October 8, 2013

FY2013 Third-Quarter Consolidated Financial Results (December 1, 2012 - August 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
TEL: 81-533-82-1113 URL http://www.osg-ir.com

1. Consolidated Results for FY2013 Third-Quarter (December 1, 2012 - August 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 third-quarter	64,338	0.2	8,944	-21.0	9,883	-10.9	5,797	0.3
FY2012 third-quarter	64,233	6.8	11,326	26.2	11,088	33.0	5,777	39.7

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
FY2013 third-quarter	61.05	55.70
FY2012 third-quarter	60.84	57.79

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2013 third-quarter	130,763	84,598	58.6
FY2012	121,689	71,471	53.0

Reference: Equity FY2013 third-quarter: 76,622 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 third-quarter: 98,955,226 shares FY2012: 98,955,226 shares
(ii) Number of treasury stock at the end of each period:
FY2013 third-quarter: 3,992,731 shares FY2012: 3,989,962 shares
(iii) Average number of shares outstanding in each period:
FY2013 third-quarter: 94,964,144 shares FY2012 third-quarter: 94,966,215 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 third-quarter As of Aug. 31, 2013	Changes
Current Assets			
Cash and time deposits	21,036	19,514	
Notes and accounts receivable	16,570	18,513	
Marketable securities	0	2	
Merchandise and finished goods	13,772	16,345	
Work in process	3,545	3,898	
Raw materials and supplies	5,335	5,958	
Other	3,773	3,858	
Allowance for doubtful accounts	(182)	(211)	
Total current assets	63,852	67,880	4,027
Fixed Assets			
Tangible Assets			
Building and structures	14,339	15,323	
Machinery and equipment	18,328	20,867	
Land	11,960	12,844	
Other	3,384	3,275	
Total tangible assets	48,013	52,311	4,298
Intangible Assets			
Goodwill	309	265	
Other	1,968	1,592	
Total intangible assets	2,277	1,858	(419)
Investments and Other Assets			
Investment securities	3,397	5,163	
Other	4,393	3,820	
Allowance for doubtful accounts	(244)	(270)	
Total investments and other assets	7,546	8,713	1,166
Total fixed assets	57,837	62,882	5,045
Total	121,689	130,763	9,073

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 third-quarter As of Aug. 31, 2013	Changes
Current Liabilities			
Notes and accounts payable	3,686	3,605	
Short-term borrowings	4,755	3,688	
Long-term borrowings, current portion	3,585	6,496	
Income taxes payable	1,599	1,325	
Reserve for employees' bonuses	206	1,228	
Reserve for directors' bonuses	370	259	
Other	7,240	5,711	
Total current liabilities	21,443	22,316	872
Long-term Liabilities			
Convertible bonds	15,000	15,000	
Long-term borrowings	10,942	5,364	
Liabilities for employees' retirement benefits	290	383	
Retirement allowance for directors and corporate auditors	51	53	
Other	2,489	3,046	
Total long-term liabilities	28,774	23,847	(4,927)
Total liabilities	50,218	46,164	(4,054)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	14,197	14,197	
Retained earnings	55,130	58,744	
Treasury stock	(4,831)	(4,835)	
Total shareholders' equity	74,901	78,510	3,609
Other items			
Unrealized gain on available-for-sale securities	482	1,351	
Deferred gain on derivatives under hedge accounting	1	-	
Foreign currency translation adjustments	(10,903)	(3,240)	
Total other items	(10,419)	(1,888)	8,530
Minority Interests	6,989	7,976	987
Total net assets	71,471	84,598	13,127
Total liabilities and net assets	121,689	130,763	9,073

Consolidated Summary Statement of Income

OSG Corporation

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

	FY2012 third-quarter (2011/12/1 - 2012/8/31)	FY2013 third-quarter (2012/12/1 - 2013/8/31)	Changes
Net Sales	64,233	64,338	105
Cost of Sales	37,411	38,652	1,240
Gross profit	26,821	25,686	(1,135)
Selling, general and administrative expenses	15,495	16,742	1,246
Operating income	11,326	8,944	(2,382)
Other Income			
Interest income	137	110	
Dividend income	58	59	
Foreign exchange gain	50	1,173	
Other - net	451	437	
Total other income	698	1,780	1,082
Other Expenses			
Interest expense	305	267	
Sales discounts	459	398	
Bond issue expenses	22	-	
Other - net	148	176	
Total other expenses	936	841	(95)
Ordinary income	11,088	9,883	(1,204)
Extraordinary gain	131	88	(43)
Extraordinary loss	11	6	(4)
Income before income taxes and minority interests	11,209	9,965	(1,243)
Income taxes	4,504	3,097	(1,406)
Minority interests	927	1,070	142
Net income	5,777	5,797	19

Operations by Geographical Segment

Results for FY2013 third-quarter (Dec. 1, 2012 through Aug. 31, 2013)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	30,419	11,796	5,712	16,409	64,338	-	64,338
Interarea transfers	10,116	130	17	951	11,215	(11,215)	-
Total sales	40,535	11,927	5,730	17,361	75,554	(11,215)	64,338
Operating income	4,682	1,138	579	3,155	9,555	(611)	8,944

(Reference)
Results for FY2012 third-quarter (Dec. 1, 2011 through Aug. 31, 2012)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	33,906	10,099	5,045	15,181	64,233	-	64,233
Interarea transfers	11,138	150	17	795	12,101	(12,101)	-
Total sales	45,045	10,249	5,063	15,977	76,335	(12,101)	64,233
Operating income	6,393	1,166	656	3,453	11,670	(343)	11,326

Net sales by Product Segment

Million yen

	FY2012 third-quarter (2011/12/1 - 2012/8/31)	FY2013 third-quarter (2012/12/1 - 2013/8/31)
Cutting tools:		
Taps	22,893	20,946
End mills	13,834	15,256
Drills and other cutting tools	15,070	15,271
Total	51,798	51,475
Rolling dies	5,523	5,535
Gauges	884	902
Other	6,027	6,425
Total	64,233	64,338