Q3 FY2025 (63rd Term)

Financial Results

12 November 2025

Tokyo Stock Exchange / Code number : 9621

CTI Engineering Co., Ltd.

Enriching life through engineering

CONTENTS

- Q3 FY2025 (63rd Term) Financial Results
- Appendix

CONTENTS

- **Q3 FY2025 (63rd Term) Financial Results**
- **Appendix**

Q3 FY2025(63rd Term)

- **Orders received** are strong, increased by 15.2% YoY
- **Sales** are on track, at the same level as the same period of last year
- **Operating income** decreased by 13.5% YoY

  Affected by increased SG&A expenses and deteriorated cost of sales in some subsidiaries

- **Net Income Attributable to Owners of the Parent** decreased by 19.1% YoY

  Affected by extraordinary losses and decrease in Operating Income announced in Q2

Full-year forecast

- **Full-year forecast** remain unchanged as profitability is expected to improve

  Improved utilisation rate due to increased Orders Received
  Controlling SG&A expenses through strict expense management

Shareholder returns

- **Acquisition 1.5 billion yen of Own Shares**

  To enhance capital efficiency based on progress in growth investments, performance and financial condition
  (Acquisition period: From 12 November 2025 to 30 April 2026)

Q3 FY2025 (63rd Term)-Financial Highlight（Consolidated）

Enriching life through engineering

Orders Received

JPY **88,964** million

FY2024 (62nd) JPY 77,228 million
%YoY +15.2%

Sales

JPY **73,270** million

FY2024 (62nd) JPY 72,197 million
%YoY +1.5%

Operating Income

JPY **6,489** million

FY2024 (62nd) JPY 7,419 million
%YoY -12.5%

Net Income Attributable to Owners of the Parent

JPY **4,311** million

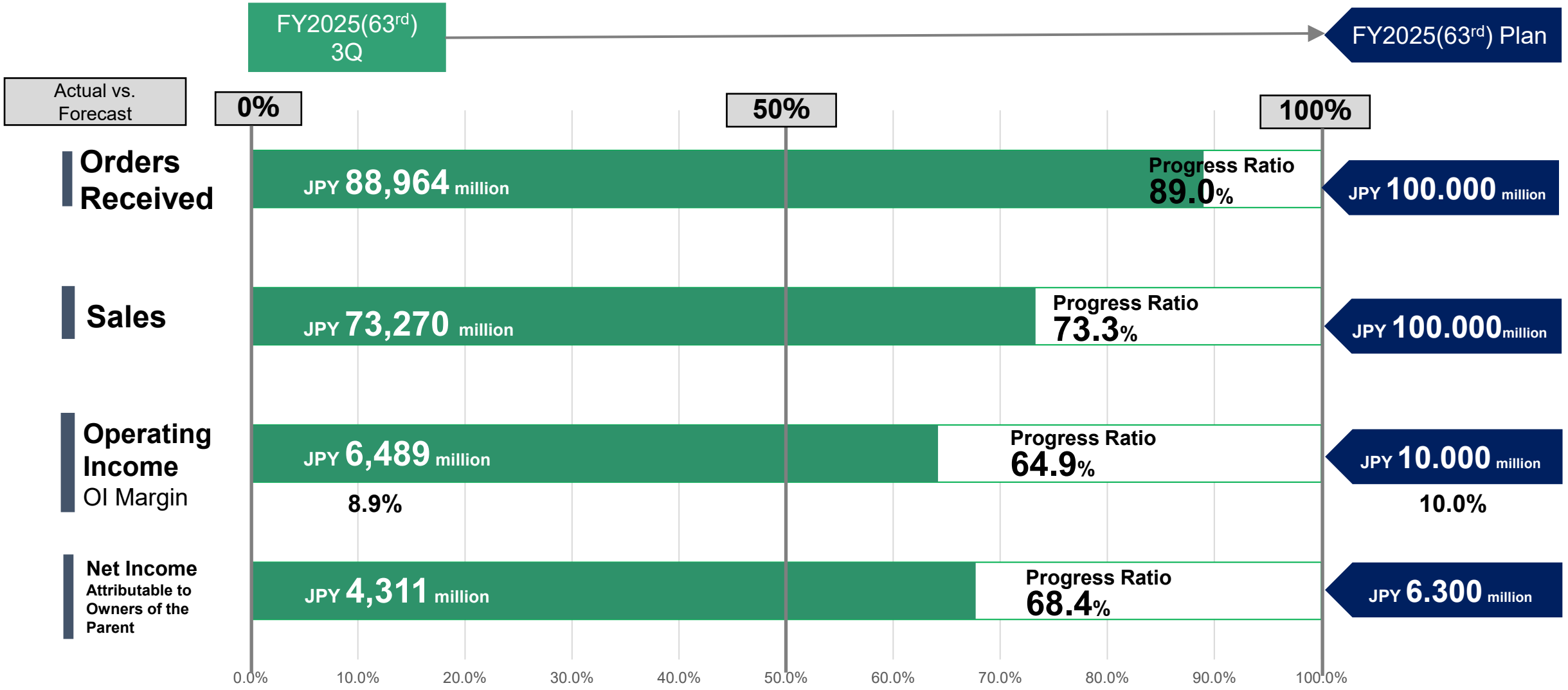
FY2024 (62nd) JPY 5,266 million
%YoY -18.1 %

Orders Received	Orders Received increased by 15.2% YoY Trend unchanged from Q2, continued strong performance
Sales	Sales are at the same level as the same period of last year Slightly higher than the previous year due to steady progress in Orders Received
Operating Income	Operating income decreased by 12.5% YoY Affected by increased SG&A expenses and deteriorated cost of sales in some subsidiaries

Q3 FY2025 (63rd Term) -Financial Highlight （Actual vs. Forecast）

Enriching life through engineering

Orders Received and Sales are progressing on track against the FY2025(63rd Term) plan
Operating Income and Net Income are slightly behind the FY2025(63rd Term) plan



Q3 FY2025 (63rd Term) - Profit and Loss Statement (Consolidated)

Enriching life through engineering

(JPY million)

	Q3 FY2024 (62nd Term)	Q3 FY2025 (63rd Term)			FY2025 (63rd Term) (FY Plan)	
			Change(¥) (YoY)	Change(%) (YoY)		Achievement vs. Plan(%)
Orders Received	77,228	**88,964**	+11,735	+15.2%	100,000	89.0%
Sales	72,197	**73,270**	+1,072	+1.5%	100,000	73.3%
Operating Income	7,419	**6,489**	-929	-12.5%	10,000	64.9%
OI Margin	10.3%	**8.9%**	-	-1.4pt	10.0%	-
Ordinary Profit	7,421	**6,602**	-819	-11.0%	10,000	66.0%
Net Income Attributable to Owners of the Parent	5,266	**4,311**	-955	-18.1%	6,300	68.4%

Orders Received and Sales exceeded the strong results of the same period of last year, while Operating Income was slightly behind the previous year

- Orders Received have progressed strongly following Q2 due to proactive efforts to transform our Business Portfolio
- Sales are slightly higher than the same period of previous year due to steady progress in Orders Received
- Operating Income has declined year on year due to increased SG&A expenses and deteriorated cost of sales in some subsidiaries

(JPY million)

	Q3 FY2025 (63rd Term)	FY2025 (63rd Term)			FY2025 (63rd Term) (FY Plan)	
			Change(¥) (YoY)	Change(%) (YoY)		Achievement vs. Plan (%)
Orders Received	55,426	**61,268**	+5,841	+10.5%	67,000	91.4%
Sales	49,361	**50,333**	+972	+2.0%	69,000	72.9%
Operating Income	6,934	**6,322**	-611	-8.8%	9,300	68.0%
OI Margin	14.0%	**12.6%**	-	-1.5pt	13.5%	-

Orders Received increased YoY, while Sales are at the same level as the previous year

- The performance of Warterman Group Plc is in line with the FY2025(63rd Term) plan
- Orders Received are steady due to large-scale Orders Received by CTI Engineering International (CTII), but Operating Income was affected by worsening cost of sales ratio caused by contract delays.

(JPY million)

	Q3 FY2024 (62nd Term)	Q3 FY2025 (63rd Term)			Q3 FY2025 (63rd Term) (FY Plan)	
			Change(¥) (YoY)	Change(%) (YoY)		Achievement vs. Plan (%)
Orders Received	21,802	**27,695**	+5,893	+27.0% **+31.6%**	33,000	83.9%
Sales	22,836	**22,936**	+100	+0.4% **+0.0%**	31,000	74.0%
Operating Income	478	**170**	-308	-64.5% **-64.8%**	700	24.3%
OI Margin	2.1%	**0.7%**	-	-1.4pt	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.

FY2025 (63rd Term) Plan (Consolidated/Non-Consolidated)

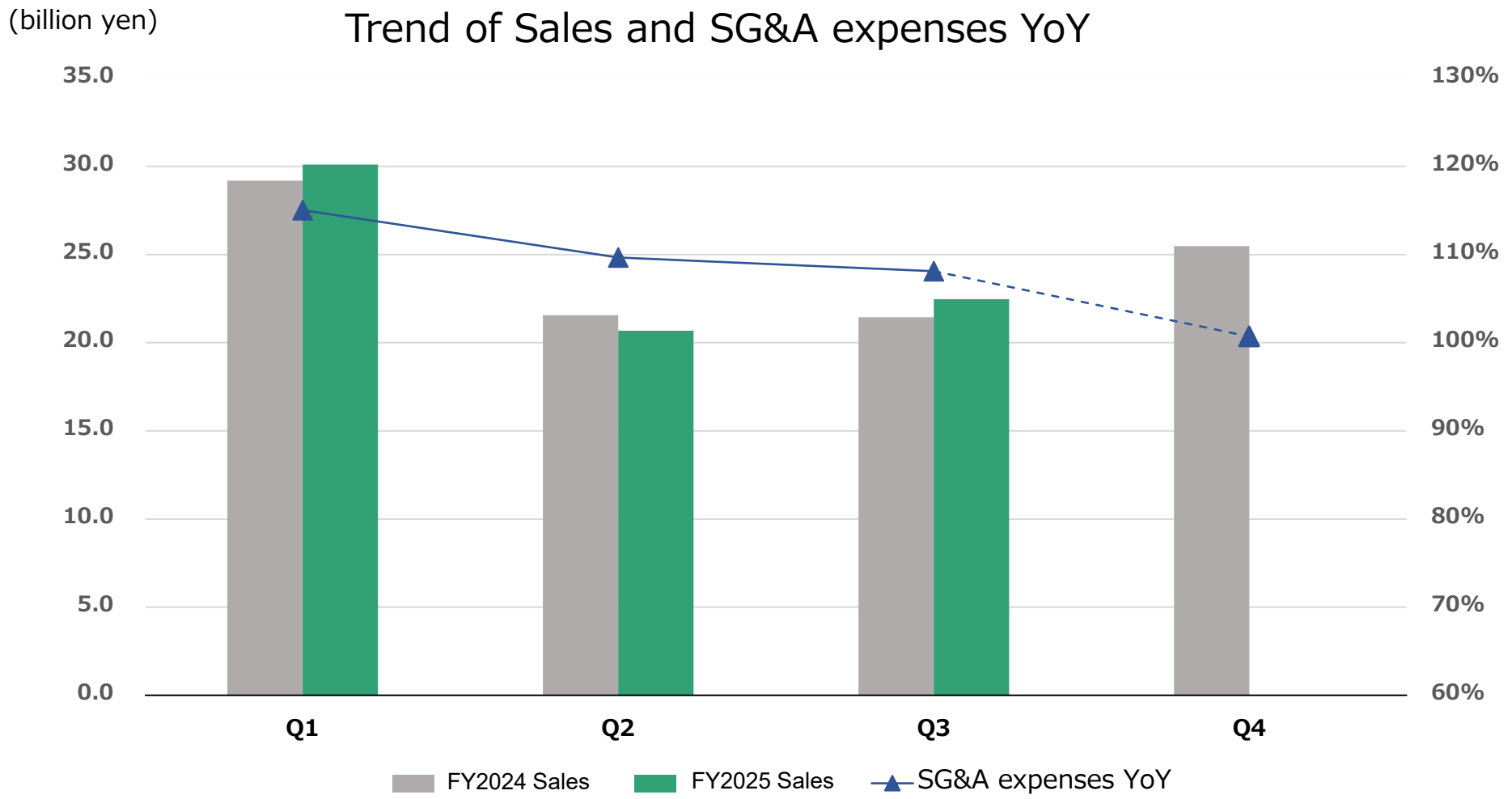
- **Full-year forecast** remains unchanged due to expected improvement in profitability
- **Net Income per share** is expected to improve towards the end of the fiscal year due to the acquisition of own shares

(JPY million)

		FY2024 (62nd Term) (Results)	**FY2025 (63rd Term) (FY Plan)**	Change %YoY	Mid-Term Management Plan 2027
Consolidated	Orders Received	97,678	**100,000**	+2.4%	110,000
	Operating Income	9,396	**10,000**	+6.4%	12,000
	OI Margin	9.6%	**10.0%**	+0.4%	11%
	Net Income Attributable to Owners of the Parent	6,746	**6,300**	-6.6%	
	Net Income per share	JPY 243.10	**JPY 226.77**	-6.7%	CAGR2024-2027 10% or more
Non-Consolidated	Orders Received	59,405	**60,000**	+1.0%	
	Operating Income	8,499	**8,700**	+2.4%	
	OI Margin	14.3%	**14.5%**	+0.2%	
	Net Income	6,532	**6,000**	-8.1%	
Dividends		JPY75	**JPY75**	-	

(Reference Data) Full-year forecast

- Quarterly Sales are increasing compared to the previous period due to strong Orders Received and the resulting increase in backlog orders
- SG&A expenses YoY are gradually declining toward the end of the period



Acquisition of Own Shares

We have decided to acquire of own shares in accordance with the shareholder returns policy* in the Mid-Term Management Plan 2027

* Aim for a total return ratio of 35-50%, and flexibly implement additional returns while taking into account the progress of growth investment, business performance, and financial conditions

・Details of related to acquisition

FY	Acquisition period	Total number of shares to be acquired (upper limit)	Total amount of share acquisition costs (upper limit)	Method of acquisition
From FY2025 to FY2026	**From 12 November 2025 to 30 April 2026**	**700,000 shares**	**1.5 billion yen**	**market purchase**

(Past Practice)

FY	Acquisition period	Total number of shares acquired	Total amount of share acquisition costs	Method of acquisition
FY2023	From 1 March 2023 to 24 March 2023	597,200* shares	999,905,791 yen	market purchase

*note: We conducted a 2-for-1 stock split of its common shares, effective January 1, 2025. Total number of shares acquired in FY2023 is calculated on the premise that the stock split was conducted at the beginning of FY2023.

CONTENTS

- Q3 FY2025 (63rd Term) Financial Results
- **Appendix**

Enriching life through engineering

Ever since founded in 1945, CTI Engineering has focused on great importance to people and technology.
We are “Japan’s first consulting engineer company " developed with high technological capabilities.

Business Philosophy

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

Code of Corporate Conduct

1. Sustainability
Contribute to the creation of a sustainable society

2. People First
Promote corporate activities with a culture of putting people first

3. Social Commitment
Commit to solving social issues

4. Trust
Build relationships of trust with our stakeholders

5. Integrity and Fairness
Act with integrity, fairness, and responsibility

6. Risk Management
Ensure risk management at the highest standards

Company Name	CTI Engineering Co.,Ltd.
Creation	August 1945 (Foundation)
Establishment	April 1963
Head Office	3-21-1 Nihombashi Hamacho, Chuo-ku,Tokyo
Capital stock	3.025 billion yen
Accounting period	December 31
Net Sales	97.678 billion yen (FY 2024)
Number of employees	Consolidated: 3,966 / Non-consolidated: 2,151 (FY 2024)
Listing market	Tokyo Stock Exchange Prime Market
Total number of issued shares	28,318,172 shares

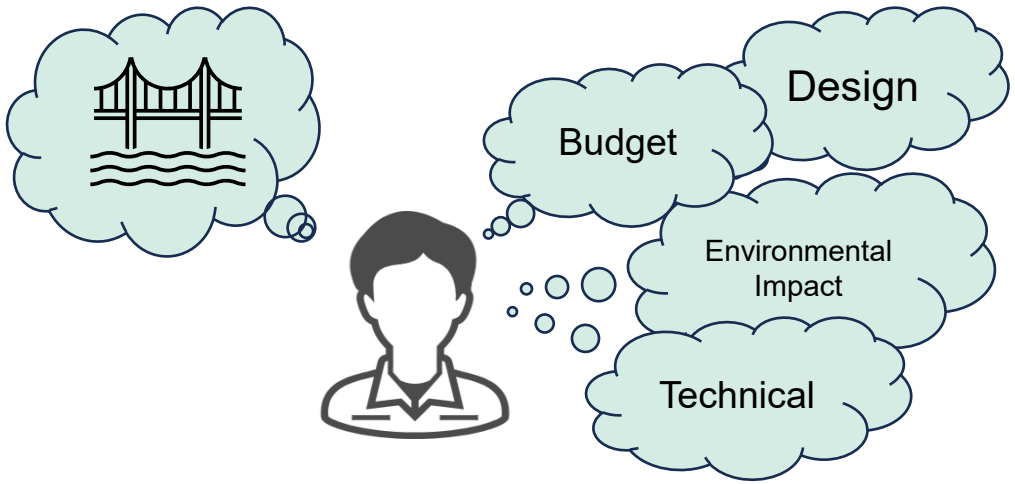
Role of the Consulting Engineers

Infrastructure developments are carried out mainly by three parties: (1) National and Local Governments, (2) Consulting Engineers, and (3) Construction Companies.
For “National and Local Governments" that decide projects and make plans,
We "Consulting Engineers" provide specific surveys, plans, designs, etc. as a partner.

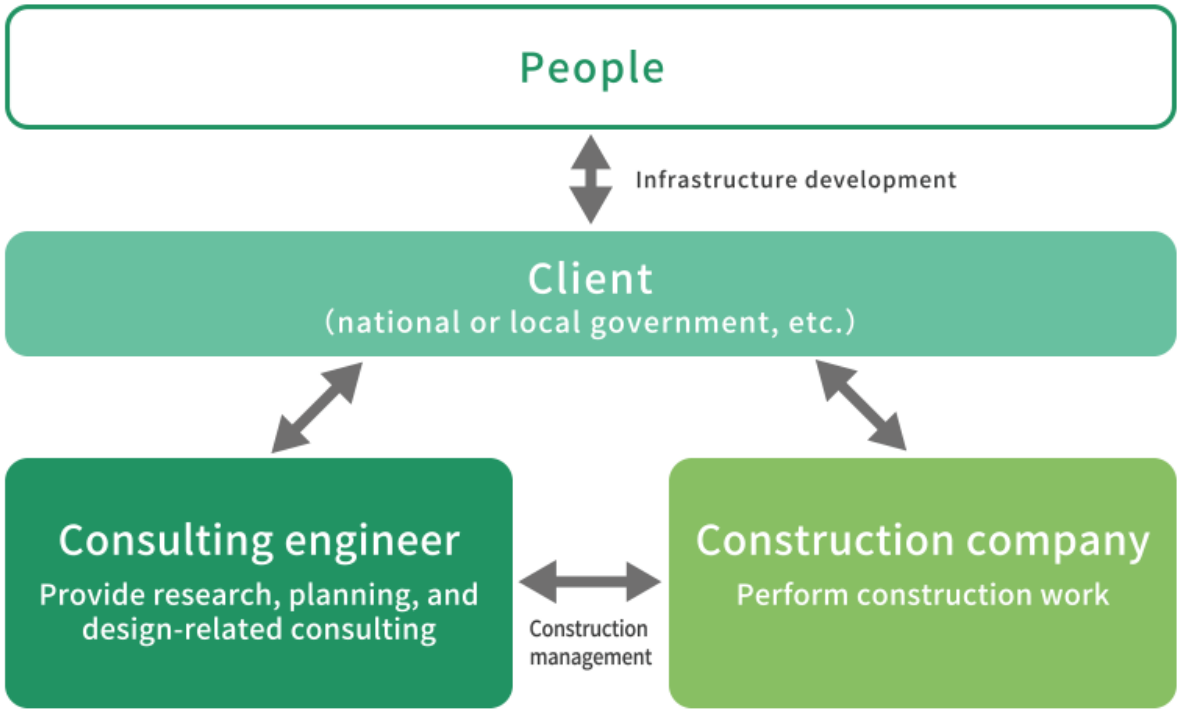
Specialists about Infrastructure

For example, let us imagine, “We’ll build a bridge” , we should consider about the type of bridge, the design, its length and width, budget, the geology, environment on the other side of the river, the response to a disaster, and the any other aspect about bridge.

Consulting Engineers are professionals in social infrastructure development who coordinate infrastructure projects from start to finish, ensuring that people can live safety and securely.



Carried out by three parties

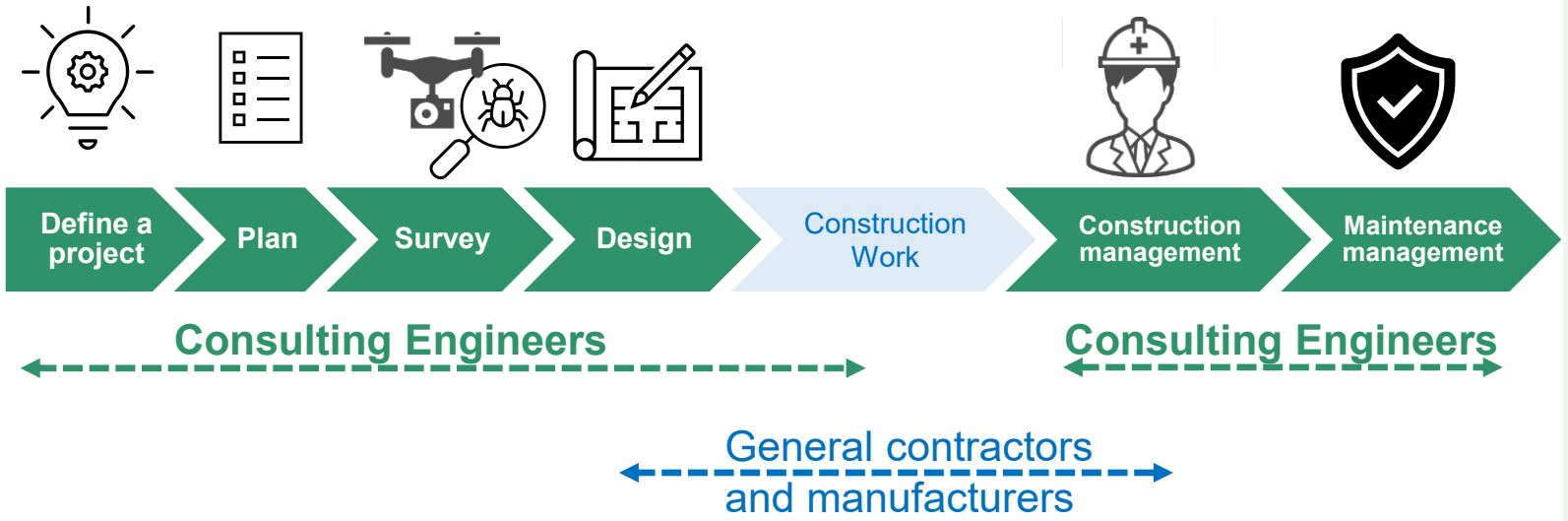


Business Process of Consulting Engineers

The role of consulting engineers is to provide consulting services such as surveys, planning, and design, etc. as a partner to national and local governments that make project decisions and planning.
We undertake almost all the workflow, but in accordance with the “Principle of Separation of Design and Construction”, the construction company is responsible for the construction part.

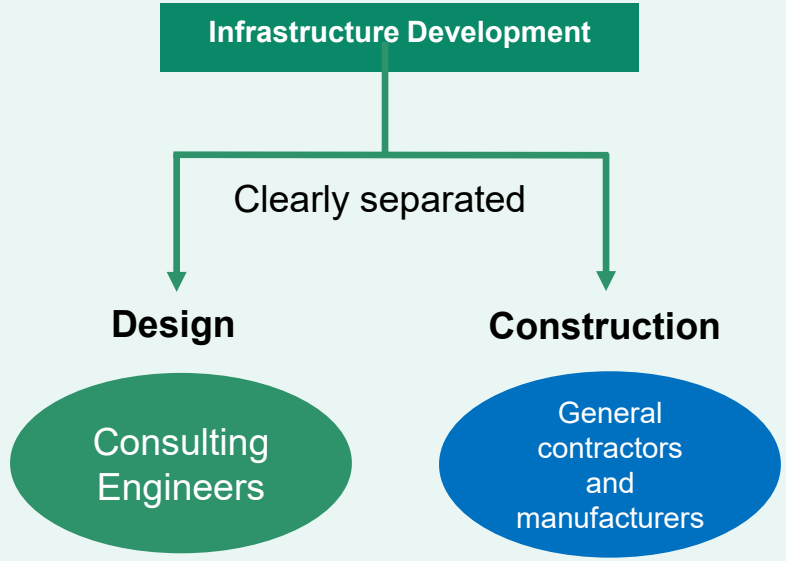
Workflow of infrastructure development

Consulting engineers are involved from the initial planning stage by national and local governments and act as advisors throughout all stages, including planning, design, construction management, and maintenance after completion.



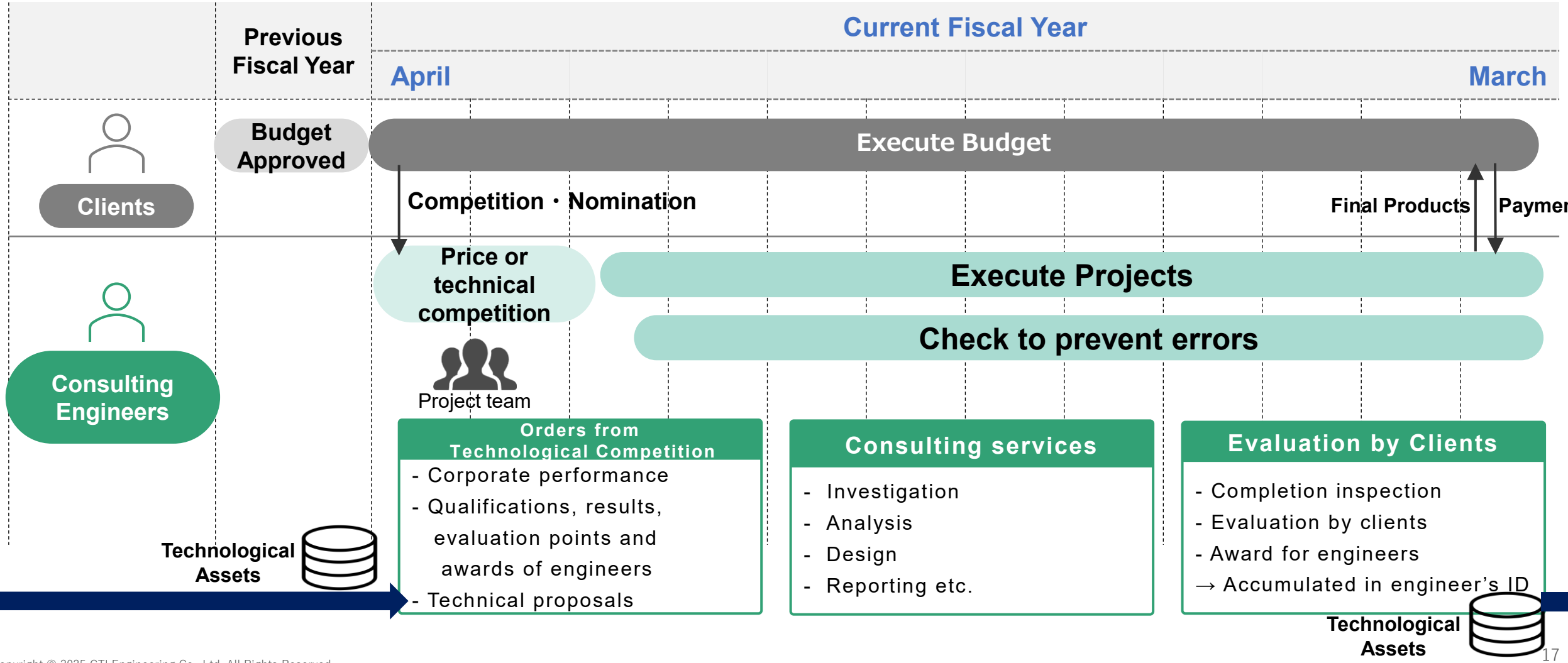
Principle of Separation of Design and Construction

During rapid economic growth period in Japan after WW2, the Ministry of Construction (now the Ministry of Land, Infrastructure, Transport and Tourism) clarified the principle of separation of design and construction.



Basic Workflow of Consultant Engineers

- Project size : Mostly tens of millions of yen. In recent years, the number of large-scale projects is increasing by several hundred million.
- Number of projects : Thousands per year
- Project period : Basically 1 year, but multi-year large-scale projects are increasing in recent years.
  The ends of projects period tends to concentrate at the end of the fiscal year (March)
- Project teams : Consists of 5-6 engineers. Professional Engineer certification is required for the project leader.



Importance of Consulting Engineers

Enriching life through engineering

Infrastructure Development

Define a project → Plan → Survey → Design → Construction management

Yashio City road sinkhole accident

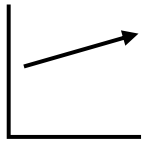
Infrastructure Maintenance and Management

Maintenance management

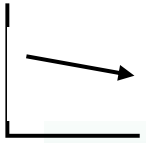
Efficient and **Effective** infrastructure development is required, within **limited budget** and **personnel**

Flat/ Slight increase trend in MLIT* budget

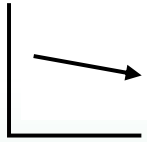
* Ministry of Land, Infrastructure, Transport and Tourism



Declining trend in Local government budget



Declining trend in technical public sector personnel

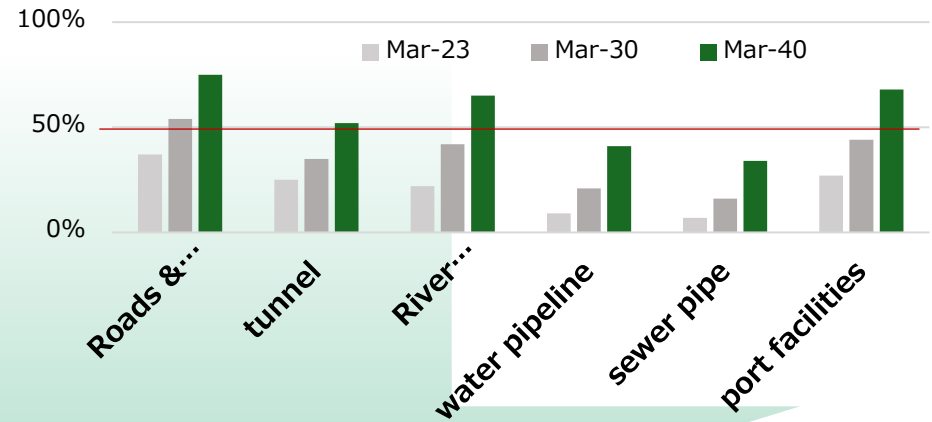


- Demand for more efficient and sophisticated infrastructure development itself is increasing
- Possibility of outsourcing to private sector is increasing

Importance of **inspection**, **evaluation**, and **prioritisation** of aging infrastructure is increasing

By 2040, half of structures will be over 50 years old, except for water and sewage systems

< Percentage of social infra structure over 50 years old >

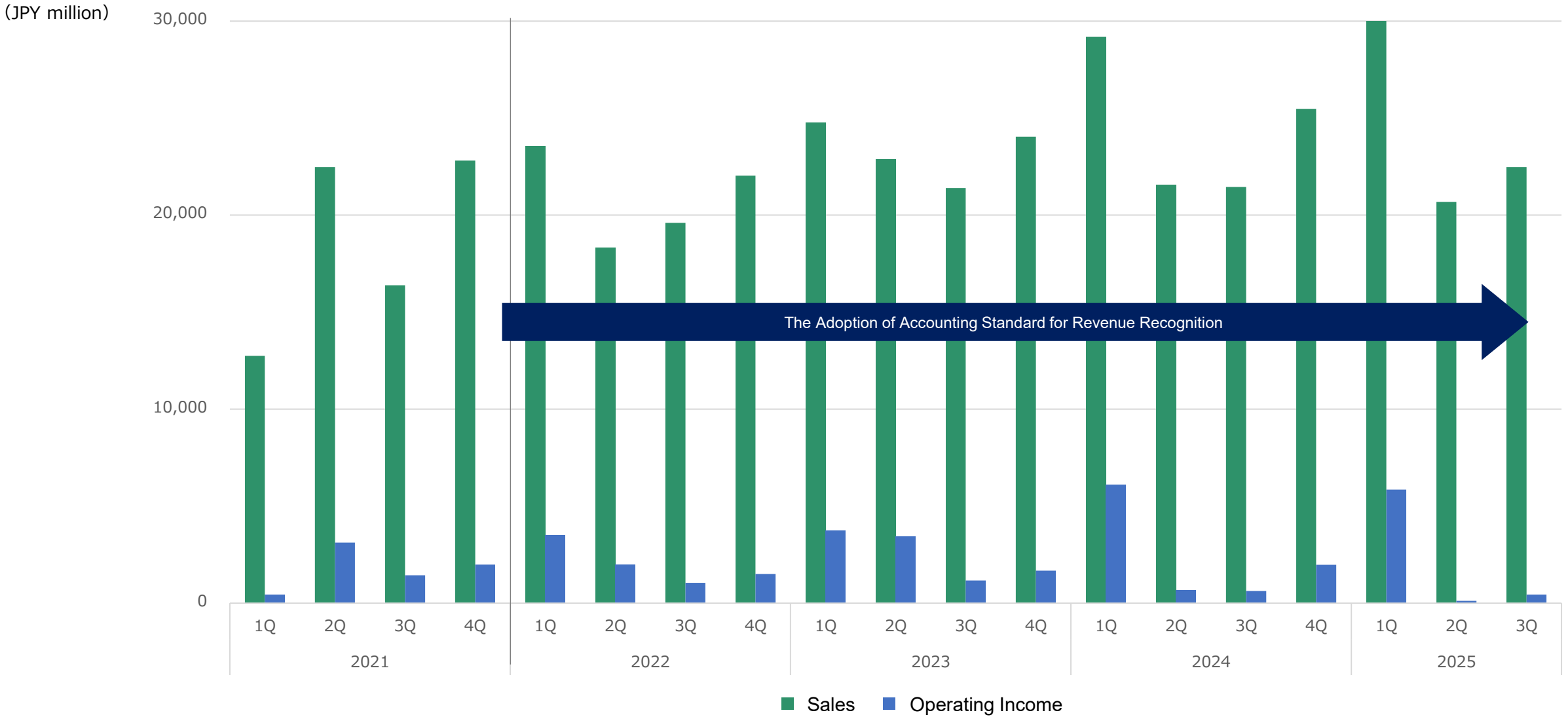


Demand for advanced technology from Consulting Engineers is increasing

Source: Ministry of Land, Infrastructure, Transport and Tourism Information Portal Site on Aging Social Infrastructure
Infrastructure Maintenance Information "Current State and Future of Social Infrastructure > Current State and Future of Aging Social Infrastructure
https://www.mlit.go.jp/sogoseisaku/maintenance/02research/02_01.html?utm_source=chatgpt.com

(Reference Data) Quarterly Sales Amounts and Operating Income (Consolidated)

Since CTI Engineering Group has a lot of public projects, work progress tends to concentrate at the end of fiscal year, resulting in a tendency for sales and income to be clustered towards 1Q. (after the adoption of Accounting Standard of Revenue Recognition in 2022)



The History of CTI Engineering Co., Ltd.

Enriching life through engineering

Our Founding: amidst Japan's defeat in WWII

The history of the Construction Technology Institute (the predecessor of CTI Engineering Co., Ltd.) begins 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 an incorporated foundation on August 1, 1945, for the purpose of developing construction equipment that could compete with those of the United States in airfield construction.

- August 1, 1945: **The Construction Technique Institute** is founded

Office at the time of establishment

Period of Growth: entered the field of water engineering

From 1950 onward, with the Korean War in full swing, the number of contracts for engineering consulting services multiplied year after year. The Institute quickly and accurately grasped Japan's agenda for post-war reconstruction and focused on one area: hydropower generation and related dam construction.
This has led to our strength in the water sector that continues to this day.

- April 4, 1963: **Construction Technology Institute Co., Ltd.** is incorporated

Transformation in the face of changing times

In 1964, Japan's River Act was revised, requiring a basic plan for the implementation of construction work to be formulated for each river system. To keep up with the new requirements, we introduced electronic calculators - which were expensive at the time—before any of our competitors. This was a decisive factor in our development in the field of river planning.

We had grown steadily, registered its shares with the Japan Securities Dealers Association as over-the-counter stock in June 1994. Then we listed its shares on the Second Section of the Tokyo Stock Exchange in October 1996, and listed on the First Section of the Tokyo Stock Exchange in June 1999.

The History of CTI Engineering Co., Ltd.

Enriching life through engineering

Achieved sustainable growth through human resource enhancement and M&A

Number of employees: 3,966

Sales : JPY 97.6billion

Yodo River, Yodo River system
(Osaka City, Osaka Prefecture)
(1971-1980)

Onagawa Central District,
Onagawa Earthquake
Reconstruction Project
(2013-2016)

The Comprehensive Flood Control
Project in Metro Manila（Philippines）
(1977)
Our first independent overseas business

waterman
2017
Waterman joined
CTI group

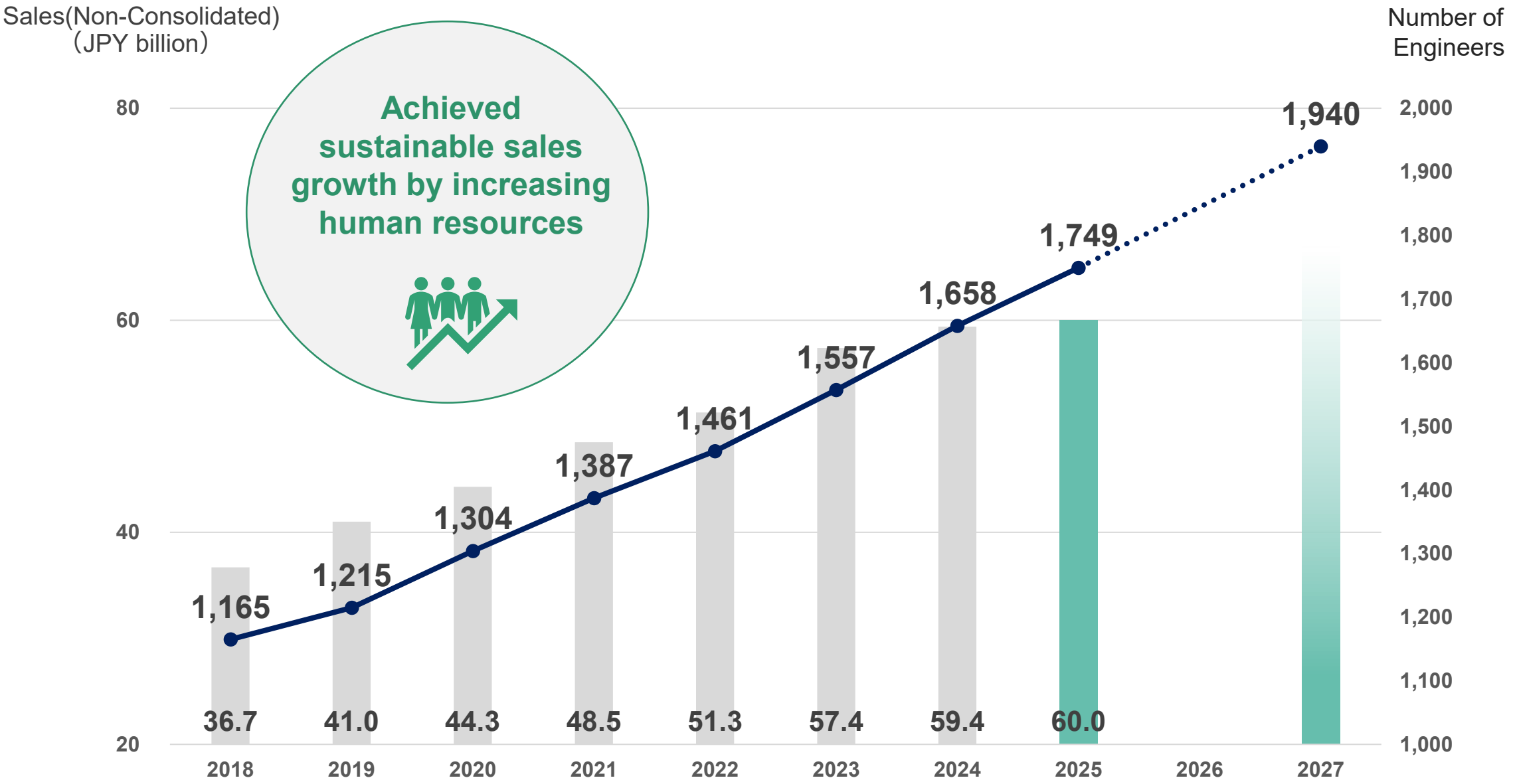
Number of employees: 104
Net sales JPY 0.12 billion

Number of employees (Consolidated)
Number of employees (Non-Consolidated)
Sales amount(Consolidated)

1963(Establishment) 1980 2000 2024

Postwar reconstruction | Pollution problem High economic growth | From quantity to quality | Global environmental problems | Reconstruction after the earthquake National Resilience

Transition of Sales/Operating Income/Number of engineers（Non-consolidated）



Consolidated Group Company (Domestic)

Enriching life through engineering

Japan Urban Engineering Co., Ltd.

Transportation Urban

Provides professional services related to urban development, urban planning and town planning, land readjustment and urban redevelopment projects, civil engineering design and development permits, compensation surveys, field surveying, disaster reconstruction, estate consulting, etc.

NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd.

Transportation Urban

Provides professional services related to the design and supervision of building and building facility projects, research, planning, project and construction management for all aspects of construction work, investigation and appraisal of buildings, longevity and long-term repair plans of buildings, etc.

HIROKEN CONSULTANTS Co., LTD.

Water Land / Transportation Urban / Environmental Social

Infrastructure projects (civil engineering design, development design, agricultural engineering, built environment, various inspections, surveys, compensation studies, geological surveys, etc.) and waste-related projects, shops and development projects, soil surveys, ICT projects (3D surveying and 3D design, etc.)

Chi-ken Sogo Consultants Co., Ltd.

Environmental Social

Provides professional services related to geological surveying and analysis, groundwater and soil contamination surveys, planning and design of roads, rivers, and underground facilities, planning and design of sabo and disaster prevention works, investigation and design of slope disaster prevention works and landslide countermeasures.

Environmental Research & Solutions Co., Ltd.

Environmental Social

Environmental consulting (soil contamination control, water treatment, environmental assessment), environmental research and analysis (water quality, waste, exhaust gases, dioxins, PCBs, asbestos, PFAS), working environment measurement, drinking water testing, genetic analysis (environmental DNA).

Our Position in the Construction Consulting Industry (Non-consolidated)

Enriching life through engineering

Ranked 3rd in Sales, 1st in Current Term Income in FY 2024

(JPY Million)

	Company Name	Construction Consulting Division Sales	Current term Income
1	Integrated Design & Engineering Holdings(ID&E) * 1	64,208	6,329
2	Pacific Consultants (PCKK) (Unlisted)	57,718	3,867
3	**CTI Engineering (CTIE)**	**56,249**	**6,532**
4	Oriental Consultants (OC)	33,447	1,089
5	Oriental Consultants Global(OC Global)	29,995	783
6	Dia Nippon Engineering Consultants * 2	28,173	1,656
7	Yachiyo Engineering (Yachiyo) (Unlisted)	25,559	639
8	Eight-Japan Engineering Consultants (Eight JP)	23,402	1,596
9	Pasco	23,037	4,354
10	IDEA Consultants	22,448	2,316

Source: Top 10 companies extracted from "Nikkei Construction" April 2024 Construction Consultant Financial Ranking 2024
(The Company's "Construction Consulting Division Sales" is the amount obtained by subtracting the sales of survey and geological survey services other than the "Construction Consulting Division" from the total sales.)
* 1: In July 2023, the company was reorganized under the holding company (ID & E) into a system in which Nippon Koei and Nippon Koei Urban Space are located. In February 2025, Tokio Marine Holdings' tender offer for ID&E HD will be completed, and ID&E HD will become a consolidated subsidiary of Tokio Marine Holdings and is scheduled to be delisted in May 2025.
* 2: Established in July 2023 through the merger of Dai Nippon Consultant and Dia Consultant.

Our Strength

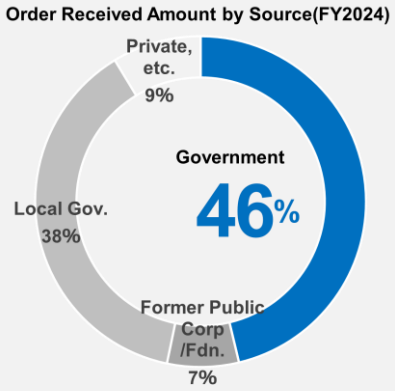
Japan's First Consulting Engineer

Since the founding of the Construction Technology Institute (our predecessor) in 1945, we have been a leading company in the industry for many years.

We are a comprehensive consulting engineers that competes for the top position in sales in domestic market on the strength of our accumulated technologies developed over 70 years since our founding.

Stable Customer Base Centred on the Public Sector

As we receive 90% of orders from the public sector, including national and local government, we have a stable profit structure.



Industry Leader Order Received in the River Sector

Leveraging our experiences in river infrastructure development, we have been contributing to the comprehensive management of entire river basins - including the drafting of disaster prevention and mitigation measures for floods, droughts, and other disasters, as well as the conservation and improvement of the water environment and water cycle.

Professional Engineers with Advanced Technical Skills

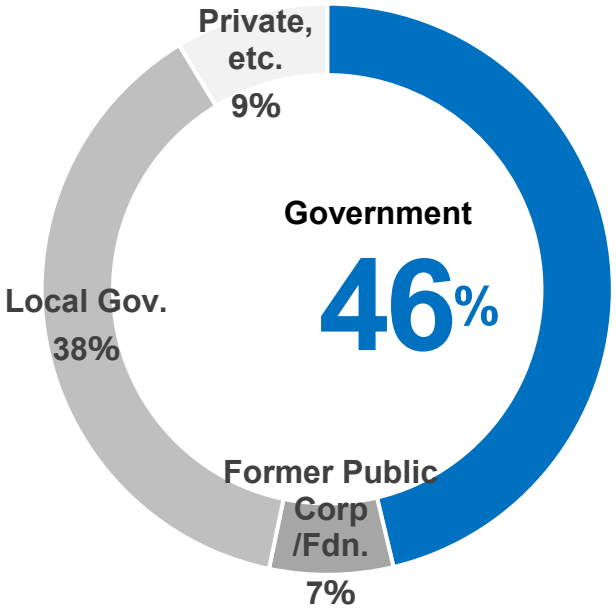
We are a group of consulting engineers with more than 1,600 licensed **Professional Engineers (P.E.Jp).**

We believe that human resources are our greatest management capital, and we actively invest in human resource development such as the Professional Engineer Qualification Support Program and graduate schools for working adults.

Our Strengths

1 Orders Received from National government

Order Received Amount by Source (2024)



Half of all orders received are from the national government.

While national projects are stable and highly profitable, it requires advanced technology.

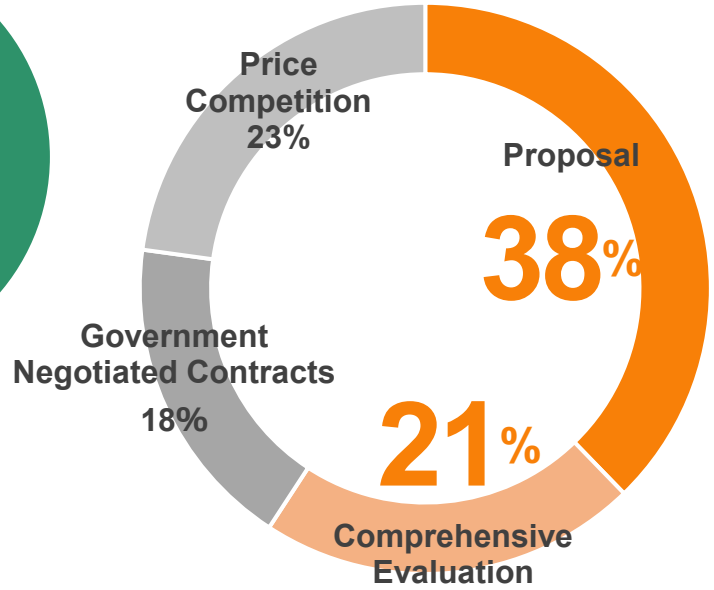
As we receive a lot of orders from the government, we ensure profitability and build up a track record of engineers through the implementation of projects, which will lead to orders in the next year.

This cycle has resulted in our technological superiority.

In the future, we will maintain MLIT sales while expanding sales to prefectures, municipalities, and primary government agencies, aiming to expand our profit and transform our customer structure into well-balanced.

2 Strength in technical competition

Order Received Amount by Contract Method (2024)



Orders received under “Proposal” and “Comprehensive Evaluation” ,in which technical capabilities are evaluated, accounted for 60% of total orders received, indicating the high level of our technical competitiveness

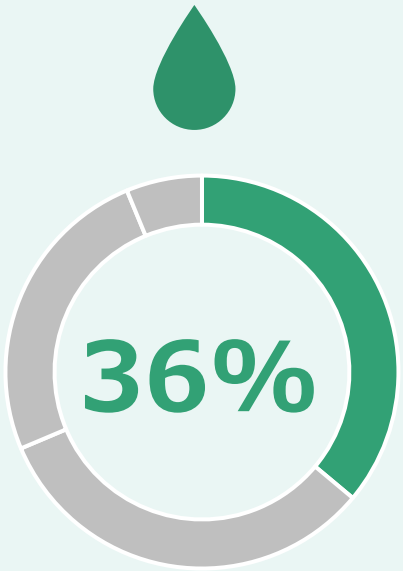
Proposal
：Competition based on technical proposal capability only
Comprehensive Evaluation
：Competition based on both technical proposal capability and price
Price Competition
：Competition based on price only
Government Negotiated Contracts
：Specific contractor is selected without a competitive bidding process due to the client’s circumstances

Business fields of Domestic Segment

The Company's (non-consolidated) business fields consist of the following four business divisions.

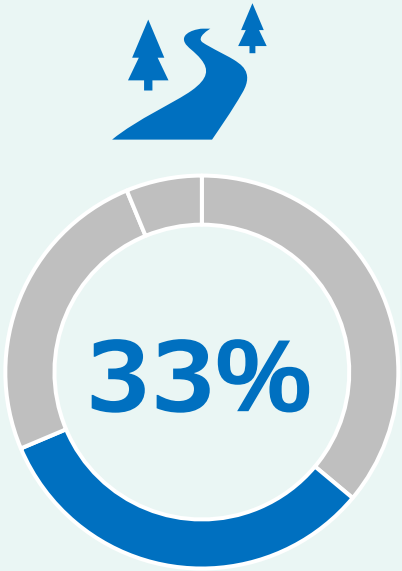
62nd (2024) Period Orders Composition Ratio (Domestic)

Water and Land Business Sector



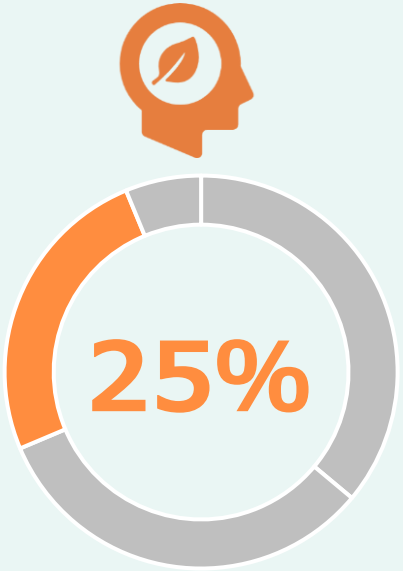
Rivers / Water Resources / Coasts / Ports / Dams / Erosion Control /Water Supply & Sewerage / Mechanical & Electrical Equipment

Transportation and Urban Business Sector



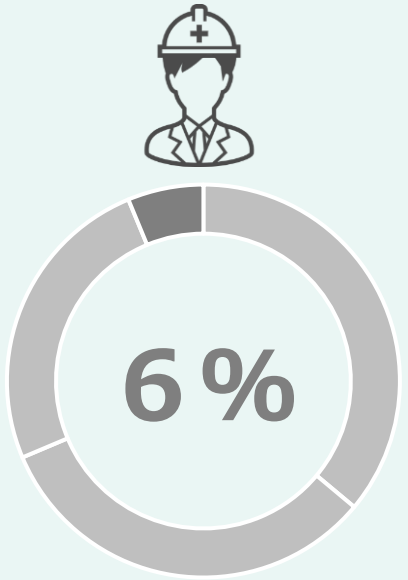
Roads & Transportation / Urban Planning / PFIs & PPPs / Architecture

Environmental and social Business Sector



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

Construction Management Business Sector



Public Procurement Assistance / Construction Management & Execution Management

Our Position in the Industry (Results in 2024)

Enriching life through engineering

Our strengths lie in the domestic public sector and the river sector. The Construction management Business Sector is growing.

(JPY Million)

Our company Business Unit	Watershed and Land Business Sector			Transportation and Urban Business Sector			
Sales Rank	Rivers, erosion control, coasts and oceans	sewer	Mechanical	Road	City planning and regional planning	Steel structure and concrete	Tunnel
1	**CTIE 21,866**	NJS 13,781	PCKK 790	PCKK **8,829**	Oba 7,965	Dia Nippon Engineering 10,631	PCKK 2,610
2	ID&E **13,229**	Nihon Suido Consultants 11,588	**CTIE 651**	OC **7, 917**	NK Urban Space 6,577	PCKK 7, 101	OC 2,395
3	PCKK **8,281**	NIHON SUIKO SEKKEI 6,905	JR East Consultant 572	**CTIE 7,508**	NIKKEN 6,093	Chodai 7,003	OYO Corporatin 1,697
4	Yachiyo	OEC	TOKEN CEE Consultant	ID&E	Pasco	OC	Dia Nippon Engineering
5	Tokyo Construction Consultant	TEC Group	Yachiyo	Dia Nippon Engineering	PCKK	**CTIE 5,016**	Nippon Civic Consultant
6	Nihon Shinko	SANSUI CONSULTANT		Nihon Shinko	OC	Eight Japan Engineering	Eight Japan Engineering
7	Dorkon	Nakanihon Consultant		Chodai	ID&E	TEPSCO	TEPSCO
8	OC	PCKK		Pasco	International shipping	Chiyoda Consultant	**CTIE 1,057**
9	Mitsui Joint Construction Consultant	ID&E		OC Global	Showa	ID&E	Suncoh Consultant
10	IDEA	13 **CTIE 1,804**		Fukuyama Consultant	**CTIE 2,690**	Chuo Consultant	Chuo Fukken Consultant

Source: Top 10 companies extracted from "Nikkei Construction" April 2024 Construction Consultant Financial Ranking 2024 ("Nikkei Construction")

Our Position in the Industry (Results in 2024)

Enriching life through engineering

Construction Management Business Sector Sales increased by 50% compared to last year

(JPY Million)

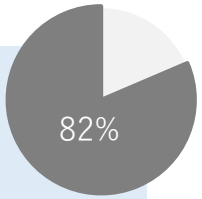
Our company Business Unit	Environmental and Social Business Sector				Construction Management Business Sector
Sales Rank	Construction environment	Electricity and electronics	Garbage	Geology	Construction plan and construction equipment
1	IDEA 12,719	**CTIE 3,938**	PCKK 2,549	Dia Nippon Engineering 3,047	Tenet Japan 4,759
2	Kenkan Consultants 5,402	ID&E 2,153	Eight Japan Engineering 2,203	OYO Corporatin 2,754	**CTIE 3,880**
3	ID&E 4,672	Chuden Technology Consultant 1,640	OYO Corporatin 1,876	ID&E 2,424	Taisei Engineering 3,193
4	PCKK	Electrical technology development	Yachiyo	**CTIE 1,732**	Yokohama Consulting Center
5	**CTIE 3,520**	Applied geology	**CTIE 1,029**	Kisojiban Consultants	OC
6	NS Environment			Chuo Kaihatsu Corporation	Planned engineering
7	Asia Air Survey			Kawasaki Geological Engineering	Nihon Shinko
8	Applied geology			Japan Conservation Engineering	Asia Co-Design Consuitant
9	OC			WEST JEC	PCKK
10	Chodai			Docon	PCKK technical management

Source: Top 10 companies extracted from "Nikkei Construction" April 2024 Construction Consultant Financial Ranking 2024 ("Nikkei Construction")

Consolidated Group Company (Overseas)

We are expanding globally with two subsidiaries, Waterman and CTI International.

62nd Term (2024)
Composition of Overseas
Segment Sales



Waterman Group Plc

History

Joined CTI Group in June 2017

Business Outline

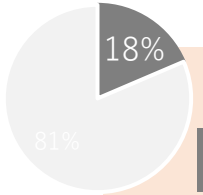
Private sector
➡ Structure, Building service, Civil Engineering

Public sector
➡ Civil Engineering, Secondment of engineers

Business Area

United Kingdom, Ireland, Australia

62nd Term (2024)
Composition of Overseas
Segment Sales



CTI Engineering International

History

March 1999, spun off as wholly owned subsidiary from our overseas business division

Business Outline

Consulting engineer business mainly through ODA in semi-developed and developing countries

Major Business Partners

Japan International Cooperation Agency (JICA)
World Bank, Asian Development Bank, other governments, etc.

Business Area

Based in Japan, the Philippines, and Myanmar
Business target area: Asia, Africa, Middle East, South America, etc.

CTI Engineering International Co., Ltd.

Sales of Waterman Group Plc after the Acquisition

- Sales of Waterman Group Plc have progressed steadily since 2017
- After our acquisition, public sector Sales have increased

Waterman Group Plc

History

Joined CTI Group in June 2017

Business Outline

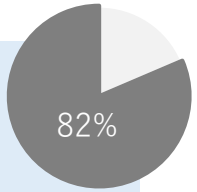
Private sector
➡ Structure, Building service, Civil Engineering

Public sector
➡ Civil Engineering, Secondment of engineers

Business Area

United Kingdom, Ireland, Australia

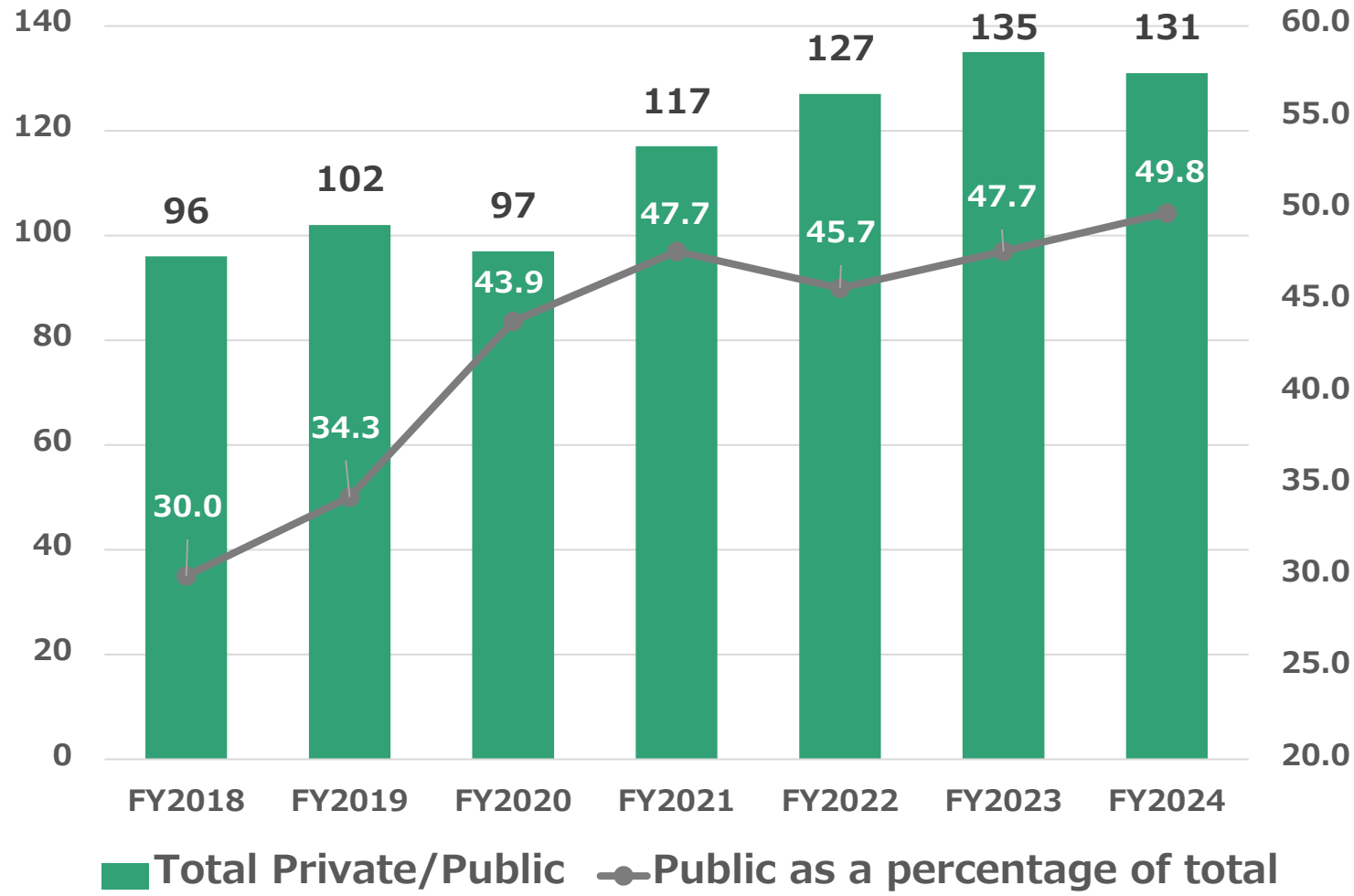
FY2024(62nd Term)
Composition of Overseas Segment Sales



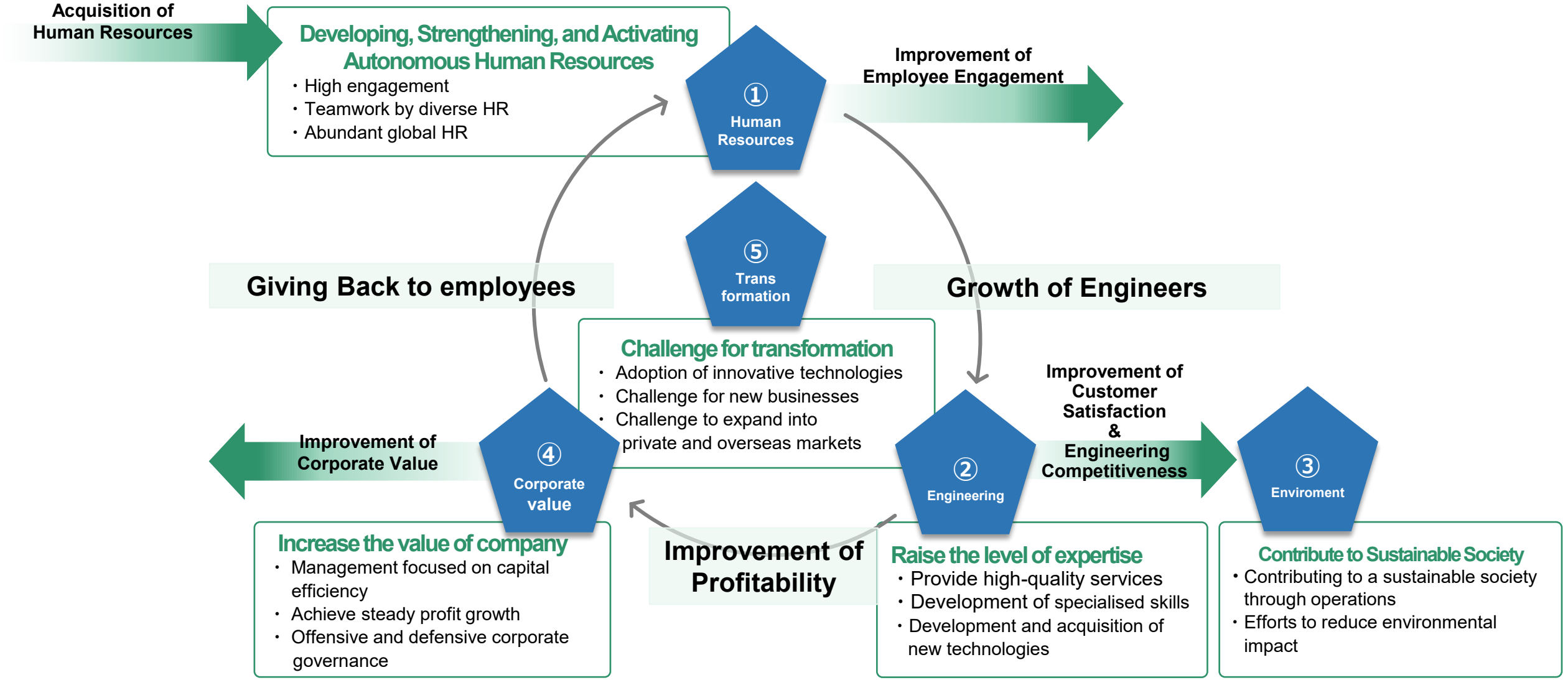
Sales Trends (GBP)

(Unit : Millions of GBP)

(Unit: %)



Based on the five key factors that express ideal state of CTI Engineering Group, the measures to be implemented in the Mid-Term Management Plan 2027 are consolidated into two pillars.



Important management figures in 2027

Sales	Continue to strengthen our workforce at an annual growth rate of around 5% and aim for net sales of JPY 110 billion or more (achieve SPRONG2030, our mid- to long-term vision, ahead of schedule)
Operating income	Aiming for sustainable profit growth over mid- to long-term and operating income of JPY 12 billion or more
ROE	Secure at least 12% ROE by business development, improvement of productivity and appropriate returning profits to shareholders
Labour productivity	Increase labour productivity by 10% or more from the current level by improving efficiency through promotion of DX and upgrading project management. (10% improvement in internal output per hour)

Key points in setting the plan

Profit Plan

- Continue to strengthen workforce and raise wages
- Improve or maintain gross margins through DX and work efficiency
- Reduce operational reworks and errors by upgrading PM. Improve performance quality and reduce working hours through the advancement of PM.
- Decrease SG&A Expenses by DX and improving efficiency

Orders Received Plan

- Achieve a balanced customer structure with local governments and the private sector while keeping orders from the Ministry of Land, Infrastructure, Transport and Tourism
- Achieve targets through sustainable growth in core business areas, expansion of growth areas, and external growth such as M&A

Financial Plan

- Improve ROE and EPS by combining steady growth in operating income, flexible shareholder returns such as dividends, and external growth such as M&A

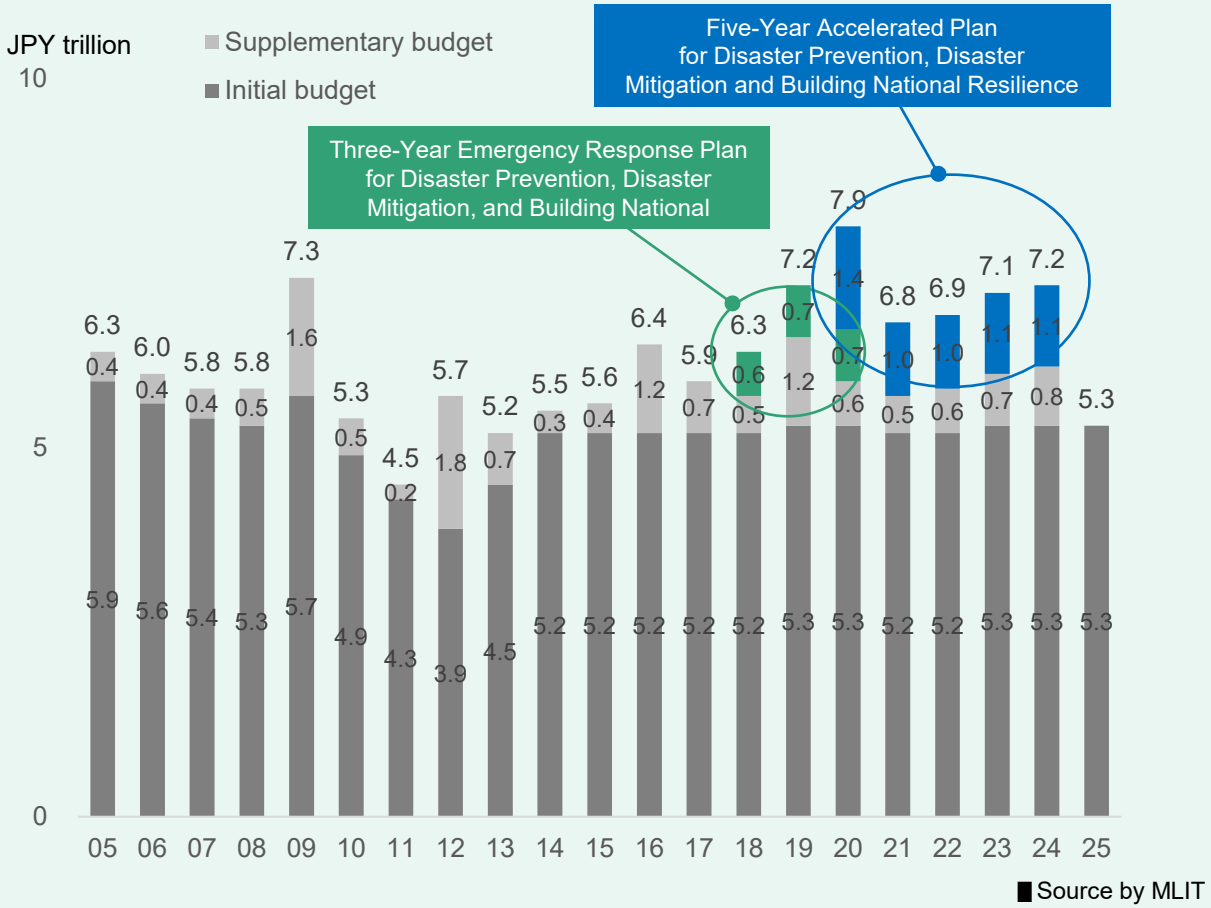
The market for consulting engineering business, our core business, is strongly influenced by government budget allocations and construction investment.

Public works expenditures (Ministry of Land, Infrastructure, Transport and Tourism) have remained steady due to the “Five-Year Acceleration Plan for Disaster Prevention, Disaster Mitigation and Building National Resilience" through 2024.

Overall construction investment (public and private) has been increasing continuously since 2014.

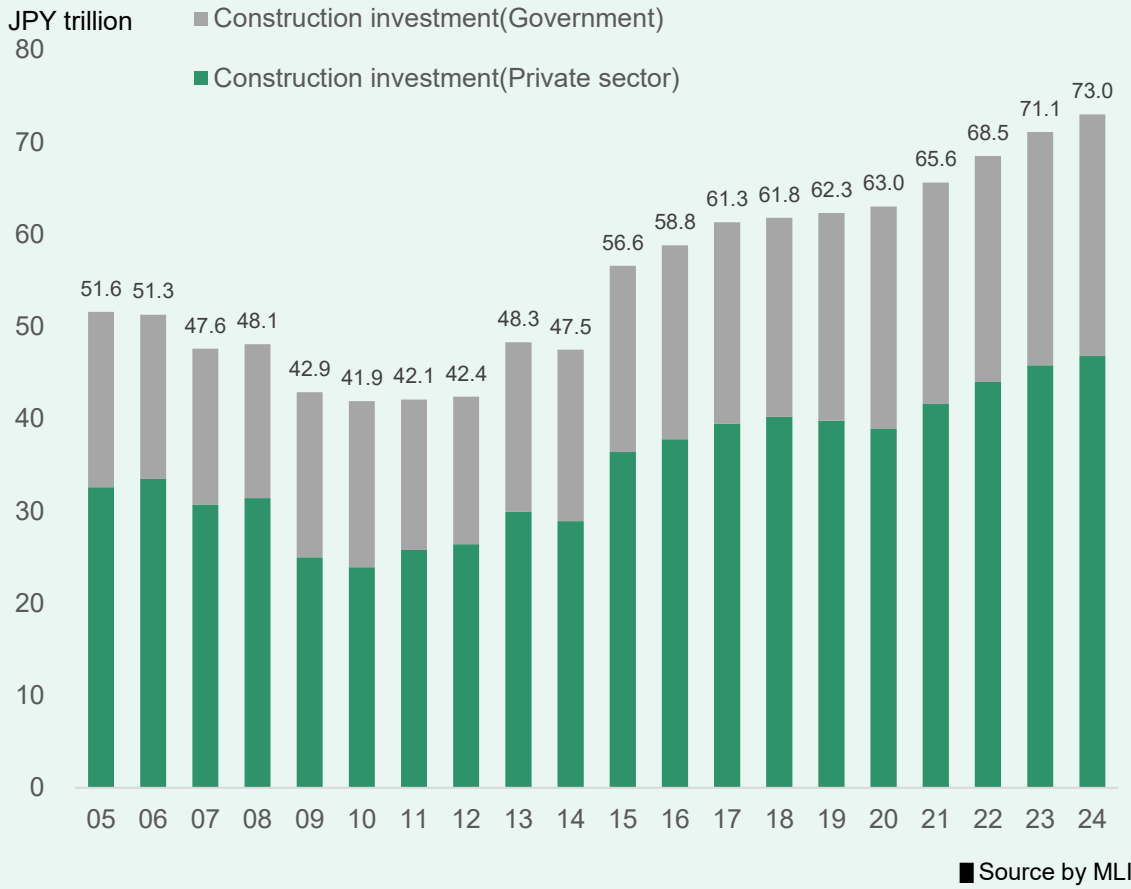
Construction investment by the government and the private sector is expected to stabilise to a certain extent in the future, and the potential market is also large due to the state of undeveloped infrastructure.

Steady growth in public works-related expenditures



Source by MLIT

Increase in construction investment



Source by MLIT

- Government approved the “The First Medium-Term National Resilience Implementation Plan” in June 2025
- The plan covers the five-year period from FY2026 to FY2030 with an estimated total budget of approximately JPY 20 trillion

* JPY 15.6 trillion secured for the previous five-year accelerated measures through by FY2025

Background:

- Assumed damage from **Nankai Trough megathrust earthquake**
- Increasing severity and frequency of heavy rain **disasters due to climate change**
- Road sinkhole accidents caused by **aging infrastructure**

Major Plans:

- **Disaster prevention infrastructure:** Enhancement/utilisation of flood risk information, basin flood control measures
- **Lifeline resilience:** Measures against the aging road/water facilities, reinforce seismic resilience of bridges and other structures
- **Digital & new technology:** Labour-saving measures at construction sites utilising automated construction technology
- **Public-private partnership:** Seismic reinforcement of housing/buildings, measures for disaster-resilient urban development
- **Strengthening regional disaster:** Improvement of evacuation shelter environments, enhancement of disaster equipments

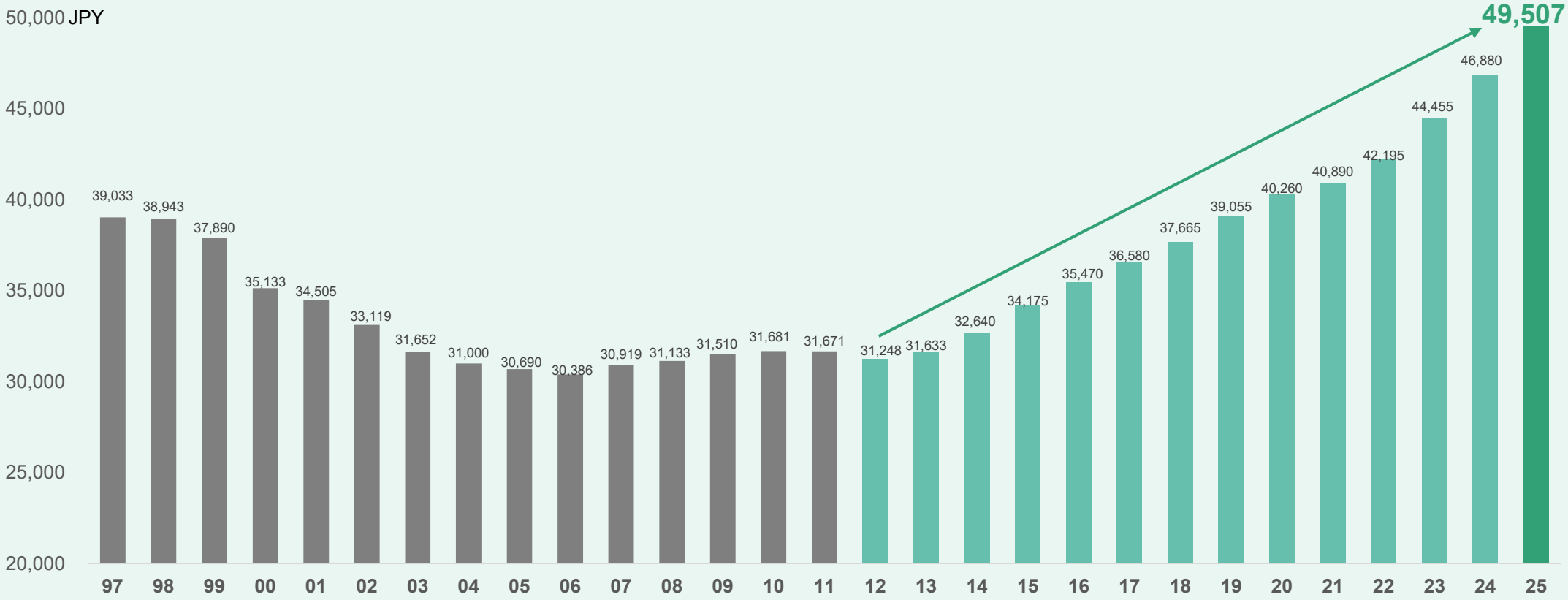
Project Scale:

- Disaster prevention infrastructure: 5.8 trillion yen
- Lifeline resilience: 10.6 trillion yen
- Digital & new technology: 0.3 trillion yen
- Public-private partnership: 1.8 trillion yen
- Regional disaster preparedness: 1.8 trillion yen

Source: First Medium-Term Plan for the Implementation of National Land Toughening Measures, Cabinet Secretariat

- **Unit Price for Design Engineers**: A unit price used for estimating design work outsourcing (design, surveying, geology, etc.) ordered by the Ministry of Land, Infrastructure, Transport and Tourism, which is set based on the annual salary survey conducted every year.
- In FY2025, the simple average of all job categories was JPY 49,570, an increase of 5.7% from the previous year, reflecting recent wage increases, etc.

Increase in unit price for design engineers



Source by MLIT

Business Philosophy

We strive to create a safe,

Comfortable and enriching society

Using world-class technology and expertise.

Enriching life through engineering

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.

Disclaimer

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

CTI Engineering Co., Ltd.

Nihombashi Hamacho F Tower, 3-21-1 Nihombashi Hamacho, Chuo-ku, Tokyo, Japan(TSE Prime 9621)

Tatsuya Nishimura, Representative Director and President, CEO

Contact: **Toshikazu Matsuoka**, Managing Executive Officer

TEL : 03-3668-4125

3Q / 63th term (2025)

Financial Results

〔Supplementary Data〕

CTI Engineering Co.,Ltd..

1. Order Status (Non-consolidated)

(1) Orders received by month

(JPY million, rounded down to the nearest million, %)

Item / Month	Our company						Consulting Engineering (50 companies) (Note)					
	2023		2024		2025		2023		2024		2025	
	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)
Jan.	2,468	-5.1	2,725	10.4	2,281	-16.3	22,746	-0.9	26,720	17.5	25,926	-3.0
Feb.	3,166	-9.3	2,977	-6.0	2,645	-11.2	38,771	18.8	38,410	-0.9	37,297	-2.9
Mar.	11,106	14.8	9,046	-18.5	10,156	12.3	81,481	7.7	94,586	16.1	90,119	-4.7
Apr.	9,851	10.3	9,230	-6.3	10,888	18.0	89,173	2.7	95,812	7.4	108,100	12.8
May	4,571	-7.2	4,985	9.1	4,812	-3.5	54,842	10.5	56,577	3.2	58,288	3.0
Jun.	5,562	8.7	5,010	-9.9	6,242	24.6	77,547	4.1	81,440	5.0	86,964	6.8
Jul.	4,279	-0.2	6,170	44.2	7,310	18.5	70,025	10.4	81,564	16.5	86,235	5.7
Aug.	3,615	4.0	4,795	32.6	3,716	-22.5	62,736	22.7	59,303	-5.5	50,175	-15.4
Sept.	3,603	24.6	4,567	26.7	5,317	16.4	54,777	3.6	60,394	10.3	62,378	3.3
Oct.	3,431	74.1	4,143	20.7			46,626	15.9	48,248	3.5		
Nov.	1,823	11.7	1,986	9.0			33,962	6.9	33,303	-1.9		
Dec.	1,451	-34.7	2,310	59.2			36,562	2.5	34,013	-7.0		

(Note) Source: "Dynamic Survey of Construction-Related Industries, etc. (50 consulting engineering companies)" published Ministry of Land, Infrastructure, Transport and Tourism, September 2025

(2) Cumulative Orders Received

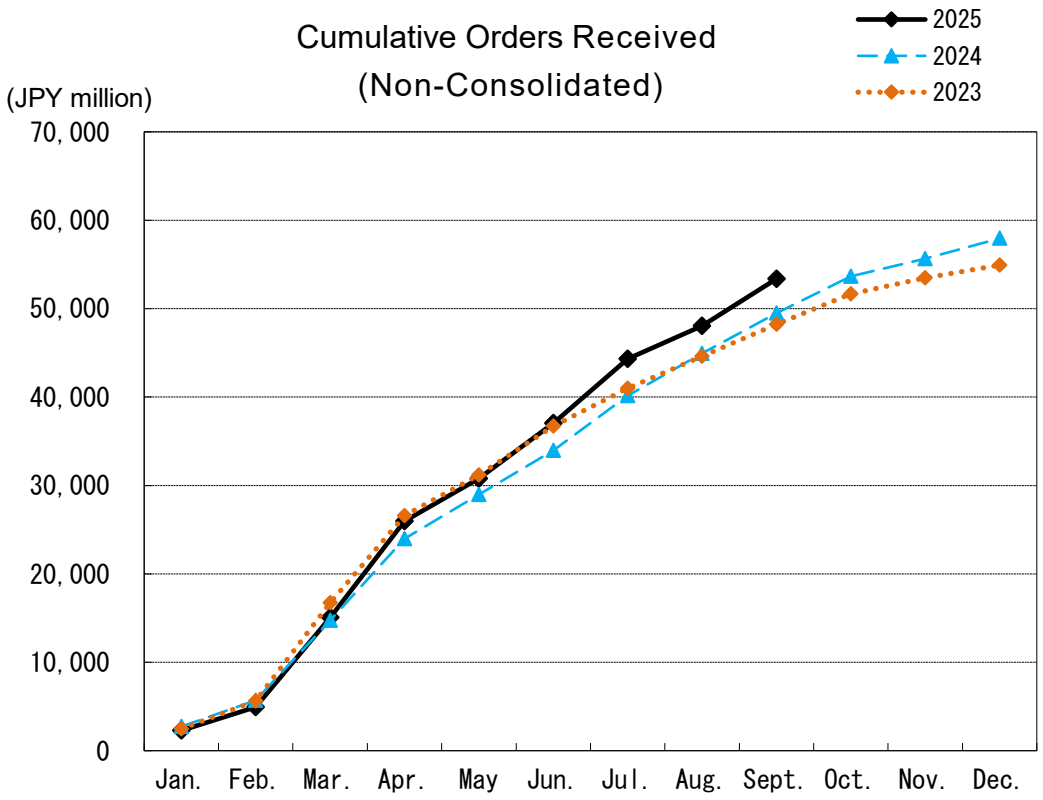
(JPY million, rounded down to the nearest million, %)

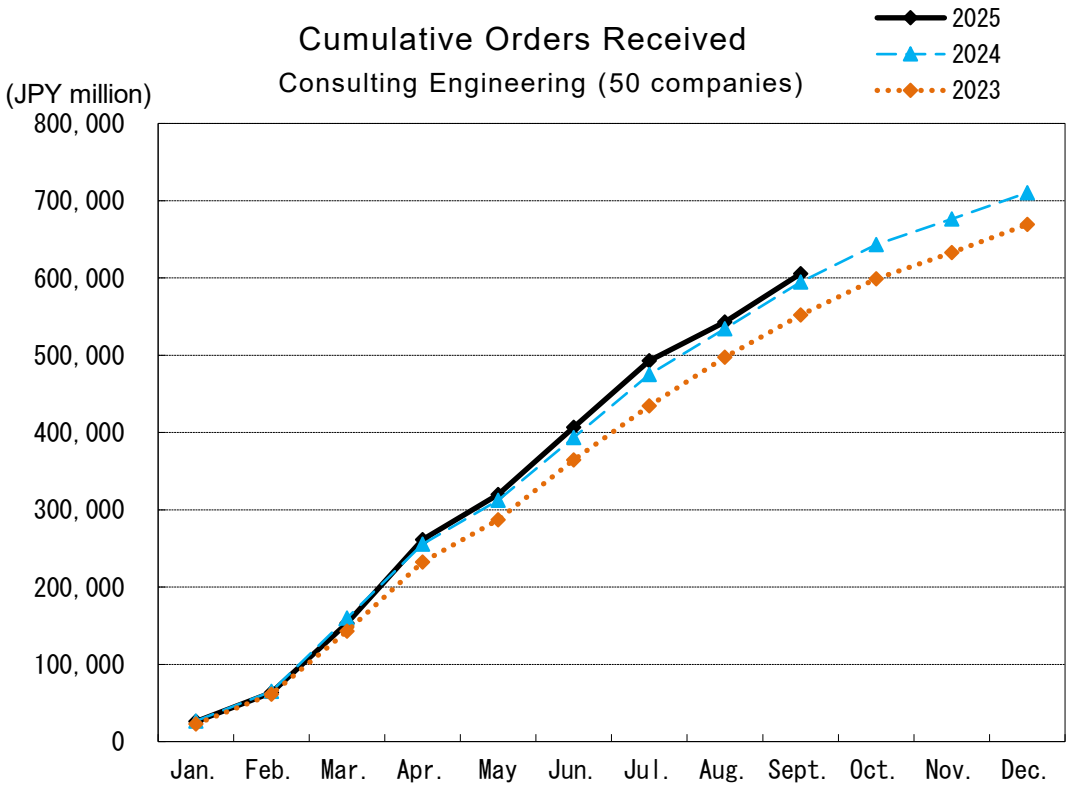
Item / Month	Our company						Consulting Engineering (50 companies) (Note)					
	2023		2024		2025		2023		2024		2025	
	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)
Jan.	2,468	-5.1	2,725	10.4	2,281	-16.3	22,746	-0.9	26,720	17.5	25,926	-3.0
Feb.	5,635	-7.5	5,702	1.2	4,926	-13.6	61,517	10.7	65,130	5.9	63,223	-2.9
Mar.	16,741	6.2	14,749	-11.9	15,083	2.3	142,998	9.0	159,716	11.7	153,342	-4.0
Apr.	26,592	7.7	23,980	-9.8	25,971	8.3	232,171	6.5	255,528	10.1	261,442	2.3
May	31,164	5.2	28,965	-7.1	30,783	6.3	287,013	7.2	312,105	8.7	319,730	2.4
Jun.	36,726	5.7	33,975	-7.5	37,026	9.0	364,560	6.5	393,545	8.0	406,694	3.3
Jul.	41,005	5.1	40,146	-2.1	44,336	10.4	434,585	7.1	475,109	9.3	492,929	3.8
Aug.	44,621	5.0	44,942	0.7	48,052	6.9	497,321	8.9	534,412	7.5	543,104	1.6
Sept.	48,224	6.2	49,509	2.7	53,370	7.8	552,098	8.3	594,806	7.7	605,482	1.8
Oct.	51,656	9.0	53,652	3.9			598,724	8.9	643,054	7.4		
Nov.	53,479	9.1	55,639	4.0			632,686	8.8	676,357	6.9		
Dec.	54,930	7.2	57,949	5.5			669,248	8.4	710,370	6.1		

* Reference data: Consolidated Orders Received

(JPY million, rounded down to the nearest million, %)

	2023		2024		2025	
	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)
Nine Months (January to September)	76,831	9.0	77,228	0.5	88,964	15.2
Full Year (January to December)	92,473	7.7	94,400	2.1		





(Note) Source: "Dynamic Survey of Construction-Related Industries, etc. (50 consulting engineering companies)" published Ministry of Land, Infrastructure, Transport and Tourism, September 2025