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Consolidated Financial Results for the Fiscal Year Ended December 31, 2025 [Japanese GAAP]



February 13, 2026

Company name: CTI Engineering Co., Ltd.
 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9621
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 Scheduled date of annual general meeting of shareholders: March 27, 2026
 Scheduled date of commencing dividend payments: March 30, 2026
 Scheduled date of filing annual securities report: March 26, 2026
 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 Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)

(1) Consolidated Operating Results (% indicates year-on-year changes)

	Sales		Operating income		Ordinary profit		Net income attributable to owners of the parent	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended								
December 31, 2025	101,038	3.4	9,136	(2.8)	9,350	(1.9)	5,952	(11.8)
December 31, 2024	97,678	5.0	9,396	(6.1)	9,535	(6.1)	6,746	(10.5)

(Note) Comprehensive income: Fiscal year ended December 31, 2025: 7,639 million yen [(11.1)%]

Fiscal year ended December 31, 2024: 8,595 million yen [(11.1)%]

	Net income per share	Net income per share after adjustment of potential shares	Ratio of net income to net worth	Ratio of ordinary profit to total assets	Ratio of operating income to net sales
Fiscal year ended	yen	yen	%	%	%
December 31, 2025	214.45	–	9.3	10.2	9.0
December 31, 2024	243.10	–	11.6	11.4	9.6

(Reference) Share of profit (loss) of entities accounted for using equity method:

Fiscal year ended December 31, 2025: –

Fiscal year ended December 31, 2024: –

(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	Net assets per share
	million yen	million yen	%	yen
As of December 31, 2025	96,344	66,815	69.1	2,412.45
As of December 31, 2024	87,694	61,674	70.1	2,213.71

(Reference) Net worth: As of December 31, 2025: 66,529 million yen

As of December 31, 2024: 61,453 million yen

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

(3) Consolidated Cash Flows

	Cash flow from operating activities	Cash flow from investing activities	Cash flow from financial activities	Closing balance of cash and cash equivalents
Fiscal year ended	million yen	million yen	million yen	million yen
December 31, 2025	5,768	(612)	(5,092)	15,093
December 31, 2024	2,410	(5,658)	(2,111)	14,670

2. Dividends

	Annual dividends					Total dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
Fiscal year ended December 31, 2024	yen	yen	yen	yen	yen	million yen	%	%
	–	0.00	–	150.00	150.00	2,082	30.9	3.6
Fiscal year ended December 31, 2025	–	0.00	–	75.00	75.00	2,068	35.0	3.2
Fiscal year ending December 31, 2026 (Forecast)	–	0.00	–	78.00	78.00		30.5	

(Notes) 1. 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, and dividends for the fiscal year ended December 31, 2025 are presented at post-stock-split amounts respectively.

2. The Company resolved to acquire treasury stock at the Board of Directors held on November 12, 2025 and resolved to dispose of treasury stock at the Board of Directors held on January 30, 2026. “Dividend payout ratio (Consolidated)” for the fiscal year ending December 31, 2026 (Forecast) takes into account the acquisition and disposal.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 – December 31, 2026)

(% indicates year-on-year changes)

	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
	105,000	3.9	10,500	14.9	10,500	12.3	7,000	17.6	256.05

(Note) The Company resolved to acquire treasury stock at a meeting of the Board of Directors held on November 12, 2025 and resolved to dispose of treasury stock at a meeting of the Board of Directors held on January 30, 2026. “Net income per share” for the consolidated financial results forecast for the fiscal year ending December 31, 2026 takes into account the acquisition and disposal.

*** Notes:**

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

Newly included: – (), Excluded: – ()

(2) 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

(3) 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):

December 31, 2025: 28,318,172 shares

December 31, 2024: 28,318,172 shares

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

December 31, 2025: 740,575 shares

December 31, 2024: 557,716 shares

3) Average number of shares during the period:

Fiscal year ended December 31, 2025: 27,755,043 shares

Fiscal year ended December 31, 2024: 27,749,982 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 (common shares) was calculated on the premise that the stock split was conducted at the beginning of the previous fiscal year.

[Reference] Overview of Non-consolidated Financial Results

1. Non-consolidated Financial Results for the Fiscal Year Ended December 31, 2025 (January 1, 2025 – December 31, 2025)

(1) Non-consolidated Operating Results

(% indicates year-on-year changes.)

	Sales		Operating income		Ordinary profit		Net income	
	million yen	%	million yen	%	million yen	%	million yen	%
Fiscal year ended								
December 31, 2025	60,969	2.6	8,520	0.2	8,947	0.2	5,908	(9.6)
December 31, 2024	59,405	3.4	8,499	(0.7)	8,932	0.2	6,532	(1.8)

	Net income per share	Net income per share after adjustment of potential shares
	yen	yen
Fiscal year ended		
December 31, 2025	212.88	–
December 31, 2024	235.41	–

(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) Non-consolidated Financial Position

	Total assets	Net assets	Net worth ratio	Net assets per share
	million yen	million yen	%	yen
As of December 31, 2025	72,267	57,043	78.9	2,068.47
As of December 31, 2024	67,383	53,720	79.7	1,935.13

(Reference) Net worth: As of December 31, 2025: 57,043 million yen

As of December 31, 2024: 53,720 million yen

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

2. Non-consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2026 (January 1, 2026 – December 31, 2026)

(% indicates year-on-year changes)

	Sales		Ordinary profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	yen
Full year	62,000	1.7	9,600	7.3	6,700	13.4	245.08

(Note) The Company resolved to acquire treasury stock at the Board of Directors held on November 12, 2025 and resolved to dispose of treasury stock at the Board of Directors held on January 30, 2026. “Net income per share” for the fiscal year ending December 31, 2026 (Forecast) takes into account the acquisition and disposal.

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

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

Financial results forecast and other forward-looking statements made in this document are based on the information currently available to the Company and certain assumptions deemed reasonable. As such, various factors could cause actual results to differ materially from those discussed in the forward-looking statements. For the assumptions underlying the financial results forecast and notes on the use of financial results forecast, please refer to the Attachments.

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1. Overview of Operating Results, Etc.

(1) Overview of Operating Results for the Fiscal Year under Review

During the fiscal year under review, the Japanese economy was on track of moderate recovery, although some areas remained 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, the fiscal 2025 national budget for public works for disaster prevention/mitigation and national land resilience remained at the same level as in the previous fiscal year. Accordingly, the promotion of disaster prevention/mitigation measures such as river basin flood control and climate change adaptation as well as of measures against aging infrastructure such as river and road maintenance projects continued.

In the Overseas Business, the market environment surrounding CTI Engineering International Co., Ltd. deteriorated due to ODA budget contraction. In the UK, which is overseen by Waterman Group Plc, the impact of the situations in Ukraine and the Middle East caused high inflation to persist, and this led to a weakening in private works. In addition, the fiscal policy combining tax increases and spending cuts, which continued after the change of government, resulted in a slowdown in the progress of public works.

Within this business environment, the Group formulated its Mid-Term Management Plan 2027 with the aim of achieving sustainable enhancement of corporate value. In FY2025 (63rd term), the initial year of the plan, the Group 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), and implemented numerous initiatives.

As a result of these efforts, Orders Received by the Group during the fiscal year under review increased by 16.2% YoY to 109,701 million yen. Meanwhile, Sales increased by 3.4% YoY to 101,038 million yen. Ordinary Profit decreased by 1.9% YoY to 9,350 million yen, and Net Income Attributable to Owners of the Parent decreased by 11.8% YoY to 5,952 million yen.

Results by reportable segment of the Group were as follows.

1. Domestic consulting engineering business

Based on favorable conditions for order intake due to the Five-Year Road Program for disaster prevention, disaster mitigation, and building national resilience, which the Japanese government has been promoting, the Group pursued business portfolio transformation. As a result, orders from local governments increased, and targets for orders received in the all three businesses designated as growth areas (energy, information provision service, and CM/PM) were met. Sales were also in line with the target. Profits were affected by the rise in selling, general and administrative expenses. Accordingly, orders received for the domestic consulting engineering business increased by 10.2% YoY to 72,411 million yen, sales increased by 4.2% YoY to 69,724 million yen, and segment income was 8,611 million yen, the same level as the previous year.

2. Overseas consulting engineering business

Waterman Group Plc, which operates mainly in the UK, was affected by inflation and the impact of fiscal policy following the change of government, but sales and profit were both in line with targets. CTI Engineering International Co., Ltd. based in Southeast Asia received orders for large-scale projects for which the contracts had been delayed, and the target for orders received was met. However, sales and profit were affected by lower capacity utilization due to contract delays. Accordingly, orders received for the overseas consulting engineering business increased by 30.0% YoY to 37,290 million yen, sales increased by 1.9% YoY to 31,313 million yen, and segment income decreased by 29.7% YoY to 543 million yen.

(2) Overview of Financial Position for the Fiscal Year under Review

(Assets)

At the end of the fiscal year under review, the Group's total assets totaled 96,344 million yen, an increase of 9.9% compared to the end of the previous fiscal year. This was mainly due to increases in "right-of-use assets" and "net defined benefit asset," in addition to "notes receivable, completed work receivables and contract assets."

(Liabilities)

Total liabilities at the end of the fiscal year under review were 29,529 million yen, an increase of 13.5% compared to the end of the previous fiscal year. This was mainly due to increases in "accrued income taxes," "deferred tax liabilities," and "asset retirement obligations," in addition to "lease obligations," while "short-term borrowings" decreased.

(Net assets)

Net assets at the end of the fiscal year under review totaled 66,815 million yen, an increase of 8.3% 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."

(3) Overview of Cash Flows for the Fiscal Year under Review

At the end of the fiscal year under review, cash and cash equivalents (funds) increased by 423 million yen YoY to 15,093 million yen.

Net cash provided by operating activities was 5,768 million yen, a YoY increase of 139.3%. This was mainly due to proceeds from "net income before income tax" of 9,000 million yen and "depreciation and amortization" of 1,855 million yen, which was partially offset by an "increase in trade receivables and contract assets" of 3,631 million yen and "payment of corporation income tax, etc." of 2,330 million yen.

Net cash used for investment activities was 612 million yen, a YoY decrease of 89.2%. This was mainly due to "payments for acquisition of tangible fixed assets" of 1,164 million yen.

Net cash used for financial activities was 5,092 million yen, a YoY increase of 141.2%. This was mainly due to "dividend payments" of 2,083 million yen and "acquisition of treasury stock" of 1,540 million yen.

(Reference) Indicators related to cash flows

Indicator	Fiscal year ended December 31, 2022	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024	Fiscal year ended December 31, 2025
Net worth ratio (%)	64.8	68.7	70.1	69.1
Net worth ratio based on fair value (%)	61.9	91.3	77.9	85.1
Ratio of interest- bearing debt to cash flows (years)	0.4	1.5	0.9	0.3
Interest coverage ratio (times)	70.2	15.8	33.2	55.7

(Note) Each indicator was calculated as follows:

- Net worth ratio: Net worth / Total assets
- Net worth ratio based on fair value: Total market value of shares / Total assets
Total market value of shares was calculated by multiplying the year-end share price (closing price) by the total number of issued and outstanding shares (less treasury shares) at the end of the period.
- Ratio of interest-bearing debt to cash flows: Interest-bearing debt / Cash flows from operating activities
Interest-bearing debt includes all liabilities recorded on the Consolidated Balance Sheet for which interest is paid.
- Interest coverage ratio: Cash flows from operating activities / Interest paid
Interest paid is the amount of "interest payment" recorded in the Consolidated Cash Flow Statement.

(4) Future Outlook

The Company's medium-to long-term strategy

In the domestic consulting engineering business, the First Medium-Term National Resilience Implementation Plan, which covers the five-year period from fiscal 2026 to fiscal 2030, was approved by the Cabinet in June 2026. The fiscal 2026 national budget for public works for disaster prevention/mitigation and national land resilience is expected to exceed the level of the previous fiscal year. Therefore, the promotion of disaster prevention/mitigation measures such as climate change adaptation as well as of measures against aging infrastructure such as river and road maintenance projects is forecast to continue.

In the overseas consulting engineering business, although the business in Southeast Asia overseen by CTI Engineering International Co., Ltd. is expected to grow steadily overall, the deterioration of market conditions due to intense competition is a concern. In the UK, where Waterman Group Plc oversees business, there are signs of a recovery in budget for public works, and inflation is moderating. However, interest rates have remained elevated, and the economic outlook is expected to remain unpredictable.

Based on the review of the business plan for the fiscal year under review, the initial year of the Mid-Term Management Plan 2027, the Group has set the basic policy of the business plan for FY2026 (64th term) the second year of the Mid-Term Management Plan 2027, as follows. We aim to advance as a "Global Infrastructure Solution Group" that contributes to the sustainable development of society.

1) Acceleration of Business Portfolio Transformation

We will further accelerate the Business Portfolio Transformation that made substantial progress in FY2025 and continue to expand our business. Specifically, we will work to enhance the competitiveness of core businesses, strengthen the foundations of growth areas, and accelerate growth in new business domains.

2) Increase the Employee Engagement Ranking

Achieve both reduced workloads and qualitative growth, Strengthen strategic communication and Enhance human resource development

3) Improve productivity through quality and production system reforms

Strengthen profitability by improving productivity through technical excellence, enhanced PM, and operational efficiency and Integrate AI as a core tool into daily technical and administrative operations to achieve both process innovation and quality improvement

4) Strengthen group governance for both offensive and defensive perspectives

Strengthen internal control and monitoring systems, Develop an organisational structure to maximize group synergies, Enhance monitoring of SG&A expenses and Establish investment discipline for domestic and international projects based on the cost of capital

For the fiscal year ending December 31, 2026, the Company forecasts orders received of 105,000 million yen, an increase of 4.3% YoY, sales of 105,000 million yen, operating income of 10,500 million yen, ordinary profit of 10,500 million yen, and net income attributable to owners of the parent of 7,000 million yen.

2. Basic Policy on Selection of Accounting Standards

The Group prepares its consolidated financial statements in accordance with Generally Accepted Accounting Principles in Japan (JGAAP), taking into account comparability of consolidated financial statements between different accounting periods and companies. Concerning future adoption of the International Financial Reporting Standards (IFRS), the Group intends to take appropriate response with due consideration to various circumstances in Japan and overseas.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2024)	Current Consolidated Fiscal Year (as of December 31, 2025)
Assets		
Current assets		
Cash and bank deposits	15,523	15,988
Notes receivable, completed work receivables and contract assets	40,053	44,144
Prepaid expenses for uncompleted services	97	155
Other	1,809	2,830
Allowance for doubtful accounts	-516	-600
Total current assets	56,967	62,519
Fixed assets		
Tangible fixed assets		
Buildings and structures	7,542	8,360
Accumulated depreciation	-4,360	-4,550
Buildings and structures, net	3,181	3,809
Machinery and transportation equipment	1,344	1,419
Accumulated depreciation	-1,075	-1,135
Machinery and transportation equipment, net	268	284
Land	4,903	4,601
Lease assets	493	755
Accumulated depreciation	-275	-279
Lease assets, net	217	475
Right-of-use assets	3,699	5,885
Accumulated depreciation	-2,084	-2,562
Right-of-use assets, net	1,614	3,322
Construction in progress	24	30
Other	3,887	4,040
Accumulated depreciation	-2,919	-3,014
Other, net	967	1,025
Total tangible fixed assets	11,178	13,549
Intangible fixed assets		
Lease assets	9	36
Goodwill	6,874	6,607
Other	363	331
Total intangible fixed assets	7,246	6,974
Investments and other assets		
Investment securities	5,029	4,540
Long-term loans receivable from subsidiaries and affiliates	711	807
Deferred tax assets	222	202
Net defined benefit asset	4,468	5,813
Other	2,000	2,069
Allowance for doubtful accounts	-131	-133
Total investments and other assets	12,301	13,300
Total fixed assets	30,726	33,825
Total assets	87,694	96,344

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2024)	Current Consolidated Fiscal Year (as of December 31, 2025)
Liabilities		
Current liabilities		
Accounts payable	3,609	3,545
Short-term borrowings	1,990	1,380
Lease obligations	780	950
Accrued income taxes	1,144	1,823
Contract liabilities	4,048	4,169
Reserve for bonuses	3,490	3,042
Reserve for bonuses to directors	219	213
Allowance for losses in operations	90	121
Other	6,958	7,465
Total current liabilities	22,333	22,712
Fixed liabilities		
Long-term borrowings	119	78
Lease obligations	1,137	3,054
Provision for warranties for completed operation	452	543
Deferred tax liabilities	169	786
Net defined benefit liability	898	914
Provision for loss on guarantees	27	142
Asset retirement obligations	302	849
Other	577	447
Total fixed liabilities	3,686	6,816
Total liabilities	26,019	29,529
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	3,650	3,830
Profit surplus	49,318	53,188
Treasury stock	-890	-1,478
Total shareholders' equity	55,104	58,566
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	1,781	1,841
Foreign currency translation adjustment	2,549	3,199
Remeasurements of defined benefit plans	2,017	2,921
Total accumulated other comprehensive income	6,348	7,962
Non-controlling interests	221	285
Total net assets	61,674	66,815
Total liabilities and net assets	87,694	96,344

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

(million yen)

	Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)	Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)
Sales	97,678	101,038
Cost of sales	69,251	71,457
Gross profit	28,427	29,580
Selling, general and administrative expenses	19,030	20,444
Operating income	9,396	9,136
Non-operating revenues		
Interest earned	76	100
Dividend earned	126	133
Insurance dividend earned	29	41
House rent earned	38	39
Other	46	121
Total non-operating revenues	317	436
Non-operating expenses		
Interest expense	72	103
Commission paid	16	3
Loss on investments in investment partnerships	27	30
Foreign exchange losses	58	37
Provision of allowance for doubtful accounts on loans and other receivables	-	27
Commission for acquisition of treasury stock	-	4
Other	4	14
Total non-operating expenses	178	221
Ordinary profit	9,535	9,350
Extraordinary gain		
Gain on sale of non-current assets	2	0
Gain on sale of investment securities	46	615
Gain on liquidation of subsidiaries and associates	9	-
Total extraordinary gain	58	615
Extraordinary loss		
Loss from fixed assets disposal	63	32
Impairment losses	-	432
Loss on liquidation of subsidiaries and associates	-	88
Unrealized loss on investment securities	-	219
Provision for loss on guarantees	27	142
Allowance for doubtful accounts	11	-
Other	-	50
Total extraordinary loss	103	965
Net income before income tax	9,489	9,000
Corporation tax, inhabitants taxes and enterprise tax	2,436	2,899
Deferred income taxes etc.	267	94
Total income taxes	2,704	2,994
Net income	6,785	6,006
Net income attributable to non-controlling interests	39	54
Net income attributable to owners of the parent	6,746	5,952

Consolidated Statements of Comprehensive Income

(million yen)

	Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)	Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)
Net income	6,785	6,006
Other comprehensive income		
Other valuation difference on available-for-sale securities	267	60
Foreign currency translation adjustment	950	669
Remeasurements of defined benefit plans, net of tax	591	903
Total other comprehensive income	1,809	1,633
Comprehensive income	8,595	7,639
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	8,562	7,566
Comprehensive income attributable to non-controlling interests	33	73

(3) Statement of Fluctuations in Consolidated Shareholders' Equity
 Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)

(million yen)

	Shareholders' equity				
	Capital	Capital surplus	Profit surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,025	3,616	44,652	-939	50,354
Changes of items during the period					
Dividends from surplus			-2,079		-2,079
Net income attributable to owners of the parent			6,746		6,746
Acquisition of treasury stock				-2	-2
Disposal of treasury stock		25		52	77
Changes in liabilities for written put options over non-controlling interests		8			8
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)					
Total changes of items during the period	-	33	4,666	49	4,749
Balance at the end of current period	3,025	3,650	49,318	-890	55,104

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Other valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,513	1,593	1,425	4,532	206	55,093
Changes of items during the period						
Dividends from surplus						-2,079
Net income attributable to owners of the parent						6,746
Acquisition of treasury stock						-2
Disposal of treasury stock						77
Changes in liabilities for written put options over non-controlling interests						8
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	267	956	591	1,815	14	1,830
Total changes of items during the period	267	956	591	1,815	14	6,580
Balance at the end of current period	1,781	2,549	2,017	6,348	221	61,674

Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)

(million yen)

	Shareholders' equity				
	Capital	Capital surplus	Profit surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,025	3,650	49,318	-890	55,104
Changes of items during the period					
Dividends from surplus			-2,082		-2,082
Net income attributable to owners of the parent			5,952		5,952
Acquisition of treasury stock				-637	-637
Disposal of treasury stock		24		49	74
Changes in liabilities for written put options over non-controlling interests		155			155
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)					
Total changes of items during the period	-	179	3,869	-588	3,461
Balance at the end of current period	3,025	3,830	53,188	-1,478	58,566

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Other valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of current period	1,781	2,549	2,017	6,348	221	61,674
Changes of items during the period						
Dividends from surplus						-2,082
Net income attributable to owners of the parent						5,952
Acquisition of treasury stock						-637
Disposal of treasury stock						74
Changes in liabilities for written put options over non-controlling interests						155
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	60	650	903	1,614	64	1,678
Total changes of items during the period	60	650	903	1,614	64	5,140
Balance at the end of current period	1,841	3,199	2,921	7,962	285	66,815

(4) Consolidated Cash Flow Statement

(million yen)

	Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)	Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)
Cash flow from operating activities		
Net income before income tax	9,489	9,000
Depreciation and amortization	1,609	1,855
Amortization of goodwill	338	513
Increase (decrease) in allowance for doubtful accounts	-153	50
Increase (decrease) in net defined benefit liability	-52	-44
Decrease (increase) in net defined benefit asset	-509	74
Increase (decrease) in reserve for bonuses	-495	-460
Increase (decrease) in reserve for bonuses to directors	-72	-16
Increase (decrease) in allowance for losses in operations	-47	26
Increase (decrease) in provision for loss on guarantees	27	114
Increase (decrease) in provision for warranties for completed operation	-0	58
Interest and dividend earned	-202	-234
Interest payable	72	103
Foreign exchange loss (gain)	-51	-40
Commission for acquisition of treasury stock	-	4
Unrealized loss on investment securities	-	269
Loss (gain) on sale of investment securities	-46	-615
Loss (gain) on liquidation of subsidiaries and associates	-9	-
Loss (gain) from fixed assets disposal	61	32
Impairment losses	-	432
Decrease (increase) in trade receivables and contract assets	-4,822	-3,631
Decrease (increase) in prepaid expenses for uncompleted services	10	-57
Decrease (increase) in other current assets	36	-30
Increase (decrease) in account payable	338	-74
Increase (decrease) in contract liabilities	85	-3
Increase (decrease) in accrued consumption taxes	-494	256
Increase (decrease) in other current liabilities	-503	219
Other	29	167
Subtotal	4,639	7,969
Received interest and dividend	201	232
Interest payment	-72	-103
Payment of corporation income tax etc.	-2,357	-2,330
Cash flow provided by operating activities	2,410	5,768

(million yen)

	Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)	Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)
Cash flow from investment activities		
Payments for acquisition of tangible fixed assets	-850	-1,164
Proceeds from sale of property, plant and equipment	2	0
Payments for acquisition of intangible fixed assets	-102	-134
Payments for acquisition of investment securities	-225	-4
Proceeds from sales of investment securities	94	994
Repayments for loans	-389	-450
Income from loan collection	209	218
Payments for investments in capital	-75	-75
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-4,167	-
Payments into time deposits	-26	-894
Proceeds from withdrawal of time deposits	-	852
Proceeds from liquidation of associates	67	0
Other payments	-205	-41
Other proceeds	10	87
Cash flow used for investment activities	-5,658	-612
Cash flow from financial activities		
Net increase (decrease) in short-term borrowings	800	-610
Repayments of long-term borrowings	-40	-40
Acquisition of treasury stock	-2	-642
Decrease (increase) in deposits paid for acquisition of treasury stock	-	-897
Repayments of lease obligations	-727	-802
Dividend payments	-2,072	-2,083
Dividends paid to non-controlling interests	-18	-8
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	-50	-7
Cash flow used for financial activities	-2,111	-5,092
Effect in fluctuation of exchange rate for cash and cash equivalents	374	359
Increase (decrease) in cash and cash equivalents	-4,984	423
Opening balance of cash and cash equivalents	19,654	14,670
Closing balance of cash and cash equivalents	14,670	15,093

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(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 fiscal year under review.

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 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 fiscal year under review. The change in accounting policy has been applied retrospectively, and the consolidated financial statements for the previous fiscal year have been prepared on a retrospective basis. There is no effect of this change on the consolidated financial statements for the previous fiscal year.

(Segment information, etc.)

[Segment Information]

1. Outline of reportable segments

The reportable segments of the Group are defined as operating segments within the Group whose discrete financial information is available and is reviewed by the Board of Directors regularly in order to decide the allocation of management resources and assess results.

The Group assesses results by each company constituting the Group, and the Group companies are classified into those that mainly engage in operations in Japan and those that mainly engage in operations overseas.

Accordingly, the two reportable segments of the Group are “Domestic consulting engineering business” and “Overseas consulting engineering business.”

2. Method for computing the amounts of sales, profit (loss), assets and other items by reportable segment

The accounting method for the reported business segments conforms to the accounting policies applied for preparation of the consolidated financial statements.

Income by reportable segment is based on operating income. Inter-segment revenue and transfers are based on prevailing market prices.

In the previous fiscal year, the Company added HIROKEN CONSULTANTS Co., Ltd. to the scope of consolidation and included it in the reportable segment of “Domestic consulting engineering business.”

3. Information on the amounts of sales, profit (loss), assets and other items by reportable segment
Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)

(million yen)

	Domestic consulting engineering business	Overseas consulting engineering business	Total	Adjustments (Note 1)	Book value on the consolidated financial statements (Note 2)
Sales					
Sales to outside customers	66,945	30,733	97,678	–	97,678
Inter-segment sales or transfers	55	16	71	-71	–
Total	67,000	30,749	97,750	-71	97,678
Segment income	8,610	773	9,383	13	9,396
Segment assets	65,634	23,446	89,080	-1,386	87,694
Other items					
Depreciation	844	765	1,609	–	1,609
Amortization of goodwill	–	338	338	–	338

- (Notes) 1. Adjustments to inter-segment sales or transfers (-71 million yen), adjustments to segment income (13 million yen), and adjustments to segment assets (-1,386 million yen) are attributable to inter-segment eliminations.
2. Segment income is reconciled with operating income in the Consolidated Profit and Loss Account.
3. As the deemed acquisition date of HIROKEN CONSULTANTS Co., Ltd., which was included in the scope of consolidation in the previous fiscal year, was set at the end of the previous fiscal year, the company's financial results are not included in sales, segment income, and other items of the domestic consulting engineering business for the previous fiscal year.

Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)

(million yen)

	Domestic consulting engineering business	Overseas consulting engineering business	Total	Adjustments (Note 1)	Book value on the consolidated financial statements (Note 2)
Sales					
Sales to outside customers	69,724	31,313	101,038	–	101,038
Inter-segment sales or transfers	50	18	68	-68	–
Total	69,774	31,331	101,106	-68	101,038
Segment income	8,611	543	9,155	-18	9,136
Segment assets	71,966	27,427	99,394	-3,049	96,344
Other items					
Depreciation	922	933	1,855	–	1,855
Amortization of goodwill	168	345	513	–	513

- (Notes) 1. Adjustments to inter-segment sales or transfers (-68 million yen), adjustments to segment income (-18 million yen), and adjustments to segment assets (-3,049 million yen) are attributable to inter-segment eliminations.
2. Segment income is reconciled with operating income in the Consolidated Profit and Loss Account.

[Relevant Information]

Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)

1. Information by products and services

The same information is disclosed in Segment Information, and is omitted here.

2. Information by areas

(1) Sales

(million yen)

Japan	Asia	Europe		Other	Total
		UK	Other than UK		
67,042	4,156	22,362	1,986	2,129	97,678

- (Notes)
1. Sales are classified based on areas in which the Group renders its services.
 2. Method of classification of country or region, and major countries or regions that belong to each region
 - 1) Method of classification of country or region: based on geographic proximity
 - 2) Countries or regions that belong to classifications other than Japan
 - Asia: Philippines, etc.
 - Europe other than UK: Ireland, etc.
 - Other: Australia, etc.

(2) Tangible fixed assets

(million yen)

Japan	Asia	Europe		Other	Total
		UK	Other than UK		
9,245	5	1,643	93	190	11,178

- (Notes)
1. Tangible fixed assets are classified based on the locations of the assets.
 2. Method of classification of country or region, and major countries or regions that belong to each region
 - 1) Method of classification of country or region: based on geographic proximity
 - 2) Countries or regions that belong to classifications other than Japan
 - Asia: Philippines, etc.
 - Europe other than UK: Ireland, etc.
 - Other: Australia, etc.

3. Information by major customer

(million yen)

Name of customer	Sales	Name of the relevant segment
National government of Japan	32,052	Domestic consulting engineering business

Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)

1. Information by products and services

The same information is disclosed in Segment Information, and is omitted here.

2. Information by areas

(1) Sales

(million yen)

Japan	Asia	Europe		Other	Total
		UK	Other than UK		
69,921	3,519	23,320	2,242	2,033	101,038

- (Notes)
1. Sales are classified based on areas in which the Group renders its services.
 2. Method of classification of country or region, and major countries or regions that belong to each region
 - 1) Method of classification of country or region: based on geographic proximity
 - 2) Countries or regions that belong to classifications other than Japan
 - Asia: Philippines, etc.
 - Europe other than UK: Ireland, etc.
 - Other: Australia, etc.

(2) Tangible fixed assets

(million yen)

Japan	Asia	Europe		Other	Total
		UK	Other than UK		
9,829	22	3,389	71	236	13,549

- (Notes)
1. Tangible fixed assets are classified based on the locations of the assets.
 2. Method of classification of country or region, and major countries or regions that belong to each region
 - 1) Method of classification of country or region: based on geographic proximity
 - 2) Countries or regions that belong to classifications other than Japan
 - Asia: Philippines, etc.
 - Europe other than UK: Ireland, etc.
 - Other: Australia, etc.

3. Information by major customer

(million yen)

Name of customer	Sales	Name of the relevant segment
National government of Japan	30,741	Domestic consulting engineering business

[Impairment losses on fixed assets by reportable segment]

Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)

Not applicable.

Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)

(million yen)

	Domestic consulting engineering business	Overseas consulting engineering business	Corporate/ elimination	Total
Impairment loss	432	–	–	432

[Amortized amount and unamortized balance of goodwill by reportable segment]

Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)

(million yen)

	Domestic consulting engineering business	Overseas consulting engineering business	Corporate/ elimination	Total
Amortization of goodwill in the current period	–	338	–	338
Balance at the end of the current period	2,523	4,351	–	6,874

Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)

(million yen)

	Domestic consulting engineering business	Overseas consulting engineering business	Corporate/ elimination	Total
Amortization of goodwill in the current period	168	345	–	513
Balance at the end of the current period	2,354	4,252	–	6,607

[Gain on negative goodwill by reportable segment]

Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)

Not applicable.

Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)

Not applicable.

(Per share information)

	Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)	Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)
Net assets per share	2,213.71 yen	2,412.45 yen
Net income per share	243.10 yen	214.45 yen

(Notes) 1. Net income per share after adjustment of potential shares is not stated because the Company has issued no potential shares.

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

3. Basis of calculation of net income per share:

Item	Previous Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)	Current Consolidated Fiscal Year (from January 1, 2025 to December 31, 2025)
Net income attributable to owners of the parent (million yen)	6,746	5,952
Amounts not belonging to ordinary shareholders (million yen)	—	—
Net income attributable to owners of the parent related to common shares (million yen)	6,746	5,952
Average number of common shares for the entire fiscal year (shares)	27,749,982	27,755,043

(Significant subsequent events)

Not applicable.

4. Other

1) New officers (As of March 27, 2026)

Not applicable

2) Retired officers (As of March 27, 2026)

Not applicable

3) Other changes in officers (including Executive Officers) (As of March 27, 2026)

Name	New position	Current position
Tetsumi Nakamura	Director, Chairman Chief, Research Center for Sustainable Societies	Representative Director, Chairman Chief, Research Center for Sustainable Societies
Naoto Suzuki	Representative Director, Senior Managing Executive Officer Chief, Planning & Business Development Headquarters	Director, Senior Managing Executive Officer Chief, Planning & Business Development Headquarters
Nobuyuki Wakabayashi	Executive Officer Deputy Chief, Engineering Headquarters	Deputy Chief, Engineering Headquarters
Michiaki Iwata	Executive Officer Deputy Managing Principal, Tokyo Main Office	Assistant Managing Principal, Tokyo Main Office

(Note) The changes of Tetsumi Nakamura and Naoto Suzuki have been disclosed as of December 23, 2025.