

## MISUMI Group Inc. FY2015 3Q Cumulative Consolidated Business Performance New Record Highs in Quarterly Sales and Profit

Today, MISUMI Group Inc. announced its consolidated financial results for the FY2015 3Q cumulative period (April 1, 2015, through December 31, 2015). Major performance measures are as follows.

Million Yen	FY2014 Cumulative 3Q	FY2015 Cumulative 3Q	Percentage Change
Net Sales	151,546	<b>177,626</b>	+17.2%
Operating Income (before amortization) *1	20,716	<b>21,979</b>	+6.1%
Operating Income	19,081	<b>20,078</b>	+5.2%
Net Income	11,816	<b>12,988</b>	+9.9%
Earnings per Share *2	¥43.25	<b>¥47.37</b>	

\*1 Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation.

\*2 Effective July 1, 2015, we executed a 3-for-1 stock split.

For comparison, the effects of the stock split have been applied to previous year figures.

### < Highlights of FY2015 3Q cumulative consolidated financial results >

#### 1. Record quarterly sales and profit driven by aggressive growth of the VONA Business and demand for automation in Japan and China

- In the third quarter, the Japanese economy in general sustained its moderate recovery even as the US moved to normalize interest rates and weakness was observed in some areas due to the economic slowdown in China and the rest of Asia. Meanwhile, in other parts of the world, the West sustained its gradual economic recovery while China and the ASEAN economies continued to decelerate moderately.
- Amid this environment, the MISUMI Group strives tirelessly to advance the MISUMI QCT Model, which achieves high quality (Q) products at low cost (C) on reliably short delivery times (T). In response to greater demand for automation and short delivery times from the manufacturing industry, in Japan we shrank our standard delivery time on made-to-order parts to 2 days from 3 days. This enhanced level of customer convenience was achieved through innovations to processes for incoming orders, production and logistics. Also, we expanded the product lineup and price points to suit the customer's application. Moreover, to upgrade operations to support our increasingly international businesses, we are bolstering our e-commerce infrastructure. In the FA Businesses, construction on our Vietnam Plant No. 4 completed, and production began in October. The new plant helps accelerate the achievement of a global supply chain capable of



delivering reliably on short lead times and contributes to a tri-polar capacity-sharing production regime in Japan, China and Vietnam. Furthermore, we have established regional company entities in China, Asia, Europe and the Americas to refine the MISUMI QCT Model in each region and solidly advance innovations to production materials processes on a global level.

- As a result, we grew sales by capturing new demand for automation in our FA businesses and for dies and molds in our Die Components businesses while the VONA Business deployed an aggressive marketing strategy. Sales were ¥177.6 billion, up 17.2% year-on-year.
- Operating income was ¥20.0 billion (+5.2%) and net income was ¥12.9 billion (+9.9%) as higher sales absorbed increased spending on our e-commerce infrastructure and personnel enhancements aimed at aggressive business growth.

## 2. Double-digit sales growth in all segments

- FY2015 3Q cumulative sales by business segment were as follows.

Million Yen	FY2014 Cumulative 3Q	FY2015 Cumulative 3Q	Percentage Change
FA Businesses	72,848	<b>82,009</b>	+12.6%
Die Components Businesses	47,490	<b>52,224</b>	+10.0%
VONA Business	34,670	<b>44,027</b>	+27.0%
Adjustments (changes to timing of accounting, etc.)	-3,463	<b>-634</b>	—
Total	151,546	<b>177,626</b>	+17.2%

- FA Businesses grew sales 12.6% compared to the same period last year on increased sales in Japan and China as we aggressively captured new demand for automation.
- Die Components Businesses grew sales 10.0%, driven primarily by increased sales in China and Europe.
- The VONA Business achieved 27.0% growth in sales, leveraging its strength as the greatest offering of indirect production materials thanks to the continued enrollment of more third-party brands.

## 3. International sales ratio rose to 47.2% (+1.2 ppt)

- FY2015 3Q cumulative international sales reached ¥83.8 billion (+20.3% on a yen basis and +8.8% in local currencies). The international sales ratio reached 47.2% (+1.2 ppt) of total sales.

- Sales by geographical region were as follows.

	Net Sales (Million Yen)		Percentage Change	
	FY2014 Cumulative 3Q	FY2015 Cumulative 3Q	In Yen	In local currency
Japan	81,843	<b>93,751</b>	+14.6%	—
International	69,702	<b>83,875</b>	+20.3%	+8.8%
China	22,068	<b>28,844</b>	+30.7%	+13.5%
Asia	19,422	<b>21,792</b>	+12.2%	+6.3%
USA	17,481	<b>20,806</b>	+19.0%	+2.8%
Europe	7,977	<b>8,924</b>	+11.9%	+14.4%
Other	2,753	<b>3,507</b>	+27.4%	+9.8%

- Japan performed strongly on increased demand for reliably short delivery times, growing demand from the automotive and electronics industries, and aggressive expansion of sales in the VONA Business.
- In China, we enjoyed solid business performance despite increasingly slow economic growth thanks in part to successes in capturing new demand for automation from manufacturing customers. Meanwhile, growth rates weakened in Asia, due to economic deceleration in Taiwan and the ASEAN region, and in the US, due to stagnant demand for automotive die and mold components.

#### 4. Forecasting new record highs in FY2015 consolidated sales and profit

- We leave unchanged our FY2015 full-year consolidated earnings forecasts announced May 14, 2015.

##### Consolidated earnings forecast for FY2015 (April 1, 2015, through March 31, 2016)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share*
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Full year forecast	242,000	27,100	27,100	16,900	61.67
Actual last year	208,562	23,759	23,352	14,291	52.28
YoY	+16.0%	+14.1%	+16.0%	+18.2%	-

\* Effective July 1, 2015, we executed a 3-for-1 stock split.

Earnings per share information has been adjusted to reflect the number of shares after stock split. Last year's results have been adjusted as if the stock split took place at the beginning of last year.

#### [Disclaimer regarding forward-looking statements]

Although forecasts for FY2015 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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