

FY2021 Third-Quarter Consolidated Financial Results (December 1, 2020 - August 31, 2021)

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: : Nobuaki Osawa, 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 FY2021 Third-Quarter (December 1, 2020 - August 31, 2021)

(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	%
FY2021 third-quarter	92,541	19.4	11,311	93.7	11,406	88.6	7,811	109.2
FY2020 third-quarter	77,506	-19.2	5,841	-62.9	6,049	-62.2	3,733	-65.1

(Note) Comprehensive income FY2021 third-quarter: 12,076 million yen (1,277.3%)
 FY2020 third-quarter: 876 million yen (-73.4%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2021 third-quarter	80.07	79.24
FY2020 third-quarter	38.36	37.97

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2021 third-quarter	202,466	149,985	68.7
FY2020	200,112	140,179	64.6

(Reference) Equity FY2021 third-quarter: 139,105 million yen FY2020: 129,338 million yen

2. Dividends

	Dividends per share		
	End of Q2	Year-end	Annual
	Yen	Yen	Yen
FY2020	11.00	11.00	22.00
FY2021	14.00		
FY2021 forecast		17.00	31.00

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
Annual	122,000	16.9	15,000	78.6	15,200	69.8	10,000	77.3	102.51

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):
- | | |
|-----------------------|-------------------|
| FY2021 third-quarter: | 98,196,724 shares |
| FY2020: | 98,179,742 shares |
- (ii) Number of treasury stock at the end of each period:
- | | |
|-----------------------|----------------|
| FY2021 third-quarter: | 558,753 shares |
| FY2020: | 729,381 shares |
- (iii) Average number of shares outstanding in each period:
- | | |
|-----------------------|-------------------|
| FY2021 third-quarter: | 97,548,439 shares |
| FY2020 third-quarter: | 97,303,736 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)		
	FY2020 As of Nov. 30, 2020	FY2021 third-quarter As of Aug. 31, 2021	Change
Current assets			
Cash and deposits	37,807	40,630	
Notes and accounts receivable - trade	19,733	22,002	
Securities	0	1	
Merchandise and finished goods	29,239	27,958	
Work in process	5,464	6,653	
Raw materials and supplies	7,321	7,592	
Other	3,279	2,756	
Allowance for doubtful accounts	(155)	(170)	
Total current assets	102,691	107,424	4,732
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	24,685	24,391	
Machinery, equipment and vehicles, net	34,500	32,326	
Land	14,995	15,812	
Other, net	5,417	5,961	
Total property, plant and equipment	79,599	78,491	(1,107)
Intangible assets			
Goodwill	4,273	4,819	
Other	1,260	1,221	
Total intangible assets	5,533	6,041	507
Investments and other assets			
Investment securities	6,182	4,778	
Other	6,471	6,098	
Allowance for doubtful accounts	(366)	(366)	
Total investments and other assets	12,287	10,510	(1,777)
Total non-current assets	97,420	95,042	(2,377)
Total	200,112	202,466	2,354

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets	(Million yen : amounts less than one million yen are omitted)		
	FY2020 As of Nov. 30, 2020	FY2021 third-quarter As of Aug. 31, 2021	Change
Liabilities			
Current liabilities			
Notes and accounts payable - trade	4,308	4,910	
Short-term loans payable	4,473	2,356	
Current portion of convertible bond-type bonds with share acquisition rights	-	1,670	
Current portion of long-term loans payable	8,522	1,498	
Income taxes payable	630	2,616	
Provision for bonuses	381	1,660	
Provision for directors' bonuses	146	201	
Other	8,858	7,697	
Total current liabilities	27,323	22,611	(4,711)
Non-current liabilities			
Bonds payable	5,000	5,000	
Convertible bond-type bonds with share acquisition rights	1,670	-	
Long-term loans payable	22,103	20,701	
Net defined benefit liability	682	954	
Provision for loss on guarantees	38	34	
Other	3,115	3,180	
Total non-current liabilities	32,609	29,870	(2,739)
Total liabilities	59,932	52,481	(7,450)
Net assets			
Shareholders' equity			
Capital stock	12,223	12,239	
Capital surplus	12,934	12,965	
Retained earnings	111,594	117,017	
Treasury stock	(1,442)	(1,102)	
Total shareholders' equity	135,309	141,120	5,811
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,105	1,038	
Deferred gains or losses on hedges	0	(0)	
Foreign currency translation adjustment	(7,076)	(3,052)	
Total accumulated other comprehensive income	(5,970)	(2,014)	3,956
Share acquisition rights	13	-	(13)
Non-controlling interests	10,828	10,879	50
Total net assets	140,179	149,985	9,805
Total liabilities and net assets	200,112	202,466	2,354

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2020 third-quarter (2019/12/1 - 2020/8/31)	FY2021 third-quarter (2020/12/1 - 2021/8/31)	Change
Net sales	77,506	92,541	15,034
Cost of sales	48,670	56,862	8,192
Gross profit	28,836	35,678	6,841
Selling, general and administrative expenses	22,995	24,366	1,370
Operating income	5,841	11,311	5,470
Non-operating income			
Interest income	156	106	
Dividend income	69	48	
Foreign exchange losses	-	93	
Subsidy income	786	289	
Other	539	490	
Total non-operating income	1,553	1,027	(525)
Non-operating expenses			
Interest expenses	161	199	
Sales discounts	476	522	
Foreign exchange losses	345	-	
Other	361	210	
Total non-operating expenses	1,344	932	(412)
Ordinary income	6,049	11,406	5,357
Extraordinary income			
Gain on sales of non-current assets	206	191	
Total extraordinary income	206	191	(15)
Income before income taxes	6,256	11,597	5,341
Income taxes - current	1,798	4,310	2,511
Income taxes - deferred	623	(816)	(1,440)
Total income taxes	2,422	3,493	1,071
Net income	3,833	8,103	4,270
Net income attributable to non-controlling interests	100	292	192
Net income attributable to OSG Corporation	3,733	7,811	4,077

Consolidated Statement of Comprehensive Income
OSG Corporation

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

	FY2020 third-quarter (2019/12/1 - 2020/8/31)	FY2021 third-quarter (2020/12/1 - 2021/8/31)	Change
Net income	3,833	8,103	4,270
Other comprehensive income			
Valuation difference on available-for-sale securities	(565)	(57)	
Deferred gains or losses on hedges	0	(0)	
Foreign currency translation adjustment	(2,393)	4,034	
Share of other comprehensive income of associates accounted for using equity method	1	(4)	
Total other comprehensive income	(2,957)	3,972	6,929
Comprehensive income	876	12,076	11,199
(Breakdown)			
Comprehensive income attributable to OSG Corporation	1,194	11,712	
Comprehensive income attributable to non-controlling interests	(317)	364	

Operations by Geographical Segment

Results for FY2021 third-quarter (Dec. 1, 2020 through Aug. 31, 2021)

Million yen

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	35,332	16,088	18,103	23,016	92,541	-	92,541
Interarea transfers	14,111	473	102	1,855	16,542	(16,542)	-
Total sales	49,444	16,561	18,205	24,871	109,083	(16,542)	92,541
Operating income	4,656	2,367	1,419	3,531	11,975	(663)	11,311

(Reference)

Results for FY2020 third-quarter (Dec. 1, 2019 through Aug. 31, 2020)

Million yen

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	32,244	13,945	14,114	17,201	77,506	-	77,506
Interarea transfers	11,502	239	69	1,463	13,274	(13,274)	-
Total sales	43,747	14,185	14,183	18,664	90,781	(13,274)	77,506
Operating income	1,981	1,023	95	1,585	4,686	1,154	5,841

Net sales by Product Segment

Million yen

	FY2020 third-quarter (2019/12/1 - 2020/8/31)	FY2021 third-quarter (2020/12/1 - 2021/8/31)
Cutting tools:		
Taps	24,530	31,788
End mills	16,064	17,446
Drills and other cutting tools	21,775	26,388
Total	62,370	75,624
Rolling dies	5,808	7,533
Gauges	1,314	1,267
Other	8,013	8,116
Total	77,506	92,541