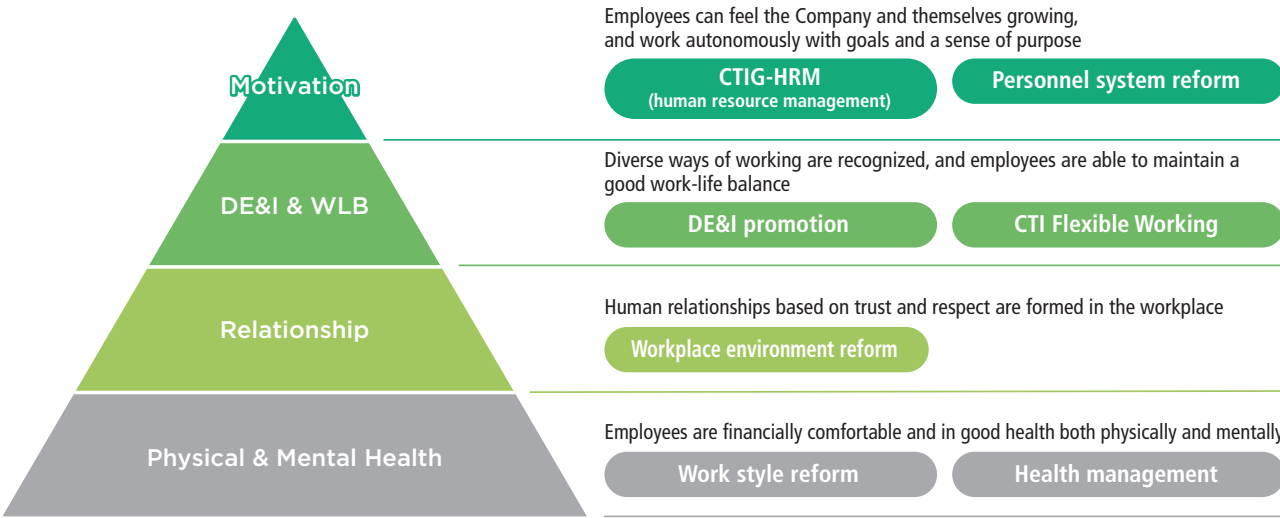
We hereby declare that we have established the CTI Engineering Basic Policy on Well-Being with the aim of achieving the happiness of all of our employees, and that we will promote various initiatives necessary to achieve this aim.

Tatsuya Nishimura
Representative Director and President, CEO,
CTI Engineering Co., Ltd.

CTI Engineering Basic Policy on Well-Being

- 1 Create a state of mental and physical health
- Employees’ mental and physical health directly affects productivity, while stress and overwork lead to reduced performance and long-term health problems. Consequently, management and employees are collaborating to implement work style reforms that will reduce long working hours. Additionally, we are focused on preventing lifestyle diseases. Support for mental health is provided through stress checks and follow-up checkups.
- 2 Create a work environment based on trust and respect
- Trust and respect in the workplace encourage communication and foster a creative and productive work environment. To this end, we will cultivate a culture that respects individual human rights and emphasizes teamwork. This will be achieved through measures including one-on-one meetings and the thanks point system to deepen trust among employees. Additionally, we will provide training to enhance coaching and communication skills.
- 3 Build a system that accepts diverse work styles and enhances work-life balance
- Enhancing work-life balance increases employee satisfaction and lowers employee attrition rates for companies. In addition, companies are able to capitalize on a diverse array of talent by accepting diverse work styles. For this reason, we will promote CTI Flexible Working, introduce a flexible work system, promote diversity, equity and inclusion (DE&I), and provide excellent employee benefits to support diverse work styles, thereby enhancing the work-life balance of employees.
- 4 Foster a corporate culture in which employees feel their own growth and work autonomously with goals and a sense of purpose (human resource development policy)
- It is essential for employees to feel their own growth and work autonomously with goals and a sense of purpose in order to achieve sustainable organizational growth and innovation. To achieve this, we have established the Basic Policy on CTI Engineering Group Human Resources Management (CTIG-HRM), clearly defined the people and skills we seek, and provided well-developed training programs. Furthermore, we have transformed our personnel system from a seniority-based system to one that prioritizes job roles and responsibilities. We will create an environment in which employees can feel their own growth and work with a sense of purpose.

CTI's Vision for Employees' Well-Being and Initiatives



Indicators and Targets

We have established and implemented initiatives and KPIs for each priority laid out in the CTI Engineering Basic Policy on Well-Being. The indicators that we consider to be particularly important are presented in the table below.

	Basic Well-Being Priorities and Details	Initiatives	Key Indicators	2024 [2023]	Target (2030)
Create a state of mental and physical health: Employees are financially comfortable and in good health both physically and mentally	Revise long working hours Promote health enhancement activities Enhance mental health care	Promote work style reforms Promote health management	Total annual work hours	2,131 hours [2,170 hours]	1,900 hours
Create a work environment based on trust and respect: Human relationships based on trust and respect are formed in the workplace	Encourage teamwork Energize communication Communication skills	Reform of personnel treatment system One-on-one meetings and thanks point system CTIG-HRM	Engagement score	55.3 (rank BBB) [54.6 (rank BB)]	60 or above (rank A)
Build a system that accepts diverse work styles and enhances work-life balance: Diverse ways of working are recognized, and employees are able to maintain a good work-life balance	Enhance home working and diverse work styles Promote diversity Enhance employee benefits	CTI Flexible Working DE&I Promotion Plan 2030	Ratio of female managers Ratio of childcare leave taken by men	3.8% [2.0%] 84.5% [64.0%]	10.0% 100%
Support growth and foster a sense of purpose: Employees can feel the Company and themselves growing, and work autonomously with goals and a sense of purpose	Support growth and foster a sense of purpose	CTIG-HRM Reform of personnel treatment system	Employee attrition rate * Excludes retirement upon mandatory retirement age Hours of training	3.8 [3.5%] 39.8 hours [30 hours]	3.0% 30 hours

In line with our Human Resource Policy that “Our people are our greatest capital” and the concept of the CTI Engineering Basic Policy on Well-Being, which emphasizes the importance of investing in people, we have established the Basic Policy on CTIG-HRM and are implementing various actions to develop, secure, and utilize human resources across the CTI Engineering Group to support our corporate activities.

In human resource development, we have identified as issues the lack of a clear Group-wide human resource development policy and the absence of systematic and planned implementation. To address these, we are working to develop a Group-wide training framework and to share training programs across the Group. We also view as challenges the failure of Group companies’ new graduate recruitment to meet targets, variation in staffing levels among engineering divisions, persistently long working hours due to a shortage of mid-level employees, and insufficient progress in securing diverse talent. In response, we are strengthening Group-wide recruitment branding and improving the working environment by diversifying working hours and locations. In human resource utilization, we are building mechanisms to maximize employee motivation and capabilities through optimal personnel assignments across the Group and departments, and by establishing career paths that take the entire Group as the field of work.



Takeshi Ito
Executive Officer
General Manager, Personnel Division, Administration Headquarters

CTI Engineering Group Human Resources Management (CTIG-HRM)

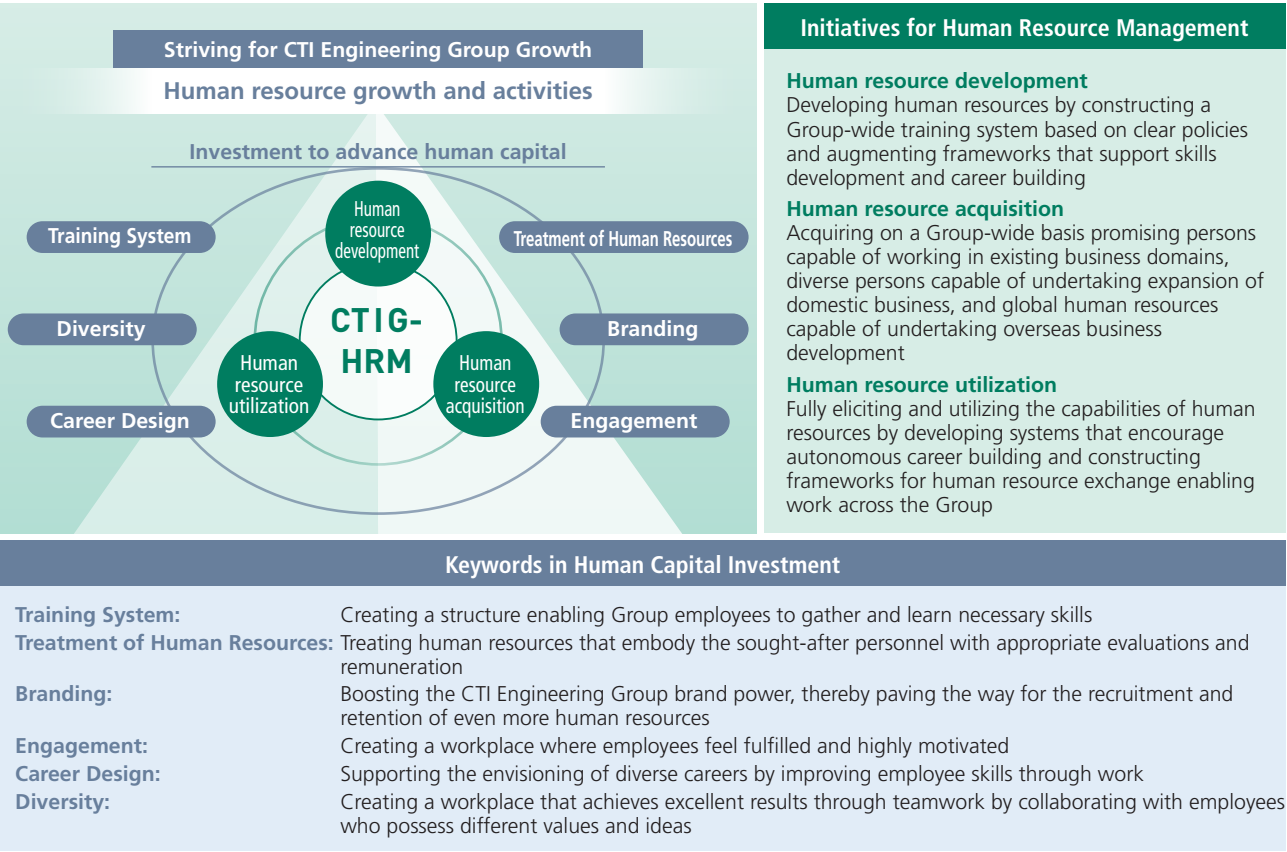
Under the Mid- to Long-Term Vision SPRONG 2030, the CTI Engineering Group as a whole is working to strengthen human resource capabilities through human resource development to increase individual strengths and abilities, and the recruitment of a diverse array of personnel. As part of these initiatives to strengthen human resource capabilities, the Group formulated the CTI Engineering Group Human Resources Management (CTIG-HRM) in March 2024 as one of its Group-wide human resource development measures.

The advantage of the CTI Engineering Group is its unified strength that leverages the distinctive characteristics of each company. The business domains and engineering capabilities that are sought after can be said to be characterized as wide-ranging and highly specialized. We strategically implement initiatives for human resource management in the development, acquisition, and utilization of human resources so that each and every employee working in the CTI Engineering Group demonstrates autonomous growth and embodies the exemplary human resources that are needed.

Exemplary Human Resources Sought by the CTI Engineering Group

4 Skills		2 Mentalities
1. Specialized engineering skills Persons possessing a wide range of specialized knowledge and advanced engineering skills who are trusted as professionals both within and without the Company	2. Cooperative/collaborative skills Persons capable of smooth, precise, and global communication while practicing mutual cooperation	5. Ethical viewpoint Persons capable of observing laws, regulations, and social norms, and exercising sincere, fair decisions and actions based on an ethical viewpoint
3. Execution skills Persons who take the initiative to tackle problem-solving and possess the sense of responsibility to execute their roles of their own accord	4. Management skills Persons capable of taking a bird's eye view of overall structures and projects, and demonstrating the skills of information analysis, decision-making, negotiation, and leadership to resolve issues	6. Mentality of autonomy Persons possessing the initiative to improve themselves who are capable of autonomously building their careers and taking up challenges

An Overview of the CTI Engineering Group's Human Resource Management



Human Resource Development

Based on the fundamental belief that "human resources are our only and greatest management resource," we aim to develop professionals capable of applying advanced specialized engineering skills to practical work using optimal methods and approaches. To this end, we have established a variety of career support and training programs.

Initial Professional Development (IPD)

With society and technology undergoing significant transformation, nurturing professional engineers to be leaders in consulting engineering with competencies outside the specialized field of engineering, such as broad perspectives, interests, internationality, leadership, communication skills, management, and ethics, has become a pressing task.

To speed up the growth of young engineers and foster engineers with the competencies necessary to succeed internationally, we have implemented a proprietary system focusing on Initial Professional Development (IPD).

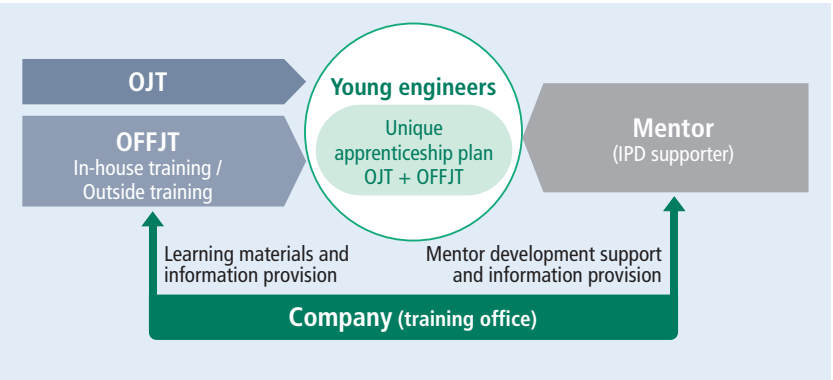
As for the competencies that young engineers should acquire, we have established our own unique 27 skill development items in 5 categories, taking into consideration the standards set by the International Engineering Alliance (IEA) and the characteristics of the construction consultant business.

Through our IPD system, we support faster acquisition of the Professional Engineer qualification by developing the competencies and abilities that engineers are expected to have to qualify as Professional Engineers. While the national average age for passing the second-stage Professional Engineer examination exceeds 40, approximately 85% of our employees obtain the qualification in their 30s.

Since 2024, we have also been implementing initiatives to help develop communication skills, such as the "IPD Café" and "Dobo Cruise®." The IPD Café is held at five branch offices across Japan, where participants engage in discussions based on pre-set themes that transcend departmental and hierarchical boundaries. The Dobo Cruise® is a 90-minute cruise of Tokyo Bay and its surrounding rivers, organized for members of the public, with employees serving as guides. Along the route, they provide flexible, real-time explanations, weaving in stories of history and culture in addition to civil engineering, in sync with the changing scenery.



Dobo Cruise®—"Guided tour for the exploration of the river"



Average Age of Professional Engineers Who Have Passed the Second Stage Examination (20 disciplines + Engineering Management)

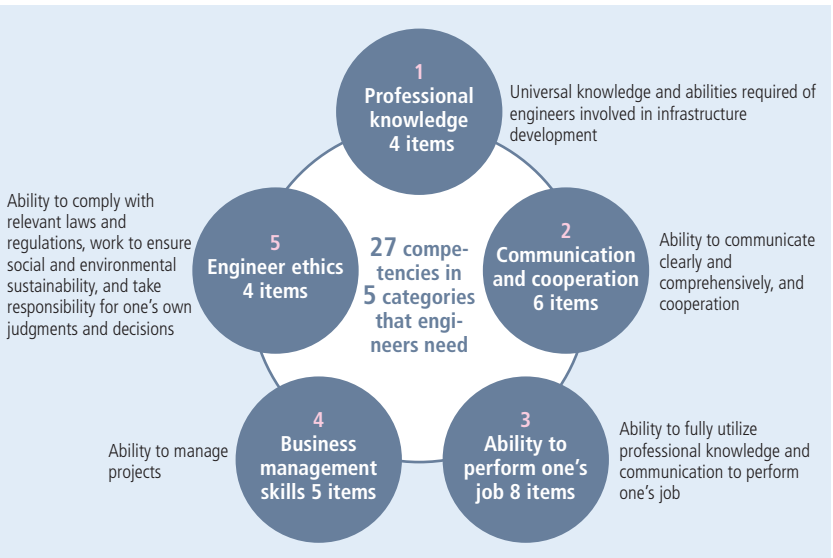
FY2024	
CTI Engineering Co., Ltd. (non-consolidated)	34.5 (52 people)
Nationwide average*	42.1 (2,395 people)

Number who passed the test in parentheses ()
* Source: Statistical information for the second stage examination of the Professional Engineer, The Institution of Professional Engineers, Japan website

Number of Employees with Professional Engineer Qualifications (As of June 2025)

Discipline	
Mechanical Engineering	4
Electrical & Electronics Engineering	27
Civil Engineering	901
Water Supply & Sewerage	67
Environmental Engineering	14
Agriculture	7
Forest	5
Fisheries	13
Industrial Engineering	2
Information Engineering	13
Applied Science	36
Environment	40
Engineering Management	307

* CTI Engineering Co., Ltd. (non-consolidated)
* If one person holds qualifications in two disciplines, they are counted as two people.



CTI Engineering Group Engineering Workshops



Koji Fukuoka
Disaster Prevention Investigation Section, Geotechnical Engineering Department, Shikoku Branch
Chi-ken Sogo Consultants Co., Ltd.

CTI Engineering Group engineering workshops are held once a year, with the goal of improving operational capabilities by sharing Group-wide technical, management and other information through the publication of technical papers and other reports, and improving the ability to prepare papers and give presentations, among other related skills.

The workshop provides the opportunity for officers and employees of Group companies in Japan and overseas to gather and increase mutual understanding, exchange opinions, and deepen communication on technical matters within the Group.

I felt that participating in the CTI Engineering Group engineering workshops was not just about attending training, but also about understanding the Group and contributing to the growth of both the Company and the Group through sharing information and exchanging opinions on the technologies and experience of each Group company. Being honored as an outstanding paper presenter on this occasion is a great encouragement to me as an engineer. I will continue striving to hone my technical skills and, though my contribution may be modest, I hope to help drive the Group's growth.

Fundamental Engineering Training Program for New Employees

Starting in fiscal 2024, we have introduced the Fundamental Engineering Training Program as a new initiative aimed at equipping new employees with the basic knowledge and fundamental engineering skills they need before they fully engage in practical work.

I studied soil mechanics, hydraulics, and structural mechanics—fundamental engineering disciplines in the construction field—during my undergraduate years. Several years had passed since then, and I had forgotten much of the material, so I felt somewhat concerned. However, by participating in the Fundamental Engineering Training Program, I was able to focus intensively on learning fundamental content that is directly applicable to actual work, which has given me greater confidence in carrying out my duties as an engineer.

Although I studied the three core civil engineering disciplines during my university years, most classes at the time were conducted online due to the COVID-19 pandemic, and I felt uncertain about my level of mastery. Through this training, I was able to acquire the fundamental engineering skills necessary to smoothly transition into practical work by attending lectures and exercises that incorporated real-world examples, delivered by veteran engineers with extensive on-the-job experience.



Shinya Ishihara
Water Management & Research Division, Tokyo Main Office



Tomoki Hayashi
Waterworks Engineering Division, Tokyo Main Office

Training and Programs for Human Resource Development and Skills Enhancement

We actively invest in developing human resources, including support for obtaining the Professional Engineer qualification and attending graduate schools for working adults. Currently, over 1,300 Professional Engineers and more than 70 PhD holders are active in the Group.

Training and Seminars

- New employee training
 - Training by job level
 - General Manager training
 - Training by division
 - Overseas human resource development training
 - Executive management training
 - One-on-one meeting training
 - Compliance training
 - IT literacy training, etc.
 - Onboarding training (for mid-career hires, etc.)
- Follow-up training one year after joining
 - Group manager training
 - CTI Engineering Group engineering workshops
 - Career design training for female career-track employees
 - Communication training for young employees
 - Time management training
 - Information security training

Systems and Support

- New employee support system
- Entrepreneurial support and investment system
- Support for obtaining the Professional Engineer qualification
- Graduate school admission support, etc.

Commendations and Prizes

The advanced technical capabilities of our work have been highly evaluated, resulting in numerous commendations.

Commendations from the Ministry of Land, Infrastructure, Transport and Tourism (MLIT)			
	FY2021 Operations	FY2022 Operations	FY2023 Operations
Director-Generals' commendations (including commendations from the Director-General of the National Institute for Land and Infrastructure Management)	22	36	30
Office managers' commendations (including commendations from department general managers)	55	42	49

Other Commendations (2024)	
	Applicability
2024 Michinoku Infrastructure DX Encouragement Award (Private Sector Category)	Efforts to streamline site survey review work in the Soso District Transportation Project through AI image analysis
5th Green Infrastructure Awards, Special Excellence Award	Takayama Nishi IC Biotope—"Forest of Hida Nurtured by the Community"

Human Resource Acquisition

We not only actively hire personnel to support the human capital growth cycle, but also support each individual's endeavors through enhanced personnel systems and treatment.

New Graduate and Mid-Career Recruits

New graduate recruitment has exceeded 80 graduates each year since 2021, with 112 hired in fiscal 2024 [Figure A]. We offer summer and winter internships, which are important opportunities to increase new graduate hiring and avoid mismatches after joining the Company.

In addition, we are engaged in the "RePEAT System," which involves pre-registering former employees who may wish to be re-employed or engaged as contractors, enabling a variety of contract formats tailored to registrants' needs so their cultivated skills and experience can be utilized. We are also promoting referral recruitment to acquire highly compatible and talented personnel, as well as mid-career recruitment from other industries [Figure B].

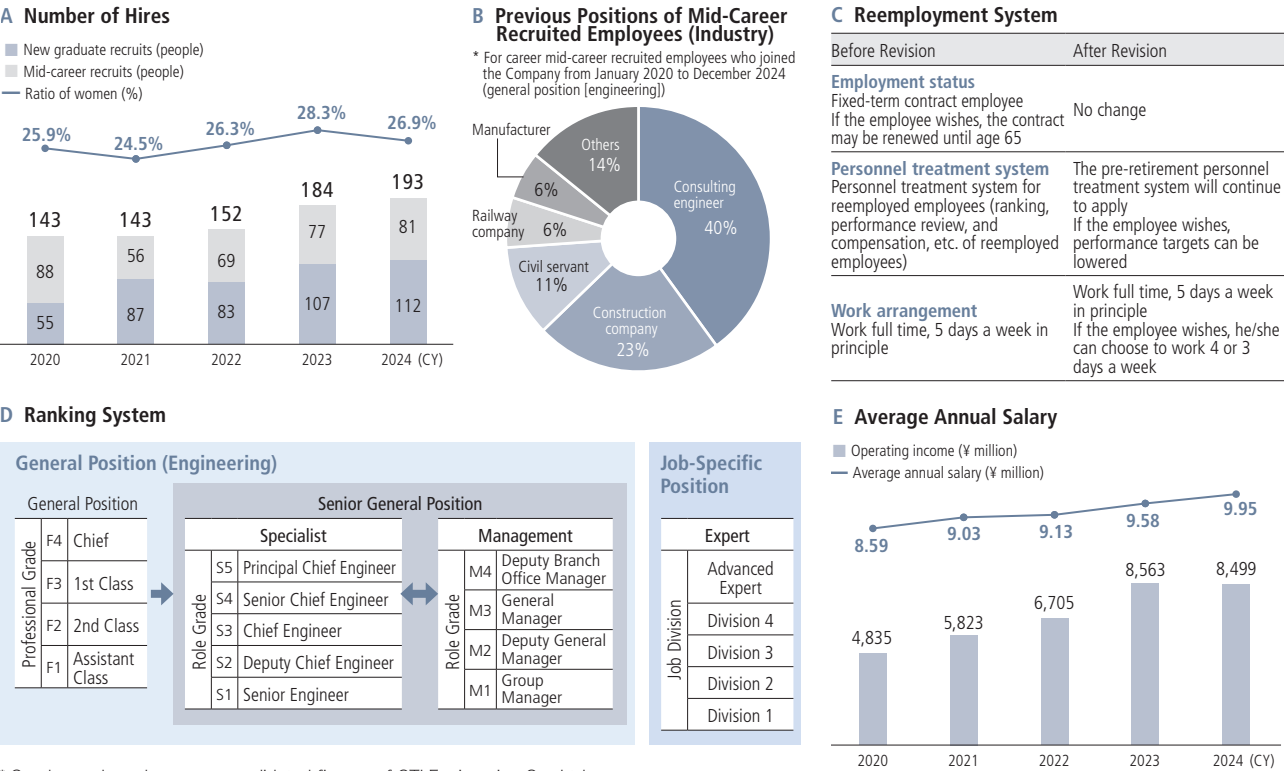
Post-Retirement Reemployment and Support for Continued Contribution

Aiming for sustainable growth, the Company is working to strengthen its human capital by securing diverse talent. In particular, we believe it is important for employees with high expertise and motivation to maintain job satisfaction even after reaching the mandatory retirement age. In April 2024, we introduced a new reemployment system that allows the personnel treatment system in place before retirement to be maintained until age 65, even after reaching the mandatory retirement age of 60. Our goal is to create an environment where each individual can maintain high motivation after retirement and continue to demonstrate their abilities in line with their own lifestyle [Figure C].

Personnel and Compensation Systems That Encourage Challenge and Growth

In April 2023, we introduced a new personnel treatment system with a fully reformed ranking, performance review and compensation system. We are working to establish personnel evaluations that encourage ambition and teamwork as well as stimulate employees' growth, build a simple and easy personnel treatment system, and establish a system in which diverse employees can continue to work with peace of mind. Based on our unique human resource policy where "our greatest capital is our people," we aim to be a company where all employees strive for self-improvement toward their own goals, and backed by strong organizational support, they are able to demonstrate their full potential.

- **Ranking System:** We revised our seniority-based treatment of personnel hitherto and newly introduced a ranking system that treats employees in senior general positions in a manner that is commensurate with the magnitude of their roles. The system is designed to enable the early appointment of promising managers while also providing them with opportunities to continue building successful careers as specialists. In addition, we reorganized specialized occupational groups into job-specific positions to facilitate fair treatment [Figure D].
- **Performance Review System:** For general positions, we use a job performance ranking system as a stage focused on development. For engineering roles in particular, we put into full operation a performance review system linked to the Initial Professional Development (IPD) system to promote the growth of globally competent engineers with a broad outlook and perspective, and enable them to promptly acquire Professional Engineer certification.
- **Compensation System:** The compensation system discontinues seniority-type age-based pay, while increasing compensation for important roles, resulting in an average 6% increase in monthly wages for employees overall. Also, we introduced a framework for bonuses for senior general positions that is more closely linked to performance by expanding the range of fluctuation for bonuses [Figure E].



* Graphs are based on non-consolidated figures of CTI Engineering Co., Ltd.

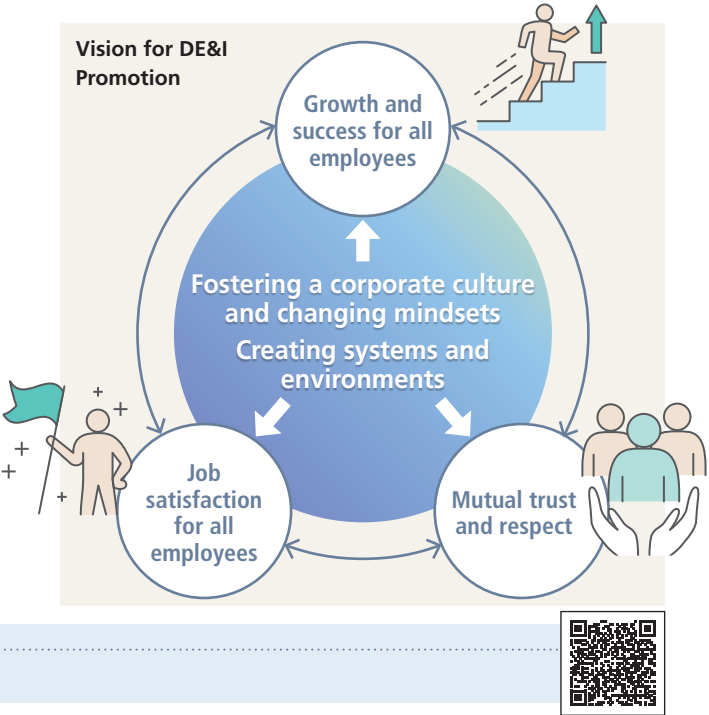
Human Resource Utilization

The purpose of promoting DE&I at the Company is to secure a diverse workforce and enable individuals with diverse backgrounds to find fulfillment in their work, grow, thrive, and drive innovation—thereby ensuring the Company’s sustainable growth and enhancing its corporate value.

To this end, we formulated the DE&I Promotion Plan 2030 as a plan positioned under the Basic Policy on Well-Being.

Through DE&I promotion, our goal is for all employees to trust and respect one another, to feel a sense of fulfillment in their work, and to grow and thrive. To achieve this vision, we are advancing the fostering of a corporate culture and changing mindsets that embrace diverse values, as well as the creation of systems and environments that support diverse working styles.

Toward 2030, we have set specific targets for increasing and retaining female employees, increasing and retaining diverse personnel, creating work environments where diverse human resources can thrive, and enhancing job satisfaction for both female employees and employees of diverse backgrounds. We will implement action plans based on our basic policy, monitor progress toward these targets, and advance initiatives accordingly.



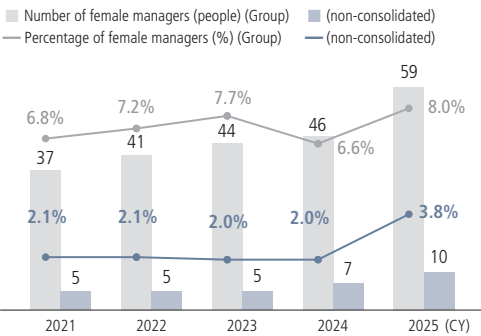
DE&I Promotion Plan 2030
<https://www.ctie.co.jp/english/sustainability/diversity-promotion/>

Main Targets for DE&I Promotion in 2030

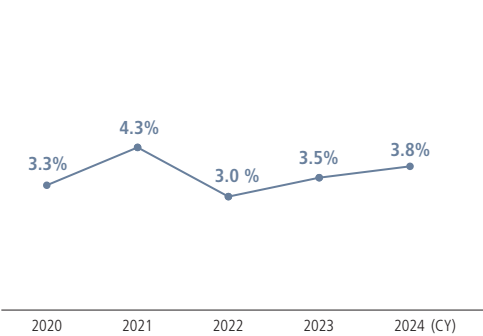
Category		Indicator	2024	2030 Target
Diverse employees based on trust and respect	Increase and retention of female employees	Percentage of women among new hires	26.9%	30%
		Percentage of women in career-track positions	13.2%*1	15%
		Attrition rate among women in their 30s	4.2%	1% or less
	Increase and retention of diverse talent	Attrition rate within three years for female new graduates	2020 hires: 0% 2021 hires: 9.1% 2022 hires: 7.1%	3% or less
		Number of foreign employees	27 people*1	50 people
		Percentage of men taking childcare leave or time off	84.5%	100%
Diverse employees feeling motivated at work	Creating a work environment for diverse talent	Average annual working hours	2,131 hours	1,900 hours
	Fulfillment of female employees	Percentage of female managers	3.8%	10% at group manager level and above
		Gender gap in average years of service	59.8%*1	70% or more of men's average
	Fulfillment of diverse employees	Number of female Professional Engineers	67 people*1	100 people
		Number of female supervising engineers	50 people	70 people
		Attrition rate among employees in their 30s	4.7%	1% or less
		Number of foreign Professional Engineers	7 people*1	25 people
		Reemployment rate after mandatory retirement	91.7%*1	100%

* CTI Engineering Co., Ltd. (non-consolidated)
*1 As of April 1, 2025

Number of Female Managers * As of January 1, 2025



Attrition Rate



* CTI Engineering Co., Ltd. (non-consolidated)

Various Systems to Realize Diverse Workstyles

The Company is developing systems and implementing various initiatives to realize diverse workstyles, aiming to create a workplace where women, senior employees, foreign nationals, and persons with disabilities—who are currently in the minority—can work with ease.

- Diverse full-time employee system (work location and working hours restrictions)**
We have established a full-time employee system that allows restrictions on work location and hours according to employees’ lifestyles, supporting work-life balance and the realization of diverse career plans.
- Home working system**
We promote workstyles not bound by time or place, including working from home, working at satellite offices, and mobile work.
- Shift work system**
We have introduced a companywide “shift work system” that allows employees to adjust the start time (9:00 a.m.) and end time (5:00 p.m.) of their workday. This enables flexible working arrangements tailored to employees’ life cycles, such as avoiding rush-hour commuting and accommodating childcare or nursing care needs.
- Employment of people with disabilities**
We signed a contract with a farm that employs people with disabilities. We have opened the CTI Fresh Green Farm, where our employees with disabilities play a central role in farm operations. Vegetables harvested on the farm are distributed to employees within the Company as part of employee benefits.
- Employees from other countries**
We strive to support the career development of foreign employees who have different upbringings and create an environment that encourages such employees to play an active role while utilizing their individual characteristics and abilities. We offer opportunities for foreign employees to network in-house and interact with each other.

Number of employees (as of January 1, 2025)	Male	1,689 people
	Female	495 people
	Total	2,184 people
Gender wage gap for workers*1	All workers	51.3%
	Permanent employed workers	69.5%
	Part-time and fixed- term workers	54.1%
Number of non-Japanese employees (as of April 1, 2025)/ratio		27 people (1.2%)
Number of employees with disabilities (as of June 1, 2025)/ratio		69 people (2.45%)
Ratio of reemployed employees (past three years)		92.1%

* CTI Engineering Co., Ltd. (non-consolidated)
*1 Calculated based on the provisions of the Act on Promotion of Women’s Participation and Advancement in the Workplace (Act No. 64 of 2015)

Fostering a Culture that Supports Job Satisfaction

Opinion Exchange Meetings with Corporate Management

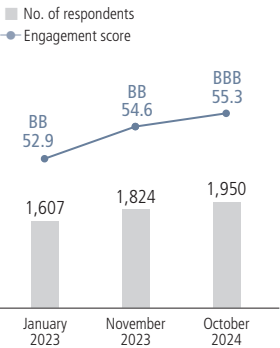
To deepen employees’ understanding of management’s thinking and to identify employee opinions and aspirations for reflection in corporate management, we hold opinion exchange meetings between the Representative Director and President, CEO and the Chief of Administration Headquarters, and younger employees in their fifth to tenth year with the Company.

Visualization of Organizational Conditions

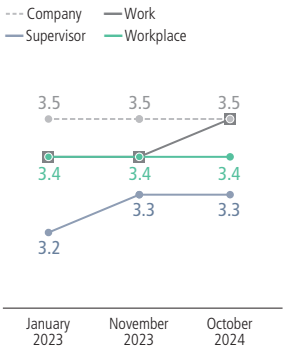
In 2023, we implemented the engagement survey*. This new service was brought onboard to accelerate the cycle of diagnosing and improving employee engagement, thereby further strengthening our human capital.

By visualizing the organization’s weaknesses and strengths, we can identify the gap between what employees expect from the company and the organization and the current reality and put the results to good use in organizational management.

Trends in Engagement Score



Trends in Overall Satisfaction

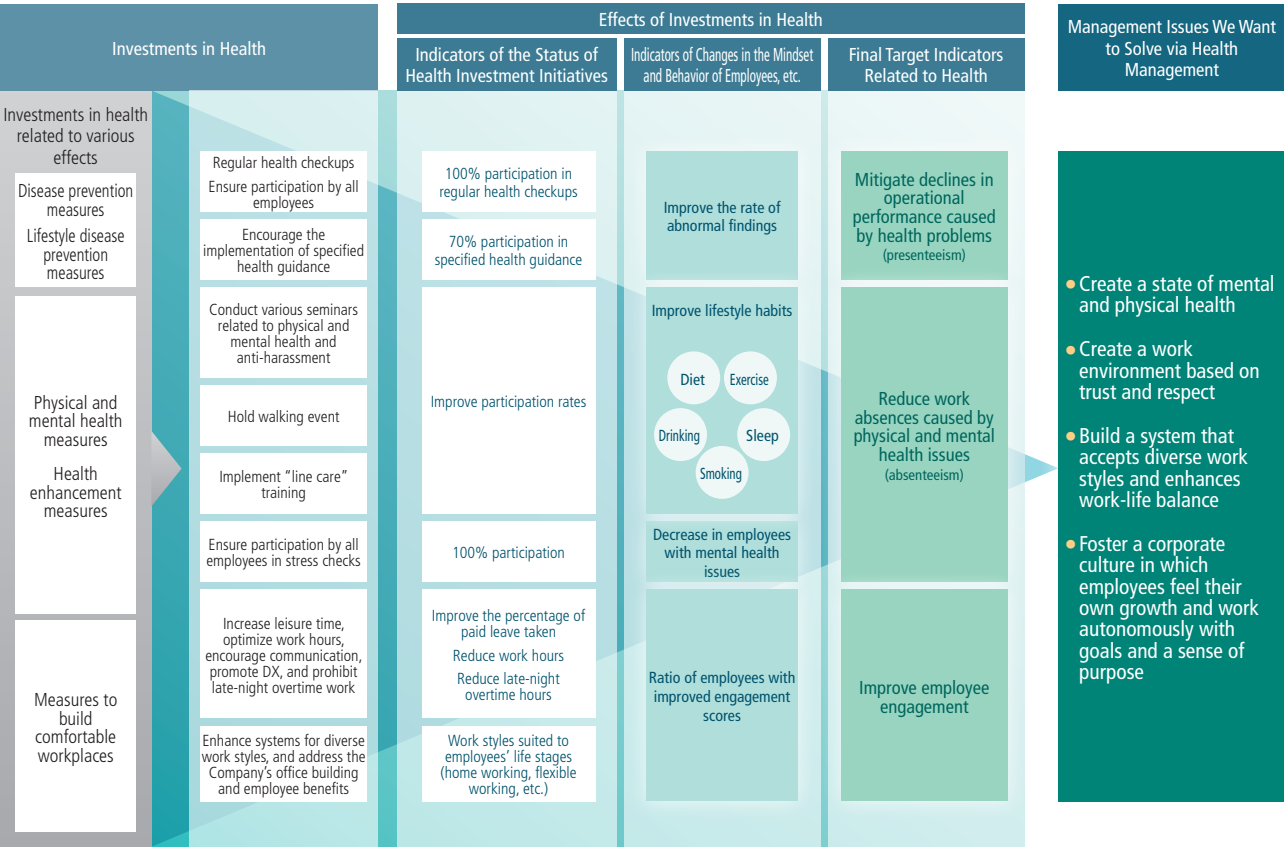


- The Company’s overall engagement score rose by 0.7 points from the previous result (54.6), and the engagement rating improved from BB to BBB.
- By category, except for “26. IT environment satisfaction,” no items showed a decline in satisfaction from the previous survey, and satisfaction particularly improved for the categories “Philosophy and Strategy” and “Systems and Compensation.”

* Engagement survey: Motivation Cloud service provided by Link and Motivation Inc. The survey’s questions are designed based on social psychology, with 64 items in 16 domains, comprising “Company domain,” “Direct supervisor,” and “Workplace conditions.” The survey enables the prioritization of organizational issues by organizing each question item into the two components of “Expectation” and “Satisfaction.” Employee engagement is standardized using deviation scores based on data from over 3.12 million individuals at 10,060 companies (as of July 2023) and is ranked based on an 11-stage rating scale from AAA to DD (engagement score).

Since our greatest form of management capital is our people, we believe ensuring that our employees are “healthy both physically and mentally” is of paramount value to the Company’s well-being. In order to achieve this, we will proactively invest in the prevention of illness and lifestyle diseases, promote mental and physical health, and establish a comfortable workplace, while we continuously evaluate the effectiveness of such investments and make related improvements.

Health Management Strategy Map



Management Issues We Want to Solve via Health Management

We have established the four main points of our CTI Engineering Basic Policy on Well-Being, including our commitment to the mental and physical health of our employees, as management issues we want to solve via health management.

- 1 Create a state of mental and physical health
- 2 Create a work environment based on trust and respect
- 3 Build a system that accepts diverse work styles and enhances work-life balance
- 4 Foster a corporate culture in which employees feel their own growth and work autonomously with goals and a sense of purpose

Final Target Indicators Related to Health

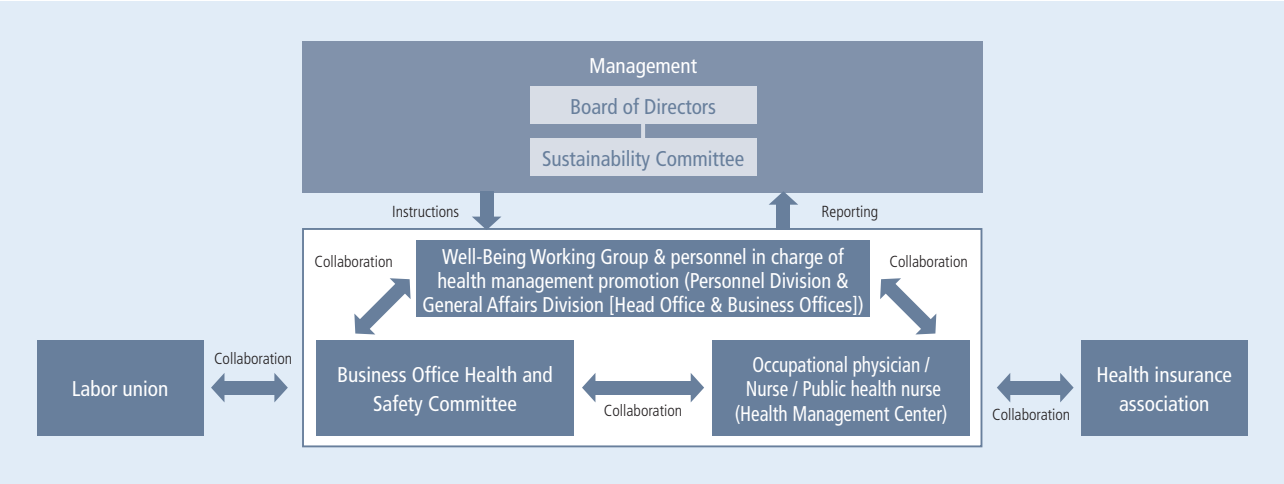
We will promote health management to achieve our targets by monitoring the following indicators quantitatively.

- Presenteeism (a state in which productivity declines due to health problems, even though the employee is not absent)
- Absenteeism (status of sick days and medical leave)
- Employee engagement (creation of a comfortable work environment and motivation)

Toward Solving Our Management Issues

We will strive to achieve well-being, one of our management issues, by promoting health management through the continued execution of policies and evaluation of their effectiveness. With this, we aim to create a cycle that improves business performance and facilitates growth for both employees and the Company.

Health Management Promotion Diagram



- **Sustainability Committee**
Chaired by the Representative Director and President, CEO and supervised by the Board of Directors, the Sustainability Committee was established in December 2021 for the purpose of simultaneously improving the Group’s medium- to long-term corporate value and realizing the development of a sustainable society by enhancing its control and management functions, such as those regarding initiatives for solving sustainability issues and the disclosure of information.
- **Well-Being Working Group**
The Well-Being Working Group was established under the Sustainability Committee as a meeting structure to undertake specific initiatives toward achieving well-being and health management.
- **Business Office Health and Safety Committee**
The committee is composed of regular employees, union members, occupational physicians, nurses, and others, and deliberates on matters such as preventing employee health problems, promoting health maintenance, and identifying causes of and countermeasures to prevent recurrence of industrial accidents. It is held once a month at each business site.

Specific Policies

We conduct a wide range of activities to maintain and enhance the health of employees and to strengthen the support structure, in order to improve employees’ health-related awareness. These activities include holding various seminars with themes such as lifestyle habits, shoulder stiffness, sleep, and female-specific health conditions and walking events (held annually in October); providing health management training for employees in management positions; and establishing a consultation service to promote mental health care.

Furthermore, we provide employees with up to 25 days of annual paid leave according to their years of service. Employees may take paid leave in increments of half days (morning, afternoon) and hours. We are also making efforts to encourage employees to take annual paid leave, such as proposing bridge holidays (taking leave during the gap between split holidays).

The Company has been recognized as a Certified Health & Productivity Management Outstanding Organization under the large enterprise category for six consecutive years since 2020.

Management and employees will continue to collaborate to implement work style reforms. We will promote measures to reduce long working hours, measures to strengthen the health management structure and enhance health, and utilize stress checks and enhance follow-up checkups.



Employee Health Management

	2030 Target	2024 Result
Total annual work hours	1,900 hours	2,131 hours
“Line-care” training participation rate	100%	83.7%
Absenteeism (annual days off per employee)*1	Keep at 2.0 days or less	2.19 days
Regular health checkup participation rate	100%	100.0%
Stress check participation rate	100%	94.5%

* CTI Engineering Co., Ltd. (non-consolidated)
*1 This figure represents the number of days calculated as the sum of days of absence due to injury or illness and days of leave for all employees (excluding part-time workers; the same applies hereafter) divided by the total number of employees, aggregated from January to December.
*2 Total of regular paid leave (1 day) + half-day paid leave + hourly paid leave
*3 Based on the results of the General Survey on Working Conditions 2024, Ministry of Health, Labour and Welfare of Japan

Paid Leave

	Government Statistics*3	2024 Result (As of May 31, 2025)
Average number of days provided	16.9 days	21.8 days
Average number of days used	11.0 days	16.4 days*2
Average ratio used	65.3%	74.9%

Strengthen Corporate Governance

The CTI Engineering Group believes that transparent governance is essential to promoting sustainable reforms under fair business practices. Through proper and proactive information disclosure, we will build relationships of trust with stakeholders. Concurrently, we will ensure fair decision-making and management and implement proactive and defensive governance, with the aim of sustainably increasing corporate value.

Basic Approach to Corporate Governance

We have established a Code of Corporate Conduct to realize our Business Philosophy of “We strive to create a safe, comfortable, and enriching society using world-class technology and expertise.” Our corporate culture—based on integrity and technology—guides us as we fulfill our social mission. Looking ahead, our basic policy is to continue strengthening and enhancing corporate governance to enable transparent, fair, timely, and decisive decision-making, thereby achieving further sustainable growth as a company and enhancing corporate value over the mid- to long-term.

Basic Policy on Corporate Governance

https://www.ctie.co.jp/english/sustainability/corp-governance/img/basic_policy_on_corporate_governance_en.pdf

Corporate Governance Report

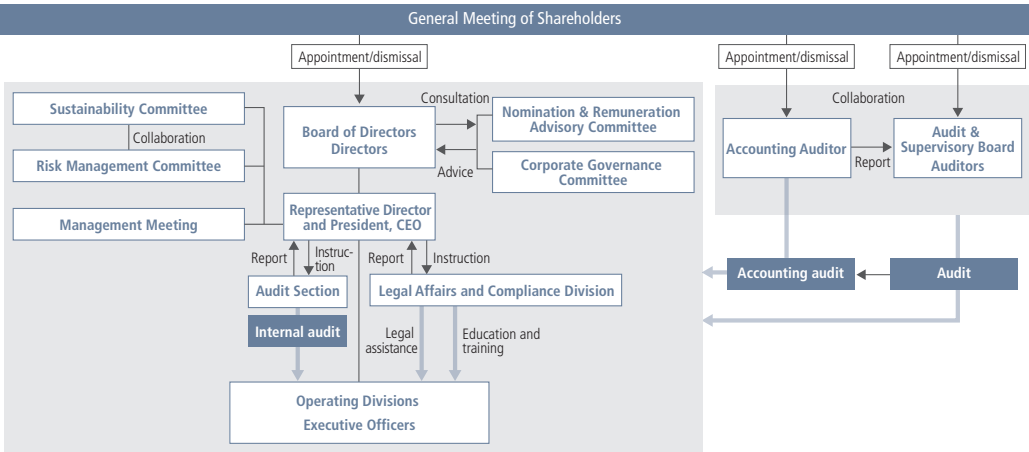
https://www.ctie.co.jp/english/sustainability/corp-governance/img/corporate_governance_report_en.pdf



Corporate Governance Structure

We have adopted a company with an Audit & Supervisory Board, which offers robust statutory auditing functions. In addition, we have established a Nomination & Remuneration Advisory Committee, composed primarily of independent external directors, to enhance the transparency and fairness of management. We also operate an executive officer system to strengthen both the decision-making function of the Board of Directors and its function of supervising business execution, while improving management efficiency, including by expediting decision-making.

Furthermore, with the scope of risks surrounding the CTI Engineering Group continuing to expand, we recognize that developing a robust risk management framework is a challenge directly linked to the sustainable enhancement of corporate value. In light of this, effective April 1, 2025, we abolished the Governance Management Headquarters, placing its subordinate organizations—the Audit Section and the Legal Affairs and Compliance Division—under the direct control of the Representative Director and President, CEO. By positioning internal audits and internal controls as key management priorities, and enabling accurate and swift responses under the direction of the Representative Director and President, CEO, we will work to further strengthen governance. Also effective April 1, 2025, we established the Corporate Governance Committee as an advisory body to the Board of Directors to enhance corporate governance in relation to the Board’s responsibilities.



Board of Directors (2024)

Composition: 11 directors (including 4 external directors and 2 female directors)
Ratio of external directors: **36.4%**

Number of meetings held: **16**

Main Agenda Items

- Matters related to the formulation of the Mid-Term Management Plan 2027
- Matters related to the establishment of the Corporate Governance Committee
- Capital allocation and investment policy based on the Mid-Term Management Plan
- Matters related to shares
- Fixed remuneration and share-based remuneration for directors, etc.



Nomination & Remuneration Advisory Committee (2024)

Composition: 6 directors (including 4 external directors and 2 female directors)
Ratio of external directors: **66.7%**

Number of meetings held: **5**

Main Agenda Items

- Matters related to remuneration for directors (remuneration policy, total remuneration, setting of ESG evaluation indicators for performance-linked remuneration, and calculation of performance-linked remuneration, etc.)



Names of Meeting Bodies	Purpose	Frequency	Composition	Chaired by
Board of Directors	In addition to matters prescribed in laws and regulations and the Articles of Incorporation, it resolves matters stipulated in the Regulations of the Board of Directors and particularly important matters pertaining to the management of the Group, such as its Vision, Mid-Term Management Plan, and global strategy.	Monthly	11 directors (including 4 external directors)	Tatsuya Nishimura, Representative Director and President, CEO
Nomination & Remuneration Advisory Committee	The Nomination & Remuneration Advisory Committee selects candidates for the Representative Director and President, CEO, formulates officer succession plans, and reviews the officer remuneration structure. It also deliberates on matters related to the appointment and remuneration of directors and auditors and reports to the Board of Directors. In doing so, the Committee enhances the fairness and transparency of management and strengthens the independence, objectivity, and accountability of the functions of the Board of Directors.	5 times a year	4 external directors 2 Representative directors	Fumiko Kosao, External Director
Corporate Governance Committee	The Corporate Governance Committee aims to improve the governance function of the Board of Directors. In response to inquiries from the Board of Directors, the Committee deliberates and reports to the Board of Directors on matters related to the evaluation of the effectiveness of the Board of Directors, matters related to measures to improve the effectiveness of the Board of Directors, and other matters related to the Company's corporate governance, thereby improving the effectiveness of the Board of Directors.	5 times a year	4 external directors 2 Representative directors	Yoshihisa Sonobe, External Director
Management Meeting	Prior to deliberations by the Board of Directors, the Management Meeting holds substantive discussions on matters necessary for the execution of business in response to consultations by the Representative Director and President, CEO. The Management Meeting also decides the agenda items and proposals to be reported to the Board of Directors in a flexible manner to enhance management efficiency.	Monthly	2 Representative directors Chiefs at headquarters Chiefs of branch offices and others	Tatsuya Nishimura, Representative Director and President, CEO
Audit & Supervisory Board	In light of its fiduciary responsibility to shareholders, the Audit & Supervisory Board appropriately performs operational and accounting audit functions based on the Auditing Standards by Auditors stipulated by the Audit & Supervisory Board, exercises its authority from the perspectives of promoting the CTI Engineering Group's sustained growth and the enhancement of the Group's corporate value, and proactively and vigorously audits the Board of Directors and the management team.	Monthly	4 auditors (including 2 external auditors)	Akira Tateyama, Full-time Auditor
Risk Management Committee	The Risk Management Committee formulates policies and measures related to risk management, identifies risks, and formulates countermeasures to address those risks (based on this, individual risks are managed by the individual departments). Moreover, the Committee also determines the status of and provides supervision and guidance for the management of individual risks. Control and administration of risk management overall is achieved through the Committee's regular reports to the Board of Directors on the status of its initiatives and deliberations in the Board of Directors. For significant non-financial risks, the Committee works in collaboration with the Sustainability Committee, sharing information and taking appropriate action.	3 times a year	Risk management officer Individuals appointed by the Chairperson	Tatsuya Nishimura, Representative Director and President, CEO
Sustainability Committee	The Sustainability Committee increases corporate value by promoting sustainability, considering measures that contribute to the creation of a sustainable society, and overseeing information related to ESG that should be disclosed. It also supervises activities of the CTI Engineering Group Challenges for Sustainability, while proposing and evaluating measures related to sustainability management (mainly non-financial information such as ESG), and promoting sustainability management.	5 times a year	Representative Director and President, CEO Chiefs at headquarters Chiefs of branch offices and others	Tatsuya Nishimura, Representative Director and President, CEO

Initiatives to Increase Effectiveness

Conducting Evaluations of the Board of Directors

The Company analyzes and evaluates the overall effectiveness of the Board of Directors, using the results of each director's self-evaluation. A summary of the results of this analysis and evaluation is disclosed as part of efforts to improve the Board of Directors' functions.

During fiscal 2024, the Company conducted an anonymous questionnaire survey of all directors and auditors from November 2024 to December 2024 to comprehensively self-evaluate the Board of Directors' composition, functions, operation and other aspects, and external directors and auditors were interviewed. The results verify that the Board of Directors has a firmly instilled culture whereby its members hold open and active discussions, and whereby opinions expressed and problems raised by external directors and external auditors are accepted with integrity. However, the agenda needs to be narrowed down to more critical issues in order to ensure more thorough discussion regarding the overall direction of management (Vision, Mid-Term Management Plan, global strategy, etc.). Furthermore, there is room for improvement in the way the Board of Directors operates for these issues. As a result of these findings, we will work in collaboration with the Corporate Governance Committee, established on April 1, 2025, to focus on agenda items to be discussed by the Board of Directors and deliberate on any missing items. After confirming the division of roles among various meetings, such as the Executive Officers' Meeting and the Management Meeting, we will review the criteria for submission to each meeting as necessary.

Initiatives to Improve the Board of Directors and Audit & Supervisory Board

The Company implements the following initiatives as training for directors and auditors.

- To enable directors, including external directors, and auditors to fulfill their roles and responsibilities, the Company will implement a system to assist directors and auditors in obtaining useful information and seeking advice from external experts as needed at the Company's expense.
- When and after directors and auditors are appointed, the Company will conduct activities such as the necessary training related to those roles and responsibilities, including legal responsibility, to ensure that the directors and auditors, including new appointees, can fulfill the roles and responsibilities expected of them.
- The Company will work to create an environment in which directors and auditors, including external directors and auditors, can gain a better understanding of their roles and responsibilities while also obtaining essential knowledge about the Company's business, financial affairs, organization and other aspects, including the provision of materials such as textbooks.
- In the event that laws, regulations, and other rules concerning corporate management are amended, or there are major shifts in the social environment, the Company will provide opportunities to participate in training and seminars held internally or externally as needed at the Company's expense.

Activities of the Nomination & Remuneration Advisory Committee

The Company has established the Nomination & Remuneration Advisory Committee, an advisory body to the Board of Directors consisting of external directors Fumiko Kosao, Yoshihisa Sonobe, Atsuko Ogasawara, and Toru Kuwano, as well as Representative Director, Chairman Tetsumi Nakamura, and Representative Director and President, CEO Tatsuya Nishimura. The Committee is chaired by external director Fumiko Kosao and deliberates on matters related to personnel and remuneration for the Board of Directors and auditors, including the selection of candidates for the Representative Director and President, CEO, formulation of succession plans for officers, and review of the officer remuneration system. The Committee then reports its findings to the Board of Directors, thereby enhancing the fairness and transparency of management while strengthening the independence, objectivity, and accountability of the Board. In 2024, the Committee deliberated on matters related to remuneration for directors, including remuneration policy, total remuneration, setting of ESG evaluation indicators for performance-linked remuneration, and calculation of performance-linked remuneration.

Remuneration Policy for Officers

1. Basic Policy

(1) Remuneration for Directors (Excluding External Directors)

Remuneration for directors (excluding external directors) consists of fixed remuneration (monthly remuneration) as remuneration for the execution of duties, remuneration linked to consolidated business performance in the fiscal year under review (monetary bonuses), and non-monetary remuneration (restricted stock remuneration) as long-term incentive remuneration. The standard ratio of each remuneration is as shown in the table above.

Remuneration Items	Fixed Remuneration	Variable Remuneration	
	Monthly Remuneration	Monetary Bonuses	Restricted Stock Remuneration
Setting standard (percentage)	67.5%	20.0%	12.5%

(2) Remuneration for External Directors and Auditors

- ① Remuneration for External Directors: Remuneration for external directors shall consist solely of fixed remuneration (monthly remuneration) from the perspective of their roles and independence. The specific amount of remuneration shall be determined in accordance with the method of determining fixed remuneration in the remuneration of internal directors.
- ② Remuneration for Auditors: From the perspective of high independence, remuneration shall consist of monthly remuneration only. The specific amount of remuneration shall be determined through consultation among the auditors.

2. Method of Determining Remuneration for Directors (Excluding External Directors), etc.

(1) Fixed Remuneration (Monthly Remuneration)

Fixed remuneration (monthly remuneration) shall be appropriately calculated in accordance with a predetermined table of monthly remuneration standards for executives within the range of the maximum amount of remuneration of directors, which was determined by the resolution of the General Meeting of Shareholders, and shall be determined by resolution of the Board of Directors after deliberation by the Nomination & Remuneration Advisory Committee.

(2) Performance-Linked Remuneration (Monetary Bonuses)

With regard to performance-linked remuneration (monetary bonuses), the base amount of bonuses is set according to the consolidated business performance of the fiscal year under review. The degree of contribution of each director is then evaluated by the Representative Director and President, CEO for each category—operating income, orders received, ROE, and ESG—in accordance with their assigned duties, using the following calculation formula. Based on this evaluation, the specific amount for each director is set within the range of remuneration after deliberation by the Officers' Personnel Meeting and the Nomination & Remuneration Advisory Committee, and is resolved at the Board of Directors meeting.

	Payment Category	Applicability	Calculation Method for Payment Amount
Monetary bonuses	Payments as short-term incentives	Directors (serving as chiefs of branch offices, deputy branch office managers, or presidents of Group companies)	① Bonus base amount × 30% × ② Consolidated operating income coefficient ① Bonus base amount × 20% × Average of ③ Commissioned company profit coefficient and ④ Commissioned order coefficient
		Directors (serving as Heads, Deputy Heads, or International Heads / Deputy Heads of business sectors)	① Bonus base amount × 30% × ② Consolidated operating income coefficient ① Bonus base amount × 20% × ④ Commissioned order coefficient
		Directors other than those listed above	① Bonus base amount × 50% × ② Consolidated operating income coefficient
			① Bonus base amount × 50% × ⑤ ROE evaluation coefficient
	Payment as long-term incentive	All directors	① Bonus base amount × 20% × ⑥ ESG evaluation coefficient

① Bonus base amount -----* Fixed remuneration × 3.0 months
② Consolidated operating income coefficient --An indicator showing the scale of profit as a result of business activities, selected as an important management indicator.
-----* Consolidated operating income for the fiscal year (¥9,396 million) ÷ Planned consolidated operating income at the beginning of the fiscal year (¥8,400 million) = Operating income achievement rate (112%)
③ Commissioned company profit coefficient ----* Commissioned company profit before tax for the fiscal year (yen) ÷ Planned commissioned company profit before tax at the beginning of the fiscal year (yen) = Profit achievement rate (%)
④ Commissioned order coefficient -----* Commissioned orders received for the fiscal year (yen) ÷ Planned commissioned orders received at the beginning of the fiscal year (yen) = Orders received achievement rate (%)
⑤ ROE evaluation coefficient -----By setting ROE, an important indicator of capital efficiency as an evaluation indicator, we clarify responsibility for enhancing corporate value.
-----* Three-year average consolidated ROE (13.1%) ÷ Reference value (10.0%) = ROE achievement rate (131%)
⑥ ESG evaluation coefficient -----In line with the CTI Engineering Group Challenges for Sustainability, which stipulates our commitment to pursuing various initiatives aimed at achieving "sustainability" through infrastructure development, ESG indicators are incorporated as an additive factor in calculating remuneration amounts. The evaluation coefficient is determined at fiscal year-end by the Officers' Personnel Meeting, with ratings from S to D.

(3) Non-Monetary Compensation (Restricted Stock Compensation)

With regard to non-monetary compensation (restricted stock compensation), the number of shares granted shall be calculated according to the position, and shall be determined by resolution of the Board of Directors after deliberation by the Nomination & Compensation Advisory Committee. In addition, the transfer restriction period shall expire at the time of retirement of officers.

With regard to non-monetary compensation (restricted stock), provisions shall be established to the effect that the Company may, after deliberation by the Board of Directors, acquire all shares granted without consideration in the following cases: ① cases where the director has been engaged in the business of a company that competes with the Group without the consent of the Company, ② cases where the director has caused damage to the Group due to fraudulent accounting or large losses, etc., or ③ other cases where the Company has judged that the shares should be acquired without consideration.

Risk Management

Risk Management Basic Policy

(1) Basic Philosophy

The Group's risk management approach, which includes crisis management, is defined by its risk management regulations as follows: "Identification and control of risks that could negatively impact our business operations before such risks materialize, with prompt action taken to minimize potential losses should a risk materialize."

The Group operates based on five fundamental principles of corporate management: ① enhancing corporate value, ② preserving and effectively utilizing managerial resources, ③ ensuring sustainable and stable business continuity, ④ maintaining stakeholder trust while ensuring profitability, and ⑤ safeguarding the well-being of our employees and related parties. To achieve the above, we believe it is essential to accurately recognize risks and opportunities that warrant our attention. This involves implementing strategies to decrease the likelihood of risks occurring, along with preparing measures in advance to mitigate potential losses should these risks materialize. We also believe that taking decisive action to limit the impact on all involved parties during emergency situations is an essential aspect of risk management.

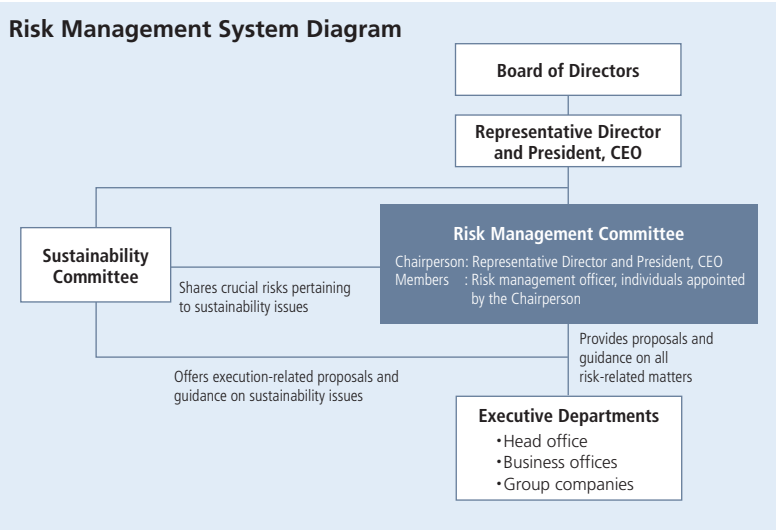
(2) Action Plan

To put this basic philosophy into practice in concrete terms, we have established a comprehensive risk management framework throughout the organization. We aim to actively and continuously advance risk management as a Group in accordance with the following action plan:

- ① We recognize the Group's societal obligations and public mission, and we shall manage a variety of risks in a responsible manner to promote ethical and fair corporate activities.
- ② By providing education, training, and sharing information, we shall strive to cultivate each employee's sensitivity to risk and enhance their risk response capabilities.
- ③ We shall encourage stakeholder engagement, forge trustful relationships with stakeholders, and ensure that our actions do not compromise their interests.
- ④ During emergencies, we shall act promptly and appropriately to limit damage to involved parties and undertake decisive action to bring about a rapid recovery.
- ⑤ In emergency situations, we shall prioritize the safety of our staff and related parties, and strive to ensure the continuity of our operations wherever possible.
- ⑥ We shall aim for proactive and impartial disclosure of risk-related information and foster open communication with the broader society.

Risk Management System

To uphold its risk management principles, the Group has established a Risk Management Committee, chaired by the Representative Director and President, CEO, to promote appropriate risk management in accordance with the above-mentioned Risk Management Basic Policy. The Risk Management Committee works in concert with the Sustainability Committee, annually formulating policies and strategies related to the Group's risk management. In addition to identifying risks from a mid- to long-term perspective and evaluating the nature of said risks, the expected scenarios, the frequency of occurrence, and the extent of the damage, it also analyzes the impact on our business and operations, formulates response strategies based on these considerations, and keeps track of the status of individual risk management efforts while providing guidance and supervision. Moreover, it reports on the state of initiatives to the Board of Directors, which holds discussions about said initiatives, thus exercising oversight and control over all risk management activities.



Board of Directors

The Board of Directors deliberates and makes necessary decisions based on the Risk Management Committee's findings.

Representative Director and President, CEO

Advisor and chair of the Risk Management Committee.

Risk Management Committee

Established to manage the Group's risk in an effective manner. It formulates risk management policies and measures, identifies risks, assesses the extent of the damage, develops countermeasures, and provides guidance and supervision.

Sustainability Committee

Promotes sustainable management and devises strategies based on risks and opportunities, with the aim of boosting corporate value and contributing to the creation of a sustainable society.

Executive Departments

(Head office, business offices, Group companies) Strive for risk management in the execution of their duties. If a risk materializes, they promptly report to their superiors and respond in accordance with the guidance provided.

Identification of Key Risks and Countermeasures

In order to enhance the efficacy of risk management and build a relationship of trust with stakeholders, we have identified key risks that need to be specifically addressed by the CTI Engineering Group, and established countermeasures to reduce the impact of risk occurrence.

As shown in Figure 1, key risks are identified by the risk management officer as risks (not including opportunities) arising from external environmental changes or internal to the organization, according to the basic risk management policy. These identified risks are plotted on a risk map (Figure 2) according to the scale of damage or loss and frequency of occurrence to identify them as key risks, and various countermeasures are then formulated according to the content of the risks (Table 1). These decisions are confirmed after deliberation by the Risk Management Committee and approval by the Board of Directors. The identified key risks and countermeasures will be monitored and reviewed as necessary through the PDCA cycle.

For key risks identified that relate to sustainability issues, the Risk Management Committee and the Sustainability Committee share information and work in collaboration to designate them as material issues in sustainability management.

Figure 1: The Risk Management Formulation and Implementation Process



Figure 2: Risk Map

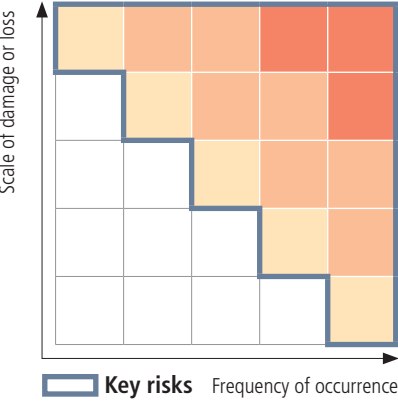


Table 1: Key Risks and Countermeasures

Risk Area		Key Risks*	Countermeasures
Risks associated with changes in the external environment	Markets	<ul style="list-style-type: none">Shrinking public works project budgets, market changesMajor changes in the business environment due to technological innovation	<ul style="list-style-type: none">Lower costs through DX progressExpansion into public-private partnerships, private markets, etc.Promote research and development in response to technological innovation and social changesRapidly introduce innovative technologies
	Standards, legal regulations	<ul style="list-style-type: none">Enactment or revision of standards and laws that affect business activities (e.g., the Act for Promoting Proper Tendering and Contracting for Public Works, the Housing Quality Assurance Act, the Unfair Competition Prevention Act, the Civil Code, the Companies Act, the Financial Instruments and Exchange Act, the Labor Standards Act, the Industrial Safety and Health Act, etc.)	<ul style="list-style-type: none">Gather up-to-date information and respond promptly
	Climate change, natural disasters, pandemics	<ul style="list-style-type: none">Impact of natural disasters and infectious diseases on businessDelayed response to climate change countermeasures	<ul style="list-style-type: none">Prompt response and ongoing training for BCPFormulate BCPs for new infectious diseasesProactive response to projects related to climate change countermeasuresPromote research and development to acquire related technologies
	Investment	<ul style="list-style-type: none">Losses from investments in corporate acquisitions, new businesses, etc.	<ul style="list-style-type: none">Consider and ascertain the business environmentOngoing monitoring of investment projects
	Securing and developing human resources	<ul style="list-style-type: none">Declining competitive advantage due to delays in securing and training human resources and increased outflow of human resources from the Company	<ul style="list-style-type: none">Continue aggressive recruitment activitiesPromote diverse work stylesEnhance various education and training programs
	Information security	<ul style="list-style-type: none">System failure or information leakage due to cyberattacks, etc.	<ul style="list-style-type: none">Harden systems against cyberattacksThorough information security education
	Country risks	<ul style="list-style-type: none">Political instability (war, revolution, civil disorder, terrorism), sudden changes in economic policies and conditions, currency fluctuationsImpact of economic sanctions, etc. on business activities	<ul style="list-style-type: none">Gather information on country risksReinforced responses in the event of terrorism, etc.Disperse and expand countries and areas of operation
Risks originating within the organization	Quality and safety	<ul style="list-style-type: none">Contract noncomplianceSerious accidents due to inadequate safety management	<ul style="list-style-type: none">Raise the level of the Quality Management SystemThorough safety management training
	Technological strengths	<ul style="list-style-type: none">Decline in technological capabilitiesInsufficient adaptation to technological innovation due to stagnant R&D, etc.Decline in productivity	<ul style="list-style-type: none">Promote technological enhancementPromote planned research and developmentPromote production system reforms
	Personnel and labor	<ul style="list-style-type: none">Loss of social credibility due to long working hours, human rights issues, and mental health problems	<ul style="list-style-type: none">Promote measures through labor-management cooperation to prevent long working hoursRaise employee engagement
	Compliance	<ul style="list-style-type: none">Accounting fraud, embezzlement and bribery, violation of antitrust laws, infringement of intellectual property rights, insider trading, loss of social credibility due to harassment or misconduct, and removal of confidential or personal information	<ul style="list-style-type: none">Timely and appropriate disclosure of material factsMonitoring and guidance for recurrence prevention measuresThorough training and education on compliance and information securityStrengthen initiatives to ensure the proper functioning of the internal whistleblowing system

* Only risks are listed, not opportunities.

Compliance

Compliance Basic Policy

The CTI Engineering Group has established its principles of conduct for all directors, auditors and employees in the Code of Corporate Conduct in order to realize its Business Philosophy. One of these essential principles is compliance, which can be said to be the foundation of a company's survival. For us, compliance means “promoting honest, fair, and responsible corporate activities as an independent and autonomous company by abiding by legal, ethical, and social standards to maintain longstanding relationships with our stakeholders, such as by utilizing the whistleblowing system and other measures.” The CTI Engineering Group will work together to implement compliance management based on the basic policies listed below.

- We recognize the social responsibilities and public duties we have assumed, and promote sincere, fair, and responsible corporate activities.
- We comply with all laws, regulations, and internal regulations, and act in accordance with social norms and ethics.
- We respect human rights and create fair and healthy work environments.
- We strive to disclose management information in a proactive and fair manner in order to communicate with society at large.

CTI Engineering Group Whistleblowing System

Each company of the CTI Engineering Group has established in-house whistleblowing contact points and enlists our regulations stipulating that reporting to an in-house whistleblowing contact point must be relayed to CTI Engineering's Legal Affairs and Compliance Division. Our whistleblowing system is available to all CTI Engineering Group employees, as well as temporary employees and business partners. Many of the whistleblowing reports received in fiscal 2024 involved consultations related to employee speech and behavior. Given that many of these instances were conceivably attributable to insufficient communication between the parties involved, we displayed and publicized slogans promoting “appropriate communication” at office locations and Group companies.

We will continue initiatives to promote use of the internal whistleblowing system, such as raising awareness of the system, while also advancing responses such as internal whistleblowing investigations conducted by each office and Group company.

Issues and Future Initiatives

Issues	Initiatives
Many internal whistleblowing reports are consultations related to “employee speech and behavior,” and the content of these consultations suggests insufficient consideration toward speech and behavior in the course of work	Conduct training, in principle with in-person participation, to encourage employees to view harassment violations as a personal matter.
Need to promote understanding and raise awareness of compliance across the entire CTI Engineering Group	Actively disseminate information on overall compliance, such as by creating the <i>CTI Compliance Magazine</i> (issued once or twice a month) using commercially available educational materials.
Some cases in which persons in charge of investigations (whistleblowing officers) within Group companies have not responded appropriately to internal whistleblowing reports	To ensure the sound functioning of the internal whistleblowing system, improve the skills of investigation officers through handling actual cases and training, and raise awareness within the Company of key points of the system, such as confidentiality obligations and protection of whistleblowers.
Access to the Internal Whistleblowing Consultation Desk is not easy to understand	Continue to publicize the Internal Whistleblowing Consultation Desk via the Company intranet, posters, and other means.

Promoting Compliance Education

To improve compliance awareness across the entire CTI Engineering Group, we conduct a variety of training programs each year for all directors, auditors, and employees, with designated mandatory and selective themes. For fiscal 2024, the CTI Engineering Group set the following mandatory themes: ❶ **Prevention of Various Forms of Harassment** and ❷ **Prevention of Misconduct in Business Operations and Sales Activities**. (Attendance rate: 100%)

We will disseminate information on overall compliance to promote understanding and raise awareness throughout the CTI Engineering Group to comply with various compliance requirements, not limited to harassment prevention.

Four external directors have shared messages on the future direction of the CTI Engineering Group from a variety of perspectives, including decision-making and governance, enhancement of technology and reliability, workstyles and diversity.



Fumiko Kosao External Director

Governance is the key to maintaining sound corporate management and supporting sustainable growth. In particular, corporate governance is an indispensable element in ensuring control across the organization and in enhancing corporate reliability and achieving sustainable growth, making it essential in modern corporate management.

At the CTI Engineering Group, our business philosophy is “We strive to create a safe, comfortable and enriching society using world-class technology and expertise.” Our Code of Corporate Conduct states, “Promote corporate activities with a culture of putting people first,” followed by, “We promote our corporate activities to ensure that people live safe, secure, and comfortable. We always put people first, fostering a corporate culture in which diverse talents play active roles.” In addition, with regard to “building relationships of trust with our stakeholders,” it states, “We build relationships of trust with our stakeholders by engaging in sincere dialogue, disclosing

appropriate information, and training our people to provide the highest quality of service.”

As the saying goes, “An organization is its people, and people are its assets.” Developing outstanding human resources and providing high-quality services is truly the mission of the CTI Engineering Group. To that end, the Company strengthens internal controls and raises compliance awareness, while maintaining healthy relationships with stakeholders. As an independent and self-reliant company, it engages in a variety of initiatives to ensure communication, such as establishing an internal whistleblowing system and promoting compliance education and manages its operations so that citizens can live safe, secure, and comfortable lives.

I support the promotion of sincere, fair, and responsible corporate activities through the compliance of each and every officer and employee as a member of the organization.

As an external director, I also seek to contribute to strengthening the Company’s governance, enhancing corporate value, and achieving sustainable growth.



Yoshihisa Sonobe External Director

It has been three years since I was appointed as an external director in 2022. These three years corresponded to the period of the Mid-Term Management Plan 2024, during which we achieved our financial management targets but fell short in some areas of our strategic objectives. Based on this review, in the formulation process for the new Mid-Term Management Plan 2027, we closely linked measures to achieve management that is mindful of capital costs and share price—a capital policy representing a practical response aimed at profitability and growth—with the Mid-Term Management Plan. An analysis of the current share price, where PBR and PER are low compared with the ROE level, revealed the challenge of insufficient expected future growth. The response to this challenge forms the core of the medium-term strategy under the theme of transforming the business portfolio. The strategy sets forth a quantitative capital allocation plan over the medium term, covering strategic investments including M&A, as well as DX and human resource investments, and shareholder returns. By running the PDCA cycle throughout the medium-term period, we aim to enhance the plan’s effectiveness and gain stakeholder

understanding. With respect to M&A, we are actively searching for target sectors, fields, and companies. The Board of Directors will assess whether to take on risks for proposed projects and will conduct deliberations to examine their strategic alignment, investment efficiency, and other factors.

In April 2025, the Corporate Governance Committee was established with the aim of enhancing the governance functions of the Board of Directors, and I was appointed as its chair. This Committee deliberates on the evaluation of the Board’s effectiveness, measures for improvement, and other matters related to corporate governance, and reports its findings to the Board. While the Board of Directors engages in active discussions and responds earnestly to issues and opinions raised by external officers, I believe it is also necessary to set agenda items that are more focused on the medium- to long-term direction of management and to operate the Board accordingly. In addition, with regard to the case of inappropriate cost management pointed out in the effectiveness evaluation and identified in 2024, we will thoroughly implement recurrence prevention measures and conduct monitoring to further strengthen internal controls. We will work to resolve any concerns related to our corporate governance and strive to restore stakeholder trust.



Atsuko Ogasawara External Director

Under its business philosophy of “We strive to create a safe, comfortable and enriching society using world-class technology and expertise,” the CTI Engineering Group supports infrastructure development in a wide range of fields and is working to enhance corporate value so it can continue contributing well into the future.

Having worked for many years as an economic journalist in my previous career, I have witnessed the rise and fall of numerous companies. Even today, there are companies that, not only because of scandals but also due to mishandling their response, lose the trust of society and find themselves in difficult situations. Protecting trust and safeguarding a company requires management with a broad perspective that is not bound by industry circumstances or internal practices. To enhance corporate value on a sustainable basis—not only through risk management—diverse perspectives are essential, meaning diversity in both human resources and business portfolios.

In the consulting engineering industry, above all else, highly skilled engineers with advanced expertise and qualifications such as Professional Engineer certification can be considered the true “capital.” The CTI Engineering Group has long focused on

recruitment, development, and improving employee engagement scores. However, in today’s environment of increasing labor mobility, achieving sustainable growth requires going beyond recruitment and development to make various “investments” in human capital, such as fair evaluation and flexible remuneration. I regard this as an area in which the CTI Engineering Group is making continuous efforts as one of its seven materiality issues.

That said, as a consulting engineer with a core focus on the civil engineering field, the reality is that there are inevitably few female employees and female managers. For the sake of bringing diverse perspectives to management, it is essential to increase these numbers. To achieve this, male managers and supervisors also need to reform their mindset so that they are not bound solely by past practices or their own experiences. Moreover, asking women to work in exactly the same way as men is not true diversity. From my own experience, one effective approach to fostering the growth of minority female employees and female managers is to encourage interaction with peers in similar positions, both inside and outside the industry. I believe the Company should support various opportunities for such interaction. As an external director, I hope to contribute to strengthening human capital management.



Toru Kuwano External Director

From this fiscal year, I have been participating in the Company’s management as an external director. I understand that my appointment was made with the expectation that the knowledge and experience I have gained over many years in IT company management will be applied to enhance the Company’s corporate value.

The Company develops social infrastructure that supports safe and enriching lives for people and works to address social issues through technology. I see commonalities with the IT industry, in which I have been involved. In particular, I have a strong affinity with the pride of being a group of engineers engaged as key advisors in every stage of infrastructure development, and with the earnest approach taken toward highly public projects. I am convinced that, as a company playing such an important role in society, it is worthy of my wholehearted contribution of skills.

In recent years, as projects have grown larger in scale and more complex in nature, strengthening our project management capabilities and promoting DX have become crucial elements in supporting the Company’s sustainable growth. While the use of IT in the field is advancing within the Company, I believe there is

still room for further progress in linking it to overall corporate strategy and applying it to management decision-making. Moreover, as a company engaged in highly public projects, ensuring quality and managing risk are of utmost importance. I believe that initiatives leveraging technologies such as AI to visualize risks while reducing workloads will contribute to both securing public trust and improving profitability.

What supports these initiatives are people and organizations. The linkage between human resource strategy and management strategy will become increasingly important, and flexible mechanisms to support this linkage will be required. My own guiding principle is “simple = grasping the essence,” and I have valued the perspective of identifying priority issues from within complex situations. Under the Mid- to Long-Term Vision SPRONG 2030 and the Mid-Term Management Plan 2027, which commenced this fiscal year, I will maintain this approach and work to ensure sound decision-making.

As an external director, I intend to actively stimulate discussions in the Board of Directors and offer frank, insightful comments and recommendations so that the Company—indispensable to society—can meet the expectations of its shareholders, shine ever more brightly, and continue to grow.



Experience and Expertise of Directors and Auditors (Skill Matrix), etc.

	Name	Years in Office	Attendance in 2024			Skill Matrix										Reasons for Their Appointment
			Board of Directors	Audit & Supervisory Board	Nomination & Remuneration Advisory Committee	Management	Engineering Quality	Business Strategy Marketing	HR Development	IT DX		Sustainability ESG	Finance Accounting Tax Affairs	Legal Affairs Risk Management	Global	
Directors	Tetsumi Nakamura Representative Director, Chairman	12 years	16/16		5/5	●	●	●		●		●				Has held key positions in the Water & Land Business Sector and main offices, gaining extensive experience and high-level insight into the CTI Engineering Group's management, business strategy and marketing; appointed Director in March 2013 and Representative Director and President, CEO in March 2019; in current post since March 2024.
	Tatsuya Nishimura Representative Director and President, CEO	6 years	16/16		5/5	●	●	●				●		●	●	Has held key positions in the Water & Land Business Sector, main offices and Sales & Marketing Div., gaining extensive experience and high-level insight into the CTI Engineering Group's management, business strategy, marketing and overseas business; appointed Director in March 2019; appointed Representative Director and President, CEO in March 2024.
	Naoto Suzuki Senior Managing Executive Officer Chief, Planning & Business Development Headquarters	5 years	16/16			●	●	●	●	●		●	●	●		Joined the Company in 1991 after working at another firm in the industry; has held key positions in the Transportation & Urban Business Sector, main offices and the headquarters structure, gaining extensive experience and high-level insight into the CTI Engineering Group's management, IT/DX, finance/accounting and human resource development; appointed Director in March 2020; in current post since March 2024.
	Naoki Fujiwara Managing Executive Officer	2 years	16/16			●	●	●		●					●	Has held key positions in the Water & Land Business Sector and main offices, and has served as directors of two CTI Engineering Group companies; has extensive experience and high-level insight in the overseas business; appointed Director in March 2023; appointed Representative Director and President, CEO of CTI Engineering International Co., Ltd. in March 2024.
	Toshikazu Matsuoka Managing Executive Officer Chief, Administration Headquarters	1 year	11/11 *1			●	●		●			●	●		●	Joined the Company in February 1999 after working for a construction company; has extensive experience and high-level insight in human resources and human resource development gained from roles in the Transportation & Urban Business Sector, main offices, administration and human resource management; appointed Director in March 2024.
	Masahiro Emori Managing Executive Officer Chief, Managing Principal, Tokyo Main Office	— *2	— *2			●	●	●								Has held key positions in the Transportation & Urban Business Sector, main offices, and the headquarters; possesses extensive experience and advanced insight into the CTI Engineering Group's business activities, business strategy, and marketing; appointed Director in March 2025.
	Mitsuho Amano Managing Executive Officer Chief, Engineering Headquarters	— *2	— *2			●	●			●						Has held key positions in the Water & Land Business Sector and main offices; possesses extensive experience and advanced insight into the CTI Engineering Group's business activities and overall technology divisions; appointed Director in March 2025.
	Fumiko Kosao <div>External</div> <div>Independent Officer</div>	8 years	15/16		5/5	●			●				●			Has served as District Director of Gyoda Tax Office, Kantoshinetsu Regional Taxation Bureau and as District Director of Nihonbashi Tax Office, Tokyo Regional Taxation Bureau; has extensive experience in leadership roles, as well as specialized knowledge and broad insight in taxation and corporate accounting as a tax accountant; appointed Director in March 2017.
	Yoshihisa Sonobe <div>External</div> <div>Independent Officer</div>	3 years	16/16		5/5	●		●		●			●	●	●	Previously worked at Teijin Limited, where he was in charge of corporate strategy and served as CFO, leading business portfolio transformation, global JV management, overseas M&A and corporate governance improvement; also has expertise and broad insight in global business; appointed Director in March 2022.
	Atsuko Ogasawara <div>External</div> <div>Independent Officer</div>	2 years	16/16		5/5	●			●			●		●		Has held a number of key positions at The Mainichi Newspapers Co., Ltd.; first woman to serve on the Board of the Japan High School Baseball Federation and has served as Executive Director in charge of branding at National University Corporation Osaka University, gaining extensive experience in the business world, a high level of expertise and broad insight; appointed Director in March 2023.
Auditors	Toru Kuwano <div>External</div> <div>Independent Officer</div>	— *2	— *2		— *2	●	●	●		●		●		●		Brings management experience from TIS Inc. He has promoted the development of financial systems, advanced AI- and robotics-related businesses, and driven active investment and collaboration with startups and domestic and overseas ventures to advance businesses incorporating new technologies. He possesses extensive experience, advanced expertise, and broad insight; appointed Director in March 2025.
	Akira Tateyama Full-time Auditor	— *2	— *2	— *2		●	●			●						Has held key positions in the Transportation & Urban Business Sector, main offices, and the headquarters structure; possesses extensive experience in cost management as well as quality and safety management. Has also promoted in-house IT and DX initiatives, contributing to sound and proper organizational operations; in current post since March 2025.
	Keizo Mitsuke	2 years	16/16	14/14		●	●					●	●	●		Has technical experience gained at companies in the same industry and in the Company's Water & Land Business Sector; knowledgeable about the consulting engineering industry through participation in industry associations, and has expertise in finance/accounting from work experience at main offices; appointed Full-time Auditor in March 2023; in current post since March 2025.
	Yasuro Tanaka <div>External</div> <div>Independent Officer</div>	10 years	16/16	14/14										●	●	Has served as General Judge of the Tokyo High Court and as Director of the Sapporo High Court; registered as attorney in February 2011; has insight and professional ethics, a high level of expertise, and a wealth of experience as an attorney and former judge; appointed Auditor in March 2015.
	Go Ishikawa <div>External</div> <div>Independent Officer</div>	6 years	16/16	14/14		●							●	●	●	Registered as attorney in April 1995; has served as Deputy Chairman of the Dai-ichi Tokyo Bar Association and as Executive Governor of the Japan Federation of Bar Associations; has a high level of expertise and professional ethics in general legal matters, including corporate legal affairs, and knowledge of finance/accounting; appointed Auditor in March 2019.

*1 Since appointment as Director in March 2024 *2 Appointed Director and Auditor in March 2025

1 Selection of Items

The CTI Engineering Group Board of Directors should aim to further strengthen its supervisory function, deepen discussions on the matters on the right concerning the direction of the Company, and monitor the decisions it makes. The skills that the Board of Directors considers necessary for these discussions are listed on the right.

- ① Discussions related to management policy, such as the mid- to long-term vision and business portfolio transformation
- ② Discussions related to capital policy and capital cost
- ③ Discussions related to risk management, internal control system and global Group governance
- ④ Discussions related to dialogue with shareholders, sustainability and ESG

2 Skill Items and Reasons for Their Selection

Skill Item	Reasons for Their Selection
Management	Directors with knowledge and experience of executive management and overall corporate management to formulate growth strategies and supervise their promotion are needed at a time of significant change in the business and management environments to realize the sustainable growth of the CTI Engineering Group.
Engineering Quality	Directors with abundant knowledge and experience in the fields of technology and quality related to our business are needed to identify issues arising from changes in the social and economic environment and to provide appropriate direction for the Group's business.

Skill Item	Reasons for Their Selection
Business Strategy Marketing	Directors with knowledge and experience in business strategy or marketing are needed to identify issues arising from changes in the social and economic environment and to formulate and supervise appropriate business strategies.
HR HR Development	Directors with knowledge and experience in the field of human resource development and training, including the promotion of diversity, are needed to formulate and supervise human resource strategies that enable each employee to reach their full potential.
IT DX	Directors with knowledge and experience in the IT and DX fields are needed to formulate and oversee the strategies for IT innovation necessary for our sustainable growth.
Sustainability ESG	Directors with knowledge and experience of all aspects of sustainability, centered on ESG, are needed to realize sustainability management as a growth strategy.
Finance Accounting Tax Affairs	Directors with knowledge and experience in finance, accounting and tax affairs are needed to formulate and oversee capital policies and financial strategies with an awareness of capital cost to be able to build a strong financial base and achieve sustainable growth of corporate value.
Legal Affairs Risk Management	Directors with knowledge and experience in corporate governance, risk management and compliance are needed to improve the effectiveness of management oversight by the Board of Directors as the establishment of an appropriate governance structure is the foundation for sustainable improvement of corporate value.
Global	Directors with overseas work experience and knowledge and experience of overseas lifestyles, cultures and business environments are needed to formulate and oversee the promotion of growth strategies for the growth area of overseas business.

Changes in Mid- to Long-Term Visions and Mid-Term Management Plans

Mid- to Long-Term Vision	2006–2015 PHOOS 2015					2015–2025 (2020) CLAVIS 2025					2021–2030 SPRONG 2030			
Mid-Term Management Plan	2012–2014 Mid-Term Management Plan 2014					2015–2018 Mid-Term Management Plan 2018			2019–2021 Mid-Term Management Plan 2021		2022–2024 Mid-Term Management Plan 2024			
	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
Income Statement														
Orders received (¥ million)	31,598	37,707	43,082	40,348	40,353	42,481	52,775	60,117	70,718	69,127	84,448	85,887	92,473	94,400
Sales (¥ million)	33,646	32,515	36,435	39,524	40,220	42,033	49,301	58,443	62,649	65,190	74,409	83,485	93,057	97,678
Cost of sales (¥ million)	25,265	24,184	27,357	29,147	29,379	30,989	35,992	43,049	45,321	46,955	53,678	60,066	65,996	69,251
Gross profit (¥ million)	8,380	8,330	9,077	10,377	10,841	11,044	13,309	15,393	17,327	18,234	20,731	23,419	27,060	28,427
Selling, general and administrative expenses (¥ million)	7,395	7,388	7,558	7,988	8,243	8,665	10,888	12,347	13,060	13,149	13,740	15,401	17,049	19,030
Operating income (¥ million)	984	942	1,519	2,388	2,598	2,378	2,420	3,046	4,267	5,085	6,991	8,017	10,011	9,396
Operating income margin (%)	2.9	2.9	4.2	6.0	6.5	5.7	4.9	5.2	6.8	7.8	9.4	9.6	10.8	9.6
Non-operating revenues (¥ million)	145	134	119	136	136	54	80	120	130	131	126	217	141	138
Ordinary profit (¥ million)	1,129	1,076	1,638	2,525	2,734	2,433	2,500	3,167	4,397	5,216	7,118	8,235	10,153	9,535
Extraordinary gain (loss) (¥ million)	–95	7	73	12	–12	–50	–55	–88	–95	27	–238	16	–12	–45
Income taxes (¥ million)	593	508	746	1,040	1,082	958	786	1,150	1,416	1,592	2,359	2,327	2,571	2,704
Net income attributable to owners of the parent (¥ million)	421	550	982	1,490	1,633	1,447	1,615	1,893	2,808	3,650	4,471	5,874	7,534	6,746
Comprehensive income (¥ million)	507	701	1,270	1,584	1,891	1,259	2,237	1,299	3,766	3,656	6,082	6,196	9,667	8,595
Balance Sheet														
Net assets (¥ million)	19,876	20,350	21,392	21,870	23,816	24,793	26,885	27,810	30,929	34,016	38,820	47,719	55,093	61,674
Total assets (¥ million)	30,332	32,319	37,132	41,011	43,937	42,644	49,444	50,854	59,013	63,980	71,880	73,296	79,914	87,694
Net assets per share (¥)	699.00	714.92	752.43	769.90	837.70	873.16	940.51	975.27	1,084.77	1,196.68	1,367.49	1,680.41	1,979.45	2,213.71
Net income per share (¥)	14.92	19.46	34.73	52.69	57.76	51.19	57.11	66.97	99.30	129.08	158.13	207.75	271.06	243.10
Net worth ratio (%)	65.2	62.6	57.3	53.1	53.9	57.9	53.8	54.2	52.0	52.9	53.8	64.8	68.7	70.1
Return on equity (ROE) (%)	2.1	2.8	4.7	6.9	7.2	6.0	6.3	7.0	9.6	11.3	12.3	13.1	14.7	11.6
Return on assets (ROA) (%)	3.6	3.4	4.7	6.5	6.4	5.6	5.4	6.3	8.0	8.5	10.5	11.7	13.3	11.4
* On January 1, 2025, the Company conducted a two-for-one split of its common stock. Net assets per share and net income per share have been calculated on the assumption that this stock split was conducted at the beginning of the previous fiscal year.														
Cash Flows														
Cash flows from operating activities (¥ million)	–1,005	921	3,012	3,591	1,613	–201	2,834	1,873	4,798	8,687	5,344	3,804	874	2,410
Cash flows from investing activities (¥ million)	683	–167	–962	568	–1,766	–163	–6,857	–1,475	–1,051	–779	–671	–752	–912	–5,658
Cash flows from financing activities (¥ million)	–238	–476	89	–108	–196	–683	–739	–76	–545	–1,185	–1,128	–1,291	–3,291	–2,111
Cash and cash equivalents at end of period (¥ million)	6,163	6,448	8,592	12,659	12,310	11,244	6,515	6,722	9,873	16,684	20,527	22,589	19,654	14,670
Sales by Segment														
Domestic consulting engineering business (¥ million)	—	—	—	—	—	—	39,603	40,871	45,493	48,978	53,696	58,160	64,473	66,945
Overseas consulting engineering business (¥ million)	—	—	—	—	—	—	9,697	17,572	17,156	16,211	20,713	25,325	28,583	30,733

* The segment classifications were changed beginning with the fiscal year ended December 31, 2017.

Status of the Company (As of December 31, 2024)

Status of Shares

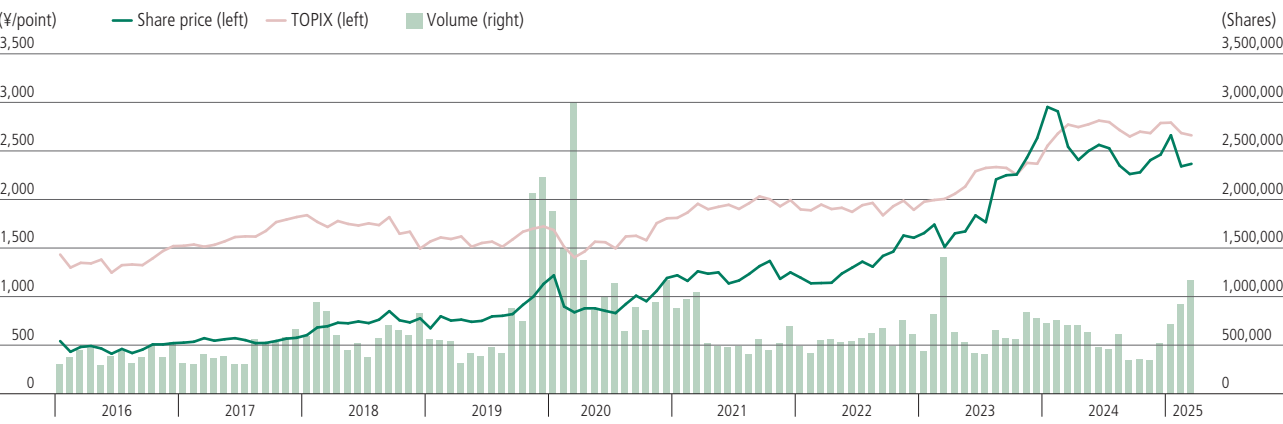
(1) Total number of shares to be issued	80,000,000 shares
(2) Total number of issued shares	28,318,172 shares
(3) Number of shareholders	3,993
* The number of shares is stated after adjustment for the stock split implemented on January 1, 2025.	

Top 10 Shareholders

Name	Number of Shares Held (Thousand)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	1,501	10.8
HIKARI POWER LIMITED	1,396	10.1
CTI Engineering Employees' Stock-sharing Association	1,068	7.7
Yasumitsu Shigeta	396	2.9
MUFG Bank, Ltd.	371	2.7
Custody Bank of Japan, Ltd. (trust account)	368	2.7
Mitsubishi UFJ Trust and Banking Corporation	354	2.6
Sumitomo Life Insurance Company	300	2.2
Dai-ichi Life Insurance Company, Limited	269	1.9
Yutaka Takahashi	235	1.7

Notes: 1. Calculation of shareholding ratio excludes treasury stock (278,858 shares).
2. On January 1, 2025, the Company conducted a two-for-one split of its common stock. The status of major shareholders above is shown based on the number of shares held prior to the stock split.

Share Price



ISO Certification

Quality Management System

JIS Q 9001:2015 (ISO 9001:2015) Certification No. MSA-QS-4
Certification scope: Consulting services related to rivers and sand erosion control, coasts and marine waters, ports and airports, power engineering, roads, railroads, water supply and industrial water supply, sewerage, agricultural engineering, forest engineering, fishery engineering, waste, landscaping, urban and regional planning, geology, soil and foundations, steel structures and concrete, tunnels, construction planning and construction equipment and estimations, construction environments, machinery, electricity and electronics, and information
Certified organizations: Main Office Environment, Quality & Safety Management Division, Tokyo Main Office, Hokkaido Office, Tohoku Office, Hokuriku Office, Chubu Office, Osaka Main Office, Chugoku Office, Shikoku Office, Kyushu Office, Okinawa Office

Environmental Management System

JIS Q 14001:2015 (ISO 14001:2015) Certification No. MSA-ES-10
Certification scope: Consulting services and office activities related to the construction business
Certified organizations: Main Office Environment, Quality & Safety Management Division, Tokyo Main Office, Hokkaido Office, Tohoku Office, Hokuriku Office, Chubu Office, Osaka Main Office, Chugoku Office, Shikoku Office, Kyushu Office, Okinawa Office

Corporate Information

Company Overview

Company name	CTI Engineering Co., Ltd.
Address of Main Office	Nihombashi Hamacho F Tower, 3-21-1, Nihombashi Hamacho, Chuo-ku, Tokyo, Japan 103-8430
Established	April 1963
Capital	¥3,025,875,010
Stock exchange listings	Tokyo Stock Exchange, Prime Market (securities identification code: 9621)
Services	Provides professional consulting services related to civil engineering and construction works, including project conceptualization, research, design, and supervision

- Registered Civil Engineering Consultant, Reg. No. 06-133
- Registered Geological Surveyor, Reg. No. 04-19
- Registered Compensation Consultant, Reg. No. 06-1002
- Registered Surveyor, Reg. No. (16)-848
- Registered First Class Architect's Office, Governor of Tokyo, Reg. No. 4330
- Registered First Class Architect's Office, Governor of Osaka Prefecture, Reg. No. 12091
- Registered First Class Architect's Office, Governor of Aichi Prefecture, Reg. No. 13738
- Registered Measurement Certification Business (Concentration) (Tokyo), Reg. No. 1424
- Designated Investigation Institution No. 2003-8-3017, based on Article 3 (1) of the Soil Contamination Countermeasures Act
- Weather Forecasting Services License No. 192 (Meteorological, Flood)

Information Security Management System

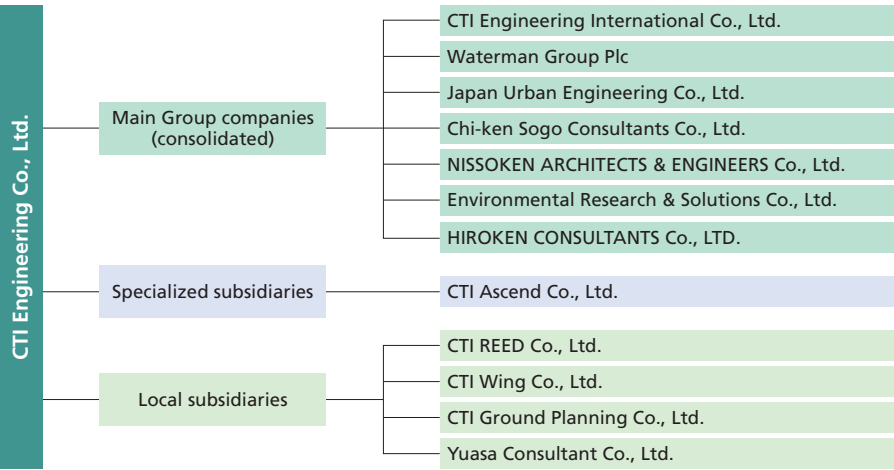
JIS Q 27001:2023 (ISO/IEC 27001:2022) Certification No. MSA-IS-62
Certification scope: Consulting services and office activities related to the construction business
Certified organizations: Main Office, Tokyo Main Office, Hokkaido Office, Tohoku Office, Hokuriku Office, Chubu Office, Osaka Main Office, Chugoku Office, Shikoku Office, Kyushu Office, Okinawa Office

Asset Management System

JIS Q 55001:2017 (ISO 55001:2014) Certification No. MSA-AS-13
Certification scope: Consulting services related to asset management of general public infrastructure (river and coastal facilities, bridges, tunnels) and utilities (water supply, sewerage)
Certified organizations: Tokyo Main Office: Infrastructure Management Division, Waterworks Engineering Division, Water and Sewerage Division, Osaka Main Office: Water and Sewerage Section

Group Companies

CTI Engineering Group Structure



CTI Engineering Co., Ltd. https://www.ctie.co.jp/english/	Provides professional consulting services related to civil engineering and construction works, including project conceptualization, research, design, and supervision.
CTI Engineering International Co., Ltd. https://www.ctii.co.jp/en	Engaged in surveys, planning, design, construction supervision, and project management related to overseas infrastructure and social environment development.
Waterman Group Plc https://www.watermangroup.com	Provides proposals, planning, and design in the fields of architecture, infrastructure development, environment, and energy, with bases in the United Kingdom, Ireland, and Australia.
Japan Urban Engineering Co., Ltd. https://www.cticd.co.jp (Only in Japanese)	Engaged in urban development, urban planning, and community building; land readjustment projects and urban redevelopment projects; civil engineering design and development permits; compensation surveys; surveying; disaster reconstruction; and real estate consulting.
Chi-ken Sogo Consultants Co., Ltd. http://www.chiso-con.co.jp (Only in Japanese)	Engaged in geological surveys and analysis; groundwater and soil contamination surveys; planning and design of roads, rivers, and underground facilities; planning and design for erosion and sediment control disaster prevention; and surveys and design for slope disaster prevention and landslide countermeasures.
NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd. https://www.nissoken.co.jp (Only in Japanese)	Engaged in design, supervision, surveys, and planning related to architecture and building facilities; project management and construction management services for overall building projects; building surveys, appraisals, and analysis; and preparation of plans for repairs and extending building life.
Environmental Research & Solutions Co., Ltd. http://www.ctiers.co.jp (Only in Japanese)	Engaged in environmental consulting (soil contamination countermeasures, water treatment, environmental assessments); environmental surveys and analysis (water quality, waste, exhaust gas, dioxins, PCBs, asbestos, PFAS); work environment measurements; drinking water testing; and genetic analysis (environmental DNA).
HIROKEN CONSULTANTS Co., LTD. https://hiroken-net.co.jp (Only in Japanese)	Engaged in infrastructure development projects (civil engineering design, development design, agricultural civil engineering, construction environment, various inspections, surveying, compensation surveys, geological surveys, etc.); waste-related projects; store and land development projects; soil surveys; and ICT projects (3D surveying, 3D design, etc.).
CTI Ascend Co., Ltd. https://tamano-ascend-distillery.jp/ (Only in Japanese)	Engaged in agricultural production (corn) utilizing unused land and resources, and in the manufacture and sale of alcoholic beverages (whisky).
CTI REED Co., Ltd. http://www.reed.ctie.co.jp (Only in Japanese)	Engaged in river structure design, erosion control design, road design, BIM/CIM, big data analysis, traffic demand forecasting, natural environment surveys, impact and conservation studies, hydraulic model experiments and analysis, field surveys and analysis of rivers, dams, coasts, and erosion control, and riverbed material surveys and analysis.
CTI Wing Co., Ltd. https://www.ctie.co.jp/company/group/ctiwing/ (Only in Japanese)	Engaged in river structures, dams, and erosion control; planning and design of telecommunications facilities; planning and design of road structures; bridge inspections and design; river planning; living environment and traffic volume surveys; DX-related services (UAV surveys, XR, BIM/CIM); and construction management.
CTI Ground Planning Co., Ltd. https://www.ctie.co.jp/company/group/ctigp/ (Only in Japanese)	Engaged in hydraulic analysis, seismic analysis, facility planning, design, and maintenance inspections; disaster prevention and mitigation planning; big data analysis; utilization of information technologies such as BIM/CIM and XR; development of management systems and applications; sensing using UAVs; geological surveys and analysis; and client support services.
Yuasa Consultant Co., Ltd. https://www.ctie.co.jp/company/group/yuasa/ (Only in Japanese)	Engaged in water supply system design; design of road, river, and erosion control structures; design of common utility ducts; surveying; and applications for protective forest release and forest land development permits.