

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2024 (Based on Japanese GAAP)

November 5, 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 to file Semi-annual Securities Report: November 8, 2024
 Scheduled date to commence dividend payments: –
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

(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, 2024	11,853	(4.4)	288	(44.6)	323	(37.3)	184	(40.3)
Six months ended September 30, 2023	12,395	8.6	520	9.5	515	7.0	308	16.4

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2024	6.10		–	
Six months ended September 30, 2023	10.21		–	

(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, 2024	24,398	10,815	44.2	356.84
As of March 31, 2024	26,432	11,024	41.6	363.64

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, 2024	–	0.00	–	13.00	13.00
Year ending March 31, 2025	–	0.00			
Year ending March 31, 2025 (Forecast)			–	13.00	13.00

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) Significant changes in the scope of consolidation during the six months ended September 30, 2024: No
- (2) Application of special accounting methods for preparing semi-annual 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, 2024	31,256,600 shares	As of March 31, 2024	31,256,600 shares
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Number of treasury shares at the end of the period

As of September 30, 2024	1,048,528 shares	As of March 31, 2024	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, 2024	30,208,072 shares	Six months ended September 30, 2023	30,208,072 shares
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Semi-annual consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,351,248	4,185,310
Notes and accounts receivable - trade, and contract assets	7,033,604	6,378,980
Electronically recorded monetary claims - operating	2,143,182	2,021,877
Merchandise and finished goods	688,881	738,656
Work in process	586,572	612,327
Raw materials and supplies	1,459,933	1,390,824
Other	344,114	266,368
Allowance for doubtful accounts	(50,490)	(28,979)
Total current assets	17,557,046	15,565,365
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,856,357	2,771,101
Machinery, equipment and vehicles, net	1,118,394	1,071,521
Tools, furniture and fixtures, net	109,577	101,303
Land	3,054,542	3,054,542
Leased assets, net	271,920	251,728
Construction in progress	134	79,006
Total property, plant and equipment	7,410,926	7,329,204
Intangible assets		
Goodwill	35,137	16,256
Other	118,126	132,054
Total intangible assets	153,264	148,311
Investments and other assets		
Investment securities	266,220	268,817
Other	1,074,627	1,141,405
Allowance for doubtful accounts	(29,226)	(54,924)
Total investments and other assets	1,311,622	1,355,298
Total non-current assets	8,875,813	8,832,814
Total assets	26,432,859	24,398,180

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,747,820	3,276,810
Electronically recorded obligations - operating	2,407,159	2,203,714
Short-term borrowings	310,522	400,522
Current portion of long-term borrowings	1,542,536	1,369,316
Income taxes payable	227,148	200,787
Provision for bonuses	181,742	217,617
Asset retirement obligations	59,731	–
Provision for loss on construction contracts	–	1,400
Other	1,403,343	1,003,629
Total current liabilities	9,880,003	8,673,797
Non-current liabilities		
Long-term borrowings	3,922,814	3,312,046
Provision for retirement benefits for directors (and other officers)	602,040	602,887
Retirement benefit liability	458,895	470,536
Asset retirement obligations	242,374	242,753
Other	301,878	280,196
Total non-current liabilities	5,528,002	4,908,418
Total liabilities	15,408,005	13,582,215
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	1,026,676	1,026,676
Retained earnings	8,835,867	8,627,378
Treasury shares	(192,656)	(192,656)
Total shareholders' equity	10,897,945	10,689,456
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	99,673	101,339
Deferred gains or losses on hedges	29	–
Remeasurements of defined benefit plans	(12,657)	(11,294)
Total accumulated other comprehensive income	87,045	90,045
Non-controlling interests	39,862	36,462
Total net assets	11,024,853	10,815,964
Total liabilities and net assets	26,432,859	24,398,180

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, 2023	Six months ended September 30, 2024
Net sales	12,395,083	11,853,144
Cost of sales	9,165,594	8,620,279
Gross profit	3,229,489	3,232,865
Selling, general and administrative expenses	2,708,851	2,944,326
Operating profit	520,637	288,538
Non-operating income		
Interest income	44	168
Dividend income	6,620	5,555
Commission income	289	1,105
Rental income from buildings	4,300	4,248
Foreign exchange gains	–	17,641
Reversal of allowance for doubtful accounts	2,764	1,012
Gain on sale of scraps	18,993	18,574
Other	13,593	15,051
Total non-operating income	46,606	63,358
Non-operating expenses		
Interest expenses	16,476	21,423
Sales discounts	6,754	4,984
Foreign exchange losses	25,749	–
Donations	1,363	1,023
Other	1,276	1,000
Total non-operating expenses	51,620	28,431
Ordinary profit	515,623	323,465
Extraordinary income		
Gain on sale of non-current assets	5,854	1,599
Total extraordinary income	5,854	1,599
Extraordinary losses		
Loss on sale of non-current assets	–	234
Loss on retirement of non-current assets	280	694
Total extraordinary losses	280	928
Profit before income taxes	521,197	324,137
Income taxes	212,248	143,320
Profit	308,949	180,816
Profit (loss) attributable to non-controlling interests	504	(3,399)
Profit attributable to owners of parent	308,444	184,216

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Profit	308,949	180,816
Other comprehensive income		
Valuation difference on available-for-sale securities	24,221	1,666
Deferred gains or losses on hedges	(55)	(29)
Remeasurements of defined benefit plans, net of tax	(1,842)	1,362
Total other comprehensive income	22,323	2,999
Comprehensive income	331,272	183,816
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	330,768	187,216
Comprehensive income attributable to non-controlling interests	504	(3,399)

Consolidated statements of cash flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Profit before income taxes	521,197	324,137
Depreciation	293,420	345,955
Amortization of goodwill	18,880	18,880
Loss on retirement of non-current assets	280	694
Increase (decrease) in allowance for doubtful accounts	(2,711)	4,187
Increase (decrease) in provision for bonuses	34,482	35,875
Increase (decrease) in provision for retirement benefits for directors (and other officers)	11,350	847
Increase (decrease) in retirement benefit liability	(3,867)	13,634
Increase (decrease) in provision for loss on construction contracts	–	1,400
Interest and dividend income	(6,665)	(5,724)
Interest expenses	16,476	21,423
Decrease (increase) in trade receivables	422,636	775,927
Decrease (increase) in inventories	(104,989)	(6,421)
Increase (decrease) in trade payables	(301,636)	(689,765)
Increase (decrease) in accounts payable - other	(7,676)	(140,811)
Increase (decrease) in advances received	(24,780)	(23,993)
Other, net	245,619	(209,564)
Subtotal	1,112,017	466,682
Interest and dividends received	6,665	5,724
Interest paid	(16,599)	(21,877)
Income taxes paid	(162,229)	(205,789)
Other, net	27,782	31,972
Net cash provided by (used in) operating activities	967,636	276,711
Cash flows from investing activities		
Purchase of property, plant and equipment	(538,516)	(204,560)
Proceeds from sale of property, plant and equipment	5,871	1,619
Purchase of intangible assets	(16,440)	(36,922)
Payments of guarantee deposits	(4,732)	(3,517)
Proceeds from refund of guarantee deposits	590	3,312
Decrease (increase) in investments and other assets	(2,107)	(6,141)
Payments for asset retirement obligations	(13,360)	(61,000)
Net cash provided by (used in) investing activities	(568,695)	(307,210)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	90,000
Proceeds from long-term borrowings	100,000	–
Repayments of long-term borrowings	(747,526)	(783,988)
Dividends paid	(388,994)	(390,771)
Repayments of finance lease liabilities	(47,344)	(46,579)
Net cash provided by (used in) financing activities	(1,083,865)	(1,131,339)
Effect of exchange rate change on cash and cash equivalents	7,080	(4,099)
Net increase (decrease) in cash and cash equivalents	(677,844)	(1,165,937)
Cash and cash equivalents at beginning of period	4,395,583	5,116,248
Cash and cash equivalents at end of period	3,717,738	3,950,310