

MISUMI Group Inc.

FY2021 (ended March 31, 2022)

Full year earnings report

May 9, 2022
Representative Director, President
Ryusei Ono

FY21 full year earnings overview

FX rates (vs Yen)	FY20 actual	FY21 actual
USD	106.2 yen	112.9 yen
EUR	123.7 yen	131.0 yen
RMB	15.6 yen	17.6 yen

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Market condition in FY21 and MISUMI's initiatives

Customer demand was generally at elevated levels amid the recovery from the COVID-19 pandemic

Nevertheless

- Shortages of materials and parts continued made sourcing difficult in some cases
- Facility setup and utilization rates peaked out despite strong demand for investment and mass production
- Further disruptions toward the end of the fiscal year due to the situation in Ukraine and resurgence of COVID-19 in China

While impacted by the above, MISUMI

- Appropriately captured demand for automation that recovered in all regions
- Continued with profitability improvement measures implemented since the last fiscal year
- Were able to display our strength of reliable quick delivery despite some supply constraints

Refine the business model with more resilience resulting in record high earnings

FY21 full year earnings overview

Posted record high earnings results on strong demand and original initiatives

Achieved results according to plan despite some impacts of COVID-19 in certain regions

Million yen

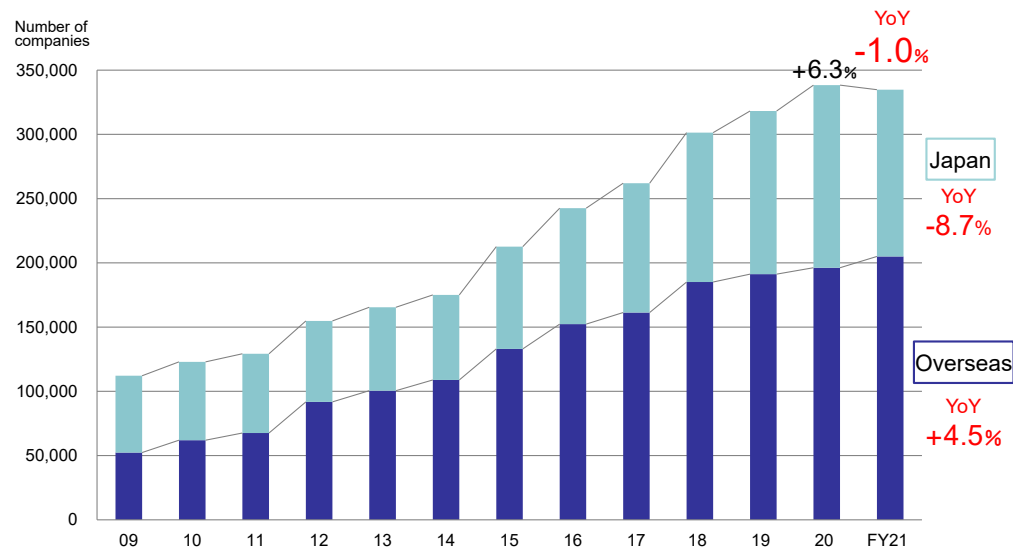
Category	FY20	FY21			
	Actual	1/28 Revised plan	Actual	Percentage change	
				YoY	Vs plan
Net sales	310,719	366,000	366,160	+17.8%	+0.0%
Operating income	27,199	52,000	52,210	+92.0%	+0.4%
Margin	8.8%	14.2%	14.3%	+5.5pt	+0.1pt
Ordinary income	27,189	52,000	52,500	+93.1%	+1.0%
Net income	17,138	37,000	37,557	+119.1%	+1.5%

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Transition of customer numbers

Overseas: China remained the same level YoY due to lockdowns at the end of the fiscal year, while other regions continued to see increases

Domestic: customer numbers declined on the recoil from temporary demand related to COVID last year, but per customer spending rose



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FY21 sales by business segment

FA: strong growth across all regions underpinned by robust demand for automation

Die components: automobile-related demand recovered globally driven by Americas and Asia

VONA: substantial increase amid impacts of suspended sales and shortages of certain products

Million yen

Category	FY20	FY21		
	Actual	Actual	YoY change	
			Yen basis	Local currency basis
Total	310,719	366,160	+17.8%	+13.1%
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%

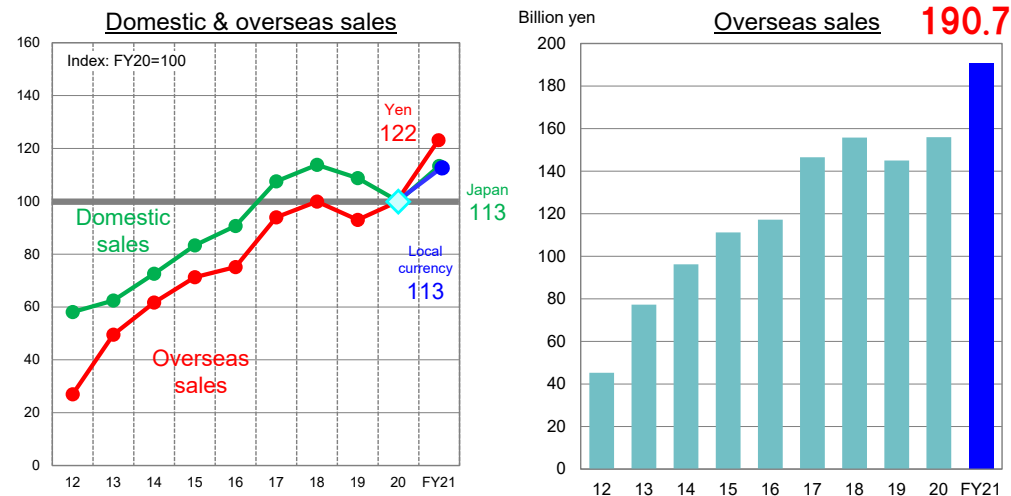
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FY21 sales by region (local currency basis)

Domestic: market conditions recovered mainly for semiconductor-related demand, but fell short of new record high

Overseas: posted record highs across all regions

As a result, overseas sales ratio stood at 52.1%, up 1.9pts YoY

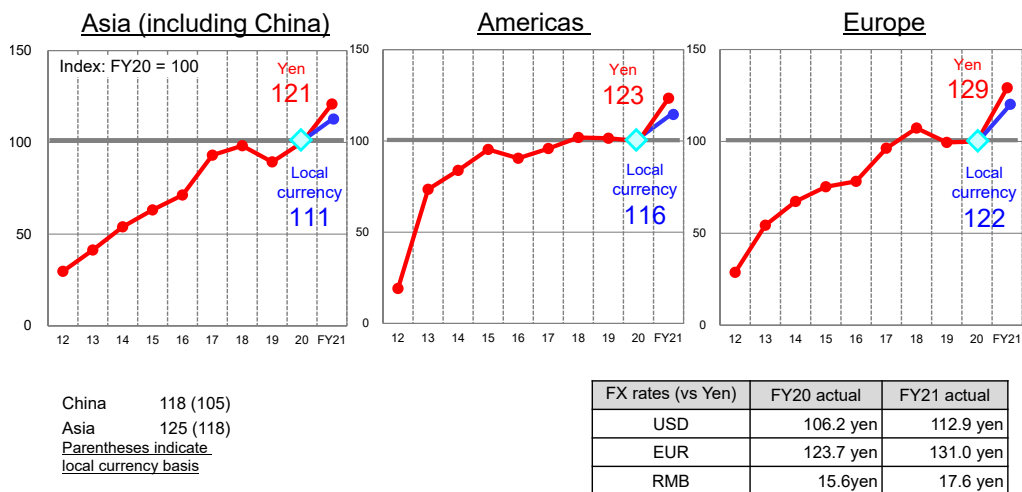


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FY21 sales by region (local currency basis)

Asia: demands for rechargeable batteries and semiconductor related drove sales throughout the year

Americas / Europe: sales were strong mainly for EV and medical related amid growing customer base



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FY21 operating income by business segment

Significant increase in operating income across all segments due to sales increase / profit improvement effects / forex impacts

Investments for strengthening the business foundation aiming for future growth restarted in 2H

Million yen

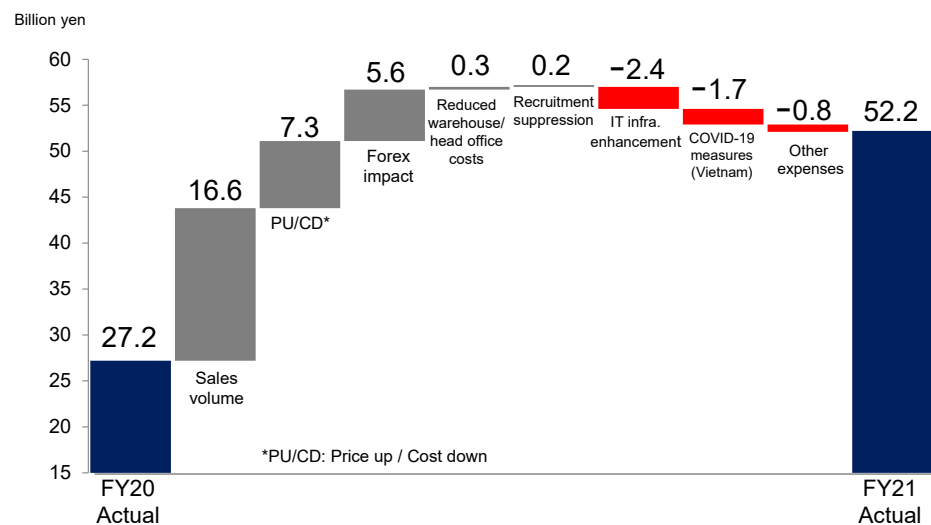
Category	FY20		FY21			
	Actual	Margin	Actual	Margin	YoY Yen basis	YoY Local currency basis
Total	27,199	8.8%	52,210	14.3%	+92.0%	+71.4%
FA business	16,115	15.8%	23,381	19.6%	+45.1%	+31.1%
Die components business	4,930	7.4%	9,542	12.7%	+93.5%	+74.8%
VONA business	6,152	4.3%	19,287	11.2%	+213.5%	+174.1%

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FY21 operating income analysis (YoY)

Operating income up significantly YoY owing to sales increase, favorable forex impacts along with profit improvement effects

Not only costs for COVID related measures but also for IT infrastructure enhancement were fully covered

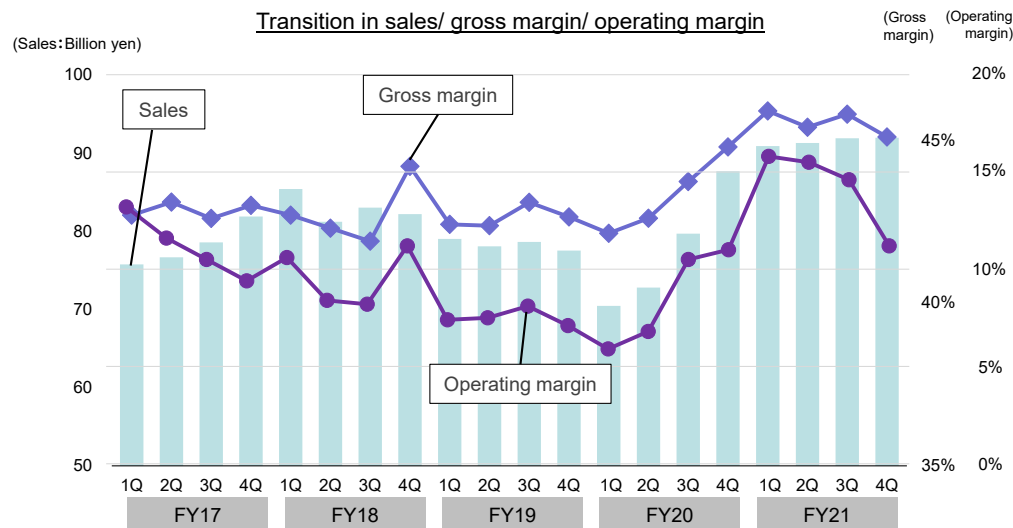


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The quarterly transition of profitability

Profit improvement effects exceeded the plan absorbed sudden increase in cost of materials

Improved margin structure and secured high profitability while spending on growth

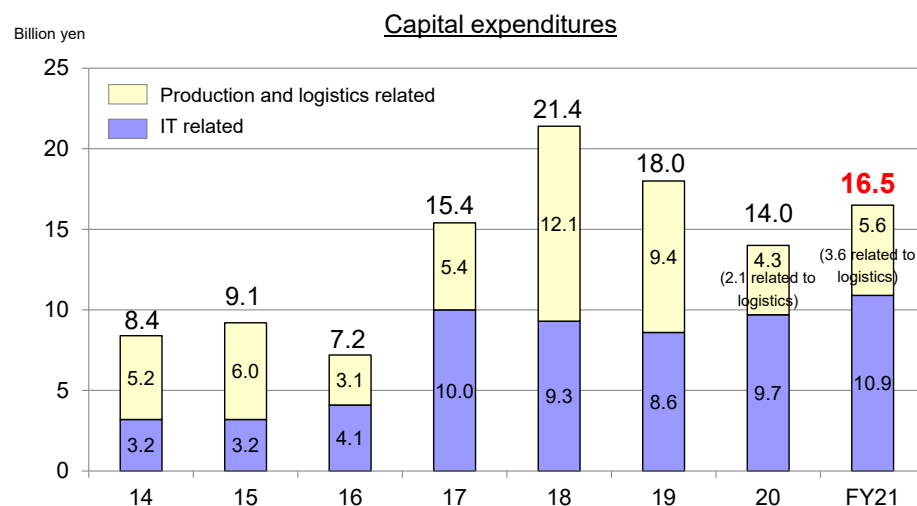


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Investments

Continued to reinforce the core system renewal vital to business model transformation

Invested in logistics and production to refine reliable and quick delivery worldwide



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Consolidated earnings forecasts for FY22

FX rates (vs Yen)	FY21 actual	FY22 plan
USD	112.9 yen	120.0 yen
EUR	131.0 yen	132.0 yen
RMB	17.6 yen	18.7 yen

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FY22 market outlook

No major changes are anticipated in market conditions from FY21

- Transition of growth drivers from conventional industries of auto, mobile phones to EV, robots and semiconductors
- Global supply chain moving further towards regional blocks

FY22 will require **careful decision making** amid positive/negative factors

- + : Demands for automation continue to grow over the mid-term in all regions including China
- : Sourcing difficulties of major components including semiconductors will continue until 2H of FY22 (Semiconductor sourcing capability will determine the amount of automation equipment)
- : Optimism is difficult with the situation in Ukraine and COVID-19 persisting

Based on the above, MISUMI will

- **Accelerate the focus** on regions /businesses /services with high growth and profits
- Using **reliable quick delivery as the key advantage**, and further evolving through ongoing transformation of business foundation
- Pursue **assertive growth** leveraging margin structure resulting from profit improvement measures

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FY22 full year earnings forecast

Net sales and profits expected to break records again despite rising uncertainties in the market conditions

Maintain high profitability while stepping up initiatives for business model transformation

Million yen

Category	FY21	FY22		
	Actual	Plan	YoY	
			Yen basis	Local currency basis
Net sales	366,160	403,500	+10.2%	+7.2%
Operating income	52,210	57,300	+9.7%	+2.2%
Margin	14.3%	14.2%	-0.1pt	-0.7pt
Ordinary income	52,500	57,600	+9.7%	-
Net income	37,557	42,000	+11.8%	-

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FY22 sales forecast by business segment

FA / VONA: sales expected to grow amid lineup reforms and inventory building, in addition to strong market conditions

Die components: sales increase is expected by continuing to strengthen existing domains and capture demand for EV

Category	Million yen			
	FY21	FY22		
	Actual	Plan	YoY	
			Yen basis	Local currency basis
Total	366,160	403,500	+10.2%	+7.2%
FA business	119,253	134,372	+12.7%	+9.7%
Die components business	75,108	80,926	+7.7%	+3.4%
VONA business	171,799	188,201	+9.5%	+7.1%

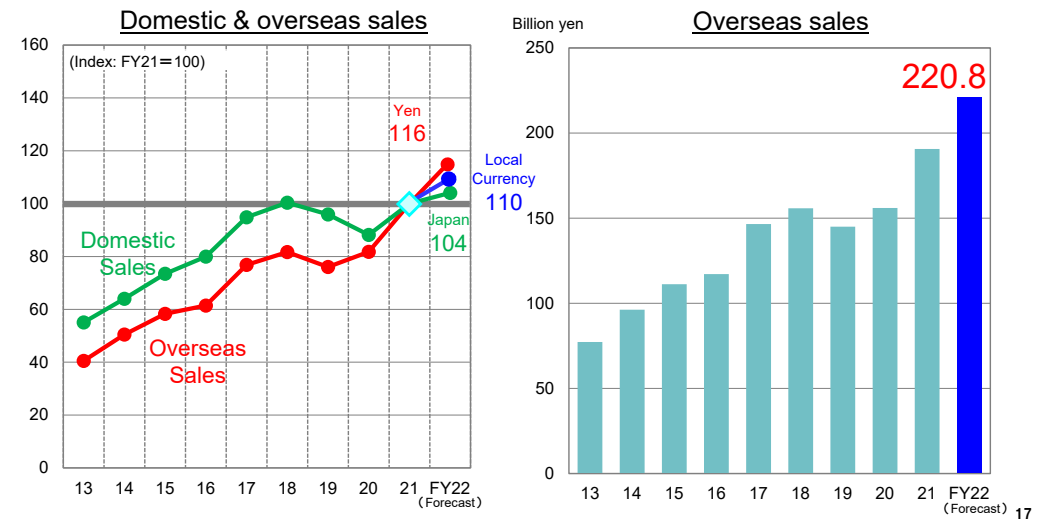
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FY22 domestic & overseas sales

Domestic: secure growth through original products and services, including meviu

Overseas: growth set to continue in each region, driven by China and Asia

As a result, overseas sales ratio is expected to be 54.7%, up 2.7pts YoY



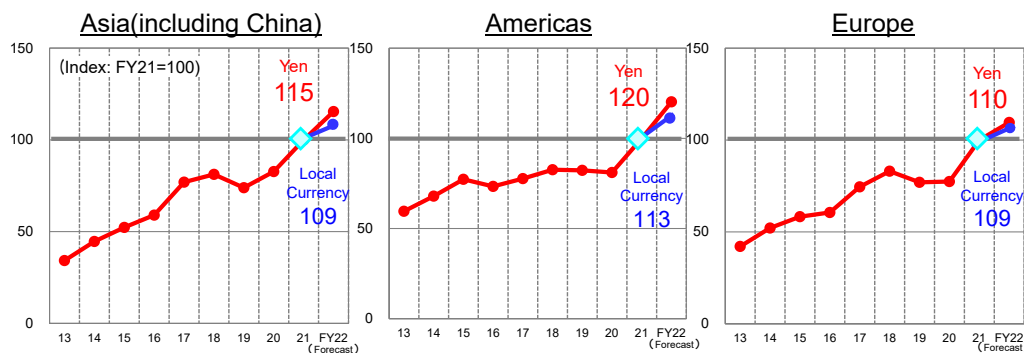
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FY22 sales by region (local currency basis)

Asia China: acquire local demands with enhanced product lineup

Rest of Asia: continue to focus on mass production related demand

Americas / Europe: accelerate market penetration in growth fields such as EV and medical related



China 117(109)
Asia 114(109)
Parentheses indicate local currency basis

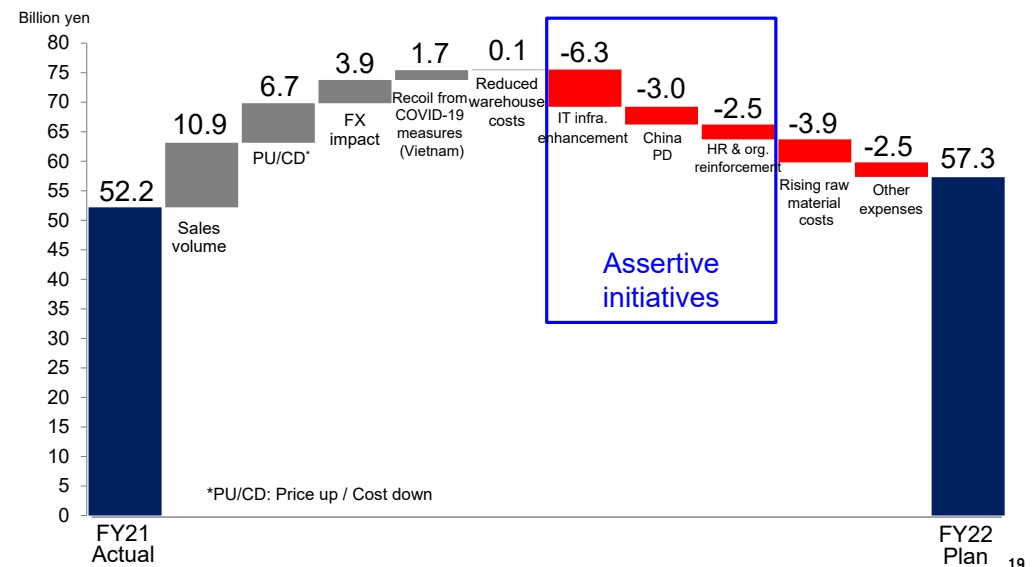
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FY22 operating income analysis (YoY)

Effects of sales increase / profit improvement / favorable forex impacts expected to continue

Profits increase anticipated despite taking "assertive initiatives" toward future growth

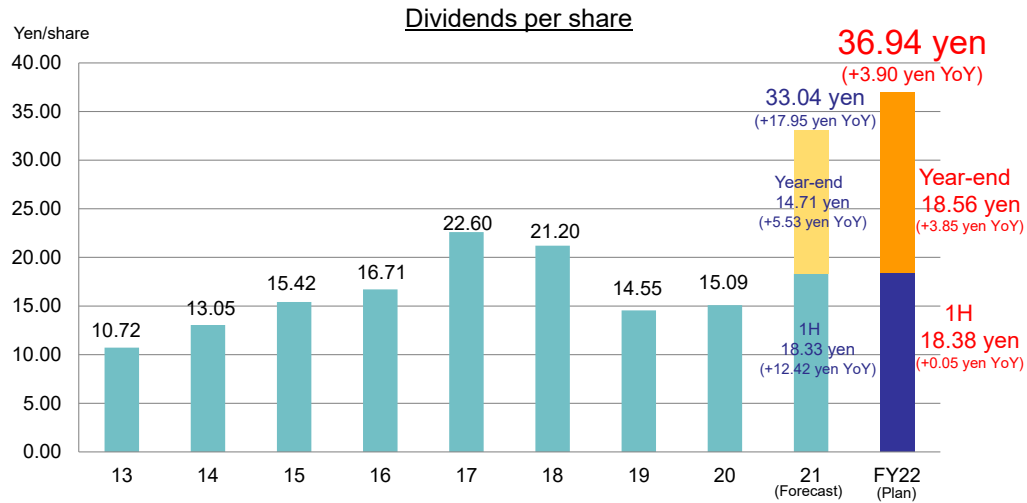


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Shareholder return

A full-year dividend payout of 33.04 yen is expected for FY21
17.95 yen increase YoY, +219% YoY, reaching a record high

A full-year dividend payout of 36.94 yen is anticipated in FY22 (payout ratio 25%)



Summary

Accelerate region-specific business model transformation aiming for a higher dimension of growth through "assertive" management

