

MISUMI Group Inc. FY2012 3Q Cumulative Consolidated Business Performance

Sustained Topline Growth Driven By International Markets Despite Deceleration in Global Economy

Today, MISUMI Group Inc. announced its cumulative consolidated financial results through FY2012 3Q (April 1 through December 31, 2012). Major performance measures are as follows.

Earnings reporting basis

| | FY2011 3Q <u>Cumulative</u> Million Yen | FY2012 3Q <u>Cumulative</u> Million Yen | <u>Change</u> % |
|--------------------|---|--|--------------------|
| Net Sales | 95,791 | 98,145 | +2.5% |
| Operating Income | 13,001 | 12,798 | -1.6% |
| Net Income | 7,344 | 6,945 | -5.4% |
| Earnings per Share | ¥81.92 | ¥77.64 | |

Apples-to-apples comparison (Divested PROMICLOS removed from FY2011 3Q cumulative results)

| | FY2011 3Q <u>Cumulative</u> Million Yen | FY2012 3Q <u>Cumulative</u> Million Yen | <u>Change</u> % |
|------------------|---|--|--------------------|
| Net Sales | 93,265 | 98,145 | +5.2% |
| Operating Income | 12,994 | 12,798 | -1.5% |
| Net Income | 7,338 | 6,945 | -5.4% |

<Highlights of FY2012 3Q cumulative consolidated financial results>

1. Amid slowing growth in global economy, MISUMI sustained year-on-year topline growth, thanks to continued success in driving penetration of the MISUMI Business Model in global markets

- Sales increased in the FY2012 3Q cumulative period (April 1 through December 31, 2012) to ¥98.1 billion (up 2.5% compared to the same period in the previous year), reaching a record-high level for a 3Q cumulative period. Excluding from last year's results contributions made by Promiclos, a business that MISUMI divested in May 2012, sales were actually up 5.2% year-on-year.
- The business environment surrounding our company has become increasingly harsh, as European economies experience prolonged decline, economies in China and the rest of Asia decelerate, China-related business cools in the face of deteriorating bilateral relations, and stagnant growth in capital investments and production activities affects Japan's exporters. Amid this environment, MISUMI continued intensified efforts to drive penetration of the MISUMI Business Model in global markets. As a result, MISUMI grew its topline as increased sales overseas offset slower sales growth in Japan.
- Operating income was ¥12.7 billion (down 1.6%). Gross margin improved year-on-year on improved manufacturing costs and more local sourcing. Operating income declined slightly year-on-year due to a greater burden from upfront personnel and organizational investments aimed at accelerating international expansion.
- Net income was ¥6.9 billion (down 5.4%) due to the booking of extraordinary losses, specifically ¥980 million in charges for withdrawing subsidiaries from an employee pension fund and ¥320 million in head office relocation costs.

2. All business segments achieved topline growth

- All segments continued to grow. Sales by business segment are as follows.

| Business Segment | Net Sales (Yen) | Year-on-Year Comparison |
|--------------------|--------------------|----------------------------|
| Factory Automation | 62.4 billion | +5.3% |
| Die Components | 22.2 billion | +8.9% |
| Electronics | 9.2 billion | +1.8% |
| Others | 5.0 billion | +6.5% |

3. International sales accounted for 31.8% (+4.1 ppt) of total sales—a record high—as all regions repeated double-digit growth

- Deeper penetration of the MISUMI Business Model in international markets and an increase in customer accounts led to 3Q cumulative international sales of ¥31.1 billion (up 17.8% on a yen basis and up 16.7% in local currency). International sales accounted for 31.8% of total sales, up 4.1 percentage points year-on-year. Both figures represent record highs for a 3Q cumulative period.
- Sales by geographical region were as follows.

| Geographical Region | Net Sales (Million Yen) | | Year-on-Year Percentage Change | | |
|---------------------------|----------------------------|-------------------------|--------------------------------|----------------------|---|
| | FY2011 3Q Cumulative | FY2012 3Q Cumulative | In Yen | In local currency | Removing divested PROMICLOS from FY2011 results |
| Japan | 69,314 | 66,964 | -3.4% | — | +0.3% |
| International | 26,477 | 31,180 | +17.8% | +16.7% | — |
| International, broken out | | | | | |
| Asia (excl. China) | 10,464 | 12,054 | +15.2% | +15.1% | — |
| China | 9,467 | 11,387 | +20.3% | +15.7% | — |
| North & South America | 3,843 | 4,731 | +23.1% | +21.2% | — |
| Europe | 2,702 | 3,007 | +11.3% | +20.0% | — |

- In November 2012, we acquired Dayton Progress Corporation and Anchor Lamina America, Inc. In January 2013, we established an FA components manufacturing plant in China. Moving forward, we will continue to take steps to establish a global supply regime capable of delivering within short lead-times and strive to expand our growth-driver International businesses.

4. We reiterate our FY2012 full-year consolidated forecasts

- We reiterate our full-year consolidated forecasts and expect to repeat a record-high level of sales.
- Note that our full-year consolidated forecasts factor in approximately two months' (November 6 through December 31, 2012) worth of business performance results from Dayton Progress Corporation and Anchor Lamina America, Inc.

Consolidated earnings forecasts for FY2012 (April 1, 2012, through March 31, 2013)

| | Net Sales | Operating Income | Ordinary Income | Net Income | Earnings per Share |
|-------------------|-------------|---------------------|--------------------|-------------|-----------------------|
| | Million Yen | Million Yen | Million Yen | Million Yen | Yen |
| FY2012 Forecast | 132,000 | 16,550 | 16,350 | 8,700 | 97.25 |
| Vs. FY2011 Actual | +1.4% | -0.6% | -4.1% | -7.6% | -7.89 |

| | Annual Dividend | | | | | |
|-----------------|-----------------|-----------------|----------|-----------------|-------|-----------------|
| | Interim | | Year-end | | Total | |
| | Yen | Payout Ratio | Yen | Payout Ratio | Yen | Payout Ratio |
| FY2012 Forecast | — | — | 13.05 | 25.0% | 24.30 | 25.0% |
| FY2012 Results | 11.25 | 25.0% | — | — | — | — |
| FY2011 Results | 10.20 | 19.2% | 13.00 | 25.0% | 23.20 | 22.1% |

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2012 ending March 2013 and forward looking statements contained in this material are based on assumptions applied and judged to be reasonable by the Company and its Group reflecting currently available information, including domestic or international economic circumstances, fluctuations in currency exchange rates, and other factors that may influence our business performance, they are subject to risk and uncertainty. Therefore, investors should avoid making their investment decisions based entirely and exclusively on the forward-looking statements herein. Please be advised that our actual business performance may differ substantially from the forecasts indicated in this document.

The material factors that may influence our actual performance include economic circumstances, market trends, and exchange rates, among others.

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