

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2015
(Based on Japanese GAAP)**

May 11, 2015

Company name: SE Corporation
 Stock exchange listing: Tokyo
 Stock code: 3423 URL <http://www.se-corp.com/>
 Representative: President Mineo Morimoto
 Corporate Director
 Inquiries: Senior Managing Executive Officer Masaharu Tsukada TEL 03-3340-5500
 Scheduled date of ordinary general meeting of shareholders: June 26, 2015
 Scheduled date to file Securities Report: June 26, 2015
 Scheduled date to commence dividend payments: June 29, 2015
 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, 2015 (from April 1, 2014 to March 31, 2015)

(1) Consolidated financial results

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Year ended March 31, 2015	19,606	4.9	692	(45.8)	672	(48.0)	349	(55.9)
Year ended March 31, 2014	18,684	7.9	1,276	19.8	1,293	22.5	792	29.3

	Net income per share	Diluted net income per share	Net income/equity	Ordinary income/total assets	Operating income/net sales
	Yen	Yen	%	%	%
Year ended March 31, 2015	23.39	–	4.5	3.3	3.5
Year ended March 31, 2014	53.00	–	10.7	6.4	6.8

(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, 2015	20,556	7,766	37.7	518.16
As of March 31, 2014	20,550	7,744	37.6	517.38

(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, 2015	435	(173)	(498)	4,491
Year ended March 31, 2014	1,367	(328)	(705)	4,703

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, 2014	–	0.00	–	22.00	22.00	328	41.5	4.5
Year ended March 31, 2015	–	0.00	–	22.00	22.00	328	94.1	4.2
Year ending March 31, 2016 (Forecast)	–	0.00	–	22.00	22.00		48.7	

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		Net income 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 year ended March 31, 2015

(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 after error corrections: 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, 2015	15,628,300 shares	As of March 31, 2014	15,628,300 shares
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Number of treasury shares at the end of the period

As of March 31, 2015	674,218 shares	As of March 31, 2014	674,218 shares
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Average number of shares during the period

Year ended March 31, 2015	14,954,082 shares	Year ended March 31, 2014	14,954,082 shares
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Consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Assets		
Current assets		
Cash and deposits	5,221,192	4,833,349
Notes and accounts receivable - trade	7,677,981	7,811,707
Merchandise and finished goods	278,457	293,051
Work in process	370,250	361,502
Raw materials and supplies	1,101,739	1,188,574
Deferred tax assets	141,268	124,275
Other	228,962	138,844
Allowance for doubtful accounts	(51,162)	(41,145)
Total current assets	14,968,689	14,710,161
Non-current assets		
Property, plant and equipment		
Buildings and structures	2,744,854	2,925,800
Accumulated depreciation	(1,623,393)	(1,775,844)
Buildings and structures, net	1,121,460	1,149,955
Machinery, equipment and vehicles	2,325,891	2,753,931
Accumulated depreciation	(2,066,442)	(2,360,586)
Machinery, equipment and vehicles, net	259,449	393,344
Tools, furniture and fixtures	449,864	478,331
Accumulated depreciation	(394,175)	(423,283)
Tools, furniture and fixtures, net	55,689	55,048
Land	2,221,759	2,237,573
Leased assets	59,506	67,687
Accumulated depreciation	(28,388)	(32,203)
Leased assets, net	31,117	35,483
Construction in progress	–	616
Total property, plant and equipment	3,689,476	3,872,023
Intangible assets		
Goodwill	111,530	124,517
Other	203,608	173,300
Total intangible assets	315,138	297,818
Investments and other assets		
Investment securities	1,028,807	1,110,535
Deferred tax assets	250,771	251,980
Other	321,572	350,899
Allowance for doubtful accounts	(24,163)	(36,612)
Total investments and other assets	1,576,987	1,676,803
Total non-current assets	5,581,602	5,846,644
Total assets	20,550,292	20,556,805

(Thousands of yen)

	As of March 31, 2014	As of March 31, 2015
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,592,399	4,509,656
Electronically recorded obligations - operating	–	1,130,378
Short-term loans payable	280,522	320,522
Current portion of long-term loans payable	1,357,993	1,258,376
Current portion of bonds	369,000	321,000
Income taxes payable	346,598	195,205
Provision for bonuses	85,349	93,034
Provision for loss on construction contracts	–	8,653
Other	664,024	582,267
Total current liabilities	8,695,887	8,419,093
Non-current liabilities		
Bonds payable	654,000	883,000
Long-term loans payable	2,447,215	2,277,845
Provision for directors' retirement benefits	468,780	561,790
Net defined benefit liability	256,560	400,258
Asset retirement obligations	44,793	60,949
Lease obligations	33,070	37,922
Other	205,922	149,767
Total non-current liabilities	4,110,341	4,371,534
Total liabilities	12,806,229	12,790,627
Net assets		
Shareholders' equity		
Capital stock	1,228,057	1,228,057
Capital surplus	995,600	995,600
Retained earnings	5,684,654	5,602,592
Treasury shares	(247,744)	(247,744)
Total shareholders' equity	7,660,567	7,578,505
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,418	64,135
Foreign currency translation adjustment	15,712	87,150
Remeasurements of defined benefit plans	9,301	18,823
Total accumulated other comprehensive income	76,431	170,109
Minority interests	7,063	17,563
Total net assets	7,744,062	7,766,178
Total liabilities and net assets	20,550,292	20,556,805

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

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Net sales	18,684,619	19,606,086
Cost of sales	13,212,461	14,649,681
Gross profit	5,472,157	4,956,405
Selling, general and administrative expenses	4,195,259	4,263,768
Operating income	1,276,898	692,637
Non-operating income		
Interest income	942	860
Dividend income	33,017	5,998
Commission fee	20,105	16,898
House rent income	18,751	18,338
Share of profit of entities accounted for using equity method	35,344	15,488
Reversal of allowance for doubtful accounts	14,666	4,797
Other	16,444	27,040
Total non-operating income	139,271	89,423
Non-operating expenses		
Interest expenses	74,826	61,959
Sales discounts	23,697	22,882
Share issuance cost	–	864
Bond issuance cost	10,012	9,667
Foreign exchange losses	735	1,352
Contribution	9,621	12,500
Other	3,306	551
Total non-operating expenses	122,200	109,779
Ordinary income	1,293,970	672,280
Extraordinary income		
Gain on sales of non-current assets	4,066	985
Insurance income	7,910	618
Gain on sales of investment securities	–	20,910
Subsidy income	3,802	–
Gain on change in equity	–	7,657
Total extraordinary income	15,778	30,171
Extraordinary losses		
Loss on sales of non-current assets	–	295
Loss on retirement of non-current assets	14,567	466
Loss on valuation of golf club membership	–	1,514
Loss on valuation of investment securities	7,018	–
Total extraordinary losses	21,586	2,275
Income before income taxes and minority interests	1,288,162	700,176
Income taxes - current	443,372	295,177
Income taxes - deferred	51,255	59,681
Total income taxes	494,627	354,858
Income before minority interests	793,534	345,318
Minority interests in income (loss)	950	(4,470)
Net income	792,583	349,789

Consolidated statements of comprehensive income

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Income before minority interests	793,534	345,318
Other comprehensive income		
Valuation difference on available-for-sale securities	9,619	14,075
Share of other comprehensive income of entities accounted for using equity method	134,810	70,080
Remeasurements of defined benefit plans, net of tax	—	9,521
Total other comprehensive income	144,429	93,677
Comprehensive income	937,964	438,996
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	937,013	443,467
Comprehensive income attributable to minority interests	950	(4,470)

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2014

(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	5,116,382	(247,744)	7,092,295
Cumulative effects of changes in accounting policies					–
Restated balance	1,228,057	995,600	5,116,382	(247,744)	7,092,295
Changes of items during period					
Dividends of surplus			(224,311)		(224,311)
Net income			792,583		792,583
Change of scope of consolidation					–
Net changes of items other than shareholders' equity					
Total changes of items during period	–	–	568,272	–	568,272
Balance at end of current period	1,228,057	995,600	5,684,654	(247,744)	7,660,567

	Accumulated other comprehensive income				Minority 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	42,427	(119,727)	–	(77,299)	6,112	7,021,108
Cumulative effects of changes in accounting policies						–
Restated balance	42,427	(119,727)	–	(77,299)	6,112	7,021,108
Changes of items during period						
Dividends of surplus						(224,311)
Net income						792,583
Change of scope of consolidation						–
Net changes of items other than shareholders' equity	8,990	135,439	9,301	153,731	950	154,682
Total changes of items during period	8,990	135,439	9,301	153,731	950	722,954
Balance at end of current period	51,418	15,712	9,301	76,431	7,063	7,744,062

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	1,288,057	995,600	5,601,555	(247,744)	7,577,468
Changes of items during period					
Dividends of surplus			(328,989)		(328,989)
Net income			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				Minority 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)
Net income						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

Consolidated statements of cash flows

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	1,288,162	700,176
Depreciation	258,651	271,688
Amortization of goodwill	21,804	33,001
Loss on retirement of non-current assets	14,179	466
Loss (gain) on valuation of investment securities	7,018	–
Share of (profit) loss of entities accounted for using equity method	(35,344)	(15,488)
Loss (gain) on change in equity	–	(7,657)
Increase (decrease) in allowance for doubtful accounts	(15,765)	(4,795)
Increase (decrease) in provision for directors' bonuses	(15,000)	–
Increase (decrease) in provision for bonuses	4,147	2,879
Increase (decrease) in net defined benefit liability	5,268	13,786
Increase (decrease) in provision for directors' retirement benefits	27,890	(6,990)
Increase (decrease) in provision for loss on construction contracts	–	8,653
Interest and dividend income	(33,959)	(6,858)
Interest expenses	74,826	61,959
Decrease (increase) in notes and accounts receivable - trade	(1,966)	45,131
Decrease (increase) in inventories	(231,750)	(55,373)
Increase (decrease) in notes and accounts payable - trade	554,624	(85,546)
Increase (decrease) in advances received	76,967	(81,236)
Other, net	(147,726)	18,310
Subtotal	1,852,027	892,107
Interest and dividend income received	33,937	21,164
Interest expenses paid	(76,146)	(61,185)
Income taxes paid	(459,787)	(450,744)
Other, net	17,569	33,716
Net cash provided by (used in) operating activities	1,367,601	435,058
Cash flows from investing activities		
Proceeds from withdrawal of time deposits	–	210,058
Payments into time deposits	(170,576)	–
Purchase of property, plant and equipment	(128,185)	(327,350)
Purchase of intangible assets	(11,170)	(35,169)
Proceeds from sales of property, plant and equipment	17,246	1,613
Purchase of investment securities	(36,261)	(28,365)
Decrease (increase) in other investments	(4,419)	37,295
Collection of loans receivable	4,950	3,229
Proceeds from cancellation of insurance funds	–	17,628
Purchase of shares of subsidiaries resulting in change in scope of consolidation	–	(52,926)
Net cash provided by (used in) investing activities	(328,415)	(173,986)

(Thousands of yen)

	Fiscal year ended March 31, 2014	Fiscal year ended March 31, 2015
Cash flows from financing activities		
Proceeds from share issuance to minority shareholders	–	23,250
Proceeds from long-term loans payable	1,000,000	1,140,000
Repayments of long-term loans payable	(1,488,404)	(1,454,797)
Proceeds from issuance of bonds	400,000	550,000
Redemption of bonds	(334,000)	(369,000)
Repayments of finance lease obligations	(13,175)	(12,451)
Repayments of installment payables	(45,740)	(46,656)
Cash dividends paid	(224,036)	(328,653)
Net cash provided by (used in) financing activities	(705,356)	(498,308)
Effect of exchange rate change on cash and cash equivalents	1,063	293
Net increase (decrease) in cash and cash equivalents	334,892	(236,942)
Cash and cash equivalents at beginning of period	4,368,156	4,703,049
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	4,703,049	4,491,318