

FY2024 Third Quarter Consolidated Financial Results (December 1, 2023 - August 31, 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 Third Quarter (December 1, 2023 - August 31, 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 third quarter	115,326	7.1	14,459	2.7	14,912	-2.3	9,790	-2.5
FY2023 third quarter	107,731	4.1	14,085	-6.3	15,270	-6.1	10,044	-11.5

(Note) Comprehensive income FY2024 third quarter: 7,349 million yen (-59.9%)

FY2023 third quarter: 18,315 million yen (-27.1%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2024 third quarter	106.71	96.31
FY2023 third quarter	104.84	—

(Note) The diluted net income per share for FY2023 third 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 third quarter	253,190	177,505	65.1
FY2023	250,124	194,640	72.6

(Reference) Equity FY2024 third quarter: 164,769 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	28.00		
FY2024 forecast		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)

(% indicates 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
Annual	153,000	3.6	19,000	-4.0	19,500	-8.7	13,000	-9.1	144.11

(Note) Revision to the forecast of financial results announced most recently: Yes

4. Others

- (1) Significant changes in the scope of consolidation during the period: Yes
Newly included: 10 companies (Precision Tools Holding B.V., 9 other companies)
Excluded: —
- (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 third quarter: | 99,182,517 shares |
| FY2023: | 99,182,517 shares |
| 2) Total number of treasury stock at the end of each period: | |
| FY2024 third quarter: | 12,555,273 shares |
| FY2023: | 3,237,817 shares |
| 3) Average number of shares outstanding in each period: | |
| FY2024 third quarter: | 91,751,146 shares |
| FY2023 third quarter: | 95,807,184 shares |

※Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants and auditing corporations : Yes (voluntary)

※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 third quarter As of Aug. 31, 2024
Assets		
Current assets		
Cash and deposits	57,970	54,806
Notes, accounts receivable-trade and contract assets	28,645	26,450
Securities	1	99
Merchandise and finished goods	38,529	38,295
Work in process	7,544	7,510
Raw materials and supplies	10,420	9,965
Other	4,602	5,620
Allowance for doubtful accounts	(197)	(189)
Total current assets	147,517	142,558
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,165	23,308
Machinery, equipment and vehicles, net	37,780	36,839
Land	16,343	16,596
Other, net	6,415	11,605
Total property, plant and equipment	84,705	88,349
Intangible assets		
Goodwill	3,692	7,360
Other	1,760	1,962
Total intangible assets	5,453	9,322
Investments and other assets		
Investment securities	5,812	6,047
Other	6,984	7,133
Allowance for doubtful accounts	(347)	(337)
Total investments and other assets	12,449	12,842
Total non-current assets	102,607	110,514
Deferred assets		
Bond issuance cost	—	117
Total deferred assets	—	117
Total assets	250,124	253,190

Consolidated Summary Balance Sheet
OSG Corporation

(Millions of yen)

	FY2023 As of Nov. 30, 2023	FY2024 third quarter As of Aug. 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable-trade	6,019	5,809
Short-term loans payable	672	179
Current portion of long-term loans payable	1,638	4,175
Income taxes payable	1,733	1,795
Provision for bonuses	599	1,915
Provision for directors' bonuses	332	291
Provision for environmental measures	—	72
Other	13,557	11,600
Total current liabilities	24,552	25,841
Non-current liabilities		
Bonds payable	10,000	10,000
Convertible bond-type bonds with share acquisition rights	—	22,196
Long-term loans payable	16,365	12,604
Net defined benefit liability	990	1,093
Other	3,575	3,949
Total non-current liabilities	30,931	49,844
Total liabilities	55,484	75,685
Net assets		
Shareholders' equity		
Capital stock	13,044	13,044
Capital surplus	13,330	13,327
Retained earnings	140,361	144,479
Treasury stock	(5,845)	(24,380)
Total shareholders' equity	160,891	146,471
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1,326	1,691
Deferred gains or losses on hedges	—	38
Foreign currency translation adjustment	19,342	16,568
Total accumulated other comprehensive income	20,669	18,298
Non-controlling interests	13,079	12,735
Total net assets	194,640	177,505
Total liabilities and net assets	250,124	253,190

Consolidated Summary Statement of Income
OSG Corporation

(Millions of yen)

	FY2023 third quarter (12/1/2022 - 8/31/2023)	FY2024 third quarter (12/1/2023 - 8/31/2024)
Net sales	107,731	115,326
Cost of sales	63,959	67,838
Gross profit	43,772	47,488
Selling, general and administrative expenses	29,686	33,028
Operating income	14,085	14,459
Non-operating income		
Interest income	513	719
Dividend income	126	136
Foreign exchange gains	161	—
Other	865	890
Total non-operating income	1,667	1,747
Non-operating expenses		
Interest expenses	209	205
Foreign exchange losses	—	823
Other	273	265
Total non-operating expenses	482	1,294
Ordinary income	15,270	14,912
Extraordinary gains		
Gain on sales of investment securities	—	170
Insurance income	—	49
Gain on sales of investments in capital of subsidiaries and associates	148	—
Total extraordinary gains	148	219
Extraordinary losses		
Loss on sales of investment securities	—	162
Theft loss	—	122
Provision for environmental measures	—	72
Provision of allowance for doubtful accounts	540	—
Loss from money transfer scam at foreign subsidiary	148	—
Loss on valuation of shares of subsidiaries and associates	74	—
Total extraordinary losses	763	357
Income before income taxes	14,656	14,774
Income taxes - current	4,694	5,087
Income taxes - deferred	(383)	(587)
Total income taxes	4,311	4,500
Net income	10,345	10,274
Net income attributable to non-controlling interests	300	483
Net income attributable to owners of parent	10,044	9,790

Consolidated Statement of Comprehensive Income
OSG Corporation

	(Millions of yen)	
	FY2023 third quarter (12/1/2022 - 8/31/2023)	FY2024 third quarter (12/1/2023 - 8/31/2024)
Net income	10,345	10,274
Other comprehensive income		
Valuation difference on available-for-sale securities	587	361
Deferred gains or losses on hedges	(0)	38
Foreign currency translation adjustment	7,391	(3,330)
Share of other comprehensive income of associates accounted for using equity method	(8)	6
Total other comprehensive income	7,970	(2,924)
Comprehensive income	18,315	7,349
(Breakdown)		
Comprehensive income attributable to owners of parent	17,420	7,411
Comprehensive income attributable to non-controlling interests	895	(61)

Operations by Geographical Segment

Results for FY2023 third quarter (Dec. 1, 2022 through Aug. 31, 2023)

(Millions of yen)

	Japan	The Americas	Europe / Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	36,327	23,200	24,497	23,705	107,731	—	107,731
Interarea transfers	16,819	738	171	2,816	20,546	(20,546)	—
Total sales	53,147	23,939	24,669	26,522	128,278	(20,546)	107,731
Operating income	5,516	3,513	2,606	3,088	14,725	(639)	14,085

Results for FY2024 third quarter (Dec. 1, 2023 through Aug. 31, 2024)

(Millions of yen)

	Japan	The Americas	Europe / Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	36,512	26,240	27,102	25,470	115,326	—	115,326
Interarea transfers	17,857	662	359	2,829	21,708	(21,708)	—
Total sales	54,369	26,903	27,461	28,300	137,035	(21,708)	115,326
Operating income	5,284	3,276	2,566	3,347	14,475	(15)	14,459

Net Sales by Product Segment

(Millions of yen)

Product Segment		FY2023 third quarter (12/1/2022 - 8/31/2023)	FY2024 third quarter (12/1/2023 - 8/31/2024)
Cutting tools	Taps	35,807	38,571
	End mills	20,477	21,928
	Drills and other cutting tools	31,264	33,803
	Subtotal	87,549	94,303
Rolling dies		8,022	8,316
Gauges		1,450	1,646
Other	Machine	4,108	4,209
	Other	6,600	6,850
	Subtotal	10,709	11,060
Total		107,731	115,326