



MISUMI Group Inc.

FY2016 (ending March 2017)

First Half Earnings Report

November 1, 2016
 Representative Director, President and CEO
 Ryusei Ono

FY2016 First Half Earnings Overview

FX rates (vs Yen)	FY15 1H Actual	FY16 1H Actual
USD	¥121.5	¥106.4
EUR	¥134.6	¥119.1
RMB	¥19.4	¥16.1

FY2016 1H Earnings Overview

New record highs in first-half sales and profit
 Absorbed stronger yen to grow sales and profit
 mostly in line with plan

Million Yen

Category	FY15 1H Actual	FY16 1H		Percentage Change	
		Plan	Actual	YoY	Vs Plan
Net Sales	116,188	123,500	121,802	+4.8%	-1.4%
Operating Income (Before amortization of goodwill, etc.)*	13,826	14,100	14,416	+4.3%	+2.2%
Margin	11.9%	11.4%	11.8%	-0.1pt	+0.4pt
Operating Income	12,563	13,000	13,295	+5.8%	+2.3%
Margin	10.8%	10.5%	10.9%	+0.1pt	+0.4pt
Ordinary Income	12,179	12,700	13,114	+7.7%	+3.3%
Net Income	8,081	8,500	8,350	+3.3%	-1.8%

*Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

FY2016 1H Sales by Business Segment

Effects of synchronizing earnings reporting across subsidiaries felt this 1H

FA: Actively captured demand for automation in Japan, China and Europe

Die Components: FX headwinds but sales grew in China, Asia and Europe

VONA: Strong, primarily driven by Japan

Million Yen

Category	FY15 1H Actual	FY16 1H Actual	YoY	
			In yen	In local currency
Total	116,188	121,802	+4.8%	+11.5%
FA Businesses	38,038	40,011	+5.2%	+12.2%
Die Components Businesses	34,953	32,980	-5.6%	+4.8%
VONA Business	45,301	48,810	+7.7%	+13.8%
Other factors and adjustments	-2,105	0	-	-

*1. FY15 also reflects new reporting segments (introduced in FY16)

*2. Effective FY16 all consolidated subsidiaries report April-March business years. That eliminates adjustments from time lags in reporting periods.

FY2016 1H OP by Business Segment

Mostly in line with plan
All segments grew in local currency

Million Yen

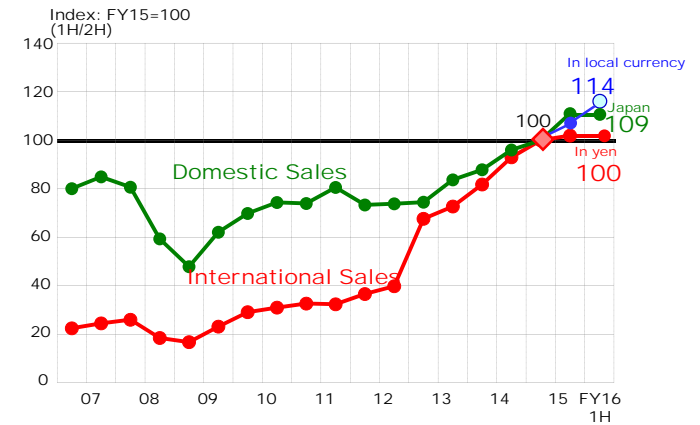
Category	FY15 1H		FY16 1H			
	Actual		Actual		YoY	
		Margin		Margin	In yen	In local currency
Total	12,563	10.8%	13,295	10.9%	+5.8%	+26.5%
FA Businesses	6,504	17.1%	6,222	15.6%	-4.3%	+9.5%
Die Components Businesses	2,243	6.4%	2,129	6.5%	-5.1%	+16.8%
Before amortization of goodwill, etc.	3,507	10.0%	3,250	9.9%	-7.3%	+11.2%
VONA Business	5,320	11.7%	5,158	10.6%	-3.0%	+22.1%
Other factors and adjustments	-1,505	-	-215	-	-	-

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FY2016 1H Domestic & International Sales

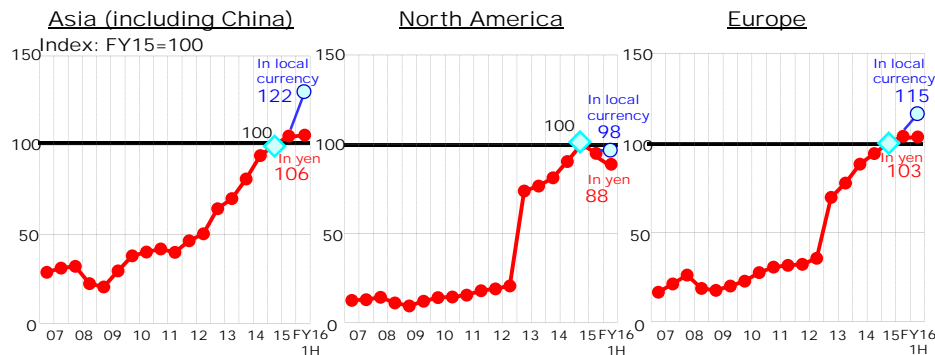
Japan: Sales driven by strength in FA and VONA
Overseas: China, Asia and Europe strong, but NA stalled
(International Sales Ratio 45.2%)

Domestic & International Sales



FY2016 1H Sales by Region (In Local Currency)

Asia: Strong sales in China drove double digit topline growth
NA down slightly on depressed demand for automotive dies and molds in US
Europe: dbl-digit growth on new customer accounts, MISUMI brand penetration

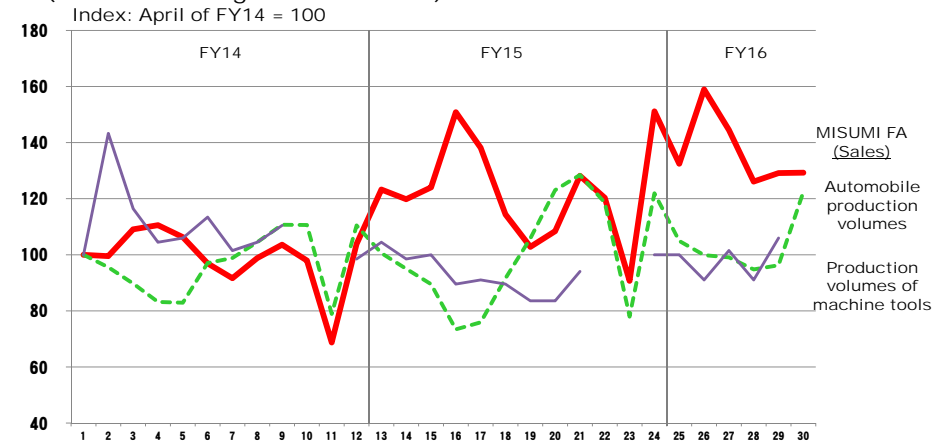


China 113(131)
Asia 97(110)
Parentheses indicate local currency values

FX rates (vs Yen)	FY15 1H Actual	FY16 1H Actual
USD	¥121.5	¥106.4
EUR	¥134.6	¥119.1
RMB	¥19.4	¥16.1

Chinese Market and MISUMI FA Sales

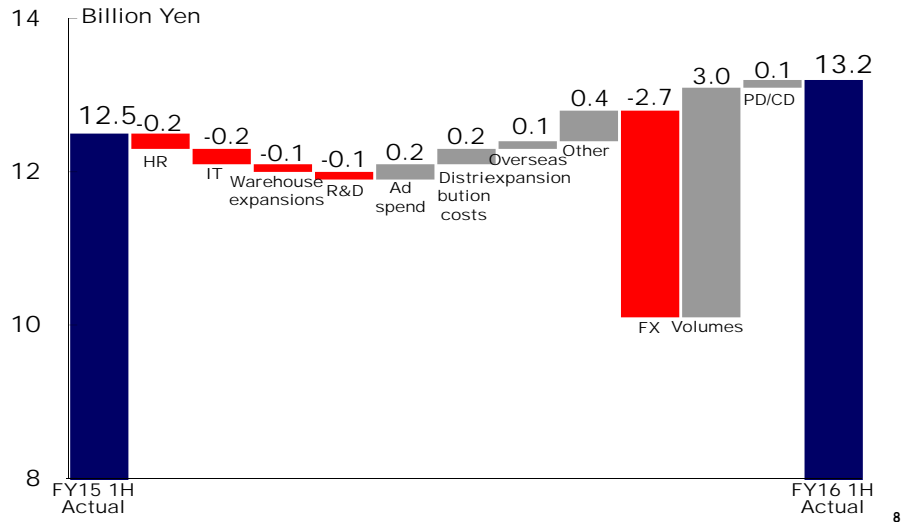
Growth in MISUMI performance beating macro indexes
Helped by improvements to QCT and launch of Nantong Plant (Production began March 2014)



*1. Source: Nomura Securities analyst report
*2. Machine tools production volumes data for January and February of FY14 and FY15 not publicly available.

FY2016 1H Operating Income Bridge

New record high as sales growth overcame FX headwinds
OP ahead of plan due to delay in SG&A outlays



FY2016 Full Year Consolidated Earnings Forecasts

FX rates (vs Yen)	FY15 Actual	FY16 2H plan	FY16 full-year plan
USD	¥120.2	¥103.0	¥104.9
EUR	¥132.4	¥115.0	¥117.2
RMB	¥19.2	¥15.5	¥15.8

FY2016 Full Year Earnings Forecasts

Sales forecast revised down ¥2.5bn due solely to FX
Record-high sales and profit for sixth straight year
Continue strong topline growth (up 13.1% in local currencies)

Category	FY15	FY16			
	Actual	Previous Plan	Revised forecast	YoY	Vs Previous Plan
Net Sales	240,139	256,000	253,500	+5.6%	-1.0%
Operating Income (Before amortization of goodwill, etc.)*	28,228	29,500	29,500	+4.5%	0.0%
Margin	11.8%	11.5%	11.6%	-0.2pt	+0.1pt
Operating Income	25,690	27,200	27,200	+5.9%	0.0%
Margin	10.7%	10.6%	10.7%	+0.0pt	+0.1pt
Ordinary Income	25,119	26,600	26,600	+5.9%	0.0%
Net Income	16,907	17,800	17,800	+5.3%	0.0%

*Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

FY2016 Sales Forecasts by Business Segment

Local-currency growth in all segments per original plan

Category	FY15 Actual	FY16 Previous Plan	FY16 Revised forecast	YoY		Vs Previous Plan
				In yen	In local currency	
				Total	240,139	
FA Businesses	76,370	83,000	82,400	+7.9%	+14.4%	-0.7%
Die Components Businesses	69,732	68,000	66,700	-4.3%	+6.7%	-1.9%
VONA Business	93,758	105,000	104,400	+11.4%	+17.1%	-0.6%
Other factors and adjustments	279	-	-	-	-	-

*1. FY15 also reflects new reporting segments (introduced in FY16)

*2. Effective FY16 all consolidated subsidiaries report April-March business years. That eliminates adjustments from time lags in reporting periods.

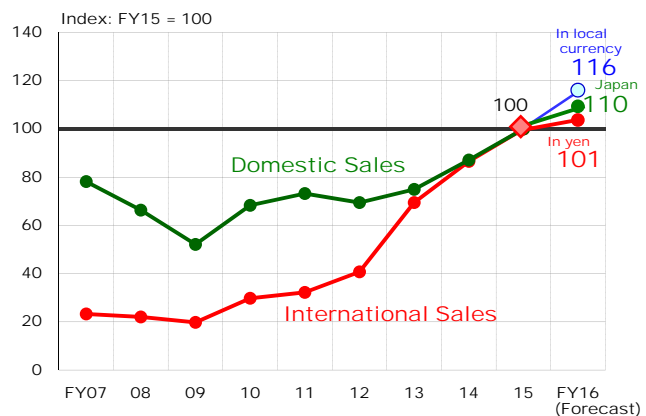
FY2016 Domestic & Int'l Sales Forecasts

Japan: Forecasting further growth for VONA in 2H

Overseas: Strong growth to continue in 2H in China, Asia and Europe

Up 16.4% in local currencies. (Up slightly In yen)

Domestic & International Sales



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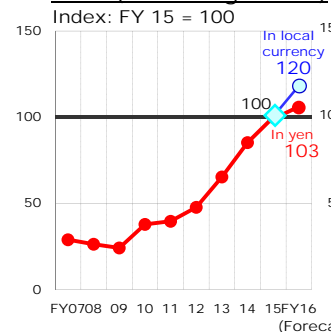
FY2016 Sales Forecasts by Region (In Local Currency)

Asia: Strong topline growth in China to continue

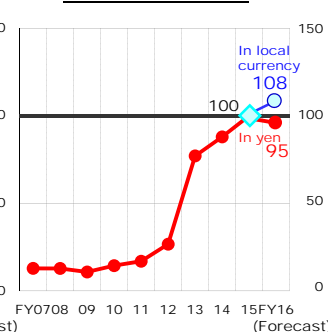
NA to grow in 2H due to strengthening of FA and capturing demand for new dies

Europe: Expecting further customer base expansion in 2H

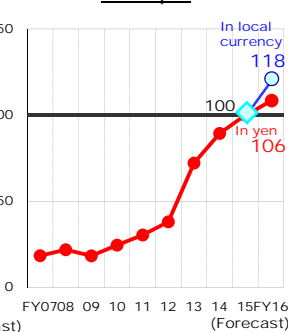
Asia (including China)



North America



Europe



China 105(125)

Asia 100(112)

Parentheses indicate

local currency values

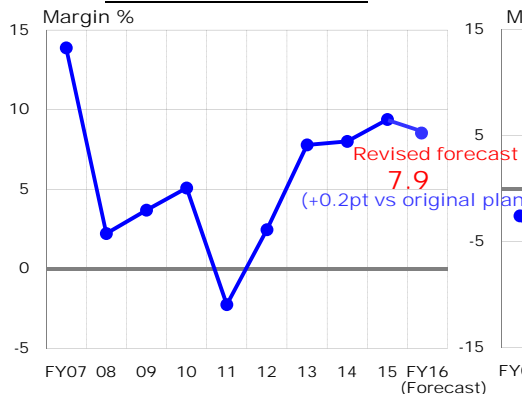
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RMB	¥19.2	¥15.5	¥15.8

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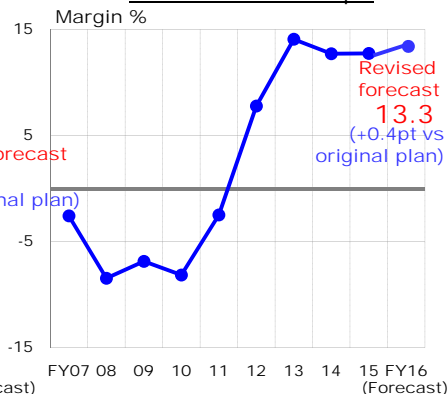
FY2016 Operating Income Forecasts by Region

Slight change to margin resulting from sales forecast revision

China & Rest of Asia



Americas & Europe



*1. Based on operating income by region

*2. Beginning with FY12, operating income (margin) is disclosed as two regions: Americas & Europe and China & the rest of Asia

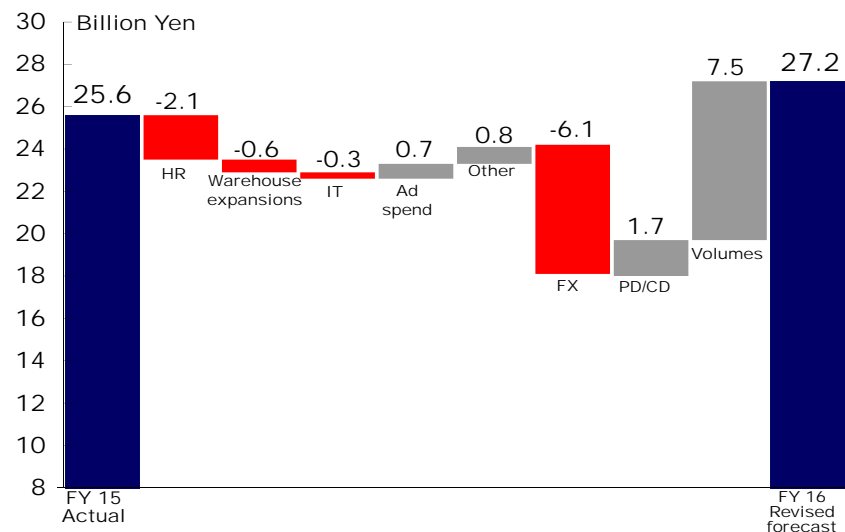
*3. Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

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FY2016 Operating Income Bridge (YoY)

Control SG&A to reach original plan despite FX headwinds

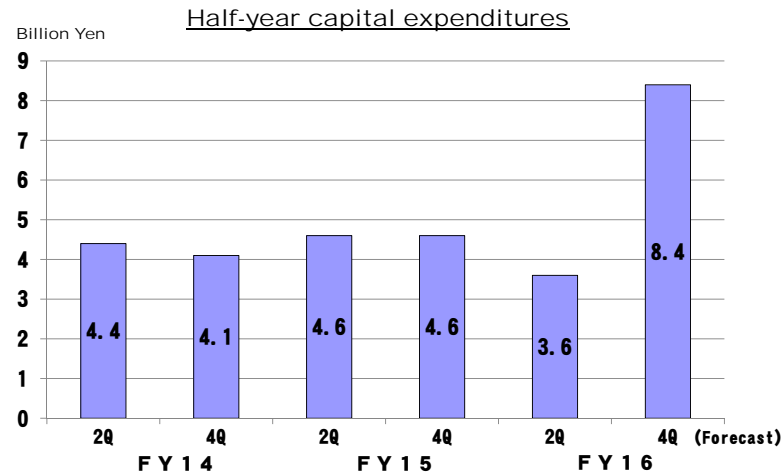
(Vs. original plan: FX -0.8; SG&A +0.8)



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Capital Expenditures

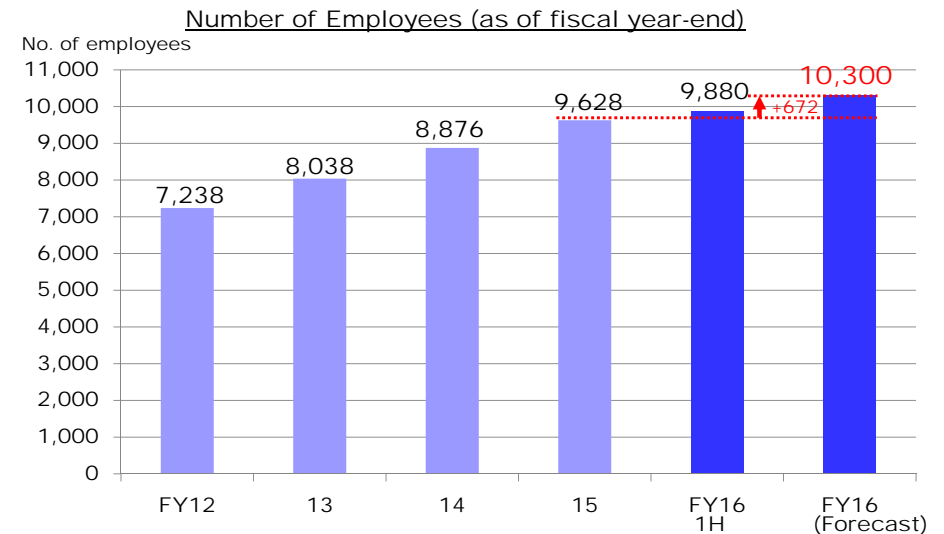
First half of FY16 Actual: ¥3.6 billion
 Planning to spend ¥8.4 billion in the second half of FY16,
 a significant increase YoY



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Adding Personnel

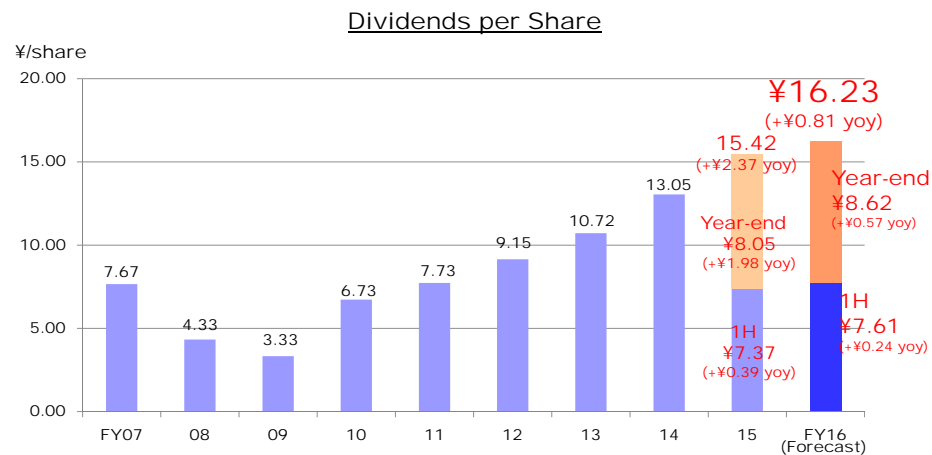
Bolstering organizations to strengthen platforms



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Shareholder Returns

FY16 interim dividend ¥7.61 based on a 25% payout ratio
 FY16 total DPS to be ¥16.23, making a new record high

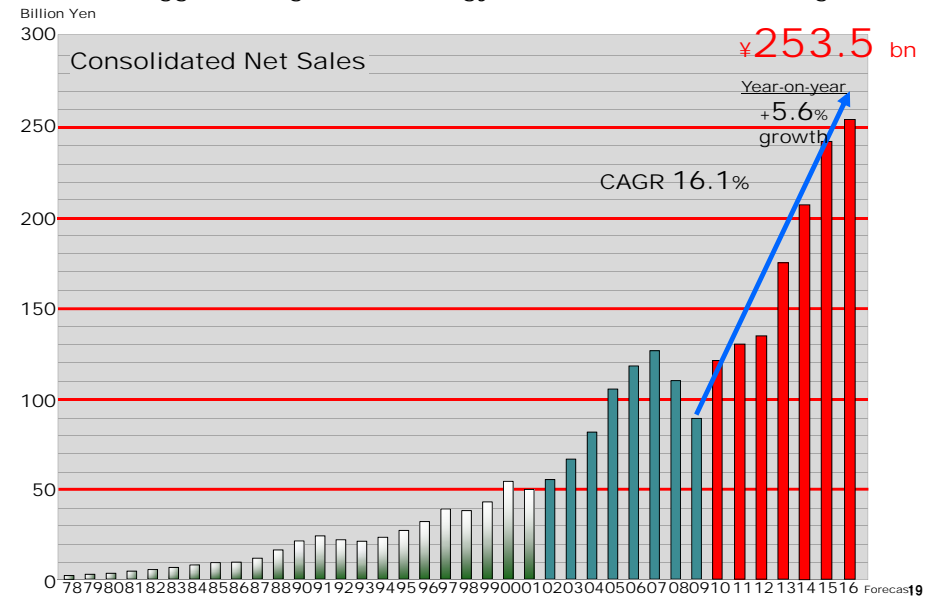


* Effective July 1, 2015, we executed a 3-for-1 stock split. Past DPS amounts have been adjusted to reflect the split.

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Summary

Continue aggressive growth strategy and achieve sustainable growth



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