

**MISUMI Group Inc.**  
**FY2020 1Q consolidated financial results**

**~Spread of COVID-19 infection greatly impacted on the reduction of manufacturing industry's operations and capital investments, business model innovation continued to strengthen the global reliable and quick delivery system~**

MISUMI Group Inc. announced its consolidated financial results for FY2020 1Q (April 1, 2020- June 30, 2020) today. Major performance measures are as follows.

(Million yen)	FY2019 1Q	<b>FY2020 1Q</b>	YoY change
Net sales	79,042	<b>70,481</b>	-10.8%
Operating income before amortization of goodwill*	5,998	<b>4,310</b>	-28.1%
Operating income	5,845	<b>4,159</b>	-28.9%
Net income	4,311	<b>3,046</b>	-29.3%
Earnings per share	15.20 yen	<b>10.73 yen</b>	

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

**< Highlights of FY2020 1Q consolidated financial results >**

**1. Sales decreased due to the impact of deceleration to operations and investments in the manufacturing industry, investment geared towards strengthening the business foundation is being carefully selected and carried out**

- The global economy in the first quarter of FY2020 was impacted by the spread of COVID-19 infection, and the manufacturing industry was mired by harsh circumstances with continued decline in operation and sluggish capital investment. Although there was a recovery trend in China in the manufacturing industry, business conditions in other regions generally deteriorated significantly from the previous quarter, and weak automotive-related demand in principal countries continued. In Japan, there was also an impact from a significant decrease in demand due to the decrease in exports of production machinery.
- Even in such 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. In this first quarter, we continued to steadily provide products meeting

customers' reliable and quick delivery needs, by fully utilizing our strong business foundations built to date in IT, logistics and production; as well as leveraging our global network, amidst the continued impact of COVID-19. Notwithstanding, both sales and profits declined year-on-year from the continued impact of sluggish operating conditions and capital investment demand in the manufacturing industry.

- Consequently, consolidated net sales was ¥70.4 billion, a decrease of 10.8% year-on-year (8.6% decrease on a local currency basis). In terms of profit, decrease in sales volume, continued upfront investments which are carefully selected for sustainable growth both impacted upon profits. Subsequently, operating income was ¥4.1 billion, (28.9% decrease year-on-year), and ordinary income was ¥4.1 billion, (28.7% decrease year-on-year). Net income attributable to owners of parent was ¥3.0 billion (29.3% decrease year-on-year).

## 2. Sales decreased in each segment due to deceleration in the manufacturing industry within all regions except for China and the sluggishness in the automotive related sector globally

- Segment sales for FY2020 1Q are shown in the table below.

	Net sales (million yen)		YoY change	
	FY2019 1Q	<b>FY2020 1Q</b>	Yen basis	Local currency basis
FA business	25,189	<b>23,755</b>	-5.7%	-3.3%
Die Components business	18,779	<b>14,895</b>	-20.7%	-17.9%
VONA business	35,072	<b>31,831</b>	-9.2%	-7.4%
Total	79,042	<b>70,481</b>	-10.8%	-8.6%

- In the FA business, excluding China, reduced operation and sluggish capital investment demand continued in principal countries, especially in Japan; caused a 5.7% decrease year-on-year in net sales.
- Net sales in the Die components business decreased by 20.7% year-on-year due to sluggish market conditions in the automotive related sectors globally.
- In the VONA business, market conditions deteriorated in major regions except China. Net sales decreased by 9.2% year-on-year.

### 3. Sales increased in China due to recovery in business conditions and deployment of new products, while other regions resulted in negative growth

- Regional break down of sales for FY 2020 1Q was as follows.

	Net sales (million yen)		YoY change	
	FY2019 1Q	FY2020 1Q	Yen basis	Local currency basis
Japan	41,124	<b>35,847</b>	-12.8%	—
Overseas	37,917	<b>34,634</b>	-8.7%	-4.0%
China	14,023	<b>14,449</b>	+3.0%	+9.8%
Asia	11,186	<b>9,590</b>	-14.3%	-10.0%
United States	7,057	<b>5,960</b>	-15.5%	-13.8%
Europe	4,182	<b>3,247</b>	-22.4%	-19.4%
Other	1,467	<b>1,386</b>	-5.6%	+0.2%

- In Japan, business conditions are currently tough due to sluggish capital investments and reduced operations in the manufacturing industry, resulting in sales to decrease by 12.8% year-on-year.
- In the overseas markets, while economic conditions in China are recovering causing an increase in sales, other regions are experiencing negative growth, resulting in an 8.7% decrease year-on-year.

### 4. FY2020 consolidated business forecast is as follows

- The consolidated business forecast for the fiscal year ending March 31, 2021 had been undecided, as it was deemed difficult to reasonably calculate how the spread of COVID-19 infection would impact upon business activities. Subsequently, it has been decided to announce the consolidated business performance forecast based on currently available information and forecast.
- Please note that the following forecast does not factor in further deterioration to the business environment from occurring, such as the further spread of COVID-19 infection and other significant factors which may have huge impact, such as the timing of when the spread of infections ends and so on. Going forward, we will promptly announce any events that require disclosure with respect to the business outlook for the fiscal year ending March 31, 2021.

**FY2020 (April 1, 2020 - March 31, 2021) consolidated business forecast**

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	Million yen	Million yen	Million yen	Million yen	yen
Full year forecast	300,000	20,900	20,500	14,900	52.48
FY2019 results	313,337	23,640	23,245	16,504	58.18
Change	-4.3%	-11.6%	-11.8%	-9.7%	—

**[Notes regarding forward-looking statements]**

The outlook for the fiscal year ending March 31, 2021 and the forward-looking statements in this document have been prepared on the basis of information available at the time of preparation. This includes the domestic and foreign economic climate, changes in foreign exchange rates for various currencies, and other factors that may affect business performance, that have been determined to be reasonable by MISUMI Group Inc. as well as risks and uncertainties. In light of this, please refrain from making investment decisions solely on the basis of this outlook. Actual business performance may differ greatly from this outlook due to various factors that affect MISUMI Group Inc., including economic climate, market trends and exchange rates.

Please refer to our quarterly earnings results report for details on consolidated earnings results for the first quarter of the fiscal year ending March 31, 2021.

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