

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2024 (Based on Japanese GAAP)

May 10, 2024

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 of ordinary general meeting of shareholders: June 26, 2024
 Scheduled date to file Securities Report: June 26, 2024
 Scheduled date to commence dividend payments: June 27, 2024
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for institutional investors and analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(1) Consolidated operating results

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	%
Year ended March 31, 2024	26,474	4.0	1,364	2.1	1,373	(0.2)	969	11.5
Year ended March 31, 2023	25,452	5.4	1,336	(32.6)	1,376	(30.9)	870	(46.1)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2024	32.11	–	9.1	5.3	5.2
Year ended March 31, 2023	28.82	–	8.6	5.6	5.3

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of March 31, 2024	26,432	11,024	41.6	363.64
As of March 31, 2023	25,493	10,428	40.7	343.81

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Millions of yen	Millions of yen	Millions of yen	Millions of yen
Year ended March 31, 2024	2,114	(1,145)	(254)	5,116
Year ended March 31, 2023	(637)	(656)	749	4,395

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Year ended March 31, 2023	–	0.00	–	13.00	13.00	392	45.1	3.9
Year ended March 31, 2024	–	0.00	–	13.00	13.00	392	40.5	3.7
Year ending March 31, 2025 (Forecast)	–	0.00	–	13.00	13.00		130.4	

3. Forecast of consolidated financial results for the year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

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	26,435	(0.1)	683	(49.9)	685	(50.1)	301	(68.9)	9.97

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2024

(changes in specified subsidiaries resulting in the change in scope of consolidation): No

(2) 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: Yes

Restatement of prior period financial statements: No

(3) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

As of March 31, 2024	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 March 31, 2024	1,048,528 shares	As of March 31, 2023	1,048,528 shares
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Average number of shares during the period

Year ended March 31, 2024	30,208,072 shares	Year ended March 31, 2023	30,183,072 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Assets		
Current assets		
Cash and deposits	4,630,583	5,351,248
Notes receivable - trade	1,631,385	1,459,167
Accounts receivable - trade	4,133,771	4,024,781
Contract assets	1,583,263	1,549,654
Electronically recorded monetary claims - operating	1,649,844	2,143,182
Merchandise and finished goods	758,452	688,881
Work in process	678,279	586,572
Raw materials and supplies	1,674,450	1,459,933
Other	518,470	344,114
Allowance for doubtful accounts	(27,671)	(50,490)
Total current assets	17,230,829	17,557,046
Non-current assets		
Property, plant and equipment		
Buildings and structures	5,557,452	6,081,068
Accumulated depreciation	(3,074,318)	(3,224,710)
Buildings and structures, net	2,483,134	2,856,357
Machinery, equipment and vehicles	4,601,729	5,082,443
Accumulated depreciation	(3,812,912)	(3,964,049)
Machinery, equipment and vehicles, net	788,817	1,118,394
Tools, furniture and fixtures	1,119,310	1,161,046
Accumulated depreciation	(1,030,920)	(1,051,469)
Tools, furniture and fixtures, net	88,390	109,577
Land	3,054,542	3,054,542
Leased assets	611,986	620,867
Accumulated depreciation	(270,224)	(348,946)
Leased assets, net	341,761	271,920
Construction in progress	88,006	134
Total property, plant and equipment	6,844,652	7,410,926
Intangible assets		
Goodwill	72,898	35,137
Other	109,023	118,126
Total intangible assets	181,922	153,264
Investments and other assets		
Investment securities	215,212	266,220
Deferred tax assets	707,108	748,890
Other	342,452	325,737
Allowance for doubtful accounts	(28,254)	(29,226)
Total investments and other assets	1,236,518	1,311,622
Total non-current assets	8,263,093	8,875,813
Total assets	25,493,923	26,432,859

(Thousands of yen)

	As of March 31, 2023	As of March 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,768,761	3,747,820
Electronically recorded obligations - operating	2,550,907	2,407,159
Short-term borrowings	600,522	310,522
Current portion of long-term borrowings	1,476,214	1,542,536
Income taxes payable	169,506	227,148
Contract liabilities	124,463	51,620
Provision for bonuses	176,722	181,742
Asset retirement obligations	–	59,731
Other	1,172,700	1,351,722
Total current liabilities	10,039,798	9,880,003
Non-current liabilities		
Long-term borrowings	3,468,330	3,922,814
Provision for retirement benefits for directors (and other officers)	572,080	602,040
Retirement benefit liability	434,565	458,895
Asset retirement obligations	171,003	242,374
Lease liabilities	374,109	298,378
Other	5,500	3,500
Total non-current liabilities	5,025,588	5,528,002
Total liabilities	15,065,386	15,408,005
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	1,026,676	1,026,676
Retained earnings	8,258,713	8,835,867
Treasury shares	(192,656)	(192,656)
Total shareholders' equity	10,320,791	10,897,945
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	63,320	99,673
Deferred gains or losses on hedges	55	29
Remeasurements of defined benefit plans	1,779	(12,657)
Total accumulated other comprehensive income	65,154	87,045
Non-controlling interests	42,590	39,862
Total net assets	10,428,536	11,024,853
Total liabilities and net assets	25,493,923	26,432,859

Consolidated statements of income and consolidated statements of comprehensive income
Consolidated statements of income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Net sales	25,452,377	26,474,833
Cost of sales	18,773,360	19,292,292
Gross profit	6,679,017	7,182,540
Selling, general and administrative expenses	5,342,410	5,817,781
Operating profit	1,336,606	1,364,758
Non-operating income		
Interest income	144	88
Dividend income	8,123	8,188
Commission income	6,946	3,746
Rental income from buildings	8,496	8,548
Foreign exchange gains	493	–
Reversal of allowance for doubtful accounts	54	–
Gain on sale of scraps	46,550	37,928
Other	28,080	27,616
Total non-operating income	98,888	86,115
Non-operating expenses		
Interest expenses	27,977	32,348
Sales discounts	21,400	12,829
Foreign exchange losses	–	23,335
Donations	3,206	5,934
Other	6,695	2,456
Total non-operating expenses	59,280	76,905
Ordinary profit	1,376,215	1,373,969
Extraordinary income		
Gain on sale of non-current assets	8,762	5,854
Subsidy income	–	55,014
Total extraordinary income	8,762	60,868
Extraordinary losses		
Loss on retirement of non-current assets	3,550	6,382
Retirement benefits for directors (and other officers)	1,500	–
Impairment losses	–	6,308
Total extraordinary losses	5,050	12,691
Profit before income taxes	1,379,927	1,422,147
Income taxes - current	507,059	506,168
Income taxes - deferred	(919)	(51,151)
Total income taxes	506,140	455,016
Profit	873,786	967,130
Profit (loss) attributable to non-controlling interests	3,767	(2,727)
Profit attributable to owners of parent	870,019	969,858

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Profit	873,786	967,130
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,476)	36,353
Deferred gains or losses on hedges	(556)	(25)
Remeasurements of defined benefit plans, net of tax	(8,102)	(14,436)
Total other comprehensive income	(10,135)	21,891
Comprehensive income	863,651	989,021
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	859,883	991,749
Comprehensive income attributable to non-controlling interests	3,767	(2,727)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2023

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,228,057	1,012,350	7,810,207	(211,030)	9,839,585
Changes during period					
Dividends of surplus			(421,513)		(421,513)
Profit attributable to owners of parent			870,019		870,019
Disposal of treasury shares		14,326		18,373	32,700
Net changes in items other than shareholders' equity					
Total changes during period	–	14,326	448,506	18,373	481,206
Balance at end of period	1,228,057	1,026,676	8,258,713	(192,656)	10,320,791

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	64,796	611	9,882	75,290	38,822	9,953,698
Changes during period						
Dividends of surplus						(421,513)
Profit attributable to owners of parent						870,019
Disposal of treasury shares						32,700
Net changes in items other than shareholders' equity	(1,476)	(556)	(8,102)	(10,135)	3,767	(6,367)
Total changes during period	(1,476)	(556)	(8,102)	(10,135)	3,767	474,838
Balance at end of period	63,320	55	1,779	65,154	42,590	10,428,536

Fiscal year ended March 31, 2024

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,228,057	1,026,676	8,258,713	(192,656)	10,320,791
Changes during period					
Dividends of surplus			(392,704)		(392,704)
Profit attributable to owners of parent			969,858		969,858
Net changes in items other than shareholders' equity					
Total changes during period	–	–	577,153	–	577,153
Balance at end of period	1,228,057	1,026,676	8,835,867	(192,656)	10,897,945

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	63,320	55	1,779	65,154	42,590	10,428,536
Changes during period						
Dividends of surplus						(392,704)
Profit attributable to owners of parent						969,858
Net changes in items other than shareholders' equity	36,353	(25)	(14,436)	21,891	(2,727)	19,163
Total changes during period	36,353	(25)	(14,436)	21,891	(2,727)	596,316
Balance at end of period	99,673	29	(12,657)	87,045	39,862	11,024,853

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024
Cash flows from operating activities		
Profit before income taxes	1,379,927	1,422,147
Depreciation	572,288	667,271
Impairment losses	–	6,308
Amortization of goodwill	45,794	37,761
Loss on retirement of non-current assets	3,550	6,382
Increase (decrease) in allowance for doubtful accounts	3,549	23,790
Increase (decrease) in provision for bonuses	4,842	5,020
Increase (decrease) in retirement benefit liability	2,255	4,620
Increase (decrease) in provision for retirement benefits for directors (and other officers)	23,490	29,960
Interest and dividend income	(8,268)	(8,276)
Interest expenses	27,977	32,348
Decrease (increase) in trade receivables	(1,556,198)	(178,521)
Decrease (increase) in inventories	(467,334)	375,795
Increase (decrease) in trade payables	472,475	(108,666)
Increase (decrease) in accounts payable - other	25,349	(21,041)
Increase (decrease) in advances received	82,671	(97,019)
Other, net	(318,098)	279,481
Subtotal	294,274	2,477,361
Interest and dividends received	7,978	7,975
Interest paid	(28,647)	(32,447)
Income taxes paid	(967,624)	(394,744)
Extra retirement payments	(1,500)	–
Other, net	57,576	56,618
Net cash provided by (used in) operating activities	(637,942)	2,114,762
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	2,002	–
Purchase of property, plant and equipment	(914,910)	(1,107,055)
Purchase of intangible assets	(36,646)	(42,923)
Proceeds from sale of property, plant and equipment	25,105	5,871
Payments of guarantee deposits	(3,256)	(6,861)
Proceeds from refund of guarantee deposits	5,047	16,669
Proceeds from sale of investment securities	279,575	–
Decrease (increase) in investments and other assets	(17,693)	1,679
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	(656,169)	(1,145,981)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	300,000	(290,000)
Proceeds from long-term borrowings	2,310,000	1,990,000
Repayments of long-term borrowings	(1,343,351)	(1,469,194)
Repayments of finance lease liabilities	(96,519)	(94,230)
Dividends paid	(420,990)	(390,627)
Net cash provided by (used in) financing activities	749,139	(254,052)
Effect of exchange rate change on cash and cash equivalents	4,827	5,935
Net increase (decrease) in cash and cash equivalents	(540,145)	720,664
Cash and cash equivalents at beginning of period	4,935,728	4,395,583
Cash and cash equivalents at end of period	4,395,583	5,116,248