

MISUMI Group FY2010 1Q Consolidated Business Performance

Sales and profits rise substantially
on international business growth and domestic recovery

Today, MISUMI Group Inc. announced its consolidated financial results for FY2010 1Q (April 1 to June 30, 2010). Major performance measures are as follows.

	<u>FY2009 1Q</u>	<u>FY2010 1Q</u>	<u>Change</u>
	Million Yen	Million Yen	%
Net Sales	17,782	28,756	+61.7%
Operating Income	242	4,229	+¥3.9 bil
Net Income	-204	2,588	+¥2.7 bil
Earnings per Share	-¥2.31	¥29.18	-

<Highlights of FY2010 1Q consolidated financial results>

1. Sales and profits up as machinery demand recovers mainly in Asia

- Both sales and profits increased significantly in FY2010 1Q (April 1 to June 30, 2010) compared to the same period in the previous year. Net sales were ¥28.7 billion (up 61.7%), operating income was ¥4.2 billion (up ¥3.9 billion) and net income was ¥2.5 billion (up ¥2.7 billion).
- In the first quarter, demand from machinery and equipment makers was strong as Chinese economic growth drove economic recoveries in Asia and earnings recoveries among Japanese exporters.
- Additionally, net sales in MISUMI's international business increased about 80% year-on-year and drove company-wide revenue growth as measures taken since 2002 to expand our international business bore fruit. Operating income grew substantially, also, as the effects of increased revenue coupled with earnings structure reforms introduced last year.

2. Sales grew substantially in Factory Automation and Electronics

- First-quarter sales by business segment were as follows.

Business Segment	Net Sales (Yen)	Year-on-Year Comparison
Factory Automation	17.7 billion	+78.3%
Die Components	6.6 billion	+34.1%
Electronics	2.7 billion	+90.9%
Diversified	2.2 billion	+22.2%

- Net sales in Factory Automation and Electronics businesses made great strides on continued strength in the recovery of demand to invest in capital in Asia and Japan.
- Die Components sales also grew on recoveries in industries with ties to automobiles and light electrical appliances.

3. International sales accounted for 26.9% of total sales (up 2.3 points)

- Sales by geographical region were as follows.

Geographical Region	Net Sales (Yen)	Year-on-Year Comparison
Japan	21.0 billion	+56.7%
Asia	5.9 billion	+95.6%
North & South America	1.1 billion	+47.5%
Europe	0.6 billion	+16.5%

- International sales accounted for 26.9% of total sales, up 2.3 percentage points year-on-year, due to a large surge sales in the international business.

4. Revising upward both FY2010 1H and 2H forecasts

- We revise as follows first half earnings forecasts given recent trends in business performance. While future economic trends remain uncertain, MISUMI expects business performance in the second half to surpass our original forecasts. We therefore make the following upward revisions to second half forecasts as well.

Consolidated earnings forecasts for FY2010 (April 1, 2010, to March 31, 2011)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen

First Half

Previous Forecast	56,000	5,600	5,600	3,200	36.10
Revised Forecast	58,500	7,600	7,370	4,290	48.29
Difference	2,500	2,000	1,770	1,090	12.19

Second Half

Previous Forecast	61,000	6,600	6,700	3,900	44.00
Revised Forecast	62,500	7,000	6,950	4,060	45.71
Difference	1,500	400	250	160	1.71

Full Year

Previous Forecast	117,000	12,200	12,300	7,100	80.10
Revised Forecast	121,000	14,600	14,320	8,350	94.00
Difference	4,000	2,400	2,020	1,250	13.90

5. Revising upward FY2010 dividend forecasts

- We revise upward our dividend forecasts in accordance with our upward revisions to earnings forecasts. We revise upward our 2Q dividend forecast to ¥9.7 (previously ¥8.0) per share and our year-end dividend forecast to ¥9.3 (previously ¥8.1) per share. That increases the forecasted annual dividend payout to ¥19 per share (up ¥2.9 from the previously forecasted ¥16.1 per share).

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2010 ending March 2011 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.

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