

October 29, 2013

MISUMI Group Inc. FY2013 2Q Cumulative Consolidated Business Performance

Record-high Half-year Sales and Profit

Today, MISUMI Group Inc. announced its cumulative consolidated financial results through FY2013 2Q (April 1 through September 30, 2013). Major performance measures are as follows.

	<u>FY2012 2Q</u> <u>Cumulative</u> Million Yen	<u>FY2013 2Q</u> <u>Cumulative</u> Million Yen	<u>Change</u> %
Net Sales	64,977	82,743	+27.3%
EBITDA*	8,186	10,846	+32.5%
Operating Income	8,186	9,824	+20.0%
Net Income	4,028	6,048	+50.1%
Earnings per Share	¥45.06	¥66.80	

*Here, EBITDA refers to operating income before the amortization of goodwill and other intangible fixed assets related to the acquisition in November 2012 of Dayton Progress Corporation and Anchor Lamina, Inc. of North America (hereinafter collectively referred to as Dayton and Anchor Lamina).

<Highlights of FY2013 2Q cumulative consolidated financial results>

1. Sales and profits renew record highs as penetration of the MISUMI Business Model in overseas markets absorbs the effects of slower growth rates in Asian markets

- In the FY2013 2Q cumulative period (April 1 through September 30, 2013), sales reached a new record high for a half-year. Net sales were ¥82.7 billion, up 27.3% compared to the same period in the previous year.
- On the one hand, signs of an economic upturn were seen in a recovery in the US economy and improved earnings among Japanese exporters benefiting from a weaker yen. On the other hand, however, China and other Asian nations—which had until recently led the global economy—saw production activity slow as the Chinese economy decelerated, among other factors.
- Amid this environment, MISUMI bolstered its sales capabilities by expanding e-catalogs overseas and its network of sales offices primarily in Asia, as part of the company's effort to drive penetration of the MISUMI Business Model. Furthermore, sales grew significantly with the addition of customers of Dayton and Anchor Lamina, which were acquired in November 2012.
- Operating income was ¥9.8 billion (up 20.0%) and net income was ¥6.0 billion (up 50.1%). We thus achieved record highs in both sales and profits. The double-digit growth in both operating and net income was made possible by increased sales overseas, a weaker yen and advances in promoting local sourcing through both production and procurement.
- Note that sales grew 12.3% and operating income 19.8% stripping out the effects of contributions to FY2013 2Q cumulative results from Dayton and Anchor Lamina.

2. Sales increased in all segments

- Sales in the 2Q cumulative period by business segment were as follows.

Business Segment	Net Sales (Yen)	Year-on-Year Comparison
Factory Automation	47.5 billion	+13.7%
Die Components	27.5 billion	+87.3%
Electronics	6.4 billion	+4.8%
Others	3.6 billion	+6.3%

- Sales in our Die Components businesses grew significantly, thanks to strong demand for automotive applications and contributions from sales posted by Dayton and Anchor Lamina, which were acquired in November 2012.

3. International sales accounted for 45.0% (+14.0 ppt) of total sales—a record high

- International sales in the 2Q cumulative period were ¥37.2 billion (up 84.7% on a yen basis and up 53.3% in local currency). International sales accounted for 45.0% of total sales, up 14.0 percentage points. These both represent record highs for a half-year.
- Sales in the US and Europe grew at particularly high rates, thanks to progress in driving penetration of the MISUMI Business Model in international markets and contributions from sales posted by Dayton and Anchor Lamina.
- Sales by geographical region were as follows.

Geographical region	Net Sales (Million Yen)		Year-on-Year Percentage Change	
	FY2012 2Q Cumulative	FY2013 2Q Cumulative	In Yen	In local currency
Japan	44,812	45,503	+1.5%	—
International	20,164	37,240	+84.7%	+53.3%
International, broken out				
Asia (excl. China)	8,001	11,008	+37.6%	+8.1%
America	2,660	10,837	+307.3%	+279.3%
China	7,202	10,110	+40.4%	+5.6%
Europe	1,909	4,137	+116.6%	+82.6%
Other regions	389	1,146	+194.1%	+173.9%

- We will further strengthen the MISUMI Business Model to accelerate global growth.

4. Our interim dividend-per-share will be ¥16.68

- We strive to pay a dividend payout ratio of about 25%.
- We have decided on an interim dividend-per-share of ¥16.68 (up ¥5.43).
- Presently we leave unchanged our existing forecast for total annual dividend-per-share of ¥28.50 (up ¥1.05). As a result, the payout ratio is expected to be 25% for each of the interim, year-end and total annual dividends.
- At MISUMI, we consider shareholder-return measures based on a comprehensive study of the management environment, business performance and other factors.

	Annual Dividend					
	Interim		Year-end		Total	
	Yen	Payout Ratio	Yen	Payout Ratio	Yen	Payout Ratio
Actual	16.68	25.0%	—	—	—	—
Forecast	—	—	11.82	25.0%	28.50	25.0%

5. We reiterate our forecasts for FY2013 consolidated business performance

- Forecasts remain unchanged from the forecasts we announced May 13, 2013.
- We are forecasting a repeat of record-high sales and profit for the full year.

Consolidated earnings forecasts for FY2013 (April 1, 2013, through March 31, 2014)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share	Dividends per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen	Yen
Full Year	160,000	17,500	17,500	10,300	113.98	28.50

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2013 ending March 2014 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.

Please direct any inquiries to:
Investor Relations and Public Relations, Administration Department MISUMI Group Inc.
Tel: +81-(0)3-5805-7037 Fax: +81-(0)3-5805-7372 Email: cc@misumi.co.jp