

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2020 (Based on Japanese GAAP)

February 5, 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 to file Quarterly Securities Report: February 12, 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 nine months ended December 31, 2020 (from April 1, 2020 to December 31, 2020)

(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, 2020	16,249	(0.8)	718	48.8	738	66.5	267	154.7
Nine months ended December 31, 2019	16,373	3.8	483	(23.4)	443	(26.3)	105	(68.6)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2020	8.92		–	
Nine months ended December 31, 2019	3.51		–	

(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, 2020	22,848	8,405	36.7	279.80
As of March 31, 2020	22,031	8,326	37.6	277.14

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, 2020	–	0.00	–	10.00	10.00
Year ending March 31, 2021	–	0.00	–		
Year ending March 31, 2021 (Forecast)				10.00	10.00

3. Forecast of consolidated financial results for the year ending March 31, 2021 (from April 1, 2020 to March 31, 2021)

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	22,380	(2.0)	914	(14.1)	922	(13.2)	387	43.2	12.91

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2020
(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 December 31, 2020	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 December 31, 2020	1,248,528 shares	As of March 31, 2020	1,348,528 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, 2020	29,974,739 shares	Nine months ended December 31, 2019	29,908,072 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Assets		
Current assets		
Cash and deposits	3,433,500	4,372,837
Notes and accounts receivable - trade	6,665,643	5,956,858
Electronically recorded monetary claims - operating	1,600,698	1,429,022
Merchandise and finished goods	554,175	617,008
Work in process	668,710	902,101
Raw materials and supplies	1,293,291	1,364,634
Other	178,691	322,102
Allowance for doubtful accounts	(28,773)	(29,625)
Total current assets	14,365,936	14,934,938
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,973,725	1,934,208
Machinery, equipment and vehicles, net	768,758	748,201
Tools, furniture and fixtures, net	72,506	88,187
Land	2,788,898	2,925,875
Leased assets, net	323,318	420,725
Construction in progress	8,415	125,180
Total property, plant and equipment	5,935,623	6,242,379
Intangible assets		
Goodwill	217,999	175,937
Other	73,991	70,462
Total intangible assets	291,991	246,400
Investments and other assets		
Investment securities	644,310	598,764
Other	816,727	849,146
Allowance for doubtful accounts	(23,547)	(23,534)
Total investments and other assets	1,437,490	1,424,376
Total non-current assets	7,665,104	7,913,155
Total assets	22,031,041	22,848,094

(Thousands of yen)

	As of March 31, 2020	As of December 31, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,348,456	4,387,080
Electronically recorded obligations - operating	1,318,521	1,455,871
Short-term borrowings	310,522	720,522
Current portion of long-term borrowings	1,361,241	1,178,611
Current portion of bonds payable	177,000	177,000
Income taxes payable	273,292	95,666
Provision for bonuses	132,434	65,216
Other	1,060,255	1,492,110
Total current liabilities	8,981,722	9,572,078
Non-current liabilities		
Bonds payable	188,000	99,500
Long-term borrowings	3,082,157	3,177,333
Provision for retirement benefits for directors (and other officers)	528,420	557,895
Retirement benefit liability	417,788	409,975
Asset retirement obligations	146,621	159,738
Other	359,937	466,175
Total non-current liabilities	4,722,923	4,870,617
Total liabilities	13,704,646	14,442,696
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	991,898	1,000,924
Retained earnings	6,100,785	6,069,223
Treasury shares	(247,777)	(229,403)
Total shareholders' equity	8,072,963	8,068,801
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	184,574	299,621
Remeasurements of defined benefit plans	31,307	27,735
Total accumulated other comprehensive income	215,882	327,357
Non-controlling interests	37,548	9,239
Total net assets	8,326,395	8,405,398
Total liabilities and net assets	22,031,041	22,848,094

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, 2019	Nine months ended December 31, 2020
Net sales	16,373,364	16,249,514
Cost of sales	12,322,926	12,091,699
Gross profit	4,050,437	4,157,815
Selling, general and administrative expenses	3,567,252	3,439,001
Operating profit	483,184	718,814
Non-operating income		
Interest income	118	111
Dividend income	5,558	7,099
Commission income	7,704	3,941
Rental income from buildings	6,781	6,372
Foreign exchange gains	–	1,192
Reversal of allowance for doubtful accounts	286	944
Subsidy income	–	21,891
Other	28,162	19,838
Total non-operating income	48,611	61,392
Non-operating expenses		
Interest expenses	25,916	22,646
Sales discounts	14,296	14,191
Foreign exchange losses	1,904	–
Donations	3,166	2,545
Share of loss of entities accounted for using equity method	37,279	–
Other	5,726	2,338
Total non-operating expenses	88,291	41,721
Ordinary profit	443,504	738,484
Extraordinary income		
Gain on sales of non-current assets	1,299	1,539
Gain on sales of investment securities	–	34
Total extraordinary income	1,299	1,574
Extraordinary losses		
Loss on sales of non-current assets	3,502	41
Loss on retirement of non-current assets	413	4,517
Loss on sales of investment securities	18,735	–
Loss on valuation of investment securities	–	210,885
Retirement benefits for directors (and other officers)	47,700	–
Loss on disaster	3,219	–
Total extraordinary losses	73,569	215,444
Profit before income taxes	371,235	524,614
Income taxes	268,548	285,405
Profit	102,686	239,208
Loss attributable to non-controlling interests	(2,348)	(28,309)
Profit attributable to owners of parent	105,034	267,518

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2019	Nine months ended December 31, 2020
Profit	102,686	239,208
Other comprehensive income		
Valuation difference on available-for-sale securities	353,061	115,047
Remeasurements of defined benefit plans, net of tax	(5,728)	(3,572)
Share of other comprehensive income of entities accounted for using equity method	3,303	–
Total other comprehensive income	350,636	111,474
Comprehensive income	453,323	350,683
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	455,671	378,993
Comprehensive income attributable to non-controlling interests	(2,348)	(28,309)