

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2023 (Based on Japanese GAAP)

August 4, 2023

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 Quarterly Securities Report: August 10, 2023
 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, 2023 (from April 1, 2023 to June 30, 2023)

(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, 2023	5,603	(0.1)	112	(47.5)	96	(56.5)	42	(70.4)
Three months ended June 30, 2022	5,608	1.1	213	(62.1)	222	(61.6)	142	(60.2)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2023	1.40		–	
Three months ended June 30, 2022	4.74		–	

(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, 2023	24,279	10,085	41.4	332.47
As of March 31, 2023	25,493	10,428	40.7	343.81

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, 2023	–	0.00	–	13.00	13.00
Year ending March 31, 2024	–	–	–	–	–
Year ending March 31, 2024 (Forecast)	–	0.00	–	13.00	13.00

3. Forecast of consolidated financial results for the year ending March 31, 2024 (from April 1, 2023 to March 31, 2024)

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	26,013	2.2	779	(41.7)	800	(41.9)	460	(47.1)	15.23

4. Notes

- (1) Changes in significant subsidiaries during the three months ended June 30, 2023
 (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: 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 June 30, 2023	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 June 30, 2023	1,048,528 shares	As of March 31, 2023	1,048,528 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, 2023	30,208,072 shares	Three months ended June 30, 2022	30,108,072 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Assets		
Current assets		
Cash and deposits	4,630,583	3,998,676
Notes and accounts receivable - trade, and contract assets	7,348,420	6,098,164
Electronically recorded monetary claims - operating	1,649,844	1,929,367
Merchandise and finished goods	758,452	809,546
Work in process	678,279	648,553
Raw materials and supplies	1,674,450	1,775,361
Other	518,470	487,955
Allowance for doubtful accounts	(27,671)	(25,222)
Total current assets	17,230,829	15,722,402
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,483,134	2,489,870
Machinery, equipment and vehicles, net	788,817	839,838
Tools, furniture and fixtures, net	88,390	98,484
Land	3,054,542	3,054,542
Leased assets, net	341,761	319,939
Construction in progress	88,006	218,665
Total property, plant and equipment	6,844,652	7,021,341
Intangible assets		
Goodwill	72,898	63,458
Other	109,023	104,097
Total intangible assets	181,922	167,555
Investments and other assets		
Investment securities	215,212	227,599
Other	1,049,560	1,169,413
Allowance for doubtful accounts	(28,254)	(28,644)
Total investments and other assets	1,236,518	1,368,367
Total non-current assets	8,263,093	8,557,264
Total assets	25,493,923	24,279,667

(Thousands of yen)

	As of March 31, 2023	As of June 30, 2023
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,768,761	3,299,947
Electronically recorded obligations - operating	2,550,907	2,554,209
Short-term borrowings	600,522	600,522
Current portion of long-term borrowings	1,476,214	1,393,120
Income taxes payable	169,506	116,367
Provision for bonuses	176,722	106,645
Other	1,297,164	1,435,430
Total current liabilities	10,039,798	9,506,242
Non-current liabilities		
Long-term borrowings	3,468,330	3,167,612
Provision for retirement benefits for directors (and other officers)	572,080	579,119
Retirement benefit liability	434,565	427,509
Asset retirement obligations	171,003	159,215
Other	379,609	353,993
Total non-current liabilities	5,025,588	4,687,450
Total liabilities	15,065,386	14,193,692
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	7,908,167
Treasury shares	(192,656)	(192,656)
Total shareholders' equity	10,320,791	9,970,245
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	63,320	72,224
Deferred gains or losses on hedges	55	100
Remeasurements of defined benefit plans	1,779	857
Total accumulated other comprehensive income	65,154	73,183
Non-controlling interests	42,590	42,546
Total net assets	10,428,536	10,085,975
Total liabilities and net assets	25,493,923	24,279,667

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, 2022	Three months ended June 30, 2023
Net sales	5,608,722	5,603,920
Cost of sales	4,112,920	4,181,158
Gross profit	1,495,801	1,422,761
Selling, general and administrative expenses	1,281,999	1,310,431
Operating profit	213,802	112,329
Non-operating income		
Interest income	74	18
Dividend income	4,552	4,386
Commission income	1,064	140
Rental income from buildings	2,124	2,176
Reversal of allowance for doubtful accounts	2,628	2,059
Gain on sale of scraps	15,517	9,408
Other	6,273	5,167
Total non-operating income	32,235	23,357
Non-operating expenses		
Interest expenses	6,491	8,583
Sales discounts	5,108	3,624
Foreign exchange losses	10,625	25,045
Donations	1,037	1,262
Other	399	391
Total non-operating expenses	23,661	38,907
Ordinary profit	222,376	96,780
Extraordinary income		
Gain on sale of non-current assets	8,584	5,470
Total extraordinary income	8,584	5,470
Extraordinary losses		
Loss on retirement of non-current assets	1,640	142
Total extraordinary losses	1,640	142
Profit before income taxes	229,321	102,108
Income taxes	88,744	59,993
Profit	140,576	42,115
Loss attributable to non-controlling interests	(2,074)	(43)
Profit attributable to owners of parent	142,651	42,158

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2022	Three months ended June 30, 2023
Profit	140,576	42,115
Other comprehensive income		
Valuation difference on available-for-sale securities	(3,888)	8,904
Deferred gains or losses on hedges	(329)	45
Remeasurements of defined benefit plans, net of tax	(1,472)	(921)
Total other comprehensive income	(5,690)	8,028
Comprehensive income	134,886	50,143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	136,961	50,187
Comprehensive income attributable to non-controlling interests	(2,074)	(43)