

FY2024 First Quarter Consolidated Financial Results (December 1, 2023 - February 29, 2024)

Company name : **OSG Corporation**
 Shares listed : Tokyo and Nagoya Stock Exchanges
 Code number : 6136
 Location of the head office : Aichi Prefecture
 Representative : Nobuaki Osawa, President
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(Amounts less than one million yen are omitted)

1. Consolidated Results for FY2024 First Quarter (December 1, 2023 - February 29, 2024)

(1) Consolidated financial results (% indicates changes from the previous corresponding term)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2024 first-quarter	36,717	7.3	4,102	-9.1	4,949	1.4	3,429	12.4
FY2023 first-quarter	34,231	6.2	4,513	1.6	4,880	1.9	3,050	-11.8

(Note) Comprehensive income FY2024 first-quarter: 5,389 million yen (116.3%)
 FY2023 first-quarter: 2,491 million yen (-50.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2024 first-quarter	36.30	33.37
FY2023 first-quarter	31.86	—

(Note) The diluted net income per share for FY2023 first-quarter is not stated as there were no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2024 first-quarter	264,276	191,382	67.5
FY2023	250,124	194,640	72.6

(Reference) Equity FY2024 first-quarter: 178,344 million yen FY2023: 181,561 million yen

2. Dividends

	Dividends per share		
	End of Q2	Year-end	Annual
	Yen	Yen	Yen
FY2023	28.00	32.00	60.00
FY2024 forecast	28.00	32.00	60.00

(Note) Revision to the forecast for dividends announced most recently: None

3. Forecast of Consolidated Results for FY2024 (December 1, 2023 - November 30, 2024)

(for semi-annual, % indicates changes from the previous corresponding term, for annual, changes from the previous term)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Semi-Annual	76,000	7.6	10,500	10.6	10,600	4.3	7,200	9.2	77.10
Annual	153,000	3.6	23,000	16.2	23,000	7.7	15,500	8.3	170.14

(Note) Revision to the forecast of financial results announced most recently: 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
- | | |
|---|------|
| 1) Changes in accounting principles due to amendment to accounting standards: | None |
| 2) Changes other than 1) above: | None |
| 3) Changes in accounting estimates: | None |
| 4) Retrospective restatement: | None |
- (4) Number of shares issued and outstanding (common stock)
- | | |
|--|-------------------|
| 1) Total number of shares issued and outstanding at the end of each period (including treasury stock): | |
| FY2024 first-quarter: | 99,182,517 shares |
| FY2023: | 99,182,517 shares |
| 2) Total number of treasury stock at the end of each period: | |
| FY2024 first-quarter: | 5,963,944 shares |
| FY2023: | 3,237,817 shares |
| 3) Average number of shares outstanding in each period: | |
| FY2024 first-quarter: | 94,470,266 shares |
| FY2023 first-quarter: | 95,720,420 shares |

※These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants and audit corporations.

※Explanation for appropriate use of financial forecasts and other special notes

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

(Millions of yen)

	FY2023 As of Nov. 30, 2023	FY2024 first-quarter As of Feb. 29, 2024
Assets		
Current assets		
Cash and deposits	57,970	63,243
Notes, accounts receivable-trade and contract assets	28,645	27,897
Securities	1	—
Merchandise and finished goods	38,529	38,931
Work in process	7,544	7,544
Raw materials and supplies	10,420	10,171
Other	4,602	12,094
Allowance for doubtful accounts	(197)	(184)
Total current assets	147,517	159,698
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,165	23,985
Machinery, equipment and vehicles, net	37,780	37,241
Land	16,343	16,398
Other, net	6,415	8,559
Total property, plant and equipment	84,705	86,185
Intangible assets		
Goodwill	3,692	3,505
Other	1,760	1,798
Total intangible assets	5,453	5,303
Investments and other assets		
Investment securities	5,812	6,141
Other	6,984	7,165
Allowance for doubtful accounts	(347)	(346)
Total investments and other assets	12,449	12,961
Total non-current assets	102,607	104,450
Deferred assets		
Bond issuance cost	—	127
Total deferred assets	—	127
Total assets	250,124	264,276

Consolidated Summary Balance Sheet
OSG Corporation

(Millions of yen)

	FY2023 As of Nov. 30, 2023	FY2024 first-quarter As of Feb. 29, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,019	5,455
Short-term loans payable	672	240
Current portion of long-term loans payable	1,638	943
Income taxes payable	1,733	2,265
Provision for bonuses	599	1,489
Provision for directors' bonuses	332	107
Other	13,557	9,209
Total current liabilities	24,552	19,710
Non-current liabilities		
Bonds payable	10,000	10,000
Convertible bond-type bonds with share acquisition rights	—	22,213
Long-term loans payable	16,365	16,368
Net defined benefit liability	990	1,041
Other	3,575	3,560
Total non-current liabilities	30,931	53,183
Total liabilities	55,484	72,894
Net assets		
Shareholders' equity		
Capital stock	13,044	13,044
Capital surplus	13,330	13,322
Retained earnings	140,361	140,662
Treasury stock	(5,845)	(11,240)
Total shareholders' equity	160,891	155,788
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,326	1,551
Foreign currency translation adjustment	19,342	21,004
Total accumulated other comprehensive income	20,669	22,555
Non-controlling interests	13,079	13,037
Total net assets	194,640	191,382
Total liabilities and net assets	250,124	264,276

Consolidated Summary Statement of Income
OSG Corporation

(Millions of yen)

	FY2023 first-quarter (12/1/2022 - 2/28/2023)	FY2024 first-quarter (12/1/2023 - 2/29/2024)
Net sales	34,231	36,717
Cost of sales	20,093	21,928
Gross profit	14,137	14,788
Selling, general and administrative expenses	9,623	10,685
Operating income	4,513	4,102
Non-operating income		
Interest income	145	221
Dividend income	21	33
Foreign exchange gains	28	254
Other	318	476
Total non-operating income	514	986
Non-operating expenses		
Interest expenses	71	71
Other	76	67
Total non-operating expenses	147	138
Ordinary income	4,880	4,949
Extraordinary gains		
Gain on sales of investment securities	—	150
Gain on sales of investments in capital of subsidiaries and affiliates	159	—
Total extraordinary gains	159	150
Extraordinary losses		
Provision of allowance for doubtful accounts	290	—
Total extraordinary losses	290	—
Income before income taxes	4,750	5,100
Income taxes - current	1,612	1,787
Income taxes - deferred	(9)	(304)
Total income taxes	1,603	1,483
Net income	3,147	3,617
Net income attributable to non-controlling interests	96	187
Net income attributable to owners of parent	3,050	3,429

Consolidated Statement of Comprehensive Income
OSG Corporation

(Millions of yen)

	FY2023 first-quarter (12/1/2022 - 2/28/2023)	FY2024 first-quarter (12/1/2023 - 2/29/2024)
Net income	3,147	3,617
Other comprehensive income		
Valuation difference on available-for-sale securities	99	220
Deferred gains or losses on hedges	(0)	—
Foreign currency translation adjustment	(756)	1,555
Share of other comprehensive income of associates accounted for using equity method	2	(4)
Total other comprehensive income	(655)	1,771
Comprehensive income	2,491	5,389
(Breakdown)		
Comprehensive income attributable to owners of parent	2,542	5,308
Comprehensive income attributable to non-controlling interests	(50)	80

Operations by Geographical Segment

Results for FY2023 first-quarter (Dec. 1, 2022 through Feb. 28, 2023)

(Millions of yen)

	Japan	The Americas	Europe / Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	11,995	7,158	7,618	7,459	34,231	—	34,231
Interarea transfers	5,903	131	49	995	7,079	(7,079)	—
Total sales	17,899	7,289	7,667	8,454	41,310	(7,079)	34,231
Operating income	2,073	1,100	718	950	4,843	(329)	4,513

Results for FY2024 first-quarter (Dec. 1, 2023 through Feb. 29, 2024)

(Millions of yen)

	Japan	The Americas	Europe / Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	11,375	8,441	8,825	8,074	36,717	—	36,717
Interarea transfers	5,798	102	170	775	6,847	(6,847)	—
Total sales	17,173	8,544	8,995	8,850	43,565	(6,847)	36,717
Operating income	1,523	942	782	1,057	4,306	(203)	4,102

Net Sales by Product Segment

(Millions of yen)

Product Segment		FY2023 first-quarter (12/1/2022 - 2/28/2023)	FY2024 first-quarter (12/1/2023 - 2/29/2024)
Cutting tools	Taps	11,276	12,159
	End mills	6,685	7,038
	Drills and other cutting tools	9,800	10,964
	Subtotal	27,763	30,162
Rolling dies		2,551	2,793
Gauges		457	459
Other	Machine	1,320	1,161
	Other	2,139	2,139
	Subtotal	3,459	3,301
Total		34,231	36,717