

FY2013 Consolidated Financial Results (December 1, 2012 - November 30, 2013)

Company name : **OSG Corporation**
 Shares Listed : 1st section of Tokyo and Nagoya Stock Exchanges
 Code Number : 6136
 Location of the head office : Aichi Prefecture
 Representative : Norio Ishikawa, President
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1. Consolidated Results for FY2013 (December 1, 2012 - November 30, 2013)

(1) Consolidated financial results

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2013	88,378	5.1	12,827	-8.1	13,910	1.6	8,619	20.8
FY2012	84,083	3.9	13,954	13.4	13,695	20.4	7,138	20.9

(Note) Comprehensive income FY2013: 20,564 million yen (138.6%) FY2012: 8,618 million yen (110.5%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2013	90.76	82.80	11.9	10.9	14.5
FY2012	75.16	70.67	11.5	12.1	16.6

(Reference) Equity in net income of affiliates FY2013: 5 million yen FY2012: 9 million yen

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2013	134,503	87,621	59.5	842.71
FY2012	121,689	71,471	53.0	679.01

(Reference) Equity FY2013: 80,024 million yen FY2012: 64,482 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2013	16,171	-2,972	-9,423	16,803
FY2012	12,286	-19,746	8,643	11,669

2. Dividends

	Dividends per share			Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 2Q	Year-end	Annual			
	Yen	Yen	Yen	Million yen	%	%
FY2012	10.00	13.00	23.00	2,184	30.6	3.5
FY2013	10.00	20.00	30.00	2,848	33.1	3.9
FY2014 forecast	14.00	14.00	28.00		—	

(Note) Details of year-end dividends for FY2013 Regular dividends: 17.00 yen Commemorative dividends: 3.00 yen

3. Forecast of Consolidated Results for FY2014 (December 1, 2013 - November 30, 2014)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Yen	%	Yen	%	Yen	%	Yen	%	Yen
Semi-Annual	47,100	13.5	7,200	38.3	7,400	19.8	4,100	24.4	43.18
Annual	96,000	8.6	15,000	16.9	15,400	10.7	8,600	-0.2	90.56

4. Others

- (1) Changes in significant subsidiaries during the current period
(Changes in specified subsidiaries that caused a change in the scope of consolidation) : None
- (2) Changes in accounting principles and accounting estimates and retrospective restatement
 - (i) Changes in accounting principles due to amendment to accounting standards: Yes
 - (ii) Changes other than (2)-(i) above: None
 - (iii) Changes in accounting estimates: Yes
 - (iv) Retrospective restatement: None
- (3) Number of shares issued and outstanding (common stock)
 - (i) Number of shares issued and outstanding at the end of each period (including treasury stock):
FY2013: 98,955,226 shares FY2012: 98,955,226 shares
 - (ii) Number of treasury stock at the end of each period:
FY2013: 3,993,879 shares FY2012: 3,989,962 shares
 - (iii) Average number of shares outstanding in each period:
FY2013: 94,963,549 shares FY2012: 94,966,031 shares

[Note regarding forecast]

The above forecasts for financial results are based on information available at the time this report was released. These forecasts and other forward-looking statements are not guarantees of future performance. Actual operating results may differ from the above forecasts due to known and unknown risks, uncertainties, and other factors.

Consolidated Summary Balance Sheet
OSG Corporation

Assets	(Million yen : amounts less than one million yen are omitted)		
	FY2012 As of Nov. 30, 2012	FY2013 As of Nov. 30, 2013	Changes
Current Assets			
Cash and time deposits	21,036	23,876	
Notes and accounts receivable	16,570	19,251	
Marketable securities	0	1	
Merchandise and finished goods	13,772	15,755	
Work in process	3,545	4,055	
Raw materials and supplies	5,335	5,811	
Deferred tax assets	1,425	1,456	
Other	2,348	2,220	
Allowance for doubtful accounts	(182)	(191)	
Total current assets	63,852	72,237	8,384
Fixed Assets			
Tangible Assets			
Building and structures	14,339	15,416	
Machinery and equipment	18,328	21,433	
Tools, furniture and fixtures	1,678	1,808	
Land	11,960	12,983	
Construction in progress	1,699	821	
Other	5	4	
Total tangible assets	48,013	52,467	4,454
Intangible Assets			
Goodwill	309	251	
Other	1,968	1,458	
Total intangible assets	2,277	1,709	(568)
Investments and Other Assets			
Investment securities	3,397	5,629	
Deferred tax assets	1,045	538	
Other	3,348	2,198	
Allowance for doubtful accounts	(244)	(277)	
Total investments and other assets	7,546	8,088	542
Total fixed assets	57,837	62,266	4,428
Total	121,689	134,503	12,813

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets

(Million yen : amounts less than one million yen are omitted)

	FY2012 As of Nov. 30, 2012	FY2013 As of Nov. 30, 2013	Changes
Current Liabilities			
Notes and accounts payable	3,686	3,701	
Short-term borrowings	4,755	2,982	
Long-term borrowings, current portion	3,585	10,058	
Accrued expenses	4,995	5,568	
Income taxes payable	1,599	2,020	
Deferred tax liabilities	-	0	
Reserve for directors' bonuses	370	336	
Other	2,451	2,803	
Total current liabilities	21,443	27,470	6,026
Long-term Liabilities			
Convertible bonds	15,000	15,000	
Long-term borrowings	10,942	1,023	
Deferred tax liabilities	482	678	
Liabilities for employees' retirement benefits	290	296	
Retirement allowance for directors and corporate auditors	51	54	
Long-term accrued amount payable	1,014	1,227	
Other	992	1,131	
Total long-term liabilities	28,774	19,411	(9,363)
Total liabilities	50,218	46,881	(3,337)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	14,197	14,197	
Retained earnings	55,130	61,565	
Treasury stock	(4,831)	(4,837)	
Total shareholders' equity	74,901	81,330	6,429
Other items			
Unrealized gain on available-for-sale securities	482	1,727	
Deferred gain on derivatives under hedge accounting	1	-	
Foreign currency translation adjustments	(10,903)	(3,033)	
Total other items	(10,419)	(1,305)	9,113
Minority Interests	6,989	7,596	607
Total net assets	71,471	87,621	16,150
Total liabilities and net assets	121,689	134,503	12,813

Consolidated Summary Statement of Income
OSG Corporation

(Million yen : amounts less than one million yen are omitted)

	FY2012 (2011/12/1 - 2012/11/30)	FY2013 (2012/12/1 - 2013/11/30)	Changes
Net Sales	84,083	88,378	4,295
Cost of Sales	49,381	52,777	3,395
Gross profit	34,702	35,601	899
Selling, general and administrative expenses	20,747	22,774	2,026
Operating income	13,954	12,827	(1,127)
Other Income			
Interest income	179	153	
Dividend income	67	71	
Foreign exchange gain	165	1,426	
Other - net	623	619	
Total other income	1,036	2,271	1,235
Other Expenses			
Interest expense	397	339	
Sales discounts	591	540	
Bond issue expenses	22	-	
Other - net	283	307	
Total other expenses	1,295	1,187	(107)
Ordinary income	13,695	13,910	215
Extraordinary gain			
Gain on negative goodwill	-	443	
Other - net	141	89	
Total extraordinary gain	141	533	391
Extraordinary loss	21	6	(15)
Income before income taxes and minority interests	13,815	14,437	621
Income taxes	5,528	4,409	(1,119)
Minority interests	1,148	1,408	259
Net income	7,138	8,619	1,481

Consolidated Summary Statement of Cash Flows
OSG Corporation

(Million yen : amounts less than one million yen are omitted)

	FY2012 (2011/12/1 - 2012/11/30)	FY2013 (2012/12/1 - 2013/11/30)
Operating Activities:		
Income before income taxes and minority interest	13,815	14,437
Depreciation and amortization	5,688	6,716
Amortization of good will	134	71
Change in allowance for doubtful receivables	(8)	(23)
Change in liability for directors' bonuses	60	(34)
Change in liability for employees' retirement benefits	20	(21)
Change in retirement allowance for directors and corporate auditors	(0)	2
Interest and dividend income	(247)	(224)
Interest expense	397	339
Equity in earnings of affiliates	(9)	(5)
Loss (gain) on sales of tangible assets	(21)	(88)
Write-down of securities	13	-
Subsidy income	(117)	-
Gain on negative goodwill	-	(443)
Change in notes and accounts receivable	(21)	425
Change in inventories	(3,738)	341
Change in notes and accounts payable	(751)	(1,617)
Change in accrued expenses	(196)	271
Other - net	582	(168)
Sub-total	15,599	19,978
Interest and dividend income received	192	267
Interest expense paid	(407)	(345)
Subsidies received	56	-
Income taxes - paid	(3,264)	(3,846)
Income taxes - refunded	110	118
Net cash provided by operating activities	12,286	16,171
Investing Activities:		
Payments for time deposits	(12,120)	(987)
Proceeds from refund of time deposits	3,477	5,159
Proceeds from sales of marketable securities	0	0
Purchases of investment securities	(26)	(438)
Proceeds from sales of investment securities	0	1
Acquisitions of property, plant and equipment	(10,284)	(5,876)
Proceeds from sales of property, plant and equipment	137	247
Acquisitions of intangible assets	(128)	(100)
Payment for purchase of subsidiaries' stock	(401)	(1,198)
Other - net	(400)	220
Net cash used in investing activities	(19,746)	(2,972)
Financing Activities:		
Change in short-term borrowings - net	(1,286)	(2,775)
Proceeds from long-term borrowings	1,026	-
Repayment of long-term borrowings	(3,587)	(3,663)
Proceeds from the issuance of convertible bonds	14,977	-
Dividends paid	(2,085)	(2,181)
Dividends paid to minority shareholders	(389)	(799)
Purchase of treasury stock	(2)	(5)
Other - net	(8)	2
Net cash provided by (used in) financing activities	8,643	(9,423)
Effect of exchange rate change on cash and cash equivalents	73	1,358
Net increase in cash and cash equivalents	1,257	5,133
Cash and cash equivalents at beginning of year	10,412	11,669
Cash and cash equivalents at end of year	11,669	16,803

Operations by Geographical Segment

Results for FY2013 (2012/12/1 - 2013/11/30)

	Million yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	41,922	16,093	7,827	22,534	88,378	-	88,378
Interarea transfers	13,793	188	24	1,270	15,277	(15,277)	-
Total sales	55,716	16,282	7,852	23,805	103,656	(15,277)	88,378
Operating income	6,787	1,644	766	4,211	13,410	(583)	12,827

(Reference)

Results for FY2012 (2011/12/1 - 2012/11/30)

	Million yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	44,212	13,605	6,491	19,774	84,083	-	84,083
Interarea transfers	14,818	209	23	1,148	16,199	(16,199)	-
Total sales	59,030	13,814	6,514	20,923	100,283	(16,199)	84,083
Operating income	7,773	1,600	666	4,279	14,320	(365)	13,954

Net sales by Product Segment

	Million yen	
	FY2012 (2011/12/1-2012/11/30)	FY2013 (2012/12/1 - 2013/11/30)
Cutting tools:		
Taps	29,379	28,924
End mills	18,472	20,857
Drills and other cutting tools	19,839	20,724
Total	67,690	70,506
Rolling dies	7,280	7,681
Gauges	1,176	1,232
Other	7,935	8,958
Total	84,083	88,378