

December 20, 2012

Announcing the Establishment of an FA Parts Manufacturing Plant in China

Today the board of directors of the MISUMI Group has decided to establish a plant to manufacture factory automation (FA) parts in China. See below for details.

1. Purpose

In FY2002, the MISUMI Group began full-fledged initiatives to expand our international business. Now, the business has grown to encompass 35 sales offices, 10 logistics centers and seven production sites located in major markets overseas, where we have published 30 types of local-language catalogs. To accelerate global deployment of the MISUMI QCT Model, which aims to deliver high quality (Q) at low cost (C) with short delivery times (T), the MISUMI Group acquired SURUGA SEIKI in 2004, SP Parts in 2008, and Dayton and Anchor Lamina—the largest makers of die components in the US—in the current FY2012. We have worked to build a global, short-leadtime supply chain by acquiring manufacturing capabilities.

To expand our international business, we have positioned China as our highest priority market. Since establishing a local subsidiary in China in 2003, we have targeted market growth by adding sales offices, logistics centers and manufacturing plants there. In the first half of FY2012, our sales in China amounted to approximately 36% of all overseas sales. The accelerating trend toward the automation of manufacturing processes in China should drive growth in demand for FA parts. To target China's growing automation market, the MISUMI Group is establishing a new plant to manufacture FA parts, with the aim of establishing a stable and low-cost supply chain capable of delivering a greater number of products within short leadtimes. Capital investments will be implemented in stages according to demand.

2. Overview of the Local Subsidiary to be Established

Name:	SURUGA SEIKI (NANTONG) Co., LTD.
Location:	Nantong Economic and Technological Development Zone, City of Nantong, Jiangsu Province, China
Representative:	Mr. Ryusei Ohno (Executive Director at MISUMI Group Inc.)
Date of establishment:	January 2013 (TBD)
Capital at time of establishment:	About \$30 million (About ¥2.5 billion at ¥80/\$)
Settlement of accounts:	December
Ownership:	Wholly owned subsidiary of MISUMI Corporation
Primary business:	Development, manufacture, sales and service of precision mechanical components

3. Impact on Earnings

The impact of this matter on FY2012 (ending March 2013) consolidated earnings should be negligible. We will provide notice promptly if in the future it becomes clear this matter will have a material impact on earnings.