

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2021 (Based on Japanese GAAP)

November 5, 2021

Company name: SE Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 3423 URL <http://www.se-corp.com/>  
 Representative: President Ichiro Miyahara  
 Inquiries: Managing Executive Officer Hisahiro Nojima TEL 03-3340-5500  
 Scheduled date to file Quarterly Securities Report: November 12, 2021  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: Yes  
 Holding of quarterly financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2021 (from April 1, 2021 to September 30, 2021)

(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 September 30, 2021	11,453	12.8	1,089	203.4	1,107	200.2	699	633.7
Six months ended September 30, 2020	10,149	(6.0)	359	(5.5)	369	0.3	95	(33.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2021	23.28		–	
Six months ended September 30, 2020	3.18		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2021	22,640	9,403	41.4	311.17
As of March 31, 2021	23,613	8,807	37.2	292.81

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2021	–	0.00	–	10.00	10.00
Year ending March 31, 2022	–	0.00	–	–	–
Year ending March 31, 2022 (Forecast)	–	–	–	11.00	11.00

3. Forecast of consolidated financial results for the year ending March 31, 2022 (from April 1, 2021 to March 31, 2022)

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	23,621	–	1,761	–	1,779	–	1,127	–	37.48

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2021  
(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, 2021	31,256,600 shares	As of March 31, 2021	31,256,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2021	1,148,528 shares	As of March 31, 2021	1,248,528 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2021	30,058,072 shares	Six months ended September 30, 2020	29,958,072 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,549,957	4,219,057
Notes and accounts receivable - trade	6,414,546	–
Notes and accounts receivable - trade, and contract assets	–	5,423,813
Electronically recorded monetary claims - operating	1,785,042	1,836,840
Merchandise and finished goods	562,597	683,711
Work in process	797,217	633,056
Raw materials and supplies	1,116,270	1,228,239
Other	328,433	483,223
Allowance for doubtful accounts	(29,536)	(28,636)
<b>Total current assets</b>	<b>15,524,530</b>	<b>14,479,305</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,077,710	2,120,888
Machinery, equipment and vehicles, net	791,181	745,988
Tools, furniture and fixtures, net	83,097	90,047
Land	2,924,675	2,963,836
Leased assets, net	401,538	385,726
Construction in progress	7,513	32,660
<b>Total property, plant and equipment</b>	<b>6,285,716</b>	<b>6,339,148</b>
<b>Intangible assets</b>		
Goodwill	164,488	141,590
Other	77,448	83,672
<b>Total intangible assets</b>	<b>241,937</b>	<b>225,263</b>
<b>Investments and other assets</b>		
Investment securities	641,119	778,696
Other	943,343	841,170
Allowance for doubtful accounts	(23,534)	(23,534)
<b>Total investments and other assets</b>	<b>1,560,927</b>	<b>1,596,331</b>
<b>Total non-current assets</b>	<b>8,088,581</b>	<b>8,160,744</b>
<b>Total assets</b>	<b>23,613,111</b>	<b>22,640,049</b>

(Thousands of yen)

	As of March 31, 2021	As of September 30, 2021
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,381,555	4,257,417
Electronically recorded obligations - operating	1,524,051	1,220,762
Short-term borrowings	310,522	300,522
Current portion of long-term borrowings	1,779,876	1,719,236
Current portion of bonds payable	188,000	99,500
Income taxes payable	271,278	391,140
Provision for bonuses	148,337	169,980
Provision for loss on construction contracts	–	1,766
Other	1,759,789	1,060,428
<b>Total current liabilities</b>	<b>10,363,411</b>	<b>9,220,754</b>
<b>Non-current liabilities</b>		
Long-term borrowings	2,867,895	2,488,997
Provision for retirement benefits for directors (and other officers)	566,550	530,530
Retirement benefit liability	406,855	409,618
Asset retirement obligations	155,426	155,810
Other	445,432	430,577
<b>Total non-current liabilities</b>	<b>4,442,158</b>	<b>4,015,533</b>
<b>Total liabilities</b>	<b>14,805,569</b>	<b>13,236,287</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,228,057	1,228,057
Capital surplus	1,000,924	1,012,350
Retained earnings	6,434,118	6,895,788
Treasury shares	(229,403)	(211,030)
<b>Total shareholders' equity</b>	<b>8,433,696</b>	<b>8,925,166</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	329,204	424,781
Remeasurements of defined benefit plans	23,641	18,871
<b>Total accumulated other comprehensive income</b>	<b>352,845</b>	<b>443,652</b>
<b>Non-controlling interests</b>	<b>20,999</b>	<b>34,941</b>
<b>Total net assets</b>	<b>8,807,541</b>	<b>9,403,761</b>
<b>Total liabilities and net assets</b>	<b>23,613,111</b>	<b>22,640,049</b>

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

### Consolidated statements of income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Net sales	10,149,954	11,453,607
Cost of sales	7,535,267	7,950,247
Gross profit	2,614,687	3,503,359
Selling, general and administrative expenses	2,255,580	2,413,978
Operating profit	359,106	1,089,381
Non-operating income		
Interest income	77	44
Dividend income	5,666	6,135
Commission income	3,462	1,994
Rental income from buildings	4,248	4,248
Reversal of allowance for doubtful accounts	1,284	1,214
Subsidy income	10,963	891
Gain on sale of scraps	4,951	21,155
Other	7,149	13,626
Total non-operating income	37,804	49,309
Non-operating expenses		
Interest expenses	15,535	14,526
Sales discounts	9,246	8,200
Foreign exchange losses	408	5,548
Donations	1,045	1,161
Other	1,640	1,266
Total non-operating expenses	27,876	30,704
Ordinary profit	369,033	1,107,987
Extraordinary income		
Gain on sale of non-current assets	918	27
Gain on sale of investment securities	27	–
Total extraordinary income	945	27
Extraordinary losses		
Loss on sale of non-current assets	41	40
Loss on retirement of non-current assets	3,733	402
Loss on valuation of investment securities	140,884	–
Retirement benefits for directors (and other officers)	–	4,420
Total extraordinary losses	144,659	4,862
Profit before income taxes	225,319	1,103,151
Income taxes	148,870	400,247
Profit	76,449	702,903
Profit (loss) attributable to non-controlling interests	(18,944)	3,023
Profit attributable to owners of parent	95,393	699,880

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Profit	76,449	702,903
Other comprehensive income		
Valuation difference on available-for-sale securities	101,494	95,577
Deferred gains or losses on hedges	(25)	–
Remeasurements of defined benefit plans, net of tax	(2,381)	(4,769)
Total other comprehensive income	99,087	90,807
Comprehensive income	175,536	793,711
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	194,481	790,687
Comprehensive income attributable to non-controlling interests	(18,944)	3,023

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from operating activities		
Profit before income taxes	225,319	1,103,151
Depreciation	230,531	232,377
Amortization of goodwill	28,041	22,897
Loss on retirement of non-current assets	3,733	402
Loss (gain) on valuation of investment securities	140,884	–
Increase (decrease) in allowance for doubtful accounts	(1,284)	(900)
Increase (decrease) in provision for bonuses	28,596	21,642
Increase (decrease) in provision for retirement benefits for directors (and other officers)	18,830	(36,020)
Increase (decrease) in retirement benefit liability	(15,009)	(4,110)
Increase (decrease) in provision for loss on construction contracts	–	1,766
Interest and dividend income	(5,744)	(6,179)
Interest expenses	15,535	14,526
Decrease (increase) in trade receivables	1,537,971	1,020,582
Decrease (increase) in inventories	(223,139)	(270,742)
Increase (decrease) in trade payables	(546,038)	(413,035)
Increase (decrease) in accounts payable - other	(18,304)	(79,567)
Increase (decrease) in advances received	192,061	(176,039)
Other, net	7,449	(313,125)
Subtotal	1,619,434	1,117,626
Interest and dividends received	5,741	6,179
Proceeds from insurance income	–	3,000
Interest paid	(15,978)	(14,651)
Income taxes paid	(268,977)	(287,756)
Extra retirement payments	–	(4,420)
Other, net	18,842	26,495
Net cash provided by (used in) operating activities	1,359,063	846,473
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	–	77,379
Payments into time deposits	(6,002)	(4,003)
Purchase of property, plant and equipment	(170,013)	(322,258)
Proceeds from sale of property, plant and equipment	1,018	27
Purchase of intangible assets	(3,982)	(10,854)
Payments of guarantee deposits	(97,829)	(4,383)
Proceeds from refund of guarantee deposits	7,539	23,939
Purchase of investment securities	(8,484)	–
Proceeds from sale of investment securities	6,076	–
Decrease (increase) in investments and other assets	5,567	(341)
Proceeds from collection of loans receivable	1,141	180
Proceeds from cancellation of insurance funds	–	14,448
Payments for asset retirement obligations	(604)	–
Net cash provided by (used in) investing activities	(265,573)	(225,865)

(Thousands of yen)

	Six months ended September 30, 2020	Six months ended September 30, 2021
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	110,000	(10,000)
Proceeds from long-term borrowings	400,000	200,000
Repayments of long-term borrowings	(708,287)	(639,538)
Redemption of bonds	(88,500)	(88,500)
Dividends paid	(298,976)	(299,444)
Repayments of finance lease obligations	(35,500)	(42,205)
Net cash provided by (used in) financing activities	(621,263)	(879,687)
Effect of exchange rate change on cash and cash equivalents	(369)	1,555
Net increase (decrease) in cash and cash equivalents	471,856	(257,524)
Cash and cash equivalents at beginning of period	3,105,126	4,239,579
Cash and cash equivalents at end of period	3,576,983	3,982,054