

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 Nine Months Ended December 31, 2021 (Based on Japanese GAAP)

February 4, 2022

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: February 10, 2022
 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 nine months ended December 31, 2021 (from April 1, 2021 to December 31, 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	%
Nine months ended December 31, 2021	17,676	8.8	1,663	131.4	1,681	127.7	1,064	298.0
Nine months ended December 31, 2020	16,249	(0.8)	718	48.8	738	66.5	267	154.7

	Earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended December 31, 2021	35.40	–
Nine months ended December 31, 2020	8.92	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of December 31, 2021	23,244	9,696	41.6	320.85
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	Yen	Yen	Yen	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 nine months ended December 31, 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 December 31, 2021	31,256,600 shares	As of March 31, 2021	31,256,600 shares
-------------------------	-------------------	----------------------	-------------------

Number of treasury shares at the end of the period

As of December 31, 2021	1,148,528 shares	As of March 31, 2021	1,248,528 shares
-------------------------	------------------	----------------------	------------------

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

Nine months ended December 31, 2021	30,074,739 shares	Nine months ended December 31, 2020	29,974,739 shares
-------------------------------------	-------------------	-------------------------------------	-------------------

Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Assets		
Current assets		
Cash and deposits	4,549,957	4,374,613
Notes and accounts receivable - trade	6,414,546	–
Notes and accounts receivable - trade, and contract assets	–	5,596,716
Electronically recorded monetary claims - operating	1,785,042	1,898,847
Merchandise and finished goods	562,597	741,596
Work in process	797,217	683,973
Raw materials and supplies	1,116,270	1,419,214
Other	328,433	400,769
Allowance for doubtful accounts	(29,536)	(28,270)
Total current assets	15,524,530	15,087,460
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,077,710	2,187,516
Machinery, equipment and vehicles, net	791,181	723,752
Tools, furniture and fixtures, net	83,097	87,832
Land	2,924,675	2,963,836
Leased assets, net	401,538	374,052
Construction in progress	7,513	74,644
Total property, plant and equipment	6,285,716	6,411,635
Intangible assets		
Goodwill	164,488	130,142
Other	77,448	94,607
Total intangible assets	241,937	224,749
Investments and other assets		
Investment securities	641,119	676,457
Other	943,343	867,911
Allowance for doubtful accounts	(23,534)	(23,480)
Total investments and other assets	1,560,927	1,520,888
Total non-current assets	8,088,581	8,157,273
Total assets	23,613,111	23,244,733

(Thousands of yen)

	As of March 31, 2021	As of December 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,381,555	4,152,550
Electronically recorded obligations - operating	1,524,051	1,965,301
Short-term borrowings	310,522	300,522
Current portion of long-term borrowings	1,779,876	1,689,266
Current portion of bonds payable	188,000	99,500
Income taxes payable	271,278	359,519
Provision for bonuses	148,337	68,953
Provision for loss on construction contracts	–	326
Other	1,759,789	1,163,719
Total current liabilities	10,363,411	9,799,658
Non-current liabilities		
Long-term borrowings	2,867,895	2,217,857
Provision for retirement benefits for directors (and other officers)	566,550	540,775
Retirement benefit liability	406,855	415,334
Asset retirement obligations	155,426	156,001
Other	445,432	418,197
Total non-current liabilities	4,442,158	3,748,166
Total liabilities	14,805,569	13,547,824
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	1,000,924	1,012,350
Retained earnings	6,434,118	7,260,527
Treasury shares	(229,403)	(211,030)
Total shareholders' equity	8,433,696	9,289,905
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	329,204	353,786
Deferred gains or losses on hedges	–	9
Remeasurements of defined benefit plans	23,641	16,486
Total accumulated other comprehensive income	352,845	370,282
Non-controlling interests	20,999	36,721
Total net assets	8,807,541	9,696,909
Total liabilities and net assets	23,613,111	23,244,733

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

Consolidated statements of income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Net sales	16,249,514	17,676,324
Cost of sales	12,091,699	12,330,750
Gross profit	4,157,815	5,345,574
Selling, general and administrative expenses	3,439,001	3,682,502
Operating profit	718,814	1,663,071
Non-operating income		
Interest income	111	61
Dividend income	7,099	7,554
Commission income	3,941	2,492
Rental income from buildings	6,372	6,372
Foreign exchange gains	1,192	–
Reversal of allowance for doubtful accounts	944	1,320
Subsidy income	21,891	1,098
Gain on sale of scraps	9,596	31,201
Other	10,242	16,020
Total non-operating income	61,392	66,120
Non-operating expenses		
Interest expenses	22,646	20,908
Sales discounts	14,191	12,158
Foreign exchange losses	–	10,551
Donations	2,545	1,956
Other	2,338	1,865
Total non-operating expenses	41,721	47,440
Ordinary profit	738,484	1,681,751
Extraordinary income		
Gain on sale of non-current assets	1,539	27
Gain on sale of investment securities	34	–
Total extraordinary income	1,574	27
Extraordinary losses		
Loss on sale of non-current assets	41	40
Loss on retirement of non-current assets	4,517	9,231
Loss on valuation of investment securities	210,885	–
Retirement benefits for directors (and other officers)	–	4,420
Total extraordinary losses	215,444	13,692
Profit before income taxes	524,614	1,668,086
Income taxes	285,405	598,664
Profit	239,208	1,069,421
Profit (loss) attributable to non-controlling interests	(28,309)	4,802
Profit attributable to owners of parent	267,518	1,064,619

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2020	Nine months ended December 31, 2021
Profit	239,208	1,069,421
Other comprehensive income		
Valuation difference on available-for-sale securities	115,047	24,582
Deferred gains or losses on hedges	–	9
Remeasurements of defined benefit plans, net of tax	(3,572)	(7,154)
Total other comprehensive income	111,474	17,437
Comprehensive income	350,683	1,086,859
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	378,993	1,082,056
Comprehensive income attributable to non-controlling interests	(28,309)	4,802