

This is an abridged translation of the original notice in Japanese and is intended for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

Securities Code: 9962
June 1, 2021

To Our Shareholders:

Kosuke Nishimoto
Representative Director,
and Chairman
MISUMI Group Inc.
5-1, Koraku 2-chome,
Bunkyo-ku, Tokyo
JAPAN

Convocation Notice for the 59th Annual General Meeting of Shareholders

You are hereby notified of the 59th Annual General Meeting of Shareholders (the “Meeting”) of MISUMI Group Inc. (the “Company”), details of which are provided below.

Instead of attending the Meeting, you may exercise your voting rights, either by returning to us by mail, the enclosed Voting Rights Exercise Form indicating your approval or disapproval of the propositions, or by accessing the website indicated in the enclosed Voting Right Exercise Form and exercising your voting rights via the Internet. Please review the accompanying Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. JST, on Wednesday June 16, 2021.

- 1. Date and Time:** June 17, 2021 (Thursday) from 2:00 p.m.
2. Place: Toranomom Hills Forum,
Toranomom Hills Mori Tower 5th Floor,
1-23-3 Toranomom, Minato-ku, Tokyo, Japan

- To reduce the risk of infection for shareholders, please be advised that the Management’s Briefing for Shareholders and the product exhibition booth will be cancelled this year. Also, distribution of souvenirs will not be taking place.
- The operation of the General Meeting of Shareholders and the venue may change significantly depending on how the situation transpires going forward. For shareholders considering attendance to this General Meeting of Shareholders, please refer to our website (<https://www.misumi.co.jp/>) in advance, where the latest information will be available for confirmation. We sincerely appreciate your time to confirm.

3. Agenda: Reports

1. The Business Report, the Consolidated Financial Statements, and Audit Reports on the Consolidated Financial Statements by the independent auditor and our Board of Corporate Auditors for the 59th Fiscal Year (from April 1, 2020 to March 31, 2021).
2. The Non-Consolidated Financial Statements Report for the 59th Fiscal Year (from April 1, 2020 to March 31, 2021).

Proposals

- Proposal 1:** Dividend of Surplus
- Proposal 2:** Election of Nine (9) Directors
- Proposal 3:** Election of Two (2) Corporate Auditors
- Proposal 4:** Issuance of Stock Options (Stock Acquisition Rights) as Stock-based Compensation for Directors (excluding Outside Directors) upon Retirement
- Proposal 5:** Issuance of Stock Options (Stock Acquisition Rights) as Stock-based Compensation for Directors (excluding Outside Directors) as a Medium-term Incentive

4. Instructions for the Exercise of Voting Rights

- 1) Exercise of voting rights by post
Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Right Exercise Form and return the form to the Company so that it arrives no later than 5:00 p.m. (JST) on Wednesday, June 16, 2021.
Please note that if there is no indication of approval or disapproval for any of the proposals, it will be counted as a vote of approval.
- 2) Exercise of voting rights via the Internet
Please access the designated website (<https://www.evoting.tr.mufg.jp/>)* and place your vote no later than 5:00 p.m. (JST) on Wednesday, June 16, 2021.
*Website available only in Japanese

-
1. If attending the Meeting in person, please submit the enclosed Voting Right Exercise Form to the receptionist at the venue.
 2. The notes to the Consolidated Financial Statements and Non-Consolidated Financial Statements are available on behalf of shareholders on MISUMI's website (<https://www.misumi.co.jp/english/ir/stock/syousyu.html>)* in accordance with laws, regulations, and the Articles of Incorporation.
*Website available only in Japanese.
 3. We will notify you of any changes to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements by placing the updated information on MISUMI's website (<https://www.misumi.co.jp/english/>).
 4. The results of voting at Annual General Meeting of Shareholders will also be posted on MISUMI's website indicated above.

Electronic Voting Platform

Custodian banks or other nominee shareholders (including standing proxies) that have registered in advance with ICJ Co., Ltd., a company established by Tokyo Stock Exchange, Inc. and other organizations, are able to use ICJ's Voting Rights Electronic Voting Platform as an alternative electronic method for the exercise of voting rights at the General Meeting of Shareholders, in addition to Internet voting as described in 4 above.

Response measures to prevent the spread of COVID-19

In order to prevent the spread of COVID-19, we plan to take the following measures during the Company's 59th Annual General Meeting of Shareholders. We would like to ask all our shareholders for their kind understanding and cooperation.

1. Request to Shareholders

- For shareholders who are considering attendance to this Annual General Meeting of Shareholders, please confirm your physical condition beforehand and don't over exert yourself especially if you have health concerns.
- There are a limited number of seats in the venue, as shareholders are provided with spaces in between seats, to reduce the risk of infection. Thank you for your understanding.
- Given above, we recommend that you exercise your voting rights in writing or via the Internet in advance to the extent possible.

2. Requests to our Shareholders attending the Meeting

- Please kindly cooperate wearing a (mouth) mask, using alcohol disinfectant where available. At the reception, we may check your body temperature with a non-contact thermometer.
- Please be advised that if you feel unwell, we may ask for your cooperation in exercising moderation by excusing admission.

3. The Company's response measure

- Staff involved in the operation of the General Meeting of Shareholders, will only participate when their physical condition has been confirmed, including temperature measurement. In addition, a (mouth) mask will always be worn.
- Drinks will not be provided to prevent infection through contact.
- We may briefly explain upon reportable matters.

The operation of the General Meeting of Shareholders and the venue may change significantly depending on how the situation transpires going forward. For shareholders considering attendance to this General Meeting of Shareholders, please refer to our website (<https://www.misumi.co.jp/>) in advance, where the latest information will be available for confirmation. We sincerely appreciate your time to confirm.

Proposal 1: Dividend of Surplus

The Company uses a benchmark dividend payout ratio of 25% as part of the policy to return profits to the shareholders after a comprehensive review of the business environment, performance trends and outlooks, expansion of the business foundation to realize sustainable growth and corporate value enhancement, strength of the balance sheet, and capital efficiency among other factors.

Based on the benchmark described above, the Company proposes a year-end dividend of ¥9.18 per share.

Pending approval for this proposal, the annualized dividend would be ¥15.09 per share, an increase of ¥0.54 from the previous year's figure, including the interim dividend of ¥5.91 per share (Total amount: ¥1,677,946,981) already paid out on December 1, 2020.

(1) Type of dividend assets

Cash

(2) Allocation of dividend assets to shareholders and the total amount of dividends

¥9.18 per share of common stock. Total amount: ¥2,608,173,285

(3) Effective date of dividend of surplus

June 23, 2021

Proposal 2: Election of Nine (9) Directors

The terms of office of all seven (7) of the current Directors will expire as of the end of the Meeting. Therefore, the Company proposes the election of nine (9) Directors, including two new Directors and one new Outside Director, in order to reinforce the management of the Company.

Candidates for the position of Director are as follows.

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Re-Appointment</div> <p>Kosuke Nishimoto (March 1, 1958)</p>	<p>Apr 1981: Joined Kanebo, Ltd. Sep 1984: Joined Meitec Corporation Jun 1995: Director, Meitec Corporation Jul 1996: Senior Managing Director, Meitec Corporation Nov 1999: Representative Director and President, Meitec Corporation Apr 2003: Representative Director and President, and CEO, Meitec Corporation Apr 2014: Director and Chairman, Meitec Corporation Jun 2015: Outside Director, Interworks, Inc. Apr 2017: Representative Director, Chairman and President, Interworks, Inc. June 2017: Outside Director, MISUMI Group Inc. June 2019: Director and Executive Vice President, MISUMI Group Inc. Feb 2020: Representative Director and Chairman, MISUMI Group Inc. (present position)</p>	10,000 shares
<p>Reason for nomination as Director: Mr. Kosuke Nishimoto has extensive experience as business manager over many years and has wide-ranging knowledge on various manufacturing industries in Japan. Using his experience and knowledge, Mr. Nishimoto has appropriately and effectively carried out his decision-making and supervisory roles as Director and Executive Vice President since June 2019 and as Representative Director and Chairman since February 2020. Mr. Nishimoto has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p>			

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
2	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Re-Appointment</div> <p style="text-align: center;">Ryusei Ono (October 1, 1964)</p>	<p>Apr 1987: Joined MISUMI Group Inc. Apr 2002: Corporate Officer, MISUMI Group Inc. Jun 2007: Director and Corporate Officer, MISUMI Group Inc. Oct 2008: Representative Director and President, SURUGA Production Platform Co., Ltd. Oct 2008: Director and Senior Corporate Officer, MISUMI Group Inc. Jan 2011: Representative Director and President, SURUGA SEIKI CO., LTD. Jan 2013: Senior Executive Director, MISUMI Group Inc. Dec 2013: Representative Director and President, MISUMI Group Inc. Dec 2013: Representative Director and President, MISUMI Corporation (present position) Jun 2014: Representative Director, President and CEO, MISUMI Group Inc. Feb 2020: Representative Director and President, MISUMI Group Inc. (present position)</p>	420,000 shares
<p>Reason for nomination as Director: As Representative Director and President, Mr. Ryusei Ono has led the MISUMI Group to further growth as a global enterprise while formulating and implementing strategies to enhance the Company's corporate value in the medium to long-term perspective. He has used his wide-ranging experience and knowledge of our business activities, operations, production and other areas as the basis for appropriate and effective management decision-making and supervision. Mr. Ono has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p>			

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
3	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Re-Appointment</div> <p>Ichiro Otokozawa (August 22, 1955)</p>	<p>Apr 1979: Joined Nippon Kokan Corporation (currently JFE Engineering Corporation)</p> <p>Mar 1997: General Manager of President's Office, Santen Pharmaceutical Co., Ltd.</p> <p>Jul 1999: Corporate Officer, Santen Pharmaceutical Co., Ltd.</p> <p>Jun 2005: Director and Senior Corporate Officer, Santen Pharmaceutical Co., Ltd.</p> <p>May 2006: Senior Director, AlixPartners</p> <p>Jul 2007: Senior Director, Advent International Corporation</p> <p>Apr 2011: Director and CFO, Avon Products Co., Ltd (currently FMG & MISSION CO., LTD.)</p> <p>Dec 2013: Senior Corporate Officer and CFO, MISUMI Group Inc.</p> <p>Jun 2014: Executive Director and CFO, MISUMI Group Inc.</p> <p>Jul 2020: Executive Director, MISUMI Group Inc. (present position)</p> <p>Oct 2020: Chief Executive in charge of Europe and Americas Business, MISUMI Corporation (present position)</p>	10,500 shares
<p>Reason for nomination as Director:</p> <p>Mr. Ichiro Otokozawa has extensive experience as CFO for several companies and a wide-ranging track record as a manager of administrative and business units. He has appropriately and effectively carried out his executive, decision-making and supervisory roles as the CFO for the MISUMI Group and as the person responsible for head office administrative organization since December 2013, and as the person responsible for Europe and Americas Business since October 2020. Mr. Otokozawa has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p>			
4	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Re-Appointment</div> <p>Toshinari Sato (March 30, 1956)</p>	<p>Apr 1980: Joined Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation)</p> <p>Apr 2006: Joined i2 Technologies Japan Inc.</p> <p>Mar 2008: Representative Director and President, SGI Japan, Ltd.</p> <p>Feb 2010: Representative Director and Chairman, SGI Japan, Ltd.</p> <p>Apr 2010: Joined NIDEC Corporation</p> <p>Jun 2010: Corporate Officer CIO, NIDEC Corporation</p> <p>Jun 2012: Senior Corporate Officer CIO, NIDEC Corporation</p> <p>Oct 2016: Senior Corporate Officer CIO, MISUMI Group Inc.</p> <p>Oct 2016: Representative Corporate Officer responsible for IT Service Platform, MISUMI Group Inc. (present position)</p> <p>Jun 2018: Executive Director and CIO, MISUMI Group Inc. (present position)</p> <p>Sep 2020: Representative Corporate Officer responsible for Digital Transformation System Platform, MISUMI Group Inc. (present position)</p>	1,100 shares
<p>Reason for nomination as Director:</p> <p>Mr. Toshinari Sato has extensive experience as a business manager and CIO for several companies. As CIO for the MISUMI Group, he has shown excellent leadership in reforming and strengthening MISUMI Group's IT. Using his experience and knowledge, Mr. Sato has appropriately and effectively carried out his executive, decision-making and supervisory roles. Mr. Sato has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p>			

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
5	<div data-bbox="248 371 496 405" style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment</div> Tomoki Kanatani (October 20, 1967)	Apr 1991: Joined Kankaku Securities Co., Ltd. Apr 1992: Joined SADOSHIMA CORPORATION Jul 2000: Joined MISUMI Group Inc. Dec 2015: CEO, China Business Company, MISUMI Corporation Apr 2018: President, China Business Company, MISUMI Corporation (present position) Jul 2020: Senior Corporate Officer, MISUMI Group Inc. (present position)	9,000 shares
	Reason for nomination as Director: Mr. Tomoki Kanatani has participated in the Company's business for a long period of time, enhancing the foundation for the Company's sales, among other things. Since December 2015, Mr. Kanatani has demonstrated his leadership as the head of China Business Company and has been driving the growth of MISUMI Group's business in China, its largest overseas market. Mr. Kanatani has been nominated as a candidate for Director in the expectation that he will carry out appropriate and effective management decision-making and supervision using his experience and knowledge.		
6	<div data-bbox="248 943 496 976" style="border: 1px solid black; padding: 2px; display: inline-block;">New Appointment</div> Shigetaka Shimizu (November 28, 1971)	Apr 1995: Joined Okura & Co., Ltd. Apr 1999: Joined MISUMI Group Inc. Dec 2015: CEO, Asia Business Company, MISUMI Corporation. Apr 2018: President, Asia Business Company, MISUMI Corporation Jul 2020: Senior Corporate Officer, MISUMI Group Inc. (present position) Oct 2020: President, IM Business Company, MISUMI Corporation (present position)	25,700 shares
	Reason for nomination as Director: Mr. Shigetaka Shimizu has participated in the Company's business for a long period of time, playing core role in starting up the Company's business in China, among other things. Since December 2015, Mr. Shimizu has demonstrated his leadership as the head of Asia Business Company, driving the growth of MISUMI Group's business in Asia. In addition, since October 2020, Mr. Shimizu has been leading IM Business Company (responsible for the Company's FA business) as its Company President. Mr. Shimizu has been nominated as a candidate for Director in the expectation that he will carry out appropriate and effective management decision-making and supervision using his experience and knowledge.		

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's Shares
7	<div data-bbox="253 338 491 376" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Re-Appointment</div> <div data-bbox="253 398 491 461" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <p data-bbox="284 495 461 562">Yoichi Nakano (April 26, 1960)</p>	<p data-bbox="528 315 1241 371">May 1990: Joined International Finance Corporation, World Bank Group</p> <p data-bbox="528 376 1206 405">Jun 1996: Joined McKinsey & Company Incorporated, Japan.</p> <p data-bbox="528 409 1214 439">Jun 2003: Executive Search Consultant, Jomon Associates Inc.</p> <p data-bbox="528 443 1305 499">Aug 2011: Partner, Leadership Consulting, Heidrick & Struggles Japan, GK</p> <p data-bbox="528 504 1297 533">Jan 2013: Partner, Executive Search, Heidrick & Struggles Japan, GK</p> <p data-bbox="528 537 1310 593">Feb 2016: Representative Director and President, Chuuyou Corporation (present position)</p> <p data-bbox="528 598 1265 627">Jun 2019: Outside Director, MISUMI Group Inc. (present position)</p>	- Shares
	<p data-bbox="253 667 1031 696">Reason for nomination as Outside Director and outline of expected role:</p> <p data-bbox="253 701 1437 880">Mr. Yoichi Nakano has proactively provided opinions and advices and has supervised MISUMI Group's management from independent perspective as Outside Director since June 2019. Mr. Nakano has extensive experience in various industries on a global basis, namely, finance, consulting and executive search, as well as broad knowledge of Management personnel development. We nominate Mr. Nakano as a candidate for Outside Director, as it is expected that, with his experience and knowledge, he will continue to provide appropriate advices and supervision to strengthen our group management.</p>		
8	<div data-bbox="253 954 491 992" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Re-Appointment</div> <div data-bbox="253 1014 491 1077" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <p data-bbox="296 1111 448 1178">Arata Shimizu (June 1, 1972)</p>	<p data-bbox="536 931 963 960">Apr 1997: Joined Accenture Japan Ltd.</p> <p data-bbox="536 965 1090 994">Sep 2005: Executive Partner, Accenture Japan Ltd.</p> <p data-bbox="536 999 1305 1055">Jul 2015: Executive Officer, General Manager of Strategic Consulting Headquarters, Accenture Japan Ltd.</p> <p data-bbox="536 1059 1294 1115">Mar 2017: Representative Director, Vice President and COO, SEAOS Inc.</p> <p data-bbox="536 1120 1219 1149">Jun 2017: Outside Director, Interworks, Inc. (present position)</p> <p data-bbox="536 1153 1315 1209">Sep 2017: Outside Director, Trust Tech Inc. (currently BeNEXT-Yumeshin Group Co.) (present position)</p> <p data-bbox="536 1214 1273 1243">Jun 2020: Outside Director, MISUMI Group Inc. (present position)</p>	- Shares
	<p data-bbox="253 1283 1031 1312">Reason for nomination as Outside Director and outline of expected role:</p> <p data-bbox="253 1317 1398 1496">Mr. Arata Shimizu has proactively provided opinions and advices and has supervised MISUMI Group's management from independent perspective as Outside Director since June 2020. Mr. Arata has ample experience and broad knowledge through his extensive career in strategic consulting and business management. We nominate Mr. Arata as a candidate for Outside Director, as it is expected that he will continue to provide appropriate advices and supervision to strengthen our group management based on his experience and knowledge.</p>		

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
9	<div data-bbox="256 376 496 421" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">New Appointment</div> <div data-bbox="256 443 496 510" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <p data-bbox="256 533 496 600">Tomoharu Suseki (February 18, 1957)</p>	<p data-bbox="528 315 1303 763"> Apr 1979: Joined Sumitomo Electric Industries, Ltd. Jan 1997: Joined Raychem Corporation Nov 2001: Representative Director, Tyco Electronics Raychem K.K. Apr 2003: Executive Officer, D&M Holdings, Inc. Nov 2004: Representative Director, President and CEO, OCC Corporation Mar 2007: Executive Officer and COO, Sumida Corporation Sep 2010: Representative Executive Officer and President, Sumida Corporation Mar 2020: Director, Sumida Corporation (present position) Mar 2020: Chairman of the Risk Management Committee, Sumida Corporation (present position) Mar 2021: Member of the Nomination Committee and the Compensation Committee, Sumida Corporation (present position) </p>	- shares
<p data-bbox="252 819 1441 969"> Reason for nomination as Outside Director and outline of expected role: Mr. Tomoharu Suseki has held management positions of various global companies primarily in electronics field for many years and has extensive experience and broad knowledge in business management. We nominate Mr. Suseki as a candidate for Outside Director, as it is expected that he will provide appropriate advices and supervision to strengthen our group management based on his experience and knowledge. </p>			

Notes:

1. No special interests exist between the candidates and the Company.
2. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all the Directors of the Companies as the insured. The said insurance agreement shall compensate for damages and legal expenses to be borne by the insured. In the event that the candidates are appointed as Directors of the Company, they will become the insured under the said insurance agreement. The Company plans to renew the said insurance agreement with the same terms at the time of next renewal.
3. Information concerning the candidates for Outside Director is as follows.
 - (1) Candidates for Director Yoichi Nakano, Arata Shimizu and Tomoharu Suseki are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
 - (2) Mr. Yoichi Nakano and Mr. Arata Shimizu are designated as Independent Officers according to the rules set by the Tokyo Stock Exchange and said designation has been reported to the said stock exchange. Upon the approval of his appointment, Mr. Tomoharu Suseki will become an Independent Officer according to the rules set by the Tokyo Stock Exchange.
 - (3) Number of Years in Office:
 - ① Mr. Yoichi Nakano has been an Outside Director of the Company since June 2019 and will have served as such for about two (2) years upon the closing of the Meeting.
 - ② Mr. Arata Shimizu has been an Outside Director of the Company since June 2020 and will have served as such for about one (1) year upon the closing of the Meeting.
 - (4) Attendance to Board of Directors Meetings:
 - ① Mr. Yoichi Nakano attended 14 of the 14 meetings of the Board of Directors during the fiscal year under review and made inquiries and provided advice concerning proposals and discussions mainly from his professional perspective as a business manager.
 - ② Mr. Arata Shimizu attended 11 of the 11 meetings of the Board of Directors since he assumed the office on June 16, 2020 and made inquiries and provided advice concerning proposals and discussions mainly from his professional perspective as a business manager.

4. **Limited Liability Agreement with Outside Directors**
The Company has entered into Limited Liability Agreements with Mr. Yoichi Nakano and Mr. Arata Shimizu. These Agreements provide that the maximum amount for liability will be ¥10 million or an amount stipulated by law, whichever is higher. The Company will maintain Limited Liability Agreement with Mr. Yoichi Nakano and Mr. Arata Shimizu if approval is given for their reappointment. If appointment of Mr. Tomoharu Suseki is approved, the Company plans to enter into an agreement of the same kind with him.
5. MISUMI Group Inc. changed its trade name from MISUMI Shoji Co., Ltd. to MISUMI Corporation in May 1989 and from MISUMI Corporation to MISUMI Group Inc. in April 2005. Present MISUMI Corporation was established in April 2005 by means of a spin-off from present MISUMI Group Inc. and took over all business operations from MISUMI Group Inc.
6. SURUGA SEIKI CO., LTD. was renamed SURUGA Production Platform Co., Ltd. in January 2011. A subsidiary spun off from SURUGA Production Platform in January 2011 has taken over the name of SURUGA SEIKI CO., LTD., as well as the business operations of its Optical and Scientific Technology Division, which sells products related to optical equipment and factory automation (FA).
7. **Compensation Committee**
The Company has set up Compensation Committee as voluntary committee to decide compensation etc. for Directors of the Company. In the event that the appointment as Outside Directors of the Company is approved for each candidate, Outside Directors will compose the majority of the members of the Compensation Committee of the Company.

Proposal 3: Election of Two (2) Corporate Auditors

The term of office of Corporate Auditor Juichi Nozue and Nanako Aono will expire as of the end of the Meeting. Therefore, the Company proposes the election of the following two (2) Corporate Auditors.

The Board of Corporate Auditors has given its consent to this proposal.

Candidates for the position of Corporate Auditor are as follows.

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Re-Appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin-bottom: 5px;">Candidate for Outside Corporate Auditor</div> <p style="text-align: center;">Juichi Nozue (August 15, 1960)</p>	<p>Apr 1987: Registered as an attorney-at-law Dec 1990: Joined Kato Law and Patent Office (currently Shizuoka Nozomi Law and Patent Office) (present position) Mar 1996: Registered as an attorney-at-law in the State of New York, the United States of America Oct 1998: Registered as a patent attorney Jun 2000: Outside Corporate Auditor, SURUGA Production Platform Co., Ltd. Mar 2003: Outside Corporate Auditor, Shizuoka Gas Co., Ltd. Apr 2005: Outside Corporate Auditor, MISUMI Group Inc. (present position) Mar 2015: Outside Director, Shizuoka Gas Co., Ltd. (present position) Jun 2015: Outside Director (audit and supervisory committee member), LEC, INC. (present position) Jun 2018: Outside Director, AKASAKA Diesels Limited (present position)</p>	12,000 shares
<p>Reason for nomination as outside corporate auditor: Mr. Juichi Nozue has expertise and experience in legal affair as a lawyer and ample experience as Outside Director and Outside Corporate Auditor of the Company and other companies. He utilizes his expertise and experience as the basis for enhancing and strengthening the audit structure of the Company and fulfills his roles for fair and objective audit from an independent viewpoint. His nomination as an Outside Corporate Auditor reflects our judgment that he will continue to carry out the duties of that position appropriately going forward.</p>			

[Supplementary explanation regarding Number of Years in Office as an Outside Corporate Auditor]

Mr. Juichi Nozue has been an Outside Corporate Auditor of the Company since April 2005 and will have served as such for about sixteen (16) years and three (3) months upon the closing of the Meeting.

Mr. Juichi Nozue has the longest experience of auditing the Company among Corporate Auditors (of the Company) and has a deep understanding of the Company's corporate philosophy, business strategy, and operation, and has an understanding of how best the Company can contribute to the stakeholders, including shareholders. Based on such experience and understanding, Mr. Nozue has been quite vocal toward the Management in urging actions and raising awareness and has been applying his legal expertise in the Company's practices. In these regards, Mr. Nozue has been contributing to the Company in a way no other person can. Accordingly, the Company believes that going forward, he will be able to fulfill his role to carry out a fair and objective audit from an independent viewpoint. Ample experience as a Corporate Auditor which involves very complex and important duties is an element that will be beneficial to shareholders. Given that the term of appointment of other Outside Corporate Auditors and Outside Directors of the Company is relatively short, Mr. Nozue's long-term appointment as Outside Corporate Auditor will be contributory to the Company, rather than negatively affect the independence as Outside Corporate Auditor.

2	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Re-Appointment</div> <div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 2px auto;">Candidate for Outside Corporate Auditor</div> <p style="text-align: center;">Nanako Aono (October 1, 1964)</p>	<p>Apr 1984: Joined The Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)</p> <p>Nov 1995: Joined ChuoAoyama Audit Corporation</p> <p>Jul 2002: Joined Busicom Co., Ltd. (currently OAG Busicom Co., Ltd.)</p> <p>Mar 2005: Director, Busicom Co., Ltd.</p> <p>Jun 2008: Outside Corporate Auditor, DUSKIN CO., LTD.</p> <p>May 2010: Representative Director and President, GEN Co., Ltd. (present position)</p> <p>Jul 2017: Outside Corporate Auditor, MISUMI Group Inc. (present position)</p> <p>Jul 2019: Outside Corporate Auditor, Nippon Paper Industries Co., Ltd. (present position)</p> <p>Mar 2020: Outside Director, OPTEX GROUP CO., LTD. (present position)</p> <p>Mar 2021: Outside Corporate Auditor, MEIKO NETWORK JAPAN CO., LTD. (present position)</p>	—
	<p>Reason for nomination as outside corporate auditor:</p> <p>As a certified public accountant, Ms. Nanako Aono has a considerable degree of knowledge concerning financial accounting. She also has extensive insight, cultivated through her career as a business manager and Corporate Auditor. She utilizes her knowledge and insights for enhancing and strengthening the audit structure of the Company and fulfills her roles for fair and objective audit from an independent viewpoint. Her nomination as an Outside Corporate Auditor reflects our judgment that she will continue to carry out the duties of that position appropriately going forward.</p>		

Notes:

1. No special interests exist between the candidates and the Company.
2. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all the Corporate Auditors of the Company as the insured. The said insurance agreement shall compensate for damages and legal expenses to be borne by the insured. In the event that the candidates are appointed as Corporate Auditor of the Company, they will become the insured under the said insurance agreement. The Company plans to renew the said insurance agreement with the same terms at the time of next renewal.
3. Information concerning the candidates for Outside Corporate Auditor is as follows.
 - (1) Candidates for Corporate Auditor Juichi Nozue and Nanako Aono are candidates for Outside Corporate Auditor as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
 - (2) Mr. Juichi Nozue and Ms. Nanako Aono are designated as Independent Officers according to the rules set by the Tokyo Stock Exchange and said designation has been reported to the said stock exchange.
 - (3) Number of Years in Office:
 - ① Mr. Juichi Nozue has been an Outside Corporate Auditor of the Company since April 2005 and will have served as such for about sixteen (16) years and three (3) months upon the closing of the Meeting.
 - ② Ms. Nanako Aono has been an Outside Corporate Auditor of the Company since June 2017 and will have served as such for about four (4) year upon the closing of the Meeting.
 - (4) Attendance to Board of Directors Meetings and Board of Corporate Auditors Meetings:
 - ① Mr. Juichi Nozue attended 14 of the 14 meetings of the Board of Directors and 19 of the 19 meetings of the Board of Corporate Auditors during the fiscal year under review.
 - ② Ms. Nanako Aono attended 14 of the 14 meetings of the Board of Directors and 19 of the 19 meetings of the Board of Corporate Auditors during the fiscal year under review.
4. Limited liability agreement with Outside Auditor
The Company has entered into a limited liability agreement with Mr. Juichi Nozue and Ms. Nanako Aono. This agreement provides that the maximum amount for liability will be ¥5 million or an amount stipulated by law, whichever is higher. The Company will maintain the limited liability agreement if approval is given for their reappointment as Corporate Auditor.
5. SURUGA SEIKI CO., LTD. was renamed SURUGA Production Platform Co., Ltd., in January 2011.

Proposal 4: Issuance of Stock Options (Stock Acquisition Rights) as Stock-based Compensation for Directors (excluding Outside Directors) upon Retirement

The Company has been issuing stock options (stock acquisition rights) as stock-based compensation for the Company's Directors (excludes Outside Directors) upon retirement based on resolution of Board of Directors, up to ¥220 million per annum, as approved at the Company's 52nd General Shareholders Meeting held on June 13, 2014.

While the content of the stock option program remain unchanged, in order to comply with the Act Partially Amending the Companies Act (Act No. 70 of 2019; Effective March 1, 2021) and continue the current stock option program, the Company hereby requests approval on the issuance of the stock acquisition rights as described below up to ¥220 million per annum.

At the Company's 52nd General Shareholders Meeting held on June 13, 2014 it was approved that the maximum amount of compensation for the Company's Directors shall be ¥1,100 million per annum. That amount does not cover the stock acquisition rights described here, which would be issued under a separate facility. These stock options serve as compensation upon retirement and can only be exercised after retirement from the Company, and shall be referred to as Stock Option Plan A.

Under these stock options, the Company provides compensation of an amount equivalent to the paid-in amount to the Directors receiving an allocation of stock acquisitions rights. The Directors receiving an allocation of stock acquisition rights acquires the stock acquisition rights by offsetting the rights to seek compensation with the paid-in amount for the stock acquisition rights.

The Company requests that the Board of Directors be given the discretion to decide the individual amounts and details of compensation to be paid to each Director. Presently there are five (5) Directors (excluding Outside Directors). If Proposal 2 is approved, there will be six (6) Directors (excluding outside directors).

The following is a description of the stock acquisition rights issued under Stock Option Plan A.

<An Overview of Stock Acquisition Rights to be Issued under Stock Option Plan A>

(1) Total Number of Stock Acquisition Rights and Type and Number of Shares Subject to the Stock Acquisition Rights

1) Total Number of Stock Acquisition Rights

The maximum number of stock acquisition rights to be issued to Directors within one year from the day of the Company's Annual General Meeting of Shareholders for each fiscal year shall be 900.

2) Type and Number of Shares Subject to the Stock Acquisition Rights

The maximum number of stock acquisition rights to be allotted to directors within one year from the day of the Company's Annual General Meeting of Shareholders for each fiscal year shall be 90,000 of the Company's common shares.

The number of the Company's shares subject to the stock acquisition right ("Number of Shares to be Granted") shall be 100 shares per right.

Should the Company's common shares be split or merged or should the Company find it otherwise appropriate to adjust the Number of Shares to be Granted, the Company shall apply the treatment considered necessary.

(2) Monetary Value of Assets to be Contributed upon Exercise of the Stock Acquisition Rights

Stock acquisition rights are to be exercised in lieu of a cash investment. The monetary value of assets to be contributed for the exercise of one stock acquisition right is the amount obtained by multiplying the Number of Shares to be Granted by the price per share ("Exercise Price"). The Exercise Price shall be one yen per share.

Should the Company's common shares be split or merged or should the Company find it otherwise appropriate to adjust the Exercise Price after the allotment date, the Company shall

apply the treatment considered necessary.

(3) Exercise Period for the Stock Acquisition Rights

The exercise period shall be set forth in the Company's Board of Directors meeting and shall be within thirty (30) years from the day following the stock acquisition rights allotment date.

(4) Conditions for the Exercise of Stock Acquisition Rights

- 1) Directors who have received an allotment of stock acquisition rights may exercise those stock acquisition rights up to ten (10) days from the date they lose their status as a director or employee of the Company or a subsidiary or affiliate thereof.
- 2) Conditions other than those listed in 1) above for the exercise of stock acquisition rights shall be stipulated in an agreement regarding allotment of stock acquisition rights between the Company and Directors who have received an allotment of stock acquisition rights.

(5) Provisions regarding Acquisition of Stock Acquisition Rights

- 1) In the events that the proposal of any merger agreement under which the Company will be the dissolving company, any company split agreement or plan in which the Company will be the splitting company, or any share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary of another company is approval by the General Meeting of Shareholders (or, in case where approval by the General Meeting of Shareholders is not required, resolution by the Board of Directors), the Company may, on the date separately determined by the Board of Directors, acquire any Stock Acquisition Rights that have not been exercised as of that date without any compensation.
- 2) If a Director ceases to satisfy the conditions stipulated in (4) above to exercise the rights, the Company may, on the date separately determined by the Board of Directors, acquire any Stock Acquisition Rights held by such Director that have not been exercised as of that date without any compensation.

(6) Restriction on Acquiring Stock Acquisition Rights by Transfer

Transfer of Stock Acquisition Rights shall require approval of Board of Directors.

(7) Other Matters

Other matters related to stock acquisition rights shall be set forth at the Board of Directors meeting where matters for the subscription for stock acquisition rights are decided.

The Company has established "The Policy for Deciding the Details of Individual Compensation, etc. for the Directors" by the resolution of the Board of Directors as provided on page [42~43] of the Business Report. The Company plans to maintain the said Policy, since the Company considers the said Policy continues to be appropriate after the present proposal is approved. Under these stock options, certain amount of stock acquisition rights are provided to Directors (excluding Outside Director) according to their respective positions, with an aim to increase the motivation and morale of Directors toward improved business performance and increased corporate value over the medium- to long-term. As such, the Company believes these stock options are appropriate in light of the said Policy.

Proposal 5: Issuance of Stock Options (Stock Acquisition Rights) as Stock-based Compensation for Directors (excluding Outside Directors) as a Medium-term Incentive

Separately from the stock options (stock acquisition rights) as stock-based compensation upon retirement as described in Proposal 4, the Company has been issuing stock options (stock acquisition rights) as stock-based compensation as a medium-term incentive for the Company's Directors (excludes Outside Directors) based on resolution of Board of Directors, up to ¥630 million per annum, as approved at the Company's 52nd General Shareholders Meeting held on June 13, 2014. Similarly, while the content of this stock option program remains unchanged, in order to continue the same, the Company hereby requests approval on the issuance of the stock acquisition rights as described below up to ¥630 million per annum.

At the Company's 52nd General Shareholders Meeting held on June 13, 2014 it was approved that the maximum amount of compensation for the Company's Directors shall be ¥1,100 million per annum. That amount does not cover the stock acquisition rights described here, which would be issued under a separate facility. With an aim to increase the incentive for Directors toward improved business performance over the medium term, the exercise period for these stock options shall begin on the date three (3) years following, and end on the date ten (10) years following, the stock acquisition rights allotment date. These stock options shall be referred to as Stock Option Plan B.

Under these stock options, the Company provides compensation of an amount equivalent to the paid-in amount to the Directors receiving an allocation of stock acquisitions rights. The Directors receiving an allocation of stock acquisition rights acquires the stock acquisition rights by offsetting the rights to seek compensation with the paid-in amount for the stock acquisition rights.

The Company requests that the Board of Directors be given the discretion to decide the individual amounts and details of compensation to be paid to each Director. Presently there are five (5) Directors (excluding Outside Directors). If Proposal 2 is approved, there will be six (6) Directors (excluding outside directors).

The following is a description of the stock acquisition rights issued under Stock Option Plan B.

<An Overview of Stock Acquisition Rights to be Issued under Stock Option Plan B>

(1) Total Number of Stock Acquisition Rights and Type and Number of Shares Subject to the Stock Acquisition Rights

1) Total Number of Stock Acquisition Rights

The maximum number of stock acquisition rights to be issued to Directors within one year from the day of the Company's Annual General Meeting of Shareholders for each fiscal year shall be 2,000.

2) Type and Number of Shares Subject to the Stock Acquisition Rights

The maximum number of stock acquisition rights to be allotted to directors within one year from the day of the Company's Annual General Meeting of Shareholders for each fiscal year shall be 200,000 of the Company's common shares.

The number of the Company's shares subject to the stock acquisition right ("Number of Shares to be Granted") shall be 100 shares per right.

Should the Company's common shares be split or merged or should the Company find it otherwise appropriate to adjust the Number of Shares to be Granted, the Company shall apply the treatment considered necessary.

(2) Monetary Value of Assets to be Contributed upon Exercise of the Stock Acquisition Rights

Stock acquisition rights are to be exercised in lieu of a cash investment. The monetary value of assets to be contributed for the exercise of one stock acquisition right is the amount obtained by multiplying the Number of Shares to be Granted by the price per share ("Exercise Price"). The Exercise Price shall be one yen per share.

Should the Company's common shares be split or merged or should the Company find it otherwise appropriate to adjust the Exercise Price after the allotment date, the Company shall apply the treatment considered necessary.

(3) Exercise Period for the Stock Acquisition Rights

The exercise period shall begin on the date three (3) years following, and end on the date ten (10) years following, the stock acquisition rights allotment date.

(4) Conditions for the Exercise of Stock Acquisition Rights

- 1) Directors who have received an allotment of stock acquisition rights may exercise those stock acquisition rights, provided that they remain in office as a director or employee of the Company or a subsidiary or affiliate thereof. However, an individual who has lost said status after the commencement of the Exercise Period (See (3) above) may nevertheless exercise his or her allotted stock acquisition rights within two (2) years from the day following his or her date of resignation or retirement or until the Exercise Period for the stock acquisition rights expires, whichever occurs first.
- 2) Conditions other than those listed in 1) above for the exercise of stock acquisition rights shall be stipulated in an agreement regarding allotment of stock acquisition rights between the Company and Directors who have received an allotment of stock acquisition rights.

(5) Provisions regarding Acquisition of Stock Acquisition Rights

- 1) In the events that the proposal of any merger agreement under which the Company will be the dissolving company, any company split agreement or plan in which the Company will be the splitting company, or any share exchange agreement or share transfer plan in which the Company will be a wholly owned subsidiary of another company is approved by the General Meeting of Shareholders (or, in case where approval by the General Meeting of Shareholders is not required, resolution by the Board of Directors), the Company may, on the date separately determined by the Board of Directors, acquire any Stock Acquisition Rights that have not been exercised as of that date without any compensation.
- 2) If a Director ceases to satisfy the conditions stipulated in (4) above to exercise the rights, the Company may, on the date separately determined by the Board of Directors, acquire any Stock Acquisition Rights held by such Director that have not been exercised as of that date without any compensation.

(6) Restriction on Acquiring Stock Acquisition Rights by Transfer

Transfer of Stock Acquisition Rights shall require approval of Board of Directors.

(7) Other Matters

Other matters related to stock acquisition rights shall be set forth at the Board of Directors meeting where matters for the subscription for stock acquisition rights are decided.

The Company has established "The Policy for Deciding the Details of Individual Compensation, etc. for the Directors" by the resolution of the Board of Directors as provided on page [42~43] of the Business Report. The Company plans to maintain the said Policy, since the Company considers the said Policy continues to be appropriate after the present proposal is approved. Under these stock options, stock acquisition rights are provided to Directors (excluding Outside Director) within the defined scope, according to their respective positions based on evaluation of their contribution to their roles, with an aim to increase the motivation and morale of Directors toward improved business performance and increased corporate value over the medium- to long-term. As such, the Company believes these stock options are appropriate in light of the said Policy.

Business Report

From April 1, 2020 to March 31, 2021

1. Current Status of the MISUMI Group of Companies

(1) Business Activities, Results, Priorities

The global economy during FY2020 was impacted by the spread of COVID-19 infection throughout the entire fiscal year; notwithstanding, the economy in China recovered quickly primarily in the manufacturing industry, and business conditions in other overseas regions also improved from the latter half of the fiscal year with capital investment demand on a recovery trend. In Japan, although there were signs of recovery in some industries such as semiconductors at the end of the fiscal year, full-scale demand did not recover.

Even in such an economic environment, MISUMI Group is leveraging its unique business model, which encompasses both manufacturing and distribution businesses, and by advancing the business foundation that supports these businesses globally, we are contributing to the manufacturing industry worldwide by responding to customer's reliable quick delivery needs. Amidst the continued impact of COVID-19, we continued to steadily provide products meeting customers' reliable and quick delivery needs, by fully utilizing the strong business foundations built to date in IT, logistics, and production; as well as leveraging the global network. Although demand of overseas regions recovered gradually throughout the year, sales decreased slightly year-on-year due to the impact of sluggish business conditions in the first half. Profits, on the other hand, increased due to the effects of profitability improvement measures.

Consequently, consolidated net sales were ¥310,719 million (0.8% decrease year-on-year). In terms of profits, operating income was ¥27,199 million (15.1% increase year-on-year) owing to the thorough control of SG&A expenses by fundamentally eliminating inefficient operations, while carefully selected and continuing upfront investment essential for sustainable growth. Ordinary income was ¥27,189 million (17.0% increase year-on-year), and net income attributable to owners of parent was ¥17,138 million (3.8% increase year-on-year).

(Million yen)

	Net Sales			Operating Income		
	Previous Consolidated fiscal year	Current Consolidated fiscal year	Percentage Change (%)	Previous Consolidated fiscal year	Current Consolidated fiscal year	Percentage Change (%)
Factory Automation (FA) Business	99,403	102,244	2.9	12,578	16,115	28.1
Die Components Business	72,413	66,871	(7.7)	5,009	4,930	(1.6)
VONA Business	141,519	141,602	0.1	6,052	6,152	1.7
Total	313,337	310,719	(0.8)	23,640	27,199	15.1

Segment Information

① Factory Automation (FA) Business

In the FA business, in addition to China's strong performance throughout the year, other regions showed a recovery trend in the latter half of the fiscal year, with sales of ¥102,244 million (2.9% increase year-on-year). Operating income was ¥16,115 million (28.1% increase year-on-year) owing to the recovery of sales volume and thorough profitability improvement measures.

② Die Components Business

In the Die components business, although the automobile-related business showed a gradual recovery in the second half, it could not compensate for the shortfall in the first half with sales of ¥66,871 million (7.7% decrease year-on-year). Although the impact of the decrease in sales was mostly covered by restraining SG&A expenses, operating income was ¥4,930 million (1.6% decrease year-on-year).

③ VONA Business

VONA business is MISUMI Group's sales and distribution business of production facilities related components, production auxiliary materials, and MRO (consumable) products. This business segment includes MISUMI brand products, as well as third-party manufacturer's products. Despite the impact of sluggish capital investment in Japan, overseas sales were favorable on the whole, owing to reliable quick deliveries being bolstered as well as the cultivation of new customers. Sales was ¥141,602 million (0.1% increase year-on-year). Operating income was ¥6,152 million (1.7% increase year-on-year) due to the effects of eliminating inefficient operations, and price adjustments.

(2) Capital Investment and Financing

Capital investments made during the consolidated fiscal year ending March 31, 2021 amounted to ¥14,016 million. The main areas of investments were IT systems, logistic sites and production facilities. These investments were all self-financed. There were no significant sales or disposals of equipment and facilities.

(3) Challenges and Priorities

The assumption is that the global economy, including Japan, will continue to face an uncertain business environment due to the prolonged spread of the COVID-19 infection and the effects of the US-China conflict. However, in the industrial sector, greater demand for automation post-corona is anticipated globally.

MISUMI Group will continue to advance IT, logistics, and manufacturing business foundations to meet such customer needs, and further refining the "global reliable and quick delivery". In addition, the shift of resources to businesses with higher growth potential and profitability will be accelerated, striving to bring about innovation to the business model by bolstering responsiveness to changes taking place post-corona to the market structure and the competitive environment.

① Business domain expansion and global rollout

MISUMI Group is expanding its business domain and accelerating global rollout by maximizing its strength of possessing both manufacturing and distribution businesses.

In the manufacturing business, FA and Die components businesses are being rolled out globally. By providing services linked to the 3D CAD system in addition to conventional (paper) catalogs and the e-catalog, we are contributing to the improvement of convenience by significantly shortening the customer's equipment design and procurement process.

In the distribution business, the product lineup was expanded as part of the VONA business, including third-party brands and at the same time, forcefully propelling global expansion with our unique product lineup that matches our customer demand and characteristics. Through these efforts, we will continue to strengthen and expand our global customer base to realize future sustainable growth.

② Business Platform Innovation

To establish a competitive advantage, strengthening of the IT, logistics, and manufacturing business foundations continues. Despite investments in production and logistics were restrained in light of customer orders taking current demand trends into account, fundamental switch over of the core IT system, which is at the heart of MISUMI's business model, selective deployment of investments to reinforce the IT infrastructure prevails.

We will strive to further advance "global reliable and quick delivery" by continuing to innovate the business foundations.

③ Continuous improvement of profitability

MISUMI Group is proceeding with a shift to a stronger business structure in the wake of the COVID-19 pandemic. Specifically, elimination of inefficient operations through automation and IT, discontinuing the sale of products that do not meet the demands and characteristics of our customers, suspension of services, and setting appropriate prices that gives consideration to market competitiveness. We are striving to improve profitability through such measures.

Going forward, we will continue to accelerate the selection and concentration of businesses and services with high growth potential and profitability, thoroughly implement profit improvement measures from a medium- to long-term perspective and strive to establish a highly profitable structure to attain future sources of growth.

(4) Assets, Income

Item	Period	56 th Term (Year ended March 2018)	57 th Term (Year ended March 2019)	58 th Term (Year ended March 2020)	59 th Term (Year ended March 2021)
Net Sales	(Million yen)	312,969	331,936	313,337	310,719
Net Income attributable to owners of parent	(Million yen)	25,601	24,034	16,504	17,138
Earnings per share attributable to owners of the parent (basic)	(Yen)	91.01	84.80	58.18	60.36
Total assets	(Million yen)	243,492	252,393	264,684	288,921
Net assets	(Million yen)	186,719	205,424	211,630	233,569

Notes:

Effective from the 57th term (year ended March 2019), the presentation method has been changed following the application of "Partial Amendments to Accounting Standard for Tax Effect Accounting" (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018). Therefore, consolidated financial position as of March 31, 2018 has been presented by retroactively adjusting the figures to reflect such changes.

(5) Principal Business Operations

MISUMI Group companies are active in three business segments. The FA Business mainly supplies standardized components for automated equipment used in factory automation and other applications. The Die Components Business specializes primarily in die and mold parts used to manufacture automobiles and electronic devices. VONA Business sells third-party brand products alongside the MISUMI brand products, including parts for production equipment, ancillary production materials, and MRO (consumables), under a distribution business model.

(6) Status of Parent Company and Major Subsidiaries

1) Relation with the parent company:

Nothing to report.

2) Status of major subsidiaries

Company name	Capital	The Company's shareholding ratio (%)	Principal businesses
MISUMI Corporation	Million Yen 850	100.0%	FA Business Die Components Business VONA Business
SURUGA SEIKI CO., LTD.	Million Yen 100	100.0%	FA Business
SURUGA Production Platform Co., Ltd.	Million Yen 491	100.0%	FA Business Die Components Business VONA Business
MISHIMA SEIKI CO., LTD.	Million Yen 80	100.0% (100.0%)	Die Components Business
DAISEKI Co., Ltd.	Million Yen 10	100.0% (100.0%)	FA Business
MISUMI Investment (Shanghai) Co., Ltd.	Thousand RMB 608,542	100.0% (100.0%)	Holding company
MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD.	Thousand RMB 587,328	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI (Shanghai) Supply Chain Management Co., Ltd.	Thousand RMB 14,142	100.0% (100.0%)	Supply Chain Management
SURUGA SEIKI SALES & TRADING (SHANGHAI) CO., LTD.	Thousand RMB 25,325	100.0% (100.0%)	FA Business
MISUMI E.A.HK LIMITED	Thousand HKD 8,000	100.0% (100.0%)	FA Business Die Components Business VONA Business
SURUGA SEIKI (NANTONG) CO., LTD.	Thousand RMB 624,769	100.0% (100.0%)	FA Business
SURUGA SEIKI (SHANGHAI) CO., LTD.	Thousand RMB 112,992	100.0% (100.0%)	FA Business Die Components Business
SURUGA SEIKI (FOSHAN) CO., LTD.	Thousand RMB 27,915	100.0% (100.0%)	FA Business
Wuhan Dong Feng Connell Die & Mold Standard Parts Co., Ltd.	Thousand RMB 13,117	63.0% (63.0%)	Die Components Business
MISUMI TAIWAN CORP.	Thousand NTD 15,000	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI KOREA CORP.	Thousand KRW 700,000	100.0%	
SURUGA KOREA CO., LTD.	Thousand KRW 2,502,840	100.0% (100.0%)	FA Business
MISUMI Vietnam CO., LTD.	Million VND 405,237	100.0% (100.0%)	FA Business Die Components Business VONA Business
SAIGON PRECISION CO., LTD.	Thousand USD 95,200	100.0% (100.0%)	FA Business Die Components Business

Company name	Capital	The Company's shareholding ratio (%)	Principal businesses
MISUMI (THAILAND) CO., LTD.	Thousand THB 118,805	100.0% (100.0%)	FA Business Die Components Business VONA Business
SURUGA (THAILAND) CO., LTD.	Thousand THB 107,000	100.0% (100.0%)	Die Components Business
MISUMI INDIA Pvt. Ltd.	Thousand INR 1,878,720	100.0% (100.0%)	FA Business Die Components Business VONA Business
SURUGA India Pvt. Ltd.	Thousand INR 360,460	100.0% (99.7%)	Die Components Business
MISUMI SOUTH EAST ASIA PTE.LTD.	Thousand SGD 1,000	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI TREASURY SINGAPORE PTE. LTD.	Thousand US\$ 89,300	100.0% (99.9%)	Group Financial Business
MISUMI MALAYSIA SDN. BHD.	Thousand MYR 2,500	100.0% (100.0%)	FA Business Die Components Business VONA Business
PT. MISUMI INDONESIA	Million IDR 127,552	100.0% (100.0%)	
MISUMI USA, INC.	Thousand USD 4,900	100.0% (100.0%)	
MISUMI Investment USA Corporation	USD 100	100.0% (100.0%)	Holding company
Dayton Lamina Corporation	USD 1,000	100.0% (100.0%)	
Dayton Progress International Corporation	USD 2,500	100.0% (100.0%)	Die Components Business
Dayton Progress Corporation	Thousand USD 348	100.0% (100.0%)	
Anchor Lamina America, Inc.	USD 0	100.0% (100.0%)	Die Components Business
P.C.S. Company	Thousand USD 500	100.0% (100.0%)	
Connell Asia Limited LLC	Thousand USD 1,000	100.0% (100.0%)	Holding company
Connell Anchor America, Inc.	USD 0	100.0% (100.0%)	
Dayton Progress Canada, Ltd.	CAD 100	100.0% (100.0%)	Die Components Business
MISUMI Mexico S. de R.L. de C.V.	Thousand MXN 172,636	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI Mexico Service S. de R.L. de C.V.	Thousand MXN 107	100.0% (100.0%)	
Dayton Progress (Mexico), S. de R.L. de C.V.	Thousand MXN 148,982	100.0% (100.0%)	Die Components Business
Dayton Progress (Mexico) Services, S. de R.L. de C.V.	Thousand MXN 3	100.0% (100.0%)	

Company name	Capital	The Company's shareholding ratio (%)	Principal businesses
MISUMI Europa GmbH	Thousand EUR 6,500	100.0% (100.0%)	FA Business Die Components Business VONA Business
Dayton Progress GmbH	Thousand EUR 3,233	100.0% (100.0%)	Die Components Business
Dayton Progress SAS	Thousand EUR 440	100.0% (100.0%)	
Dayton Progress Ltd.	GBP 100	100.0% (100.0%)	
Dayton Progress-Perfuradores Lda	Thousand EUR 400	100.0% (100.0%)	
Dayton Progress s.r.o.	Thousand CZK 200	100.0% (100.0%)	

Notes:

1. The indirect shareholding ratios are included in parentheses under the Company's shareholdings.
2. Percentages of shares owned are rounded to one decimal place.

3) Status of designated wholly owned subsidiaries as of March 31, 2021

Name	Address	Total book value	Total assets
MISUMI Corporation	5-1, Koraku 2-chome, Bunkyo-ku, Tokyo	¥ 25,295 million	¥ 71,104 million

(7) Major Sales Offices and Business Sites

1) The Company

Name	Location	
Head Office	Tokyo	Bunkyo Ward

2) Subsidiaries

• Japan

Name	Location	
MISUMI Corporation	Tokyo	Bunkyo Ward
SURUGA SEIKI CO., LTD.	Shizuoka Prefecture	Shizuoka City
SURUGA Production Platform Co., Ltd.	Shizuoka Prefecture	Shizuoka City
MISHIMA SEIKI CO., LTD.	Shizuoka Prefecture	Sunto County
DAISEKI Co., Ltd.	Hyogo Prefecture	Kobe City

• Overseas

Name	Location	
MISUMI Investment (Shanghai) Co., Ltd.	China	Shanghai
MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD.	China	Shanghai
MISUMI (Shanghai) Supply Chain Management Co., Ltd.	China	Shanghai
SURUGA SEIKI SALES & TRADING (SHANGHAI) CO., LTD.	China	Shanghai
MISUMI E.A.HK LIMITED	China	Hong Kong
SURUGA SEIKI (NANTONG) CO., LTD.	China	Nantong
SURUGA SEIKI (SHANGHAI) CO., LTD.	China	Shanghai
SURUGA SEIKI (FOSHAN) CO., LTD.	China	Foshan
Wuhan Dong Feng Connell Die & Mold Standard Parts Co., Ltd.	China	Wuhan
MISUMI TAIWAN CORP.	Taiwan	Taipei
MISUMI KOREA CORP.	South Korea	Seoul
SURUGA KOREA CO., LTD.	South Korea	Gyeonggi-do
MISUMI Vietnam CO., LTD.	Vietnam	Bac Ninh
SAIGON PRECISION CO., LTD.	Vietnam	Ho Chi Minh
MISUMI (THAILAND) CO., LTD.	Thailand	Rayong
SURUGA (THAILAND) CO., LTD.	Thailand	Rayong
MISUMI INDIA Pvt. Ltd.	India	Gurgaon
SURUGA India Pvt. Ltd.	India	Gurgaon
MISUMI SOUTH EAST ASIA PTE. LTD.	Singapore	
MISUMI TREASURY SINGAPORE PTE. LTD.	Singapore	
MISUMI MALAYSIA SDN. BHD.	Malaysia	Selangor
PT. MISUMI INDONESIA	Indonesia	Jakarta
MISUMI USA, INC.	U.S.A.	Illinois
MISUMI Investment USA Corporation	U.S.A.	Delaware
Dayton Lamina Corporation	U.S.A.	Ohio
Dayton Progress International Corporation	U.S.A.	Ohio
Dayton Progress Corporation	U.S.A.	Ohio
Anchor Lamina America, Inc.	U.S.A.	Michigan
P.C.S. Company	U.S.A.	Michigan
Dayton Progress Canada, Ltd.	Canada	Ontario

Name	Location	
MISUMI Mexico S. de R.L. de C.V.	Mexico	Querétaro
MISUMI Mexico Service S. de R.L. de C.V.	Mexico	Querétaro
Dayton Progress (Mexico), S. de R.L. de C.V.	Mexico	Querétaro
Dayton Progress (Mexico) Services, S. de R.L. de C.V.	Mexico	Querétaro
MISUMI Europa GmbH	Germany	Frankfurt
Dayton Progress GmbH	Germany	Oberursel
Dayton Progress SAS	France	Meaux
Dayton Progress Ltd.	U.K.	Warwickshire
Dayton Progress-Perfuradores Lda	Portugal	Alcobaça
Dayton Progress s.r.o.	Czech Republic	Benátky nad Jizerou

(8) Employees

Number of employees	Change from the end of the previous fiscal year
11,682	(456)

Notes:

1. The number of employees is the number of employed staff and does not include part-time and temporary staff.
2. The total number of employees including part-time and temporary staff as of March 31, 2021 is 12,770.

(9) Major Lenders

There are no borrowings from financial institutions.

However, we have entered into a Commitment Line Agreement (credit line limit of ¥ 15.0 billion) with financial institutions.

(10) Policy on Decisions Concerning the Surplus Distribution, etc.

Nothing to report.

2. Matters Relating to the Shares of the Company

- (1) **Total number of authorized shares** 1,020,000,000 shares
- (2) **Total number of shares issued** 284,114,737 shares (excluding 129,760 treasury shares)
- (3) **Number of shareholders** 5,888

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held	Percentage of ownership (%)
CUSTODY BANK OF JAPAN, LTD.	49,153,800	17.3
THE MASTER TRUST BANK OF JAPAN, LTD.	35,411,500	12.5
SSBTC CLIENT OMNIBUS ACCOUNT	15,349,605	5.4
RBC IST 15 PCT LENDING ACCOUNT - CLIENT ACCOUNT	7,305,191	2.6
CUSTODY BANK OF JAPAN, LTD. (as trustee for Mizuho Bank Ltd. Retirement Benefit Trusts Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	6,678,500	2.4
THE BANK OF NEW YORK MELLON 140051	5,489,700	1.9
THE BANK OF NEW YORK MELLON 140044	4,491,817	1.6
STATE STREET BANK WEST CLIENT - TREATY 505234	4,292,056	1.5
BNYM AS AGT/CLTS 10 PERCENT	4,186,964	1.5
NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS	3,673,827	1.3

Notes:

- Treasury shares (129,760 shares) are excluded from the calculations of percentages of ownership.
- Percentages of shares owned are rounded to one decimal place.

3. Matters Relating to Stock Acquisition Rights

(1) Stock acquisition rights (Stock Options) held by Directors of the Company at the end of the fiscal year

	Stock Options Issue No. 20
Date of Resolution to Issue	June 13, 2014
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Share to be Issued upon the Exercise of Stock Options	21,900 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From November 8, 2014 to November 7, 2044
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 23
Date of Resolution to Issue	February 10, 2016
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	18,100 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From February 26, 2016 to February 25, 2046
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 26
Date of Resolution to Issue	September 15, 2016
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	15,400 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 4, 2016 to October 3, 2046
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 27
Date of Resolution to Issue	September 15, 2016
Number of Holders	
Directors of the Company (excluding outside officers)	2
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	37,700 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 3, 2019 to October 2, 2026
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 29
Date of Resolution to Issue	September 21, 2017
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	11,500 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 7, 2017 to October 6, 2047
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 30
Date of Resolution to Issue	September 21, 2017
Number of Holders	
Directors of the Company (excluding outside officers)	2
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	28,300 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 6, 2020 to October 5, 2027
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 32
Date of Resolution to Issue	June 21, 2018
Number of Holders	
Directors of the Company (excluding outside officers)	4
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	12,100 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 7, 2018 to July 6, 2048
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 33
Date of Resolution to Issue	June 21, 2018
Number of Holders	
Directors of the Company (excluding outside officers)	4
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	77,500 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 6, 2021 to July 5, 2028
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 35
Date of Resolution to Issue	June 20, 2019
Number of Holders	
Directors of the Company (excluding outside officers)	5
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	18,100 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 6, 2019 to July 5, 2049
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 36
Date of Resolution to Issue	June 20, 2019
Number of Holders	
Directors of the Company (excluding outside officers)	4
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	76,400 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 5, 2022 to July 4, 2029
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 38
Date of Resolution to Issue	June 25, 2020
Number of Holders	
Directors of the Company (excluding outside officers)	5
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	21,100 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 11, 2020 to July 10, 2050
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 39
Date of Resolution to Issue	June 25, 2020
Number of Holders	
Directors of the Company (excluding outside officers)	5
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	108,200 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 10, 2023 to July 9, 2030
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

(2) Stock acquisition rights (Stock Options) issued to certain employees of the Company, as well as to certain officers and employees of any subsidiaries during the fiscal year

	Stock Options Issue No. 40
Date of Resolution to Issue	March 12, 2021
Number of Individuals Granted Allotments	
Employees of the Company (excluding those who also serve as officers of the Company)	40
Officers and Employees of the Company's Subsidiaries (excluding those who also serve as officers or employees of the Company)	54
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	99,500 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From March 29, 2024 to March 28, 2031
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Holders of stock options must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the qualified individuals may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the individual no longer has said employment status when exercising the stock options.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and shall be as set forth in the "Stock Options Allotment Agreement" to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a holder of the stock options is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that stock option holder as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	—

4. Officers of the Company

(1) Directors and Corporate Auditors

Position	Name	Areas of Responsibility and Important Posts Held Concurrently
Representative Director and Chairman	Kosuke Nishimoto	
Representative Director and President	Ryusei Ono	Representative Director and President, MISUMI Corporation.
Executive Director	Ichiro Otokozawa	Chief Executive in charge of Europe and Americas Business, MISUMI Corporation.
CIO and Executive Director	Toshinari Sato	Representative Corporate Officer, Digital Transformation System Platform, MISUMI Group Inc.
Director	Tokuya Ikeguchi	
Director	Yoichi Nakano	Representative Director and President, Chuuyou Co., Ltd.
Director	Arata Shimizu	Outside Director, Interworks Inc. Outside Director, BeNEXT-Yumeshin Group Co.
Full-time Corporate Auditor	Hiroshi Miyamoto	Corporate Auditor, SURUGA Production Platform Co., Ltd. Corporate Auditor, SURUGA SEIKI CO., LTD.
Corporate Auditor	Juichi Nozue	Attorney at Law, Shizuoka Nozomi Law and Patent Office Outside Director, Shizuoka Gas Company. Outside Director (Audit and Supervisory Committee Member), LEC, INC. Outside Director, AKASAKA Diesels Limited.
Corporate Auditor	Nanako Aono	Representative Director and President, GEN Co., Ltd. Outside Corporate Auditor, Nippon Paper Industries Co., Ltd.. Outside Director, OPTEX GROUP CO., LTD. Outside Corporate Auditor, MEIKO NETWORK JAPAN CO., LTD.

Notes:

1. Directors Yoichi Nakano and Arata Shimizu are Outside Directors as stipulated in Article 2, Paragraph 15 of the Companies Act.
2. Corporate Auditors Juichi Nozue and Nanako Aono are Outside Corporate Auditors as stipulated in Article 2, Paragraph 16 of the Companies Act.
3. Corporate Auditor Juichi Nozue is qualified as an attorney at law.
4. Corporate Auditor Nanako Aono is qualified as a certified public accountant and has extensive experience and knowledge in the field of financial accounting.
5. The Company has designated Directors Yoichi Nakano and Arata Shimizu, and Corporate Auditors Juichi Nozue and Nanako Aono as Independent Officers as stipulated in the rules of the Tokyo Stock Exchange and submitted a notification to that effect to the Tokyo Stock Exchange.
6. Director Takehiko Ogi retired as of November 19, 2020.

(2) Amount of Compensation, etc., Paid to Directors and Corporate Auditors

1) Total Amount of Compensation, etc. Paid to Directors and Corporate Auditors

Category	Amount of compensation, etc. (Million yen)	Total amount of each type of compensation, etc. (Million yen)			Number of officers
		Basic Compensation	Performance-Linked Compensation (Bonuses)	Non-Monetary Compensation (Stock options)	
Directors (Outside Directors, subtotal)	633 (25)	288 (25)	41 (-)	303 (-)	8 (3)
Corporate Auditors (Outside Corporate Auditors, subtotal)	36 (16)	36 (16)	- (-)	- (-)	3 (2)
Total	669	324	41	303	11

2) Matters pertaining to Performance-Linked Compensation

The Company provides Bonuses to Directors as performance-linked compensation. The amount of performance-linked compensation is calculated based on the consolidated ordinary income and dividends amount, etc. of each consolidated fiscal year, in order to increase the motivation toward improved business performance for each consolidated fiscal year. The amount of compensation for each Director is decided, taking all these factors into consideration. The performance indicators and result thereof for this consolidated fiscal year are stated in Consolidated Statement of Income on page [51] as for consolidated ordinary income, and in Proposal 1 on page [4] as for the amounts of dividends.

3) Details of Non-Monetary Compensation

The Company provides stock options to Directors. The aim is continuous increase of corporate value by creating stronger value sharing with shareholders through shareholding. Details and status of such stock options are stated above in “(3) Matters relating to Stock Acquisition Rights” on page [27~38].

4) Matters pertaining to Resolutions of General Shareholders Meeting on Compensation for Directors and Corporate Auditors

By resolution of the 52nd Annual General Meeting of Shareholders held on June 13, 2014, the total amount of compensation for Directors shall not exceed ¥1,100 million per annum (including a maximum of ¥40 million for Outside Directors). This does not include Directors' salaries as employees of the Company or stock acquisition rights issued as stock options. The number of Directors at the end of the said Annual General Meeting of Shareholders is 7 (including 1 Outside Director).

Separately from the above compensation, by resolution of the 52nd Annual General Meeting of Shareholders held on June 13, 2014, stock options (stock acquisition rights) as stock-based compensation upon retirement (Stock Option Plan A) shall not exceed ¥220 million per annum and stock options (stock acquisition rights) as stock-based compensation as a medium-term incentive (Stock Option Plan B) shall not exceed ¥630 million per annum. Outside Directors are excluded from both Plans. The number of Directors at the end of the said Annual General Meeting of Shareholders is 7 (including 1 Outside Director).

By resolution of the of the 31st Annual General Meeting of Shareholders held on June 28, 1993, the total amount of compensation for Corporate Auditors shall not exceed ¥50 million per annum. The number of Corporate Auditors at the end of the said Annual General Meeting of Shareholders is 2.

5) Matters pertaining to the Policy for Deciding the Details of Individual Compensation, etc. for the Directors

The Company established “the Policy for Deciding the Details of Individual Compensation, etc. for the Directors” (the “Policy”) at the Board of Directors Meeting held on February 18, 2021 as below.

It should be noted that, in deciding individual compensation for Directors, Compensation Committee conducts deliberation from various perspectives, including the consistency with the Policy, through mutual consultation among the members. Therefore, it is deemed by the Board of Directors that such decisions are consistent with the Policy.

The Policy for Deciding the Details of Individual Compensation, etc. for the Directors

1. Basic Policy and Composition of Compensation for Directors

Regarding the amount of compensation of Directors, the Company’s policy is to provide appropriate compensation in light of experience, market standard and contribution. Specifically, the compensation of Directors shall be composed of “Basic Compensation” which is fixed amount, “Performance-Linked Compensation”, the amount of which may vary depending on the Company’s performance, and “Stock Options” as non-monetary compensation. With respect to Outside Directors, who are independent from executory function, the Company provides Basic Compensation only from the viewpoint of their function and independence.

(1) Basic Compensation

With respect to the Basic Compensation, the amount shall be decided according to the role and position of each Director, taking into consideration the market standard, etc., and provided as monthly fixed compensation.

(2) Performance-Linked Compensation (Bonuses)

The amount of Performance-Linked Compensation shall be decided taking into consideration the consolidated ordinary income and dividends amount, etc. of each consolidated fiscal year, in order to increase the motivation toward improved business performance for each consolidated fiscal year. Performance-Linked Compensation shall be provided as bonuses at certain timing of each year.

(3) Non-Monetary Compensation (Stock Options)

Non-Monetary Compensation shall be stock option with an aim to increase the motivation and morale of Directors toward improved business performance and increased corporate value over the medium- to long-term. The stock options shall consist of stock-based compensation upon retirement (Stock Option Plan A) and stock-based compensation as a medium-term incentive (Stock Option Plan B). As for Plan A, certain amount of stock acquisition rights will be provided according to the position of each Director. As for Plan B, stock acquisition rights will be provided within the defined scope, according to their respective positions based on evaluation of their contribution. Under both Plans, the stock acquisition rights are provided at certain timing of each year.

2. Proportion of Basic Compensation, Performance-Linked Compensation and Non-Monetary Compensation

The Company shall set the proportion of compensation appropriately, considering the Company’s strategy/business environment, role/position, and medium, long term incentives, etc., with reference to compensation standard using benchmark companies with similar size, business

area, etc. The amount of Performance-Linked Compensation and Plan B stock options may vary, or may not be provided at all, depending on the performance and evaluation result.

3. Process of Deciding Individual Compensation, etc. of Directors

With respect to individual compensation and other matters relating to the compensation of Directors, Representative Director and President of the Company shall make proposal, and Compensation Committee comprised of Outside Director, Representative Director and Chairman, Representative Director and President (with Outside Director being the chairman of the Committee) shall make decision through mutual consultation among its members. For issuing stock options, resolution of Board of Directors shall also be obtained, in addition to the decision by Compensation Committee.

End

6) Matters pertaining to Delegation of Decision on Individual Compensation, etc. of Directors

With respect to individual compensation and other matters relating to the compensation of Directors concerning the fiscal year under review, Representative Director and President Ryusei Ono made proposal, and the Compensation Committee, comprised of Outside Director Yoichi Nakano, Outside Director Takehiko Ogi, Representative Director and Chairman Kosuke Nishimoto, Representative Director and President Ryusei Ono, made decision through mutual consultation among its members. The reason for delegating decision-making authority to Compensation Committee is to enhance transparency and accountability regarding decision-making on compensation. For issuing stock options, the conditions such as number of units were deliberated and decided by Compensation Committee, and resolution of Board of Directors were obtained.

(3) Matters Pertaining to Outside Officers

1) Relationships between the Company and Other Corporations in which Positions are Held

There are no significant business relationships, etc., between the Company and other corporations in which Outside Directors and Outside Corporate Auditors concurrently hold important positions.

2) Main Activities in the Fiscal Year Ended March 31, 2021

Name	Main Activities
Takehiko Ogi (Outside Director)	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors, and overview of the duties performed concerning expected role: Mr. Ogi attended 9 out of 10 meetings of the Board of Directors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management, and has supervised MISUMI Group's management from independent perspective. • Business policies changed as a result of input from Mr. Ogi: Nothing to report. • Summary of actions by Mr. Ogi in response to any misconduct, etc., involving the Company: Nothing to report.

Name	Main Activities
Yoichi Nakano (Outside Director)	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors, and overview of the duties performed concerning expected role: Mr. Nakano attended 14 out of 14 meetings of the Board of Directors during fiscal year under review and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management, and has supervised MISUMI Group's management from independent perspective. • Business policies changed as a result of input from Mr. Nakano: Nothing to report. • Summary of actions by Mr. Nakano in response to any misconduct, etc., involving the Company: Nothing to report.
Arata Shimizu (Outside Director)	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors, and overview of the duties performed concerning expected role: Mr. Shimizu attended 11 out of 11 meetings of the Board of Directors held after his appointment on June 16, 2020 and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management, and has supervised MISUMI Group's management from independent perspective. • Business policies changed as a result of input from Mr. Shimizu: Nothing to report. • Summary of actions by Mr. Shimizu in response to any misconduct, etc., involving the Company: Nothing to report.
Juichi Nozue (Outside Corporate Auditor)	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors and Board of Corporate Auditors: Mr. Nozue attended 14 out of 14 meetings of the Board of Directors and 19 out of 19 meetings of the Board of Corporate Auditors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, mainly from his professional perspective as an attorney at law. • Business policies changed as a result of input from Mr. Nozue: Nothing to report. • Summary of actions by Mr. Nozue in response to any misconduct, etc., involving the Company: Nothing to report.
Nanako Aono (Outside Corporate Auditor)	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors and Board of Corporate Auditors: Ms. Aono attended 14 out of 14 meetings of the Board of Directors and 19 out of 19 meetings of the Board of Corporate Auditors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, mainly from her professional perspective as a certified public accountant. • Business policies changed as a result of input from Ms. Aono: Nothing to report. • Summary of actions by Ms. Aono in response to any misconduct, etc., involving the Company: Nothing to report.

Note: For Outside Director Takehiko Ogi, activities until his retirement on November 19, 2020 is provided in the above.

3) Outline of Limited Liability Agreements

The Company has stipulated rules concerning Limited Liability Agreements with Outside Directors and Outside Corporate Auditors in Article 29, Paragraph 2, and Article 39, Paragraph 2, of its Articles of Incorporation.

The following is an outline of the Limited Liability Agreements that the Company concluded with all of the Outside Directors and Outside Corporate Auditors based on the provisions of the Articles of Incorporation.

Classification	Outline of Limited Liability Agreements
Outside Directors	The Company entered into an agreement with Outside Directors to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act, to ¥10 million or the amount stipulated by law, whichever is higher, based on the provisions set forth under Article 427, Paragraph 1 of the Companies Act.
Outside Corporate Auditors	The Company entered into an agreement with Outside Corporate Auditors to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act, to ¥5 million or the amount stipulated by law, whichever is higher, based on the provisions set forth under Article 427, Paragraph 1 of the Companies Act.

4) Compensation amount received by officers from subsidiaries of the Company during the fiscal year ended March 31, 2021:

Nothing to report.

(4) Outline of Directors and Officers Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which shall compensate for damages and legal expenses to be borne by the insured.

The insured under the said directors and officers liability insurance agreement are the past, current and future directors, corporate auditors, executive officers, accounting advisors and corporate officers (including individuals having the position equivalent to these under applicable laws) as well as employees with managerial or supervisory capacity (including full-time, part time and seasonal employees). Insurance fees for all the insured are borne by the Company.

5. Independent Auditor

(1) Name of the Independent Auditor of the Company

Deloitte Touche Tohmatsu LLC

(2) Outline of the Limited Liability Agreement

Nothing to report.

(3) Outline of the Indemnity Agreement

Nothing to report.

(4) Amounts of Audit Fee, etc., to be Paid to the Independent Auditor for the Fiscal Year under Review

- | | |
|---|-------------|
| 1) Audit fee under Article 2, Paragraph 1 of the Certified Public Accountants Act | ¥91 million |
| 2) Sum of cash or other assets payable by the Company and/or its subsidiaries | ¥94 million |

The Company's major overseas subsidiaries were audited by Deloitte Touche Tohmatsu.

Notes:

1. Audit fee under Article 2, Paragraph 1 of the Certified Public Accountants Act is the sum of fee paid for the audit by the independent auditor under the Companies Act and fee paid for the audit under the Financial Instruments and Exchange Act.
2. The Board of Corporate Auditors has concluded that the amount of audit fee paid to the independent auditor is appropriate and approved the payment under the provisions Article 399 Paragraph 1 of the Companies Act, after checking and examining an outline of the audit plan, the performance of work by the independent auditor, and the basis for the calculation of the estimated amount of audit fee.

(5) Non-audit duties

The Company pays consideration to Independent Auditor for advice and guidance pertaining to accounting, duties which do not fall under the stipulations of Article 2, Paragraph 1 of the Certified Public Accountants Act (non-audit duties).

(6) Policy on Decisions by the Company Concerning the Dismissal or Non-reappointment of the Independent Auditor

The Company's Board of Corporate Auditors will deliberate concerning the dismissal or non-reappointment of the independent auditor if this becomes necessary due to the Company's circumstances, or if there is factual evidence that any of the items in Article 340 Paragraph 1 of the Companies Act applies to the independent auditor.

If as a result of these deliberations the Board of Corporate Auditors determines that dismissal or non-reappointment would be appropriate, the Board of Corporate Auditors will decide to submit a proposal for the dismissal or non-reappointment of the independent auditor to a General Meeting of Shareholders and determine the content of said proposal, in accordance with the Company's Board of Corporate Auditors Regulations.

6. The Company's Systems and Policies

(1) Systems to Ensure that the Company's Business Operations are Conducted in Compliance with Laws, Regulations and the Articles of Incorporation, Other Systems to Ensure that Company's Business Operations are Conducted in an Appropriate Manner

The Company's Board of Directors, at its meeting held on May 14, 2015, adopted a resolution on the Basic Policy on Internal Control Systems, as stipulated on Article 362, Paragraph 4, Item 6 of the Companies Act, and Article 100, Paragraphs 1 and 3 of the Companies Act Enforcement Ordinance. The content of that policy is as follows.

- ① Systems for the retention and management of information concerning the execution of Directors' duties
 - Minutes for meetings of the Board of Directors, the Group Officers' Committee and other important meetings will be compiled and retained appropriately, as stipulated by laws, regulations and rules.
- ② Rules and other systems pertaining to management of risks that could cause losses to the Company or its subsidiaries
 - Various regulations, internal rules, manuals, and risk management systems will be formulated to address risks faced by MISUMI Group Inc. and its subsidiaries (hereinafter referred to collectively as the "MISUMI Group"), including risks relating to regulatory compliance, the environment, information, export controls and natural disasters.
 - Task forces will be established to take timely action and report to the Board of Directors in the event of unforeseen contingencies affecting the MISUMI Group.
- ③ Systems to ensure the efficient execution of duties by Directors of the Company and its subsidiaries
 - Management plans will be subject to final approval by the Board of Directors, and progress on such plans will be monitored at monthly meetings of the Group Officers' Committee.
 - Important issues identified through the monitoring of progress on management plans, or through other processes, will be discussed at meetings of the Board of Directors or the Group Officers' Committee, etc.
 - At its monthly meetings, the Board of Directors will hear reports, monitor business results, and provide advice and guidance on important matters.
- ④ Systems to ensure that the duties of Directors and employees of the Company and its subsidiaries are performed in accordance with laws, regulations and the Articles of Incorporation
 - Directors and employees of the MISUMI Group will ensure observance of the MISUMI Group Code of Conduct and compliance with laws, regulations, and the Company's Articles of Incorporation.
 - Systems has been established to ensure that duties are carried out appropriately in accordance with the occupational authority rules and other decision-making rules of the MISUMI Group.
 - An internal reporting ("whistleblowing") system has been established for the entire MISUMI Group to ensure the early discovery of actual or suspected violations of laws, regulations and/or internal rules. Steps will be taken to guarantee that whistleblowers will not be disadvantaged.
- ⑤ Systems for ensuring that the business operations of the Company and the subsidiaries that make up the Group are conducted appropriately, including systems for reporting to the Company on the execution of duties by the subsidiaries' directors, etc.
 - MISUMI Group Inc. will require each subsidiary to submit a monthly report concerning its business execution and operations.

- MISUMI Group Inc will ensure the appropriateness of the business operations of each subsidiary by obtaining business reports and monitoring progress on management plans at Group Officers' Committee meetings.
 - The business operations of each subsidiary will be audited regularly by the Internal Audit Department.
 - Provisions will be included in the MISUMI Group Code of Conduct requiring the repudiation of relationships with antisocial forces, and resolute opposition to such forces by the entire MISUMI Group.
- ⑥ Matters pertaining to employees who assist the Company's Corporate Auditors
- Corporate Auditors will be free to appoint audit assistants and will be involved in transfers and evaluations, etc., of audit assistants.
 - When assisting the Corporate Auditors in the performance of their activities, audit assistants will act in accordance with instructions from the Corporate Auditors.
- ⑦ Systems for reporting to the Company's Corporate Auditors
- The Corporate Auditors will attend important meetings, including meetings of the Board of Directors and the Group Officers' Committee. Directors and employees will inform the Corporate Auditors immediately of any situation that could have a serious impact on the MISUMI Group, or of the risk that such a situation might arise.
 - Officers and employees of the MISUMI Group will provide accurate reports about the execution of their duties at the request of the Corporate Auditors.
 - The Corporate Auditors will meet regularly with the independent auditor and the Internal Audit Department to share opinions and information. Corporate Auditors will seek reports from the independent auditor whenever necessary.
 - The unit in charge of the internal reporting ("whistleblowing") system will report on a regular basis to the Corporate Auditors about the status of internal reporting within the MISUMI Group.
 - A guarantee will be provided to the effect that no officer or employee of the MISUMI Group who reports to the Corporate Auditors will be disadvantaged as a result of that action.
- ⑧ Matters pertaining to policies concerning the treatment of costs resulting from the execution of duties by Corporate Auditors of the Company
- A fixed budget will be provided each year for costs, etc., incurred in the execution of duties by the Corporate Auditors. Any other essential costs incurred by the Corporate Auditors in the execution of their duties will be either paid in advance or settled promptly on request from the Corporate Auditors.

(2) Administration of Systems to Ensure the Appropriateness of Business Operations

The Company has adopted a Basic Policy on Internal Control Systems and created systems to ensure that business operations are carried out appropriately. This Basic Policy is revised as necessary to reflect environmental changes within or beyond the Company. As noted above, the system was amended by a resolution of the Board of Directors at its meeting on May 14, 2015 to reflect the amendment of the Company Act.

The Company reviewed the administration of its Basic Policy on Internal Control Systems in the year ended March 31, 2019. This review confirmed that the policy is being implemented appropriately, and that there are no significant problems.

The main actions pertaining to internal control systems during the year ended March 31, 2019 were as follows.

- The Company's Board of Directors held 14 meetings during the fiscal year ended March 31, 2019. The Board of Directors and the Group Officers' Committee made important decisions and appropriately performed other functions, such as the monitoring, supervision and guidance of the operations of business units, divisions, platforms and subsidiaries.
- Comprehensive risk assessments have been carried out at key MISUMI Group sites. Based on the results of these assessments, which covered such aspects as the executions of business operations, information, financial management, human resource management, and legal affairs, the Company nominates the principal department in-charge which addresses identified risks going forward. As part of such efforts, the Company has a Business Continuity Plan (BCP) in place, to deal with crisis/ emergency situations, providing appropriate response measures in dealing with the COVID-19 pandemic.
- Compliance and legal affairs training are carried out at all major sites of the MISUMI Group. During this training employees are made fully aware of the MISUMI Group's Code of Conduct and legal compliance.
- An internal reporting ("whistleblowing") system has been established and administered appropriately across the entire MISUMI Group.
- Corporate Auditors / Board of Corporate Auditors' auditing environment is being enhanced through interview opportunities with Directors, including Outside Directors, and coordination with administration departments and in addition, appointment of a full-time corporate auditor for the Subsidiary. Corporate Auditor's support arrangement is operationally stable.

(3) Basic Policy Concerning Control of the Joint-Stock Corporation

Nothing to report.

* Amounts or numbers of shares provided in this Business Report have been truncated if less than the indicated unit.

Consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	203,976	Current liabilities	42,591
Cash and deposits	72,428	Notes and accounts payable - trade	19,458
Notes and accounts receivable - trade	71,687	Lease obligations	1,208
Merchandise and finished goods	46,329	Accounts payable - other	8,024
Work in process	2,513	Income taxes payable	2,775
Raw materials and supplies	6,501	Provision for bonuses	3,571
Income tax receivable	99	Provision for directors' bonuses	41
Other	4,693	Other	7,510
Allowance for doubtful accounts	(277)	Long-term liabilities	12,760
		Lease obligations	2,874
		Deferred tax liabilities	845
		Liabilities for retirement benefits	6,811
		Other	2,228
Non-current assets	84,945	Total liabilities	55,351
Property, plant and equipment	42,488		
Buildings and structures	14,314		
Machinery, equipment and vehicles	15,808		
Land	3,950	(Net assets)	
Right-of-use assets	3,633	Shareholders' equity	227,929
Construction in progress	2,252	Common stock	13,436
Other	2,529	Capital surplus	23,791
Intangible assets	31,781	Retained earnings	190,779
Software	26,215	Treasury stock	(78)
Other	5,565	Accumulated other comprehensive income	(3,217)
		Foreign currency translation adjustments	(3,371)
Investments and other assets	10,675	Defined retirement benefit plans	(153)
Investment securities	6	Stock acquisition rights	1,787
Deferred tax assets	6,094	Non-controlling interests	634
Other	4,917	Total net assets	233,569
Allowance for doubtful accounts	(343)	Total liabilities and net assets	288,921
Total assets	288,921		

Consolidated Statement of Income
(From April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	Amount	
Net Sales		310,719
Cost of sales		175,841
Gross profit		134,878
Selling, general and administrative expenses		107,679
Operating income		27,199
Non-operating income		
Interest income	306	
Share of profit of entities accounted for using equity method	29	
Miscellaneous income	343	678
Non-operating expenses		
Interest expenses	67	
Sales discounts	77	
Foreign exchange losses	256	
Loss on retirement of non-current assets	129	
Miscellaneous losses	156	688
Ordinary income		27,189
Extraordinary losses		
Loss on sale of fixed assets	392	
Impairment loss	3,300	3,693
Income before income taxes		23,496
Income taxes - current	7,008	
Income taxes - deferred	(689)	6,319
Net income		17,176
Net income attributable to non-controlling interests		38
Net income attributable to owners of parent		17,138

Consolidated Statements of Changes in Equity

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2019	13,231	23,586	177,317	(78)	214,057
Changes of items during the consolidated fiscal year					
Issuance of new shares	205	205	—	—	410
Dividends of surplus	—	—	(3,676)	—	(3,676)
Net income attributable to owners of parent	—	—	17,138	—	17,138
Sale of treasury stock	—	—	—	(0)	(0)
Disposition of treasury stock	—	0	—	0	0
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the consolidated fiscal year	205	205	13,462	(0)	13,871
Balance as of March 31, 2021	13,436	23,791	190,779	(78)	227,929

(Millions of yen)

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income			
Balance as of April 1, 2020	(4,455)	(88)	(4,543)	1,560	555	211,630
Changes of items during the consolidated fiscal year						
Issuance of new shares	—	—	—	—	—	410
Dividends of surplus	—	—	—	—	—	(3,676)
Net income attributable to owners of parent	—	—	—	—	—	17,138
Sale of treasury stock	—	—	—	—	—	(0)
Disposition of treasury stock	—	—	—	—	—	0
Net changes of items other than shareholders' equity	7,826	(65)	7,761	226	79	8,067
Total changes of items during the consolidated fiscal year	7,826	(65)	7,761	226	79	21,939
Balance as of March 31, 2021	3,371	(153)	3,217	1,787	634	233,569

Non-consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	31,422	Current liabilities	4,923
Cash and deposits	17,549	Accounts payable - other	2,620
Accounts receivable - other	3,079	Deposits received from subsidiaries and affiliates	1,252
Deposits paid to subsidiaries and associates	9,225	Income taxes payable	259
Other	1,568	Provision for bonuses	598
		Provision for directors' bonuses	41
		Other	151
		Long-term liabilities	1,544
		Provision for retirement benefits	1,497
		Other	47
Non-current assets	39,681	Total liabilities	6,468
Investments and other assets	39,681	(Net assets)	
Shares of subsidiaries and associates	32,320	Shareholders' equity	62,848
Long-term loans receivable from subsidiaries and associates	6,093	Common stock	13,436
Deferred tax assets	1,158	Capital surplus	20,692
Other	110	Legal capital surplus	20,134
		Other capital surplus	557
		Retained earnings	28,800
		Legal retained earnings	402
		Other retained earnings	28,397
		General reserve	27,400
		Retained earnings brought forward	997
		Treasury stock	(80)
		Stock acquisition rights	1,787
		Total net assets	64,636
Total assets	71,104	Total liabilities and net assets	71,104

Non-consolidated Statement of Income

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	Amount	
Operating revenue		22,120
Operating expenses		18,441
		<hr/>
Operating income		3,679
Non-operating income		
Interest income	114	
Commission received	341	
Miscellaneous income	1	456
	<hr/>	
Non-operating expenses		
Interest expenses	0	
Foreign exchange losses	0	
Miscellaneous losses	1	1
	<hr/>	<hr/>
Ordinary income		4,134
Income before income taxes		4,134
Income taxes - current	427	
Income taxes - deferred	(213)	214
	<hr/>	<hr/>
Net income		3,920

Non-consolidated Statements of Changes in Equity

(From April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance as of April 1, 2020	13,231	19,929	557	20,486	402	27,400	753	28,555
Changes of items during the fiscal year								
Issuance of new shares	205	205	—	205	—	—	—	—
Dividends of surplus	—	—	—	—	—	—	(3,676)	(3,676)
Net income	—	—	—	—	—	—	3,920	3,920
Sale of treasury stock	—	—	(0)	(0)	—	—	—	—
Disposition of treasury stock	—	—	—	—	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes of items during the fiscal year	205	205	0	205	—	—	244	244
Balance as of March 31, 2021	13,436	20,134	557	20,692	402	27,400	997	28,800

(Millions of yen)

	Shareholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity		
Balance as of April 1, 2020	(79)	63,140	1,331	64,472
Changes of items during the fiscal year				
Issuance of new shares	—	410	—	410
Dividends of surplus	—	(3,676)	—	(3,676)
Net income	—	3,920	—	3,920
Sale of treasury stock	(0)	(0)	—	(0)
Disposition of treasury stock	0	0	—	0
Net changes of items other than shareholders' equity	—	—	226	226
Total changes of items during the fiscal year	(0)	(653)	226	880
Balance as of March 31, 2021	(80)	62,848	1,787	64,636