

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2016  
(Based on Japanese GAAP)**

May 13, 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 of ordinary general meeting of shareholders: June 29, 2016  
 Scheduled date to file Securities Report: June 29, 2016  
 Scheduled date to commence dividend payments: June 30, 2016  
 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, 2016 (from April 1, 2015 to March 31, 2016)

(1) Consolidated operating results

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	%
Year ended March 31, 2016	19,490	(0.6)	512	(26.0)	548	(18.4)	358	2.4
Year ended March 31, 2015	19,606	4.9	692	(45.8)	672	(48.0)	349	(55.9)

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2016	23.95	–	4.6	2.6	2.6
Year ended March 31, 2015	23.39	–	4.5	3.3	3.5

(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, 2016	21,579	7,666	35.5	512.41
As of March 31, 2015	20,556	7,766	37.7	518.16

(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, 2016	1,729	(1,001)	112	5,332
Year ended March 31, 2015	435	(173)	(498)	4,491

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, 2015	–	0.00	–	22.00	22.00	328	94.1	4.2
Year ended March 31, 2016	–	0.00	–	20.00	20.00	299	83.5	3.9
Year ending March 31, 2017 (Forecast)	–	0.00	–	20.00	20.00		88.0	

3. Forecast of consolidated financial results for the year ending March 31, 2017 (from April 1, 2016 to March 31, 2017)

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	18,700	(4.1)	689	34.4	700	27.7	340	(5.1)	22.74

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2016

(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: Yes

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, 2016	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 March 31, 2016	674,218 shares	As of March 31, 2015	674,218 shares
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Average number of shares during the period

Year ended March 31, 2016	14,954,082 shares	Year ended March 31, 2015	14,954,082 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
Assets		
Current assets		
Cash and deposits	4,833,349	5,705,434
Notes and accounts receivable - trade	7,811,707	7,417,311
Merchandise and finished goods	293,051	282,539
Work in process	361,502	462,382
Raw materials and supplies	1,188,574	876,900
Deferred tax assets	124,275	116,046
Other	138,844	172,240
Allowance for doubtful accounts	(41,145)	(36,990)
Total current assets	14,710,161	14,995,865
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,925,800	3,060,437
Accumulated depreciation	(1,775,844)	(1,911,801)
Buildings and structures, net	1,149,955	1,148,635
Machinery, equipment and vehicles	2,753,931	2,921,628
Accumulated depreciation	(2,360,586)	(2,508,006)
Machinery, equipment and vehicles, net	393,344	413,622
Tools, furniture and fixtures	478,331	517,873
Accumulated depreciation	(423,283)	(456,910)
Tools, furniture and fixtures, net	55,048	60,962
Land	2,237,573	2,237,583
Leased assets	67,687	74,287
Accumulated depreciation	(32,203)	(45,410)
Leased assets, net	35,483	28,876
Construction in progress	616	–
Total property, plant and equipment	3,872,023	3,889,681
Intangible assets		
Goodwill	124,517	196,621
Other	173,300	161,526
Total intangible assets	297,818	358,148
Investments and other assets		
Investment securities	1,110,535	1,656,996
Deferred tax assets	251,980	289,613
Other	350,899	426,637
Allowance for doubtful accounts	(36,612)	(37,807)
Total investments and other assets	1,676,803	2,335,439
Total non-current assets	5,846,644	6,583,270
Total assets	20,556,805	21,579,136

(Thousands of yen)

	As of March 31, 2015	As of March 31, 2016
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	4,509,656	3,852,635
Electronically recorded obligations - operating	1,130,378	1,397,643
Short-term loans payable	320,522	490,522
Current portion of long-term loans payable	1,258,376	1,415,978
Current portion of bonds	321,000	247,000
Income taxes payable	195,205	124,273
Provision for bonuses	93,034	105,269
Provision for loss on construction contracts	8,653	–
Other	582,267	1,538,429
<b>Total current liabilities</b>	<b>8,419,093</b>	<b>9,171,750</b>
<b>Non-current liabilities</b>		
Bonds payable	883,000	636,000
Long-term loans payable	2,277,845	2,928,448
Provision for directors' retirement benefits	561,790	534,200
Net defined benefit liability	400,258	452,813
Asset retirement obligations	60,949	68,866
Lease obligations	37,922	31,062
Other	149,767	89,282
<b>Total non-current liabilities</b>	<b>4,371,534</b>	<b>4,740,673</b>
<b>Total liabilities</b>	<b>12,790,627</b>	<b>13,912,423</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	5,631,705
Treasury shares	(247,744)	(247,744)
<b>Total shareholders' equity</b>	<b>7,578,505</b>	<b>7,607,618</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	64,135	28,017
Foreign currency translation adjustment	87,150	38,204
Remeasurements of defined benefit plans	18,823	(11,281)
<b>Total accumulated other comprehensive income</b>	<b>170,109</b>	<b>54,940</b>
<b>Non-controlling interests</b>	<b>17,563</b>	<b>4,153</b>
<b>Total net assets</b>	<b>7,766,178</b>	<b>7,666,712</b>
<b>Total liabilities and net assets</b>	<b>20,556,805</b>	<b>21,579,136</b>

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

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Net sales	19,606,086	19,490,478
Cost of sales	14,649,681	14,615,177
Gross profit	4,956,405	4,875,301
Selling, general and administrative expenses	4,263,768	4,362,457
Operating income	692,637	512,843
Non-operating income		
Interest income	860	682
Dividend income	5,998	5,774
Commission fee	16,898	15,652
House rent income	18,338	17,865
Share of profit of entities accounted for using equity method	15,488	27,126
Reversal of allowance for doubtful accounts	4,797	10,578
Other	27,040	36,978
Total non-operating income	89,423	114,657
Non-operating expenses		
Interest expenses	61,959	58,834
Sales discounts	22,882	12,298
Share issuance cost	864	–
Bond issuance cost	9,667	–
Foreign exchange losses	1,352	1,329
Contribution	12,500	4,418
Other	551	2,275
Total non-operating expenses	109,779	79,155
Ordinary income	672,280	548,345
Extraordinary income		
Gain on sales of non-current assets	985	15,034
Insurance income	618	–
Gain on sales of investment securities	20,910	–
Gain on change in equity	7,657	–
Total extraordinary income	30,171	15,034
Extraordinary losses		
Loss on sales of non-current assets	295	–
Loss on retirement of non-current assets	466	1,281
Loss on valuation of golf club membership	1,514	–
Directors' retirement benefits	–	1,700
Total extraordinary losses	2,275	2,981
Profit before income taxes	700,176	560,399
Income taxes - current	295,177	226,962
Income taxes - deferred	59,681	(11,256)
Total income taxes	354,858	215,706
Profit	345,318	344,692
Loss attributable to non-controlling interests	(4,470)	(13,410)
Profit attributable to owners of parent	349,789	358,102

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Profit	345,318	344,692
Other comprehensive income		
Valuation difference on available-for-sale securities	14,075	(36,754)
Remeasurements of defined benefit plans, net of tax	9,521	(30,104)
Share of other comprehensive income of entities accounted for using equity method	70,080	(48,309)
Total other comprehensive income	93,677	(115,169)
Comprehensive income	438,996	229,523
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	443,467	242,933
Comprehensive income attributable to non-controlling interests	(4,470)	(13,410)

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2015

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,228,057	995,600	5,684,654	(247,744)	7,660,567
Cumulative effects of changes in accounting policies			(83,099)		(83,099)
Restated balance	1,228,057	995,600	5,601,555	(247,744)	7,577,468
Changes of items during period					
Dividends of surplus			(328,989)		(328,989)
Profit attributable to owners of parent			349,789		349,789
Change of scope of consolidation			(19,762)		(19,762)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	1,037	–	1,037
Balance at end of current period	1,228,057	995,600	5,602,592	(247,744)	7,578,505

	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 current period	51,418	15,712	9,301	76,431	7,063	7,744,062
Cumulative effects of changes in accounting policies					(621)	(83,720)
Restated balance	51,418	15,712	9,301	76,431	6,441	7,660,341
Changes of items during period						
Dividends of surplus						(328,989)
Profit attributable to owners of parent						349,789
Change of scope of consolidation						(19,762)
Net changes of items other than shareholders' equity	12,716	71,438	9,521	93,677	11,121	104,799
Total changes of items during period	12,716	71,438	9,521	93,677	11,121	105,836
Balance at end of current period	64,135	87,150	18,823	170,109	17,563	7,766,178

Fiscal year ended March 31, 2016

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	1,228,057	995,600	5,602,592	(247,744)	7,578,505
Changes of items during period					
Dividends of surplus			(328,989)		(328,989)
Profit attributable to owners of parent			358,102		358,102
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	29,112	-	29,112
Balance at end of current period	1,228,057	995,600	5,631,705	(247,744)	7,607,618

	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 current period	64,135	87,150	18,823	170,109	17,563	7,766,178
Changes of items during period						
Dividends of surplus						(328,989)
Profit attributable to owners of parent						358,102
Net changes of items other than shareholders' equity	(36,117)	(48,946)	(30,104)	(115,169)	(13,410)	(128,579)
Total changes of items during period	(36,117)	(48,946)	(30,104)	(115,169)	(13,410)	(99,466)
Balance at end of current period	28,017	38,204	(11,281)	54,940	4,153	7,666,712



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from operating activities		
Profit before income taxes	700,176	560,399
Depreciation	271,688	297,901
Amortization of goodwill	33,001	43,607
Loss on retirement of non-current assets	466	1,281
Share of (profit) loss of entities accounted for using equity method	(15,488)	(27,126)
Loss (gain) on change in equity	(7,657)	–
Increase (decrease) in allowance for doubtful accounts	(4,795)	(3,738)
Increase (decrease) in provision for bonuses	2,879	10,639
Increase (decrease) in net defined benefit liability	13,786	3,643
Increase (decrease) in provision for directors' retirement benefits	(6,990)	(27,590)
Increase (decrease) in provision for loss on construction contracts	8,653	(8,653)
Interest and dividend income	(6,858)	(6,457)
Interest expenses	61,959	58,834
Decrease (increase) in notes and accounts receivable - trade	45,131	503,721
Decrease (increase) in inventories	(55,373)	398,135
Increase (decrease) in notes and accounts payable - trade	(85,546)	(528,694)
Increase (decrease) in advances received	(81,236)	253,070
Other, net	18,310	545,058
Subtotal	892,107	2,074,031
Interest and dividend income received	21,164	12,405
Interest expenses paid	(61,185)	(56,617)
Income taxes paid	(450,744)	(352,117)
Other, net	33,716	52,286
Net cash provided by (used in) operating activities	435,058	1,729,987
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	210,058	84,811
Purchase of property, plant and equipment	(327,350)	(198,657)
Purchase of intangible assets	(35,169)	(59,926)
Proceeds from sales of property, plant and equipment	1,613	17,640
Purchase of investment securities	(28,365)	(682,536)
Decrease (increase) in other investments	37,295	(4,108)
Collection of loans receivable	3,229	3,536
Proceeds from cancellation of insurance funds	17,628	2,576
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(52,926)	(164,734)
Net cash provided by (used in) investing activities	(173,986)	(1,001,397)

(Thousands of yen)

	Fiscal year ended March 31, 2015	Fiscal year ended March 31, 2016
Cash flows from financing activities		
Proceeds from share issuance to non-controlling shareholders	23,250	–
Proceeds from long-term loans payable	1,140,000	2,000,000
Increase (decrease) in short-term loans payable	–	115,974
Repayments of long-term loans payable	(1,454,797)	(1,292,209)
Proceeds from issuance of bonds	550,000	–
Redemption of bonds	(369,000)	(321,000)
Repayments of finance lease obligations	(12,451)	(13,988)
Repayments of installment payables	(46,656)	(47,589)
Cash dividends paid	(328,653)	(328,769)
Net cash provided by (used in) financing activities	(498,308)	112,417
Effect of exchange rate change on cash and cash equivalents	293	(205)
Net increase (decrease) in cash and cash equivalents	(236,942)	840,801
Cash and cash equivalents at beginning of period	4,703,049	4,491,318
Increase in cash and cash equivalents from newly consolidated subsidiary	28,218	–
Decrease in cash and cash equivalents resulting from exclusion of subsidiaries from consolidation	(3,006)	–
Cash and cash equivalents at end of period	4,491,318	5,332,120