

October 31, 2012

MISUMI Group Inc. FY2012 2Q Cumulative Consolidated Business Performance

Sustained Growth Driven By International Markets Despite Rising Uncertainties in Global Economy

Today, MISUMI Group Inc. announced its cumulative consolidated financial results through FY2012 2Q (April 1 through September 30, 2012). Major performance measures are as follows.

Earnings reporting basis

	FY2011 2Q Cumulative Million Yen	FY2012 2Q Cumulative Million Yen	Change %
Net Sales	63,163	64,977	+2.9%
Operating Income	8,126	8,186	+0.7%
Net Income	4,779	4,028	-15.7%
Earnings per Share	¥53.29	¥45.06	

Apples-to-apples comparison (Divested PROMICLOS removed from FY2011 2Q cumulative results)

	FY2011 2Q Cumulative Million Yen	FY2012 2Q Cumulative Million Yen	Change %
Net Sales	61,489	64,977	+5.7%
Operating Income	8,120	8,186	+0.8%
Net Income	4,773	4,028	-15.6%

<Highlights of FY2012 2Q cumulative consolidated financial results>

1. Amid slowing growth in global economy, MISUMI's sales and operating income were up year-on-year, thanks to continued success in driving penetration of the MISUMI Business Model in global markets

- Sales increased in the FY2012 2Q cumulative period (April 1 through September 30, 2012) to ¥64.9 billion (up 2.9% compared to the same period in the previous year), reaching a record-high level for first-half sales. Excluding from last year's results contributions made by Promiclos, a business that MISUMI divested in May 2012, sales were actually up 5.7% year-on-year.
- The business environment surrounding our company has become increasingly harsh, as European economies experience prolonged decline, economies in China and the rest of Asia decelerate and Japan's domestic economy stagnates. Despite missing our previous forecast for ¥67 billion in sales, MISUMI continued to achieve sales growth driven by overseas markets as a result of intensified efforts to drive penetration of the MISUMI Business Model in global markets.
- Operating income was ¥8.1 billion (up 0.7%). Profit was flat year-on-year as increased sales and improved gross margins offset a greater burden from upfront investments aimed at accelerating international expansion.
- Net income was ¥4.0 billion (down 15.7%)—short of the previously forecast ¥4.7 billion—due to a ¥984 million extraordinary loss tied to the withdrawal of subsidiaries from enrollment in an employees' pension fund. The extraordinary loss had not been factored into forecasts made at the beginning of the fiscal year.

2. All business segments achieve topline growth

- All segments continued to grow. Sales by business segment are as follows.

Business Segment	Net Sales (Yen)	Year-on-Year Comparison
Factory Automation	41.8 billion	+6.6%
Die Components	14.6 billion	+9.6%
Electronics	6.1 billion	+3.5%
Others	3.3 billion	+9.6%

3. International sales accounted for 31.0% (+2.5 ppt) of total sales

- Deeper penetration of the MISUMI Business Model in international markets and an increase in customer accounts led to 2Q cumulative international sales that were ¥20.1 billion (up 12.1% on a yen basis and up 14.7% in local currency). International sales accounted for 31.0% of total sales, up 2.5 percentage points. Both figures represent record highs for any half-year period.
- Sales by geographical region were as follows.

Geographical Region	Net Sales (Million Yen)		Year-on-Year Percentage Change		
	FY2011 2Q Cumulative	FY2012 2Q Cumulative	In Yen	In local currency	Removing divested PROMICLOS from FY2011 results
Japan	45,175	44,812	-0.8%	—	+3.0%
International	17,988	20,164	+12.1%	+14.7%	—
International, broken out					
Asia (excl. China)	7,413	8,001	+7.9%	+12.8%	—
China	6,279	7,202	+14.7%	+12.4%	—
North & South America	2,477	3,050	+23.2%	+23.7%	—
Europe	1,818	1,909	+5.0%	+18.4%	—

- We will continue to strive to expand our growth-driver International businesses by driving penetration of the MISUMI business model in global markets.

4. Dividends up year-on-year as we reiterate our 25% payout ratio

- Dividend payouts change with fluctuations in profits because MISUMI uses a dividend payout ratio as a benchmark for setting dividend amounts. For this half-year period we maintain a 25% dividend payout ratio, up from the 20% level used in FY2011.
- Cumulative 2Q net income missed the previously forecast level due to an extraordinary loss resulting from the withdrawal of three subsidiaries from enrollment in an employees' pension fund. The extraordinary loss had not been factored into forecasts made at the beginning of the fiscal year. Therefore, applying a dividend payout ratio of 25%, the interim dividend-per-share will be ¥11.25, an amount that is ¥1.91 lower than previously forecast, but ¥1.05 higher than last year's interim dividend-per-share.
- Although we reiterate our 25% payout ratio for year-end dividends, we have revised our full-year consolidated business performance forecasts. As a result, we revise our year-end dividend-per-share to ¥13.05, an amount that is ¥1.39 lower than previously forecast but ¥0.05 higher than last year's year-end dividend.

	Annual Dividend		
	Interim	Year-end	Total
Previous Forecast	¥13.16	¥14.44	¥27.60
Payout Ratio	25.0%	25.0%	25.0%
New Forecast	—	¥13.05	¥24.30
Payout Ratio	25.0%	25.0%	25.0%
FY2012 Results	¥11.25	—	—
FY2011 Results	¥10.20	¥13.00	¥23.20
Payout Ratio	19.2%	25.0%	22.1%

5. We revise FY2012 full-year consolidated forecasts

- We revise as follows our full-year consolidated forecasts, given recent business performance trends and rising uncertainties about the global economic outlook.
- Please note that even with the revisions to our forecasts, we plan to achieve record-high sales for the second consecutive year.

Consolidated earnings forecasts for FY2012 (April 1, 2012, through March 31, 2013)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Previous Forecast	138,000	17,000	17,000	9,850	110.31
New Forecast	132,000	16,550	16,350	8,700	97.25
Change	-6,000	-450	-650	-1,150	—
Last Year's Results	130,212	16,646	17,056	9,414	105.14

* The acquisition of US die components manufacturers announced October 17 is to be completed during the FY2012 3Q period upon satisfaction of US legal requirements related the acquisition. The above earnings forecasts do not reflect the impact of the acquisition on earnings, as that impact has not yet been determined.

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2012 ending March 2013 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.

Please direct any inquiries to:
 General Manager In Charge of Investor Relations and Public
 Relations, Administration Department
 MISUMI Group Inc.
 Tel : +81-3-5805-7037 Fax : +81-3-5805-7372
 email : cc@misumi.co.jp