

Translation

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Summary of Consolidated Financial Results for the Three Months Ended March 31, 2023 (Based on Japanese GAAP)

May 11, 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: May 12, 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 three months ended March 31, 2023 (from January 1, 2023 to March 31, 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	%
Three months ended March 31, 2023	1,890	8.5	172	16.3	173	16.4	101	14.9
Three months ended March 31, 2022	1,742	(3.8)	148	45.5	149	24.3	88	59.2

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended March 31, 2023	7.17		7.16	
Three months ended March 31, 2022	6.24		6.23	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of March 31, 2023	7,011	4,599	65.6
As of December 31, 2022	6,997	4,573	65.4

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, 2022	–	5.50	–	5.50	11.00
Year ending December 31, 2023	–				
Year ending December 31, 2023 (Forecast)		6.00	–	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
Six months ending June 30, 2023	3,700	12.4	317	31.3	323	28.6	185	28.7	13.03
Full year	7,750	10.7	650	21.7	660	16.9	382	9.3	26.91

4. Notes

- (1) Changes in significant subsidiaries during the three months ended March 31, 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 March 31, 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 March 31, 2023	16,500 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)

Three months ended March 31, 2023	14,208,789 shares	Three months ended March 31, 2022	14,211,984 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Assets		
Current assets		
Cash and deposits	1,746,778	1,830,914
Notes and accounts receivable - trade, and contract assets	1,352,152	1,361,794
Merchandise	2,502	3,788
Work in process	313,881	322,185
Supplies	16,106	17,002
Other	240,928	212,951
Allowance for doubtful accounts	(2,559)	(2,500)
Total current assets	3,669,790	3,746,135
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,333,826	1,318,488
Land	547,690	547,690
Other	311,099	295,065
Total property, plant and equipment	2,192,615	2,161,244
Intangible assets		
Goodwill	350,489	324,376
Other	202,172	191,327
Total intangible assets	552,661	515,704
Investments and other assets		
Investment securities	342,944	346,675
Other	240,296	242,228
Allowance for doubtful accounts	(717)	(717)
Total investments and other assets	582,523	588,185
Total non-current assets	3,327,800	3,265,134
Total assets	6,997,590	7,011,270

(Thousands of yen)

	As of December 31, 2022	As of March 31, 2023
Liabilities		
Current liabilities		
Accounts payable - trade	292,782	241,295
Current portion of bonds payable	50,000	50,000
Current portion of long-term borrowings	216,732	217,454
Lease liabilities	49,634	47,419
Accounts payable - other	292,464	308,094
Income taxes payable	45,308	87,704
Provision for bonuses	4,572	89,750
Provision for loss on construction contracts	5,580	5,799
Other	286,965	246,892
Total current liabilities	1,244,039	1,294,409
Non-current liabilities		
Long-term borrowings	707,615	657,710
Lease liabilities	76,229	68,236
Retirement benefit liability	328,510	325,523
Other	68,099	65,707
Total non-current liabilities	1,180,454	1,117,177
Total liabilities	2,424,494	2,411,586
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	2,227,543
Total shareholders' equity	4,563,494	4,587,185
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,527	11,103
Foreign currency translation adjustment	1,074	1,394
Total accumulated other comprehensive income	9,601	12,498
Total net assets	4,573,096	4,599,683
Total liabilities and net assets	6,997,590	7,011,270

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Net sales	1,742,813	1,890,087
Cost of sales	1,069,494	1,158,015
Gross profit	673,319	732,072
Selling, general and administrative expenses		
Salaries, allowances and bonuses	178,331	167,971
Provision for bonuses	39,350	34,253
Retirement benefit expenses	5,616	8,740
Provision of allowance for doubtful accounts	69	(58)
Other	301,306	348,276
Total selling, general and administrative expenses	524,673	559,183
Operating profit	148,645	172,889
Non-operating income		
Interest income	12	41
Rental income	1,368	1,250
Other	1,015	1,506
Total non-operating income	2,396	2,798
Non-operating expenses		
Interest expenses	962	1,207
Litigation expenses	15	41
Cost of electricity sales	308	272
Other	315	194
Total non-operating expenses	1,601	1,715
Ordinary profit	149,440	173,971
Profit before income taxes	149,440	173,971
Income taxes	60,812	72,125
Profit	88,627	101,846
Profit attributable to owners of parent	88,627	101,846

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended March 31, 2022	Three months ended March 31, 2023
Profit	88,627	101,846
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,897)	2,576
Foreign currency translation adjustment	801	319
Total other comprehensive income	(1,095)	2,896
Comprehensive income	87,532	104,742
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	87,532	104,742