

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2023 (Based on Japanese GAAP)

November 9, 2023

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 to file Quarterly Securities Report: November 10, 2023
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: No
 Holding of quarterly financial results meeting: No

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the nine months ended September 30, 2023 (from January 1, 2023 to September 30, 2023)

(1) Consolidated operating results (cumulative)

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	%
Nine months ended September 30, 2023	5,321	8.4	242	0.1	252	(5.5)	125	4.8
Nine months ended September 30, 2022	4,908	(0.0)	242	10.7	266	(16.0)	120	(26.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended September 30, 2023	8.86		8.85	
Nine months ended September 30, 2022	8.45		8.44	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	6,884	4,566	66.3
As of December 31, 2022	7,013	4,573	65.2

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended December 31, 2022	–	5.50	–	5.50	11.00
Year ending December 31, 2023	–	6.00	–		
Year ending December 31, 2023 (Forecast)				6.00	12.00

3. Forecast of consolidated financial results for the year ending December 31, 2023 (from January 1, 2023 to December 31, 2023)

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
Full year	7,750	10.7	650	22.2	660	17.4	382	9.3	26.91

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended September 30, 2023
(changes in specified subsidiaries resulting in the change in scope of consolidation): No
- (2) Application of special accounting methods for preparing quarterly consolidated financial statements: Yes
- (3) 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: Yes
- Changes in accounting policies due to other reasons: No
- Changes in accounting estimates: No
- Restatement of prior period financial statements: No

(4) Number of issued shares (common shares)

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

As of September 30, 2023	14,221,995 shares	As of December 31, 2022	14,221,995 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	17,500 shares	As of December 31, 2022	12,000 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended September 30, 2023	14,206,072 shares	Nine months ended September 30, 2022	14,210,986 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Assets		
Current assets		
Cash and deposits	1,746,778	2,114,249
Notes and accounts receivable - trade, and contract assets	1,352,152	1,178,571
Merchandise	2,502	5,339
Work in process	313,881	277,576
Supplies	16,106	15,868
Other	240,928	78,322
Allowance for doubtful accounts	(2,559)	(2,522)
Total current assets	3,669,790	3,667,405
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,333,826	1,297,497
Land	547,690	547,690
Other	311,099	285,528
Total property, plant and equipment	2,192,615	2,130,717
Intangible assets		
Goodwill	313,408	241,252
Other	258,431	214,585
Total intangible assets	571,840	455,838
Investments and other assets		
Investment securities	342,944	385,005
Other	236,802	246,373
Allowance for doubtful accounts	(717)	(922)
Total investments and other assets	579,029	630,456
Total non-current assets	3,343,485	3,217,011
Total assets	7,013,275	6,884,416

(Thousands of yen)

	As of December 31, 2022	As of September 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	292,782	186,518
Current portion of bonds payable	50,000	50,000
Current portion of long-term borrowings	216,732	217,678
Lease liabilities	49,634	47,591
Accounts payable - other	292,464	286,571
Income taxes payable	45,308	55,140
Provision for bonuses	4,572	110,655
Provision for loss on construction contracts	5,580	5,627
Other	286,965	319,847
Total current liabilities	1,244,039	1,279,630
Non-current liabilities		
Long-term borrowings	707,615	548,956
Lease liabilities	76,229	74,330
Retirement benefit liability	328,510	339,142
Other	83,783	75,745
Total non-current liabilities	1,196,139	1,038,175
Total liabilities	2,440,179	2,317,805
Net assets		
Shareholders' equity		
Share capital	1,204,820	1,204,820
Capital surplus	1,154,820	1,154,820
Retained earnings	2,203,853	2,166,329
Total shareholders' equity	4,563,494	4,525,971
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,527	37,659
Foreign currency translation adjustment	1,074	2,979
Total accumulated other comprehensive income	9,601	40,639
Total net assets	4,573,096	4,566,610
Total liabilities and net assets	7,013,275	6,884,416

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Net sales	4,908,383	5,321,457
Cost of sales	3,070,234	3,383,596
Gross profit	1,838,149	1,937,861
Selling, general and administrative expenses		
Salaries, allowances and bonuses	571,090	567,371
Provision for bonuses	36,648	46,043
Retirement benefit expenses	25,278	30,101
Provision of allowance for doubtful accounts	114	799
Other	962,852	1,051,222
Total selling, general and administrative expenses	1,595,982	1,695,538
Operating profit	242,166	242,322
Non-operating income		
Interest income	296	121
Dividend income	5,420	5,692
Rental income	4,931	3,209
Surrender value of insurance policies	10,913	–
Other	7,201	5,506
Total non-operating income	28,763	14,530
Non-operating expenses		
Interest expenses	2,862	3,454
Cost of electricity sales	920	816
Other	486	535
Total non-operating expenses	4,269	4,806
Ordinary profit	266,660	252,046
Extraordinary losses		
Loss on valuation of investment securities	8,942	–
Total extraordinary losses	8,942	–
Profit before income taxes	257,717	252,046
Income taxes	137,631	126,187
Profit	120,086	125,858
Profit attributable to owners of parent	120,086	125,858

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2022	Nine months ended September 30, 2023
Profit	120,086	125,858
Other comprehensive income		
Valuation difference on available-for-sale securities	1,080	29,132
Foreign currency translation adjustment	2,846	1,905
Total other comprehensive income	3,927	31,037
Comprehensive income	124,014	156,896
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	124,014	156,896