

Translation

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**Summary of Consolidated Financial Results
for the Year Ended March 31, 2014
(Based on Japanese GAAP)**

May 7, 2014

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 of ordinary general meeting of shareholders: June 27, 2014
 Scheduled date to file Securities Report: June 27, 2014
 Scheduled date to commence dividend payments: June 30, 2014
 Preparation of supplementary material on financial results: Yes
 Holding of financial results meeting: Yes (for analysts)

(Amounts less than one million yen are rounded down)

1. Consolidated financial results for the year ended March 31, 2014 (from April 1, 2013 to March 31, 2014)

(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, 2014	59,380	10.9	6,193	31.7	7,119	27.1	4,203	26.2
Year ended March 31, 2013	53,547	3.0	4,702	0.8	5,602	13.9	3,332	12.7

	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, 2014	147.53	–	7.9	10.5	10.4
Year ended March 31, 2013	114.37	–	6.7	8.9	8.8

(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, 2014	71,845	56,735	77.2	1,944.00
As of March 31, 2013	64,040	51,662	79.0	1,777.78

(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, 2014	4,407	(4,227)	(508)	11,890
Year ended March 31, 2013	6,347	(4,332)	(3,034)	11,603

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, 2013	–	20.00	–	20.00	40.00	1,158	35.0	2.3
Year ended March 31, 2014	–	20.00	–	30.00	50.00	1,443	33.9	2.7
Year ending March 31, 2015 (Forecast)	–	25.00	–	25.00	50.00		–	

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
Six months ending September 30, 2014	30,580	10.5	3,160	16.0	3,360	8.7	2,000	8.1	70.10
Full year	63,300	6.6	6,900	11.4	7,300	2.5	4,300	2.3	150.71

4. Notes

(1) Changes in significant subsidiaries during the year ended March 31, 2014

(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, 2014	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 March 31, 2014	3,386,024 shares	As of March 31, 2013	3,451,720 shares
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Average number of shares during the period

Year ended March 31, 2014	28,495,833 shares	Year ended March 31, 2013	29,135,873 shares
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Consolidated financial statements
Consolidated balance sheets

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Assets		
Current assets		
Cash and deposits	10,393	10,679
Notes and accounts receivable - trade	15,625	19,011
Securities	1,286	1,991
Merchandise and finished goods	3,039	3,234
Work in process	2,455	2,635
Raw materials and supplies	1,683	2,261
Deferred tax assets	860	1,035
Accounts receivable - other	343	237
Other	490	610
Allowance for doubtful accounts	(20)	(21)
Total current assets	36,159	41,676
Non-current assets		
Property, plant and equipment		
Buildings and structures	17,378	20,180
Machinery and equipment	19,975	20,825
Tools, furniture and fixtures	9,675	10,818
Land	3,724	3,762
Leased assets	130	116
Construction in progress	568	527
Other	197	233
Accumulated depreciation	(34,557)	(36,453)
Total property, plant and equipment	17,094	20,011
Intangible assets		
Leased assets	28	8
Other	1,197	1,283
Total intangible assets	1,225	1,292
Investments and other assets		
Investment securities	7,721	7,096
Long-term time deposits	20	20
Deferred tax assets	54	44
Net defined benefit asset	-	104
Other	1,801	1,630
Allowance for doubtful accounts	(36)	(30)
Total investments and other assets	9,561	8,865
Total non-current assets	27,881	30,168
Total assets	64,040	71,845

(Millions of yen)

	As of March 31, 2013	As of March 31, 2014
Liabilities		
Current liabilities		
Notes and accounts payable - trade	6,191	6,756
Lease obligations	40	25
Accrued expenses	1,111	1,435
Income taxes payable	808	1,418
Accrued consumption taxes	134	153
Provision for bonuses	1,079	1,142
Provision for directors' bonuses	119	125
Other	1,300	827
Total current liabilities	10,784	11,884
Non-current liabilities		
Long-term loans payable	-	582
Lease obligations	26	17
Deferred tax liabilities	551	846
Provision for retirement benefits	328	-
Net defined benefit liability	-	1,076
Provision for directors' retirement benefits	93	102
Asset retirement obligations	4	4
Long-term guarantee deposited	506	511
Long-term accounts payable - other	82	65
Other	-	18
Total non-current liabilities	1,593	3,225
Total liabilities	12,378	15,109
Net assets		
Shareholders' equity		
Capital stock	8,585	8,585
Capital surplus	9,474	9,582
Retained earnings	36,928	39,986
Treasury shares	(5,156)	(5,149)
Total shareholders' equity	49,831	53,003
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,162	1,880
Foreign currency translation adjustment	(389)	1,304
Remeasurements of defined benefit plans	-	(724)
Total accumulated other comprehensive income	773	2,460
Minority interests	1,057	1,270
Total net assets	51,662	56,735
Total liabilities and net assets	64,040	71,845

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

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Net sales	53,547	59,380
Cost of sales	35,373	38,366
Gross profit	18,174	21,013
Selling, general and administrative expenses		
Advertising expenses	129	204
Packing and transportation expenses	1,265	1,359
Compensations, salaries and allowances	5,446	5,795
Provision for bonuses	514	563
Provision for directors' bonuses	120	124
Retirement benefit expenses	321	328
Provision for directors' retirement benefits	23	25
Welfare expenses	1,107	1,238
Traveling and transportation expenses	546	614
Communication expenses	203	222
Supplies expenses	421	475
Entertainment expenses	80	87
Rent expenses	476	465
Depreciation	701	772
Commission fee	679	752
Provision of allowance for doubtful accounts	6	4
Other	1,427	1,784
Total selling, general and administrative expenses	13,471	14,820
Operating income	4,702	6,193
Non-operating income		
Interest income	45	61
Dividend income	103	107
Foreign exchange gains	374	407
Royalty income	31	67
Subsidy income	11	168
Other	353	196
Total non-operating income	919	1,007
Non-operating expenses		
Interest expenses	0	5
Sales discounts	12	13
Share of loss of entities accounted for using equity method	-	37
Loss on valuation of derivatives	-	12
Provision of allowance for doubtful accounts	-	9
Other	7	3
Total non-operating expenses	19	81
Ordinary income	5,602	7,119
Extraordinary losses		
Loss on disposal of non-current assets	34	37
Impairment loss	-	19
Loss from reinforcement work for products	-	170
Total extraordinary losses	34	226

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before income taxes and minority interests	5,567	6,892
Income taxes - current	1,588	2,333
Income taxes - deferred	549	193
Total income taxes	2,137	2,527
Income before minority interests	3,430	4,365
Minority interests in income	97	161
Net income	3,332	4,203

Consolidated statements of comprehensive income (cumulative)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Income before minority interests	3,430	4,365
Other comprehensive income		
Valuation difference on available-for-sale securities	483	728
Foreign currency translation adjustment	872	1,694
Share of other comprehensive income of entities accounted for using equity method	-	80
Total other comprehensive income	1,356	2,504
Comprehensive income	4,786	6,869
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,621	6,615
Comprehensive income attributable to minority interests	165	253

Consolidated statements of changes in net assets

Fiscal year ended March 31, 2013

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,585	9,474	34,922	(3,520)	49,461
Changes of items during period					
Dividends of surplus			(1,325)		(1,325)
Net income			3,332		3,332
Purchase of treasury shares				(1,635)	(1,635)
Disposal of treasury shares					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	-	2,006	(1,635)	370
Balance at end of current period	8,585	9,474	36,928	(5,156)	49,831

	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	681	(1,196)	-	(515)	914	49,860
Changes of items during period						
Dividends of surplus						(1,325)
Net income						3,332
Purchase of treasury shares						(1,635)
Disposal of treasury shares						-
Net changes of items other than shareholders' equity	481	807	-	1,288	142	1,431
Total changes of items during period	481	807	-	1,288	142	1,801
Balance at end of current period	1,162	(389)	-	773	1,057	51,662

Fiscal year ended March 31, 2014

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	8,585	9,474	36,928	(5,156)	49,831
Changes of items during period					
Dividends of surplus			(1,146)		(1,146)
Net income			4,203		4,203
Purchase of treasury shares				(723)	(723)
Disposal of treasury shares		108		730	838
Net changes of items other than shareholders' equity					
Total changes of items during period	-	108	3,057	6	3,171
Balance at end of current period	8,585	9,582	39,986	(5,149)	53,003

	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	1,162	(389)	-	773	1,057	51,662
Changes of items during period						
Dividends of surplus						(1,146)
Net income						4,203
Purchase of treasury shares						(723)
Disposal of treasury shares						838
Net changes of items other than shareholders' equity	717	1,694	(724)	1,687	213	1,901
Total changes of items during period	717	1,694	(724)	1,687	213	5,072
Balance at end of current period	1,880	1,304	(724)	2,460	1,270	56,735

Consolidated statements of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from operating activities		
Income before income taxes and minority interests	5,567	6,892
Depreciation	2,386	2,751
Impairment loss	-	19
Increase (decrease) in provision for retirement benefits	29	(328)
Increase (decrease) in net defined benefit liability	-	375
Increase (decrease) in provision for directors' retirement benefits	12	8
Increase (decrease) in provision for directors' bonuses	4	5
Increase (decrease) in allowance for doubtful accounts	(187)	(8)
Interest and dividend income	(148)	(168)
Interest expenses	0	5
Share of (profit) loss of entities accounted for using equity method	-	37
Loss (gain) on disposal of non-current assets	34	37
Decrease (increase) in notes and accounts receivable - trade	1,313	(2,872)
Decrease (increase) in inventories	(10)	(451)
Increase (decrease) in notes and accounts payable - trade	(296)	447
Increase (decrease) in accrued expenses	(142)	287
Other, net	(340)	(1,091)
Subtotal	8,224	5,947
Interest and dividend income received	157	168
Interest expenses paid	(0)	(5)
Income taxes paid	(2,033)	(1,703)
Net cash provided by (used in) operating activities	6,347	4,407
Cash flows from investing activities		
Payments into time deposits	(12)	(12)
Proceeds from withdrawal of time deposits	-	12
Purchase of property, plant and equipment	(3,827)	(4,819)
Proceeds from sales of property, plant and equipment	35	60
Purchase of intangible assets	(566)	(288)
Purchase of investment securities	(1,069)	(16)
Proceeds from sales of investment securities	2	28
Proceeds from redemption of investment securities	1,300	1,000
Payments of loans receivable	(31)	-
Collection of loans receivable	2	1
Purchase of insurance funds	(207)	(219)
Proceeds from maturity of insurance funds	49	29
Other, net	(9)	(4)
Net cash provided by (used in) investing activities	(4,332)	(4,227)

(Millions of yen)

	Fiscal year ended March 31, 2013	Fiscal year ended March 31, 2014
Cash flows from financing activities		
Proceeds from long-term loans payable	-	720
Repayments of long-term loans payable	(0)	(137)
Purchase of treasury shares	(1,635)	(723)
Proceeds from disposal of treasury shares	-	862
Repayments of lease obligations	(50)	(44)
Cash dividends paid	(1,324)	(1,146)
Cash dividends paid to minority shareholders	(23)	(39)
Net cash provided by (used in) financing activities	(3,034)	(508)
Effect of exchange rate change on cash and cash equivalents	341	616
Net increase (decrease) in cash and cash equivalents	(677)	286
Cash and cash equivalents at beginning of period	12,280	11,603
Cash and cash equivalents at end of period	11,603	11,890