

## MISUMI Group Inc. FY2022 consolidated financial results

~Despite weak demand due to economic stagnation and recession in China in the second half of the year, sales increased due to foreign exchange effects~

MISUMI Group Inc. announced its consolidated financial results for FY2022 (April 1, 2022- March 31, 2023) today. Major performance indicators are as follows.

| (Million yen)      | FY2021     | FY2022            | YoY change |
|--------------------|------------|-------------------|------------|
| Net sales          | 366,160    | <b>373,151</b>    | +1.9%      |
| Operating income   | 52,210     | <b>46,615</b>     | -10.7%     |
| Net income         | 37,557     | <b>34,282</b>     | -8.7%      |
| Earnings per share | 132.15 yen | <b>120.53 yen</b> |            |

### 1. Highlights of FY2022 consolidated financial results

- During FY 2022, the global economy was affected by COVID-19 infections. In China, economic activity stagnated due to the lockdown at the beginning of the period and the resurgence of infections in the second half of the year, resulting in continued sluggish demand. In other overseas regions, demand gradually slowed down in the second half of the fiscal year due to inflation and other factors, but growth was maintained in Europe and the US. In Japan, however, demand remained generally weak due to the impact of the slowdown in China and low factory utilization rates, particularly for automotive-related products.
- In this economic environment, MISUMI Group is leveraging its unique Business MODEL, which encompasses manufacturing and distribution businesses. By advancing the business foundation that supports these businesses globally, we are contributing to industries related to automation demand, particularly the manufacturing industry, by responding to customers' needs for reliable and quick delivery. Despite our efforts to accurately anticipate customer demand by leveraging our solid business foundation in IT, logistics, and manufacturing and our global network of locations, the business was severely affected by the lockdown in China at the beginning of the period and weak global demand for capital investment in the second half of the year.

- As a result, despite the slowdown in demand, consolidated net sales were ¥373,151 million, an increase of 1.9% year-on-year due to the impact of foreign exchange rate effects (4.4% decrease on a local currency basis). In terms of profit, operating income was 46,615 million yen (10.7% decrease year-on-year) and ordinary income was ¥47,838 million yen (8.9% decrease year-on-year) due to a decrease in sales volume and an increase in expenses related to the introduction of a new core system. Net income attributable to owners of parent totaled ¥34,282 million yen (8.7% decrease year-on-year).

## 2. Despite the impact of weak demand on all businesses, sales increased due to foreign exchange effects

- Segment sales for FY2022 are shown in the table below.

|                         | Net sales (million yen) |                | YoY change |                      |
|-------------------------|-------------------------|----------------|------------|----------------------|
|                         | FY2021                  | <b>FY2022</b>  | Yen basis  | Local Currency basis |
| FA business             | 119,253                 | <b>121,932</b> | +2.2%      | -3.9%                |
| Die components business | 75,108                  | <b>79,125</b>  | +5.3%      | -4.8%                |
| VONA business           | 171,799                 | <b>172,093</b> | +0.2%      | -4.5%                |
| Total                   | 366,160                 | <b>373,151</b> | +1.9%      | -4.4%                |

- The FA business continued to grow in Europe and the US, but demand in China and Japan was weak.
- The Die components business experienced sluggish growth particularly in China and Asia, due to delays in investment in automotive-related equipment and reduced factory operations worldwide.
- In the VONA business, strong demand for EV-related products continued to drive growth in Europe and the US, while in China and Japan, the impact of low factory utilization rates and other factors led to a significant decline in demand.

## 3. Despite indications of a slowdown in the second half of the year, Europe and the US maintained their growth, whereas China and Japan could not recover fully

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

|               | Net sales (million yen) |                | YoY change |                      |
|---------------|-------------------------|----------------|------------|----------------------|
|               | FY2021                  | <b>FY2022</b>  | Yen basis  | Local currency basis |
| Japan         | 175,463                 | <b>172,661</b> | -1.6%      | —                    |
| Overseas      | 190,696                 | <b>200,489</b> | +5.1%      | -7.0%                |
| China         | 74,986                  | <b>68,900</b>  | -8.1%      | -18.0%               |
| Asia          | 53,918                  | <b>56,182</b>  | +4.2%      | -5.8%                |
| United States | 33,899                  | <b>42,521</b>  | +25.4%     | +4.8%                |
| Europe        | 20,781                  | <b>24,257</b>  | +16.7%     | +8.1%                |
| Other         | 7,110                   | <b>8,627</b>   | +21.3%     | +0.1%                |

- Sales in Japan declined by 1.6% year-on-year, primarily due to sluggish demand across various sectors, especially the automotive industry. This downturn reflects the impact of the China lockdown and low factory utilization rates.
- Overseas sales increased 5.1% over the prior year due to foreign exchange effects. However, in China, economic activity stagnated due to the lockdown at the beginning of the year and the resurgence of infection in the second half of the year, and demand remained sluggish. In other regions, demand gradually slowed in the second half of the year, but growth was maintained in Europe and US.

#### 4. Annual dividend payout is expected to be ¥30.14 per share

- To maintain our competitive advantage, achieve sustainable growth, and increase shareholder value in the future, we continue to innovate MISUMI's Business MODEL by proactively strengthening our business fundamentals in IT, logistics, manufacturing, and supply chain. This means striking a balance between medium- to long-term investments in growth and returns to shareholders.
- In terms of dividends, we will pay a dividend payout ratio of 25%, considering the expansion of our management base, strengthening our financial position, and improving capital efficiency. We plan to payout a year-end dividend per share of ¥12.34 (a decrease of ¥2.37 year-on-year) to reflect our earnings performance in FY2022. Combined with the interim dividend per share of ¥17.80, we plan to pay an annual dividend per share of ¥30.14 (a decrease of ¥2.90 year-on-year).

|                              | Annual per-share dividend |              |          |              |              |              |
|------------------------------|---------------------------|--------------|----------|--------------|--------------|--------------|
|                              | Interim                   |              | Year-end |              | Annual total |              |
|                              | Yen                       | Payout ratio | Yen      | Payout ratio | Yen          | Payout ratio |
| Previous forecast            | —                         | —            | 14.29    | 25.0%        | 32.09        | 25.0%        |
| Actual results this year     | 17.80                     | 25.0%        | 12.34    | 25.0%        | 30.14        | 25.0%        |
| Actual results previous year | 18.33                     | 25.0%        | 14.71    | 25.0%        | 33.04        | 25.0%        |

## 5. Consolidated earnings forecast

- The consolidated earnings forecast for the fiscal year ending March 31, 2024 is as follows. Please note that this earnings forecast is subject to change due to changes in the business environment and we will promptly disclose any material events that may arise.

FY2023 (April 1, 2023-March 31, 2024) 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       | 396,000     | 51,000           | 51,400          | 37,800      | 132.84             |
| Actual results this year | 373,151     | 46,615           | 47,838          | 34,282      | 120.53             |
| Increase ratio (%)       | +6.1%       | +9.4%            | +7.4%           | +10.3%      | —                  |

Note: Assumed exchange rates: US\$: 130.0 yen, Euro: 138.0 yen, RMB: 19.0 yen

### [Notes regarding forward-looking statements]

The outlook for the fiscal year ending March 31, 2024 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 consolidated earnings results for the fiscal year ending March 31, 2023.

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