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Consolidated Financial Results for the Nine Months Ended September 30, 2024 [Japanese GAAP]

November 12, 2024

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 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 Nine Months Ended September 30, 2024 (January 1, 2024 – September 30, 2024)

(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	
Nine months ended	million yen	%	million yen	%	million yen	%	million yen	%
September 30, 2024	72,197	4.6	7,419	(11.0)	7,421	(12.1)	5,266	(14.0)
September 30, 2023	69,015	12.3	8,331	27.9	8,438	26.2	6,122	35.6

(Note) Comprehensive income: Nine months ended September 30, 2024: 5,909 million yen [(20.6)%]
Nine months ended September 30, 2023: 7,441 million yen [53.7%]

	Net income per share	Net income per share after adjustment of potential shares
Nine months ended	yen	yen
September 30, 2024	379.63	–
September 30, 2023	440.16	–

(2) Consolidated Financial Position

	Total assets	Net assets	Net worth ratio
	million yen	million yen	%
As of September 30, 2024	84,817	58,965	69.3
As of December 31, 2023	79,914	55,093	68.7

(Reference) Net worth: As of September 30, 2024: 58,748 million yen
As of December 31, 2023: 54,887 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, 2023	–	0.00	–	150.00	150.00
Fiscal year ending December 31, 2024	–	0.00	–		
Fiscal year ending December 31, 2024 (Forecast)				150.00	150.00

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

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2024 (January 1, 2024 - December 31, 2024)

(% 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	97,000	4.2	9,600	(4.1)	9,700	(4.5)	6,900	(8.4)	497.30

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

*** 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 quarterly 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):

September 30, 2024:	14,159,086 shares
December 31, 2023:	14,159,086 shares

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

September 30, 2024:	278,751 shares
December 31, 2023:	294,702 shares

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

Nine months ended September 30, 2024:	13,873,230 shares
Nine months ended September 30, 2023:	13,909,265 shares

* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

* 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.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2023)	Nine Months Ended September 30, 2024 (as of September 30, 2024)
Assets		
Current assets		
Cash and bank deposits	19,654	27,928
Notes receivable, completed work receivables and contract assets	33,814	28,930
Prepaid expenses for uncompleted services	107	108
Other	1,434	1,635
Allowance for doubtful accounts	-624	- 521
Total current assets	54,387	58,080
Fixed assets		
Tangible fixed assets		
Land	4,787	4,787
Other, net	5,434	5,746
Total tangible fixed assets	10,222	10,534
Intangible fixed assets		
Goodwill	4,266	4,260
Other	474	377
Total intangible fixed assets	4,741	4,637
Investments and other assets		
Other	10,682	11,686
Allowance for doubtful accounts	-119	-121
Total investments and other assets	10,563	11,565
Total fixed assets	25,526	26,736
Total assets	79,914	84,817
Liabilities		
Current liabilities		
Accounts payable	3,018	2,044
Short-term borrowings	1,190	1,990
Accrued income taxes	1,123	836
Contract liabilities	3,690	4,700
Reserve for bonuses	3,946	4,095
Reserve for bonuses to directors	272	161
Allowance for losses in operations	111	78
Other	8,182	8,516
Total current liabilities	21,536	22,425
Fixed liabilities		
Long-term borrowings	160	129
Provision for warranties for completed operation	411	406
Net defined benefit liability	867	911
Provision for loss on guarantees	-	19
Asset retirement obligations	268	277
Other	1,574	1,682
Total fixed liabilities	3,283	3,426
Total liabilities	24,820	25,851

(million yen)

	Previous Consolidated Fiscal Year (as of December 31, 2023)	Nine Months Ended September 30, 2024 (as of September 30, 2024)
Net assets		
Shareholders' equity		
Capital	3,025	3,025
Capital surplus	3,616	3,626
Profit surplus	44,652	47,839
Treasury stock	-939	-889
Total shareholders' equity	50,354	53,602
Accumulated other comprehensive income		
Other valuation difference on available-for-sale securities	1,513	1,830
Foreign currency translation adjustment	1,593	2,135
Remeasurements of defined benefit plans	1,425	1,179
Total accumulated other comprehensive income	4,532	5,146
Non-controlling interests	206	217
Total net assets	55,093	58,965
Total liabilities and net assets	79,914	84,817

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

Quarterly Consolidated Profit and Loss Account

Nine Months Ended September 30, 2024

(million yen)

	Nine Months Ended September 30, 2023 (from January 1, 2023 to September 30, 2023)	Nine Months Ended September 30, 2024 (from January 1, 2024 to September 30, 2024)
Sales	69,015	72,197
Cost of sales	48,127	50,772
Gross profit	20,888	21,425
Selling, general and administrative expenses	12,556	14,006
Operating income	8,331	7,419
Non-operating revenues		
Interest earned	25	51
Dividend earned	68	79
Foreign exchange gains	51	-
House rent earned	30	29
Other	36	33
Total non-operating revenues	213	194
Non-operating expenses		
Interest expense	38	49
Foreign exchange losses	-	103
Commission for acquisition of treasury stock	24	-
Expenses for the Company's 60th anniversary project	30	-
Other	12	38
Total non-operating expenses	106	191
Ordinary profit	8,438	7,421
Extraordinary gain		
Gain on sale of non-current assets	28	-
Gain on sale of investment securities	-	8
Gain on liquidation of subsidiaries and associates	-	9
Other	-	2
Total extraordinary gain	28	20
Extraordinary loss		
Loss from fixed assets disposal	15	18
Unrealized loss on investment securities	9	-
Provision for loss on guarantees	-	19
Other	0	1
Total extraordinary loss	26	40
Net income before income tax	8,441	7,401
Income taxes	2,308	2,105
Net income	6,133	5,295
Net income attributable to non-controlling interests	10	28
Net income attributable to owners of the parent	6,122	5,266

Quarterly Consolidated Statements of Comprehensive Income
Nine Months Ended September 30, 2024

(million yen)

	Nine Months Ended September 30, 2023 (from January 1, 2023 to September 30, 2023)	Nine Months Ended September 30, 2024 (from January 1, 2024 to September 30, 2024)
Net income	6,133	5,295
Other comprehensive income		
Other valuation difference on available-for-sale securities	300	316
Foreign currency translation adjustment	1,075	543
Remeasurements of defined benefit plans, net of tax	-66	-245
Total other comprehensive income	1,308	614
Comprehensive income	7,441	5,909
(Comprehensive income attributable to)		
Comprehensive income attributable to owners of the parent	7,427	5,880
Comprehensive income attributable to non-controlling interests	14	29