

May 28, 2007

Issuance of Stock Acquisition Rights as Stock Options

MISUMI Group Inc. announces that at the meeting of its Board of Directors on May 28, 2007, it was resolved to submit the matter of the issuance of stock acquisition rights in the form of stock options as compensation for directors to the 45th ordinary general meeting of shareholders of the Company, due to be held on June 21, 2007. Details of the matter are given below.

1. Reason for this proposal

The directors of Misumi Group Inc. make ceaseless efforts to enhance enterprise value, and the Company believes that it is in the interests of shareholders, and therefore important, that its directors are conscious of the Company's share price when they conduct management activities. Accordingly, the objective of this measure is to grant directors a portion of their compensation in the form of stock acquisition rights, so as to further increase their morale and their motivation to enhance enterprise value.

2. Summary of issuance of stock acquisition rights

(1) Number of shares to be issued upon the exercise of stock acquisition rights

The total number of shares to be issued upon the exercise of stock acquisition rights for the fiscal year ended March 31, 2007, will be 280,000 shares of the Company's common stock (including 10,000 shares for external directors). In the event that the Company carries out a stock split or reverse split and in other cases where it is considered appropriate to adjust the number of shares to be issued upon the exercise of stock acquisition rights, the Company will make the adjustments that it deems necessary.

(2) Number of stock acquisition rights

The total number of stock acquisition rights for the fiscal year ended March 31, 2007, will be 2,800 (including 100 for external directors). The number of shares per stock acquisition right ("number of shares granted") will be 100 shares of the Company's common stock, provided that in the event of an adjustment that the Company "deems necessary" as provided in (1) above, a similar adjustment will be made to the number of shares granted.

(3) Value of assets to be contributed for exercise of stock acquisition rights

The contribution to be made for the exercise of a stock acquisition right must be in cash, and the amount to be contributed per stock acquisition right upon its exercise is the amount obtained by multiplying the number of shares granted by the exercise price per share ("the

exercise price”) determined as follows.

The exercise price is calculated by multiplying by 1.05 the average daily closing price of MISUMI Group Inc.’s stock in regular trading on the Tokyo Stock Exchange (TSE) for the month prior to the month of the date of allotment of the stock acquisition rights (excluding days on which no trading took place). Fractions of one yen are rounded up to the nearest yen. However, in the event that this value is lower than the closing price of MISUMI Group Inc.’s stock in regular trading on the TSE on the allotment date (if no trading takes place on that date, the closing price on the immediately preceding trading day), then the closing price shall be the exercise price.

In the event that the Company carries out a stock split or reverse split after the allotment date and in other cases where it becomes appropriate to adjust the exercise price, the Company will make the adjustments that it deems necessary.

(4) Period for exercise of stock acquisition rights

The period for the exercise of stock acquisition rights is to be resolved at the meeting of the Company’s Board of Directors at which the matters pertaining to the stock acquisition right subscription is determined, and is to fall between the first day of the month immediately following the month in which the day of allotment of the stock acquisition rights falls, and the day upon which seven years have elapsed thereafter.

(5) Conditions for the exercise of stock acquisition rights

- (i) The MISUMI Group Inc. directors who are allotted stock acquisition rights must have the status of director or employee of the Company or of any of its subsidiaries or affiliated companies when they exercise those rights. However, even if they do not have such status at the time they exercise their rights, they may exercise their stock acquisition rights at any time within a two-year period starting from the day immediately following the day of their retirement or resignation, or up to the final day of the period for exercise of stock acquisition rights, whichever is the earlier.
- (ii) Conditions for the exercise of stock acquisition rights other than those stated in (i) above will be stipulated in stock acquisition rights agreements concluded between the Company and the persons to whom stock acquisition rights are allotted.

(6) Other matters

Other matters concerning stock acquisition rights are to be laid down by the meeting of the Board of Directors convened to determine matters relating to stock acquisition right subscription.

Note: The above matters are subject to the approval, at the Company’s 45th ordinary general meeting of shareholders scheduled to be held on June 21, 2007, of the proposal for the partial revision of directors’ compensation.