

# **Q3 FY2025 (63<sup>rd</sup> Term) Financial Results**

**Tokyo Stock Exchange / Code number : 9621**

**CTI Engineering Co., Ltd.**

12 November 2025



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## Q3 FY2025(63<sup>rd</sup> 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 12.5% 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 18.1% 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 (upper limit) yen of Own Shares**  
To enhance capital efficiency based on progress in growth investments, performance and financial condition  
(Acquisition period: From 13 November 2025 to 30 April 2026)

## Orders Received

**JPY 88,964** million

FY2024 (62<sup>nd</sup>) JPY 77,228 million  
%YoY +15.2%

## Sales

**JPY 73,270** million

FY2024 (62<sup>nd</sup>) JPY 72,197 million  
%YoY +1.5%

## Operating Income

**JPY 6,489** million

FY2024 (62<sup>nd</sup>) JPY 7,419 million  
%YoY -12.5%

## Net Income Attributable to Owners of the Parent

**JPY 4,311** million

FY2024 (62<sup>nd</sup>) JPY 5,266 million  
%YoY -18.1 %

### Orders Received

Orders Received increased by 15.2% YoY  
Trend unchanged from Q2, continued strong performance

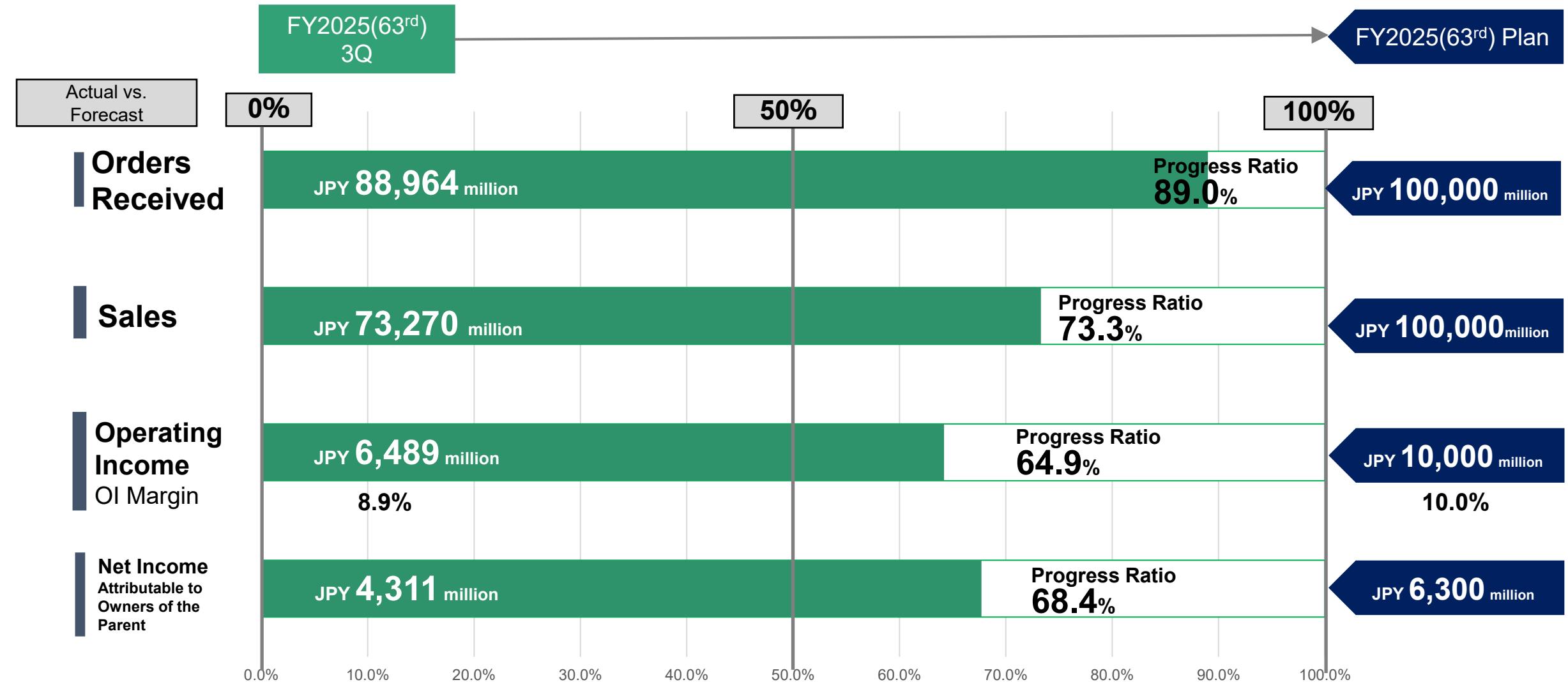
### Sales

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

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



(JPY million)

	Q3 FY2024 (62 <sup>nd</sup> Term)	Q3 FY2025 (63 <sup>rd</sup> Term)		FY2025 (63 <sup>rd</sup> Term) (FY Plan)		Achievement vs. Plan(%)
		Change(¥) (YoY)	Change(%) (YoY)			
Orders Received	77,228	<b>88,964</b>	+11,735	+15.2%	100,000	89.0%
Sales	72,197	<b>73,270</b>	+1,072	+1.5%	100,000	73.3%
Operating Income	7,419	<b>6,489</b>	-929	-12.5%	10,000	64.9%
OI Margin	10.3%	<b>8.9%</b>	-	-1.4pt	10.0%	-
Ordinary Profit	7,421	<b>6,602</b>	-819	-11.0%	10,000	66.0%
Net Income Attributable to Owners of the Parent	5,266	<b>4,311</b>	-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 (63 <sup>rd</sup> Term)		Q3 FY2025 (63 <sup>rd</sup> Term)		FY2025 (63 <sup>rd</sup> Term) (FY Plan)	Achievement vs. Plan (%)
			Change(¥) (YoY)	Change(%) (YoY)		
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%	-	-1.4pt	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(63<sup>rd</sup> 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 (62 <sup>nd</sup> Term)	 Q3 FY2025 (63 <sup>rd</sup> Term)			FY2025 (63 <sup>rd</sup> Term) (FY Plan)	Achievement vs. Plan (%)
			Change(¥) (YoY)	Change(%) (YoY)		
Orders Received	21,802	<b>27,695</b>	+5,893	+27.0% +31.6%	33,000	83.9%
Sales	22,836	<b>22,936</b>	+100	+0.4% +0.0%	31,000	74.0%
Operating Income	478	<b>170</b>	-308	-64.5% -64.8%	700	24.3%
OI Margin	2.1%	<b>0.7%</b>	-	-1.4pt	2.3%	-

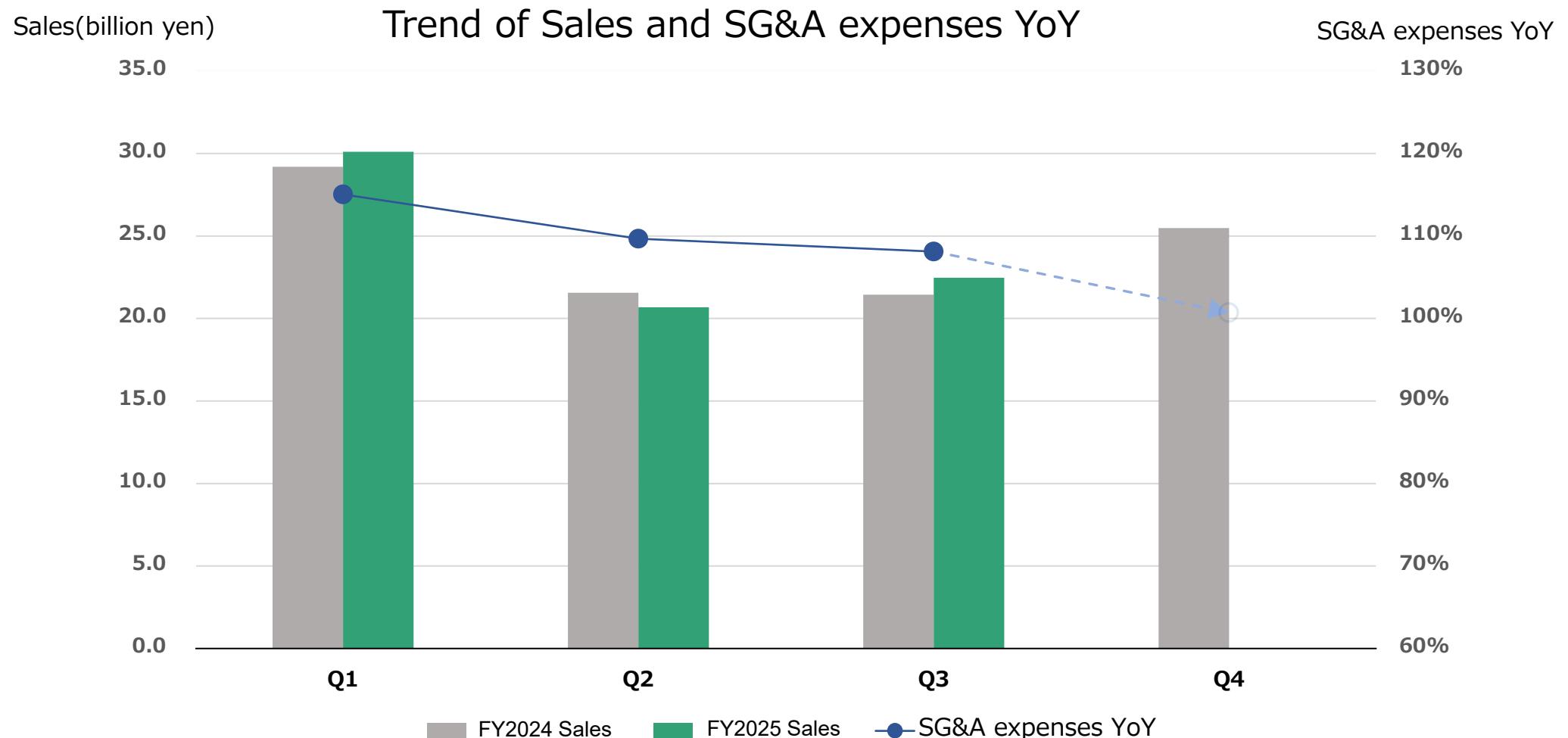
※Orders Received amount includes amount changes from currency fluctuations associated with the end-of -FY order backlog at our overseas subsidiaries.

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

- **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

		FY2024 (62 <sup>nd</sup> Term) (Results)	FY2025 (63 <sup>rd</sup> Term) (FY Plan)	Change %YoY	(JPY million) 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		JPY 75	JPY 75	-	

- 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



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 13 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.

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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

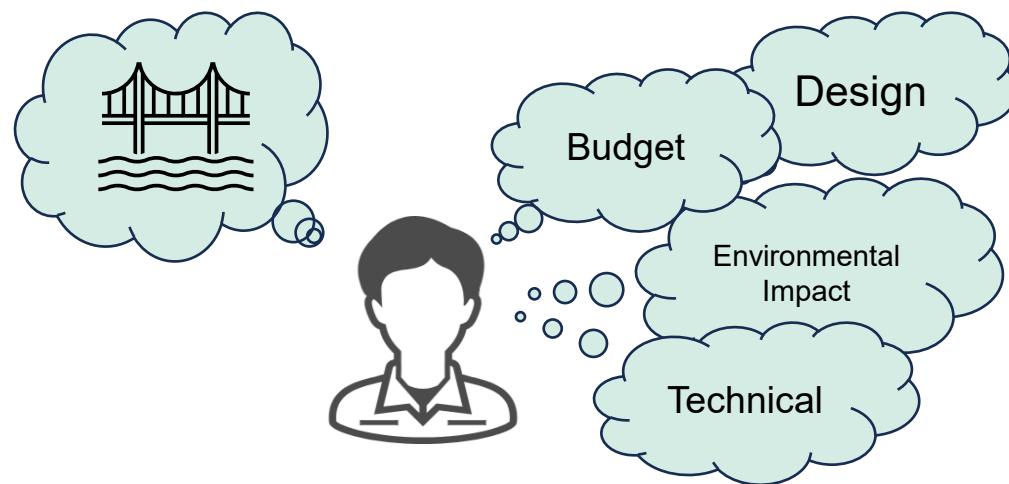
Infrastructure developments are carried out mainly by three parties: (1) National and Local Governments, (2) Consulting Engineers, and (3) Construction Companies.

For "National and Local Governments" that decide projects and make plans,  
We "Consulting Engineers" provide specific surveys, plans, designs, etc. as a partner.

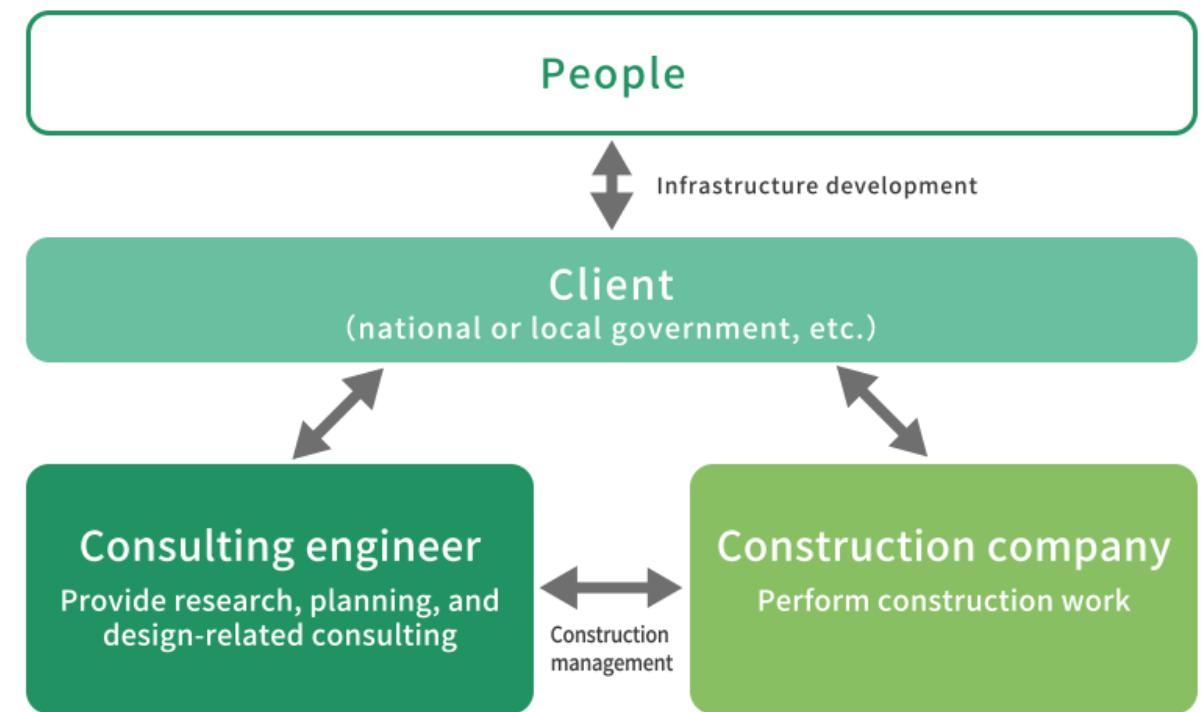
## Specialists about Infrastructure

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

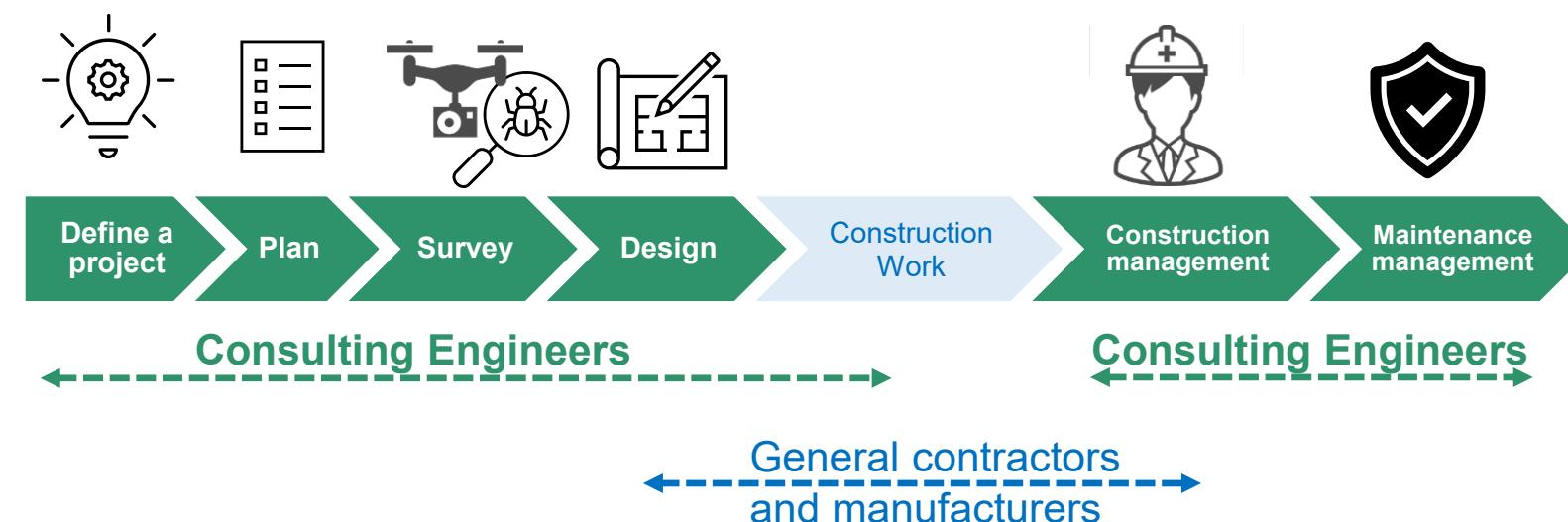


The role of consulting engineers is to provide consulting services such as surveys, planning, and design, etc. as a partner to national and local governments that make project decisions and planning.

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.

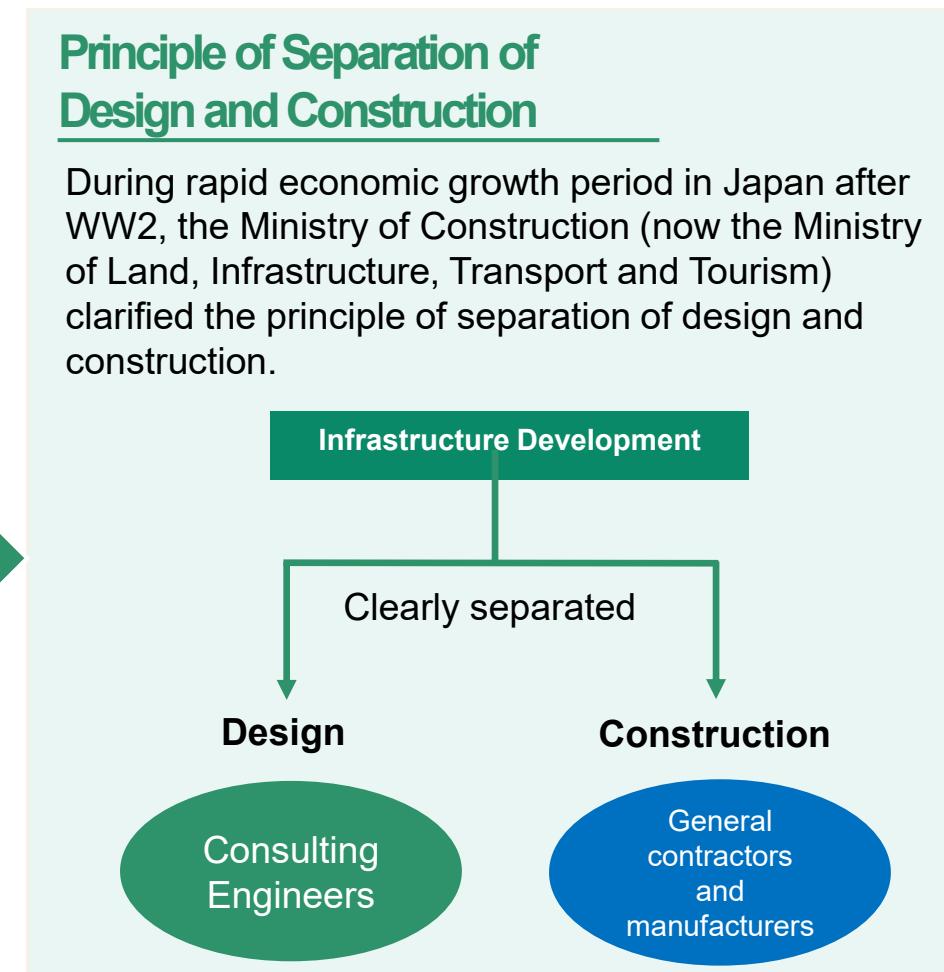
## Workflow of infrastructure development

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.



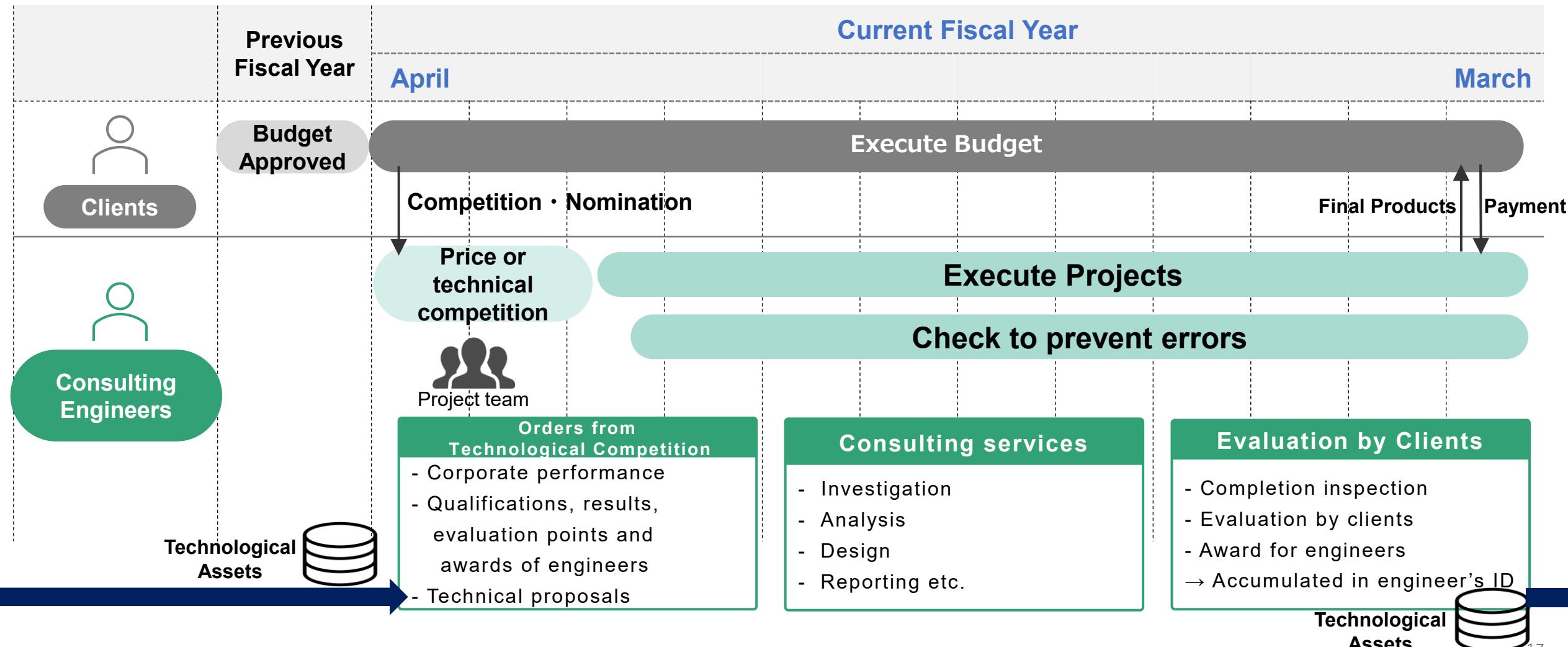
## Principle of Separation of Design and Construction

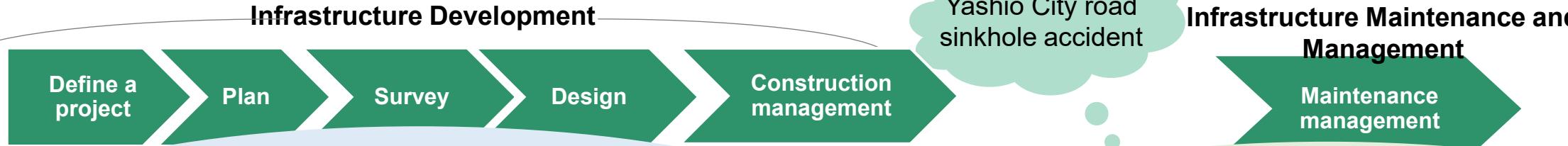
During rapid economic growth period in Japan after WW2, the Ministry of Construction (now the Ministry of Land, Infrastructure, Transport and Tourism) clarified the principle of separation of design and construction.



# 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.





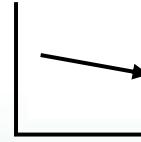
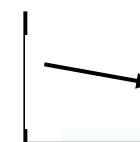
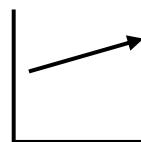
**Efficient** and **Effective** infrastructure development is required, within **limited budget** and **personnel**

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



**Demand for advanced technology from Consulting Engineers is increasing**

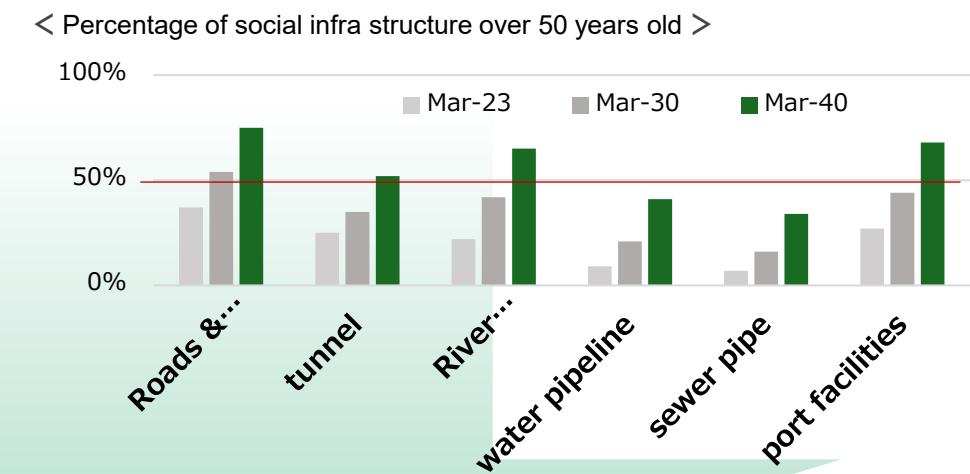
Yashio City road sinkhole accident

Infrastructure Maintenance and Management

Maintenance management

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

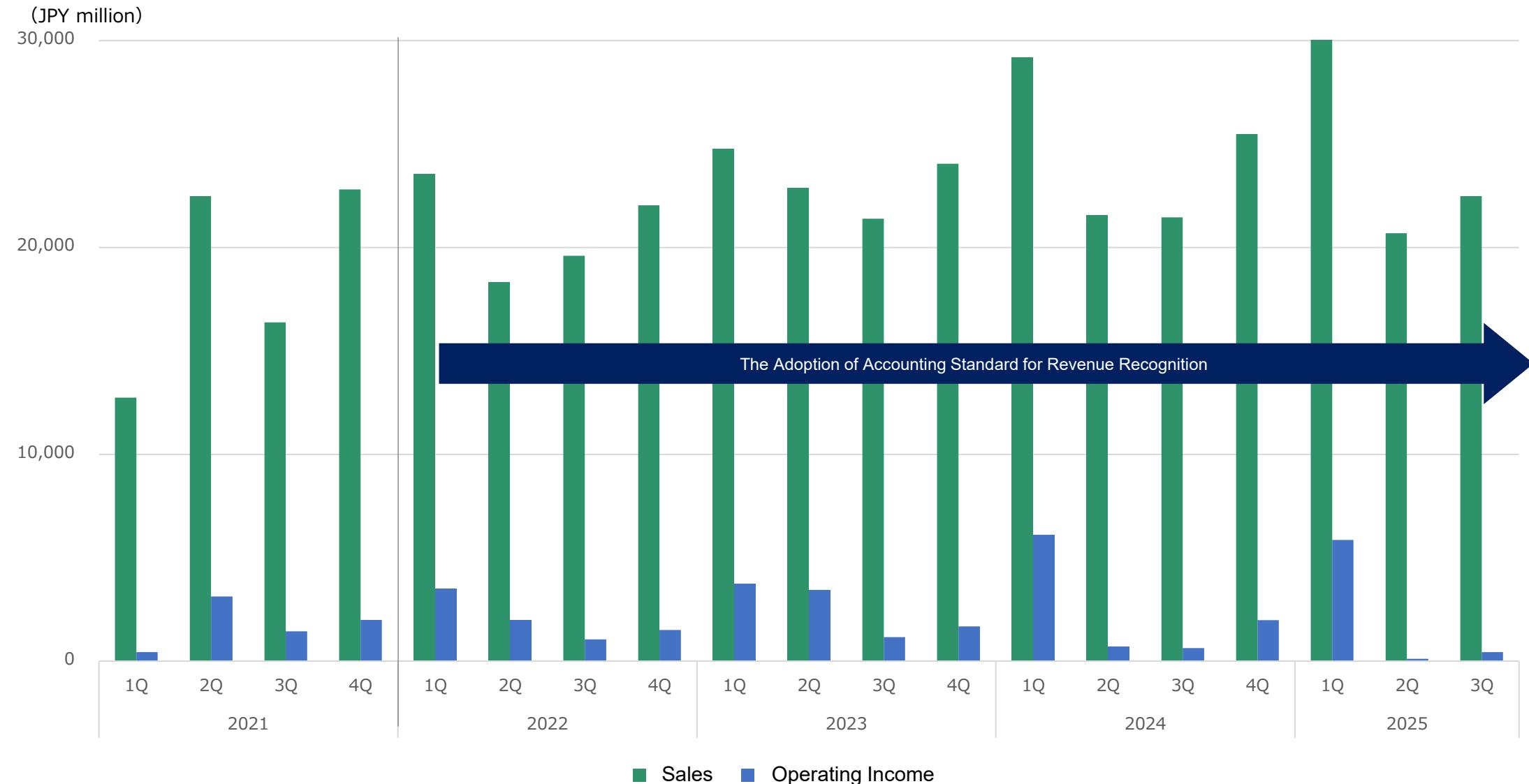
By 2040, half of structures will be over 50 years old, except for water and sewage systems



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"

# (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)



## 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

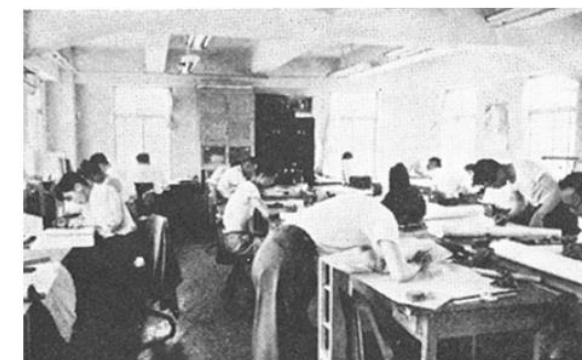


Office at the time of establishment

## 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.

Achieved sustainable growth through human resource enhancement and M&A

Number of employees: 104  
Net sales JPY 0.12 billion

1963(Establishment)



The Comprehensive Flood Control Project in Metro Manila (Philippines)  
(1977)

Our first independent overseas business



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

From quantity to quality



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

Number of employees: 3,966  
Sales : JPY 97.6billion



2017  
Waterman joined  
CTI group

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

2000

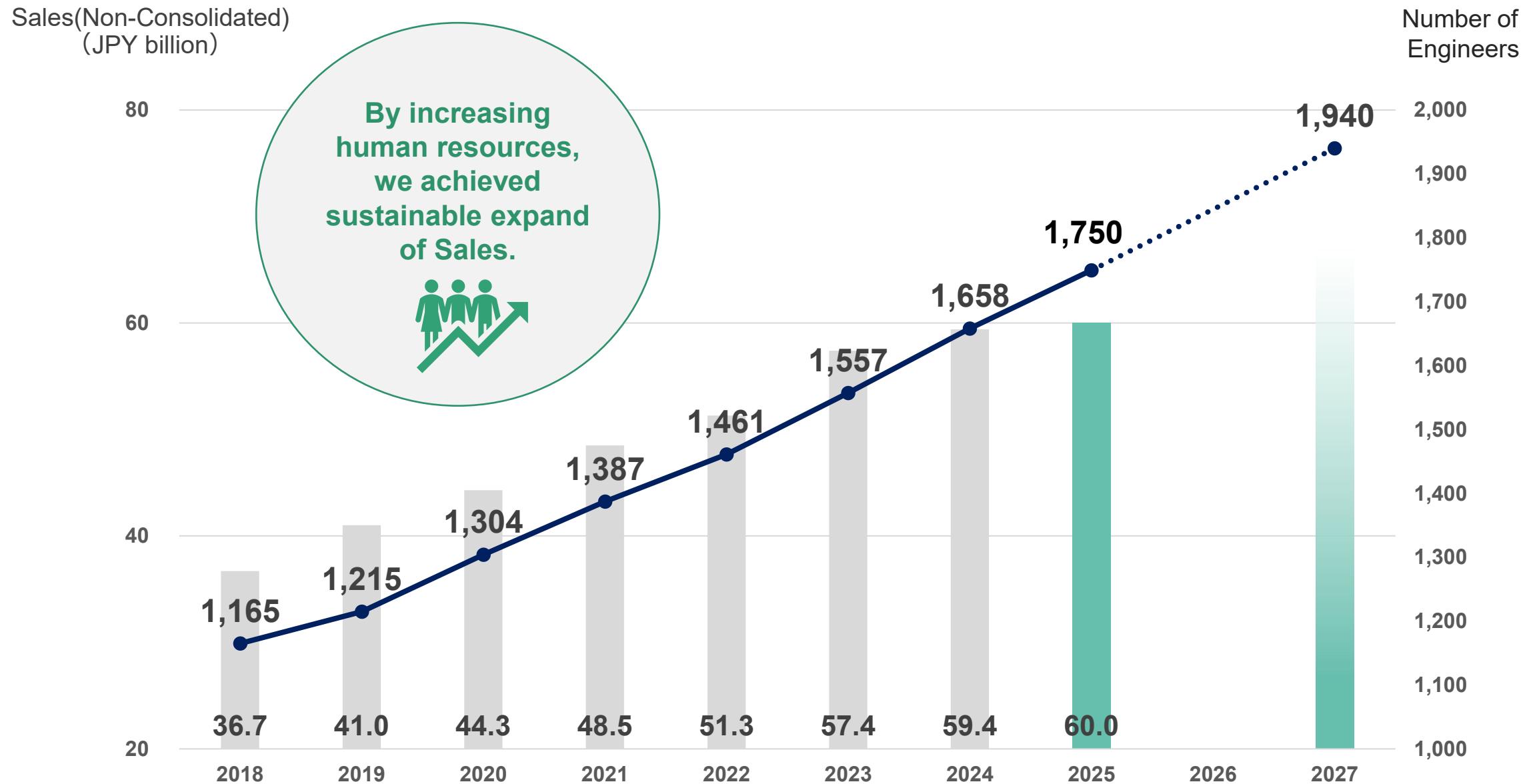
2024

Postwar  
reconstruction

Pollution problem  
High economic growth

Global environmental  
problems

Reconstruction after the earthquake  
National Resilience



<p><b>Japan Urban Engineering Co., Ltd.</b></p>	<p>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.</p>	<p>Trans- portation Urban</p>	<p><b>Chi-ken Sogo Consultants Co., Ltd.</b></p> <p>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.</p>	<p>Environ- mental Social</p>
<p><b>NISSOKEN ARCHITECTS &amp; ENGINEERS Co., Ltd.</b></p>	<p>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.</p>	<p>Trans- portation Urban</p>	<p><b>Environmental Research &amp; Solutions Co., Ltd.</b></p> <p>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).</p>	<p>Environ- mental Social</p>
<p><b>HIROKEN CONSULTANTS Co., LTD.</b></p>	<p>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.)</p>	<p>Water Land</p>	<p>Trans- portation Urban</p>	<p>Environ- mental Social</p>

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

Ranked 3rd in Sales, 1st in Net Income in FY 2024

(JPY Million)

	Company Name	Sales of Consulting Engineers Division	Net Income
1	Nippon Koei(ID&E) (Unlisted) *1	64,208	6,329
2	Pacific Consultants (PCKK) (Unlisted)	57,718	3,867
<b>3</b>	<b>CTI Engineering (CTIE)</b>	<b>56,249</b>	<b>6,532</b>
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 2025 Construction Consultant Financial Ranking 2025

(The company's "Sales of Consulting Engineers Division" is the amount obtained by subtracting the sales of survey and geological survey services from the total sales.)

\* 1: In July 2023, the company was reorganised to place Nippon Koei and Nippon Koei Urban Space under the holding company (ID&E). In February 2025, a tender offer (TOB) by Tokio Marine Holdings was successfully completed. ID&E HD became a consolidated subsidiary of Tokio Marine Holdings and was delisted in May 2025.

\* 2: Established in July 2023 through the merger of Dai Nippon Consultant and Dia Consultant.

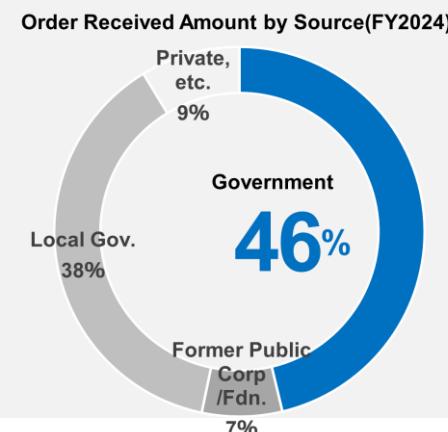
## Japan's First Consulting Engineer

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 80 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

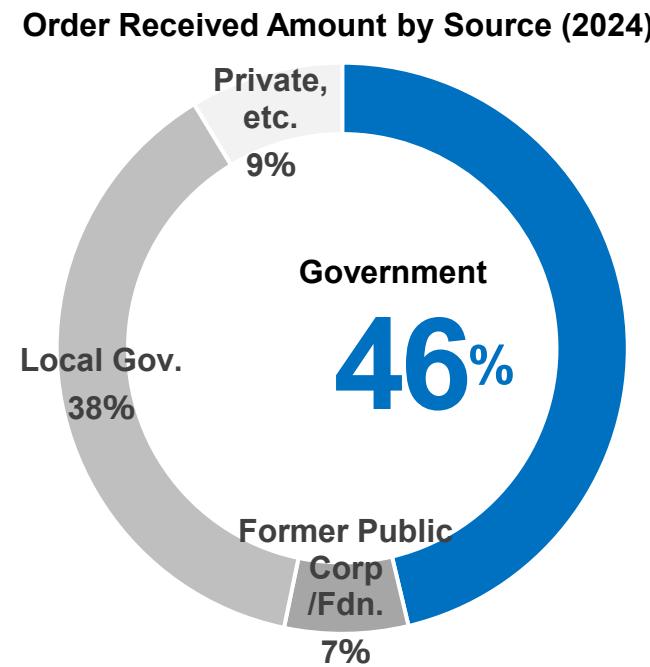
Leveraging our experiences in river infrastructure development, we have been contributing to the comprehensive management of entire river basins - including the drafting of disaster prevention and mitigation measures for floods, droughts, and other disasters, as well as the conservation and improvement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



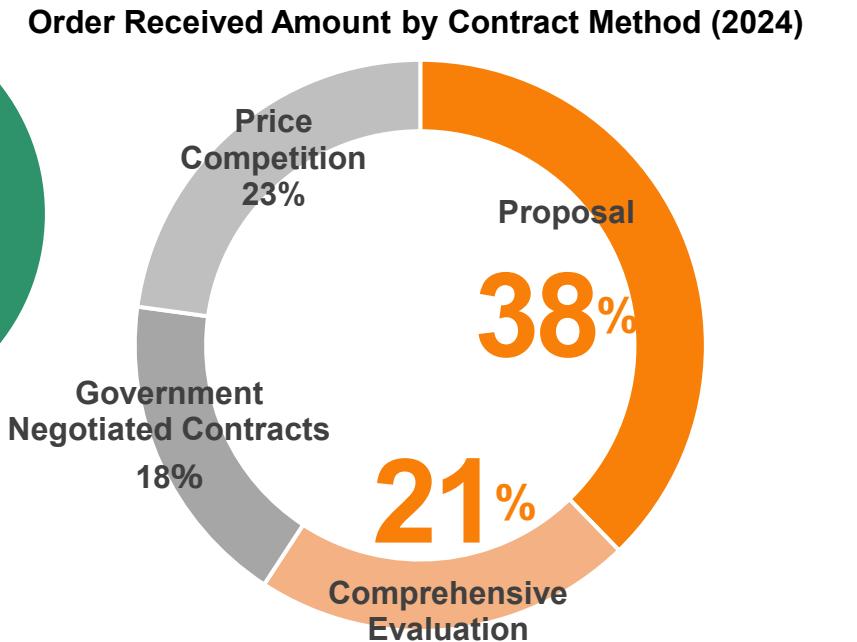
Half of all orders received are from the national government.

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.



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

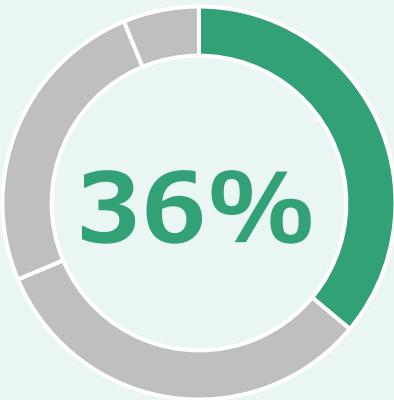
: Specific contractor is selected without a competitive bidding process due to the client's circumstances

# Business fields of Domestic Segment

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

## ■ 62<sup>nd</sup> (2024) Period Orders Composition Ratio (Domestic)

### Water and Land Business Sector



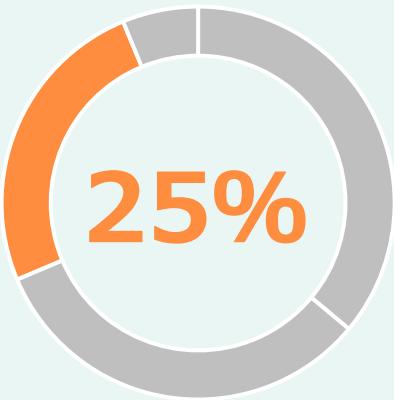
Rivers / Water Resources / Coasts / Ports / Dams / Erosion Control / Water Supply & Sewerage / Mechanical & Electrical Equipment

### Transportation and Urban Business Sector



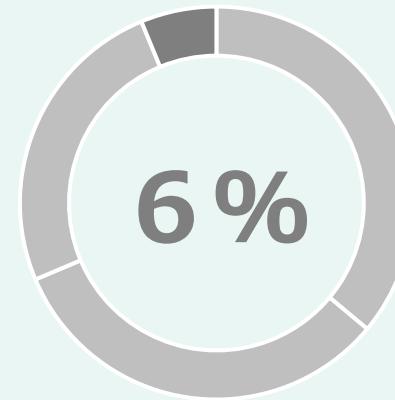
Roads & Transportation / Urban Planning / PFIs & PPPs / Architecture

### 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)

## Ranked 1st in Sales of River Sector

(JPY Million)

Our company Business Unit	Water and Land Business Sector			Transportation and Urban Business Sector				
Sales Rank	Rivers, Coasts and Sabo	Sewerage	Mechanical	Road	Urban 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	TEPSICO	TEPSICO	
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	CTIE 1,804		Fukuyama Consultant	CTIE 2,690	Chuo Consultant	Chuo Fukken Consultant	

# Our Position in the Industry (Results in 2024)

Sales of Construction Management Business Sector increased by 50%YoY

(JPY Million)

Our company Business Unit	Environmental and Social Business Sector				Construction Management Business Sector
	Construction environment	Electricity and electronics	Environment	Geo-environment	
Sales Rank	Construction environment	Electricity and electronics	Environment	Geo-environment	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 Consultant
9	OC			WEST JEC	PCKK
10	Chodai			Docon	PCKK technical management

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

## Waterman Group Plc

### History

Joined CTI Group in June 2017

### Business Outline

Private sector

- Structure, Building service, Civil Engineering

Public sector

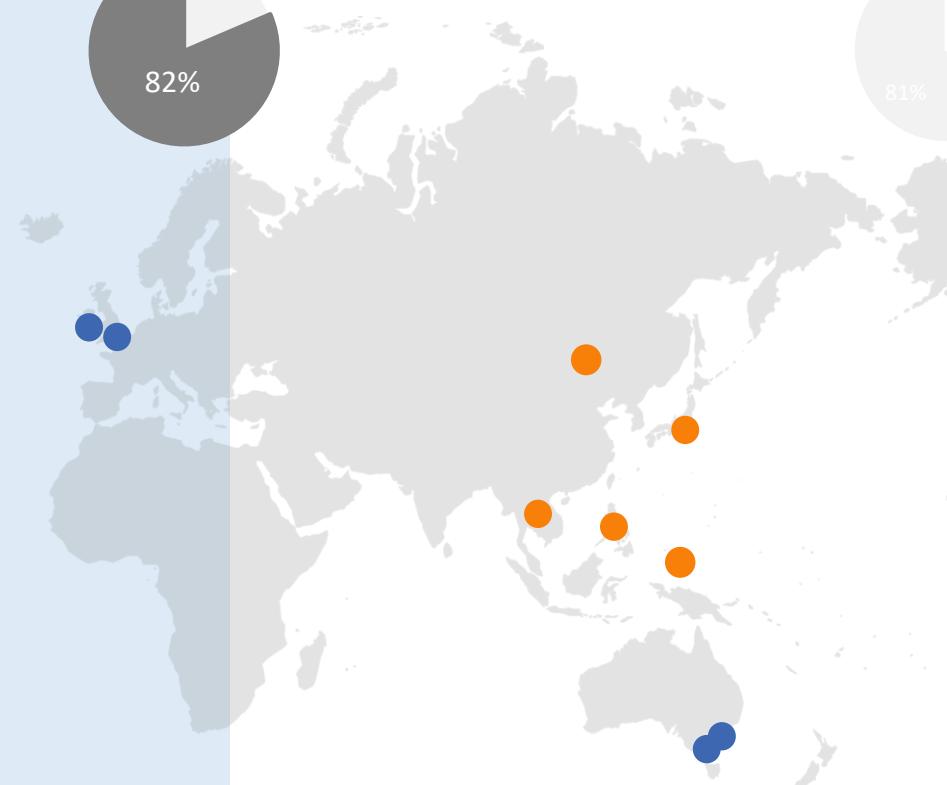
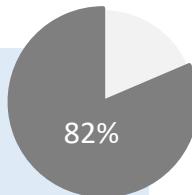
- Civil Engineering, Secondment of engineers

### Business Area

United Kingdom, Ireland, Australia



62<sup>nd</sup> 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

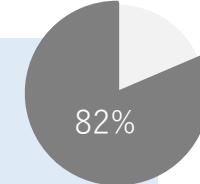
Public sector

→ Civil Engineering,  
Secondment of engineers

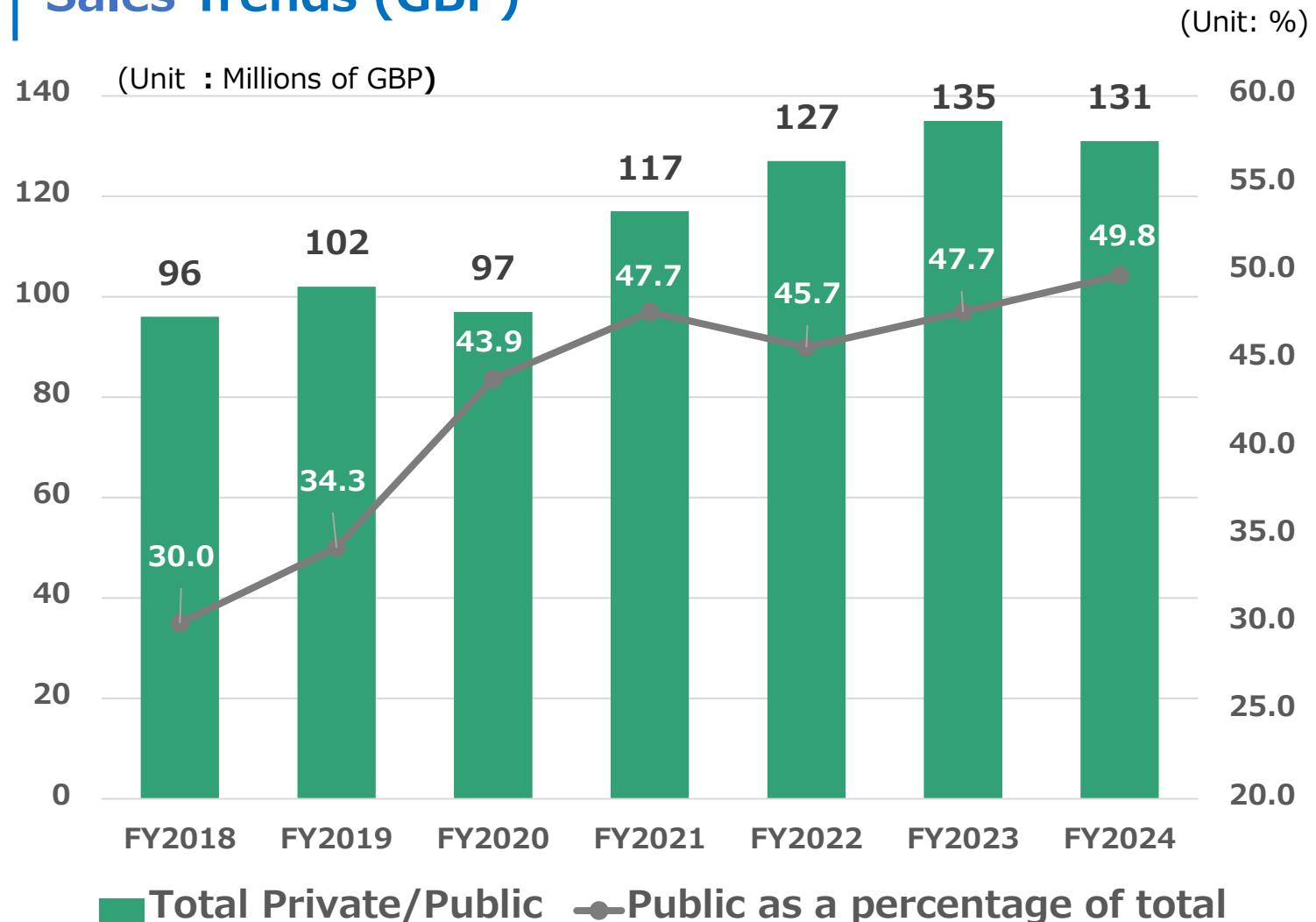
### Business Area

United Kingdom, Ireland, Australia

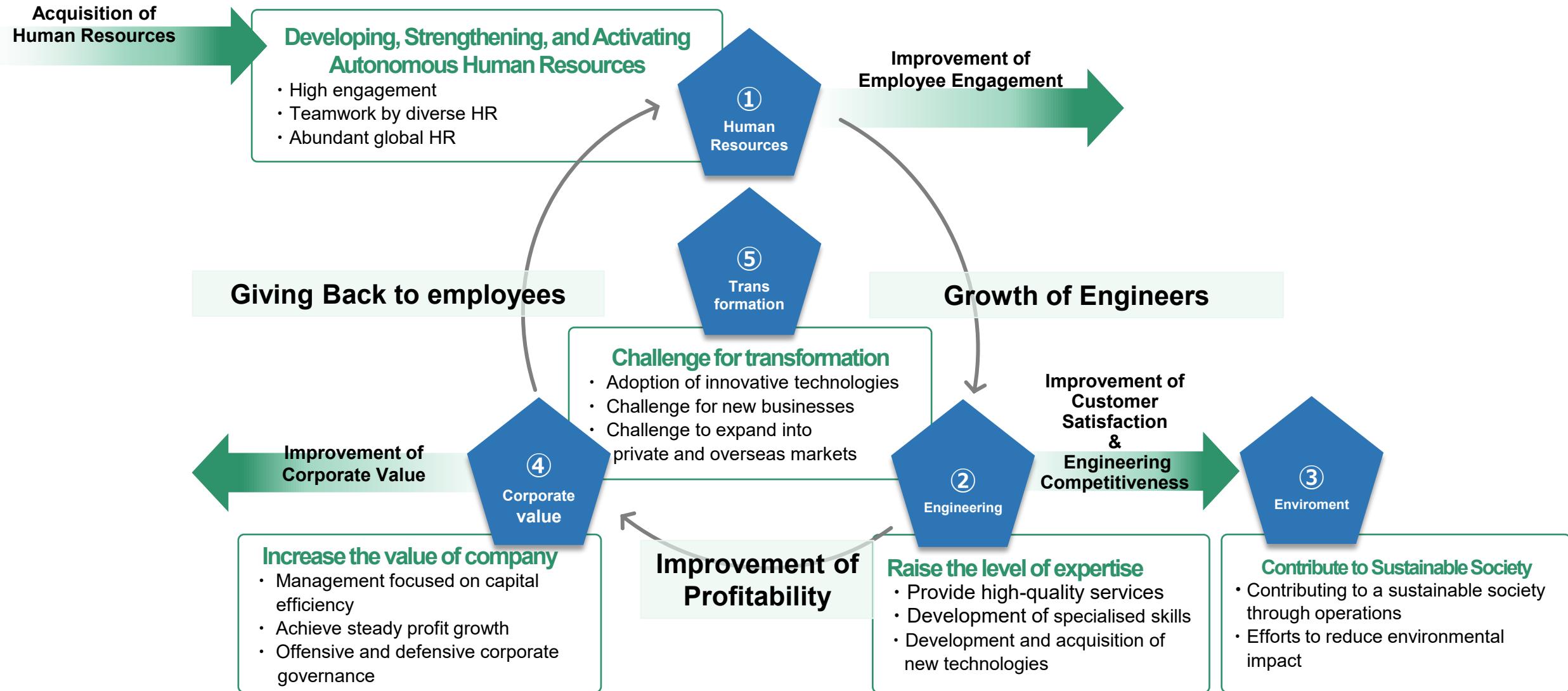
FY2024(62<sup>nd</sup> Term)  
Composition of Overseas  
Segment Sales



## Sales Trends (GBP)



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

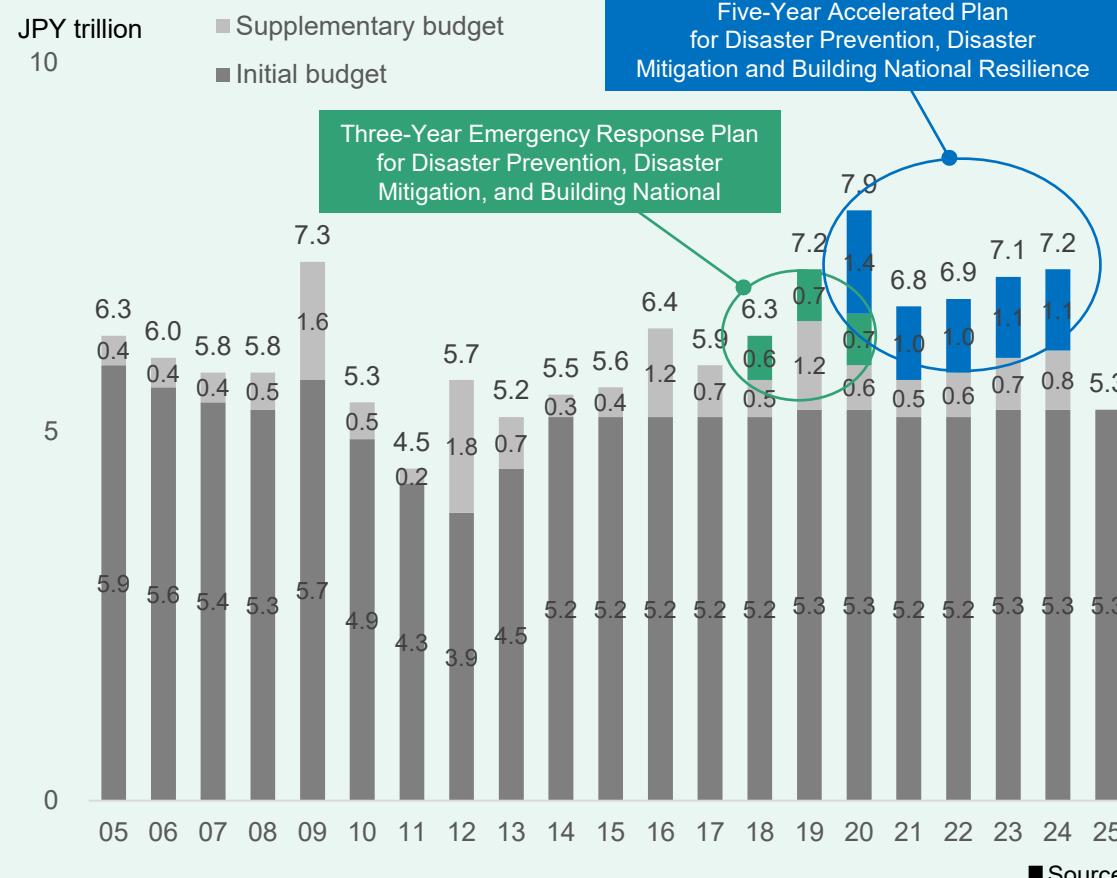
The market for consulting engineering business, our core business, is strongly influenced by government budget allocations and construction investment.

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 2025.

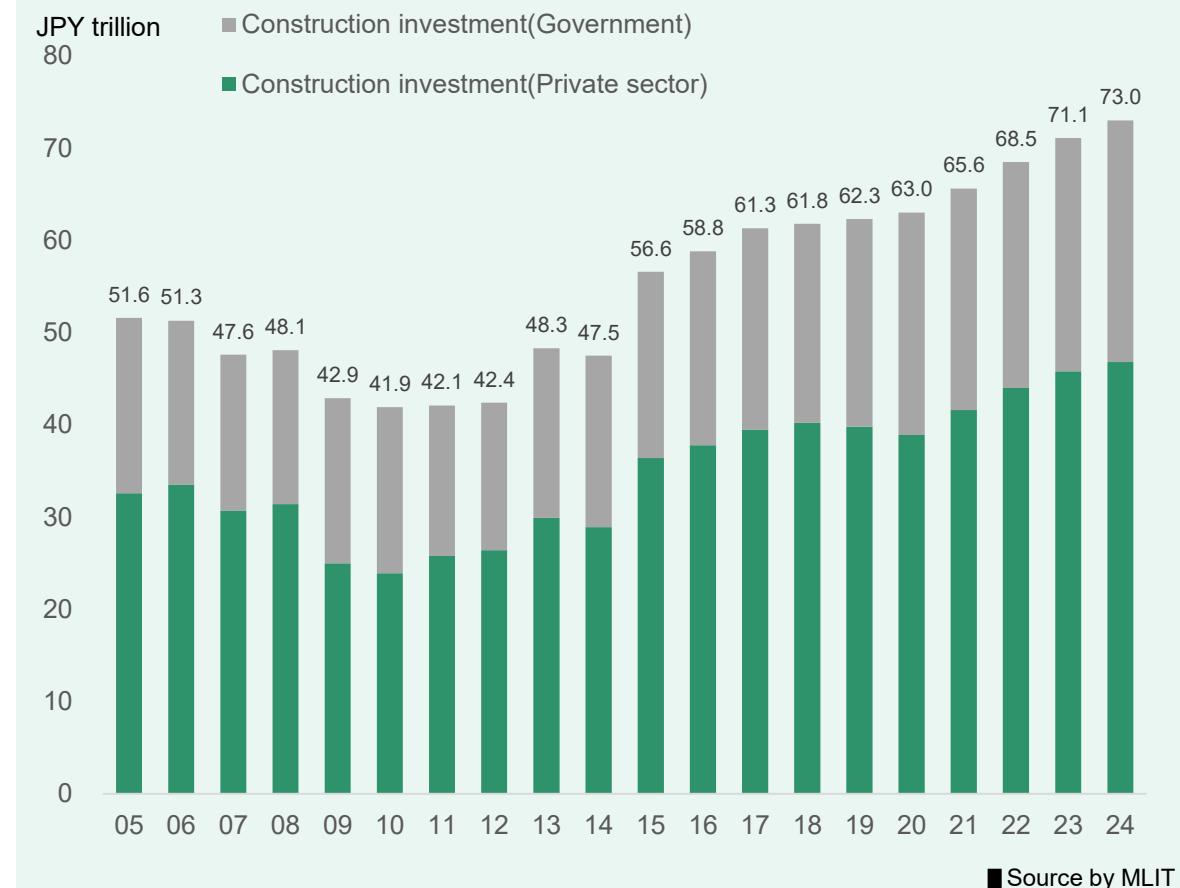
Overall construction investment (public and private) has been increasing continuously since 2014.

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



## Increase in construction investment



- 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:

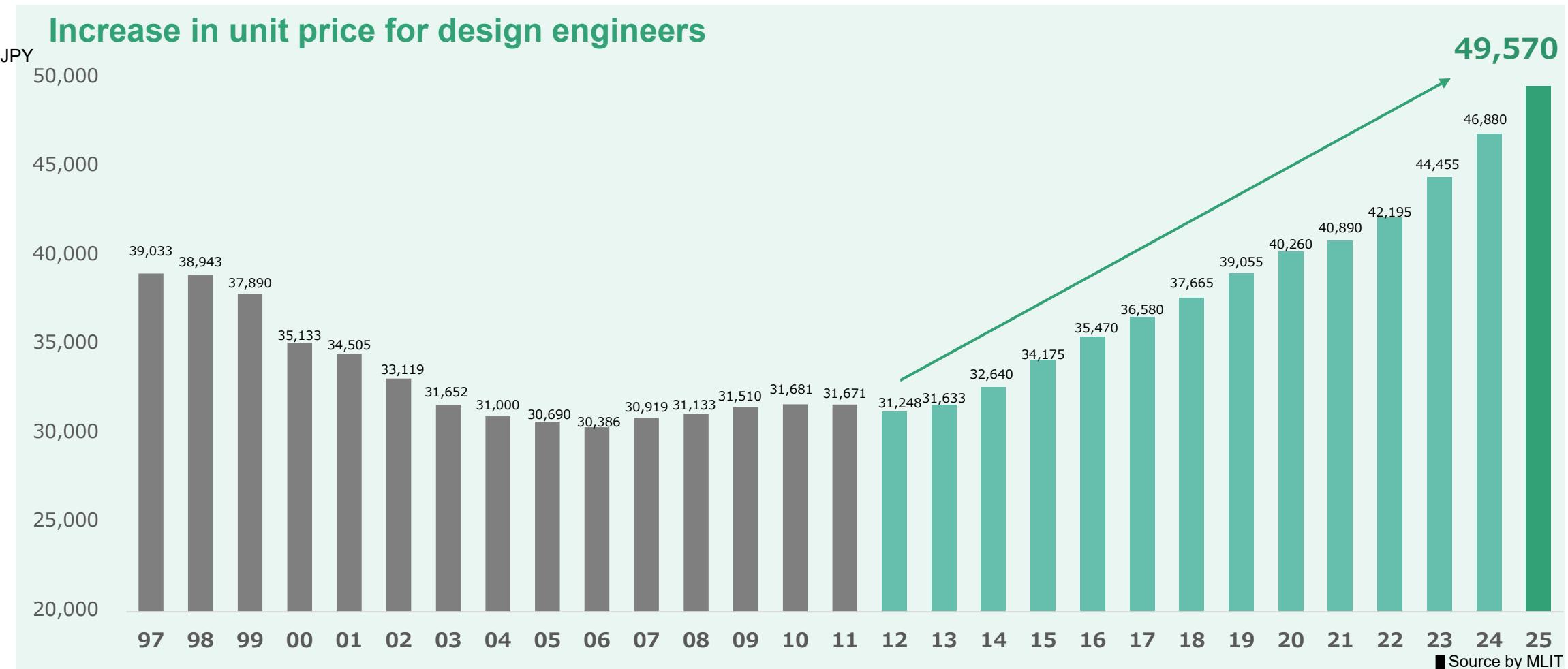
- **Disaster prevention infrastructure:** Enhancement/utilisation of flood risk information, basin flood control measures
- **Lifeline resilience:** Measures against the aging road/water facilities, reinforce seismic resilience of bridges and other structures
- **Digital & new technology:** Labour-saving 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 the estimation of design outsourcing (design, survey, geology, etc.) ordered by the Ministry of Land, Infrastructure, Transport and Tourism. Set unit prices based on annual salary surveys
- In FY 2025, the average of all job categories was 49,570 yen, up 5.7%



# Business Philosophy

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We strive to create a safe,

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Comfortable and enriching society

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Using world-class technology and expertise.

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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.