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Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]



August 12, 2025

Company name: CTI Engineering Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9621
 URL: <https://www.ctie.co.jp/>
 Representative: Tatsuya Nishimura, Representative Director and President, CEO
 Contact: Toshikazu Matsuoka, Director, Managing Executive Officer, serving as the Chief of Administration
 Headquarters
 Phone: +81-3-3668-4125
 Scheduled date of filing semi-annual securities report: August 13, 2025
 Scheduled date of commencing dividend payments: —
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Scheduled (for analysts)

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 – June 30, 2025)

(1) Consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Sales		Operating income		Ordinary profit		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Six months ended June 30, 2025	50,794	0.1	5,976	(12.0)	6,034	(11.9)	3,779	(22.6)
June 30, 2024	50,746	6.6	6,789	(5.3)	6,853	(6.0)	4,883	(7.7)

(Note) Comprehensive income: Six months ended June 30, 2025: 3,526 million yen [(44.0)%]
 Six months ended June 30, 2024: 6,302 million yen [(3.1)%]

	Net income per share	Net income per share after adjustment of potential shares
	yen	yen
Six months ended June 30, 2025	136.11	—
June 30, 2024	176.05	—

(Note) The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. Net income per share was calculated on the premise that the stock split was conducted at the beginning of the previous fiscal year.

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
As of June 30, 2025	87,917	63,180	71.6
As of December 31, 2024	87,694	61,674	70.1

(Reference) Net worth: As of June 30, 2025: 62,974 million yen
 As of December 31, 2024: 61,453 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2024	yen —	yen 0.00	yen —	yen 150.00	yen 150.00
Fiscal year ending December 31, 2025	—	0.00			
Fiscal year ending December 31, 2025 (Forecast)			—	75.00	75.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. Dividends for the fiscal year ended December 31, 2024 are presented at pre-stock-split amounts actually paid.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 - December 31, 2025)

(% indicates changes from the previous corresponding period.)

	Sales		Operating income		Ordinary profit		Net income attributable to owners of the parent	Net income per share
Full year	million yen	%	million yen	%	million yen	%	million yen	yen
	100,000	2.4	10,000	6.4	10,000	4.9	6,300 (6.6)	226.77

(Note) Revision to the financial results forecast announced most recently: Yes

* For the consolidated financial results forecast, please see “Notice Regarding Recognition of Extraordinary Loss (Impairment Losses) and Revision to Financial Results Forecast” announced on August 12, 2025.

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: – (), Excluded: – ()

(2) Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements: Yes

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: None

3) Changes in accounting estimates: None

4) Retrospective restatement: None

(4) Total number of issued and outstanding shares (common shares)

1) Total number of issued and outstanding shares at the end of the period (including treasury shares):

June 30, 2025: 28,318,172 shares

December 31, 2024: 28,318,172 shares

2) Total number of treasury shares at the end of the period:

June 30, 2025: 526,995 shares

December 31, 2024: 557,716 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Six months ended June 30, 2025: 27,770,661 shares

Six months ended June 30, 2024: 27,739,322 shares

(Note) The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. The total number of issued and outstanding shares at the end of the period, the total number of treasury shares at the end of the period, and the average number of shares during the period were calculated on the premise that the stock split was conducted at the beginning of the previous fiscal year.

* These semi-annual consolidated financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation of the proper use of financial results forecast and other notes

Consolidated financial results forecast made in this document contains forward-looking statements about the future performance of the Company, which are based on the information available to the Company as of the date of release of this document. As such, various factors could cause actual results to differ materially from those discussed in the forward-looking statements.

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended June 30, 2025, the Japanese economy had been recovering moderately, although some areas remain stagnant. Looking ahead, the economy is expected to continue its gradual recovery, backed by improvements in the employment and income environment and the effects of various policies. However, the impact that continued price hikes have exerted on personal consumption through a downturn in consumer confidence and other factors, and the effects of U.S. trade and other policy trends have led to the risk of downward pressure on the Japanese economy. Furthermore, sufficient care will be required with regard to the effects of fluctuations in financial and capital markets and other factors.

With regard to the business environment surrounding the CTI Group, in the Domestic Business, in June 2025 the implementation of Medium-term Business Plan based on the Revised Basic Act for National Resilience Contributing to Preventing and Mitigating Disasters for Developing Resilience in the Lives of the Citizenry was formulaed, and also the “Comprehensive Economic Measures to Foster the Safety and Security of Citizens and Sustained Growth,” which, approved by the Diet in November 2024, includes “Recovery and Reconstruction from Natural Disasters” and “Promotion of Disaster Prevention and Mitigation and National Resilience.” The fiscal 2025 national budget for public works for disaster prevention/mitigation and national land resilience is set to remain at the same level as in the previous fiscal year, and accordingly, the promotion of disaster prevention/mitigation measures such as river basin flood control and climate change adaption as well as of measures against aging infrastructure such as river and road maintenance projects is forecast to continue. Furthermore, social demands for construction, including the recovery and reconstruction after the Noto Peninsula Earthquake, regional revitalization, national defense, promotion of DX (digital transformation), and carbon neutrality will further increase, but it will also be necessary to keep a close eye on the future direction in light of the political instability.

In the Overseas Business, in the main area where CTI Engineering International Co., Ltd. conducts its business activities, Southeast Asia, expectations are for generally solid growth, although in the UK, the primary business activity area for Waterman Group Plc, the business environment is uncertain due to the impact of the situations in Ukraine and the Middle East, with the rate of economic growth expected to decline and the inflation rate projected to remain high for a prolonged period. Furthermore, expenses are expected to rise due to the increased corporate burden of national health insurance under the Labour Party administration.

Within this business environment, the Group formulated its Mid-Term Management Plan 2027 in light of a review of the Mid-Term Management Plan 2024 and the business plan for the fiscal year under review. In the 63rd term (2025), the initial year of Med-Term Management Plan 2027, the Group has set forth the following priority agenda items: 1) Business Portfolio Transformation (a. Deepening of Core Businesses; b. Acceleration of Growth Areas; c. Exploration of New Businesses; and d. Overseas Business Development); and 2) Rebuild of Foundation for Growth (a. Strengthening Investment in Human Capital; b. DX/Production system Reform; c. Challenges for Sustainability; and d. Strengthening Group Governance). Through steady implementation of these initiatives, the Group aims to make great strides forward as a “Global Infrastructure Solutions Group” that contributes to the development of a sustainable society.

Orders Received by the Group during the period under review increased by 11.7% YoY to 60,917 million yen (54,545 million yen for the corresponding period of the previous year). Meanwhile, Sales amounted to 50,794 million yen (50,746 million yen for the corresponding period of the previous year), which is equivalent to 50.8% of the sales forecast for the fiscal year ending December 31, 2025. Ordinary Profit amounted to 6,047 million yen (6,853 million yen for the corresponding period of the previous year), or 60.5% of the full-year forecast for Ordinary Profit, and Net Income Attributable to Owners of the Parent was 3,614 million yen (4,883 million yen for the corresponding period of the previous year), or 60.2% of the full-year forecast for Net Income Attributable to Owners of the Parent.

(2) Explanation of Financial Position

(Assets)

At the end of the period under review, the Group's total assets totaled 87,661 million yen, a decrease of 32 million yen compared to the end of the previous fiscal year. This was mainly due to a decrease in "notes receivable, completed work receivables and contract assets," despite an increase in "cash and bank deposits."

(Liabilities)

Total liabilities at the end of the period under review were 24,646 million yen, a decrease of 1,372 million yen compared to the end of the previous fiscal year. This was mainly due to decreases in "reserve for bonuses," "accounts payable," and "short-term borrowings," while "accrued income taxes" and "contract liabilities" increased.

(Net assets)

Net assets at the end of the period under review totaled 63,014 million yen, an increase of 1,340 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in "profit surplus" resulting from the posting of "net income attributable to owners of the parent," while "remeasurements of defined benefit plans" decreased.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information

The Company has revised its consolidated financial results forecast for the fiscal year ending December 31, 2025 released on February 14, 2025. For details, please see "Notice Concerning Recording of extraordinary loss (Impairment Losses) and the Revision to Financial Results Forecast" released on August 12, 2025.

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2024)	Six Months Ended June 30, 2025 (as of June 30, 2025)
Assets		
Current assets		
Cash and bank deposits	15,523	29,197
Notes receivable, completed work receivables and contract assets	40,053	26,904
Prepaid expenses for uncompleted services	97	120
Other	1,809	1,623
Allowance for doubtful accounts	-516	-554
Total current assets	56,967	57,291
Fixed assets		
Tangible fixed assets		
Land	4,903	4,601
Other, net	6,274	7,036
Total tangible fixed assets	11,178	11,637
Intangible fixed assets		
Goodwill	6,874	6,606
Other	372	335
Total intangible fixed assets	7,246	6,942
Investments and other assets		
Other	12,432	12,152
Allowance for doubtful accounts	-131	-106
Total investments and other assets	12,301	12,046
Total fixed assets	30,726	30,626
Total assets	87,694	87,917
Liabilities		
Current liabilities		
Accounts payable	3,609	1,732
Short-term borrowings	1,990	440
Accrued income taxes	1,144	2,115
Contract liabilities	4,048	4,941
Reserve for bonuses	3,490	1,381
Reserve for bonuses to directors	219	84
Allowance for losses in operations	90	131
Other	7,739	9,671
Total current liabilities	22,333	20,498
Fixed liabilities		
Long-term borrowings	119	99
Provision for warranties for completed operation	452	512
Net defined benefit liability	898	926
Provision for loss on guarantees	27	-
Asset retirement obligations	302	819
Other	1,884	1,880
Total fixed liabilities	3,686	4,238
Total liabilities	26,019	24,737

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2024)	Six Months Ended June 30, 2025 (as of June 30, 2025)
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	3,650	3,670
Profit surplus	49,318	51,016
Treasury stock	-890	-841
Total shareholders' equity	55,104	56,872
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	1,781	1,827
Foreign currency translation adjustment	2,549	2,540
Remeasurements of defined benefit plans	2,017	1,734
Total accumulated other comprehensive income	6,348	6,102
Non-controlling interests	221	205
Total net assets	61,674	63,180
Total liabilities and net assets	87,694	87,917

(2) Semi-annual Consolidated Profit and Loss Account and Semi-annual Consolidated Statements of Comprehensive Income
Semi-annual Consolidated Profit and Loss Account

(million yen)

	Six Months Ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Six Months Ended June 30, 2025 (from January 1, 2025 To June 30, 2025)
Sales	50,746	50,794
Cost of sales	34,761	34,839
Gross profit	15,985	15,955
Selling, general and administrative expenses	9,195	9,978
Operating income	6,789	5,976
Non-operating revenues		
Interest earned	34	43
Dividend earned	49	56
House rent earned	19	19
Other	29	100
Total non-operating revenues	132	219
Non-operating expenses		
Interest expense	31	50
Foreign exchange losses	25	76
Other	11	34
Total non-operating expenses	68	161
Ordinary profit	6,853	6,034
Extraordinary gain		
Gain on sale of investment securities	8	333
Gain on liquidation of subsidiaries and associates	9	-
Other	1	0
Total extraordinary gain	19	333
Extraordinary loss		
Loss from fixed assets disposal	18	17
Impairment losses	-	432
Loss on liquidation of subsidiaries and associates	-	88
Unrealized loss on investment securities	-	42
Provision for loss on guarantees	10	-
Other	1	0
Total extraordinary loss	30	581
Net income before income tax	6,842	5,787
Income taxes	1,938	2,001
Net income	4,903	3,785
Net income attributable to non-controlling interests	19	5
Net income attributable to owners of the parent	4,883	3,779

Semi-annual Consolidated Statements of Comprehensive Income

(million yen)

	Six Months Ended June 30, 2024 (from January 1, 2024 to June 30, 2024)	Six Months Ended June 30, 2025 (from January 1, 2025 to June 30, 2025)
Net income	4,903	3,785
Other comprehensive income		
Other valuation difference on available-for-sale securities	374	46
Foreign currency translation adjustment	1,186	-21
Remeasurements of defined benefit plans, net of tax	-162	-283
Total other comprehensive income	1,398	-258
Comprehensive income	6,302	3,526
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	6,259	3,533
Comprehensive income attributable to non-controlling interests	42	-6

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Accounting methods adopted particularly for the preparation of semi-annual consolidated financial statements)

(Calculation of tax expenses)

The Company calculates tax expenses by multiplying net income before income tax for the period under review by a reasonably estimated effective tax rate for net income before income tax for the fiscal year ending December 31, 2025 after the application of tax effect accounting.

(Changes in accounting policies)

(Application of Accounting Standard for Corporate Tax, Inhabitant Tax and Enterprise Tax, etc.)

The "Accounting Standard for Corporate, Inhabitant and Enterprise Taxes" (ASBJ Statement No. 27, October 28, 2022. Hereinafter referred to as the "Revised Accounting Standard 2022") The "Accounting Standard for Income Taxes" (ASBJ Statement No. 27, October 28, 2022) is applied from the beginning of the six-month period of the current fiscal year.

With respect to the revision regarding the classification of income taxes (taxation on other comprehensive income), the transitional treatment stipulated in the proviso of paragraph 20-3 of the Revised Accounting Standard for 2022 and the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022, hereinafter referred to as the "Guidance on the Revised 2022 Accounting Standard") have been applied. The "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the "2022 Revised Guidance") The transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the "Guidance on Accounting Standard for Tax Effect Accounting" (ASBJ Guidance No. 28, October 28, 2022) is followed. This change has no impact on the semi-annual consolidated financial statements.

In addition, the Company has applied the 2022 Revised Guidance on Accounting Standard for Taxation of Sales of Subsidiaries' Stock, etc. between Consolidated Companies, effective as of the beginning of the six-month period of the current fiscal year. The change in accounting policy has been applied retrospectively, and the semi-annual consolidated financial statements and consolidated financial statements for the previous year's six-month period and the previous fiscal year have been prepared on a retrospective basis. There is no effect of this change on the semi-annual consolidated financial statements for the previous year's six-month period and the consolidated financial statements for the previous fiscal year.

(Notes to Semi-annual Consolidated Profit and Loss Account)

Six Months Ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

The Group recognized impairment losses on the following asset groups.

Company	Location	Use	Type	Impairment losses (million yen)
CTI Engineering Co., Ltd.	Saitama City, Saitama	Idle assets (employee dormitory)	Land Buildings and structures	432

The Group classifies asset groups based on management accounting categories. Operating assets are grouped by independent accounting units such as the head office and branches of each company, while idle assets are grouped on a property-by-property basis.

During the six months ended June 30, 2025, the book value of the above idle assets, which are no longer expected to be utilized, were written down to their recoverable amounts and the resulting decrease in book value was recognized as impairment losses under extraordinary loss.

(Notes on segment information, etc.)

[Segment Information]

Six Months Ended June 30, 2024 (from January 1, 2024 to June 30, 2024)

1. Information on the amounts of sales and profit (loss) by reportable segment

(million yen)

	Reporting segments			Adjustments (Note 1)	Book value on the Semi-annual Consolidated Profit and Loss Account (Note 2)
	Domestic consulting engineering business	Overseas consulting engineering business	Total		
Sales					
Sales to outside customers	35,493	15,253	50,746	—	50,746
Inter-segment sales or transfers	22	1	23	-23	—
Total	35,515	15,254	50,770	-23	50,746
Segment income	6,494	296	6,791	-1	6,789

- (Notes) 1. Inter-segment sales or transfers (-23 million yen) and adjustments to segment income (-1 million yen) are attributable to inter-segment eliminations.
2. Segment income is reconciled with operating income in the Semi-annual Consolidated Profit and Loss Account.

Six Months Ended June 30, 2025 (from January 1, 2025 to June 30, 2025)

1. Information on the amounts of sales and profit (loss) by reportable segment

(million yen)

	Reporting segments			Adjustments (Note 1)	Book value on the Semi-annual Consolidated Profit and Loss Account (Note 2)
	Domestic consulting engineering business	Overseas consulting engineering business	Total		
Sales					
Sales to outside customers	35,826	14,967	50,794	—	50,794
Inter-segment sales or transfers	20	14	34	-34	—
Total	35,846	14,982	50,829	-34	50,794
Segment income	5,937	41	5,978	-1	5,976

- (Notes) 1. Inter-segment sales or transfers (-34 million yen) and adjustments to segment income (-1 million yen) are attributable to inter-segment eliminations.
2. Segment income is reconciled with operating income in the Semi-annual Consolidated Profit and Loss Account.

2. Information on impairment losses on fixed assets or goodwill by reportable segment

(Significant impairment losses on fixed assets)

In the domestic consulting engineering business segment, impairment losses were recognized on idle assets (employee dormitory).

The amount of impairment losses recorded for the six months ended June 30, 2025 was 432 million yen.