

MISUMI Group Inc. FY2022 1Q consolidated financial results

**~Revenue increased due to forex effects
despite the impact of the China lock-down ~**

MISUMI Group Inc. announced its consolidated financial results for FY2022 1Q (April 1, 2022- June 30, 2022) today. Major performance indicators are as follows.

(Million yen)	FY2021 1Q	FY2022 1Q	YoY change
Net sales	90,924	93,101	+2.4%
Operating income	14,367	14,135	-1.6%
Net income	10,599	10,586	-0.1%
Earnings per share	37.31 yen	37.23 yen	

1. Highlights of FY2022 1Q consolidated financial results

- The global economy in the first quarter of FY2022 was challenging due to the ongoing impact of the COVID-19 infection, lock-downs in several cities in China caused weakness in automation-related capital investment and operations. Other overseas regions performed well in general although the shortages of parts and materials continued. However, in Japan, demand was sluggish mainly in the automotive industry which was impacted by the China lock-downs.
- 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. Despite our efforts to accurately capture customer demand by utilizing the strong business foundation built to date in IT, logistics, and production as well as our global network, we were affected by the China lock-down in the first quarter of this fiscal year.
- Consequently, sales decrease was offset by foreign exchange effects, resulting in consolidated net sales of ¥93,101 million, an increase of 2.4% year-on-year (4.0% decrease on a local currency basis). In terms of profits, despite the effects of foreign exchange, the decrease in sales volume, soaring raw material and delivery costs could not be fully absorb, resulting in an operating income of ¥14,135 million (1.6% decrease year-on-year). Ordinary income was ¥14,603 million (1.2% increase year-on-year), and net income attributable to owners of parent totaled ¥10,586 million (0.1% decrease year-on-year).

2. Revenues increased in all segments due to forex effects

Segment sales for FY2022 1Q are shown in the table below.

	Net sales (million yen)		YoY change	
	FY2021 1Q	FY2022 1Q	Yen basis	Local Currency basis
FA business	29,130	30,226	+3.8%	-2.6%
Die components business	18,998	19,443	+2.3%	-7.2%
VONA business	42,795	43,431	+1.5%	-3.5%
Total	90,924	93,101	+2.4%	-4.0%

- In the FA business, with the exception of China and Japan, where demand slowed, growth continued in other regions.
- In the Die components business, growth continued in the Americas and Europe, however, the recovery of automotive-related demand in other regions tended to be delayed.
- In the VONA business, despite the continued impact of certain product shortages, automation-related demand remained strong mainly in overseas regions.

3. Growth continued mostly in overseas regions, except China

- Regional break down of sales for FY 2022 1Q were as follows.

	Net sales (million yen)		YoY change	
	FY2021 1Q	FY2022 1Q	Yen basis	Local currency basis
Japan	43,005	41,753	-2.9%	—
Overseas	47,919	51,347	+7.2%	-4.9%
China	19,224	18,393	-4.3%	-17.0%
Asia	13,298	14,690	+10.5%	+1.1%
United States	8,193	10,271	+25.4%	+6.8%
Europe	5,260	5,835	+10.9%	+5.5%
Other	1,941	2,156	+11.1%	-5.2%

- In Japan, sales declined 2.9% year-on-year due to reduced demand mainly in the automotive industry which was impacted by the China lock-down.
- Overseas sales were generally firm, growing 7.2% year-on-year, except for China which was affected by the lock-down.

4. The consolidated earnings forecast for the fiscal year ending March 31, 2023, remains unchanged

- The consolidated earnings forecast for the fiscal year ending March 31, 2023, remains unchanged from that announced on May 6, 2022. Regarding the future business environment, amid increasing uncertainty including the impact of the COVID-19 infection, sluggish demand due to the shortages of parts and materials, global trend of automation related demand has not changed. Therefore, we will maintain the previously announced earnings forecast.

We will promptly make a disclosure if important matters that will affect business performance occur going forward.

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
FY2021 results	366,160	52,210	52,500	37,557	132.15
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 earnings results report for details on 1Q consolidated earnings results for the fiscal year ending March 31, 2023.

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