

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2022 (Based on Japanese GAAP)

May 13, 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 of ordinary general meeting of shareholders: June 28, 2022
 Scheduled date to file Securities Report: June 28, 2022
 Scheduled date to commence dividend payments: June 29, 2022
 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, 2022 (from April 1, 2021 to March 31, 2022)

(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, 2022	24,150	5.9	1,982	67.2	1,992	66.0	1,614	155.3
Year ended March 31, 2021	22,801	(0.2)	1,185	11.4	1,200	12.9	632	134.0

	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, 2022	53.66	–	17.3	8.4	8.2
Year ended March 31, 2021	21.09	–	7.4	5.3	5.2

(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, 2022	23,665	9,953	41.9	329.31
As of March 31, 2021	23,613	8,807	37.2	292.81

(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, 2022	2,309	(367)	(1,253)	4,935
Year ended March 31, 2021	2,134	(654)	(347)	4,239

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, 2021	–	0.00	–	10.00	10.00	300	47.4	3.5
Year ended March 31, 2022	–	0.00	–	14.00	14.00	421	26.1	4.5
Year ending March 31, 2023 (Forecast)	–	0.00	–	13.00	13.00		42.3	

3. Forecast of consolidated financial results for the year ending March 31, 2023 (from April 1, 2022 to March 31, 2023)

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	24,300	0.6	1,451	(26.8)	1,460	(26.7)	924	(42.7)	30.70

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2022

(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: Yes

Changes in accounting policies due to other reasons: No

Changes in accounting estimates: No

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, 2022	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 March 31, 2022	1,148,528 shares	As of March 31, 2021	1,248,528 shares
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Average number of shares during the period

Year ended March 31, 2022	30,083,072 shares	Year ended March 31, 2021	29,983,072 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Assets		
Current assets		
Cash and deposits	4,549,957	5,172,731
Notes and accounts receivable - trade	6,414,546	–
Notes receivable - trade	–	1,600,927
Accounts receivable - trade	–	3,352,518
Contract assets	–	652,143
Electronically recorded monetary claims - operating	1,785,042	1,836,476
Merchandise and finished goods	562,597	690,744
Work in process	797,217	601,230
Raw materials and supplies	1,116,270	1,351,872
Other	328,433	563,705
Allowance for doubtful accounts	(29,536)	(28,895)
Total current assets	15,524,530	15,793,456
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,897,330	5,131,496
Accumulated depreciation	(2,819,619)	(2,943,593)
Buildings and structures, net	2,077,710	2,187,902
Machinery, equipment and vehicles	4,291,479	4,363,039
Accumulated depreciation	(3,500,298)	(3,656,764)
Machinery, equipment and vehicles, net	791,181	706,275
Tools, furniture and fixtures	1,104,684	1,135,578
Accumulated depreciation	(1,021,587)	(1,061,034)
Tools, furniture and fixtures, net	83,097	74,544
Land	2,924,675	2,968,586
Leased assets	566,713	642,648
Accumulated depreciation	(165,174)	(244,652)
Leased assets, net	401,538	397,995
Construction in progress	7,513	101,245
Total property, plant and equipment	6,285,716	6,436,550
Intangible assets		
Goodwill	164,488	118,693
Other	77,448	95,288
Total intangible assets	241,937	213,982
Investments and other assets		
Investment securities	641,119	217,520
Deferred tax assets	580,099	702,104
Other	363,243	325,146
Allowance for doubtful accounts	(23,534)	(23,480)
Total investments and other assets	1,560,927	1,221,290
Total non-current assets	8,088,581	7,871,822
Total assets	23,613,111	23,665,278

(Thousands of yen)

	As of March 31, 2021	As of March 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,381,555	3,618,344
Electronically recorded obligations - operating	1,524,051	2,214,437
Short-term borrowings	310,522	300,522
Current portion of long-term borrowings	1,779,876	1,343,351
Current portion of bonds payable	188,000	–
Income taxes payable	271,278	573,514
Contract liabilities	–	100,762
Provision for bonuses	148,337	171,879
Other	1,759,789	1,187,781
Total current liabilities	10,363,411	9,510,593
Non-current liabilities		
Long-term borrowings	2,867,895	2,634,544
Provision for retirement benefits for directors (and other officers)	566,550	548,590
Retirement benefit liability	406,855	421,199
Asset retirement obligations	155,426	156,193
Lease liabilities	436,932	434,960
Other	8,500	5,500
Total non-current liabilities	4,442,158	4,200,987
Total liabilities	14,805,569	13,711,580
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	7,810,207
Treasury shares	(229,403)	(211,030)
Total shareholders' equity	8,433,696	9,839,585
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	329,204	64,796
Deferred gains or losses on hedges	–	611
Remeasurements of defined benefit plans	23,641	9,882
Total accumulated other comprehensive income	352,845	75,290
Non-controlling interests	20,999	38,822
Total net assets	8,807,541	9,953,698
Total liabilities and net assets	23,613,111	23,665,278

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

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Net sales	22,801,019	24,150,209
Cost of sales	16,805,614	17,034,543
Gross profit	5,995,405	7,115,666
Selling, general and administrative expenses	4,809,618	5,133,283
Operating profit	1,185,787	1,982,382
Non-operating income		
Interest income	139	85
Dividend income	7,149	7,632
Commission income	6,813	7,509
Rental income from buildings	8,496	8,496
Reversal of allowance for doubtful accounts	302	694
Subsidy income	28,190	3,299
Gain on sale of scraps	13,347	41,537
Other	15,781	19,469
Total non-operating income	80,222	88,724
Non-operating expenses		
Interest expenses	30,219	27,035
Sales discounts	18,057	17,442
Foreign exchange losses	11,635	27,733
Donations	2,565	4,019
Other	3,197	2,615
Total non-operating expenses	65,675	78,845
Ordinary profit	1,200,333	1,992,261
Extraordinary income		
Gain on sale of non-current assets	1,499	818
Gain on sale of investment securities	53	402,690
Insurance claim income	–	584
Total extraordinary income	1,553	404,093
Extraordinary losses		
Loss on sale of non-current assets	9,527	40
Loss on retirement of non-current assets	4,934	10,043
Loss on valuation of investment securities	210,885	–
Retirement benefits for directors (and other officers)	–	4,420
Loss on disaster	4,191	–
OfficeClosingLoss	881	–
Loss on valuation of investments in capital	–	1,000
Total extraordinary losses	230,419	15,504
Profit before income taxes	971,467	2,380,849
Income taxes - current	470,152	798,546
Income taxes - deferred	(114,549)	(38,899)
Total income taxes	355,602	759,647
Profit	615,864	1,621,202
Profit (loss) attributable to non-controlling interests	(16,549)	6,904
Profit attributable to owners of parent	632,413	1,614,298

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Profit	615,864	1,621,202
Other comprehensive income		
Valuation difference on available-for-sale securities	144,629	(264,407)
Deferred gains or losses on hedges	–	611
Remeasurements of defined benefit plans, net of tax	(7,666)	(13,758)
Total other comprehensive income	136,962	(277,554)
Comprehensive income	752,826	1,343,648
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	769,375	1,336,744
Comprehensive income attributable to non-controlling interests	(16,549)	6,904

Consolidated statements of changes in equity

Fiscal year ended March 31, 2021

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,228,057	991,898	6,100,785	(247,777)	8,072,963
Changes during period					
Dividends of surplus			(299,080)		(299,080)
Profit attributable to owners of parent			632,413		632,413
Disposal of treasury shares		9,026		18,373	27,400
Net changes in items other than shareholders' equity					
Total changes during period	–	9,026	333,332	18,373	360,732
Balance at end of period	1,228,057	1,000,924	6,434,118	(229,403)	8,433,696

	Accumulated other comprehensive income			Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	184,574	31,307	215,882	37,548	8,326,395
Changes during period					
Dividends of surplus					(299,080)
Profit attributable to owners of parent					632,413
Disposal of treasury shares					27,400
Net changes in items other than shareholders' equity	144,629	(7,666)	136,962	(16,549)	120,413
Total changes during period	144,629	(7,666)	136,962	(16,549)	481,146
Balance at end of period	329,204	23,641	352,845	20,999	8,807,541

Fiscal year ended March 31, 2022

(Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	1,228,057	1,000,924	6,434,118	(229,403)	8,433,696
Cumulative effects of changes in accounting policies			61,870		61,870
Restated balance	1,228,057	1,000,924	6,495,989	(229,403)	8,495,567
Changes during period					
Dividends of surplus			(300,080)		(300,080)
Profit attributable to owners of parent			1,614,298		1,614,298
Disposal of treasury shares		11,426		18,373	29,800
Net changes in items other than shareholders' equity					
Total changes during period	–	11,426	1,314,218	18,373	1,344,018
Balance at end of period	1,228,057	1,012,350	7,810,207	(211,030)	9,839,585

	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	329,204	–	23,641	352,845	20,999	8,807,541
Cumulative effects of changes in accounting policies					10,918	72,789
Restated balance	329,204	–	23,641	352,845	31,918	8,880,330
Changes during period						
Dividends of surplus						(300,080)
Profit attributable to owners of parent						1,614,298
Disposal of treasury shares						29,800
Net changes in items other than shareholders' equity	(264,407)	611	(13,758)	(277,554)	6,904	(270,650)
Total changes during period	(264,407)	611	(13,758)	(277,554)	6,904	1,073,367
Balance at end of period	64,796	611	9,882	75,290	38,822	9,953,698

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from operating activities		
Profit before income taxes	971,467	2,380,849
Depreciation	504,855	489,490
Amortization of goodwill	53,511	45,794
Loss on retirement of non-current assets	4,934	10,043
Loss (gain) on valuation of investment securities	210,885	–
Increase (decrease) in allowance for doubtful accounts	749	(694)
Increase (decrease) in provision for bonuses	15,902	23,542
Increase (decrease) in retirement benefit liability	(20,778)	(4,336)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	38,130	(17,960)
Interest and dividend income	(7,289)	(7,717)
Interest expenses	30,219	27,035
Decrease (increase) in trade receivables	66,752	839,170
Decrease (increase) in inventories	40,091	(369,583)
Increase (decrease) in trade payables	223,334	(102,179)
Increase (decrease) in accounts payable - other	135,106	26,123
Increase (decrease) in advances received	209,959	(167,687)
Loss (gain) on sale of investment securities	(53)	(402,690)
Other, net	90,393	16,511
Subtotal	2,568,172	2,785,712
Interest and dividends received	7,030	7,439
Proceeds from insurance income	–	3,000
Interest paid	(31,022)	(27,634)
Income taxes paid	(454,478)	(506,151)
Extra retirement payments	–	(4,420)
Other, net	44,617	51,443
Net cash provided by (used in) operating activities	2,134,319	2,309,389
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	30,000	77,379
Payments into time deposits	(12,005)	(4,003)
Purchase of property, plant and equipment	(555,046)	(605,223)
Purchase of intangible assets	(17,479)	(45,744)
Proceeds from sale of property, plant and equipment	1,609	818
Payments of guarantee deposits	(99,590)	(5,544)
Proceeds from refund of guarantee deposits	14,839	25,426
Purchase of investment securities	(8,733)	–
Proceeds from sale of investment securities	6,128	173,776
Decrease (increase) in investments and other assets	5,365	1,113
Proceeds from collection of loans receivable	1,321	360
Proceeds from cancellation of insurance funds	–	14,448
Payments for asset retirement obligations	(20,934)	–
Net cash provided by (used in) investing activities	(654,525)	(367,193)

	(Thousands of yen)	
	Fiscal year ended March 31, 2021	Fiscal year ended March 31, 2022
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	–	(10,000)
Proceeds from long-term borrowings	1,600,000	1,110,000
Repayments of long-term borrowings	(1,395,627)	(1,779,876)
Redemption of bonds	(177,000)	(188,000)
Repayments of finance lease liabilities	(76,201)	(85,479)
Dividends paid	(299,039)	(299,690)
Net cash provided by (used in) financing activities	(347,867)	(1,253,046)
Effect of exchange rate change on cash and cash equivalents	2,525	7,000
Net increase (decrease) in cash and cash equivalents	1,134,452	696,149
Cash and cash equivalents at beginning of period	3,105,126	4,239,579
Cash and cash equivalents at end of period	4,239,579	4,935,728