

MISUMI Group Inc.
FY 2017 1Q Consolidated Business Performance
—Record Sales and Profits in 1Q—

MISUMI Group Inc. announced its consolidated financial results for the first quarter (1Q) of FY2017 (April 1, 2017-June 30, 2017) today. Major performance measures are as follows.

(Million Yen)	FY2016 1Q	FY2017 1Q	YoY Change
Net Sales	60,903	75,774	+24.4%
EBITDA*	8,070	10,606	+31.4%
Operating Income	7,496	10,019	+33.7%
Net Income	5,223	6,858	+31.3%
Earnings per Share	¥19.03	¥24.69	

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

<Highlights of FY2017 1Q consolidated financial results>

1. Consolidated net sales sharply increased, rising 24.4% compared to a year earlier (23.9% growth on a local currency basis) owing to strong sales in Japan and contribution from a high sales growth level in China and other parts of Asia.

- In the first quarter of FY2017, major economies around the world, including Japan, continued a gradual recovery trend. In the United States, the economy continued to rebound underpinned by improvements in employment rates and capital investments compared to the fourth quarter of FY2016. In China, owing in part to benefits of various government policies, consumer spending was strong. In other parts of Asia and in Europe, economic recovery continued to be moderate. Meanwhile, in Japan there were indications that consumer spending and capital investments continued to grow steadily with improvements to corporate earnings and employment rates.
- Amid this economic environment, the MISUMI Group is leveraging its unique business status, which encompasses both manufacturing and distribution operations, to expand its business infrastructure globally contributing to the manufacturing industry worldwide by eliminating customer inefficiency, while simultaneously accelerating business expansion. In an effort to address a new wave of manufacturing that positions IT at its core, we improved our competitive strength by continuing to implement Internet strategies. In addition, to expand our operations overseas, we strengthened our platform for reliable and quick deliveries globally, by promoting local production, local procurement to provide

customers with optimal procurement. In terms of business segments, Factory Automation (FA) Business and Die Components Business, was able to capture demand in the automotive industry and electronics industry. In the VONA Business, strong domestic growth was underpinned by increasing the product line up, coupled with our efforts in propelling overseas expansion. Accordingly, our consolidated net sales increased year-on-year.

- Reflecting this performance, we posted consolidated net sales of ¥75,774 million, a rise of 24.4% (local currency basis 23.9%) year-on-year. In terms of profit, we recorded an operating income of ¥10,019 million, (+33.7% year-on-year basis), and ordinary income of ¥9,959 million, (+33.0% year-on-year basis).

Meanwhile, net income attributable to shareholders of the parent company reached ¥6,858 million, (+31.3% year-on-year basis). We achieved an all-time high for a single quarter in terms of net sales, operating income, ordinary income, and net income.

2. Growth continues in all Business Segments

Segment sales for the FY2017 1Q are shown in the table below.

	Net Sales (Million Yen)		YoY Change	
	FY2016 1Q	FY2017 1Q	¥ basis	Local currency basis
FA Business	20,002	25,665	+28.3%	+27.6%
Die Components Business	16,707	19,698	+17.9%	+17.2%
VONA Business	24,193	30,410	+25.7%	+25.4%
Total	60,903	75,774	+24.4%	+23.9%

- In the FA Business, we posted segment sales growth of 28.3% year-on-year. Performance was driven by a high level of growth in earnings in China and other parts of Asia, attributable to brisk demand for automation and the strengthening of our global QCT (high Quality, low Cost, reliable, quick delivery Time) model.
- In the Die Components Business, segment sales rose 17.9% compared to the previous year. Sales expansion in China and other parts of Asia, in part as we secured demand for die components for usage in new car models, contributed to this growth.
- In the VONA Business, segment sales expanded by 25.7% compared to a year earlier. This was due to the reinforcement of the product line up bringing about good sales results in the domestic market, coupled with high level of sales growth in China and other parts of Asia.

3. Overseas sales continued to be driven by growth in China and other parts of Asia

- In FY2017 1Q, sales by region are as follows.

	Net Sales (Million Yen)		YoY Change	
	FY2016 1Q	FY2017 1Q	¥ basis	Local currency basis
Japan	32,761	38,744	+18.3%	-
Overseas	28,142	37,030	+31.6%	+30.5%
China	10,444	14,637	+40.1%	+43.0%
Asia	7,175	10,470	+45.9%	+39.9%
US	6,319	6,978	+10.4%	+7.9%
Europe	3,163	3,691	+16.7%	+16.3%
Other	1,038	1,252	+20.6%	+20.0%

- In Japan, sales increased 18.3% year-on-year. This in part reflects our success in actively securing demand for automation and aggressively pursuing sales expansion in the VONA Business.
- In terms of our overseas operations, sales increased sharply, expanding 31.6% compare to a year earlier. This was attributable to contribution from actively capturing fresh automation demand in the manufacturing industry, particularly in China and other parts of Asia.

4. Expect to attain another fiscal year of record high sales and profits in FY2017

- We are reiterating the FY2017 consolidated earnings forecast released on May 11, 2017.

FY2017 (April 1, 2017-March 31, 2018) consolidated earnings forecast

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Full-year Forecast	290,000	31,700	31,100	21,600	78.39
FY2016 Results	259,015	27,127	26,462	18,387	66.94
Change	+12.0%	+16.9%	+17.5%	+17.5%	—

[Notes regarding forward-looking statements]

The outlook for the fiscal year ending March 31, 2018 and the forward-looking statements in this document have been prepared on the basis of information available at the time of preparation. This includes the domestic and foreign economic climate, changes in foreign exchange rates for various currencies, and other factors that may affect business performance, that have been determined to be reasonable by MISUMI Group Inc. as well as risks and uncertainties. In light of this, please refrain from making investment decisions solely on the basis of this outlook. Actual business performance may differ greatly from this outlook due to various factors that affect MISUMI Group Inc., including economic climate, market trends and exchange rates.



Please refer to our quarterly earnings results report for details on consolidated earnings results for the first quarter of the fiscal year ending March 31, 2018.

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