January 8, 2021

FY2020 Consolidated Financial Results
(December 1, 2019 - November 30, 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: : Junichi Kawamura, Accounting Manager
TEL: 81-533-82-1113 URL https://www.osg.co.jp/en/about_us/ir/

1. Consolidated Results for FY2020 (December 1, 2019 - November 30, 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	104,388	-17.8	8,396	-57.1	8,950	-54.6	5,639	-58.8
FY2019	126,964	-3.4	19,554	-13.2	19,710	-12.7	13,686	-7.0

(Note) Comprehensive income FY2020: 4,199 million yen (-55.4%) FY2019: 9,425 million yen (-30.5%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income to total assets	Operating income to net sales
	Yen	Yen	%	%	%
FY2020	57.94	57.34	4.4	4.6	8.0
FY2019	140.06	138.47	10.8	10.7	15.4

(Reference) Equity in net income of affiliates FY2020: 8 million yen FY2019: 10 million yen

(2)Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
FY2020	200,112	140,179	64.6	1,327.22
FY2019	190,414	140,658	67.8	1,328.08

(Reference) Equity FY2020: 129,338 million yen FY2019: 129,078 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash & cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
FY2020	17,038	-17,133	9,658	33,299
FY2019	19,261	-20,314	3,465	23,704

2. Dividends

	Dividends per share			Total dividends	Payout ratio (consolidated)	Dividends to net assets (consolidated)
	End of 2Q	Year-end	Annual			
	Yen	Yen	Yen	Million yen	%	%
FY2019	23.00	24.00	47.00	4,610	33.6	3.6
FY2020	11.00	11.00	22.00	2,159	38.0	1.7
FY2021 forecast	11.00	13.00	24.00		31.2	

3. Forecast of Consolidated Results for FY2021 (December 1, 2020 - November 30, 2021)

	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	5,600	1.3	5,000	-17.1	5,000	-16.2	3,100	-11.9	31.81
Annual	115,000	10.2	11,500	37.0	11,500	28.5	7,500	33.0	76.96

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

(3) 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: 98,179,742 shares
FY2019: 98,147,239 shares
(ii) Number of treasury stock at the end of each period:
FY2020: 729,381 shares
FY2019: 955,408 shares
(iii) Average number of shares outstanding in each period:
FY2020: 97,335,064 shares
FY2019: 97,716,831 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 As of Nov. 30, 2020	Change
Current assets			
Cash and deposits	26,950	37,807	
Notes and accounts receivable - trade	22,400	19,733	
Securities	11	0	
Merchandise and finished goods	29,844	29,239	
Work in process	6,376	5,464	
Raw materials and supplies	7,658	7,321	
Other	3,061	3,279	
Allowance for doubtful accounts	(198)	(155)	
Total current assets	96,104	102,691	6,587
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	18,663	24,685	
Machinery, equipment and vehicles, net	35,217	34,500	
Tools, furniture and fixtures, net	2,179	2,155	
Land	14,864	14,995	
Construction in progress	7,199	2,649	
Other, net	12	612	
Total property, plant and equipment	78,137	79,599	1,462
Intangible assets			
Goodwill	3,613	4,273	
Other	1,412	1,260	
Total intangible assets	5,026	5,533	507
Investments and other assets			
Investment securities	3,882	6,182	
Investments in capital	1,203	760	
Long-term loans receivable	1,774	1,021	
Deferred tax assets	2,951	2,298	
Retirement benefit asset	87	92	
Other	1,611	2,297	
Allowance for doubtful accounts	(364)	(366)	
Total investments and other assets	11,146	12,287	1,140
Total non-current assets	94,309	97,420	3,110
Total	190,414	200,112	9,698

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 As of Nov. 30, 2020	Change
Liabilities			
Current liabilities			
Notes and accounts payable - trade	6,039	4,308	
Short-term loans payable	2,742	4,473	
Current portion of long-term loans payable	546	8,522	
Accrued expenses	7,822	6,062	
Income taxes payable	2,699	630	
Reserve for directors' bonuses	253	146	
Other	3,474	3,177	
Total current liabilities	23,578	27,323	3,744
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	22,103	
Deferred tax liabilities	1,079	1,703	
Net defined benefit liability	504	682	
Provision for loss on guarantees	-	38	
Other	1,099	1,412	
Total non-current liabilities	26,177	32,609	6,432
Total liabilities	49,755	59,932	10,177
Net assets			
Shareholders' equity			
Capital stock	12,194	12,223	
Capital surplus	13,731	12,934	
Retained earnings	109,428	111,594	
Treasury stock	(1,894)	(1,442)	
Total shareholders' equity	133,460	135,309	1,848
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,281	1,105	
Deferred gains or losses on hedges	-	0	
Foreign currency translation adjustment	(5,663)	(7,076)	
Total accumulated other comprehensive income	(4,381)	(5,970)	(1,589)
Share acquisition rights	13	13	-
Non-controlling interests	11,567	10,828	(738)
Total net assets	140,658	140,179	(478)
Total liabilities and net assets	190,414	200,112	9,698

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2019 (2018/12/1 - 2019/11/30)	FY2020 (2019/12/1 - 2020/11/30)	Change
Net sales	126,964	104,388	(22,575)
Cost of sales	73,281	65,715	(7,566)
Gross profit	53,682	38,673	(15,009)
Selling, general and administrative expenses	34,128	30,276	(3,851)
Operating income	19,554	8,396	(11,157)
Non-operating income			
Interest income	245	263	
Dividend income	97	79	
Purchase discounts	52	36	
Share of profit of entities accounted for using equity method	10	8	
Subsidy income	252	1,127	
Reversal of provision for loss on litigation	380	-	
Other	869	757	
Total non-operating income	1,908	2,272	363
Non-operating expenses			
Interest expense	205	243	
Sales discounts	787	610	
Foreign exchange losses	260	416	
Other	497	448	
Total non-operating expenses	1,752	1,718	(33)
Ordinary income	19,710	8,950	(10,760)
Extraordinary income			
Gain on sales of non-current assets	-	208	
Gain on sales of investment securities	474	-	
Total extraordinary income	474	208	(266)
Extraordinary losses			
Loss on valuation of investment securities	339	90	
Special retirement expenses	-	171	
Total extraordinary losses	339	261	(78)
Income before income taxes	19,845	8,896	(10,948)
Income taxes - current	5,963	2,281	(3,681)
Income taxes - deferred	(409)	871	1,281
Total income taxes	5,554	3,153	(2,400)
Net income	14,291	5,743	(8,547)
Net income attributable to non-controlling interests	604	103	(501)
Net income attributable to OSG Corporation	13,686	5,639	(8,046)

Consolidated Statement of Comprehensive Income

OSG Corporation

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

	FY2019 (2018/12/1 - 2019/11/30)	FY2020 (2019/12/1 - 2020/11/30)	Change
Net income	14,291	5,743	(8,547)
Other comprehensive income			
Valuation difference on available-for-sale securities	(332)	(185)	
Deferred gains or losses on hedges	-	0	
Foreign currency translation adjustment	(4,534)	(1,360)	
Share of other comprehensive income of associates accounted for using equity method	1	2	
Total other comprehensive income	(4,865)	(1,543)	3,322
Comprehensive income	9,425	4,199	(5,225)
(Breakdown)			
Comprehensive Income attributable to OSG Corporation	9,755	4,037	(5,717)
Comprehensive Income attributable to non-controlling interests	(329)	162	492

Consolidated Summary Statement of Cash Flows
OSG Corporation

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

	FY2019 (2018/12/1 - 2019/11/30)	FY2020 (2019/12/1 - 2020/11/30)
Operating activities:		
Income before income taxes	19,845	8,896
Depreciation and amortization	9,522	10,518
Amortization of goodwill	535	655
Increase (decrease) in allowance for doubtful accounts	7	(53)
Increase (decrease) in provision for directors' bonuses	(137)	(163)
Increase (decrease) in net defined benefit liability	51	39
Increase (decrease) in provision for directors' retirement benefits	(24)	-
Increase (decrease) in provision for loss on guarantees	-	38
Interest and dividend income	(343)	(342)
Interest expense	205	243
Equity in loss (earnings) of an associated company	(10)	(8)
Loss (gain) on sales of non-current assets	-	(208)
Loss (gain) on sales of investment securities	(474)	-
Loss (gain) on valuation of investment securities	339	90
Special retirement expenses	-	171
Change in notes and accounts receivable	1,902	2,832
Change in inventories	(6,319)	1,822
Change in notes and accounts payable	453	(1,555)
Change in accrued expenses	115	(1,704)
Other, net	(19)	558
Sub-total	25,651	21,829
Interest and dividend income received	345	350
Interest expense paid	(232)	(226)
Special retirement expenses - paid	-	(171)
Income taxes - paid	(6,503)	(4,743)
Net cash provided by operating activities	19,261	17,038
Investing activities:		
Payments for time deposits	(3,504)	(5,640)
Proceeds from refund of time deposits	2,971	5,056
Proceeds from redemption of investment securities	0	11
Purchases of investment securities	(429)	(826)
Proceeds from sales of investment securities	583	-
Purchase of property, plant and equipment	(17,139)	(9,895)
Proceeds from sales of property, plant and equipment	211	359
Purchase of intangible assets	(418)	(222)
Payment for purchase of subsidiaries' stock	(1,158)	(2,054)
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(3,266)
Other, net	(1,432)	(654)
Net cash used in investing activities	(20,314)	(17,133)
Financing activities:		
Change in short-term borrowings, net	482	1,244
Proceeds from long-term borrowings	7,036	14,396
Repayments of long-term borrowings	(1,259)	(948)
Proceeds from issuance of bonds	5,000	-
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(682)	(1,437)
Purchase of treasury stock	(1,899)	(1)
Proceeds from sales of treasury stock	54	395
Dividends paid	(4,709)	(3,439)
Dividends paid to non-controlling interests	(525)	(298)
Other, net	(30)	(252)
Net cash (used in) provided by financing activities	3,465	9,658
Effect of exchange rate change on cash and cash equivalents	(690)	(88)
Net increase (decrease) in cash and cash equivalents	1,721	9,475
Cash and cash equivalents at beginning of year	21,545	23,704
Cash and cash equivalents from newly consolidated subsidiaries	437	120
Cash and cash equivalents at end of period	23,704	33,299

Operations by Geographical Segment

Results for FY2020 (Dec. 1, 2019 through Nov. 30, 2020)

Million yen

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	42,816	18,818	19,396	23,356	104,388	-	104,388
Interarea transfers	15,022	409	102	1,938	17,473	(17,473)	-
Total sales	57,838	19,228	19,499	25,295	121,861	(17,473)	104,388
Operating income	2,505	1,640	482	2,119	6,747	1,649	8,396

(Reference)
Results for FY2019 (Dec. 1, 2018 through Nov. 30, 2019)

Million yen

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	54,725	23,152	20,893	28,193	126,964	-	126,964
Interarea transfers	22,045	579	140	3,398	26,163	(26,163)	-
Total sales	76,770	23,731	21,033	31,591	153,127	(26,163)	126,964
Operating income	12,086	2,736	1,177	3,930	19,930	(376)	19,554

Net sales by Product Segment

Million yen

	FY2019 (2018/12/1 - 2019/11/30)	FY2020 (2019/12/1 - 2020/11/30)
Cutting tools:		
Taps	39,895	33,671
End mills	26,690	21,219
Drills and other cutting tools	36,147	29,484
Total	102,733	84,374
Rolling dies	9,973	7,947
Gauges	1,946	1,712
Other	12,310	10,354
Total	126,964	104,388