

Translation

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

November 6, 2023

Company name: SE Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 3423 URL <https://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 10, 2023  
 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, 2023 (from April 1, 2023 to September 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 September 30, 2023	12,395	8.6	520	9.5	515	7.0	308	16.4
Six months ended September 30, 2022	11,417	(0.3)	475	(56.4)	481	(56.5)	265	(62.1)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2023	10.21		–	
Six months ended September 30, 2022	8.79		–	

#### (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, 2023	24,586	10,367	42.0	341.76
As of March 31, 2023	25,493	10,428	40.7	343.81

### 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, 2023	–	0.00	–	13.00	13.00
Year ending March 31, 2024	–	0.00			
Year ending March 31, 2024 (Forecast)			–	13.00	13.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 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	26,013	2.2	779	(41.7)	800	(41.8)	460	(47.1)	15.23

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 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: 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, 2023	31,256,600 shares	As of March 31, 2023	31,256,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2023	1,048,528 shares	As of March 31, 2023	1,048,528 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, 2023	30,208,072 shares	Six months ended September 30, 2022	30,158,072 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
<b>Current assets</b>		
Cash and deposits	4,630,583	3,952,738
Notes and accounts receivable - trade, and contract assets	7,348,420	6,744,055
Electronically recorded monetary claims - operating	1,649,844	1,831,572
Merchandise and finished goods	758,452	774,773
Work in process	678,279	756,915
Raw materials and supplies	1,674,450	1,684,481
Other	518,470	299,356
Allowance for doubtful accounts	(27,671)	(26,026)
<b>Total current assets</b>	<b>17,230,829</b>	<b>16,017,867</b>
<b>Non-current assets</b>		
<b>Property, plant and equipment</b>		
Buildings and structures, net	2,483,134	2,459,162
Machinery, equipment and vehicles, net	788,817	802,114
Tools, furniture and fixtures, net	88,390	100,386
Land	3,054,542	3,054,542
Leased assets, net	341,761	298,116
Construction in progress	88,006	352,446
<b>Total property, plant and equipment</b>	<b>6,844,652</b>	<b>7,066,769</b>
<b>Intangible assets</b>		
Goodwill	72,898	54,018
Other	109,023	104,830
<b>Total intangible assets</b>	<b>181,922</b>	<b>158,848</b>
<b>Investments and other assets</b>		
Investment securities	215,212	249,256
Other	1,049,560	1,120,938
Allowance for doubtful accounts	(28,254)	(27,187)
<b>Total investments and other assets</b>	<b>1,236,518</b>	<b>1,343,007</b>
<b>Total non-current assets</b>	<b>8,263,093</b>	<b>8,568,626</b>
<b>Total assets</b>	<b>25,493,923</b>	<b>24,586,494</b>

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,768,761	3,573,650
Electronically recorded obligations - operating	2,550,907	2,412,069
Short-term borrowings	600,522	600,522
Current portion of long-term borrowings	1,476,214	1,330,304
Income taxes payable	169,506	235,202
Provision for bonuses	176,722	211,204
Asset retirement obligations	–	55,926
Other	1,297,164	1,381,680
<b>Total current liabilities</b>	<b>10,039,798</b>	<b>9,800,559</b>
<b>Non-current liabilities</b>		
Long-term borrowings	3,468,330	2,966,714
Provision for retirement benefits for directors (and other officers)	572,080	583,430
Retirement benefit liability	434,565	433,131
Asset retirement obligations	171,003	105,290
Other	379,609	330,264
<b>Total non-current liabilities</b>	<b>5,025,588</b>	<b>4,418,830</b>
<b>Total liabilities</b>	<b>15,065,386</b>	<b>14,219,390</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Share capital	1,228,057	1,228,057
Capital surplus	1,026,676	1,026,676
Retained earnings	8,258,713	8,174,453
Treasury shares	(192,656)	(192,656)
<b>Total shareholders' equity</b>	<b>10,320,791</b>	<b>10,236,531</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	63,320	87,541
Deferred gains or losses on hedges	55	–
Remeasurements of defined benefit plans	1,779	(63)
<b>Total accumulated other comprehensive income</b>	<b>65,154</b>	<b>87,478</b>
<b>Non-controlling interests</b>	<b>42,590</b>	<b>43,094</b>
<b>Total net assets</b>	<b>10,428,536</b>	<b>10,367,103</b>
<b>Total liabilities and net assets</b>	<b>25,493,923</b>	<b>24,586,494</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, 2022	Six months ended September 30, 2023
Net sales	11,417,729	12,395,083
Cost of sales	8,355,659	9,165,594
Gross profit	3,062,069	3,229,489
Selling, general and administrative expenses	2,586,739	2,708,851
Operating profit	475,329	520,637
Non-operating income		
Interest income	100	44
Dividend income	6,107	6,620
Commission income	1,831	289
Rental income from buildings	4,248	4,300
Reversal of allowance for doubtful accounts	2,315	2,764
Gain on sale of scraps	24,735	18,993
Other	13,355	13,593
Total non-operating income	52,693	46,606
Non-operating expenses		
Interest expenses	12,879	16,476
Sales discounts	10,587	6,754
Foreign exchange losses	20,718	25,749
Donations	1,257	1,363
Other	707	1,276
Total non-operating expenses	46,151	51,620
Ordinary profit	481,871	515,623
Extraordinary income		
Gain on sale of non-current assets	8,611	5,854
Total extraordinary income	8,611	5,854
Extraordinary losses		
Loss on retirement of non-current assets	2,390	280
Retirement benefits for directors (and other officers)	1,500	–
Total extraordinary losses	3,890	280
Profit before income taxes	486,593	521,197
Income taxes	220,013	212,248
Profit	266,579	308,949
Profit attributable to non-controlling interests	1,516	504
Profit attributable to owners of parent	265,063	308,444

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

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	266,579	308,949
Other comprehensive income		
Valuation difference on available-for-sale securities	(9,752)	24,221
Deferred gains or losses on hedges	(611)	(55)
Remeasurements of defined benefit plans, net of tax	(2,944)	(1,842)
Total other comprehensive income	(13,309)	22,323
Comprehensive income	253,270	331,272
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	251,754	330,768
Comprehensive income attributable to non-controlling interests	1,516	504

## Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Cash flows from operating activities		
Profit before income taxes	486,593	521,197
Depreciation	255,492	293,420
Amortization of goodwill	22,897	18,880
Loss on retirement of non-current assets	2,390	280
Increase (decrease) in allowance for doubtful accounts	(2,315)	(2,711)
Increase (decrease) in provision for bonuses	26,385	34,482
Increase (decrease) in provision for retirement benefits for directors (and other officers)	2,540	11,350
Increase (decrease) in retirement benefit liability	161	(3,867)
Increase (decrease) in provision for loss on construction contracts	1,235	–
Interest and dividend income	(6,207)	(6,665)
Interest expenses	12,879	16,476
Decrease (increase) in trade receivables	152,025	422,636
Decrease (increase) in inventories	(855,244)	(104,989)
Increase (decrease) in trade payables	189,455	(301,636)
Increase (decrease) in accounts payable - other	(74,522)	(7,676)
Increase (decrease) in advances received	88,732	(24,780)
Other, net	(300,621)	245,619
Subtotal	1,875	1,112,017
Interest and dividends received	6,207	6,665
Interest paid	(13,276)	(16,599)
Income taxes paid	(574,114)	(162,229)
Extra retirement payments	(1,500)	–
Other, net	30,422	27,782
Net cash provided by (used in) operating activities	(550,384)	967,636
Cash flows from investing activities		
Purchase of property, plant and equipment	(461,190)	(538,516)
Proceeds from sale of property, plant and equipment	24,405	5,871
Purchase of intangible assets	(4,611)	(16,440)
Payments of guarantee deposits	(2,454)	(4,732)
Proceeds from refund of guarantee deposits	848	590
Proceeds from sale of investment securities	279,575	–
Decrease (increase) in investments and other assets	(247)	(2,107)
Proceeds from collection of loans receivable	160	–
Proceeds from cancellation of insurance funds	4,446	–
Payments for asset retirement obligations	–	(13,360)
Net cash provided by (used in) investing activities	(159,066)	(568,695)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	500,000	–
Proceeds from long-term borrowings	300,000	100,000
Repayments of long-term borrowings	(677,800)	(747,526)
Dividends paid	(409,516)	(388,994)
Repayments of finance lease liabilities	(48,720)	(47,344)
Net cash provided by (used in) financing activities	(336,037)	(1,083,865)
Effect of exchange rate change on cash and cash equivalents	8,998	7,080
Net increase (decrease) in cash and cash equivalents	(1,036,489)	(677,844)
Cash and cash equivalents at beginning of period	4,935,728	4,395,583
Cash and cash equivalents at end of period	3,899,238	3,717,738