July 9, 2013

FY2013 Semi-Annual Consolidated Financial Results (December 1, 2012 - May 31, 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
Contact person: : Koji Sonobe, Managing Director
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1. Consolidated Results for FY2013 Semi-Annual (December 1, 2012 - May 31, 2013)

(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	%
FY2013 semi-annual	41,502	-3.4	5,206	-30.4	6,178	-18.4	3,296	-15.1
FY2012 semi-annual	42,984	9.6	7,483	40.3	7,572	52.1	3,883	51.9

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
FY2013 semi-annual	34.72	31.67
FY2012 semi-annual	40.89	39.66

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2013 semi-annual	129,156	81,858	57.3
FY2012	121,689	71,471	53.0

Reference: Equity FY2013 semi-annual: 73,992 million yen, FY2012: 64,482 million yen

2. Cash Dividends

	Cash dividends per share		
	Interim	Year-end	Annual
	Yen	Yen	Yen
FY2012	10.00	13.00	23.00
FY2013	10.00		
FY2013 forecast		13.00	23.00

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	%
Annual	86,000	2.3	12,800	-8.3	12,400	-9.5	6,700	-6.1

	Net income per share
	Yen
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) Adoption of accounting method specific to the preparation of consolidated quarterly financial statements: Yes

(3) 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 (3)-(i) above: None
(iii) Changes in accounting estimates: Yes
(iv) Retrospective restatement: None

(4) 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 semi-annual: 98,955,226 shares FY2012: 98,955,226 shares
(ii) Number of treasury stock at the end of each period:
FY2013 semi-annual: 3,991,602 shares FY2012: 3,989,962 shares
(iii) Average number of shares outstanding in each period:
FY2013 semi-annual: 94,964,648 shares FY2012 semi-annual: 94,966,480 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 semi-annual As of May. 31, 2013	Changes
Current Assets			
Cash and time deposits	21,036	19,149	
Notes and accounts receivable	16,570	18,205	
Marketable securities	0	0	
Merchandise and finished goods	13,772	15,716	
Work in process	3,545	3,774	
Raw materials and supplies	5,335	5,960	
Other	3,773	4,224	
Allowance for doubtful accounts	(182)	(207)	
Total current assets	63,852	66,825	2,973
Fixed Assets			
Tangible Assets			
Building and structures	14,339	14,950	
Machinery and equipment	18,328	20,631	
Land	11,960	12,685	
Other	3,384	3,456	
Total tangible assets	48,013	51,724	3,711
Intangible Assets			
Goodwill	309	280	
Other	1,968	1,723	
Total intangible assets	2,277	2,003	(274)
Investments and Other Assets			
Investment securities	3,397	5,085	
Other	4,393	3,786	
Allowance for doubtful accounts	(244)	(268)	
Total investments and other assets	7,546	8,602	1,056
Total fixed assets	57,837	62,331	4,494
Total	121,689	129,156	7,467

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 semi-annual As of May. 31, 2013	Changes
Current Liabilities			
Notes and accounts payable	3,686	3,300	
Short-term borrowings	4,755	4,683	
Long-term borrowings, current portion	3,585	1,342	
Income taxes payable	1,599	1,749	
Reserve for employees' bonuses	206	225	
Reserve for directors' bonuses	370	172	
Other	7,240	6,861	
Total current liabilities	21,443	18,336	(3,107)
Long-term Liabilities			
Convertible bonds	15,000	15,000	
Long-term borrowings	10,942	10,587	
Liabilities for employees' retirement benefits	290	349	
Retirement allowance for directors and corporate auditors	51	51	
Other	2,489	2,973	
Total long-term liabilities	28,774	28,961	187
Total liabilities	50,218	47,297	(2,921)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	14,197	14,197	
Retained earnings	55,130	57,193	
Treasury stock	(4,831)	(4,834)	
Total shareholders' equity	74,901	76,961	2,060
Other items			
Unrealized gain on available-for-sale securities	482	1,552	
Deferred gain on derivatives under hedge accounting	1	-	
Foreign currency translation adjustments	(10,903)	(4,521)	
Total other items	(10,419)	(2,968)	7,451
Minority Interests	6,989	7,866	877
Total net assets	71,471	81,858	10,387
Total liabilities and net assets	121,689	129,156	7,467

Consolidated Summary Statement of Income

OSG Corporation

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

	FY2012 semi-annual (2011/12/1 - 2012/5/31)	FY2013 semi-annual (2012/12/1 - 2013/5/31)	Changes
Net Sales	42,984	41,502	(1,482)
Cost of Sales	25,198	25,356	158
Gross profit	17,786	16,145	(1,641)
Selling, general and administrative expenses	10,302	10,939	637
Operating income	7,483	5,206	(2,277)
Other Income			
Interest income	93	78	
Dividend income	26	25	
Foreign exchange gain	275	1,172	
Other - net	296	296	
Total other income	691	1,572	881
Other Expenses			
Interest expense	204	183	
Sales discounts	302	257	
Bond issue expenses	22	-	
Other - net	73	160	
Total other expenses	602	600	(2)
Ordinary income	7,572	6,178	(1,394)
Extraordinary gain	127	85	(42)
Extraordinary loss	10	6	(4)
Income before income taxes and minority interest	7,690	6,257	(1,433)
Income taxes	3,159	2,280	(879)
Minority interests	647	679	32
Net income	3,883	3,296	(587)

Consolidated Summary Statement of Cash Flows
OSG Corporation

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

	FY2012 semi-annual (2011/12/1 - 2012/5/31)	FY2013 semi-annual (2012/12/1 - 2013/5/31)
Operating Activities:		
Income before income taxes and minority interest	7,690	6,257
Depreciation and amortization	2,637	3,200
Amortization of good will	49	51
Gain (loss) on sales of tangible assets	(8)	(84)
Write-down of securities	4	-
Interest and dividend income	(119)	(103)
Interest expense	204	183
Equity in earnings of affiliates	(5)	(4)
Subsidy income	(117)	-
Change in notes and accounts receivable	(494)	793
Change in inventories	(1,733)	(182)
Change in notes and accounts payable	(593)	(1,619)
Change in accrued expenses	(159)	(436)
Other - net	89	(921)
Sub-total	7,443	7,132
Interest and dividend income received	93	159
Interest expense paid	(203)	(187)
Subsidy received	56	-
Income taxes - paid	(1,639)	(1,952)
Income taxes - refunded	110	118
Net cash provided by operating activities	5,860	5,270
Investing Activities:		
Payments for time deposits	(12,084)	(900)
Proceeds from refund of time deposits	223	3,488
Acquisitions of property, plant and equipment	(5,656)	(3,212)
Proceeds from sales of property, plant and equipment	41	187
Purchases of investment securities	(4)	(111)
Payment for purchase of subsidiaries' stock	(45)	(257)
Other - net	(178)	(83)
Net cash used in investing activities	(17,703)	(890)
Financing Activities:		
Change in shot-term borrowings - net	(1,924)	(951)
Proceeds from long-term borrowings	1,051	-
Repayment of long-term borrowings	(730)	(2,770)
Proceeds from the issuarance of convertible bonds	14,977	-
Dividends paid	(1,138)	(1,232)
Dividends paid to minority shareholders	(257)	(645)
Purchase of treasury stock	(1)	(2)
Other - net	(9)	1
Net cash provided by (used in) financing activities	11,966	(5,601)
Effect of exchange rate change on cash and cash equivalents	399	1,139
Net increase (decrease) in cash and cash equivalents	523	(81)
Cash and cash equivalents at beginning of year	10,412	11,669
Cash and cash equivalents at end of year	10,935	11,588

Operations by Geographical Segment

Results for FY2013 semi-annual (Dec. 1, 2012 through May. 31, 2013)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	20,135	7,340	3,574	10,451	41,502	-	41,502
Interarea transfers	6,519	84	11	608	7,224	(7,224)	-
Total sales	26,655	7,424	3,586	11,060	48,726	(7,224)	41,502
Operating income	3,101	569	338	1,812	5,821	(614)	5,206

(Reference)
Results for FY2012 semi-annual (Dec. 1, 2011 through May. 31, 2012)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	22,998	6,655	3,421	9,908	42,984	-	42,984
Interarea transfers	7,483	98	13	475	8,071	(8,071)	-
Total sales	30,482	6,754	3,434	10,384	51,055	(8,071)	42,984
Operating income	4,547	692	434	2,133	7,807	(323)	7,483

Net sales by Product Segment

Million yen

	FY2012 semi-annual (2011/12/1 - 2012/5/31)	FY2013 semi-annual (2012/12/1 - 2013/5/31)
Cutting tools:		
Taps	15,352	13,280
End mills	9,245	9,965
Drills and other cutting tools	10,077	9,828
Total	34,675	33,074
Rolling dies	3,646	3,500
Gauges	568	573
Other	4,093	4,354
Total	42,984	41,502