

# Consolidated Summary Report on Interim Closing for the Fiscal year ending November 30, 2004

June 24, 2004

Company name : OSG Corporation  
 Shares Listed : Tokyo stock exchange 1st section (Code number 6136)  
 : Nagoya stock exchange 1st section  
 Location of the head office : Aichi Prefecture  
 Representative: : Teruhide Osawa, President  
 Contact person: : Koji Sonobe, Controller  
 TEL: 0533-82-1113 URL <http://www.osg-ir.com>  
 Date of the meeting of the Board of Directors : Thursday, June 24, 2004.  
 for FY 2004 semi-annual financial results

## 1. Interim Results of FY2004 (December 1, 2003 - May 31, 2004)

### (1) Consolidated financial results (Amounts less than one million yen are omitted)

	Net Sales		Operating income		Ordinary income	
	Million yen	%	Million yen	%	Million yen	%
FY2004 semi-annual	31,011	16.2	5,089	45.8	4,808	50.7
FY2003 semi-annual	26,684	9.9	3,489	155.7	3,191	213.6
FY2003	54,618	9.3	7,424	130.2	6,704	171.9

	Net income		Net income per share - basic		Net income per share - diluted	
	Million yen	%	Yen	Yen	Yen	Yen
FY2004 semi-annual	2,616		28.52		26.25	
FY2003 semi-annual	2,455		26.15		-	
FY2003	4,510		46.92		45.72	

Note 1: Equity in earnings of affiliated companies: FY 2004 semi-annual 28 million yen, FY2003 semi-annual 10 million yen, FY2003 12 million yen.

Note 2: Average number of shares issued and outstanding in each period (consolidated): FY2004 semi-annual 91,727,020 shares, FY2003 semi-annual 93,906,655 shares, FY2003 93,290,137 shares

Note 3: Whether or not to change the accounting method: No

Note 4: Regarding net sales, operating income, ordinary income, net income, the right figures show percentage of changes from the corresponding period of the preceding year.

### (2) Consolidated financial position

	Total assets		Shareholders' equity		Equity ratio		Equity per share	
	Million yen		Million yen		%		yen	
FY2004 semi-annual	75,555		37,163		49.2		409.51	
FY2003 semi-annual	74,164		36,308		48.9		389.99	
FY2003	73,886		37,028		50.1		401.34	

Note: Numbers of shares issued (consolidated)

<FY2004 semi-annual> 90,752,861 shares, <FY2003 semi-annual> 93,100,745 shares, <FY2003> 91,932,783 shares

### (3) Consolidated cash flows

	From operating activities		From investing activities		From financing activities		Cash & cash equivalents at end of period	
	Million yen		Million yen		Million yen		Million yen	
FY2004 semi-annual	3,946		(3,036)		(1,450)		4,226	
FY2003 semi-annual	2,757		(1,025)		(1,995)		4,189	
FY2003	9,239		(2,519)		(6,442)		4,638	

### (4) Scope of consolidation and equity method

Number of Consolidated subsidiaries : 39 companies  
 Number of affiliated companies : 0 companies  
 Number of affiliated companies accounted for under the equity method : 2 companies

### (5) Changes in scope of consolidation and equity method

Consolidated subsidiaries : (increase) 5 (decrease) 0  
 Affiliated companies : (increase) 0 (decrease) 0  
 Affiliated companies accounted for under the equity method : (increase) 0 (decrease) 0

2 . Business forecast for the year ending November 30, 2004  
(December1, 2003 - November 30, 2004)

	Net sales	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	yen
Annual	63,000	10,200	5,600	59.59

[Note regarding forecast]

The above forecasts for operating 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	(Millions of yen : amounts less than one million yen are omitted)					
	FY2004 semi-annual As of May 31, 2004		FY2003 semi-annual As of May 31, 2003		FY2003 As of Nov. 30, 2003	
<b>Current Assets</b>						
Cash and time deposits	4,364		4,554		4,752	
Notes and accounts receivable	12,454		11,701		11,609	
Marketable securities	11		17		15	
Inventories	14,613		13,567		14,300	
Deferred tax assets	1,115		1,147		1,060	
Other	2,010		1,780		1,389	
Allowance for doubtful accounts	(148)		(169)		(120)	
<b>Total current assets</b>	<b>34,421</b>	<b>45.6%</b>	<b>32,599</b>	<b>44.0%</b>	<b>33,007</b>	<b>44.7%</b>
<b>Fixed Assets</b>						
<b>Tangible Fixed Asset</b>						
Building and structures	9,462		9,983		9,762	
Machinery and equipment	13,198		14,542		13,678	
Land	8,841		9,186		9,112	
Other	2,530		1,725		1,995	
<b>Total tangible fixed asset</b>	<b>34,032</b>	<b>45.0%</b>	<b>35,438</b>	<b>47.8%</b>	<b>34,549</b>	<b>46.8%</b>
<b>Intangible Fixed Asset</b>						
Goodwill	847		459		420	
Other	420		315		387	
<b>Total intangible fixed asset</b>	<b>1,267</b>	<b>1.7%</b>	<b>774</b>	<b>1.0%</b>	<b>807</b>	<b>1.1%</b>
<b>Investments and Other Assets</b>						
Investment securities	3,343		2,701		3,068	
Deferred tax assets	1,104		1,491		1,239	
Other	1,652		1,661		1,517	
Allowance for doubtful accounts	(265)		(502)		(304)	
<b>Total investments and other assets</b>	<b>5,833</b>	<b>7.7%</b>	<b>5,351</b>	<b>7.2%</b>	<b>5,521</b>	<b>7.4%</b>
<b>Total fixed assets</b>	<b>41,133</b>	<b>54.4%</b>	<b>41,564</b>	<b>56.0%</b>	<b>40,878</b>	<b>55.3%</b>
<b>Total</b>	<b>75,555</b>	<b>100.0%</b>	<b>74,164</b>	<b>100.0%</b>	<b>73,886</b>	<b>100.0%</b>

Consolidated Summary Balance Sheet  
OSG Corporation

Liabilities and Capital	(Millions of yen : amounts less than one million yen are omitted)					
	FY2004 semi-annual As of May 31, 2004		FY2003 semi-annual As of May 31, 2003		FY2003 As of Nov. 30, 2003	
<b>Current Liabilities</b>						
Notes and accounts payable	3,860		2,970		3,464	
Short-term borrowings	3,855		7,868		1,956	
Long-term borrowings, current portion	736		5,159		1,066	
Income taxes payable	1,766		837		1,320	
Accrued expenses	3,979		2,836		4,081	
Deferred tax liabilities	-		-		1	
Other	1,228		886		1,013	
<b>Total current liabilities</b>	<b>15,427</b>	<b>20.4%</b>	<b>20,558</b>	<b>27.7%</b>	<b>12,903</b>	<b>17.5%</b>
<b>long-term Liabilities</b>						
Bonds	6,920		646		7,630	
Long-term borrowings	7,454		8,373		7,879	
Liabilities for employees' retirement benefits	2,998		2,940		2,962	
Retirement allowance for directors and corporate auditors	331		381		308	
Deferred tax liabilities	343		433		389	
Other	563		398		478	
<b>Total long-term liabilities</b>	<b>18,611</b>	<b>24.6%</b>	<b>13,173</b>	<b>17.8%</b>	<b>19,648</b>	<b>26.6%</b>
<b>Total liabilities</b>	<b>34,039</b>	<b>45.0%</b>	<b>33,731</b>	<b>45.5%</b>	<b>32,551</b>	<b>44.1%</b>
<b>Minority Interests</b>	<b>4,352</b>	<b>5.8%</b>	<b>4,124</b>	<b>5.6%</b>	<b>4,306</b>	<b>5.8%</b>
<b>Shareholders' Equity</b>						
Common stock	10,404	13.8%	10,404	14.0%	10,404	14.1%
Capital surplus	12,203	16.1%	12,056	16.2%	12,084	16.4%
Retained earnings	23,335	30.9%	19,784	26.7%	21,465	29.0%
Unrealized gain on available-for-sale securities	742	1.0%	196	0.3%	494	0.7%
Foreign currency translation adjustments	(4,433)	(5.9%)	(3,692)	(5.0%)	(4,039)	(5.5%)
Treasury stock	(5,089)	(6.7%)	(2,441)	(3.3%)	(3,381)	(4.6%)
<b>Total shareholders' equity</b>	<b>37,163</b>	<b>49.2%</b>	<b>36,308</b>	<b>48.9%</b>	<b>37,028</b>	<b>50.1%</b>
<b>Total</b>	<b>75,555</b>	<b>100.0%</b>	<b>74,164</b>	<b>100.0%</b>	<b>73,886</b>	<b>100.0%</b>

Consolidated Summary Statement of Income  
OSG Corporation

(Millions of yen : amounts less than one million yen are omitted)

	FY2004 semi-annual 2003/12/1- 2004/5/31		FY2003 semi-annual 2002/12/1- 2003/5/31		FY2003 2002/12/1- 2003/11/30	
Net Sales	31,011	100.0%	26,684	100.0%	54,618	100.0%
Cost of Sales	19,161	61.8%	17,087	64.0%	34,499	63.2%
Gross profit	11,850	38.2%	9,596	36.0%	20,118	36.8%
Selling, General and administrative expenses	6,761	21.8%	6,106	22.9%	12,694	23.2%
Operating income	5,089	16.4%	3,489	13.1%	7,424	13.6%
Other Income						
Interest income	18		37		68	
Dividend income	7		7		24	
Equity in earnings of subsidiaries and affiliates	28		10		12	
Other - net	149		284		446	
Total other income	204	0.7%	340	1.3%	552	1.0%
Other Expenses						
Interest expense	98		164		300	
Sales discount	278		254		499	
Exchange loss	48		118		216	
Other - net	60		101		255	
Total other expenses	485	1.6%	639	2.4%	1,271	2.3%
Ordinary income	4,808	15.5%	3,191	12.0%	6,704	12.3%
Extraordinary gain						
Gain on sales of property, plant and equipment	20		57		154	
Gain on sales of securities	4		63		319	
Other - net	14		61		70	
Total extraordinary gain	39	0.1%	184	0.7%	545	1.0%
Extraordinary loss						
Loss on disposal of property plant and equipment	26		19		221	
Loss on sales of property, plant and equipment	5		79		88	
Write down of securities	-		20		3	
Loss from evaluation of golf membership	9		114		113	
Charge for full amount of past sevice costs of retirement allowances for directors and corporate auditors	-		34		43	
Retirement lumpsum payment to directors	-		100		100	
Other - net	55		5		31	
Total extraordinary loss	97	0.3%	374	1.4%	603	1.1%
Income before income taxes	4,750	15.3%	3,000	11.3%	6,647	12.2%
Income taxes - current	1,994	6.4%	888	3.3%	2,116	3.9%
Income taxes - deferred	(119)	(0.3%)	(604)	(2.2%)	(493)	(0.9%)
Minority interests	258	0.8%	260	1.0%	513	0.9%
Net income	2,616	8.4%	2,455	9.2%	4,510	8.3%

Consolidated Summary Statement of Cash Flows  
OSG Corporation

(Millions of yen : amounts less than one million yen are omitted)

	FY2004 semi-annual 2003/12/1- 2004/5/31	FY2003 semi-annual 2002/12/1- 2003/5/31	FY2003 2002/12/1- 2003/11/30
<b>Operating Activities:</b>			
Income before income taxes and minority interest	4,750	3,000	6,647
Depreciation and amortization	2,109	2,236	4,642
Amortization on goodwill	27	29	43
Provision for doubtful receivables	27	(26)	(21)
Change in liability for employees' retirement benefits	32	(146)	(124)
Change in retirement allowance for directors and corporate auditors	22	(133)	(210)
Loss on disposals of property, plant and equipment	26	19	221
Write-down of investment securities	-	20	3
Gain on sales of securities	(4)	(63)	(319)
Interest and dividend income	(26)	(44)	(93)
Interest expense	98	164	300
Equity in earnings of subsidiaries & affiliates	(28)	(10)	(12)
Change in notes and accounts receivable	(811)	(194)	(212)
Change in inventories	(159)	(208)	(1,184)
Change in notes and account payable	380	119	778
Change in accrued expenses	(78)	(874)	398
Other - net	(816)	(161)	182
Sub-total	5,550	3,725	11,040
Interest and dividend income received	32	45	113
Interest expense paid	(95)	(164)	(303)
Income taxes - paid	(1,541)	(849)	(1,610)
Net cash provided by operating activities	3,946	2,757	9,239
<b>Investing Activities:</b>			
Payments for time deposits	(121)	(159)	(233)
Proceeds from refund of time deposits	68	214	523
Purchases of marketable securities	0	0	0
Proceeds from sales of marketable securities	0	64	76
Purchases of investment securities	(3)	(10)	(25)
Proceeds from sales of investment securities	7	400	840
Acquisitions of property, plant and equipment	(2,272)	(1,309)	(3,284)
Proceeds from sales of property, plant and equipment	69	142	285
Payment for purchase of subsidiaries' stock	(592)	(363)	(592)
Other - net	(191)	(4)	(110)
Net cash used in investing activities	(3,036)	(1,025)	(2,519)
<b>Financing Activities:</b>			
Change in short-term borrowings - net	1,803	388	(5,404)
Proceeds from long-term debt	37	198	438
Repayment of long-term borrowings	(647)	(676)	(5,423)
Issuance of convertible bonds	-	-	6,985
Dividends paid	(550)	(573)	(944)
Dividends paid to minority shareholders	(102)	(110)	(114)
Purchase of treasury stock	(1,991)	(1,290)	(2,324)
Other - net	-	69	344
Net cash used in financing activities	(1,450)	(1,995)	(6,442)
Effect of exchange rate change on cash and cash equivalents	(12)	37	(55)
Net increase (decrease) in cash and cash equivalents	(553)	(226)	222
Cash and cash equivalents at beginning of year	4,638	4,407	4,407
Cash and cash equivalents of Newly consolidated subsidiaries at beginning of year	141	8	8
Cash and cash equivalents at end of year	4,226	4,189	4,638

## Operations by Geographical Segment

Results for FY2004 semi-annual (Dec. 1, 2003 through May 31, 2004)

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	20,696	4,399	1,902	4,012	31,011	-	31,011
Interarea transfers	3,669	85	5	95	3,855	(3,855)	-
Total sales	24,365	4,484	1,908	4,108	34,867	(3,855)	31,011
Operating expenses	20,644	4,044	1,646	3,516	29,852	(3,930)	25,922
Operating income	3,720	440	261	591	5,014	74	5,089

(Reference)

Results for FY2003 semi-annual (Dec. 1, 2002 through May 31, 2003)

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	17,364	4,186	1,558	3,575	26,684	-	26,684
Interarea transfers	3,476	77	5	98	3,657	(3,657)	-
Total sales	20,841	4,263	1,564	3,673	30,341	(3,657)	26,684
Operating expenses	18,240	3,980	1,391	3,181	26,795	(3,600)	23,194
Operating income	2,600	282	172	492	3,546	(56)	3,489

(Reference)

Results for FY2003 (Dec. 1, 2002 through Nov. 30, 2003)

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	35,550	8,373	3,176	7,518	54,618	-	54,618
Interarea transfers	6,663	144	18	208	7,035	(7,035)	-
Total sales	42,213	8,518	3,195	7,727	61,654	(7,035)	54,618
Operating expenses	36,776	8,058	2,792	6,668	54,295	(7,100)	47,194
Operating income	5,437	459	402	1,059	7,358	65	7,424

## Sales to Foreign Customers

Results for FY2004 semi-annual (Dec. 1, 2003 through May 31, 2004)

	Millions of yen					
	The Americas	Europe	Asia	Other	Total	
Foreign sales	4,309	2,024	4,217	38	10,590	
Net sales					31,011	
Ratio of foreign sales to net sales	13.9%	6.5%	13.6%	0.1%	34.1%	

(Reference)

Results for FY2003 semi-annual (Dec. 1, 2002 through May 31, 2003)

	Millions of yen					
	The Americas	Europe	Asia	Other	Total	
Foreign sales	4,104	1,709	3,671	29	9,515	
Net sales					26,684	
Ratio of foreign sales to net sales	15.4%	6.4%	13.8%	0.1%	35.7%	

(Reference)

Results for FY2003 (Dec. 1, 2002 through Nov. 30, 2003)

	Millions of yen					
	The Americas	Europe	Asia	Other	Total	
Foreign sales	8,177	3,487	7,802	63	19,531	
Net sales					54,618	
Ratio of foreign sales to net sales	15.0%	6.4%	14.3%	0.1%	35.8%	