

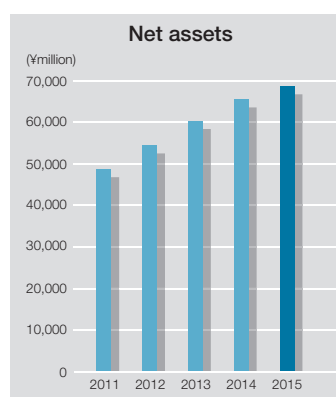
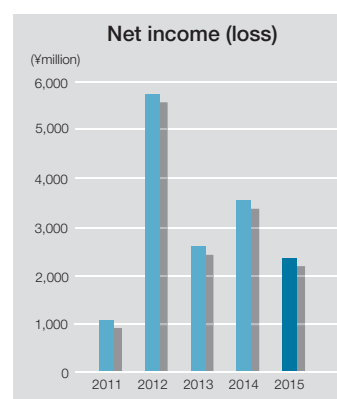
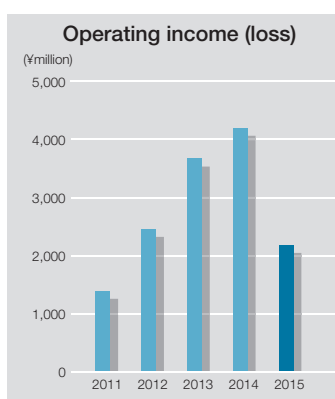
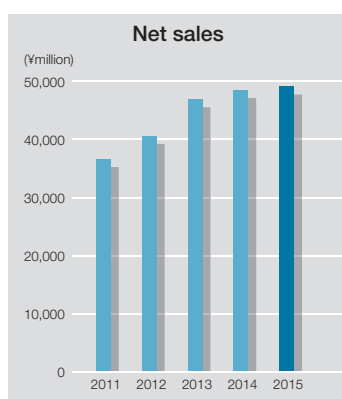
Consolidated Performance Highlights

OYO Corporation

Years ended December 31, 2014 and 2015

	(Millions of yen)		(Thousands of U.S. dollars)
	2014	2015	2015
For the Year:			
Net sales	¥48,634	¥49,230	\$408,412
Operating income	4,211	2,188	18,155
Income before income taxes	4,796	2,677	22,215
Net income	3,550	2,361	19,588
At Year-End:			
Total assets	¥80,367	¥83,617	\$693,694
Net assets	65,740	68,910	571,678
	(yen)		(U.S. dollars)
Per Share Data:			
Net income	¥131.12	¥ 87.20	\$ 0.72
Cash dividends	26.00	28.00	0.23

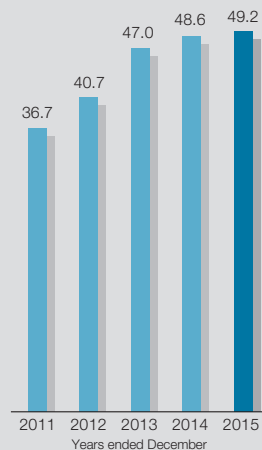
* The U.S. Dollar amounts in this investors' guide are translated from Japanese Yen, for convenience only, at the rate of ¥120.54=U.S.\$1, the approximate rate of exchange on December 30, 2015.



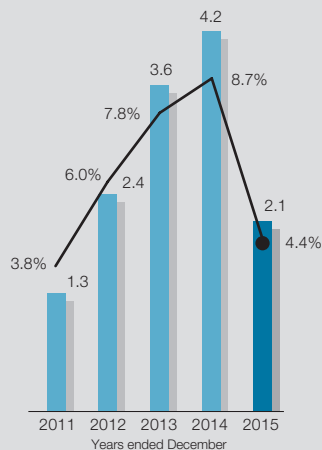
● In this leaflet, money amounts recorded in discussions of results and financial statements have been rounded down to the nearest indicated unit.

Main Consolidated Financial Indicators

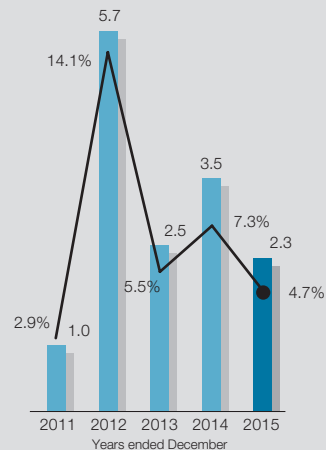
Net Sales
(Billions of yen)



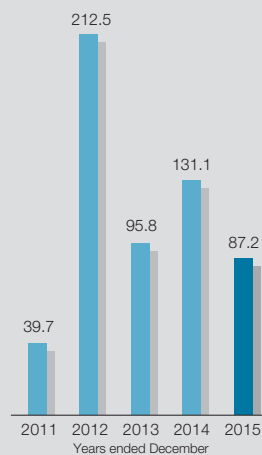
Operating Income (loss) (Billions of yen)
Operating Income Ratio (%)



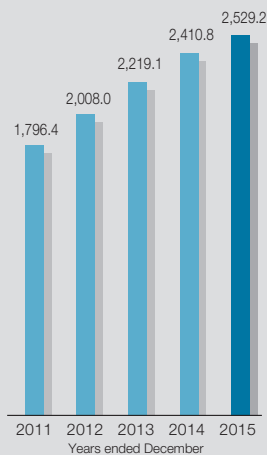
Net Income (loss) (Billions of yen)
Return on Sales (%)



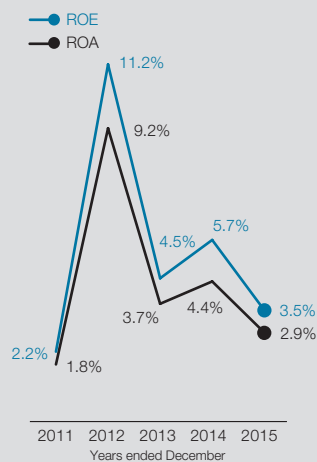
Net Income (loss) per Share
(Yen)



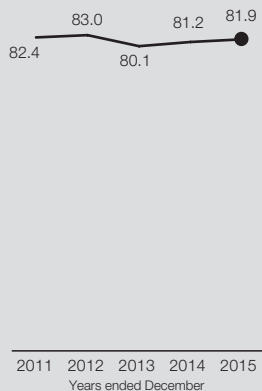
Book Value per Share
(Yen)



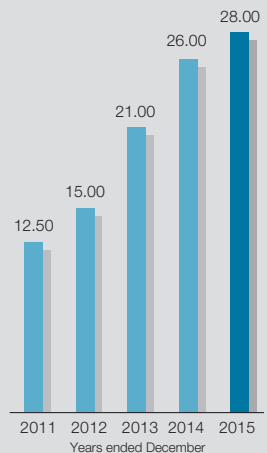
ROE and ROA
(%)



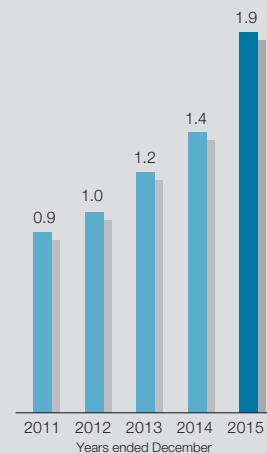
Shareholders' Equity Ratio
(%)



Cash Dividends per Share
(Yen)



R&D Expenditure
(Billions of yen)



Consolidated statements of cash flows*

Years ended December 31, 2014 and 2015

	(Millions of yen)		(Thousands of U.S. dollars)
	2014	2015	2015
Cash flows from operating activities			
Income before income taxes and minority interests	¥ 4,796	¥ 2,677	\$ 22,215
Depreciation and amortization	1,018	1,322	10,974
Amortization of goodwill	227	238	1,977
Increase (decrease) in provision for bonuses	67	(209)	(1,740)
Interest income and dividends' income	(144)	(150)	(1,250)
Interest expenses	9	9	81
Equity in (earnings) losses of affiliates	(35)	31	261
Loss (gain) on sales of investment securities	(1)	—	—
Settlement received	(158)	—	—
Compensation income for damage	—	(143)	(1,186)
Decrease (increase) in notes and accounts receivable-trade	400	(1,219)	(10,119)
Decrease (increase) in inventories	(80)	208	1,731
Decrease (increase) in costs on uncompleted services	397	(136)	(1,135)
Increase (decrease) in notes and accounts payable-trade	(1,392)	578	4,799
Increase (decrease) in advances received on uncompleted contracts	(13)	(116)	(968)
Other	169	217	1,807
Subtotal	5,260	3,308	27,447
Interest and dividend income received	176	184	1,529
Interest expenses paid	(9)	(9)	(81)
Compensation income for damage received	—	143	1,186
Income taxes paid	(1,257)	(1,579)	(13,099)
Net cash provided by (used in) operating activities	4,170	2,047	16,981
Cash flows from investment activities			
Payments into time deposits	(25)	(200)	(1,659)
Proceeds from withdrawal of time deposits	—	5,989	49,688
Purchase of short-term investment securities	(799)	(400)	(3,325)
Proceeds from sales of short-term investment securities	1,113	1,606	13,323
Purchase of property, plant and equipment and intangible assets	(1,692)	(1,724)	(14,303)
Proceeds from sales of property, plant and equipment and intangible assets	99	12	107
Purchase of investment securities	(512)	(1,418)	(11,769)
Proceeds from sales of investment securities	21	215	1,784
Payments of long-term loans receivable	(5)	(28)	(234)
Collection of loans receivable	17	5	43
Other	28	(10)	(88)
Net cash provided by (used in) investing activities	(1756)	4,046	33,567
Cash flows from financing activities			
Decrease in long-term loans payable	(0)	—	—
Repayments of lease obligations	(481)	(111)	(922)
Proceeds from sales of treasury stock	282	—	—
Purchase of treasury stock	(283)	(0)	(1)
Cash dividends paid	(652)	(763)	(6,336)
Cash dividends paid to minority shareholders	(1)	(9)	(76)
Other	—	(17)	(146)
Net cash provided by (used in) financing activities	(1136)	(902)	(7,483)
Effect of exchange rate change on cash and cash equivalents	326	297	2,468
Net increase (decrease) in cash and cash equivalents	1,604	5,488	45,534
Cash and cash equivalents at beginning of the year	18,031	19,635	162,900
Cash and cash equivalents at end of the year	¥19,635	¥25,124	\$208,434

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Consolidated Financial Statements

Consolidated statements of income and consolidated statements of comprehensive income

Consolidated statements of income*

Years ended December 31, 2014 and 2015

	(Millions of yen)		(Thousands of U.S. dollars)
	2014	2015	2015
Net sales	¥48,634	¥49,230	\$408,412
Cost of sales	33,168	34,341	284,894
Gross profit	15,465	14,888	123,518
Selling, general and administrative expenses			
Directors' compensations	648	784	6,505
Salaries and allowances	4,023	4,298	35,662
Provision for bonuses	133	76	635
Provision for stock benefits	24	10	88
Legal welfare expenses	630	698	5,791
Retirement benefit expenses	82	109	910
Traveling and transportation expenses	463	506	4,205
Rent expenses	345	413	3,432
Depreciation	332	338	2,810
Research and development expenses	1,498	1,910	15,851
Amortization of goodwill	227	238	1,977
Other	2,844	3,313	27,492
Total selling, general and administrative expenses	11,254	12,700	105,363
Operating income	4,211	2,188	18,155
Non-operating income			
Interest income	93	84	697
Dividends income	51	66	552
Equity in earnings of affiliates	35	—	—
Foreign exchange gains	18	—	—
Insurance and dividends income	107	85	710
Rent of real estate	53	48	403
Reversal of allowance for doubtful accounts	42	61	509
Other	64	108	903
Total non-operating income	466	455	3,777
Non-operating expenses			
Interest expenses	9	9	81
Equity in losses of affiliates	—	31	261
Provision of allowance for doubtful accounts	—	26	219
Rent cost of real estate	16	16	139
Other	1	24	202
Total non-operating expenses	27	109	904
Ordinary income	4,650	2,534	21,028
Extraordinary income			
Gain on sales of noncurrent assets	26	—	—
Gain on sales of investment securities	1	—	—
Settlement received	158	—	—
Compensation income for damage	—	143	1,186
Total extraordinary income	187	143	1,186
Extraordinary loss			
Loss on sales of noncurrent assets	5	—	—
Loss on retirement of noncurrent assets	35	—	—
Total extraordinary loss	40	—	—
Income before income taxes and minority interests	4,796	2,677	22,215
Income taxes-current	1,783	1,120	9,291
Income taxes-deferred	(557)	168	1,399
Refund of income taxes	—	(941)	(7,806)
Total income taxes	1,226	348	2,889
Income before minority interests	3,570	2,329	19,326
Minority interest in income (loss)	19	(31)	(262)
Net income	¥ 3,550	¥ 2,361	\$ 19,588

Consolidated statements of comprehensive income*

Years ended December 31, 2014 and 2015

	(Millions of yen)		(Thousands of U.S. dollars)
	2014	2015	2015
Income before minority interests	¥3,570	¥2,329	\$19,326
Other comprehensive income			
Valuation difference on available-for-sale securities	359	55	462
Revaluation reserve for land	—	54	450
Foreign currency translation adjustment	1,744	1,445	11,990
Remeasurements of defined benefit plans	—	70	583
Total other comprehensive income	2,103	1,625	13,487
Comprehensive income	5,673	3,955	32,813
(Breakdown)			
Comprehensive income attributable to shareholders of the parent	¥5,653	¥3,989	\$33,093
Comprehensive income attributable to minority interests	20	(33)	(279)

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Consolidated balance sheets*
Years ended December 31, 2014 and 2015

	(Millions of yen)		(Thousands of U.S. dollars)
	2014	2015	2015
Assets			
Current assets			
Cash and deposits	¥24,270	¥24,376	\$202,224
Notes and accounts receivable-trade	2,558	1,881	15,612
Accounts receivable-completed operation	14,478	16,560	137,388
Lease receivables and investment assets	2,080	2,616	21,707
Short-term investment securities	2,429	2,530	20,992
Costs on uncompleted services	2,456	2,594	21,521
Merchandise and finished goods	442	403	3,346
Work in process	870	686	5,691
Raw materials and supplies	2,105	2,347	19,471
Deferred tax assets	602	466	3,873
Other	1,414	2,084	17,289
Allowance for doubtful accounts	(16)	(12)	(105)
Total current assets	<u>53,691</u>	<u>56,534</u>	<u>469,012</u>
Noncurrent assets			
Property, plant and equipment			
Buildings and structures	13,746	14,667	121,684
Accumulated depreciation	(8,943)	(9,380)	(77,817)
Buildings and structures, net	<u>4,802</u>	<u>5,287</u>	<u>43,866</u>
Machinery, equipment and vehicles	7,068	7,272	60,335
Accumulated depreciation	(5,806)	(6,061)	(50,284)
Machinery, equipment and vehicles, net	<u>1,261</u>	<u>1,211</u>	<u>10,051</u>
Tools, furniture and fixtures	1,758	1,727	14,333
Accumulated depreciation	(1,604)	(1,598)	(13,265)
Tools, furniture and fixtures, net	<u>154</u>	<u>128</u>	<u>1,067</u>
Land	6,823	6,841	56,760
Lease assets	518	518	4,304
Accumulated depreciation	(214)	(275)	(2,285)
Lease assets, net	<u>303</u>	<u>243</u>	<u>2,018</u>
Construction in progress	289	229	1,903
Total property, plant and equipment	<u>13,635</u>	<u>13,942</u>	<u>115,668</u>
Intangible assets			
Software	262	312	2,595
Software in progress	—	334	2,775
Goodwill	748	581	4,821
Other	680	564	4,683
Total intangible assets	<u>1,692</u>	<u>1,793</u>	<u>14,875</u>
Investments and other assets			
Investment securities	7,092	6,995	58,034
Long-term loans receivable	3	28	234
Net defined benefit asset	1,016	1,063	8,818
Deferred tax assets	0	8	69
Real estate for investment	534	534	4,431
Accumulated depreciation	(167)	(179)	(1,491)
Real estate for investment, net	<u>366</u>	<u>354</u>	<u>2,939</u>
Other	3,455	3,457	28,686
Allowance for doubtful accounts	(586)	(560)	(4,646)
Total investments and other assets	<u>11,347</u>	<u>11,347</u>	<u>94,137</u>
Total noncurrent assets	<u>26,675</u>	<u>27,083</u>	<u>224,681</u>
Total assets	<u>¥80,367</u>	<u>¥83,617</u>	<u>\$693,694</u>

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	(Millions of yen)		(Thousands of U.S. dollars)
	2014	2015	2015
Liabilities			
Current liabilities			
Notes and accounts payable-trade	¥ 527	¥ 496	\$ 4,122
Accounts payable-operating	1,521	2,162	17,936
Lease obligations	649	889	7,376
Provision for product warranties	110	118	983
Income taxes payable	1,066	388	3,218
Advances received on uncompleted contracts	814	697	5,789
Provision for bonuses	427	218	1,808
Provision for loss on orders received	8	18	152
Other	3,938	4,104	34,049
Total current liabilities	9,064	9,093	75,437
Noncurrent liabilities			
Lease obligations	1,736	1,977	16,402
Net defined benefit liability	2,295	2,053	17,031
Provision for stock benefits	47	58	488
Deferred tax liabilities	755	733	6,082
Deferred tax liabilities for land revaluation	585	531	4,408
Other	141	260	2,164
Total noncurrent liabilities	5,562	5,614	46,578
Total liabilities	14,627	14,707	122,015
Net assets			
Shareholders' equity			
Capital stock	16,174	16,174	134,184
Capital surplus	16,603	16,602	137,730
Retained earnings	38,459	40,040	332,179
Treasury stock	(5,148)	(5,149)	(42,717)
Total shareholders' equity	66,088	67,668	561,377
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,128	1,183	9,820
Revaluation reserve for land	(2,479)	(2,425)	(20,120)
Foreign currency translation adjustment	354	1,802	14,952
Remeasurements of defined benefit plans	188	259	2,149
Total accumulated other comprehensive income	(808)	819	6,801
Minority interests	459	421	3,498
Total net assets	65,740	68,910	571,678
Total liabilities and net assets	¥80,367	¥83,617	\$693,694