

FY2010 Consolidated Financial Results (December 1, 2009 - November 30, 2010)

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
 TEL: 81-533-82-1113 URL <http://www.osg-ir.com>

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

(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	%
FY2010	69,513	30.4	7,524	-	6,699	-	3,772	
FY2009	53,325	(45.0)	(2,735)	-	(2,703)	-	(3,769)	

	Net income per share - basic	Net income per share - diluted	ROE	Operating income ratio
	Yen	Yen	%	%
FY2010	39.34	-	6.7	10.8
FY2009	(39.22)	-	(6.3)	(5.1)

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Equity per share
	Million yen	Million yen	%	yen
FY2010	105,635	63,162	54.1	601.44
FY2009	113,382	61,734	49.3	582.19

Reference: Equity FY2010: 57,117 million yen, FY2009: 55,931 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
FY2010	14,095	(5,522)	(15,562)	13,525
FY2009	6,049	(4,633)	5,470	20,816

2. Cash Dividends

	Cash dividends per share		
	Interim	Year-end	Annual
	Yen	Yen	Yen
FY2009	0.00	3.00	3.00
FY2010	4.00	8.00	12.00
FY2011 forecast	6.00	10.00	16.00

3. Forecast of Consolidated Results for FY2011 (December 1, 2010 - November 30, 2011)

	Net Sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Semi-Annual	36,700	14.8	4,200	65.9	3,800	63.3	2,100	58.8
Annual	75,000	7.9	10,000	32.9	9,200	37.3	5,200	37.8

	Net income per share
	Yen
Semi-Annual	22.11
Annual	54.75

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) Changes in accounting principles, procedures, and disclosures for quarterly consolidated financial statements
 - (i) Changes by a newly issued accounting pronouncement: none
 - (ii) Changes other than (2)-(i) above: none
- (3) Number of shares issued and outstanding (common stock)
 - (i) Number of shares issued and outstanding at the end of each period (including treasury stock):
FY2010: 98,955,226 shares FY2009: 98,955,226 shares
 - (ii) Number of treasury stock at the end of each period:
FY2010: 3,986,173 shares FY2009: 2,884,100 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.

Consolidated Summary Balance Sheet
OSG Corporation

Assets	(Millions of yen : amounts less than one million yen are omitted)		
	FY2009 As of Nov. 30, 2009	FY2010 As of Nov. 30, 2010	Changes
Current Assets			
Cash and time deposits	13,995	16,314	
Notes and accounts receivable	11,543	15,359	
Marketable securities	9,000	0	
Merchandise and finished goods	14,373	10,928	
Work in process	2,250	2,741	
Raw materials and supplies	3,950	3,301	
Other	2,885	3,238	
Allowance for doubtful accounts	(154)	(169)	
Total current assets	57,845	51,715	(6,130)
Fixed Assets			
Tangible Assets			
Building and structures	15,053	13,860	
Machinery and equipment	14,113	12,999	
Land	10,962	10,908	
Other	2,337	2,478	
Total tangible assets	42,465	40,245	(2,220)
Intangible Assets			
Goodwill	812	623	
Other	2,069	3,008	
Total intangible assets	2,881	3,632	751
Investments and Other Assets			
Investment securities	2,854	3,491	
Other	7,617	6,837	
Allowance for doubtful accounts	(283)	(287)	
Total investments and other assets	10,188	10,041	(147)
Total fixed assets	55,536	53,919	(1,617)
Total	113,382	105,635	(7,747)

Consolidated Summary Balance Sheet
OSG Corporation

Liabilities and Net Assets	(Millions of yen : amounts less than one million yen are omitted)		
	FY2009 As of Nov. 30, 2009	FY2010 As of Nov. 30, 2010	Changes
Current Liabilities			
Notes and accounts payable	2,417	3,731	
Short-term borrowings	16,395	4,654	
Long-term borrowings, current portion	3,581	5,781	
Income taxes payable	406	1,358	
Reserve for directors' bonuses	14	182	
Other	4,815	7,269	
Total current liabilities	27,628	22,975	(4,653)
Long-term Liabilities			
Long-term borrowings	21,254	16,882	
Liabilities for employees' retirement benefits	272	227	
Retirement allowance for directors and corporate auditors	53	49	
Other	2,439	2,339	
Total long-term liabilities	24,018	19,497	(4,521)
Total liabilities	51,647	42,473	(9,174)
Shareholders' Equity			
Common stock	10,404	10,404	
Capital surplus	14,197	14,197	
Retained earnings	42,471	45,622	
Treasury stock	(3,870)	(4,827)	
Total shareholders' equity	63,202	65,396	2,194
Other items			
Unrealized gain on available-for-sale securities	102	577	
Deferred gain on derivatives under hedge accounting	-	(0)	
Foreign currency translation adjustments	(7,374)	(8,854)	
Total	(7,271)	(8,278)	(1,007)
Minority Interests	5,803	6,044	241
Total net assets	61,734	63,162	1,428
Total liabilities and net assets	113,382	105,635	(7,747)

Consolidated Summary Statement of Income
OSG Corporation

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

	FY2009 (2008/12/1 - 2009/11/30)	FY2010 (2009/12/1 - 2010/11/30)	Changes
Net Sales	53,325	69,513	16,188
Cost of Sales	39,203	44,605	5,402
Gross profit	14,122	24,907	10,785
Selling, general and administrative expenses	16,857	17,383	526
Operating income	(2,735)	7,524	10,259
Other Income			
Interest income	208	178	
Dividend income	59	42	
Subsidies for employment adjustment	829	28	
Other - net	542	432	
Total other income	1,638	680	(958)
Other Expenses			
Interest expense	638	515	
Sales discounts	352	468	
Foreign exchange loss	238	249	
Other - net	378	273	
Total other expenses	1,606	1,505	(101)
Ordinary income	(2,703)	6,699	9,402
Extraordinary gain	63	53	(10)
Extraordinary loss	1,287	506	(781)
Income before income taxes	(3,926)	6,247	10,173
Income taxes	(391)	1,887	2,278
Minority interests	234	587	353
Net income	(3,769)	3,772	7,541

Consolidated Summary Statement of Cash Flows
OSG Corporation

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

	FY2009 2008/12/1 - 2009/11/30	FY2010 2009/12/1 - 2010/11/30
Operating Activities:		
Income (loss) before income taxes and minority interest	(3,926)	6,247
Depreciation and amortization	5,848	5,307
Loss on impairment	-	20
Amortization of good will	337	128
Loss on liquidation of subsidiaries	-	13
Loss on disposal of tangible assets	88	114
Loss (gain) on sales of tangible assets	(34)	5
Write-down of securities	11	2
Change in allowance for doubtful accounts	(22)	28
Change in liability for directors' bonuses	(196)	168
Change in liability for employees' retirement benefits	(23)	(56)
Change in retirement allowance for directors and corporate auditors	9	(4)
Interest and dividend income	(267)	(220)
Interest expense	638	515
Loss on software development	948	-
Loss on cancellation of system contracts	-	267
Change in notes and accounts receivable	6,003	(4,521)
Change in inventories	888	3,091
Change in notes and accounts payable	(2,775)	1,792
Change in accrued expenses	(2,005)	1,705
Other - net	(831)	563
Sub-total	4,691	15,164
Interest and dividend income received	255	209
Interest expense paid	(599)	(554)
Income taxes - paid	(2,135)	(1,191)
Income taxes - refunded	3,836	466
Net cash provided by operating activities	6,049	14,095
Investing Activities:		
Payments for time deposits	(1,545)	(3,016)
Proceeds from refund of time deposits	18	2,287
Proceeds from sales of marketable securities	5	0
Purchases of investment securities	(8)	(10)
Proceeds from sales of investment securities	0	24
Acquisitions of property, plant and equipment	(2,547)	(3,568)
Proceeds from sales of property, plant and equipment	201	77
Purchase of intangible assets	(513)	(1,122)
Payment for purchase of subsidiaries' stock	(146)	(96)
Other - net	(98)	(98)
Net cash used in investing activities	(4,633)	(5,522)
Financing Activities:		
Change in short-term borrowings - net	3,182	(11,660)
Proceeds from long-term borrowings	7,684	1,607
Repayment of long-term borrowings	(3,872)	(3,699)
Dividends paid	(1,162)	(674)
Dividends paid to minority shareholders	(189)	(177)
Purchase of treasury stock	(172)	(957)
Net cash provided by (used in) financing activities	5,470	(15,562)
Effect of exchange rate change on cash and cash equivalents	(626)	(378)
Net increase in cash and cash equivalents	6,259	(7,367)
Cash and cash equivalents at beginning of year	14,557	20,816
Cash and cash equivalents of Newly consolidated subsidiaries at beginning of year	-	75
Cash and cash equivalents at end of year	20,816	13,525

Operations by Geographical Segment

Results for FY2010 (Dec. 1, 2009 through Nov. 30, 2010)

	Millions of yen						
	Japan	The Americas	Europe	Asia	Total	Eliminations	Consolidated
Sales to customers	36,196	11,295	5,536	16,484	69,513	-	69,513
Interarea transfers	10,964	154	12	713	11,844	(11,844)	-
Total sales	47,160	11,450	5,549	17,198	81,358	(11,844)	69,513
Operating expenses	44,303	10,423	5,024	14,111	73,862	(11,873)	61,988
Operating income	2,857	1,026	524	3,086	7,495	28	7,524

(Reference)

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

	Millions of yen						
	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)

Sales to Foreign Customers

Results for FY2010 (Dec. 1, 2009 through Nov. 30, 2010)

	Millions of yen						
	The Americas	Europe	Asia	Other	Total		
Foreign sales	11,224	5,616	16,969	1	33,811		
Net sales						69,513	
Ratio of foreign sales to net sales	16.1%	8.1%	24.4%	0.0%	48.6%		

(Reference)

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

	Millions of yen						
	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%		

Net sales by Products Segment

	Millions of yen	
	FY2009 (2008/12/1-2009/11/30)	FY2010 (2009/12/1-2010/11/30)
Cutting tools:		
Taps	16,934	23,158
End mills	12,917	16,198
Drills and other cutting tools	11,770	16,265
Total	41,621	55,623
Rolling dies	4,669	6,663
Gauges	876	1,085
Other	6,158	6,140
Total	53,325	69,513