

Translation

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Summary of Consolidated Financial Results for the Three Months Ended June 30, 2022 (Based on Japanese GAAP)

August 5, 2022

Company name: SE Corporation
 Stock exchange listing: Tokyo
 Stock code: 3423 URL <http://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, 2022
 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, 2022 (from April 1, 2022 to June 30, 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	%
Three months ended June 30, 2022	5,608	1.1	213	(62.1)	222	(61.6)	142	(60.2)
Three months ended June 30, 2021	5,549	13.6	563	260.5	578	257.2	358	341.3

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended June 30, 2022	4.74		–	
Three months ended June 30, 2021	11.95		–	

(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, 2022	22,755	9,667	42.3	319.86
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	–	–	–	–	–
Year ending March 31, 2023 (Forecast)	–	0.00	–	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 three months ended June 30, 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: 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, 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 June 30, 2022	1,148,528 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)

Three months ended June 30, 2022	30,108,072 shares	Three months ended June 30, 2021	30,008,072 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Assets		
Current assets		
Cash and deposits	5,172,731	4,497,959
Notes and accounts receivable - trade, and contract assets	5,605,590	5,313,227
Electronically recorded monetary claims - operating	1,836,476	1,826,334
Merchandise and finished goods	690,744	834,400
Work in process	601,230	597,216
Raw materials and supplies	1,351,872	1,554,051
Other	563,705	229,081
Allowance for doubtful accounts	(28,895)	(26,266)
Total current assets	15,793,456	14,826,003
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	2,187,902	2,261,645
Machinery, equipment and vehicles, net	706,275	767,325
Tools, furniture and fixtures, net	74,544	94,999
Land	2,968,586	2,952,792
Leased assets, net	397,995	381,703
Construction in progress	101,245	20,506
Total property, plant and equipment	6,436,550	6,478,973
Intangible assets		
Goodwill	118,693	107,244
Other	95,288	88,737
Total intangible assets	213,982	195,982
Investments and other assets		
Investment securities	217,520	211,982
Other	1,027,250	1,066,364
Allowance for doubtful accounts	(23,480)	(23,480)
Total investments and other assets	1,221,290	1,254,865
Total non-current assets	7,871,822	7,929,821
Total assets	23,665,278	22,755,825

(Thousands of yen)

	As of March 31, 2022	As of June 30, 2022
Liabilities		
Current liabilities		
Notes and accounts payable - trade	3,618,344	3,704,907
Electronically recorded obligations - operating	2,214,437	2,248,293
Short-term borrowings	300,522	300,522
Current portion of long-term borrowings	1,343,351	1,270,272
Income taxes payable	573,514	102,247
Provision for bonuses	171,879	100,121
Other	1,288,544	1,450,217
Total current liabilities	9,510,593	9,176,581
Non-current liabilities		
Long-term borrowings	2,634,544	2,364,973
Provision for retirement benefits for directors (and other officers)	548,590	545,258
Retirement benefit liability	421,199	422,728
Asset retirement obligations	156,193	156,385
Other	440,460	422,825
Total non-current liabilities	4,200,987	3,912,171
Total liabilities	13,711,580	13,088,752
Net assets		
Shareholders' equity		
Share capital	1,228,057	1,228,057
Capital surplus	1,012,350	1,012,350
Retained earnings	7,810,207	7,531,346
Treasury shares	(211,030)	(211,030)
Total shareholders' equity	9,839,585	9,560,724
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	64,796	60,908
Deferred gains or losses on hedges	611	282
Remeasurements of defined benefit plans	9,882	8,409
Total accumulated other comprehensive income	75,290	69,600
Non-controlling interests	38,822	36,747
Total net assets	9,953,698	9,667,072
Total liabilities and net assets	23,665,278	22,755,825

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, 2021	Three months ended June 30, 2022
Net sales	5,549,732	5,608,722
Cost of sales	3,797,187	4,112,920
Gross profit	1,752,545	1,495,801
Selling, general and administrative expenses	1,188,891	1,281,999
Operating profit	563,654	213,802
Non-operating income		
Interest income	20	74
Dividend income	3,900	4,552
Commission income	616	1,064
Rental income from buildings	2,124	2,124
Reversal of allowance for doubtful accounts	2,759	2,628
Gain on sale of scraps	11,917	15,517
Other	6,471	6,273
Total non-operating income	27,810	32,235
Non-operating expenses		
Interest expenses	7,275	6,491
Sales discounts	3,655	5,108
Foreign exchange losses	438	10,625
Donations	1,061	1,037
Other	660	399
Total non-operating expenses	13,090	23,661
Ordinary profit	578,373	222,376
Extraordinary income		
Gain on sale of non-current assets	27	8,584
Total extraordinary income	27	8,584
Extraordinary losses		
Loss on sale of non-current assets	40	–
Loss on retirement of non-current assets	0	1,640
Retirement benefits for directors (and other officers)	4,420	–
Total extraordinary losses	4,460	1,640
Profit before income taxes	573,940	229,321
Income taxes	212,628	88,744
Profit	361,312	140,576
Profit (loss) attributable to non-controlling interests	2,738	(2,074)
Profit attributable to owners of parent	358,574	142,651

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Three months ended June 30, 2021	Three months ended June 30, 2022
Profit	361,312	140,576
Other comprehensive income		
Valuation difference on available-for-sale securities	212,336	(3,888)
Deferred gains or losses on hedges	(105)	(329)
Remeasurements of defined benefit plans, net of tax	(2,384)	(1,472)
Total other comprehensive income	209,845	(5,690)
Comprehensive income	571,157	134,886
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	568,419	136,961
Comprehensive income attributable to non-controlling interests	2,738	(2,074)