

Translation

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## Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2017 (Based on Japanese GAAP)

February 5, 2018

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 13, 2018  
 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, 2017 (from April 1, 2017 to December 31, 2017)

#### (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, 2017	14,157	18.3	554	–	640	–	394	–
Nine months ended December 31, 2016	11,970	(13.0)	20	–	36	–	(81)	–

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended December 31, 2017	26.40		–	
Nine months ended December 31, 2016	(5.45)		–	

#### (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, 2017	22,394	8,015	35.7	535.12
As of March 31, 2017	21,633	7,781	35.9	519.49

### 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, 2017	–	0.00	–	16.00	16.00
Year ending March 31, 2018	–	0.00	–		
Year ending March 31, 2018 (Forecast)				18.00	18.00

### 3. Forecast of consolidated financial results for the year ending March 31, 2018 (from April 1, 2017 to March 31, 2018)

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	19,500	9.9	750	14.3	840	23.7	500	16.4	33.44

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2017  
(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, 2017	15,628,300 shares	As of March 31, 2017	15,628,300 shares
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Number of treasury shares at the end of the period

As of December 31, 2017	674,218 shares	As of March 31, 2017	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, 2017	14,954,082 shares	Nine months ended December 31, 2016	14,954,082 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
Assets		
Current assets		
Cash and deposits	5,793,036	6,115,500
Notes and accounts receivable - trade	6,879,642	6,704,879
Merchandise and finished goods	261,961	329,205
Work in process	569,946	906,157
Raw materials and supplies	849,071	926,743
Other	352,923	272,636
Allowance for doubtful accounts	(25,813)	(27,724)
Total current assets	14,680,768	15,227,399
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,213,570	1,495,692
Machinery, equipment and vehicles, net	470,691	470,250
Tools, furniture and fixtures, net	59,204	57,660
Land	2,505,098	2,505,098
Leased assets, net	117,528	108,939
Construction in progress	110,279	—
Total property, plant and equipment	4,476,372	4,637,641
Intangible assets		
Goodwill	187,333	145,200
Other	101,079	65,482
Total intangible assets	288,412	210,683
Investments and other assets		
Investment securities	1,624,611	1,776,979
Other	599,418	582,709
Allowance for doubtful accounts	(36,544)	(40,954)
Total investments and other assets	2,187,485	2,318,735
Total non-current assets	6,952,270	7,167,060
Total assets	21,633,038	22,394,459

(Thousands of yen)

	As of March 31, 2017	As of December 31, 2017
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,562,154	4,099,391
Electronically recorded obligations - operating	966,429	1,069,924
Short-term loans payable	450,522	420,522
Current portion of long-term loans payable	1,423,244	1,325,794
Current portion of bonds	337,000	297,000
Income taxes payable	173,188	98,774
Provision for bonuses	98,163	43,698
Provision for loss on construction contracts	7,681	1,483
Other	1,119,435	1,366,318
<b>Total current liabilities</b>	<b>8,137,818</b>	<b>8,722,906</b>
<b>Non-current liabilities</b>		
Bonds payable	799,000	670,500
Long-term loans payable	3,684,946	3,792,204
Provision for directors' retirement benefits	544,730	550,525
Net defined benefit liability	438,365	430,514
Asset retirement obligations	80,906	79,799
Other	165,989	132,550
<b>Total non-current liabilities</b>	<b>5,713,937</b>	<b>5,656,092</b>
<b>Total liabilities</b>	<b>13,851,755</b>	<b>14,378,999</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,228,057	1,228,057
Capital surplus	1,003,898	1,003,898
Retained earnings	5,762,002	5,917,474
Treasury shares	(247,744)	(247,744)
<b>Total shareholders' equity</b>	<b>7,746,213</b>	<b>7,901,686</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	28,267	92,482
Foreign currency translation adjustment	(14,105)	573
Remeasurements of defined benefit plans	8,108	7,505
<b>Total accumulated other comprehensive income</b>	<b>22,270</b>	<b>100,561</b>
<b>Non-controlling interests</b>	<b>12,798</b>	<b>13,212</b>
<b>Total net assets</b>	<b>7,781,283</b>	<b>8,015,460</b>
<b>Total liabilities and net assets</b>	<b>21,633,038</b>	<b>22,394,459</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, 2016	Nine months ended December 31, 2017
Net sales	11,970,835	14,157,373
Cost of sales	8,678,127	10,484,038
Gross profit	3,292,707	3,673,335
Selling, general and administrative expenses	3,272,071	3,118,473
Operating profit	20,635	554,861
Non-operating income		
Interest income	189	324
Dividend income	7,287	3,977
Commission fee	11,028	9,111
House rent income	12,865	8,885
Share of profit of entities accounted for using equity method	9,000	98,759
Reversal of allowance for doubtful accounts	8,834	611
Insurance premiums refunded cancellation	15,246	-
Other	27,830	25,149
Total non-operating income	92,283	146,820
Non-operating expenses		
Interest expenses	46,226	40,451
Sales discounts	10,618	12,015
Foreign exchange losses	9,855	9
Contribution	4,667	8,172
Other	4,867	445
Total non-operating expenses	76,234	61,095
Ordinary profit	36,684	640,587
Extraordinary income		
Gain on sales of non-current assets	927	-
Gain on sales of investment securities	9,643	-
Total extraordinary income	10,570	-
Extraordinary losses		
Loss on sales of non-current assets	2,359	288
Loss on retirement of non-current assets	337	903
Loss on valuation of golf club membership	1,070	-
Loss on sales of investment securities	518	-
Loss on valuation of investment securities	-	12,140
Total extraordinary losses	4,285	13,331
Profit before income taxes	42,969	627,255
Income taxes	128,606	232,104
Profit (loss)	(85,637)	395,151
Profit (loss) attributable to non-controlling interests	(4,153)	413
Profit (loss) attributable to owners of parent	(81,484)	394,737

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

(Thousands of yen)

	Nine months ended December 31, 2016	Nine months ended December 31, 2017
Profit (loss)	(85,637)	395,151
Other comprehensive income		
Valuation difference on available-for-sale securities	11,843	63,830
Remeasurements of defined benefit plans, net of tax	(739)	(602)
Share of other comprehensive income of entities accounted for using equity method	(89,372)	15,062
Total other comprehensive income	(78,269)	78,291
Comprehensive income	(163,906)	473,442
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(159,745)	473,028
Comprehensive income attributable to non-controlling interests	(4,161)	413