

MISUMI Group Inc. FY2021 consolidated financial results

**~Both net sales and profits reached record highs
driven by robust demand and the effects of original initiatives~**

MISUMI Group Inc. announced its consolidated financial results for the cumulative third quarter period of FY2021 (April 1, 2021- March 31, 2022) today. Major performance indicators are as follows.

(Million yen)	FY2020	FY2021	YoY change
Net sales	310,719	366,160	+17.8%
Operating income	27,199	52,210	+92.0%
Net income	17,138	37,557	+119.1%
Earnings per share	60.36 yen	132.15 yen	

< Highlights of FY2021 consolidated financial results >

1. Profits were up significantly owing to sales growth, effects of profitability improvement measures and forex

- The global economy during FY2021 saw demand for automation remain at generally elevated levels amid the recovery from the COVID-19 pandemic. However, uncertainty in supply chains persisted, as there continued to be shortages of parts and materials, making it difficult to source some. This coupled with the peaking out of production facility setup and utilization rates along with the impacts of the Ukraine situation and resurgence of COVID-19 in China toward the end of the fiscal year resulted in further supply chain disruptions.
- Under this economic environment, MISUMI Group is leveraging its unique business model, which encompasses both manufacturing and distribution businesses. By advancing the business foundation that supports these businesses globally, we contribute to industries worldwide that related to automation demand, particularly the manufacturing industry, by responding to customers' reliable, quick delivery needs.

By utilizing the strong business foundation built to date in IT, logistics, and production as well as our global network, we continue to implement profitability improvement measures since last year while dedicating efforts to appropriately capturing demand for automation that has recovered across all regions. Despite some supply constraints, we were able to display our strength of reliably quick delivery worldwide.

- Consequently, consolidated net sales totaled ¥366,160 million, an increase of 17.8% year-on-year (13.1% increase on a local currency basis). In terms of profits, operating income was ¥52,210 million (92.0% increase year-on-year) due to increased sales, the effects of profitability improvement and forex. Ordinary income was ¥52,500 million (93.1% increase year-on-year), and net income attributable to owners of parent totaled ¥37,557 million (119.1% increase year-on-year). Both sales and profits reached record highs.

2. Substantial year-on-year growth amid steady efforts to capture growing demand across all segments

Segment sales for FY2021 are shown in the table below.

	Net sales (million yen)		YoY change	
	FY2020	FY2021	Yen basis	Local Currency basis
FA business	102,244	119,253	+16.6%	+11.8%
Die components business	66,871	75,108	+12.3%	+6.1%
VONA business	141,602	171,799	+21.3%	+17.3%
Total	310,719	366,160	+17.8%	+13.1%

- In the FA business, sales increased by 16.6% year-on year due to strong growth across all regions owing to robust demand for automation.
- In the Die components business, sales increased by 12.3% year-on-year, amid the recovery in automobile-related demand worldwide, driven by the U.S. and Asia.
- In the VONA business, with our acquisition of automation related demand worldwide, significant growth was achieved as sales increased by 21.3% year-on-year, despite the impacts from the termination of low-profit products and shortages of certain products.

3. Strong growth in each region on the back of robust demand

Regional break down of sales for FY 2021 were as follows.

	Net sales (million yen)		YoY change	
	FY2020	FY2021	Yen basis	Local currency basis
Japan	154,748	175,463	+13.4%	—
Overseas	155,970	190,696	+22.3%	+12.8%
China	63,517	74,986	+18.1%	+5.2%
Asia	43,126	53,918	+25.0%	+18.5%
United States	27,548	33,899	+23.1%	+15.8%
Europe	16,089	20,781	+29.2%	+21.8%
Other	5,689	7,110	+25.0%	+14.2%

- In Japan, sales increased by 13.4% year on year driven by sustained strong demand related to semiconductors.
- Sales were strong in each overseas region, with a sales increase of 22.3% year-on-year.

4. Annual dividend payout is expected to be ¥33.04 per share

- MISUMI established its shareholder return policy by comprehensively taking into account various factors, including the expansion of its management structure, the strengthening of its balance sheet, and the enhancement of its capital efficiency, to realize sustainable growth and to improve its corporate value.
- As for dividends, we have set a payout ratio of 25% from the second half of the fiscal year ending March 2012, and we will continue to maintain this standard for the fiscal year ending March 2022.
- Accordingly, we plan to payout a year-end dividend per share of ¥14.71 (an increase of ¥5.53 year-on-year) to reflect our earnings performance in FY2021. Combined with the interim dividend per share of ¥18.33, we plan to pay an annual dividend per share of ¥33.04 (an increase of ¥17.95 year-on-year).

	Annual per-share dividend					
	Interim		Year-end		Annual total	
	Yen	Payout ratio	Yen	Payout ratio	Yen	Payout ratio
Previous forecast	—	—	14.23	25.0%	32.56	25.0%
Actual results this year	18.33	25.0%	14.71	25.0%	33.04	25.0%
Actual results previous year	5.91	25.0%	9.18	25.0%	15.09	25.0%

5. Consolidated earnings forecast

- The consolidated earnings forecast for the fiscal year ending March 31, 2023 is as follows.

Note that this earnings forecast may change due to changes in the business environment such as the spread of COVID-19 infection and the growing geopolitical risks in the future. We will promptly notify the public when an event that should be disclosed occurs.

FY2022 (April 1, 2022-March 31, 2023) consolidated earnings forecast

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Full year forecast	403,500	57,300	57,600	42,000	147.72
Actual results this year	366,160	52,210	52,500	37,557	132.15
Increase ratio (%)	+10.2%	+9.7%	+9.7%	+11.8%	—

[Notes regarding forward-looking statements]

The outlook for the fiscal year ending March 31, 2023 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 fiscal year ending March 31, 2022.

Please direct any inquiries to:
IR/SR Team
Corporate Relations Department,
MISUMI Group Inc.
Tel: +81-3-5805-7037
Fax: +81-3-5805-7014
Email: cc@misumi.co.jp