

Translation

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

August 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: August 10, 2023
 Scheduled date to commence dividend payments: September 4, 2023
 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 six months ended June 30, 2023 (from January 1, 2023 to June 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	%
Six months ended June 30, 2023	3,689	12.1	263	8.7	271	8.0	152	6.3
Six months ended June 30, 2022	3,292	(3.2)	242	24.6	251	(12.3)	143	(16.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended June 30, 2023	10.76		10.75	
Six months ended June 30, 2022	10.12		10.12	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2023	7,041	4,660	66.2
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 six months ended June 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 June 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 June 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)

Six months ended June 30, 2023	14,206,873 shares	Six months ended June 30, 2022	14,211,235 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	1,746,778	2,299,878
Notes and accounts receivable - trade, and contract assets	1,352,152	1,149,891
Merchandise	2,502	3,462
Work in process	313,881	224,589
Supplies	16,106	16,008
Other	240,928	96,471
Allowance for doubtful accounts	(2,559)	(2,497)
Total current assets	3,669,790	3,787,805
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,333,826	1,308,970
Land	547,690	547,690
Other	311,099	286,218
Total property, plant and equipment	2,192,615	2,142,878
Intangible assets		
Goodwill	313,408	265,304
Other	258,431	230,448
Total intangible assets	571,840	495,752
Investments and other assets		
Investment securities	342,944	358,353
Other	236,802	257,672
Allowance for doubtful accounts	(717)	(717)
Total investments and other assets	579,029	615,308
Total non-current assets	3,343,485	3,253,939
Total assets	7,013,275	7,041,744

(Thousands of yen)

	As of December 31, 2022	As of June 30, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	292,782	166,977
Current portion of bonds payable	50,000	50,000
Current portion of long-term borrowings	216,732	217,733
Lease liabilities	49,634	47,061
Accounts payable - other	292,464	291,700
Income taxes payable	45,308	146,828
Provision for bonuses	4,572	125,530
Provision for loss on construction contracts	5,580	5,360
Other	286,965	248,288
Total current liabilities	1,244,039	1,299,482
Non-current liabilities		
Long-term borrowings	707,615	603,248
Lease liabilities	76,229	67,580
Retirement benefit liability	328,510	333,431
Other	83,783	77,701
Total non-current liabilities	1,196,139	1,081,960
Total liabilities	2,440,179	2,381,442
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	2,278,565
Total shareholders' equity	4,563,494	4,638,206
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,527	19,192
Foreign currency translation adjustment	1,074	2,903
Total accumulated other comprehensive income	9,601	22,095
Total net assets	4,573,096	4,660,302
Total liabilities and net assets	7,013,275	7,041,744

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Net sales	3,292,114	3,689,017
Cost of sales	2,033,249	2,303,636
Gross profit	1,258,864	1,385,381
Selling, general and administrative expenses		
Salaries, allowances and bonuses	369,115	351,516
Provision for bonuses	32,957	50,896
Retirement benefit expenses	15,852	19,920
Provision of allowance for doubtful accounts	28	(62)
Other	598,824	699,894
Total selling, general and administrative expenses	1,016,778	1,122,166
Operating profit	242,086	263,215
Non-operating income		
Interest income	171	78
Dividend income	5,350	5,625
Rental income	2,836	2,361
Other	3,833	3,844
Total non-operating income	12,190	11,910
Non-operating expenses		
Interest expenses	1,813	2,384
Cost of electricity sales	614	544
Other	363	486
Total non-operating expenses	2,790	3,415
Ordinary profit	251,486	271,711
Profit before income taxes	251,486	271,711
Income taxes	107,623	118,843
Profit	143,862	152,867
Profit attributable to owners of parent	143,862	152,867

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended June 30, 2022	Six months ended June 30, 2023
Profit	143,862	152,867
Other comprehensive income		
Valuation difference on available-for-sale securities	4,608	10,664
Foreign currency translation adjustment	2,183	1,828
Total other comprehensive income	6,792	12,493
Comprehensive income	150,654	165,360
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	150,654	165,360