

This document has been translated from a part of the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translation.



Transcription of 63rd (2025) Financial Results Presentation

Date and time: 26 February 2026 (Thu) 14:00 - 15:00

Tatsuya Nishimura, Representative Director and President, CEO (hereinafter “Nishimura”)

Nishimura :

I will now go through the presentation materials.

Today, I will begin with the FY2025 (63rd Term) financial results, followed by the progress of the Mid-Term Management Plan 2027.

Finally, I would like to explain FY2026 (64th Term) Management Plan

FY2025(63rd Term) : Increase in Sales, decrease in profit

- **Orders received** : Strong, 9.7% up compared with the target
- **Sales** : Steady, 1.0% up compared with the target
- **Operating income** : 8.6% down compared with the target

Affected by a decline in utilisation rates and an increase in SG&A expenses in overseas business

- **Net Income Attributable to Owners of the Parent** : 5.5% down compared with the target
Impacted by factors such as dormant assets of employee dormitories, losses on waiver of receivables for subsidiaries and loss on valuation of investment securities.

Shareholder returns : Total return ratio 45.4%

- **Dividend** : JPY 75 per share (**Dividend payout ratio : 35.0%**)
- Currently conducting **acquisition of treasury shares up to JPY 1.5 billion**

Nishimura :

I will report the financial results of FY2025 (63rd Term).

In the 63rd fiscal year, Sales increased, but profit decreased.

Compared with the target, Orders Received were Strong, increased by 9.7%, and Sales increased steadily by 1.0%. On the other hand, Operating Income decreased by 8.6%, and Net Income Attributable to Owners of the Parent decreased by 5.5%.

Total returns ratio was 45.4%, with the dividends of JPY 75 per share, for the dividends payout ratio of 35%.

Orders Received	Sales	Operating Income	Net Income Attributable to Owners of the Parent
<p>JPY 109,701 million</p> <p>FY2024 (62nd) JPY 94,400 million %YoY +16.2%</p>	<p>JPY 101,038 million</p> <p>FY2024 (62nd) JPY 97,678 million %YoY +3.4%</p>	<p>JPY 9,136 million</p> <p>FY2024 (62nd) JPY 9,396 million %YoY -2.8%</p>	<p>JPY 5,952 million</p> <p>FY2024 (62nd) JPY 6,746 million %YoY -11.8%</p>

Orders Received Strong performance both in domestic and overseas business, exceeding JPY 100 billion for the first time.
 Domestic : Driven by local governments, the private sector and strategic growth areas.
 Overseas : Strong performance by both Waterman Group Plc and CTI Engineering International.

Sales Reached a record high, exceeding JPY 100 billion for the first time due to strong Orders Received.

Operating Income Decreased due to a decline in utilisation rates and an increase in SG&A expenses in overseas business.

Nishimura :

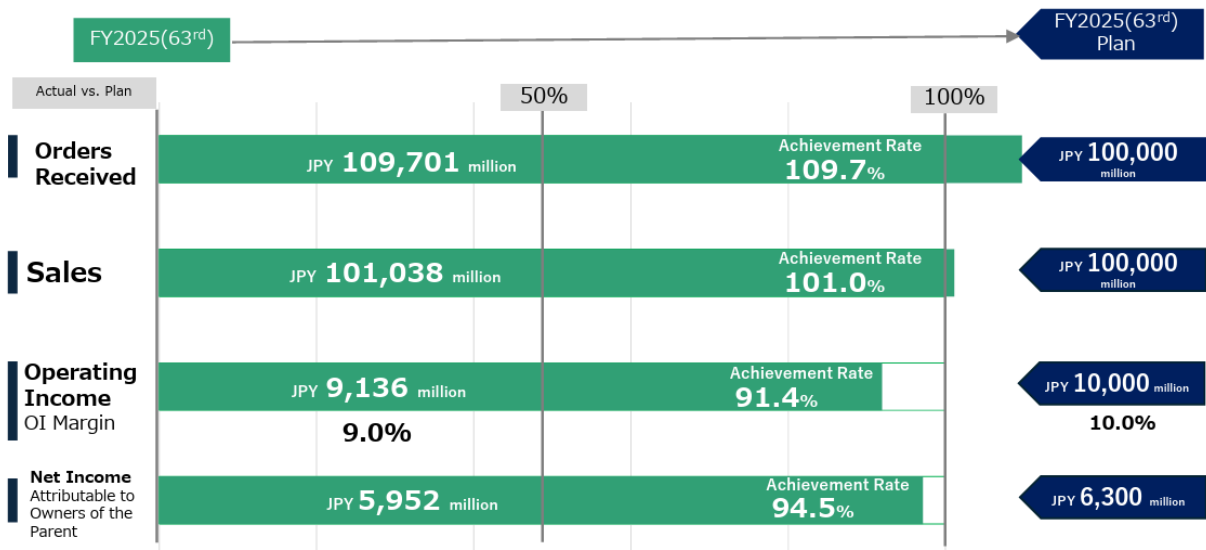
Next, I will present the highlights of our financial results.

Orders Received were Strong performance, exceeding JPY 100 billion for the first time.

Operating Income decreased by 2.8% YoY due to higher SG&A expenses resulting from lower utilisation rates in overseas business.

• FY2025 (63rd Term) -Financial Highlight (Achievement vs. Plan)

Orders Received and Sales achieved the target, while Operating Income and Net Income did not reach the target.



Nishimura :

This slide shows the achievement rates of each performance figure against the target.

Orders Received and Sales achieved the target, while the achievement rate of Operating Income was 91.4%, and that of Net Income was 94.5%.

FY2025 (63rd Term) - Profit and Loss Statement (Consolidated)



(JPY million)

	FY2024 (62 nd Term)	FY2025 (63 rd Term)		FY2025 (63 rd Term) (Updated FY Plan)		
			Change(¥) (YoY)	Change(%) (YoY)		Achievement vs. Plan(%)
Orders Received	94,400	109,701	+15,301	+16.2%	100,000	109.7%
Sales	97,678	101,038	+3,359	+3.4%	100,000	101.0%
Operating Income	9,396	9,136	-260	-2.8%	10,000	91.4%
OI Margin	9.6%	9.0%	-	-0.6pt	10.0%	-
Ordinary Profit	9,535	9,350	-184	-1.9%	10,000	93.5%
Net Income Attributable to Owners of the Parent	6,746	5,952	-794	-11.8%	6,300	94.5%

Copyright © 2025 CTI Engineering Co., Ltd. All Rights Reserved.

7

Nishimura :

This is the overview of our consolidated profit and loss statement.

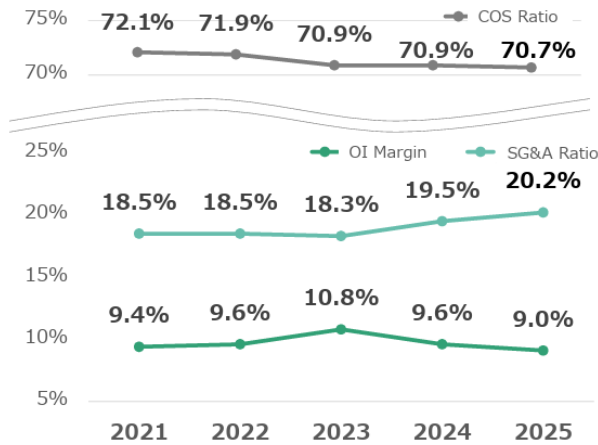
It shows the year-on-year changes and the performance of each actual figure against the target.

Income Statement (Consolidated) - 5 years Trend -



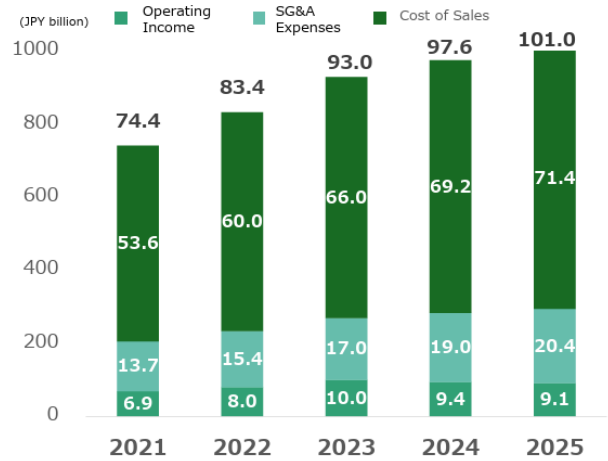
Operating Income Margin, etc. - 5 years Trend -

- Cost of Sales Ratio : 70.7%(YoY -0.2pt)
- SG&A Ratio : 20.2% (YoY +0.7pt)
- Operating Income Margin: 9.0% (YoY -0.6pt)



Sales Composition - 5 years Trend -

- Sales reached a record high due to strong Orders Received, exceeding JPY 100 billion for the first time
- Operating Income slightly decreased due to higher SG&A Expenses



Copyright © 2025 CTI Engineering Co., Ltd. All Rights Reserved.

8

Nishimura :

This slide shows the five-year trend summary of the consolidated income statement.

Please look at the line graph on the left.

The Cost of Sales Ratio was 70.7%, decreased by 0.2 percentage points year on year.

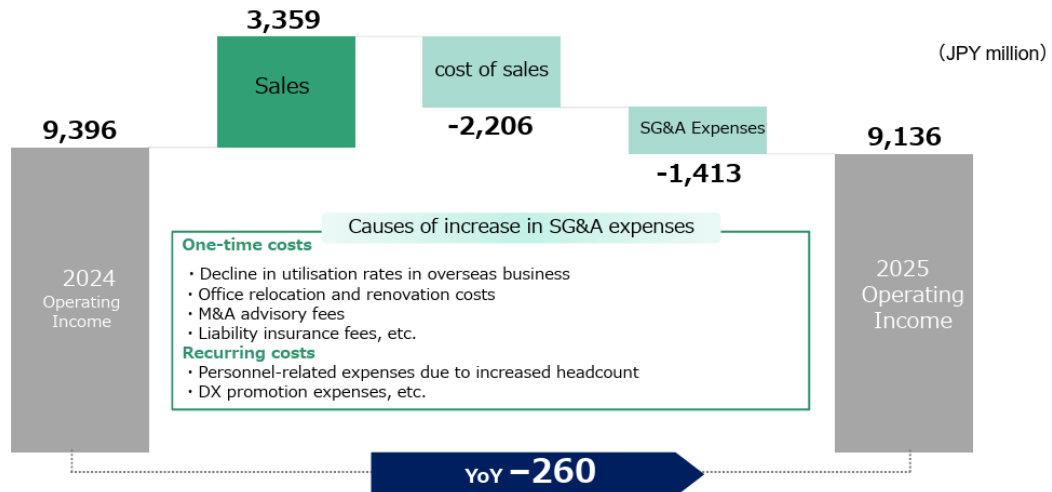
The SG&A Ratio was 20.2%, increased by 0.7 percentage points year on year, and it was the cause of the decline in Operating Income to 9%.

The bar chart on the right shows the five-year trend of sales composition.

Sales have grown steadily, the increase in SG&A Expenses, shown as the second segment from the top, has been significant.

Analysis of Changes in Operating Income

- Cost of sales increased in line with higher Sales. Cost of Sales Ratio decreased by 0.2pt YoY
- SG&A Expenses increased in both constant and one-time expenses
- SG&A expenses ratio increased 0.7 pt YoY
- Operating Income decreased due to higher SG&A expenses.
- OI Margin decreased by 0.6pt YoY



Nishimura :

This is analysis of changes in Operating Income.

Operating Income for 2024 was approximately JPY 9.4 billion.

In 2025, Sales increased by JPY 3.36 billion, while Cost of Sales Ratio increased by JPY 2.0 billion and SG&A expenses increased by JPY 1.4 billion. As a result of those increases, particularly the rise in SG&A expenses, Operating Income for 2025 declined to JPY 9.14 billion.

The cause of increase in SG&A expenses can be divided into two categories: one-time costs and recurring costs.

The one-time costs include lower utilization rates in the overseas business, office relocation and renovation costs, and M&A advisory fees.

The recurring costs include personnel-related expenses due to increased headcount and DX promotion expenses.

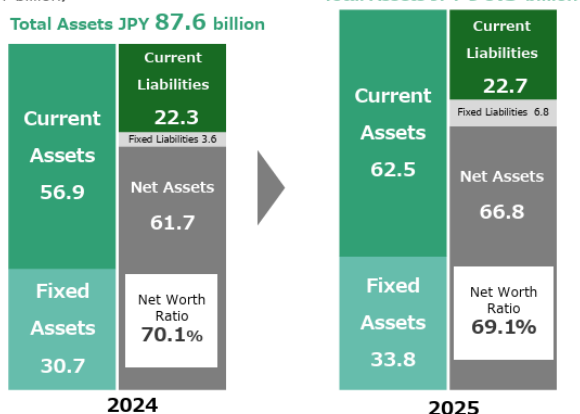
The increases in one-time and recurring expenses were almost equal in scale.

Balance Sheet/Cash Flow (Consolidated)

Balance Sheet

- **Total Assets increased** by JPY 8.7 billion YOY to JPY 96.3 billion due to an increase in accounts receivable (+JPY 4.1 billion), and right-of-use assets (+JPY 1.7 billion), etc.
- **Total Liabilities increased** by JPY 3.6 billion YOY to JPY 29.5 billion due to decrease in short-term borrowings (-JPY 0.6 billion), increase in long-term lease obligations (+JPY 1.9 billion) and asset retirement obligations (+JPY 0.5 billion), etc.
- **Net worth ratio decreased** by 1.0pt to 69.1%

(JPY billion)

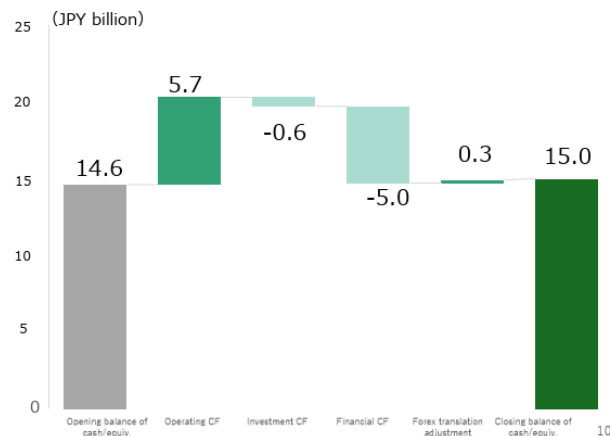


Copyright © 2025 CTI Engineering Co., Ltd. All Rights Reserved.

Cash Flow

- Cash & cash equivalents closing balance : JPY 15 billion (+ JPY 0.4 billion YOY)

	FY2024	FY2025	Main topics in FY2025
Operating CF	2.4	5.7	Profit before income taxes +9.0 Increase in trade receivables -3.6
Investing CF	-5.6	-0.6	Acquisition of tangible fixed assets -1.1
Financing CF	-2.1	-5.0	Dividend payments -2.0 Acquisition of treasury shares -0.6



Nishimura :

This slide provides an overview of the consolidated Balance Sheet and the cash flow statement.

The chart on the left shows a year-on-year comparison of the Balance Sheet.

Total Assets increased by JPY 8.7 billion from the previous year to JPY 96.3 billion.

Total Liabilities increased by JPY 3.6 billion year on year to JPY 29.5 billion.

Net worth ratio decreased by 1.0 percentage point to 69.1%


The cash flow statement is shown on the right.

Operating cash flow was JPY 5.7 billion, Investing cash flow was JPY -0.6 billion, financing cash flow was JPY -5.0 billion, and forex transition adjustment was JPY 0.3 billion, resulting in the Cash & Cash equivalents closing balance of JPY 15.0 billion, increased by JPY 4.0 billion year on year.

Orders Received and Sales exceeded the target, while Operating Income fell short of the plan

- Orders received and Sales were strong, supported by steady performance in Core Businesses and strong performance in Growth Areas and New Businesses
- Operating Income was affected by some subsidiaries failing to meet their targets
- Due to strong Orders Received, the balance of Orders Received at the end of the period was JPY 41.2 billion (JPY 38.0 billion at the beginning of the period, increased by 8%)

(JPY million)

	FY2024 (62 nd Term)	FY2025 (63 rd Term)			FY2025 (63 rd Term) (FY Plan)	
			Change(¥) (YoY)	Change(%) (YoY)		Achievement vs. Plan (%)
Orders Received	65,724	72,411	+6,687	+10.2%	67,000	108.1%
Sales	66,945	69,724	+2,779	+4.2%	69,000	101.0%
Operating Income	8,610	8,611	+1	+0.0%	9,300	92.6%
OI Margin	12.9%	12.4%	-	-0.5pt	13.5%	-

Nishimura :

Next, we will report on the results outline by segment.

First, the domestic consulting engineer business.

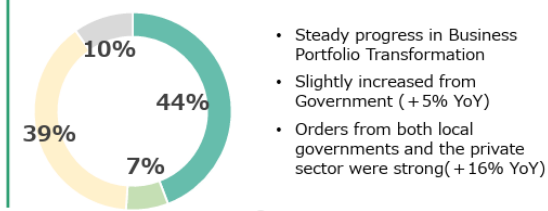
Orders Received were JPY 72.4 billion and Sales were JPY 69.7 billion, both exceeding the previous fiscal year and the target.

Operating Income was JPY 8.6 billion, the same level as the previous year but below the target because some subsidiaries did not achieve their targets.

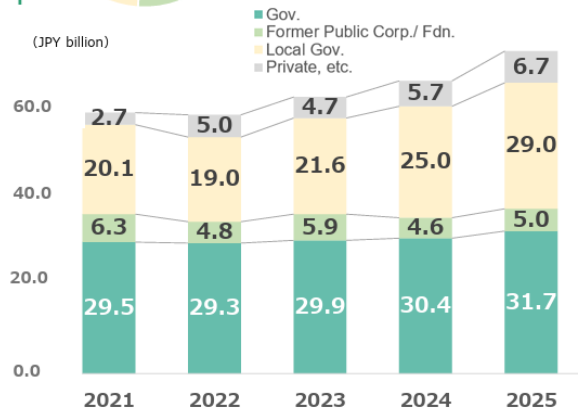
Due to strong Orders Received, the balance of Orders Received at the end of the period was JPY 41.2 billion, increased by JPY 3.2 billion compared to the previous period.

Overview of Orders Received (Domestic Business)

Orders Received Amount by Clients

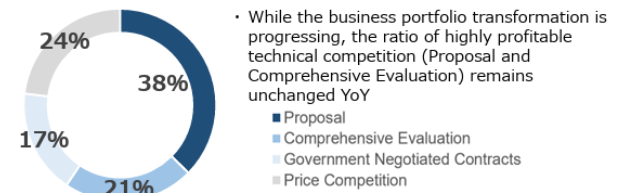


- Steady progress in Business Portfolio Transformation
- Slightly increased from Government (+5% YoY)
- Orders from both local governments and the private sector were strong(+16% YoY)

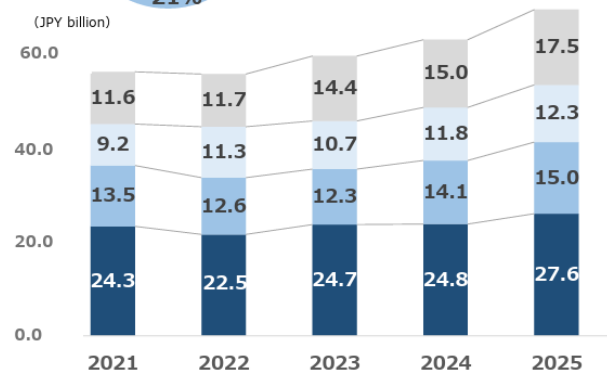


Copyright © 2025 U11 Engineering Co., Ltd. All Rights Reserved.

Orders Received Amount by Contract Method



- While the business portfolio transformation is progressing, the ratio of highly profitable technical competition (Proposal and Comprehensive Evaluation) remains unchanged YoY



12

Nishimura :

This slide provides Overview of Orders Received in domestic business.

First, the pie chart on the left shows Orders Received amount by client type.

Orders Received from the government were JPY 31.7 billion, an increase of JPY 1.3 billion from the previous fiscal year.

Orders Received from the local government were JPY 29.0 billion, an increase of JPY 4.0 billion.

Orders Received from the private sector also increased by JPY 1.0 billion.

As shown here, Orders Received from the local government and the private sector increased significantly this year.

The pie chart on the right shows Orders Received amount by contract method.

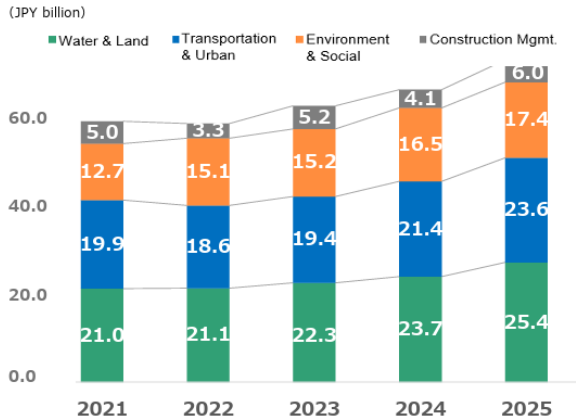
Orders Received under the proposal methods, shown as the first segment from the bottom, was JPY 27.6 billion, and the comprehensive evaluation method, the second segment, was JPY 15.0 billion.

As a result, approximately 60% of total Orders Received were awarded through technically competitive procurement methods.

Overview of Orders Received (Domestic Business)

Orders Received Amount by Business Sector

- Water & Land Business Sector remained strong, driven by strong performance in water & sewage sector (+35% YoY)
- Transportation & Urban Business Sector performed strongly, supported by contributions from group companies
- Construction Management Business Sector have been strong due to an increase in orders for multi-year contracts
- Gross profit margin remained high levels in both Water & Land and Construction Management.



Copyright © 2025 CTI Engineering Co., Ltd. All Rights Reserved.

Water & Land Business Sector

35%

Rivers / Water Resources / Coasts / Ports / Dams / Erosion Control / Water Supply & Sewerage / Mechanical & Electrical Equipment

YoY **+7.4%**
Gross Profit Margin **36.5%**

Transportation & Urban Business Sector

33%

Roads & Transportation / Urban Planning / PFIs & PPPs / Architecture

YoY **+10.0%**
Gross Profit Margin **28.4%**

Environment & Social Business Sector

24%

Information & Telecommunications Technology / Disaster Mitigation / Environment / Geo-environment

YoY **+5.6%**
Gross Profit Margin **30.2%**

Construction Management Business Sector

8%

Public Procurement Assistance / Construction Management & Execution Management

YoY **+45.2%**
Gross Profit Margin **36.6%**

Nishimura :

This slide shows the Orders Received amount by business sector.

The proportions of four business sector, such as Water & Land, Transportation & Urban Business, Environment & Social and Construction Management, remain unchanged from the previous fiscal year.

Water & Land Business Sector remained strong, driven by strong performance in Water & Sewage Sector, resulting in a 35% increase year on year.

Transportation & Urban Business Sector performed strongly, supported by contributions from group companies, such as Japan Urban Engineering and NISSOKEN ARCHITECTS & ENGINEERS.

Construction Management Business Sector has been strong due to an increase in multi-year contracts.

Gross profit margin remained at a high level, with both Water & Land Business Sector and Construction Management Business Sector exceeding 36%.

Overview of FY2025 (63rd Term) Results by segment: Overseas Business



• Orders Received exceeded the target and Sales in line with targets, while Operating Income decreased significantly

CTI Engineering International (CTII) : Orders Received exceeded the plan due to large-scale projects, while Operating Income was heavily impacted by a decline in utilisation rates due to resulting from delays in the timing of contracts.

Waterman Group Plc (Waterman): Operating Income decreased year-on-year due to prolonged high inflation in the UK and the impact of fiscal policy by the Labour government, however, Orders Received, Sales, and Operating Income all achieved the target

(JPY million)

	FY2024 (62 nd Term)	FY2025 (63 rd Term)		FY2025 (63 rd Term) (FY Plan)	
		Change(¥) (YoY)	Change(%) (YoY)	Achievement vs. Plan (%)	
Orders Received	28,676	37,290	8,613	+30.0% (+31.9%)	33,000 113.0%
Sales	30,733	31,313	580	+1.9% (+0.3%)	31,000 101.0%
Operating Income	773	543	-229	-29.7% (-30.8%)	700 77.7%
OI Margin	2.5%	1.7%	-	-0.8pt	2.3% -

※Orders Received amount includes amount changes from currency fluctuations associated with the end-of -FY order backlog at our overseas subsidiaries.

The figures in blue represent at change percentage excluding the foreign currency adjustment of our overseas subsidiaries.

Copyright © 2025 CTI Engineering Co., Ltd. All Rights Reserved.

14

Nishimura :

Next, I will explain overseas consulting engineer business.

Orders Received were JPY 37.2 billion and Sales were JPY 31.3 billion, both exceeding the previous fiscal year and the target.

Operating Income decreased by JPY 0.23 billion.

The decline in Operating Income was due to two factors.

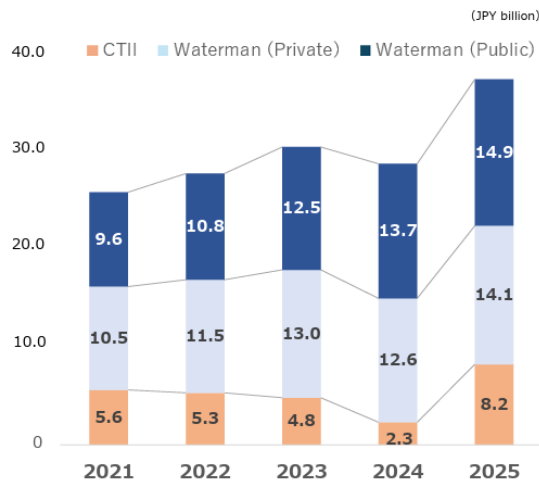
At CTII, which operates mainly in Southeast Asia, utilization rates declined as the timing of contracts of large-scale projects was delayed.

At Waterman, primary based in the UK, SG&A expenses increased due to the impact of fiscal policy by the Labour government, however, that impact on Waterman had already been factored into the initial target, and the company achieved its targets.

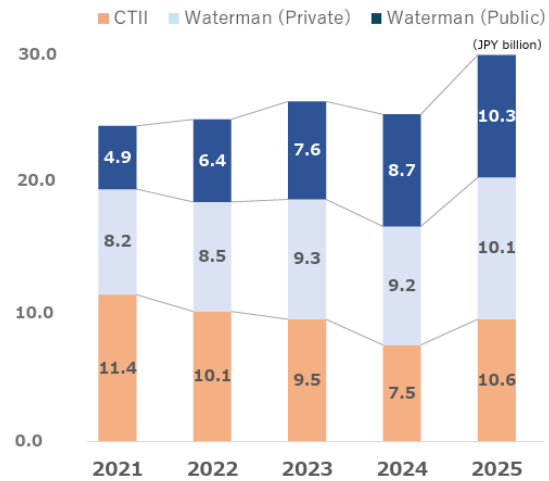
• Overview of Orders Received (Overseas Business)

- CTII increased significantly YoY due to the acquisition of large-scale projects
- Waterman exceeded the previous year in both the public and private sectors

Orders Received Amount



Trend in balance of Orders Received



Nishimura :

This slide shows the overview of Orders Received in overseas business.

First, the graph on the left shows Orders Received Amount.

Orders Received increased significantly year on year due to the acquisition of large-scale projects by CTII.

Orders Received at Waterman also increased in both the public and private sectors.

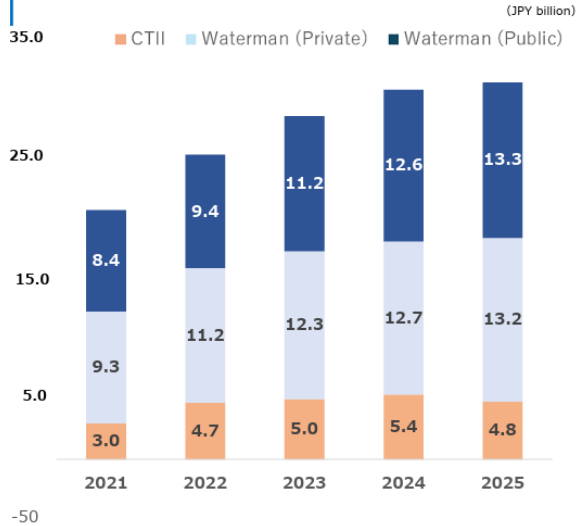
The balance of Orders Received, showed in the graph on the right, has increased for both CTII and Waterman.

Overview of Sales and Profit (Overseas Business)

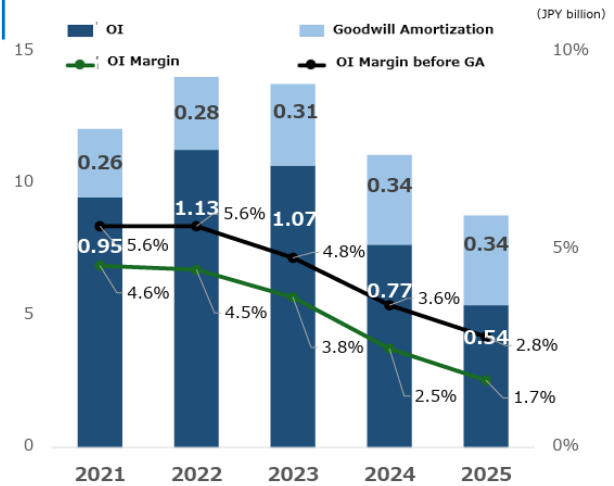


Sales achieved the target, but Operating Income decreased due to a decline in utilisation rate and other factors

Trend in Sales



Trend in Operating Income and OI Margin



Nishimura :

This slide shows the five-year trend of Sales and Operating Income.

Regarding the Sales, CTII decreased slightly compared with the previous fiscal year, while Waterman achieved and increase.

Operating Income margin decreased to 1.7%, or 2.8% before goodwill amotisation.

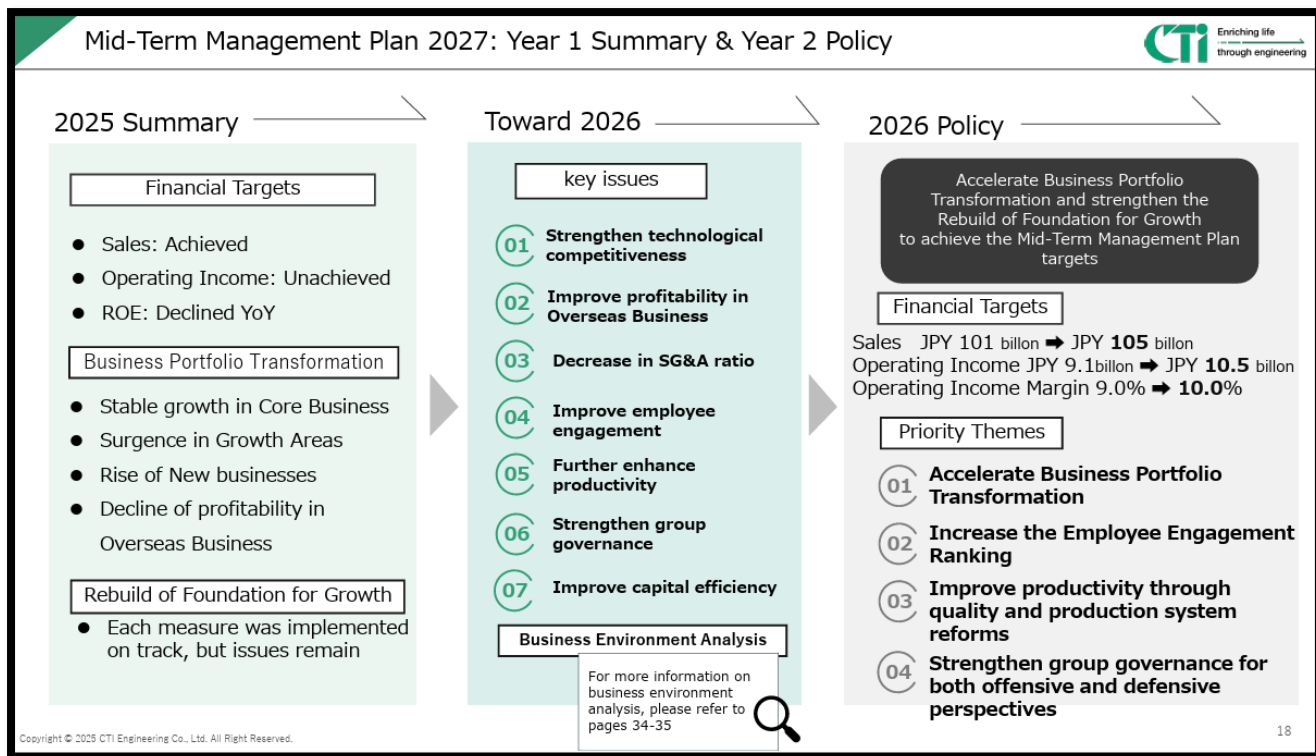
CONTENTS

- FY2025 (63rd Term) Financial Results
- **Progress of the Mid-Term Management Plan 2027**
 - Summary of Year 1 of the Mid-Term Management Plan
 - Analysis of the Business Environment for Year 2
- FY2026 (64th Term) Management Plan
- Appendix

Nishimura :

Next, I will explain the Progress of the Mid-Term Management Plan 2027.

As 2025 is the first year of the Mid-Term Management Plan, I will report on the status of the first year of the plan.



Nishimura :

First, I will provide a summary of fiscal year 2025, the first year of our Mid-Term Management Plan.

Regarding financial targets, Sales reached the goal, however, we didn't achieve Operating Income target.

In addition, ROE declined compared with the previous fiscal year.

Next, I will address the Business Portfolio Transformation, which is one of the two pillars of the Mid-Term Management Plan 2027.

Core Business achieved steady growth.

Growth Area and New Business expanded significantly.

On the other hand, the profitability of Overseas Business deteriorated, leaving several challenges to be addressed..

As for the other pillar, the Rebuild of Foundation for Growth, each measure was implemented on track, but several issues remained to achieve the 2027 target.

Based on the results of 2025, we have identified seven priority issues for 2026.

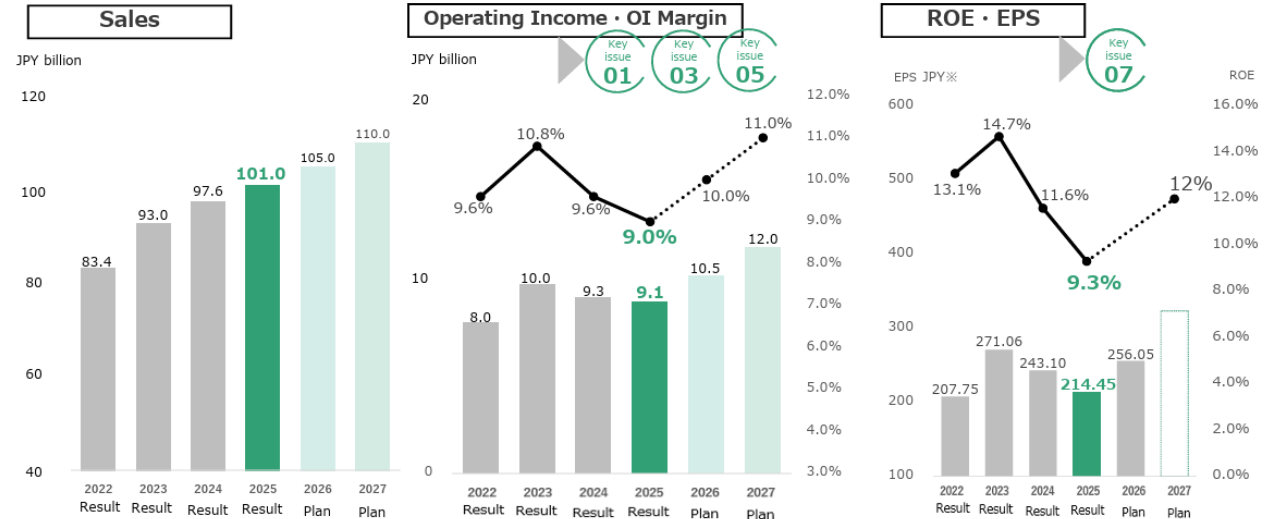
To address these challenges, we will focus on the following 4 priority themes in 2026:

- Accelerate Business Portfolio Transformation
- Increase the Employee Engagement Ranking
- Improve productivity through quality and production system reforms
- Strengthen group governance for both offensive and defensive perspectives

Mid-Term Management Plan 2027 Year 1 Summary : Financial Targets



- Sales achieved 2025 target of JPY 100 billion, and on track to reach 2027 target of 110 billion yen
- Operating Income was lower than the previous year, falling short of the 2025 target of 10%
- ROE decreased from the previous year due to lower profit margin and the impact of extraordinary losses, etc., despite capital efficiency improvement through shareholder returns



Copyright © 2025 CTI Engineering Co., Ltd. All Right Reserved.

※The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. EPS was calculated on the premise that the stock split was conducted at the beginning of the previous fiscal year.

19

Nishimura :

This slide shows the progress against the financial targets of the Mid-Term Management Plan 2027 for the first year.

Sales achieved 2025 target of JPY 100 billion, and on track to reach 2027 target of JPY 110 billion.

Regarding Operating Income and Operating Income margin, Operating Income was JPY 9.1 billion and the Operating Income margin was 9%, both declining from the previous fiscal year.

The main factor was an increase in SG&A expenses.

ROE was 9.3%, down from the previous fiscal year.

- Core Businesses are steady. Growth Areas and New Businesses are expanding and growing on track
- In the Overseas Business, Orders Received and Sales were in line with targets, but improving profitability is an issue for the future

Business Category	Key Points	Previous Year Sales (JPY)	Current Year Sales (JPY)	Gross Profit Margin	Key Issue	Reference
Core Business	<ul style="list-style-type: none"> ● Sales in Domestic Business have been steady ● Ensured stable profitability through cost management ● Number of orders has been on a downward trend, leading to intensified technological competition 	54.7 billion	55.4 billion	32%	01 Technological competitiveness	Please refer to page 25
Growth Areas	<ul style="list-style-type: none"> ● Rapid expansion of CM/PM business ● Information services business showed stable growth, achieving profit margins equivalent to the Core Business ● Energy Business successfully built a track record with large orders related to hydroelectric power generation 	10.5 billion	12.3 billion	35%		Please refer to page 26
New Businesses	<ul style="list-style-type: none"> ● PPP/PFI projects performed strongly ● Urban infrastructure and building-related markets have been booming, driving expanded group-wide collaboration in related businesses ● In the environmental sector, we have entered new fields such as PFAS contamination surveys 	1.9 billion	2.0 billion	34%		Please refer to page 27
Overseas Business	<ul style="list-style-type: none"> ● Sales achieved the target, but Operating Income decreased due to a decline in utilisation rates and an increase in SG&A expenses ● Orders Received achieved target supported by large infrastructure orders in Asia. While, the number of new projects adopted decreased due to a shrinking ODA budget, leading to lower utilisation rates ● Concerns about the weak UK economy and inflation also persist 	30.7 billion	31.3 billion	22%	02 Improve profitability in Overseas Business	Please refer to pages 17-19

Nishimura :

This slide shows the overview of the Business Portfolio Transformation.

First, Core Business was steady, recorded Sales of JPY 55.4 billion.

Growth areas reached JPY 12.3 billion in Sales, with increase in CM/PM and information services.

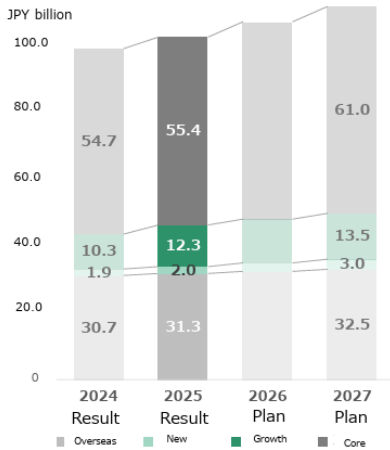
New Businesses have also expanded, driven by Water PPP, PFAS-related services and urban infrastructure projects through group collaboration.

In Overseas Business, Sales achieved the target, but improving profitability remains an issue.

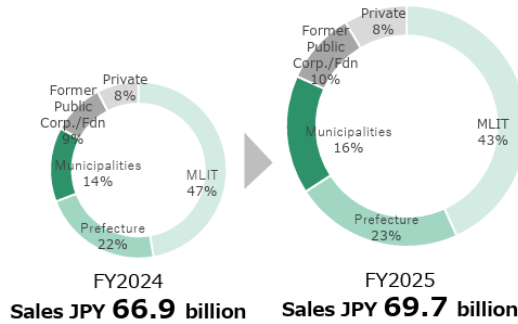
- Sales in Domestic Business have been steady. Ensured stable profitability through cost management
- Number of orders for consulting engineer services has been on a downward trend. Strengthening technological competitiveness is a future challenge

Business Portfolio and Client Portfolio are being transformed in line with the Mid-Term Management Plan2027

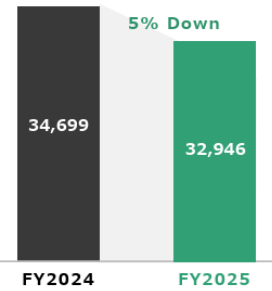
Sales Amount Breakdown by Portfolio



Sales by Client (%) (Sales Amount figures are for the domestic segment)



Number of orders (*) decreased



Key issue 01 Strengthen technological competitiveness

Nishimura :

Next, I will provide more details about Core Business.

The bar chart on the left shows Sales for each of the following segments: Core Business, Growth Areas, New Business, and Overseas Business.

The pie chart on the center shows the change in the composition of domestic clients.

The proportion of orders from prefectures and municipalities has increased, while the share from MLIT has declined slightly. This indicates steady progress in expanding business with local governments, as targeted in our Business Portfolio Transformation.

On the other hand, the number of orders by MLIT has decreased by approximately 5% year on year.

Therefore, we recognize that it is essential to maintain steady growth in our core business and further strengthen our technological competitiveness.

- Sales increased across all three Growth Area businesses, contributing steadily to Business Portfolio Transformation

Energy

- Successfully established a track record by winning orders of large-scale project for hydropower generation and regional development work (PPP)
- Issues include developing new areas other than the assessment work at renewable energy and increasing involvement in policy-related projects such as the Ministry of the Environment and the Ministry of Economy, Trade and Industry

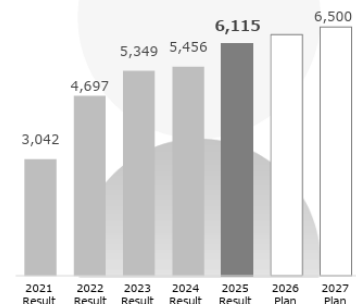
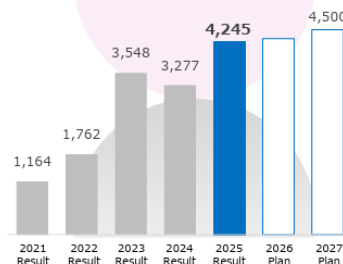
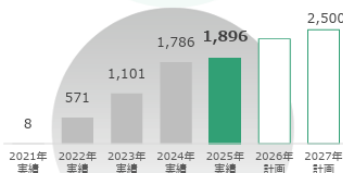
Information services

- ICT/DX-related services, such as AI-based dam operation support and flood forecasting, have showed remarkable growth
- These areas demonstrate steady growth and achieved the same level of profitability as the Core Business

CM/PM

- Rapid expansion by shifting personnels from Core Businesses and proactive sales development. Significant increase in both the number of projects and sales, with improved profitability
- Construction Management (CM) services by NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd. and client support services by Japan Urban Engineering Co., Ltd., both group companies, also increased

Sales results and targets in Growth Area (JPY million)



Copyright © 2025 CTI Engineering Co., Ltd. All Right Reserved.

Nishimura :

Next, I will explain the progress of Growth Areas.

First, let's talk about the Energy Business.

Sales reached approximately JPY 19.0 billion.

We successfully secured major contracts for hydroelectric power generation and hybrid dam projects under regional development PPP projects.

Going forward, our challenge will be to expand beyond the renewable energy process field into new market development as well as into the environmental and Ministry of Economy, Trade and Industry-related sectors.

Next is the Information Services business.

Orders Received increased for AI-based dam operation support services, as well as ICT/DX-related services and flood forecasting services.

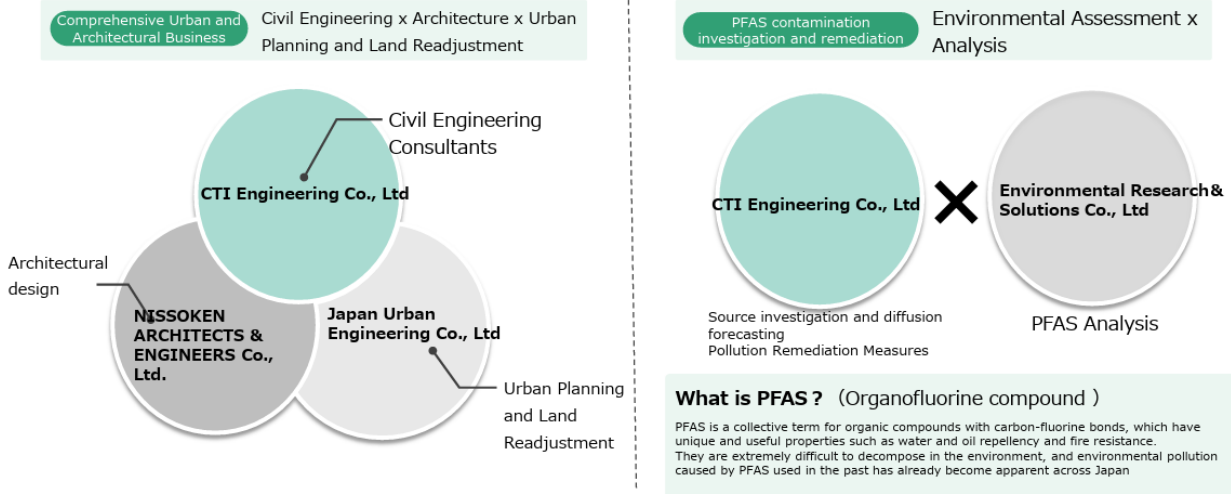
Finally, the CM/PM Business.

This segment has expanded rapidly by shifting personnels from Core Businesses and proactive sales development.

We have achieved significant increase in both the number of projects and sales, with improved profitability.

- PPP/PFI projects performed strongly
- Urban infrastructure and building-related markets were booming, driving expanded group-wide collaboration in related businesses
- In the environmental sector, we have entered new fields such as PFAS contamination surveys

Examples of Group Collaboration : Collaboration among group companies, leveraging their strengths, will enable entry into new fields



Nishimura :

Next, I will explain the progress of New Businesses.

PPP/PFI projects, including Water PPP, continue to perform strongly.

In addition, in the Urban infrastructure and the environmental sector, we are expanding our business by leveraging collaboration within the group.

The left side of the slide shows an example of collaboration in a comprehensive Urban and Architectural project.

We are expanding our business by collaborating with NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd. for architectural design, and Japan Urban Engineering Co., Ltd for urban planning and land adjustment.

This has enhanced our project execution capabilities and expand opportunities to win orders.

The right side shows new initiatives in the environmental field.

We have entered the market of PFAS contamination investigation and remediation, a field that has been attracting increasing social interest in recent years.

By collaborating with Environmental Research & Solutions Co., Ltd for the environmental analysis capabilities, we have established a comprehensive system that enables us to provide end-to-end services, from contamination source surveys, diffusion forecasts, and remediation measures to PFAS analysis.

1 Strengthening Investment in Human Capital

2025 Summary

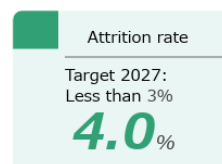
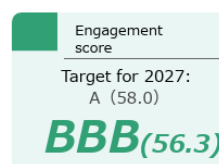
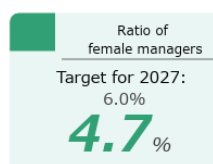
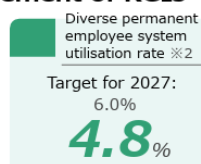
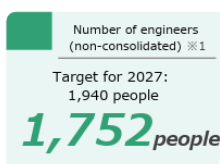
- The number of engineers, both on a non-consolidated and group basis, increased steadily toward the 2027 target. The ratio of female managers has also increased.
- Attrition rate has slightly increased
- While the overall engagement score improved, scores remain low for items related to understanding of company policies, such as the sharing of strategic goals.

key issue for 2026

Key issue
04

Improve engagement

● Status of achievement of KGIs



※1 : Number of engineers (consolidated) is currently being compiled.

※2 : As the Life Support Program was newly established this year, targets were re-set in line with the program (from 20% to 6% when the mid-Term Plan was announced)

Nishimura :

Next, I will explain rebuild of foundation for growth, especially strengthening investment in human capital.

First, the summary of 2025.

The number of engineers and the ratio of female managers has increased steadily.

While the overall engagement score improved, attrition rate has slightly increased.

The lower engagement scores were primarily in areas related to the penetration and understanding of company policies, including sharing of strategic goals. We therefore plan to enhance internal communication to improve employee engagement.

2 DX / Production System Reform

2025 Summary

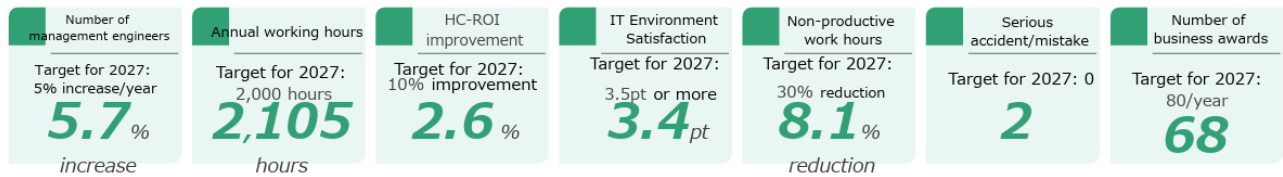
- The number of managing engineers serving as project leaders increased steadily
- Annual working hours were on a downward trend, while the 2027 target has not yet been met
- HC-ROI (Human Capital Return on Investment) improved from the previous year. Initiatives to enhance productivity progressed steadily
- The number of business awards decreased, and two serious errors occurred. Ensuring and improving quality remained a key issue

key issue for 2026

Key issue 05

Further enhance productivity

● Status of achievement of KGIs



※ KGI to measure the effect of productivity improvement switched from internal output per hour to HC-ROI as a more appropriate indicator of the efficiency of human resource investment and productivity improvement

Nishimura :

Next, I will explain the DX and production system reform.

The number of managing engineers serving as project leaders increased steadily in 2025.

Annual working hours decreased.

Regarding the productivity improvement, HC-ROI increased by 2.6%.

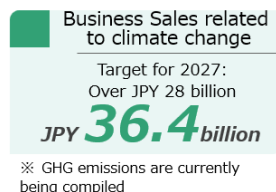
On the other hand, the number of business awards decreased, and two serious errors occurred. Therefore, we recognize that ensuring and enhancing quality, while further improving productivity, is a key issue.

3 Challenges for Sustainability

2025 Summary

- Sales from climate change related business have reached both 2025 target and the Mid-Term Management Plan 2027 target
- Measures to achieve net zero are being taken by the entire group

• Status of achievement of KGIs

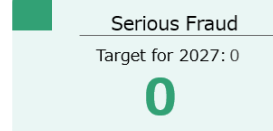


4 Strengthening Group Governance

2025 Summary

- Strengthen investment governance, including clarifying investment decision criteria for M&A and business investments, as well as monitoring and exiting criteria
- Organisational reform implemented. Audit Office and Legal & Compliance department moved to under direct supervision of the President
- Established Corporate Governance Committee chaired by External Director to improve the effectiveness of the Board of Directors.

• Status of achievement of KGIs



key issue for 2026



Strengthen group governance

Nishimura :

Next, I will explain the Challenges for Sustainability initiatives.

Sales from climate change-related services, which is a KGI under our Challenges for Sustainability, reached JPY 36.4 billion, exceeding our 2027 target.

In addition, we were awarded a “B” score in CDP Climate Change 2025, demonstrating that our efforts are progressing steadily.

Regarding the strengthening group governance, we enhanced investment governance by establishing investment decision criteria, monitoring frameworks, and exit criteria for M&A and business investments.

In addition, we reorganized our governance execution structure by moving Audit Office and Legal & Compliance department to under direct supervision of the President.

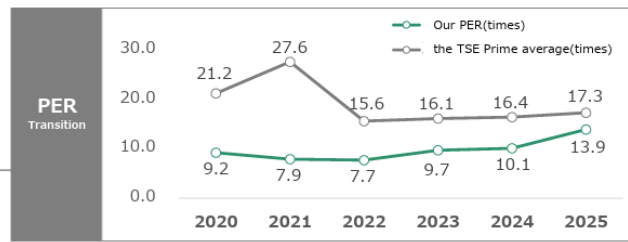
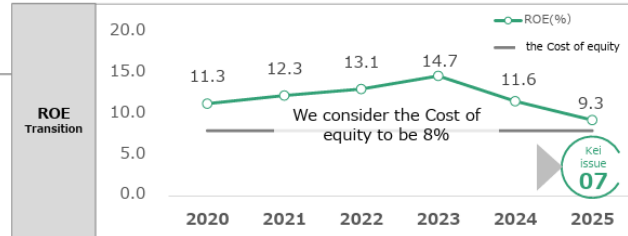
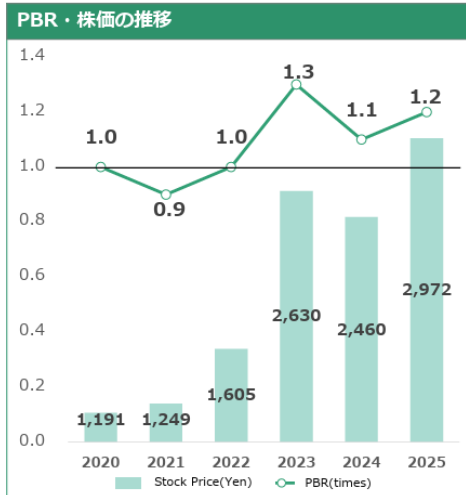
Furthermore, to improve the effectiveness of the Board of Directors, we established Corporate Governance Committee chaired by an external director, thereby strengthening governance across the entire group.

Mid-term Management Plan 2027 Year 1 Summary :
 Management that is Conscious of Cost of Capital and Stock Price - Analysis of the current situation



- Cost of Capital: We estimate the Cost of Equity to be approximately 8%
- ROE: ROE exceeded the Cost of Capital, but it declined from the previous year due to a decrease in profits and the impact of extraordinary losses
- PER: PER increased to 13.9 in the end of FY2025. We consider that this is the result of growth expectations following the announcement of the Mid-Term Management Plan and upward revision of the Mid- to Long- Term Vision, as well as shareholder returns and improved communication with shareholders and investors. However, it continues to be inferior to the Tokyo Stock Exchange Prime Market average
- PBR: PBR currently stands at approximately 1.2 times. We think that Capital Efficiency and steady implementation of growth strategies are important to further enhance corporate value

Please refer to Appendix Page 69-71 for details on Management that is Conscious of Cost of Capital and Stock Price



Nishimura :

This slide shows the progress of Management that is Conscious of Cost of Capital and Stock Price.

ROE for 2025 declined to 9.3% due to a decrease in profits and the impact of extraordinary losses.

However, as we recognize our cost of equity at approximately 8%, ROE remains above our cost of equity.

PER increased to 13.9 times at the end of FY2025.

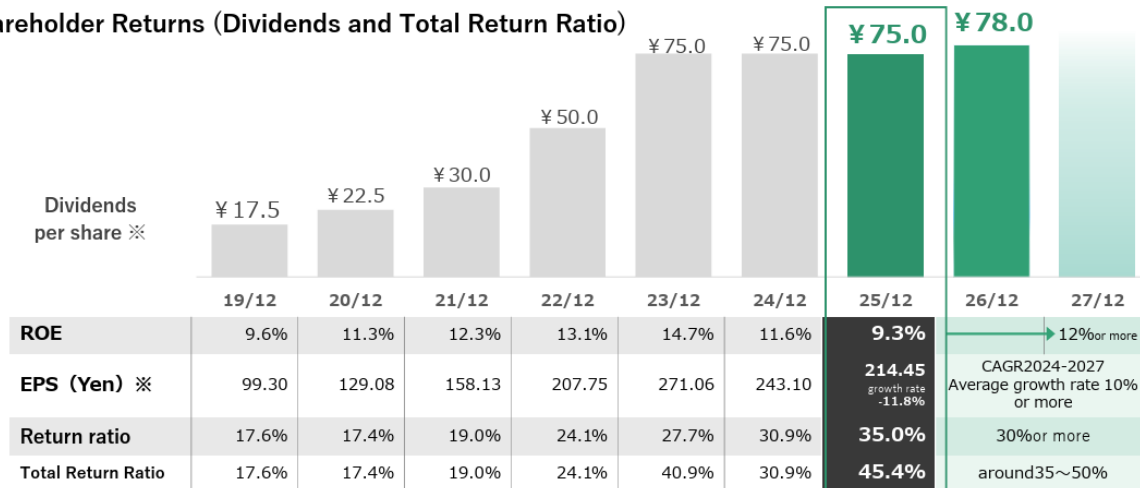
On the other hand, as the average PER of the TSE Prime Market stands at 17.3 times, we have not yet reached that level. Therefore, we recognize that the steady execution of capital efficiency measures and growth strategies is essential.

Mid-Term Management Plan 2027 Year 1 Summary : Shareholder Returns



- Dividends per share : Maintained the dividend at JPY 75, the same as the previous period, resulting in a consolidated dividend payout ratio of 35.0%
- DOE (Dividend on Equity): Achieved our policy of 3% (2025 Result : 3.2%)
- Implemented acquisition of treasury shares up to JPY 1.5 billion and 700,000 shares, achieving a total return ratio of 45.4%
- EPS (Earnings Per Share) : EPS growth was negative this fiscal year due to a decline in profit margins

Shareholder Returns (Dividends and Total Return Ratio)



※ We conducted two for-one stock splits of common stock on January 1, 2025.
Each dividends and EPS are calculated as if the stock split had occurred at the beginning of year.

Nishimura :

This section covers the Shareholder Returns.

First, regarding the dividends, we have set the dividends per share for the fiscal year ended December 2025 at JPY 75, maintained the same as the previous period. As a result, the consolidated dividend payout ratio was 35.0%.

DOE reached 3.2% in 2025, exceeding our stated policy target of 3%.

In addition, we implemented a share buyback of up to JPY 1.5 billion and 700,000 shares, resulting in a total payout ratio of 45.4%. However, EPS decreased due to lower profits.

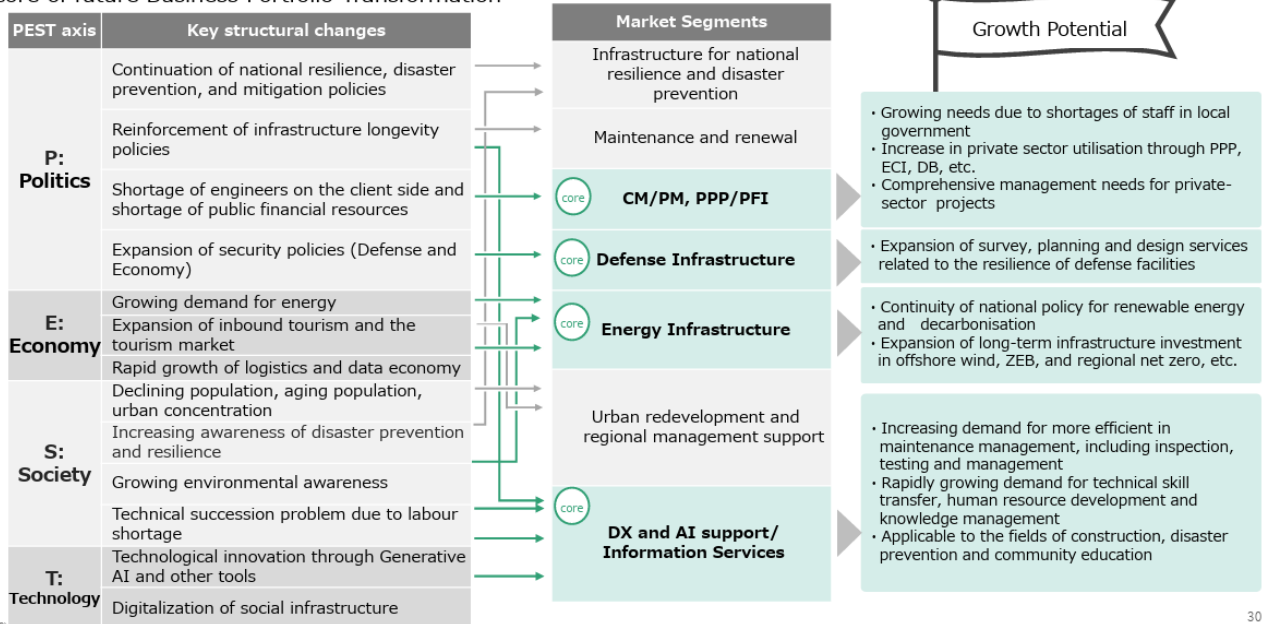
CONTENTS

- FY2025 (63rd Term) Financial Results
- **Progress of the Mid-Term Management Plan 2027**
 - Summary of Year 1 of the Mid-Term Management Plan
 - Analysis of the Business Environment for Year 2
- FY2026 (64th Term) Management Plan
- Appendix

Nishimura :

Next, I will explain the analysis of the Business Environment for Year 2 of the Mid-Term Management Plan 2027.

- With the major structural changes in society in mind, the PEST framework analyzed the areas that should be the core of future Business Portfolio Transformation



Nishimura :

First, I will explain the analysis of the domestic business environment.

With the major structural changes in society in mind, we have utilized the PEST framework to clarify areas that should be the core of future Business Portfolio Transformation.

Regarding the market segments, the gray areas represent our Core Business, while the light green areas indicate Growth Areas and New Business.

In particular, the Growth Areas and New Business areas have significant growth potential, and we believe it is essential to focus on them going forward.

- Overview of market outlooks and growth opportunities by sector in key regions of our overseas business

United Kingdom

The macro environment is favorable with declining interest rates and inflation; however, the overall industry remains challenging with shrinking commercial and residential markets and competitors implementing restructuring.

Commercial activity has dropped approximately one-third from pre-pandemic levels, and the residential sector was affected by increased costs due to tightened regulations

Meanwhile, investment in the infrastructure sector is growing due to increased government spending

Asia and Africa

While budget of JICA has been decreasing, there is a shift toward funding through multilateral organisations, such as ADB and World Bank Group, and private-sector co-financing.

Demand for various types of infrastructure, such as transportation, energy and water infrastructure, is further increasing. In addition, there is a strong need to address climate change.

Ireland and Australia

Ireland : Under the "Housing for All" initiative, pre-planning activities are increasing. Despite there are land supply restrictions, the medium-term outlook for residential sector is positive, with the economy expected to grow by 2-3%.

Australia : While residential market is partially recovering, the outlook for the healthcare sector remains uncertain as government funds are flowing to infrastructure.

Nishimura :

Next, I will explain the overseas business environment.

First, the UK, which is Waterman’s primary market, while the commercial and residential markets remain challenging, there are positive signs in infrastructure, where government fiscal policy has improved and investment is expanding.

Regarding Ireland, our outlook remains positive, supported by relatively consistent growth.

In Australia, the healthcare sector faces uncertainty as government funding shifts toward infrastructure.

Next, Asia and Africa, which are the primary markets for CTI International.

While budget of JICA has been decreasing, there is a shift toward funding through MDBs, such as ADB and World Bank, and private-sector co-financing.

In addition to transportation, energy, and water infrastructure, demand in climate change–related fields is increasing.

We believe it is important to respond proactively to these opportunities.

CONTENTS

- FY2025 (63rd Term) Financial Results
- Progress of the Mid-Term Management Plan 2027
 - Summary of Year 1 of the Mid-Term Management Plan
 - Analysis of the Business Environment for Year 2
- **FY2026 (64th Term) Management Plan**
- Appendix

Nishimura :

Next, I will explain the management plan for FY2026, 64th Term.

- Increase both non-consolidated and consolidated sales and profits to secure achieving the Mid-Term Management Plan 2027

(JPY million)

項目		第63期 (2025年) Results	第64期 (2026年) Plan	Change(%) (YoY)	MTMP 2027 Target
Consolidated	Orders Received	109,701	105,000	-4.3%	-
	Sales	101,038	105,000	+3.9%	110,000
	Operating Income	9,136	10,500	+14.9%	12,000
	Operating Income Margin	9.0%	10.0%	+1.0pt	11%
	Ordinary Profit	9,350	10,500	+12.3%	-
	Net Income Attributable to Owners of the Parent	5,952	7,000	+17.6%	-
	Net Income per Share	JPY 214.45	JPY 256.05	-	-
	Annual Dividends (Dividends Payout Ratio)	JPY 75(35.0%)	JPY 78(30.5%)	-	- (Over 30%)
Non-Consolidated	Orders Received	62,760	62,000	-1.2%	-
	Sales	60,969	62,000	+1.7%	-
	Ordinary Profit	8,947	9,600	+7.3%	-
	Net Income	5,908	6,700	+13.4%	-

Nishimura :

Based on the current market environment, we have established our 2026 targets as follows.

We are planning increases in both revenue and profit on both a non-consolidated and consolidated basis.

On a consolidated basis, we are targeting Orders Received and Sales of JPY 105 billion, Operating Income of JPY 10.5 billion, and an Operating Income Margin of 10%.

On a non-consolidated basis, we are aiming for Orders Received and Sales of JPY 62.0 billion.

64th Term (2026) Management Plan : By Segment

- Increase both Domestic Business and Overseas Business sales and profits to secure achieving the Mid-Term Management Plan 2027

(JPY million)

Domestic Business

- Aim to increase Sales by increasing the number of employees and improving productivity
- Aim to increase Operating Income by reducing cost of sales ratio and SG&A expenses ratio

For more information on our efforts to increase Operating Income, please contact
Please refer to page 41

	FY2025 (63 rd Term) Results	FY2026 (64 th Term) Plan	Change(%) (YoY)
Orders Received	72,411	72,000	-0.6%
Sales	69,724	72,000	+3.3%
Operating Income	8,611	9,800	+13.8%
OI Margin	12.4%	13.6%	+1.2pt

(JPY million)

Overseas Business

- Aim to increase Sales by ensuring management of the order backlog from large Orders Received in the previous period
- Aim to increase Operating Income by reducing cost ratio and SG&A expenses ratio

項 目	FY2025 (63 rd Term) Results	FY2026 (64 th Term) Plan	Change(%) (YoY)
Orders Received	37,290	33,000	-11.5%
Sales	31,313	33,000	+5.4%
Operating Income	543	700	+28.7%
OI Margin	1.7%	2.1%	+0.4pt

Nishimura :

This is the management plan by segment.

In Domestic Business, we are targeting Orders Received and Sales of JPY 72.0 billion, Operating Income of JPY 9.8 billion, and Operating Income Margin of 13.6%.

To increase Operating Income, it is essential to steadily reduce both the Cost of Sales ratio and the SG&A expense ratio.

In Overseas Business, we are targeting Orders Received and Sales of JPY 33.0 billion, Operating Income of JPY 0.7 billion, and Operating Income Margin of 2.1%.

We aim to achieve profit growth through reductions in both the Cost of Sales ratio and SG&A expenses ratio in Overseas Business as well.

Slogan for 2026 **“Accelerate Transformation, Drive Growth”**

Accelerate the transformation realised in 2025 and evolve it into sustainable growth

Priority Themes 1
Accelerate Business Portfolio Transformation

Key Issue 02 Key Issue 03

Ensure that the significant progress made in portfolio transformation in 2025 translates into tangible results, and clearly advance selection and concentrate of business.

- **Strengthen competitiveness of Core Businesses**

In response to an increasingly competitive environment, develop proposals that ensure a high win rate and develop and assign engineers capable of winning projects strategically in the market.

- **Strengthen the foundations of Growth Areas**

We will secure clients trust and solidify market position to ensure this year's high growth is not merely a passing phase.

- **Accelerate growth in New Business Areas**

Leverage CTIE's sales capabilities and group collaboration to plan growth on an accelerated trajectory.

- **Improve profitability of Overseas Business**

CTII: Improve utilisation rate by securing internal orders.
Waterman: Promote integration of UK operations and strengthen PM and financial management

Priority Theme 2
Increase the Employee Engagement Ranking

Key Issue 02 Key Issue 04

- Achieve both reduced workloads and qualitative growth
- Strengthen strategic communication
- Enhance human resource development

Priority Themes 3
Improve productivity through quality and production system reforms

Key Issue 01 Key Issue 05

- Strengthen profitability by improving productivity through technical excellence, enhanced PM, and operational efficiency
- Integrate AI as a core tool into daily technical and administrative operations to achieve both process innovation and quality improvement

Priority Themes 4
Enhance group governance for both offensive and defensive strategies

Key Issue 01 Key Issue 06 Key Issue 07

- Strengthen internal control and monitoring systems
- Develop an organisational structure to maximize group synergies
- Enhance monitoring of SG&A expenses
- Establish investment discipline for domestic and international projects based on the cost of capital

Nishimura :

This slide outlines the basic policy of our management plan for 2026.

Our slogan for 2026 is "Accelerate Transformation, Drive Growth".

This reflects our determination to ensure that the growth we achieved in 2025 is not merely a passing phase, but to accelerate transformation and evolve it into further sustainable growth.

The first priority theme is “Accelerating Business Portfolio Transformation.”

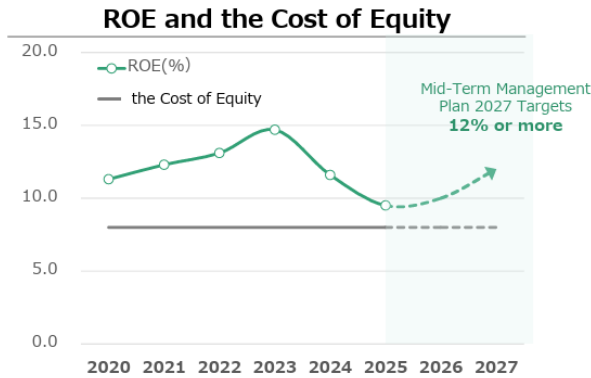
Under this theme, we will strengthen the competitiveness of our Core Business, reinforce the foundation of our Growth Areas, accelerate growth in New Business, and improve profitability in overseas business.

The second priority theme is “Increase the Employee Engagement Ranking”

The third is “Improve productivity through quality and production system reforms”

And the fourth is “Enhance group governance for both offensive and defensive strategies”

- ROE for FY2025 was 9.3%, exceeding the Cost of Equity and resulting in a positive equity spread. However, it declined YoY due to lower profit margins and the impact of extraordinary losses.
- Achieved steady improvement in profitability through growth investments. While maintaining a balance between growth investment and shareholder returns based on capital efficiency and financial soundness, we aim to further enhance ROE.



Toward achieving ROE of 12% or more

- Investment for growth**
 - Accelerate Business Portfolio Transformation and shift resources to Growth Areas
 - Leverage internal investments (human resources, R&D, DX) and external investments (M&A, alliances)
- Profitability improvement**
 - Expand high-margin business focused on Growth Areas
 - Improve operational efficiency and productivity through DX promotion
 - Reduce SG&A expenses ratio similar to 2024
- Capital efficiency improvement**
 - Consider the flexible use of debt financing depending on investment projects and cash position
 - Improve capital efficiency through the flexible use of dividends and share buybacks

The Cost of Equity (%) in FY25/12

$$\text{risk-free rate} + \text{Beta } (\beta) \text{ sensitivity} \times \text{risk premium} = \text{the Cost of equity } 8\%$$

Calculated by CAPM

Nishimura :

In our Mid-Term Management Plan, we have set a target of achieving an ROE of 12% or more, and this slide summarizes the approach toward achieving it.

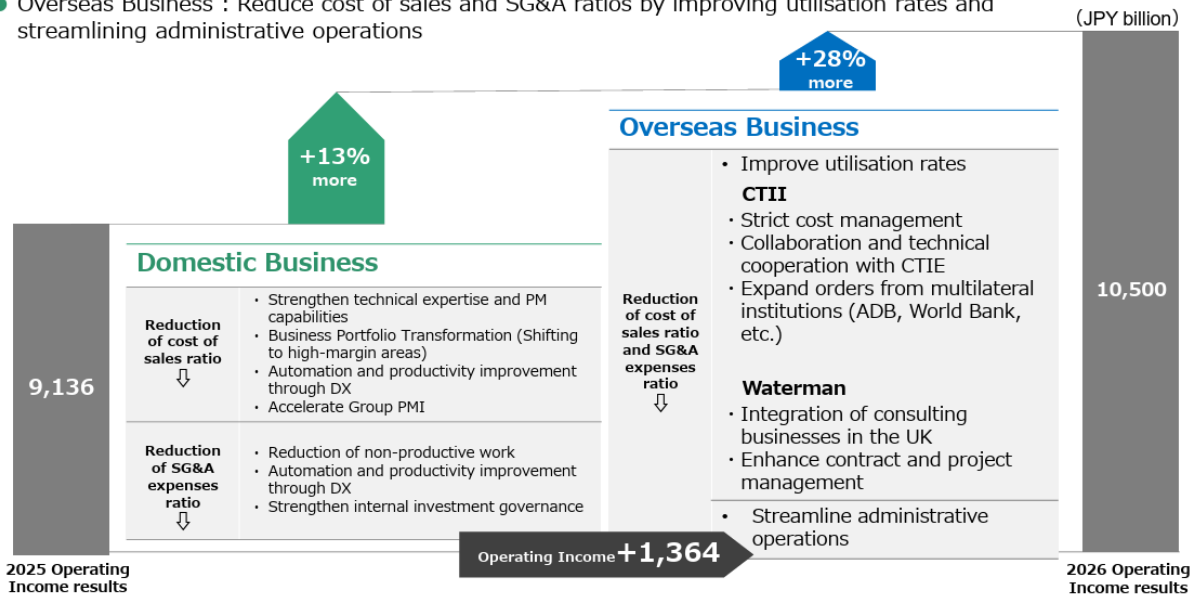
As shown on the right side of the slide, we believe that achieving an ROE of 12% requires three key elements: investment for growth, profitability improvement, and capital efficiency improvement.

We will steadily implement the measures outlined here to achieve this goal.

64th Term (2026) Management Plan : Roadmap to higher Operating Income



- Domestic Business : Aim to increase profit by reducing cost of sales and SG&A expenses ratio
- Overseas Business : Reduce cost of sales and SG&A ratios by improving utilisation rates and streamlining administrative operations



Copyright © 2025 CTI Engineering Co., Ltd. All Right Reserved.

37

Nishimura :

Regarding our roadmap for increasing operating income, we have outlined measures to reduce both the Cost of Sales ratio and the SG&A expenses ratio for both domestic and overseas business.

In our domestic business, we aim to reduce the Cost of Sales ratio by strengthening our technical expertise and PM capabilities, as well as enhancing productivity through DX. To reduce SG&A expenses ratio, we will reduce non-productive work and leverage DX to improve efficiency, aiming for an Operating Income Margin of 13% or more. For CTII, we will focus on increasing utilization rates by assigning available engineers to domestic projects when needed, while steadily securing ADB and World Bank contracts.

At Waterman, we will promote streamlining of its UK consulting operations to improve efficiency.

Through these initiatives, we aim to increase Operating Income in the Overseas business by more than 28% compared to the previous year.

By implementing these measures, we target total Operating Income of JPY 10.5 billion in 2026.

That concludes my presentation. Thank you very much for your attention.