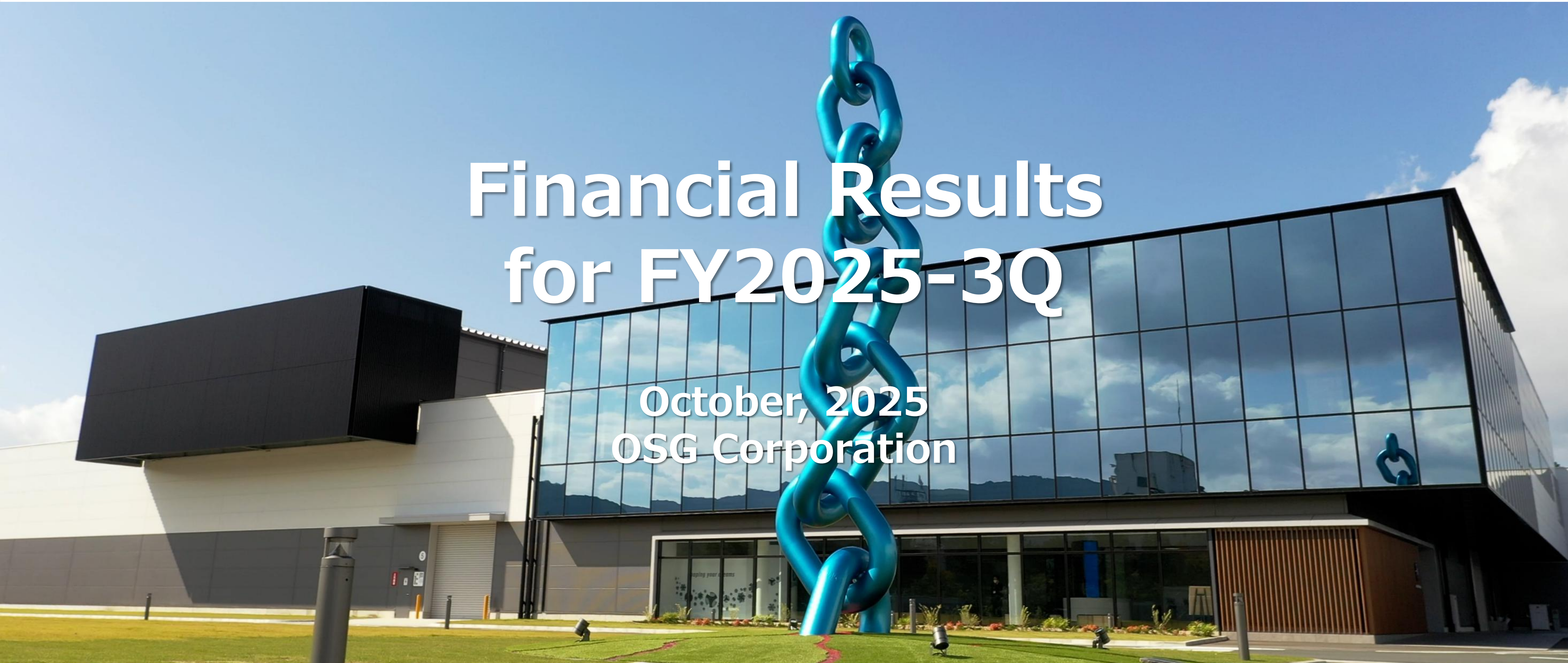
shaping your dreams

Financial Results for FY2025-3Q

October, 2025

OSG Corporation



Earnings Highlights（1/2)

KEY indicators

Sales	Operating Profit
115.9 billion yen	13.7 billion yen
+0.6% YoY	-4.8% YoY

OPM	EPS
11.9%	115.3 yen
-0.6pt YoY	+8.1% YoY

EBITDA	EBITDA Margin
23.8 billion yen	20.5%
±0.0% YoY	-0.1pt YoY

Equity Ratio	ROE
66.7%	7.7%
+2.0pts Vs. Previous FY End	+0.1pt YoY

P/L

Operating profit remained almost unchanged year-on-year, excluding the impact of consolidation adjustments.

BS

Goods and products increased by ¥1.45 billion compared to the previous year.
(exchange rates +¥761M, higher U.S. inventory from tariffs +¥363M)

¥3.39 billion was recorded for buildings and structures after Phase 1 construction at the Oike Plant was completed.

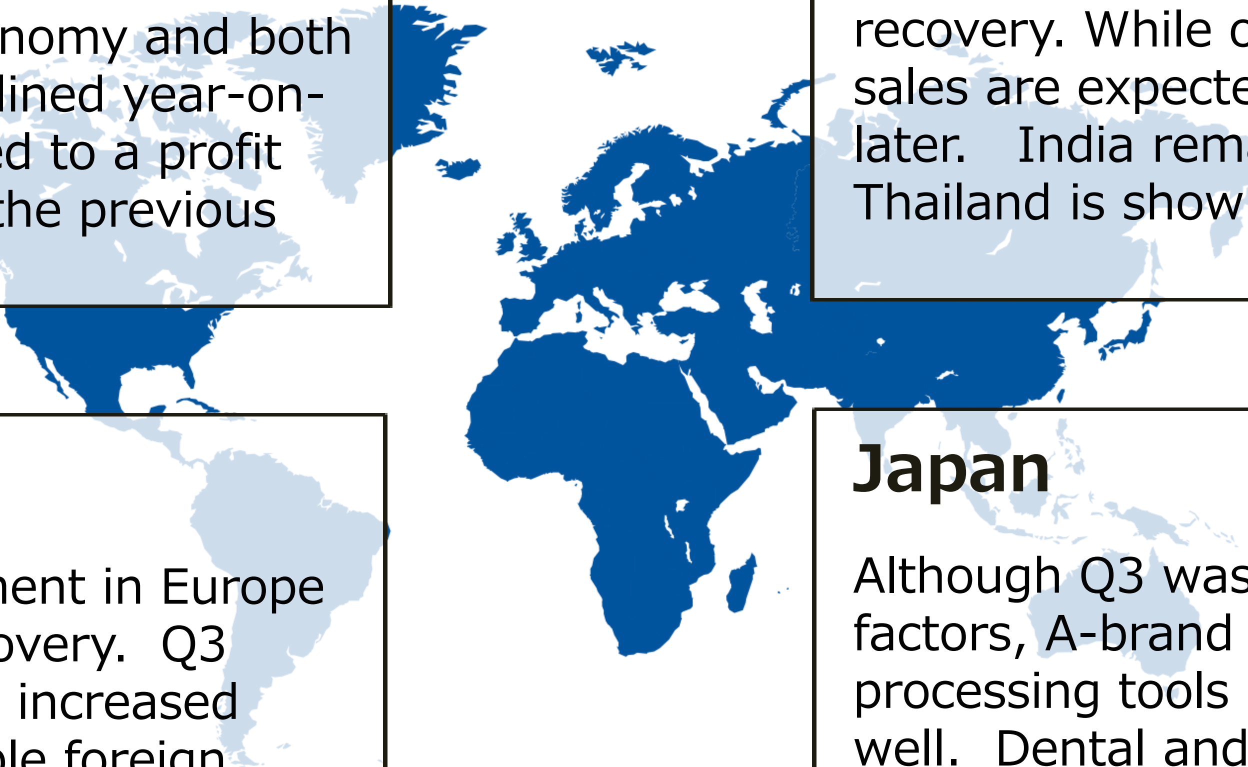
Investment plans for the Oike Plant (based on cash outflows)

25/4Q	FY2026	FY2027	FY2028
¥201M	¥1,777M	¥1,162M	¥514M

Dividend Policy

Having exceeded the medium-term target dividend payout ratio of 40% for three consecutive years ahead of schedule, we are now reviewing our dividend policy to ensure stable returns and improved capital efficiency.

Earnings Highlights（2/2)



The Americas

Although signs of a slowdown are evident in the U.S. economy and both revenue and profit declined year-on-year, cost reductions led to a profit increase compared to the previous quarter.

Asia

China's market is showing signs of recovery. While orders are increasing, sales are expected to shift to Q4 and later.　India remains solid, while Thailand is showing notable recovery.

Europe/Africa

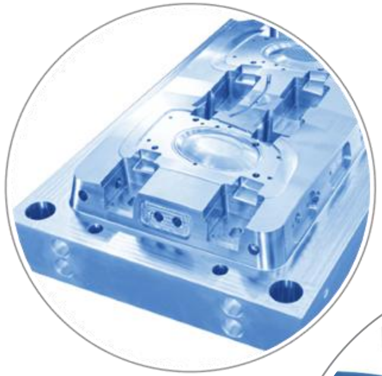
Overall business sentiment in Europe is showing signs of recovery. Q3 operating profit slightly increased year-on-year on a simple foreign currency basis, despite a decline due to goodwill-related factors.

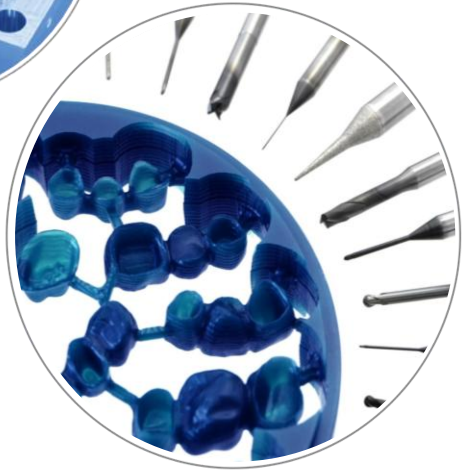
Japan

Although Q3 was affected by seasonal factors, A-brand and micro precision processing tools continue to perform well. Dental and heavy electric sectors were strong, and aerospace is showing signs of recovery.

Company Overview

Company Name	OSG Corporation
Headquarters	3-22 Honnogahara Toyokawa-city, Aichi, Japan
Foundation	March 26, 1938
Capital	13,044 million yen
Employees	7,601 (consolidated) 1,863 (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

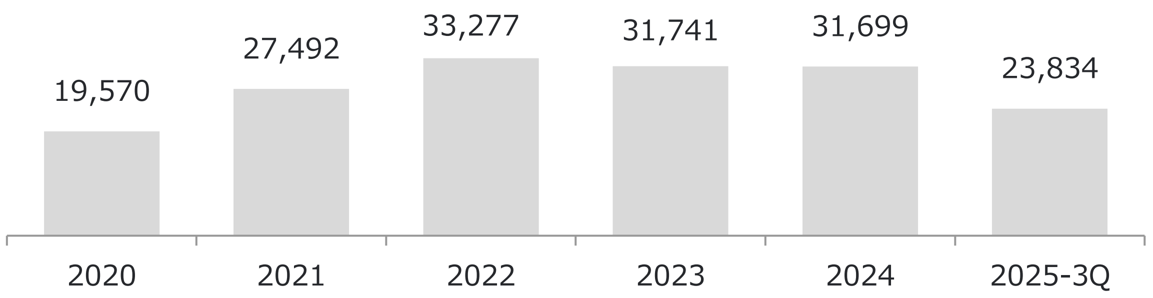
- High-value cutting tools
- Excellent after-sales service
- A global sales & service network across 35 countries

Financial Summary

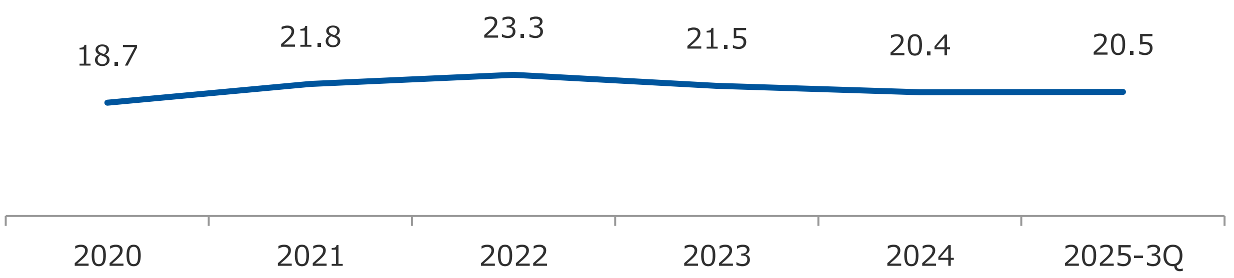
(Million yen)

	FY24 1Q	FY24 2Q	FY24 3Q	FY24 3Q YTD	FY25 1Q	FY25 2Q	FY25 3Q	FY25 3Q YTD	Change		FY25 Forecast	Progress Rate
Net Sales	36,717	40,950	37,659	115,326	37,777	39,601	38,615	115,994	667	+0.6%	160,000	72.5%
Operating Profit	4,102	5,662	4,694	14,459	3,884	5,600	4,275	13,759	-700	-4.8%	21,000	65.5%
OPM	11.2%	13.8%	12.5%	12.5%	10.3%	14.1%	11.1%	11.9%			13.1%	-
Ordinary Income	4,949	5,919	4,043	14,912	4,155	5,760	5,072	14,988	76	+0.5%	22,000	68.1%
Net Profit Attributable to OSG	3,429	3,788	2,572	9,790	2,609	3,874	3,160	9,643	-146	-1.5%	14,500	66.5%
EPS(yen)	36.30	41.10	29.31	106.71	30.73	46.21	38.38	115.32	8.61	+8.1%	173.38	-
EBITDA	7,161	8,795	7,888	23,845	7,200	8,920	7,712	23,834	-10	-0.1%		
EBITDA Margin	19.5%	21.5%	20.9%	20.7%	19.1%	22.5%	20.0%	20.5%				

EBITDA

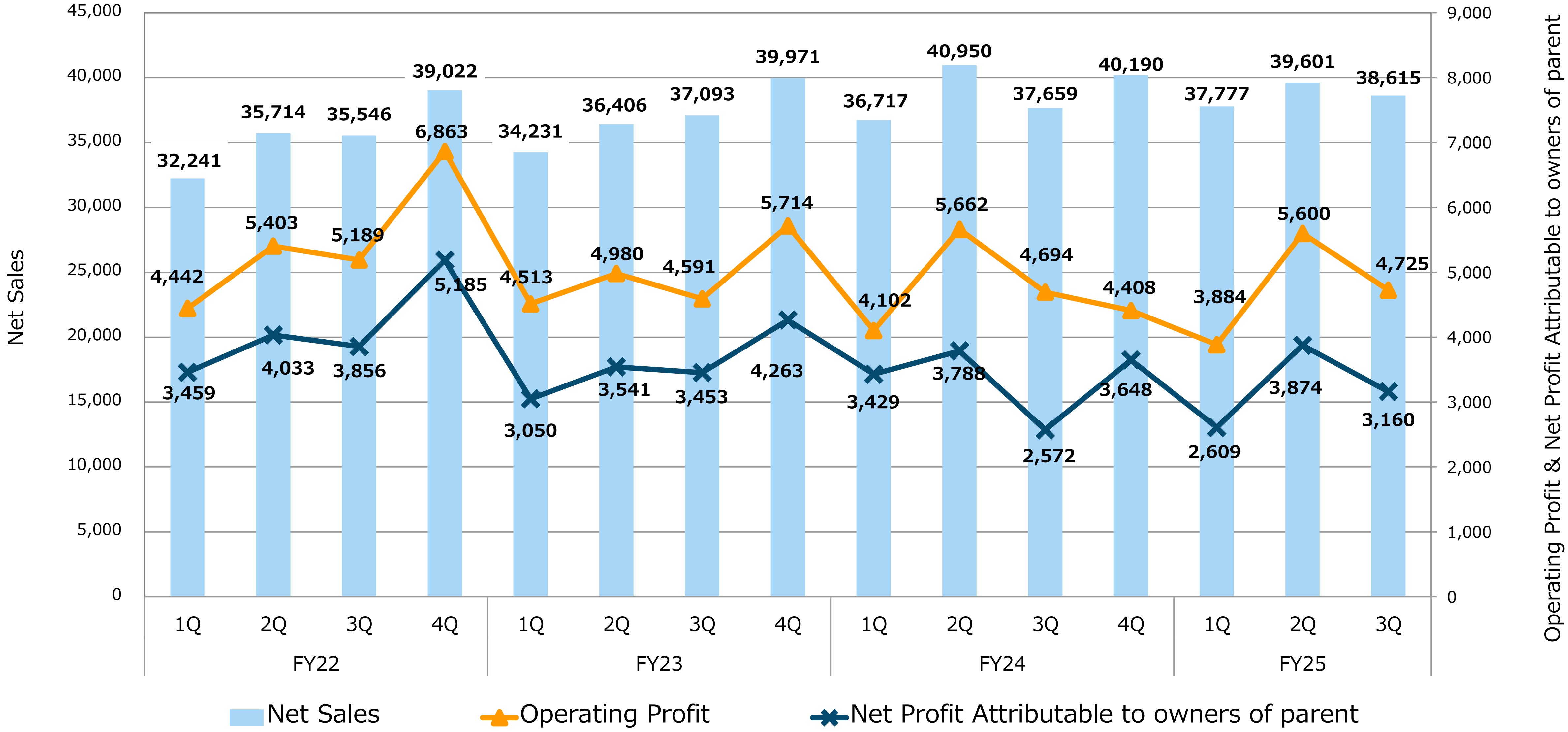


EBITDA Margin



Financial Summary

(Million yen)

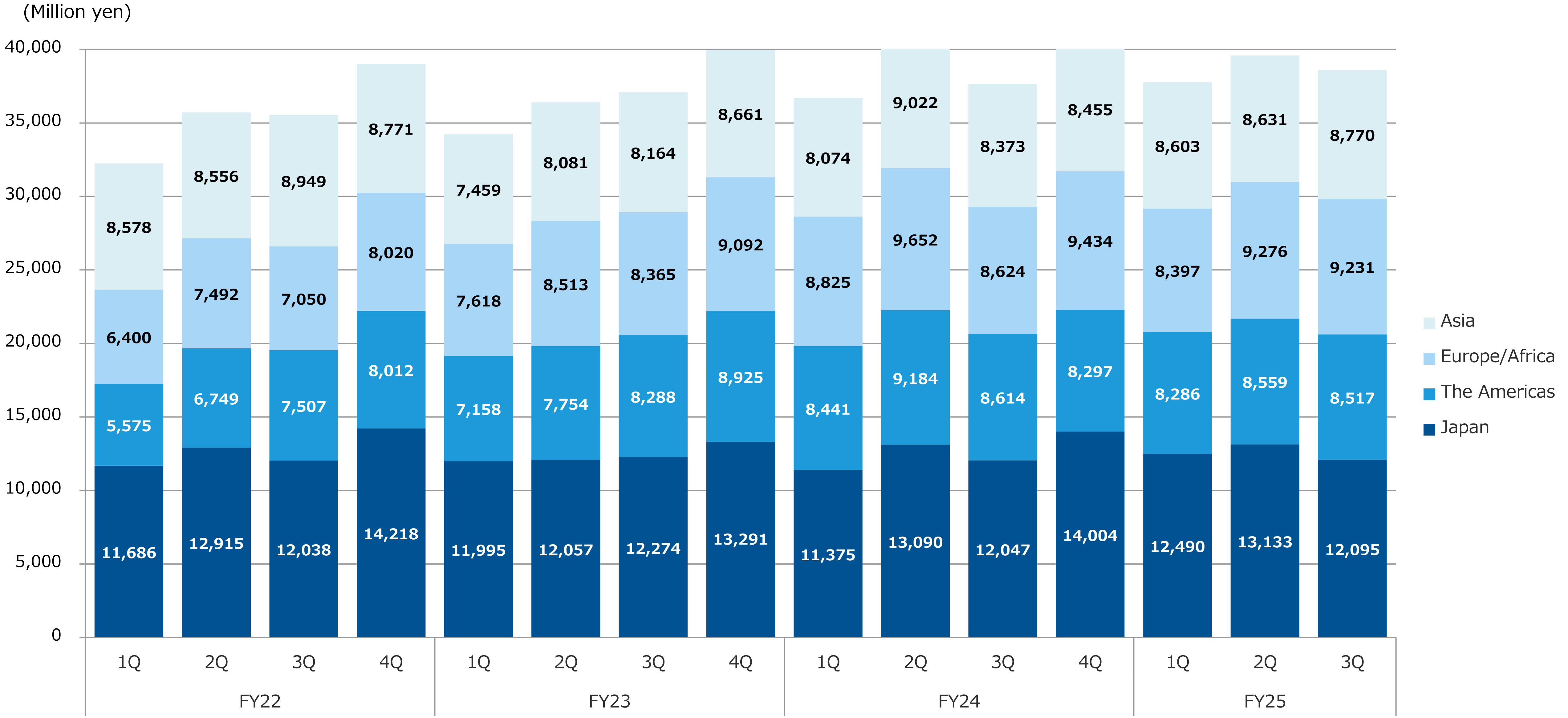


Sales to Customers by Geographical Segment

(Million yen)

	FY24				FY25				Change		Change in Local currency
	1Q	2Q	3Q	3Q YTD	1Q	2Q	3Q	3Q YTD			
Japan	11,375	13,090	12,047	36,512	12,490	13,133	12,095	37,719	1,207	+3.3%	-
The Americas	8,441	9,184	8,614	26,240	8,286	8,559	8,517	25,363	-877	-3.3%	-0.6%
Europe/Africa	8,825	9,652	8,624	27,102	8,397	9,276	9,231	26,905	-197	-0.7%	-1.0%
Asia	8,074	9,022	8,373	25,470	8,603	8,631	8,770	26,005	535	+2.1%	+4.9%
Consolidated	36,717	40,950	37,659	115,326	37,777	39,601	38,615	115,994	667	+0.6%	-

Sales to Customers by Geographical Segment



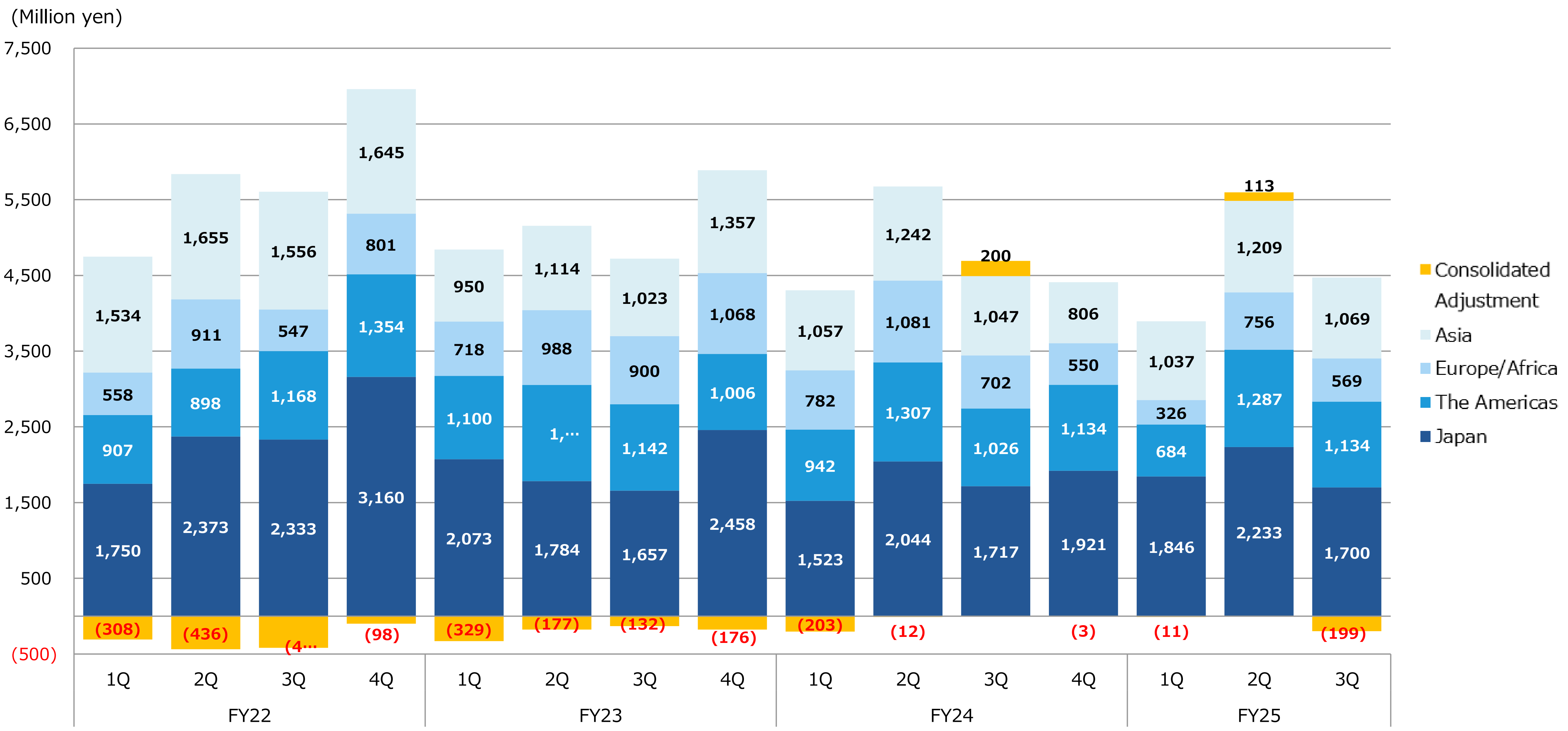
Operating Profit by Geographical Segment

(Million yen)

	FY24 1Q	FY24 2Q	FY24 3Q	FY24 3Q YTD	FY25 1Q	FY25 2Q	FY25 3Q	FY25 3Q YTD	Change	
Japan	1,523	2,044	1,717	5,284	1,846	2,233	1,700	5,780	496	+9.4%
margin	8.9%	10.8%	9.4%	9.7%	10.2%	11.7%	9.3%	10.4%		
The Americas	942	1,307	1,026	3,276	684	1,287	1,134	3,106	-170	-5.2%
margin	11.0%	13.8%	11.5%	12.2%	8.1%	14.8%	13.1%	12.0%		
Europe・Africa	782	1,081	702	2,566	326	756	569	1,653	-913	-35.6%
margin	8.7%	11.1%	8.1%	9.4%	3.8%	8.0%	6.1%	6.0%		
Asia	1,057	1,242	1,047	3,347	1,037	1,209	1,069	3,316	-31	-0.9%
margin	12.0%	12.4%	11.1%	11.8%	10.9%	12.5%	11.0%	11.5%		
Total	4,306	5,675	4,493	14,475	3,895	5,486	4,474	13,857	-618	-4.3%
Eliminations	-203	-12	200	-15	-11	113	-199	-97	-81	-
Consolidated	4,102	5,662	4,694	14,459	3,884	5,600	4,275	13,759	-700	-4.8%

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

Operating Profit by Geographical Segment

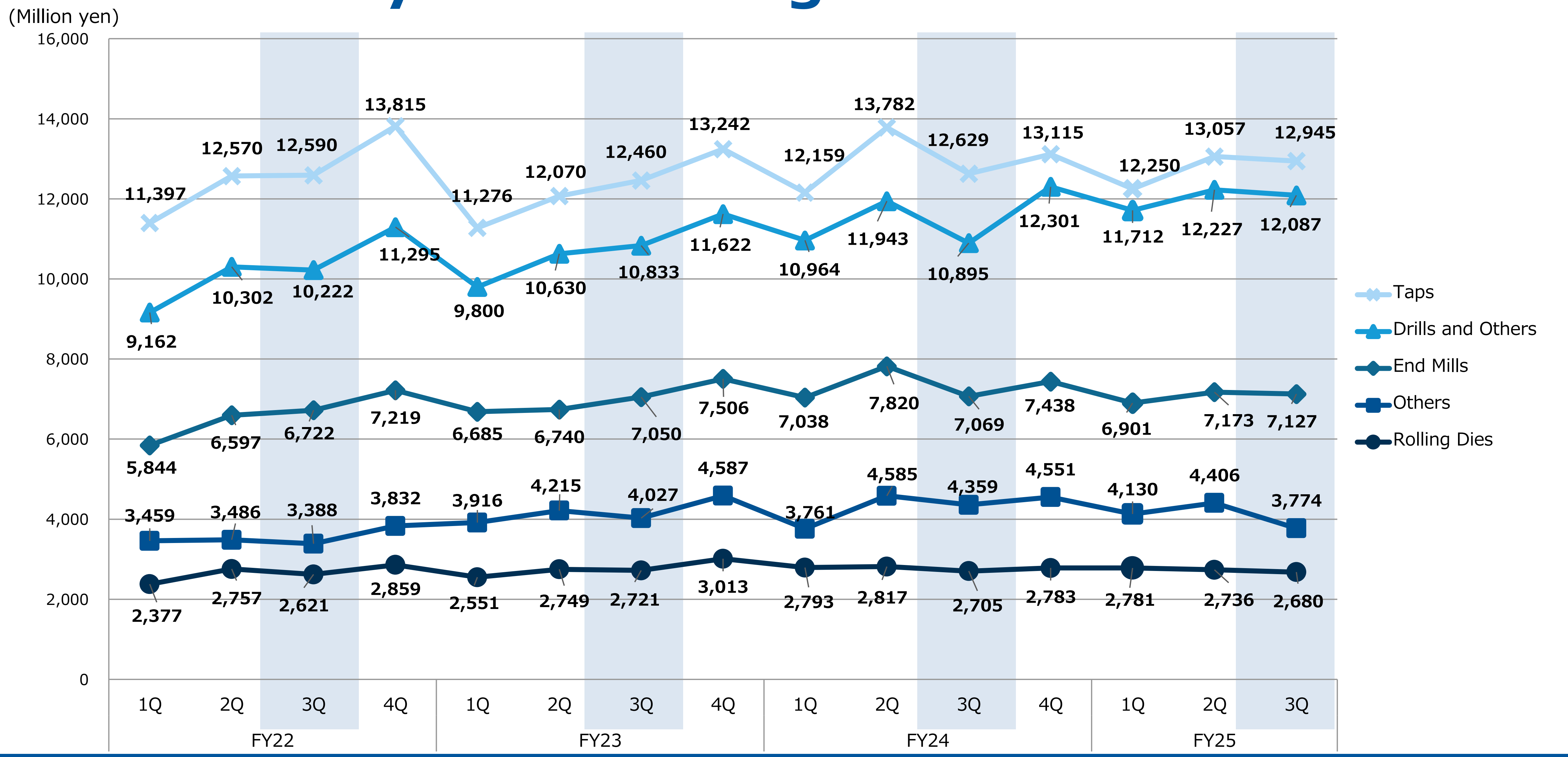


Net Sales by Product Segment

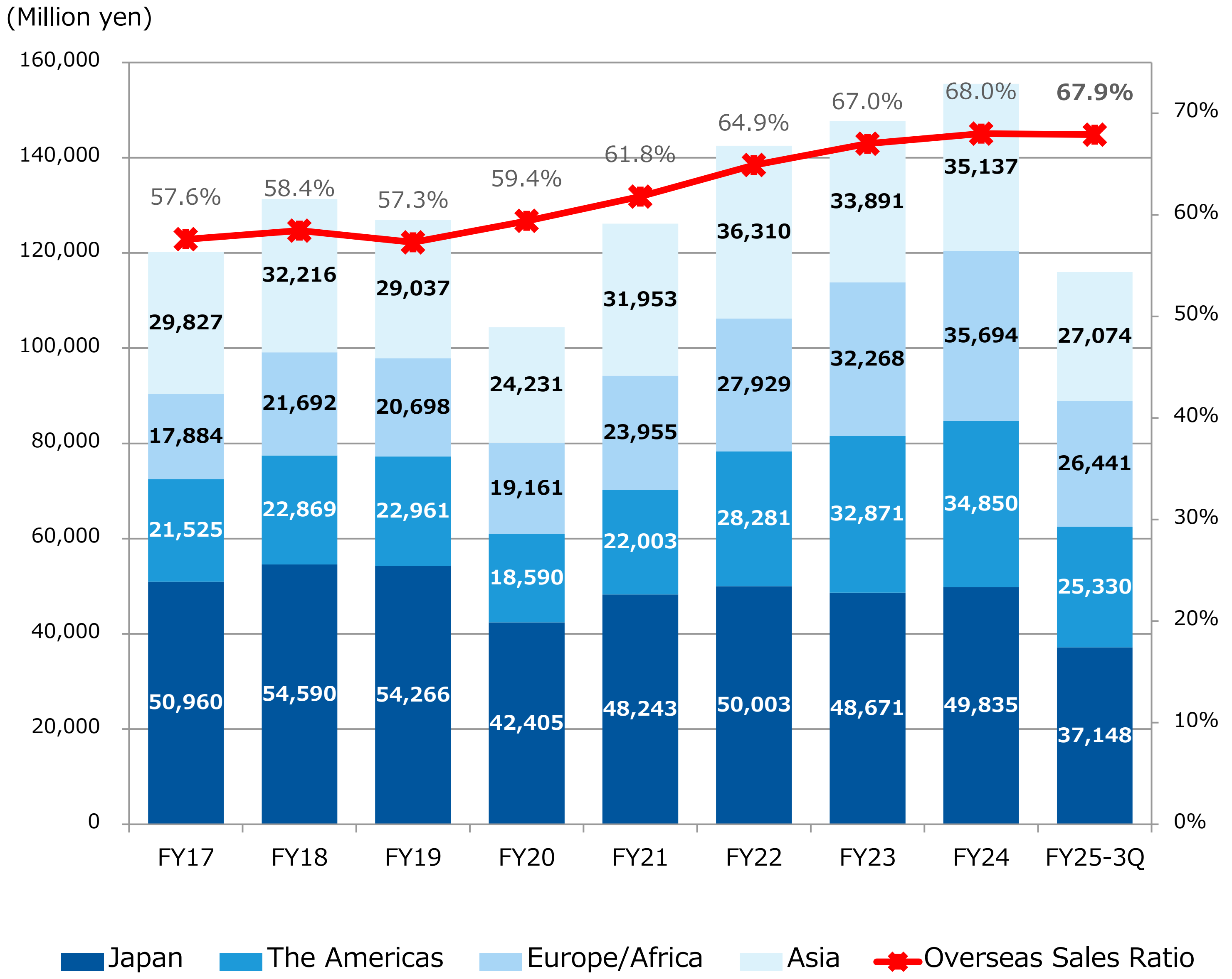
(Million yen)

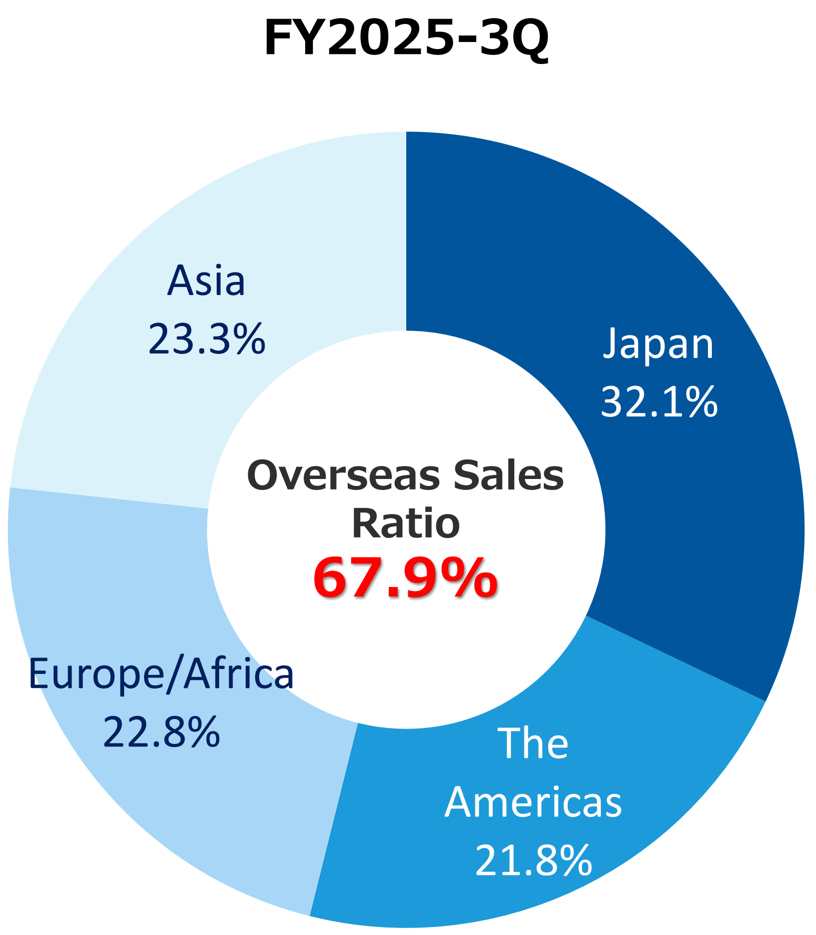
		FY24						FY25					Change	
		1Q	2Q	3Q	4Q	3Q YTD		1Q	2Q	3Q	3Q YTD			
Precision Tools	Taps	12,159	13,782	12,629	13,115	38,571	33.4%	12,250	13,057	12,945	38,254	33.0%	-316	-0.8%
	End mills	7,038	7,820	7,069	7,438	21,928	19.0%	6,901	7,173	7,127	21,202	18.3%	-725	-3.3%
	Drills and Others	10,964	11,943	10,895	12,301	33,803	29.3%	11,712	12,227	12,087	36,027	31.1%	2,223	6.6%
	Rolling dies	2,793	2,817	2,705	2,783	8,316	7.2%	2,781	2,736	2,680	8,198	7.1%	-118	-1.4%
	Gauges	459	658	528	759	1,646	1.4%	517	538	549	1,605	1.4%	-41	-2.5%
		33,415	37,022	33,828	36,398	104,266	90.4%	34,164	35,733	35,390	105,288	90.8%	1,022	1.0%
Other	Machine	1,161	1,493	1,554	1,709	4,209	3.7%	1,344	1,600	822	3,767	3.2%	-441	-10.5%
	Other	2,139	2,434	2,276	2,082	6,850	5.9%	2,269	2,267	2,401	6,938	6.0%	87	1.3%
		3,301	3,927	3,831	3,792	11,060	9.6%	3,613	3,868	3,224	10,705	9.2%	-354	-3.2%
Total		36,717	40,950	37,659	40,190	115,326	100%	37,777	39,601	38,615	115,994	100%	667	0.6%

Net Sales by Product Segment



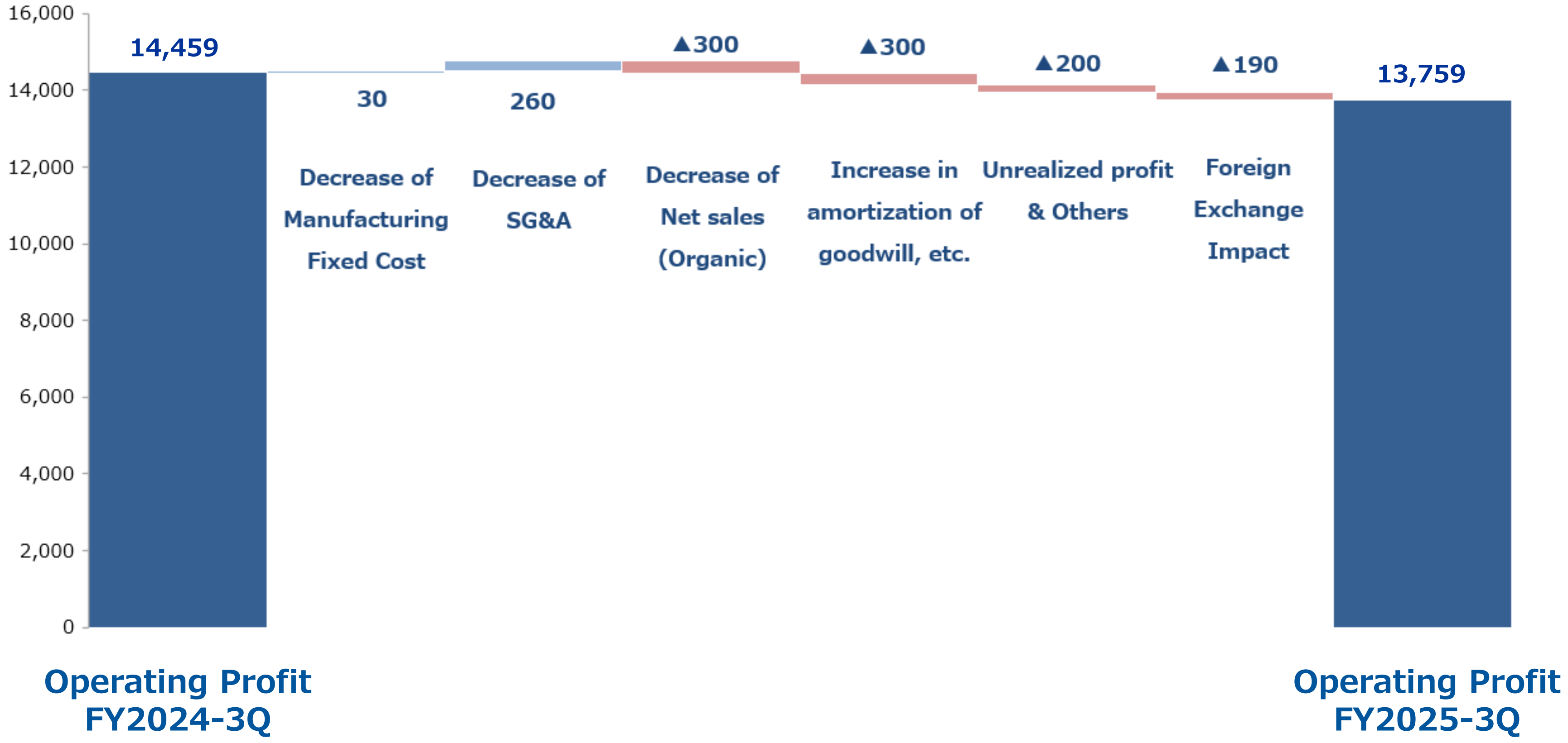
Overseas Sales Ratio





Operating Profit Variation

（Million yen）



BS Key Metrics and BS Overview

BS Key Metrics

Net Cash

-1,363 million yen

(End of FY24 : ¥6,675M)

Receivable Turnover Period

2.1 months

(End of FY24 : 2.2months)

Cash and Time Deposits

43,578 million yen

(End of FY24 : ¥55,774M)

Inventory Turnover Period

4.6 months

(End of FY24 : 4.4months)

Interest-bearing Debt

44,942 million yen

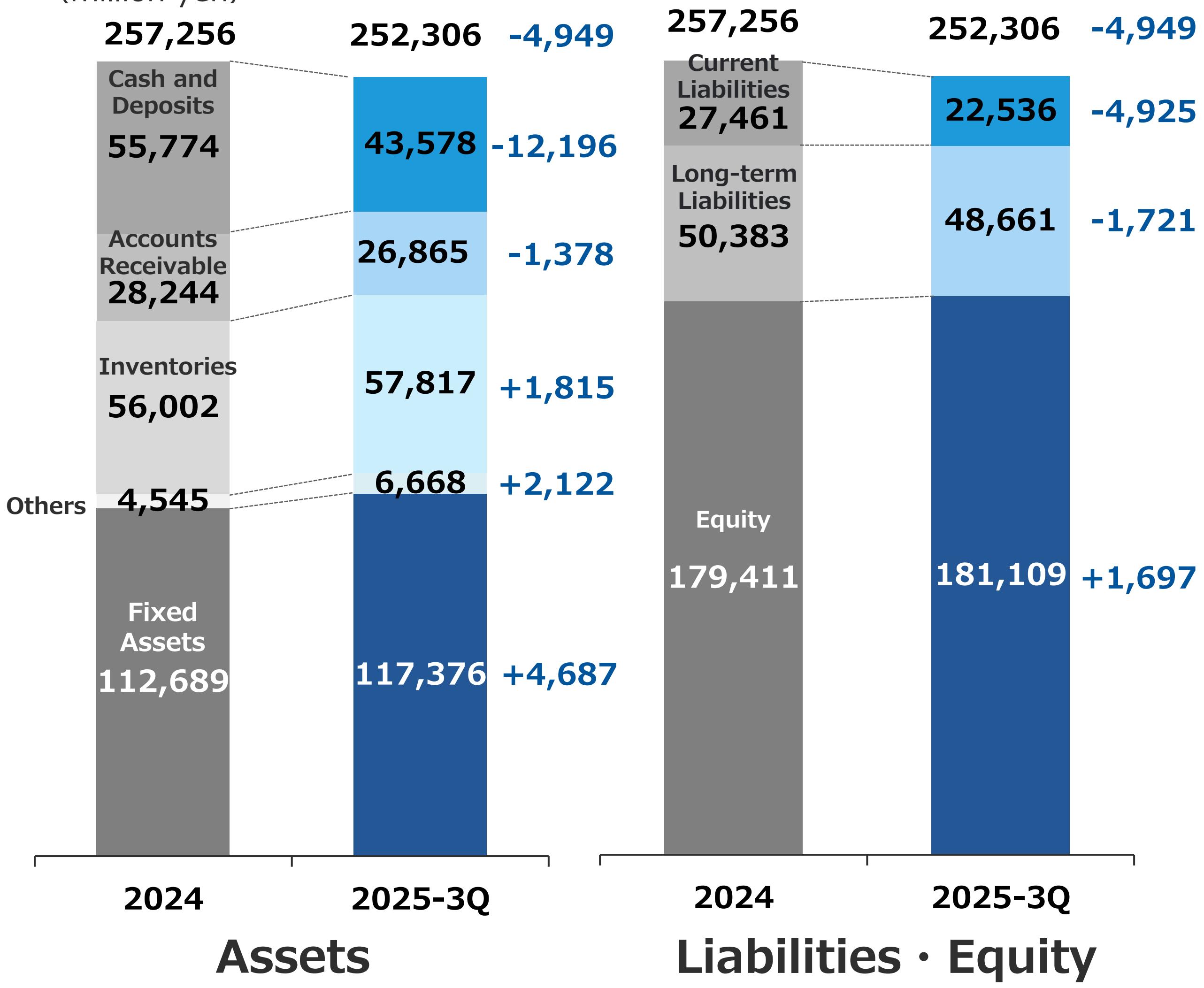
(End of FY24 : ¥49,099M)

Equity Ratio

66.7%

(End of FY24 : 64.8%)

Consolidated Balance Sheet



Capital Investment

FY25 Capital Investment Forecast

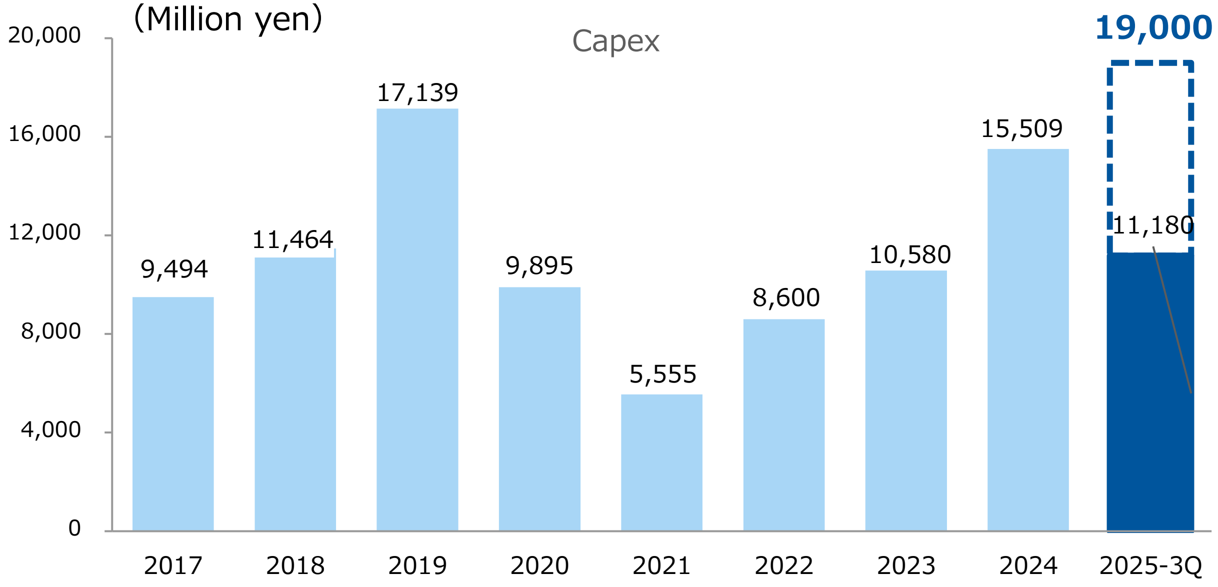
19.0 billion yen

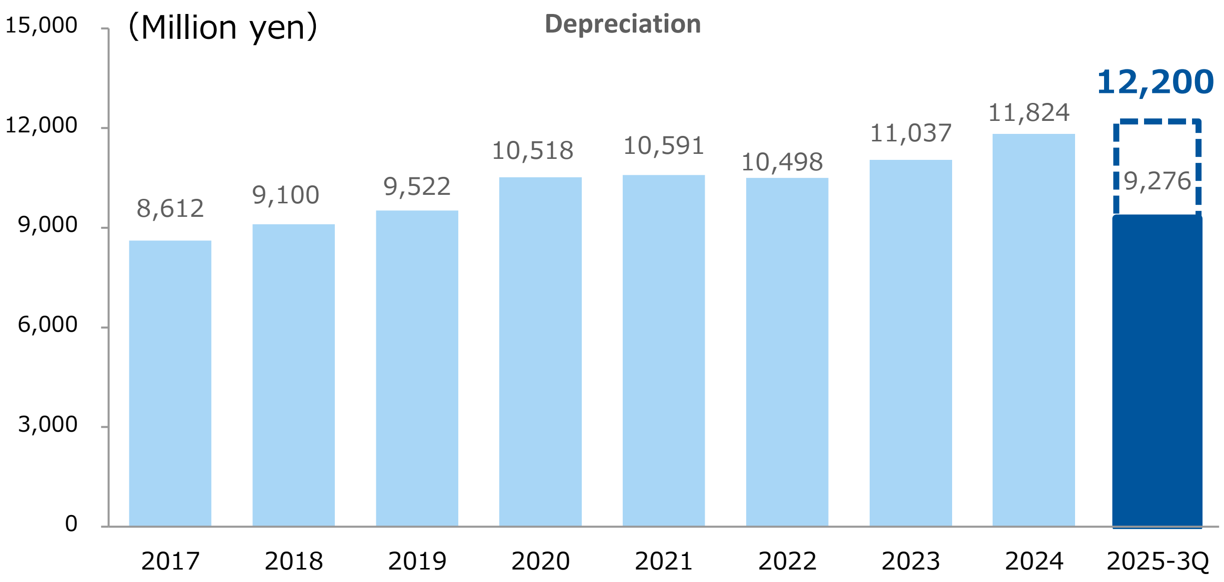
Breakdown

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

CAPEX
11,180 **million yen**

Depreciation
9,276 **million yen**



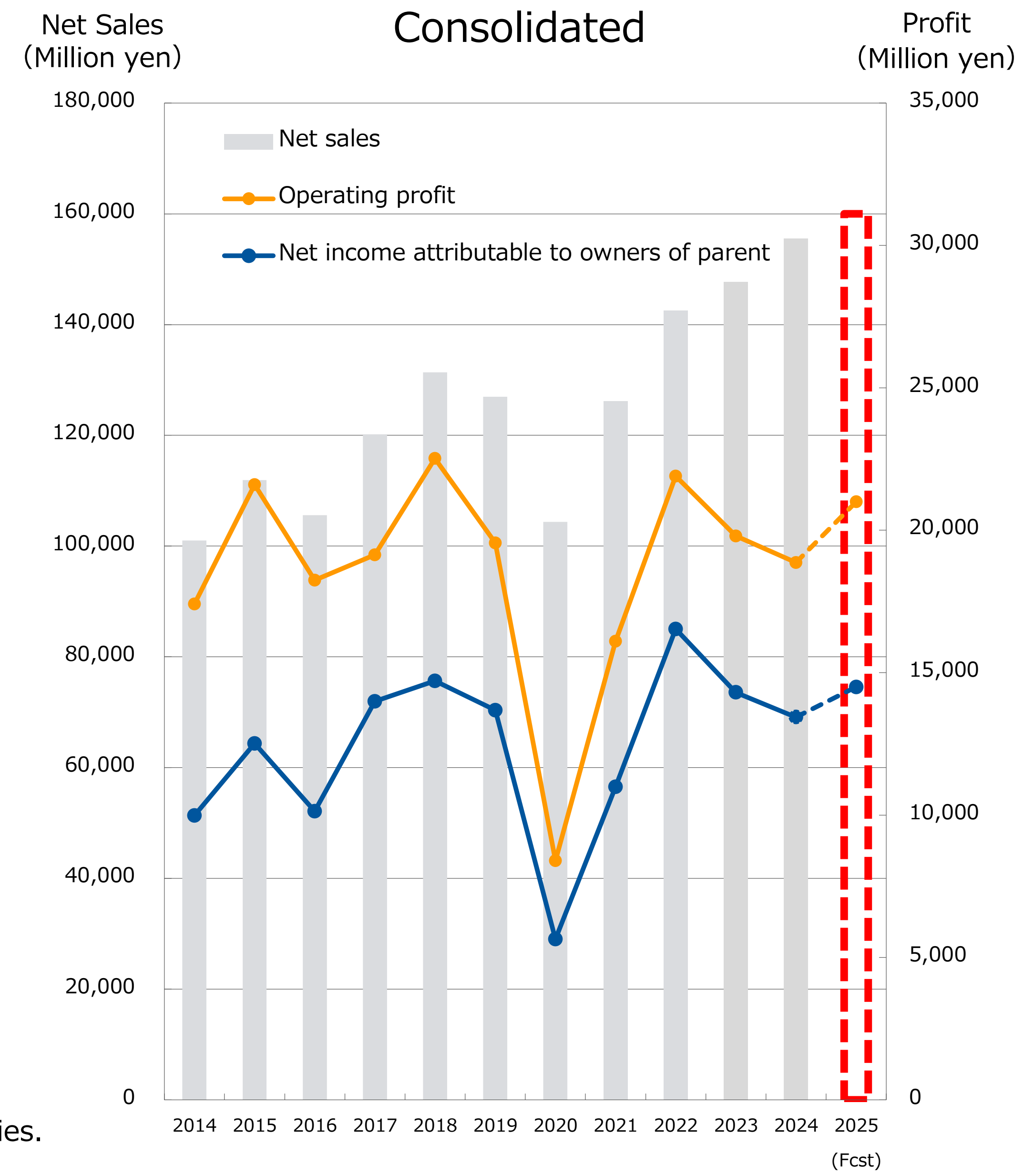


Forecast for FY25

	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)	173.38	+16.4%	106.37	+5.2%

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

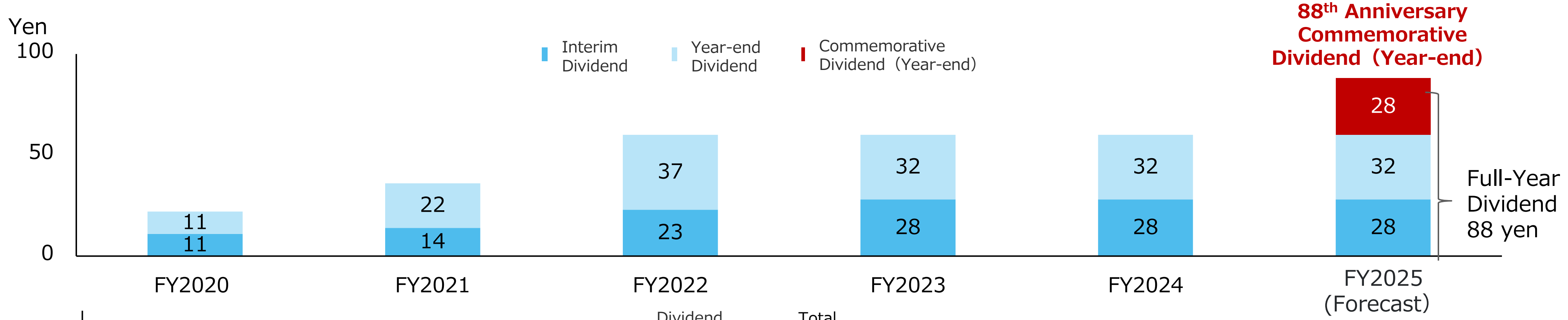
*Decrease in Parent Company's Ordinary Profit is due to a decrease in dividends from subsidiaries.



Shareholder Return Policy

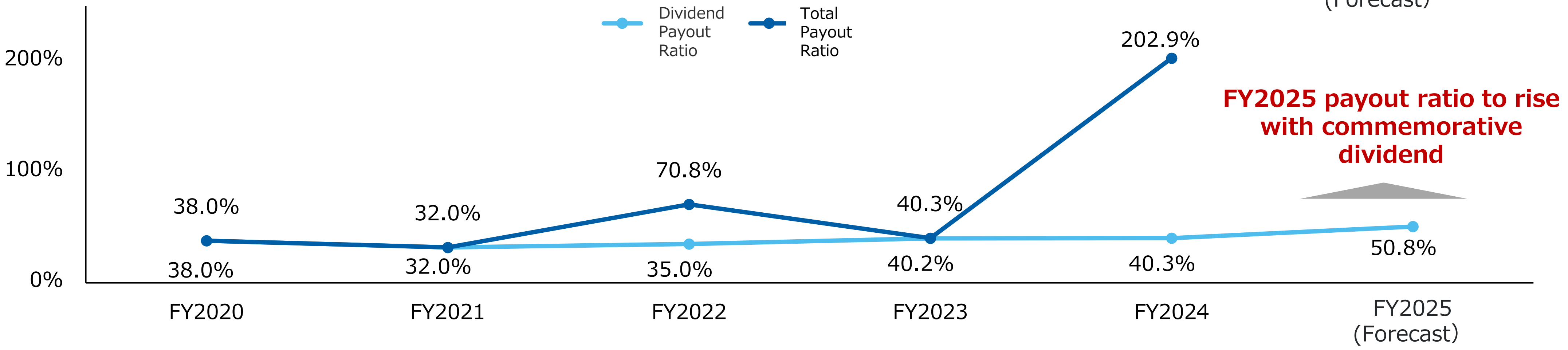
88th Anniversary Commemorative Dividend: ¥28 per Share (Full-Year Dividend: ¥88 per Share)

Dividend



Dividend Payout Ratio

Total Payout Ratio



Dividend policy review

Having exceeded the medium-term target dividend payout ratio of 40% for three consecutive years ahead of schedule, we are now reviewing our dividend policy to ensure stable returns and improved capital efficiency.

Exchange Rate

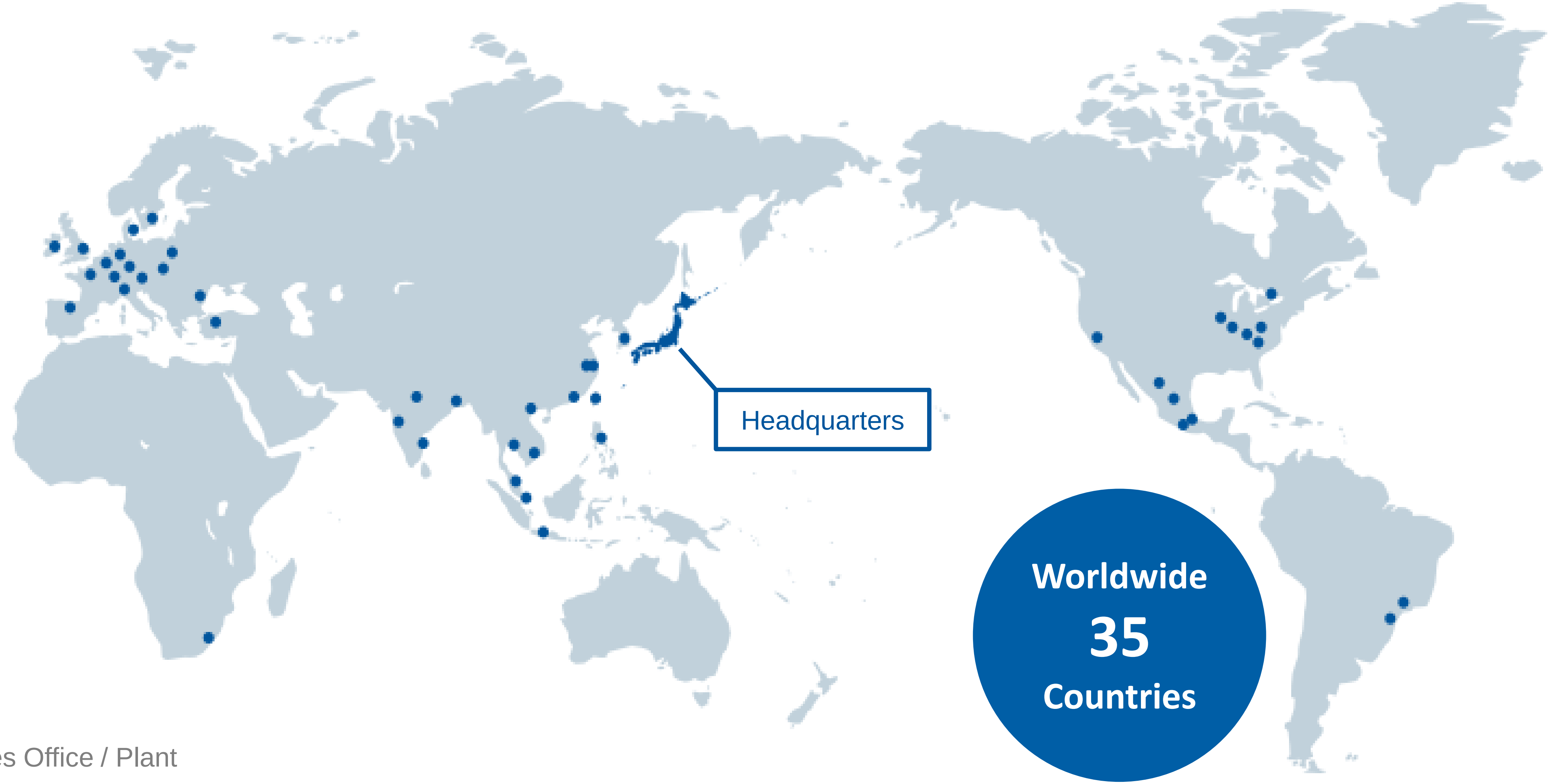
(Yen)

	Period average rate			Closing rate as of the period end		
	1US$	1Euro	1RMB	1US$	1Euro	1RMB
FY22 3Q	126.15	135.31	19.20	138.63	139.03	20.04
FY22	130.61	137.60	19.42	138.87	143.58	19.43
FY23 3Q	137.68	149.36	19.56	146.20	159.84	20.03
FY23	140.44	151.87	19.79	147.07	161.51	20.60
FY24 3Q	151.49	164.35	20.99	144.80	160.44	20.40
FY24	150.88	163.71	20.98	150.74	159.20	20.80
FY25 3Q	148.82	164.51	20.57	146.92	171.47	20.63

Selected Financial Data (Consolidated)

		2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025-3Q
Net sales	(mil.yen)	111,917	105,561	120,198	131,368	126,964	104,388	126,156	142,525	147,703	155,517	115,994
Sales growth rate	(%)	10.8%	-5.7%	13.9%	9.3%	-3.4%	-18.0%	20.9%	13.0%	3.6%	5.3%	0.6%
Cost of sales	(mil.yen)	61,865	59,179	69,711	74,833	73,281	65,715	76,969	83,459	87,254	92,042	68,634
Gross profit	(mil.yen)	50,051	46,382	50,486	56,535	53,682	38,673	49,186	59,065	60,448	63,475	47,360
SG&A expenses	(mil.yen)	28,454	28,135	31,349	34,015	34,128	30,276	33,081	37,166	40,648	44,606	33,600
Operating Profit	(mil.yen)	21,597	18,246	19,137	22,520	19,554	8,396	16,105	21,898	19,800	18,868	13,759
Ordinary Profit	(mil.yen)	21,510	17,813	19,144	22,567	19,710	8,950	16,141	23,648	21,350	19,825	14,988
Net Profit	(mil.yen)	12,518	10,134	13,993	14,710	13,686	5,639	10,989	16,534	14,307	13,439	9,643
Gross profit margin	(%)	44.7%	43.9%	42.0%	43.0%	42.3%	37.0%	39.0%	41.4%	40.9%	40.8%	40.8%
SG&A to Sales ratio	(%)	25.4%	26.7%	26.1%	25.9%	26.9%	29.0%	26.2%	26.1%	27.5%	28.7%	29.0%
Operating Profit margin	(%)	19.3%	17.3%	15.9%	17.1%	15.4%	8.0%	12.8%	15.4%	13.4%	12.1%	11.9%
Ordinary Profit margin	(%)	19.2%	16.9%	15.9%	17.2%	15.5%	8.6%	12.8%	16.6%	14.5%	12.7%	12.9%
Net Profit margin	(%)	11.2%	9.6%	11.6%	11.2%	10.8%	5.4%	8.7%	11.6%	9.7%	8.6%	8.3%
Average FX rate: 1USD	(yen)	121.03	109.78	112.33	110.53	109.36	106.94	109.41	130.61	140.44	150.88	148.82
Average FX rate: 1Euro	(yen)	134.92	121.39	126.20	130.68	122.53	121.60	130.04	137.60	151.87	163.71	164.51
Total assets	(mil.yen)	155,129	156,081	166,712	178,020	190,414	200,112	209,757	228,852	250,124	257,256	252,306
Total shareholders' equity	(mil.yen)	102,566	92,216	115,810	125,332	129,078	129,338	143,811	164,659	181,561	166,633	168,414
Net Profit per share	(yen)	131.78	110.59	153.70	150.47	140.06	57.94	112.63	171.54	149.29	148.94	115.32
Cash dividends per share (end of Q2)	(yen)	26.00	22.00	21.00	22.00	23.00	11.00	14.00	23.00	28.00	28.00	28.00
(year-end)	(yen)	20.00	28.00	25.00	25.00	24.00	11.00	22.00	37.00	32.00	32.00	60.00*
Total shareholders' equity per share	(yen)	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	2,050.02
Average number of shares	(ths)	94,991	91,640	91,044	97,761	97,716	97,335	97,573	96,388	95,838	90,233	83,631
ROA（operating profit basis)	(%)	14.5%	11.7%	11.9%	13.1%	10.6%	4.3%	7.9%	10.0%	8.3%	7.4%	7.2%
ROE	(%)	12.9%	10.4%	13.5%	12.2%	10.8%	4.4%	8.0%	10.7%	8.3%	7.7%	7.7%
Equity ratio	(%)	66.1%	59.1%	69.5%	70.4%	67.8%	64.6%	68.6%	72.0%	72.6%	64.8%	66.7%
Total asset turnover ratio		0.75	0.68	0.74	0.76	0.69	0.53	0.62	0.65	0.62	0.61	0.61
Operating CF	(mil.yen)	19,588	16,333	20,820	20,310	19,261	17,038	26,982	20,175	23,331	28,557	-
Investing CF	(mil.yen)	-16,976	-16,843	-7,566	-13,351	-20,314	-17,133	-6,961	-12,170	-8,543	-21,741	-
Financing CF	(mil.yen)	-6,216	-778	-11,137	-4,723	3,465	9,658	-14,264	-14,740	-3,831	-7,985	-
Cash flow margin	(%)	17.5%	15.5%	17.3%	15.3%	15.1%	16.3%	21.4%	14.2%	15.8%	18.4%	-

Expansion of Overseas Business



Sales Office / Plant