

FY2009 Third Quarter Consolidated Financial Results (December 1, 2008 - August 31, 2009)

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: : Norio Ishikawa, President
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1. Consolidated Results for FY2009 Third Quarter (December 1, 2008 - August 31, 2009)

(1) Consolidated financial 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	%
FY2009 third-quarter	39,326	-	(1,877)	-	(1,663)	-	(2,425)	-
FY2008 third-quarter	72,016	4.3	11,089	(1.4)	10,667	(1.5)	6,068	(0.6)

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
FY2009 third-quarter	(25.23)	-
FY2008 third-quarter	62.95	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY2009 third-quarter	116,147	64,412	50.5	610.51
FY2008	122,383	70,453	52.5	666.71

Reference: Equity FY2009 third-quarter: 58,652 million yen, FY2008: 64,251 million yen

2. Cash Dividends

	Cash dividends per share		
	Interim	Year-end	Annual
	Yen	Yen	Yen
FY2008	12.00	12.00	24.00
FY2009	-	-	-
FY2009 Forecast		3.00	3.00

3. Forecast of Consolidated Results for FY2009 (December 1, 2008 - November 30, 2009)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Annual	52,000	(46.4)	(3,400)	-	(3,300)	-	(3,400)	-

	Net income per share
	Yen
Annual	(35.39)

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) Simplified accounting procedures and accounting procedures specific to quarterly consolidated financial statements : yes
- (3) Changes in accounting principles, procedures, and disclosures for quarterly consolidated financial statements
 - (i) Changes by a newly issued accounting pronouncement: yes
 - (ii) Changes other than (3)-(i) above: yes
- (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):
FY2009 third-quarter: 98,955,226 shares FY2008: 98,955,226 shares
 - (ii) Number of treasury stock at the end of each period:
FY2009 third-quarter: 2,883,579 shares FY2008: 2,583,649 shares
 - (iii) Average number of shares issued and outstanding in each period:
FY2009 third-quarter: 96,147,700 shares FY2008 third-quarter: 96,390,032 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.

[Notice Concerning Amendments to the Forcecasts for FY2009]

Amendments to the forecasts of consolidated financial results for FY2009
(December 1, 2008 - November 30, 2009)

	Net Sales	Operating income	Ordinary income	Net income	Net income per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecasts (A)	54,000	(3,400)	(3,300)	(3,400)	(35.39)
New forecasts (B)	52,000	(3,400)	(3,300)	(3,400)	(35.39)
Amount changed (B-A)	(2,000)	-	-	-	-
% of change	-3.7%	-	-	-	-
(Reference)					
Actual results for FY2008	97,024	14,416	13,505	7,376	76.53

Consolidated Summary Balance Sheet
OSG Corporation

Assets	(Millions of yen : amounts less than one million yen are omitted)		
	FY2008 As of Nov. 30, 2008	FY2009 As of Aug. 31, 2009	Changes
Current Assets			
Cash and time deposits	15,232	13,289	
Notes and accounts receivable	18,908	10,388	
Marketable securities	6	9,003	
Merchandise and finished goods	15,464	16,505	
Work in process	3,257	2,328	
Raw materials and supplies	3,920	4,300	
Other	6,875	2,854	
Allowance for doubtful accounts	(196)	(172)	
Total current assets	63,469	58,499	(4,970)
Fixed Assets			
Tangible Assets			
Building and structures	16,509	15,468	
Machinery and equipment	17,282	14,712	
Land	10,388	11,117	
Other	2,784	2,675	
Total tangible assets	46,964	43,973	(2,991)
Intangible Assets			
Goodwill	1,295	901	
Other	2,805	3,016	
Total intangible assets	4,101	3,918	(183)
Investments and Other Assets			
Investment securities	2,495	3,686	
Other	5,625	6,338	
Allowance for doubtful accounts	(273)	(268)	
Total investments and other assets	7,848	9,756	1,908
Total fixed assets	58,914	57,648	(1,266)
Total	122,383	116,147	(6,236)

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets	(Millions of yen : amounts less than one million yen are omitted)		
	FY2008 As of Nov. 30, 2008	FY2009 As of Aug. 31, 2009	Changes
Current Liabilities			
Notes and accounts payable	5,844	2,443	
Short-term borrowings	13,476	17,280	
Long-term borrowings, current portion	3,922	3,591	
Income taxes payable	1,578	397	
Reserve for bonuses	184	721	
Reserve for directors' bonuses	210	14	
Other	7,677	3,369	
Total current liabilities	32,894	27,818	(5,076)
Long-term Liabilities			
Long-term borrowings	17,385	21,145	
Liabilities for employees' retirement benefits	310	295	
Retirement allowance for directors and corporate auditors	45	50	
Other	1,294	2,426	
Total long-term liabilities	19,035	23,917	4,882
Total liabilities	51,930	51,735	(195)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	14,351	14,197	
Retained earnings	47,665	43,825	
Treasury stock	(3,697)	(3,870)	
Total shareholders' equity	68,723	64,557	(4,166)
Other items			
Unrealized gain on available-for-sale securities	(141)	602	
Deferred gain on derivatives under hedge accounting	(62)	2	
Foreign currency translation adjustments	(4,268)	(6,509)	
Total	(4,471)	(5,904)	(1,433)
Minority Interests	6,201	5,759	(442)
Total net assets	70,453	64,412	(6,041)
Total liabilities and net assets	122,383	116,147	(6,236)

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2008 (2007/12/1 - 2008/8/31)	FY2009 (2008/12/1 - 2009/8/31)	Changes
Net Sales	72,016	39,326	(32,690)
Cost of Sales	44,687	28,473	(16,214)
Gross profit	27,329	10,852	(16,477)
Selling, general and administrative expenses	16,240	12,729	(3,511)
Operating income	11,089	(1,877)	(12,966)
Other Income			
Interest income	127	146	
Dividend income	200	57	
Subsidies for employment adjustment	-	677	
Other - net	481	414	
Total other income	809	1,295	486
Other Expenses			
Interest expense	517	478	
Sales discounts	500	265	
Foreign exchange loss	0	164	
Other - net	213	173	
Total other expenses	1,231	1,081	(150)
Ordinary income	10,667	(1,663)	(12,330)
Extraordinary gain	105	11	(94)
Extraordinary loss	166	265	99
Income before income taxes	10,606	(1,918)	(12,524)
Income taxes	3,842	314	(3,528)
Minority interests	696	193	(503)
Net income	6,068	(2,425)	(8,493)

Consolidated Summary Statement of Cash Flows

OSG Corporation

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

	FY2009 (2008/12/1 - 2009/8/31)
Operating Activities:	
Income before income taxes and minority interest	(1,918)
Depreciation and amortization	4,339
Amortization of good will	284
Loss on disposal of tangible assets	65
Loss on sales of tangible assets	12
Write-down of securities	11
Interest and dividend income	(203)
Interest expense	478
Equity in earnings of affiliates	1
Change in notes and accounts receivable	7,376
Change in inventories	(1,401)
Change in notes and accounts payable	(2,895)
Change in accrued expenses	(3,367)
Other - net	(444)
Sub-total	2,339
Interest and dividend income received	168
Interest expense paid	(414)
Income taxes - paid	(1,852)
Income taxes - refunded	3,747
Net cash used in operating activities	3,989
Investing Activities:	
Payments for time deposits	(697)
Proceeds from refund of time deposits	8
Acquisitions of property, plant and equipment	(2,056)
Proceeds from sales of property, plant and equipment	77
Purchases of investment securities	(7)
Payment for purchase of subsidiaries' stock	(120)
Other - net	(474)
Net cash used in investing activities	(3,269)
Financing Activities:	
Change in short-term borrowings - net	3,973
Proceeds from long-term borrowings	6,184
Repayment of long-term borrowings	(2,549)
Purchase of treasury stock	(172)
Dividends paid	(1,161)
Dividends paid to minority shareholders	(187)
Net cash provided by financing activities	6,087
Effect of exchange rate change on cash and cash equivalents	(364)
Net increase in cash and cash equivalents	6,443
Cash and cash equivalents at beginning of year	14,557
Cash and cash equivalents at end of year	21,000

Operations by Geographical Segment

Results for FY2009 third-quarter (Dec. 1, 2008 through Aug. 31, 2009)

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	19,787	7,041	4,161	8,335	39,326	-	39,326
Interarea transfers	4,503	157	3	575	5,240	(5,240)	-
Total sales	24,291	7,199	4,165	8,911	44,566	(5,240)	39,326
Operating expenses	27,706	6,913	4,079	7,995	46,694	(5,491)	41,203
Operating income	(3,414)	286	85	915	(2,127)	250	(1,877)

(Reference)

Results for FY2008 third-quarter (Dec. 1, 2007 through Aug 31, 2008)

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	39,168	12,412	7,041	13,393	72,016	-	72,016
Interarea transfers	8,461	325	20	845	9,652	(9,652)	-
Total sales	47,630	12,738	7,061	14,239	81,669	(9,652)	72,016
Operating expenses	42,573	10,891	5,863	11,673	71,001	(10,074)	60,927
Operating income	5,056	1,847	1,197	2,565	10,667	421	11,089

Sales to Foreign Customers

Results for FY2009 third-quarter (Dec. 1, 2008 through Aug. 31, 2009)

	Millions of yen					
	The Americas	Europe	Asia	Other	Total	
Foreign sales	6,964	4,277	8,566	2	19,810	
Net sales					39,326	
Ratio of foreign sales to net sales	17.7%	10.9%	21.8%	0.0%	50.4%	

(Reference)

Results for FY2008 third-quarter (Dec. 1, 2007 through Aug 31, 2008)

	Millions of yen					
	The Americas	Europe	Asia	Other	Total	
Foreign sales	12,188	7,323	13,899	3	33,414	
Net sales					72,016	
Ratio of foreign sales to net sales	16.9%	10.2%	19.3%	0.0%	46.4%	

Net sales by Products Segment

	Millions of yen	
	FY2008 third-quarter (2007/12/1 - 2008/8/31)	FY2009 third-quarter (2008/12/1 - 2009/8/31)
Cutting tools:		
Taps	22,463	12,455
End mills	18,123	9,546
Drills and other cutting tools	16,061	8,649
Total	56,648	30,652
Rolling dies	6,082	3,343
Gauges	1,115	649
Other		
Machine tools	3,152	2,008
Line head systems	800	541
Other	4,216	2,132