April 10, 2020

FY2020 First Quarter Consolidated Financial Results
(December 1, 2019 - February 29, 2020)

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: : Hideyuki Ohashi, Executive Officer
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1. Consolidated Results for FY2020 First Quarter (December 1, 2019 - February 29, 2020)

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

	Net Sales		Operating income		Ordinary income		Net income attributable to OSG Corporation	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2020 first-quarter	28,867	-8.7	3,538	-32.4	3,569	-35.7	2,343	-37.2
FY2019 first-quarter	31,613	2.8	5,237	-3.6	5,551	3.1	3,729	14.2

(Note) Comprehensive income FY2020 first-quarter: 1,004 million yen (-63.8%)
FY2019 first-quarter: 2,777 million yen (80.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2020 first-quarter	24.10	23.85
FY2019 first-quarter	38.06	37.63

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2020 first-quarter	191,434	138,074	66.5
FY2019	190,414	140,658	67.8

(Reference) Equity FY2020 first-quarter: 127,336 million yen FY2019: 129,078 million yen

2. Dividends

	Dividends per share		
	End of Q2	Year-end	Annual
	Yen	Yen	Yen
FY2019	23.00	24.00	47.00
FY2020 forecast	-	-	-

3. Forecast of Consolidated Results for FY2020 (December 1, 2019 - November 30, 2020)

	Net sales		Operating income		Ordinary income		Net income attributable to OSG Corporation		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Semi-Annual	-	-	-	-	-	-	-	-	-
Annual	-	-	-	-	-	-	-	-	-

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:	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):

FY2020 first-quarter:	98,147,239 shares
FY2019:	98,147,239 shares

(ii) Number of treasury stock at the end of each period:

FY2020 first-quarter:	886,987 shares
FY2019:	955,408 shares

(iii) Average number of shares outstanding in each period:

FY2020 first-quarter:	97,228,484 shares
FY2019 first-quarter:	97,969,930 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)

	FY2019 As of Nov. 30, 2019	FY2020 first-quarter As of Feb. 29, 2020	Change
Current assets			
Cash and deposits	26,950	23,297	
Notes and accounts receivable - trade	22,400	22,069	
Securities	11	11	
Merchandise and finished goods	29,844	31,169	
Work in process	6,376	6,362	
Raw materials and supplies	7,658	7,813	
Other	3,061	3,098	
Allowance for doubtful accounts	(198)	(190)	
Total current assets	96,104	93,632	(2,471)
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	18,663	18,607	
Machinery, equipment and vehicles, net	35,217	35,271	
Land	14,864	14,848	
Other, net	9,391	11,188	
Total property, plant and equipment	78,137	79,916	1,779
Intangible assets			
Goodwill	3,613	5,811	
Other	1,412	1,377	
Total intangible assets	5,026	7,188	2,162
Investments and other assets			
Investment securities	3,882	3,927	
Other	7,628	7,127	
Allowance for doubtful accounts	(364)	(358)	
Total investments and other assets	11,146	10,696	(450)
Total non-current assets	94,309	97,801	3,491
Total	190,414	191,434	1,019

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets

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

	FY2019 As of Nov. 30, 2019	FY2020 first-quarter As of Feb. 29, 2020	Change
Liabilities			
Current liabilities			
Notes and accounts payable - trade	6,039	5,421	
Short-term loans payable	2,742	10,461	
Current portion of long-term loans payable	546	555	
Income taxes payable	2,699	1,272	
Provision for bonuses	415	1,472	
Provision for directors' bonuses	253	99	
Other	10,881	7,280	
Total current liabilities	23,578	26,563	2,984
Non-current liabilities			
Bonds payable	5,000	5,000	
Convertible bond-type bonds with share acquisition rights	1,670	1,670	
Long-term loans payable	16,822	16,832	
Net defined benefit liability	504	669	
Other	2,179	2,623	
Total non-current liabilities	26,177	26,796	619
Total liabilities	49,755	53,359	3,603
Net assets			
Shareholders' equity			
Capital stock	12,194	12,194	
Capital surplus	13,731	13,054	
Retained earnings	109,428	109,386	
Treasury stock	(1,894)	(1,757)	
Total shareholders' equity	133,460	132,877	(582)
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,281	654	
Deferred gains or losses on hedges	−	(0)	
Foreign currency translation adjustment	(5,663)	(6,195)	
Total accumulated other comprehensive income	(4,381)	(5,541)	(1,159)
Share acquisition rights	13	13	-
Non-controlling interests	11,567	10,725	(841)
Total net assets	140,658	138,074	(2,584)
Total liabilities and net assets	190,414	191,434	1,019

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2019 first-quarter (2018/12/1 - 2019/2/28)	FY2020 first-quarter (2019/12/1 - 2020/2/29)	Change
Net sales	31,613	28,867	(2,745)
Cost of sales	18,017	16,889	(1,128)
Gross profit	13,596	11,978	(1,617)
Selling, general and administrative expenses	8,358	8,439	80
Operating income	5,237	3,538	(1,698)
Non-operating income			
Interest income	68	47	
Dividend income	18	18	
Reversal of provision for loss on litigation	381	-	
Subsidy income	23	115	
Other	246	217	
Total non-operating income	738	398	(339)
Non-operating expenses			
Interest expenses	45	42	
Sales discounts	193	171	
Foreign exchange losses	131	64	
Other	53	89	
Total non-operating expenses	424	368	(55)
Ordinary income	5,551	3,569	(1,982)
Income before income taxes	5,551	3,569	(1,982)
Income taxes - current	1,661	1,047	
Income taxes - deferred	(57)	60	
Total income taxes	1,603	1,108	(495)
Net income	3,947	2,461	(1,486)
Net income attributable to non-controlling interests	218	118	(100)
Net income attributable to OSG Corporation	3,729	2,343	(1,386)

Consolidated Statement of Comprehensive Income
OSG Corporation

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

	FY2019 first-quarter (2018/12/1 - 2019/2/28)	FY2020 first-quarter (2019/12/1 - 2020/2/29)	Change
Net income	3,947	2,461	(1,486)
Other comprehensive income			
Valuation difference on available-for-sale securities	54	(630)	
Deferred gains or losses on hedges	-	(0)	
Foreign currency translation adjustment	(1,224)	(826)	
Share of other comprehensive income of associates accounted for using equity method	0	0	
Total other comprehensive income	(1,170)	(1,456)	(286)
Comprehensive income	2,777	1,004	(1,773)
(Breakdown)			
Comprehensive income attributable to OSG Corporation	2,829	1,169	
Comprehensive Income attributable to non-controlling interests	(51)	(164)	

Operations by Geographical Segment

Results for FY2020 first-quarter (Dec. 1, 2019 through Feb. 29, 2020)

Million yen

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	11,505	5,750	5,496	6,115	28,867	-	28,867
Interarea transfers	4,452	103	24	523	5,103	(5,103)	-
Total sales	15,958	5,853	5,520	6,639	33,971	(5,103)	28,867
Operating income	1,501	595	306	710	3,113	425	3,538

(Reference)
Results for FY2019 first-quarter (Dec. 1, 2018 through Feb. 28, 2019)

Million yen

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	13,461	5,572	5,397	7,182	31,613	-	31,613
Interarea transfers	4,978	104	38	863	5,985	(5,985)	-
Total sales	18,439	5,677	5,435	8,045	37,598	(5,985)	31,613
Operating income	2,990	808	376	1,148	5,324	(87)	5,237

Net sales by Product Segment

Million yen

	FY2019 first-quarter (2018/12/1 - 2019/2/28)	FY2020 first-quarter (2019/12/1 - 2020/2/29)
Cutting tools:		
Taps	9,828	9,002
End mills	6,643	5,923
Drills and other cutting tools	9,130	8,222
Total	25,603	23,148
Rolling dies	2,541	2,245
Gauges	478	461
Other	2,990	3,013
Total	31,613	28,867