

October 31, 2011

MISUMI Group FY2011 2Q Cumulative Consolidated Business Performance

Sustained growth on international business expansion
Full-year forecasts still call for record high sales and profits

Today, MISUMI Group Inc. announced its cumulative consolidated financial results through FY2011 2Q (April 1 through September 30, 2011). Major performance measures are as follows.

	FY2010 2Q <u>Cumulative</u> Million Yen	FY2011 2Q <u>Cumulative</u> Million Yen	<u>Change</u> %
Net Sales	58,702	63,163	+7.6%
Operating Income	8,705	8,126	-6.7%
Net Income	4,943	4,779	-3.3%
Earnings per Share	¥55.63	¥53.29	—

<Highlights of FY2011 2Q cumulative consolidated financial results>

1. Sustained growth overseas despite global slowdown

- Sales increased in the cumulative FY2011 2Q (April 1 through September 30, 2011) to ¥63.1 billion (up 7.6% compared to the same period in the previous year), despite many headwinds—lower levels of domestic production activity from the fallout of the Great East Japan Earthquake, slower economic growth in China, and reduced momentum for economic recoveries in Europe and the US.
- Profits declined, however. Operating income was ¥8.1 billion (down 6.7%) and net income was ¥4.7 billion (down 3.3%). Although sales did not grow as originally forecasted, the company continued to make upfront investments aimed at fueling future growth. We invested in initiatives to expand our sales network in Asia by adding sales offices, increase local production and local sourcing to achieve optimized sourcing, and add headcount to support those efforts.
- Note that, as described below, the company's full-year forecasts for FY2011 represent new record highs in terms of both net sales and operating income.

2. Factory Automation businesses driving growth

- Sales by business segment were as follows.

Business Segment	Net Sales (Yen)	Year-on-Year Comparison
Factory Automation	39.2 billion	+8.4%
Die Components	13.4 billion	+2.6%
Electronics	5.9 billion	+6.9%
Diversified	4.7 billion	+6.9%

- Our factory automation and electronics businesses sustained relatively high growth, mainly due to demand for factory automation applications.

3. International sales accounted for 28.5% of total sales (up 1.2 points)

- International sales amounted to ¥17.9 billion (up 12.2%). International sales accounted for 28.5% of total sales, up 1.2 percentage points year-on-year. These both represent record highs for a fiscal half-year. We are that much closer to reaching our long-held target of 30%
- Sales by geographical region were as follows.

Geographical Region	Net Sales (Yen)	Year-on-Year Comparison
Japan	45.1 billion	+5.9%
Asia	13.6 billion	+10.2%
North & South America	2.4 billion	+9.9%
Europe	1.8 billion	+34.5%

- Moving forward, the company will continue to strengthen its growth driver international businesses.

4. Interim dividend payout to be ¥10.2 per share

- The company uses 20% as a benchmark for paying out dividends to its shareholders.
- The interim dividend (as of the end of the second quarter) will be ¥10.2 per share, a year-on-year increase of ¥0.5.
- Our full-year forecast for a ¥22 total annualized dividend remains unchanged and will be an increase of ¥1.8 compared to the previous year. The planned dividend payouts translate to a payout ratio of 19.2% for the cumulative second quarter, 24.0% for the year-end dividend, and 21.5% annualized.
- As in the past, we will continue to examine shareholder returns while considering in their totality factors such as the business environment and performance trends.

	Annualized dividends					
	End of 2Q		Year end		Annualized total	
	Amount	Payout ratio	Amount	Payout ratio	Amount	Payout ratio
Actual	10.20	19.2%	—	—	—	—
Forecast	—	—	11.80	24.0%	22.00	21.5%

5. FY2011 full-year forecasts: Still calling for record-high sales and profit

- We revise our full-year forecasts as indicated below to reflect recent performance trends and the increased uncertainty surrounding the global economic outlook.
- Despite the revisions, our full-year forecasts still represent record highs for the company in terms of both sales and ordinary income.

Consolidated earnings forecasts for FY2011 (April 1, 2011, to March 31, 2012)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Original forecast	139,000	16,700	16,700	9,800	109.54
Revised forecast	130,000	16,400	16,600	9,200	102.43
Change	-9,000	-300	-100	-600	—

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2011 ending March 2012 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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