

Translation

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Summary of Consolidated Financial Results for the Year Ended March 31, 2021 (Based on Japanese GAAP)

May 14, 2021

Company name: SE Corporation
 Stock exchange listing: Tokyo
 Stock code: 3423 URL <http://www.se-corp.com/>
 Representative: President Ichiro Miyahara
 Inquiries: Corporate Director Executive Officer Hisahiro Nojima TEL 03-3340-5500
 Scheduled date of ordinary general meeting of shareholders: June 29, 2021
 Scheduled date to file Securities Report: June 29, 2021
 Scheduled date to commence dividend payments: June 30, 2021
 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, 2021 (from April 1, 2020 to March 31, 2021)

(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, 2021	22,801	(0.2)	1,185	11.4	1,200	12.9	632	134.0
Year ended March 31, 2020	22,839	1.9	1,064	(4.9)	1,063	(1.5)	270	(61.4)

	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, 2021	21.09	–	7.4	5.3	5.2
Year ended March 31, 2020	9.04	–	3.2	4.7	4.7

(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, 2021	23,613	8,807	37.2	292.81
As of March 31, 2020	22,031	8,326	37.6	277.14

(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, 2021	2,134	(654)	(347)	4,239
Year ended March 31, 2020	(135)	(874)	(699)	3,105

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, 2020	–	0.00	–	10.00	10.00	299	110.6	3.5
Year ended March 31, 2021	–	0.00	–	10.00	10.00	300	47.4	3.5
Year ending March 31, 2022 (Forecast)	–	0.00	–	11.00	11.00		47.9	

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 year ended March 31, 2021

(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: No

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, 2021	31,256,600 shares	As of March 31, 2020	31,256,600 shares
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Number of treasury shares at the end of the period

As of March 31, 2021	1,248,528 shares	As of March 31, 2020	1,348,528 shares
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Average number of shares during the period

Year ended March 31, 2021	29,983,072 shares	Year ended March 31, 2020	29,908,072 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Assets		
Current assets		
Cash and deposits	3,433,500	4,549,957
Notes and accounts receivable - trade	6,665,643	6,414,546
Electronically recorded monetary claims - operating	1,600,698	1,785,042
Merchandise and finished goods	554,175	562,597
Work in process	668,710	797,217
Raw materials and supplies	1,293,291	1,116,270
Other	178,691	328,433
Allowance for doubtful accounts	(28,773)	(29,536)
Total current assets	14,365,936	15,524,530
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,716,584	4,897,330
Accumulated depreciation	(2,742,859)	(2,819,619)
Buildings and structures, net	1,973,725	2,077,710
Machinery, equipment and vehicles	4,194,233	4,291,479
Accumulated depreciation	(3,425,474)	(3,500,298)
Machinery, equipment and vehicles, net	768,758	791,181
Tools, furniture and fixtures	1,050,779	1,104,684
Accumulated depreciation	(978,272)	(1,021,587)
Tools, furniture and fixtures, net	72,506	83,097
Land	2,788,898	2,924,675
Leased assets	430,616	566,713
Accumulated depreciation	(107,297)	(165,174)
Leased assets, net	323,318	401,538
Construction in progress	8,415	7,513
Total property, plant and equipment	5,935,623	6,285,716
Intangible assets		
Goodwill	217,999	164,488
Other	73,991	77,448
Total intangible assets	291,991	241,937
Investments and other assets		
Investment securities	644,310	641,119
Deferred tax assets	526,518	580,099
Other	290,209	363,243
Allowance for doubtful accounts	(23,547)	(23,534)
Total investments and other assets	1,437,490	1,560,927
Total non-current assets	7,665,104	8,088,581
Total assets	22,031,041	23,613,111

(Thousands of yen)

	As of March 31, 2020	As of March 31, 2021
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,348,456	4,381,555
Electronically recorded obligations - operating	1,318,521	1,524,051
Short-term borrowings	310,522	310,522
Current portion of long-term borrowings	1,361,241	1,779,876
Current portion of bonds payable	177,000	188,000
Income taxes payable	273,292	271,278
Provision for bonuses	132,434	148,337
Other	1,060,255	1,759,789
Total current liabilities	8,981,722	10,363,411
Non-current liabilities		
Bonds payable	188,000	—
Long-term borrowings	3,082,157	2,867,895
Provision for retirement benefits for directors (and other officers)	528,420	566,550
Retirement benefit liability	417,788	406,855
Asset retirement obligations	146,621	155,426
Lease obligations	351,437	436,932
Other	8,500	8,500
Total non-current liabilities	4,722,923	4,442,158
Total liabilities	13,704,646	14,805,569
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	991,898	1,000,924
Retained earnings	6,100,785	6,434,118
Treasury shares	(247,777)	(229,403)
Total shareholders' equity	8,072,963	8,433,696
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	184,574	329,204
Remeasurements of defined benefit plans	31,307	23,641
Total accumulated other comprehensive income	215,882	352,845
Non-controlling interests	37,548	20,999
Total net assets	8,326,395	8,807,541
Total liabilities and net assets	22,031,041	23,613,111

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

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Net sales	22,839,221	22,801,019
Cost of sales	17,001,302	16,805,614
Gross profit	5,837,918	5,995,405
Selling, general and administrative expenses	4,773,128	4,809,618
Operating profit	1,064,790	1,185,787
Non-operating income		
Interest income	164	139
Dividend income	5,617	7,149
Commission income	10,466	6,813
Rental income from buildings	8,905	8,496
Reversal of allowance for doubtful accounts	187	302
Insurance claim income	34,089	–
Subsidy income	–	28,190
Other	43,722	29,129
Total non-operating income	103,152	80,222
Non-operating expenses		
Interest expenses	34,692	30,219
Sales discounts	19,128	18,057
Foreign exchange losses	3,434	11,635
Donations	3,745	2,565
Share of loss of entities accounted for using equity method	37,279	–
Other	6,384	3,197
Total non-operating expenses	104,665	65,675
Ordinary profit	1,063,277	1,200,333
Extraordinary income		
Gain on sale of non-current assets	2,299	1,499
Gain on sale of investment securities	–	53
Total extraordinary income	2,299	1,553
Extraordinary losses		
Loss on sale of non-current assets	4,041	9,527
Loss on retirement of non-current assets	603	4,934
Loss on sale of investment securities	18,735	–
Loss on valuation of investment securities	419,115	210,885
Retirement benefits for directors (and other officers)	47,700	–
Loss on disaster	3,269	4,191
OfficeClosingLoss	–	881
Total extraordinary losses	493,464	230,419
Profit before income taxes	572,113	971,467
Income taxes - current	449,311	470,152
Income taxes - deferred	(145,078)	(114,549)
Total income taxes	304,232	355,602
Profit	267,880	615,864
Loss attributable to non-controlling interests	(2,436)	(16,549)
Profit attributable to owners of parent	270,317	632,413

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Profit	267,880	615,864
Other comprehensive income		
Valuation difference on available-for-sale securities	154,964	144,629
Remeasurements of defined benefit plans, net of tax	(9,202)	(7,666)
Share of other comprehensive income of entities accounted for using equity method	3,303	–
Total other comprehensive income	149,065	136,962
Comprehensive income	416,946	752,826
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	419,382	769,375
Comprehensive income attributable to non-controlling interests	(2,436)	(16,549)

Consolidated statements of changes in equity

Fiscal year ended March 31, 2020

(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	6,633,655	(247,777)	8,605,833
Changes during period					
Dividends of surplus			(299,080)		(299,080)
Profit attributable to owners of parent			270,317		270,317
Change in scope of equity method			(504,106)		(504,106)
Net changes in items other than shareholders' equity					
Total changes during period	–	–	(532,870)	–	(532,870)
Balance at end of period	1,228,057	991,898	6,100,785	(247,777)	8,072,963

	Accumulated other comprehensive income				Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	29,610	(3,303)	40,510	66,817	39,985	8,712,636
Changes during period						
Dividends of surplus						(299,080)
Profit attributable to owners of parent						270,317
Change in scope of equity method						(504,106)
Net changes in items other than shareholders' equity	154,964	3,303	(9,202)	149,065	(2,436)	146,629
Total changes during period	154,964	3,303	(9,202)	149,065	(2,436)	(386,240)
Balance at end of period	184,574	–	31,307	215,882	37,548	8,326,395

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

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from operating activities		
Profit before income taxes	572,113	971,467
Depreciation	438,445	504,855
Amortization of goodwill	56,083	53,511
Loss on retirement of non-current assets	603	4,934
Loss (gain) on valuation of investment securities	419,115	210,885
Share of loss (profit) of entities accounted for using equity method	37,279	–
Increase (decrease) in allowance for doubtful accounts	(1,147)	749
Increase (decrease) in provision for bonuses	16,757	15,902
Increase (decrease) in retirement benefit liability	(12,726)	(20,778)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(84,790)	38,130
Interest and dividend income	(5,782)	(7,289)
Interest expenses	34,692	30,219
Decrease (increase) in trade receivables	(713,705)	66,752
Decrease (increase) in inventories	(181,309)	40,091
Increase (decrease) in trade payables	(285,482)	223,334
Increase (decrease) in accounts payable - other	(60,117)	135,106
Increase (decrease) in advances received	(22,729)	209,959
Other, net	23,991	90,340
Subtotal	231,291	2,568,172
Interest and dividends received	5,525	7,030
Interest paid	(36,132)	(31,022)
Income taxes paid	(356,015)	(454,478)
Extra retirement payments	(47,700)	–
Other, net	67,924	44,617
Net cash provided by (used in) operating activities	(135,106)	2,134,319
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	–	30,000
Payments into time deposits	(13,004)	(12,005)
Purchase of property, plant and equipment	(1,033,328)	(555,046)
Purchase of intangible assets	(21,779)	(17,479)
Proceeds from sale of property, plant and equipment	3,242	1,609
Payments of guarantee deposits	(2,495)	(99,590)
Proceeds from refund of guarantee deposits	2,523	14,839
Purchase of investment securities	(4,309)	(8,733)
Proceeds from sale of investment securities	1,954	6,128
Proceeds from sale of shares of subsidiaries and associates	206,228	–
Decrease (increase) in investments and other assets	(3,542)	5,365
Loan advances	(1,081)	–
Proceeds from collection of loans receivable	2,597	1,321
Payments for asset retirement obligations	(11,810)	(20,934)
Net cash provided by (used in) investing activities	(874,803)	(654,525)

(Thousands of yen)

	Fiscal year ended March 31, 2020	Fiscal year ended March 31, 2021
Cash flows from financing activities		
Increase (decrease) in short-term borrowings	10,000	—
Proceeds from long-term borrowings	1,090,000	1,600,000
Repayments of long-term borrowings	(1,273,185)	(1,395,627)
Redemption of bonds	(177,000)	(177,000)
Repayments of finance lease obligations	(50,251)	(76,201)
Dividends paid	(299,055)	(299,039)
Net cash provided by (used in) financing activities	(699,491)	(347,867)
Effect of exchange rate change on cash and cash equivalents	(2,497)	2,525
Net increase (decrease) in cash and cash equivalents	(1,711,899)	1,134,452
Cash and cash equivalents at beginning of period	4,817,026	3,105,126
Cash and cash equivalents at end of period	3,105,126	4,239,579