

Translation

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Summary of Consolidated Financial Results for the Six Months Ended September 30, 2013 (Based on Japanese GAAP)

November 6, 2013

Company name: OILES CORPORATION
 Stock exchange listing: Tokyo
 Stock code: 6282 URL <http://www.oiles.co.jp/>
 Representative: President Toshio Okayama
 Director, Senior Operating Officer, General
 Inquiries: Manager of the Corporation Planning and Administrative Division Takahiko Uchida TEL 0466-44-4901
 Scheduled date to file Quarterly Securities Report: November 11, 2013
 Scheduled date to commence dividend payments: December 5, 2013
 Preparation of supplementary material on quarterly financial results: Yes
 Holding of quarterly financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the six months ended September 30, 2013 (from April 1, 2013 to September 30, 2013)

(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	%
Six months ended September 30, 2013	27,679	3.8	2,725	2.7	3,091	11.7	1,849	8.9
Six months ended September 30, 2012	26,677	7.6	2,652	28.3	2,767	30.8	1,697	37.1

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended September 30, 2013	64.96	–
Six months ended September 30, 2012	57.63	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of September 30, 2013	67,263	54,784	79.7	1,881.30
As of March 31, 2013	64,040	51,662	79.0	1,777.78

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, 2013	–	20.00	–	20.00	40.00
Year ending March 31, 2014	–	20.00	–	–	–
Year ending March 31, 2014 (Forecast)	–	–	–	30.00	50.00

3. Forecast of consolidated financial results for the year ending March 31, 2014 (from April 1, 2013 to March 31, 2014)

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	58,800	9.8	6,000	27.6	6,600	17.8	3,900	17.0	136.91

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2013
(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 September 30, 2013	31,917,088 shares	As of March 31, 2013	31,917,088 shares
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Number of treasury shares at the end of the period

As of September 30, 2013	3,422,630 shares	As of March 31, 2013	3,451,720 shares
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Average number of shares during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2013	28,477,875 shares	Six months ended September 30, 2012	29,465,831 shares
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Quarterly consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Assets		
Current assets		
Cash and deposits	10,393	11,733
Notes and accounts receivable-trade	15,625	15,366
Securities	1,286	1,287
Merchandise and finished goods	3,039	3,126
Work in process	2,455	2,867
Raw materials and supplies	1,683	1,807
Other	1,695	1,589
Allowance for doubtful accounts	(20)	(21)
Total current assets	36,159	37,755
Noncurrent assets		
Property, plant and equipment		
Buildings and structures, net	7,073	7,235
Machinery and equipment, net	4,830	5,197
Land	3,724	3,750
Other, net	1,465	2,404
Total property, plant and equipment	17,094	18,588
Intangible assets	1,225	1,193
Investments and other assets		
Investment securities	7,721	7,723
Other	1,875	2,028
Allowance for doubtful accounts	(36)	(27)
Total investments and other assets	9,561	9,725
Total noncurrent assets	27,881	29,507
Total assets	64,040	67,263
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,191	5,633
Income taxes payable	808	939
Provision for bonuses	1,079	1,111
Provision for directors' bonuses	119	58
Other	2,586	2,067
Total current liabilities	10,784	9,809
Noncurrent liabilities		
Long-term loans payable	-	662
Provision for retirement benefits	328	357
Provision for directors' retirement benefits	93	87
Other	1,171	1,561
Total noncurrent liabilities	1,593	2,668
Total liabilities	12,378	12,478

(Millions of yen)

	As of March 31, 2013	As of September 30, 2013
Net assets		
Shareholders' equity		
Capital stock	8,585	8,585
Capital surplus	9,474	9,493
Retained earnings	36,928	38,209
Treasury stock	(5,156)	(5,113)
Total shareholders' equity	49,831	51,173
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,162	1,831
Foreign currency translation adjustment	(389)	601
Total accumulated other comprehensive income	773	2,432
Minority interests	1,057	1,177
Total net assets	51,662	54,784
Total liabilities and net assets	64,040	67,263

Consolidated statements of income (cumulative) and consolidated statements of comprehensive income (cumulative)

Consolidated statements of income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net sales	26,677	27,679
Cost of sales	17,332	17,801
Gross profit	9,345	9,878
Selling, general and administrative expenses	6,692	7,153
Operating income	2,652	2,725
Non-operating income		
Interest income	16	42
Dividends income	56	62
Foreign exchange gains	-	164
Other	161	132
Total non-operating income	234	402
Non-operating expenses		
Interest expenses	0	2
Sales discounts	5	6
Foreign exchange losses	100	-
Equity in losses of affiliates	-	27
Other	13	0
Total non-operating expenses	119	36
Ordinary income	2,767	3,091
Extraordinary income		
Gain on sales of investment securities	-	1
Total extraordinary income	-	1
Extraordinary loss		
Loss on disposal of noncurrent assets	11	22
Loss on valuation of investment securities	19	-
Total extraordinary losses	30	22
Income before income taxes and minority interests	2,736	3,069
Income taxes	995	1,147
Income before minority interests	1,741	1,922
Minority interests in income	43	72
Net income	1,697	1,849

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Income before minority interests	1,741	1,922
Other comprehensive income		
Valuation difference on available-for-sale securities	(215)	691
Foreign currency translation adjustment	6	1,006
Share of other comprehensive income of associates accounted for using equity method	-	49
Total other comprehensive income	(208)	1,747
Comprehensive income	1,532	3,669
Comprehensive income attributable to		
Comprehensive income attributable to owners of the parent	1,485	3,509
Comprehensive income attributable to minority interests	46	160

Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2012	Six months ended September 30, 2013
Net cash provided by (used in) operating activities		
Income before income taxes and minority interests	2,736	3,069
Depreciation and amortization	1,061	1,256
Increase (decrease) in allowance for doubtful accounts	(76)	(10)
Increase (decrease) in provision for retirement benefits	19	19
Interest and dividends income	(72)	(104)
Interest expenses	0	2
Equity in (earnings) losses of affiliates	-	27
Loss (gain) on disposal of noncurrent assets	11	22
Loss (gain) on valuation of investment securities	19	-
Decrease (increase) in notes and accounts receivable-trade	1,209	538
Decrease (increase) in inventories	(469)	(344)
Increase (decrease) in notes and accounts payable-trade	(247)	(620)
Other, net	(146)	(492)
Subtotal	4,044	3,361
Interest and dividends income received	93	94
Interest expenses paid	-	(2)
Income taxes paid	(1,237)	(898)
Net cash provided by (used in) operating activities	2,900	2,556
Net cash provided by (used in) investing activities		
Purchase of property, plant and equipment	(1,526)	(2,562)
Proceeds from sales of property, plant and equipment	6	47
Purchase of intangible assets	(222)	(121)
Purchase of investment securities	(8)	(8)
Proceeds from sales of investment securities	-	2
Proceeds from redemption of investment securities	1,300	1,000
Payments into time deposits	(6)	(6)
Collection of loans receivable	1	0
Purchase of insurance funds	(100)	(107)
Proceeds from maturity of insurance funds	-	11
Other, net	(1)	(1)
Net cash provided by (used in) investing activities	(557)	(1,744)
Net cash provided by (used in) financing activities		
Proceeds from long-term loans payable	-	720
Repayment of long-term loans payable	(0)	(57)
Cash dividends paid	(735)	(568)
Cash dividends paid to minority shareholders	(21)	(39)
Purchase of treasury stock	(0)	(1)
Proceeds from disposal of treasury stock	-	63
Repayments of lease obligations	(25)	(24)
Net cash provided by (used in) financing activities	(783)	91
Effect of exchange rate change on cash and cash equivalents	(27)	431
Net increase (decrease) in cash and cash equivalents	1,532	1,334
Cash and cash equivalents at beginning of period	12,280	11,603
Cash and cash equivalents at end of period	13,813	12,938