

FY2025 (63rd Term) Financial Results and Progress of the Mid-Term Management Plan

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

CTI Engineering Co., Ltd.

Feb 13, 2026



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- **FY2025 (63rd Term) Financial Results**
- **Progress of the Mid-Term Management Plan 2027**
 - Summary of Year 1 of the Mid-Term Management Plan
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FY2025(63rd Term) : Increase in Sales, decrease in profit

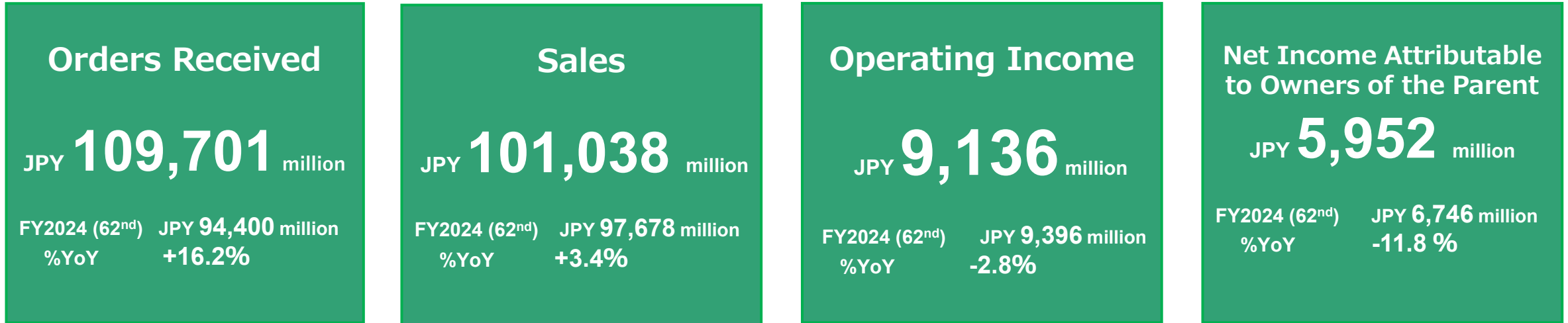
- **Orders received** : Strong, 9.7% up compared with the target
- **Sales** : Steady, 1.0% up compared with the target
- **Operating income** : 8.6% down compared with the target

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%

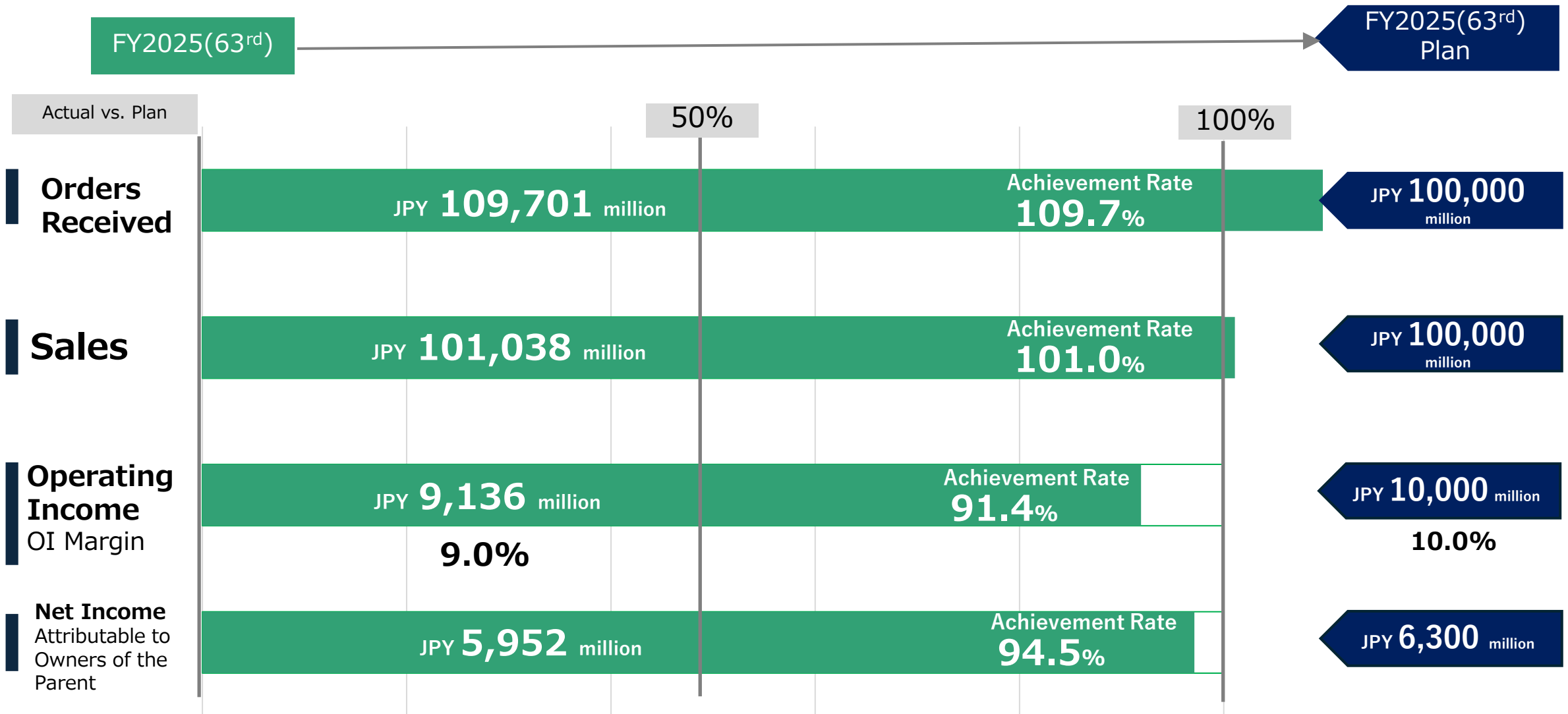
- **Dividend** : JPY 75 per share (**Dividend payout ratio** : 35.0%)
- Currently conducting **acquisition of treasury shares up to JPY 1.5 billion**



Orders Received	<p>Strong performance both in domestic and overseas business, exceeding JPY 100 billion for the first time.</p> <p>Domestic : Driven by local governments, the private sector and strategic growth areas.</p> <p>Overseas : Strong performance by both Waterman Group Plc and CTI Engineering International.</p>
Sales	<p>Reached a record high, exceeding JPY 100 billion for the first time due to strong Orders Received.</p>
Operating Income	<p>Decreased due to a decline in utilisation rates and an increase in SG&A expenses in overseas business.</p>

• 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.



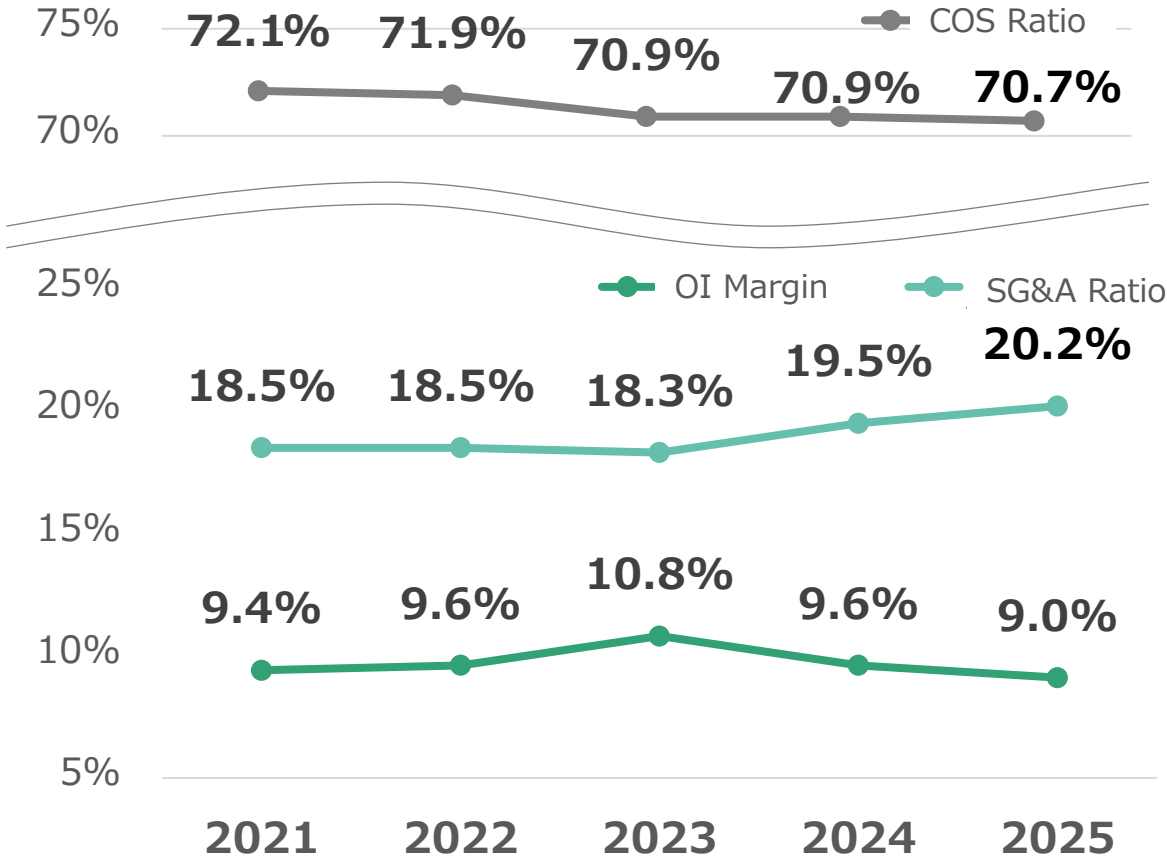
FY2025 (63rd Term) - Profit and Loss Statement (Consolidated)

(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%

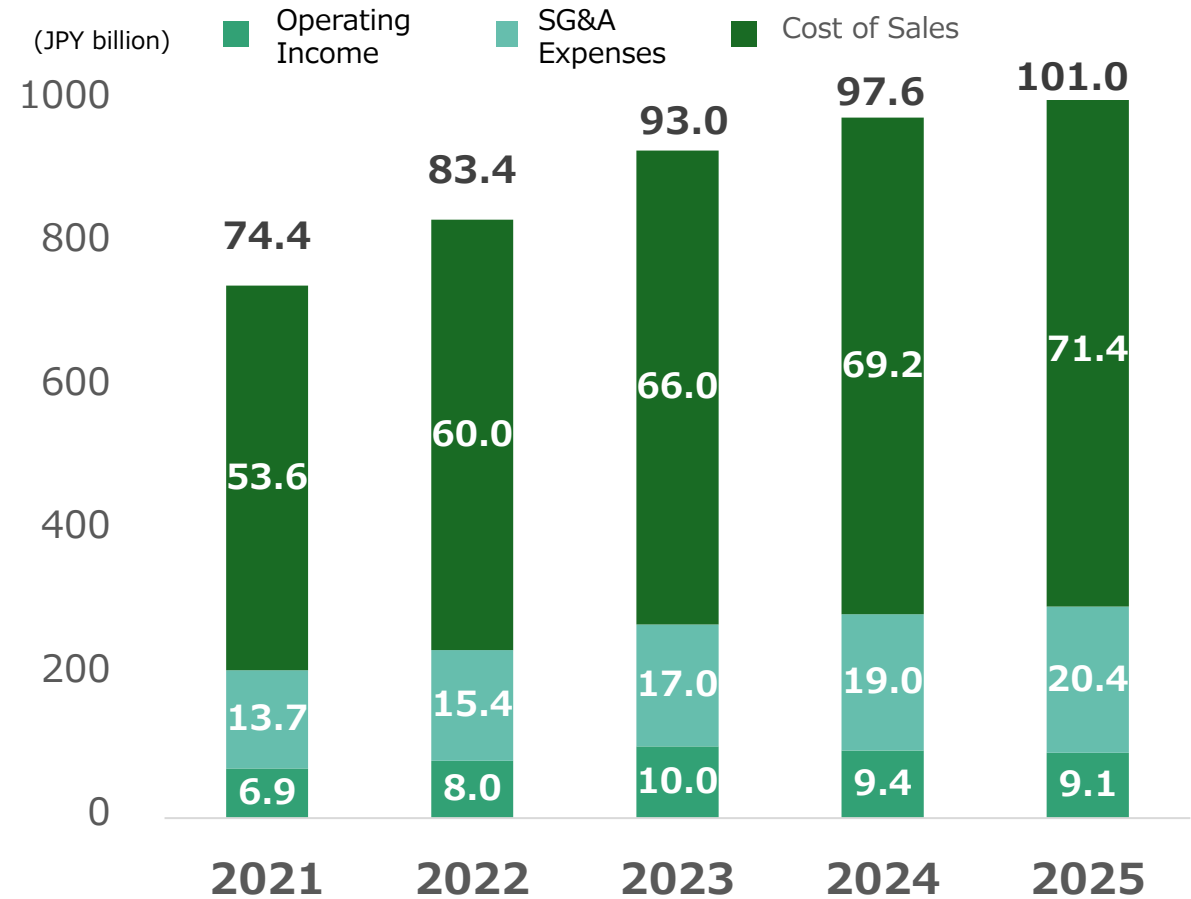
Operating Income Margin, etc. - 5 years Trend -

- 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)

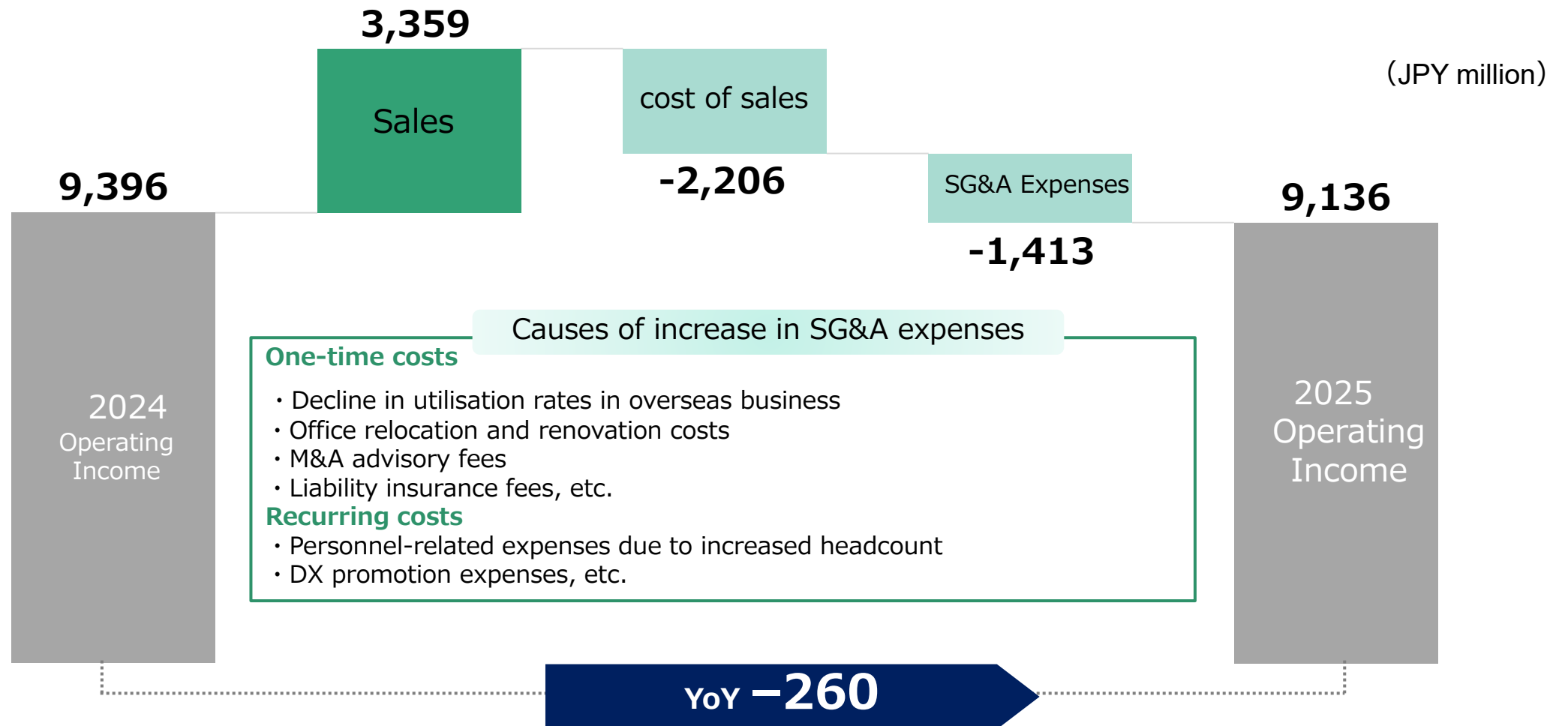


Sales Composition - 5 years Trend -

- 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



- 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



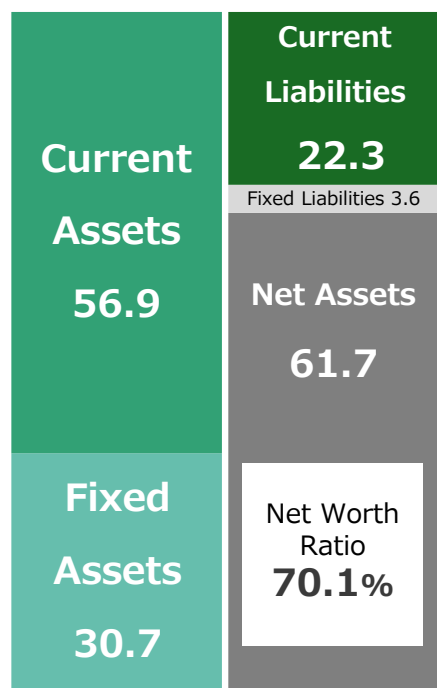
Balance Sheet

- **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%

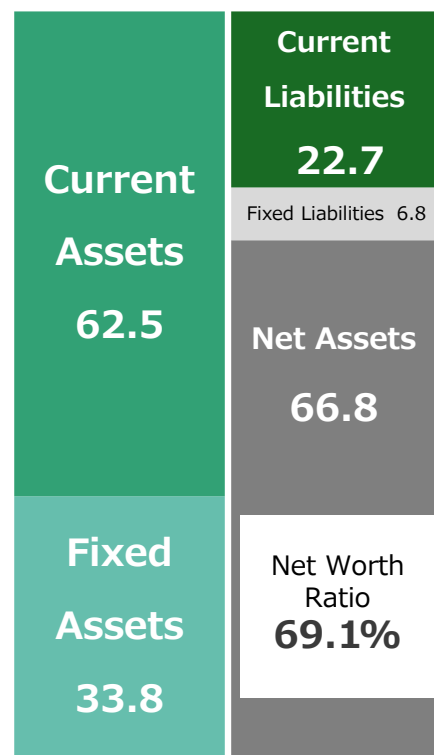
(JPY billion)

Total Assets JPY 96.3 billion

Total Assets JPY 87.6 billion



2024

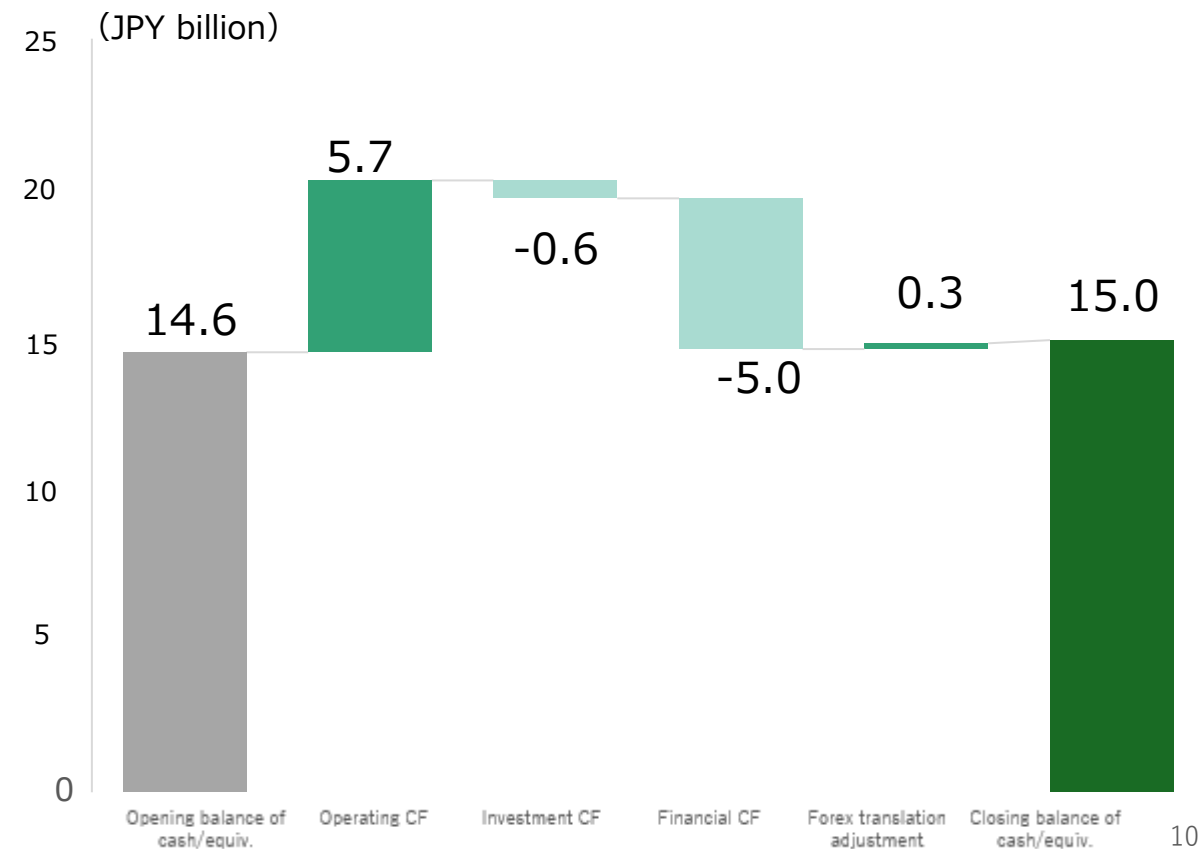


2025

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



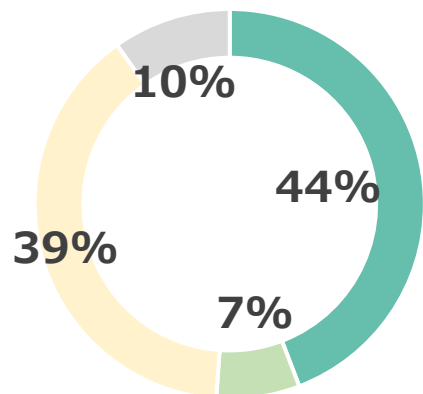
Orders Received and Sales exceeded the target, while Operating Income fell short of the plan

- 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%	-

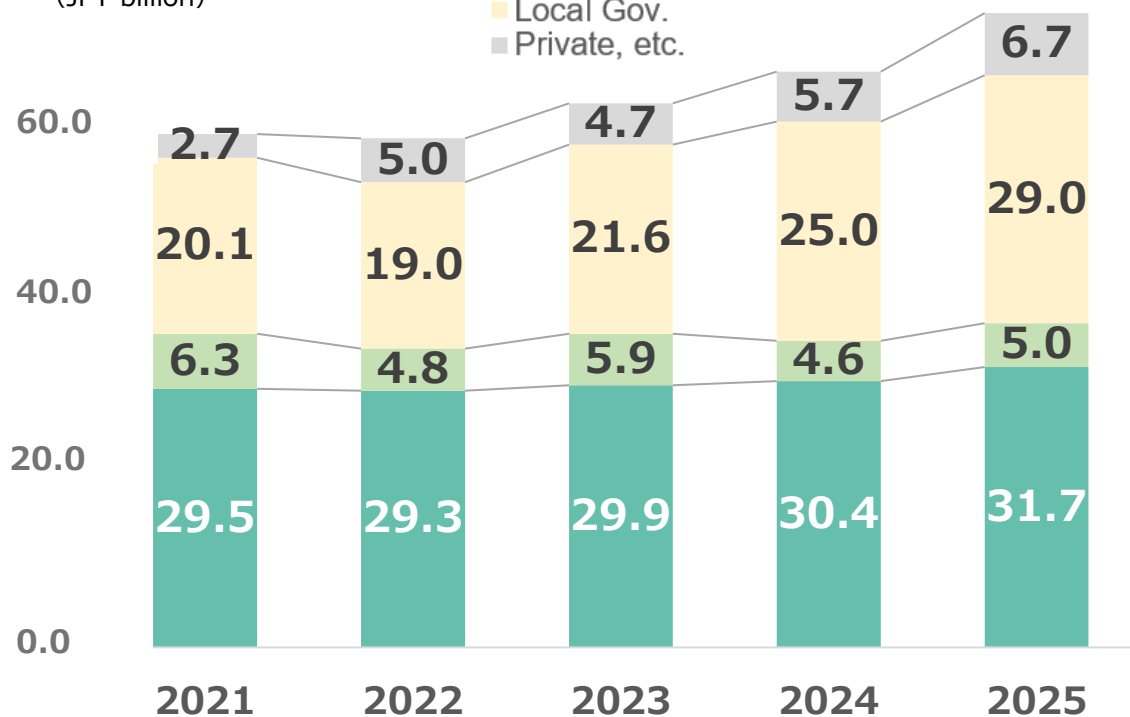
Orders Received Amount by Clients



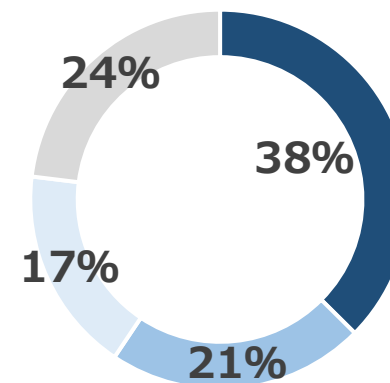
- Steady progress in Business Portfolio Transformation
- Slightly increased from Government (+5% YoY)
- Orders from both local governments and the private sector were strong(+16% YoY)

■ Gov.
■ Former Public Corp./ Fdn.
■ Local Gov.
■ Private, etc.

(JPY billion)



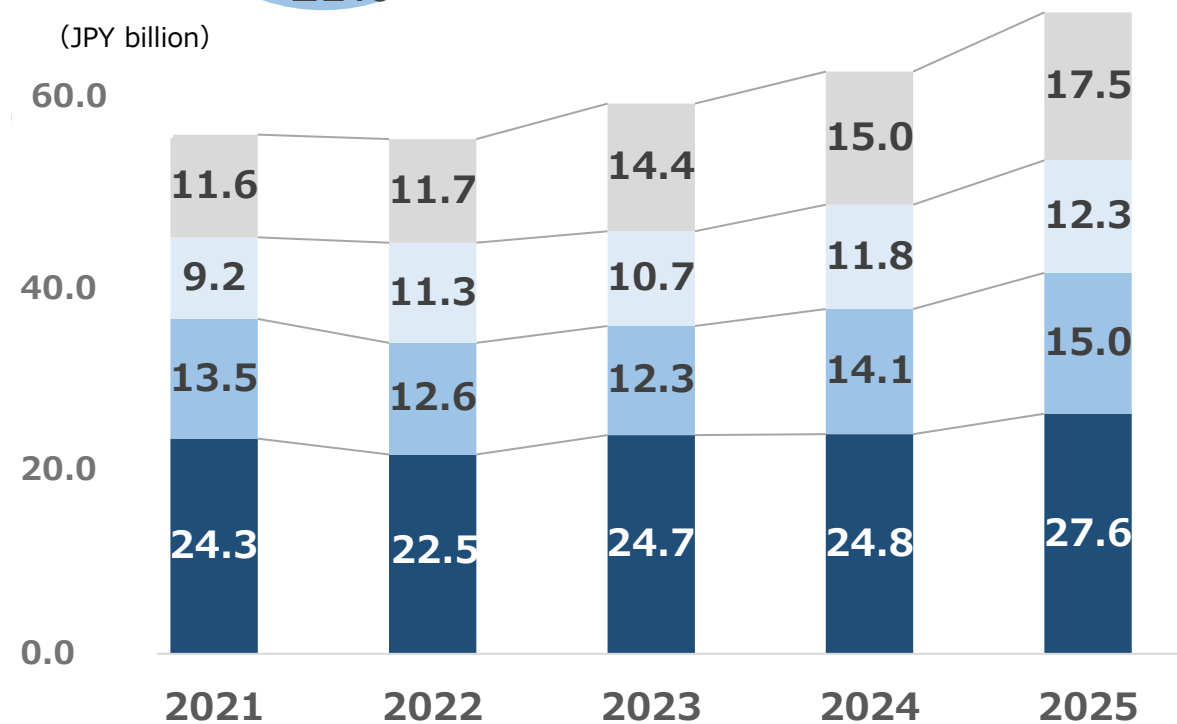
Orders Received Amount by Contract Method



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

■ Proposal
■ Comprehensive Evaluation
■ Government Negotiated Contracts
■ Price Competition

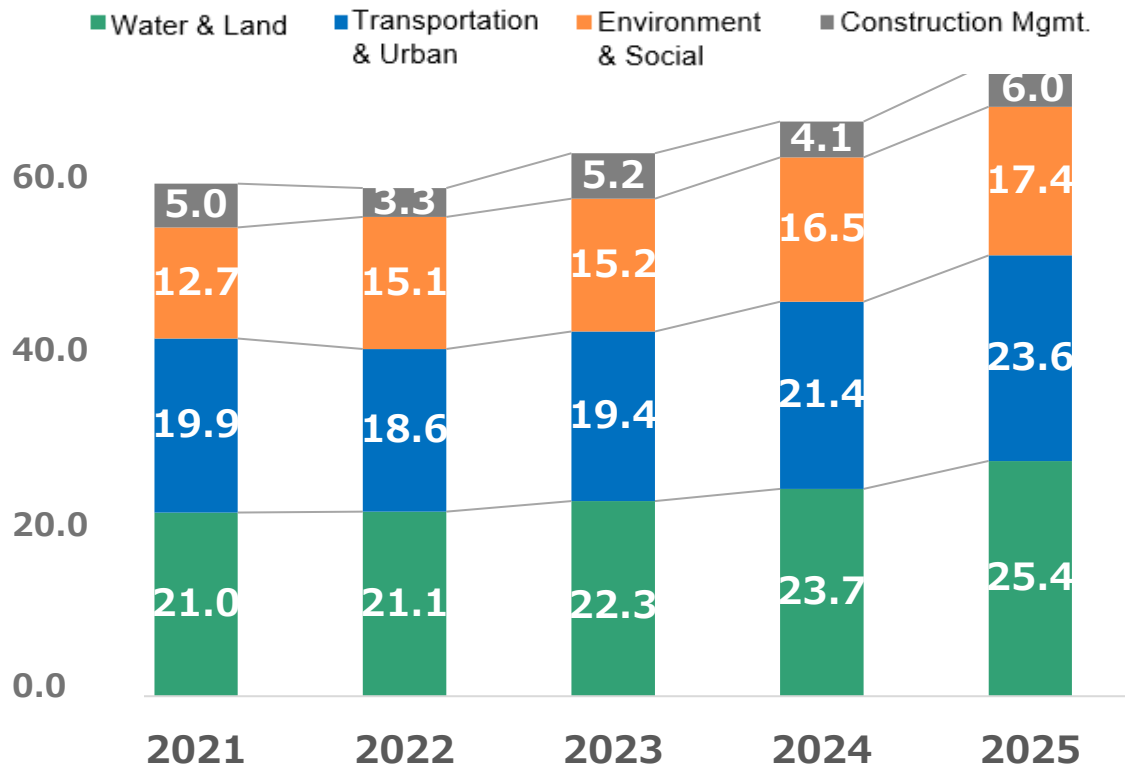
(JPY billion)



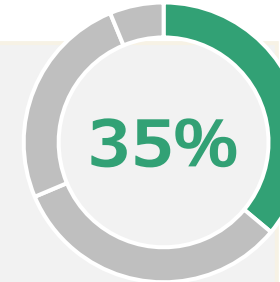
Orders Received Amount by Business Sector

- 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.

(JPY billion)



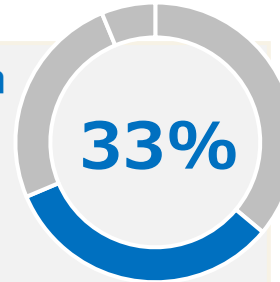
Water & Land Business Sector



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

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

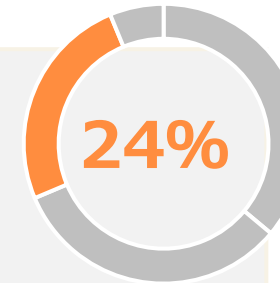
Transportation & Urban Business Sector



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

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

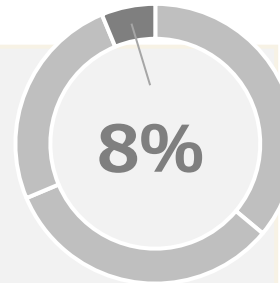
Environment & Social Business Sector



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

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

Construction Management Business Sector



Public Procurement Assistance / Construction Management & Execution Management


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

• 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%	-

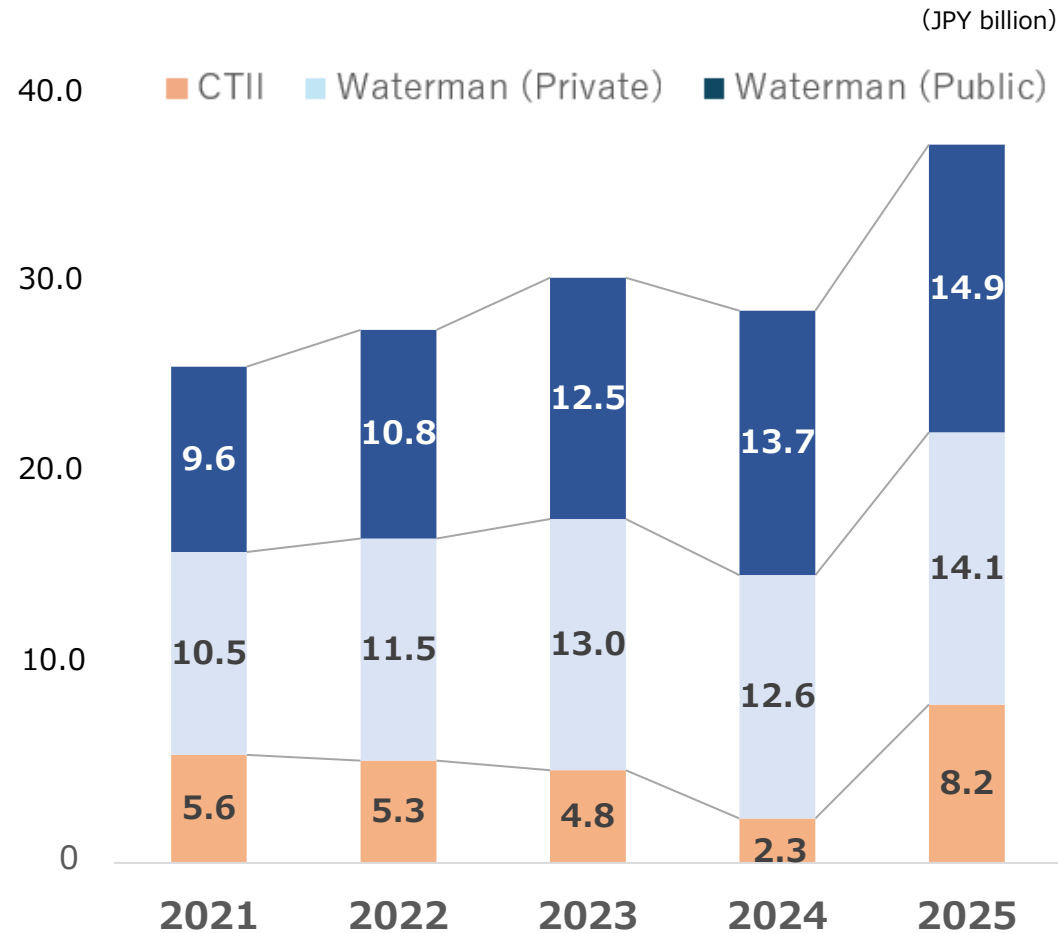
※Orders Received amount includes amount changes from currency fluctuations associated with the end-of -FY order backlog at our overseas subsidiaries.

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

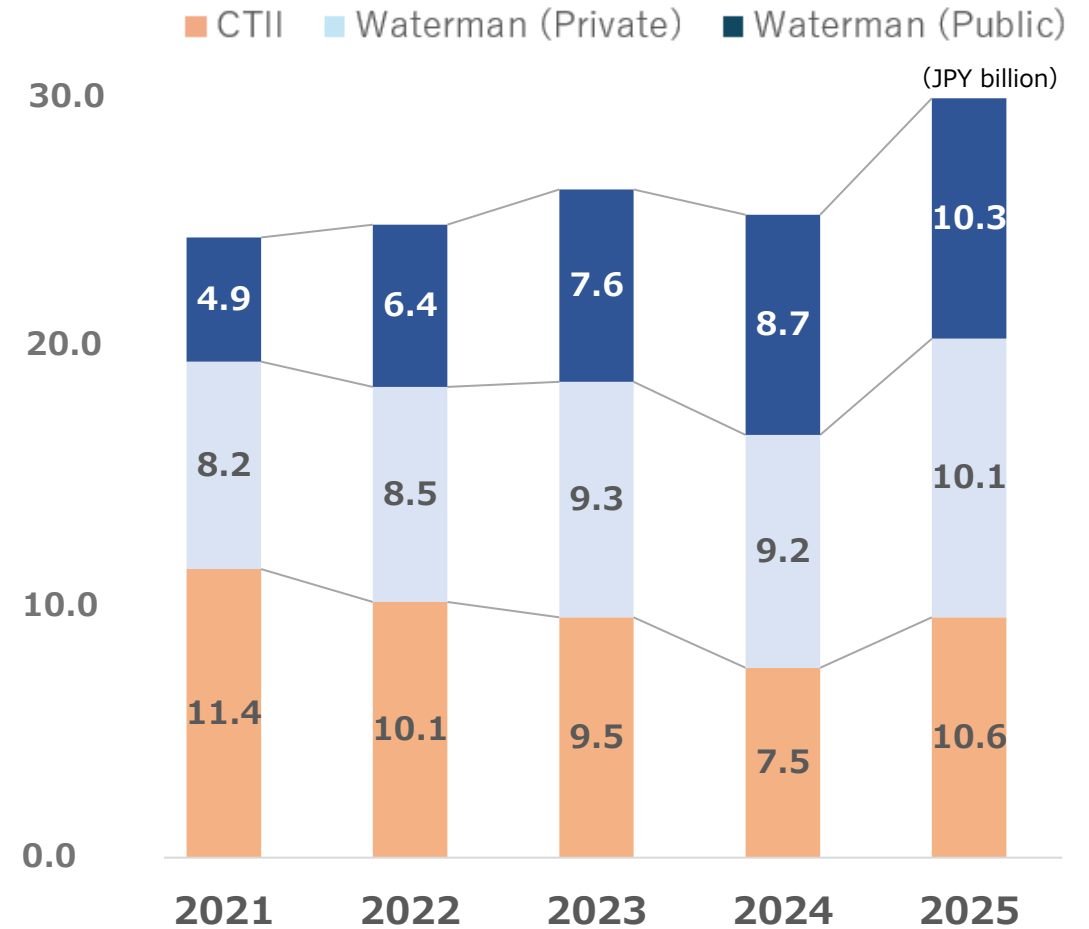
- Overview of Orders Received (Overseas Business)

- 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

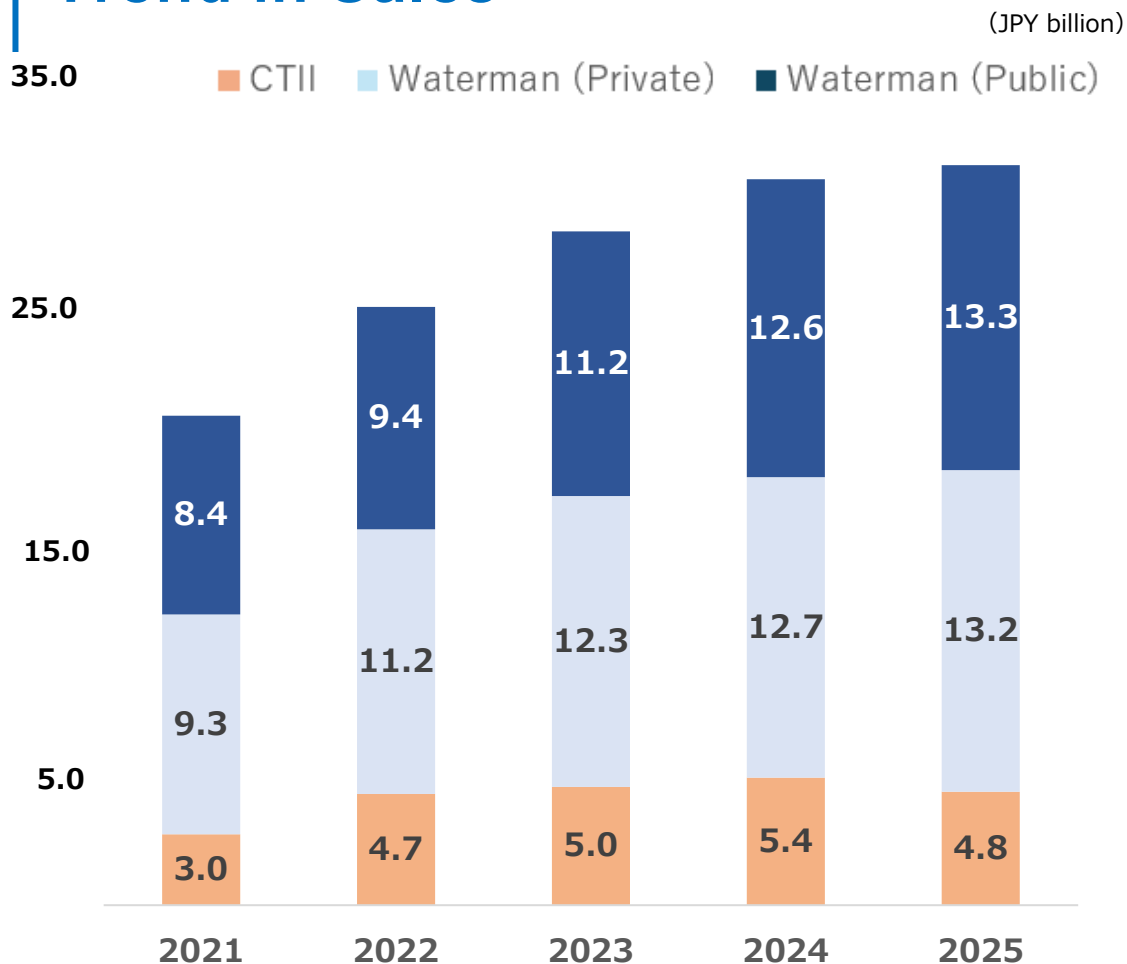


Trend in balance of Orders Received

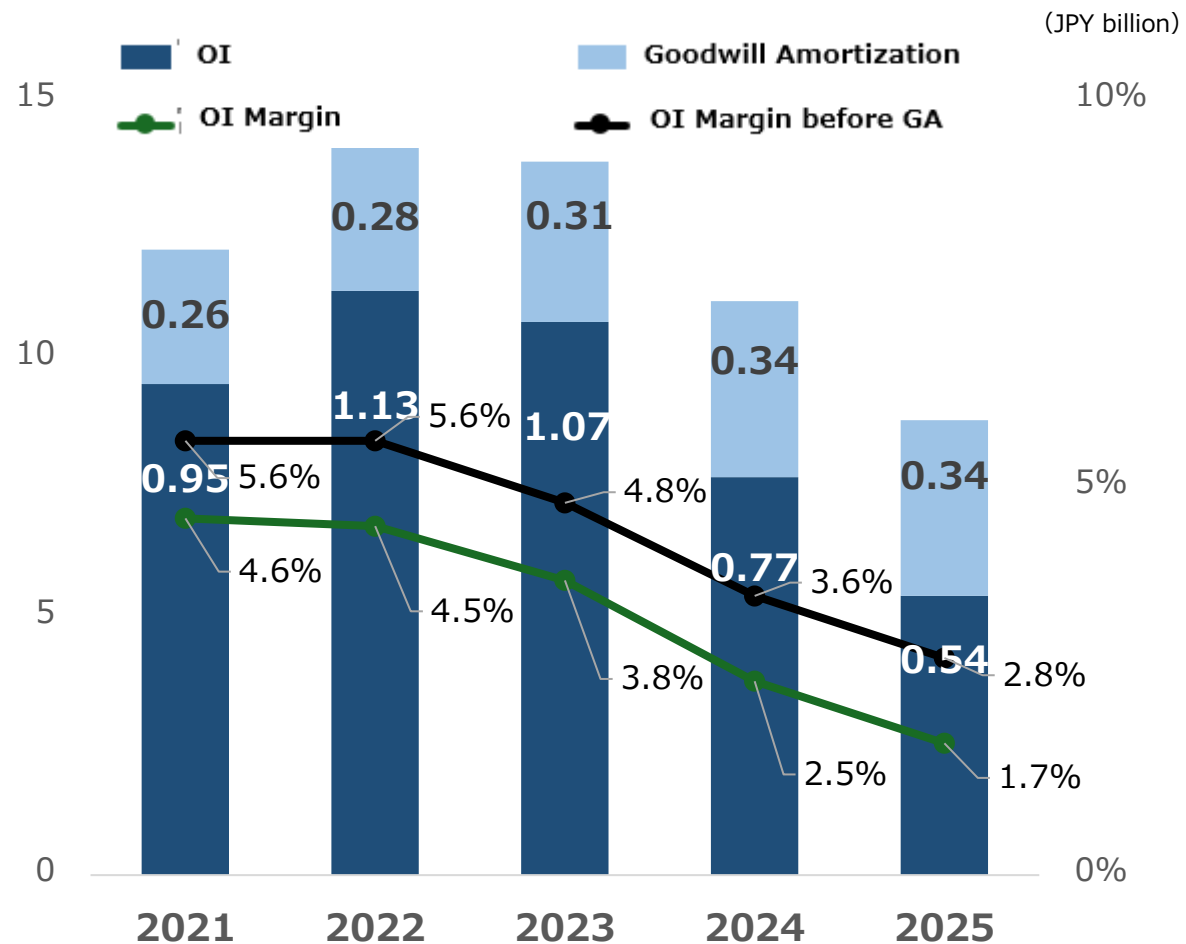


Sales achieved the target, but Operating Income decreased due to a decline in utilisation rate and other factors

Trend in Sales



Trend in Operating Income and OI Margin



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2025 Summary

Financial Targets

- Sales: Achieved
- Operating Income: Unachieved
- ROE: Declined YoY

Business Portfolio Transformation

- Stable growth in Core Business
- Surgence in Growth Areas
- Rise of New businesses
- Decline of profitability in Overseas Business

Rebuild of Foundation for Growth

- Each measure was implemented on track, but issues remain

Toward 2026

key issues

- 01 **Strengthen technological competitiveness**
- 02 **Improve profitability in Overseas Business**
- 03 **Decrease in SG&A ratio**
- 04 **Improve employee engagement**
- 05 **Further enhance productivity**
- 06 **Strengthen group governance**
- 07 **Improve capital efficiency**

Business Environment Analysis

For more information on business environment analysis, please refer to pages 34-35

2026 Policy

Accelerate Business Portfolio Transformation and strengthen the Rebuild of Foundation for Growth to achieve the Mid-Term Management Plan targets

Financial Targets

Sales JPY 101 billion → JPY **105** billion
 Operating Income JPY 9.1 billion → JPY **10.5** billion
 Operating Income Margin 9.0% → **10.0%**

Priority Themes

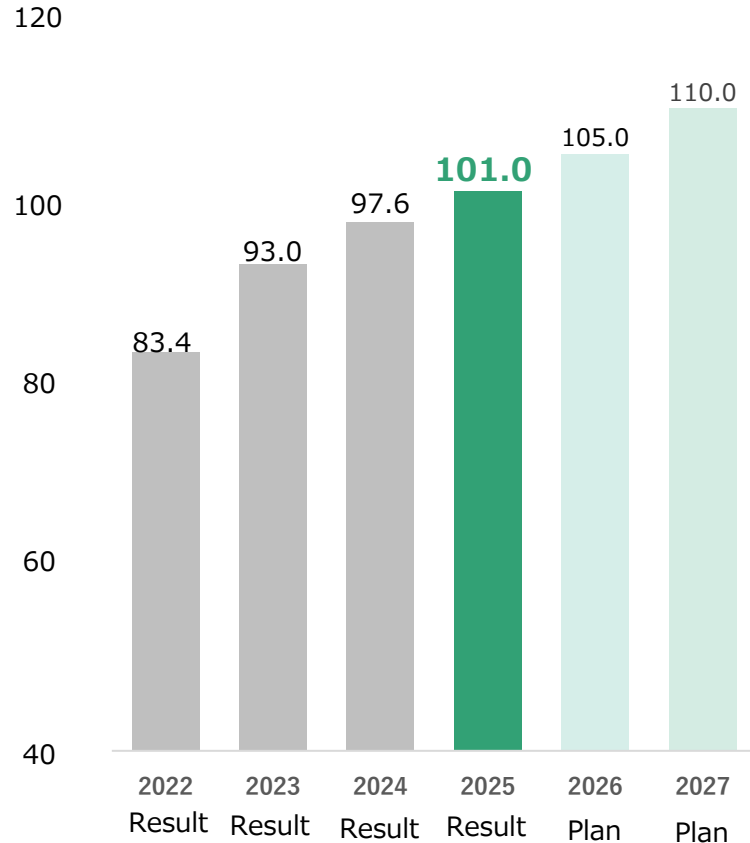
- 01 **Accelerate Business Portfolio Transformation**
- 02 **Increase the Employee Engagement Ranking**
- 03 **Improve productivity through quality and production system reforms**
- 04 **Strengthen group governance for both offensive and defensive perspectives**

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

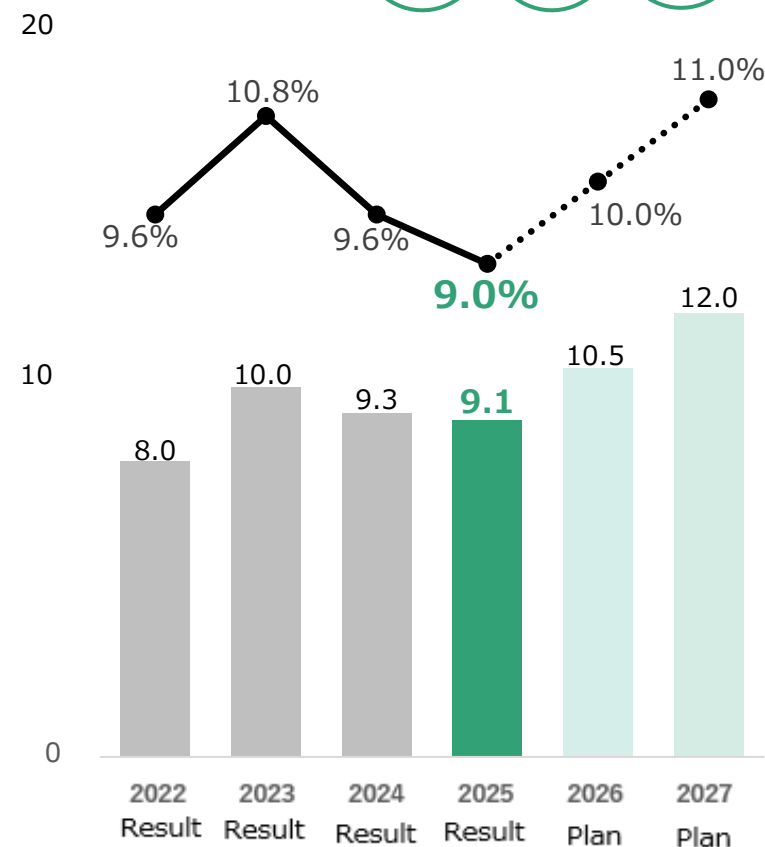
Sales

JPY billion



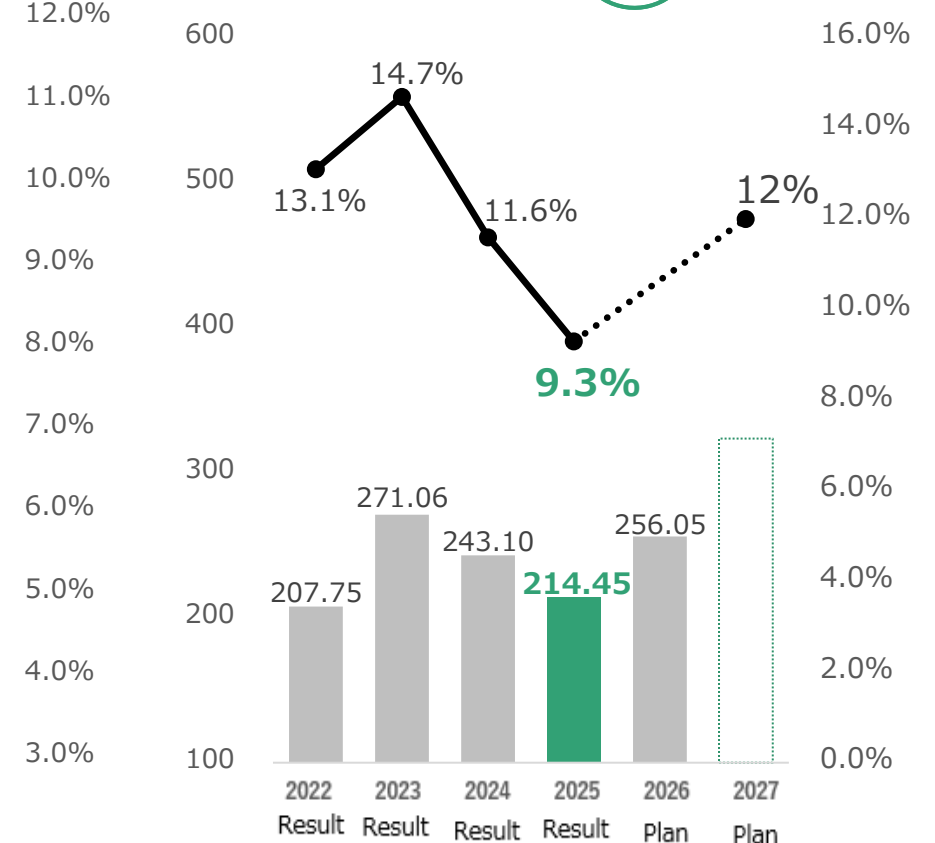
Operating Income · OI Margin

JPY billion



ROE · EPS

EPS JPY※



※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.

- 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



- 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


Sales in the previous year
JPY 54.7 billion

→ JPY **55.4billion**

Gross Profit Margin **32%**

Key issue
01 **Technological competitiveness**

Please refer to
page 25





- 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

Sales in the previous year
JPY 10.5 billion

→ JPY **12.3billion**

Gross Profit Margin **35%**

Please refer to
page 26





- 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

Sales in the previous year
JPY 1.9 billion

→ JPY **2.0billion**

Gross Profit Margin **34%**

Please refer to
page 27




- 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


Sales in the previous year
JPY 30.7 billion

→ JPY **31.3billion**

Gross Profit Margin **22%**

Key issue
02 **Improve profitability in Overseas Business**

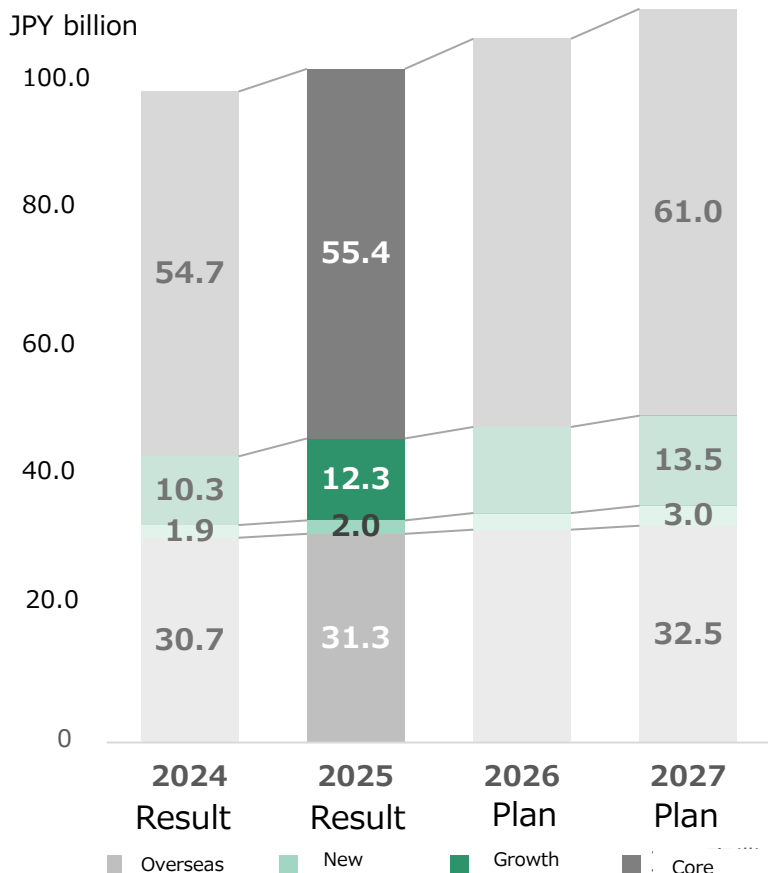
Please refer to
pages 17-19



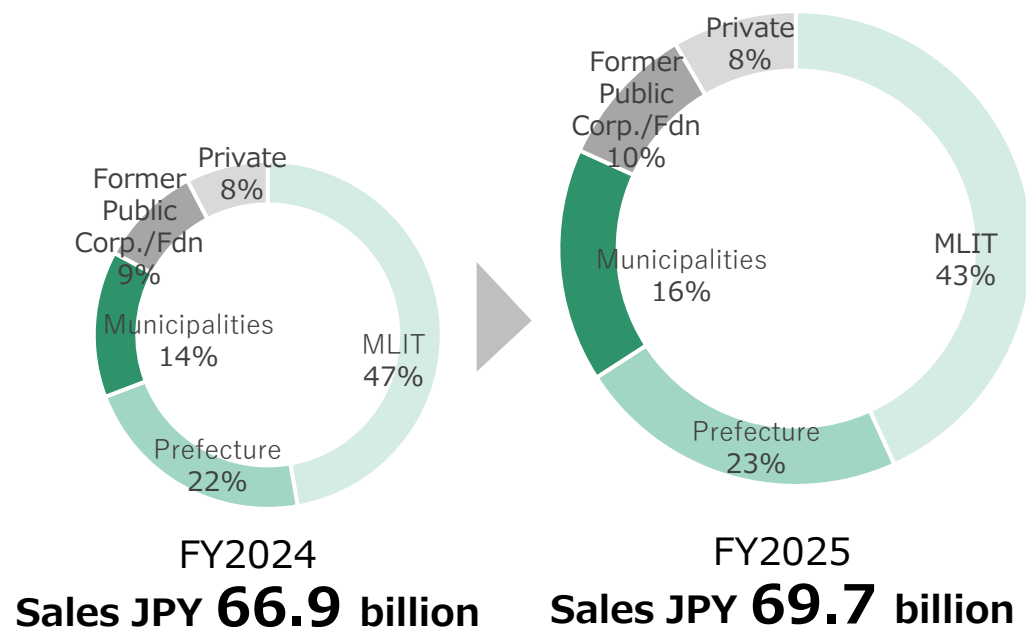
- Sales in Domestic Business have been steady. Ensured stable profitability through cost management
- Number of orders for consulting engineer services has been on a downward trend. Strengthening technological competitiveness is a future challenge

Business Portfolio and Client Portfolio are being transformed in line with the Mid-Term Management Plan 2027

Sales Amount Breakdown by Portfolio



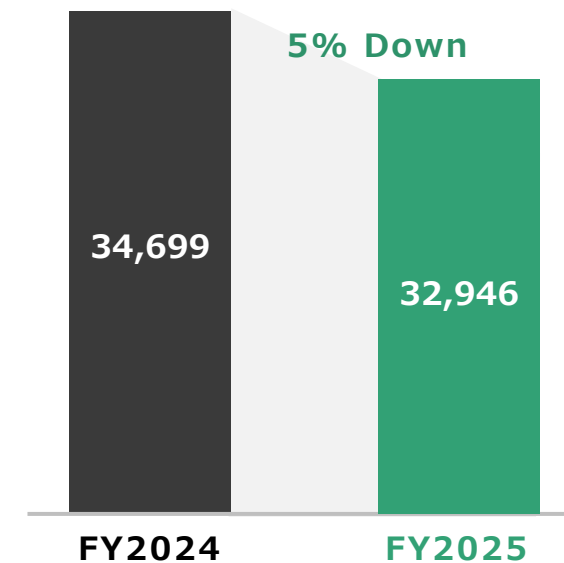
Sales by Client (%) (Sales Amount figures are for the domestic segment)



FY2024 Sales JPY **66.9** billion

FY2025 Sales JPY **69.7** billion

Number of orders (*) decreased



Key issue 01 Strengthen technological competitiveness

※ Refer to the number of domestic public orders in Jan-Dec R6 and Jan-Dec R7 from "50 Construction Consultants," a survey by the Ministry of Land, Infrastructure, Transport and Tourism of Japan on the dynamics of construction-related industries, etc.

- 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

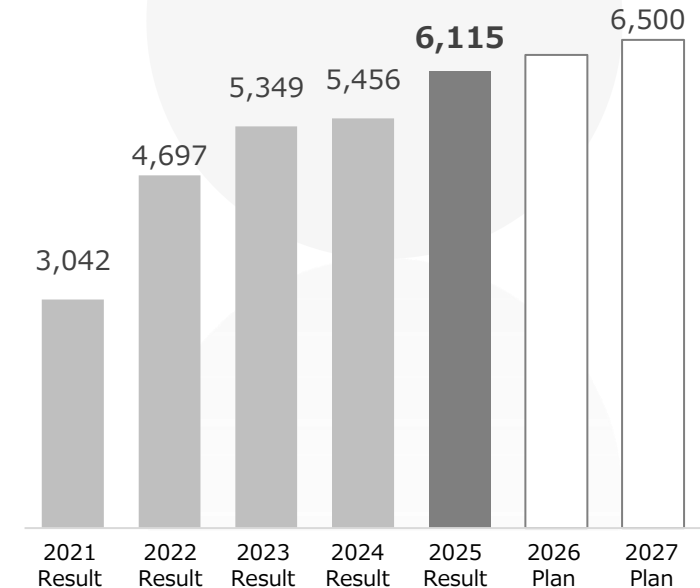
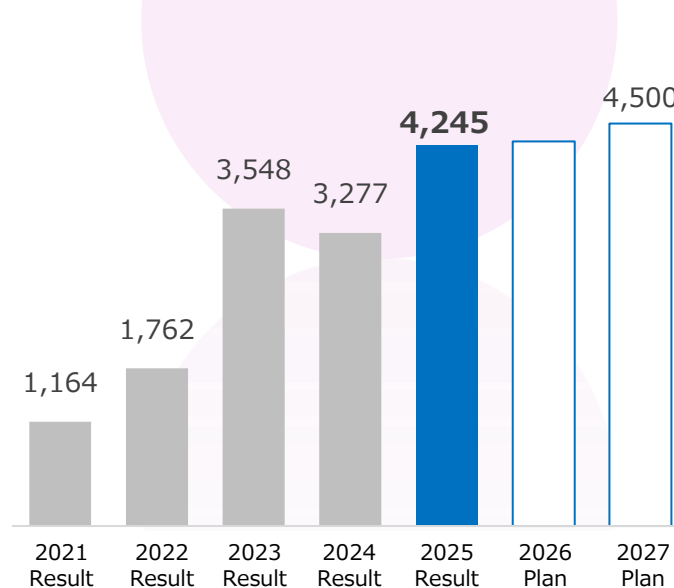
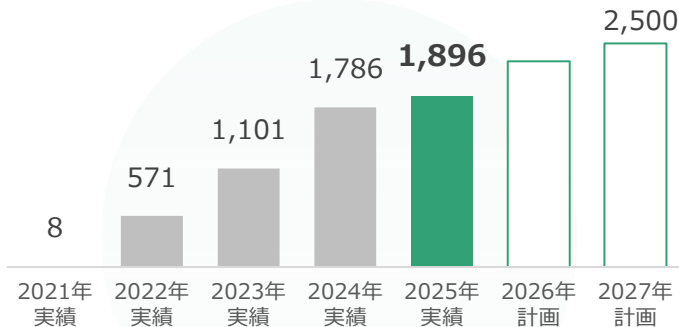
Information services

- 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)

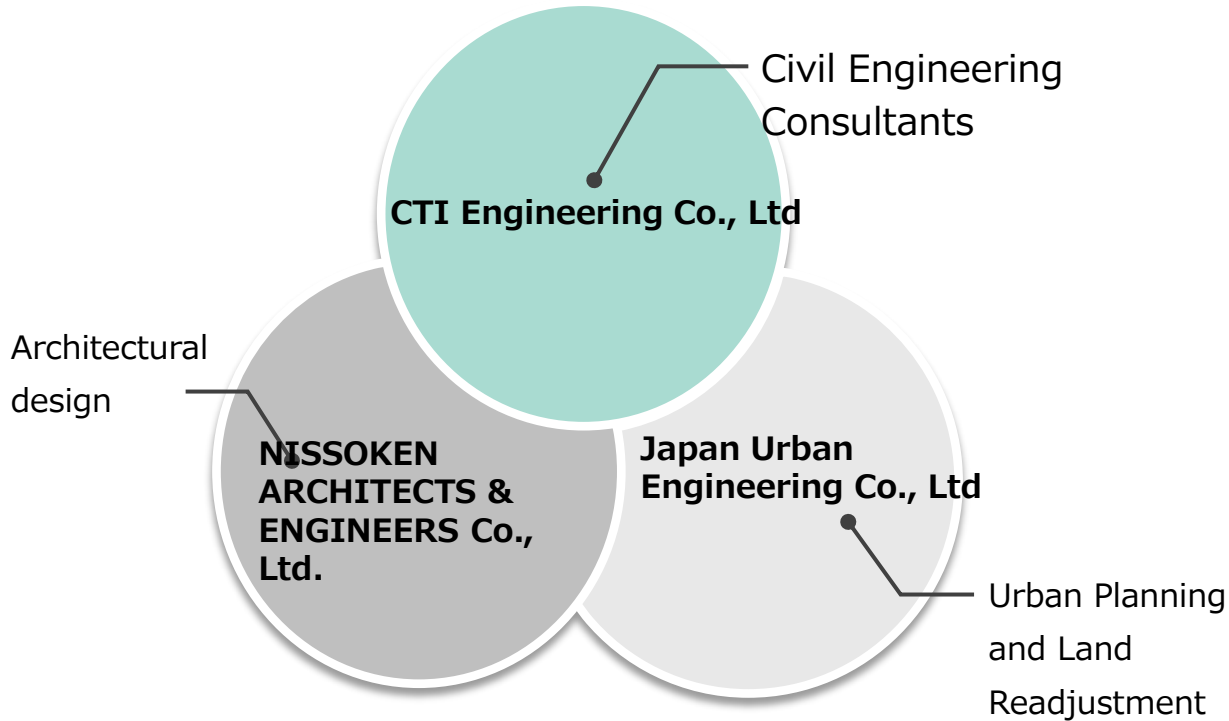


- PPP/PFI projects performed strongly
- Urban infrastructure and building-related markets were booming, driving expanded group-wide collaboration in related businesses
- In the environmental sector, we have entered new fields such as PFAS contamination surveys

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

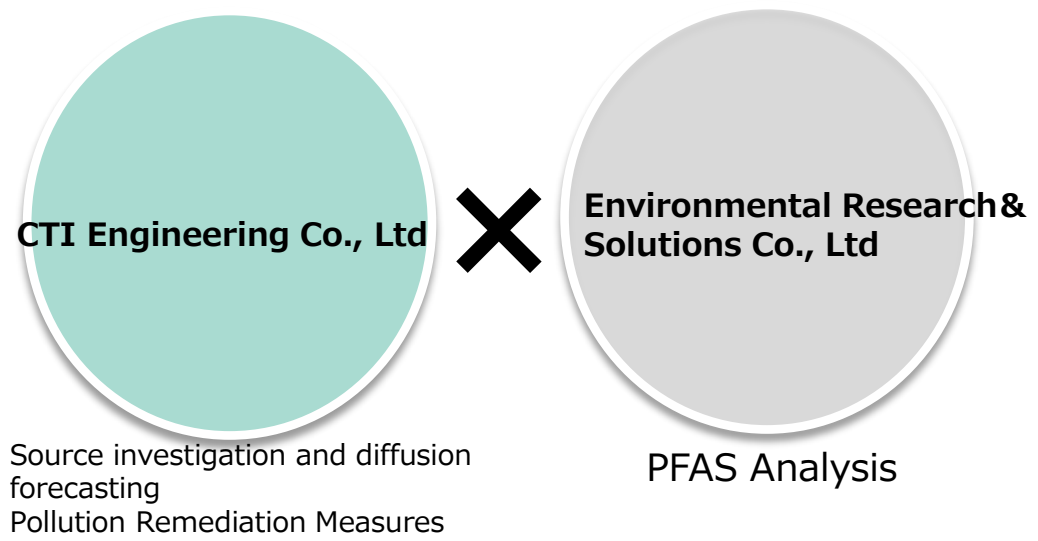
Comprehensive Urban and Architectural Business

Civil Engineering x Architecture x Urban Planning and Land Readjustment



PFAS contamination investigation and remediation

Environmental Assessment x Analysis



What is PFAS ? (Organofluorine compound)
 PFAS is a collective term for organic compounds with carbon-fluorine bonds, which have unique and useful properties such as water and oil repellency and fire resistance. They are extremely difficult to decompose in the environment, and environmental pollution caused by PFAS used in the past has already become apparent across Japan

1 Strengthening Investment in Human Capital

2025 Summary

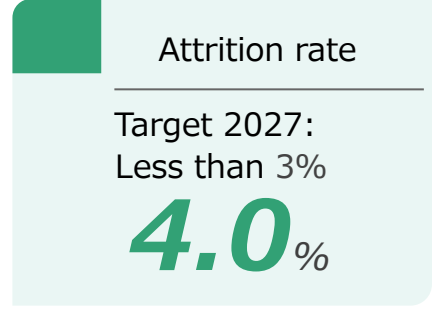
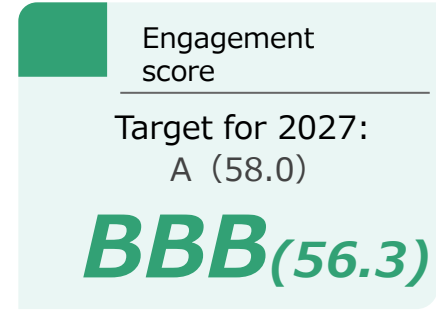
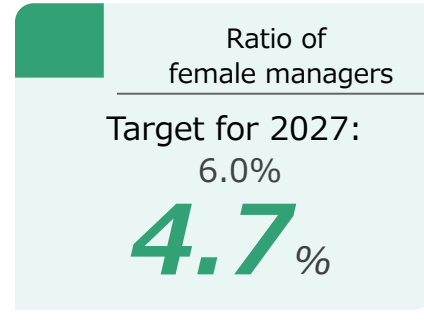
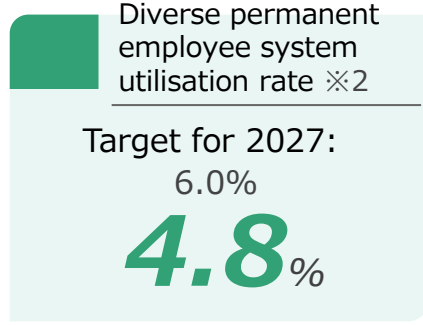
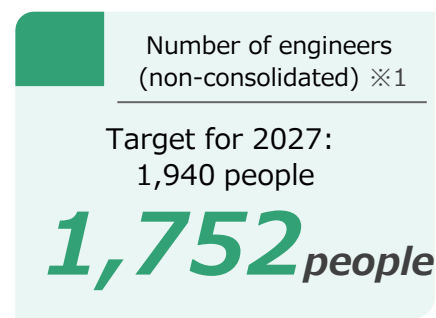
- The number of engineers, both on a non-consolidated and group basis, increased steadily toward the 2027 target. The ratio of female managers has also increased.
- Attrition rate has slightly increased
- While the overall engagement score improved, scores remain low for items related to understanding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

key issue for 2026



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)

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



Further enhance productivity

● Status of achievement of KGIs

Number of management engineers

Target for 2027:
5% increase/year

5.7 %
increase

Annual working hours

Target for 2027:
2,000 hours

2,105
hours

HC-ROI improvement

Target for 2027:
10% improvement

2.6 %

IT Environment Satisfaction

Target for 2027:
3.5pt or more

3.4 pt

Non-productive work hours

Target for 2027:
30% reduction

8.1 %
reduction

Serious accident/mistake

Target for 2027: 0

2

Number of business awards

Target for 2027:
80/year

68

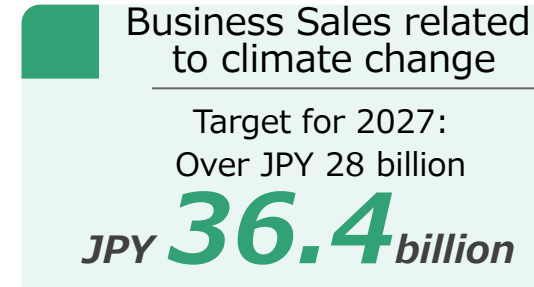
※ KGI to measure the effect of productivity improvement switched from internal output per hour to HC-ROI as a more appropriate indicator of the efficiency of human resource investment and productivity improvement

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



※ GHG emissions are currently being compiled



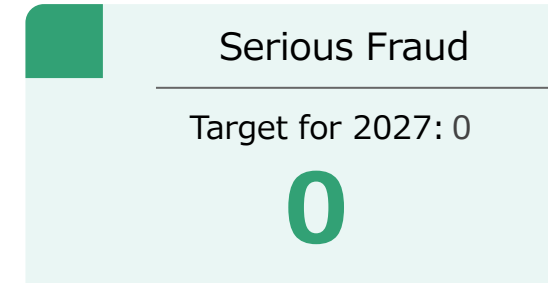
Received a "B" score in CDP Climate Change 2025

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



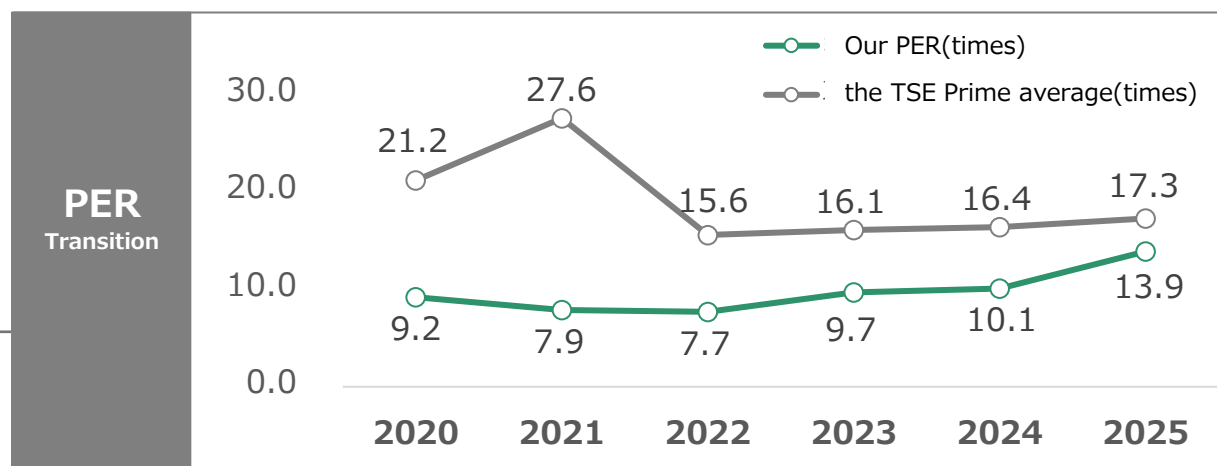
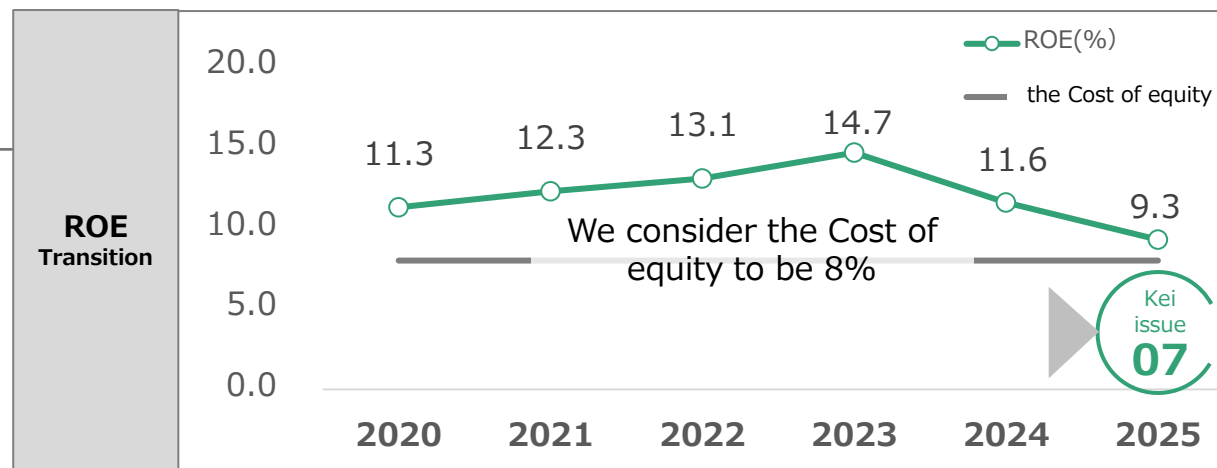
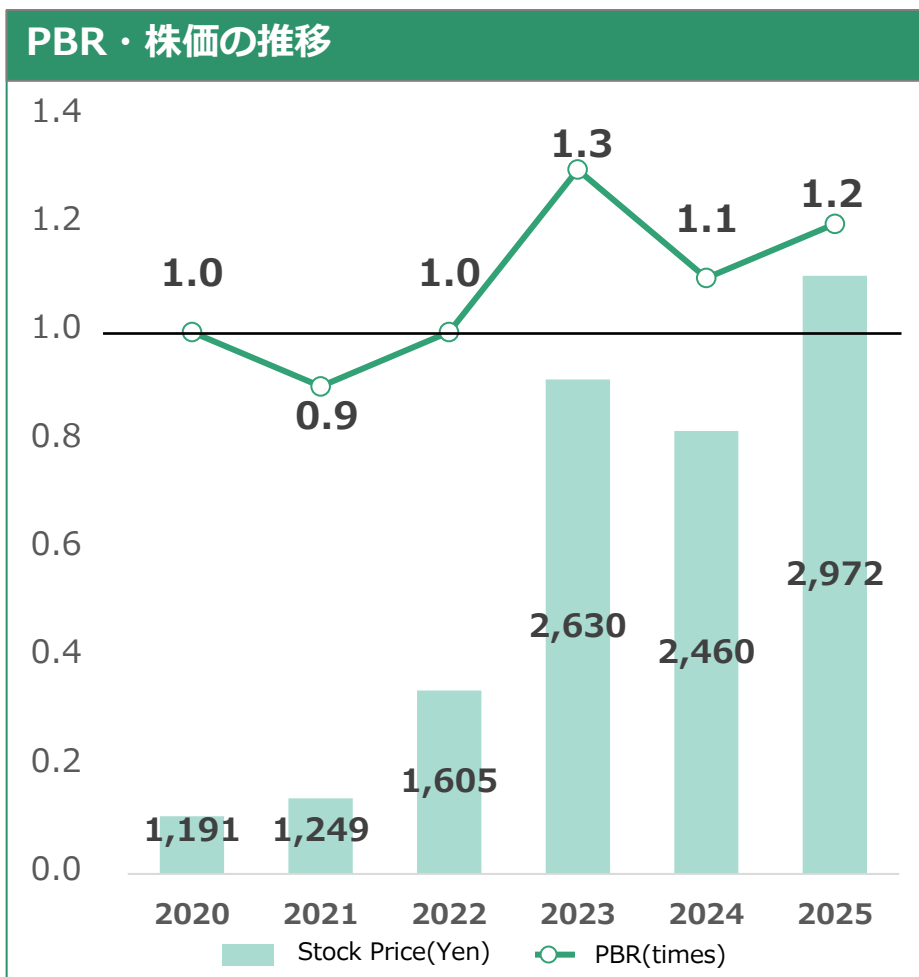
key issue for 2026



Strengthen group governance for both offensive and defensive perspectives

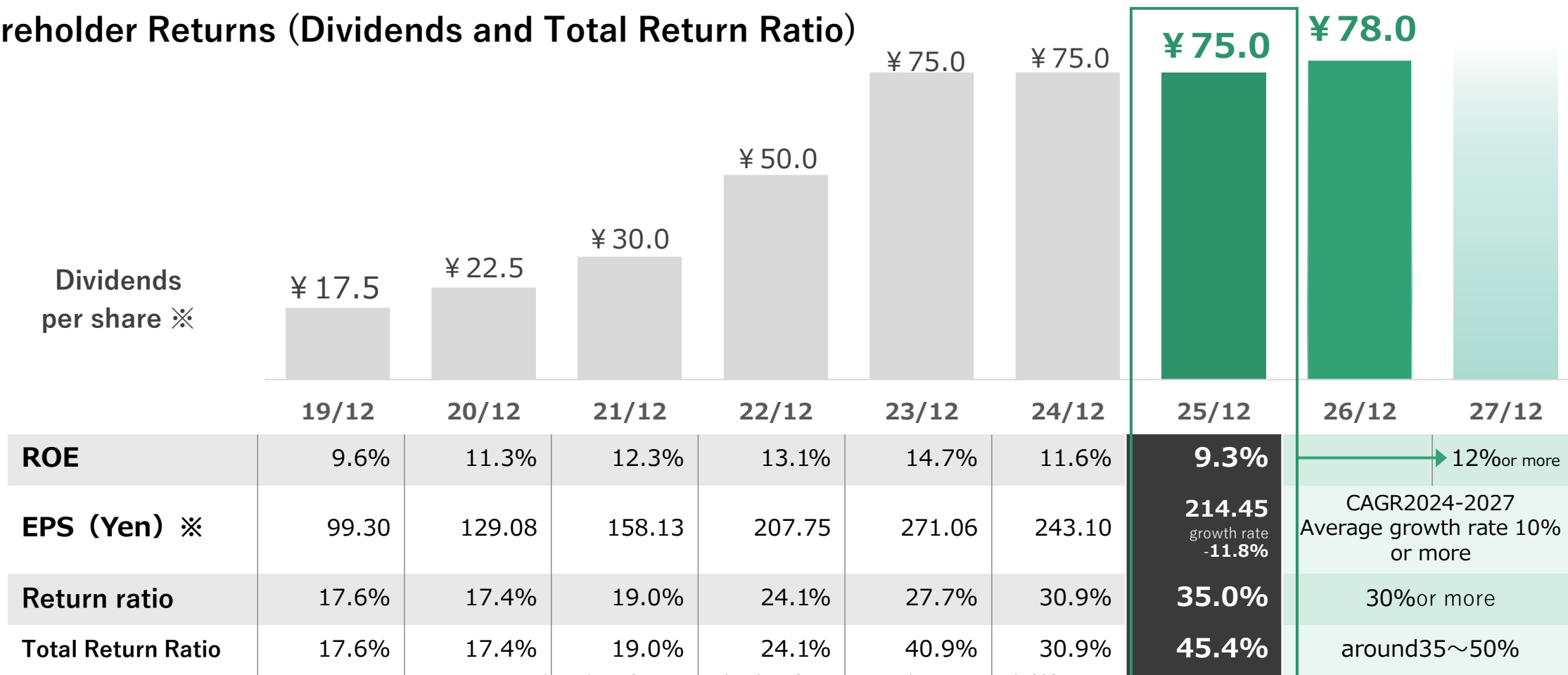
- Cost of Capital: We estimate the Cost of Equity to be approximately 8%
- ROE: ROE exceeded the Cost of Capital, but it declined from the previous year due to a decrease in profits and the impact of extraordinary losses
- PER: PER increased to 13.9 in the end of FY2025. We consider that this is the 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



- 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)



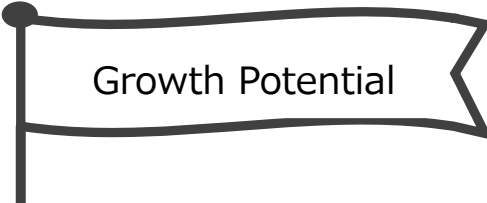
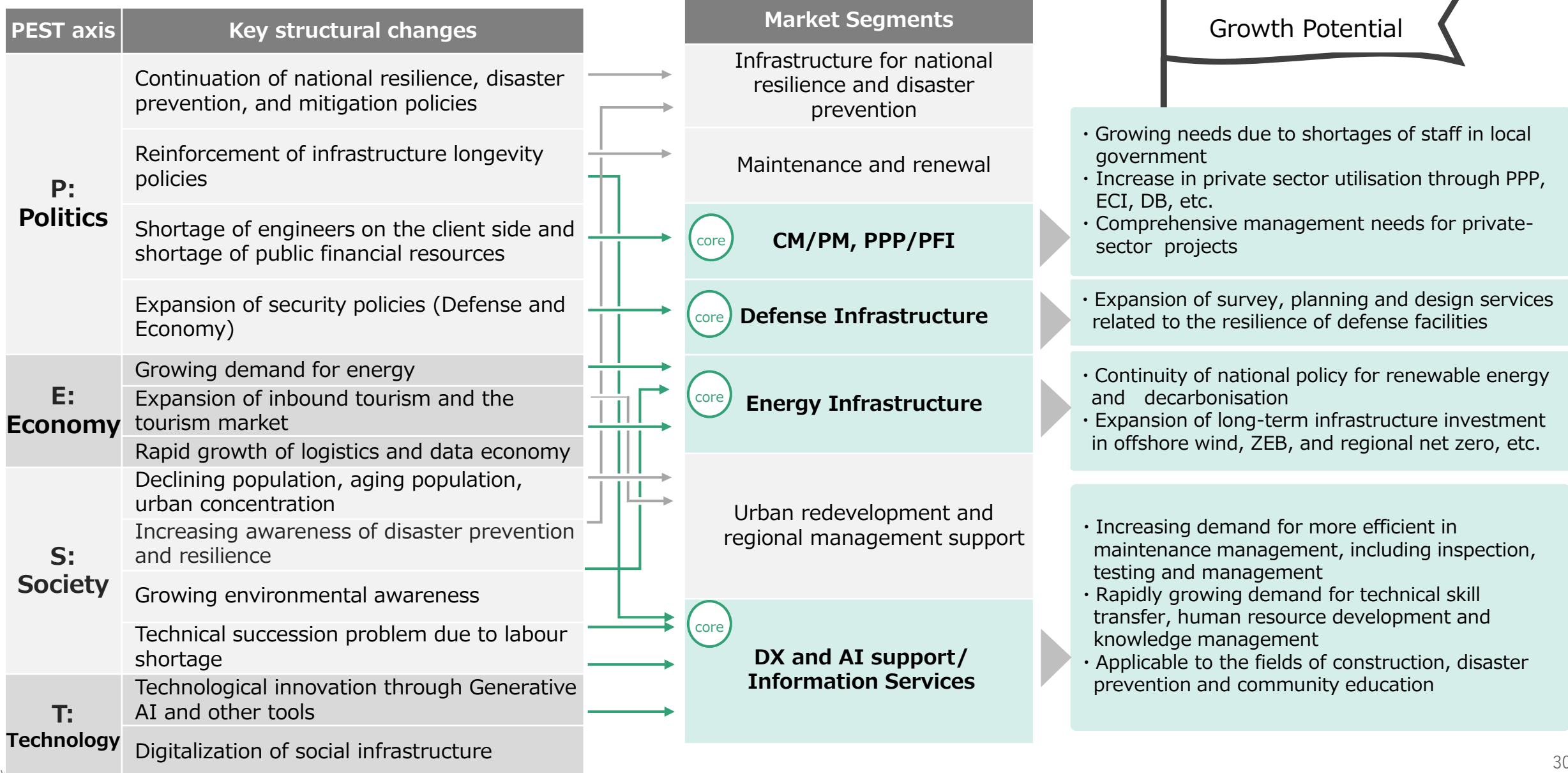
※We conducted two for-one stock splits of common stock on January 1, 2025.

Each dividends and EPS are calculated as if the stock split had occurred at the beginning of year.

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● 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



- Growing needs due to shortages of staff in local government
- Increase in private sector utilisation through PPP, ECI, DB, etc.
- Comprehensive management needs for private-sector projects

- Expansion of survey, planning and design services related to the resilience of defense facilities

- Continuity of national policy for renewable energy and decarbonisation
- Expansion of long-term infrastructure investment in offshore wind, ZEB, and regional net zero, etc.

- Increasing demand for more efficient in maintenance management, including inspection, testing and management
- Rapidly growing demand for technical skill transfer, human resource development and knowledge management
- Applicable to the fields of construction, disaster prevention and community education

- 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.

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- 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%	-

- 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



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

	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)

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

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

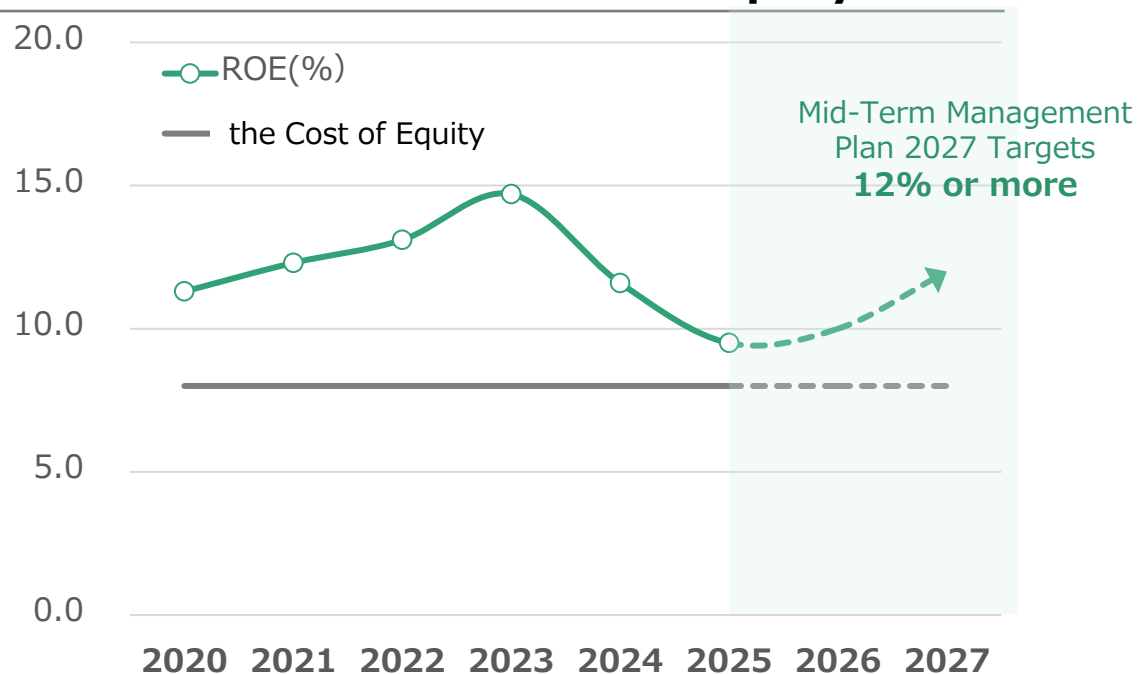
Enhance group governance for both offensive and defensive strategies

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

- 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.

ROE and the Cost of Equity



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

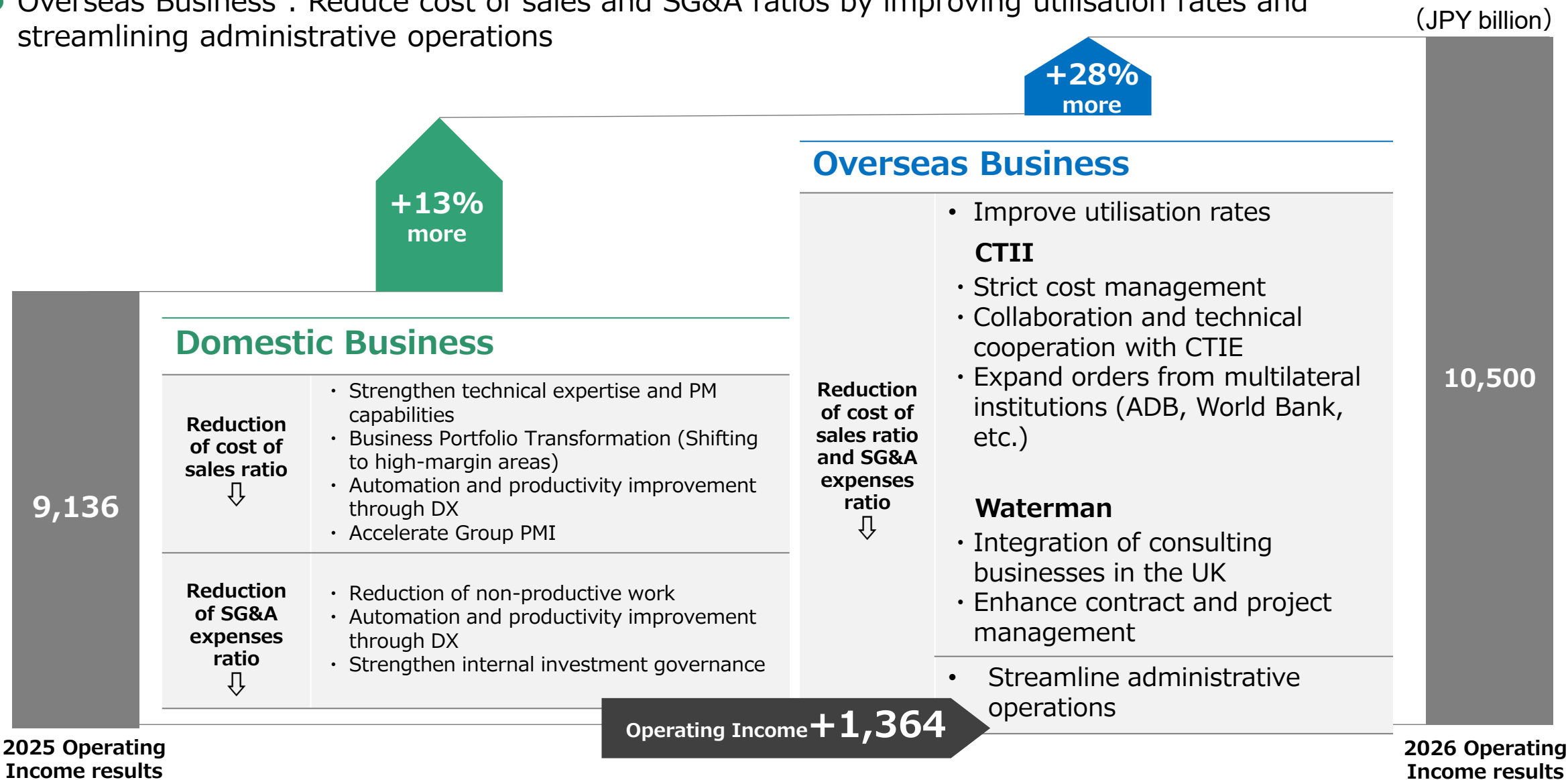
- Consider the flexible use of debt financing depending on investment projects and cash position
- Improve capital efficiency through the flexible use of dividends and share buybacks

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

- 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



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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



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)
Number of subsidiaries	36 companies
Listing market	Tokyo Stock Exchange Prime Market
Total number of issued shares	28,318,172 shares

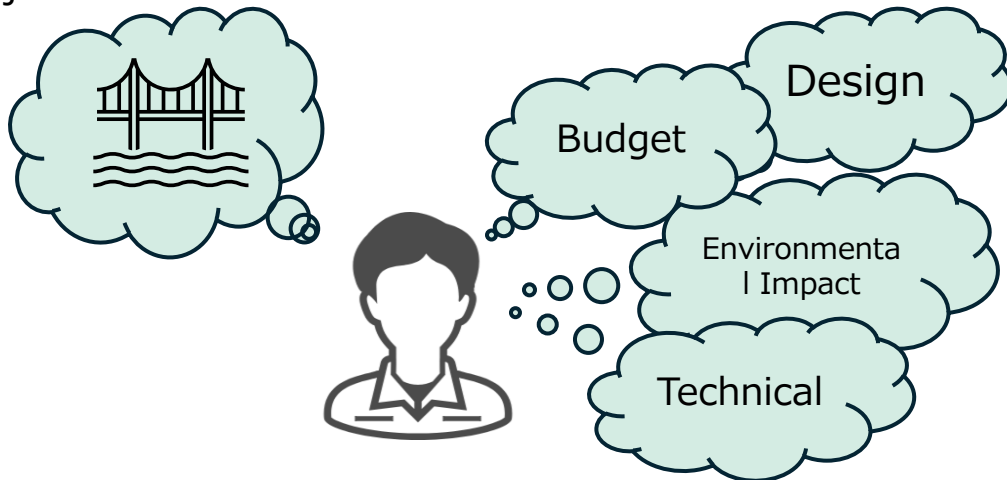
Infrastructure developments are carried out mainly by three parties: (1) national and local governments, (2) construction consultants, and (3) construction companies.

For "national and local governments" that decide projects and make plans, We " Civil Engineering Consultants " provide specific surveys, plans, designs, etc. as a partner.

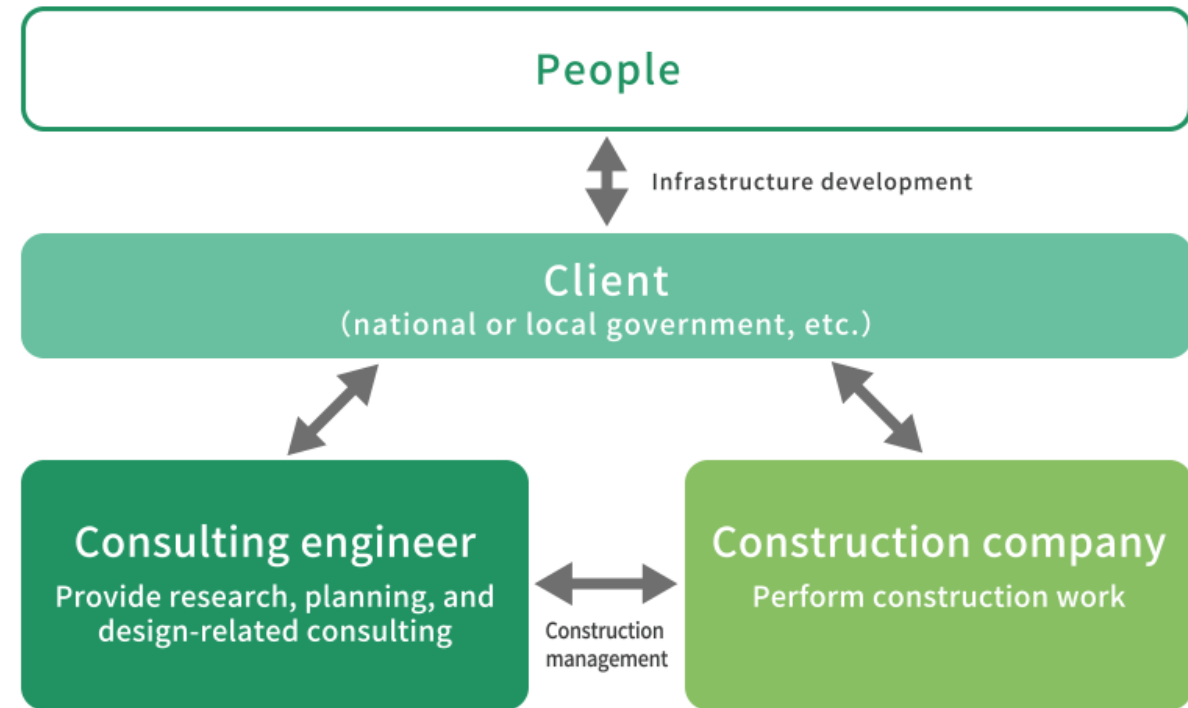
Specialists about Infrastructure

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.

Civil Engineering Consultants are a vital part of social infrastructure development. We coordinate the entire infrastructure development project from start to finish.



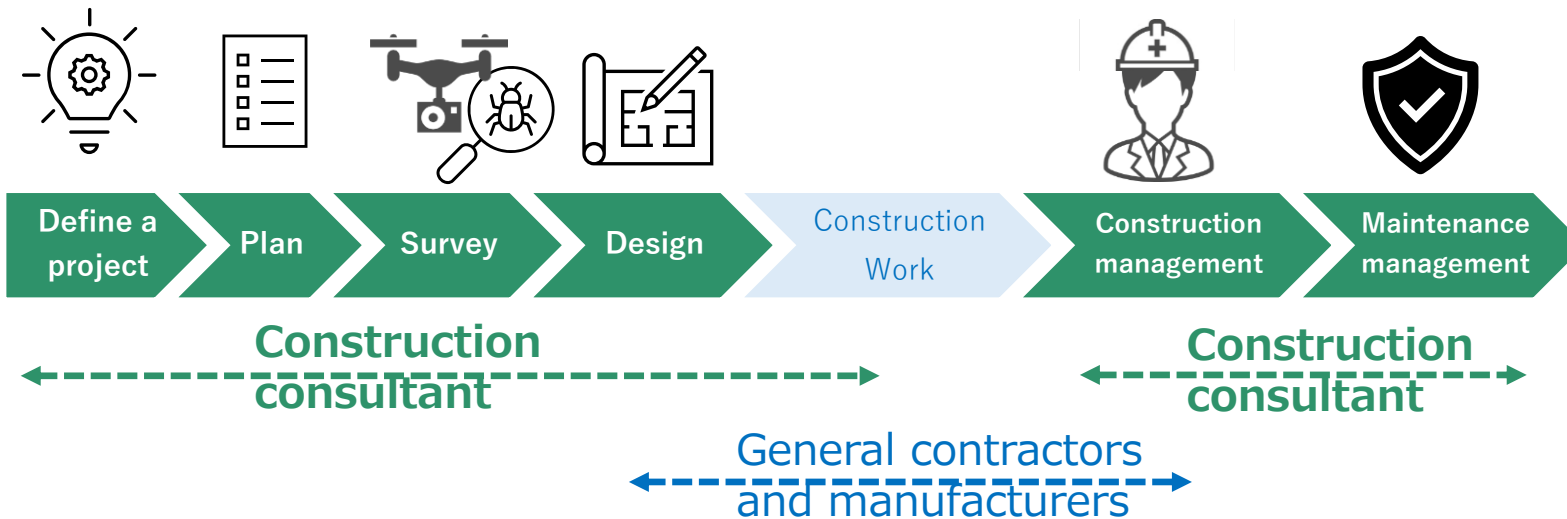
Carried out by three parties



The role of civil engineering consultants is to provide consulting on specific surveys, plans, designs, etc. to national and local governments, which make decisions on projects and make plans. We undertake almost all the work flow, but in accordance with the "principle of separation of design and construction," the construction company is responsible for the construction part.

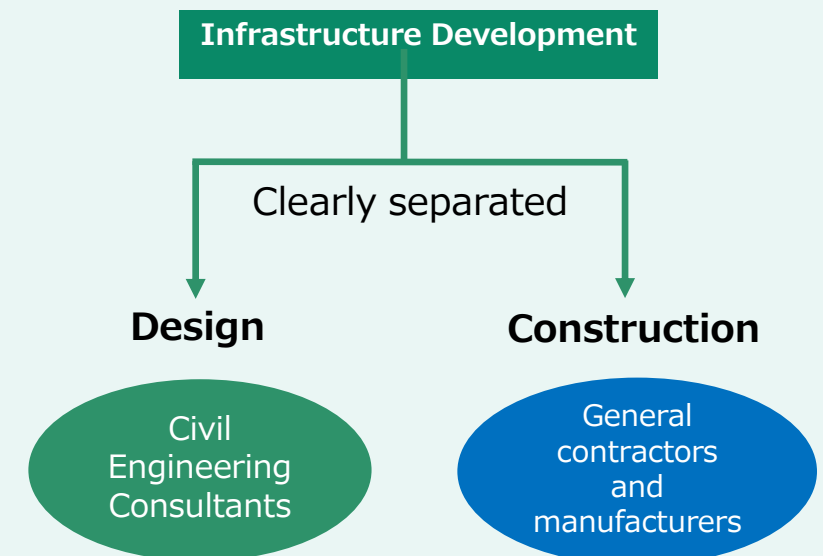
Flow of infrastructure development

Construction consultants are involved in all stages of a project, from the initial planning by the national and local governments to planning, design, construction management, and maintenance and management after completion.



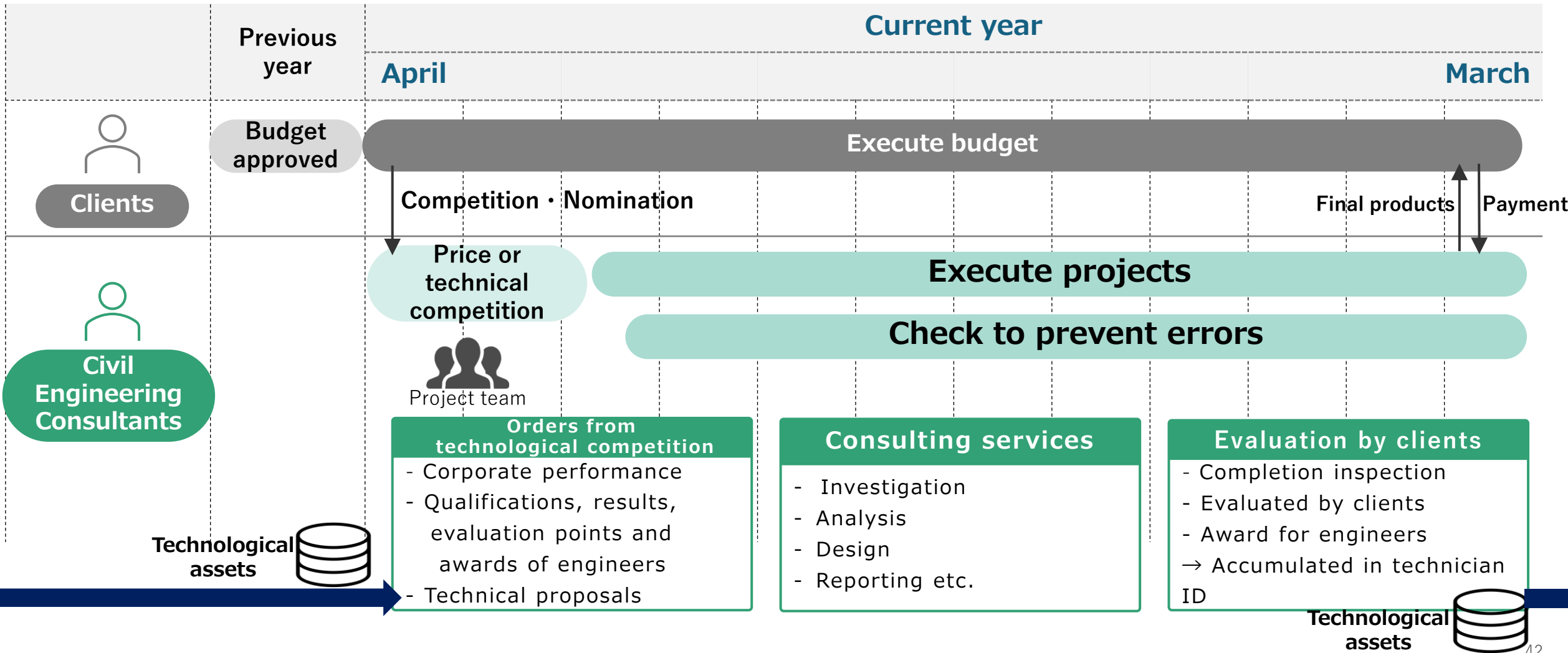
Principle of separation of design and construction

During the postwar period, the Ministry of Construction (now the Ministry of Land, Infrastructure, Transport and Tourism) clarified the principle of separation of design and construction.



Basic flow of Civil Engineering Consultants

- 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. The ends of projects period tends to concentrate at the end of the fiscal year (March)
- Project teams: Consists of 5-6 engineers. As a team leader, Professional Engineer certification is required

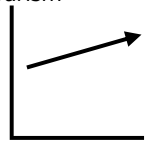


Infrastructure Development

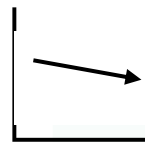


Efficient and **Effective** infrastructure development is required, within **limited budget** and **personnel**

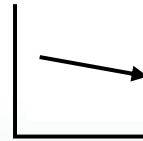
Flat/ Slight increase trend in MLIT* budget
* Ministry of Land, Infrastructure, Transport and Tourism



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

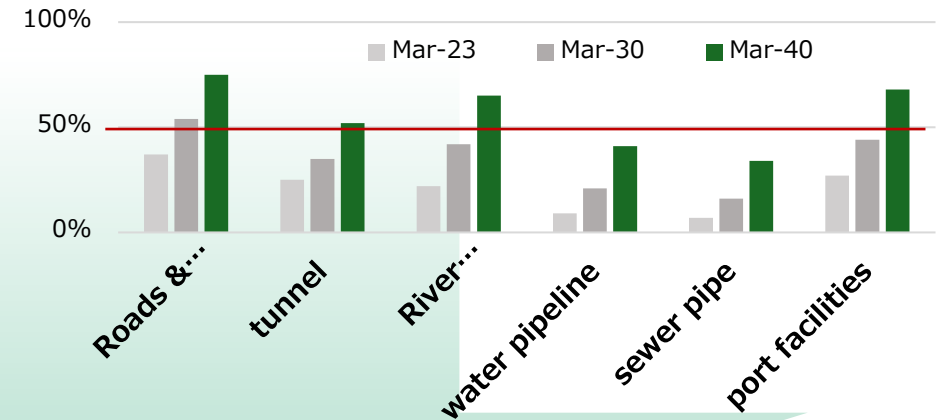
Infrastructure Maintenance and Management

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

< Percentage of social infra structure over 50 years old >



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)

(JPY million)



**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

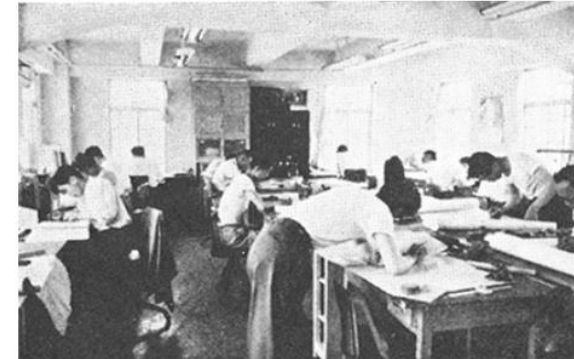


Office at the time of establishment

**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.

Number of employees: **4,087**
Sales : JPY **101.0**billion

Achieved sustainable growth through human resource enhancement and M&A



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



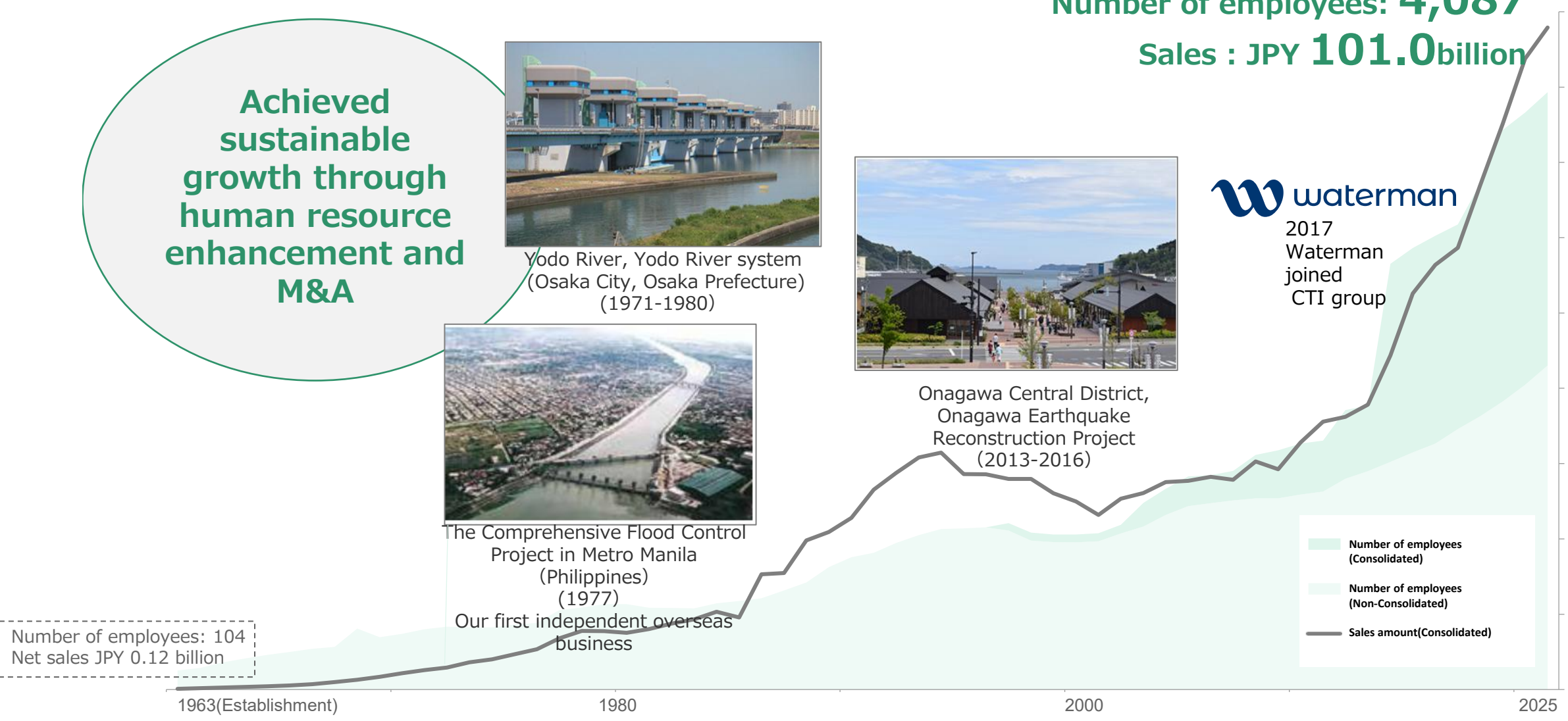
The Comprehensive Flood Control Project in Metro Manila (Philippines) (1977)



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

w waterman
2017 Waterman joined CTI group

Number of employees: 104
Net sales JPY 0.12 billion

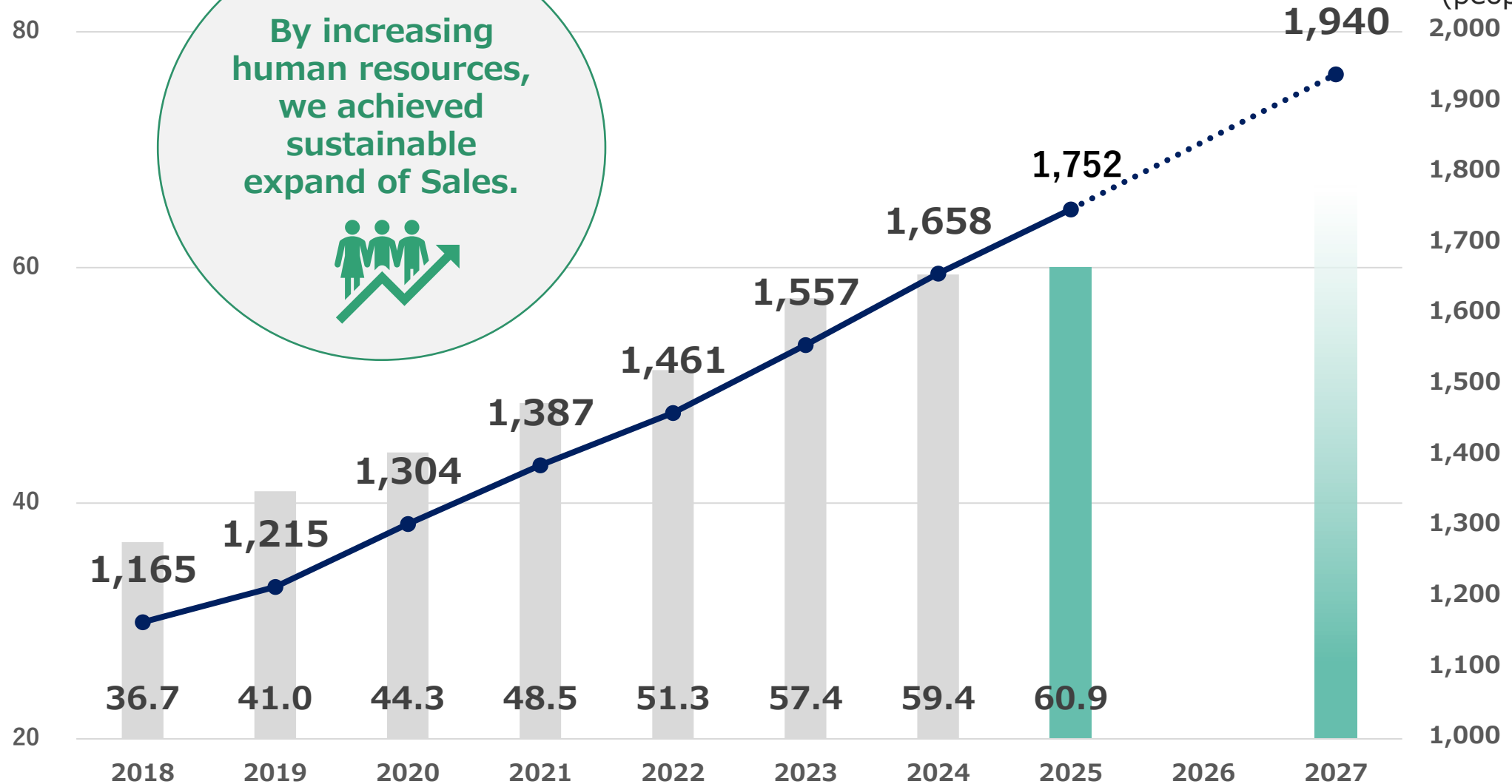


Postwar reconstruction Pollution problem High economic growth From quantity to quality Global environmental problems Reconstruction after the earthquake National Resilience

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

Sales(Non-Consolidated)
(JPY billion)

Number of
Engineers
(people)



By increasing human resources, we achieved sustainable expand of Sales.



Japan Urban Engineering Co., Ltd.

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.

Transportation Urban

Chi-ken Sogo Consultants Co., Ltd.

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 Social

NISSOKEN ARCHITECTS & ENGINEERS Co., Ltd.

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.

Transportation Urban

Environmental Research & Solutions Co., Ltd.

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).

Environmental Social

HIROKEN CONSULTANTS Co., LTD.

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.)

Water Land

Transportation Urban

Environmental Social

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
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 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

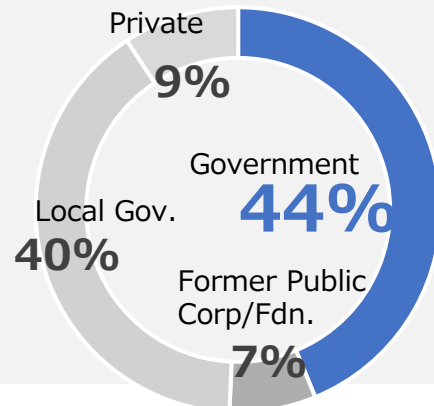
Since the founding of the Construction Technology Institute (our predecessor) in 1945, we have been a leading company in the industry for many years.

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 Based 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.

Order Received Amount by Source(FY 2025)



Industry Leader Order Received in the River Sector

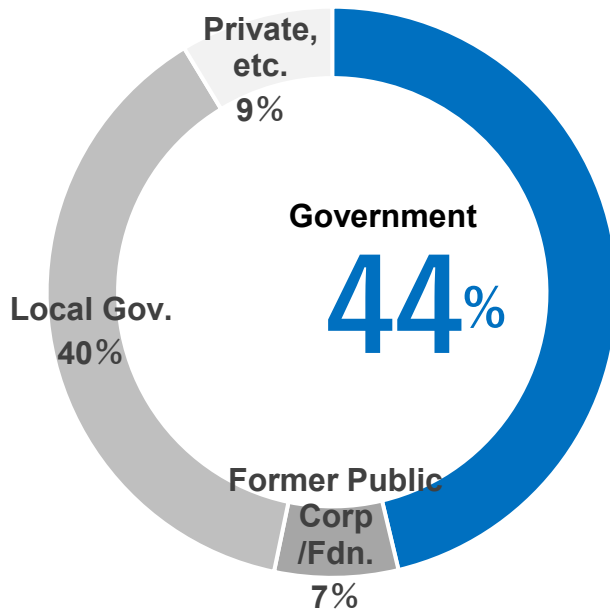
Leveraging our experiences in river infrastructure development, we have been contributing to the comprehensive management of entire river basins - including the drafting of disaster prevention and mitigation measures for floods, droughts, and other disasters, as well as the conservation and improvement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

1 Orders Received from National government

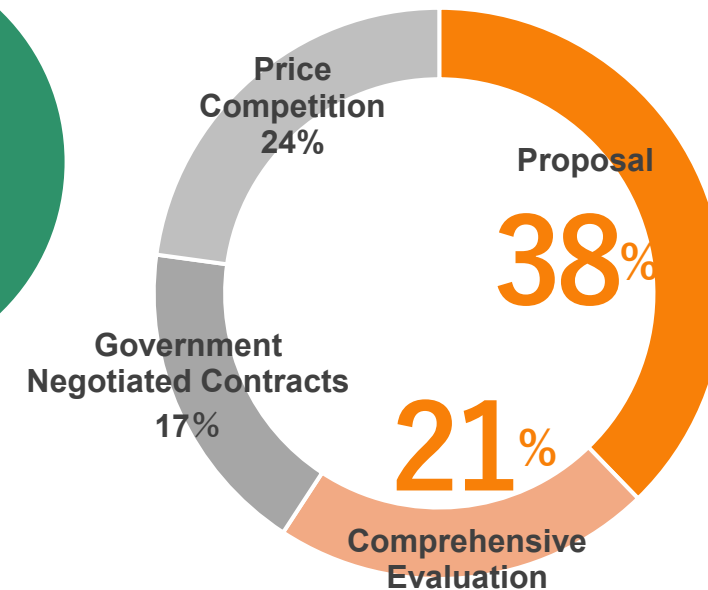
Order Received Amount by Source (2025)



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 (2025)



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

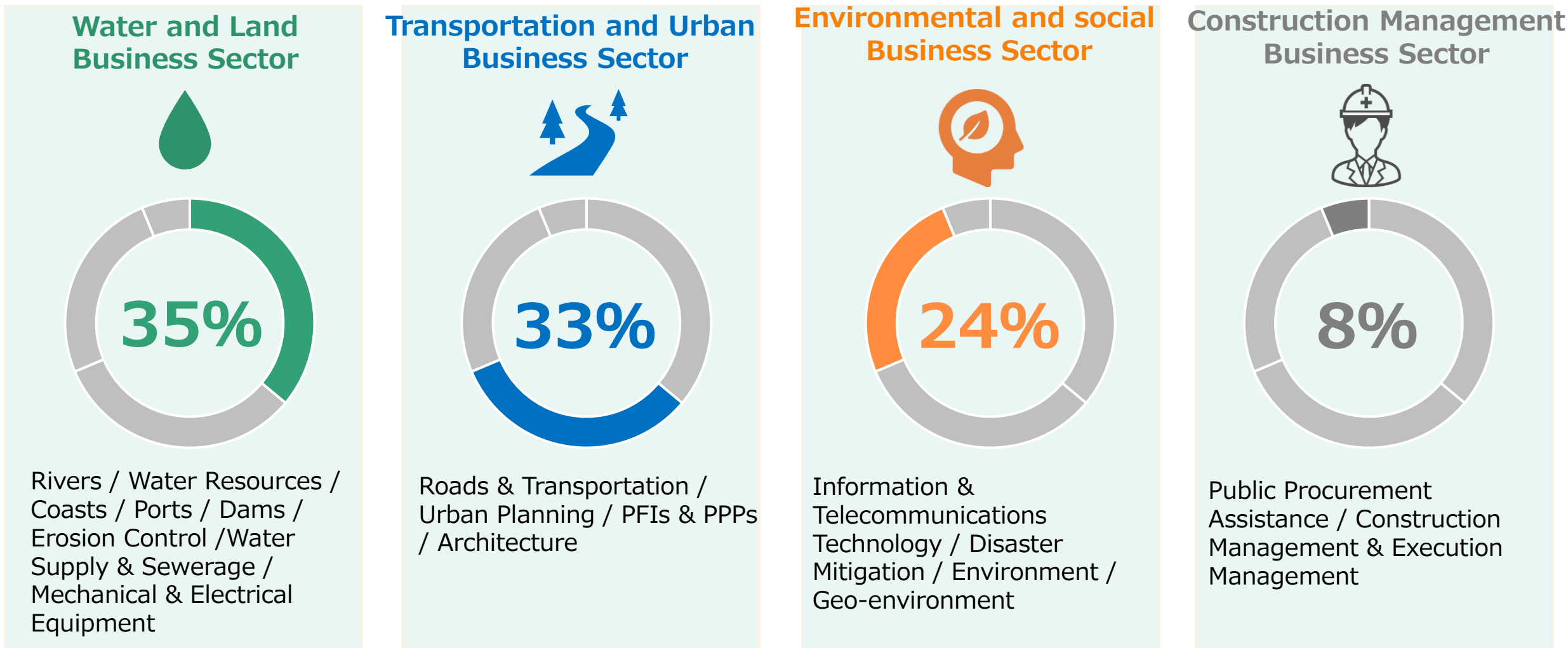
: Competition based on price only

Government Negotiated Contracts

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








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

■ 63rd (2025) Period Orders Composition Ratio (Domestic)



Our Position in the Industry (Results in 2024)






(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	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

Our Position in the Industry (Results in 2024)

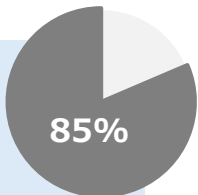
Sales of Construction Management Business Sector increased by 50%YoY

(JPY Million)

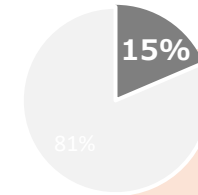
Our company Business Unit	Environmental and Social Business Sector				Construction Management Business Sector
Sales Rank	Construction environment	Electricity and electronics	Environment	Geo-environment	Construction plan and construction equipment
1	IDEA 12,719	 CTIE 3,938	PCKK 2,549	Dia Nippon Engineering 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

63rd Term (2025)
Composition of Overseas
Segment Sales



63rd Term (2025)
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



CTI Engineering International

History

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

Business Outline

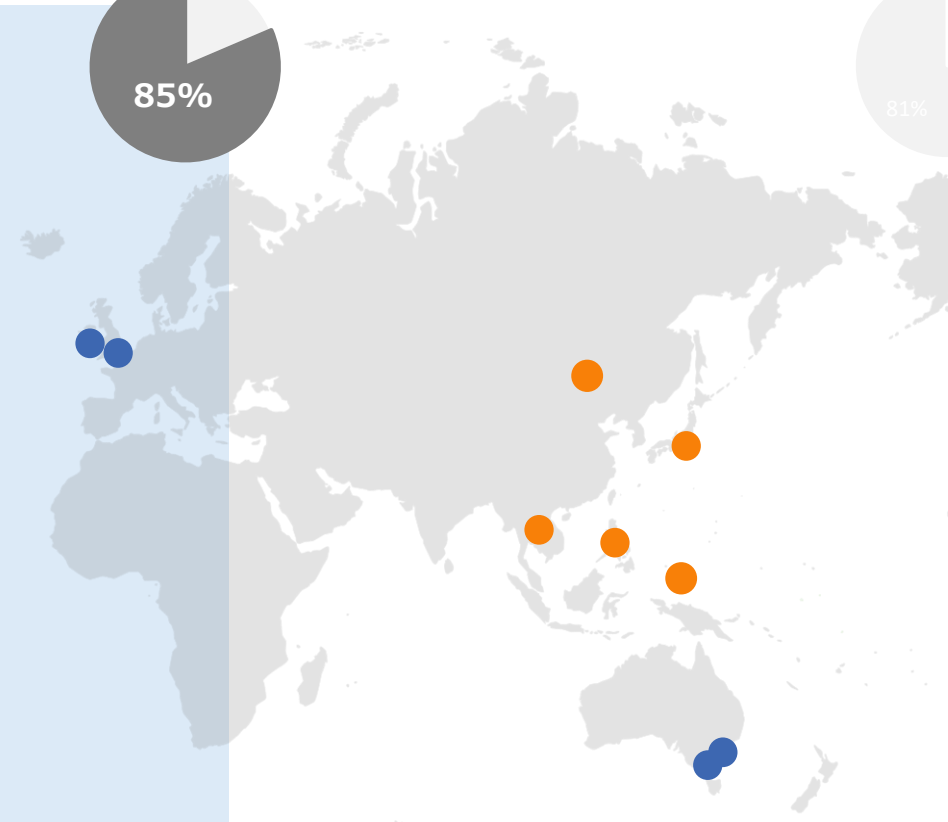
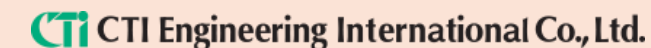
Consulting engineer business mainly through ODA in semi-developed and developing countries

Major Business Partners

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

Business Area

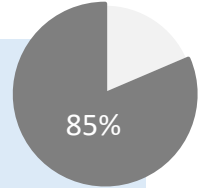
Based in Japan, the Philippines, and Myanmar Business target area: Asia, Africa, Middle East, South America, etc.



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

FY2024(62nd Term)
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

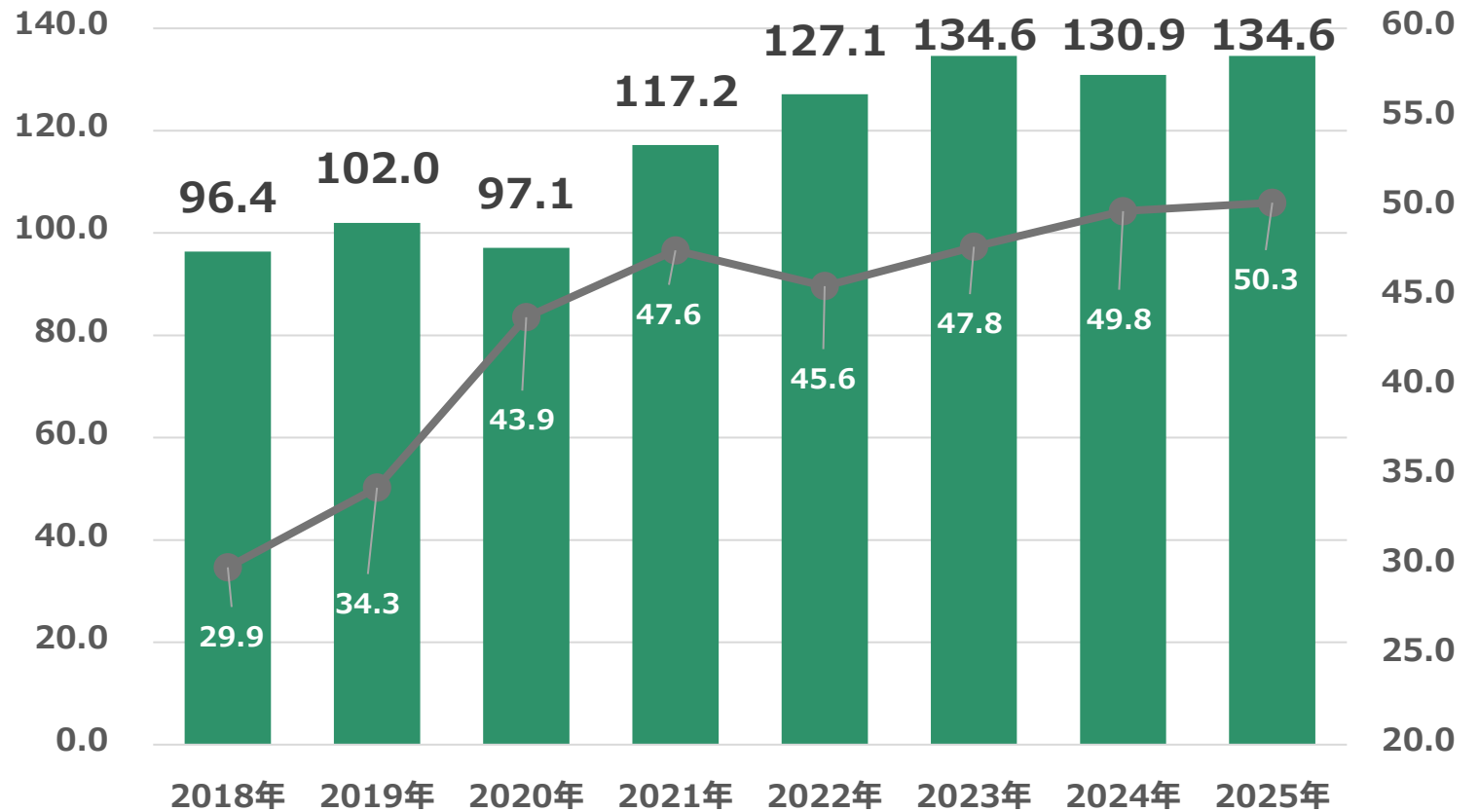
➔ Civil Engineering, Secondment of engineers

Business Area

United Kingdom, Ireland, Australia

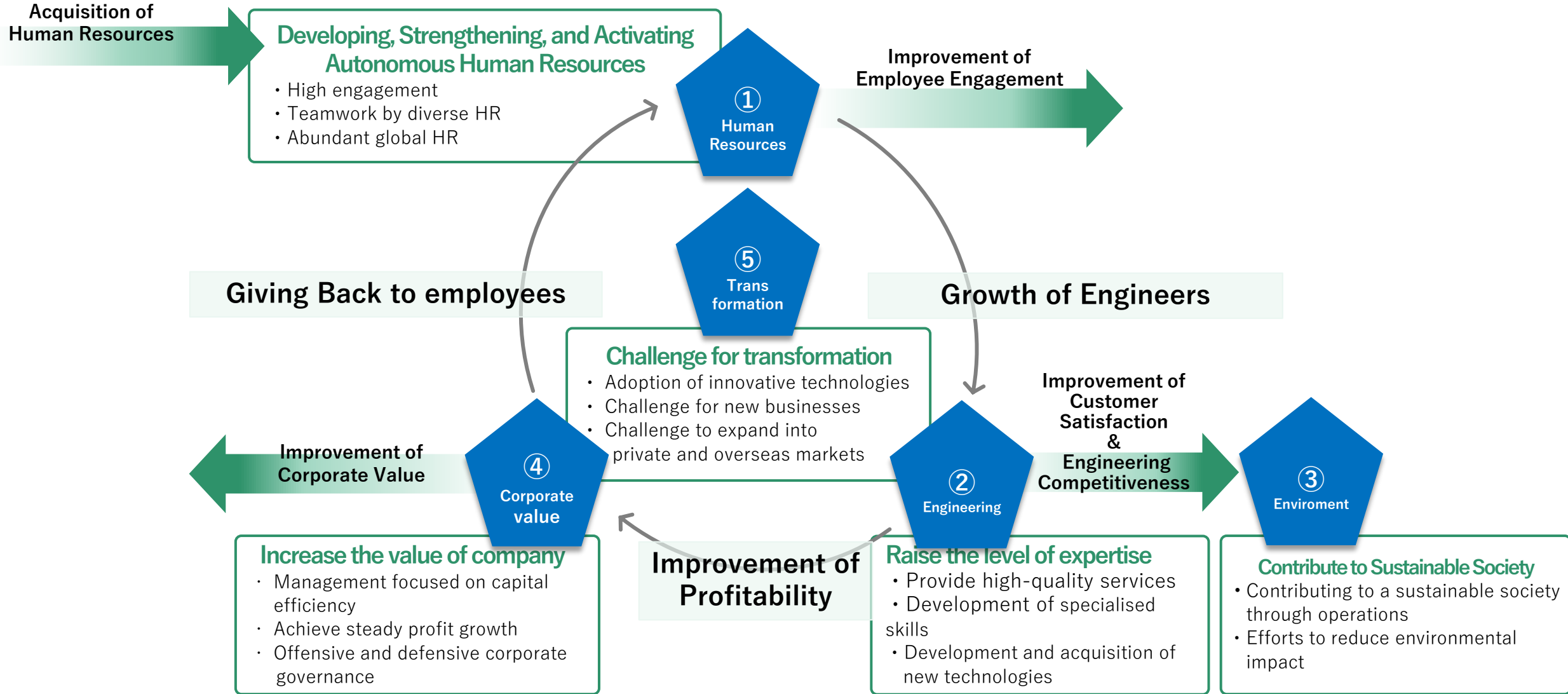
Sales Trends (GBP)

(Unit: %)



■ Total Private/Public ● Public as a percentage of total

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.

● 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

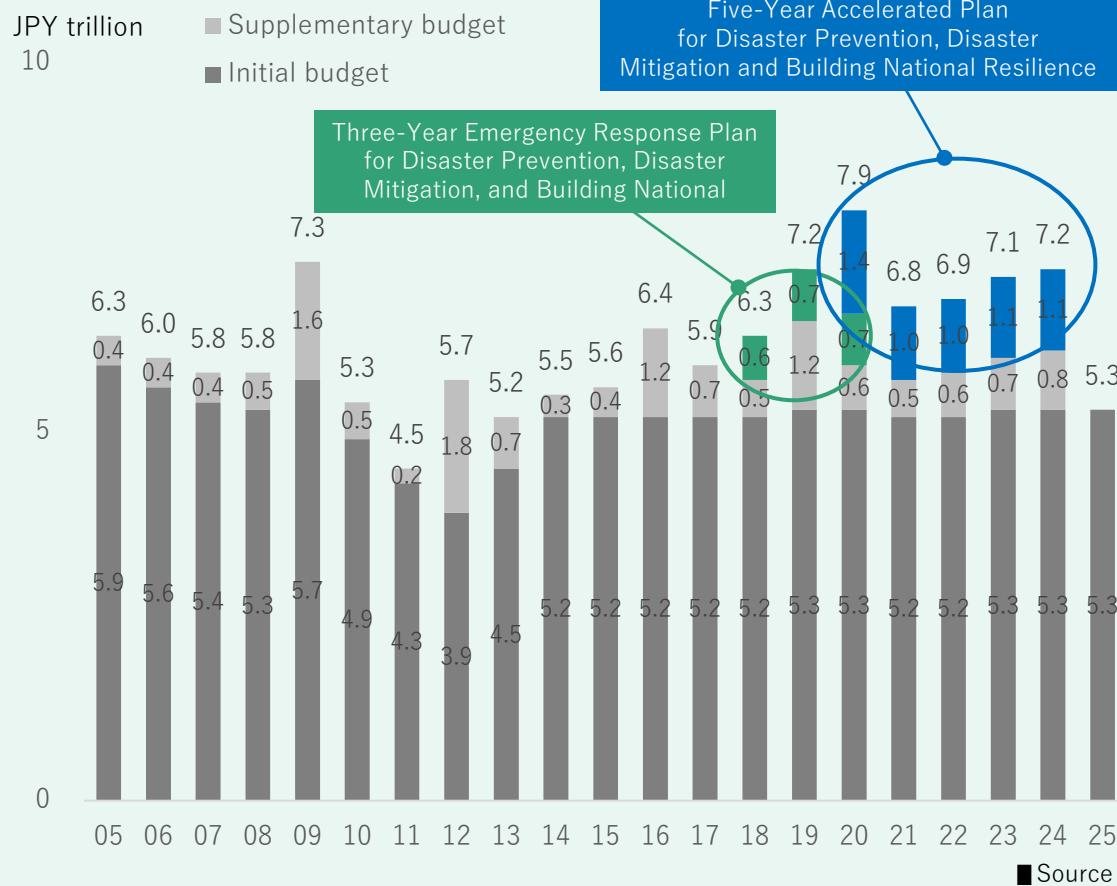
- Improve ROE and EPS by combining steady growth in operating income, flexible shareholder returns such as dividends, and external growth such as M&A

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.

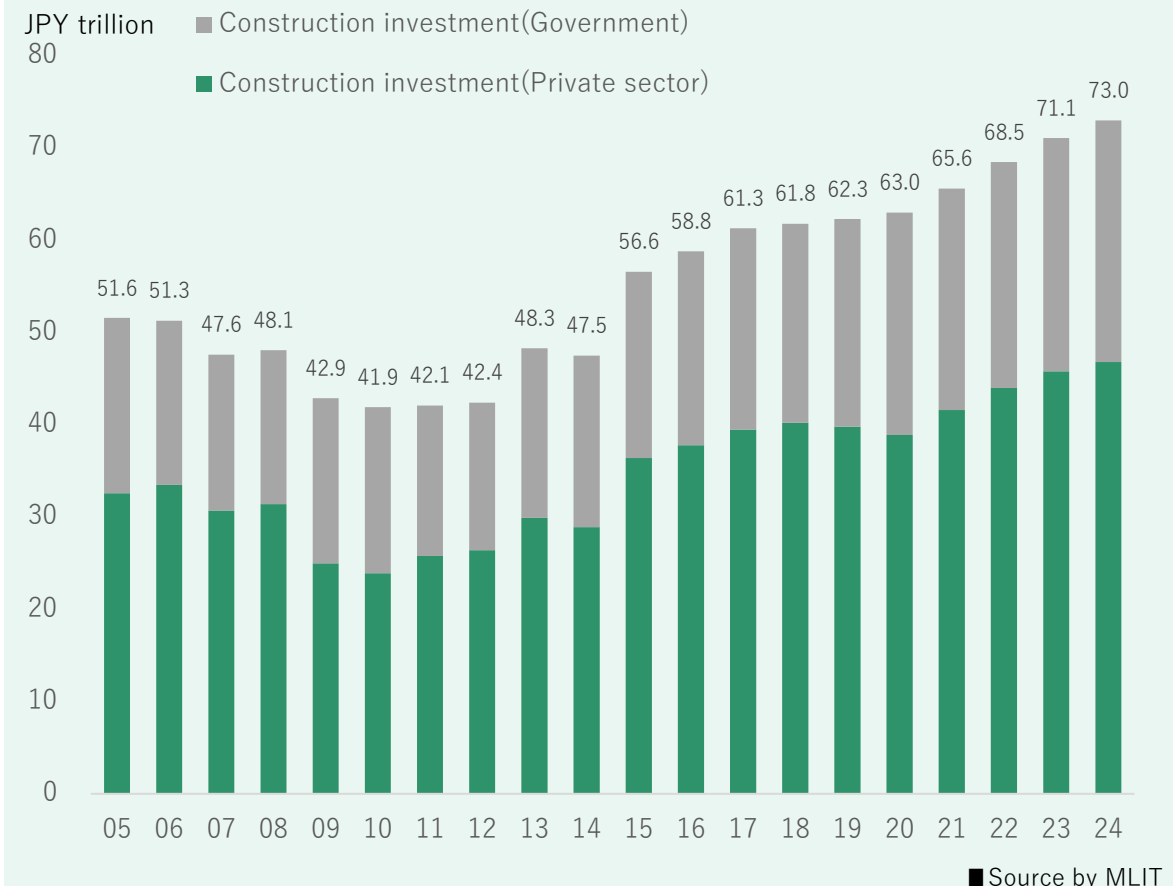
Overall construction investment (public and private) has been increasing continuously since 2014.

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

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

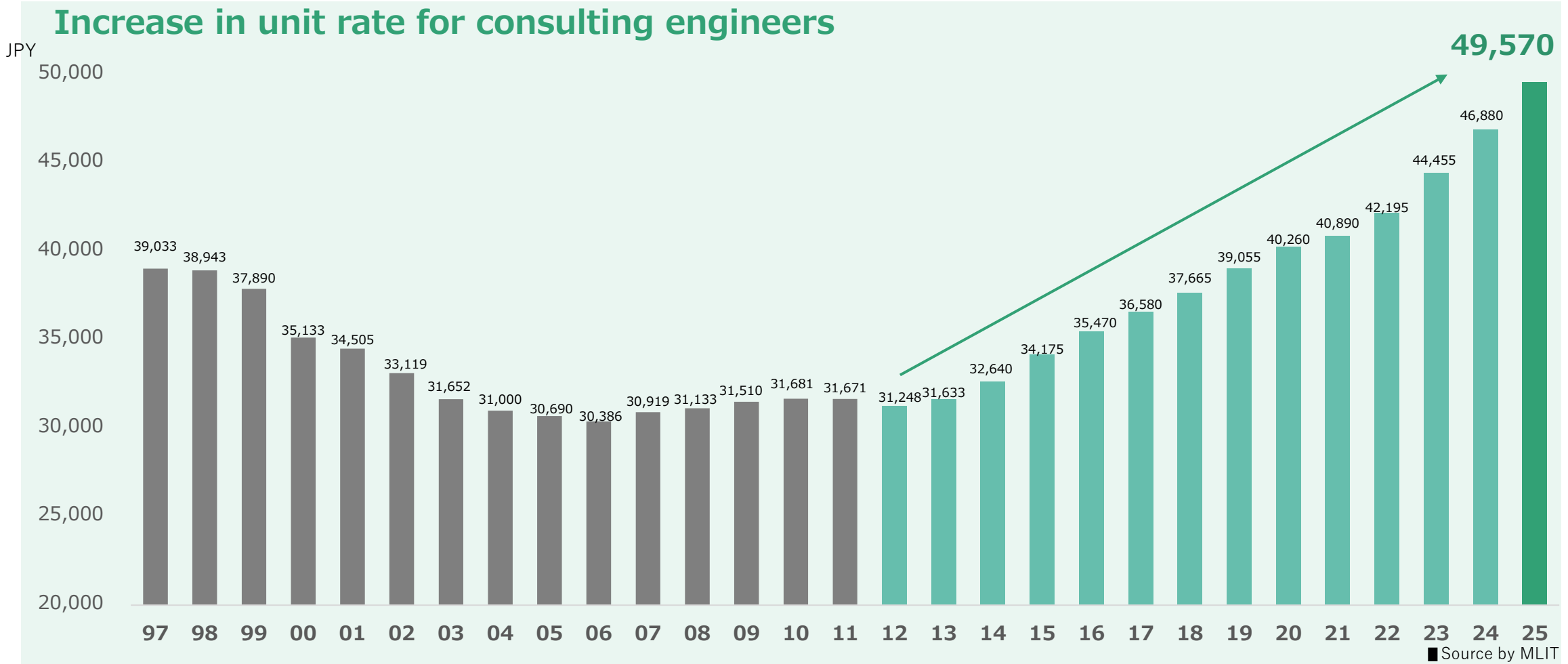
Source: First Medium-Term Plan for the Implementation of National Land Toughening Measures, Cabinet Secretariat

FY2025 Supplementary Budget :

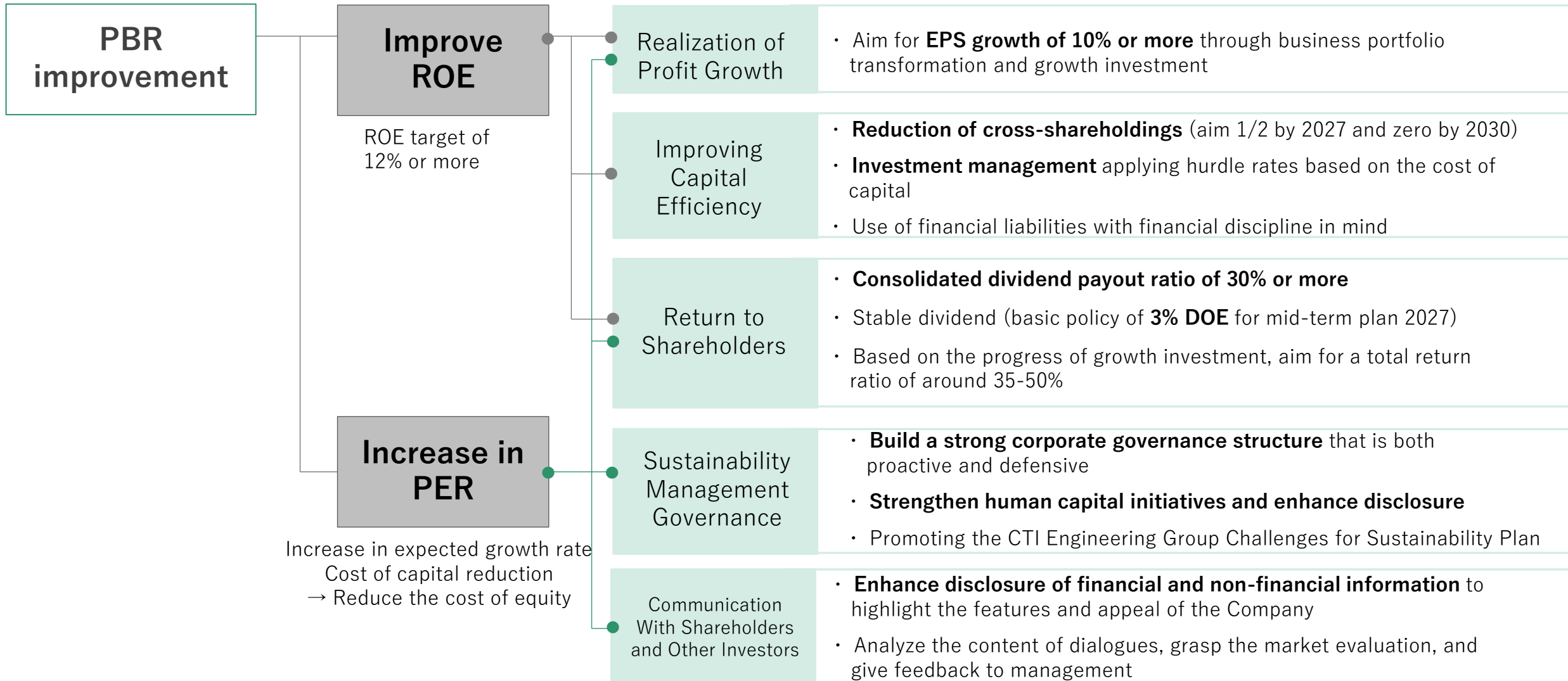
Ministry of Land, Infrastructure, Transport and Tourism Allocation: JPY 2.1 trillion (9.1% increase from the previous year)
Of which, the first-year allocation for the First Medium-Term Plan for National Resilience : JPY 1.2 trillion

(Cabinet Decision: November 28, 2025)

- **Unit rate for consulting engineers:** Uniform nationwide rates used for estimating costs in design, surveying, and geological consulting services commissioned by the Ministry of Land, Infrastructure, Transport and Tourism. These rates are established based on annual salary surveys
- **FY2025 Figures :** The simple average across all job categories was JPY 49,570, 5.7% increased from the previous fiscal year




- By steadily implementing the Mid-Term Management Plan, which focuses on business portfolio reform and reconstruction of the foundation for growth, and by conducting management aimed at improving capital efficiency. Aim to achieve ROE target + improve PER → improve PBR



- Specific results and future strategies for improving ROE and PER are as follows
- Further accelerating our initiatives toward driving PBR growth by achieving ROE targets and improving PER

Action Items and Directions	Progress in 2025	Future Actions
<p>Realisation of profit growth</p> <ul style="list-style-type: none"> • Aim for EPS growth of 10% or more through business portfolio transformation and growth investment 	<ul style="list-style-type: none"> • Achieved Business Portfolio Transformation and Sales growth under the Mid-Term Management Plan 2027 • No execution of M&A deals following investment criteria review • Negative EPS growth 	<ul style="list-style-type: none"> • Deliver steady profit growth through the execution of our growth strategies • Conduct a further scrutiny of the business environment to improve profitability by accelerating Business Portfolio Transformation and DX promotion • Reduce the SG&A expenses ratio
	<ul style="list-style-type: none"> • Reduction of cross-shareholdings (Aiming to reduce by half by 2027 and zero by 2030) 	<ul style="list-style-type: none"> • Aiming to reduce cross-shareholdings by half by 2027, we will continue to further decrease our positions
<p>Improvement of capital efficiency</p> <ul style="list-style-type: none"> • Investment management applying hurdle rates based on the cost of equity 	<ul style="list-style-type: none"> • Established basic policies for investment decision criteria and management rules for M&A and business investments • Set target returns for each investment objective • Decided to acquire treasury stock as there were no growth investment implementation 	<ul style="list-style-type: none"> • Implement and monitor investment activities in accordance with the basic policy
<ul style="list-style-type: none"> • Utilisation of financial debt with a focus on financial discipline 	<ul style="list-style-type: none"> • Close communication with financial institutions 	<ul style="list-style-type: none"> • Consider flexible utilisation of financial debt depending on investment opportunities and cash positions

Action Items and Directions	Progress in 2025	Future Actions
<p style="text-align: center;">Shareholder returns</p> <ul style="list-style-type: none"> • Consolidated dividend payout ratio of 30% or more • Stable dividends (Basic policy: DOE of 3% during the Mid-Term Management Plan 2027 period) • Implement shareholder returns with a target total payout ratio of approximately 30-35%, based on the progress of growth investment 	<ul style="list-style-type: none"> • Dividend per share : JPY 75 • Dividend payout ratio : 35.0% • DOE : 3.2% • Total payout ratio : 45.4% • Currently executing acquisition of treasury shares up to JPY 1.5 billion or 700,000 shares (Acquisition period: From November 2025 to April 2026) 	<ul style="list-style-type: none"> • Continue to implement shareholder returns with a dividend payout ratio of 30% or more as minimum • Flexibly implement additional returns to aim for a target CAGR 2024-2027 of 10% or more
<p style="text-align: center;">Sustainability Governance</p> <ul style="list-style-type: none"> • Establish a strong group governance for both offensive and defensive perspectives • Strengthen human capital initiatives and enhance disclosures • Promote the CTI Engineering Group Challenges for Sustainability Plan 	<ul style="list-style-type: none"> • Organisational reform implemented. Audit Office and Legal & Compliance department moved to under direct supervision of the President • Established Corporate Governance Committee to improve the effectiveness of the Board of Directors • Enhanced disclosure in the Integrated Report 2025 • Achieved JPY 36.4 billion in Sales for climate change-related services • GHG emissions are currently being calculated 	<ul style="list-style-type: none"> • Foster a thorough risk and compliance awareness, aiming for zero incidents of serious misconduct • Strengthen and enforce internal control systems across the group companies • Further enhance disclosure by referencing best practices from other companies • Achieve 45% reduction by 2027
<p style="text-align: center;">Communication with Shareholders and Investors</p> <ul style="list-style-type: none"> • Enhance disclosure of both financial and non-financial information to promote our company strengths • Analyse the content of dialogues to understand market perceptions and provide feedback to management 	<ul style="list-style-type: none"> • Strengthen IR and SR activities <div style="border: 1px solid black; padding: 5px; display: inline-block; margin-top: 10px;"> <p>Refer to next page for details of initiatives</p>  </div>	<ul style="list-style-type: none"> • Enhance opportunities for dialogue with investors • Provide continuous feedback to management

- Actively approaching institutional and individual investors as outlined below
- Opinions obtained through dialogue with investors are regularly reported to the Board of Directors to discuss actions and reflect future IR activities

Status of Dialogue with investors and shareholders (Annual Total)

Institutional investors and analysts:	57 times (58 times in the previous year)
Opportunities for dialogue with individual investors (excluding the General Meeting of Shareholders) :	March: Individual investor information session September: Nikkei & TSE IR Fair

Main Representatives from the Company

Institutional investor interviews	CEO · Director in charge of IR
Financial Results Briefing	CEO
Briefing for individual investors	Director in charge of IR
IR event	CEO · Director in charge of IR
Internal Financial Results Briefing	CEO
SR Interview	Director in charge of IR · IR/SR staff

Feedback to management

- Report the results of IR and SR activities to the Board of Directors 2-4 times a year
- Discussing and considering countermeasures for feedback from investors and shareholders and implementing them to the greatest extent possible.

Key topics and shareholders interests

- Details of Mid-Term Management Plan 2027
- Constructing engineer industry, market environment
- Our business model, strengths and business portfolio
- Overseas Business Strategy
- M&A Policy
- Capital allocation
- Dividends policy
- Orders received for work related to water supply and sewage and the Ministry of Defense

Examples of results of dialogue with institutional investors and shareholders

Disclosure	<ul style="list-style-type: none"> • Disclosure of financial results briefing transcripts and Q&A summaries (Japanese/English) • Publication of the Integrated Report (Japanese/English) • Same-day English disclosure for all key filing documents • Information dissemination utilising the PR tools of TSE TDnet
Capital Policy	<ul style="list-style-type: none"> • Disclosure of Capital Allocation • Disclosure of Investment Policy
stock	<ul style="list-style-type: none"> • Execution of a stock split (Common stock split from 1 share to 2 shares)

Inclusion in Index structure

- Selected as a constituent of the JPX-NIKKEI Mid and Small Index (for one year from August 2025)

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.

- 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

63rd 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	3,534	-14.7	46,626	15.9	48,248	3.5	46,760	-3.1
Nov.	1,823	11.7	1,986	9.0	3,174	59.8	33,962	6.9	33,303	-1.9	37,855	13.7
Dec.	1,451	-34.7	2,310	59.2	2,680	16.0	36,562	2.5	34,013	-7.0	35,018	3.0

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

(2) Cumulative Orders Received

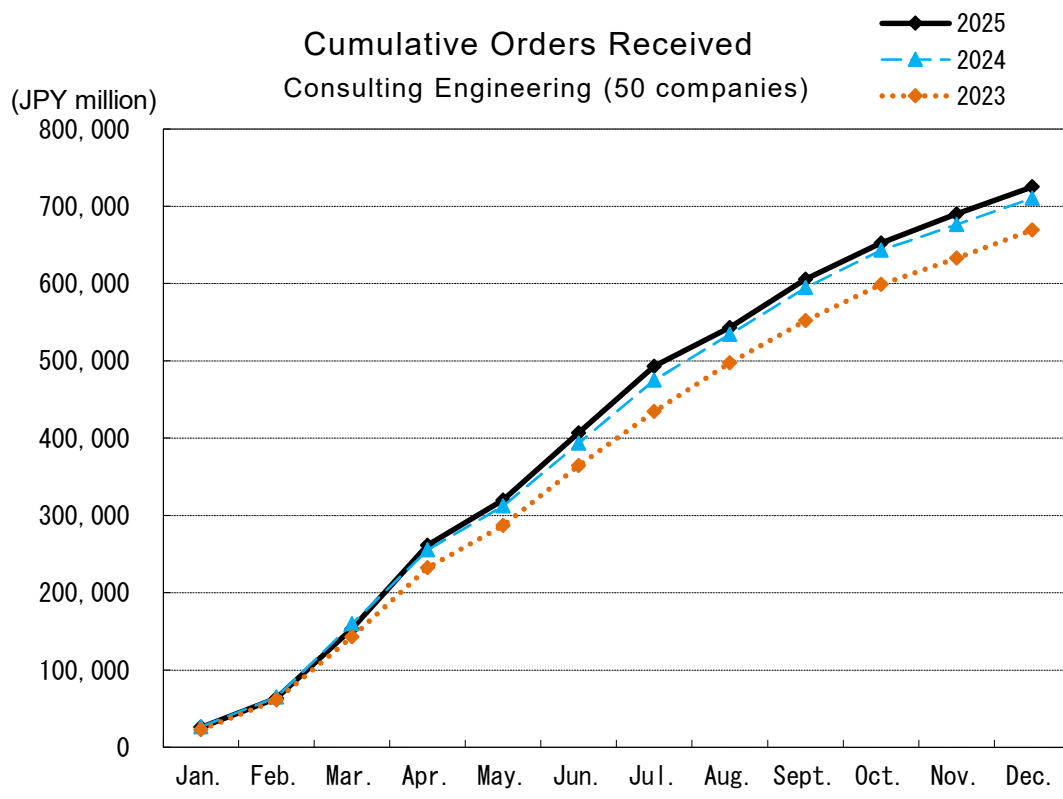
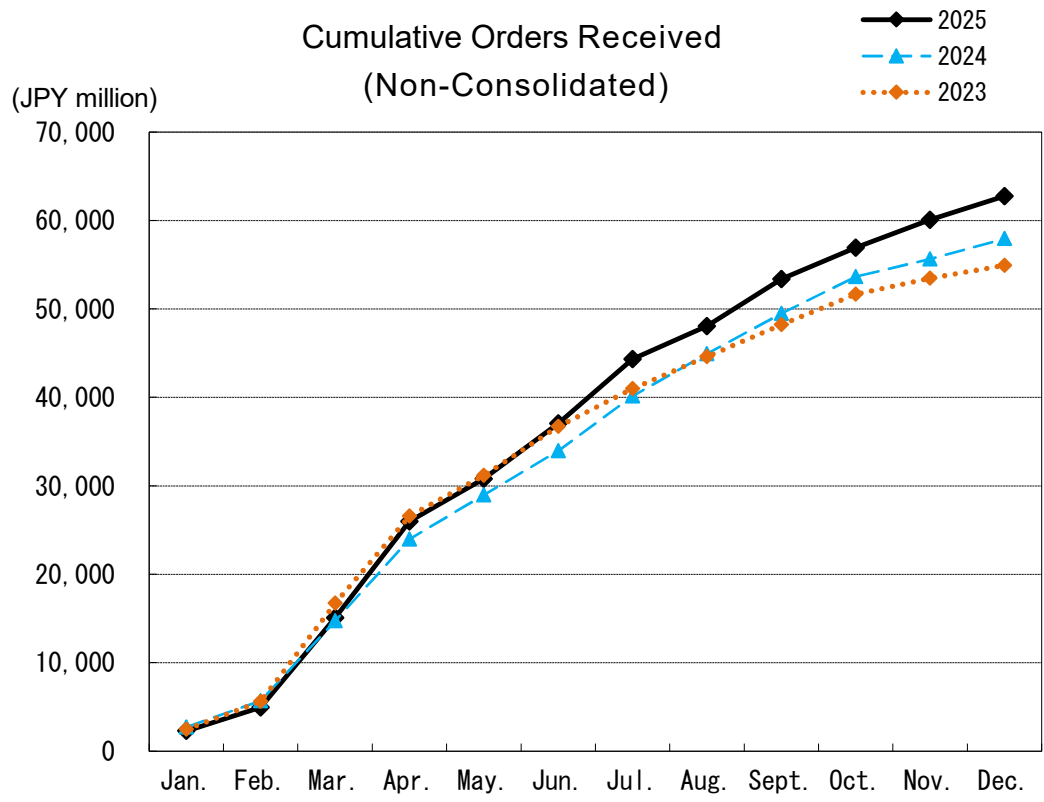
(JPY million, rounded down to the nearest million, %)

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	56,905	6.1	598,724	8.9	643,054	7.4	652,242	1.4
Nov.	53,479	9.1	55,639	4.0	60,079	8.0	632,686	8.8	676,357	6.9	690,097	2.0
Dec.	54,930	7.2	57,949	5.5	62,760	8.3	669,248	8.4	710,370	6.1	725,115	2.1

* Reference data: Consolidated Orders Received

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

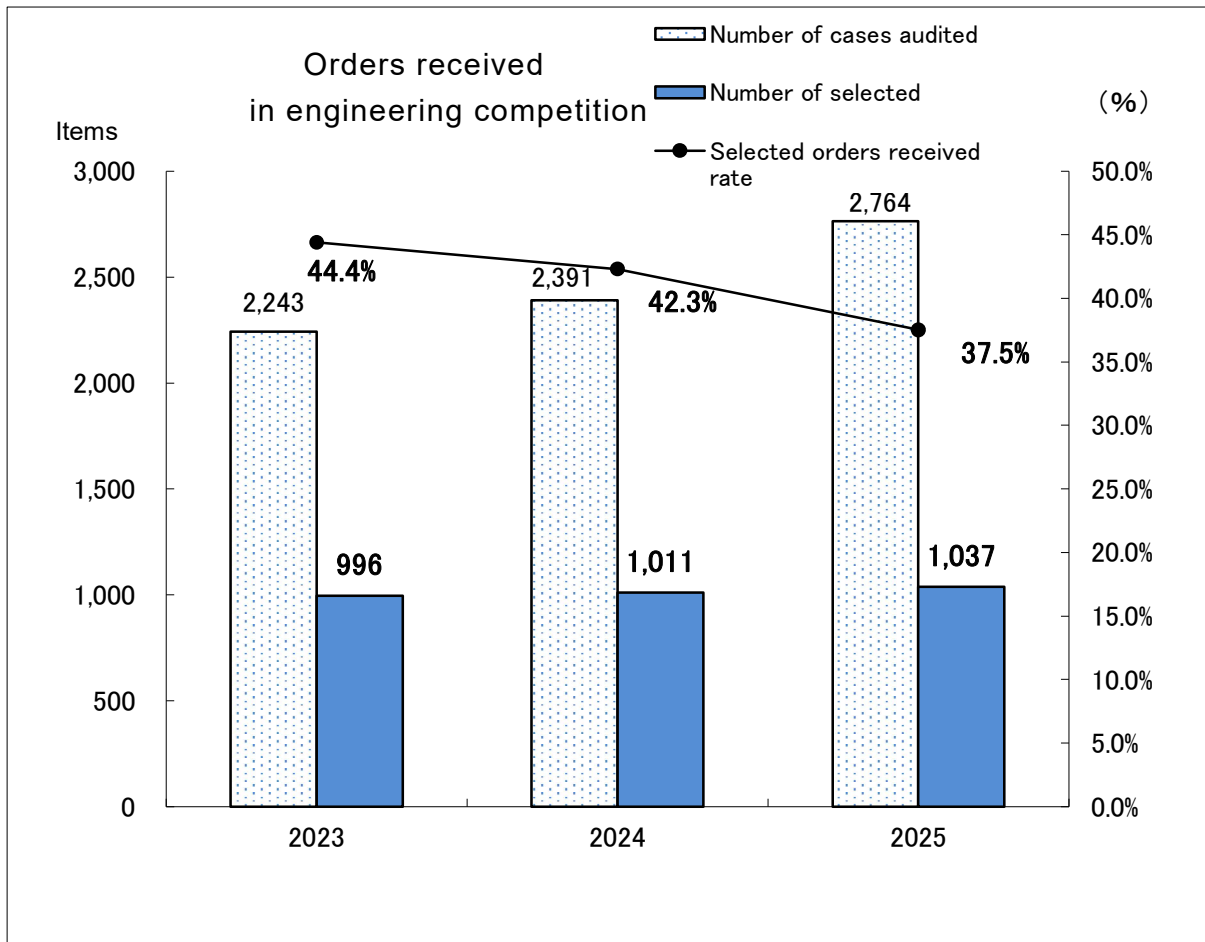
	2023		2024		2025	
	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)
Full Year (January to December)	92,473	7.7	94,400	2.1	109,701	16.2



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

(3) Orders Received of Proposals and Comprehensive Evaluation bid (Non-Consolidated)
(Items,%)

FY	2023 (2023.1 to 12)	2024 (2024.1 to 12)	2025 (2025.1 to 12)
Number of cases audited	2,243	2,391	2,764
Number of selected	996	1,011	1,037
Selected orders received rate	44.4%	42.3%	37.5%



2. Results by Business Sector (Consolidated)

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

FY	Business Sector	Beginning balance of orders carried forward	Orders received	change (YoY)	Sales Amount	Composition ratio	change (YoY)	Gross profit	Gross Profit Margin%	Balance of orders carried forward
2023	Water & Land	15,169	22,323	5.8	23,544	25.3	16.4	8,995	38.2	14,644
	Transportation & Urban	13,675	19,427	4.2	19,976	21.6	4.4	5,297	26.5	13,568
	Environmental & Social	8,608	15,244	1.0	16,229	17.4	11.3	4,932	30.4	7,689
	Construction Mgmt.	2,274	5,165	54.1	4,723	5.0	12.2	1,855	39.3	2,953
	Overseas	25,034	30,312	9.4	28,583	30.7	12.9	5,979	20.9	26,497
	Total	64,761	92,473	7.7	93,057	100.0	11.5	27,060	29.1	65,353
2024	Water & Land	14,644	23,691	6.1	24,919	25.6	5.8	9,598	38.5	13,579
	Transportation & Urban	13,568	21,417	10.2	21,001	21.5	5.1	5,586	26.6	13,614
	Environmental & Social	7,689	16,472	8.1	16,361	16.7	0.8	4,941	30.2	7,672
	Construction Mgmt.	2,953	4,142	(19.8)	4,662	4.7	(1.3)	1,645	35.3	2,341
	Overseas	26,497	28,676	(5.4)	30,733	31.5	7.5	6,656	21.7	25,419
	Total	65,353	94,400	2.1	97,678	100.0	5.0	28,427	29.1	62,626
2025	Water & Land	13,905	25,441	7.4	25,542	25.3	2.5	9,312	36.5	13,979
	Transportation & Urban	13,940	23,561	10.0	22,158	21.9	5.5	6,295	28.4	15,554
	Environmental & Social	7,835	17,391	5.6	16,850	16.7	3.0	5,081	30.2	8,562
	Construction Mgmt.	2,341	6,015	45.2	5,173	5.1	10.9	1,891	36.6	3,104
	Overseas	25,419	37,290	30.0	31,313	31.0	1.9	7,000	22.4	31,031
	Total	63,442	109,701	16.2	101,038	100.0	3.4	29,580	29.3	72,231

(Forecast [FY2026])

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

FY	Business Sector	Beginning balance of orders carried forward	Orders received	change (YoY)	Sales Amount	Composition ratio	change (YoY)	Gross profit	Gross Profit Margin%	Balance of orders carried forward
Forecast 2026	Water & Land	13,979	25,600	0.6	25,100	24.0	(1.7)	9,200	36.7	14,479
	Transportation & Urban	15,554	23,600	0.2	23,500	22.4	6.1	7,200	30.6	15,654
	Environmental & Social	8,562	18,100	4.1	17,900	17.0	6.2	5,600	31.3	8,762
	Construction Mgmt.	3,104	4,700	(21.9)	5,500	5.2	6.3	2,000	36.4	2,304
	Overseas	31,031	33,000	(11.5)	33,000	31.4	5.4	7,000	21.2	31,031
	Total	72,231	105,000	(4.3)	105,000	100.0	3.9	31,000	29.5	72,231

[Disclaimer]

These presentation materials contain forward-looking statements concerning plans, forecasts, corporate strategies, etc., and reflect information available to the company at the time this results presentation was published and are based on assumptions deemed reasonable by management.

In light of the uncertainties inherent in these judgements and assumptions – resulting from possible changes in the overall economic climate, government policies affecting our business, changes to the tax code and in other policy areas, changes in the geopolitical climate, etc. – the Company's actual financial results could differ materially from these forward-looking statements.