



shaping your dreams



# Financial Results For FY2025

January, 2026  
OSG Corporation



GREEN TAP



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# Earnings Highlights (1/2)

|                 |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|-----------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| P/L             | <p>Recovered in Q4, achieving full-year revenue and profit growth. EBITDA and earnings per share (EPS) reached record highs.</p>                                                                                                                                                                                                                                                                                                                                                                  |
| BS              | <p><b>Goods and products increased by ¥2.46 billion compared to the end of the previous fiscal year.</b></p> <p>On a local currency basis, most regions declined. FX impact: +¥1.8 billion; U.S. tariff-related inventory buildup: approx. ¥0.9 billion (excluding FX).</p> <p><b>Buildings and structures (net) increased by ¥6.96 billion compared to the end of the previous fiscal year.</b></p> <p>Completion of Phase I at Oike Plant and new facilities at OSG Grind Tech and Germany.</p> |
| Dividend Policy | <p><b>From FY ending November 2026, dividends will be determined based on the higher of a 45% payout ratio or a DOE of 3.5%.</b></p>                                                                                                                                                                                                                                                                                                                                                              |

| KEY indicators   |                                                 |
|------------------|-------------------------------------------------|
| Sales            | <b>160.6</b> billion yen<br>+3.3% YoY           |
| Operating Profit | <b>20.3</b> billion yen<br>+7.7% YoY            |
| OPM              | <b>12.7</b> %<br>+0.5pt YoY                     |
| EPS              | <b>172.11</b> yen<br>+15.6% YoY                 |
| EBITDA           | <b>34.0</b> billion yen<br>+7.3% YoY            |
| EBITDA Margin    | <b>21.2</b> %<br>+0.8pt YoY                     |
| Equity Ratio     | <b>67.5</b> %<br>+2.8pts<br>Vs. Previous FY End |
| ROE              | <b>8.3</b> %<br>+0.5pt YoY                      |



# Earnings Highlights (2/2)

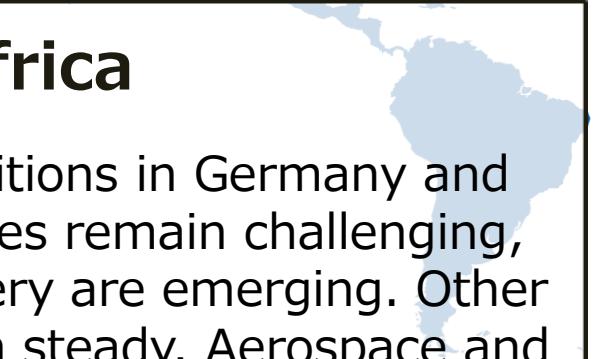
## The Americas

Tariff impact remains limited, and orders continue to be solid. Mexico is steady, driven by customers certified under USMCA. Brazil shows strong performance in the aerospace sector.



## Europe/Africa

Although conditions in Germany and nearby countries remain challenging, signs of recovery are emerging. Other regions remain steady. Aerospace and medical industries continue to perform well.



## Asia

China's manufacturing sector remains solid, and orders are strong. Higher plant utilization significantly improved profit margins. Thailand and India continue to perform well.



## Japan

A-brand and micro tools remain strong. Dental and heavy electrical sectors are solid, and aerospace is recovering.

# Company Overview

Company Name      OSG Corporation

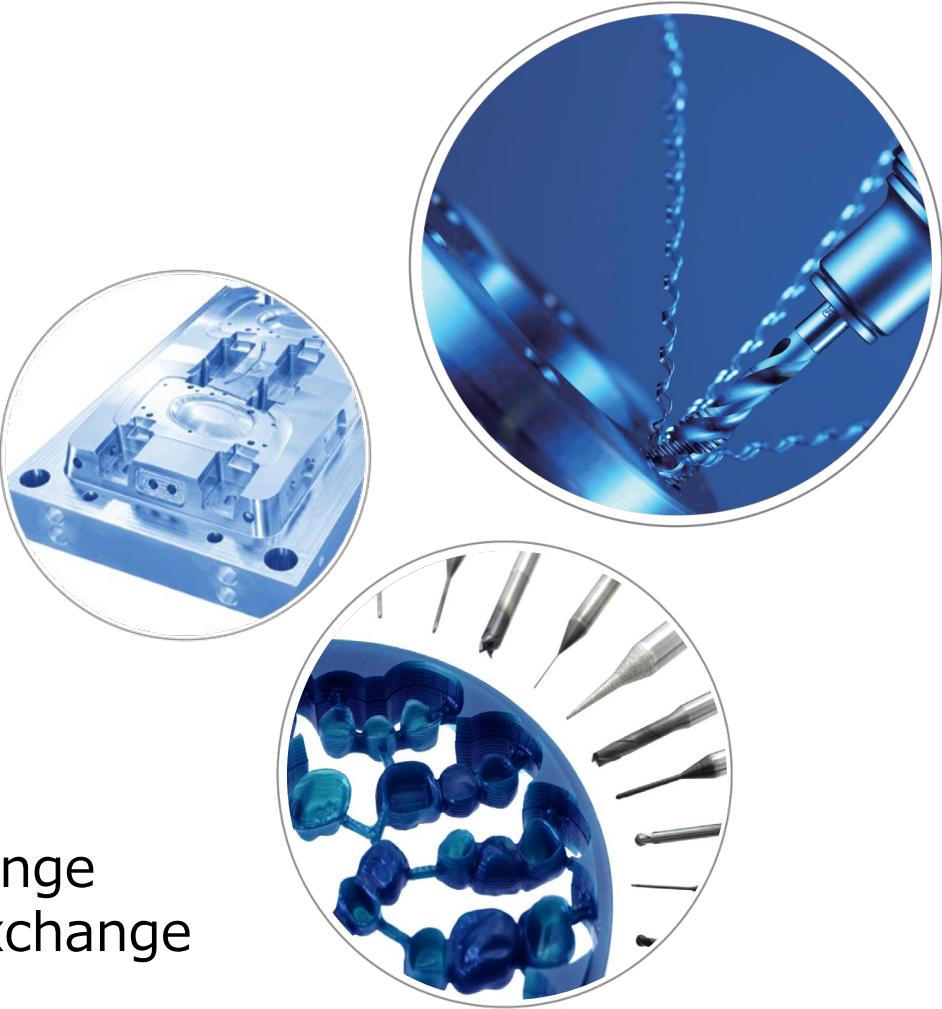
Headquarters      3-22 Honnogahara Toyokawa-city,  
Aichi, Japan

Foundation      March 26, 1938

Capital      13,044 million yen

Employees      7,563 (consolidated)  
1,854 (non-consolidated)

Stock listed      Prime Market in Tokyo Stock Exchange  
Premier Market in Nagoya Stock Exchange  
(stock code 6136)



## Note regarding forecast

- This material includes forward-looking statements based on information available at the time of release.
- The forecasts and other forward-looking statements are not guarantees of future performance. Actual financial results may differ from the above forecasts due to known and unknown risks, uncertainties and other factors.

# Company Overview

## Products

- Consumable cutting tools used in machine tools
- **Taps** account for over 30% market share as **world leader**

## Strength

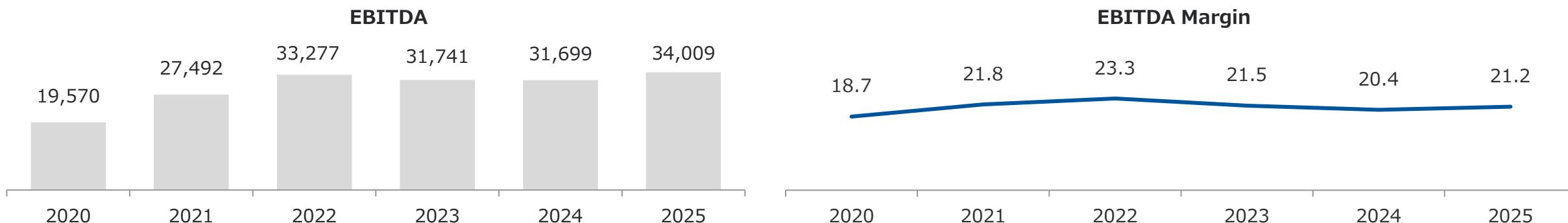
- High-value cutting tools
- Excellent after-sales service
- A global sales & service network across 35 countries



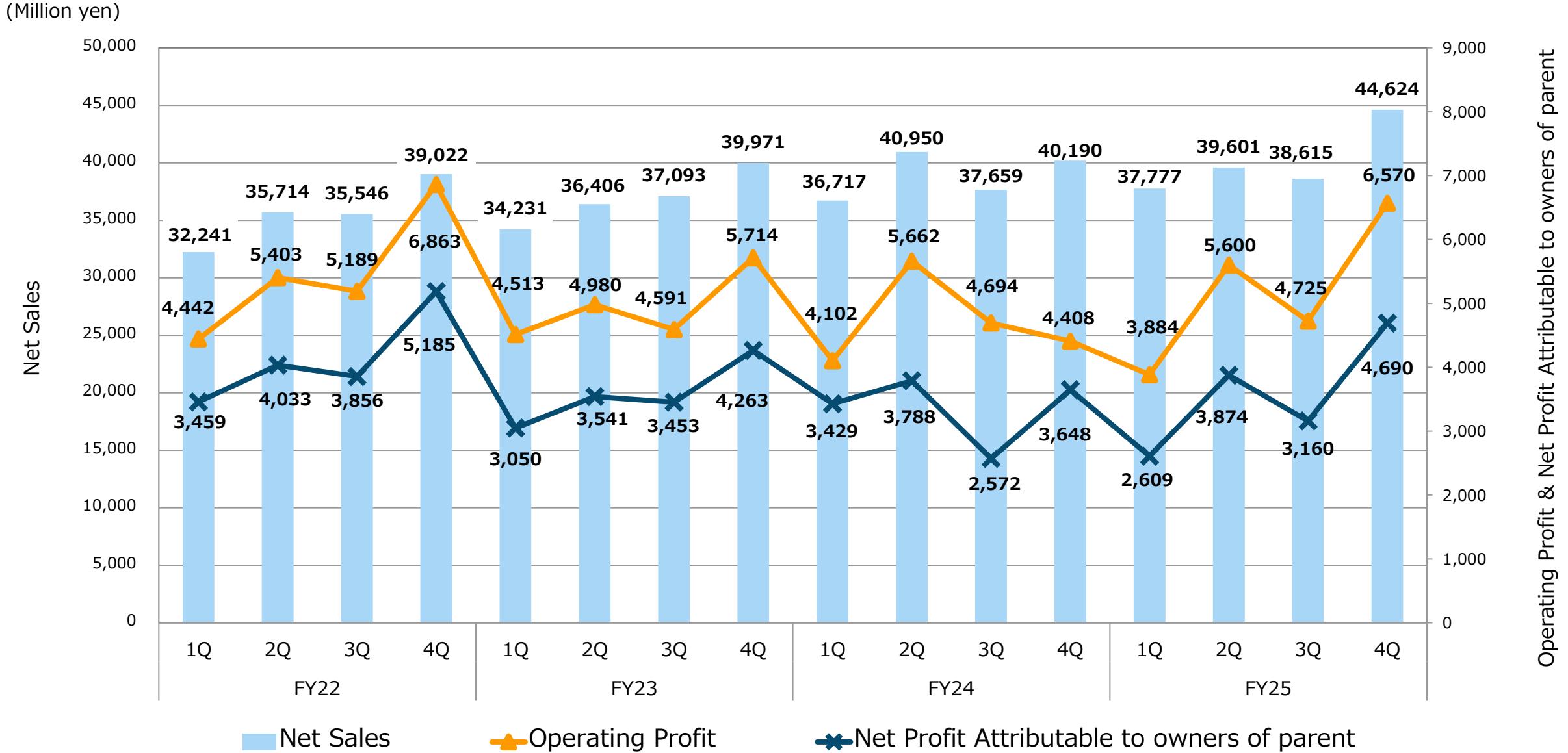
# Financial Summary

(Million yen)

|                                | FY24   |        |        |        | FY24    | FY25   |        |        |        | FY25    | Change | FY25 Forecast | Progress Rate |        |
|--------------------------------|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|--------|---------------|---------------|--------|
|                                | 1Q     | 2Q     | 3Q     | 4Q     |         | 1Q     | 2Q     | 3Q     | 4Q     |         |        |               |               |        |
| Net Sales                      | 36,717 | 40,950 | 37,659 | 40,190 | 155,517 | 37,777 | 39,601 | 38,615 | 44,624 | 160,619 | 5,101  | +3.3%         | 160,000       | 100.4% |
| Operating Profit               | 4,102  | 5,662  | 4,694  | 4,408  | 18,868  | 3,884  | 5,600  | 4,275  | 6,570  | 20,330  | 1,461  | +7.7%         | 21,000        | 96.8%  |
| OPM                            | 11.2%  | 13.8%  | 12.5%  | 11.0%  | 12.1%   | 10.3%  | 14.1%  | 11.1%  | 14.7%  | 12.7%   | -      | -             | 13.1%         | -      |
| Ordinary Income                | 4,949  | 5,919  | 4,043  | 4,913  | 19,825  | 4,155  | 5,760  | 5,072  | 7,365  | 22,354  | 2,528  | +12.8%        | 22,000        | 101.6% |
| Net Profit Attributable to OSG | 3,429  | 3,788  | 2,572  | 3,648  | 13,439  | 2,609  | 3,874  | 3,160  | 4,690  | 14,334  | 895    | +6.7%         | 14,500        | 98.9%  |
| EPS(yen)                       | 36.30  | 41.10  | 29.31  | 42.23  | 148.94  | 30.73  | 46.21  | 38.38  | 56.79  | 172.11  | 23.17  | +15.6%        | 173.38        | -      |
| EBITDA                         | 7,161  | 8,795  | 7,888  | 7,853  | 31,699  | 7,200  | 8,920  | 7,712  | 10,175 | 34,009  | 2,310  | +7.3%         | -             | -      |
| EBITDA Margin                  | 19.5%  | 21.5%  | 20.9%  | 19.5%  | 20.4%   | 19.1%  | 22.5%  | 20.0%  | 22.8%  | 21.2%   | -      | -             | -             | -      |



# Financial Summary



# Sales to Customers by Geographical Segment

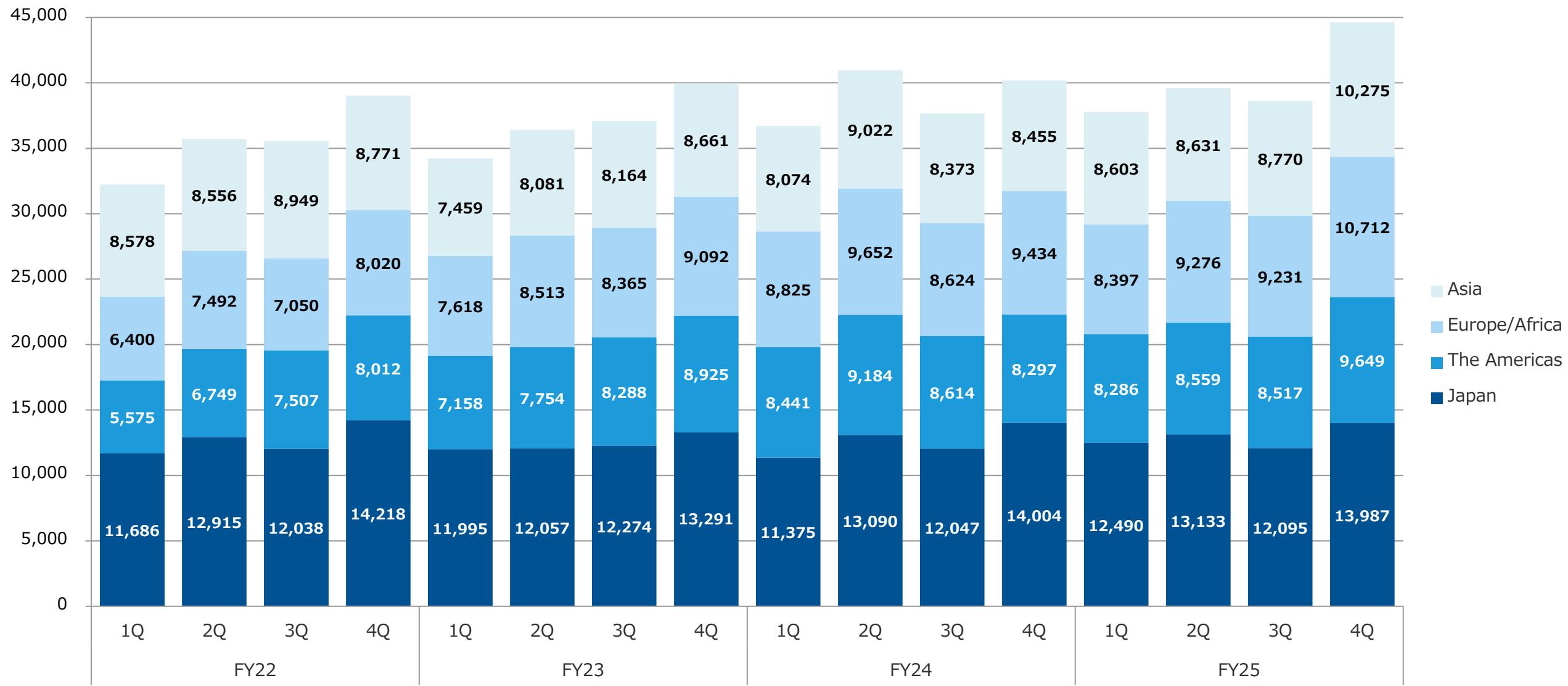
(Million yen)

|               | FY24   |        |        |        | FY24    | FY25   |        |        |        | FY25    | Change | Change in<br>Local currency |
|---------------|--------|--------|--------|--------|---------|--------|--------|--------|--------|---------|--------|-----------------------------|
|               | 1Q     | 2Q     | 3Q     | 4Q     |         | 1Q     | 2Q     | 3Q     | 4Q     |         |        |                             |
| Japan         | 11,375 | 13,090 | 12,047 | 14,004 | 50,516  | 12,490 | 13,133 | 12,095 | 13,987 | 51,706  | 1,190  | +2.4%                       |
| The Americas  | 8,441  | 9,184  | 8,614  | 8,297  | 34,537  | 8,286  | 8,559  | 8,517  | 9,649  | 35,013  | 475    | +1.4%                       |
| Europe/Africa | 8,825  | 9,652  | 8,624  | 9,434  | 36,536  | 8,397  | 9,276  | 9,231  | 10,712 | 37,617  | 1,080  | +3.0%                       |
| Asia          | 8,074  | 9,022  | 8,373  | 8,455  | 33,926  | 8,603  | 8,631  | 8,770  | 10,275 | 36,281  | 2,355  | +6.9%                       |
| Consolidated  | 36,717 | 40,950 | 37,659 | 40,190 | 155,517 | 37,777 | 39,601 | 38,615 | 44,624 | 160,619 | 5,101  | +3.3%                       |
|               |        |        |        |        |         |        |        |        |        |         |        | -                           |



# Sales to Customers by Geographical Segment

(Million yen)



# Operating Profit by Geographical Segment

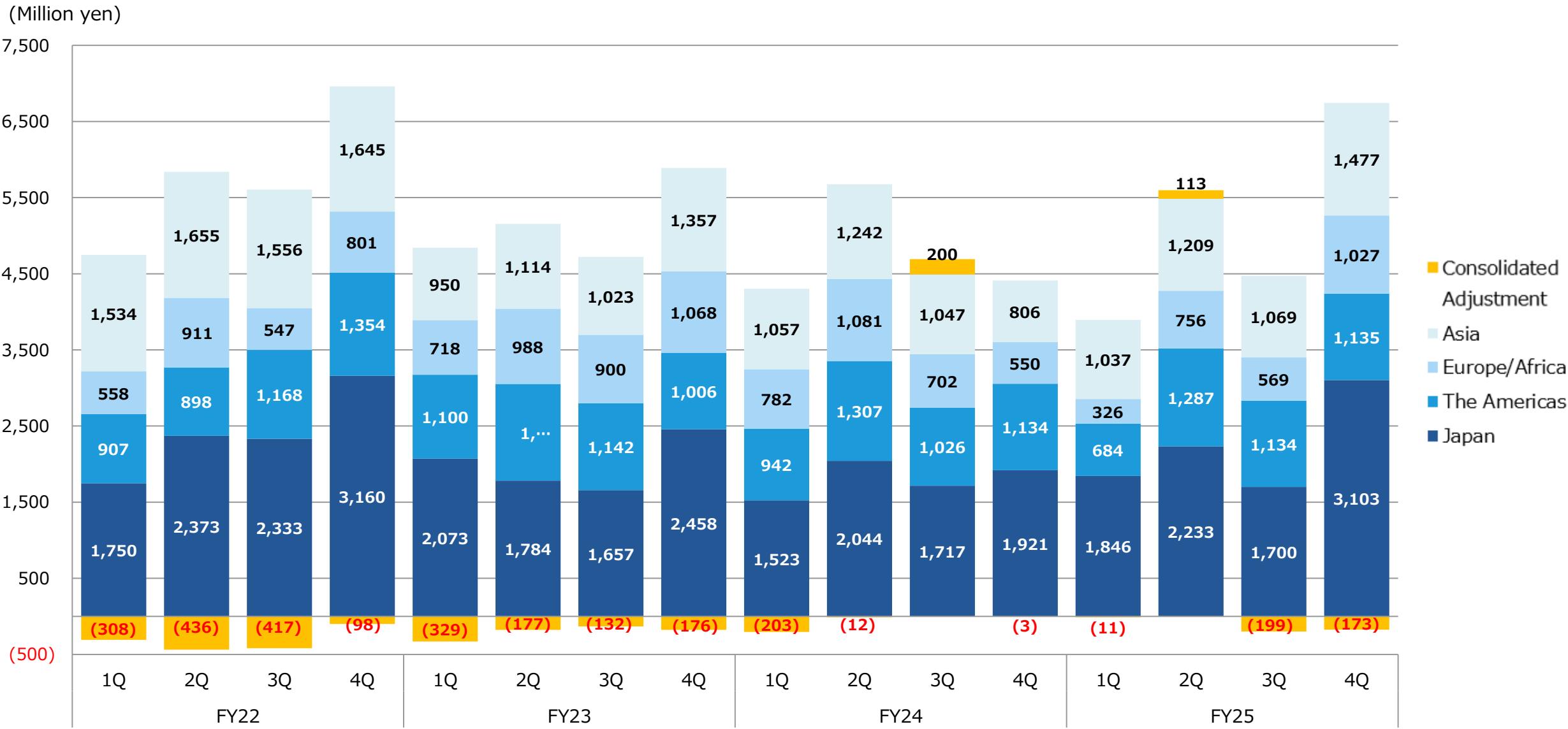
(Million yen)

|                 | FY24  |       |       |       | FY24   | FY25  |       |       |       | Change |              |
|-----------------|-------|-------|-------|-------|--------|-------|-------|-------|-------|--------|--------------|
|                 | 1Q    | 2Q    | 3Q    | 4Q    |        | 1Q    | 2Q    | 3Q    | 4Q    | FY25   |              |
| Japan           | 1,523 | 2,044 | 1,717 | 1,921 | 7,205  | 1,846 | 2,233 | 1,700 | 3,103 | 8,884  | 1,679 +23.3% |
| margin          | 8.9%  | 10.8% | 9.4%  | 9.6%  | 9.7%   | 10.2% | 11.7% | 9.3%  | 14.7% | 11.6%  |              |
| The Americas    | 942   | 1,307 | 1,026 | 1,134 | 4,411  | 684   | 1,287 | 1,134 | 1,135 | 4,241  | -169 -3.8%   |
| margin          | 11.0% | 13.8% | 11.5% | 12.7% | 12.3%  | 8.1%  | 14.8% | 13.1% | 11.5% | 11.9%  |              |
| Europe · Africa | 782   | 1,081 | 702   | 550   | 3,117  | 326   | 756   | 569   | 1,027 | 2,680  | -436 -14.0%  |
| margin          | 8.7%  | 11.1% | 8.1%  | 5.8%  | 8.4%   | 3.8%  | 8.0%  | 6.1%  | 9.5%  | 7.0%   |              |
| Asia            | 1,057 | 1,242 | 1,047 | 806   | 4,153  | 1,037 | 1,209 | 1,069 | 1,477 | 4,793  | 640 +15.4%   |
| margin          | 12.0% | 12.4% | 11.1% | 8.5%  | 11.0%  | 10.9% | 12.5% | 11.0% | 13.1% | 11.9%  |              |
| Total           | 4,306 | 5,675 | 4,493 | 4,412 | 18,887 | 3,895 | 5,486 | 4,474 | 6,743 | 20,600 | 1,713 +9.1%  |
| Eliminations    | -203  | -12   | 200   | -3    | -18    | -11   | 113   | -199  | -173  | -270   | -251 -       |
| Consolidated    | 4,102 | 5,662 | 4,694 | 4,408 | 18,868 | 3,884 | 5,600 | 4,275 | 6,570 | 20,330 | 1,461 +7.7%  |

\* Operating profits margin as % of sales (external sales + internal area transfers)



# Operating Profit by Geographical Segment



# Net Sales by Product Segment

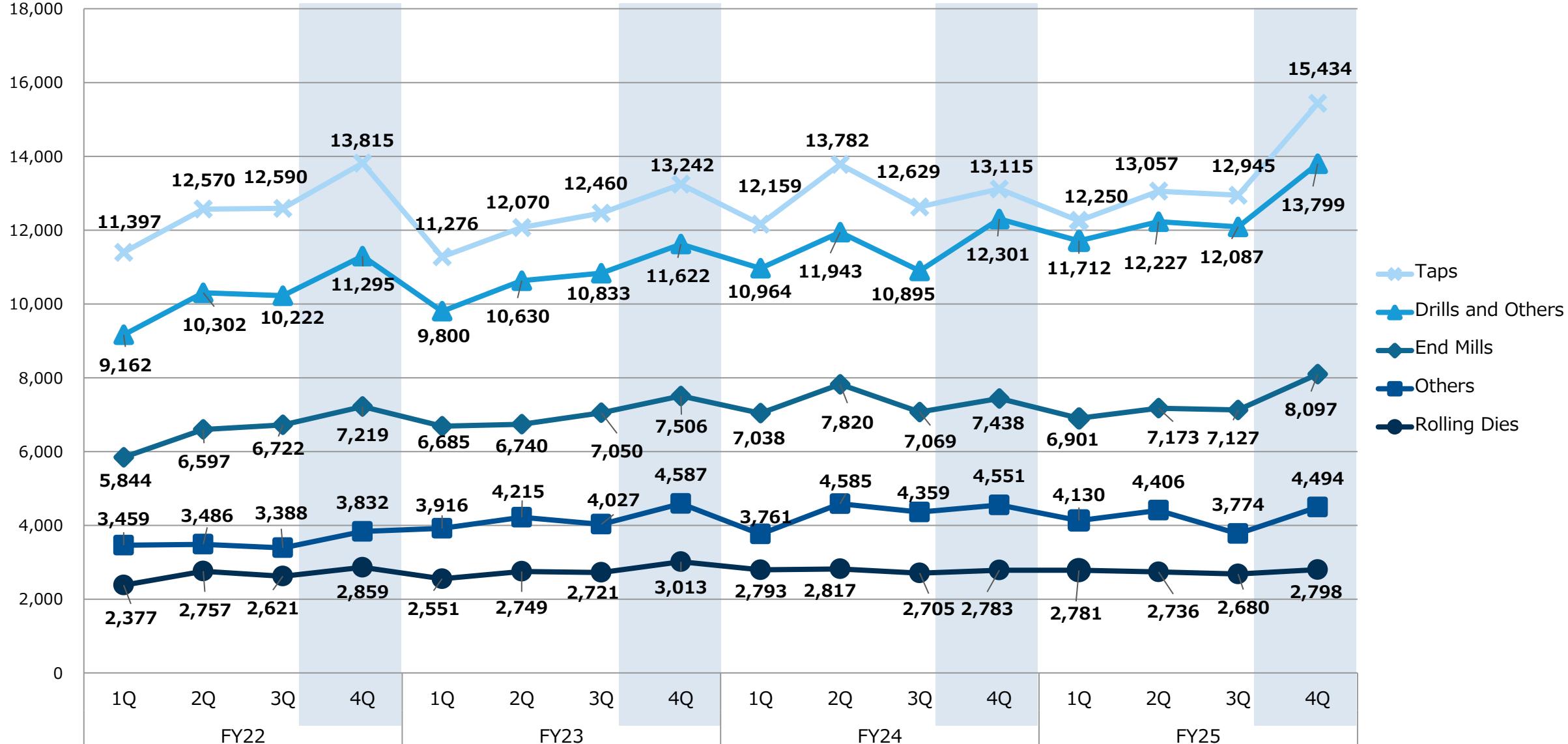
(Million yen)

|                 |                   | FY24   |        |        |        |         |       | FY25   |        |        |        |         |       | Change |        |
|-----------------|-------------------|--------|--------|--------|--------|---------|-------|--------|--------|--------|--------|---------|-------|--------|--------|
|                 |                   | 1Q     | 2Q     | 3Q     | 4Q     | Total   |       | 1Q     | 2Q     | 3Q     | 4Q     | Total   |       |        |        |
| Precision Tools | Taps              | 12,159 | 13,782 | 12,629 | 13,115 | 51,686  | 33.2% | 12,250 | 13,057 | 12,945 | 15,434 | 53,688  | 33.4% | 2,002  | 3.9%   |
|                 | End mills         | 7,038  | 7,820  | 7,069  | 7,438  | 29,366  | 18.9% | 6,901  | 7,173  | 7,127  | 8,097  | 29,300  | 18.2% | -66    | -0.2%  |
|                 | Drills and Others | 10,964 | 11,943 | 10,895 | 12,301 | 46,105  | 29.6% | 11,712 | 12,227 | 12,087 | 13,799 | 49,826  | 31.0% | 3,721  | 8.1%   |
|                 | Rolling dies      | 2,793  | 2,817  | 2,705  | 2,783  | 11,100  | 7.1%  | 2,781  | 2,736  | 2,680  | 2,798  | 10,996  | 6.8%  | -103   | -0.9%  |
|                 | Gauges            | 459    | 658    | 528    | 759    | 2,405   | 1.5%  | 517    | 538    | 549    | 538    | 2,144   | 1.3%  | -261   | -10.9% |
|                 |                   | 33,415 | 37,022 | 33,828 | 36,398 | 140,664 | 90.4% | 34,164 | 35,733 | 35,390 | 40,668 | 145,957 | 90.9% | 5,292  | 3.8%   |
| Other           | Machine           | 1,161  | 1,493  | 1,554  | 1,709  | 5,919   | 3.8%  | 1,344  | 1,600  | 822    | 1,516  | 5,283   | 3.3%  | -635   | -10.7% |
|                 | Other             | 2,139  | 2,434  | 2,276  | 2,082  | 8,933   | 5.7%  | 2,269  | 2,267  | 2,401  | 2,439  | 9,377   | 5.8%  | 444    | 5.0%   |
|                 |                   | 3,301  | 3,927  | 3,831  | 3,792  | 14,852  | 9.6%  | 3,613  | 3,868  | 3,224  | 3,955  | 14,661  | 9.1%  | -190   | -1.3%  |
| Total           |                   | 36,717 | 40,950 | 37,659 | 40,190 | 155,517 | 100%  | 37,777 | 39,601 | 38,615 | 44,624 | 160,619 | 100%  | 5,101  | 3.3%   |



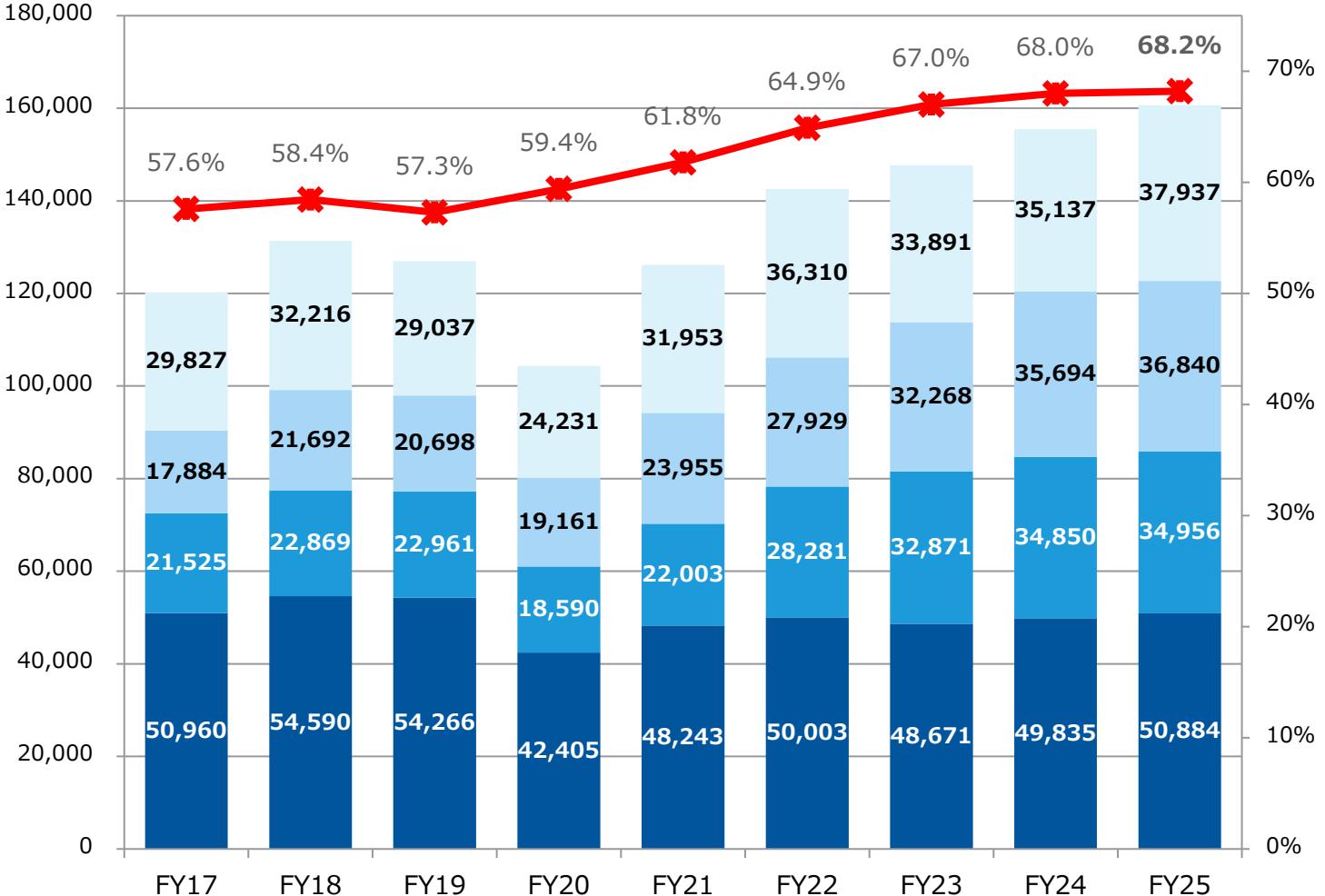
# Net Sales by Product Segment

(Million yen)



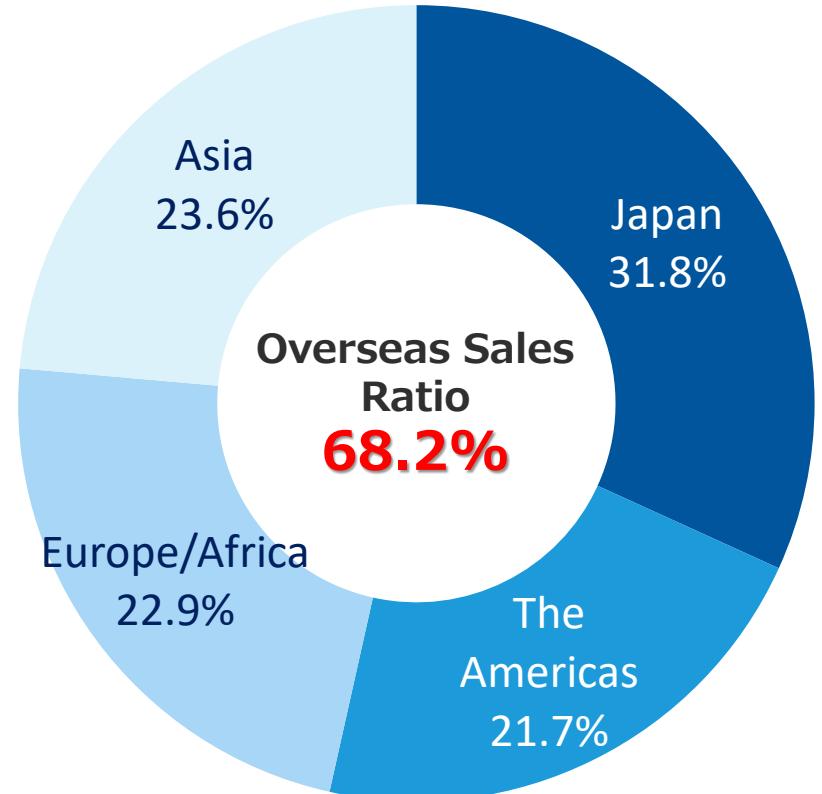
# Overseas Sales Ratio

(Million yen)



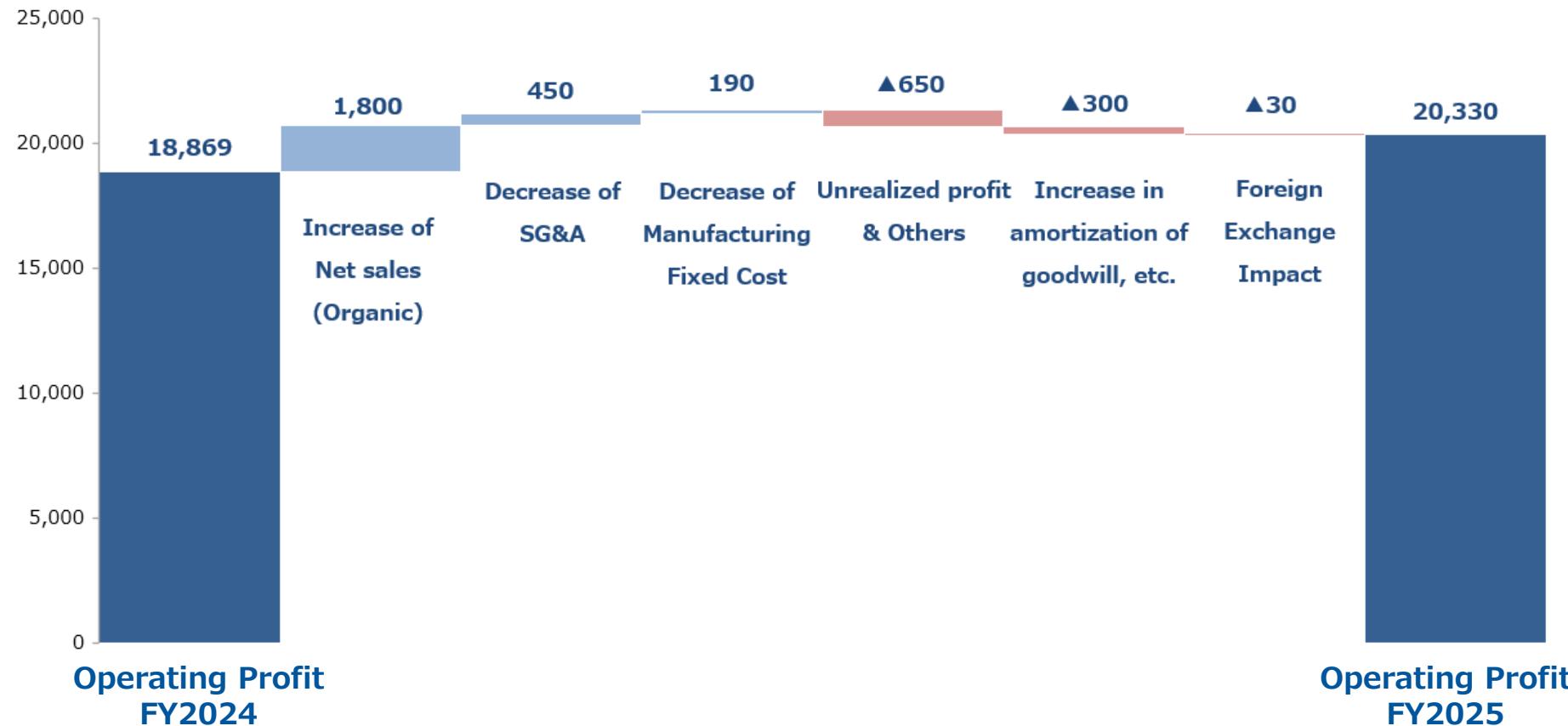
Legend: Japan (dark blue), The Americas (medium blue), Europe/Africa (light blue), Asia (very light blue), Overseas Sales Ratio (red line with cross markers)

**FY2025**



# Operating Profit Variation

(Million yen)



# Cash Flow Overview

| (Millions of yen)                                                                                                                 | FY20    | FY21    | FY22    | FY23    | FY24    | FY25    | Change  |
|-----------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|
| Income before income taxes                                                                                                        | 8,896   | 16,354  | 23,378  | 20,747  | 19,803  | 21,334  | 1,530   |
| Depreciation and amortization                                                                                                     | 10,518  | 10,591  | 10,498  | 11,037  | 11,824  | 12,598  | 773     |
| Change in notes and accounts receivable                                                                                           | 2,832   | -2,448  | -1,466  | -480    | 450     | -1,392  | -1,843  |
| Change in inventories                                                                                                             | 1,822   | 1,864   | -5,269  | -2,776  | 519     | -1,032  | -1,551  |
| Change in notes and accounts payable                                                                                              | -1,555  | 243     | 247     | -56     | -453    | 124     | 578     |
| Change in accrued expenses                                                                                                        | -1,704  | 1,227   | 853     | 77      | -167    | -190    | -23     |
| Income taxes - paid                                                                                                               | -4,743  | -2,703  | -7,645  | -7,909  | -5,521  | -6,370  | -848    |
| Other, net                                                                                                                        | 972     | 1,853   | -420    | 1,990   | 2,101   | 1,318   | -782    |
| Net cash provided by operating activities                                                                                         | 17,038  | 26,982  | 20,175  | 23,331  | 28,557  | 26,389  | -2,167  |
| Acquisitions of property, plant and equipment                                                                                     | -9,895  | -5,555  | -8,600  | -10,580 | -15,509 | -14,324 | 1,185   |
| Purchase of shares of subsidiaries                                                                                                | -2,054  | -346    | -981    | -1,037  | -694    | -1,323  | -629    |
| Purchase of shares of subsidiaries resulting in change in scope of consolidation                                                  | -3,266  | -       | -       | -       | -5,418  | -       | 5,418   |
| consolidation                                                                                                                     | -       | -       | -       | 552     | -       | -       | -       |
| Payments for time deposits and proceeds from refund of time deposits                                                              | -583    | -1,455  | -2,595  | 2,511   | 643     | 3,027   | 2,384   |
| Other, net                                                                                                                        | -1,332  | 395     | 5       | 10      | -761    | -1,355  | -593    |
| Net cash used in investing activities                                                                                             | -17,133 | -6,961  | -12,170 | -8,543  | -21,741 | -13,976 | 7,765   |
| Free cash flow                                                                                                                    | -94     | 20,021  | 8,004   | 14,787  | 6,816   | 12,413  | 5,597   |
| Change in interest-bearing debt                                                                                                   | 14,692  | -11,586 | -4,197  | 3,044   | 20,363  | -4,337  | -24,701 |
| Dividends paid                                                                                                                    | -3,439  | -2,440  | -4,357  | -6,220  | -5,612  | -5,011  | 601     |
| Dividends paid to non-controlling interests                                                                                       | -298    | -323    | -359    | -305    | -295    | -234    | 60      |
| Purchase of treasury stock                                                                                                        | -1      | -2      | -5,953  | -3      | -22,001 | -5,001  | 17,000  |
| Other, net                                                                                                                        | -1,293  | 89      | 127     | -345    | -439    | -450    | -11     |
| Net cash used in financing activities                                                                                             | 9,658   | -14,264 | -14,740 | -3,831  | -7,985  | -15,035 | -7,050  |
| Effect of exchange rate change on cash and cash equivalents                                                                       | -88     | 1,224   | 3,098   | 1,975   | -412    | 2,403   | 2,815   |
| Net increase (decrease) in cash and cash equivalents                                                                              | 9,475   | 6,981   | -3,637  | 12,931  | -1,581  | -218    | 1,362   |
| Cash and cash equivalents from newly consolidated subsidiaries                                                                    | 120     | 73      | -       | 73      | 42      | -       | -42     |
| Increase (decrease) in cash and cash equivalents resulting from<br>the change in the fiscal year-end of a consolidated subsidiary | -       | -       | -       | -       | -       | 17      | 17      |
| Increase in cash and cash equivalents resulting from merger with unconsolidated subsidiaries                                      | -       | -       | -       | -       | 21      | -       | -21     |
| Cash and cash equivalents at end of period                                                                                        | 33,299  | 40,354  | 36,717  | 49,722  | 48,206  | 48,005  | -200    |

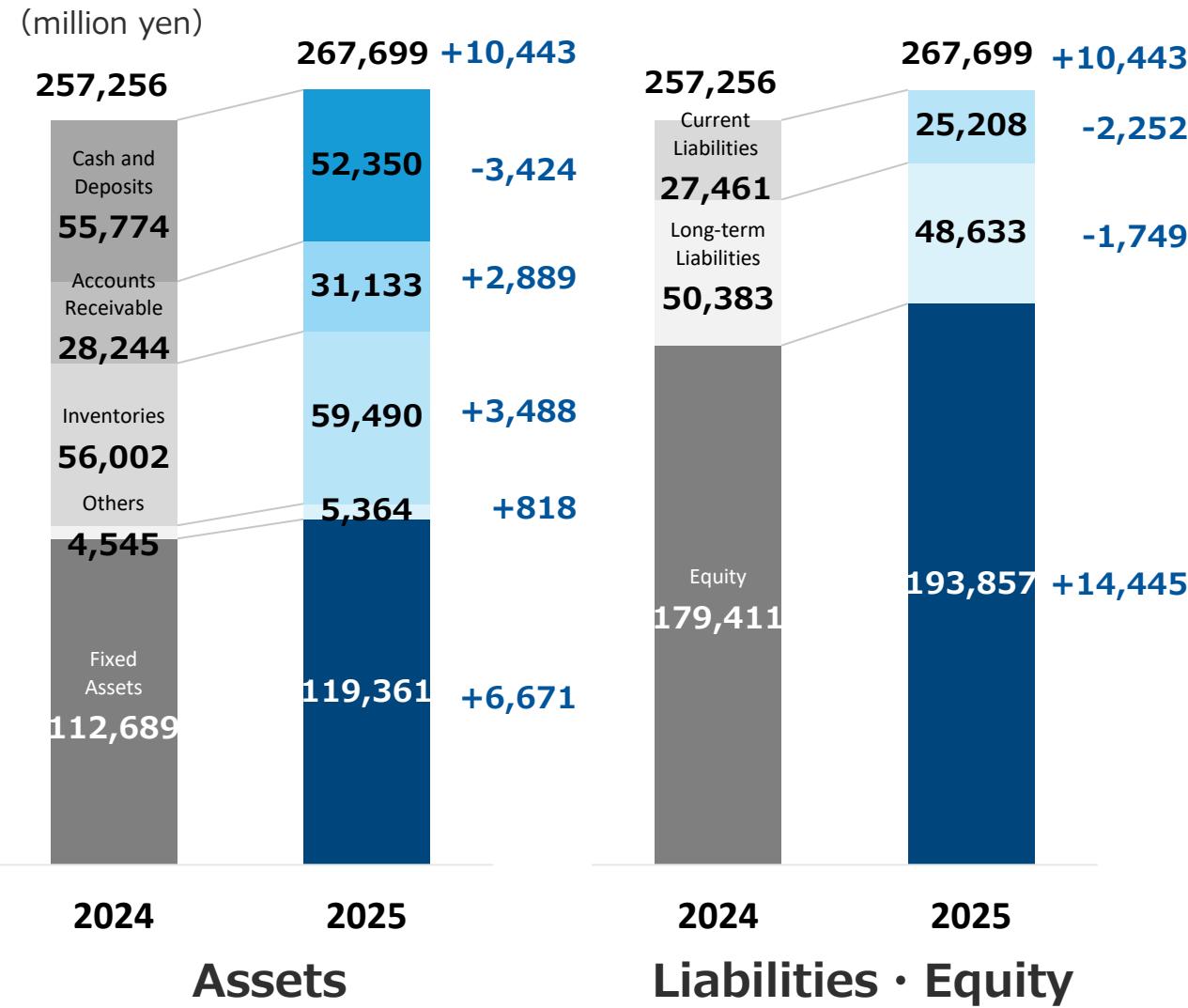


# BS Key Metrics and BS Overview

## BS Key Metrics

| Net Cash                                              | Receivable Turnover Period                     |
|-------------------------------------------------------|------------------------------------------------|
| <b>7,392</b> million yen<br>(End of FY24 : ¥6,675M)   | <b>2.4</b> months<br>(End of FY24 : 2.2months) |
| Cash and Time Deposits                                | Inventory Turnover Period                      |
| <b>52,350</b> million yen<br>(End of FY24 : ¥55,774M) | <b>4.5</b> months<br>(End of FY24 : 4.4months) |
| Interest-bearing Debt                                 | Equity Ratio                                   |
| <b>44,957</b> million yen<br>(End of FY24 : ¥49,099M) | <b>67.5</b> %<br>(End of FY24 : 64.8%)         |

## Consolidated Balance Sheet



# Capital Investment

**FY26 Capital Investment Forecast**

**12.0 billion yen**

**CAPEX** result

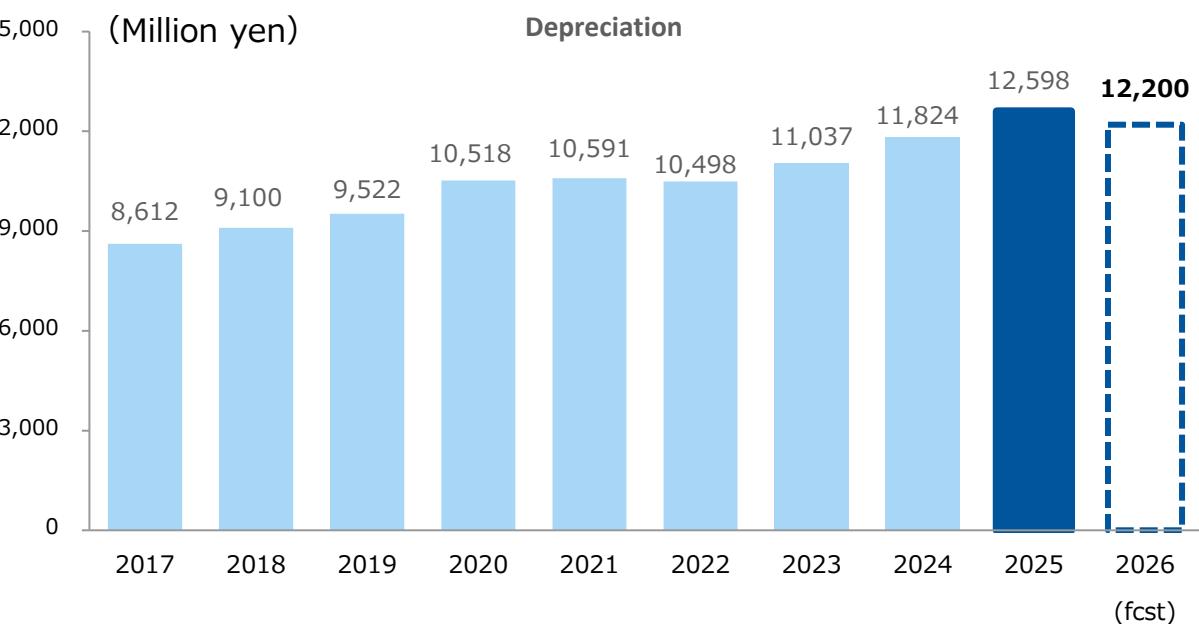
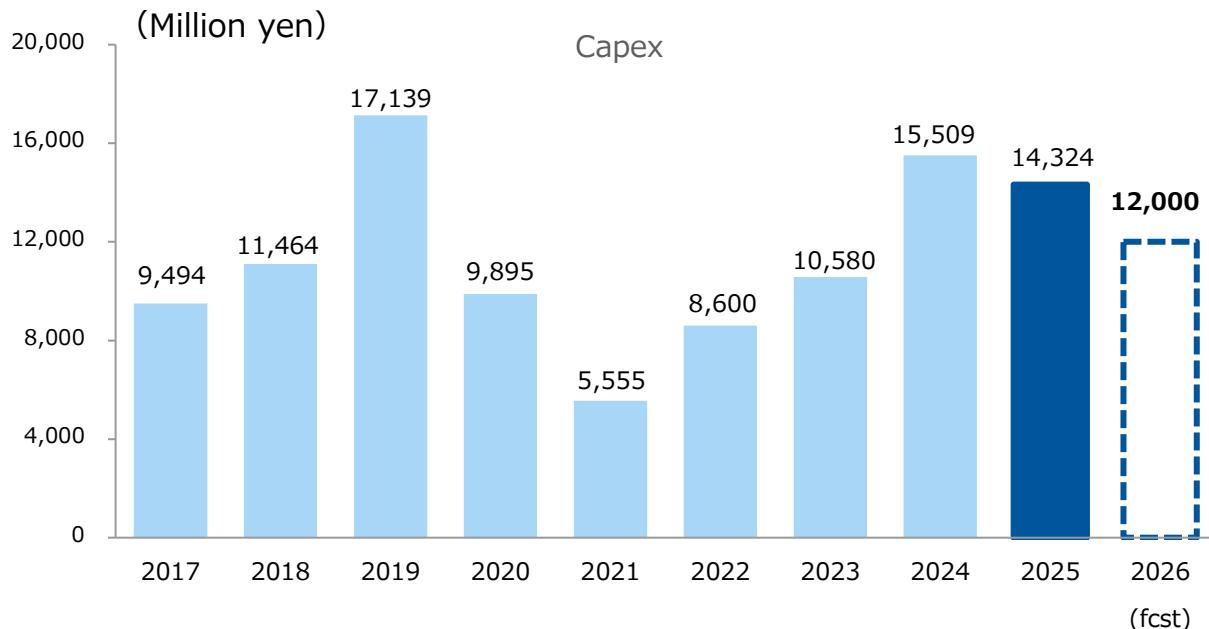
**14,324** million yen

**Breakdown**

Including 0.7 billion yen carried over from FY24 budget.  
New factory phase II for carbide end mills, machinery and equipment, etc.

**Depreciation** result

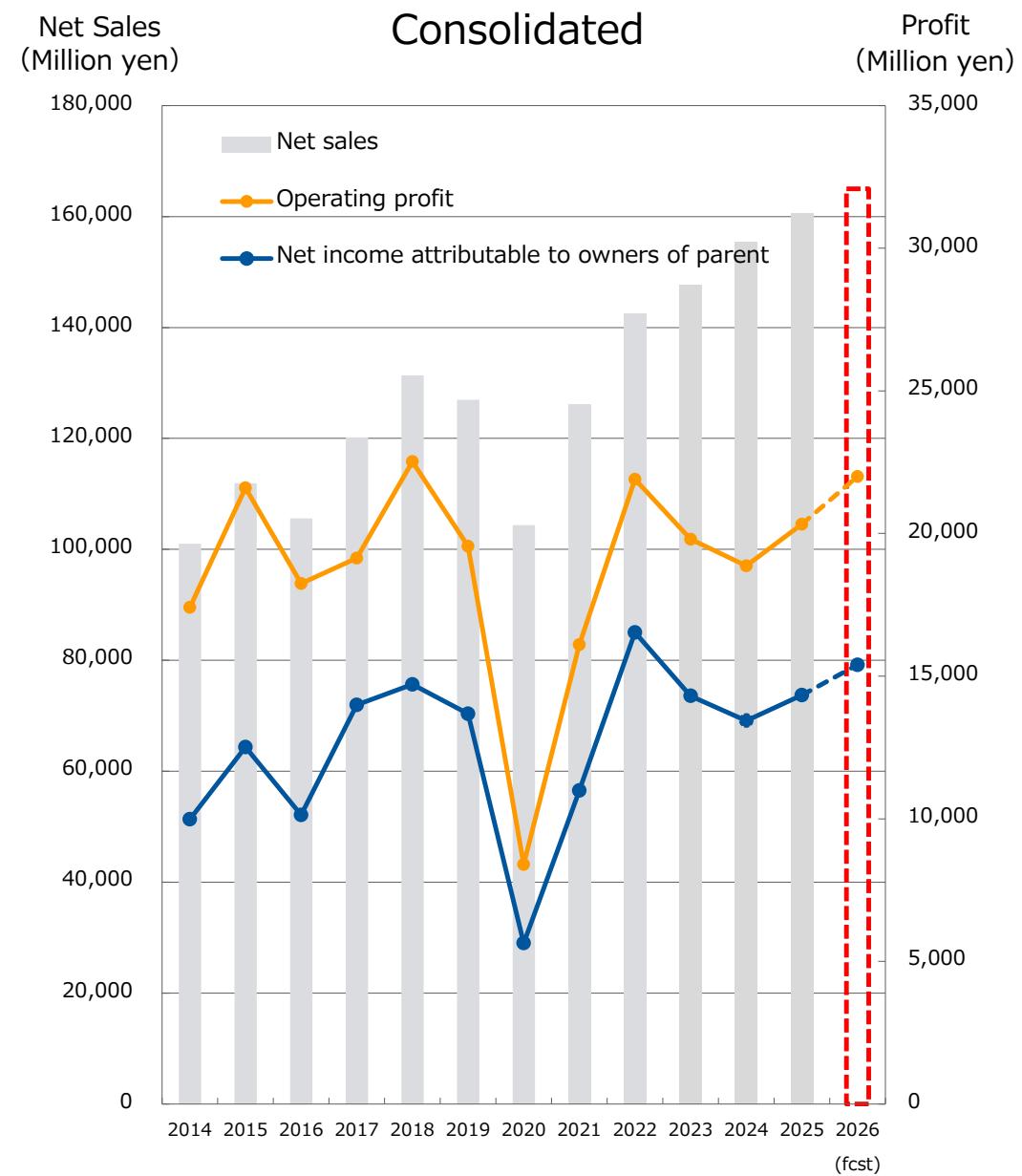
**12,598** million yen



# Forecast for FY2026

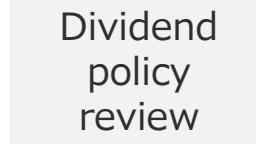
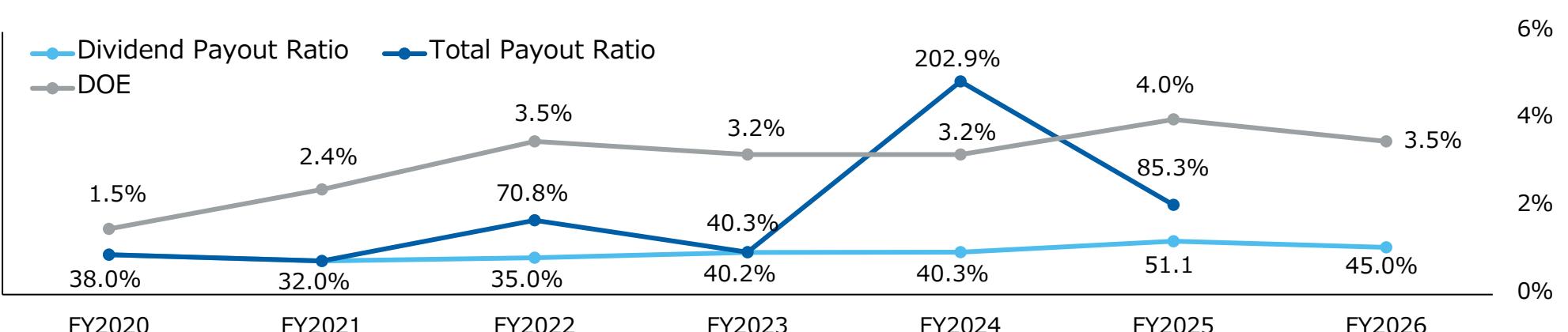
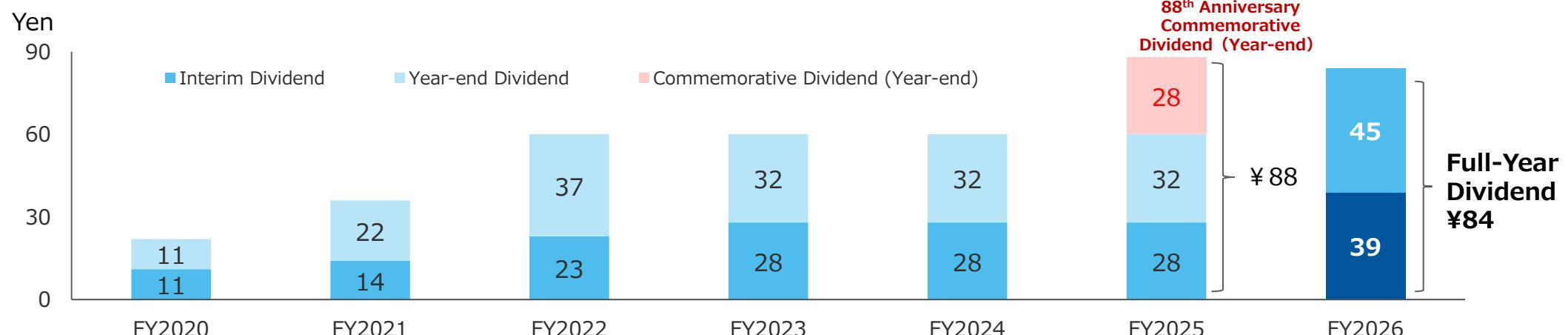
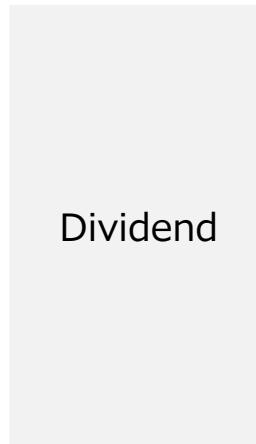
|                                             | Consolidated                |        | Parent Company              |        |
|---------------------------------------------|-----------------------------|--------|-----------------------------|--------|
|                                             | Amount<br>(Millions of yen) | Growth | Amount<br>(Millions of yen) | Growth |
| Net sales                                   | 165,000                     | +2.7%  | 60,000                      | +3.1%  |
| Operating Profit                            | 22,000                      | +8.2%  | 6,500                       | +2.0%  |
| as % of sales                               | 13.3%                       | -      | 10.8%                       | -      |
| Ordinary Profit                             | 23,000                      | +2.9%  | 15,000                      | 9.8%   |
| as % of sales                               | 13.9%                       | -      | 25.0%                       | -      |
| Net Profit Attributable to owners of parent | 15,400                      | +7.4%  | 12,900                      | +12.4% |
| as % of sales                               | 9.3%                        | -      | 21.5%                       | -      |
| EPS (yen)                                   | 187.46                      | +8.9%  | 156.95                      | +13.9% |

Exchange rate FY2026(Fcst.) : 1US\$=150.00yen 1Euro=170.00yen



# Shareholder Return Policy

Higher of 45% payout ratio or DOE 3.5%



Having exceeded the medium-term target of a 40% payout ratio for three consecutive years ahead of schedule, we have adopted a policy focused on maintaining stable dividends and ensuring appropriate profit distribution with an emphasis on capital efficiency

# GREEN TAP's Remarkable Achievement

## GREEN TAP Wins Two Major Awards!

### 'Super' Manufacturing Parts Grand Award

Hosted by:  
Monodzukuri Nippon Conference &  
Nikkan Kogyo Shimbun

First win for us.  
First cutting tool awards in 17 years.



### Energy Conservation –Chairman's Award

Hosted by: Energy Conservation Center, Japan  
Category: Products & Business Models



First-ever award in the  
cutting tool industry.



### Environmental and Technological Innovation

CO<sub>2</sub> emissions cut by 35%

new process greatly reduces power use

Zero chip machining

eliminates machine-stop risk, saves energy

High durability & rigidity

lowers breakage risk, ensures stable quality

Improved cooling

enables high-speed machining and more  
energy savings

### Future Potential of GREEN TAP

A game-changer with the ability to create breakthroughs from zero to one

Makes it possible to design tool shapes once deemed impossible

Dramatically increases design freedom for customer components

This technology holds the potential to establish a new manufacturing paradigm  
and represents a key pillar of our growth strategy.

# Exchange Rate

(Yen)

|            | Period average rate |        |       | Closing rate as of the period end |        |       |
|------------|---------------------|--------|-------|-----------------------------------|--------|-------|
|            | 1US\$               | 1Euro  | 1RMB  | 1US\$                             | 1Euro  | 1RMB  |
| FY22       | 130.61              | 137.60 | 19.42 | 138.87                            | 143.58 | 19.43 |
| FY23       | 140.44              | 151.87 | 19.79 | 147.07                            | 161.51 | 20.60 |
| FY24       | 150.88              | 163.71 | 20.98 | 150.74                            | 159.20 | 20.80 |
| FY25       | 149.91              | 167.91 | 20.81 | 156.63                            | 181.60 | 22.13 |
| FY26 fcst. | 150.00              | 170.00 | 22.00 | 150.00                            | 170.00 | 22.00 |



# Selected Financial Data (Consolidated)

|                                      |           | 2015     | 2016     | 2017     | 2018     | 2019     | 2020     | 2021     | 2022     | 2023     | 2024     | 2025     |
|--------------------------------------|-----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Net sales                            | (mil.yen) | 111,917  | 105,561  | 120,198  | 131,368  | 126,964  | 104,388  | 126,156  | 142,525  | 147,703  | 155,517  | 160,619  |
| Sales growth rate                    | (%)       | 10.8%    | -5.7%    | 13.9%    | 9.3%     | -3.4%    | -18.0%   | 20.9%    | 13.0%    | 3.6%     | 5.3%     | 3.3%     |
| Cost of sales                        | (mil.yen) | 61,865   | 59,179   | 69,711   | 74,833   | 73,281   | 65,715   | 76,969   | 83,459   | 87,254   | 92,042   | 94,800   |
| Gross profit                         | (mil.yen) | 50,051   | 46,382   | 50,486   | 56,535   | 53,682   | 38,673   | 49,186   | 59,065   | 60,448   | 63,475   | 65,819   |
| SG&A expenses                        | (mil.yen) | 28,454   | 28,135   | 31,349   | 34,015   | 34,128   | 30,276   | 33,081   | 37,166   | 40,648   | 44,606   | 45,488   |
| Operating Profit                     | (mil.yen) | 21,597   | 18,246   | 19,137   | 22,520   | 19,554   | 8,396    | 16,105   | 21,898   | 19,800   | 18,868   | 20,330   |
| Ordinary Profit                      | (mil.yen) | 21,510   | 17,813   | 19,144   | 22,567   | 19,710   | 8,950    | 16,141   | 23,648   | 21,350   | 19,825   | 22,354   |
| Net Profit                           | (mil.yen) | 12,518   | 10,134   | 13,993   | 14,710   | 13,686   | 5,639    | 10,989   | 16,534   | 14,307   | 13,439   | 14,334   |
| Gross profit margin                  | (%)       | 44.7%    | 43.9%    | 42.0%    | 43.0%    | 42.3%    | 37.0%    | 39.0%    | 41.4%    | 40.9%    | 40.8%    | 41.0%    |
| SG&A to Sales ratio                  | (%)       | 25.4%    | 26.7%    | 26.1%    | 25.9%    | 26.9%    | 29.0%    | 26.2%    | 26.1%    | 27.5%    | 28.7%    | 28.3%    |
| Operating Profit margin              | (%)       | 19.3%    | 17.3%    | 15.9%    | 17.1%    | 15.4%    | 8.0%     | 12.8%    | 15.4%    | 13.4%    | 12.1%    | 12.7%    |
| Ordinary Profit margin               | (%)       | 19.2%    | 16.9%    | 15.9%    | 17.2%    | 15.5%    | 8.6%     | 12.8%    | 16.6%    | 14.5%    | 12.7%    | 13.9%    |
| Net Profit margin                    | (%)       | 11.2%    | 9.6%     | 11.6%    | 11.2%    | 10.8%    | 5.4%     | 8.7%     | 11.6%    | 9.7%     | 8.6%     | 8.9%     |
| Average FX rate: 1USD                | (yen)     | 121.03   | 109.78   | 112.33   | 110.53   | 109.36   | 106.94   | 109.41   | 130.61   | 140.44   | 150.88   | 149.91   |
| Average FX rate: 1Euro               | (yen)     | 134.92   | 121.39   | 126.20   | 130.68   | 122.53   | 121.60   | 130.04   | 137.60   | 151.87   | 163.71   | 167.91   |
| Total assets                         | (mil.yen) | 155,129  | 156,081  | 166,712  | 178,020  | 190,414  | 200,112  | 209,757  | 228,852  | 250,124  | 257,256  | 267,699  |
| Total shareholders' equity           | (mil.yen) | 102,566  | 92,216   | 115,810  | 125,332  | 129,078  | 129,338  | 143,811  | 164,659  | 181,561  | 166,633  | 180,811  |
| Net Profit per share                 | (yen)     | 131.78   | 110.59   | 153.70   | 150.47   | 140.06   | 57.94    | 112.63   | 171.54   | 149.29   | 148.94   | 172.11   |
| Cash dividends per share (end of Q2) | (yen)     | 26.00    | 22.00    | 21.00    | 22.00    | 23.00    | 11.00    | 14.00    | 23.00    | 28.00    | 28.00    | 28.00    |
| (year-end)(yen)                      |           | 20.00    | 28.00    | 25.00    | 25.00    | 24.00    | 11.00    | 22.00    | 37.00    | 32.00    | 32.00    | 60.00    |
| Total shareholders' equity per share | (yen)     | 1,079.12 | 1,024.34 | 1,191.65 | 1,279.29 | 1,328.08 | 1,327.22 | 1,472.45 | 1,721.14 | 1,892.35 | 1,962.21 | 2,200.98 |
| Average number of shares             | (ths)     | 94,991   | 91,640   | 91,044   | 97,761   | 97,716   | 97,335   | 97,573   | 96,388   | 95,838   | 90,233   | 83,289   |
| ROA (operating profit basis)         | (%)       | 14.5%    | 11.7%    | 11.9%    | 13.1%    | 10.6%    | 4.3%     | 7.9%     | 10.0%    | 8.3%     | 7.4%     | 7.7%     |
| ROE                                  | (%)       | 12.9%    | 10.4%    | 13.5%    | 12.2%    | 10.8%    | 4.4%     | 8.0%     | 10.7%    | 8.3%     | 7.7%     | 8.3%     |
| Equity ratio                         | (%)       | 66.1%    | 59.1%    | 69.5%    | 70.4%    | 67.8%    | 64.6%    | 68.6%    | 72.0%    | 72.6%    | 64.8%    | 67.5%    |
| Total asset turnover                 |           | 0.75     | 0.68     | 0.74     | 0.76     | 0.69     | 0.53     | 0.62     | 0.65     | 0.62     | 0.61     | 0.61     |
| Operating CF                         | (mil.yen) | 19,588   | 16,333   | 20,820   | 20,310   | 19,261   | 17,038   | 26,982   | 20,175   | 23,331   | 28,557   | 26,389   |
| Investing CF                         | (mil.yen) | -16,976  | -16,843  | -7,566   | -13,351  | -20,314  | -17,133  | -6,961   | -12,170  | -8,543   | -21,741  | -13,976  |
| Financing CF                         | (mil.yen) | -6,216   | -778     | -11,137  | -4,723   | 3,465    | 9,658    | -14,264  | -14,740  | -3,831   | -7,985   | -15,035  |
| Cash flow margin                     | (%)       | 17.5%    | 15.5%    | 17.3%    | 15.3%    | 15.1%    | 16.3%    | 21.4%    | 14.2%    | 15.8%    | 18.4%    | 16.4%    |



# Expansion of Overseas Business





*shaping your dreams*



# Medium-term Management Plan

## Beyond the Limit 2027

### Stage2

FY2025～FY2027

# Transition (Establishing a Solid Foundation for the Next Stage of Growth)

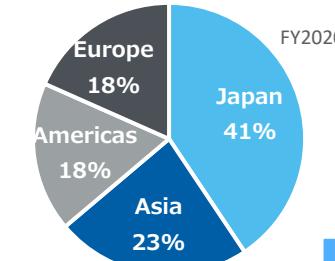
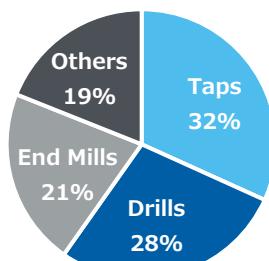
## Global Company

Established a global network



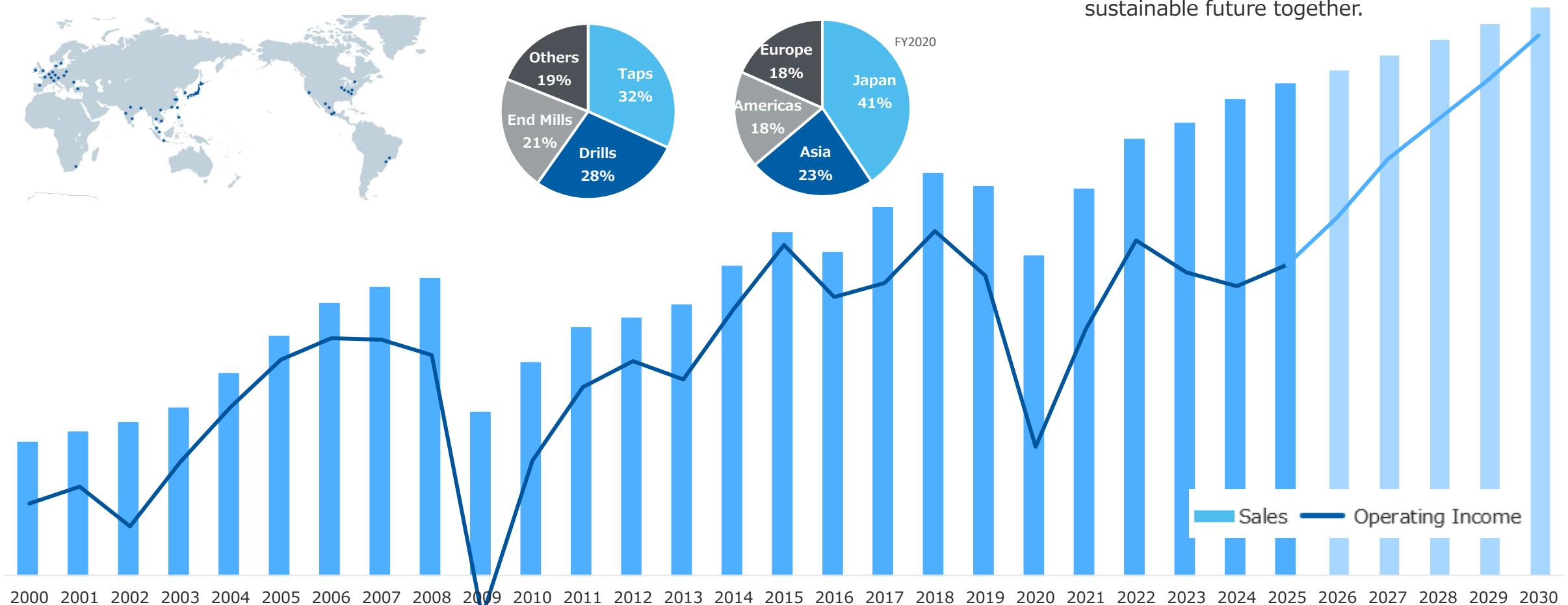
## World's top manufacturer of hole-making cutting tools

Achieve a stable and balanced business portfolio in terms of both geography and products through M&A strategy



## Essential Player

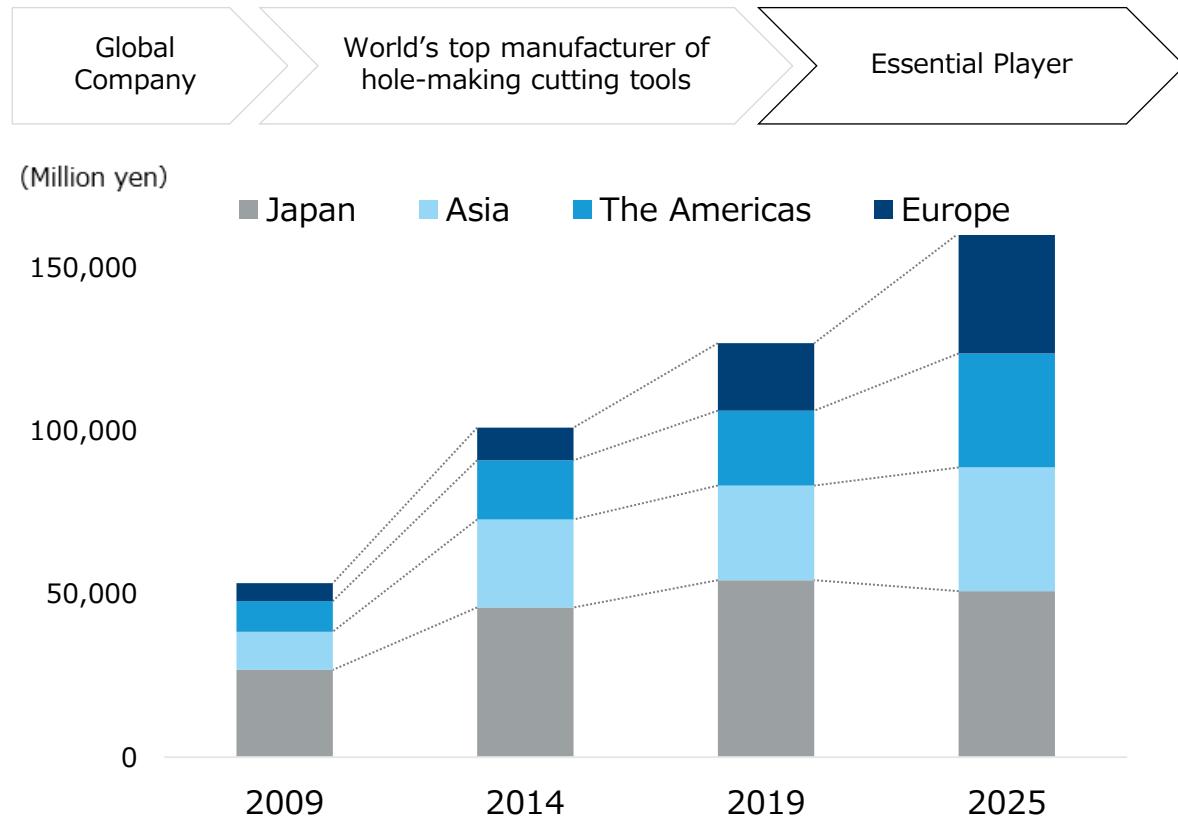
Supporting our customers in their challenges, we aim to achieve a profitable and sustainable future together.



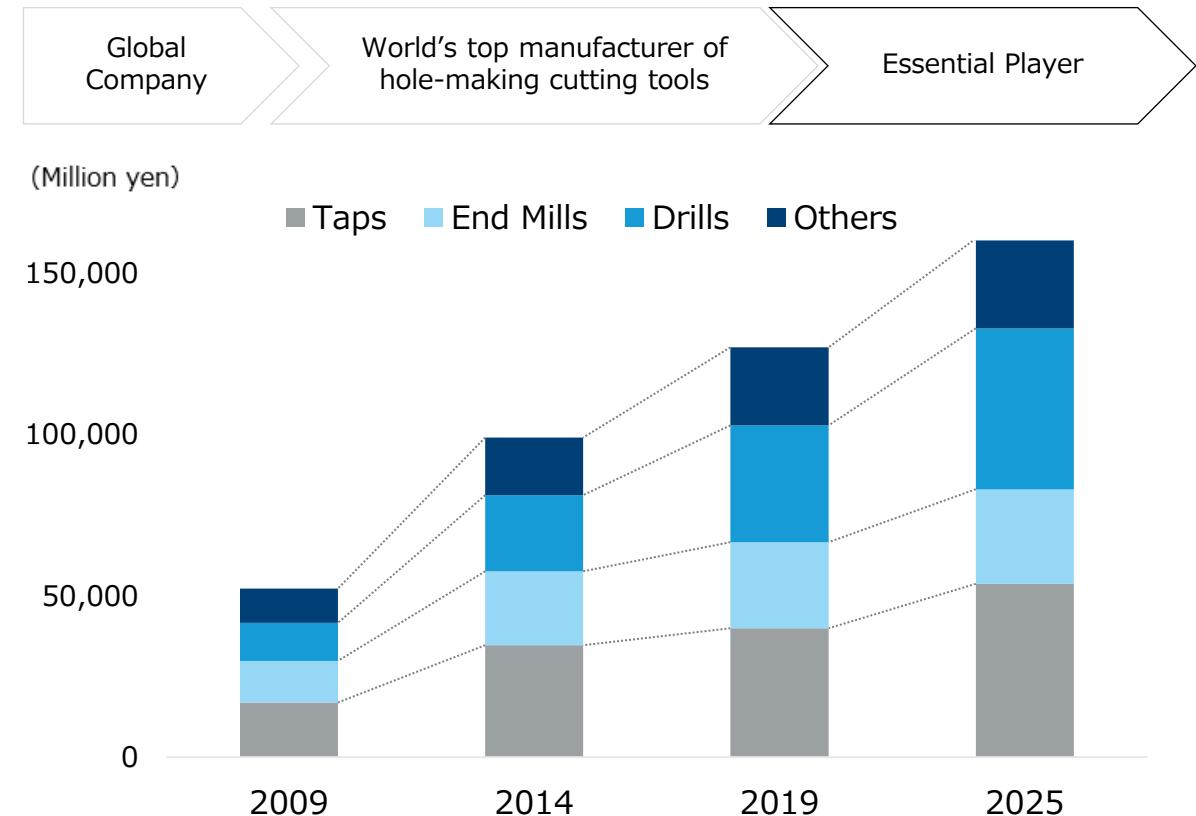
# Establishing a balanced business foundation across regions and products

Through strategic regional expansion and diversification of key industries, we have strengthened our global presence and achieved top-tier growth in the cutting tool industry with a well-balanced product portfolio beyond taps. We are also steadily building a robust foundation for sustainable growth.

## Regional Sales trend (Actual Results)

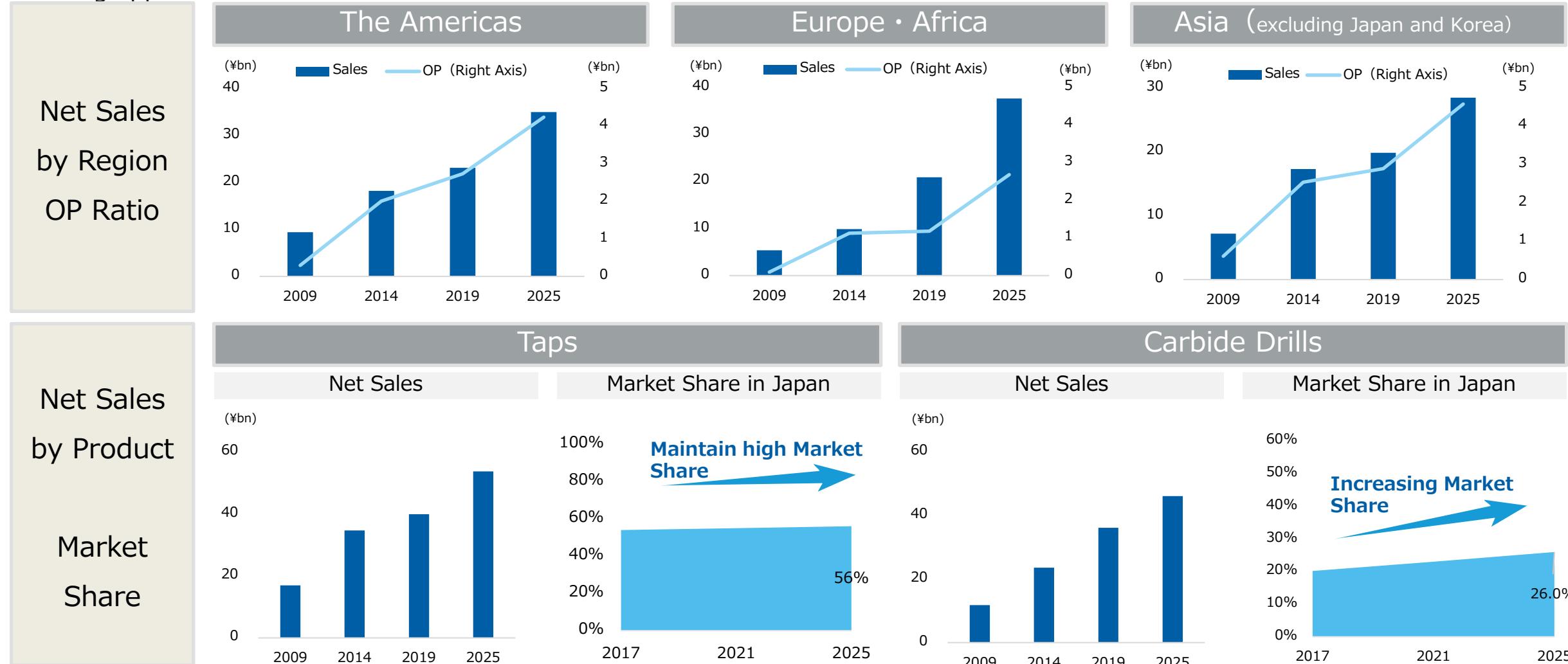


## Product Sales trend (Actual Results)



# Performance Trends by Region and Product

Our business has grown significantly outside Japan, with particularly strong expansion in taps and carbide drills—key tools for hole-making applications.



Source: Market share data for Japan is based on statistical surveys by the Japan Machine Tool Builders' Association.

# Beyond the Limit

We will continue to deliver solid value in a rapidly changing market environment, while driving operational efficiency to build a resilient organization capable of generating sustainable profits.

**[Long-term Vision]**  
To become an essential player  
that contributes to the global manufacturing  
industry towards a carbon-neutral era



Beyond the Limit  
2022-2024 (Stage1)

## Beyond the Limit 2025-2027 (Stage2)

Beyond the Limit  
2028-2030 (Stage3)

2027/11 Plan

ROE  
**Over 10%**

OP Ratio  
**Over 16%**

### Efforts to improve profitability

**1** Expansion of high value-added products centered on A-brands

**2** Expansion of sales of micro and precision tools.

**3** Cost Improvement through Productivity and Operational Efficiency

**4** Review of product series and pricing

**5** Reduction of SG&A Ratio

**6** Implement BS management measures

# Medium-Term Management Plan Stage2 Outline (1/2) - Growth Strategy

|                                                                                    | Product                              | Strategic policy                                                                                                                                                                                                                                                                                                              | Major Industries                                                                    |
|------------------------------------------------------------------------------------|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Core business<br>Driving growth                                                    | Tap                                  | Aim to increase market share through integrated development, technology, production, and sales efforts, including quality improvement and introduction of competitive new products. Continue to promote sales expansion of the high value-added <b>A-brand series</b> , aiming for a 40% share of the global market for taps. | Electronic Components<br>Energy<br>Mobility<br>General Parts                        |
|                                                                                    | Fastener product                     | Although the sales ratio of this product is smaller than other products, it has the longest history next to taps. The company aims to <b>increase price competitiveness</b> by reviewing manufacturing processes and supply chains, and to expand sales by accelerating global expansion.                                     | Aircraft Energy<br>Mobility<br>General Parts                                        |
| Focused business<br>For future growth be connected to Expansion of Business Domain | Micro and precision tools<br>DIA/CBN | Strengthen activities of the GIGS Sales Group, a cross-divisional sales organization, to introduce new products of <b>micro and precision tools</b> and expand sales. Promote development outside of existing industries, such as for lenses, mainly through group companies in the <b>diamond tool business</b> .            | Electronic Components<br>Aircraft Energy<br>Mobility Medical<br>Molds General Parts |
|                                                                                    | Coating                              | The high value-added coating business is expected to expand over the medium to long term. In addition to contributing to sales of its own products through superior coating development, the company will also develop <b>job coating services</b> for a variety of products other than tools.                                | Electronic Components<br>Medical Molds<br>Tools General Parts                       |



# Medium-Term Management Plan Stage2 Outline (2/2) – Strengthen management foundation

| Area                             | Strategic policy                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Initiative                                                                                                                                                                                                                                |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operation                        | <p>Proactively utilize <b>digital technology</b> to reform sales and production systems. In preparation for future worker shortages, the company will build a flexible and robust structure to improve productivity and profitability by simplifying and streamlining production and sales processes through the use of digital technology, and will also promote complex and labor-saving production systems by <b>introducing its own machinery and equipment</b>.</p>                                                                                                                                                   | <ul style="list-style-type: none"> <li>Improvement of business efficiency</li> <li>Responding to DX innovation</li> <li>Information Security</li> </ul>                                                                                   |
| Organizational and human capital | <p>We will establish human resource policies that maximize the value of each and every employee and an environment that encourages <b>engagement</b> and allows employees to take on challenges with peace of mind, through the assignment of the right personnel to the right positions and the development of human resources that enhance autonomy and organizational strength. In the rapidly changing social environment surrounding our company, we will achieve growth for both employees and the company and increase <b>corporate value</b> by continuing to take on challenges with a willingness to change.</p> | <ul style="list-style-type: none"> <li>Enhancement of human resources' capabilities</li> <li>Development of a rewarding workplace environment</li> <li>Improvement of engagement</li> </ul>                                               |
| Sustainability                   | <p>Aiming to utilize renewable energy from solar power, reduce environmental impact, and build a resource-recycling society; promoting reduction of Scope 1.2, calculation of Scope 3, and <b>visualization of carbon footprint for the main products</b>. Aim to achieve carbon neutrality in the long term, with a mid-term goal of a 20% reduction from FY 2019 levels by FY 2027.</p>                                                                                                                                                                                                                                  | <p><b>KPI(FY2027)</b></p> <p>20%</p> <ul style="list-style-type: none"> <li>Reduction of CO<sub>2</sub> emissions</li> <li>Calculation of the carbon footprint</li> </ul>                                                                 |
| Financial and Capital Management | <p>Improve profitability through growth strategies for existing businesses and aggressive growth investments including <b>M&amp;A</b>. Aim to improve capital efficiency and achieve <b>ROE of 10%</b> by reducing the cost of shareholders' equity through shareholder returns and IR activities.</p>                                                                                                                                                                                                                                                                                                                     | <p><b>KPI(FY2027)</b></p> <p>ROE over 10%</p> <ul style="list-style-type: none"> <li>Establishment of an optimal capital structure</li> <li>Strategic investment in growth sectors</li> <li>Enhancement of shareholder returns</li> </ul> |



# Business Opportunities and Growth Area

Driving growth beyond customer industries by expanding existing markets and exploring high-potential fields like healthcare, mobility, AI, energy, and space.



\*All images of each industrial field are for reference only.

# The A Brand

The A-brand was launched in 2015 as OSG's flagship product, offering high quality and high performance at a low price. Starting with A-TAP, the lineup has since expanded to include A-DRILL and A-ENDMILL and continues to grow.

## Expanding sales of high value-added products centered on the A-brand

### Point 1

New A-brand products are released in short cycles.

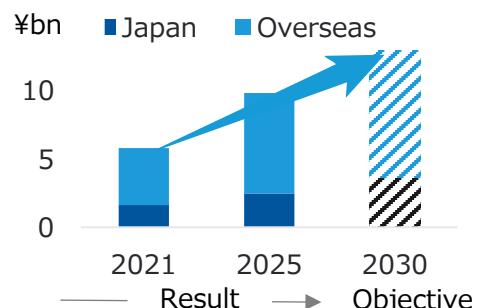


#### A-TAP

40% market share by creating products the world demands.

#### [Strengths of A-TAP]

- Delivers top performance on advanced machining centers, compatible with various equipment.
- Suitable for a wide range of materials.
- Eco-friendly design with excellent chip evacuation and wear-resistant coating for long tool life.



A-TAP is highly regarded not only in Japan but also in North America, Europe, and China, with each region achieving sales comparable to the Japanese market.

### Point 2

The A-brand is highly profitable.



#### ADO-MICRO (Small diameter carbide drill with oil hole)

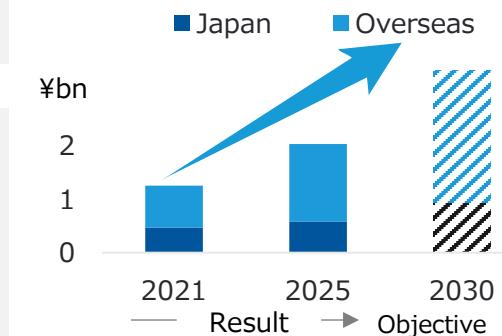
Expand market share in the small-diameter field with new products.

#### [Strength of ADO-MICRO]

- Few competitors offer small-diameter drills with oil holes.
- High value-added product enables premium pricing.
- In Europe, where machining efficiency is prioritized, machines with internal coolant are widely used, and our products are highly rated.



Higher sales in Europe than Japan.

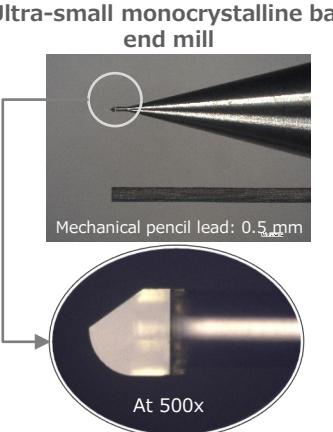
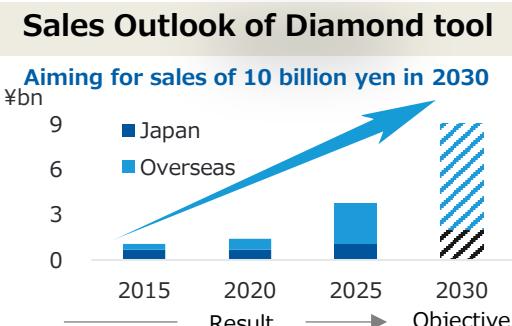


#### [Example Applications]

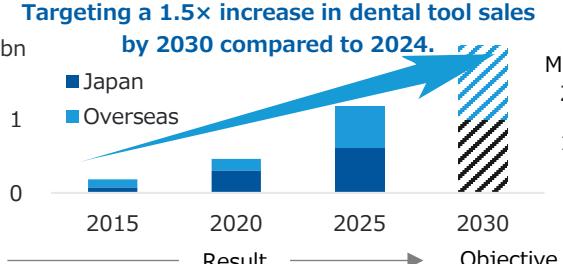
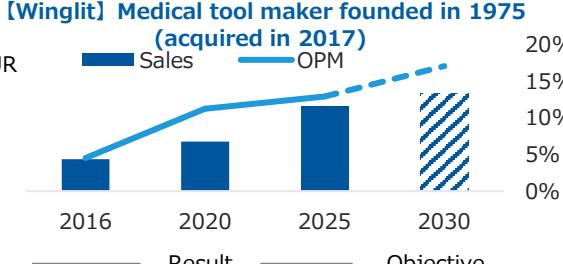
- Shower Plate: Component for semiconductor manufacturing equipment, mainly used in etching systems to evenly distribute gas.
- DPF Molds: Extrusion molds used to manufacture ceramic honeycomb structures for automotive exhaust gas purification filters and similar applications.

# Micro and Precision machining (Diamond tools, Medical)

| Diamond tools                                                                                                                   |                                                                                                                                             |                                  |
|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|
| Related Group Companies                                                                                                         | Application Market                                                                                                                          | Focus Area                       |
| <ul style="list-style-type: none"> <li>OSG Diamond Tool Co., Ltd.</li> <li>Contour Group</li> <li>Fiudi S.R.L. , etc</li> </ul> | Semiconductor equipment components, Inspection equipment components, Lenses, Precision molds, Medical devices, Automotive & aerospace parts | Japan, Taiwan, South Asia, China |

|          | Diamond Tool Business                                                                                                                                                                                                                                                                                  | Products                                                                            |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------|
| Business | Diamond tools are mainly used for nonferrous and composite materials, but their applications are not limited to precision machining. <b>Recent advances in vibratory cutting technology now allow machining of ferrous materials, significantly expanding the market beyond previous expectations.</b> |   |
| Catalog  | We published a textbook and catalog to promote correct understanding of diamond tools. By addressing misconceptions about price, delivery, and handling, <b>we aim to create new demand and support domestic manufacturing and our business growth.</b>                                                |                                                                                     |
| Tie-up   | <ul style="list-style-type: none"> <li>Makino Milling Machine Co., Ltd.</li> <li>Taga Denki Co., Ltd.</li> <li>Shibaura Machinery Co., Ltd.</li> </ul>                                                                                                                                                 |                                                                                     |
| Regrind  | The diamonds on the cutting edge can be reused through regrinding, while tip-type tools mounted on the shank or base material allow for replacement of the diamond segments.                                                                                                                           |  |

| Medical                                                                             |                                                               |                                          |
|-------------------------------------------------------------------------------------|---------------------------------------------------------------|------------------------------------------|
| Related Group Companies                                                             | Application Market                                            | Focus Area                               |
| <ul style="list-style-type: none"> <li>OSG</li> <li>Wingilt Limited, etc</li> </ul> | Dental prosthetics, artificial bones, artificial joints, etc. | Japan, Europe, North America, South Asia |

|          | Medical-related Business                                                                                                                                                                                 | Examples of Workpiece                                                                                                                                           |
|----------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Business | Unique geometries and coatings for all dental prosthetic materials. Compatible with CAD/CAM systems, offered globally. <b>[Japan] 60% market share in dental tools.</b>                                  |                                                                              |
| Trend    | Growing awareness of dental health's impact on overall well-being is driving stable, long-term market growth. <b>[Japan] 2026 fee revision expected to expand insurance coverage for prosthodontics.</b> |                                                                              |
|          | Sales Outlook for Medical Industry                                                                                                                                                                       |                                                                                                                                                                 |
|          | <b>Targeting a 1.5x increase in dental tool sales by 2030 compared to 2024.</b><br>                                 | <b>[Wingilt] Medical tool maker founded in 1975 (acquired in 2017)</b><br> |



# Coating (Job Coating Business)

| Related Group Companies                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Application Market                                                          | Focus Area                            | Coating Business Shifts to Molds                                                                                           |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|---------------------------------------|----------------------------------------------------------------------------------------------------------------------------|
| OSG Coating Service (Japan)<br>Taiho Coating Service (Taiwan)<br>Primcoat PVD Technology (India)<br>Perform Coat (USA, Switzerland)<br>PRIMUS COATING (Germany), etc                                                                                                                                                                                                                                                                                                                          | Molds<br>Electronic Components<br>Medical<br>General Parts<br>Cutting Tools | Germany<br>India<br>Turkey<br>Vietnam | While initial investment is required, the high unit price of mold coatings compared to tools enables ROI in about 5 years. |
| <p><b>Coating business Global Network</b></p> <p><b>Coating companies in 34 locations across 16 countries (30 consolidated, 4 non-consolidated)</b></p>                                                                                                                                                                                                                                                      |                                                                             |                                       |                                                                                                                            |
| <p><b>Source of Competitive Advantage (How to Win)</b></p> <p>In-house coating equipment enhances cost competitiveness</p> <p>High-quality coatings comparable to specialized providers</p> <p>Efficient production using idle capacity from mold coating lines</p> <p>34 coating sites in 16 countries support customers' global expansion</p>                                                                                                                                               |                                                                             |                                       |                                                                                                                            |
| <p><b>Expansion of coating business in Germany</b></p> <ul style="list-style-type: none"> <li>Primus Freiburg commenced operations in Freiburg, Germany, in March 2025.</li> <li>Developed large furnace for die-cast mold coating (max 2 ton)</li> <li>Entering and expanding in an oligopolistic market.</li> </ul>   |                                                                             |                                       |                                                                                                                            |
| <p><b>Germany's Job coating market exceeds 200 million USD.</b></p> <p><b>Fourth coating plant under construction in India</b></p> <p><b>New Plant</b></p> <p>Ahmedabad, Gujarat<br/>Target start: May 2026</p>                                                                                                      |                                                                             |                                       |                                                                                                                            |
| <p>Surrounded by leading car manufacturers (35-100 km range)</p> <p><b>India's job coating market exceeds 70 million USD.</b></p>                                                                                                                                                                                                                                                                                                                                                             |                                                                             |                                       |                                                                                                                            |



# Heavy electric machinery and semiconductors

Power Consumption Increasing Due to AI Growth, Cloud Services, and Extreme Weather.

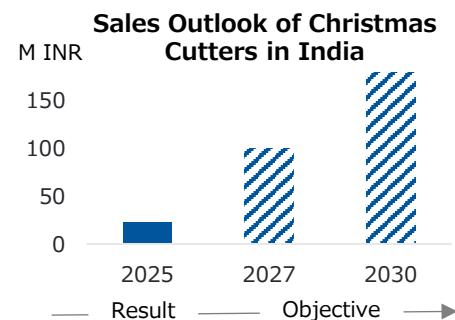
## Heavy electric machinery

- Electric furnace construction is expanding worldwide due to rising demand and high-efficiency, eco-friendly models will follow.
- Our Christmas cutters are used in power generation turbines. **Orders are exceptionally strong, prompting ongoing production investment.**

### Trend

- Received orders from India's largest government-affiliated power plant manufacturer.
- India is expanding its power plant business not only domestically, but also to the Middle East and Africa. This market is expected to grow significantly in the coming years.

### India Market



## Semiconductors

Demand for semiconductors will keep rising with global digitalization. Semiconductor manufacturing equipment requires high precision, corrosion and heat resistance, plasma durability, and cleanliness. As a result, advanced materials like carbide, ceramics, quartz, and high-purity glass are used. Some are classified as "hard and brittle materials," which combine high hardness with low impact resistance.

### Trend

### Issue

### 6C x OSG Brand

### Solution

- Cutting and EDM are slow for hard-brittle materials, reducing productivity.
- Launched the new 6C x OSG brand to enable high-efficiency, high-precision direct machining of hard-brittle materials, reducing both processing time and cost.



# Trump Tariff Countermeasures

OSG USA Price Adjustments in 2025 (July and November)

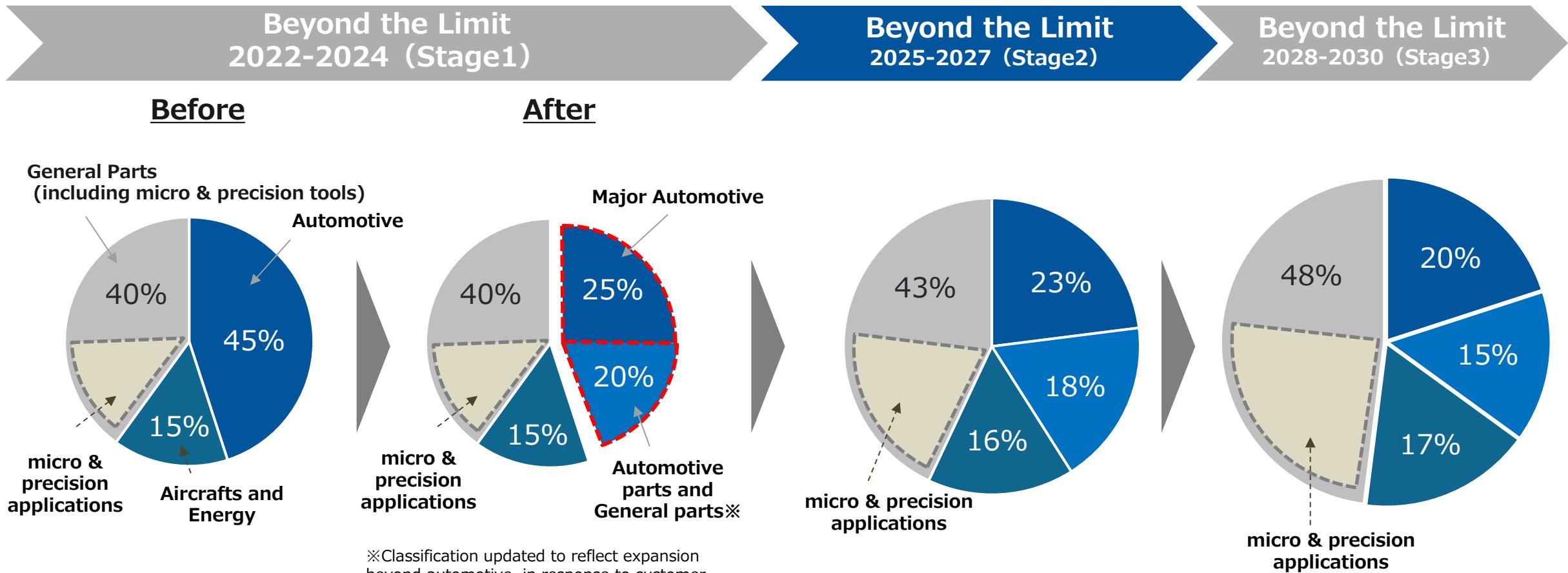
| Category          | As-is                         |                                 | To-be                                                            |
|-------------------|-------------------------------|---------------------------------|------------------------------------------------------------------|
| Taps              | Commodity                     | Imported from Mexico and Brazil | ► Maintain current operations ※No tariffs on Mexico under USMCA. |
|                   | Premium • A-Brand             | Imported from Japan             | ► Partially shift production to Mexico                           |
| Carbide Drills    | Commodity                     | Imported from India             | ► Considering production possibilities at OSG USA                |
|                   | Premium • A-Brand             | Imported from Japan             | ► Partially manufactured at OSG USA                              |
| Carbide End Mills | Commodity                     | Manufactured in the USA         | ► Maintain current operations                                    |
|                   | Premium • A-Brand             | Imported from Japan             | ► Partially manufactured at OSG USA                              |
| Fastener Products | Commodity                     | Manufactured in the USA         | ► Maintain current operations                                    |
|                   | Premium                       | Imported from Japan             | ► Partially manufactured at OSG USA                              |
| Materials         | Mostly sourced within the USA |                                 | ► Consider imports from Japan depending on pricing               |

## Inventory level

|                                         |                     |
|-----------------------------------------|---------------------|
| Inventory coverage<br>(As of Nov. 2025) | 6.5 months of sales |
|-----------------------------------------|---------------------|

# Target-Industry Portfolio

- Promote the transformation to a balanced customer industry portfolio that is less susceptible to business environment fluctuations.
- Improve profitability by increasing the sales ratio of A-brand and micro and precision tools.

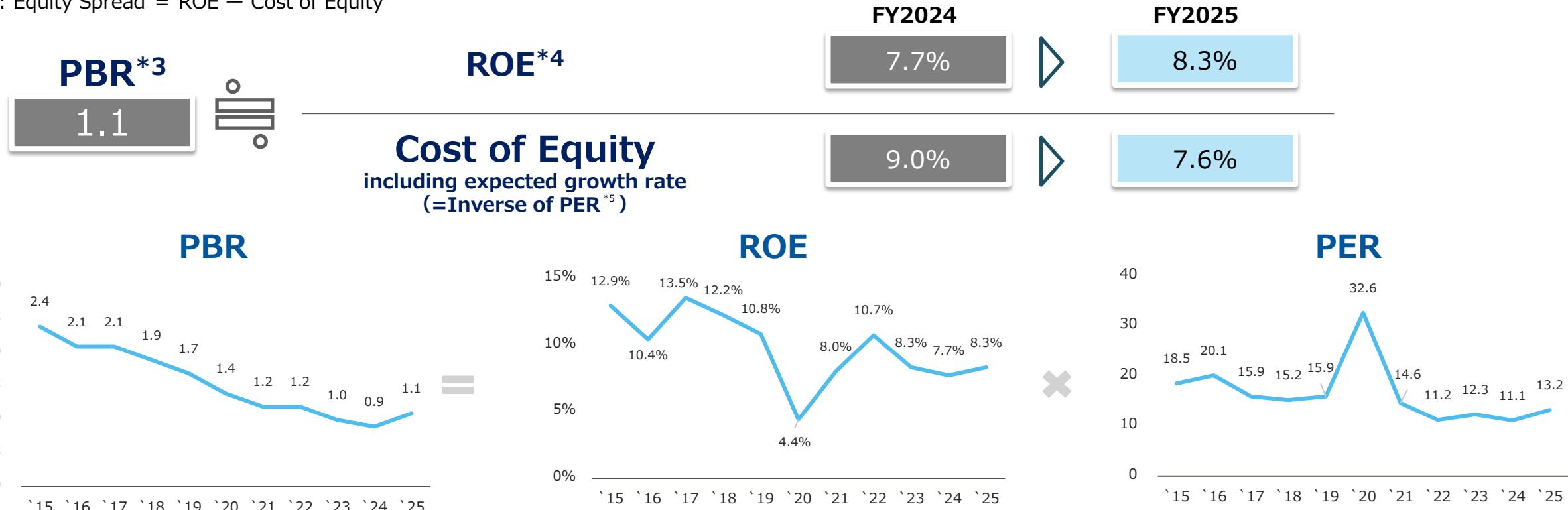


# Financial and Capital Policy ( Current Situation )

Driving Sustainable Growth and Capital Efficiency to Achieve ROE Over 10% in Stage 2

**Aim for ROE that exceeds the cost of equity while reducing it. (= \*Maximize equity spread)**

\*1: Equity Spread = ROE — Cost of Equity



\*3: PBR = Market capitalization (excluding treasury shares) ÷ Shareholders' equity

\*4: ROE = Net income attributable to owners of the parent ÷ Shareholders' equity

\*5: PER = Market capitalization (excluding treasury shares) ÷ Net income attributable to owners of the parent

Note 1: Market Capitalization = Share price (month-end closing price at fiscal year-end or quarter-end) × Number of shares outstanding (excluding treasury shares, at fiscal year-end or quarter-end)

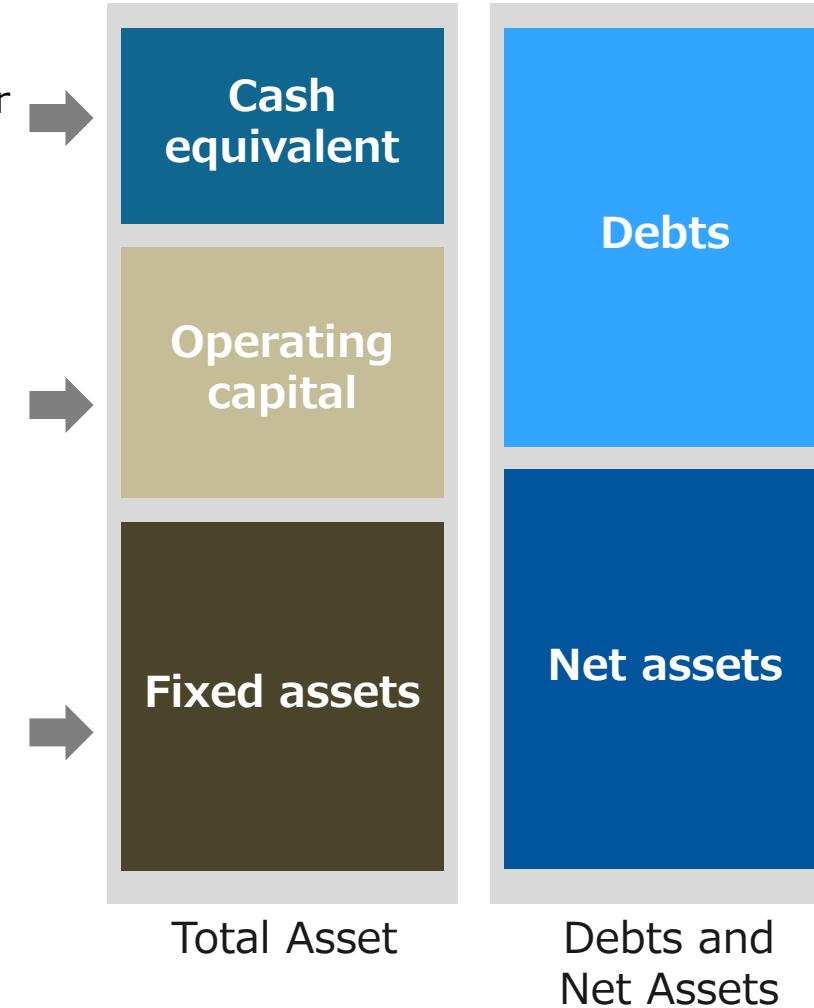
Note 2: Shareholders' Equity = Total net assets — Stock acquisition rights — Non-controlling interests. Average of beginning and end of the period.

Note 3: Financial figures such as shareholders' equity are as of Nov. 30, 2025.

# Financial and Capital Policy

Reform the balance sheet to optimize growth investment and enhance shareholder returns

- Growth investments (M&A, R&D, Capital investment) and shareholder returns.
- Review of cash allocation within the group.
- Shorten CCC and generate cash. (Inventory reduction, review of collection and payment sites)
  - 【 Inventory turn over target 】  
FY2024 4.4 months ⇒  
FY2030 3.5 months
- Capital investment benchmarked against depreciation.
- Reduction of policy shareholdings.



- WACC reduction through debt utilization.
- Optimize capital structure.
- Reducing the Cost of Shareholders' Equity through IR Activities.
- Strengthen shareholder returns. (increase dividend payout ratio, share buybacks)

# Cash Allocation Plan

Operating Cash flow will be used mainly for **strategic investments**, while **strengthening shareholder returns** and reviewing the financial structure.

## Stage1 Results ( FY2022~FY2024)

Unit: billion yen

**Cash In**  
**103**

**Cash Out**  
**103**

|                                     |                                                                                   |
|-------------------------------------|-----------------------------------------------------------------------------------|
| Operating Cash flow<br><u>72</u>    | Strategic Investments<br><u>45</u><br>( M&A <u>9</u> )                            |
| Corporate Bonds issued<br><u>27</u> | Shareholder Returns<br><u>44</u><br>( Dividends <u>17</u> )<br>Buy-back <u>27</u> |
| Corporate Bonds issued<br><u>4</u>  | Repayment of loans<br><u>14</u>                                                   |

## Stage2\_Plan (FY2025~FY2027)

Unit: billion yen

**Cash In**  
**130**

**Cash Out**  
**130**

|                                     |                                                                                              |                                                                                                                                                                     |
|-------------------------------------|----------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Operating Cash flow<br><u>80~90</u> | Strategic Investments<br><u>60~70</u><br>Maintenance and renewal of facilities<br><u>~30</u> | <ul style="list-style-type: none"> <li>New Carbide End Mill Plant</li> <li>Expansion of production facilities for growth area</li> <li>Strategic M&amp;A</li> </ul> |
| External financing                  | Shareholder Returns<br>Dividends, Buy-back<br><u>~50</u>                                     | <ul style="list-style-type: none"> <li>Investment in factory automation</li> <li>Introducing digital transformation</li> </ul>                                      |
| Sale of assets, etc.                | Repayment of loans<br><u>~10</u>                                                             | <ul style="list-style-type: none"> <li>Stable and sustainable dividend</li> <li>Conduct an agile share buy-back</li> </ul>                                          |

# Commitment to Sustainability

## Sustainability Initiatives – FY2025

1. Collect Scope 1 & 2 data for group companies using calculation tools
2. CO<sub>2</sub> reduction initiatives (Scope 1 & 2) by each manufacturing division
3. Scope 3 calculation in progress (consolidated)
4. Carbon footprint (CFP) calculation for major domestic products
5. Solar panels for renewable energy (Oike plant, FY2028)
6. Participation in Aichi Perovskite Promotion Council

Stage 1  
2022-2024



### Toward Carbon Neutrality

- CO<sub>2</sub> emissions cut by 10% vs FY2019 target
  - ✓ Achieved 19% reduction
- Scope 1 & 2 calculation (consolidated)
- Introduction of renewable energy
  - Off-site PPA
  - On-site PPA (Shinshiro)

Stage2  
2025-2027



### Expanding to Group-wide Initiatives

- CO<sub>2</sub> emissions cut by 20% (standalone vs FY2019)
- Scope 3 calculation
- Carbon footprint calculation
- Additional renewable energy introduction under review
  - Oike Plant
  - Other sites

Stage3  
2028-2030

### Promoting Group-wide Reduction

- CO<sub>2</sub> emissions cut by 20% (consolidated vs FY2024)
- SBT certification obtained
- Additional renewable energy introduction under review
  - Exploring latest solar panel solutions

# Initiatives Toward Carbon Neutrality

## OSG Group-wide CO<sub>2</sub> Reduction Roadmap

