

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 third-quarter: | 98,179,742 shares |
| FY2019: | 98,147,239 shares |
- (ii) Number of treasury stock at the end of each period:
- | | |
|-----------------------|----------------|
| FY2020 third-quarter: | 762,878 shares |
| FY2019: | 955,408 shares |
- (iii) Average number of shares outstanding in each period:
- | | |
|-----------------------|-------------------|
| FY2020 third-quarter: | 97,303,736 shares |
| FY2019 third-quarter: | 97,894,921 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 third-quarter As of Aug. 31, 2020	Change
Current assets			
Cash and deposits	26,950	32,930	
Notes and accounts receivable - trade	22,400	17,005	
Securities	11	1	
Merchandise and finished goods	29,844	31,042	
Work in process	6,376	5,270	
Raw materials and supplies	7,658	7,525	
Other	3,061	3,417	
Allowance for doubtful accounts	(198)	(164)	
Total current assets	96,104	97,029	924
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	18,663	23,580	
Machinery, equipment and vehicles, net	35,217	33,546	
Land	14,864	14,921	
Other, net	9,391	6,530	
Total property, plant and equipment	78,137	78,578	440
Intangible assets			
Goodwill	3,613	5,485	
Other	1,412	1,293	
Total intangible assets	5,026	6,779	1,753
Investments and other assets			
Investment securities	3,882	5,741	
Other	7,628	5,951	
Allowance for doubtful accounts	(364)	(365)	
Total investments and other assets	11,146	11,327	180
Total non-current assets	94,309	96,684	2,374
Total	190,414	193,713	3,299

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 third-quarter As of Aug. 31, 2020	Change
Liabilities			
Current liabilities			
Notes and accounts payable - trade	6,039	3,611	
Short-term loans payable	2,742	4,597	
Current portion of long-term loans payable	546	8,599	
Income taxes payable	2,699	481	
Provision for bonuses	415	1,303	
Provision for directors' bonuses	253	125	
Other	10,881	6,094	
Total current liabilities	23,578	24,813	1,234
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	21,947	
Net defined benefit liability	504	644	
Provision for loss on guarantees	-	28	
Other	2,179	2,602	
Total non-current liabilities	26,177	31,893	5,716
Total liabilities	49,755	56,706	6,951
Net assets			
Shareholders' equity			
Capital stock	12,194	12,223	
Capital surplus	13,731	13,083	
Retained earnings	109,428	109,680	
Treasury stock	(1,894)	(1,509)	
Total shareholders' equity	133,460	133,477	16
Accumulated other comprehensive income			
Valuation difference			
on available-for-sale securities	1,281	729	
Deferred gains or losses on hedges	-	0	
Foreign currency translation adjustment	(5,663)	(7,637)	
Total accumulated other comprehensive income	(4,381)	(6,906)	(2,525)
Share acquisition rights	13	13	0
Non-controlling interests	11,567	10,423	(1,143)
Total net assets	140,658	137,007	(3,651)
Total liabilities and net assets	190,414	193,713	3,299

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2019 third-quarter (2018/12/1 - 2019/8/31)	FY2020 third-quarter (2019/12/1 - 2020/8/31)	Change
Net sales	95,920	77,506	(18,413)
Cost of sales	54,776	48,670	(6,105)
Gross profit	41,144	28,836	(12,307)
Selling, general and administrative expenses	25,404	22,995	(2,408)
Operating income	15,739	5,841	(9,898)
Non-operating income			
Interest income	177	156	
Dividend income	73	69	
Subsidy income	245	786	
Reversal of provision for loss on litigation	387	-	
Other	741	539	
Total non-operating income	1,625	1,553	(72)
Non-operating expenses			
Interest expenses	152	161	
Sales discounts	610	476	
Foreign exchange losses	272	345	
Other	318	361	
Total non-operating expenses	1,353	1,344	(8)
Ordinary income	16,012	6,049	(9,962)
Extraordinary income			
Gain on sales of non-current assets	-	206	
Total extraordinary income	-	206	206
Income before income taxes	16,012	6,256	(9,755)
Income taxes - current	5,271	1,798	(3,473)
Income taxes - deferred	(474)	623	1,098
Total income taxes	4,797	2,422	(2,375)
Net income	11,214	3,833	(7,380)
Net income attributable to non-controlling interests	512	100	(411)
Net income attributable to OSG Corporation	10,702	3,733	(6,969)

Consolidated Statement of Comprehensive Income
OSG Corporation

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

	FY2019 third-quarter (2018/12/1 - 2019/8/31)	FY2020 third-quarter (2019/12/1 - 2020/8/31)	Change
Net income	11,214	3,833	(7,380)
Other comprehensive income			
Valuation difference on available-for-sale securities	(255)	(565)	
Deferred gains or losses on hedges	-	0	
Foreign currency translation adjustment	(7,670)	(2,393)	
Share of other comprehensive income of associates accounted for using equity method	1	1	
Total other comprehensive income	(7,923)	(2,957)	4,966
Comprehensive income	3,290	876	(2,414)
(Breakdown)			
Comprehensive Income attributable to OSG Corporation	4,244	1,194	
Comprehensive Income attributable to non-controlling interests	(953)	(317)	

Operations by Geographical Segment

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

(Reference)

Results for FY2019 third-quarter (Dec. 1, 2018 through Aug. 31, 2019)

Million yen

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	41,334	17,548	15,669	21,367	95,920	-	95,920
Interarea transfers	16,528	454	112	2,649	19,743	(19,743)	-
Total sales	57,862	18,002	15,782	24,017	115,664	(19,743)	95,920
Operating income	9,466	2,302	987	3,171	15,928	(188)	15,739

Net sales by Product Segment

Million yen

	FY2019 third-quarter (2018/12/1 - 2019/8/31)	FY2020 third-quarter (2019/12/1 - 2020/8/31)
Cutting tools:		
Taps	30,147	24,530
End mills	20,239	16,064
Drills and other cutting tools	27,417	21,775
Total	77,804	62,370
Rolling dies	7,553	5,808
Gauges	1,424	1,314
Other	9,137	8,013
Total	95,920	77,506