Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2020 (Based on Japanese GAAP)

August 7, 2020

Company name: SE Corporation

Stock exchange listing: Tokyo

Stock code: 3423 URL http://www.se-corp.com/

Representative: President Ichiro Miyahara

Inquiries: Coporate Director Executive Officer Hisahiro Nojima TEL 03-3340-5500

Scheduled date to file Quarterly Securities Report: August 12, 2020

Scheduled date to commence dividend payments:

Preparation of supplementary material on quarterly financial results:

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, 2020 (from April 1, 2020 to June 30, 2020)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating pr	Operating profit Ordinary pro		ofit	Profit attributal owners of part	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Three months ended June 30, 2020	4,885	(12.5)	156	(53.1)	161	(49.9)	81	(34.7)
Three months ended June 30, 2019	5,583	24.9	333	_	323	_	124	

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2020	2.72	=
Three months ended June 30, 2019	4.16	_

(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, 2020	21,714	8,149	37.4	271.55
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	Yen	Yen	Yen	Yen		
Year ended March 31, 2020	-	0.00	_	10.00	10.00		
Year ending March 31, 2021	_						
Year ending March 31, 2021 (Forecast)		0.00	-	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 pr	ofit	Ordinary pro	ofit	Profit attributa owners of pa		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	23,000	0.7	728	(31.6)	700	(34.1)	400	48.1	13.38

4. Notes

(1) Changes in significant subsidiaries during the three months ended June 30, 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:

(4) Number of issued shares (common shares)

Total number of issued shares at the end of the period (including treasury shares)

Total number of issued shares at the end of	the period (including treas	sury snares)	
As of June 30, 2020	31,256,600 shares	As of March 31, 2020	31,256,600 shares
Number of treasury shares at the end of the	e period		
As of June 30, 2020	1,348,528 shares	As of March 31, 2020	1,348,528 shares
Average number of shares during the perio	d (cumulative from the beg	ginning of the fiscal year)	
Three months ended June 30, 2020	29,908,072 shares	Three months ended June 30, 2019	29,908,072 shares

Quarterly consolidated financial statements Consolidated balance sheets

Notes and accounts receivable - trade 6,665,643 5, Electronically recorded monetary claims - operating 1,600,698 1, Merchandise and finished goods 554,175 2 Work in process 668,710 1 Raw materials and supplies 1,293,291 1, Other 178,691 1 Allowance for doubtful accounts (28,773) 1 Total current assets 14,365,936 13,9 Non-current assets 1973,725 1,9 Property, plant and equipment 1,973,725 1,9 Machinery, equipment and vehicles, net 768,758 7 Tools, furniture and fixtures, net 72,506 1 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 Total property, plant and equipment 5,935,623 6,0 Intangible assets 291,991 7 Goodwill 217,999 2 Other 73,991 7 Total intangible assets	of yen)
Current assets 3,433,500 4, Notes and accounts receivable - trade 6,665,643 5, Electronically recorded monetary claims - operating 1,600,698 1, Merchandise and finished goods 554,175 5 Work in process 668,710 5 Raw materials and supplies 1,293,291 1, Other 178,691 1, Allowance for doubtful accounts (28,773) 1 Total current assets 14,365,936 13, Non-current assets 14,365,936 13, Non-current assets 1,973,725 1, Machinery, equipment and equipment 768,758 7 Buildings and structures, net 1,973,725 1, Machinery, equipment and vehicles, net 768,758 7 Tools, furniture and fixtures, net 2,788,898 2, Leased assets, net 323,318 3 Construction in progress 8,415 3 Total property, plant and equipment 5,935,623 6,4 Intangible assets 217,999 3 Goodwill 217,999 3 <th>20</th>	20
Cash and deposits 3,433,500 4, Notes and accounts receivable - trade 6,665,643 5, Electronically recorded monetary claims - operating 1,600,698 1, Merchandise and finished goods 554,175 2 Work in process 668,710 1 Raw materials and supplies 1,293,291 1, Other 178,691 1 Allowance for doubtful accounts (28,773) 13, Total current assets 14,365,936 13,9 Non-current assets 1,973,725 1,7 Property, plant and equipment 1,973,725 1,7 Buildings and structures, net 1,973,725 1,7 Machinery, equipment and vehicles, net 768,758 7 Tools, furniture and fixtures, net 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 Total property, plant and equipment 5,935,623 6,0 Intangible assets 291,991 2 Other 73,991 7 Total intangible assets 291,991 2	
Notes and accounts receivable - trade 6,665,643 5, Electronically recorded monetary claims - operating 1,600,698 1, Merchandise and finished goods 554,175 2 Work in process 668,710 1 Raw materials and supplies 1,293,291 1, Other 178,691 1 Allowance for doubtful accounts (28,773) 1 Total current assets 14,365,936 13,9 Non-current assets Property, plant and equipment 1,973,725 1,7 Buildings and structures, net 768,758 7 1,7 Machinery, equipment and vehicles, net 72,506 1 1,2 Land 2,788,898 2,7 1 2,7 Leased assets, net 323,318 3 3 Construction in progress 8,415 3 3 6,0 Intangible assets 20downli 217,999 2 2 Other 73,991 7 7 7 7 7 7 7 7	
Electronically recorded monetary claims - operating 1,600,698 1,4	176,228
Merchandise and finished goods 554,175 Work in process 668,710 Raw materials and supplies 1,293,291 1, Other 178,691 Allowance for doubtful accounts (28,773) Total current assets 14,365,936 13, Non-current assets Property, plant and equipment 1,973,725 1, Buildings and structures, net 768,758 7 Tools, furniture and fixtures, net 72,506 2,788,898 2,7 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 3 Total property, plant and equipment 5,935,623 6,4 Intangible assets 217,999 2 Goodwill 217,999 2 Other 73,991 3 Total intangible assets 291,991 2 Investments and other assets 1nvestments and other assets 644,310 644,310	386,899
Work in process 668,710 Raw materials and supplies 1,293,291 1, Other 178,691 1 Allowance for doubtful accounts (28,773) 1 Total current assets 14,365,936 13,5 Non-current assets 1,973,725 1,5 Property, plant and equipment 768,758 1,5 Machinery, equipment and vehicles, net 72,506 2,788,898 2,7 Land 2,788,898 2,7 2,788,898 2,7 Leased assets, net 323,318 3 3 Construction in progress 8,415 3 3 Total property, plant and equipment 5,935,623 6,4 Intangible assets 217,999 2 Other 73,991 2 Total intangible assets 291,991 2 Investments and other assets 1nvestment securities 644,310 644,310	438,805
Raw materials and supplies 1,293,291 1,4 Other 178,691 1 Allowance for doubtful accounts (28,773) Total current assets 14,365,936 13,9 Non-current assets 14,365,936 13,9 Non-current assets 1,973,725 1,9 Property, plant and equipment 1,973,725 1,9 Machinery, equipment and vehicles, net 768,758 7 Tools, furniture and fixtures, net 72,506 1 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 3 Total property, plant and equipment 5,935,623 6,4 Intangible assets 217,999 3 Other 73,991 3 Total intangible assets 291,991 3 Investments and other assets 644,310 644,310	599,451
Other 178,691 Allowance for doubtful accounts (28,773) Total current assets 14,365,936 13,5 Non-current assets 14,365,936 13,5 Non-current assets 769,736 13,5 Property, plant and equipment 1,973,725 1,9 Machinery, equipment and vehicles, net 768,758 7 Tools, furniture and fixtures, net 72,506 2 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 3 Total property, plant and equipment 5,935,623 6,6 Intangible assets 200dwill 217,999 2 Other 73,991 3 Total intangible assets 291,991 3 Investments and other assets 1nvestment securities 644,310 644,310	738,406
Allowance for doubtful accounts (28,773) Total current assets 14,365,936 13,9 Non-current assets 1,973,725 1,9 Property, plant and equipment 1,973,725 1,9 Machinery, equipment and vehicles, net 768,758 7 Tools, furniture and fixtures, net 72,506 2,788,898 2,7 Land 2,788,898 2,7 2,788,898 2,7 Leased assets, net 323,318 3 3 3 Construction in progress 8,415 8,415 3 3 6,0 Intangible assets Goodwill 217,999 2 3 6,0 3 <t< td=""><td>408,102</td></t<>	408,102
Total current assets 14,365,936 13,5 Non-current assets 11,973,725 1,973,725	184,135
Non-current assets Property, plant and equipment Buildings and structures, net 1,973,725 1,9 Machinery, equipment and vehicles, net 768,758 7 Tools, furniture and fixtures, net 72,506 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 5 Total property, plant and equipment 5,935,623 6,6 Intangible assets 217,999 2 Other 73,991 2 Total intangible assets 291,991 2 Investments and other assets 644,310 644,310	(26,171)
Property, plant and equipment 1,973,725 1,973,725 Buildings and structures, net 768,758 Machinery, equipment and vehicles, net 72,506 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 3 Total property, plant and equipment 5,935,623 6,6 Intangible assets 217,999 2 Other 73,991 2 Total intangible assets 291,991 2 Investments and other assets 644,310 644,310	905,858
Buildings and structures, net 1,973,725 1,9 Machinery, equipment and vehicles, net 768,758 Tools, furniture and fixtures, net 72,506 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 5 Total property, plant and equipment 5,935,623 6,6 Intangible assets 217,999 2 Other 73,991 2 Total intangible assets 291,991 2 Investments and other assets 644,310 644,310	
Machinery, equipment and vehicles, net 768,758 Tools, furniture and fixtures, net 72,506 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 5 Total property, plant and equipment 5,935,623 6,0 Intangible assets 217,999 2 Other 73,991 2 Total intangible assets 291,991 2 Investments and other assets 644,310 644,310	
Tools, furniture and fixtures, net 72,506 Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 Total property, plant and equipment 5,935,623 6,0 Intangible assets 217,999 3 Other 73,991 3 Total intangible assets 291,991 3 Investments and other assets 644,310 644,310	955,531
Land 2,788,898 2,7 Leased assets, net 323,318 3 Construction in progress 8,415 Total property, plant and equipment 5,935,623 6,6 Intangible assets 217,999 2 Other 73,991 2 Total intangible assets 291,991 2 Investments and other assets 644,310 644,310	755,298
Leased assets, net 323,318 Construction in progress 8,415 Total property, plant and equipment 5,935,623 6,0 Intangible assets 217,999 2 Goodwill 217,999 2 Other 73,991 2 Total intangible assets 291,991 2 Investments and other assets 644,310 644,310	84,448
Construction in progress 8,415 Total property, plant and equipment 5,935,623 6,0 Intangible assets 217,999 2 Goodwill 73,991 2 Total intangible assets 291,991 2 Investments and other assets 644,310 3	788,898
Total property, plant and equipment 5,935,623 6,0 Intangible assets Goodwill 217,999 7 Other 73,991 Total intangible assets 291,991 7 Investments and other assets Investment securities 644,310	396,268
Intangible assets Goodwill Other 73,991 Total intangible assets Investments and other assets Investment securities 644,310	33,935
Goodwill 217,999 Other 73,991 Total intangible assets 291,991 Investments and other assets Investment securities 644,310	014,381
Other 73,991 Total intangible assets 291,991 2 Investments and other assets Investment securities 644,310	
Total intangible assets 291,991 Investments and other assets Investment securities 644,310	203,978
Investments and other assets Investment securities 644,310	70,127
Investment securities 644,310	274,106
Oul 917.727	721,212
Other 816,727 8	822,407
Allowance for doubtful accounts (23,547)	(23,545)
Total investments and other assets 1,437,490 1,5	520,074
Total non-current assets 7,665,104 7,5	808,562
	714,420

(Thousands of yen)

		(Thousands of yen)
	As of March 31, 2020	As of June 30, 2020
Liabilities		
Current liabilities		
Notes and accounts payable - trade	4,348,456	4,012,053
Electronically recorded obligations - operating	1,318,521	1,266,357
Short-term borrowings	310,522	420,522
Current portion of long-term borrowings	1,361,241	1,286,979
Current portion of bonds payable	177,000	177,000
Income taxes payable	273,292	88,326
Provision for bonuses	132,434	70,478
Other	1,060,255	1,315,442
Total current liabilities	8,981,722	8,637,159
Non-current liabilities		
Bonds payable	188,000	188,000
Long-term borrowings	3,082,157	3,202,722
Provision for retirement benefits for directors (and other	529 420	52(505
officers)	528,420	536,595
Retirement benefit liability	417,788	412,702
Asset retirement obligations	146,621	148,549
Other	359,937	438,779
Total non-current liabilities	4,722,923	4,927,348
Total liabilities	13,704,646	13,564,507
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	991,898	991,898
Retained earnings	6,100,785	5,882,963
Treasury shares	(247,777)	(247,777)
Total shareholders' equity	8,072,963	7,855,141
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	184,574	236,216
Remeasurements of defined benefit plans	31,307	30,117
Total accumulated other comprehensive income	215,882	266,334
Non-controlling interests	37,548	28,437
Total net assets	8,326,395	8,149,913
Total liabilities and net assets	22,031,041	21,714,420
	==,001,011	21,71.,120

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

Three months ended June 30, 2019 Three months ended June 30 Three months ended June 30	
Net sales 5,583,942 Cost of sales 4,113,481 Gross profit 1,470,460 Selling, general and administrative expenses 1,137,385 Operating profit 333,074	4,885,313 3,635,911 1,249,402 1,093,028 156,373 34 2,386 1,463
Cost of sales 4,113,481 Gross profit 1,470,460 Selling, general and administrative expenses 1,137,385 Operating profit 333,074	3,635,911 1,249,402 1,093,028 156,373 34 2,386 1,463
Gross profit 1,470,460 Selling, general and administrative expenses 1,137,385 Operating profit 333,074	1,249,402 1,093,028 156,373 34 2,386 1,463
Selling, general and administrative expenses 1,137,385 Operating profit 333,074	1,093,028 156,373 34 2,386 1,463
Operating profit 333,074	156,373 34 2,386 1,463
· · · · · · · · · · · · · · · · · · ·	34 2,386 1,463
Non-operating income	2,386 1,463
	2,386 1,463
Interest income 41	1,463
Dividend income 3,428	
Commission income 1,401	2 124
Rental income from buildings 2,274	2,127
Foreign exchange gains –	142
Reversal of allowance for doubtful accounts 692	2,667
Subsidy income –	5,000
Other 8,460	4,656
Total non-operating income 16,298	18,474
Non-operating expenses	
Interest expenses 9,106	7,991
Sales discounts 4,779	4,068
Foreign exchange losses 2,735	_
Donations 58	5
Share of loss of entities accounted for using equity method 8,848	_
Other 608	851
Total non-operating expenses 26,137	12,916
Ordinary profit 323,236	161,931
Extraordinary income	
Gain on sales of non-current assets	918
Total extraordinary income –	918
Extraordinary losses	
Loss on sales of non-current assets	41
Loss on retirement of non-current assets 313	992
Retirement benefits for directors (and other officers) 47,700	_
Total extraordinary losses 48,013	1,034
Profit before income taxes 275,223	161,815
Income taxes 145,974	89,668
Profit 129,249	72,147
Profit (loss) attributable to non-controlling interests 4,776	(9,111)
Profit attributable to owners of parent 124,472	81,258

Consolidated statements of comprehensive income (cumulative)

		(Thousands of yen)
	Three months ended	Three months ended
	June 30, 2019	June 30, 2020
Profit	129,249	72,147
Other comprehensive income		
Valuation difference on available-for-sale securities	(16,544)	51,642
Remeasurements of defined benefit plans, net of tax	(1,909)	(1,190)
Share of other comprehensive income of entities accounted	(11,341)	
for using equity method	(11,341)	
Total other comprehensive income	(29,794)	50,451
Comprehensive income	99,454	122,598
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	94,677	131,710
Comprehensive income attributable to non-controlling interests	4,776	(9,111)