

## FY2023 First Quarter Consolidated Financial Results (December 1, 2022 - February 28, 2023)

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  
 Contact person : Junichi Kawamura, Accounting Manager  
 TEL: 81-533-82-1113 URL [https://www.osg.co.jp/en/about\\_us/ir/](https://www.osg.co.jp/en/about_us/ir/)

(Amounts less than one million yen are omitted)

### 1. Consolidated Results for FY2023 First Quarter (December 1, 2022 - February 28, 2023)

(1) Consolidated financial results (% indicates changes from the previous corresponding term)

	Net Sales		Operating income		Ordinary income		Net income attributable to OSG Corporation	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2023 first-quarter	34,231	6.2	4,513	1.6	4,880	1.9	3,050	-11.8
FY2022 first-quarter	32,241	14.2	4,442	93.3	4,788	97.8	3,459	131.8

(Note) Comprehensive income FY2023 first-quarter: 2,491 million yen (-50.5%)  
 FY2022 first-quarter: 5,036 million yen (34.9%)

	Net income per share	Diluted net income per share
	Yen	Yen
FY2023 first-quarter	31.86	-
FY2022 first-quarter	35.53	35.17

(Note) The diluted net income per share for FY2023 first-quarter is not stated as there were no dilutive shares.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
FY2023 first-quarter	221,848	175,470	73.8
FY2022	228,852	176,838	72.0

(Reference) Equity FY2023 first-quarter: 163,634 million yen FY2022: 164,659 million yen

### 2. Dividends

	Dividends per share		
	End of Q2	Year-end	Annual
	Yen	Yen	Yen
FY2022	23.00	37.00	60.00
FY2023 forecast	28.00	32.00	60.00

(Note) Revision to the forecast for dividends announced most recently: None

### 3. Forecast of Consolidated Results for FY2023 (December 1, 2022 - November 30, 2023)

(for semi-annual, % indicates changes from the previous corresponding term, for annual, changes from the previous term)

	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	68,000	0.1	11,000	11.7	11,000	3.5	7,600	1.4	79.40
Annual	145,000	1.7	24,000	9.6	24,000	1.5	16,200	-2.0	169.24

(Note) Revision to the forecast for financial results announced most recently: None

#### 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): |                   |
| FY2023 first-quarter:   | 99,182,517 shares |
| FY2022:   | 99,182,517 shares |
| (ii) Number of treasury stock at the end of each period:  |                   |
| FY2023 first-quarter:   | 3,416,271 shares  |
| FY2022:   | 3,513,523 shares  |
| (iii) Average number of shares outstanding in each period:  |                   |
| FY2023 first-quarter:   | 95,720,420 shares |
| FY2022 first-quarter:   | 97,364,811 shares |

※These quarterly consolidated financial results are outside the scope of quarterly review by certified public accountants and audit corporations.

※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)	
	FY2022	FY2023 first-quarter
	As of Nov. 30, 2022	As of Feb. 28, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	46,697	41,223
Notes and accounts receivable - trade	26,885	25,839
Securities	0	1
Merchandise and finished goods	33,238	35,360
Work in process	8,641	7,523
Raw materials and supplies	10,146	10,242
Other	3,731	4,223
Allowance for doubtful accounts	(374)	(648)
<b>Total current assets</b>	<b>128,967</b>	<b>123,766</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	24,712	24,264
Machinery, equipment and vehicles, net	34,739	35,294
Land	16,006	15,917
Other, net	5,604	5,447
<b>Total property, plant and equipment</b>	<b>81,062</b>	<b>80,924</b>
Intangible assets		
Goodwill	4,402	3,992
Other	1,396	1,446
<b>Total intangible assets</b>	<b>5,799</b>	<b>5,439</b>
Investments and other assets		
Investment securities	4,800	4,910
Other	8,666	7,134
Allowance for doubtful accounts	(443)	(326)
<b>Total investments and other assets</b>	<b>13,023</b>	<b>11,718</b>
<b>Total non-current assets</b>	<b>99,885</b>	<b>98,082</b>
<b>Total assets</b>	<b>228,852</b>	<b>221,848</b>

Consolidated Summary Balance Sheet  
OSG Corporation

	(Millions of yen)	
	FY2022	FY2023 first-quarter
	As of Nov. 30, 2022	As of Feb. 28, 2023
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	5,887	5,208
Short-term loans payable	677	603
Current portion of long-term loans payable	1,019	1,977
Income taxes payable	3,105	2,071
Provision for bonuses	612	1,672
Provision for directors' bonuses	371	123
Other	12,091	8,158
Total current liabilities	23,765	19,815
Non-current Liabilities		
Bonds payable	5,000	5,000
Long-term loans payable	18,873	17,325
Net defined benefit liability	879	884
Provision for loss on guarantees	185	186
Other	3,310	3,164
Total non-current liabilities	28,248	26,562
<b>Total liabilities</b>	<b>52,014</b>	<b>46,377</b>
<b>Net assets</b>		
Shareholders' equity		
Capital stock	13,044	13,044
Capital surplus	13,792	13,618
Retained earnings	132,320	131,812
Treasury stock	(6,388)	(6,194)
Total shareholders' equity	152,768	152,281
Accumulated other comprehensive income		
Valuation difference		
on available-for-sale securities	852	975
Deferred gains or losses on hedges	0	-
Foreign currency translation adjustment	11,038	10,378
Total accumulated other comprehensive income	11,890	11,353
Non-controlling interests	12,178	11,836
<b>Total net assets</b>	<b>176,838</b>	<b>175,470</b>
<b>Total liabilities and net assets</b>	<b>228,852</b>	<b>221,848</b>

Consolidated Summary Statement of Income  
OSG Corporation

	(Millions of yen)	
	FY2022 first-quarter (2021/12/1 - 2022/2/28)	FY2023 first-quarter (2022/12/1 - 2023/2/28)
Net sales	32,241	34,231
Cost of sales	19,228	20,093
Gross profit	13,012	14,137
Selling, general and administrative expenses	8,570	9,623
Operating income	4,442	4,513
Non-operating income		
Interest income	67	145
Dividend income	14	21
Foreign exchange gains	88	28
Subsidy income	90	141
Other	267	176
Total non-operating income	528	514
Non-operating expenses		
Interest expenses	59	71
Other	122	76
Total non-operating expenses	181	147
Ordinary income	4,788	4,880
Extraordinary gains		
Gain on sales of investments in capital of subsidiaries and associates	-	159
Total extraordinary gains	-	159
Extraordinary losses		
Provision of allowance for doubtful accounts	-	290
Total extraordinary losses	-	290
Income before income taxes	4,788	4,750
Income taxes - current	1,598	1,612
Income taxes - deferred	(408)	(9)
Total income taxes	1,190	1,603
Net income	3,598	3,147
Net income attributable to non-controlling interests	138	96
Net income attributable to OSG Corporation	3,459	3,050

Consolidated Statement of Comprehensive Income  
OSG Corporation

	(Millions of yen)	
	FY2022 first-quarter (2021/12/1 - 2022/2/28)	FY2023 first-quarter (2022/12/1 - 2023/2/28)
Net income	3,598	3,147
Other comprehensive income		
Valuation difference on available-for-sale securities	(88)	99
Deferred gains or losses on hedges	(4)	(0)
Foreign currency translation adjustment	1,532	(756)
Share of other comprehensive income of associates accounted for using equity method	(1)	2
Total other comprehensive income	1,438	(655)
Comprehensive income	5,036	2,491
(Breakdown)		
Comprehensive income attributable to OSG Corporation	4,864	2,542
Comprehensive income attributable to non-controlling interests	171	(50)

## Operations by Geographical Segment

Results for FY2022 first-quarter (Dec. 1, 2021 through Feb. 28, 2022)

(Millions of yen)

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	11,686	5,575	6,400	8,578	32,241	-	32,241
Interarea transfers	5,334	289	53	854	6,532	(6,532)	-
Total sales	17,021	5,864	6,454	9,433	38,773	(6,532)	32,241
Operating income	1,750	907	558	1,534	4,750	(308)	4,442

(Note) Since "Accounting Standard for Revenue Recognition" (ASBJ Statement No.29, March 31, 2020), etc. have been applied from FY2022 first-quarter, accounting principles regarding revenue have been changed. Therefore, calculation method of regional operating income has been changed. This change rarely affects sales and operating income.

Results for FY2023 first-quarter (Dec. 1, 2022 through Feb. 28, 2023)

(Millions of yen)

	Japan	The Americas	Europe/ Africa	Asia	Total	Eliminations	Consolidated
Sales to customers	11,995	7,158	7,618	7,459	34,231	-	34,231
Interarea transfers	5,903	131	49	995	7,079	(7,079)	-
Total sales	17,899	7,289	7,667	8,454	41,310	(7,079)	34,231
Operating income	2,073	1,100	718	950	4,843	(329)	4,513

## Net sales by Product Segment

(Millions of yen)

Product Segment	FY2022 first-quarter (2021/12/1 - 2022/2/28)	FY2023 first-quarter (2022/12/1 - 2023/2/28)
Cutting tools:		
Taps	11,397	11,276
End mills	5,844	6,685
Drills and other cutting tools	9,162	9,800
Subtotal	26,404	27,763
Rolling dies	2,377	2,551
Gauges	449	457
Other:		
Machine	783	1,320
Other	2,227	2,139
Subtotal	3,010	3,459
Total	32,241	34,231