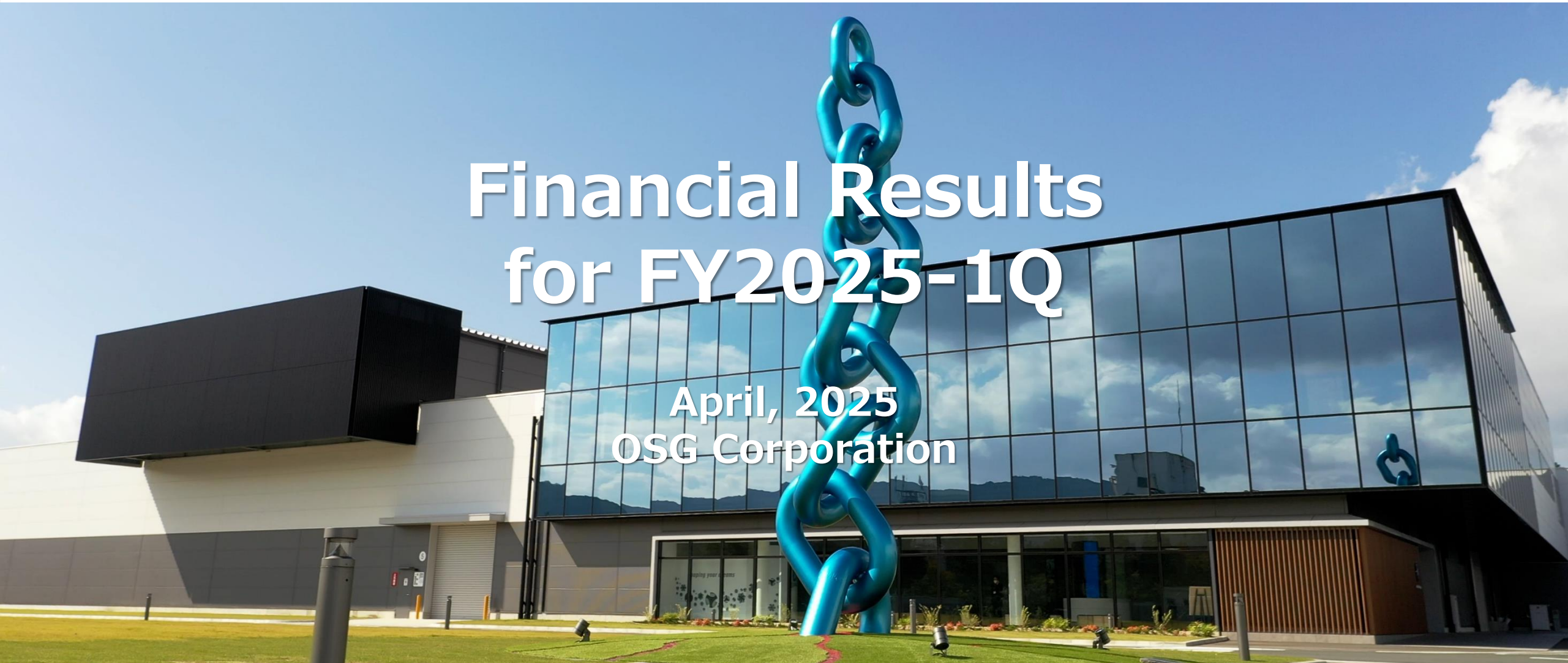




shaping your dreams

Financial Results for FY2025-1Q

April, 2025
OSG Corporation

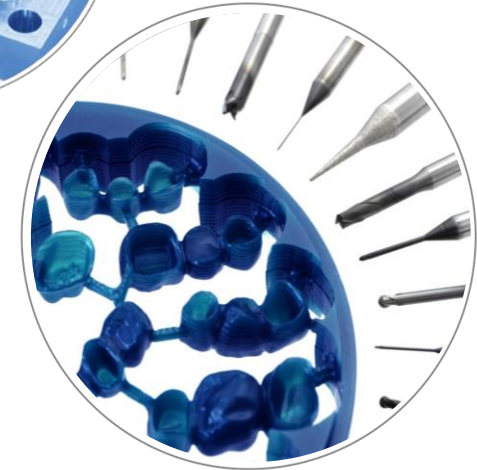
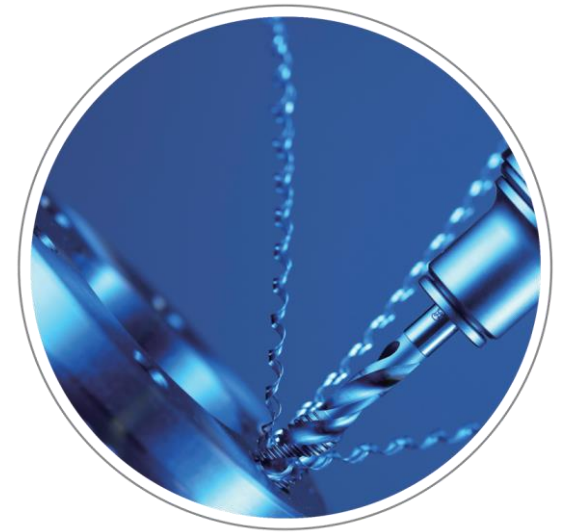
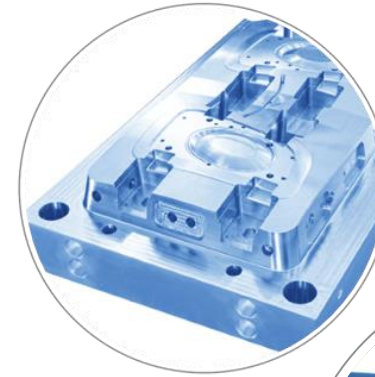


- ◆ P2-3 [Company Overview](#)
- ◆ P4-5 [Financial Summary](#)
- ◆ P6-7 [Review of FY25-1Q](#)
- ◆ P8-9 [Sales to Customer
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Company Overview

Company Name	OSG Corporation
Headquarters	3-22 Honnogahara Toyokawa-city, Aichi, Japan
Foundation	March 26, 1938
Capital	13,044 million yen
Employees	7,662 (consolidated) 1,849 (non-consolidated)
Stock listed	Prime Market in Tokyo Stock Exchange Premier Market in Nagoya Stock Exchange (stock code 6136)



Note regarding forecast

- This material includes forward-looking statements based on information available at the time of release.
- The forecasts and other forward-looking statements are not guarantees of future performance. Actual financial results may differ from the above forecasts due to known and unknown risks, uncertainties and other factors.

Company Overview

Products

- Consumable cutting tools
used in machine tools
- **Taps** account for over 30%
market share as **world leader**

Strength

- High-value cutting tools
- Excellent after-sales service
- A global sales & service network
across 33 countries



Financial Summary

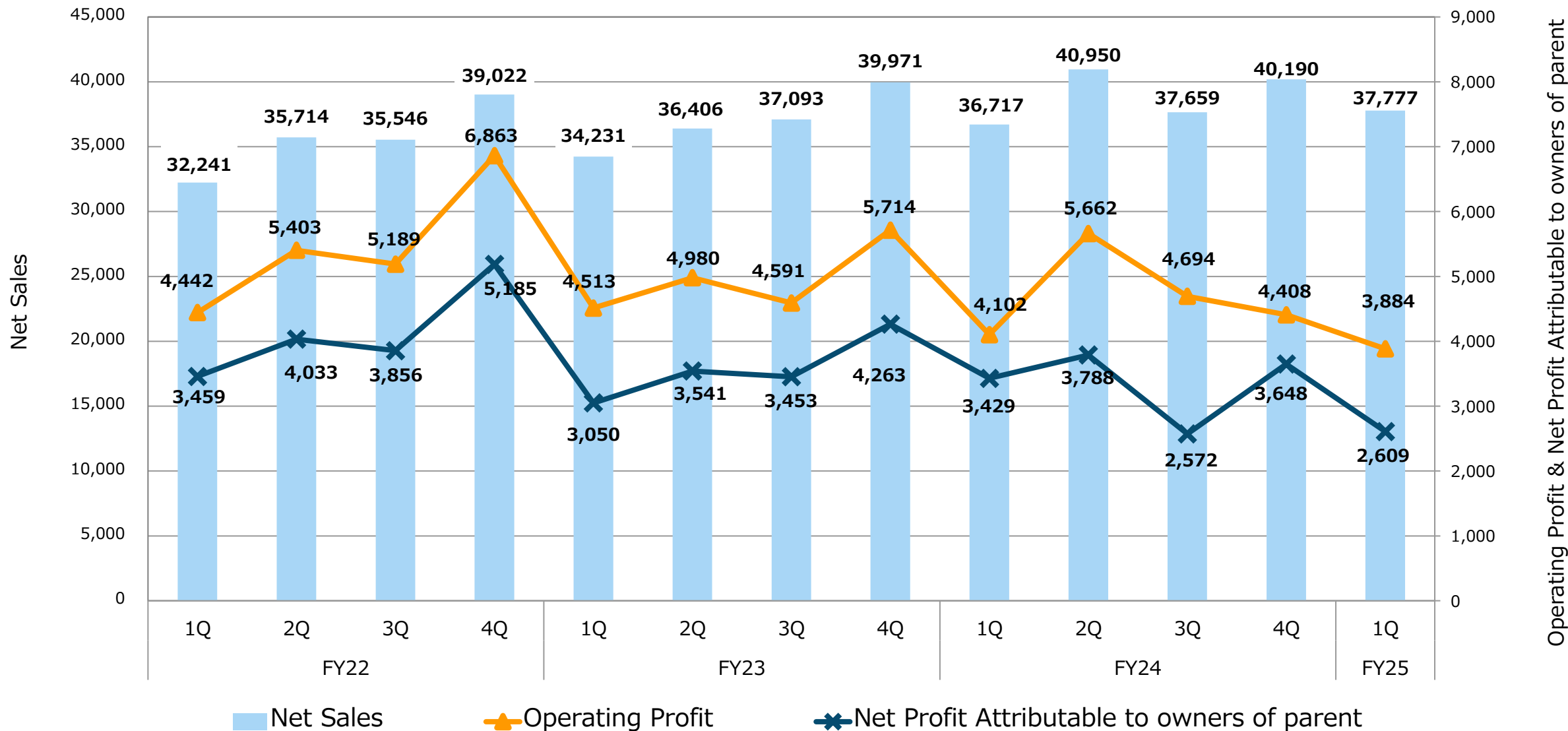
(Millions of yen)

	FY24-1Q	FY25-1Q	Change		FY25-1H Forecast	Progress Rate
Net Sales	36,717	37,777	1,059	+2.9%	79,000	47.8%
Operating Profit	4,102	3,884	-217	-5.3%	10,100	38.5%
OPM	11.2%	10.3%	-	-	12.8%	-
Ordinary Income	4,949	4,155	-794	-16.0%	10,700	38.8%
Net Profit Attributable to OSG	3,429	2,609	-820	-23.9%	7,100	36.8%
EPS(yen)	36.30	30.73	-5.57	-15.3%	83.61	-



Financial Summary

(Millions of yen)

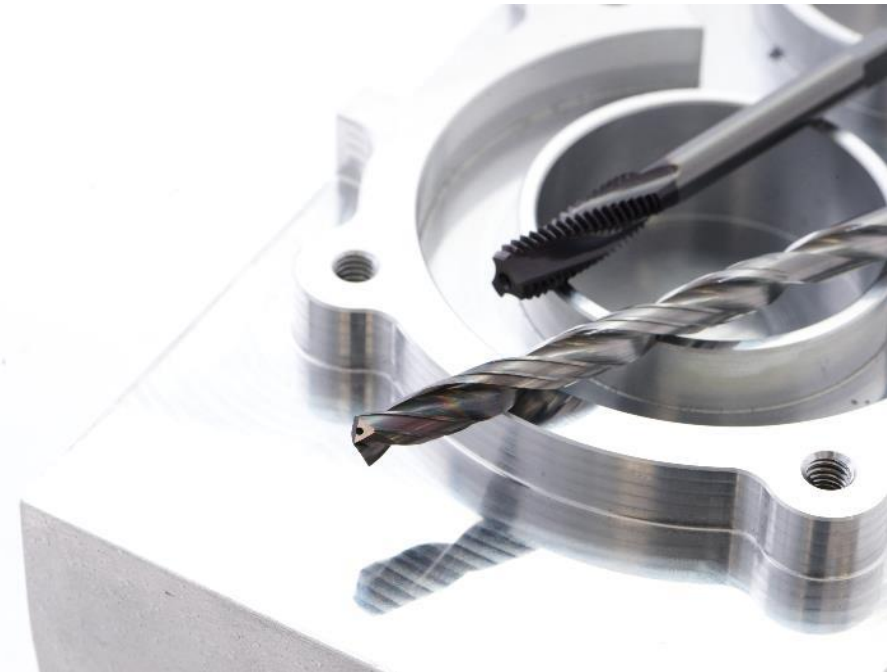


Review of FY25-1Q

Revenue increased, but profits down due to worsening economic outlook in Europe and the United States.

Index & Capital Investment Results

- EBITDA	7.2 billion yen	(+0.6% YoY)
- EBITDA Margin	19.1%	(-0.4pts YoY)
- ROA	6.1%	(-0.3pts YoY)
(Operating Profit Basis)		
- ROE	6.3%	(-1.3pts YoY)
- Equity Ratio	65.8%	(+1pts from the end of FY24)
- CAPEX	4.2 billion yen	(FY25 plan is 19 billion yen.)
- Depreciation	3.0 billion yen	(FY25 plan is 12.2 billion yen.)



Review of FY25-1Q

The Americas

Despite the economic slowdown, the aircraft industry and energy sectors—such as gas and oil—remain steady in the U.S. Performance in other countries also remains stable.

Europe/Africa

Due to the downturn in the automotive industry, Germany's performance faced challenges. The performance in other countries remains steady.

Asia

Domestic demand in China is on a recovery trend.
In South Asia, India continuing to perform well.
South Korea remains in a difficult situation.

Japan

Demand from the energy plants are strong. Revenue and profit are increased with the price revision of standard items.

Sales to Customers by Geographical Segment

(Millions of yen)

Change
in local
currency

FY24-1Q

FY25-1Q

Change

Japan

11,375

12,490

1,115

+9.8%

-

The Americas

8,441

8,286

-155

-1.8%

-4.6%

Europe/Africa

8,825

8,397

-428

-4.9%

-5.6%

Asia

8,074

8,603

528

+6.5%

+5.3%

Consolidated

36,717

37,777

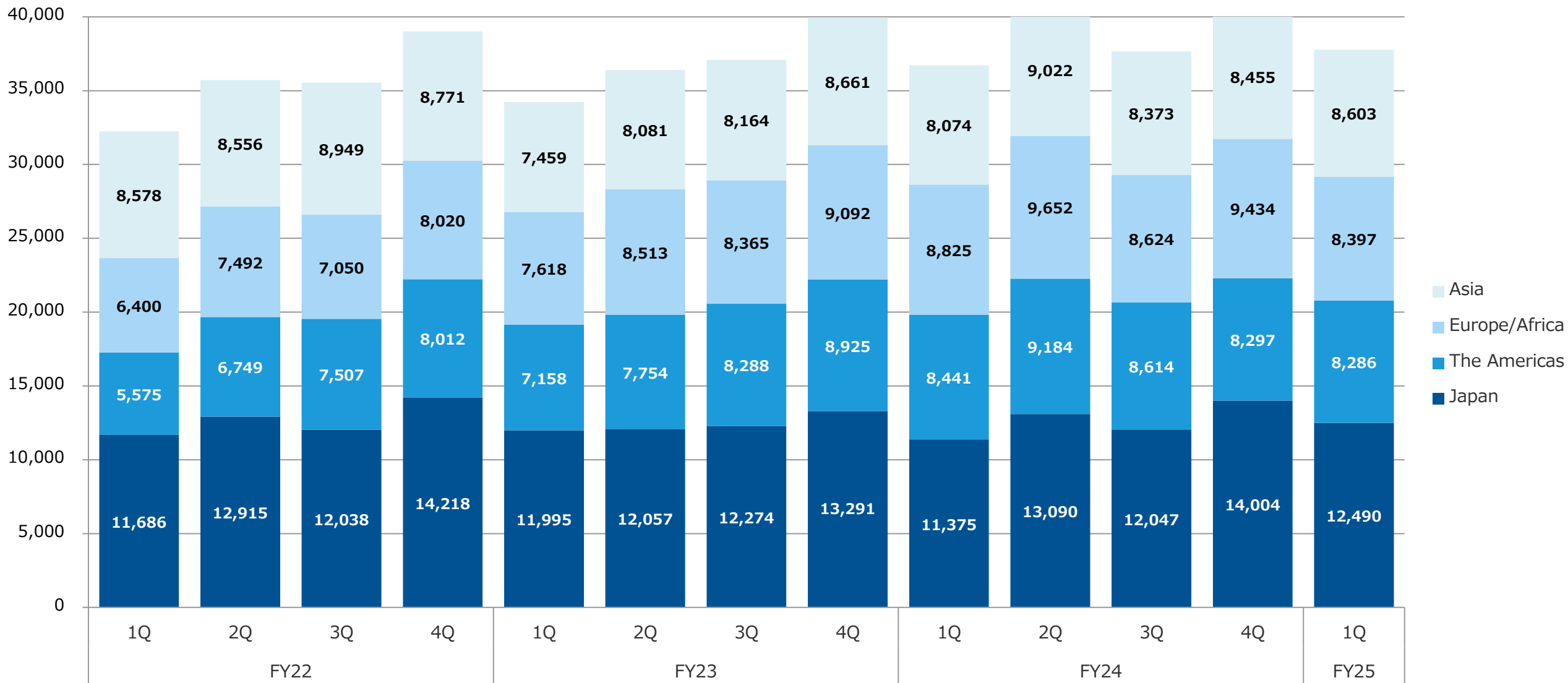
1,059

+2.9%

-

Sales to Customers by Geographical Segment

(Millions of yen)



Operating Profit by Geographical Segment

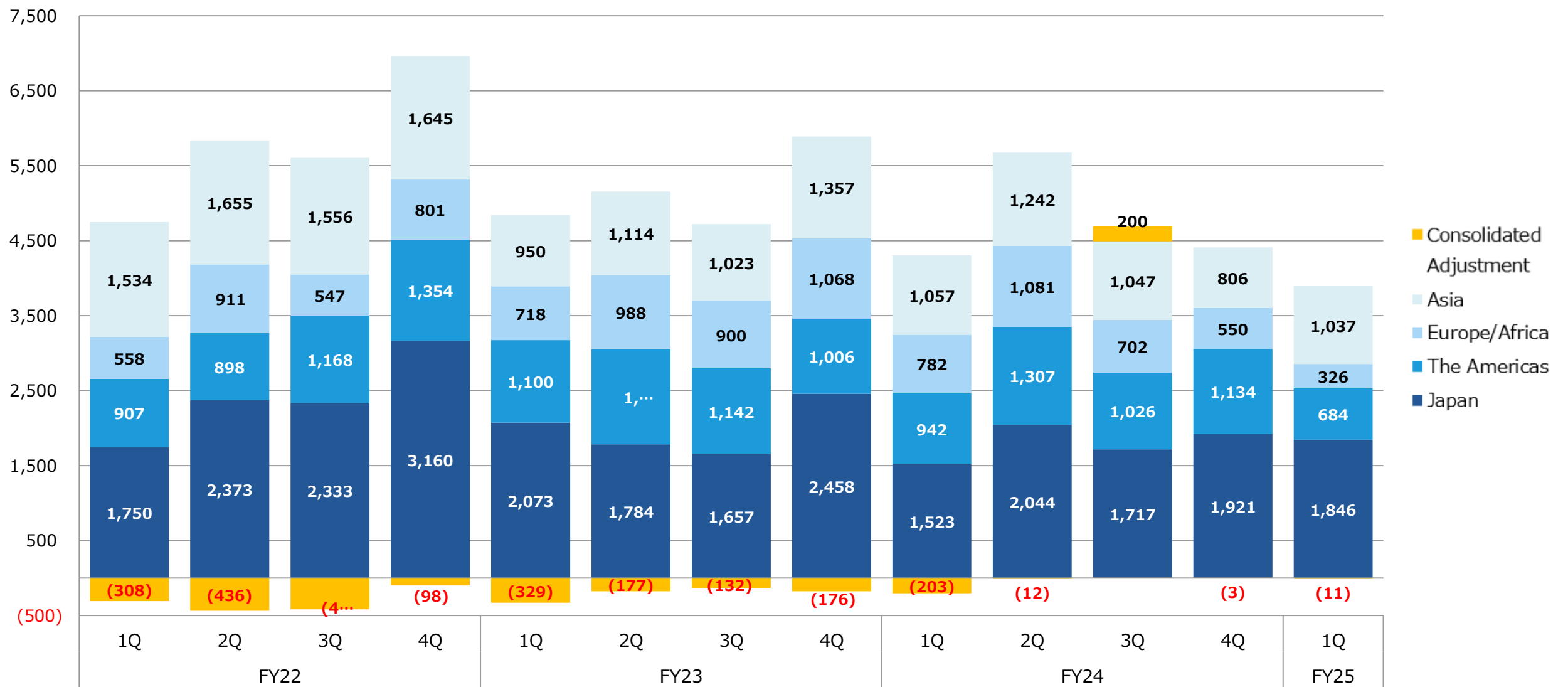
(Millions of yen)

	FY24-1Q	FY25-1Q	Change		OPM(*)
Japan	1,523	1,846	323	+21.2%	10.2%
The Americas	942	684	-257	-27.3%	8.1%
Europe/Africa	782	326	-455	-58.2%	3.8%
Asia	1,057	1,037	-20	-1.9%	10.9%
Total	4,306	3,895	-410	-9.5%	8.7%
Eliminations	-203	-11	192	-	-
Consolidated	4,102	3,884	-217	-5.3%	10.3%

* Operating profits margin as % of sales (external sales + internal area transfers)

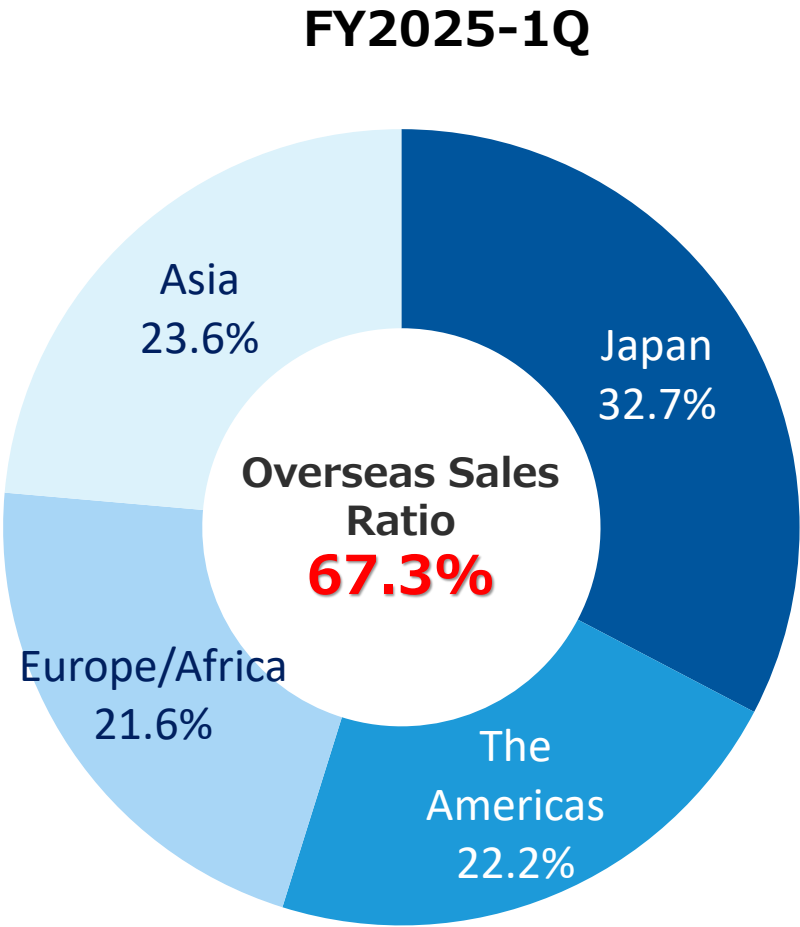
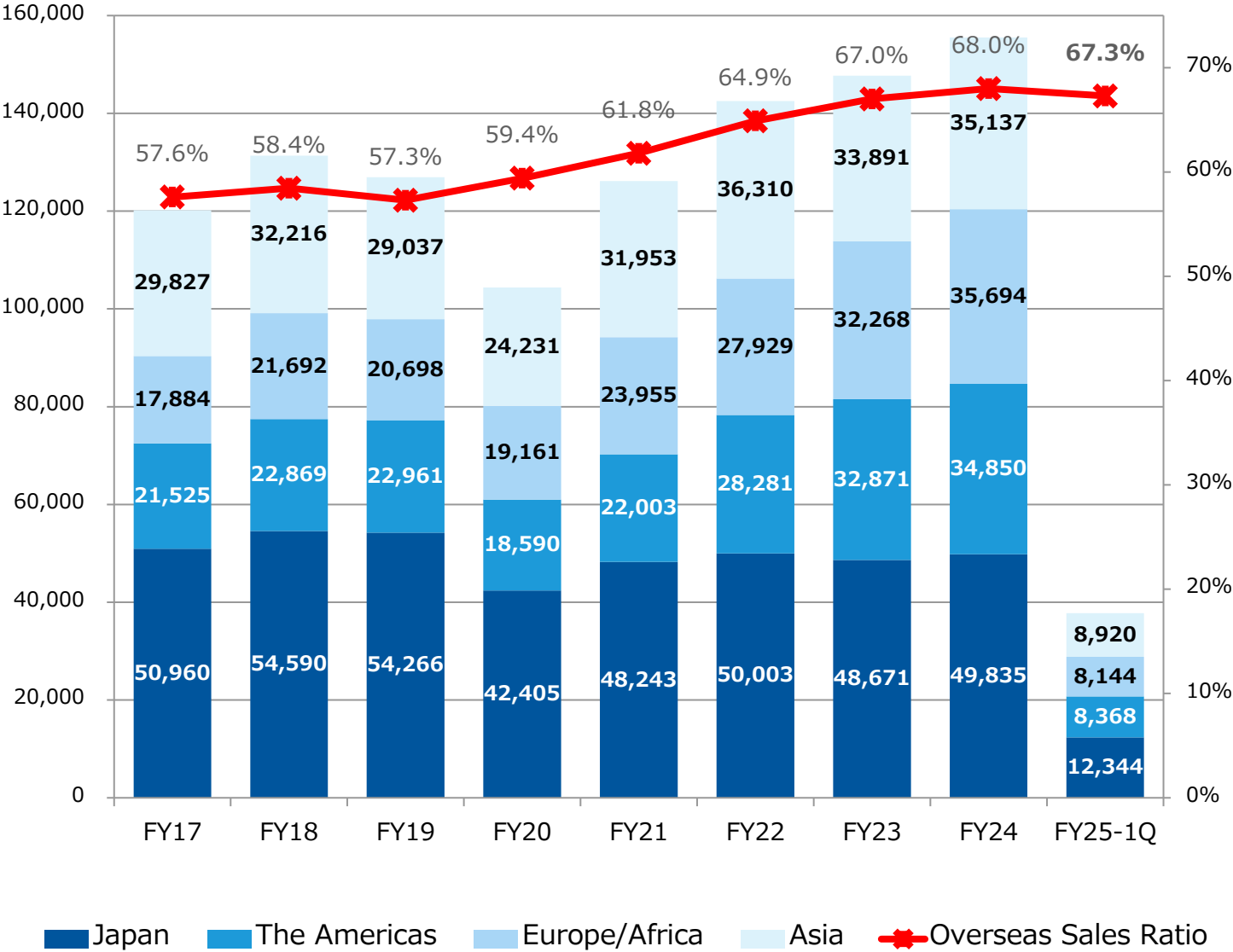
Operating Profit by Geographical Segment

(Millions of yen)



Overseas Sales Ratio

(Millions of yen)



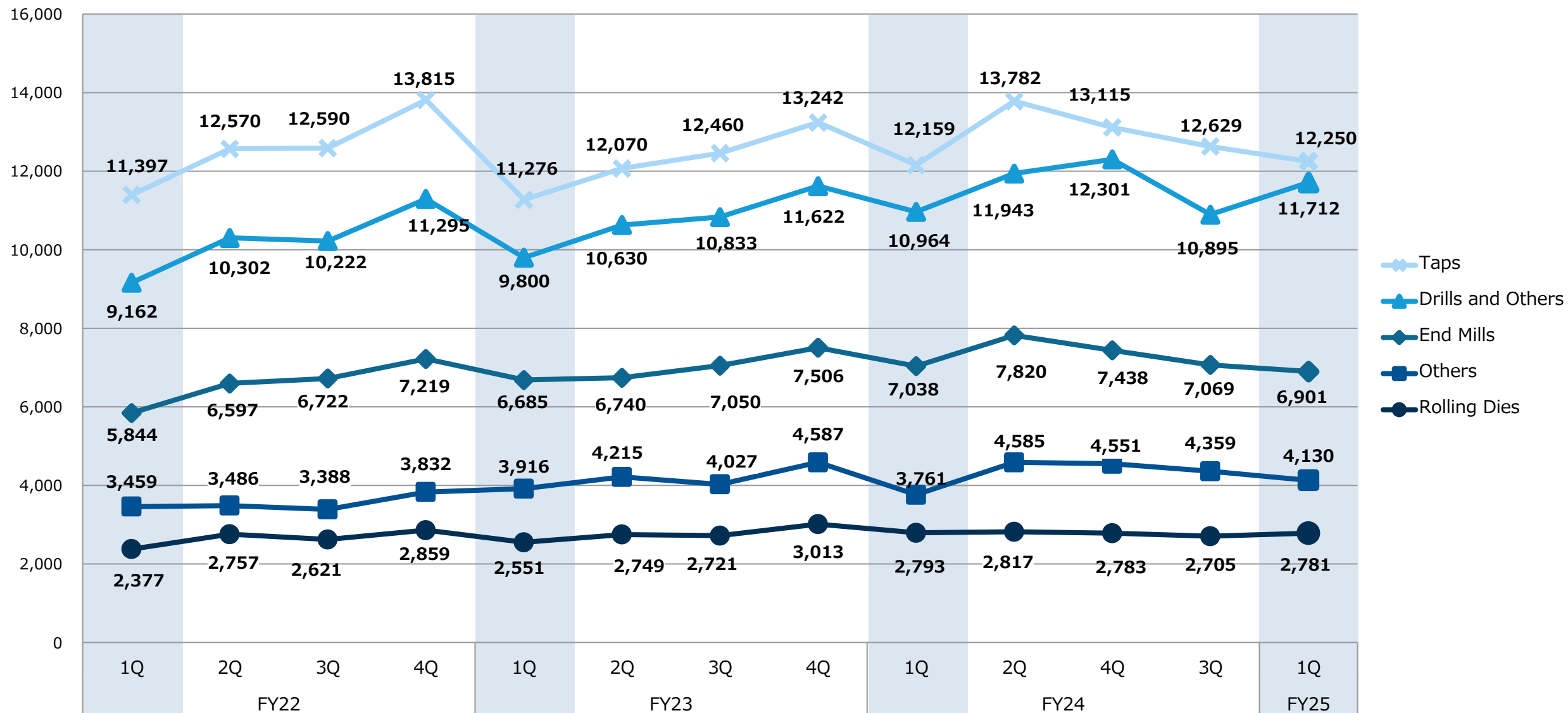
Net Sales by Product Segment

(Millions of yen)

		FY24						FY25		Change	
		1Q	2Q	3Q	4Q	Total		1Q			
Precision Tools	Taps	12,159	13,782	12,629	13,115	51,686	33.2%	12,250	32.4%	91	0.8%
	End mills	7,038	7,820	7,069	7,438	29,366	18.9%	6,901	18.3%	-136	-1.9%
	Drills and Others	10,964	11,943	10,895	12,301	46,105	29.6%	11,712	31.0%	748	6.8%
	Rolling dies	2,793	2,817	2,705	2,783	11,100	7.1%	2,781	7.4%	-12	-0.4%
	Gauges	459	658	528	759	2,405	1.5%	517	1.4%	57	12.5%
		33,415	37,022	33,828	36,398	140,664	90.4%	34,164	90.4%	748	2.2%
Other	Machine	1,161	1,493	1,554	1,709	5,919	3.8%	1,344	3.6%	182	15.7%
	Other	2,139	2,434	2,276	2,082	8,933	5.7%	2,269	6.0%	129	6.0%
		3,301	3,927	3,831	3,792	14,852	9.6%	3,613	9.6%	311	9.4%
Total		36,717	40,950	37,659	40,190	155,517	100%	37,777	100%	1,059	2.9%

Net Sales by Product Segment

(Millions of yen)

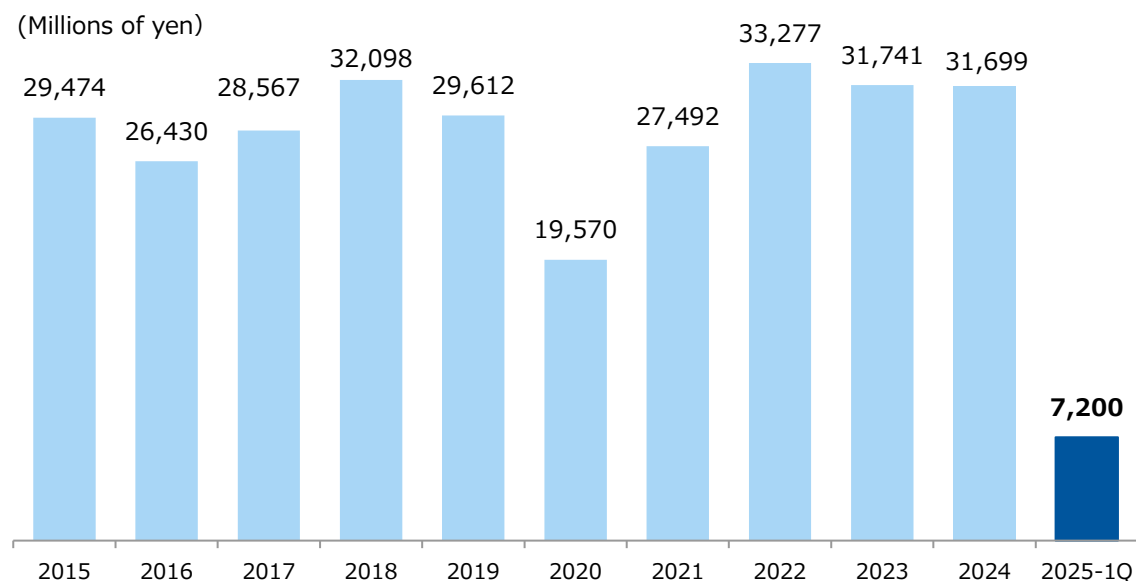


B/S Overview • EBITDA

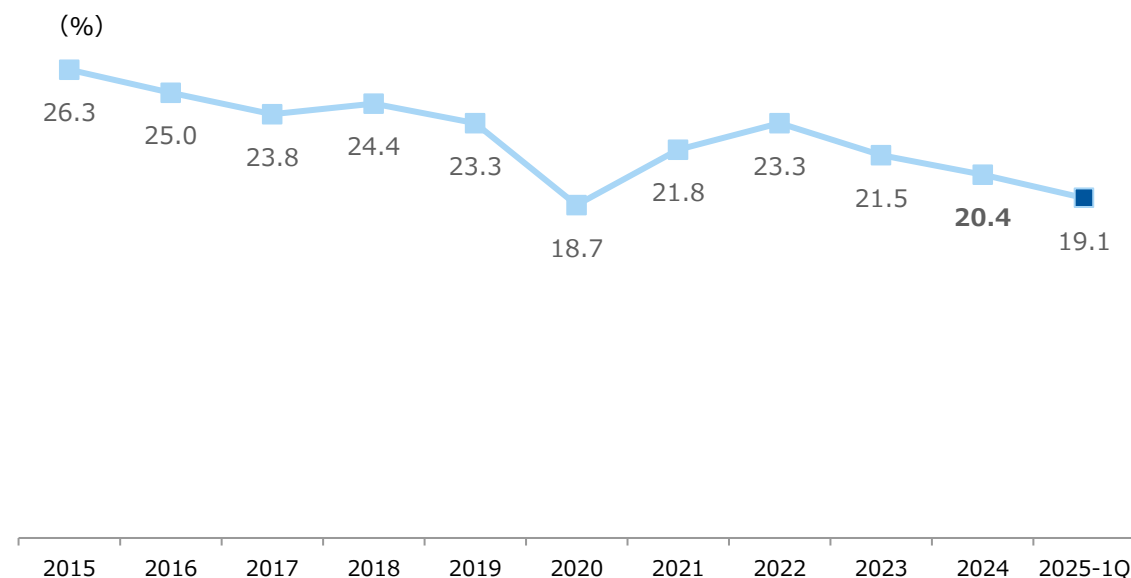
(Millions of yen)

	FY24	FY25-1Q		FY24	FY25-1Q
Equity Ratio (%)	64.8	65.8	Cash and Time Deposits	55,774	50,876
Receivable Turnover Period (months)	2.2	2.1	Interest-bearing Debt	49,099	49,018
Inventory Turnover Period (months)	4.4	4.4	Net Cash	6,675	1,857

EBITDA

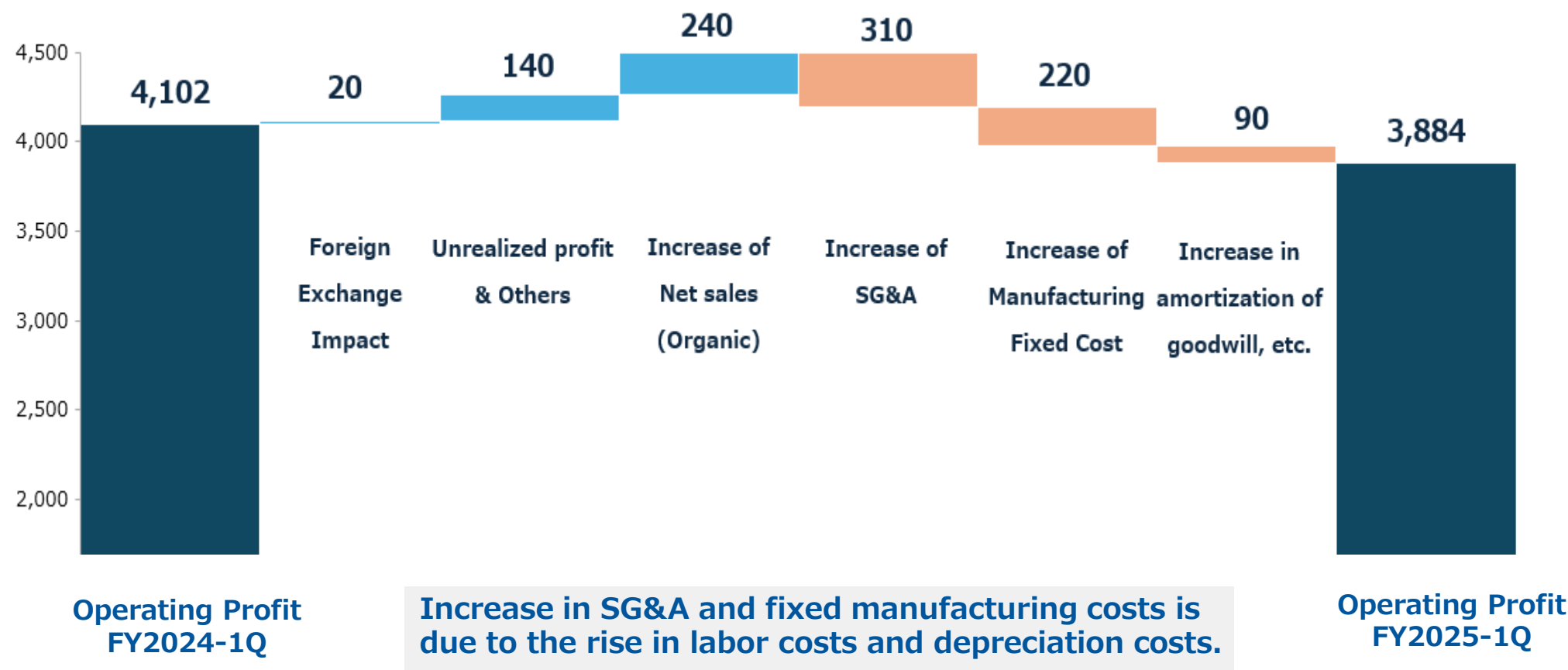


EBITDA Margin



Operating Profit Variation

(Millions of yen)

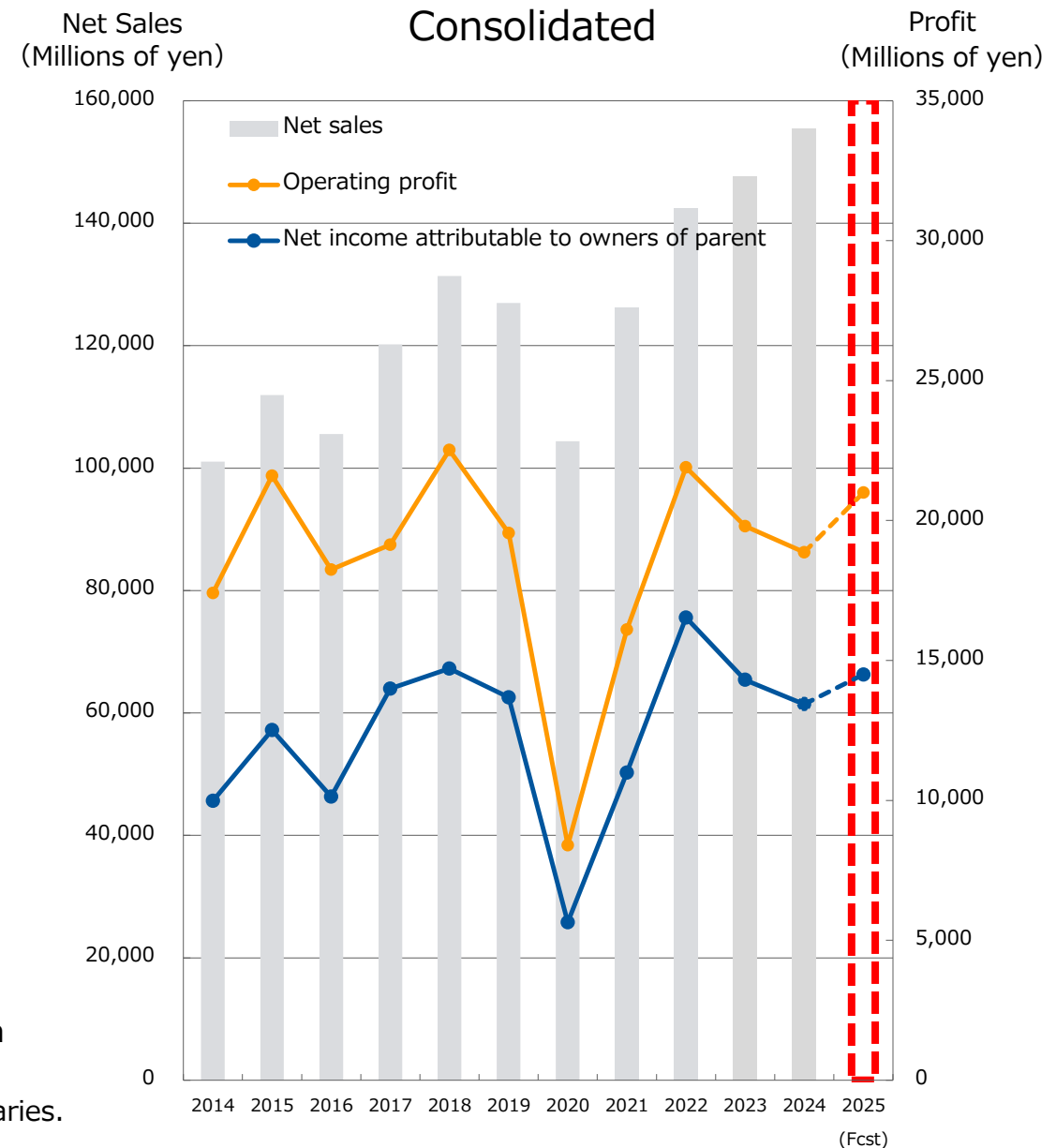


Forecast for FY25

	Consolidated		Parent Company	
	Amount (Millions of yen)	Growth	Amount (Millions of yen)	Growth
Net sales	160,000	+2.9%	59,500	+5.5%
Operating Profit	21,000	+11.3%	6,000	+15.9%
as % of sales	13.1%	-	10.1%	-
Ordinary Profit	22,000	+11.0%	10,600	*-4.2%
as % of sales	13.8%	-	17.8%	-
Net Profit Attributable to owners of parent	14,500	+7.9%	8,900	-2.5%
as % of sales	9.1%	-	15.0%	-
EPS (yen)	170.75	+14.6%	104.76	+3.6%

Exchange rate FY2025(Fcst.) : 1US\$=150.00yen 1Euro=159.00yen

*Decrease in Parent Company's Ordinary Profit is due to a decrease in dividends from subsidiaries.



Capital Investment

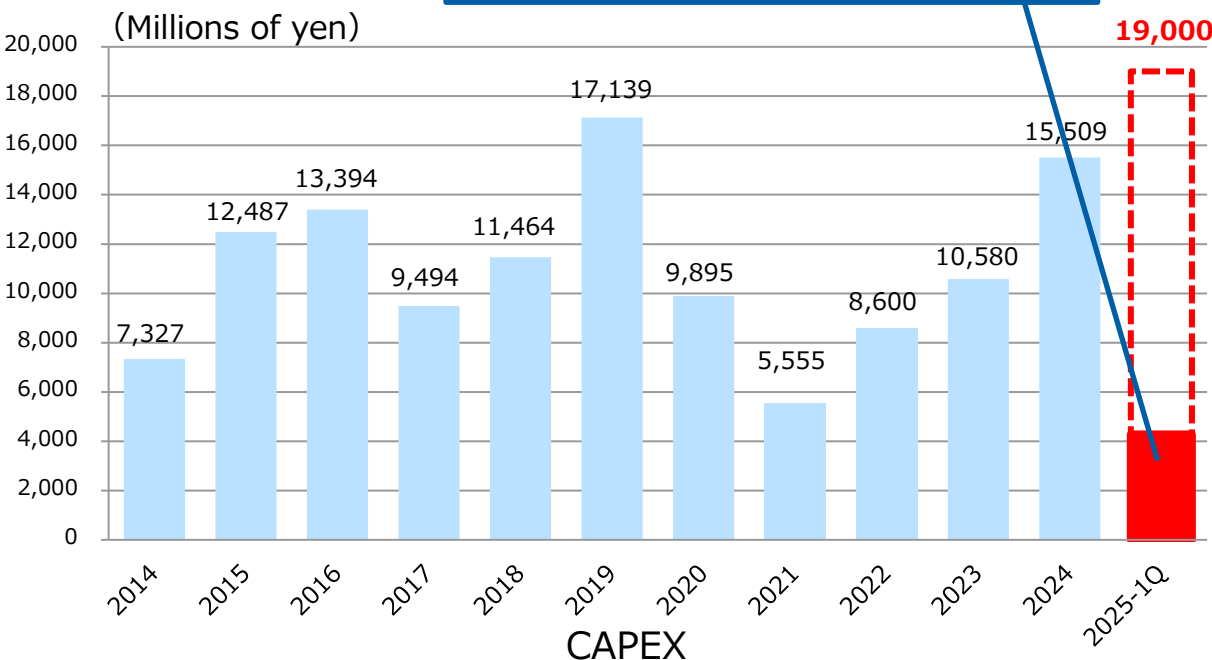
FY25 Capital Investment Forecast

19.0 billion yen

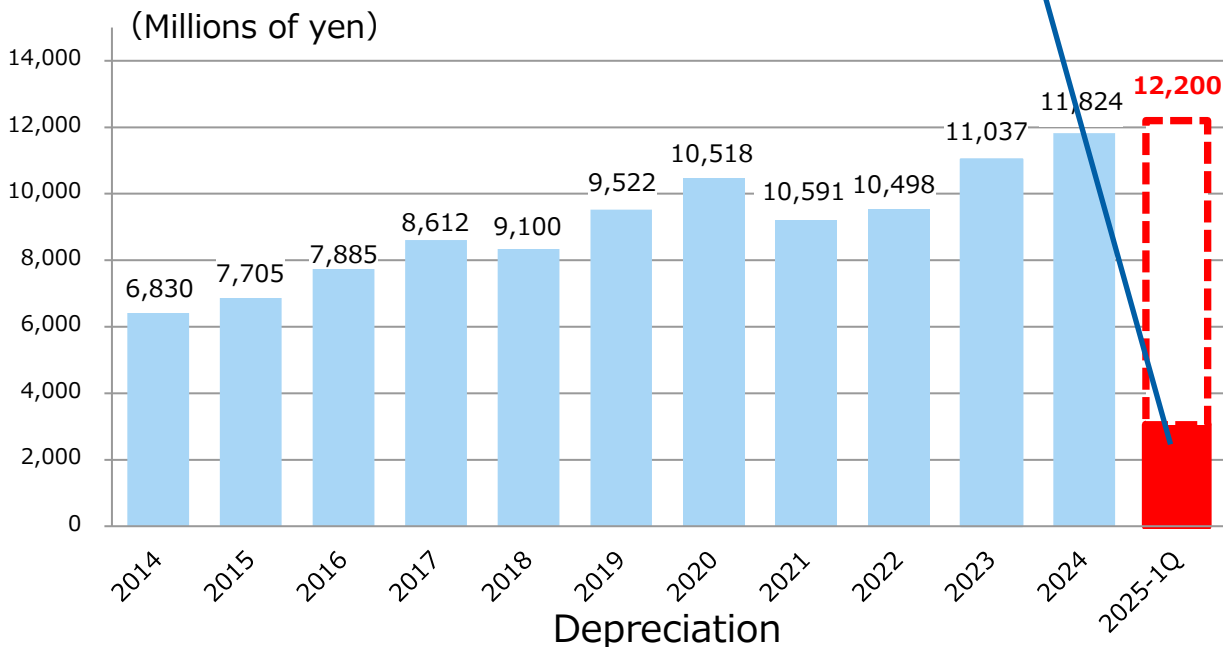
Breakdown

Including 1.1 billion yen carried over from FY24 budget.
New factory for carbide end mills, machinery and equipment, etc.

CAPEX : 4,276



Depreciation : 3,052



Exchange Rate

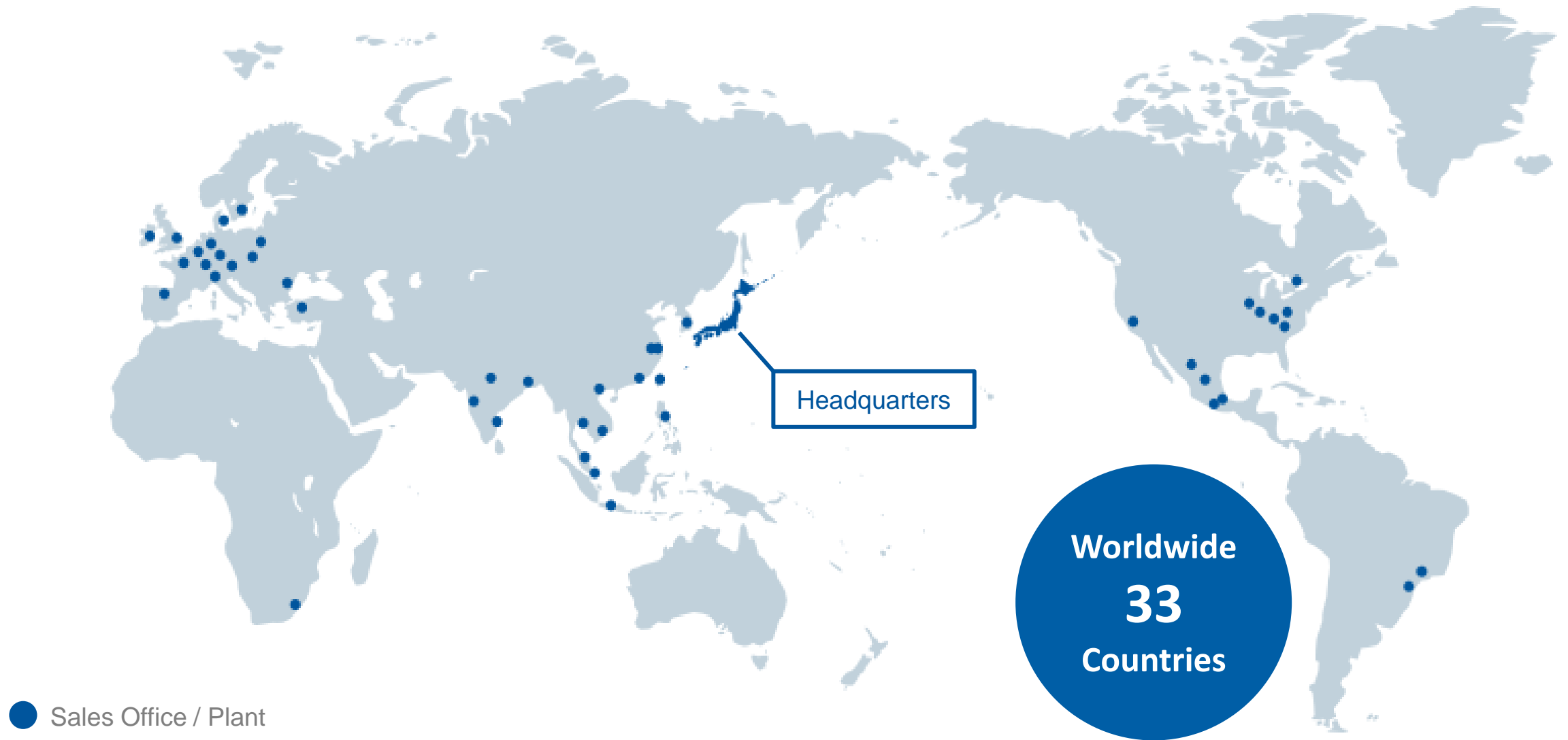
(Yen)

	1US\$	1Euro	1RMB
FY22-1Q	115.34	129.50	18.16
FY22	130.61	137.60	19.42
FY23-1Q	133.17	142.55	19.30
FY23	140.44	151.87	19.79
FY24-1Q	146.68	160.11	20.44
FY24	150.88	163.71	20.98
FY25-1Q	154.09	160.29	21.11

Selected Financial Data (Consolidated)

		2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-1Q
Net sales	(mil.yen)	101,031	111,917	105,561	120,198	131,368	126,964	104,388	126,156	142,525	147,703	155,517	37,777
Sales growth rate	(%)	14.3%	10.8%	-5.7%	13.9%	9.3%	-3.4%	-18.0%	20.9%	13.0%	3.6%	5.3%	2.9%
Cost of sales	(mil.yen)	58,061	61,865	59,179	69,711	74,833	73,281	65,715	76,969	83,459	87,254	92,042	22,508
Gross profit	(mil.yen)	42,970	50,051	46,382	50,486	56,535	53,682	38,673	49,186	59,065	60,448	63,475	15,269
SG&A expenses	(mil.yen)	25,554	28,454	28,135	31,349	34,015	34,128	30,276	33,081	37,166	40,648	44,606	11,384
Operating Profit	(mil.yen)	17,415	21,597	18,246	19,137	22,520	19,554	8,396	16,105	21,898	19,800	18,868	3,884
Ordinary Profit	(mil.yen)	17,568	21,510	17,813	19,144	22,567	19,710	8,950	16,141	23,648	21,350	19,825	4,155
Net Profit	(mil.yen)	9,989	12,518	10,134	13,993	14,710	13,686	5,639	10,989	16,534	14,307	13,439	2,609
Gross profit margin	(%)	42.5%	44.7%	43.9%	42.0%	43.0%	42.3%	37.0%	39.0%	41.4%	40.9%	40.8%	40.4%
SG&A to Sales ratio	(%)	25.3%	25.4%	26.7%	26.1%	25.9%	26.9%	29.0%	26.2%	26.1%	27.5%	28.7%	30.1%
Operating Profit margin	(%)	17.2%	19.3%	17.3%	15.9%	17.1%	15.4%	8.0%	12.8%	15.4%	13.4%	12.1%	10.3%
Ordinary Profit margin	(%)	17.4%	19.2%	16.9%	15.9%	17.2%	15.5%	8.6%	12.8%	16.6%	14.5%	12.7%	11.0%
Net Profit margin	(%)	9.9%	11.2%	9.6%	11.6%	11.2%	10.8%	5.4%	8.7%	11.6%	9.7%	8.6%	6.9%
Average FX rate: 1USD	(yen)	102.98	121.03	109.78	112.33	110.53	109.36	106.94	109.41	130.61	140.44	150.88	154.09
Average FX rate: 1Euro	(yen)	139.37	134.92	121.39	126.20	130.68	122.53	121.60	130.04	137.60	151.87	163.71	160.29
Total assets	(mil.yen)	142,302	155,129	156,081	166,712	178,020	190,414	200,112	209,757	228,852	250,124	257,256	250,048
Total shareholders' equity	(mil.yen)	91,458	102,566	92,216	115,810	125,332	129,078	129,338	143,811	164,659	181,561	166,633	164,498
Net Profit per share	(yen)	105.20	131.78	110.59	153.70	150.47	140.06	57.94	112.63	171.54	149.29	148.94	30.73
Cash dividends per share (end of Q2)	(yen)	14.00	26.00	22.00	21.00	22.00	23.00	11.00	14.00	23.00	28.00	28.00	-
(year-end)	(yen)	20.00	20.00	28.00	25.00	25.00	24.00	11.00	22.00	37.00	32.00	32.00	-
Total shareholders' equity per share	(yen)	963.15	1,079.12	1,024.34	1,191.65	1,279.29	1,328.08	1,327.22	1,472.45	1,721.14	1,892.35	1,962.21	1,937.09
Average number of shares	(ths)	94,959	94,991	91,640	91,044	97,761	97,716	97,335	97,573	96,388	95,838	90,233	84,921
ROA (operating profit basis)	(%)	12.6%	14.5%	11.7%	11.9%	13.1%	10.6%	4.3%	7.9%	10.0%	8.3%	7.4%	6.1%
ROE	(%)	11.7%	12.9%	10.4%	13.5%	12.2%	10.8%	4.4%	8.0%	10.7%	8.3%	7.7%	6.3%
Equity ratio	(%)	64.3%	66.1%	59.1%	69.5%	70.4%	67.8%	64.6%	68.6%	72.0%	72.6%	64.8%	65.8%
Total asset turnover ratio		0.73	0.75	0.68	0.74	0.76	0.69	0.53	0.62	0.65	0.62	0.61	0.60
Operating CF	(mil.yen)	19,688	19,588	16,333	20,820	20,310	19,261	17,038	26,982	20,175	23,331	28,557	-
Investing CF	(mil.yen)	-3,119	-16,976	-16,843	-7,566	-13,351	-20,314	-17,133	-6,961	-12,170	-8,543	-21,741	-
Financing CF	(mil.yen)	-12,813	-6,216	-778	-11,137	-4,723	3,465	9,658	-14,264	-14,740	-3,831	-7,985	-
Cash flow margin	(%)	19.5%	17.5%	15.5%	17.3%	15.3%	15.1%	16.3%	21.4%	14.2%	15.8%	18.4%	-

Expansion of Overseas Business



Topics (Trump Tariffs)

Promoting Optimal Production by Leveraging Global Sites.

Tungsten Carbide tools

Covered by two companies in the U.S. (OSG USA, AMAMCO)

Taps

Produced in Mexico, Brazil and Japan.

【Standard Items】

Standard products with high volumes will be exported from Mexico and Brazil with low tariffs.

【Special and A-brand items】

Japan to continue exporting premium.



Topics (Productivity Improvement)

In-house development of new grinding machine for Rolling dies.

Point

To strengthen orders for drive shafts, which are expected to become even more important in the EV era, we have developed equipment that reduces cycle time by half.

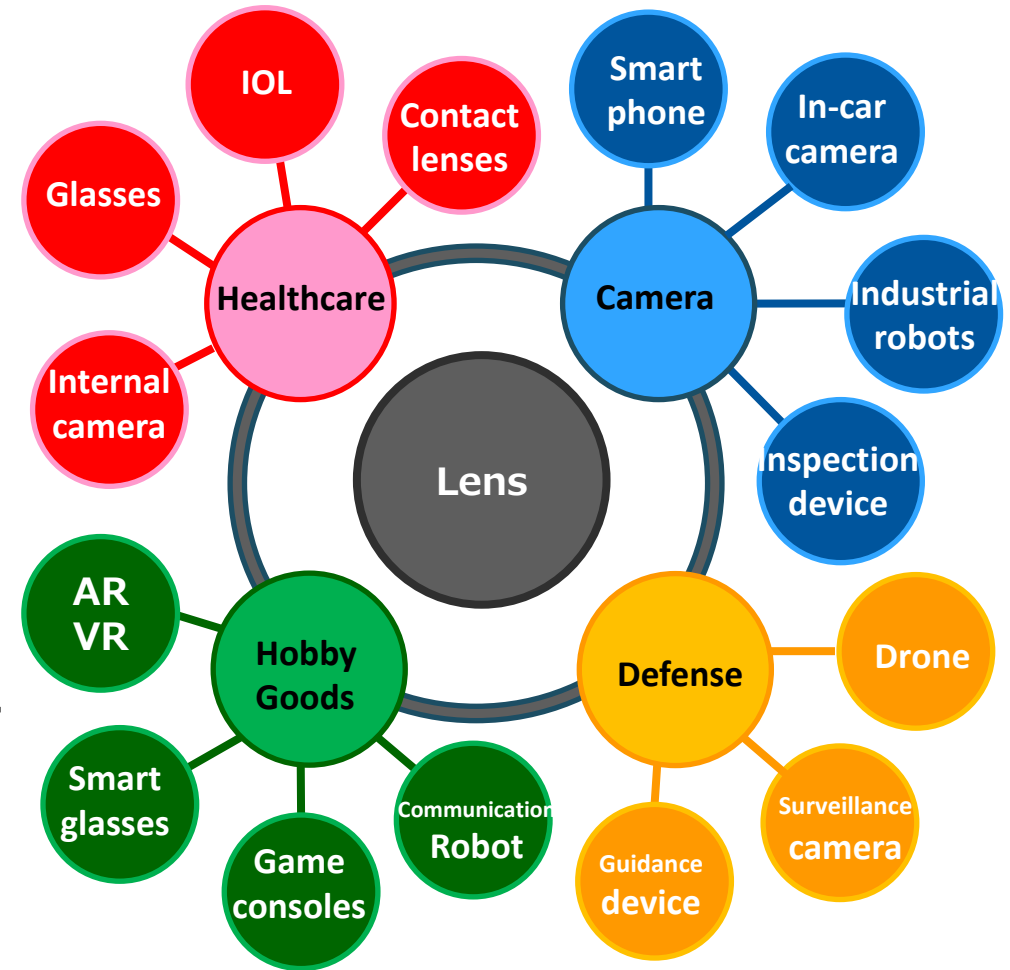


Topics (Diamond tools)

The lens industry is a focus area expected to grow further ahead.

Point

The applications of lenses are diverse, addressing various societal needs such as safety and security, healthcare, entertainment, and automation and labor-saving. With a wide range of applications, the lens industry is expected to continue expanding its market as a key player in economic development. We will strive to expand the sales of diamond tools in this continuously growing lens industry.



Topics (Repurchase of Shares)



Total Repurchase Price of Shares	: 5 billion yen
Total Number of Shares which may be Repurchased	: Up to 3,500,000 shares (approximately 4.1% of the total issued shares (excluding treasury stock)*)
Repurchase Period	: From April 11, 2025 to August 29, 2025.
Repurchase Method	: Market purchase at the Tokyo Stock Exchange (including an off- auction purchase transaction).
Note	: All of Shares which may be Repurchased as mentioned above are expected to be Retired.

* Total number of issued shares (excluding treasury stock) are 84,959,566 shares.



Topics (ESG News)



Recognized for the 2025 KENKO Investment for Health Award for the third consecutive year. (Outstanding Organizations 500)



CDP2024

- Climate change
- Water security

B rating
C rating

Improvement from the previous D rating in the water security category.