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Consolidated Financial Results for the Three Months Ended March 31, 2026 [Japanese GAAP]



May 13, 2026

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 Stock exchange listing: Tokyo Stock Exchange
 Code number: 9621
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 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 Three Months Ended March 31, 2026 (January 1, 2026 – March 31, 2026)

(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	%
Three months ended March 31, 2026	31,977	6.2	6,571	12.1	6,616	13.3	4,460	14.6
March 31, 2025	30,110	3.2	5,859	(4.1)	5,837	(4.4)	3,891	(12.3)

(Note) Comprehensive income: Three months ended March 31, 2026: 4,474 million yen [24.8%]

Three months ended March 31, 2025: 3,584 million yen [(30.9)%]

	Net income per share	Net income per share after adjustment of potential shares
Three months ended March 31, 2026	yen 163.05	yen —
March 31, 2025	140.18	—

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
As of March 31, 2026	107,274	68,307	63.4
As of December 31, 2025	96,344	66,815	69.1

(Reference) Net worth: As of March 31, 2026: 68,020 million yen

As of December 31, 2025: 66,529 million yen

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
Fiscal year ended December 31, 2025	yen –	yen 0.00	yen –	yen 75.00	yen 75.00
Fiscal year ending December 31, 2026	–				
Fiscal year ending December 31, 2026 (Forecast)		0.00	–	78.00	78.00

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

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

(% indicates changes from the previous corresponding period.)

	Sales		Operating income		Ordinary profit		Net income attributable to owners of the parent		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full year	105,000	3.9	10,500	14.9	10,500	12.3	7,000	17.6	256.05

(Note) Revision to the financial results forecast announced most recently: None

Table of Contents - Attachments

1. Qualitative Information on Quarterly Financial Results	2
(1) Explanation of Operating Results	2
(2) Explanation of Financial Position	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-Looking Information	3
2. Quarterly Consolidated Financial Statements and Principal Notes	4
(1) Quarterly Consolidated Balance Sheet	4
(2) Quarterly Consolidated Profit and Loss Account and Quarterly Consolidated Statements of Comprehensive Income	6
Quarterly Consolidated Profit and Loss Account	6
Three Months Ended March 31, 2026	6
Quarterly Consolidated Statements of Comprehensive Income	7
Three Months Ended March 31, 2026	7
(3) Notes to Quarterly Consolidated Financial Statements	8
(Basic important matters for preparation of quarterly consolidated financial statements)	8
(Notes on going concern assumption)	8
(Notes in case of significant changes in shareholders' equity)	8
(Accounting methods adopted particularly for the preparation of quarterly consolidated financial statements)	8
(Notes on segment information, etc.)	9
(Notes on cash flow statement)	10

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the three months ended March 31, 2026, the Japanese economy has been recovered moderately. Looking ahead, its moderate recovery is expected to be supported by improvements in the employment and income environment and the effects of various policies. However, continued attention should be paid to the impact of the situation in the Middle East, effects of changes in the financial and capital markets, and trends surrounding U.S. trade policy.

With regard to the business environment surrounding the CTI Group, in the Domestic Business, the Cabinet approved in June 2025 the 1st Mid-term Plan for the Implementation of National Land Resilience, covering five years from the fiscal 2026 with a budget of more than 20 trillion yen. The fiscal 2026 national budget for public works for disaster prevention, disaster mitigation and building national resilience is greater than that in the previous fiscal year. Accordingly, disaster prevention and mitigation measures such as climate change countermeasures, as well as measures to address aging infrastructure such as rivers and roads are expected to continue progressing.

In the Overseas Business, in the Asian and African markets where CTI Engineering International Co., Ltd. operates, the JICA budget has shown signs of bottoming out, and demand for various infrastructure development, including climate change countermeasures, transport, and energy, is rising further. In the UK, where Waterman Group Plc operates, progress began to be made in the execution of public work-related expenditures that had been delayed due to a change of government, and interest rates and inflation have shown signs of stabilisation. However, the outlook for the economy remains highly uncertain due to the impact of the situation in the Middle East.

Within this business environment, the Group has set forth the following priority agenda items in the business plan for 2026 (64th term), the second year of the Mid-Term Management Plan 2027: 1) Accelerating Business Portfolio Transformation; 2) Increasing Employee Engagement Ranking; 3) Improving Productivity Through Quality and Production System Reforms; and 4) Strengthening Group Governance for both offensive and defensive perspectives. 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.

With regard to the business performance, Orders Received by the Group during the period under review increased by 8.9% YoY to 26,156 million yen (24,016 million yen for the corresponding period of the previous year). Meanwhile, Sales amounted to 31,977 million yen (30,110 million yen for the corresponding period of the previous year), which is equivalent to 30.5% of the sales forecast for the fiscal year ending December 31, 2026. Ordinary Profit amounted to 6,616 million yen (5,837 million yen for the corresponding period of the previous year), or 63.0% of the full-year forecast for Ordinary Profit, and Net Income Attributable to Owners of the Parent was 4,460 million yen (3,891 million yen for the corresponding period of the previous year), or 63.7% 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 totalled 107,274 million yen, an increase of 10,930 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in "notes receivable, completed work receivables and contract assets."

(Liabilities)

Total liabilities at the end of the period under review were 38,967 million yen, an increase of 9,438 million yen compared to the end of the previous fiscal year. This was mainly due to increases in "short-term borrowings" and "accounts payable," while "reserve for bonuses" decreased.

(Net assets)

Net assets at the end of the period under review totalled 68,307 million yen, an increase of 1,492 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," despite a decrease due to payment of dividends and purchase of treasury shares.

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

The Company has not revised its consolidated financial results forecast released on February 13, 2026.

2. Quarterly Consolidated Financial Statements and Principal Notes
(1) Quarterly Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2025)	Three Months Ended March 31, 2026 (as of March 31, 2026)
Assets		
Current assets		
Cash and bank deposits	15,988	16,591
Notes receivable, completed work receivables and contract assets	44,144	54,674
Prepaid expenses for uncompleted services	155	163
Other	2,830	2,335
Allowance for doubtful accounts	-600	-603
Total current assets	62,519	73,162
Fixed assets		
Tangible fixed assets		
Land	4,601	4,539
Other, net	8,948	9,380
Total tangible fixed assets	13,549	13,919
Intangible fixed assets		
Goodwill	6,607	6,465
Other	367	377
Total intangible fixed assets	6,974	6,842
Investments and other assets		
Other	13,434	13,483
Allowance for doubtful accounts	-133	-134
Total investments and other assets	13,300	13,349
Total fixed assets	33,825	34,111
Total assets	96,344	107,274
Liabilities		
Current liabilities		
Accounts payable	3,545	5,169
Short-term borrowings	1,380	7,378
Accrued income taxes	1,823	2,352
Contract liabilities	4,169	4,503
Reserve for bonuses	3,042	1,778
Reserve for bonuses to directors	213	69
Allowance for losses in operations	121	109
Other	8,415	10,550
Total current liabilities	22,712	31,913
Fixed liabilities		
Long-term borrowings	78	70
Provision for warranties for completed operation	543	542
Net defined benefit liability	914	922
Provision for loss on guarantees	142	137
Asset retirement obligations	849	833
Other	4,287	4,547
Total fixed liabilities	6,816	7,054
Total liabilities	29,529	38,967

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2025)	Three Months Ended March 31, 2026 (as of March 31, 2026)
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	3,830	3,807
Profit surplus	53,188	55,581
Treasury stock	-1,478	-2,341
Total shareholders' equity	58,566	60,073
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	1,841	2,021
Foreign currency translation adjustment	3,199	3,201
Remeasurements of defined benefit plans	2,921	2,723
Total accumulated other comprehensive income	7,962	7,946
Non-controlling interests	285	287
Total net assets	66,815	68,307
Total liabilities and net assets	96,344	107,274

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

Quarterly Consolidated Profit and Loss Account
Three Months Ended March 31, 2026

(million yen)

	Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 2025)	Three Months Ended March 31, 2026 (from January 1, 2026 to March 31, 2026)
Sales	30,110	31,977
Cost of sales	19,533	20,240
Gross profit	10,577	11,737
Selling, general and administrative expenses	4,717	5,165
Operating income	5,859	6,571
Non-operating revenues		
Interest earned	20	30
Dividend earned	26	92
House rent earned	9	9
Other	18	19
Total non-operating revenues	74	151
Non-operating expenses		
Interest expense	26	62
Foreign exchange losses	50	1
Commission for acquisition of treasury stock	–	29
Other	20	13
Total non-operating expenses	97	106
Ordinary profit	5,837	6,616
Extraordinary gain		
Gain on sale of non-current assets	–	0
Gain on sale of investment securities	156	–
Total extraordinary gain	156	0
Extraordinary loss		
Loss from fixed assets disposal	–	12
Impairment losses	–	61
Unrealized loss on investment securities	158	–
Other	6	0
Total extraordinary loss	165	74
Net income before income tax	5,828	6,542
Income taxes	1,933	2,069
Net income	3,894	4,473
Net income attributable to non-controlling interests	3	12
Net income attributable to owners of the parent	3,891	4,460

Quarterly Consolidated Statements of Comprehensive Income
 Three Months Ended March 31, 2026

(million yen)

	Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 2025)	Three Months Ended March 31, 2026 (from January 1, 2026 to March 31, 2026)
Net income	3,894	4,473
Other comprehensive income		
Other valuation difference on available-for-sale securities	114	180
Foreign currency translation adjustment	-269	18
Remeasurements of defined benefit plans, net of tax	-154	-197
Total other comprehensive income	-310	1
Comprehensive income	3,584	4,474
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	3,594	4,444
Comprehensive income attributable to non-controlling interests	-9	30

(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, 2026 after the application of tax effect accounting.

(Notes on segment information, etc.)

[Segment Information]

Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 2025)

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

(million yen)

	Reportable 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	22,640	7,469	30,110	–	30,110
Inter-segment sales or transfers	16	13	30	-30	–
Total	22,657	7,483	30,140	-30	30,110
Segment income (loss)	5,889	-29	5,860	-0	5,859

(Notes) 1. Inter-segment sales or transfers (-30 million yen) and adjustments to segment income (loss) (-0 million yen) are attributable to inter-segment eliminations.

2. Segment income (loss) is reconciled with operating income in the Quarterly Consolidated Profit and Loss Account.

Three Months Ended March 31, 2026 (from January 1, 2026 to March 31, 2026)

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

(million yen)

	Reportable 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	23,545	8,432	31,977	–	31,977
Inter-segment sales or transfers	10	2	12	-12	–
Total	23,555	8,434	31,990	-12	31,977
Segment income (loss)	6,527	45	6,573	-1	6,571

(Notes) 1. Inter-segment sales or transfers (-12 million yen) and adjustments to segment income (loss) (-1 million yen) are attributable to inter-segment eliminations.

2. Segment income (loss) is reconciled with operating income in the Quarterly Consolidated Profit and Loss Account.

(Notes on cash flow statement)

No quarterly consolidated cash flow statement is prepared for the three months ended March 31, 2026.

The depreciation and amortization (including amortization related to intangible fixed assets) and the amortization of goodwill in the three months ended March 31 are as follows.

	Three Months Ended March 31, 2025 (from January 1, 2025 to March 31, 2025)	Three Months Ended March 31, 2026 (from January 1, 2026 to March 31, 2026)
Depreciation and amortization	409 million yen	536 million yen
Amortization of goodwill	126 million yen	134 million yen