

Translation

Notice: This document is an excerpt translation of the original Japanese document and is only for reference purposes. In the event of any discrepancy between this translated document and the original Japanese document, the latter shall prevail.

Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 7, 2020

Company name: SE Corporation
 Stock exchange listing: Tokyo
 Stock code: 3423 URL <http://www.se-corp.com/>
 Representative: President Ichiro Miyahara
 Inquiries: Corporate Director Executive Officer Hisahiro Nojima TEL 03-3340-5500
 Scheduled date to file Quarterly Securities Report: August 12, 2020
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on quarterly financial results: Yes
 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 June 30, 2020 (from April 1, 2020 to June 30, 2020)

(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 June 30, 2020	4,885	(12.5)	156	(53.1)	161	(49.9)	81	(34.7)
Three months ended June 30, 2019	5,583	24.9	333	–	323	–	124	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2020	2.72		–	
Three months ended June 30, 2019	4.16		–	

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2020	21,714	8,149	37.4	271.55
As of March 31, 2020	22,031	8,326	37.6	277.14

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, 2020	–	0.00	–	10.00	10.00
Year ending March 31, 2021	–	–	–	–	–
Year ending March 31, 2021 (Forecast)	–	0.00	–	10.00	10.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	23,000	0.7	728	(31.6)	700	(34.1)	400	48.1	13.38

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2020
 (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: 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 June 30, 2020	31,256,600 shares	As of March 31, 2020	31,256,600 shares
---------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of June 30, 2020	1,348,528 shares	As of March 31, 2020	1,348,528 shares
---------------------	------------------	----------------------	------------------

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

Three months ended June 30, 2020	29,908,072 shares	Three months ended June 30, 2019	29,908,072 shares
----------------------------------	-------------------	----------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Assets		
Current assets		
Cash and deposits	3,433,500	4,176,228
Notes and accounts receivable - trade	6,665,643	5,386,899
Electronically recorded monetary claims - operating	1,600,698	1,438,805
Merchandise and finished goods	554,175	599,451
Work in process	668,710	738,406
Raw materials and supplies	1,293,291	1,408,102
Other	178,691	184,135
Allowance for doubtful accounts	(28,773)	(26,171)
Total current assets	14,365,936	13,905,858
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,973,725	1,955,531
Machinery, equipment and vehicles, net	768,758	755,298
Tools, furniture and fixtures, net	72,506	84,448
Land	2,788,898	2,788,898
Leased assets, net	323,318	396,268
Construction in progress	8,415	33,935
Total property, plant and equipment	5,935,623	6,014,381
Intangible assets		
Goodwill	217,999	203,978
Other	73,991	70,127
Total intangible assets	291,991	274,106
Investments and other assets		
Investment securities	644,310	721,212
Other	816,727	822,407
Allowance for doubtful accounts	(23,547)	(23,545)
Total investments and other assets	1,437,490	1,520,074
Total non-current assets	7,665,104	7,808,562
Total assets	22,031,041	21,714,420

(Thousands of yen)

	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,348,456	4,012,053
Electronically recorded obligations - operating	1,318,521	1,266,357
Short-term borrowings	310,522	420,522
Current portion of long-term borrowings	1,361,241	1,286,979
Current portion of bonds payable	177,000	177,000
Income taxes payable	273,292	88,326
Provision for bonuses	132,434	70,478
Other	1,060,255	1,315,442
Total current liabilities	8,981,722	8,637,159
Non-current liabilities		
Bonds payable	188,000	188,000
Long-term borrowings	3,082,157	3,202,722
Provision for retirement benefits for directors (and other officers)	528,420	536,595
Retirement benefit liability	417,788	412,702
Asset retirement obligations	146,621	148,549
Other	359,937	438,779
Total non-current liabilities	4,722,923	4,927,348
Total liabilities	13,704,646	13,564,507
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	991,898	991,898
Retained earnings	6,100,785	5,882,963
Treasury shares	(247,777)	(247,777)
Total shareholders' equity	8,072,963	7,855,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	184,574	236,216
Remeasurements of defined benefit plans	31,307	30,117
Total accumulated other comprehensive income	215,882	266,334
Non-controlling interests	37,548	28,437
Total net assets	8,326,395	8,149,913
Total liabilities and net assets	22,031,041	21,714,420

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Net sales	5,583,942	4,885,313
Cost of sales	4,113,481	3,635,911
Gross profit	1,470,460	1,249,402
Selling, general and administrative expenses	1,137,385	1,093,028
Operating profit	333,074	156,373
Non-operating income		
Interest income	41	34
Dividend income	3,428	2,386
Commission income	1,401	1,463
Rental income from buildings	2,274	2,124
Foreign exchange gains	–	142
Reversal of allowance for doubtful accounts	692	2,667
Subsidy income	–	5,000
Other	8,460	4,656
Total non-operating income	16,298	18,474
Non-operating expenses		
Interest expenses	9,106	7,991
Sales discounts	4,779	4,068
Foreign exchange losses	2,735	–
Donations	58	5
Share of loss of entities accounted for using equity method	8,848	–
Other	608	851
Total non-operating expenses	26,137	12,916
Ordinary profit	323,236	161,931
Extraordinary income		
Gain on sales of non-current assets	–	918
Total extraordinary income	–	918
Extraordinary losses		
Loss on sales of non-current assets	–	41
Loss on retirement of non-current assets	313	992
Retirement benefits for directors (and other officers)	47,700	–
Total extraordinary losses	48,013	1,034
Profit before income taxes	275,223	161,815
Income taxes	145,974	89,668
Profit	129,249	72,147
Profit (loss) attributable to non-controlling interests	4,776	(9,111)
Profit attributable to owners of parent	124,472	81,258

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2019	Three months ended June 30, 2020
Profit	129,249	72,147
Other comprehensive income		
Valuation difference on available-for-sale securities	(16,544)	51,642
Remeasurements of defined benefit plans, net of tax	(1,909)	(1,190)
Share of other comprehensive income of entities accounted for using equity method	(11,341)	–
Total other comprehensive income	(29,794)	50,451
Comprehensive income	99,454	122,598
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	94,677	131,710
Comprehensive income attributable to non-controlling interests	4,776	(9,111)