

**MISUMI Group Inc.**

(Ticker Code 9962)

May 15, 2008

**MISUMI Group Inc. Announces Business Performance for FY2007**

— Net Sales, Operating Income, and Net Income All Achieve Record Highs —

The MISUMI Group Inc. (Koto-ku, Tokyo, President & CEO: Tadashi Saegusa) announced its business performance for FY2007 (period from April 1, 2007 to March 31, 2008) on May 15.

Figures for performance highlights are as follows:

	<u>FY2006</u>	<u>FY2007</u>	<u>Changes</u>
	<u>Million Yen</u>	<u>Million Yen</u>	<u>%</u>
Net Sales	118,139	126,665	+7.2
Operating Income	15,642	16,317	+4.3
Net Income	9,447	9,698	+2.7
Earnings per Share	¥108.42	¥109.72	+1.0
Dividend per Share	¥22	¥23	+ ¥1

The followings are business performance highlights for the FY2007 (ended March 2008).

1. Net Sales & Operating Income hit record highs for the 6th year straight
  - As for the full-year performance of FY2007, net sales were ¥126.6 billion (up 7.2% year-on-year), operating income was ¥16.3 billion (up 4.3% year-on-year), and net income was ¥9.6 billion (up 2.7% year-on-year). Net sales and operating income hit record highs for the 6th year straight, while net income stood at a record high for the 5th year straight. All of these results underscored the MISUMI Group's sustained high growth and profitability.
  - In FY2007, stock prices languished and confidence suffered in Japan due to the persistence of a strong yen and weak dollar since the second half, while soaring oil prices triggered fears that corporate earnings would be constrained. Overseas, Chinese and other Asian markets performed well but private spending suffered in the United States as home financing issues caused confusion in financial markets, contributing to slowed growth rates in Europe as well.
  - Within that climate, the MISUMI Group proactively pursued measures to stimulate sales through our continuous development of new products, consumer-sensitive price reductions, timely issue of our new catalog, and enhancement of our web content for on-line purchases, while simultaneously implementing measures to respond to customers' need for reduced lead time. These efforts enabled the MISUMI Group to maintain stable growth while achieving the highest sales numbers the Group has ever realized.

2. All business segments of machinery-related sales remain strong
  - In FY2007, the Group was able to maintain stable growth in net sales in all segments of its machinery-related businesses, excluding Diversified Businesses. Excluding net sales of the Multi-Bits Corporation, which was deconsolidated in October, 2006; and net sales of the MICREED Corporation, which was deconsolidated in September 200; actual net sales in machinery-related businesses continued to exhibit strong growth, with almost double-digit increases over those of the previous year.
  - Relative to the previous year, net sales in Factory Automation Businesses increased by 10.5% to ¥62.2 billion, net sales in Die Components Businesses increased by 5.2% to ¥34.5 billion, net sales in Electronics Businesses increased by 9.5% to ¥12.9 billion, and net sales in Optical-related Businesses increased by 34.7% to ¥5.9 billion. Factory Automation Businesses, Die Components Businesses, and Electronics Businesses increased sales by reducing lead time and proactively introducing of new products, while light sensors and fiber-optic communication systems were the main engines for strong sales growth in optical-related businesses.
  
3. Overseas net sales ratio of 20.4%: sustaining a full-year ratio of 20% for the first time
  - Presently, the MISUMI Group has expanded its international platform, issuing 22 catalogs in local languages and dealing in local currencies in seven locations, with nine production facilities and seven logistical facilities overseas. As a result of the Group's proactive global initiatives involving integrated production and sales capacity, overseas net sales in FY2007 reached ¥25.8 billion (a 28% increase year-on-year). The percentage of net sales generated by overseas business climbed 3.3 points to 20.4%; exceeding 20% for the full year for the first time.
  
4. Continuing to revolutionize our front end (sales/distribution) and back end (manufacturing)
  - The MISUMI Group has continually implemented measures to revolutionize our front and back end. With regards to the former, in FY2007, the Group completed the aggregation of our domestic call centers (from 13 locations to two locations) and implemented in-house operation of our East Japan Distribution Center. With regards to the latter, the Group acquired SP PARTS with sophisticated technology for factory automation parts manufacturing and launched the first phase of the MISUMI Production Park, a centralized production base for the Group's partner manufacturers.
  - Through these revolutionary measures, the MISUMI Group will pursue continued growth through our focus on quality, cost, and time.
  
5. Dividend increase of ¥1 over that of the previous year
  - In keeping with the MISUMI Group's target annual dividend payout ratio of at least 20% of consolidated net income, the dividend per share for FY2007 is slated to be ¥23 (an increase of ¥1 year-on-year).
  - As the Group works to sustain stable distribution of dividends, we will continue to utilize retained earnings to invest in growth through enhancement of products and services and

fortification of our procurement and sales infrastructure both in Japan and overseas, while preserving a financial standing that is solid and secure.

6. Anticipating the continuation of stable growth in FY2008 with increased sales and profits
- While the economic slowdown in the United States, a strong yen, and high oil prices are expected to influence capital expenditures among Japanese companies, the MISUMI Group will continue to pursue the MISUMI QCT Model and anticipates continued stable growth in FY2008, forecasting net sales of ¥136 billion (a 7.4% increase year-on-year), operating income of ¥16.8 billion (a 3.0% increase year-on-year), and net income of ¥10 billion (a 3.1% increase year-on-year). (See chart below for details)

Consolidated Business Performance Forecasts for the Full-Year FY2008 (April 1, 2008 – March 31, 2009)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Full Year	136,000	16,800	17,200	10,000	112.95

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2007 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/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, exchange rates etc.

For more information on our consolidated business performance for FY2007, please refer to our Tanshin.