

FY2021 First Quarter Consolidated Financial Results (December 1, 2020 - February 28, 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
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1. Consolidated Results for FY2021 First Quarter (December 1, 2020 - February 28, 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 first-quarter	28,230	-2.2	2,298	-35.1	2,420	-32.2	1,492	-36.3
FY2020 first-quarter	28,867	-8.7	3,538	-32.4	3,569	-35.7	2,343	-37.2

(Note) Comprehensive income FY2021 first-quarter: 3,732 million yen (271.7%)
 FY2020 first-quarter: 1,004 million yen (-63.8%)

	Net income per share		Diluted net income per share	
	Yen		Yen	
FY2021 first-quarter	15.31		15.15	
FY2020 first-quarter	24.10		23.85	

(2) Consolidated financial position

	Total assets		Net assets		Equity ratio	
	Million yen		Million yen		%	
FY2021 first-quarter	201,834		142,950		65.4	
FY2020	200,112		140,179		64.6	

(Reference) Equity FY2021 first-quarter: 132,087 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 forecast	11.00	13.00	24.00

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	
Semi-Annual	56,000	1.3	5,000	-17.1	5,000	-16.2	3,100	-11.9	31.80	
Annual	115,000	10.2	11,500	37.0	11,500	28.5	7,500	33.0	76.93	

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 first-quarter: | 98,179,742 shares |
| FY2020: | 98,179,742 shares |
| (ii) Number of treasury stock at the end of each period: | |
| FY2021 first-quarter: | 659,409 shares |
| FY2020: | 729,381 shares |
| (iii) Average number of shares outstanding in each period: | |
| FY2021 first-quarter: | 97,492,091 shares |
| FY2020 first-quarter: | 97,228,484 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 first-quarter As of Feb. 28, 2021	Change
Current assets			
Cash and deposits	37,807	38,674	
Notes and accounts receivable - trade	19,733	21,520	
Securities	0	1	
Merchandise and finished goods	29,239	28,411	
Work in process	5,464	6,176	
Raw materials and supplies	7,321	7,379	
Other	3,279	2,893	
Allowance for doubtful accounts	(155)	(156)	
Total current assets	102,691	104,900	2,208
Non-current assets			
Property, plant and equipment			
Buildings and structures, net	24,685	24,883	
Machinery, equipment and vehicles, net	34,500	33,977	
Land	14,995	15,725	
Other, net	5,417	5,684	
Total property, plant and equipment	79,599	80,271	671
Intangible assets			
Goodwill	4,273	5,146	
Other	1,260	1,265	
Total intangible assets	5,533	6,412	878
Investments and other assets			
Investment securities	6,182	4,374	
Other	6,471	6,242	
Allowance for doubtful accounts	(366)	(366)	
Total investments and other assets	12,287	10,250	(2,036)
Total non-current assets	97,420	96,934	(486)
Total	200,112	201,834	1,721

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 first-quarter As of Feb. 28, 2021	Change
Liabilities			
Current liabilities			
Notes and accounts payable - trade	4,308	4,371	
Short-term loans payable	4,473	4,790	
Current portion of long-term loans payable	8,522	6,598	
Income taxes payable	630	1,363	
Provision for bonuses	381	1,334	
Provision for directors' bonuses	146	67	
Other	8,858	7,280	
Total current liabilities	27,323	25,806	(1,516)
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	22,103	22,169	
Net defined benefit liability	682	859	
Provision for loss on guarantees	38	36	
Other	3,115	3,342	
Total non-current liabilities	32,609	33,077	468
Total liabilities	59,932	58,883	(1,048)
Net assets			
Shareholders' equity			
Capital stock	12,223	12,223	
Capital surplus	12,934	12,944	
Retained earnings	111,594	112,078	
Treasury stock	(1,442)	(1,303)	
Total shareholders' equity	135,309	135,942	632
Accumulated other comprehensive income			
Valuation difference on available-for-sale securities	1,105	1,089	
Deferred gains or losses on hedges	0	(7)	
Foreign currency translation adjustment	(7,076)	(4,936)	
Total accumulated other comprehensive income	(5,970)	(3,854)	2,116
Share acquisition rights	13	-	(13)
Non-controlling interests	10,828	10,862	34
Total net assets	140,179	142,950	2,770
Total liabilities and net assets	200,112	201,834	1,721

Consolidated Summary Statement of Income
OSG Corporation

	(Million yen : amounts less than one million yen are omitted)		
	FY2020 first-quarter (2019/12/1 - 2020/2/29)	FY2021 first-quarter (2020/12/1 - 2021/2/28)	Change
Net sales	28,867	28,230	(637)
Cost of sales	16,889	18,011	1,121
Gross profit	11,978	10,219	(1,759)
Selling, general and administrative expenses	8,439	7,920	(518)
Operating income	3,538	2,298	(1,240)
Non-operating income			
Interest income	47	36	
Dividend income	18	12	
Foreign exchange gains	-	42	
Subsidy income	115	170	
Other	217	167	
Total non-operating income	398	430	32
Non-operating expenses			
Interest expenses	42	64	
Sales discounts	171	156	
Foreign exchange losses	64	-	
Other	89	87	
Total non-operating expenses	368	308	(59)
Ordinary income	3,569	2,420	(1,148)
Income before income taxes	3,569	2,420	(1,148)
Income taxes - current	1,047	1,156	
Income taxes - deferred	60	(296)	
Total income taxes	1,108	859	(248)
Net income	2,461	1,561	(900)
Net income attributable to non-controlling interests	118	68	(49)
Net income attributable to OSG Corporation	2,343	1,492	(850)

Consolidated Statement of Comprehensive Income
OSG Corporation

	(Million yen : amounts less than one million yen are omitted)		
	FY2020 first-quarter (2019/12/1 - 2020/2/29)	FY2021 first-quarter (2020/12/1 - 2021/2/28)	Change
Net income	2,461	1,561	(900)
Other comprehensive income			
Valuation difference on available-for-sale securities	(630)	(12)	
Deferred gains or losses on hedges	(0)	(7)	
Foreign currency translation adjustment	(826)	2,192	
Share of other comprehensive income of associates accounted for using equity method	0	(1)	
Total other comprehensive income	(1,456)	2,171	3,628
Comprehensive income	1,004	3,732	2,728
(Breakdown)			
Comprehensive income attributable to OSG Corporation	1,169	3,553	
Comprehensive income attributable to non-controlling interests	(164)	179	

Operations by Geographical Segment

Results for FY2021 first-quarter (Dec. 1, 2020 through Feb. 28, 2021)

	Million yen						
	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	10,630	4,991	5,528	7,079	28,230	-	28,230
Interarea transfers	3,983	266	33	523	4,807	(4,807)	-
Total sales	14,613	5,258	5,562	7,603	33,038	(4,807)	28,230
Operating income	636	717	272	949	2,575	(277)	2,298

(Reference)

Results for FY2020 first-quarter (Dec. 1, 2019 through Feb. 29, 2020)

	Million yen						
	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	11,505	5,750	5,496	6,115	28,867	-	28,867
Interarea transfers	4,452	103	24	523	5,103	(5,103)	-
Total sales	15,958	5,853	5,520	6,639	33,971	(5,103)	28,867
Operating income	1,501	595	306	710	3,113	425	3,538

Net sales by Product Segment

	Million yen	
	FY2020 first-quarter (2019/12/1 - 2020/2/29)	FY2021 first-quarter (2020/12/1 - 2021/2/28)
Cutting tools:		
Taps	9,002	9,524
End mills	5,923	5,281
Drills and other cutting tools	8,222	8,077
Total	23,148	22,883
Rolling dies	2,245	2,354
Gauges	461	373
Other	3,013	2,619
Total	28,867	28,230