Translation

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Summary of Consolidated Financial Results for the Nine Months Ended September 30, 2024 (Based on Japanese GAAP)

November 8, 2024

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
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Scheduled date to commence dividend payments: –
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 nine months ended September 30, 2024 (from January 1, 2024 to September 30, 2024)

(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, 2024	5,262	(1.1)	311	28.6	330	31.2	173	37.7
Nine months ended September 30, 2023	5,321	8.4	242	0.1	252	(5.5)	125	4.8

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended September 30, 2024	12.20	12.19
Nine months ended September 30, 2023	8.86	8.85

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of September 30, 2024	6,666	4,659	69.9
As of December 31, 2023	6,861	4,631	67.5

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended December 31, 2023	–	6.00	–	6.00	12.00
Year ending December 31, 2024	–	6.00	–		
Year ending December 31, 2024 (Forecast)				6.00	12.00

3. Forecast of consolidated financial results for the year ending December 31, 2024 (from January 1, 2024 to December 31, 2024)

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	7,661	4.6	648	36.8	653	33.9	395	107.9	27.82

4. Notes

(1) Significant changes in the scope of consolidation during the nine months ended September 30, 2024: 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:	No
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, 2024	14,237,995 shares	As of December 31, 2023	14,221,995 shares

Number of treasury shares at the end of the period

As of September 30, 2024	17,501 shares	As of December 31, 2023	17,501 shares

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

Nine months ended September 30, 2024	14,207,004 shares	Nine months ended September 30, 2023	14,206,072 shares

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2023	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	2,138,332	2,062,012
Notes and accounts receivable - trade, and contract assets	1,312,665	1,226,587
Merchandise	2,012	3,374
Work in process	295,455	281,809
Supplies	15,612	16,592
Other	64,111	84,991
Allowance for doubtful accounts	(12,592)	(13,058)
Total current assets	3,815,597	3,662,310
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,280,147	1,275,639
Land	547,690	657,122
Other	274,985	294,441
Total property, plant and equipment	2,102,823	2,227,203
Intangible assets		
Goodwill	148,277	95,066
Other	158,137	135,798
Total intangible assets	306,415	230,864
Investments and other assets		
Investment securities	387,064	320,500
Other	255,491	232,155
Allowance for doubtful accounts	(6,277)	(6,568)
Total investments and other assets	636,278	546,087
Total non-current assets	3,045,517	3,004,156
Total assets	6,861,115	6,666,466

(Thousands of yen)

	As of December 31, 2023	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	231,534	165,178
Current portion of long-term borrowings	217,423	183,472
Lease liabilities	47,429	49,705
Accounts payable - other	272,502	286,931
Income taxes payable	155,645	79,751
Provision for bonuses	17,700	116,447
Provision for loss on construction contracts	3,585	12,030
Other	307,313	214,100
Total current liabilities	1,253,135	1,107,617
Non-current liabilities		
Long-term borrowings	494,749	365,484
Lease liabilities	81,335	118,943
Retirement benefit liability	355,070	370,957
Other	45,715	44,158
Total non-current liabilities	976,871	899,543
Total liabilities	2,230,006	2,007,160
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	2,233,350
Treasury shares	(0)	(0)
Total shareholders' equity	4,590,172	4,595,103
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	39,027	62,165
Foreign currency translation adjustment	1,909	2,035
Total accumulated other comprehensive income	40,936	64,201
Total net assets	4,631,108	4,659,305
Total liabilities and net assets	6,861,115	6,666,466

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, 2023	Nine months ended September 30, 2024
Net sales	5,321,457	5,262,105
Cost of sales	3,383,596	3,244,278
Gross profit	1,937,861	2,017,827
Selling, general and administrative expenses		
Salaries, allowances and bonuses	567,371	606,039
Provision for bonuses	46,043	46,700
Retirement benefit expenses	30,101	32,283
Provision of allowance for doubtful accounts	799	1,948
Other	1,051,222	1,019,211
Total selling, general and administrative expenses	1,695,538	1,706,181
Operating profit	242,322	311,645
Non-operating income		
Interest income	121	250
Dividend income	5,692	5,856
Rental income	3,209	2,509
Gain on investments in investment partnerships	–	12,687
Other	5,506	3,592
Total non-operating income	14,530	24,896
Non-operating expenses		
Interest expenses	3,454	3,703
Litigation expenses	109	87
Cost of electricity sales	816	720
Foreign exchange losses	–	1,223
Other	426	218
Total non-operating expenses	4,806	5,953
Ordinary profit	252,046	330,588
Profit before income taxes	252,046	330,588
Income taxes	126,187	157,314
Profit	125,858	173,273
Profit attributable to owners of parent	125,858	173,273

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended September 30, 2023	Nine months ended September 30, 2024
Profit	125,858	173,273
Other comprehensive income		
Valuation difference on available-for-sale securities	29,132	23,138
Foreign currency translation adjustment	1,905	126
Total other comprehensive income	31,037	23,264
Comprehensive income	156,896	196,538
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	156,896	196,538