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Consolidated Financial Results for the Nine Months Ended September 30, 2025 [Japanese GAAP]



November 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, Administration
 Headquarters
 Phone: +81-3-3668-4125
 Scheduled date of commencing dividend payments: —
 Availability of supplementary explanatory materials on financial results: Available
 Schedule of financial results briefing session: Not scheduled

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

1. Consolidated Financial Results for the Nine Months Ended September 30, 2025 (January 1, 2025 – September 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	%
Nine months ended September 30, 2025	73,270	1.5	6,489	(12.5)	6,602	(11.0)	4,311	(18.1)
September 30, 2024	72,197	4.6	7,419	(11.0)	7,421	(12.1)	5,266	(14.0)

(Note) Comprehensive income: Nine months ended September 30, 2025: 3,943 million yen [(33.3)%]

Nine months ended September 30, 2024: 5,909 million yen [(20.6)%]

	Net income per share	Net income per share after adjustment of potential shares
Nine months ended September 30, 2025	yen 155.20	yen —
September 30, 2024	189.82	—

(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 September 30, 2025	88,332	63,593	71.7
As of December 31, 2024	87,694	61,674	70.1

(Reference) Net worth: As of September 30, 2025: 63,369 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: None

*** 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 quarterly 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):

September 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:

September 30, 2025: 527,177 shares

December 31, 2024: 557,716 shares

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

Nine months ended September 30, 2025: 27,777,459 shares

Nine months ended September 30, 2024: 27,746,460 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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 Quarterly Financial Results

(1) Explanation of Operating Results

During the nine months ended September 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 formulated, 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 an expected decline in the rate of economic growth caused by the impact of the situations in Ukraine and the Middle East, persistently high inflation, and the expected continuation of austerity measures combining tax increases and spending cuts.

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 FY2025 (63rd term), the initial year of Mid-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 15.2% YoY to 88,964 million yen (77,228 million yen for the corresponding period of the previous year). Meanwhile, Sales amounted to 73,270 million yen (72,197 million yen for the corresponding period of the previous year), which is equivalent to 73.3% of the sales forecast for the fiscal year ending December 31, 2025. Ordinary Profit amounted to 6,602 million yen (7,421 million yen for the corresponding period of the previous year), or 66.0% of the full-year forecast for Ordinary Profit, and Net Income Attributable to Owners of the Parent was 4,311 million yen (5,266 million yen for the corresponding period of the previous year), or 68.4% 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 88,332 million yen, an increase of 638 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 24,739 million yen, a decrease of 1,280 million yen compared to the end of the previous fiscal year. This was mainly due to decreases in "accounts payable" and "short-term borrowings," while "contract liabilities" increased.

(Net assets)

Net assets at the end of the period under review totaled 63,593 million yen, an increase of 1,918 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 not revised its consolidated financial results forecast released on August 12, 2025.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2024)	Nine Months Ended September 30, 2025 (as of September 30, 2025)
Assets		
Current assets		
Cash and bank deposits	15,523	23,979
Notes receivable, completed work receivables and contract assets	40,053	32,323
Prepaid expenses for uncompleted services	97	186
Other	1,809	2,117
Allowance for doubtful accounts	-516	-562
Total current assets	56,967	58,043
Fixed assets		
Tangible fixed assets		
Land	4,903	4,601
Other, net	6,274	6,969
Total tangible fixed assets	11,178	11,570
Intangible fixed assets		
Goodwill	6,874	6,504
Other	372	324
Total intangible fixed assets	7,246	6,829
Investments and other assets		
Other	12,432	12,005
Allowance for doubtful accounts	-131	-116
Total investments and other assets	12,301	11,889
Total fixed assets	30,726	30,289
Total assets	87,694	88,332
Liabilities		
Current liabilities		
Accounts payable	3,609	2,133
Short-term borrowings	1,990	1,040
Accrued income taxes	1,144	1,415
Contract liabilities	4,048	5,086
Reserve for bonuses	3,490	3,340
Reserve for bonuses to directors	219	133
Allowance for losses in operations	90	130
Other	7,739	7,192
Total current liabilities	22,333	20,473
Fixed liabilities		
Long-term borrowings	119	88
Provision for warranties for completed operation	452	563
Net defined benefit liability	898	949
Provision for loss on guarantees	27	-
Asset retirement obligations	302	828
Other	1,884	1,835
Total fixed liabilities	3,686	4,265
Total liabilities	26,019	24,739

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2024)	Nine Months Ended September 30, 2025 (as of September 30, 2025)
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	3,650	3,668
Profit surplus	49,318	51,547
Treasury stock	-890	-841
Total shareholders' equity	55,104	57,400
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	1,781	1,757
Foreign currency translation adjustment	2,549	2,605
Remeasurements of defined benefit plans	2,017	1,605
Total accumulated other comprehensive income	6,348	5,968
Non-controlling interests	221	224
Total net assets	61,674	63,593
Total liabilities and net assets	87,694	88,332

(2) Quarterly Consolidated Profit and Loss Account and Quarterly Consolidated Statements of Comprehensive Income

Quarterly Consolidated Profit and Loss Account
Nine Months Ended September 30, 2025

(million yen)

	Nine Months Ended September 30, 2024 (from January 1, 2024 to September 30, 2024)	Nine Months Ended September 30, 2025 (from January 1, 2025 to September 30, 2025)
Sales	72,197	73,270
Cost of sales	50,772	51,652
Gross profit	21,425	21,617
Selling, general and administrative expenses	14,006	15,128
Operating income	7,419	6,489
Non-operating revenues		
Interest earned	51	77
Dividend earned	79	85
House rent earned	29	29
Other	33	110
Total non-operating revenues	194	303
Non-operating expenses		
Interest expense	49	71
Foreign exchange losses	103	78
Other	38	40
Total non-operating expenses	191	191
Ordinary profit	7,421	6,602
Extraordinary gain		
Gain on sale of investment securities	8	590
Gain on liquidation of subsidiaries and associates	9	-
Other	2	0
Total extraordinary gain	20	590
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	19	-
Other	1	0
Total extraordinary loss	40	581
Net income before income tax	7,401	6,611
Income taxes	2,105	2,286
Net income	5,295	4,324
Net income attributable to non-controlling interests	28	13
Net income attributable to owners of the parent	5,266	4,311

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended September 30, 2025

(million yen)

	Nine Months Ended September 30, 2024 (from January 1, 2024 to September 30, 2024)	Nine Months Ended September 30, 2025 (from January 1, 2025 to September 30, 2025)
Net income	5,295	4,324
Other comprehensive income		
Other valuation difference on available-for-sale securities	316	-23
Foreign currency translation adjustment	543	54
Remeasurements of defined benefit plans, net of tax	-245	-412
Total other comprehensive income	614	-381
Comprehensive income	5,909	3,943
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	5,880	3,930
Comprehensive income attributable to non-controlling interests	29	12

(3) Notes to Quarterly Consolidated Financial Statements

(Basic important matters for preparation of quarterly consolidated financial statements)

The quarterly consolidated financial statements are prepared in accordance with Article 4, Paragraph 1 of the Standards for the Preparation of Quarterly Financial Statements, etc. of Tokyo Stock Exchange, Inc. as well as the accounting standards for quarterly financial statements generally accepted as fair and appropriate in Japan (however, the omission of descriptions applies, as prescribed in Article 4, Paragraph 2 of the Standards for the Preparation of Quarterly Financial Statements, etc.).

(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 quarterly 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 Tax, Inhabitant Tax and Enterprise Tax, etc." (ASBJ Statement No. 27, October 28, 2022, hereinafter referred to as the "Revised Accounting Standard 2022") has been applied from the beginning of the 1st quarter 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 quarterly 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 1st quarter of the current fiscal year. The change in accounting policy has been applied retrospectively, and the quarterly consolidated financial statements and consolidated financial statements for the previous year's nine-month period and the previous fiscal year have been prepared on a retrospective basis. There is no effect of this change on the quarterly consolidated financial statements for the previous year's nine-month period and the consolidated financial statements for the previous fiscal year.

(Notes to Quarterly Consolidated Profit and Loss Account)

Nine Months Ended September 30, 2025 (from January 1, 2025 to September 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	Dormant 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 dormant assets are grouped on a property-by-property basis.

During the nine months ended September 30, 2025, the book value of the above dormant 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]

Nine Months Ended September 30, 2024 (from January 1, 2024 to September 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 Quarterly Consolidated Profit and Loss Account (Note 2)
	Domestic consulting engineering business	Overseas consulting engineering business	Total		
Sales					
Sales to outside customers	49,361	22,836	72,197	—	72,197
Inter-segment sales or transfers	43	6	49	-49	—
Total	49,404	22,843	72,247	-49	72,197
Segment income	6,934	478	7,413	6	7,419

- (Notes) 1. Inter-segment sales or transfers (-49 million yen) and adjustments to segment income (6 million yen) are attributable to inter-segment eliminations.
2. Segment income is reconciled with operating income in the Quarterly Consolidated Profit and Loss Account.

Nine Months Ended September 30, 2025 (from January 1, 2025 to September 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 Quarterly Consolidated Profit and Loss Account (Note 2)
	Domestic consulting engineering business	Overseas consulting engineering business	Total		
Sales					
Sales to outside customers	50,333	22,936	73,270	—	73,270
Inter-segment sales or transfers	33	14	48	-48	—
Total	50,366	22,951	73,318	-48	73,270
Segment income	6,322	170	6,493	-3	6,489

- (Notes) 1. Inter-segment sales or transfers (-48 million yen) and adjustments to segment income (-3 million yen) are attributable to inter-segment eliminations.
2. Segment income is reconciled with operating income in the Quarterly 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 dormant assets (employee dormitory).

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

(Notes on cash flow statement)

No quarterly consolidated cash flow statement is prepared for the nine months ended September 30, 2025.

The depreciation and amortization (including amortization related to intangible fixed assets) and the amortization of goodwill in the nine months ended September 30 are as follows.

	Nine Months Ended September 30, 2024 (from January 1, 2024 to September 30, 2024)	Nine Months Ended September 30, 2025 (from January 1, 2025 to September 30, 2025)
Depreciation and amortization	1,173 million yen	1,361 million yen
Amortization of goodwill	253 million yen	381 million yen