January 10, 2013

FY2012 Consolidated Financial Results (December 1, 2011 - November 30, 2012)

Company name : **OSG Corporation**
Stocks Listed : 1st section of Tokyo and Nagoya Stock Exchanges
Code Number : 6136
Location of the head office : Aichi Prefecture
Representative: : Norio Ishikawa, President
Contact person: : Koji Sonobe, Managing Director
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1. Consolidated Results for FY2012 (December 1, 2011 - November 30, 2012)

(1)Consolidated financial results (Amounts less than one million yen are omitted)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2012	84,083	3.9	13,954	13.4	13,695	20.4	7,138	20.9
FY2011	80,959	16.5	12,305	63.5	11,374	69.8	5,904	56.5

	Net income per share - basic	Net income per share - diluted	ROE
	Yen	Yen	%
FY2012	75.16	70.67	11.5
FY2011	62.18	-	10.1

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY2012	121,689	71,471	53.0	679.01
FY2011	104,373	65,347	56.9	625.14

Reference: Equity FY2012: 64,482 million yen, FY2011: 59,367 million yen

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash & cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2012	12,286	(19,746)	8,643	11,669
FY2011	11,344	(8,195)	(5,855)	10,412

2. Cash Dividends

	Cash dividends per share			Payout ratio
	Interim	Year-end	Annual	(Consolidated)
	Yen	Yen	Yen	%
FY2011	6.00	12.00	18.00	28.9
FY2012	10.00	13.00	23.00	30.6
FY2013 forecast	10.00	13.00	23.00	32.6

3. Forecast of Consolidated Results for FY2013 (December 1, 2012 - November 30, 2013)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Semi-Annual	41,000	-4.6	5,700	-23.8	5,500	-27.4	3,100	-20.2
Annual	86,000	2.3	12,800	-8.3	12,400	-9.5	6,700	-6.1

	Net income per share
	Yen
Semi-Annual	32.64
Annual	70.55

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: none
(ii) Changes other than (2)-(i) above: none
(iii) Changes in accounting estimates: none
(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):
FY2012: 98,955,226 shares FY2011: 98,955,226 shares
(ii) Number of treasury stock at the end of each period:
FY2012: 3,989,962 shares FY2011: 3,988,206 shares
(iii) Average number of shares outstanding in each period:
FY2012: 94,966,031 shares FY2011: 94,967,733 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)

	FY2011 As of Nov. 30, 2011	FY2012 As of Nov. 30, 2012	Changes
Current Assets			
Cash and time deposits	11,066	21,036	
Notes and accounts receivable	16,396	16,570	
Marketable securities	0	0	
Merchandise and finished goods	11,283	13,772	
Work in process	3,443	3,545	
Raw materials and supplies	4,070	5,335	
Deferred tax assets	1,913	1,425	
Other	2,251	2,348	
Allowance for doubtful accounts	(160)	(182)	
Total current assets	50,266	63,852	13,586
Fixed Assets			
Tangible Assets			
Building and structures	13,239	14,339	
Machinery and equipment	13,906	18,328	
Tools, funiture and fixtures	1,339	1,678	
Land	11,635	11,960	
Construction in progress	2,029	1,699	
Other	9	5	
Total tangible assets	42,159	48,013	5,854
Intangible Assets			
Goodwill	460	309	
Other	2,448	1,968	
Total intangible assets	2,909	2,277	(632)
Investments and Other Assets			
Investment securities	3,400	3,397	
Deferred tax assets	2,691	1,045	
Other	3,216	3,347	
Allowance for doubtful accounts	(271)	(244)	
Total investments and other assets	9,039	7,546	(1,493)
Total fixed assets	54,107	57,837	3,730
Total	104,373	121,689	17,316

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets

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

	FY2011 As of Nov. 30, 2011	FY2012 As of Nov. 30, 2012	Changes
Current Liabilities			
Notes and accounts payable	4,386	3,686	
Short-term borrowings	5,977	4,755	
Long-term borrowings, current portion	3,443	3,585	
Accrued expenses	5,185	4,995	
Income taxes payable	1,596	1,599	
Deferred tax liabilities	0	-	
Reserve for directors' bonuses	310	370	
Other	1,900	2,451	
Total current liabilities	22,800	21,443	(1,357)
Long-term Liabilities			
Convertible bonds	-	15,000	
Long-term borrowings	13,591	10,942	
Deferred tax liabilities	280	482	
Liabilities for employees' retirement benefits	268	290	
Retirement allowance for directors and corporate auditors	52	51	
Long-term accrued amount payable	1,000	1,014	
Other	1,031	992	
Total long-term liabilities	16,225	28,774	12,549
Total liabilities	39,025	50,218	11,193
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	14,197	14,197	
Retained earnings	50,082	55,130	
Treasury stock	(4,829)	(4,831)	
Total shareholders' equity	69,854	74,901	5,047
Other items			
Unrealized gain on available-for-sale securities	715	482	
Deferred loss on derivatives under hedge accounting	(8)	1	
Foreign currency translation adjustments	(11,193)	(10,903)	
Total other items	(10,486)	(10,419)	67
Minority Interests	5,979	6,989	1,010
Total net assets	65,347	71,471	6,124
Total liabilities and net assets	104,373	121,689	17,316

Consolidated Summary Statement of Income

OSG Corporation

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

	FY2011 (2010/12/1 - 2011/11/30)	FY2012 (2011/12/1 - 2012/11/30)	Changes
Net Sales	80,959	84,083	3,124
Cost of Sales	48,439	49,381	942
Gross profit	32,519	34,702	2,183
Selling, general and administrative expenses	20,214	20,747	533
Operating income	12,305	13,954	1,649
Other Income			
Interest income	169	179	
Dividend income	56	67	
Foreign exchange gain	-	165	
Other - net	458	622	
Total other income	685	1,036	351
Other Expenses			
Interest expense	427	397	
Sales discounts	548	591	
Bond issue expenses	-	22	
Foreign exchange loss	443	-	
Other - net	197	283	
Total other expenses	1,616	1,295	(321)
Ordinary income	11,374	13,695	2,321
Extraordinary gain	64	141	77
Extraordinary loss	420	21	(399)
Income before income taxes and minority interests	11,018	13,815	2,797
Income taxes	4,240	5,528	1,288
Minority interests	873	1,148	275
Net income	5,904	7,138	1,234

Consolidated Summary Statement of Cash Flows
OSG Corporation

(Millions of yen : amounts less than one million yen are omitted)

	FY2011 (2010/12/1 - 2011/11/30)	FY2012 (2011/12/1 - 2012/11/30)
Operating Activities:		
Income before income taxes and minority interest	11,018	13,815
Depreciation and amortization	5,657	5,688
Amortization of good will	141	134
Change in allowance for doubtful receivables	(5)	(8)
Change in liability for directors' bonuses	127	60
Change in liability for employees' retirement benefits	49	20
Change in retirement allowance for directors and corporate auditors	2	(0)
Interest and dividend income	(226)	(247)
Interest expense	427	397
Equity in earnings of affiliates	(4)	(9)
Loss on disposal of tangible assets	58	-
Loss (gain) on sales of tangible assets	14	(21)
Write-down of securities	-	13
Loss on valuation of investment in affiliates	318	-
Gain on reimbursement of cancellation cost of system contracts	(30)	-
Subsidy income	-	(117)
Change in notes and accounts receivable	(1,953)	(21)
Change in inventories	(2,610)	(3,738)
Change in notes and accounts payable	1,075	(751)
Change in accrued expenses	236	(196)
Other - net	(273)	582
Sub-total	14,023	15,599
Interest and dividend income received	240	192
Interest expense paid	(438)	(407)
Subsidies received	61	56
Income taxes - paid	(2,588)	(3,264)
Income taxes - refunded	46	110
Net cash provided by operating activities	11,344	12,286
Investing Activities:		
Payments for time deposits	(2,403)	(12,120)
Proceeds from refund of time deposits	2,927	3,477
Proceeds from sales of marketable securities	0	0
Purchases of investment securities	(61)	(26)
Proceeds from sales of investment securities	0	0
Acquisitions of property, plant and equipment	(8,225)	(10,284)
Proceeds from sales of property, plant and equipment	125	137
Acquiditions of intangible assets	(176)	(128)
Payment for purchase of subsidiaries' stock	(309)	(401)
Payment for purchase of affiliates' equity	(11)	-
Other - net	(61)	(400)
Net cash provided by (used in) investing activities	(8,195)	(19,746)
Financing Activities:		
Change in shot-term borrowings - net	1,503	(1,286)
Proceeds from long-term borrowings	351	1,026
Repayment of long-term borrowings	(5,894)	(3,587)
Proceeds from the issuarance of convertible bonds	-	14,977
Dividends paid	(1,333)	(2,085)
Dividends paid to minority shareholders	(479)	(389)
Purchase of treasury stock	(2)	(2)
Other - net	-	(8)
Net cash used in financing activities	(5,855)	8,643
Effect of exchange rate change on cash and cash equivalents	(534)	73
Net increase in cash and cash equivalents	(3,241)	1,257
Cash and cash equivalents at beginning of year	13,525	10,412
Cash and cash equivalents of Newly consolidated subsidiaries at beginning of year	128	-
Cash and cash equivalents at end of year	10,412	11,669

Operations by Geographical Segment

Results for FY2012 (Dec. 1, 2011 through Nov. 30, 2012)

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

(Reference)
Results for FY2011 (Dec. 1, 2010 through Nov. 30, 2011)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	41,266	12,699	6,548	20,444	80,959	-	80,959
Interarea transfers	14,260	184	15	882	15,342	(15,342)	-
Total sales	55,526	12,884	6,563	21,326	96,301	(15,342)	80,959
Operating income	6,326	1,372	850	4,332	12,881	(576)	12,305

Net sales by Products Segment

Million yen

	FY2011 (2010/12/1-2011/11/30)	FY2012 (2011/12/1-2012/11/30)
Cutting tools:		
Taps	28,906	29,379
End mills	17,837	18,472
Drills and other cutting tools	18,284	19,839
Total	65,028	67,690
Rolling dies	7,067	7,280
Gauges	1,137	1,176
Other	7,725	7,935
Total	80,959	84,083