Consolidated Financial Results for the Six Months Ended June 30, 2026 [Japanese GAAP]

August 13, 2026

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
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Phone: +81-3-3668-4125
Scheduled date of filing semi-annual securities report: August 14, 2026
Scheduled date of commencing dividend payments: —
Availability of supplementary explanatory materials on financial results: Available
Schedule of financial results briefing session: Scheduled (for analysts)

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

1. Consolidated Financial Results for the Six Months Ended June 30, 2026 (January 1, 2026 – June 30, 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	
Six months ended	million yen	%	million yen	%	million yen	%	million yen	%
June 30, 2026	55,003	8.3	6,617	10.7	6,696	11.0	4,427	17.1
June 30, 2025	50,794	0.1	5,976	(12.0)	6,034	(11.9)	3,779	(22.6)

(Note) Comprehensive income: Six months ended June 30, 2026: 4,439 million yen [25.9%]
Six months ended June 30, 2025: 3,526 million yen [(44.0)%]

	Net income per share	Net income per share after adjustment of potential shares
Six months ended	yen	yen
June 30, 2026	161.93	–
June 30, 2025	136.11	–

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
As of June 30, 2026	99,469	68,360	68.4
As of December 31, 2025	96,344	66,815	69.1

(Reference) Net worth: As of June 30, 2026: 68,069 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
	yen	yen	yen	yen	yen
Fiscal year ended December 31, 2025	–	0.00	–	75.00	75.00
Fiscal year ending December 31, 2026	–	0.00			
Fiscal year ending December 31, 2026 (Forecast)			–	110.00	110.00

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

(Note) The dividend forecast for the fiscal year ending December 31, 2026 has been revised from 78.00 yen to 110.00 yen per share. For details, please refer to "Notice Concerning Revision to Dividend Forecasts for the Fiscal Year Ending," announced on July 30, 2026.

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	257.41

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

(Note) Net income per share has been calculated taking into account the acquisition of treasury stock resolved at the meeting of the Board of Directors held on July 30, 2026, and the disposal of treasury stock executed on July 20, 2026.

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: None
Newly included: – ( ), Excluded: – ( )

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

(3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
1) Changes in accounting policies due to the revision of accounting standards: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None

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

June 30, 2026:	28,318,172 shares
December 31, 2025:	28,318,172 shares

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

June 30, 2026:	980,523 shares
December 31, 2025:	740,575 shares

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

Six months ended June 30, 2026:	27,342,814 shares
Six months ended June 30, 2025:	27,770,661 shares

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

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

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1. Qualitative Information on Semi-annual Financial Results

(1) Explanation of Operating Results

During the six months ended June 30, 2026, the Japanese economy has 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 and the effects of changes in financial and capital markets.

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 FY2026 with a budget of more than 20 trillion yen. The fiscal 2026 national budget for public works, including 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. Meanwhile, 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 change of Prime Minister and 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 business performance, Orders Received by the Group during the period under review amounted to 61,053 million yen (60,917 million yen for the corresponding period of the previous year, up 0.2% YoY). Sales amounted to 55,003 million yen (50,794 million yen for the corresponding period of the previous year, up 8.3% YoY), which is equivalent to 52.4% of the sales forecast for the fiscal year ending December 31, 2026. Ordinary Profit amounted to 6,696 million yen (6,034 million yen for the corresponding period of the previous year, up 11.0% YoY), or 63.8% of the full-year forecast for Ordinary Profit, and Net Income Attributable to Owners of the Parent was 4,427 million yen (3,779 million yen for the corresponding period of the previous year, up 17.1% YoY), or 63.3% 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 amounted to 99,469 million yen, an increase of 3,125 million yen compared to the end of the previous fiscal year. This was mainly due to an increase in “cash and bank deposits,” despite a decrease in “notes receivable, completed work receivables and contract assets.”

(Liabilities)

Total liabilities at the end of the period under review were 31,109 million yen, an increase of 1,580 million yen compared to the end of the previous fiscal year. This was mainly due to increases in “contract liabilities” and “other current liabilities,” despite a decrease in “accounts payable.”

(Net assets)

Net assets at the end of the period under review totalled 68,360 million yen, an increase of 1,545 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. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2025)	Six Months Ended June 30, 2026 (as of June 30, 2026)
Assets		
Current assets		
Cash and bank deposits	15,988	32,672
Notes receivable, completed work receivables and contract assets	44,144	31,393
Prepaid expenses for uncompleted services	155	246
Other	2,830	1,849
Allowance for doubtful accounts	-600	-614
Total current assets	62,519	65,547
Fixed assets		
Tangible fixed assets		
Land	4,601	4,083
Other, net	8,948	9,665
Total tangible fixed assets	13,549	13,749
Intangible fixed assets		
Goodwill	6,607	6,408
Other	367	490
Total intangible fixed assets	6,974	6,898
Investments and other assets		
Other	13,434	13,408
Allowance for doubtful accounts	-133	-134
Total investments and other assets	13,300	13,274
Total fixed assets	33,825	33,922
Total assets	96,344	99,469
Liabilities		
Current liabilities		
Accounts payable	3,545	2,067
Short-term borrowings	1,380	1,186
Accrued income taxes	1,823	2,503
Contract liabilities	4,169	5,381
Reserve for bonuses	3,042	2,194
Reserve for bonuses to directors	213	127
Allowance for losses in operations	121	104
Other	8,415	10,412
Total current liabilities	22,712	23,978
Fixed liabilities		
Long-term borrowings	78	63
Provision for warranties for completed operation	543	563
Net defined benefit liability	914	971
Provision for loss on guarantees	142	131
Asset retirement obligations	849	845
Other	4,287	4,555
Total fixed liabilities	6,816	7,130
Total liabilities	29,529	31,109

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2025)	Six Months Ended June 30, 2026 (as of June 30, 2026)
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	3,830	3,824
Profit surplus	53,188	55,548
Treasury stock	-1,478	-2,266
Total shareholders' equity	58,566	60,131
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	1,841	2,013
Foreign currency translation adjustment	3,199	3,398
Remeasurements of defined benefit plans	2,921	2,525
Total accumulated other comprehensive income	7,962	7,937
Non-controlling interests	285	291
Total net assets	66,815	68,360
Total liabilities and net assets	96,344	99,469

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

Semi-annual Consolidated Profit and Loss Account

(million yen)

	Six Months Ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six Months Ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Sales	50,794	55,003
Cost of sales	34,839	37,532
Gross profit	15,955	17,470
Selling, general and administrative expenses	9,978	10,853
Operating income	5,976	6,617
Non-operating revenues		
Interest earned	43	57
Dividend earned	56	127
House rent earned	19	19
Other	100	44
Total non-operating revenues	219	248
Non-operating expenses		
Interest expense	50	123
Foreign exchange losses	76	-
Other	34	45
Total non-operating expenses	161	169
Ordinary profit	6,034	6,696
Extraordinary gain		
Gain on sale of investment securities	333	46
Other	0	0
Total extraordinary gain	333	47
Extraordinary loss		
Loss from fixed assets disposal	17	15
Impairment losses	432	61
Loss on liquidation of subsidiaries and associates	88	-
Unrealized loss on investment securities	42	-
Other	0	0
Total extraordinary loss	581	77
Net income before income tax	5,787	6,666
Income taxes	2,001	2,227
Net income	3,785	4,439
Net income attributable to non-controlling interests	5	11
Net income attributable to owners of the parent	3,779	4,427

Semi-annual Consolidated Statements of Comprehensive Income

(million yen)

	Six Months Ended June 30, 2025 (from January 1, 2025 to June 30, 2025)	Six Months Ended June 30, 2026 (from January 1, 2026 to June 30, 2026)
Net income	3,785	4,439
Other comprehensive income		
Other valuation difference on available-for-sale securities	46	172
Foreign currency translation adjustment	-21	223
Remeasurements of defined benefit plans, net of tax	-283	-395
Total other comprehensive income	-258	0
Comprehensive income	3,526	4,439
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	3,533	4,402
Comprehensive income attributable to non-controlling interests	-6	36

(3) Notes to Semi-annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

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

Not applicable.

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

(Calculation of tax expenses)

The Company calculates tax expenses by multiplying net income before income tax for the period under review by a reasonably estimated effective tax rate for net income before income tax for the fiscal year ending December 31, 2026 after the application of tax effect accounting.

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

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

The Group recognised impairment losses on the following asset groups.

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

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

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

Six Months Ended June 30, 2026 (from January 1, 2026 to June 30, 2026)

The Group recognised impairment losses on the following asset groups.

Company	Location	Use	Type	Impairment losses (million yen)
CTI Engineering Co., Ltd.	Saitama City, Saitama	Idle assets (employee dormitory)	Land	61

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

During the six months ended June 30, 2026, the recoverable amount of the above assets was revised following the finalisation of the expected sale price. As a result, the book value of the above assets was written down to the recoverable amount, and the resulting decrease in book value was recognised as impairment losses under extraordinary loss.

(Notes on segment information, etc.)

[Segment Information]

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

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

(million yen)

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

(Notes) 1. Inter-segment sales or transfers (-34 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 Semi-annual Consolidated Profit and Loss Account.

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

(Significant impairment losses on fixed assets)

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

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

Six Months Ended June 30, 2026 (from January 1, 2026 to June 30, 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 Semi-annual Consolidated Profit and Loss Account (Note 2)
	Domestic consulting engineering business	Overseas consulting engineering business	Total		
Sales					
Sales to outside customers	37,726	17,277	55,003	–	55,003
Inter-segment sales or transfers	54	8	62	-62	–
Total	37,781	17,285	55,066	-62	55,003
Segment income (loss)	6,299	320	6,620	-3	6,617

(Notes) 1. Inter-segment sales or transfers (-62 million yen) and adjustments to segment income (loss) (-3 million yen) are attributable to inter-segment eliminations.

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

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

(Significant impairment losses on fixed assets)

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

The amount of impairment losses recorded for the six months ended June 30, 2026 was 61 million yen.

(Significant subsequent events)

(Acquisition of treasury stock)

The Company resolved, at a meeting of the Board of Directors held on July 30, 2026, as follows regarding matters concerning the acquisition of treasury stock, pursuant to the provisions of Article 156 of the Companies Act, as applied by replacing the relevant terms pursuant to the provisions of Article 165, paragraph (3) of the same Act.

1. Reason for the acquisition of treasury stock

The Company regards shareholder returns as one of its key management priorities. This acquisition of treasury stock is intended to promote management that is conscious of the cost of capital and stock price, improve capital efficiency, and enhance shareholder returns in line with the policy set forth in the Mid-Term Management Plan 2027, implementing shareholder returns based on the progress of growth investment.

2. Details of matters related to the acquisition

(1) Class of shares to be acquired:	Common shares
(2) Total number of shares to be acquired:	1,200,000 shares (maximum) (approx. 4.4% of total number of issued shares, excluding treasury shares)
(3) Total amount of share acquisition cost:	3,000,000,000 yen (maximum)
(4) Acquisition period:	From August 14, 2026 to April 30, 2027
(5) Method of acquisition:	Market purchases on the Tokyo Stock Exchange Note: The Company may not execute all or part of the planned acquisition depending on market conditions and other factors.
(6) Other matters:	The shares to be acquired are scheduled to be cancelled pursuant to a resolution of the Board of Directors in accordance with Article 178 of the Companies Act.