

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Based on Japanese GAAP)

February 8, 2016

Company name: SE Corporation  
 Stock exchange listing: Tokyo  
 Stock code: 3423 URL <http://www.se-corp.com/>  
 Representative: President Tetsuo Otsu  
 Corporate Director  
 Inquiries: Senior Managing Executive Officer Masaharu Tsukada TEL 03-3340-5500  
 Scheduled date to file Quarterly Securities Report: February 12, 2016  
 Scheduled date to commence dividend payments: –  
 Preparation of supplementary material on quarterly financial results: No  
 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, 2015 (from April 1, 2015 to December 31, 2015)

#### (1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended December 31, 2015	13,762	2.1	(77)	–	(70)	–	(115)	–
Nine months ended December 31, 2014	13,481	4.5	299	(57.4)	266	(63.0)	105	(75.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2015	(7.71)		–	
Nine months ended December 31, 2014	7.02		–	

#### (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, 2015	19,888	7,229	36.3	483.35
As of March 31, 2015	20,556	7,766	37.7	518.16

### 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, 2015	–	0.00	–	22.00	22.00
Year ending March 31, 2016	–	0.00	–		
Year ending March 31, 2016 (Forecast)				22.00	22.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2016 (from April 1, 2015 to March 31, 2016)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	20,500	4.6	1,109	60.1	1,100	63.6	675	93.0	45.14

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2015  
(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 December 31, 2015	15,628,300 shares	As of March 31, 2015	15,628,300 shares
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Number of treasury shares at the end of the period

As of December 31, 2015	674,218 shares	As of March 31, 2015	674,218 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, 2015	14,954,082 shares	Nine months ended December 31, 2014	14,954,082 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2015	As of December 31, 2015
Assets		
Current assets		
Cash and deposits	4,833,349	3,841,765
Notes and accounts receivable - trade	7,811,707	7,073,139
Merchandise and finished goods	293,051	310,326
Work in process	361,502	656,796
Raw materials and supplies	1,188,574	1,056,512
Other	263,119	399,865
Allowance for doubtful accounts	(41,145)	(36,076)
Total current assets	14,710,161	13,302,328
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,149,955	1,155,941
Machinery, equipment and vehicles, net	393,344	379,844
Tools, furniture and fixtures, net	55,048	66,481
Land	2,237,573	2,237,583
Leased assets, net	35,483	32,161
Construction in progress	616	5,946
Total property, plant and equipment	3,872,023	3,877,959
Intangible assets		
Goodwill	124,517	209,452
Other	173,300	178,064
Total intangible assets	297,818	387,516
Investments and other assets		
Investment securities	1,110,535	1,690,373
Other	602,879	671,212
Allowance for doubtful accounts	(36,612)	(41,322)
Total investments and other assets	1,676,803	2,320,262
Total non-current assets	5,846,644	6,585,739
Total assets	20,556,805	19,888,067

(Thousands of yen)

	As of March 31, 2015	As of December 31, 2015
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,509,656	4,042,178
Electronically recorded obligations - operating	1,130,378	1,339,099
Short-term loans payable	320,522	543,522
Current portion of long-term loans payable	1,258,376	1,269,130
Current portion of bonds	321,000	289,000
Income taxes payable	195,205	78,266
Provision for bonuses	93,034	46,263
Provision for loss on construction contracts	8,653	7,445
Other	582,267	1,298,533
<b>Total current liabilities</b>	<b>8,419,093</b>	<b>8,913,440</b>
<b>Non-current liabilities</b>		
Bonds payable	883,000	754,500
Long-term loans payable	2,277,845	1,849,982
Provision for directors' retirement benefits	561,790	522,749
Net defined benefit liability	400,258	414,842
Asset retirement obligations	60,949	66,899
Other	187,690	136,612
<b>Total non-current liabilities</b>	<b>4,371,534</b>	<b>3,745,586</b>
<b>Total liabilities</b>	<b>12,790,627</b>	<b>12,659,026</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,228,057	1,228,057
Capital surplus	995,600	995,600
Retained earnings	5,602,592	5,158,370
Treasury shares	(247,744)	(247,744)
<b>Total shareholders' equity</b>	<b>7,578,505</b>	<b>7,134,283</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	64,135	60,948
Foreign currency translation adjustment	87,150	17,998
Remeasurements of defined benefit plans	18,823	14,847
<b>Total accumulated other comprehensive income</b>	<b>170,109</b>	<b>93,793</b>
<b>Non-controlling interests</b>	<b>17,563</b>	<b>963</b>
<b>Total net assets</b>	<b>7,766,178</b>	<b>7,229,041</b>
<b>Total liabilities and net assets</b>	<b>20,556,805</b>	<b>19,888,067</b>

**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, 2014	Nine months ended December 31, 2015
Net sales	13,481,251	13,762,949
Cost of sales	10,020,459	10,577,118
Gross profit	3,460,792	3,185,830
Selling, general and administrative expenses	3,161,397	3,262,994
Operating income (loss)	299,395	(77,164)
Non-operating income		
Interest income	571	448
Dividend income	5,875	5,651
Commission fee	12,328	7,197
House rent income	13,872	13,399
Share of profit of entities accounted for using equity method	–	15,425
Reversal of allowance for doubtful accounts	2,436	6,874
Other	17,705	15,335
Total non-operating income	52,789	64,332
Non-operating expenses		
Interest expenses	47,588	43,293
Sales discounts	15,730	9,159
Foreign exchange losses	991	342
Contribution	11,361	3,463
Share of loss of entities accounted for using equity method	8,328	–
Other	1,333	1,447
Total non-operating expenses	85,334	57,705
Ordinary income (loss)	266,850	(70,537)
Extraordinary income		
Gain on sales of non-current assets	985	15,028
Gain on sales of investment securities	20,910	–
Insurance income	618	–
Gain on change in equity	7,657	–
Total extraordinary income	30,171	15,028
Extraordinary losses		
Loss on sales of non-current assets	295	–
Loss on retirement of non-current assets	466	505
Loss on valuation of golf club membership	1,784	–
Directors' retirement benefits	–	1,700
Loss on valuation of investment securities	–	8,740
Total extraordinary losses	2,545	10,945
Income (loss) before income taxes and minority interests	294,476	(66,454)
Income taxes	195,702	65,377
Profit (loss)	98,774	(131,831)
Loss attributable to non-controlling interests	(6,265)	(16,599)
Profit (loss) attributable to owners of parent	105,039	(115,231)

**Consolidated statements of comprehensive income (cumulative)**

(Thousands of yen)

	Nine months ended December 31, 2014	Nine months ended December 31, 2015
Profit (loss)	98,774	(131,831)
Other comprehensive income		
Valuation difference on available-for-sale securities	3,575	(4,166)
Remeasurements of defined benefit plans, net of tax	(1,586)	(3,975)
Share of other comprehensive income of entities accounted for using equity method	26,332	(68,173)
Total other comprehensive income	28,321	(76,315)
Comprehensive income	127,095	(208,147)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	133,361	(191,547)
Comprehensive income attributable to non-controlling interests	(6,265)	(16,599)