

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2022 (Based on Japanese GAAP)

February 6, 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: February 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 nine months ended December 31, 2022 (from April 1, 2022 to December 31, 2022)

(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, 2022	17,723	0.3	700	(57.9)	732	(56.5)	413	(61.2)
Nine months ended December 31, 2021	17,676	8.8	1,663	131.4	1,681	127.7	1,064	298.0

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2022	13.69		–	
Nine months ended December 31, 2021	35.40		–	

(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, 2022	24,473	9,976	40.6	328.89
As of March 31, 2022	23,665	9,953	41.9	329.31

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, 2022	–	0.00	–	14.00	14.00
Year ending March 31, 2023	–	0.00	–		
Year ending March 31, 2023 (Forecast)				13.00	13.00

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 nine months ended December 31, 2022
(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: Yes
- 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, 2022	31,256,600 shares	As of March 31, 2022	31,256,600 shares
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Number of treasury shares at the end of the period

As of December 31, 2022	1,048,528 shares	As of March 31, 2022	1,148,528 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2022	30,174,739 shares	Nine months ended December 31, 2021	30,074,739 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Assets		
Current assets		
Cash and deposits	5,172,731	4,277,704
Notes and accounts receivable - trade, and contract assets	5,605,590	5,873,270
Electronically recorded monetary claims - operating	1,836,476	1,722,781
Merchandise and finished goods	690,744	881,349
Work in process	601,230	861,063
Raw materials and supplies	1,351,872	2,067,072
Other	563,705	511,243
Allowance for doubtful accounts	(28,895)	(29,644)
Total current assets	15,793,456	16,164,840
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,187,902	2,477,907
Machinery, equipment and vehicles, net	706,275	832,067
Tools, furniture and fixtures, net	74,544	101,652
Land	2,968,586	3,054,542
Leased assets, net	397,995	351,113
Construction in progress	101,245	70,436
Total property, plant and equipment	6,436,550	6,887,721
Intangible assets		
Goodwill	118,693	84,347
Other	95,288	95,666
Total intangible assets	213,982	180,014
Investments and other assets		
Investment securities	217,520	219,459
Other	1,027,250	1,045,380
Allowance for doubtful accounts	(23,480)	(23,540)
Total investments and other assets	1,221,290	1,241,298
Total non-current assets	7,871,822	8,309,034
Total assets	23,665,278	24,473,874

(Thousands of yen)

	As of March 31, 2022	As of December 31, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,618,344	3,863,545
Electronically recorded obligations - operating	2,214,437	2,503,269
Short-term borrowings	300,522	1,400,522
Current portion of long-term borrowings	1,343,351	1,197,517
Income taxes payable	573,514	80,306
Provision for bonuses	171,879	87,985
Other	1,288,544	1,241,068
Total current liabilities	9,510,593	10,374,214
Non-current liabilities		
Long-term borrowings	2,634,544	2,571,987
Provision for retirement benefits for directors (and other officers)	548,590	561,600
Retirement benefit liability	421,199	431,019
Asset retirement obligations	156,193	169,281
Other	440,460	389,605
Total non-current liabilities	4,200,987	4,123,493
Total liabilities	13,711,580	14,497,708
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	1,012,350	1,026,676
Retained earnings	7,810,207	7,801,800
Treasury shares	(211,030)	(192,656)
Total shareholders' equity	9,839,585	9,863,878
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64,796	66,320
Deferred gains or losses on hedges	611	(676)
Remeasurements of defined benefit plans	9,882	5,464
Total accumulated other comprehensive income	75,290	71,109
Non-controlling interests	38,822	41,179
Total net assets	9,953,698	9,976,166
Total liabilities and net assets	23,665,278	24,473,874

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, 2021	Nine months ended December 31, 2022
Net sales	17,676,324	17,723,437
Cost of sales	12,330,750	13,108,788
Gross profit	5,345,574	4,614,648
Selling, general and administrative expenses	3,682,502	3,914,641
Operating profit	1,663,071	700,007
Non-operating income		
Interest income	61	118
Dividend income	7,554	8,075
Commission income	2,492	2,384
Rental income from buildings	6,372	6,372
Foreign exchange gains	–	2,231
Reversal of allowance for doubtful accounts	1,320	836
Gain on sale of scraps	31,201	36,836
Other	17,118	16,905
Total non-operating income	66,120	73,760
Non-operating expenses		
Interest expenses	20,908	19,910
Sales discounts	12,158	16,220
Foreign exchange losses	10,551	–
Donations	1,956	3,070
Other	1,865	2,255
Total non-operating expenses	47,440	41,456
Ordinary profit	1,681,751	732,310
Extraordinary income		
Gain on sale of non-current assets	27	8,762
Total extraordinary income	27	8,762
Extraordinary losses		
Loss on sale of non-current assets	40	–
Loss on retirement of non-current assets	9,231	2,400
Retirement benefits for directors (and other officers)	4,420	1,500
Total extraordinary losses	13,692	3,900
Profit before income taxes	1,668,086	737,172
Income taxes	598,664	321,709
Profit	1,069,421	415,462
Profit attributable to non-controlling interests	4,802	2,357
Profit attributable to owners of parent	1,064,619	413,105

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2021	Nine months ended December 31, 2022
Profit	1,069,421	415,462
Other comprehensive income		
Valuation difference on available-for-sale securities	24,582	1,524
Deferred gains or losses on hedges	9	(1,288)
Remeasurements of defined benefit plans, net of tax	(7,154)	(4,417)
Total other comprehensive income	17,437	(4,181)
Comprehensive income	1,086,859	411,281
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,082,056	408,924
Comprehensive income attributable to non-controlling interests	4,802	2,357