

Translation

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Summary of Consolidated Financial Results for the Nine Months Ended December 31, 2014 (Based on Japanese GAAP)

February 6, 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 to file Quarterly Securities Report: February 13, 2015
 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, 2014 (from April 1, 2014 to December 31, 2014)

(1) Consolidated financial results (cumulative)

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	%
Nine months ended December 31, 2014	13,481	4.5	299	(57.4)	266	(63.0)	105	(75.0)
Nine months ended December 31, 2013	12,898	10.2	702	55.9	722	68.4	420	87.2

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended December 31, 2014	7.02	–
Nine months ended December 31, 2013	28.09	–

(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, 2014	19,368	7,454	38.4	497.38
As of March 31, 2014	20,550	7,744	37.6	517.38

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Year ended March 31, 2014	–	0.00	–	22.00	22.00
Year ending March 31, 2015	–	0.00	–		
Year ending March 31, 2015 (Forecast)				22.00	22.00

3. Forecast of consolidated financial results for the year ending March 31, 2015 (from April 1, 2014 to March 31, 2015)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	20,500	9.7	1,489	16.6	1,500	15.9	834	5.2	55.77

4. Notes

- (1) Changes in significant subsidiaries during the nine months ended December 31, 2014
(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, 2014	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 December 31, 2014	674,218 shares	As of March 31, 2014	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, 2014	14,954,082 shares	Nine months ended December 31, 2013	14,954,082 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Thousands of yen)

	As of March 31, 2014	As of December 31, 2014
Assets		
Current assets		
Cash and deposits	5,221,192	3,829,238
Notes and accounts receivable - trade	7,677,981	6,984,497
Merchandise and finished goods	278,457	332,092
Work in process	370,250	744,274
Raw materials and supplies	1,101,739	1,347,334
Other	370,231	366,064
Allowance for doubtful accounts	(51,162)	(40,951)
Total current assets	14,968,689	13,562,548
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	1,121,460	1,115,741
Machinery, equipment and vehicles, net	259,449	397,162
Tools, furniture and fixtures, net	55,689	53,826
Land	2,221,759	2,237,573
Leased assets, net	31,117	38,764
Construction in progress	–	21,716
Total property, plant and equipment	3,689,476	3,864,784
Intangible assets		
Goodwill	111,530	132,768
Other	203,608	181,578
Total intangible assets	315,138	314,346
Investments and other assets		
Investment securities	1,028,807	1,017,216
Other	572,343	645,588
Allowance for doubtful accounts	(24,163)	(35,778)
Total investments and other assets	1,576,987	1,627,026
Total non-current assets	5,581,602	5,806,157
Total assets	20,550,292	19,368,705

(Thousands of yen)

	As of March 31, 2014	As of December 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	5,592,399	5,568,740
Short-term loans payable	280,522	320,522
Current portion of long-term loans payable	1,357,993	1,304,259
Current portion of bonds	369,000	284,000
Income taxes payable	346,598	141,244
Provision for bonuses	85,349	43,466
Other	664,024	624,026
Total current liabilities	8,695,887	8,286,259
Non-current liabilities		
Bonds payable	654,000	532,000
Long-term loans payable	2,447,215	1,866,189
Provision for directors' retirement benefits	468,780	553,215
Net defined benefit liability	256,560	412,872
Asset retirement obligations	44,793	60,748
Other	238,992	203,144
Total non-current liabilities	4,110,341	3,628,168
Total liabilities	12,806,229	11,914,428
Net assets		
Shareholders' equity		
Capital stock	1,228,057	1,228,057
Capital surplus	995,600	995,600
Retained earnings	5,684,654	5,357,221
Treasury shares	(247,744)	(247,744)
Total shareholders' equity	7,660,567	7,333,134
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	51,418	54,285
Foreign currency translation adjustment	15,712	42,752
Remeasurements of defined benefit plans	9,301	7,714
Total accumulated other comprehensive income	76,431	104,753
Minority interests	7,063	16,390
Total net assets	7,744,062	7,454,277
Total liabilities and net assets	20,550,292	19,368,705

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, 2013	Nine months ended December 31, 2014
Net sales	12,898,376	13,481,251
Cost of sales	9,198,585	10,020,459
Gross profit	3,699,790	3,460,792
Selling, general and administrative expenses	2,997,038	3,161,397
Operating income	702,751	299,395
Non-operating income		
Interest income	566	571
Dividend income	32,893	5,875
Commission fee	13,134	12,328
House rent income	13,812	13,872
Share of profit of entities accounted for using equity method	21,861	–
Reversal of allowance for doubtful accounts	3,926	2,436
Other	14,124	17,705
Total non-operating income	100,319	52,789
Non-operating expenses		
Interest expenses	57,030	47,588
Sales discounts	16,160	15,730
Foreign exchange losses	131	991
Contribution	4,585	11,361
Share of loss of entities accounted for using equity method	–	8,328
Other	3,159	1,333
Total non-operating expenses	81,067	85,334
Ordinary income	722,002	266,850
Extraordinary income		
Gain on sales of non-current assets	2,246	985
Gain on sales of investment securities	–	20,910
Insurance income	2,000	618
Gain on change in equity	–	7,657
Total extraordinary income	4,246	30,171
Extraordinary losses		
Loss on sales of non-current assets	–	295
Loss on retirement of non-current assets	14,341	466
Loss on valuation of golf club membership	–	1,784
Loss on valuation of investment securities	7,018	–
Total extraordinary losses	21,359	2,545
Income before income taxes and minority interests	704,890	294,476
Income taxes	288,120	195,702
Income before minority interests	416,769	98,774
Minority interests in loss	(3,319)	(6,265)
Net income	420,088	105,039

Consolidated statements of comprehensive income (cumulative)

(Thousands of yen)

	Nine months ended December 31, 2013	Nine months ended December 31, 2014
Income before minority interests	416,769	98,774
Other comprehensive income		
Valuation difference on available-for-sale securities	22,728	3,575
Share of other comprehensive income of entities accounted for using equity method	69,314	26,332
Remeasurements of defined benefit plans, net of tax	—	(1,586)
Total other comprehensive income	92,043	28,321
Comprehensive income	508,812	127,095
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	512,131	133,361
Comprehensive income attributable to minority interests	(3,319)	(6,265)