

## MISUMI Group Inc. FY2015 1Q Consolidated Business Performance New Record High in Quarterly Sales

Today, MISUMI Group Inc. announced its consolidated financial results for FY2015 1Q (April 1, 2015, through June 30, 2015). Major performance measures are as follows.

| Million Yen           | FY2014<br>1Q | FY2015<br>1Q  | Percentage<br>Change |
|-----------------------|--------------|---------------|----------------------|
| Net Sales             | 48,114       | <b>57,129</b> | + 18.7%              |
| EBITDA *1             | 7,078        | <b>6,810</b>  | -3.8%                |
| Operating Income      | 6,520        | <b>6,183</b>  | -5.2%                |
| Net Income            | 4,087        | <b>3,801</b>  | -7.0%                |
| Earnings per Share *2 | ¥14.98       | <b>¥13.87</b> |                      |

\*1 Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation.

\*2 Effective July 1, 2015, we executed a 3-for-1 stock split.

For comparison, the effects of the stock split have been applied to previous year figures.

### < Highlights of FY2015 1Q consolidated financial results >

#### 1. Record quarterly sales driven by the VONA Business and demand for automation in Japan and China

- Sales in FY2015 1Q reached ¥57.1 billion (up 18.7% compared to the previous year), setting a new record-high for quarterly results.
- The Japanese economy in general enjoyed a moderate recovery as a weak yen and strong stock prices continued under government economic policies and other initiatives. Meanwhile, in other parts of the world, the West sustained its recovery while China's economy grew at an even slower rate, and in general ASEAN economies continued to decelerate.
- Amid this environment, the MISUMI Group strives tirelessly to advance the MISUMI QCT Model, which achieves high quality (Q) components at low cost (C) on reliably short delivery times (T). In response to greater demand for automation and short delivery times from the manufacturing industry, in Japan we shrank our standard delivery time on made-to-order parts to 2 days from 3 days. This enhanced level of customer convenience was achieved through innovations to processes for incoming orders, production and logistics. Moreover, to upgrade operations to support our increasingly international businesses, we are bolstering our e-commerce infrastructure by introducing new backbone systems at each base of operations overseas and revamping our e-catalogs. Additionally, our FA Businesses have begun construction on a fourth plant in Vietnam to solidify a global supply chain capable of delivering reliably on short lead times and build out a tri-polar capacity-sharing production regime in Japan, China and Vietnam.

- As a result, we grew sales by capturing new demand for automation in our FA businesses and for dies and mold applications in our Die Components businesses while the VONA Business deployed an aggressive marketing strategy.
- Operating income was ¥6.1 billion (down 5.2%) and net income was ¥3.8 billion (down 7.0%) on increased spending on our e-commerce infrastructure and personnel enhancements aimed at aggressive business growth.
- We reiterate the full-year consolidated forecasts announced May 14, 2015. We forecast reaching new record highs in sales and profit as we continue to aggressively grow the business and expand the base of business operations.

## 2. Double-digit sales growth in all segments

- FY2015 1Q sales by business segment were as follows.

| (Million yen)  | FY2014<br>1Q | FY2015<br>1Q   | Percentage<br>Change |
|--|--------------|----------------|----------------------|
| FA Businesses  | 23,796       | <b>27,270</b>  | + 14.6%              |
| Die Components Businesses                              | 15,147       | <b>17,409</b>  | + 14.9%              |
| VONA Business  | 10,734       | <b>14,054</b>  | + 30.9%              |
| Subtotal   | 49,678       | <b>58,735</b>  | + 18.2%              |
| Adjustments<br>(changes to timing of accounting, etc.) | - 1,563      | <b>- 1,606</b> | —                    |
| Total  | 48,114       | <b>57,129</b>  | + 18.7%              |

- FA Businesses grew sales 14.6% compared to the same period last year on increased sales in Japan and China as we aggressively captured new demand for automation.
- Die Components Businesses grew sales 14.9%, driven primarily by increased sales in China and Europe.
- The VONA Business achieved 30.9% growth in sales, leveraging its strength as the greatest offering of indirect production materials while the business continued to enroll more third-party brands.

## 3. International sales ratio rose to 46.9% (up 1.5 ppt)

- FY2015 1Q international sales reached ¥26.8 billion (up 22.8% on a yen basis and up 8.8% in local currencies). The international sales ratio reached 46.9% (up 1.5 ppt) of total sales.

- Sales by geographical region were as follows.

|               | Net Sales<br>(Million Yen) |               | Percentage Change |                      |
|---------------|----------------------------|---------------|-------------------|----------------------|
|               | FY2014<br>1Q               | FY2015<br>1Q  | In Yen            | In local<br>currency |
| Japan         | 26,278                     | <b>30,307</b> | + 15.3%           | —                    |
| International | 21,836                     | <b>26,821</b> | + 22.8%           | + 8.8%               |
| China         | 6,114                      | <b>8,098</b>  | + 32.5%           | + 16.9%              |
| Asia          | 6,509                      | <b>7,615</b>  | + 17.0%           | + 4.4%               |
| USA           | 5,730                      | <b>7,041</b>  | + 22.9%           | + 4.0%               |
| Europe        | 2,599                      | <b>2,915</b>  | + 12.2%           | + 10.9%              |
| Other         | 882                        | <b>1,150</b>  | + 30.4%           | + 10.4%              |

- Japan performed strongly on increased demand for reliably short delivery times, growing demand from the automotive and electronics industries, and aggressive expansion of sales in the VONA Business.
- In China, we enjoyed solid business performance even under continued economic deceleration thanks in part to successes in capturing new demand for automation from EMS and other manufacturing customers. Meanwhile, growth rates slowed elsewhere as the economies in Taiwan and the ASEAN region decelerated and demand for die components for automotive applications stagnated in the US.

#### 4. Forecasting new record highs in FY2015 consolidated sales and profit

- We leave unchanged our FY2015 full-year consolidated forecasts announced May 14, 2015.

##### Consolidated earnings forecast for FY2015 (April 1, 2015, through March 31, 2016)

|               | Net Sales   | Operating<br>Income | Ordinary<br>Income | Net Income  | Earnings per<br>Share* |
|---------------|-------------|---------------------|--------------------|-------------|------------------------|
|               | Million Yen | Million Yen         | Million Yen        | Million Yen | Yen                    |
| Cumulative 2Q | 114,800     | 13,900              | 13,900             | 8,600       | 31.38                  |
| Full Year     | 242,000     | 27,100              | 27,100             | 16,900      | 61.67                  |

\* Effective July 1, 2015, we executed a 3-for-1 stock split.

Earnings per share information has been adjusted to reflect the number of shares after stock split.

##### [Disclaimer regarding forward-looking statements]

Although forecasts for FY2015 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.

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