



3Q/ 62nd Term(2024) **Financial Results**

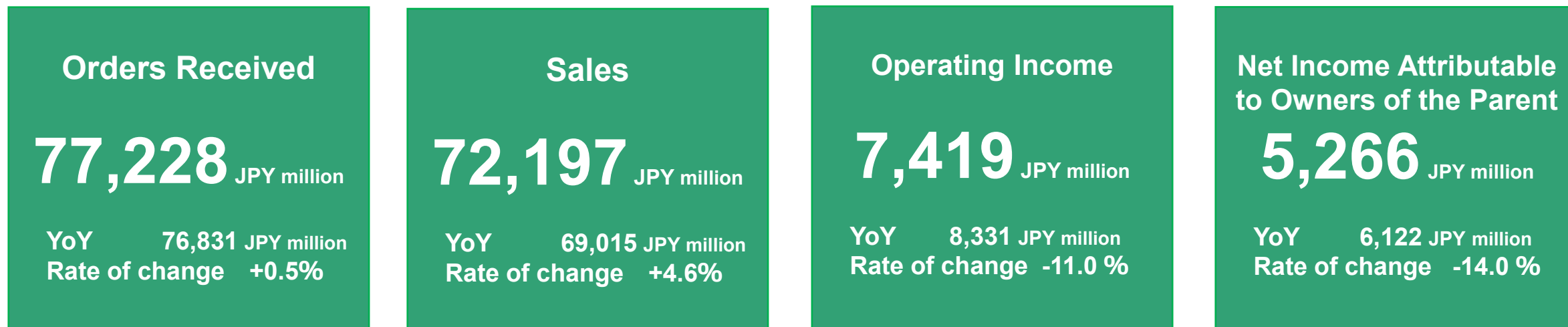
Tokyo Stock Exchange / Code number : 9621

CTI Engineering Co., Ltd.

Nov 12, 2024



Orders Received, Sales, Operating Income and Net Income proceed steadily following with revised full fiscal year forecast.

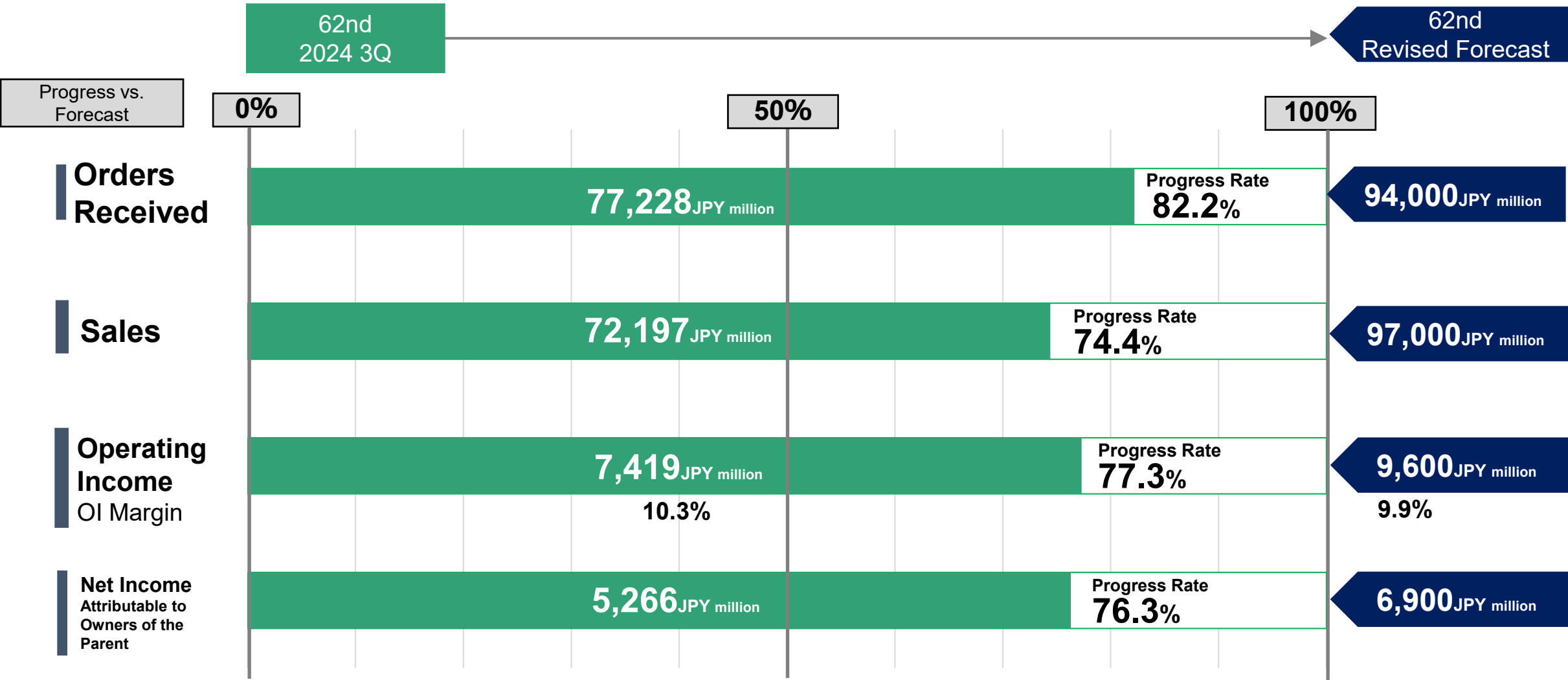


Orders Received	Achieved about 80% of revised forecast. For the end of fiscal year, we plan to take orders received while considering the workload of engineers as initial policy.
Sales	Based on the progress up to 2Q, Sales Continued to be strong and achieved YoY growth.
Operating Income	Enforced “Advance structural transformation and prevent errors” and "Enhance investment” as an initial policy, progressed according to revised forecast.

3Q/62nd Term-Financial Highlight (Progress vs. Forecast)

CTI

Orders Received achieved over 80% of full fiscal year plan that was revised in 2Q.
Sales progressed about 75%, Operating Income and Net Income did about 80%.



3Q/62nd Term-Results Outline (Consolidated)




(JPY million)

Item	61 st Term 2023 3Q	62 nd Term 2024 3Q			62 nd Term 2024 (Revised FY Forecast)	
			Change(¥) (YoY)	Change(%) (YoY)		Progress vs. Forecast (%)
Orders Received	76,831	77,228	+397	+0.5%	94,000	82.2%
Sales	69,015	72,197	+3,181	+4.6%	97,000	74.4%
Operating Income	8,331	7,419	-912	-11.0%	9,600	77.3%
OI Margin	12.1%	10.3%	-	-1.8pt	9.9%	-
Ordinary Profit	8,438	7,421	-1,017	-12.1%	9,700	76.5%
Net Income Attributable to Owners of the Parent	6,122	5,266	-855	-14.0%	6,900	76.3%

Orders Received, Sales and OI are progressing as revised forecast.

- Orders Received progressed to 88.7% of the revised forecast. For the end of fiscal year, we are planning to take orders received while considering the workload of engineers.
- Sales progressed to 74.8% of the revised forecast.
- Operating Income progressed according to revised forecast.


(JPY million)

Item	61 st Term 2023 3Q	62 nd Term 2024 3Q			62 nd Term 2024 (Revised FY Forecast)	
			Change(¥) (YoY)	Change(%) (YoY)		Progress vs. Forecast (%)
Orders Received	53,282	55,426	+2,143	+4.0%	62,500	88.7%
Sales	48,034	49,361	+1,326	+2.8%	66,000	74.8%
Operating Income	7,704	6,934	-769	-10.0%	8,700	79.7%
OI Margin	16.0%	14.0%	-	-2.0pt	13.2%	-

Sales progressed as planned. OI performed low due to higher prices and wages.

- Orders received progressed to 69.2% of revised forecast, Sales progressed to 73.7%, and Operating Income progressed to 53.2%.

(JPY million)

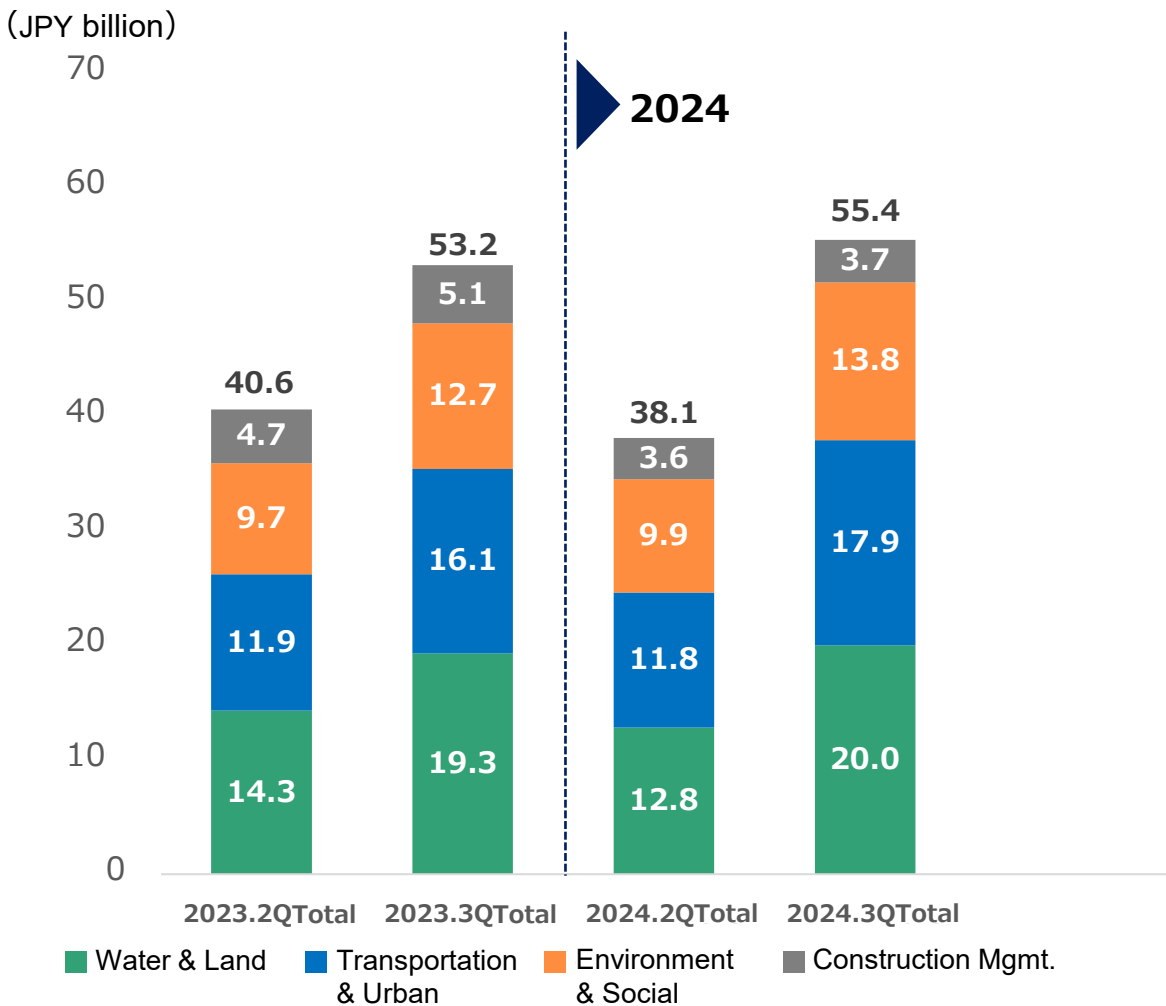
Item	61 st Term 2023 2Q	62 nd Term 2024 2Q			62 nd Term 2024 (Revised FY Forecast)	
			Change(¥) (YoY)	Change(%) (YoY)		Progress vs. Forecast (%)
Orders Received	23,548	21,802	-1,746	-7.4% (-12.4%)	31,500	69.2%
Sales	20,981	22,836	+1,855	+8.8% (-1.1%)	31,000	73.7%
Operating Income	631	478	-153	-24.3% (-31.4%)	900	53.2%
OI Margin	3.0%	2.1%	-	-0.9pt	2.9%	-

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

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

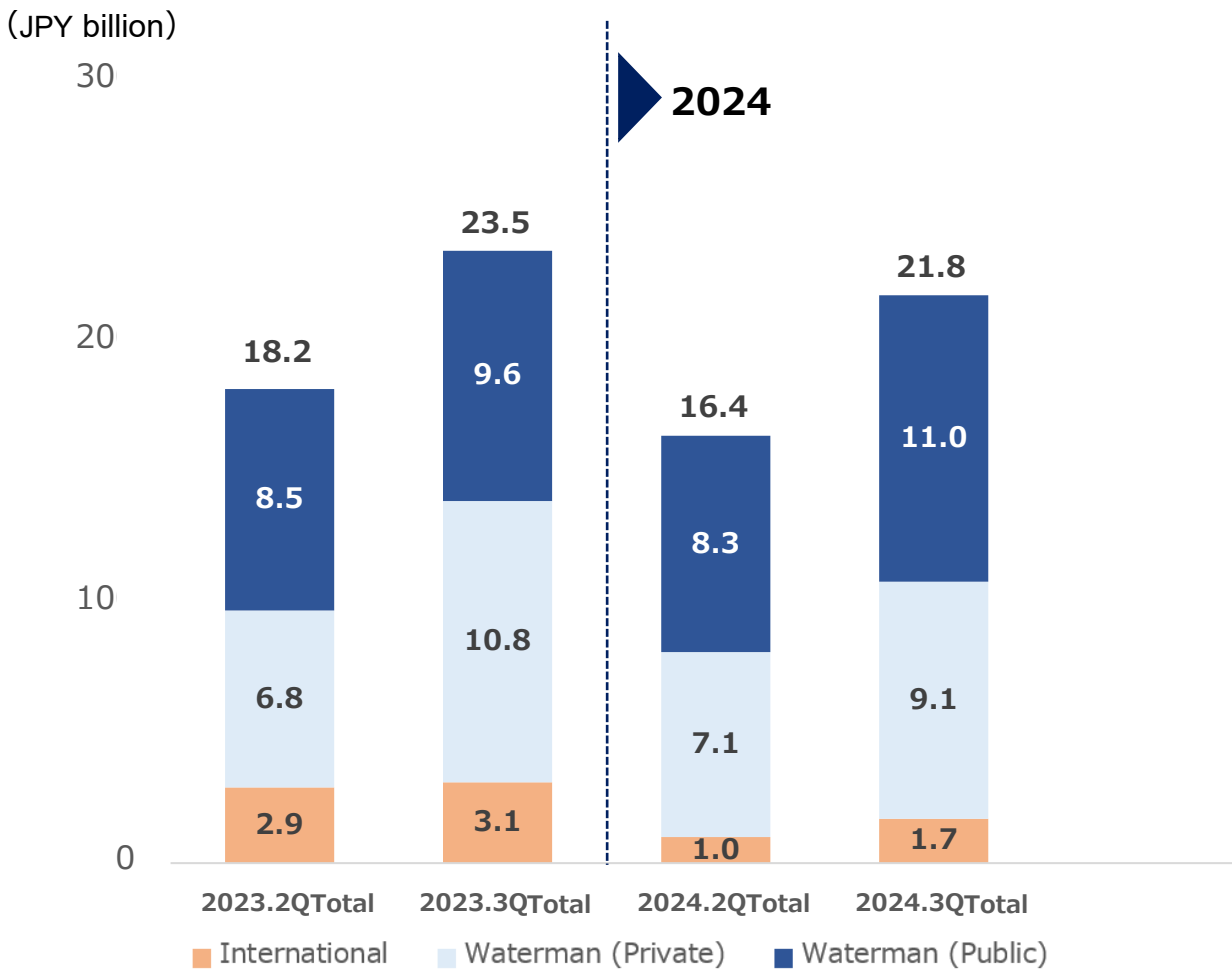
Domestic Orders Received Amount by Sector

- Orders Received achieved 88.7% of revised forecast due to strength of Water & Land, Transportation & Urban and Environment & Social Sector
- Domestic YoY: +4.0%



Overseas Orders Received Amount

- Waterman Private sector fare well, while Private sector facing bit hard
- Delay in large-scale Orders Received of CTI International.
- Overseas YoY: -7.4%



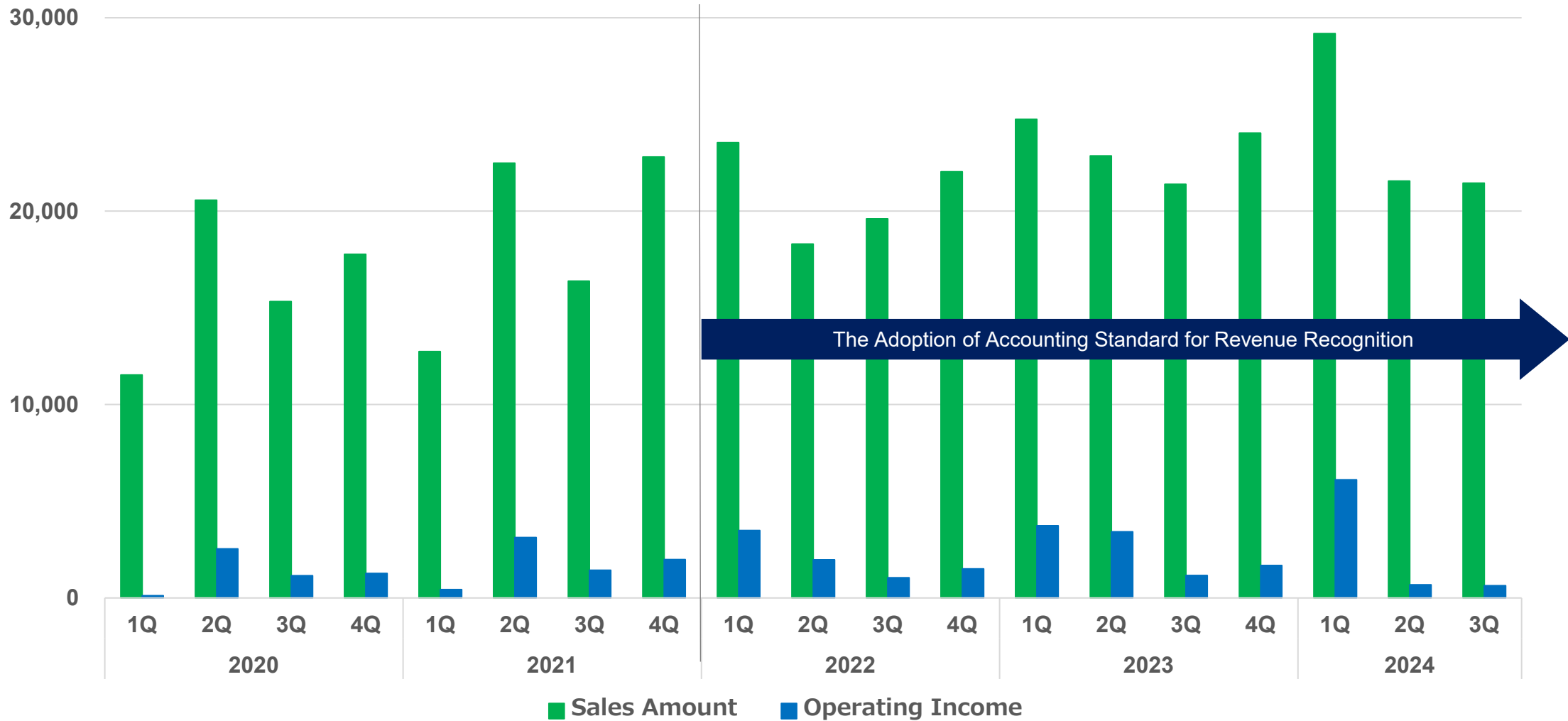
No change since revised in 2Q Financial Results.

(JPY million)

	61 st (2023) LFY Realized	62 nd (2024) Forecast	Change(YoY)	
			Change(¥) (YoY)	Change(%) (YoY)
Consolidated				
Sales	93,057	97,000	+ 3,943	+ 4.2%
Operating Income	10,011	9,600	-411	-4.1%
OI Margin	10.8%	9.9%	-0.9pt	-
Net Income Attributable to Owners of the Parent	7,534	6,900	-634	-8.4%
Non-Consolidated				
Sales	57,439	59,000	+ 1,561	+ 2.7%
Operating Income	8,563	8,400	-163	-1.9%
OI Margin	14.9%	14.2%	-0.7pt	-
Net Income Attributable to Owners of the Parent	6,652	6,500	-152	-2.3%
Dividends	150yen	150yen	-	-

CTI Group has a large number of public projects, leading work progress clustering toward the end of the fiscal year. This, in turn, leads sales and income to cluster in 1Q. (after the adoption of Accounting Standard of Revenue Recognition in 2022)

(JPY million)



Notice Concerning Acquisition of Shares of HIROKEN CONSULTANTS Co., Ltd. (to Make It a Wholly Owned Subsidiary)

We acquired shares of HIROKEN CONSULTANTS Co., Ltd. (“HIROKEN”) and made it our wholly owned subsidiary on November 12, 2024, based on the agreement concluded on October 29, 2024.

Reason for acquisition of shares

Accelerate the business to local governments

Since established in 1978, HIROKEN has been engaged in engineering consulting business, land surveying, geological surveys, and other businesses. And HIROKEN has grown by building trust with a broad client base centered in Hiroshima Prefecture, including the fields of agriculture, forestry, and civil engineering.

By joining our Group through this acquisition of shares (making it a wholly owned subsidiary), we expect that we would accelerate the business to local governments.



The signing ceremony

Left : Kazuhiro Motohiro, Representative Director and President, CEO, HIROKEN CONSULTANTS Co., Ltd.
Right : Tatsuya Nishimura, Representative Director and President, CEO, CTI Engineering Co., Ltd.

Overview of the subsidiary

Name	HIROKEN CONSULTANTS Co., Ltd.
Location	1-7-3 Kawaguchimachi, Fukuyama-shi, Hiroshima-prefecture
Job title and name of representative	Kazuhiro Motohiro, Representative Director and President, CEO
Description of business	Engineering consulting business
Share capital	10 million yen
Date of establishment	August 11, 1978

Future Outlook

Although we expect the impact of this matter is minor on the consolidated financial results for the fiscal year ending December 2024, we will promptly disclose any matter that should be disclosed in the future.

Share Split

We hereby announce that it has resolved, at a meeting of the Board of Directors held on November 12, 2024, to conduct share split.

Split Ratio

2 for 1

Record date : December 31, 2024

Effective date : January 1, 2025

Purpose of share split

We aim to create an environment in which it is easier for investors to invest by lowering the amount per investment unit of our shares, thereby expanding the investor base and improving the liquidity of our shares.

Dividends

Since the share split is effective on January 1, 2025, the year-end dividend for the fiscal year ended December 31, 2024, will be calculated based on the number of shares before the share split.

Partial Amendments to the Articles of Incorporation

With this share split, the total number of authorized shares stipulated in Article 5 of our Articles of Incorporation will be changed from 40 million to **80 million** as of January 1, 2025, pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act.

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

3Q / 62th term (2024)

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)					
	2022		2023		2024		2022		2023		2024	
	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)
Jan.	2,601	48.5	2,468	-5.1	2,725	10.4	22,956	-0.7	22,746	-0.9	26,720	17.5
Feb.	3,489	14.8	3,166	-9.3	2,977	-6.0	32,633	3.0	38,771	18.8	38,410	-0.9
Mar.	9,676	17.7	11,106	14.8	9,046	-18.5	75,636	2.7	81,481	7.7	94,586	16.1
Apr.	8,931	4.8	9,851	10.3	9,230	-6.3	86,832	-17.9	89,173	2.7	95,812	7.4
May	4,927	-1.1	4,571	-7.2	4,985	9.1	49,640	7.7	54,842	10.5	56,577	3.2
Jun.	5,118	-17.2	5,562	8.7	5,010	-9.9	74,485	-6.1	77,547	4.1	81,440	5.0
Jul.	4,287	-20.5	4,279	-0.2	6,170	44.2	63,407	0.2	70,025	10.4	81,564	16.5
Aug.	3,476	-4.0	3,615	4.0	4,795	32.6	51,127	-4.5	62,736	22.7	59,303	-5.5
Sept.	2,892	-30.0	3,603	24.6	4,567	26.7	52,860	2.7	54,777	3.6	60,394	10.3
Oct.	1,970	-23.2	3,431	74.1			40,218	7.7	46,626	15.9		
Nov.	1,631	-14.2	1,823	11.7			31,772	2.9	33,962	6.9		
Dec.	2,222	-28.8	1,451	-34.7			35,675	5.2	36,562	2.5		

(Note) Source: "Dynamic Survey of Construction-Related Industries, etc. (50 consulting engineering companies)" published Ministry of Land, Infrastructure, Transport and Tourism, September 2024

(2) Cumulative Orders Received

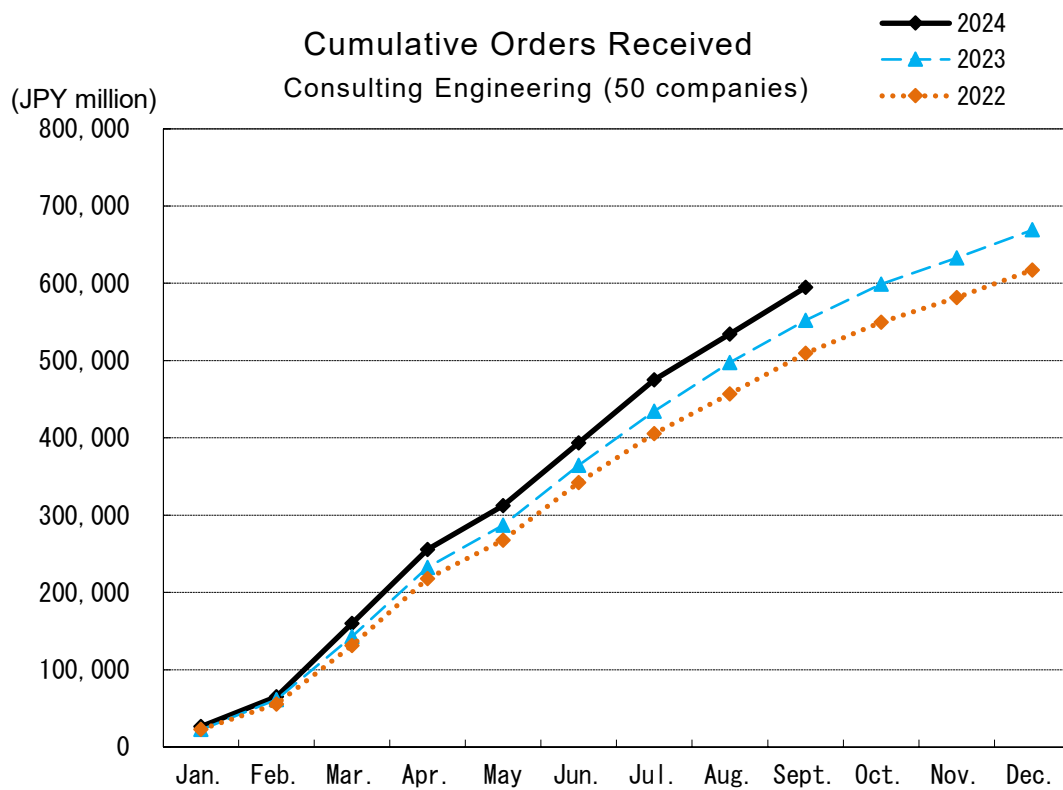
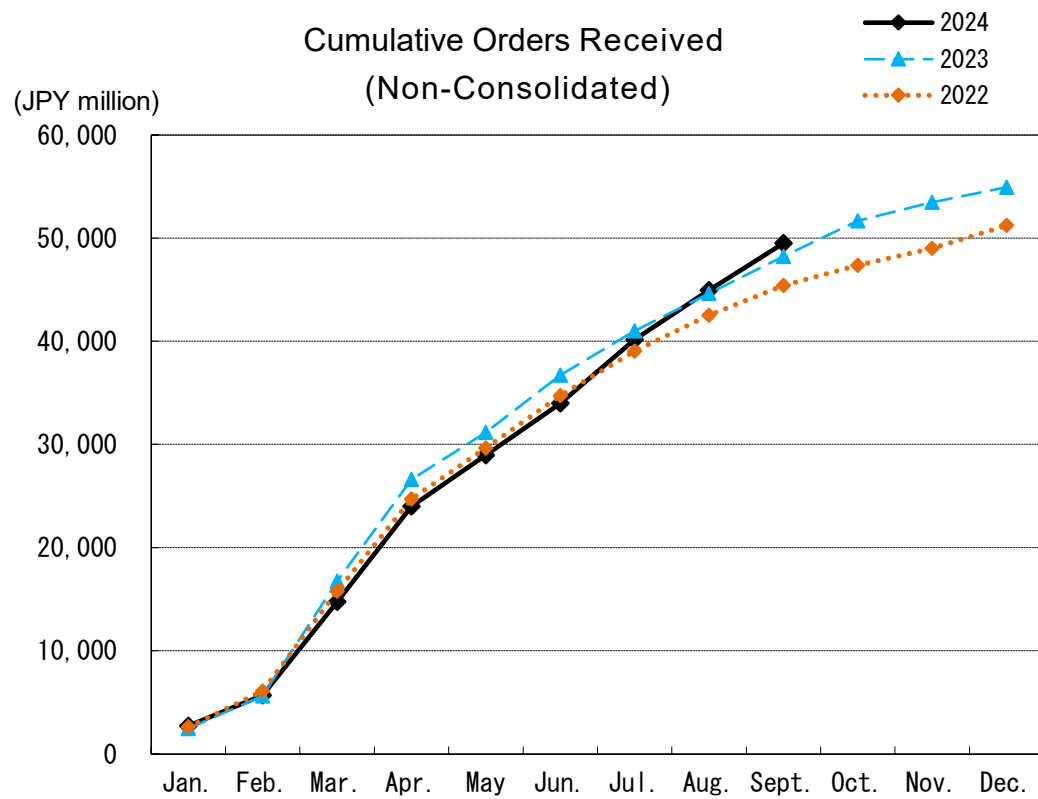
(JPY million, rounded down to the nearest million, %)

Item Month	Our company						Consulting Engineering (50 companies) (Note)					
	2022		2023		2024		2022		2023		2024	
	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)
Jan.	2,601	48.5	2,468	-5.1	2,725	10.4	22,956	-0.7	22,746	-0.9	26,720	17.5
Feb.	6,091	27.1	5,635	-7.5	5,702	1.2	55,589	1.5	61,517	10.7	65,130	5.9
Mar.	15,767	21.2	16,741	6.2	14,749	-11.9	131,225	2.2	142,998	9.0	159,716	11.7
Apr.	24,699	14.7	26,592	7.7	23,980	-9.8	218,057	-6.9	232,171	6.5	255,528	10.1
May	29,627	11.8	31,164	5.2	28,965	-7.1	267,697	-4.5	287,013	7.2	312,105	8.7
Jun.	34,745	6.3	36,726	5.7	33,975	-7.5	342,182	-4.8	364,560	6.5	393,545	8.0
Jul.	39,032	2.5	41,005	5.1	40,146	-2.1	405,589	-4.1	434,585	7.1	475,109	9.3
Aug.	42,509	1.9	44,621	5.0	44,942	0.7	456,716	-4.1	497,321	8.9	534,412	7.5
Sept.	45,401	-1.0	48,224	6.2	49,509	2.7	509,576	-3.5	552,098	8.3	594,806	7.7
Oct.	47,372	-2.1	51,656	9.0			549,794	-2.7	598,724	8.9		
Nov.	49,003	-2.6	53,479	9.1			581,566	-2.4	632,686	8.8		
Dec.	51,226	-4.1	54,930	7.2			617,241	-2.0	669,248	8.4		

* Reference data: Consolidated Orders Received

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

	2022		2023		2024	
	Amount	Change (YoY)	Amount	Change (YoY)	Amount	Change (YoY)
Nine Months (January to September)	70,459	4.4	76,831	9.0	77,228	0.5
Full Year (January to December)	85,887	1.7	92,473	7.7		



(Note) Source: "Dynamic Survey of Construction-Related Industries, etc. (50 consulting engineering companies)" published Ministry of Land, Infrastructure, Transport and Tourism, September 2024