

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2021 (Based on Japanese GAAP)

August 6, 2021

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: August 11, 2021
 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, 2021 (from April 1, 2021 to June 30, 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	%
Three months ended June 30, 2021	5,549	13.6	563	260.5	578	257.2	358	341.3
Three months ended June 30, 2020	4,885	(12.5)	156	(53.1)	161	(49.9)	81	(34.7)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2021	11.95		–	
Three months ended June 30, 2020	2.72		–	

(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, 2021	22,687	9,151	40.2	303.81
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				
Year ended March 31, 2021	–	0.00	–	10.00	10.00
Year ending March 31, 2022	–	–	–	–	–
Year ending March 31, 2022 (Forecast)	–	0.00	–	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	23,000	–	1,112	–	1,100	–	689	–	22.96

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 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 June 30, 2021	31,256,600 shares	As of March 31, 2021	31,256,600 shares
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Number of treasury shares at the end of the period

As of June 30, 2021	1,248,528 shares	As of March 31, 2021	1,248,528 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2021	30,008,072 shares	Three months ended June 30, 2020	29,908,072 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Assets		
Current assets		
Cash and deposits	4,549,957	4,446,172
Notes and accounts receivable - trade	6,414,546	–
Notes and accounts receivable - trade, and contract assets	–	5,415,580
Electronically recorded monetary claims - operating	1,785,042	2,205,456
Merchandise and finished goods	562,597	645,825
Work in process	797,217	455,701
Raw materials and supplies	1,116,270	1,149,320
Other	328,433	206,828
Allowance for doubtful accounts	(29,536)	(26,776)
Total current assets	15,524,530	14,498,108
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,077,710	2,074,154
Machinery, equipment and vehicles, net	791,181	759,998
Tools, furniture and fixtures, net	83,097	84,318
Land	2,924,675	2,924,675
Leased assets, net	401,538	401,899
Construction in progress	7,513	10,445
Total property, plant and equipment	6,285,716	6,255,492
Intangible assets		
Goodwill	164,488	153,039
Other	77,448	73,678
Total intangible assets	241,937	226,718
Investments and other assets		
Investment securities	641,119	947,057
Other	943,343	784,026
Allowance for doubtful accounts	(23,534)	(23,534)
Total investments and other assets	1,560,927	1,707,548
Total non-current assets	8,088,581	8,189,759
Total assets	23,613,111	22,687,868

(Thousands of yen)

	As of March 31, 2021	As of June 30, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,381,555	4,032,601
Electronically recorded obligations - operating	1,524,051	1,157,778
Short-term borrowings	310,522	400,522
Current portion of long-term borrowings	1,779,876	1,753,306
Current portion of bonds payable	188,000	188,000
Income taxes payable	271,278	194,564
Provision for bonuses	148,337	75,219
Provision for loss on construction contracts	–	2,413
Other	1,759,789	1,428,862
Total current liabilities	10,363,411	9,233,267
Non-current liabilities		
Long-term borrowings	2,867,895	2,774,696
Provision for retirement benefits for directors (and other officers)	566,550	520,275
Retirement benefit liability	406,855	404,234
Asset retirement obligations	155,426	155,618
Other	445,432	448,369
Total non-current liabilities	4,442,158	4,303,192
Total liabilities	14,805,569	13,536,460
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	1,000,924	1,000,924
Retained earnings	6,434,118	6,554,482
Treasury shares	(229,403)	(229,403)
Total shareholders' equity	8,433,696	8,554,060
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	329,204	541,540
Deferred gains or losses on hedges	–	(105)
Remeasurements of defined benefit plans	23,641	21,256
Total accumulated other comprehensive income	352,845	562,690
Non-controlling interests	20,999	34,656
Total net assets	8,807,541	9,151,408
Total liabilities and net assets	23,613,111	22,687,868

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, 2020	Three months ended June 30, 2021
Net sales	4,885,313	5,549,732
Cost of sales	3,635,911	3,797,187
Gross profit	1,249,402	1,752,545
Selling, general and administrative expenses	1,093,028	1,188,891
Operating profit	156,373	563,654
Non-operating income		
Interest income	34	20
Dividend income	2,386	3,900
Commission income	1,463	616
Rental income from buildings	2,124	2,124
Foreign exchange gains	142	–
Reversal of allowance for doubtful accounts	2,667	2,759
Subsidy income	5,000	111
Gain on sale of scraps	1,782	11,917
Other	2,874	6,360
Total non-operating income	18,474	27,810
Non-operating expenses		
Interest expenses	7,991	7,275
Sales discounts	4,068	3,655
Foreign exchange losses	–	438
Donations	5	1,061
Other	851	660
Total non-operating expenses	12,916	13,090
Ordinary profit	161,931	578,373
Extraordinary income		
Gain on sale of non-current assets	918	27
Total extraordinary income	918	27
Extraordinary losses		
Loss on sale of non-current assets	41	40
Loss on retirement of non-current assets	992	0
Retirement benefits for directors (and other officers)	–	4,420
Total extraordinary losses	1,034	4,460
Profit before income taxes	161,815	573,940
Income taxes	89,668	212,628
Profit	72,147	361,312
Profit (loss) attributable to non-controlling interests	(9,111)	2,738
Profit attributable to owners of parent	81,258	358,574

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2020	Three months ended June 30, 2021
Profit	72,147	361,312
Other comprehensive income		
Valuation difference on available-for-sale securities	51,642	212,336
Deferred gains or losses on hedges	–	(105)
Remeasurements of defined benefit plans, net of tax	(1,190)	(2,384)
Total other comprehensive income	50,451	209,845
Comprehensive income	122,598	571,157
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	131,710	568,419
Comprehensive income attributable to non-controlling interests	(9,111)	2,738