

FY2009 Consolidated Financial Results (December 1, 2008 - November 30, 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
 Contact person: : Koji Sonobe, Managing Director
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1. Consolidated Results for FY2009 (December 1, 2008 - November 30, 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	53,325	(45.0)	(2,735)	-	(2,703)	-	(3,769)	-
FY2008	97,024	3.0	14,416	(6.1)	13,505	(7.3)	7,376	(8.0)

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
FY2009	(39.22)	-
FY2008	76.53	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	Yen
FY2009	113,382	61,734	49.3	582.19
FY2008	122,383	70,453	52.5	666.71

Reference: Equity FY2009: 55,931 million yen, FY2008: 64,251 million yen

(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
FY2009	6,049	(4,633)	5,470	20,816
FY2008	10,653	1,678	(4,500)	14,557

2. Cash Dividends

	Cash dividends per share			Dividend payout ratio
	Interim	Year-end	Annual	
	Yen	Yen	Yen	
FY2008	12.00	12.00	24.00	31.4%
FY2009	0.00	3.00	3.00	-
FY2010 Forecast	0.00	4.00	4.00	32.0%

3. Forecast of Consolidated Results for FY2010 (December 1, 2009 - November 30, 2010)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Semi-Annual	29,200	6.0	600	-	300	-	0	-
Annual	63,000	18.1	3,600	-	2,900	-	1,200	-

	Net income per share
	Yen
Semi-Annual	0.00
Annual	12.49

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: 98,955,226 shares FY2008: 98,955,226 shares
(ii) Number of treasury stock at the end of each period:
FY2009: 2,884,100 shares FY2008: 2,583,649 shares

Reference : Overview of the Unconsolidated Financial Results

1. Unconsolidated Results for FY2008 (December 1, 2007 - November 30, 2008)

(1) Unconsolidated 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	24,100	(49.7)	(3,994)	-	(3,438)	-	(3,319)	-
FY2008	47,898	(1.6)	3,357	-27.6	4,398	(24.5)	5,022	(14.7)

	Net income per share - basic	Net income per share - diluted
	Yen	Yen
FY2009	(34.53)	-
FY2008	52.11	-

(2) Unconsolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	yen
FY2009	86,600	42,961	49.6	447.19
FY2008	87,291	47,323	54.2	491.05

Reference: Equity FY2009: 42,961 million yen, FY2008 : 47,323 million yen

2. Forecast of Unconsolidated Results for FY2010 (December 1, 2009 - November 30, 2010)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Semi-annual	14,600	23.3	(500)	-	(600)	-	(350)	-
Annual	31,500	30.7	300	-	90	-	30	-

	Net income per share
	Yen
Semi-annual	(3.64)
Annual	0.31

[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.

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 Nov. 30, 2009	Changes
Current Assets			
Cash and time deposits	15,232	13,995	
Notes and accounts receivable	18,908	11,543	
Marketable securities	6	9,000	
Merchandise and finished goods	15,464	14,373	
Work in process	3,257	2,250	
Raw materials and supplies	3,920	3,950	
Other	6,875	2,245	
Allowance for doubtful accounts	(196)	(154)	
Total current assets	63,469	57,845	(5,624)
Fixed Assets			
Tangible Assets			
Building and structures	16,509	15,053	
Machinery and equipment	17,282	14,113	
Land	10,388	10,962	
Other	2,784	2,337	
Total tangible assets	46,964	42,465	(4,499)
Intangible Assets			
Goodwill	1,295	812	
Other	2,805	2,069	
Total intangible assets	4,101	2,881	(1,220)
Investments and Other Assets			
Investment securities	2,495	2,854	
Other	5,625	7,617	
Allowance for doubtful accounts	(273)	(283)	
Total investments and other assets	7,848	10,188	2,340
Total fixed assets	58,914	55,536	(3,378)
Total	122,383	113,382	(9,001)

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 Nov. 30, 2009	Changes
Current Liabilities			
Notes and accounts payable	5,844	2,417	
Short-term borrowings	13,476	16,395	
Long-term borrowings, current portion	3,922	3,581	
Accrued expenses	5,613	3,486	
Income taxes payable	1,578	406	
Reserve for directors' bonuses	210	14	
Other	2,251	1,329	
Total current liabilities	32,894	27,628	(5,266)
Long-term Liabilities			
Long-term borrowings	17,385	21,254	
Liabilities for employees' retirement benefits	310	272	
Retirement allowance for directors and corporate auditors	45	53	
Other	1,294	2,439	
Total long-term liabilities	19,035	24,018	4,983
Total liabilities	51,930	51,647	(283)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	14,351	14,197	
Retained earnings	47,665	42,471	
Treasury stock	(3,697)	(3,870)	
Total shareholders' equity	68,723	63,202	(5,521)
Other items			
Unrealized gain on available-for-sale securities	(141)	102	
Deferred gain on derivatives under hedge accounting	(62)	-	
Foreign currency translation adjustments	(4,268)	(7,374)	
Total	(4,471)	(7,271)	(2,800)
Minority Interests	6,201	5,803	(398)
Total net assets	70,453	61,734	(8,719)
Total liabilities and net assets	122,383	113,382	(9,001)

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2008	FY2009	Changes
	2007/12/1 - 2008/11/30	2008/12/1 - 2009/11/30	
Net Sales	97,024	53,325	(43,699)
Cost of Sales	60,449	39,203	(21,246)
Gross profit	36,574	14,122	(22,452)
Selling, general and administrative expenses	22,158	16,857	(5,301)
Operating income	14,416	(2,735)	(17,151)
Other Income			
Interest income	198	208	
Dividend income	217	59	
Purchase discounts	87	23	
Subsidies for employment adjustment	-	829	
Other - net	520	517	
Total other income	1,023	1,638	615
Other Expenses			
Interest expense	686	638	
Sales discounts	662	352	
Foreign exchange loss	333	238	
Other - net	251	375	
Total other expenses	1,934	1,606	(328)
Ordinary income	13,505	(2,703)	(16,208)
Extraordinary gain	114	63	(51)
Extraordinary loss	3,414	1,287	(2,127)
Income before income taxes	10,204	(3,926)	(14,130)
Income taxes	1,926	(391)	(2,317)
Minority interests	901	234	(667)
Net income	7,376	(3,769)	(11,145)

Consolidated Summary Statement of Cash Flows
OSG Corporation

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

	FY2008 2008/12/1 - 2009/11/30	FY2009 2008/12/1 - 2009/11/30
Operating Activities:		
Income before income taxes and minority interest	10,204	(3,926)
Depreciation and amortization	7,135	5,848
Loss on impairment	46	-
Amortization of good will	142	337
Loss on disposal of tangible assets	69	88
Gain on sales of tangible assets	(26)	(34)
Write-down of securities	1,386	11
Interest and dividend income	(415)	(267)
Interest expense	686	638
Equity in earnings of affiliates	-	1
Change in notes and accounts receivable	(702)	6,003
Change in inventories	(1,497)	888
Change in notes and accounts payable	1,022	(2,775)
Change in accrued expenses	178	(2,005)
Other - net	1,538	(115)
Sub-total	19,766	4,691
Interest and dividend income received	398	255
Interest expense paid	(672)	(599)
Income taxes - paid	(8,838)	(2,135)
Income taxes - refunded	-	3,836
Net cash used in operating activities	10,653	6,049
Investing Activities:		
Payments for time deposits	(743)	(1,545)
Proceeds from refund of time deposits	21	18
Proceeds from sales of marketable securities	10	5
Purchases of investment securities	(3,034)	(8)
Proceeds from sales of investment securities	13,888	0
Acquisitions of property, plant and equipment	(6,455)	(2,547)
Proceeds from sales of property, plant and equipment	386	201
Purchase of intangible assets	(1,373)	(513)
Payment for purchase of subsidiaries' stock	(990)	(146)
Other - net	(30)	(98)
Net cash used in investing activities	1,678	(4,633)
Financing Activities:		
Change in short-term borrowings - net	(1,293)	3,182
Proceeds from long-term borrowings	3,071	7,684
Repayment of long-term borrowings	(3,501)	(3,872)
Dividends paid	(2,502)	(1,162)
Dividends paid to minority shareholders	(261)	(189)
Purchase of treasury stock	(20)	(172)
Other - net	7	-
Net cash provided by financing activities	(4,500)	5,470
Effect of exchange rate change on cash and cash equivalents	(635)	(626)
Net increase in cash and cash equivalents	7,195	6,259
Cash and cash equivalents at beginning of year	7,323	14,557
Cash and cash equivalents of		
Newly consolidated subsidiaries at beginning of year	38	-
Cash and cash equivalents at end of year	14,557	20,816

Operations by Geographical Segment

Results for FY2009 (Dec. 1, 2008 through Nov. 30, 2009)

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	27,115	9,437	5,383	11,389	53,325	-	53,325
Interarea transfers	6,318	174	7	680	7,180	(7,180)	-
Total sales	33,434	9,611	5,390	12,070	60,506	(7,180)	53,325
Operating expenses	37,966	9,318	5,298	10,931	63,513	(7,452)	56,060
Operating income	(4,531)	292	92	1,139	(3,007)	272	(2,735)

(Reference)

Results for FY2008 (Dec. 1, 2007 through Nov. 30, 2008)

	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	53,221	16,689	9,216	17,896	97,024	-	97,024
Interarea transfers	11,487	421	32	1,203	13,145	(13,145)	-
Total sales	64,709	17,110	9,249	19,099	110,169	(13,145)	97,024
Operating expenses	58,130	14,733	7,778	15,621	96,263	(13,655)	82,607
Operating income	6,579	2,377	1,470	3,478	13,905	510	14,416

Sales to Foreign Customers

Results for FY2009 (Dec. 1, 2008 through Nov. 30, 2009)

	The Americas	Europe	Asia	Other	Total
Foreign sales	9,336	5,517	11,724	2	26,580
Net sales					53,325
Ratio of foreign sales to net sales	17.5%	10.3%	22.0%	0.0%	49.8%

(Reference)

Results for FY2008 (Dec. 1, 2007 through Nov. 30, 2008)

	The Americas	Europe	Asia	Other	Total
Foreign sales	16,386	9,618	18,465	4	44,475
Net sales					97,024
Ratio of foreign sales to net sales	16.9%	9.9%	19.0%	0.0%	45.8%

Net sales by Products Segment

	Millions of yen	
	FY2009 As of Nov. 30, 2009	Changes(%)
Cutting tools:		
Taps	16,934	-44.4%
End mills	12,917	-46.4%
Drills and other cutting tools	11,770	-45.8%
Total	41,621	-45.4%
Forming tools	4,669	-41.8%
Measuring tools	876	-40.6%
Other	6,158	-45.5%
Total	53,325	-45.0%