

May 23, 2014

Supplemental Information Regarding Proposals to be Made at MISUMI's 52nd Annual General Meeting of Shareholders

Yesterday, MISUMI Group Inc. published on its website the Notice of Convocation of the 52nd Annual General Meeting of Shareholders (*1). Please see below for supplemental information on one of the proposals made therein, Proposal 6: Amendment to the Amount of Compensation for Directors. We hope that our shareholders will refer to both the notice of convocation and this press release.

For three consecutive years, MISUMI has posted new record highs in sales. Moreover, following the financial crisis, since 2009 sales have grown at an annual average rate of 18.2%.

Amid that growth trajectory, we are now nominating for election one additional inside director to form a board comprising six inside directors (or seven directors in all, including one outside director). To continue further growth in the future, we need to cultivate and attract talent and strengthen management. Additionally, we would like to strengthen the ties between director compensation and business performance and achieve a more agile director compensation policy.

Such being the case, we are making Proposal 6: Amendment to the Amount of Compensation for Directors because we would like to amend the total amount of compensation for directors including performance-based bonuses to a sum of up to ¥1,100 million per annum (including therein a sum of up to ¥40 million for outside directors).

In deciding the amount of compensation for directors, MISUMI maintains its policy of providing a reasonable amount of compensation, in light of experience, levels of compensation in the market, our business performance and the individual's contribution to that performance. Director compensation is deliberated and decided by the Compensation Committee, which includes an outside director and has been established as a consultative body to the Board of Directors.

Furthermore, director compensation (*2) at MISUMI comprises a fixed amount as well as a bonus tied to business performance. The proportion of corporate officer compensation accounted for by the performance-based bonus has been increasing over the years, reaching at least half of officer compensation in FY2013.

At MISUMI, we are seeking to revise corporate officer compensation to further increase the motivation and morale among directors toward improved business performance and corporate value over the medium- to long-term by creating clearer ties between director compensation and our business performance and stock value. As part of that effort, on April 24, 2014, our Board of Directors decided to terminate the retirement benefit system for corporate officers and introduce stock options as stock-based compensation for directors. In conjunction with those decisions, we have made proposals 7 through 9. These revisions to the compensation structure are designed to strengthen the ties between overall director compensation and MISUMI's business performance and stock value.

*1 We plan to mail the notice of convocation letters to our shareholders on Thursday, May 29. To provide our shareholders with plenty of time to consider the proposals made therein, we have made the notice of convocation available on our website in advance of the actual mailing of the notice of convocation letters.

*2 The amount of compensation does not include the amount accounted for as expenses from the stock acquisition rights and the amount transferred for allowance for directors' retirement benefits.