

3. Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	401,200	9.1	49,100	28.0	51,600	25.0	37,100	31.8	134.67

(Note) Revision of the latest financial results forecasts: Yes

*Notes:

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Adoption of special accounting procedures for the preparation of semi-annual consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates and retrospective restatement
 - 1) Changes in accounting policies due to the revision of accounting standards: None
 - 2) Changes in accounting policies other than 1) above: None
 - 3) Changes in accounting estimates: None
 - 4) Retrospective restatement: None
- (4) Total number of shares outstanding (common shares)
 - 1) Total number of shares outstanding at the end of the period (including treasury stock):
 - As of September 30, 2024: 284,985,997 shares
 - As of March 31, 2024: 284,847,897 shares
 - 2) Total number of treasury stock at the end of the period:
 - As of September 30, 2024: 9,499,113 shares
 - As of March 31, 2024: 3,008,099 shares
 - 3) Weighted average number of shares outstanding during the period:
 - Six months ended September 30, 2024: 279,123,618 shares
 - Six months ended September 30, 2023: 282,680,642 shares

* These semi-annual financial results are outside the scope of review by certified public accountants or an audit firm.

* Explanation on the appropriate use of forecasts and other notes

The earnings forecasts and other forward-looking statements herein are based on information available to the Company at the time of preparation and certain assumptions deemed to be reasonable, and actual results may differ significantly from the forecasts due to various factors. For the assumptions on the earnings forecasts and notes on their use, please refer to "Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements" on page 3 of the attached document.

Contents of Attachment

1. Overview of Business Results, etc.	2
(1) Overview of Business Results for the First Half of the Fiscal Year	2
(2) Overview of Financial Position for the First Half of the Fiscal Year	3
(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements..	3
2. Semi-Annual Consolidated Financial Statements and Primary Notes	4
(1) Semi-Annual Consolidated Balance Sheet	4
(2) Semi-Annual Consolidated Statement of Income and Comprehensive Income	6
Semi-Annual Consolidated Statement of Income	6
For the Six Months Ended September 30, 2024 and 2023	6
Semi-Annual Consolidated Statement of Comprehensive Income	7
For the Six Months Ended September 30, 2024 and 2023	7
(3) Semi-Annual Consolidated Statement of Cash Flows	8
(4) Notes to the Semi-Annual Consolidated Financial Statements	9
(Notes on going concern assumption)	9
(Notes on significant changes in shareholders' equity)	9
(Changes in accounting policies)	9
(Segment information)	10

1. Overview of Business Results, etc.

(1) Overview of Business Results for the First Half of the Fiscal Year

For the first half of the fiscal year, the global economy was expecting a recovery in demand for capital investments, particularly in the manufacturing industry; however, demand failed to meet market expectations. In China, Asia, and Japan, demand remains steady for one of our main customer industries, automotive, in addition to signs of recovery in the semiconductors and electronic components sector. On the other hand, European and US markets remain soft, as there is caution to invest in capital expenditure in a stagnated market coupled with geopolitical risks.

In this economic environment, MISUMI Group is leveraging its unique Business MODEL, which encompasses manufacturing and distribution businesses. By advancing the global business foundation supporting these operations, we contribute to industries related to automation demand, particularly the manufacturing industry, by meeting customers' needs for reliable and quick delivery.

We continued to develop new businesses, including new products and services, while leveraging our strong business foundations in IT, manufacturing and logistics that we have built up over the years, as well as our global network of bases, and worked to accurately capture customer demand.

This resulted in consolidated net sales of ¥198,022 million (10.0% year-over-year increase); a first half sales record, including the impact from foreign exchange. In terms of profit, despite continued expenses related to measures aimed at sustainable growth, operating income was ¥23,390 million (26.3% year-over-year increase), ordinary income was ¥25,221 million (26.1% year-over-year increase), and net income attributable to owners of the parent was ¥18,200 million (28.3% year-over-year increase). These results were driven by an increase in sales volume, product mix and impact from foreign exchange.

① Factory Automation (FA) Business

The FA business steadily gain demand, in China and Japan, with sales of ¥66,854million (15.5% year-over-year increase) and operating income of ¥11,565 million (58.1% year-over-year increase).

② Die Components Business

In the Die Components business, while automotive-related demand in China, Asia and Japan was on a recovery trend, demand in Europe and the US remained weak. Sales were ¥42,819 million (8.9% year-over-year increase) and operating income was ¥4,572 million (6.3% year-over-year increase).

③ VONA Business

VONA business is MISUMI Group's sales and distribution business of manufacturing / automation-related equipment parts and MRO (Maintenance, Repair, and Operations) products. In addition, this business segment includes MISUMI branded products and third-party manufacturers' products. Sales were strong in all overseas regions, helping to secure year-over-year sales growth. Sales were ¥88,347 million (6.6% year-over-year increase), and operating income was ¥7,251 million (5.2% year-over-year increase).

(2) Overview of Financial Position for the First Half of the Fiscal Year

1) Assets, liabilities and net assets

Total assets as of the first half of the fiscal year were ¥399,971 million, a decrease of ¥13,546 million (-3.3%) compared to the previous year-end. This was mainly attributable to a decrease of ¥11,765 million (-3.8%) in current assets due to decreases in cash and deposits as well as merchandise and finished goods, and a decrease of ¥2,468 million (-6.8%) in intangible assets.

Total liabilities amounted to ¥63,420 million, a decrease of ¥2,417 million (-3.7%) compared to the previous year-end. This was mainly attributable to an increase in provision for bonuses, while a decrease of ¥2,274 million (-4.6%) in current liabilities due to decreases in notes and accounts payable - trade and accounts payable – other.

Total net assets amounted to ¥336,550 million, a decrease of ¥11,128 million (-3.2%) compared to the previous year-end. This was primarily because shareholders' equity decreased by ¥2,603 million (-0.9%) due to an increase in treasury stock, partially offset by an increase in retained earnings, and accumulated other comprehensive income including foreign currency translation adjustments decreased by ¥8,306 million (-17.1%).

As a result, the equity ratio was 83.4%, compared to 83.3% at the end of the previous year.

2) Cash flows

During the first half of the fiscal year, cash and cash equivalents amounted to ¥117,295 million, a decrease of ¥16,081 million compared to the previous year-end.

Cash flows from operating activities amounted to a net cash inflow of ¥31,362 million (a net cash inflow of ¥23,684 million for the same period in the previous year). The breakdown is as follows. Income before income taxes was ¥25,110 million. Depreciation and amortization were ¥8,876 million. The amount of increase in provision for bonuses was ¥1,694 million. The amount of decrease in inventories was ¥3,922 million. Income taxes paid was ¥5,346 million.

Cash flows from investing activities amounted to a net cash outflow of ¥20,639 million (a net cash outflow of ¥6,488 million for the same period in the previous year). The breakdown is as follows. The purchase of fixed assets was ¥7,631 million. Payments into time deposits were ¥26,338 million. Refund from time deposits was ¥13,172 million.

Cash flows from financing activities amounted to a net cash outflow of ¥22,808 million (a net cash outflow of ¥14,561 million for the same period in the previous year). The main items were purchase of treasury stock of ¥17,522 million and dividends paid of ¥4,190 million.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements

During the first half of the fiscal year, the global economy continues to show signs of a gradual recovery in capital investment demand, particularly for the manufacturing industry and impact from our own unique measures, we have exceeded the sales and profit forecast announced on April 26, 2024. On the other hand, while market conditions remain uncertain, based on the progress of the fiscal year and current market demand, we have revised our full year consolidated business forecast as follows.

In the event that significant matters arise, that can could affect our business performance, due to a change in our business environment, we will disclose this information promptly

[Consolidated Financial Results Forecast for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)]

	Net sales (Million yen)	Operating income (Million yen)	Ordinary income (Million yen)	Net income attributable to owners of parent (Million yen)	Net income per share (Yen)
Revised forecast	401,200	49,100	51,600	37,100	134.67
Previous forecast	393,000	46,000	47,400	34,400	122.05

The forecast for dividends is announced in the press release dated October 25, 2024, titled “Announcing an interim dividend distribution and revision to forecast for year-end dividend.”

2. Semi-Annual Consolidated Financial Statements and Primary Notes

(1) Semi-Annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	148,848	145,192
Notes and accounts receivable - trade	75,869	74,627
Merchandise and finished goods	64,269	59,822
Work in process	4,162	3,789
Raw materials and supplies	9,946	8,739
Other	10,587	9,758
Allowance for doubtful accounts	(302)	(313)
Total current assets	313,381	301,615
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,252	20,749
Machinery, equipment and vehicles, net	16,084	15,339
Land	3,880	3,874
Other, net	16,824	11,275
Total property, plant and equipment	51,042	51,239
Intangible assets		
Software	29,709	27,900
Other	6,399	5,739
Total intangible assets	36,109	33,640
Investments and other assets		
Investment securities	6	6
Other	13,373	13,876
Allowance for doubtful accounts	(395)	(406)
Total investments and other assets	12,984	13,475
Total non-current assets	100,136	98,355
Total assets	413,517	399,971

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,984	19,701
Accounts payable - other	9,583	6,767
Income taxes payable	5,791	5,554
Provision for bonuses	3,118	4,734
Provision for directors' bonuses	34	29
Other	10,417	10,866
Total current liabilities	49,929	47,654
Long-term liabilities		
Liability for retirement benefits	7,436	7,624
Provision for loss on business liquidation	1,138	75
Other	7,332	8,066
Total long-term liabilities	15,908	15,765
Total liabilities	65,837	63,420
Net assets		
Shareholders' equity		
Common stock	14,146	14,346
Capital surplus	24,303	24,484
Retained earnings	266,651	280,661
Treasury stock	(9,159)	(26,153)
Total shareholders' equity	295,942	293,338
Accumulated other comprehensive income		
Foreign currency translation adjustments	48,476	40,171
Remeasurements of defined benefit plans	96	95
Total accumulated other comprehensive income	48,573	40,266
Stock acquisition rights	2,087	1,871
Non-controlling interests	1,076	1,074
Total net assets	347,679	336,550
Total liabilities and net assets	413,517	399,971

(2) Semi-Annual Consolidated Statement of Income and Comprehensive Income
Semi-Annual Consolidated Statement of Income
For the Six Months Ended September 30, 2024 and 2023

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net sales	180,094	198,022
Cost of sales	98,972	105,240
Gross profit	81,122	92,781
Selling, general and administrative expenses	62,606	69,391
Operating income	18,515	23,390
Non-operating income		
Interest income	1,420	2,193
Miscellaneous income	527	257
Total non-operating income	1,948	2,451
Non-operating expenses		
Interest expenses	74	80
Foreign exchange losses	243	257
Commission expenses	96	148
Miscellaneous loss	43	132
Total non-operating expenses	457	619
Ordinary income	20,007	25,221
Extraordinary income		
Reversal of provision for loss on business liquidation	–	1,017
Total extraordinary income	–	1,017
Extraordinary losses		
Impairment loss	92	300
Loss on liquidation of business	–	827
Total extraordinary losses	92	1,128
Income before income taxes	19,914	25,110
Income taxes	5,683	6,868
Net income	14,230	18,242
Net income attributable to non-controlling interests	45	41
Net income attributable to owners of parent	14,185	18,200

Semi-Annual Consolidated Statement of Comprehensive Income
For the Six Months Ended September 30, 2024 and 2023

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Net income	14,230	18,242
Other comprehensive income		
Deferred gain (loss) on hedges	51	–
Foreign currency translation adjustments	17,206	(8,261)
Remeasurements of defined benefit plans, net of tax	0	(1)
Share of other comprehensive income in associates	4	7
Total other comprehensive income	17,263	(8,255)
Comprehensive income	31,494	9,986
Comprehensive income attributable to		
Owners of parent	31,517	9,894
Non-controlling interests	(23)	92

(3) Semi-Annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2023	For the six months ended September 30, 2024
Cash flows from operating activities		
Income before income taxes	19,914	25,110
Depreciation and amortization	8,756	8,876
Impairment loss	92	300
Increase (decrease) in liability for retirement benefits	252	196
Increase (decrease) in provision for bonuses	(941)	1,694
Increase (decrease) in provision for directors' bonuses	(51)	(5)
Increase (decrease) in allowance for doubtful accounts	(38)	42
Interest and dividend income	(1,420)	(2,193)
Interest expenses	74	80
Share-based payment expenses	361	418
Foreign exchange (gains) losses	45	(24)
Share of (profit) loss of entities accounted for using equity method	(21)	(20)
Reversal of provision for loss on business liquidation	–	(1,017)
Loss on liquidation of business	–	827
(Increase) decrease in notes and accounts receivable – trade	5,831	34
(Increase) decrease in inventories	815	3,922
(Increase) decrease in consumption taxes refund receivable	693	(497)
Increase (decrease) in notes and accounts payable – trade	(3,894)	(1,493)
Increase (decrease) in accounts payable – other	(915)	(2,023)
(Increase) decrease in other assets	(341)	(425)
Increase (decrease) in other liabilities	(609)	911
Subtotal	28,604	34,715
Interest and dividend income received	1,346	2,073
Interest expenses paid	(74)	(80)
Payments for office relocation expenses	(601)	–
Income taxes paid	(5,591)	(5,346)
Net cash provided by operating activities	23,684	31,362
Cash flows from investing activities		
Purchase of fixed assets	(7,665)	(7,631)
Payments into time deposits	(9,587)	(26,338)
Refund from time deposits	10,742	13,172
Payments for lease and guarantee deposits	(213)	(64)
Proceeds from collection of lease and guarantee deposits	217	237
Other, net	18	(15)
Net cash used in investing activities	(6,488)	(20,639)
Cash flows from financing activities		
Purchase of treasury stock	(10,095)	(17,522)
Dividends paid	(3,511)	(4,190)
Repayments of lease obligations	(944)	(1,072)
Other, net	(10)	(23)
Net cash used in financing activities	(14,561)	(22,808)
Effect of exchange rate change on cash and cash equivalents	8,382	(3,995)
Net increase (decrease) in cash and cash equivalents	11,016	(16,081)
Cash and cash equivalents at beginning of period	106,640	133,376
Cash and cash equivalents at end of period	117,657	117,295

(4) Notes to the Semi-Annual Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable

(Notes on significant changes in shareholders' equity)

During the first six months of the current fiscal year, the Company purchased 6,614,300 shares of treasury stock pursuant to a resolution of the Board of Directors on April 26, 2024. In addition, during the same period, the Company disposed of 132,900 shares of treasury stock as restricted stock compensation for directors pursuant to a resolution of the Board of Directors on June 20, 2024. Mainly due to these factors, treasury stock increased by ¥16,994 million, reaching ¥26,153 million at the end of the period.

(Changes in accounting policies)

Not applicable

(Segment information)

[Segment information]

For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

1. Net sales, segment income, and information on disaggregation of revenue by reportable segment

(Millions of yen)

	Reportable Segments				Adjustments	Consolidated
	FA Business	Die Components Business	VONA Business	Total		
Net sales						
Revenue from contracts with customers	57,895	39,329	82,868	180,094	–	180,094
Sales to customers	57,895	39,329	82,868	180,094	–	180,094
Internal sales to other segments	–	–	–	–	–	–
Total	57,895	39,329	82,868	180,094	–	180,094
Segment income	7,317	4,301	6,896	18,515	–	18,515

(Note) Total of segment income corresponds to operating income in the Consolidated Statement of Income.

2. Impairment loss on non-current assets or goodwill by reportable segment

Description is omitted due to immateriality.

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Net sales, segment income, and information on disaggregation of revenue by reportable segment

(Millions of yen)

	Reportable Segments				Adjustments	Consolidated
	FA Business	Die Components Business	VONA Business	Total		
Net sales						
Revenue from contracts with customers	66,854	42,819	88,347	198,022	–	198,022
Sales to customers	66,854	42,819	88,347	198,022	–	198,022
Internal sales to other segments	–	–	–	–	–	–
Total	66,854	42,819	88,347	198,022	–	198,022
Segment income	11,565	4,572	7,251	23,390	–	23,390

(Note) Total of segment income corresponds to operating income in the Consolidated Statement of Income.

2. Impairment loss on non-current assets or goodwill by reportable segment

Description is omitted due to immateriality.

[Supplementary information]

For the six months ended September 30, 2023 (from April 1, 2023 to September 30, 2023)

Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	America	Europe	Others	Total
83,696	29,583	27,996	21,428	12,961	4,426	180,094

* Net sales represent the net sales of the Group in Japan and other countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Vietnam	America	Others	Total
15,216	12,915	6,070	7,420	9,022	50,645

For the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

Information by region

(1) Net sales

(Millions of yen)

Japan	China	Asia	America	Europe	Others	Total
85,831	39,462	31,929	22,324	13,713	4,760	198,022

* Net sales represent the net sales of the Group in Japan and other countries or regions.

(2) Property, plant and equipment

(Millions of yen)

Japan	China	Vietnam	America	Others	Total
15,208	14,830	4,771	8,005	8,422	51,239