

**Translation**

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**Summary of Consolidated Financial Results  
for the Year Ended March 31, 2019  
(Based on Japanese GAAP)**

May 15, 2019

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 27, 2019  
 Scheduled date to file Securities Report: June 27, 2019  
 Scheduled date to commence dividend payments: June 28, 2019  
 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, 2019 (from April 1, 2018 to March 31, 2019)

(1) Consolidated operating results

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	%
Year ended March 31, 2019	22,412	11.0	1,120	17.4	1,079	2.6	699	2.9
Year ended March 31, 2018	20,197	13.8	954	45.4	1,051	54.8	680	58.4

	Earnings per share	Diluted earnings per share	Profit attributable to owners of parent/equity	Ordinary profit/total assets	Operating profit/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2019	23.40	–	8.2	4.7	5.0
Year ended March 31, 2018	22.75	–	8.5	4.8	4.7

(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, 2019	23,093	8,712	37.6	289.98
As of March 31, 2018	22,525	8,345	37.0	278.43

(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, 2019	774	(158)	(900)	4,817
Year ended March 31, 2018	1,849	(1,221)	(954)	5,100

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, 2018	–	0.00	–	18.00	18.00	269	39.6	3.3
Year ended March 31, 2019	–	0.00	–	10.00	10.00	299	42.7	3.5
Year ending March 31, 2020 (Forecast)	–	0.00	–	10.00	10.00		44.1	

3. Forecast of consolidated financial results for the year ending March 31, 2020 (from April 1, 2019 to March 31, 2020)

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	22,800	1.7	1,153	3.0	1,150	6.6	677	(3.2)	22.66

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2019

(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:

No

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, 2019	31,256,600 shares	As of March 31, 2018	31,256,600 shares
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Number of treasury shares at the end of the period

As of March 31, 2019	1,348,528 shares	As of March 31, 2018	1,348,528 shares
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Average number of shares during the period

Year ended March 31, 2019	29,908,072 shares	Year ended March 31, 2018	29,908,156 shares
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**Consolidated financial statements**  
**Consolidated balance sheets**

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
Assets		
Current assets		
Cash and deposits	5,492,809	5,132,395
Notes and accounts receivable - trade	7,065,473	7,552,636
Merchandise and finished goods	454,610	569,387
Work in process	644,666	624,925
Raw materials and supplies	811,122	1,140,554
Other	146,868	200,720
Allowance for doubtful accounts	(26,000)	(25,120)
Total current assets	14,589,551	15,195,500
Non-current assets		
Property, plant and equipment		
Buildings and structures	4,124,394	4,287,292
Accumulated depreciation	(2,565,465)	(2,669,982)
Buildings and structures, net	1,558,928	1,617,309
Machinery, equipment and vehicles	3,783,266	3,991,662
Accumulated depreciation	(3,309,690)	(3,396,246)
Machinery, equipment and vehicles, net	473,575	595,416
Tools, furniture and fixtures	1,083,618	1,041,426
Accumulated depreciation	(1,021,053)	(972,902)
Tools, furniture and fixtures, net	62,564	68,524
Land	2,788,918	2,788,898
Leased assets	172,285	208,914
Accumulated depreciation	(68,325)	(72,234)
Leased assets, net	103,960	136,679
Construction in progress	380	7,427
Total property, plant and equipment	4,988,329	5,214,256
Intangible assets		
Goodwill	354,991	274,082
Other	64,972	82,172
Total intangible assets	419,964	356,254
Investments and other assets		
Investment securities	1,786,366	1,608,296
Deferred tax assets	450,109	445,798
Other	354,559	301,360
Allowance for doubtful accounts	(63,071)	(28,348)
Total investments and other assets	2,527,963	2,327,106
Total non-current assets	7,936,256	7,897,617
Total assets	22,525,808	23,093,118

(Thousands of yen)

	As of March 31, 2018	As of March 31, 2019
<b>Liabilities</b>		
<b>Current liabilities</b>		
Notes and accounts payable - trade	3,903,979	4,838,269
Electronically recorded obligations - operating	1,176,909	1,248,076
Short-term loans payable	300,522	300,522
Current portion of long-term loans payable	1,273,704	1,270,408
Current portion of bonds	257,000	177,000
Income taxes payable	217,994	158,694
Provision for bonuses	110,038	115,677
Provision for loss on construction contracts	4,700	–
Other	1,411,880	1,211,300
<b>Total current liabilities</b>	<b>8,656,728</b>	<b>9,319,948</b>
<b>Non-current liabilities</b>		
Bonds payable	542,000	365,000
Long-term loans payable	3,686,983	3,356,175
Provision for retirement benefits for directors (and other officers)	631,040	613,210
Retirement benefit liability	450,413	416,950
Asset retirement obligations	87,504	153,616
Lease obligations	112,839	147,081
Other	12,837	8,500
<b>Total non-current liabilities</b>	<b>5,523,618</b>	<b>5,060,533</b>
<b>Total liabilities</b>	<b>14,180,347</b>	<b>14,380,481</b>
<b>Net assets</b>		
<b>Shareholders' equity</b>		
Capital stock	1,228,057	1,228,057
Capital surplus	1,003,898	991,898
Retained earnings	6,203,044	6,633,655
Treasury shares	(247,777)	(247,777)
<b>Total shareholders' equity</b>	<b>8,187,222</b>	<b>8,605,833</b>
<b>Accumulated other comprehensive income</b>		
Valuation difference on available-for-sale securities	58,518	29,610
Foreign currency translation adjustment	55,819	(3,303)
Remeasurements of defined benefit plans	25,811	40,510
<b>Total accumulated other comprehensive income</b>	<b>140,149</b>	<b>66,817</b>
<b>Non-controlling interests</b>	<b>18,089</b>	<b>39,985</b>
<b>Total net assets</b>	<b>8,345,461</b>	<b>8,712,636</b>
<b>Total liabilities and net assets</b>	<b>22,525,808</b>	<b>23,093,118</b>

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

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Net sales	20,197,153	22,412,725
Cost of sales	14,935,061	16,772,981
Gross profit	5,262,092	5,639,743
Selling, general and administrative expenses	4,307,982	4,519,503
Operating profit	954,109	1,120,240
Non-operating income		
Interest income	342	246
Dividend income	4,417	5,216
Commission income	16,256	10,775
House rent income	11,159	9,096
Foreign exchange gains	–	2,946
Share of profit of entities accounted for using equity method	116,353	–
Reversal of allowance for doubtful accounts	582	2,305
Insurance premiums refunded cancellation	696	–
Other	35,045	48,218
Total non-operating income	184,854	78,805
Non-operating expenses		
Interest expenses	53,180	41,377
Sales discounts	16,841	18,127
Foreign exchange losses	4,586	–
Share of loss of entities accounted for using equity method	–	51,144
Contribution	9,784	5,277
Other	3,007	4,098
Total non-operating expenses	87,400	120,025
Ordinary profit	1,051,563	1,079,020
Extraordinary income		
Gain on sales of non-current assets	648	2,908
Gain on sales of investment securities	–	4,413
Total extraordinary income	648	7,321
Extraordinary losses		
Loss on sales of non-current assets	288	124
Loss on retirement of non-current assets	1,198	579
Loss on valuation of investment securities	11,740	3,050
Retirement benefits for directors (and other officers)	–	3,000
Loss on sales of golf club memberships	–	130
Total extraordinary losses	13,226	6,883
Profit before income taxes	1,038,984	1,079,459
Income taxes - current	320,779	346,906
Income taxes - deferred	32,607	10,872
Total income taxes	353,387	357,779
Profit	685,597	721,679
Profit attributable to non-controlling interests	5,290	21,895
Profit attributable to owners of parent	680,307	699,783

## Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Profit	685,597	721,679
Other comprehensive income		
Valuation difference on available-for-sale securities	29,390	(29,335)
Remeasurements of defined benefit plans, net of tax	17,703	14,698
Share of other comprehensive income of entities accounted for using equity method	70,785	(58,695)
Total other comprehensive income	117,878	(73,331)
Comprehensive income	803,476	648,347
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	798,186	626,452
Comprehensive income attributable to non-controlling interests	5,290	21,895

## Consolidated statements of changes in equity

Fiscal year ended March 31, 2018

(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	1,003,898	5,762,002	(247,744)	7,746,213
Changes of items during period					
Dividends of surplus			(239,265)		(239,265)
Profit attributable to owners of parent			680,307		680,307
Purchase of treasury shares				(33)	(33)
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	441,041	(33)	441,008
Balance at end of current period	1,228,057	1,003,898	6,203,044	(247,777)	8,187,222

	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	28,267	(14,105)	8,108	22,270	12,798	7,781,283
Changes of items during period						
Dividends of surplus						(239,265)
Profit attributable to owners of parent						680,307
Purchase of treasury shares						(33)
Net changes of items other than shareholders' equity	30,250	69,924	17,703	117,878	5,290	123,169
Total changes of items during period	30,250	69,924	17,703	117,878	5,290	564,177
Balance at end of current period	58,518	55,819	25,811	140,149	18,089	8,345,461

Fiscal year ended March 31, 2019

(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	1,003,898	6,203,044	(247,777)	8,187,222
Changes of items during period					
Dividends of surplus			(269,172)		(269,172)
Profit attributable to owners of parent			699,783		699,783
Change in ownership interest of parent due to transactions with non-controlling interests		(12,000)			(12,000)
Net changes of items other than shareholders' equity					
Total changes of items during period	–	(12,000)	430,611	–	418,611
Balance at end of current period	1,228,057	991,898	6,633,655	(247,777)	8,605,833

	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	58,518	55,819	25,811	140,149	18,089	8,345,461
Changes of items during period						
Dividends of surplus						(269,172)
Profit attributable to owners of parent						699,783
Change in ownership interest of parent due to transactions with non-controlling interests						(12,000)
Net changes of items other than shareholders' equity	(28,907)	(59,122)	14,698	(73,331)	21,895	(51,436)
Total changes of items during period	(28,907)	(59,122)	14,698	(73,331)	21,895	367,175
Balance at end of current period	29,610	(3,303)	40,510	66,817	39,985	8,712,636



## Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from operating activities		
Profit before income taxes	1,038,984	1,079,459
Depreciation	329,868	339,413
Amortization of goodwill	63,750	80,908
Loss on retirement of non-current assets	1,198	579
Share of loss (profit) of entities accounted for using equity method	(116,353)	51,144
Increase (decrease) in allowance for doubtful accounts	7,070	(31,934)
Increase (decrease) in provision for bonuses	9,571	5,639
Increase (decrease) in retirement benefit liability	(3,705)	(12,782)
Increase (decrease) in provision for retirement benefits for directors (and other officers)	(153,690)	(17,830)
Increase (decrease) in provision for loss on construction contracts	(2,981)	(4,700)
Interest and dividend income	(4,760)	(5,463)
Interest expenses	53,180	41,377
Decrease (increase) in notes and accounts receivable - trade	101,419	(487,162)
Decrease (increase) in inventories	6,647	(424,468)
Increase (decrease) in notes and accounts payable - trade	538,398	862,798
Increase (decrease) in advances received	36,987	(145,785)
Loss (gain) on cancellation of insurance contract	(696)	–
Other, net	198,767	(175,452)
Subtotal	2,103,658	1,155,740
Interest and dividend income received	21,303	9,778
Interest expenses paid	(53,398)	(42,469)
Income taxes paid	(253,918)	(388,683)
Other, net	31,415	39,794
Net cash provided by (used in) operating activities	1,849,059	774,159
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	20,060	89,562
Payments into time deposits	(11,602)	(12,154)
Purchase of property, plant and equipment	(506,219)	(256,159)
Purchase of intangible assets	(8,004)	(37,398)
Proceeds from sales of property, plant and equipment	1,279	6,513
Purchase of investment securities	(5,395)	(9,911)
Proceeds from sales of investment securities	30,000	41,664
Decrease (increase) in other investments	(18,179)	(4,988)
Payments of loans receivable	–	(4,000)
Collection of loans receivable	4,342	2,056
Proceeds from cancellation of insurance funds	54,899	26,477
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(782,569)	–
Net cash provided by (used in) investing activities	(1,221,389)	(158,339)

(Thousands of yen)

	Fiscal year ended March 31, 2018	Fiscal year ended March 31, 2019
Cash flows from financing activities		
Increase (decrease) in short-term loans payable	(170,000)	–
Proceeds from long-term loans payable	1,250,000	1,020,000
Repayments of long-term loans payable	(1,421,073)	(1,354,104)
Redemption of bonds	(337,000)	(257,000)
Repayments of finance lease obligations	(24,041)	(27,623)
Repayments of installment payables	(12,975)	–
Cash dividends paid	(239,545)	(269,472)
Purchase of treasury shares	(33)	–
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(12,000)
Net cash provided by (used in) financing activities	(954,670)	(900,200)
Effect of exchange rate change on cash and cash equivalents	(3,331)	1,373
Net increase (decrease) in cash and cash equivalents	(330,330)	(283,006)
Cash and cash equivalents at beginning of period	5,430,363	5,100,033
Cash and cash equivalents at end of period	5,100,033	4,817,026