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Consolidated Financial Results for the Fiscal Year Ended December 31, 2024 [Japanese GAAP]

February 14, 2025

Company name: CTI Engineering Co., Ltd.
Stock exchange listing: Tokyo Stock Exchange
Code number: 9621
URL: https://www.ctie.co.jp/
Representative: Tatsuya Nishimura, Representative Director and President, CEO
Contact: Toshikazu Matsuoka, Director, Managing Executive Officer, serving as the Chief of Administration Headquarters
Phone: +81-3-3668-4125
Scheduled date of annual general meeting of shareholders: March 25, 2025
Scheduled date of commencing dividend payments: March 26, 2025
Scheduled date of filing annual securities report: March 26, 2025
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, 2024 (January 1, 2024 – December 31, 2024)

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

	Sales		Operating income		Ordinary profit		Net income attributable to owners of the parent	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2024	97,678	5.0	9,396	(6.1)	9,535	(6.1)	6,746	(10.5)
December 31, 2023	93,057	11.5	10,011	24.9	10,153	23.3	7,534	28.2

(Note) Comprehensive income: Fiscal year ended December 31, 2024: 8,595 million yen [(11.1)%]
Fiscal year ended December 31, 2023: 9,667 million yen [56.0%]

	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, 2024	243.10	–	11.6	11.4	9.6
December 31, 2023	271.06	–	14.7	13.3	10.8

(Reference) Share of profit (loss) of entities accounted for using equity method:
Fiscal year ended December 31, 2024: –
Fiscal year ended December 31, 2023: –

(Note) The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. Net income per share has been 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, 2024	87,694	61,674	70.1	2,213.71
As of December 31, 2023	79,914	55,093	68.7	1,979.45

(Reference) Net worth: As of December 31, 2024: 61,453 million yen
As of December 31, 2023: 54,887 million yen

(Note) The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. T Net assets per share has been 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, 2024	2,410	(4,805)	(2,111)	15,523
December 31, 2023	874	(912)	(3,291)	19,654

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			
	yen	yen	yen	yen	yen	million yen	%	%
Fiscal year ended December 31, 2023	–	0.00	–	150.00	150.00	2,079	27.7	4.1
Fiscal year ended December 31, 2024	–	0.00	–	150.00	150.00	2,082	30.9	3.6
Fiscal year ending December 31, 2025 (Forecast)	–	0.00	–	75.00	75.00		30.2	

Note: CTI Engineering Co., Ltd. conducted a 2-for-1 stock split of shares of common stock on January 1, 2025. For the Fiscal year ended December 31, 2024, the actual amount of dividends paid out is presented. For the Fiscal year ending December 31, 2025 (Forecast), the details are after the stock split.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(% indicates year-on-year changes)

	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	100,000	2.4	10,000	6.4	10.000	4.9	6,900	2.3	248.55

Note: CTI Engineering Co., Ltd. conducted a 2-for-1 stock split of shares of common stock on January 1, 2025. Basic earnings per share in the consolidated earnings forecast for the FY 2025, takes into account the impact of the stock split.

*** Notes:**

(1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 1 (HIROKEN CONSULTANTS Co., LTD.), 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: None
2) Changes in accounting policies other than 1) above: None
3) Changes in accounting estimates: None
4) Retrospective restatement: None
(Note) For details, please see “3. Consolidated Financial Statements and Principal Notes, (5) Notes to Consolidated Financial Statements, (Changes in accounting policies)” on page 14 of the Attachments.

(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, 2024: 28,318,172 shares
December 31, 2023: 28,318,172 shares

2) Total number of treasury shares at the end of the period:
December 31, 2024: 557,716 shares
December 31, 2023: 589,404 shares

3) Average number of shares during the period:
Fiscal year ended December 31, 2024: 27,749,982 shares
Fiscal year ended December 31, 2023: 27,796,120 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) has been 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, 2024 (January 1, 2024 – December 31, 2024)

(1) Non-consolidated Operating Results (% indicates year-on-year changes.)

	Sales		Operating income		Ordinary profit		Net income	
Fiscal year ended	million yen	%	million yen	%	million yen	%	million yen	%
December 31, 2024	59,405	3.4	8,499	(0.7)	8,932	0.2	6,532	(1.8)
December 31, 2023	57,439	11.8	8,563	27.7	8,912	26.9	6,652	28.7

	Net income per share	Net income per share after adjustment of potential shares
Fiscal year ended	yen	yen
December 31, 2024	235.41	–
December 31, 2023	239.33	–

(Note) The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. Net income per share has been 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, 2024	67,383	53,720	79.7	1,935.13
As of December 31, 2023	62,979	48,924	77.7	1,764.39

(Reference) Net worth: As of December 31, 2024: 53,720 million yen
As of December 31, 2023: 48,924 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 has been 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 Fiscal Year Ending December 31, 2025 (January 1, 2025 – December 31, 2025)

(% indicates year-on-year changes)

	Sales		Ordinary profit		Net income		Net income per share
	million yen	%	million yen	%	million yen	%	yen
Full year	60,000–	(1.0)	9,000–	(0.8)	6,600–	(1.0)	237.75

(Note) The Company has conducted a 2-for-1 stock split of its common shares as of January 1, 2025. Basic earnings per share in the Non-consolidated earnings forecast for the FY 2025, takes into account the impact of the stock split.

* 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.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2023)	Current Consolidated Fiscal Year (as of December 31, 2024)
Assets		
Current assets		
Cash and bank deposits	19,654	15,523
Notes receivable, completed work receivables and contract assets	33,814	40,053
Prepaid expenses for uncompleted services	107	97
Other	1,434	1,809
Allowance for doubtful accounts	-624	-516
Total current assets	54,387	56,967
Fixed assets		
Tangible fixed assets		
Buildings and structures	6,700	7,542
Accumulated depreciation	-3,750	-4,360
Buildings and structures, net	2,949	3,181
Machinery and transportation equipment	1,316	1,344
Accumulated depreciation	-1,065	-1,075
Machinery and transportation equipment, net	250	268
Land	4,787	4,903
Lease assets	372	493
Accumulated depreciation	-234	-275
Lease assets, net	137	217
Right-of-use assets	3,020	3,699
Accumulated depreciation	-1,737	-2,084
Right-of-use assets, net	1,282	1,614
Construction in progress	-	24
Other	3,391	3,887
Accumulated depreciation	-2,577	-2,919
Other, net	813	967
Total tangible fixed assets	10,222	11,178
Intangible fixed assets		
Lease assets	12	9
Goodwill	4,266	6,874
Other	462	363
Total intangible fixed assets	4,741	7,246
Investments and other assets		
Investment securities	4,460	5,029
Long-term loans receivable from subsidiaries and affiliates	639	711
Deferred tax assets	876	222
Net defined benefit asset	2,961	4,468
Other	1,744	2,000
Allowance for doubtful accounts	-119	-131
Total investments and other assets	10,563	12,301
Total fixed assets	25,526	30,726
Total assets	79,914	87,694

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2023)	Current Consolidated Fiscal Year (as of December 31, 2024)
Liabilities		
Current liabilities		
Accounts payable	3,018	3,609
Short-term borrowings	1,190	1,990
Lease obligations	641	780
Accrued income taxes	1,123	1,144
Contract liabilities	3,690	4,048
Reserve for bonuses	3,946	3,490
Reserve for bonuses to directors	272	219
Allowance for losses in operations	111	90
Other	7,540	6,958
Total current liabilities	21,536	22,333
Fixed liabilities		
Long-term borrowings	160	119
Lease obligations	887	1,137
Provision for warranties for completed operation	411	452
Deferred tax liabilities	111	169
Net defined benefit liability	867	898
Provision for loss on guarantees	-	27
Asset retirement obligations	268	302
Other	575	577
Total fixed liabilities	3,283	3,686
Total liabilities	24,820	26,019
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	3,616	3,650
Profit surplus	44,652	49,318
Treasury stock	-939	-890
Total shareholders' equity	50,354	55,104
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	1,513	1,781
Foreign currency translation adjustment	1,593	2,549
Remeasurements of defined benefit plans	1,425	2,017
Total accumulated other comprehensive income	4,532	6,348
Non-controlling interests	206	221
Total net assets	55,093	61,674
Total liabilities and net assets	79,914	87,694

(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, 2023 to December 31, 2023)	Current Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)
Sales	93,057	97,678
Cost of sales	65,996	69,251
Gross profit	27,060	28,427
Selling, general and administrative expenses	17,049	19,030
Operating income	10,011	9,396
Non-operating revenues		
Interest earned	39	76
Dividend earned	100	126
Insurance dividend earned	28	29
Foreign exchange gains	14	-
House rent earned	38	38
Other	57	46
Total non-operating revenues	279	317
Non-operating expenses		
Interest expense	54	72
Commission paid	2	16
Loss on investments in investment partnerships	-	27
Foreign exchange losses	-	58
Commission for acquisition of treasury stock	24	-
Expenses for the Company’s 60th anniversary project	30	-
Other	25	4
Total non-operating expenses	137	178
Ordinary profit	10,153	9,535
Extraordinary gain		
Gain on sale of non-current assets	29	2
Gain on sale of investment securities	59	46
Gain on liquidation of subsidiaries and associates	-	9
Other	0	-
Total extraordinary gain	89	58
Extraordinary loss		
Loss from fixed assets disposal	37	63
Allowance for doubtful accounts	13	11
Provision for loss on guarantees	-	27
Unrealized loss on investment securities	46	-
Other	4	-
Total extraordinary loss	102	103
Net income before income tax	10,140	9,489
Corporation tax, inhabitants taxes and enterprise tax	2,813	2,436
Deferred income taxes etc.	-242	267
Total income taxes	2,571	2,704
Net income	7,569	6,785
Net income attributable to non-controlling interests	34	39
Net income attributable to owners of the parent	7,534	6,746

Consolidated Statements of Comprehensive Income

(million yen)

	Previous Consolidated Fiscal Year (from January 1, 2023 to December 31, 2023)	Current Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)
Net income	7,569	6,785
Other comprehensive income		
Other valuation difference on available-for-sale securities	174	267
Foreign currency translation adjustment	994	950
Remeasurements of defined benefit plans, net of tax	929	591
Total other comprehensive income	2,097	1,809
Comprehensive income	9,667	8,595
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	9,625	8,562
Comprehensive income attributable to non-controlling interests	41	33

(3) Statement of Fluctuations in Consolidated Shareholders' Equity

Previous Consolidated Fiscal Year (from January 1, 2023 to December 31, 2023)

(million yen)

	Shareholders' equity				
	Capital	Capital surplus	Profit surplus	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	3,025	3,535	38,531	-14	45,079
Changes of items during the period					
Dividends from surplus			-1,413		-1,413
Net income attributable to owners of the parent			7,534		7,534
Acquisition of treasury stock				-1,000	-1,000
Disposal of treasury stock		0		75	75
Changes in liabilities for written put options over non-controlling interests		80			80
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)					
Total changes of items during the period	-	80	6,120	-925	5,275
Balance at the end of current period	3,025	3,616	44,652	-939	50,354

	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	1,338	606	496	2,441	198	47,719
Changes of items during the period						
Dividends from surplus						-1,413
Net income attributable to owners of the parent						7,534
Acquisition of treasury stock						-1,000
Disposal of treasury stock						75
Changes in liabilities for written put options over non-controlling interests						80
Fluctuations during this fiscal year for items other than shareholders' equity (Net amount)	174	987	929	2,090	7	2,098
Total changes of items during the period	174	987	929	2,090	7	7,374
Balance at the end of current period	1,513	1,593	1,425	4,532	206	55,093

Current 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

(4) Consolidated Cash Flow Statement

(million yen)

	Previous Consolidated Fiscal Year (from January 1, 2023 to December 31, 2023)	Current Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)
Cash flow from operating activities		
Net income before income tax	10,140	9,489
Depreciation and amortization	1,401	1,609
Amortization of goodwill	305	338
Increase (decrease) in allowance for doubtful accounts	39	-153
Increase (decrease) in net defined benefit liability	101	-52
Decrease (increase) in net defined benefit asset	-218	-509
Increase (decrease) in reserve for bonuses	682	-495
Increase (decrease) in reserve for bonuses to directors	14	-72
Increase (decrease) in allowance for losses in operations	58	-47
Increase (decrease) in Provision for loss on guarantees	-	27
Increase (decrease) in provision for warranties for completed operation	-312	-0
Interest and dividend earned	-140	-202
Interest payable	54	72
Foreign exchange loss (gain)	-24	-51
Commission for purchase of treasury shares	24	-
Unrealized loss (gain) on investment securities	46	-
Loss (gain) from fixed assets disposal	12	61
Loss (gain) on sale of investment securities	-59	-46
Impairment loss	-	-9
Decrease (increase) in trade receivables and contract assets	-7,027	-4,822
Decrease (increase) in prepaid expenses for uncompleted services	58	10
Decrease (increase) in other current assets	11	36
Increase (decrease) in account payable	-8	338
Increase (decrease) in contract liabilities	-1,102	85
Increase (decrease) in accrued consumption taxes	1,130	-494
Increase (decrease) in other current liabilities	136	-503
Other	10	29
Subtotal	5,334	4,639
Received interest and dividend	142	201
Interest payment	-55	-72
Payment of corporation income tax etc.	-4,547	-2,357
Cash flow provided by operating activities	874	2,410

(million yen)

	Previous Consolidated Fiscal Year (from January 1, 2023 to December 31, 2023)	Current Consolidated Fiscal Year (from January 1, 2024 to December 31, 2024)
Cash flow from investment activities		
Payments for acquisition of tangible fixed assets	-843	-850
Proceeds from sale of property, plant and equipment	143	2
Payments for acquisition of intangible fixed assets	-127	-102
Payments for acquisition of investment securities	-5	-225
Proceeds from sales of investment securities	111	94
Repayments for loans	-350	-389
Income from loan collection	255	209
Payments for investments in capital	-50	-75
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	-	-3,340
Proceeds from clearance of shares in associates	-	67
Other payments	-58	-205
Other proceeds	13	10
Cash flow used for investment activities	-912	-4,805
Cash flow from financial activities		
Net increase (decrease) in short-term borrowings	-	800
Repayments of long-term borrowings	-40	-40
Acquisition of treasury stock	-1,025	-2
Repayments of lease obligations	-662	-727
Dividend payments	-1,408	-2,072
Dividends paid to non-controlling interests	-33	-18
Purchase of shares in subsidiaries not resulting in change in scope of consolidation	-120	-50
Cash flow used for financial activities	-3,291	-2,111
Effect in fluctuation of exchange rate for cash and cash equivalents	395	374
Increase (decrease) in cash and cash equivalents	-2,934	-4,131
Opening balance of cash and cash equivalents	22,589	19,654
Closing balance of cash and cash equivalents	19,654	15,523