April 9, 2015

FY2015 First Quarter Consolidated Financial Results (December 1, 2014 - February 28, 2015)

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 FY2015 First Quarter (December 1, 2014 - February 28, 2015)

(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	%
FY2015 first-quarter	26,665	12.7	4,854	46.3	4,769	40.0	2,803	48.7
FY2014 first-quarter	23,660	24.0	3,319	98.2	3,406	46.5	1,885	57.0

(Note) Comprehensive income FY2015 first-quarter: 2,927 million yen (-51.2%)
FY2014 first-quarter: 5,994 million yen (-9.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2015 first-quarter	29.52	26.93
FY2014 first-quarter	19.86	18.11

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2015 first-quarter	145,335	106,351	66.1
FY2014	142,302	100,943	64.3

(Reference) Equity FY2015 first-quarter: 96,120 million yen FY2014: 91,458 million yen

2. Dividends

	Dividends per share		
	End of Q2	Year-end	Annual
	Yen	Yen	Yen
FY2014	14.00	20.00	34.00
FY2015 forecast	16.00	20.00	36.00

3. Forecast of Consolidated Results for FY2015 (December 1, 2014 - November 30, 2015)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Semi-Annual	52,400	6.4	8,900	13.8	8,800	13.0	5,100	20.8	53.71
Annual	109,000	7.9	19,500	12.0	19,200	9.3	11,300	13.1	119.00

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: None
(ii) Changes other than (3)-(i) above: None
(iii) Changes in accounting estimates: None
(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):
FY2015 first-quarter: 95,955,226 shares FY2014: 95,955,226 shares
(ii) Number of treasury stock at the end of each period:
FY2015 first-quarter: 998,103 shares FY2014: 997,617 shares
(iii) Average number of shares outstanding in each period:
FY2015 first-quarter: 94,957,411 shares FY2014 first-quarter: 94,960,543 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)

	FY2014 As of Nov. 30, 2014	FY2015 first-quarter As of Feb. 28, 2015	Changes
Current Assets			
Cash and time deposits	22,547	20,931	
Notes and accounts receivable	21,628	21,776	
Marketable securities	1	0	
Merchandise and finished goods	16,046	17,605	
Work in process	4,874	5,153	
Raw materials and supplies	5,800	6,192	
Other	4,770	4,533	
Allowance for doubtful accounts	(209)	(198)	
Total current assets	75,459	75,995	535
Fixed Assets			
Tangible Assets			
Building and structures	15,819	16,842	
Machinery and equipment	22,716	23,419	
Land	13,578	13,913	
Other	4,076	4,022	
Total tangible assets	56,190	58,198	2,008
Intangible Assets			
Goodwill	192	693	
Other	1,109	1,136	
Total intangible assets	1,302	1,830	528
Investments and Other Assets			
Investment securities	6,399	6,858	
Other	3,267	2,755	
Allowance for doubtful accounts	(317)	(303)	
Total investments and other assets	9,349	9,310	(39)
Total fixed assets	66,842	69,339	2,497
Total	142,302	145,335	3,032

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets

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

	FY2014 As of Nov. 30, 2014	FY2015 first-quarter As of Feb. 28, 2015	Changes
Current Liabilities			
Notes and accounts payable	4,159	4,412	
Short-term borrowings	3,934	4,645	
Long-term borrowings, current portion	523	428	
Income taxes payable	3,751	2,438	
Reserve for employees' bonuses	232	1,233	
Reserve for directors' bonuses	449	135	
Other	9,185	6,255	
Total current liabilities	22,236	19,549	(2,686)
Long-term Liabilities			
Convertible bonds	15,000	15,000	
Long-term borrowings	551	516	
Retirement allowance for directors and corporate auditors	45	46	
Liabilities for employees' retirement benefits	261	307	
Other	3,263	3,563	
Total long-term liabilities	19,122	19,434	311
Total liabilities	41,358	38,983	(2,374)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	12,051	12,051	
Retained earnings	66,837	68,473	
Treasury stock	(1,209)	(1,210)	
Total shareholders' equity	88,084	89,719	1,634
Other items			
Unrealized gain on available-for-sale securities	2,044	2,630	
Foreign currency translation adjustments	1,328	3,769	
Total other items	3,373	6,400	3,027
Minority Interests	9,485	10,230	745
Total net assets	100,943	106,351	5,407
Total liabilities and net assets	142,302	145,335	3,032

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2014 first-quarter (2013/12/1 - 2014/2/28)	FY2015 first-quarter (2014/12/1 - 2015/2/28)	Changes
Net Sales	23,660	26,665	3,004
Cost of Sales	14,253	14,899	646
Gross profit	9,407	11,765	2,358
Selling, general and administrative expenses	6,087	6,911	823
Operating income	3,319	4,854	1,535
Other Income			
Interest income	45	61	
Dividend income	25	26	
Foreign exchange gain	193	-	
Other - net	122	246	
Total other income	386	334	(51)
Other Expenses			
Interest expense	74	34	
Sales discounts	150	184	
Foreign exchange loss	-	128	
Other - net	74	72	
Total other expenses	299	420	120
Ordinary income	3,406	4,769	1,362
Extraordinary loss	3	-	(3)
Income before income taxes and minority interests	3,403	4,769	1,366
Income taxes			
Current	1,586	1,838	
Deferred	(399)	(208)	
Total income taxes	1,186	1,630	443
Net income before minority interests	2,216	3,139	922
Minority interests	330	336	5
Net income	1,885	2,803	917

Consolidated Statement of Comprehensive Income
OSG Corporation

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

	FY2014 first-quarter (2013/12/1 - 2014/2/28)	FY2015 first-quarter (2014/12/1 - 2015/2/28)	Changes
Net Income before Minority Interests	2,216	3,139	922
Other Comprehensive Income			
Unrealized (loss) gain on available-for-sale securities	(189)	586	
Foreign currency translation adjustments	3,963	(803)	
Share of other comprehensive income in associates	3	5	
Total other comprehensive income	3,777	(212)	(3,989)
Comprehensive Income	5,994	2,927	(3,066)
Total Comprehensive Income Attributable to:			
Owners of the parent	5,005	2,517	
Minority interests	988	409	

Operations by Geographical Segment

Results for FY2015 first-quarter (Dec. 1, 2014 through Feb. 28, 2015)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	11,169	5,388	2,730	7,377	26,665	-	26,665
Interarea transfers	4,662	40	7	547	5,257	(5,257)	-
Total sales	15,831	5,428	2,738	7,925	31,923	(5,257)	26,665
Operating income	2,567	822	290	1,561	5,241	(386)	4,854

(Reference)
Results for FY2014 first-quarter (Dec. 1, 2013 through Feb. 28, 2014)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	10,884	4,144	2,400	6,231	23,660	-	23,660
Interarea transfers	3,661	46	6	371	4,086	(4,086)	-
Total sales	14,545	4,191	2,406	6,603	27,747	(4,086)	23,660
Operating income	2,104	204	254	1,145	3,708	(389)	3,319

Net sales by Product Segment

Million yen

	FY2014 first-quarter (2013/12/1 - 2014/2/28)	FY2015 first-quarter (2014/12/1 - 2015/2/28)
Cutting tools:		
Taps	8,152	9,339
End mills	5,394	6,043
Drills and other cutting tools	5,581	6,150
Total	19,128	21,534
Rolling dies	2,145	2,437
Gauges	332	367
Other	2,054	2,327
Total	23,660	26,665