

MISUMI Group Inc. FY2025 3Q Financial Results Briefing (Zoom) Q&A (Excerpt)

(January 30, 2026, Friday)

<Q&A>

【Results/Outlook】

■ Net Sales

Q: How do you evaluate the 3Q results, and what led to the upward adjustment of the full-year plan? Was this change solely because the 3Q exceeded expectations, or did the outlook for the 4Q also play a role?

A: The cumulative 3Q results aligned with our expectations. Strong performances in China, Asia, and Fictiv compensated for the weaker outcomes in Japan and Europe. The main reason for revising the full-year plan upward was the impact of foreign exchange rates. When currency effects are excluded, forecast on local currency basis is largely unchanged from our previous announcement, as negative factors were counterbalanced by positive results—especially from China's telecommunications sector and Fictiv.

■ Profits

Q: How reliable is the plan to enhance operating income margin in the 4Q? Typically, SG&A expenses increase due to seasonal influences; however, this situation seems unique. Can you clarify?

A: The 4Q sales plan is considered achievable, even when compared with the 3Q. Since the cost structure is expected to remain relatively stable versus the 3Q, any growth in sales should result in improved profit margin.

Q: What factors contributed to the increase in "Other Expenses" within operating income variance analysis relative to the previous plan?

A: Additional expenditures were incurred to support further advancement of AI implementation and Digital MODEL initiatives.

Q: What caused the 1.5-billion-yen cost increase over the previous plan?

A: The initially planned price increases in the U.S. and Japan were implemented as scheduled. Additionally, there were delays in managing new tariffs, reduced production efficiency at U.S. die and mold facilities due to weaker demand, and a decline in high-margin sales in Japan.

【Regional Trends】

Q: Has demand in China outside telecommunications changed compared to three months ago?

A: Demand remains strong across industries like EVs, smartphones, and semiconductors, partly due to effective initiatives such as the Economy Series.

Q: Is the 4Q outlook for China's telecommunications sector conservative?

A: We expect a modest increase from 3Q to 4Q, with performance improving each quarter. Planned targets are considered attainable.

Q: How has China's telecommunications sector affected results and forecasts? Outlook for next year?

A: The sector boosted results in the second half, with projected annual growth of about 15%. We plan to invest 2 billion yen next year to double supply capacity due to rising demand. Both orders and the customer base are expanding.

Q: Are there signs of recovery in Japan by industry?

A: Despite tough conditions, there are signs of capital investment among major customers, especially in automotive.

Q: What caused the outlook for Japan to be revised downward from the previous outlook?

A: We updated our plans in response to 3Q results not meeting our forecasts.

Q: How do you see demand and sales trends across different regions in the upcoming fiscal year?

A: We maintain an optimistic outlook regarding the results of our Digital MODEL initiatives. While regional differences are anticipated, significant growth opportunities are identified in China and Asia, with meaningful contributions also expected from the United States.

【Fictiv】

Q: How do you evaluate Fictiv's 3Q performance (achieving stand-alone profitability)? What is the outlook for the next fiscal year?

A: Strong order volume during the July–September quarter resulted in increased sales and profitability for the October–December period, enabling the company to reach stand-alone profitability. Order momentum remained steady throughout the October–December period. However, further investments will be necessary to sustain continued growth. The objective of achieving profitability by 2027 remains unchanged.

Q: Is Fictiv's profitability sustainable, or was it a one-off?

A: Fictiv is now positioned to achieve profitability provided that sales volumes are maintained at a certain threshold. Nevertheless, to ensure ongoing and accelerated future revenue growth, it will be essential to make upfront investments, including those aimed at strengthening organizational capabilities—which may result in a temporary increase in short-term expenditures.

Q: Can Fictiv expect further order growth in the future? Also, what about synergies with MISUMI?

A: Fictiv continues to demonstrate strong momentum in acquiring customers across high-growth sectors such as robotics and aerospace. We anticipate that this positive trend will continue. In pursuit of greater synergies between Fictiv and MISUMI, David Evans from Fictiv has been appointed as Head of U.S. Operations, effective March 1. This strategic move is designed to strengthen collaboration between both organizations.

【Other】

Q: Has the Board of Directors discussed improvements regarding medium-term financial targets or capital policies (such as improving ROE)?

A: Our basic approach remains unchanged, but we will continue to evaluate it going forward.