

Consolidated Summary Report for the Fiscal year ended November 30, 2006

January 9, 2007

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, Director, Head of Support Center
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Date of the meeting of the Board of Directors
 for FY 2006 financial results : January 9, 2007

1. Results of FY2006 (December 1, 2005 - November 30, 2006)

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

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
FY2006	88,862	13.7	15,455	9.4	14,940	7.6	7,917	9.6
FY2005	78,130	18.4	14,125	28.1	13,887	31.9	8,758	55.1

	Net income per share - basic	Net income per share - diluted	Return on equity	Ratio of ordinary income to total assets	Ratio of ordinary income to net sales
	yen	yen	%	%	%
FY2006	81.00	80.97	13.8	13.8	16.8
FY2005	89.10	86.90	18.4	15.9	17.8

Note 1: Equity in earnings of affiliated companies: FY2006 ¥43 million, FY2005 ¥151 million.

Note 2: Average number of shares issued and outstanding in each year (consolidated): FY2006 97,750,099 shares
 FY2005 95,791,931 shares

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

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

(2) Consolidated financial position

	Total assets	Net assets	Ratio of Shareholders' equity	Shareholders' equity per share
	Million yen	Million yen	%	yen
FY2006	122,451	66,961	49.1	615.07
FY2005	93,598	54,647	58.4	554.90

Note: Numbers of shares issued and outstanding at the end of each year (consolidated)
 <FY2006> 97,681,363 shares <FY2005> 98,078,926 shares

(3) Consolidated cash flows

	From operating activities	From investing activities	From financing activities	Cash & cash equivalents at the end of the year
	Million yen	Million yen	Million yen	Million yen
FY2006	9,546	(30,616)	20,699	6,155
FY2005	7,820	(7,200)	(897)	6,075

(4) Scope of consolidation and equity method

Number of Consolidated subsidiaries 49 companies
 Number of unconsolidated subsidiaries accounted for under the equity method 0 company
 Number of affiliated companies accounted for under the equity method 2 company

(5) Changes in scope of consolidation and equity method

Consolidated subsidiaries (increase) 5 (decrease) 0
 Affiliated companies accounted for under the equity method (increase) 1 (decrease) 1

2. Business forecast for the year ending November 30, 2007

(December 1, 2006 - November 30, 2007)

	Net sales	Operating income	Ordinary income	Net income
	Million yen	Million yen	Million yen	Million yen
Semi-Annual	46,700	8,000	7,600	4,200
Annual	94,200	16,500	15,700	8,700

(Reference) Prospected net income per share (annual) : 89.07 yen

[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)				Change
	FY2006 As of Nov. 30, 2006		FY2005 As of Nov. 30, 2005		
Current Assets					
Cash and time deposits	6,321		6,219		
Notes and accounts receivable	17,901		16,136		
Marketable securities	1		0		
Inventories	21,557		19,523		
Deferred tax assets	1,238		1,554		
Other	2,131		2,065		
Allowance for doubtful accounts	(191)		(206)		
Total current assets	48,961	40.0%	45,294	48.4%	3,667
Fixed Assets					
Tangible Assets					
Building and structures	14,111		12,047		
Machinery and equipment	18,287		15,086		
Land	10,289		9,787		
Construction in progress	6,098		1,846		
Other	1,403		1,277		
Total tangible assets	50,190	41.0%	40,045	42.8%	10,144
Intangible Assets					
Goodwill	1,150		959		
Other	850		781		
Total intangible assets	2,000	1.6%	1,741	1.8%	259
Investments and Other Assets					
Investment securities	18,901		3,771		
Capital contribution	173		59		
Long-term loan receivable	145		29		
Deferred tax assets	689		1,369		
Other	1,621		1,503		
Allowance for doubtful accounts	(231)		(216)		
Total investments and other assets	21,299	17.4%	6,517	7.0%	14,782
Total fixed assets	73,490	60.0%	48,303	51.6%	25,186
Total	122,451	100.0%	93,598	100.0%	28,853

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets	(Millions of yen : amounts less than one million yen are omitted)				
	FY2006		FY2005		Change
	As of Nov. 30, 2006		As of Nov. 30, 2005		
Current Liabilities					
Notes and accounts payable	5,039		5,269		
Short-term borrowings	15,650		5,697		
Long-term borrowings, current portion	8,142		571		
Income taxes payable	1,677		2,983		
Accrued expenses	5,155		5,139		
Other	2,664		1,690		
Total current liabilities	38,329	31.3%	21,351	22.8%	16,977
Long-term Liabilities					
Bonds	-		50		
Long-term borrowings	15,582		7,852		
Liabilities for employees' retirement benefits	694		3,055		
Retirement allowance for directors and corporate auditors	38		68		
Deferred tax liabilities	331		349		
Other	513		487		
Total long-term liabilities	17,161	14.0%	11,862	12.7%	5,299
Total liabilities	55,490	45.3%	33,213	35.5%	22,276
Minority Interests			5,736	6.1%	
Shareholders' Equity					
Common stock	-	-	10,404	11.1%	
Capital surplus	-	-	14,380	15.4%	
Retained earnings	-	-	32,356	34.6%	
Unrealized gain on available-for-sale securities	-	-	1,026	1.1%	
Foreign currency translation adjustments	-	-	(2,670)	(2.9%)	
Treasury stock	-	-	(850)	(0.9%)	
Total shareholders' equity	-	-	54,647	58.4%	
Total	-	-	93,598	100.0%	
Net Assets					
Shareholders' Equity					
Common stock	10,404		-	-	- -
Capital surplus	14,351		-	-	- -
Retained earnings	37,300		-	-	- -
Treasury stock	(1,786)		-	-	- -
Total shareholders' equity	60,269	49.2%	-	-	- -
Other items					
Unrealized gain on available-for-sale securities	909		-	-	- -
Net unrealized gain on derivative financial instruments	1		-	-	- -
Foreign currency translation adjustments	(1,099)		-	-	- -
Total	(188)	(0.1%)	-	-	- -
Minority Interests	6,879	5.6%	-	-	- -
Total net assets	66,961	54.7%	-	-	- -
Total liabilities and net assets	122,451	100.0%	-	-	- -

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2006		FY2005		Change
	2005/12/1- 2006/11/30		2004/12/1- 2005/11/30		
Net Sales	88,862	100.0%	78,130	100.0%	10,731
Cost of Sales	54,376	61.2%	47,783	61.2%	6,592
Gross profit	34,485	38.8%	30,346	38.8%	4,139
Selling, General and administrative expenses	19,030	21.4%	16,220	20.8%	2,809
Operating income	15,455	17.4%	14,125	18.0%	1,329
Other Income					
Interest income	150		78		
Dividend income	31		28		
Exchange gain	36		176		
Purchase discount	92		59		
Equity in earnings of subsidiaries and affiliates	43		151		
Other - net	433		321		
Total other income	787	0.9%	815	1.1%	(28)
Other Expenses					
Interest expense	450		205		
Sales discount	678		656		
Other - net	172		192		
Total other expenses	1,301	1.5%	1,054	1.3%	247
Ordinary income	14,940	16.8%	13,887	17.8%	1,053
Extraordinary gain					
Gain on sales of property, plant and equipment	34		145		
Gain on sales of securities	327		603		
Reversal of bad debt reserve	6		-		
Gain on reversal of allowance for employee retirement benefits due to change of the regulation	75		-		
Total extraordinary gain	443	0.5%	748	0.9%	(305)
Extraordinary loss					
Loss on disposal of property, plant and equipment	231		129		
Loss on sales of property, plant and equipment	67		19		
Loss on sales of securities	3		5		
Loss on impairment	56		-		
Loss from evaluation of golf membership	13		4		
Retirement lump-sum payment to directors	34		-		
Total extraordinary loss	407	0.5%	159	0.2%	248
Income before income taxes	14,976	16.8%	14,476	18.5%	499
Income taxes - current	4,842	5.4%	5,507	7.0%	(664)
Income taxes - deferred	1,050	1.2%	(625)	(0.8%)	1,675
Minority interests	1,165	1.3%	836	1.1%	329
Net income	7,917	8.9%	8,758	11.2%	(841)

Consolidated Summary Statement of Cash Flows
OSG Corporation

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

	FY2006	FY2005
	2005/12/1- 2006/11/30	2004/12/1- 2005/11/30
Operating Activities:		
Income before income taxes and minority interest	14,976	14,476
Depreciation and amortization	6,120	5,182
Loss on impairment	56	-
Amortization on goodwill	148	152
Provision for doubtful receivables	(26)	35
Change in liability for employees' retirement benefits	(2,388)	51
Change in retirement allowance for directors and corporate auditors	(29)	(238)
Loss on disposals of property, plant and equipment	231	129
Loss on sales of property, plant and equipment	67	19
Gain on sales of property, plant and equipment	(34)	(145)
Gain on sales of securities	(327)	(603)
Interest and dividend income	(182)	(106)
Interest expense	450	205
Equity in earnings of subsidiaries & affiliates	(43)	(151)
Change in notes and accounts receivable	(833)	(1,719)
Change in inventories	(1,274)	(3,977)
Change in notes and account payable	(670)	283
Change in accrued expenses	(48)	402
Other - net	(211)	(575)
Sub-total	15,982	13,420
Interest and dividend income received	214	182
Interest expense paid	(434)	(205)
Income taxes - paid	(6,216)	(5,577)
Net cash provided by operating activities	9,546	7,820
Investing Activities:		
Payments for time deposits	(53)	(217)
Proceeds from refund of time deposits	62	249
Proceeds from sales of marketable securities	0	1
Purchases of investment securities	(15,669)	(7)
Proceeds from sales of investment securities	424	1,185
Acquisitions of property, plant and equipment	(14,840)	(7,850)
Proceeds from sales of property, plant and equipment	431	430
Payment for purchase of subsidiaries' stock	(819)	(171)
Other - net	(153)	(820)
Net cash used in investing activities	(30,616)	(7,200)
Financing Activities:		
Change in short-term borrowings	9,735	2,357
Proceeds from long-term debt	16,279	744
Repayment of long-term borrowings	(1,335)	(707)
Proceeds from bonds	15,500	-
Redemption of bonds	(15,500)	(636)
Dividends paid	(2,734)	(1,889)
Dividends paid to minority shareholders	(248)	(156)
Purchase of treasury stock	(1,015)	(611)
Other - net	19	1
Net cash used in financing activities	20,699	(897)
Effect of exchange rate change on cash and cash equivalents	348	239
Net increase (decrease) in cash and cash equivalents	(22)	(36)
Cash and cash equivalents at beginning of year	6,075	6,112
Cash and cash equivalents of newly consolidated subsidiaries at beginning of year	101	-
Cash and cash equivalents at end of year	6,155	6,075

Operations by Geographical Segment

Results for FY2006 (Dec. 1, 2005 through Nov. 30, 2006)

							Millions of yen	
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated	
Sales to customers	52,787	15,063	5,423	15,588	88,862	-	88,862	
Interarea transfers	11,221	370	69	849	12,510	(12,510)	-	
Total sales	64,008	15,434	5,492	16,438	101,373	(12,510)	88,862	
Operating expenses	54,992	12,939	4,808	13,063	85,804	(12,397)	73,407	
Operating income	9,015	2,494	683	3,374	15,568	(113)	15,455	
Assets	79,544	13,052	5,671	26,484	124,753	(2,302)	122,451	

Results for FY2005 (Dec. 1, 2004 through Nov. 30, 2005)

							Millions of yen	
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated	
Sales to customers	49,267	12,285	4,576	12,001	78,130	-	78,130	
Interarea transfers	10,047	301	58	1,043	11,450	(11,450)	-	
Total sales	59,314	12,587	4,634	13,044	89,580	(11,450)	78,130	
Operating expenses	49,650	10,771	4,040	10,971	75,433	(11,428)	64,004	
Operating income	9,664	1,815	594	2,073	14,147	(21)	14,125	
Assets	73,662	10,622	4,787	18,880	107,952	(14,353)	93,598	

Sales to Foreign Customers

Results for FY2006 (Dec. 1, 2005 through Nov. 30, 2006)

						Millions of yen		
	The Americas	Europe	Asia	Other	Total			
Foreign sales	14,677	5,706	16,322	58	36,765			
Net sales						88,862		
Ratio of foreign sales to net sales	16.6%	6.4%	18.3%	0.1%	41.4%			

Results for FY2005 (Dec. 1, 2004 through Nov. 30, 2005)

						Millions of yen		
	The Americas	Europe	Asia	Other	Total			
Foreign sales	12,263	4,772	12,386	40	29,462			
Net sales						78,130		
Ratio of foreign sales to net sales	15.7%	6.1%	15.8%	0.1%	37.7%			

Net sales, broken down by Products Segment

	FY2006 (2005/12/1-2006/11/30) (Millions of yen)	Change (up from FY2005) (%)
Cutting tools:		
Thread-cutting tools	27,143	20.7
Milling cutters	24,070	5.5
Other cutting tools	17,096	22.9
Total	68,310	15.3
Forming tools	8,079	8.5
Measuring tools	1,483	13.2
Other:		
Machine	3,673	20.6
LHS	1,294	(22.5)
Other	6,021	10.9
Total	10,988	8.3
Total	88,862	13.7