

Translation

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Summary of Consolidated Financial Results for the Year Ended December 31, 2024 (Based on Japanese GAAP)

February 13, 2025

Company name: C.E.Management Integrated Laboratory Co.Ltd
 Stock exchange listing: Tokyo
 Stock code: 6171 URL <https://www.dksiken.co.jp/>
 Representative: President Yuji Shimodaira
 Inquiries: Planning Manager Nao Shioiri TEL 03-5846-8385
 Scheduled date of ordinary general meeting of shareholders: March 21, 2025
 Scheduled date to file Securities Report: March 21, 2025
 Scheduled date to commence dividend payments: March 24, 2025
 Preparation of supplementary material on financial results: No
 Holding of financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended December 31, 2024 (from January 1, 2024 to December 31, 2024)

(1) Consolidated operating results Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended December 31, 2024	7,346	0.3	581	22.6	607	24.3	362	90.8
Year ended December 31, 2023	7,326	4.7	474	(10.9)	488	(13.3)	190	(45.7)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended December 31, 2024	25.51	25.50	7.6	8.7	7.9
Year ended December 31, 2023	13.38	13.37	4.1	7.0	6.5

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2024	7,028	4,872	69.3	342.67
As of December 31, 2023	6,861	4,631	67.5	326.03

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended December 31, 2024	686	(111)	(443)	2,090
Year ended December 31, 2023	952	(82)	(479)	1,958

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended December 31, 2023	—	6.00	—	6.00	12.00	170	89.7	3.7
Year ended December 31, 2024	—	6.00	—	6.00	12.00	170	47.0	3.6
Year ending December 31, 2025 (Forecast)	—	6.00	—	6.00	12.00		40.0	

3. Forecast of consolidated financial results for the year ending December 31, 2025 (from January 1, 2025 to December 31, 2025)

Percentages indicate year-on-year changes

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending June 30, 2025	3,774	6.7	281	16.9	285	9.9	170	18.9	12.01
Full year	7,840	6.7	684	17.9	694	14.3	426	17.5	29.97

4. Notes

(1) Significant changes in the scope of consolidation during the year ended December 31, 2024: No

(2) Changes in accounting policies, changes in accounting estimates, and restatement of prior period financial statements

Changes in accounting policies due to revisions to accounting standards and other regulations: No

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of December 31, 2024	14,237,995 shares	As of December 31, 2023	14,221,995 shares
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Number of treasury shares at the end of the period

As of December 31, 2024	17,501 shares	As of December 31, 2023	17,501 shares
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Average number of shares during the period

Year ended December 31, 2024	14,210,395 shares	Year ended December 31, 2023	14,205,674 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	2,138,332	2,270,637
Notes receivable - trade	52,654	89,793
Accounts receivable - trade	1,001,402	998,188
Contract assets	258,609	305,664
Merchandise	2,012	3,096
Work in process	295,455	282,597
Supplies	15,612	18,130
Other	64,111	82,402
Allowance for doubtful accounts	(12,592)	(23,174)
Total current assets	3,815,597	4,027,337
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,280,147	1,264,943
Machinery, equipment and vehicles, net	115,181	88,996
Tools, furniture and fixtures, net	37,920	29,706
Land	547,690	682,700
Leased assets, net	117,293	167,245
Construction in progress	4,590	7,373
Total property, plant and equipment	2,102,823	2,240,966
Intangible assets		
Goodwill	148,277	77,329
Other	158,137	128,412
Total intangible assets	306,415	205,741
Investments and other assets		
Investment securities	387,064	353,829
Deferred tax assets	157,043	120,497
Other	98,447	80,655
Allowance for doubtful accounts	(6,277)	(327)
Total investments and other assets	636,278	554,654
Total non-current assets	3,045,517	3,001,362
Total assets	6,861,115	7,028,699

(Thousands of yen)

	As of December 31, 2023	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	231,534	226,377
Current portion of long-term borrowings	217,423	170,971
Lease liabilities	47,429	51,086
Accounts payable - other	272,502	312,473
Income taxes payable	155,645	157,592
Provision for bonuses	17,700	17,274
Provision for loss on construction contracts	3,585	6,504
Other	307,313	340,023
Total current liabilities	1,253,135	1,282,304
Non-current liabilities		
Long-term borrowings	494,749	323,778
Lease liabilities	81,335	125,512
Retirement benefit liability	355,070	378,347
Other	45,715	45,826
Total non-current liabilities	976,871	873,463
Total liabilities	2,230,006	2,155,767
Net assets		
Shareholders' equity		
Share capital	1,204,820	1,205,876
Capital surplus	1,154,820	1,155,876
Retained earnings	2,230,530	2,422,635
Treasury shares	(0)	(0)
Total shareholders' equity	4,590,172	4,784,389
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,027	85,277
Foreign currency translation adjustment	1,909	3,265
Total accumulated other comprehensive income	40,936	88,542
Total net assets	4,631,108	4,872,931
Total liabilities and net assets	6,861,115	7,028,699

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Net sales	7,326,633	7,346,050
Cost of sales	4,590,447	4,480,516
Gross profit	2,736,185	2,865,533
Selling, general and administrative expenses		
Remuneration for directors (and other officers)	285,667	281,434
Salaries, allowances and bonuses	796,741	869,729
Provision for bonuses	9,923	9,437
Retirement benefit expenses	46,999	39,745
Legal welfare expenses	152,249	161,942
Provision of allowance for doubtful accounts	16,223	11,983
Depreciation	98,098	78,943
Amortization of goodwill	95,322	70,948
Rent expenses on land and buildings	118,573	125,287
Commission expenses	232,447	236,335
Other	409,884	398,673
Total selling, general and administrative expenses	2,262,130	2,284,461
Operating profit	474,054	581,072
Non-operating income		
Interest income	157	300
Dividend income	11,498	12,148
Rental income	4,079	3,466
Electricity sale income	2,075	1,917
Gain on investments in investment partnerships	–	12,687
Other	4,050	2,899
Total non-operating income	21,861	33,421
Non-operating expenses		
Interest expenses	4,677	4,990
Litigation expenses	354	762
Cost of electricity sales	1,088	960
Share-based payment expenses	84	–
Foreign exchange losses	767	–
Other	579	521
Total non-operating expenses	7,551	7,235
Ordinary profit	488,364	607,258
Extraordinary losses		
Impairment losses	113,564	–
Total extraordinary losses	113,564	–
Profit before income taxes	374,799	607,258
Income taxes - current	228,649	232,347
Income taxes - deferred	(43,909)	12,351
Total income taxes	184,740	244,699
Profit	190,059	362,559
Profit attributable to owners of parent	190,059	362,559

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Profit	190,059	362,559
Other comprehensive income		
Valuation difference on available-for-sale securities	30,500	46,249
Foreign currency translation adjustment	834	1,356
Total other comprehensive income	31,334	47,606
Comprehensive income	221,394	410,165
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	221,394	410,165

Consolidated statements of changes in equity

Fiscal year ended December 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,204,820	1,154,820	2,203,853	–	4,563,494
Changes during period					
Dividends of surplus			(163,382)		(163,382)
Profit attributable to owners of parent			190,059		190,059
Purchase of treasury shares				(0)	(0)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	26,677	(0)	26,677
Balance at end of period	1,204,820	1,154,820	2,230,530	(0)	4,590,172

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	8,527	1,074	9,601	4,573,096
Changes during period				
Dividends of surplus				(163,382)
Profit attributable to owners of parent				190,059
Purchase of treasury shares				(0)
Net changes in items other than shareholders' equity	30,500	834	31,334	31,334
Total changes during period	30,500	834	31,334	58,012
Balance at end of period	39,027	1,909	40,936	4,631,108

Fiscal year ended December 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,204,820	1,154,820	2,230,530	(0)	4,590,172
Changes during period					
Issuance of new shares - exercise of share acquisition rights	1,056	1,056			2,112
Dividends of surplus			(170,453)		(170,453)
Profit attributable to owners of parent			362,559		362,559
Net changes in items other than shareholders' equity					
Total changes during period	1,056	1,056	192,105	-	194,217
Balance at end of period	1,205,876	1,155,876	2,422,635	(0)	4,784,389

	Accumulated other comprehensive income			Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Total accumulated other comprehensive income	
Balance at beginning of period	39,027	1,909	40,936	4,631,108
Changes during period				
Issuance of new shares - exercise of share acquisition rights				2,112
Dividends of surplus				(170,453)
Profit attributable to owners of parent				362,559
Net changes in items other than shareholders' equity	46,249	1,356	47,606	47,606
Total changes during period	46,249	1,356	47,606	241,823
Balance at end of period	85,277	3,265	88,542	4,872,931

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended December 31, 2023	Fiscal year ended December 31, 2024
Cash flows from operating activities		
Profit before income taxes	374,799	607,258
Depreciation	264,341	236,062
Impairment losses	113,564	–
Amortization of goodwill	95,322	70,948
Increase (decrease) in allowance for doubtful accounts	15,591	4,631
Increase (decrease) in provision for bonuses	13,128	(426)
Increase (decrease) in provision for loss on construction contracts	(1,994)	2,919
Increase (decrease) in retirement benefit liability	26,559	23,276
Interest and dividend income	(11,655)	(12,449)
Interest expenses	4,677	4,990
Foreign exchange losses (gains)	767	(158)
Loss (gain) on investments in investment partnerships	–	(12,687)
Decrease (increase) in accounts receivable - trade, and contract assets	39,487	(80,981)
Decrease (increase) in inventories	19,409	9,256
Increase (decrease) in trade payables	(61,247)	(5,156)
Increase (decrease) in accounts payable - other	(18,705)	35,204
Other, net	35,692	32,183
Subtotal	909,740	914,871
Interest and dividends received	11,655	12,449
Interest paid	(4,625)	(4,944)
Income taxes refund (paid)	35,776	(235,972)
Net cash provided by (used in) operating activities	952,546	686,403
Cash flows from investing activities		
Payments into time deposits	(720,000)	(720,000)
Proceeds from withdrawal of time deposits	720,000	720,000
Purchase of property, plant and equipment	(52,706)	(226,552)
Purchase of investment securities	(224)	(241)
Proceeds from redemption of investment securities	–	100,000
Other, net	(29,117)	15,300
Net cash provided by (used in) investing activities	(82,048)	(111,493)
Cash flows from financing activities		
Proceeds from long-term borrowings	5,000	–
Repayments of long-term borrowings	(217,175)	(217,423)
Repayments of lease liabilities	(54,327)	(58,038)
Proceeds from issuance of shares	–	2,112
Redemption of bonds	(50,000)	–
Purchase of treasury shares	(0)	–
Dividends paid	(163,205)	(170,485)
Net cash provided by (used in) financing activities	(479,708)	(443,835)
Effect of exchange rate change on cash and cash equivalents	765	1,230
Net increase (decrease) in cash and cash equivalents	391,554	132,304
Cash and cash equivalents at beginning of period	1,566,778	1,958,332
Cash and cash equivalents at end of period	1,958,332	2,090,637