October 5, 2015

FY2015 Third-Quarter Consolidated Financial Results (December 1, 2014 - August 31, 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 Third-Quarter (December 1, 2014 - August 31, 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 third-quarter	83,824	12.5	16,680	31.0	16,631	32.4	9,941	40.5
FY2014 third-quarter	74,523	15.8	12,731	42.3	12,564	27.1	7,076	22.1

(Note) Comprehensive income FY2015 third-quarter: 8,658 million yen (-18.2%)
FY2014 third-quarter: 10,589 million yen (-35.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2015 third-quarter	104.68	95.50
FY2014 third-quarter	74.53	67.98

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2015 third-quarter	147,671	109,560	67.2
FY2014	142,302	100,943	64.3

(Reference) Equity FY2015 third-quarter: 99,164 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	26.00		
FY2015 forecast		20.00	46.00

(Note) Revision of dividend forecast from previous announcement : None

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
Annual	112,800	11.6	21,500	23.5	21,600	22.9	12,800	28.1	134.77

(Note) Revision of financial forecast from previous announcement : None

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 third-quarter: 95,955,226 shares
FY2014: 95,955,226 shares
(ii) Number of treasury stock at the end of each period:
FY2015 third-quarter: 908,557 shares
FY2014: 997,617 shares
(iii) Average number of shares outstanding in each period:
FY2015 third-quarter: 94,974,717 shares
FY2014 third-quarter: 94,959,509 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 third-quarter As of Aug. 31, 2015	Change
Current Assets			
Cash and time deposits	22,547	20,506	
Notes and accounts receivable	21,628	20,788	
Marketable securities	1	1	
Merchandise and finished goods	16,046	18,931	
Work in process	4,874	5,598	
Raw materials and supplies	5,800	5,928	
Other	4,770	4,855	
Allowance for doubtful accounts	(209)	(183)	
Total current assets	75,459	76,425	966
Fixed Assets			
Tangible Assets			
Building and structures	15,819	16,535	
Machinery and equipment	22,716	24,947	
Land	13,578	14,580	
Other	4,076	4,473	
Total tangible assets	56,190	60,536	4,346
Intangible Assets			
Goodwill	192	637	
Other	1,109	839	
Total intangible assets	1,302	1,477	174
Investments and Other Assets			
Investment securities	6,399	6,274	
Other	3,267	3,259	
Allowance for doubtful accounts	(317)	(302)	
Total investments and other assets	9,349	9,231	(117)
Total fixed assets	66,842	71,245	4,403
Total	142,302	147,671	5,369

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 third-quarter As of Aug. 31, 2015	Change
Current Liabilities			
Notes and accounts payable	4,159	4,390	
Short-term borrowings	3,934	4,711	
Long-term borrowings, current portion	523	470	
Income taxes payable	3,751	2,654	
Reserve for employees' bonuses	232	1,682	
Reserve for directors' bonuses	449	512	
Other	9,185	5,662	
Total current liabilities	22,236	20,084	(2,151)
Long-term Liabilities			
Convertible bonds	15,000	14,850	
Long-term borrowings	551	923	
Retirement allowance for directors and corporate auditors	45	49	
Liabilities for employees' retirement benefits	261	360	
Other	3,263	1,843	
Total long-term liabilities	19,122	18,026	(1,096)
Total liabilities	41,358	38,111	(3,247)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	12,051	12,090	
Retained earnings	66,837	73,143	
Treasury stock	(1,209)	(1,104)	
Total shareholders' equity	88,084	94,534	6,449
Other items			
Unrealized gain on available-for-sale securities	2,044	2,278	
Foreign currency translation adjustments	1,328	2,352	
Total other items	3,373	4,630	1,256
Minority Interests	9,485	10,395	910
Total net assets	100,943	109,560	8,616
Total liabilities and net assets	142,302	147,671	5,369

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2014 third-quarter (2013/12/1 - 2014/8/31)	FY2015 third-quarter (2014/12/1 - 2015/8/31)	Change
Net Sales	74,523	83,824	9,301
Cost of Sales	43,245	46,164	2,919
Gross profit	31,278	37,660	6,382
Selling, general and administrative expenses	18,546	20,980	2,433
Operating income	12,731	16,680	3,948
Other Income			
Interest income	134	189	
Dividend income	64	99	
Foreign exchange gain	137	-	
Other	504	609	
Total other income	841	897	56
Other Expenses			
Interest expense	205	94	
Sales discounts	471	497	
Foreign exchange loss	-	96	
Other	331	257	
Total other expenses	1,008	946	(62)
Ordinary income	12,564	16,631	4,066
Extraordinary loss	133	-	(133)
Income before income taxes and minority interests	12,430	16,631	4,200
Income taxes			
Current	4,571	5,830	
Deferred	(290)	(377)	
Total income taxes	4,280	5,452	1,171
Net income before minority interests	8,149	11,178	3,028
Minority interests	1,072	1,237	164
Net income	7,076	9,941	2,864

Consolidated Statement of Comprehensive Income

OSG Corporation

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

	FY2014 third-quarter (2013/12/1 - 2014/8/31)	FY2015 third-quarter (2014/12/1 - 2015/8/31)	Change
Net Income before Minority Interests	8,149	11,178	3,028
Other Comprehensive Income			
Unrealized (loss) gain on available-for-sale securities	(18)	229	
Foreign currency translation adjustments	2,455	(2,760)	
Share of other comprehensive income in associates	2	10	
Total other comprehensive income	2,439	(2,520)	(4,959)
Comprehensive Income	10,589	8,658	(1,930)
Total Comprehensive Income Attributable to:			
Owners of the parent	8,865	7,885	
Minority interests	1,724	773	

Operations by Geographical Segment

Results for FY2015 third-quarter (Dec. 1, 2014 through Aug. 31, 2015)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	35,242	16,513	8,369	23,698	83,824	-	83,824
Interarea transfers	14,654	182	23	1,743	16,603	(16,603)	-
Total sales	49,896	16,696	8,392	25,442	100,427	(16,603)	83,824
Operating income	8,602	2,647	959	5,219	17,428	(748)	16,680

(Reference)
Results for FY2014 third-quarter (Dec. 1, 2013 through Aug. 31, 2014)

Million yen

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	34,591	13,342	7,482	19,107	74,523	-	74,523
Interarea transfers	11,781	123	27	1,236	13,168	(13,168)	-
Total sales	46,372	13,465	7,509	20,344	87,692	(13,168)	74,523
Operating income	6,739	1,387	897	3,871	12,895	(163)	12,731

Net sales by Product Segment

Million yen

	FY2014 third-quarter (2013/12/1 - 2014/8/31)	FY2015 third-quarter (2014/12/1 - 2015/8/31)
Cutting tools:		
Taps	25,389	28,927
End mills	16,906	19,989
Drills and other cutting tools	17,262	19,247
Total	59,558	68,165
Rolling dies	6,729	7,458
Gauges	1,027	1,158
Other	7,207	7,042
Total	74,523	83,824