

Translation

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## Summary of Consolidated Financial Results for the Six Months Ended September 30, 2015 (Based on Japanese GAAP)

November 5, 2015

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 Masami Iida TEL 0466-44-4901  
 Scheduled date to file Quarterly Securities Report: November 12, 2015  
 Scheduled date to commence dividend payments: December 4, 2015  
 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, 2015 (from April 1, 2015 to September 30, 2015)

(1) Consolidated operating results (cumulative)

Percentages indicate year-on-year changes

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2015	29,335	(0.6)	2,073	(27.0)	2,232	(24.1)	1,959	8.0
Six months ended September 30, 2014	29,514	6.6	2,839	4.2	2,941	(4.9)	1,814	(2.0)

	Earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended September 30, 2015	59.05		-	
Six months ended September 30, 2014	53.39		-	

(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, 2015	74,625	60,673	79.4	1,783.72
As of March 31, 2015	75,322	60,210	78.0	1,771.43

2. Cash dividends

	Annual dividends per share				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Fiscal year-end	Total
	Yen				
Year ended March 31, 2015	-	25.00	-	25.00	50.00
Year ending March 31, 2016	-	25.00	-	-	-
Year ending March 31, 2016 (Forecast)	-	-	-	25.00	50.00

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		Earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	60,900	(1.6)	5,200	(14.5)	5,460	(17.7)	4,500	4.6	137.26

4. Notes

- (1) Changes in significant subsidiaries during the six months ended September 30, 2015  
(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 September 30, 2015	36,300,505 shares	As of March 31, 2015	36,300,505 shares
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Number of treasury shares at the end of the period

As of September 30, 2015	3,101,871 shares	As of March 31, 2015	3,142,744 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, 2015	33,176,801 shares	Six months ended September 30, 2014	33,983,318 shares
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**Quarterly consolidated financial statements**  
**Consolidated balance sheets**

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
Assets		
Current assets		
Cash and deposits	8,138	10,959
Notes and accounts receivable - trade	19,354	17,304
Securities	3,287	3,287
Merchandise and finished goods	3,344	3,501
Work in process	2,794	3,226
Raw materials and supplies	2,245	2,180
Other	1,850	1,724
Allowance for doubtful accounts	(51)	(52)
Total current assets	40,963	42,131
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,286	9,201
Machinery and equipment, net	5,382	5,591
Land	3,791	3,789
Other, net	3,346	3,052
Total property, plant and equipment	21,807	21,634
Intangible assets	1,466	1,370
Investments and other assets		
Investment securities	9,069	7,496
Net defined benefit asset	106	107
Other	1,940	1,905
Allowance for doubtful accounts	(32)	(20)
Total investments and other assets	11,084	9,488
Total non-current assets	34,358	32,493
Total assets	75,322	74,625

(Millions of yen)

	As of March 31, 2015	As of September 30, 2015
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	6,337	6,120
Income taxes payable	584	549
Provision for bonuses	1,203	1,186
Provision for directors' bonuses	125	62
Other	3,040	2,502
Total current liabilities	11,290	10,420
Non-current liabilities		
Long-term loans payable	412	323
Provision for directors' retirement benefits	83	89
Net defined benefit liability	619	583
Other	2,705	2,535
Total non-current liabilities	3,821	3,531
Total liabilities	15,111	13,952
<b>Net assets</b>		
Shareholders' equity		
Capital stock	8,585	8,585
Capital surplus	9,474	9,479
Retained earnings	39,955	41,128
Treasury shares	(4,606)	(4,547)
Total shareholders' equity	53,407	54,645
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	2,983	2,484
Foreign currency translation adjustment	2,867	2,573
Remeasurements of defined benefit plans	(522)	(485)
Total accumulated other comprehensive income	5,328	4,571
Non-controlling interests	1,473	1,456
Total net assets	60,210	60,673
Total liabilities and net assets	75,322	74,625

**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, 2014	Six months ended September 30, 2015
Net sales	29,514	29,335
Cost of sales	18,814	18,975
Gross profit	10,699	10,360
Selling, general and administrative expenses	7,860	8,287
Operating income	2,839	2,073
Non-operating income		
Interest income	17	23
Dividend income	68	82
Insurance income	3	56
Other	106	86
Total non-operating income	196	250
Non-operating expenses		
Interest expenses	11	15
Foreign exchange losses	14	7
Share of loss of entities accounted for using equity method	41	–
Loss on valuation of derivatives	8	51
Other	18	16
Total non-operating expenses	94	91
Ordinary income	2,941	2,232
Extraordinary income		
Gain on sales of investment securities	–	235
Gain on sales of shares of subsidiaries and associates	–	298
Total extraordinary income	–	534
Extraordinary losses		
Loss on disposal of non-current assets	7	16
Loss on valuation of investment securities	54	1
Total extraordinary losses	61	17
Income before income taxes and minority interests	2,880	2,749
Income taxes	994	720
Profit	1,886	2,028
Profit attributable to non-controlling interests	71	69
Profit attributable to owners of parent	1,814	1,959

**Consolidated statements of comprehensive income (cumulative)**

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Profit	1,886	2,028
Other comprehensive income		
Valuation difference on available-for-sale securities	492	(506)
Foreign currency translation adjustment	(546)	(141)
Remeasurements of defined benefit plans, net of tax	53	36
Share of other comprehensive income of entities accounted for using equity method	11	(188)
Total other comprehensive income	10	(799)
Comprehensive income	1,897	1,229
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,845	1,174
Comprehensive income attributable to non-controlling interests	51	54

## Consolidated statements of cash flows

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from operating activities		
Income before income taxes and minority interests	2,880	2,749
Depreciation	1,315	1,528
Increase (decrease) in allowance for doubtful accounts	0	(10)
Increase (decrease) in net defined benefit liability	20	23
Interest and dividend income	(86)	(106)
Interest expenses	11	15
Share of (profit) loss of entities accounted for using equity method	41	–
Loss (gain) on disposal of non-current assets	7	16
Loss (gain) on sales of investment securities	–	(235)
Loss (gain) on valuation of investment securities	54	1
Loss (gain) on sales of shares of subsidiaries and associates	–	(298)
Decrease (increase) in notes and accounts receivable - trade	2,147	2,055
Decrease (increase) in inventories	(417)	(533)
Increase (decrease) in notes and accounts payable - trade	(190)	(196)
Other, net	138	(218)
Subtotal	5,920	4,789
Interest and dividend income received	109	110
Interest expenses paid	(13)	(15)
Income taxes paid	(1,469)	(620)
Net cash provided by (used in) operating activities	4,546	4,265
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,260)	(1,479)
Proceeds from sales of property, plant and equipment	9	25
Purchase of intangible assets	(246)	(131)
Purchase of investment securities	(8)	(8)
Proceeds from sales of investment securities	–	477
Proceeds from redemption of investment securities	700	–
Payments into time deposits	(6)	(287)
Proceeds from withdrawal of time deposits	12	0
Proceeds from sales of shares of subsidiaries and associates	–	736
Collection of loans receivable	0	0
Purchase of insurance funds	(121)	(152)
Proceeds from maturity of insurance funds	13	125
Other, net	(18)	(6)
Net cash provided by (used in) investing activities	(925)	(700)

(Millions of yen)

	Six months ended September 30, 2014	Six months ended September 30, 2015
Cash flows from financing activities		
Repayments of long-term loans payable	(85)	(88)
Cash dividends paid	(865)	(834)
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	–	(24)
Dividends paid to non-controlling interests	(44)	(42)
Purchase of treasury shares	(2,500)	(1)
Proceeds from disposal of treasury shares	86	60
Proceeds from sales and leasebacks	416	–
Repayments of lease obligations	(43)	(43)
Net cash provided by (used in) financing activities	(3,037)	(974)
Effect of exchange rate change on cash and cash equivalents	(148)	(40)
Net increase (decrease) in cash and cash equivalents	434	2,549
Cash and cash equivalents at beginning of period	11,890	11,196
Increase (decrease) in cash and cash equivalents resulting from changes in the fiscal year-end of subsidiaries	–	2
Cash and cash equivalents at end of period	12,325	13,748