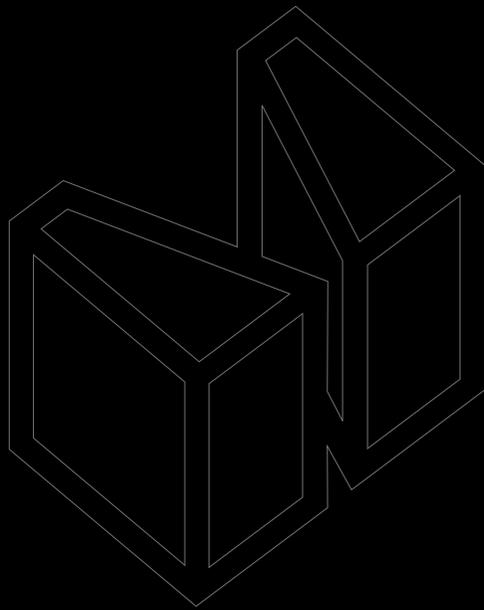




ANNUAL REPORT 2009





Profile

Since its establishment in 1963, The MISUMI Group has been a powerful “behind-the-scenes” presence supporting the Japanese machine industry. One of The MISUMI Group’s first achievements was the standardization of press die components by means of innovative catalog sales operations. We have continued to grow by providing the diverse products customers require with high quality, low cost, and short delivery periods.

The MISUMI Group’s innovation and foresight have led to a unique business model and organizational model that have earned high evaluations and are continuing to inspire other Japanese companies to undertake important innovations. In line with our slogan “a battle against time,” we are making relentless efforts each day to achieve further increases in customer satisfaction and management efficiency. We are continually evolving our MISUMI QCT Model for concurrently optimizing quality (Q), cost (C), and time (T) factors as well as applying farsighted management strategies to provide powerful support for manufacturing industries in Japan and elsewhere throughout the world. That is our objective and our mission.

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Forward-Looking Statements

This annual report contains forward-looking statements regarding The MISUMI Group’s business performance estimates and business environment forecasts. All forward-looking statements are based on judgments derived from information available to The MISUMI Group at the time of publication, and these forecasts include uncertainties. Certain risks and uncertainties could cause MISUMI’s actual results to differ materially from any projections presented in this report. Please be advised that our actual business performance and the future business environment may differ substantially from the forecasts indicated in this document.

Consolidated Financial Highlights

MISUMI Group Inc. and Consolidated Subsidiaries
Years Ended March 31, 2009 and 2008

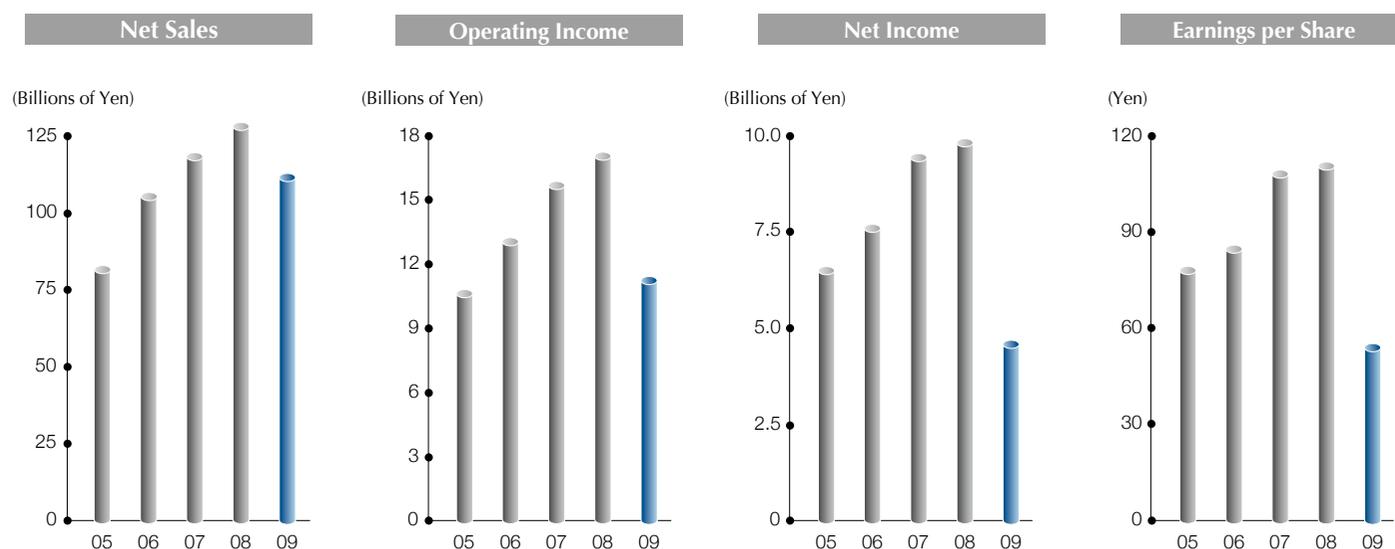
	Millions of Yen		Change	Thousands of ¹ U.S. Dollars
	2009	2008	2009/2008	2009
For the Year:				
Net sales	¥110,041	¥126,665	-13.1%	\$1,120,241
Factory Automation Businesses.....	58,405	62,279	-6.2	594,575
Die Components Businesses.....	28,424	34,514	-17.6	289,367
Electronics Businesses.....	10,282	12,957	-20.6	104,670
Optical-related Businesses.....	3,971	5,954	-33.3	40,427
Diversified Businesses ²	8,959	10,961	-18.3	91,202
Operating income.....	11,017	16,317	-32.5	112,153
Income before income taxes and minority interests.....	9,640	16,296	-40.8	98,133
Net income.....	4,687	9,698	-51.7	47,713
At Year-end:				
Total assets.....	¥86,080	¥92,596	-7.0%	\$876,307
Total equity.....	71,696	71,302	0.5	729,882
Interest-bearing debt.....	1,862	2,164	-13.9	18,963

	Millions of Yen		Change	U.S. Dollars
	2009	2008	2009/2008	2009
Per Share Data:				
Net income.....	¥52.89	¥109.72	-51.7%	\$0.54
Cash dividends.....	13.00	23.00	-43.4	0.13
Equity.....	808.90	805.33	0.4	8.23

Notes:1. U.S. Dollars converted at ¥98.23 per U.S. Dollar, the exchange rate effective March 31, 2009.

Please see Note 1 in the Consolidated Financial Statements

2. Beginning the second half of the fiscal year ended March 2008, MICREED Corporation is no longer included as a consolidated subsidiary in accordance with the assignment of shares in MICREED Corporation that took place in September 2007.





Tadashi Saegusa
Representative Director, Chairman and CEO

Masayuki Takaya
Representative Director and President

Seizing opportunities amidst adversity, Improving profitability and strengthening our earnings structure, and Evolving the MISUMI Business Model targeting growth

Business performance results for FY2008

In FY2008, net sales were 110 billion yen, a 13.1% decline compared to the previous year. Operating income was 11 billion yen, down 32.5%, and net income 4.6 billion yen, down 51.7%. Operating margin was 10%.

In the first half of the fiscal year, net sales and operating income both reached record highs. Due to the effects of the global recession, however, in the second half net sales declined 29% compared to the same period in the previous year and operating income dropped 68%, leading to a year-on-year decline in revenues and profits over the full year. Furthermore, consolidated subsidiary SURUGA SEIKI exited one of its unprofitable businesses, resulting in the posting of an extraordinary loss of approximately 800 million yen.

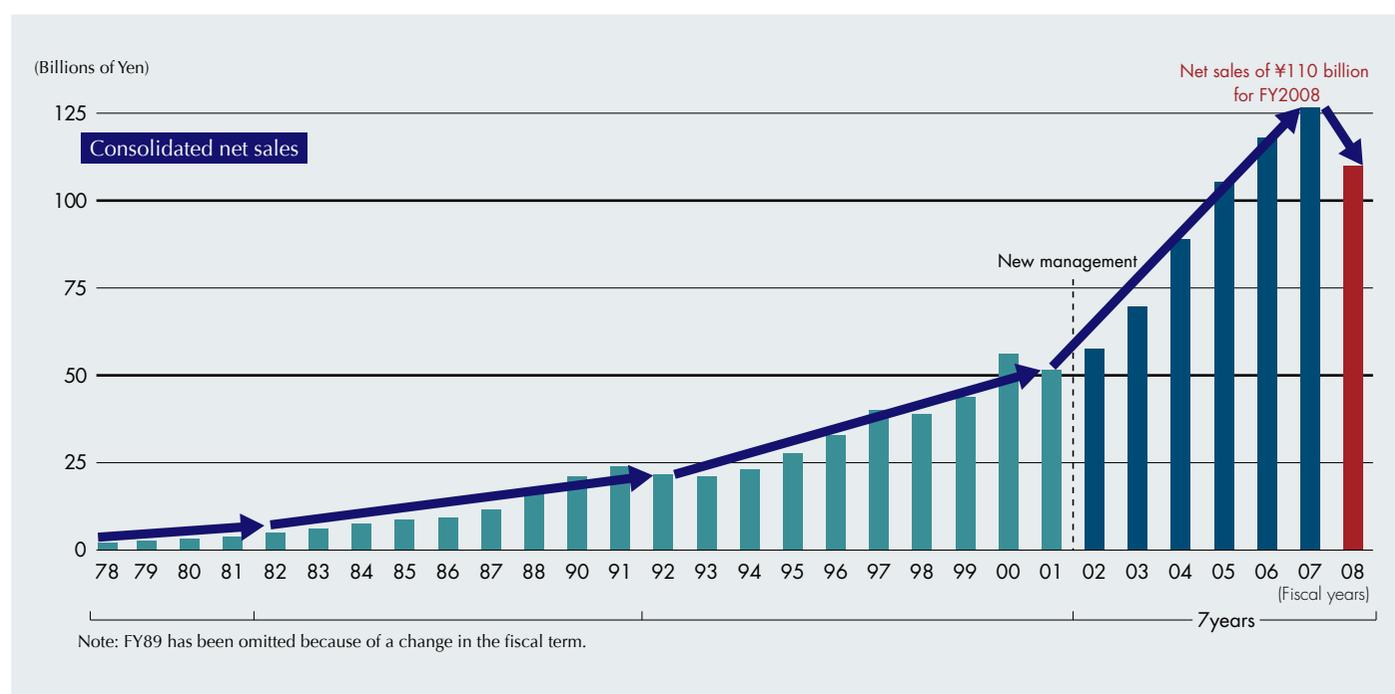
The MISUMI Group set its year-end dividend at 3 yen, bringing the annual dividend to 13 yen, counting the 10 yen already paid out as an interim dividend. The MISUMI Group's dividend payout ratio

policy is 20% of consolidated net income; however, in consideration of returning profits to our shareholders, in FY2008 we paid out 25% in dividends.

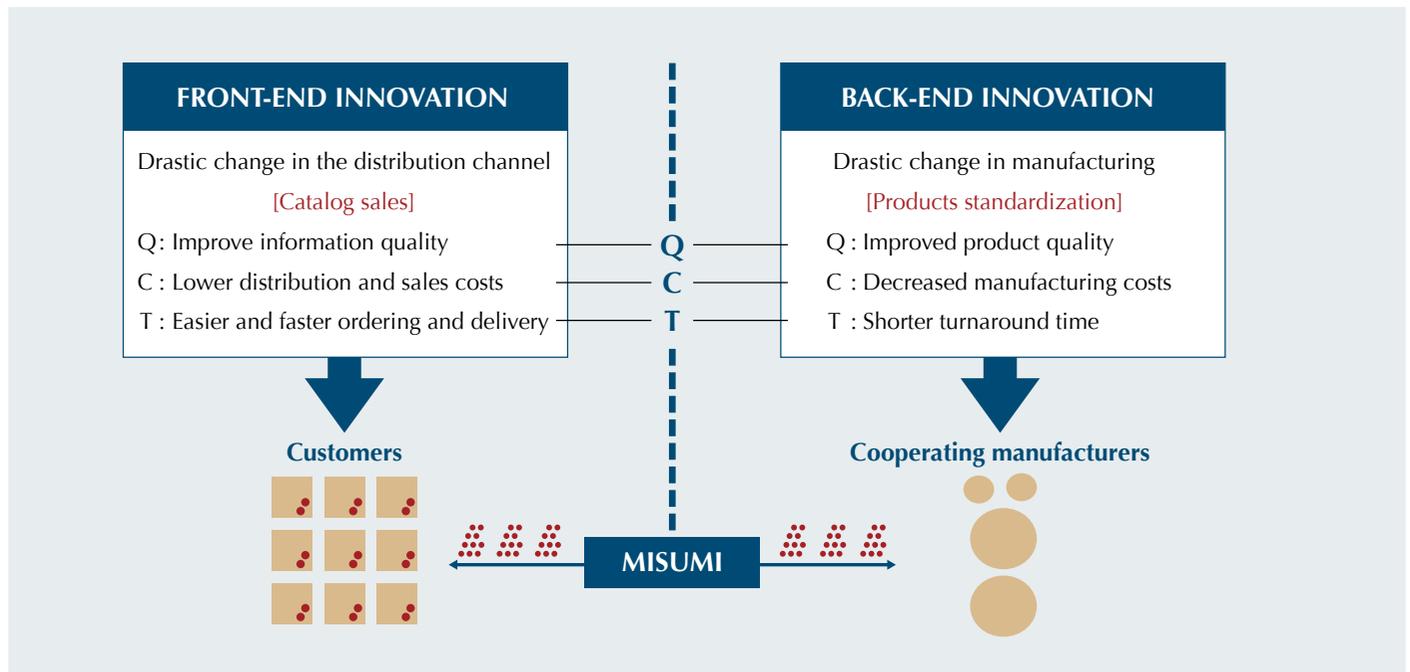
Forecast for FY2009

The MISUMI Group expects production volumes and capital expenditures to remain stagnant for some time in our major customer industries, namely, the automotive and electronics sectors. As a result of the global recession, we expect business performance to deteriorate significantly. For FY2009, we forecast net sales of 83 billion yen, down approximately 25% compared to the previous year, and operating income of 5 billion yen, down about 55%. This constitutes a sharp decline in revenues and profits, returning net sales to levels last seen five years ago, and operating income to levels of eight years ago. Moreover, we forecast an operating margin of 6%, undershooting a level last seen eight years ago.

Revenue Trend of The MISUMI Group



MISUMI QCT Model



Emergency strategies

In FY2009, a decline in revenue and the negative effects of foreign exchange rate movements could eliminate approximately 10 billion yen in operating income compared to the previous year. In response to this unprecedented situation, The MISUMI Group is engaged in emergency measures to bolster profits by approximately 4 billion yen and efforts to strengthen our earnings structure. At the same time, we will aggressively pursue steps to secure growth further down the road.

The following measures will be implemented to bolster earnings and strengthen profitability.

- 1.Raise profitability of loss-making and low-profit products
- 2.Improve earnings in international business
- 3.Cut operational costs in areas including order-taking and logistics
- 4.Exit from loss-making Iwaki Fine Technologies business
- 5.Structurally reform SURUGA SEIKI
- 6.Reduce personnel costs
- 7.Improve manufacturing process
- 8.Bolster web business
- 9.Expand new product items and categories
- 10.Expand international business

We aim to improve weakened profitability gradually as we approach the latter half of the period due to the effects of these improvement measures. Through our efforts to strengthen the company's earnings structure, we envision emerging from the recession a more profitable company.

Evolving the Business and Organizational Models

The MISUMI Group has implemented a variety of innovations to its business to date. Our basic strategy remains unchanged in a recession, and in FY2008 The MISUMI Group continued to evolve its business and organizational models. We consider these important steps to position ourselves to accelerate growth in an economic recovery.

In FY2008, revenues declined 13.1% year-on-year. However, compared to the 39% decline in domestic machine tool orders and the 60% fall in domestic semiconductor production equipment orders, MISUMI's business maintained relative strength. In other economic recessions since the 1990's MISUMI has exhibited resilience amidst adverse environments and growth outperforming peers during economic recoveries. We attribute this to the strength of the MISUMI business model.

For example, under MISUMI's business model, we can accept an order for just one piece—no minimum quantities required—and provide a high-quality product at a low price. Ordinarily, the product ships to the customer in three days and, in some cases, just one day. As our customers struggle to deal with a recession, this enables us to satisfy customer needs to control inventories and source parts in a timely manner. To further strengthen this business model, we are evolving the MISUMI QCT (Quality, Cost, and Time) Model.

Strengthening Our Catalog Lineup

Catalog Deployment Status							
	Local language/local currency catalogs					Web catalog	
	FA		Press	Mold	Tools	Electronics	Web ordering
Japan	1988	1994 (Machining)	1976	1985	1993	1991	2007
China	2004		2003	2004	2004		2008
Korea	2001		2000	2002		2006	2008
Taiwan	2003		2005	2006			2008
Singapore	2006		2006	2006			2009
Thailand	2006		2005	2007			2009
Europe	2005(UK)	2006(Germany)					2008
North America	2002	2004 (inches)	2002	2003			2007

29 versions in 9 countries

Evolving the MISUMI Business Model:

1. Expand new product items and categories

Expansions of new product items and categories not only support sales in a recession, but also play an important role in expanding market share in an economic recovery.

We currently offer more than one million types in product lineups and continue to aggressively develop new products. New products continued to account for a large proportion of total sales (25%) in FY2008.

In addition to adding specification categories to existing products, our new product development efforts focus on expanding into entirely new product areas. For example, working with SURUGA SEIKI, we jointly developed a single axis actuator unit for factory automation applications, then entered the market in FY2007. By the following year, the venture had grown substantially in Japan and overseas, thanks to short lead-times and other successful differentiation measures. In the FA industry customers are increasingly adopting modular units. The actuator market is a promising one, estimated to



New FA products in FY2009



FA Mechanical Standard Components Catalog—FY2009 Domestic Version

be worth 150 to 200 billion yen in Japan alone. Moving forward, we will continue to expand our product lineups of single axis actuators and other modular units and develop new product categories, while leveraging our ability to deliver in short lead-times to expand market share.

Evolving the MISUMI Business Model:

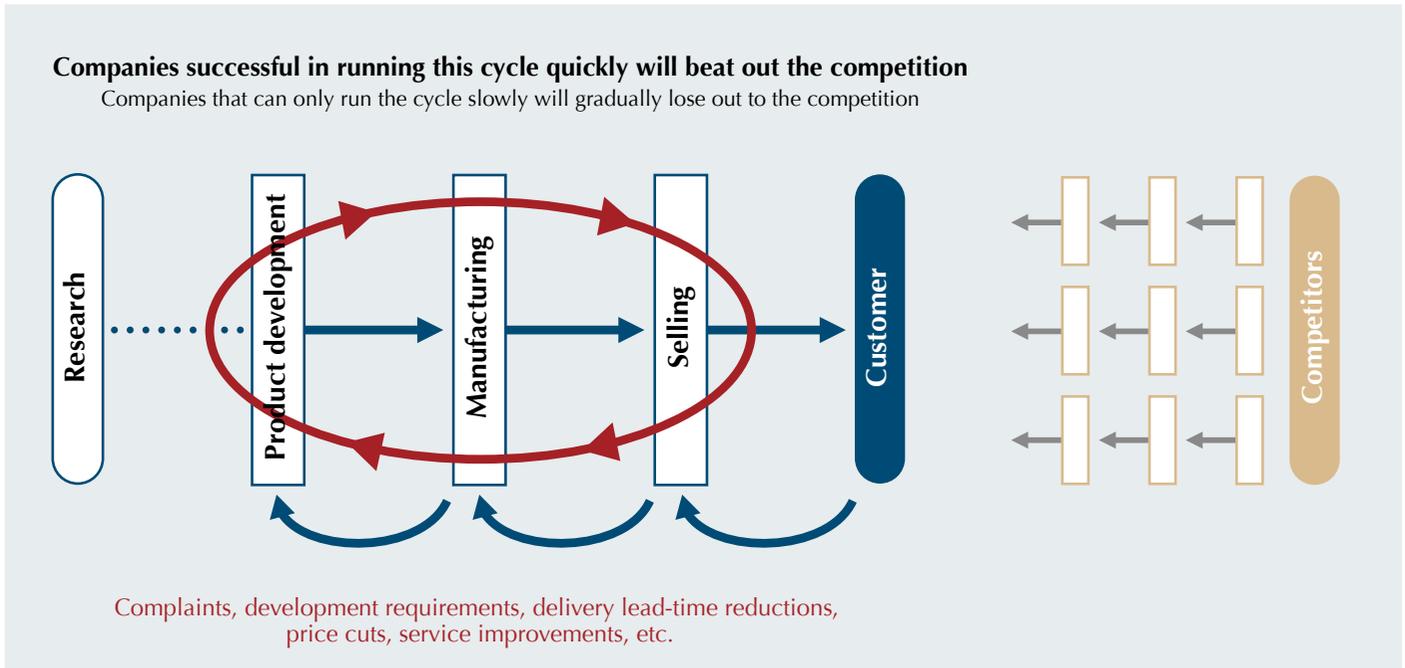
2. Bolster web business

We began a full-fledged expansion overseas in FY2002. Now, we do business in 11 countries outside of Japan. However, The MISUMI Group's market share overseas is still small, with plenty of room for expansion. We will continue to evolve our business model overseas and attempt to position our international business as one of our top-line growth drivers in an economic recovery.

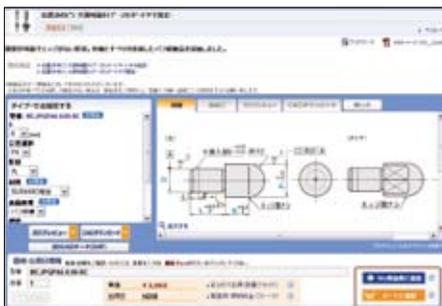
The MISUMI Group currently publishes 29 versions of its catalogs in 9 countries. Outside of Japan, we have 23 versions of catalogs in 8 countries printed in local languages and local currencies. That is quite an achievement, compared to the 4 versions in 2 countries we had 7 years ago.

However, until recently our web catalogs had only been available in Japan and the United States. In FY2008, we accelerated the introduction of web catalogs overseas and completed the web catalog roll-out to all businesses, domestic and overseas. Web catalogs save time for product selection and enhance convenience for our customers. Once a customer selects the appropriate dimensions and materials, the order number is generated automatically. The web catalog also displays on the user's computer screen views from a variety of angles to allow the customer to confirm the shape

Basis of operations—Product development, Manufacturing and Selling (Basic business cycle)



of the part ordered. Web catalogs also enable the simultaneous global release of new products and acceleration of new customer acquisition. Customers benefit from our e-catalog by saving substantial time placing orders. In FY2002 the web catalog accounted for about 20% of total domestic orders. In FY2008, that number reached 60%, also leading to a reduction in order-taking costs. Moving forward, as web orders increase overseas we look forward to reaping operational cost savings, as well.



Web catalog: "e-catalog"



The MISUMI Organizational Model
 —the source of our vitality

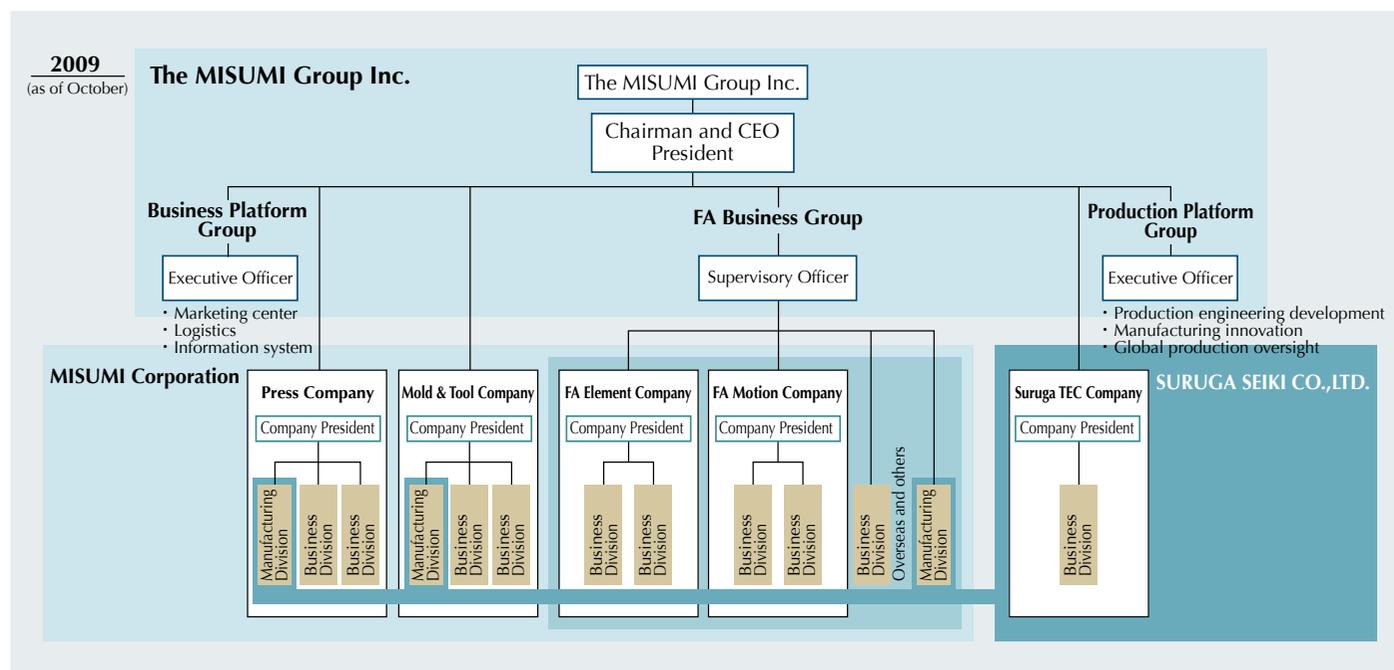
Another of MISUMI's strengths lies in the MISUMI organizational model. We have evolved our organization as our business scale grew to preserve a high-spirited approach to business with our customers in a competitive environment. Evolving our organization has not only quickened the speed at which we do business but also accelerated our quickness to emerge from recessions.

The MISUMI Group organization creates small teams responsible for product development, manufacturing, and selling. Within that framework, leaders and team members are given the autonomy to formulate plans, make decisions and drive the business. Having the individual teams act as independent companies accelerates the development of management personnel. As the business reaches a certain scale, these teams are divided into smaller "cells" under the concept of "Small is Beautiful", and these split teams operate independently. The number of business teams in The MISUMI Group has grown from about 20 teams seven years ago to about 60 teams now.

Of course, having too many small teams within the organization limits the operational reach of each team and can potentially weaken companywide controls. To counter this effect, The MISUMI Group has implemented a system of "Business Plan" and reviews. Top management indicates a business strategy that is shared by executives and employees across the company using a systematized framework. Based on that common strategy, individual business teams formulate one-year Business Plan and submit those plans for review by business department heads and top management. Approval of the plan establishes delegation of the appropriate authority. As long as the business teams stay within the scope of the approved Business Plan, they are free to use their own discretion in driving the business. Enthusiasm and commitment to the business are borne of autonomy, not ordered by top management. This is the source of MISUMI's vitality.

Under the organization at MISUMI Group, motivated small teams work on the front lines actively pursuing their Business Plans, which have been harmonized with overall corporate strategy. The MISUMI

Evolution of MISUMI's Organizational Model



Group has succeeded in fusing these two apparently contradictory elements and striking a balance of coexistence.

Evolving the MISUMI Organizational Model

In June 2008, we launched an organization comprising four Companies and two Platform Groups. The four Companies are: FA, Press, Mold & Tools, and Suruga TEC. In October 2009, a “cell split” divided the FA Company into an FA Element Company and an FA Motion Company, bringing the count to five companies. Each Company and business group is combined with a manufacturing unit from SURUGA SEIKI. Each Company runs its business, including the attached manufacturing unit, thus creating a unique organization that unifies sales and manufacturing and transcends the boundaries of MISUMI and SURUGA SEIKI. The Company presidents who head each company organization control the multiple business lines housed under each company. These company presidents rose from within the ranks of the company, thereby established a flow to cultivate talent internally.

The two platform groups are the Business Platform and the Production Platform. The Business Platform is responsible for building and enhancing the business infrastructure including global marketing and logistics. The Production Platform works to drive innovation in production regimes and enhance expertise, with a reach that extends beyond The MISUMI Group to our partner manufacturers.

Moreover, the appointment of Tadashi Saegusa to chairman and CEO and the promotion of Masayuki Takaya to president and Masahiko Eguchi to executive vice president, decided October 1, 2008, bolstered a management regime centered around the four representative directors including executive vice president Teiichi

Aruga. This is to enhance teamwork among top management in response to the growing organization resulting from greater sales and global business expansion.

In addition to bolstering corporate leadership with the new management regime, The MISUMI Group will push forward delegation of responsibilities pursuant to the introduction of the five Companies and two Platform Groups to accelerate decision-making and overcome the global recession.

Leveraging its unique organizational philosophy, The MISUMI Group will continue to pioneer a new type of Japanese-style management.

Targeting further business expansion

The harsh environment will continue in FY2009, but The MISUMI Group will seize adversity as an opportunity to evolve our business model while we bolster earnings through emergency measures and strengthen our earnings structure to enhance profitability in an economic recovery. Moreover, we will strive relentlessly to take steps targeting growth further down the road in an effort to expand our business further.

In conclusion, we thank you for your continued understanding and support.

Representative Director, Chairman and CEO
Tadashi Saegusa

Representative Director and President
Masayuki Takaya

Special Feature: MISUMI's Organizational Model in Practice

The Strength of an Organization



Case 1

Transmission Components Business Team, FA Rotary and Transmission Components Division

**Autonomy and speedy decision-making enabled
by small numbers foster a motivated organization**

— with a Motivated Front Line



Case 2

Linear Actuator Business Team, FA Linear Actuator Division

Broad authority delegated under Business Plan and seamless partnership between Selling and Manufacturing spell success for MISUMI's first foray into modular products

Case.1

Special Feature:
MISUMI's Organizational Model
in Practice

Transmission Components Business Team, FA Rotary and Transmission Components Division

Autonomy and speedy decision-making enabled by small numbers foster a motivated organization

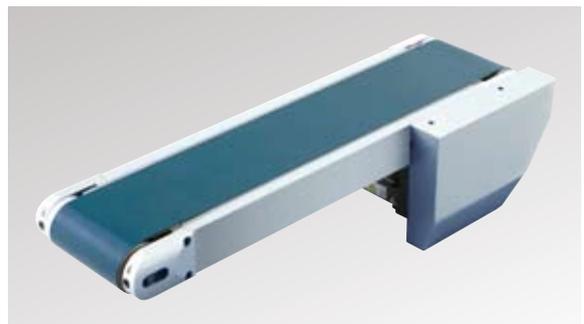
Within the FA Rotary and Transmission Components Division, the Transmission Components Business Team handles transmission components and conveyor components. The consensus among team members is that, "work is rewarding because we are free to think and drive the business as we see fit, as long as we remain within the scope of our Business Plan." Lead by a woman, this youthful team has produced successes including additional specifications for existing products, cost reductions, and bold endeavors in new product development. A small team charged with responsibilities that run the gamut from product development to manufacturing and selling, team members derived the motivation to succeed from the concept that Small is Beautiful.

Team works independently to find path to new product development

The Transmission Components Business Team is focused on:

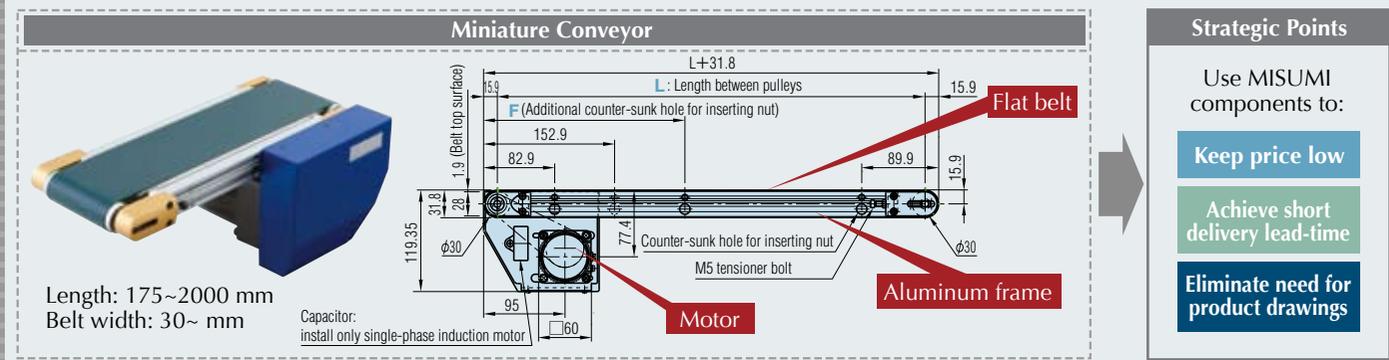
- 1) strengthening the competitiveness of existing products; and
- 2) developing new products and new product categories that fulfill customer needs. Each charged with specific product categories, team members manage product development, manufacturing and selling, donning different hats as they expeditiously drive their business.

The team is responsible for transmission-related components and conveyor-related components. Transmission components already cover a broad range of parts used in customer equipment. Meanwhile, there was room for market growth in the conveyor component business. Team members worked with the leader through repeated discussions, eventually discovering the opportunity not only to fill out the Transport product lineup, but also leverage those products to enter new business areas. That led to their foray into the modular product, a miniature conveyor. Based on research on the conveyor market, the team concluded the opportunities were great if they could differentiate themselves based on price and delivery lead-times. Quickly the team resolved to pursue the challenge as far as it fulfilled customer needs.



Prototype of a miniature conveyor

New Product Development: Attempt to Develop Modular Product



Strategic Points

Use MISUMI components to:

Keep price low

Achieve short delivery lead-time

Eliminate need for product drawings

Team's small size was key to speedy development

When a large organization attempts a foray into a new business, it is not unusual for an engineering department to spend two to three years on a project. And that is just one step in the development process. Speedy decision-making enabled by small team sizes—what makes MISUMI's organizational model unique—can be a powerful weapon in a fiercely competitive market.

Nevertheless, provided one year to complete their mission, the team found achieving standardization for a conveyor—a product category where they had no previous experience—proved to be more difficult than expected. In particular on the manufacturing side, the product required a completely new supplier capable of assembly. Until then, cooperating manufacturers needed only supply individual components. Also, quality needed to be top-notch, of course. Moreover, the new supplier needed a production regime capable of achieving pricing and delivery lead-times that would overwhelm the competition.

At the same time the team was carrying out market research, members searched for the ideal design company. While working on the design, team members searched for a supplier. After completing a prototype within a short time, further design improvements ensued while the team established a production regime. Overcoming numerous challenges, the team completed their project and added their new product to the lineup in FY2009. Their success was rooted in a shared commitment to achieving their goal.

Teamwork creates professionals in both manufacturing and sales

In addition to catalogs, our website is being used effectively in the Transmission Team and across MISUMI as a whole. Accessing MISUMI's e-catalog online, customers need only specify dimensions and material, and a product number is generated automatically. The customer can use our 3D preview to check the shape of the part order, and even download the CAD data for use in the design

process. MISUMI employees leverage their unrivaled product knowledge by adding and amending website information themselves for the products they cover, indicative of employees' desire to update customers with the latest information on products they brought to market. The website even enables MISUMI employees to recommend products appropriately, based on a customer's purchase history. MISUMI is utilizing its website in ways that are cutting-edge in the industry.



e-catalog: Screen generating a product number for a timing pulley, and a 3D preview



One MISUMI employee might consider himself the “parent” of a product. Another might consider herself the “store manager” of a shop floor. Each employee is at work evolving the cycle of work from product development to manufacturing and selling with one eye on the customer, and the other on our competitors. This accelerates the development of tomorrow's management personnel at MISUMI.

The leader expects much of fellow team members. “The skills developed in handling the nuts and bolts of managing a product contribute to that person's capability and confidence. I want them to avoid getting trapped by preconceived notions and constantly strive to think outside of the box. Along the way they may fail, but that's a chance we're willing to take.”

The source of MISUMI's energy lies in an organization where employees handle a range of responsibilities—from product development to manufacturing and selling—and are encouraged to think for themselves and write their own stories under the concept that Small is Beautiful.

Case.2

Special Feature:
MISUMI's Organizational Model
in Practice

Linear Actuator Business Team, FA Linear Actuator Division

Broad authority delegated under Business Plan and seamless partnership between Selling and Manufacturing spell success for MISUMI's first foray into modular products

The single axis actuator, a precision ball-screw drive unit, enjoys strong sales now. In FY2007, the product was introduced to the market as MISUMI's first modular subassembly as part of an effort to cultivate new product areas. With the addition of new product variations, MISUMI is growing its market share. It was the FA Linear Actuator Division's Linear Actuator Business Team that successfully led MISUMI's foray into modular products by overcoming many new hurdles. The foundation of the business strategy was rooted in a Business Plan based on superb market analysis and broad authoritative powers delegated under the approval of their Business Plan.



FA pamphlet

Approval of a Business Plan prescribes broad delegation of authority

"All right, give it a try!"

With those words, top management officially approved the Linear Actuator Business Team's foray into modular products. In effect, management jumped on board to navigate uncharted waters, based on the team leader's Business Plan presentation.

The approval of a Business Plan commits to the team resources such as time, people and money and delegates broad authority and latitude to drive the business. The powers delegated are comparable to the authority and responsibilities involved in running a company.

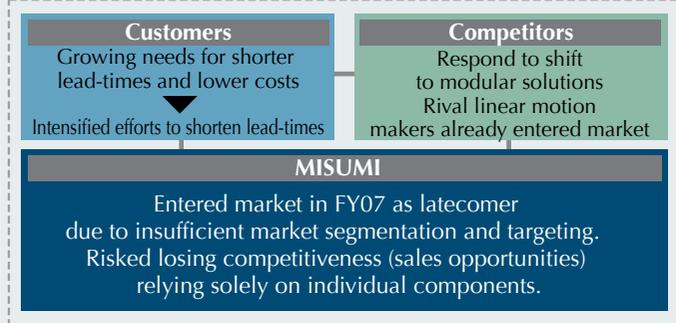
A sense of urgency concerning market changes drove the team leader to formulate this Business Plan.

As product life cycles shorten dramatically, so too must the lead times required to design and assemble production equipment be reduced. Customers sought to shorten lead-times through orders for modular solutions, triggering an inevitable shift from individual components to subassembly products. To ensure future growth, MISUMI needed to extend beyond the business of individual components into the field of modular solutions. That sense of urgency is what moved the FA Linear Actuator Business Team's leader to take action.

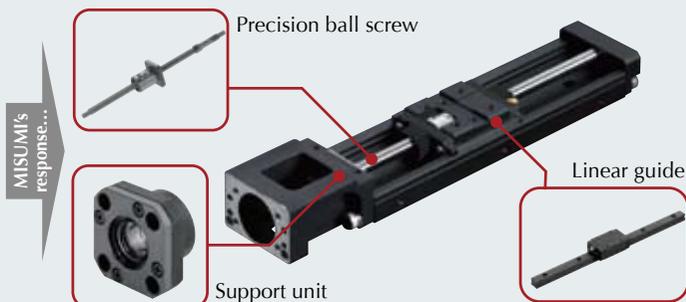
Of course, there were concerns whether MISUMI could achieve a foray into the field of modular subassemblies, given it only had experience dealing with individual components. However, feeling an urgent need to act immediately, the team leader selected a single axis actuator as a first entry point into modular products and began studies to formulate a Business Plan.

FA Component Market Environment

The Background...



Start foray into modular products with single axis actuator



Repeated deliberations result in a true partnership with SURUGA SEIKI

By the time the Linear Actuator Business Team began development of a single axis actuator, the market was already crowded by big names. MISUMI's entry into the market in effect threw down the gauntlet before giants. As latecomer, MISUMI's strategy needed to ensure we could assert our unique competitive advantages. The result of careful deliberations based on market analysis, the team's approach was three-pronged: 1) achieve lead-times overwhelmingly shorter than the market norm of about one month; 2) standardize products that until then could only be had by special order; and 3) enhance product appeal, such as a compact size featuring the slimmest profile in the industry. Each goal sought to resolve the problems customers were experiencing. Our strategy was to beat the competition in delivering added value, not by simply offering a lower price.

Achieving these goals would mean placing extremely demanding requirements on the team's partner in design and production, SURUGA SEIKI. Based on a conviction to "achieve success without compromise," team members set aside fears of conflict and engaged their counterparts at SURUGA SEIKI in repeated discussions. Their efforts resulted in a competitive product meeting customer needs and a supporting production regime. By doing so, the team laid the foundation for a joint development and production regime at MISUMI and SURUGA SEIKI and successfully developed a differentiated product that cleared difficult lead-time and standardization hurdles.

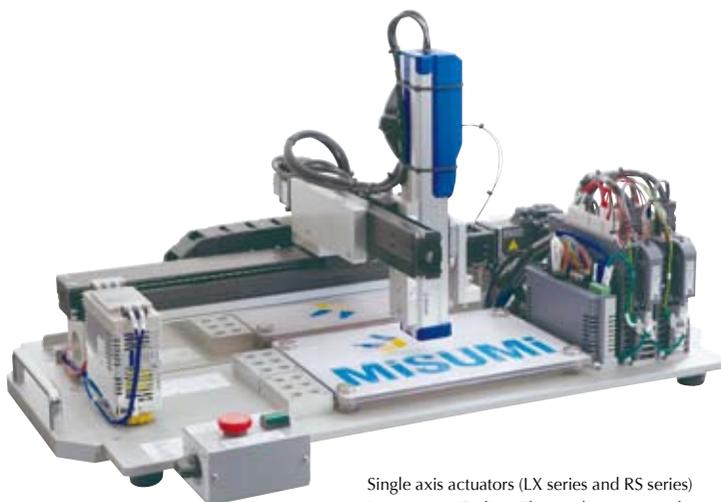
Success rooted in team-work and an elaborate strategy

Timing of the product launch was unusual. Instead of waiting for the release of new catalogs the next spring, the team launched the product mid-year using pamphlets. The first-generation Single axis Actuator LX promised an overwhelmingly competitive delivery lead-time of as short as three days and offered one simple fixed price and a compact size.

The first order came in the second week after launch. A major electronics manufacturer pressed for time needed to build out a production line quickly and was impressed by the short delivery lead-time. The team members rejoiced, fists pumped in the air.

The product strategy rooted in elaborate marketing successfully tapped into market needs, and MISUMI's foray into modular subassemblies proved a solid success. Now, the team's priorities are: 1) improving recognition of MISUMI's product lineup; 2) expanding product variations; and 3) cultivating markets overseas. Response has been strong overseas, too, accelerating the opening of new markets.

The Linear Actuator Business Team succeeded in their foray into modular subassemblies. With that experience and others behind him, the team's leader continues to set the bar higher for his team, based on Business Plan manifesting both logic and zeal.



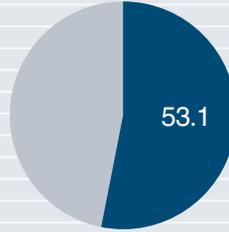
Single axis actuators (LX series and RS series) in use on an FA line. The products are used in a broad variety of locating applications, including image inspection devices and coating machines.

Review of Operations of The MISUMI Group

Factory Automation Businesses

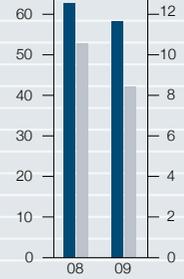


Percentage of Net Sales(%)



Net Sales and Operating Income (Billions of yen)

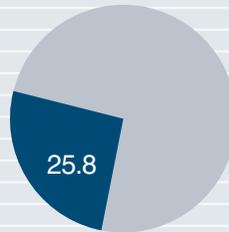
■ Net sales (left scale)
■ Operating income (right)



Die Components Businesses

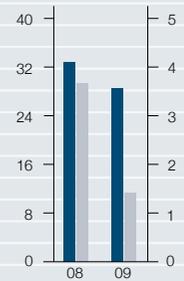


Percentage of Net Sales(%)

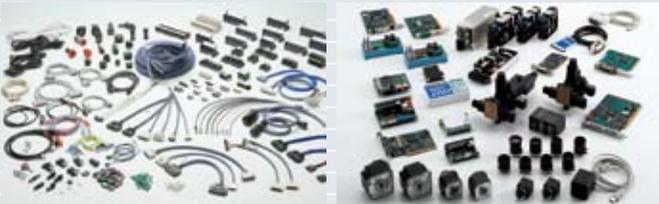


Net Sales and Operating Income (Billions of yen)

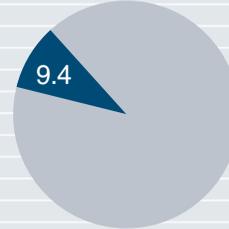
■ Net sales (left scale)
■ Operating income (right)



Electronics Businesses

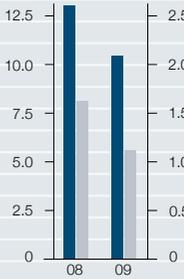


Percentage of Net Sales(%)

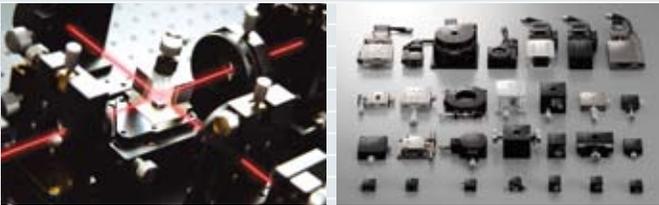


Net Sales and Operating Income (Billions of yen)

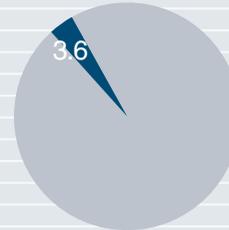
■ Net sales (left scale)
■ Operating income (right)



Optical-Related Businesses

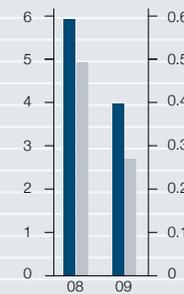


Percentage of Net Sales(%)



Net Sales and Operating Income (Billions of yen)

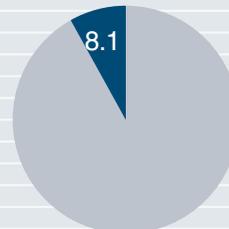
■ Net sales (left scale)
■ Operating income (right)



Diversified Businesses

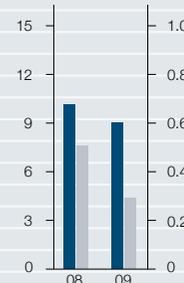


Percentage of Net Sales(%)



Net Sales and Operating Income* (Billions of yen)

■ Net sales (left scale)
■ Operating income (right)



* Beginning the second half of the fiscal year ended March 2008, MICREED Corporation is no longer included as a consolidated subsidiary in accordance with the assignment of shares in MICREED Corporation that took place in September 2007.

Overview

Factory Automation (FA) Businesses provide mainly standard components, such as linear shafts, single axis units, pulleys, motors and aluminum frames that help streamline production and save labor costs in a range of FA and other systems. The Factory Automation Businesses account for the largest proportion of the Group's sales, and serve as the backbone of its operations.

Major Products

Shafts, shaft holders, set collars, linear bushings, oil-free bushings, slide guides, single axis units, aluminum frames, brackets, T-nuts, Hepa filter units, pipe frames, casters, adjuster pads, levers, handles, rods, hexagonal materials, screws, springs, shock absorbers, processed urethanes and rubber, antivibration and soundproof materials, manifolds, joints, piping parts, knuckle joints, hinge bases, links, heaters, insulator plates, rotary shafts, couplings, hinge pins, locating pins, XY stages, switches, cutter (lathes and milling machines) machined components, processed sheet metal parts

Overview

Die Components Businesses develop and provide such standardized die and mold components as punches & dies, guide springs, ejector pins, core pins, and guides, including high-precision components for the automotive, electrical, and electronics industries.

Major Products

Punches and button dies, material guides, guide lifters, stripper guide pins and bushings, guide posts and bushings for die sets, coil springs, gas springs, cam parts, oil-free slide plates, lifting components, die and mold storage parts, ejector pins, ejector sleeves, center pins, core pins, block core pins, date-marked pins, pins with gas vents, angular pins and rocking blocks, slide core guide rails, sprue bushings and locating rings, runner and gate parts, electrodes, locating and leader components, ejector space components, mold opening controllers, cooling and heat controlling components

Overview

Electronics Businesses develop and provide cables to connect FA equipment, harness cables, and connectors, as well as computers, control devices, and installation parts for FA and other industrial uses.

Major Products

Harnesses, cables, connectors, terminal blocks, wiring accessories, electrical plugs and sockets, switches, fans, control panel boxes, relay boxes, switch boxes, wiring tools, industrial PC, camera installation parts, image-processing and GPIB-related products, computers and peripheral equipment, industrial displays, display arms, networking cables

Overview

Optical-Related Businesses develop and provide a wide variety of experimental research equipment related to optics. In addition, they supply components for the manufacture of equipment, which is constantly changing with the advance of digitalization.

Major Products

XYZ-theta locating stages, mirror holders, lens holders, vibration-free steel honeycomb bases (air spring, antivibration rubber), lenses, mirrors, prisms, polarized light devices, filters, glass substrates, laser autocollimators, optical sensors, related equipment (light sources, power supplies, microscopes), micro manipulators, optical communication module manufacturing equipment, device assembly and control equipment, evaluation and test equipment

Overview

Diversified Businesses provide machine tools, veterinary, and medical supplies.

Major Products

Machine Tools: Cutting tools (carbide-end mills, carbide drills), finishing tools
 Veterinary and Medical Supplies: Gauzes, dressings for protecting wounds, PROMICLOS veterinary materials, injection needles, etc.



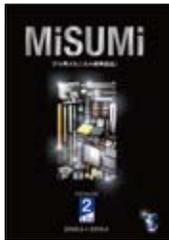
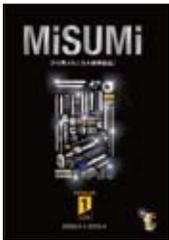
Factory Automation Businesses

Factory Automation Businesses develop and supply standard components for automated machinery used in rationalization and laborsaving systems of production, including factory automation equipment.

Factory Automation Businesses are the principal pillar of the MISUMI Group and account for the largest portion of the Group's net sales, approximately 53%.

We offer mechanical standard components used in factory automation (FA) and other systems. Our FA Businesses encompass seven main businesses—Linear Motion, Rotary/Transmission, Locating/Inspection, Fastener & General components, Mechanical General Components, Structural Components and Fluid/control—that cover approximately 600,000 products.

In the Linear Motion Business, we handle mechanical and peripheral components that go into linear motion mechanisms as well as industrial standard heaters, insulating boards and single axis actuator modular units. In the Rotary/Transmission Business, we offer rotary components, components that support rotary motion, and components such as belts and rollers that transfer power to other components. In the Locating/Inspection Business, we provide locating pins and guides, XY stages and posts. In the Fastener & General Components Business, we supply fasteners such as bolts and washers as well as other components including magnets and springs. Our Mechanical General Components Business includes such materials components as metal plates, urethane and rubber, sound-proofing and anti-vibration materials, and custom-machined parts. Custom-machined parts are manufactured based on blueprints that customers can prepare with a large degree of freedom. Customers are free to design as they like with support from such tools as the C Navi custom-machined parts design procurement navigator (distributed on CDs) and the C Navi Guidebook. In the Structural Components Business, we offer aluminum frames and other parts used in automated equipment housings; pipe frames for cell manufacturing method facilities; casters for receiving and transporting items within plants; and such accessories as levers and handles for installation in equipment. In the Fluid/control business, we supply peripheral parts for cylinder- and pump-driven hydraulic and pneumatic systems and piping components used in such fluid systems as those for water, oil, and chemicals.



FA Mechanical Standard Components Catalog



C Navi 2009 + Guidebook

For FY2009, we have divided our FA Mechanical Standard Components Catalog into two volumes to enhance ease of use and simplify searching for the desired product. We have also added new products, including: the single axis Robot RS Series, an electric-powered multipoint positioning system provided at unrivaled low price and short lead time; the Miniature Conveyor, featuring a superbly compact design that opens a variety of possibilities for use in automated equipment; and the Open Tank, available with a choice among multiple shapes, capacities and other options and for the shortest lead-times in the industry.

In May 2009, we carried out a full release of our web catalog ("e-catalog"), replete with convenient features that shorten design time such as automatic product number generation and 2D and 3D CAD data.



Die Components Businesses

Die Components Businesses serve the automotive, electronics, and electrical machinery industries by developing and supplying precision die components and standardized die components, such as punches, dies and ejector pins, for metal press and plastic injection molding applications.

Our Die Components Businesses include the Press Die Components Business, focused on metal press die components, and the Mold Components Business, focused on plastic mold and die components.

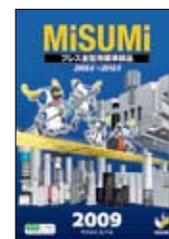
In the Press Die Components Business, we provide approximately 300,000 products: including components used in metal press dies, which are essential for the mass manufacture of automobiles, appliances, and precision machinery; punches & dies making holes in metal sheets; and guide posts, bushings and other parts to assist vertical die movement. In addition, we help customers procure items that fall outside our catalog specifications by providing estimates based on blueprints and then handling processes from manufacturing to sales.

In FY2009, we added new products, including more variations featuring HW-coating to enhance punch wear resistance and types of ejector punches with reinforced springs & pins.

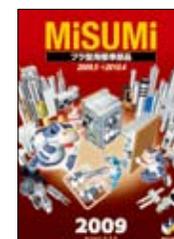
In the Mold Components Business, we offer about 150,000 items, including ejector pins, core pins, and guide posts for injection molding dies used to make a broad range of plastic products.

Supporting these businesses are cutting, grinding, polishing, and other precision machining technologies suitable to different materials that we have refined over many years, as well as strict quality controls aimed at keeping complaints below 5 per 10,000 orders. Manufacturers in the automotive, electronics, electrical machinery, precision machinery, and other industries thus depend on our precision die offerings.

In FY2009, we have added new products, including: New Material PROVA 400 Core Pin, which supports engineered plastics; the Cooling Sprue Bushing, capable of high-cycle usage; and the Free Chuck Plate, which supports a wide range of molding applications from automated ejection to gate cutting and maintenance.



Metal Press Die Standard
Components Catalog



Plastic Molding Standard
Components Catalog



Electronics Businesses

Our Electronics Businesses develop and supply harnesses, cables, connectors, and terminals for FA machinery as well as computers, control equipment and peripheral components for FA and industrial applications.

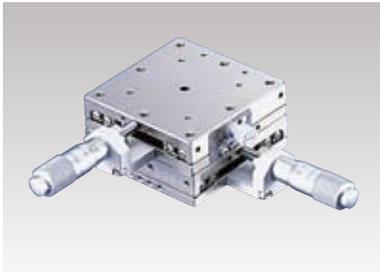
The Electronics Businesses supply about 300,000 products (including variations based on cable lengths). These include such wiring connector components as connectors, wiring, harnesses, cables, terminals, boxes, cable accessories, and tools for automated machinery and inspecting and measurement instruments used in FA equipment. Other products include computer components and components associated with image processing.

We also provide original products that customers would otherwise need to fabricate themselves. For example, we supply harnesses with pre-attached connectors and cables and offer a Box Hole-Boring Service, which greatly increases the convenience of attaching various components to product boxes.

In FY2009, we have added new products under the theme of saving space. These include UL-listed Cable for single-core cable, signal cable and power cable and an aluminum box available with a free range of sizing options in three dimensions and a short lead-time.



Wiring Connection Components &
Computer Components



Comprehensive Catalog



Optical Sensors Catalog

Optical-Related Businesses

Optical-Related Businesses develop and supply a wide variety of experimental research equipment related to optics, rooted technology in positioning for optical axis alignment applications. In addition, they supply components and materials to manufacturers of electronic devices, which are constantly changing due to the increasing digitalization of electronic products.

To meet needs associated with the rapid increase of miniaturization and functional performance in electronic equipment, SURUGA SEIKI's optical-related businesses draw on precision processing technologies cultivated over the years and optical technologies acquired in connection with optical axis alignment of optical fiber. In addition to the research and development market, we also serve the production materials market.

Specifically, we provide equipment and instruments that facilitate the ultra-precise execution of processing work requiring submicron- to nanometer-level precision and also supply equipment and instruments that meet precision attitude- and positioning-control requirements in development and production processes for diverse electronic devices. Our mainstay positioning stages are finding increasingly widespread applications in digital device facilities, and regarding optoelectronics products our light sensors and other products for measurement and positioning recognition applications have earned high evaluation for their performance.



Tool-Direct Machining Tools Catalog



Monozukuri Q&A (Creating Things Q&A)

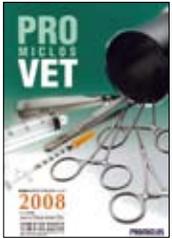
Diversified Businesses

Machine Tools

This business markets approximately 50,000 standardized items, including machine tool items used to machine components and process dies and molds, and also provides regrind and recoating services for cutting tools.

In cutting tools, we offer an industry-leading array of products centered on solid-type carbide end mills and also encompassing a steadily increasing selection of such products as carbide drills and reamers and a growing assortment of unique items that facilitate high-speed/high-precision machining, longer tool lifespans, and the shortening of machining processes.

In non-cutting tools, we supply tools such as those for electrical discharges, grinding, finishing, measuring, operating, and other machining applications that meet the needs of a broad range of machining facilities.



PROMICLOS VET (Veterinary product comprehensive catalog)



Promiclos MEDICAL SUPPLY (Medical product comprehensive catalog for general practitioners)

Medical Supplies for Veterinary Clinics and General Practitioners (PROMICLOS Corporation)

PROMICLOS supplies veterinary care facilities and general practitioners with more than 6,000 vital products ranging from injection needles, sutures, catheters and other medical instruments to gauzes, gloves, and other general medical consumables. It also provides veterinary care facilities with veterinary supplies, pharmaceuticals and prescribed foods.

To meet the small-volume needs of doctors in veterinary care facilities and private practices, PROMICLOS quickly and dependably makes small-lot deliveries of the many products it offers.

Contributing to Socioeconomic Progress

The MISUMI Group continues to be active in contributing to society through environmental management activities and cooperation with cultural activities.

Environmental Management Activities

<Managing Environmental Chemical Substances>

The European Union's July 2006 implementation of its Restriction of Hazardous Substances (RoHS) directive and China's March 2007 launch of a local equivalent are among several regulations in recent years that have tightened controls over environmental chemicals. The MISUMI Group recognizes that compliance is an important factor in a customer's product selection and is responding accordingly in the marketplace. As such, The MISUMI Group discloses RoHS directive compliance in all catalogs of the Factory Automation, Die Components, and Electronics Businesses.

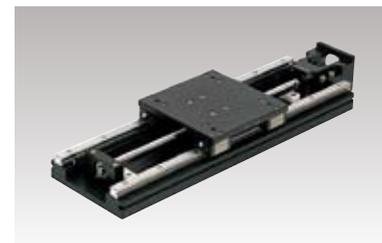
The MISUMI Group will continue to ensure that it supplies products that customers trust.

<Green Purchasing Guidelines>

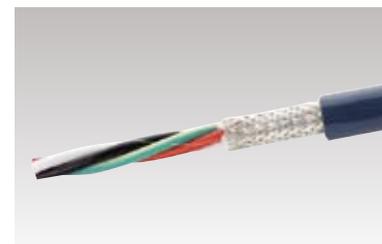
MISUMI and SURUGA SEIKI formulated Green Purchasing Guidelines in September 2006 to foster recycling and to ensure adherence to environmental substances legislation and other requirements.

<ISO Environmental Activities>

In April 2003, the MISUMI Group Inc. and PROMICLOS received certification under the ISO 14001 standard for environmental management systems. SURUGA SEIKI was certified in January 2001.



Single axis actuator (FA Businesses)



Flexible power cable (Electronics Businesses)

Supporting Exhibitions with the MISUMI Art Collection

Over the past few years, MISUMI has lent works from the MISUMI Art Collection 11 times under special arrangements with galleries holding contemporary American art exhibitions. This acclaimed, highly distinctive and visionary corporate art collection focuses on contemporary American art, whose proponents eschewed European influences after World War II to break new stylistic ground. That spirit coincides with The MISUMI Group's corporate philosophy of constantly pursuing innovation.

In FY2009, we plan on lending works to the Nagano Prefectural Shinano Art Museum in November 2009 and to the Hokkaido Obihiro Museum of Art in January 2010. Moving forward, we plan to continue to circulate art works on loan in response to demand from museums in other areas as well.

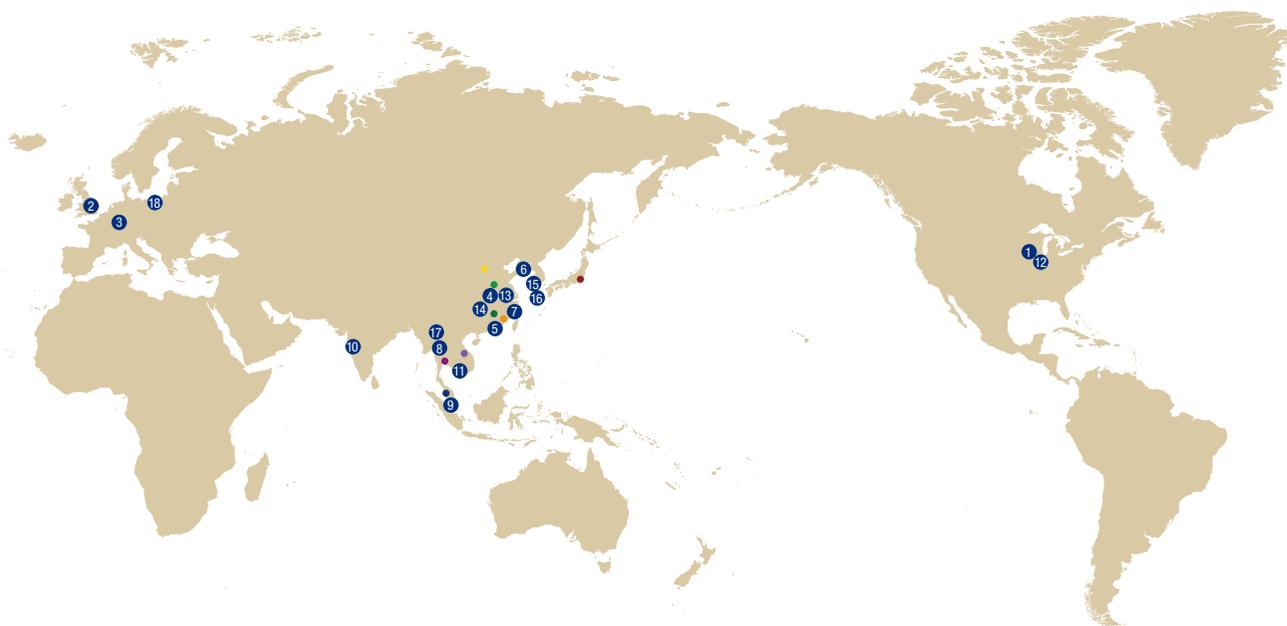


Exhibit at Museum of Contemporary Art Tokyo (2002)



"Bonsai Girl" 1993, by Yoshitomo Nara
(2004 Yoshitomo Nara)

Global Network



● Domestic Network



MISUMI Group Inc./MISUMI Corporation
 4-43, Toyo 2-chome, Koto-ku, Tokyo 135-8458
 Tel: 81-3-3647-7112 (Representative) Fax: 81-3-3647-7458

Machine Industry

MISUMI QCT Center
 Tel: 0120-343-066* Fax: 0570-034-355*

(Tokyo)

2F, Toyo Central Bldg.
 1-13, Toyo 4-chome, Koto-ku, Tokyo 135-0016

(Kumamoto)

2F, Asahi Seimei Kouyaimamachi Bldg.
 9-6, Kouyaimamachi, Kumamoto City, Kumamoto 860-0012

Distribution Network

West Japan Distribution Center

Sanda Kogyodanchi, 501-53, Fukushima-aza Miyanomae,
 Sanda City, Hyogo 669-1313

East Japan Distribution Center

1-1-1, Anzen-cho, Tsurumi-ku, Yokohama City, Kanagawa 230-0035

PROMICLOS Corporation (Promiclos Service Center)

9F, CN-2 Bldg., 2-8-3 Kiba, Koto-ku, Tokyo 135-8458
 Tel: 0120-343-155* Fax: 0120-343-019*

* Toll-free number for Japan only

SURUGA SEIKI CO., LTD.

549-1, Nanatsushinya, Shimizu-ku, Shizuoka City, Shizuoka
 424-8566
 Tel: 81-54-344-0311 Fax: 81-54-346-1053

● **Kansai Plant**

Misumi Production Park
 2-3-2, Akamatsudai, Kita-ku, Kobe City, Hyogo 651-1516
 Tel: 81-78-940-0281 Fax: 81-78-986-6590

● **Iwaki Plant**

8-1, Yoshima Kogyodanchi, Iwaki City,
 Fukushima 970-1144
 Tel: 81-246-36-6000 Fax: 81-246-36-6676

● **Tokyo Marketing Center**

4F, UCJ Ueno Bldg.
 2-18-4, Kitaueno, Taito-ku, Tokyo 110-0014
 Tel: 81-3-5806-1631 Fax: 81-3-5806-1657

● **Kansai Marketing Center**

4F, FJY Bldg.
 1-5-25 Johokucho, Takatsuki City, Osaka 569-0071
 Tel: 81-72-661-3500 Fax: 81-72-661-3622

MISHIMA SEIKI CO., LTD.

580-49, Tokura, Shimizu-cho, Sunto-gun, Shizuoka 411-0917
 Tel: 81-55-931-1249 Fax: 81-55-931-2496

SP PARTS CO., LTD.

3-2, Hoshinosato, Amimachi, Inashiki-gun, Ibaraki 300-0326
 Tel: 81-29-833-6700 Fax: 81-29-833-6701

● **Kansai Plant**

Misumi Production Park
 2-3-2, Akamatsudai, Kita-ku, Kobe City, Hyogo 651-1516
 Tel: 81-78-940-0113 Fax: 81-78-940-0114

● Overseas Network



- 1 MISUMI USA, Inc.**
1105 Remington Road, Suite B, Schaumburg,
IL 60173, U.S.A.
Tel: 1-847-843-9105 Fax: 1-847-843-9107



- 2 MISUMI UK LTD.**
No. 1, The Courtyard, 76-78 High Street, Staines,
Middlesex TW18 4DP, U.K.
Tel: 44-1784-465530 Fax: 44-1784-466695



- 3 MISUMI EUROPA GmbH**
Katharina-Paulus-Strasse 6, 65824 Schwalbach,
Germany
Tel: 49-6196-7746-0 Fax: 49-6196-7746-360



- 4 MISUMI (CHINA) PRECISION
MACHINERY TRADING CO., LTD.**
16th Floor, Jinling Hai Xin Bldg., No. 666 Fuzhou Rd.,
Shanghai 200001, PRC
Tel: 86-21-6391-7080 Fax: 86-21-6391-7085
- Guangzhou Office
Tel: 86-20-8527-1038 Fax: 86-20-8527-1686
 - Tianjin Office
Tel: 86-22-2302-9228 Fax: 86-22-2302-9350
 - Wuxi Office
Tel: 86-510-8521-9793 Fax: 86-510-8521-9651
 - Shenzhen Office
Tel: 86-755-8287-2416 Fax: 86-755-8287-2096



- 5 MISUMI E.A. HK LTD.**
Suite 716, 7/F, World Commerce Centre
11 Canton Road, Tsim Sha Tsui
Kowloon, Hong Kong
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- 6 MISUMI KOREA CORP.**
3804 World Trade Center, 159-1, Samsung-Dong,
Kangnam-Gu, Seoul 135-729, Korea
Tel: 82-2-551-3611 Fax: 82-2-551-4811



- 7 MISUMI TAIWAN CORP.**
9F-1, No. 126 Nanjing East Road, Sec. 4,
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- 8 MISUMI (THAILAND) CO., LTD.**
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- Bangkok Office
Tel: 66-2-675-5682 Fax: 66-2-675-5495



- 9 MISUMI SOUTH EAST ASIA PTE. LTD.**
331 North Bridge Road, #03-01 Odeon Towers,
Singapore 188720
Tel: 65-6733-7211 Fax: 65-6733-0211
- Malaysia Office (Kuala Lumpur)
Tel: 60-3-7960-1121 Fax: 60-3-7960-1120
 - Vietnam Office (Ho Chi Minh City)
Tel: 84-8-5404-6831 Fax: 84-8-5404-6832



- 10 MISUMI India Pvt Ltd.**
4th Floor, Kumar Business Centre,
Bund Garden Road, Pune-411 001
Tel: 91-20-6647-0000 Fax: 91-20-6647-0050



- 11 SAIGON PRECISION CO., LTD.**
Linh Trung Factory 1
Lot Nos.15, 17, 19a, Road No.2, Saigon-Linh Trung EPZ,
Linh Trung Ward, Thu Duc District,
Ho Chi Minh City, Viet Nam
Tel: 84-8-3897-4387 Fax: 84-8-3897-4613



- Linh Trung Factory 2
Lot Nos.84, 85 RoadA, Linh Trung II EPZ,
Binh Chiew Ward, Thu Duc District,
Ho Chi Minh City, Viet Nam
Tel: 84-8-3729-5533 Fax: 84-8-3729-5532



- 12 SURUGA USA CORP.**
40S. Addison Rd., Suite 300, Addison, IL60101, U.S.A.
Tel: 1-630-628-4000 Fax: 1-630-628-4005



- 13 SURUGA SEIKI (SHANGHAI) CO., LTD.**
A19, No. 5399, Wai Qing Song Rd., Quing Pu District,
Shanghai, China, P.C. 201707
Tel: 86-21-6921-2188 Fax: 86-21-6921-1428



- 14 SURUGA SEIKI (GUANGZHOU) CO., LTD.**
B, No. 9, American Industrial Park, 48, Hongmian
Avenue, Huadu District, Guangzhou,
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Tel: 86-20-3687-2889 Fax: 86-20-3687-2255



- 15 SURUGA KOREA CO., LTD.**
3 Ma 621 Sihwa Industrial Complex #2099-5,
Jeongwang-Dong, Siheung-Shi, Gyeonggi-Do
429-935, Korea
Tel: 82-31-434-8357 Fax: 82-31-434-8359



- 16 KOREA (ADS) CO., LTD.**
477-9 Goowoon-Dong, Gweonseon-Gu, Suwon-Shi,
Gyeonggi-Do 441-819, Korea
Tel: 82-31-294-8661 Fax: 82-31-294-8664



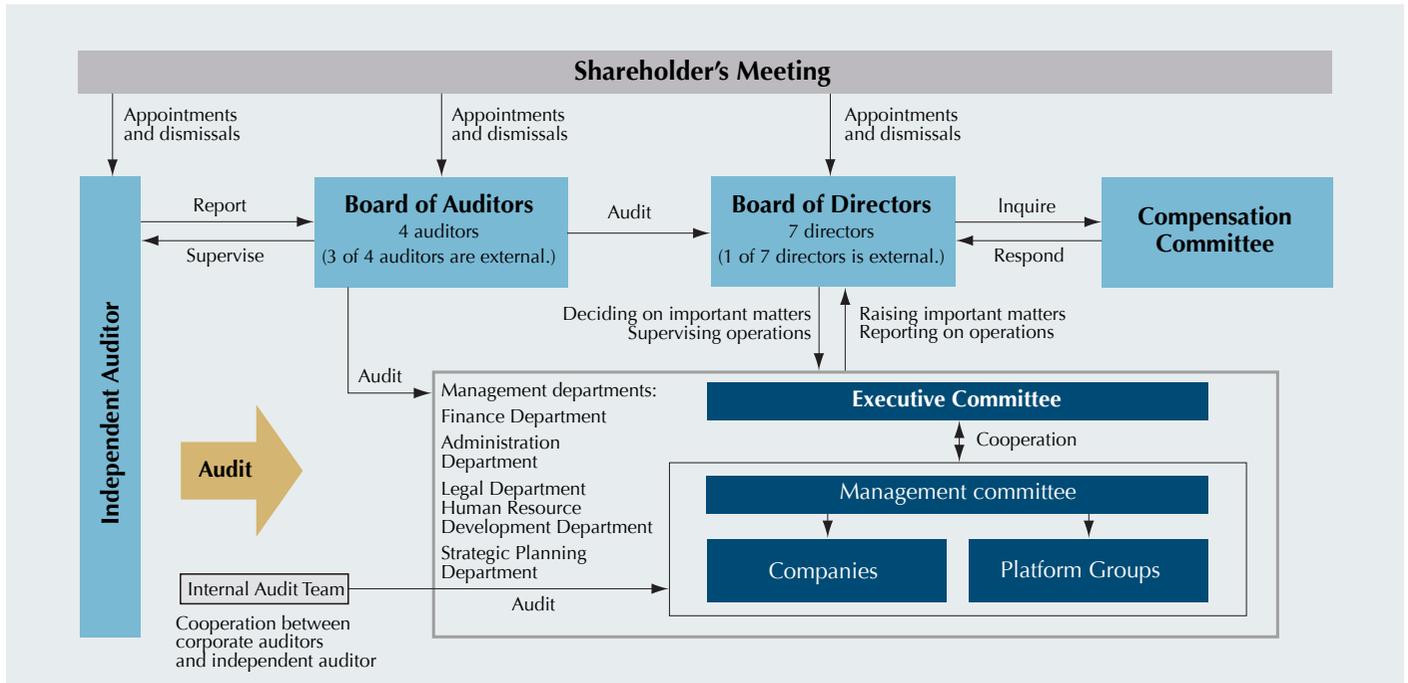
- 17 SURUGA (THAILAND) CO., LTD.**
300/23 Moo 1, Eastern Seaboard Industrial Estate,
Tambol Tasith, Amphur Pluakdaeng,
Rayong Province 21140, Thailand
Tel: 66-38-954935 Fax: 66-38-954939



- 18 SURUGA POLSKA Sp. z o.o.**
Slowackiego Street, 199A 80-298 Gdansk, Poland
Tel: 48-58-340-6800 Fax: 48-58-340-6801

Reinforcing Corporate Governance and Maintaining Transparency

The MISUMI Group aims to make a broad range of economic and social contributions in Japan and worldwide and maximize its long-term corporate value by achieving business growth while cultivating management personnel. Accordingly, it is giving top priority to measures aimed at further strengthening corporate governance.



The MISUMI Group employs its Board of Directors, Executive Committee, Management committee, and Board of Auditors to perform the supervision and auditing of operational execution. As of June 2009, our Board of Directors comprised seven people, including an external member. In principle, the Board meets once per month to make decisions on important business matters. The Executive Committee comprised 11 members—five directors including representative directors and six corporate officers—and, in principle, meets twice per month to take measures designed to strengthen both supervision and operational execution. In June 2008, The MISUMI Group implemented organizational reforms, reorganizing machine industry businesses into Companies and business support and infrastructure functions into Business Platforms. The aim is to bring together MISUMI's business divisions, which include sales organizations, with SURUGA SEIKI's manufacturing divisions to integrate the management of manufacturing and sales and speed up decision-making. Each Company and Platform Group holds its own Management committee to clarify the decision-making process. The Executive Committee and the Management committee provide reports on their deliberations to the Board of Directors, and also conduct preliminary deliberations with the Board of Directors. The Board of Auditors has four members, including three from outside the Group, and oversees the execution of responsibilities by directors of the Board. The Board of Auditors works in close cooperation with the Independent Auditor and the Internal Audit Team (established in April 2008) with the goal of increasing the effectiveness and efficiency of

audit activities.

The Compensation Committee is a discretionary consultative body for the Board of Directors tasked with deliberating and deciding appropriate levels of compensation. Regarding legal affairs, compliance issues, and other important management issues, we seek advice as needed from consultant law offices, accounting firm tax accountant offices, and other specialists independent of the Company's in-house organization.

Regarding risk management systems, in April 2008 we instituted The MISUMI Group Action Code of Conduct to serve as action guidelines, and we have worked to ensure comprehensive awareness of the code throughout The MISUMI Group. In December 2007, we established an internal reporting system for compliance issues. To ensure compliance with the Japanese version of the U.S. Sarbanes-Oxley Act (J-SOX), we established an internal audit team to lead efforts aimed at confirming document management processes, evaluate the effectiveness of internal controls, identify related problems and tasks, and otherwise strive to further strengthen our internal control systems. In April 2008, we instituted our Information Security Basic Principles, which declare our fundamental stance regarding information security, and our Confidentiality Regulations, which stipulate fundamental rules regarding information security. These documents—along with an Information Security Guidelines pamphlet that specifies detailed rules—have been distributed throughout the Group, and measures are being taken to ensure comprehensive awareness of the rules throughout The MISUMI Group.

The MISUMI Group's Top Management

(As of October 2009)



Front row from left: Masahiko Eguchi, Tadashi Saegusa, Masayuki Takaya, Teiichi Aruga
Back row from left: Hiroshi Taguchi, Tokuya Ikeguchi, Ryusei Ohno, Takehiro Hatakeyama, Hiroshi Fukino

Directors

Chairman and Chief Executive Officer	Tadashi Saegusa*	
President	Masayuki Takaya*	Representative Director and President of MISUMI Corporation
Executive Vice President in charge of FA Business Group	Masahiko Eguchi*	Representative Corporate Officer of MISUMI Corporation, Company President, MISUMI Mold/Tools Company
Executive Vice President and Executive Officer of Business Platform Group	Teiichi Aruga*	
Director of the Board and Senior Corporate Officer and Executive Officer of Production Platform Group	Ryusei Ohno	Representative Director and President of SURUGA SEIKI CO., LTD.
Director of the Board (Non-Executive)	Hiroshi Taguchi	Representative Director and President of M-out Inc.
Director of the Board (Non-Executive)	Hiroshi Fukino	President & Chief Executive Officer of Fukino Consulting Inc.

*Representative Director

Auditors

Corporate Auditor	Hiroshi Miyamoto	Corporate Auditor of MISUMI Corporation, SURUGA SEIKI CO., LTD., PROMICLOS Corporation, and SP PARTS CO., LTD.
Auditor	Kouchi Takemata	Representative of ReEx Accounting Firm, Certified Public Accountant, and a Licensed Tax Accountant
Auditor	Teruhisa Maruyama	Attorney at Law of Kiocchio Law Office
Auditor	Juichi Nozue	Attorney at Law of Shizuoka Nozomi Law and Patent Office

Corporate Officers

Corporate Officer	Tokuya Ikeguchi	Representative Corporate Officer of MISUMI Corporation, Company President, MISUMI Press Company
Corporate Officer	Takehiro Hatakeyama	Representative Corporate Officer of SURUGA SEIKI CO., LTD., Company President, SURUGA TEC Company
Corporate Officer	Masanori Suzuki	Representative Corporate Officer of MISUMI Corporation, Company President, MISUMI FA Motion Company
Corporate Officer	Yasuyuki Matsumoto	Representative Corporate Officer of MISUMI Corporation, Company President, MISUMI FA Element Company
Corporate Officer	Masayuki Maeda	MISUMI Corporation, President, MISUMI USA, Inc.
Corporate Officer	Hiroshi Nitta	MISUMI Corporation, Managing Director, MISUMI India Pvt Ltd.

Management's Discussion & Analysis

The MISUMI Group strives to raise its corporate value over the long term and make a broad range of contributions to society and the economy in Japan and across the globe by growing its business and cultivating management-class personnel.

Results Overview

During the consolidated fiscal year ended March 2009 (Fiscal Year 2008), Japan's economy entered an extremely severe recession as confidence eroded in the global financial system in the second half. US and European financial institutions and major automotive companies suffered a series of blows from financial concerns and bankruptcies. Major stock indexes around the globe fell as demand in Japan and overseas declined rapidly. The effect on manufacturing-particularly expomas severe as machinery exports and capital expenditures fell in an unprecedented manner.

The global credit crisis and production cuts triggered a sharp decline in exports from Japan in the second half of Fiscal Year 2008. Automobile exports in January and February 2009 declined 70% compared to the previous year, according to Ministry of Finance export statistics. Semiconductor exports to Asia shrunk to half of previous-year levels. Investment cuts reflecting slowing demand had already emerged as early as the beginning of Fiscal Year 2008, but in the second half several large-scale projects were postponed or cancelled, causing a sharper decline in investment. Machinery orders (private sector demand excluding shipbuilding and power industries) in January and February 2009 amounted to about 700 billion yen, constituting a 40% year-over-year decline and the lowest levels seen in 20 years, according to Cabinet Office statistics. Amidst such a severe recession, customers in the business of fabricating machinery revised or postponed investment plans while revamping product lines and rationalizing existing manufacturing processes to wring more savings from manufacturing cost structures. To meet these customer needs, The MISUMI Group lowered prices to pass on savings resulting from greater efficiencies in manufacturing and distribution. We also accelerated efforts to develop new products that eliminate customer design costs, introduce a web-based order-taking system that saves engineering time, shorten delivery lead times to help customers shrink inventories and reduce expenses across the company.

As a result of these efforts, MISUMI has stemmed a year-over-year decline in sales to 13.1% group-wide and 6.2% in our Factory Automation segment, when actual demand has fallen to half that of previous-year levels. Consolidated net sales were 110,041 million yen, down 16,624 million yen compared to the previous year. Looking at earnings, operating income was 11,017 million yen, down 5,301 million yen, or 32.5%, compared to the previous year. Ordinary income was 10,627 million yen, down 5,549 million yen, or 34.39%, and net income was 4,687 million yen, down 5,011 million yen, or 51.7%.

Net Sales

Amidst such a severe recession, customers in the business of fabricating machinery revised or postponed investment plans while revamping product lines and rationalizing existing manufacturing processes to wring more savings from manufacturing cost structures. To meet these customer needs, The MISUMI Group lowered prices to pass on savings resulting from greater efficiencies in manufacturing and distribution. We also accelerated efforts to develop new products that eliminate customer design costs, introduce a web-based order-taking system that saves engineering time, shorten delivery lead times to help customers shrink inventories and reduce expenses across the company.

As a result of these efforts, net sales were 110,041 million yen, down 13.1% compared to the previous year, even while actual demand has fallen to half that of previous-year levels.

Cost of Goods Sold and Selling, General and Administrative Expenses

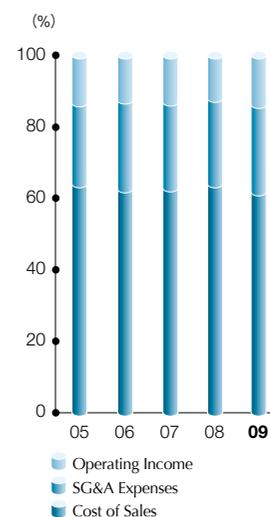
Our cost of goods sold (COGS) was reduced to 69,075 million yen, down 13.4% compared to the previous year. As a percentage of sales, COGS fell to 62.8%, compared to 63.0% in the previous year. Gross income was 40,966 million yen, a decline of 12.6%, and our gross margin was 37.2% up from 37.0% in the previous year. Sales, general and administrative (SG&A) expenses were 29,949 million yen, down 2.0%. As a percentage of sales, SG&A expenses rose to 27.2%, from 24.1% in the previous year.

Operating income was 11,017 million yen, down 32.5% year-over-year, and our operating margin fell to 10.0%, compared to 12.9% in the previous year.

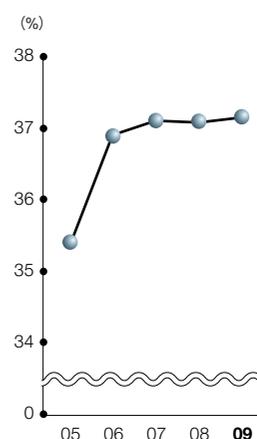
Other Income (Expenses)

Non-operating expenses exceeded non-operating income by an amount of 389 million yen, mainly due to an increase in losses from marketable securities holdings and foreign exchange positions. As a result, ordinary income was 10,627 million yen, down 34.3% year-over-year, and our ordinary margin shrank to 9.7%, from 12.8% in the previous year. Pre-tax income was 9,640 million yen, down 40.8% due to extraordinary losses resulting from the exit from a business and asset impairments.

Ratio of Cost of Sales, SG&A Expenses, and Operating Income to Net Sales



Gross Profit Margin



Net Income

Net income was 4,687 million yen, down 51.7% year-over-year. Net margin (net income as a percentage of sales) fell to 4.3%, from 7.7% in the previous year. Earnings per share declined to 52.89 yen from 109.72 yen.

Shareholder Return Policy

Dividend Policy

At The MISUMI Group, returning profits to our shareholders is one of the most important orders of business. We aim to pay out 20% of net income in the form of dividends.

Generally, The MISUMI Group pays out dividends from retained earnings twice a year, after the first half and after the end of the fiscal year. According to our articles of incorporation, interim dividends are decided at a meeting of board members. Year-end dividends are decided at our Annual General Meeting of Shareholders.

Cash Dividends Per Share

In consideration of the above policies, Fiscal Year 2008 earnings performance and the business outlook, a year-end dividend payout of three yen per share was decided at our Annual General Meeting of Shareholders held June 18, 2009. An interim dividend of 10 yen per share was decided at our meeting of board members held November 14, 2008. That totals a dividend payout of 13 yen per share for the entire year.

As a result, the annual dividend payout amounted to 24.6% of consolidated net income, or 1.6% of total net assets. We will utilize undistributed earnings to bolster our financial position, solidify our long-term financial base by strengthening our product and service lineups and reorganize our sourcing and sales regimes in Japan and overseas.

Our articles of incorporation permit the company to pay interim dividends.

Business Segment Results

Factory Automation Businesses

Our Factory Automation businesses suffered from postponements to new investment plans and delays to construction starts as the automotive, liquid crystal display, semiconductor and other major customer segments cut production levels substantially. Net sales were 58,405 million yen, down 3,874 million yen, or 6.2%, compared to the previous year. Operating income was 8,467 million yen, down 1,893 million yen, or 18.3%, due to a sharp decline in sales and the effects of a stronger yen.

Die Components Businesses

Our Die Components businesses were affected by reductions in production volumes and halts to capital investment plans in the automotive and light electrical appliance industries. As the severity of the global recession deepened, overseas sales fell sharply in our press and mold businesses. Net sales were 28,424 million yen, down 6,090 million yen, or 17.6%, compared to the previous year. Operating income was 1,354 million yen, down 2,433 million yen, or 64.2%, because adverse effects from the stronger yen outweighed benefits from continued cost reduction activities.

Electronics Businesses

Domestic sales in the Electronics businesses fell below levels reached in the previous year due to reductions or postponements to investments in semiconductor production equipment and computer systems. Net sales were 10,282 million yen, down 2,675 million yen, or 20.6%, compared to the previous year. Operating income was 1,126 million yen, down 518 million yen, or 31.5%.

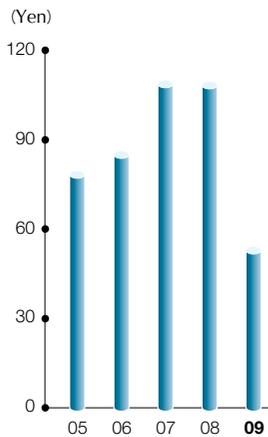
Optical-related Business

Due to reductions in semiconductor-related investments, business in system solutions and stages decelerated significantly. As a whole, sales in the Optical-related segment were 3,971 million yen, down 1,983 million yen, or 33.3%, compared to the previous year. Operating income was 271 million yen, down 226 million yen, or 45.5%. Please note, however, that previous-year numbers include 633 million yen in net sales and 70 million yen in operating losses from unprofitable businesses exited during the previous year.

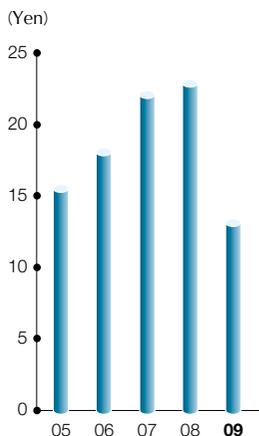
Diversified Businesses

Diversified businesses at The MISUMI Group include tooling for machine tools business (Tools Division) and medical and veterinary supplies for hospitals (PROMICLOS Corporation). Net sales were 8,959 million yen, down 2,003 million yen, or 18.3%, compared to the previous year. Operating income was 291 million yen, down 230 million yen, or 44.2%. Although the medical consumables business was not affected by restraints on capital investments in the manufacturing industry, part of the decline is attributable to the sale of a food industry consumables business targeting restaurants (MICREED Corporation) executed at the end of the second quarter in the previous year. Previous-year figures include 1,243 million yen in net sales and 13 million yen in operating income attributable to MICREED Corporation.

Net Income per Share



Cash Dividends per Share



Geographic Segment Results

Japan

Net sales in Japan were weak in all major customer segments, including the automotive, liquid crystal display and semiconductor industries. Sales to external customers slid to 87,825 million yen, down 14,343 million yen, or 14.0%, compared to the previous year. Operating income was 11,690 million yen, down 2,816 million yen, or 19.4%.

Asian Nations

In Asia, earnings faced significant pressure due to sharp yen appreciation and a drastic fall in sales caused by deteriorating economic conditions and the rapid decline in exports to the US. Economic growth rates in Asian countries slowed-in Korea, GDP in the fourth quarter of 2008 shrank 5.6% compared to the same period in the previous year. In China, orders declined sharply in our Factory Automation and Die Components businesses. Meanwhile, the stronger yen eroded earnings in Korea, Taiwan and Thailand. Net sales to external customers were 16,015 million yen, down 2,206 million yen, or 12.1%, compared to the previous year. Operating income was 456 million yen, down 2,057 million yen, or 81 -8%.

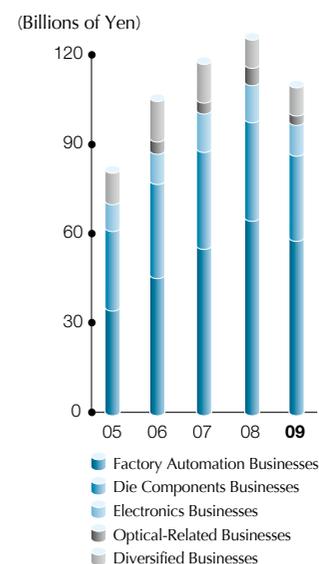
North & South America

In North America, economic sentiment continues to worsen as US GDP in the 2009 January-March quarter shrank an annualized 6.1% compared to the previous year. Automobile sales continue to fall and bankruptcies by major automotive manufacturers have fanned concerns about auto parts makers and the industry as a whole. Amidst such an environment, The MISUMI Group continues to grow its customer base and see increased requests for our catalogs, bolstered by efforts at exhibits and in magazines to advertise the low price, short delivery time and inventory reduction advantages MISUMI can deliver. Net sales to external customers were 3,690 million yen, down 345 million yen, or 8.6%, compared to the previous year. Earnings declined 21.8 million yen to a deeper operating loss of 394 million yen.

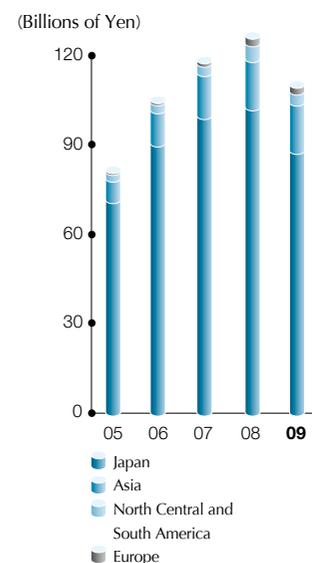
Europe

Europe has clearly entered a severe recession, and our customers have been affected by postponements to major investment plans. According to Eurostat, 2008 GDP growth rate of Germany shrank to 1.3%, down from 2.5% the previous year, and 2009 estimates predict the largest decline in GDP since the end of World War II. Despite such headwinds, MISUMI has steadily grown sales mainly in our Factory Automation business through aggressive marketing efforts and expanded availability of local language catalogs. In Europe, net sales to external customers were 2,511 million yen, up 270 million yen, or 12%. However, due to the effects of the stronger yen, earnings deteriorated 247 million yen to a deeper operating loss of 31.9 million yen.

Net Sales by Segment



Net Sales by Region



Liquidity & Capital Resources

Financial Policy

While pursuing strong growth, The MISUMI Group also strives to maintain ample liquidity and a sound balance sheet. To achieve steady growth over the short- to long-term, it is essential we sustain efforts to raise the bar of MISUMI Excellence on both the front end (customer service) and the back end (supplier relations). As financial measures, we plan to continue to operate with substantially no debt, rein in the accumulation of assets, target efficient management and enhance profitability and growth potential.

Cash Flows

As of the end of the consolidated Fiscal Year 2008, our balance of cash and cash equivalents was 22,671 million yen, an increase of 5,033 million yen compared to the beginning of the year.

Cash flow from operating activities was a positive 12,413 million yen, up 1,168 million yen compared to the previous year-end. Pretax income was 9,640 million yen, depreciation and amortization costs were 1,834 million yen, and the effects of changes in foreign exchange rates amounted to 955 million yen. Trade accounts receivable declined 10,404 million yen, while trade accounts payable shrank 3,200 million yen. Corporate income tax payments were 7,423 million yen.

Cash flow from investment activities was negative 4,182 million yen as net outlays shrank 8,674 million yen compared to the previous year-end. Outlays for the acquisition of marketable securities and investment marketable securities were 9,507 million yen. Income from the sale and redemption of marketable securities was 9,602 million yen. Outlays from the acquisition of tangible fixed assets were 3,994 million yen.

Cash flow from financing activities were a negative 2,093 million yen, as net outlays increased 685 million yen compared to the previous year-end. Outlays due to the repayment of long-term borrowings were 131 million yen. Payments of dividends amounted to 1,949 million yen.

Assets

Total assets as of the end of the consolidated Fiscal Year 2008 were 86,080 million yen, down 6,517 million yen, or 7.0%, compared to the previous year-end. Current assets were 59,585 million yen, down 5,917 million yen, or 9.0%. This is mainly due to an increase in cash and deposits and a decrease in notes receivable and trade accounts receivable resulting from fewer sales. Fixed assets were 26,495 million yen, down 600 million yen, or 2.2%. Tangible fixed assets were 12,978 million yen, down 430 million yen, or 3.2%. This is mainly due to the impairment of assets in connection with our withdrawal from the Iwaki Fine Technology Division. Intangible fixed assets were 3,572 million yen, up 122 million yen, or 3.5%. This is mainly due to the acquisition of software and the amortization of goodwill. Investments and other assets were 9,944 million yen, down 290 million yen, or 2.8%. This is mainly due to a decrease in investment marketable securities and an increase in deferred tax assets.

Liabilities

Total liabilities were 14,226 million yen, down 6,947 million yen, or 32.8%, compared to the previous year-end. Current liabilities were 11,259 million yen, down 7,375 million yen, or 39.6%. This is mainly due to decreases in notes payable, trade accounts payable and accrued corporate income taxes. Fixed liabilities were 2,968 million yen, up 429 million yen, or 16.9%.

As a result, we sustained a high degree of financial stability—our current ratio was 5.3 times, compared to 3.5 times at the previous year-end.

Equity

Total net assets, the sum of shareholders equity, valuation and conversion adjustments, and stock options, were 71,853 million yen. This is mainly due to an increase in retained earnings resulting from the increase in net income and a decrease in the foreign exchange conversion adjustment account.

As a result of the above, equity ratio was 83.3%. Return on equity (net income as a percentage of shareholders equity) was 6.6%.

Capital Investments

The MISUMI Group (MISUMI Group Inc. and our consolidated subsidiaries) spent a total of 3,380 million yen for capital investments during the consolidated Fiscal Year 2006. Here are the major investment items by business segment.

Factory Automation: invested 1,875 million yen in capital primarily to increase production capacity.

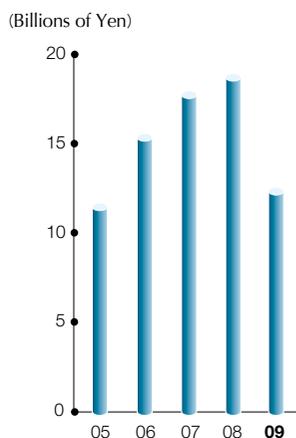
Die Components: invested 1,059 million yen in machinery, equipment, fixtures and buildings primarily to enhance productivity and increase production capacity for high-precision and high-value-added products.

Electronics: invested 189 million yen primarily to enhance computer systems.

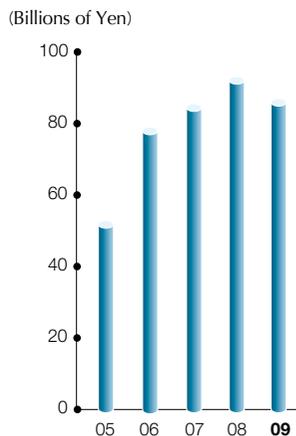
Optical-related: invested 83 million yen primarily to enhance production equipment and purchase fixtures for product development, inspection devices, and sales promotion demonstration equipment.

Diversified: invested 173 million yen primarily to enhance computer systems.

EBITDA



Total Assets



Research and Development Activities

The MISUMI Group is involved in research and development efforts focused on manufacturing technology possessed by SURUGA SEIKI Co., Ltd. At the same time, we are careful not to let our pursuit of research and development come at the expense of the company's financial base.

Total research and development costs during the consolidated Fiscal Year 2008 were 606 million yen. The relevant business units handle short-term research and development activities related to day-to-day business activities. Other projects are handled by our Engineering Development Division.

The Factory Automation business segment spent 18 million yen to develop new products and enhance productivity. The Die Components business segment spent 258 million yen to expand the high-precision and high-value-added products business and to enhance productivity. The Optical-related business segment spent 329 million yen primarily to develop new products.

Business and Other Risks

The following factors related to Group business and financial situations may influence investor decisions.

Please note that the forward-looking statements provided are based on judgments made at the end of the consolidated Fiscal Year 2008 by the MISUMI Group.

Effect of Trends in Certain Markets on Business Results

The MISUMI Group's primarily sells factory automation components and die components. Our main customers reside in the automotive and electrical machinery (including liquid crystal panels and semiconductors) industries. Thus, production and investment trends in these industries may impact business performance of The MISUMI Group.

Overseas Business

The MISUMI Group actively pursues business expansion overseas. Several key factors, including the establishment of organizational regimes at local subsidiaries overseas, progress in local production and procurement plans, the degree of recognition of The MISUMI Group in local markets, fluctuations in foreign currency exchange rates, and changes in local political circumstances, may have a significant impact on business operations. If business conditions do not progress according to plan, delays in the recovery of expenses and up-front investments in capital may adversely affect the business performance and financial situation of The MISUMI Group.

Safety Management

Given the fields in which some of The MISUMI Group's businesses operate, product defects or other problems (including problems regarding the harmfulness of constituent materials in products) could lead to economic losses resulting from sales suspensions and compensation to injured parties or impediments to business operations due to rumors or misinformation.

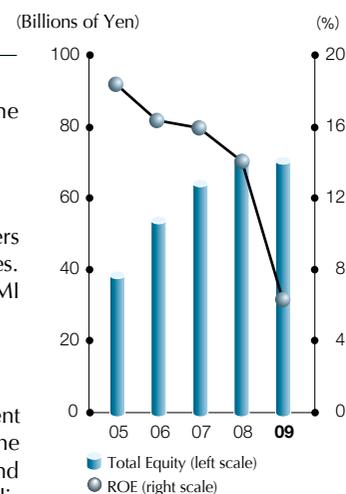
Customer Information Management

Catalog sales, the format of marketing pursued by The MISUMI Group uses a catalog sales business model—a form of database marketing—and handles a considerable amount of customer information. Any information leaks due to ineffective information management or other reasons, such as computer viruses or hackers, could greatly impair trust in and cause economic losses for The MISUMI Group.

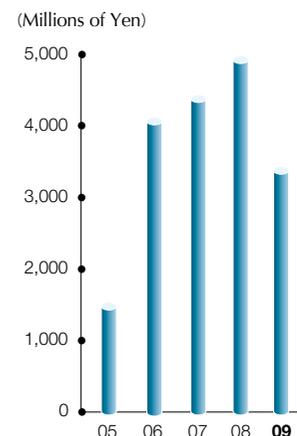
Natural Disasters

Large earthquakes or other natural disasters could disrupt product and merchandise logistics and harm The MISUMI Group's performance and financial position.

Total Equity and ROE



Capital Investment



Consolidated Balance Sheets

MISUMI Group Inc. and Consolidated Subsidiaries
March 31, 2009 and 2008

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	¥22,671	¥17,637	\$230,791
Time deposits	1,041	1,095	10,602
Marketable securities (Note 3)	5,031	5,122	51,218
Receivables			
Receivables	4,192	6,663	42,677
Trade accounts	12,698	21,425	129,269
Other	288	532	2,934
Allowance for doubtful receivables	(109)	(122)	(1,115)
Inventories (Note 4)	11,496	11,128	117,035
Deferred tax assets (Note 10)	1,159	1,157	11,800
Other	1,118	864	11,376
Total current assets	59,585	65,501	606,587
PROPERTY, PLANT AND EQUIPMENT:			
Land.....	4,230	4,316	43,060
Buildings and structures (Note 6)	8,546	7,805	86,998
Machinery and vehicles	6,044	5,598	61,530
Other.....	2,897	3,409	29,491
Total.....	21,717	21,128	221,079
Accumulated depreciation and impairment loss	(8,739)	(7,719)	(88,962)
Net property, plant and equipment.....	12,978	13,409	132,117
INVESTMENTS AND OTHER ASSETS:			
Investment securities (Note 3)	6,063	6,420	61,723
Investment in associated companies	412	496	4,189
Long-term time deposits.....	1,500	1,500	15,270
Software	2,045	1,148	20,819
Goodwill	1,408	2,146	14,336
Refundable insurance premium	208	201	2,114
Deferred tax assets (Note 10)	1,193	1,000	12,143
Other assets.....	688	775	7,009
Total investments and other assets.....	13,517	13,686	137,603
TOTAL.....	¥86,080	¥92,596	\$876,307

See notes to consolidated financial statements.

	Millions of Yen		Thousands of U.S. Dollars (Note 1)
	2009	2008	2009
LIABILITIES AND EQUITY			
CURRENT LIABILITIES:			
Short-term bank loans (Note 6)	¥ 1,301	¥ 1,472	\$ 13,248
Current portion of long-term debt (Note 6)	131	131	1,332
Payables:			
Trade notes and accounts	4,410	8,577	44,898
Accounts payable—other	1,559	2,528	15,872
Income taxes payable (Note 10)	1,947	3,814	19,825
Accrued bonuses (Note 2.m)	1,072	1,363	10,906
Provision for loss on business liquidation (Note 2.n)	262		2,670
Other	577	749	5,865
Total current liabilities	11,259	18,634	114,616
LONG-TERM LIABILITIES:			
Long-term debt (Note 6)	431	561	4,384
Liability for retirement benefits (Note 7)	2,248	1,961	22,889
Other	289	17	2,938
Total long-term liabilities	2,968	2,539	30,211
COMMITMENTS AND CONTINGENT LIABILITIES (Notes 11 and 13)			
EQUITY (Notes 8, 9, 14 and 15):			
Common stock—authorized, 340,000,000 shares in 2009 and 340,000,000 shares in 2008; issued, 89,018,684 shares in 2009 and 88,921,084 shares in 2008.....	4,682	4,596	47,660
Capital surplus	14,453	14,368	147,142
Stock acquisition rights	157	121	1,599
Retained earnings	55,364	52,629	563,612
Unrealized gain on available-for-sale securities	0	200	3
Foreign currency translation adjustments	(2,153)	158	(21,921)
Treasury stock—at cost, 384,366 shares in 2009 and 383,776 shares in 2008	(650)	(649)	(6,615)
Total equity.....	71,853	71,423	731,480
TOTAL	¥86,080	¥92,596	\$876,307

Consolidated Statements of Income

MISUMI Group Inc. and Consolidated Subsidiaries
Years Ended March 31, 2009, 2008 and 2007

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2009	2008	2007	2009
NET SALES (Note 16)	¥110,041	¥126,665	¥118,139	\$1,120,241
COST OF SALES	69,075	79,788	74,308	703,203
Gross profit	40,966	46,877	43,831	417,038
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	29,949	30,560	28,188	304,885
Operating income (Note 16)	11,017	16,317	15,643	112,153
OTHER INCOME (EXPENSES):				
Interest and dividend income	251	217	142	2,560
Interest expense	(34)	(25)	(46)	(345)
Exchange gain (loss)—net	(665)	(452)	74	(6,773)
Impairment loss	(542)	(21)	(184)	(5,515)
Other—net	(387)	260	370	(3,947)
Other income (expenses)—net	(1,377)	(21)	356	(14,020)
INCOME BEFORE INCOME TAXES	9,640	16,296	15,999	98,133
INCOME TAXES (Note 10):				
Current	4,982	6,821	6,346	50,715
Deferred	(29)	(223)	206	(295)
Total income taxes	4,953	6,598	6,552	50,420
NET INCOME	¥ 4,687	¥ 9,698	¥ 9,447	\$ 47,713
		Yen		U.S. Dollars
PER SHARE OF COMMON STOCK (Notes 2.u, 8, 14 and 15):				
Net income	¥52.89	¥109.72	¥108.42	\$0.54
Diluted net income	52.86	109.26	107.17	0.54
Cash dividends applicable to the year	13.00	23.00	22.00	0.13

See notes to consolidated financial statements

Consolidated Statements of Changes in Equity

MISUMI Group Inc. and Consolidated Subsidiaries
Years Ended March 31, 2009, 2008 and 2007

	Thousands Issued Number of Shares of Common Stock Outstanding	Millions of Yen							
		Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Unrealized Gain on Available-for- sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2006	43,592	¥3,243	¥13,016		¥37,559	¥469	¥434	¥(644)	¥54,077
Net income				9,447					9,447
Cash dividends, ¥20.50 per share				(1,780)					(1,780)
Bonuses to directors				(266)					(266)
Increase in treasury stock (370 shares)								(1)	(1)
Stock split (Note 8)	43,592								
Exercise of stock acquisition rights (Note 9)	1,075	817	817						1,634
Net change in the year				¥187	77	563			827
BALANCE, MARCH 31, 2007	88,259	4,060	13,833	187	44,960	546	997	(645)	63,938
Net income				9,698					9,698
Cash dividends, ¥23.00 per share				(2,028)					(2,028)
Increase in treasury stock (830 shares)								(2)	(2)
Disposal of treasury stock (110 shares)				(1)				1	
Exercise of stock acquisition rights (Note 9)	662	536	535						1,071
Treasury stock owned by the consolidated subsidiaries (1,500 shares)								(3)	(3)
Net change in the year				(66)	(346)	(839)			(1,252)
BALANCE, MARCH 31, 2008	88,921	4,596	14,368	121	52,629	200	158	(649)	71,423
Net income				4,687					4,687
Cash dividends, ¥22.00 per share				(1,948)					(1,948)
Increase in treasury stock (782 shares)								(1)	(1)
Disposal of treasury stock (192 shares)				(0)				0	0
Exercise of stock acquisition rights (Note 9)	98	86	85						171
Change of scope of consolidation				(4)					(4)
Net change in the year				36	(200)	(2,311)			(2,475)
BALANCE, MARCH 31, 2009	89,019	¥4,682	¥14,453	¥157	¥55,364	¥0	¥(2,153)	¥(650)	¥71,853

	Thousands of U.S. Dollars (Note 1)							
	Common Stock	Capital Surplus	Stock Acquisition Rights	Retained Earnings	Unrealized Gain on Available-for- sale Securities	Foreign Currency Translation Adjustments	Treasury Stock	Total Equity
BALANCE, MARCH 31, 2008	\$46,787	\$146,270	\$1,234	\$535,780	\$2,037	\$1,601	\$(6,606)	\$727,103
Net income				47,713				47,713
Cash dividends, \$0.22 per share				(19,839)				(19,839)
Increase in treasury stock (782 shares)							(13)	(13)
Disposal of treasury stock (192 shares)				(1)			4	3
Exercise of stock acquisition rights (Note 9)	873	872						1,745
Change of scope of consolidation				(41)				(41)
Net change in the year				365	(2,034)	(23,522)		(25,191)
BALANCE, MARCH 31, 2009	\$47,660	\$147,142	\$1,599	\$563,612	\$3	\$(21,921)	\$(6,615)	\$731,480

See notes to consolidated financial statements.

Consolidated Statements of Cash Flows

MISUMI Group Inc. and Consolidated Subsidiaries
Years Ended March 31, 2009, 2008 and 2007

	Millions of Yen			Thousands of U.S. Dollars (Note 1)
	2009	2008	2007	2009
OPERATING ACTIVITIES:				
Income before income taxes.....	¥9,640	¥16,296	¥15,999	\$98,133
Adjustments for:				
Income taxes paid	(7,423)	(6,962)	(9,578)	(75,571)
Income taxes refund	481	597	2,112	4,894
Depreciation and amortization	1,834	1,508	1,252	18,674
Amortization of goodwill	738	493	495	7,515
Exchange (gain) loss	955	(151)	(88)	9,718
Impairment loss	542	21	184	5,515
Changes in assets and liabilities:				
(Increase) Decrease in receivables	10,404	(1,208)	(2,247)	105,918
Increase in inventories	(1,025)	(229)	(1,490)	(10,432)
Increase (Decrease) in payables	(3,200)	725	532	(32,575)
Decrease in other current liabilities	(801)	(980)	(345)	(8,153)
Other—net	268	1,134	309	2,728
Total adjustments	2,773	(5,052)	(8,864)	28,231
Net cash provided by operating activities	12,413	11,244	7,135	126,364
INVESTING ACTIVITIES:				
Proceeds from sales and redemption of marketable securities	9,602	2,654	250	97,751
Purchase of marketable and investment securities	(9,507)	(11,487)		(96,778)
Purchase of property, plant and equipment	(3,994)	(4,889)	(4,640)	(40,663)
Proceeds from sales of subsidiaries' shares due to the change of scope of consolidation.....		655		
Payment on acquisition of subsidiaries' shares due to the change of scope of consolidation.....		(1,256)		
Refund from time deposits	364	2,055	1,900	3,701
Payment into time deposits.....	(646)	(1,004)	(100)	(6,581)
Other—net.....	(1)	417	57	(4)
Net cash used in investing activities	(4,182)	(12,855)	(2,533)	(42,574)
FINANCING ACTIVITIES:				
Decrease in short-term bank loans—net	(172)	(205)	(800)	(1,749)
Repayments of long-term debt	(131)	(66)	(165)	(1,332)
Proceeds from issuance of stock	160	892	1,630	1,625
Acquisition of treasury stock	(1)	(1)		(10)
Dividends paid	(1,949)	(2,028)	(1,780)	(19,839)
Net cash used in financing activities	(2,093)	(1,408)	(1,115)	(21,305)
FOREIGN CURRENCY TRANSLATION ADJUSTMENTS ON CASH AND CASH EQUIVALENTS	(1,094)	(559)	239	(11,140)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	5,044	(3,578)	3,726	51,345
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	17,637	21,215	17,489	179,546
DECREASE IN CASH AND CASH EQUIVALENTS RESULTING FROM EXCLUSION OF SUBSIDIARIES FROM CONSOLIDATION	(10)			(100)
CASH AND CASH EQUIVALENTS, END OF YEAR	¥22,671	¥17,637	¥21,215	\$230,791

See notes to consolidated financial statements.

Notes to Consolidated Financial Statements

MISUMI Group Inc. and Consolidated Subsidiaries

1. BASIS OF PRESENTING CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements have been prepared in accordance with the provisions set forth in the Japanese Financial Instruments and Exchange Act and its related accounting regulations and in conformity with accounting principles generally accepted in Japan ("Japanese GAAP"), which are different in certain respects as to application and disclosure requirements of International Financial Reporting Standards.

In preparing these consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in order to present them in a form which is more familiar to readers outside Japan. In addition, certain reclassifications have been made in the 2007 and 2008 financial statements to the classifications used in 2009.

The consolidated financial statements are stated in Japanese yen, the currency of the country in which MISUMI Group Inc. (the "Company") is incorporated and operates. The translation of Japanese yen amounts into U.S. dollar amounts is included solely for the convenience of readers outside Japan and has been made at the rate of ¥98.23 to \$1, the approximate rate of exchange at March 31, 2009. Such translation should not be construed as representations that the Japanese yen amounts could be converted into U.S. dollars at that or any other rate.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Consolidation—The consolidated financial statements as of March 31, 2009 include the accounts of the Company and its 21 (24 as of March 31, 2008) subsidiaries (together, the "Group").

Under the control or influence concept, those companies in which the Company, directly or indirectly, is able to exercise control over operations are fully consolidated, and those companies over which the Group has the ability to exercise significant influence are accounted for by the equity method. Investments in two associated companies are accounted for by the equity method.

Four subsidiaries, PARTS KOREA CO., LTD. WUXI PARTS SEIKO PRECISION IND CO., LTD. SURUGA SINGAPORE PTE., LTD. and GUANZHOU MISUMI INTERNATIONAL TRADING CO., LTD. are not consolidated in 2009 because they would have an immaterial effect on the accompanying consolidated financial statements. Investments in the four unconsolidated subsidiaries are accounted for on the cost basis.

The overall market value method is used for valuation of consolidated subsidiaries' assets and liabilities.

The differences between the cost and underlying net equity of investments in consolidated subsidiaries at acquisition are recorded as goodwill included in investments and other assets and are being amortized on a straight-line basis over five years.

All significant intercompany balances and transactions have been eliminated in consolidation. All material unrealized profit included in assets resulting from transactions within the Group is eliminated.

For consolidated subsidiaries or associated companies whose closing dates are different from that of the Company, certain adjustments necessary to consolidate have been made.

b. Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements—In May 2006, the Accounting Standards Board of Japan (the "ASBJ") issued ASBJ Practical Issues Task Force (PITF) No. 18, "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for the Consolidated Financial Statements". PITF No. 18 prescribes (1) the accounting policies and procedures applied to a parent company and its subsidiaries for similar transactions and events under similar circumstances should in principle be unified for the preparation of the consolidated financial statements, (2) financial statements prepared by foreign subsidiaries in accordance with either International Financial Reporting Standards or generally accepted accounting principles in the United States of America tentatively may be used for the consolidation process, (3) however, the following items should be adjusted in the consolidation process so that net income is accounted for in accordance with Japanese GAAP unless they are not material: (a) amortization of goodwill; (b) scheduled amortization of actuarial gain or loss of pensions that has been directly recorded in the equity; (c) expanding capitalized development costs of R&D; (d) cancellation of the fair value model accounting for property, plant and equipment and investment properties and incorporation and incorporation of the cost model accounting; (e) recording the prior years' effects of changes in accounting policies in the income statement where retrospective adjustments to financial statements have been incorporated; and (f) exclusion of minority interests from net income, if included PITF No. 18 was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Company applied this accounting standard effective April 1, 2008. The effect of this change on the consolidated operating income and income before income taxes for the year ended March 31, 2009 was immaterial.

c. Cash Equivalents—Cash equivalents are short-term investments that are readily convertible into cash and that are exposed to insignificant risk of changes in value. Cash equivalents include time deposits and money management funds similar to money market mutual funds that represent short-term investments, all of which mature or become due within three months of the date of acquisition.

d. Inventories—Merchandise and material are principally stated at cost (lower than book value due to decline in profitability) determined by the moving-average method. Finished goods, work in process and supplies are principally stated at cost (lower than book value due to decline in profitability) by the periodic average method, except catalogues that are stated at cost by the last purchase method.

In July 2006, the ASBJ issued ASBJ Statement No. 9, "Accounting Standard for Measurement of Inventories." This standard requires that inventories held for sale in the ordinary course of business be measured at the lower of cost or net selling value, which is defined as the selling price less additional estimated manufacturing costs and estimated direct selling expenses. The replacement cost may be used in place of the net selling value, if appropriate. The standard also requires that inventories held for trading purposes be measured at the market price. The standard was effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted.

The Company applied this new accounting standard for measurement of inventories effective April 1, 2008. The effect of this change on the consolidated operating income and income before income taxes for the year ended March 31, 2009 was immaterial.

e. Marketable and Investment Securities—Marketable and investment securities are classified and accounted for, depending on management's intent, as follows: available-for-sale securities are reported at fair value, with unrealized gains and losses, net of applicable taxes, reported in a separate component of equity. Non-marketable available-for-sale securities are stated at cost determined by the moving-average method. For other than temporary declines in fair value, investment securities are reduced to net realizable value by a charge to income.

f. Allowance for Doubtful Accounts—The allowance for doubtful accounts is stated in amounts considered to be appropriate based on the Company's past credit loss experience and an evaluation of potential losses in the receivables outstanding.

g. Property, Plant and Equipment—Property, plant and equipment are stated at cost. Depreciation of property, plant and equipment held by domestic consolidated subsidiaries is computed principally by the declining-balance method, whereas the straight-line method is applied to those held by consolidated foreign subsidiaries. The range of useful lives is principally as follows:

Buildings and structures	3 to 45	years
Machineries and vehicles	4 to 10	years

h. Long-lived Assets—The Group reviews its long-lived assets for impairment whenever events or changes in circumstance indicate the carrying amount of an asset or asset group may not be recoverable. An impairment loss would be recognized if the carrying amount of an asset or asset group exceeds the sum of the undiscounted future cash flows expected to result from the continued use and eventual disposition of the asset or asset group. The impairment loss would be measured as the amount by which the carrying amount of the asset exceeds its recoverable amount, which is the higher of the discounted cash flows from the continued use and eventual disposition of the asset or the net selling price at disposition.

i. Other Assets—Intangible assets are carried at cost less accumulated amortization, which is calculated by the straight-line method over five years.

j. Research and Development Costs—Research and development costs are charged to income as incurred.

k. Stock Issue Costs—Stock issue costs are charged to income as incurred.

l. Retirement Plan—The Company and certain subsidiaries have unfunded retirement benefit plans for employees which are non-contributory. Certain consolidated subsidiaries have non-contributory funded pension plans. The Group provided for the liability for employees' retirement benefits based on the projected benefit obligation and plan assets at the balance sheet date. Actuarial gains and losses are charged to income as incurred, whereas they are amortized over ten years for those incurred in certain consolidated subsidiaries.

The annual provisions for retirement payments to directors and corporate auditors are calculated to present the liability at the amount that would be required if all of the Company's eligible directors and corporate auditors who covered by the retirement payment plan retired at each balance sheet date.

m. Accrued Bonuses—The Company and certain consolidated subsidiaries provide bonuses for employees, directors and corporate auditors based on future projections for the current fiscal year.

n. Provision for Loss on Business Liquidation—The Group provides a reserve for the loss on liquidation of business based on the estimated losses.

o. Stock Options—On December 27, 2005, the ASBJ issued ASBJ Statement No. 8, "Accounting Standard for Stock Options" and related guidance. The new standard and guidance are applicable to stock options newly granted on and after May 1, 2006. This standard requires companies to recognize compensation expense for employee stock options based on the fair value at the date of grant and over the vesting period as consideration for receiving goods or services. The standard also requires companies to account for stock options granted to non-employees based on the fair value of either the stock option or the goods or services received. In the balance sheet, the stock option is presented as a stock acquisition right as a separate component of equity until exercised. The standard covers equity-settled, share-based payment transactions, but does not cover cash-settled, share-based payment transactions. In addition, the standard allows unlisted companies to measure options at their intrinsic value if they cannot reliably estimate fair value.

The Company has applied this accounting standard for stock options to those granted on and after May 1, 2006.

p. Leases—In March 2007, the ASBJ issued ASBJ Statement No. 13, "Accounting Standard for Lease Transactions," which revised the previous accounting standard for lease transactions issued in June 1993.

The revised accounting standard for lease transactions is effective for fiscal years beginning on or after April 1, 2008 with early adoption permitted for fiscal years beginning on or after April 1, 2007. Under the previous accounting standard, finance leases that were deemed to transfer ownership of the leased property to the lessee were to be capitalized. However, other finance leases were permitted to be accounted for as operating lease transactions if certain "as if capitalized" information was disclosed in the note to the lessee's financial statements. The revised accounting standard requires that all finance lease transactions should be capitalized to recognize lease assets and lease obligations in the balance sheet. In addition, the accounting standard permits leases which existed at the transition date and do not transfer ownership of the leased property to the lessee to be accounted for as operating lease transactions.

The Company applied the revised accounting standard effective April 1, 2008. In addition, the Company accounted for leases which existed at the transition date and do not transfer ownership of the leased property to the lessee as operating lease transactions. There is no effect of this change on the consolidated operating income and income before income taxes for the year ended March 31, 2009.

q. Derivative Financial Instruments—The Group uses derivative financial instruments to manage its exposures to fluctuations in foreign exchange. Foreign currency forward contracts are utilized by the Group to reduce foreign currency exchange risks. The Group does not enter into derivatives for trading or speculative purposes. All derivatives are recognized as either assets or liabilities and measured at fair value, and gains or losses on derivative transactions are recognized in the consolidated statements of income.

r. Income Taxes—The provision for income taxes is computed based on the pretax income included in the consolidated statements of income. The asset and liability approach is used to recognize deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the carrying amounts and the tax bases of assets and liabilities. Deferred taxes are measured by applying currently enacted tax laws to the temporary differences.

s. Foreign Currency Transactions—All short-term and long-term monetary receivables denominated in foreign currencies are translated into Japanese yen at the exchange rates at the balance sheet date. The foreign exchange gains and losses from translation are recognized in the consolidated statements of income to the extent that they are not hedged by forward exchange contracts.

t. Foreign Currency Financial Statements—The balance sheet accounts of the consolidated foreign subsidiaries are translated into Japanese yen at the current exchange rates as of the balance sheet date except for equity, which is translated at the historical exchange rate. Differences arising from such translation are shown as "Foreign currency translation adjustments" in a separate component of equity. Revenue and expense accounts of the consolidated foreign subsidiaries are translated into yen at the average exchange rate.

u. Per Share Information—Basic net income per share is computed by dividing net income available to common shareholders by the weighted-average number of common shares outstanding for the period.

Diluted net income per share reflects the potential dilution that could occur if stock option rights were exercised. Diluted net income per share of common stock assumes full exercise of dilutive outstanding stock option right.

Cash dividends per share presented in the accompanying consolidated statements of income are dividends applicable to the respective years including dividends to be paid after the end of year.

3. MARKETABLE AND INVESTMENT SECURITIES

Marketable and investment securities as of March 31, 2009 and 2008 consisted of following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current:			
Corporate and public bonds	¥4,998	¥5,018	\$50,883
Trust fund investments.....	33	104	335
Total	¥5,031	¥5,122	\$51,218
Non-current:			
Equity securities	¥ 127	¥ 183	\$ 1,295
Corporate and public bonds	5,033	5,025	51,236
Trust fund investments	903	1,212	9,192
Total	¥6,063	¥6,420	\$61,723

The carrying amounts and aggregate fair values of marketable and investment securities at March 31, 2009 and 2008 were as follows:

	Millions of Yen			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	¥ 109	¥ 13	¥ 2	¥ 120
Debt securities	10,032	36	37	10,031
Trust fund investments	954	85	103	936
	Millions of Yen			
	2008			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	¥ 109	¥ 69	¥ 2	¥ 176
Debt securities	10,025	23	5	10,043
Trust fund investments	1,073	275	31	1,317
	Thousands of U.S. Dollars			
	2009			
	Cost	Unrealized Gains	Unrealized Losses	Fair Value
Securities classified as available-for-sale:				
Equity securities	\$ 1,110	\$139	\$ 23	\$ 1,226
Debt securities	102,123	370	374	102,119
Trust fund investments	9,716	860	1,049	9,527

Available-for-sale securities whose fair value is not readily determinable as of March 31, 2009 and 2008 were as follows:

	Carrying Amount		Thousands of U.S. Dollars
	Millions of Yen		
	2009	2008	2009
Available-for-sale:			
Equity securities	¥7	¥6	\$69
Total	¥7	¥6	\$69

Proceeds from sales of available-for-sale securities for the years ended March 31, 2009 and 2008, were ¥106 million (\$1,083 thousand) and ¥149 million, respectively. Gross realized gains on these sales, computed on the moving average cost basis, for the years ended March 31, 2009 and 2008 were ¥1 million (\$10 thousand) and ¥78 million, respectively. Gross realized losses on these sales, computed on the moving average cost basis, for the year ended March 31, 2009 was ¥22 million (\$227 thousand).

The redemption amounts of debt securities and trust fund investments by contractual maturities for securities classified as available-for-sale at March 31, 2009 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	Available for Sale	Available for Sale
Due in one year or less	¥5,027	\$51,181
Due after one year through five years	4,038	41,104
Due after 10 years	56	566
Total	¥9,121	\$92,851

4. INVENTORIES

Inventories at March 31, 2009 and 2008 consisted of the following

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Merchandise.....	¥ 7,410	¥ 7,158	\$ 75,437
Finished goods	530	342	5,394
Materials	1,823	2,684	18,557
Supplies	694	494	7,063
Work in process and other	1,039	450	10,584
Total	¥11,496	¥11,128	\$117,035

5. LONG-LIVED ASSETS

The Group reviewed its long-lived assets for impairment as of March 31, 2009. As a result, the Group recognized an impairment loss of ¥542 million (¥5,515 thousand) as other expense for the Die Components Business plant of Iwaki, due to a continuous operating loss of that unit and the carrying amount of the relevant assets was written down to the recoverable amount for the year ended March 31, 2009.

The breakdown of impairment losses are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2009	2009
Buildings and structures	¥257	\$2,615
Machinery, equipment and vehicles	124	1,261
Tools, furniture and fixtures	26	262
Land	29	294
Software	8	83
Patent right	0	0
Lease asset	98	1,000
Total	¥542	\$5,515

The recoverable amounts of land are their net realizable values based on amounts determined by valuations made in accordance with real estate appraisal standards. The recoverable amounts of other assets are recorded in their net realizable values.

6. SHORT-TERM BANK LOANS AND LONG-TERM DEBT

The annual interest rates applicable to the short-term bank loans ranged from 0.69% to 1.32% and from 0.91% to 5.85% at March 31,2009 and 2008,respectively.

Long-term debt at March 31,2009 and 2008 consisted of the following:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Unsecured loan from banks (due 2013 to 2014 with weighted-average interest rate of 1.57% at March 31, 2009)	¥562	¥692	\$5,716
Total	562	692	5,716
Less current portion	(131)	(131)	(1,332)
Long-term debt, less current portion.....	¥431	¥561	\$4,384

Annual maturity of long-term debt at March 31,2009was as follows:

Fiscal year ended March 31,

	Millions of Yen	Thousands of U.S. Dollars
	2009	2009
2010.....	¥131	\$1,332
2011.....	131	1,332
2012.....	127	1,295
2013.....	123	1,250
2014.....	50	507
Total.....	¥562	\$5,716

Assets pledged as collateral for the current portion of long-term debt of ¥131 million(\$1,332 thousand) and long-term debt of ¥431 million (\$4,384 thousand) as of March 31,2009 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2009	2009
Buildings and structures.....	¥390	\$3,970
Total.....	¥390	\$3,970

7. RETIREMENT PLAN

Under most circumstances,terminated employees are entitled to retirement payments based on their rate of pay at the time of termination,year of service and certain other factors.Such retirement payments are made in the form of a lump-sum payment from the Company and certain consolidated subsidiaries.

Certain consolidated subsidiaries have non-contributory funded pension plans for employees which cover 100% of their benefits.

The liability for retirement benefits at March 31,2009 and 2008 for the directors and corporate auditors is ¥641 million(\$6,527 thousand)and ¥580 million,respectively.The amounts payable to directors and corporate auditors upon retirement is subject to the approval of the shareholders.

The liability for employees' retirement benefits at March 31,2009 and 2008 consisted of the following(The amount of the liability for retirement benefits for the directors and corporate auditors is not included):

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Projected benefit obligation.....	¥2,314	¥1,958	\$23,557
Fair value of plan assets.....	(632)	(510)	(6,432)
Unrecognized actuarial loss.....	(75)	(67)	(763)
Net liability	¥1,607	¥1,381	\$16,362

The components of net periodic benefit costs for the year ended March 31,2009 are as follows:

	Millions of Yen	Thousands of U.S. Dollars
	2009	2009
Service cost	¥339	\$3,453
Interest cost	28	283
Expected return on plan assets	(8)	(82)
Recognized actuarial loss	127	1,288
Net periodic benefit costs.....	¥486	\$4,942

Assumptions used for the year ended March 31,2009 are set forth as follows:

	2009
Discount rate.....	1.5%
Expected rate of return on plan assets.....	1.7%

Actuarial gains and losses are charged to income as incurred,while they are amortized over 10 years for those incurred in certain consolidated subsidiaries.

8. EQUITY

Since May 1,2006,Japanese compainies have been subject to the Companies Act of Japan(the "companies Act").The significant provisions in the Companies Act that affect financial and accounting matters are summarized below:

a. Dividends

Under the Companies Act,companies can pay dividends at any time during the fiscal year in addition to the year-end dividend upon resolution at the shareholders meeting.For companies that meet certain criteria such as;(1)having the Bord of Directors,(2)having independent auditors,(3)having the Bord of Corporate Auditors,and (4)the term of service of the directors is prescribed as one year rather than two years of normal term by its articles of incorporation,the Bord of Directors may declare dividends(except for dividends in kind)at any time during the fiscal yiar if the company has prescribed so in its articles of incorporation.

The Companies Act permits companies to distribute dividends-in-kind(non-cash assets)to shareholders subject to a certain limitation and additional requirements.

Semiannual interim dividends may also be paid once a year upon resolution by the Board of Directors if the articles of incorporation of the company so stipulate.The Companies Act provides certain Limitations on the amounts available for dividends or the purchase of treasury stock.The limitation is defined as the amout available for distribution to the shareholders,but the amout of net assets after dividends must be maintained at no less than ¥3 million.

b. Increases/Decreases and Transfer of Common Stock,Reserve and Surplus

The Companies Act requires that an amout equal to 10% of dividends must be appropriated as a legal reserve(a component of retained earnings)or as additional paid-in capital(a component of capital surplus)depending on the equity account chrged upon the payment of such dividends until the total of aggregate amout of legal reserve and additional paid-in capital equals 25% of the common stock.Under the Companies Act,the total amount of additional paid-in capital and legal reserve may be reversed without limitation.The Companies Act also provides that common stock,legal reserve,additional paid-in capitall,other capital surplus and retained earnings can be transferred among the accounts under certain conditions upon resolution of the shareholders.

c. Treasury Stock and Treasury Stock Acquisition Right

The Companies Act also provides for companies to purchase treasury stock and dispose of such treasury stock by resolution of the Board of Directors.The amount of treasury stock purchased cannot exceed the amout available for distribution tu the shareholders which is determined by specific formula.Under the Companies Act,stock acquisition rights are presented as a separate component of equity.The Companies Act also provides that companies can purchase both treasury stock acquisition rights and treasury stock.Such treasury stock acquisition rights are presented as a separate component of equity or deducted directly from stock acquiisition rights.

On April 1,2006,the Company made a 2-for-1 stock split by way of a free share distribution to each outstanding share based on the resolution of the Board of Directors meeting held on February 20,2006.

9. STOCK OPTION

The stock options outstanding as of March 31, 2009 were as follows:

Stock Option	Persons Granted	Number of Options Granted	Date of Grant	Exercise Price	Exercise Period
2003 Stock Option (1)	1 director	450,000 shares	2003.7.1	¥1,394 (\$14.19)	From August 1, 2005 to July 31, 2010
2003 Stock Option (2)	4 directors 119 employees 1 director of subsidiary	600,000 shares	2003.12.1	¥1,742 (\$17.73)	From August 1, 2005 to July 31, 2010
2004 Stock Option (1)	2 directors 3 employees	552,000 shares	2004.7.1	¥1,795 (\$18.27)	From August 1, 2006 to July 31, 2011
2004 Stock Option (2)	4 directors 139 employees	497,200 shares	2005.3.15	¥1,735 (\$17.66)	From August 1, 2006 to July 31, 2011
2005 Stock Option (1)	2 directors 1 employee	489,000 shares	2005.7.1	¥1,785 (\$18.17)	From August 1, 2007 to July 31, 2012
2005 Stock Option (2)	2 directors 166 employees	708,400 shares	2006.3.1	¥2,534 (\$25.80)	From August 1, 2007 to July 31, 2012
2006 Stock Option	6 directors	92,900 shares	2006.7.12	¥1 (\$0.01)	From July 1, 2007 to June 30, 2008
2007 Stock Option (1)	6 directors	280,000 shares	2007.7.12	¥2,219 (\$22.59)	From August 1, 2009 to July 31, 2014
2007 Stock Option (2)	15 employees of the Group	60,000 shares	2008.1.11	¥2,027 (\$20.64)	From February 1, 2010 to January 31, 2015
2008 Stock Option (1)	8 directors	440,000 shares	2008.7.11	¥2,073 (\$21.10)	From August 1, 2010 to July 31, 2015
2008 Stock Option (2)	21 employees of the Group	104,000 shares	2008.12.8	¥1,576 (\$16.04)	From January 1, 2011 to December 31, 2016

Note: Number of options granted and exercise price in the table above are presented after giving effect of stock splits.

The stock option activity is as follows:

	2003 Stock Option (1)	2003 Stock Option (2)	2004 Stock Option (1)	2004 Stock Option (2)	2005 Stock Option (1)	2005 Stock Option (2)
(Shares)						
For the Year Ended March 31, 2008						
Non-vested:						
March 31, 2007—outstanding					489,000	708,400
Granted.....						
Canceled.....						
Vested					489,000	708,400
March 31, 2008—outstanding						
Vested:						
March 31, 2007—outstanding.....	450,000	432,300	527,600	442,600		
Vested.....					489,000	708,400
Exercised.....	8,400	95,100	17,200	85,400		
Canceled.....		15,900	6,800	17,400		400
March 31, 2008—outstanding.....	441,600	321,300	503,600	339,800	489,000	708,000
For the Year Ended March 31, 2009						
Non-vested:						
March 31, 2008—outstanding						
Granted.....						
Canceled.....						
Vested						
March 31, 2009—outstanding.....						
Vested:						
March 31, 2008—outstanding.....	441,600	321,300	503,600	339,800	489,000	708,000
Vested						
Exercised.....		66,900		25,000		
Canceled.....		7,500		7,400		65,000
March 31, 2009—outstanding.....	441,600	246,900	503,600	307,400	489,000	643,000
Yen (U.S. Dollars)						
Exercise price.....	¥1,394 (\$14.19)	¥1,742 (\$17.73)	¥1,795 (\$18.27)	¥1,735 (\$17.66)	¥1,785 (\$18.17)	¥2,534 (\$25.80)
Average stock price at exercise.....		¥1,987 (\$20.23)		¥1,938 (\$19.73)		

The Assumptions Used to Measure Fair Value of Stock options Granted for the Year Ended March 31,2009 were:

Granted on July 11,2008

Estimate method:	Block-scholes option pricing model
Volatility of stock price:	23.69%
Estimated remaining outstanding period:	4.56 years
Estimated dividend:	¥23 per share
Interest rate with risk free:	1.12%

- Notes: 1. Volatility of stock price is calculated based on the actual stock prices marked in the period from December 2003 to June 2008.
2. Estimated remaining outstanding period is determined based on the assumption that all options would be exercised on the middle date of the exercise period.
3. Estimated dividend is determined based on the actual dividend applicable to the year ended March 31,2008.
4. For the risk free interest rate,the Company uses the yield of Japanese treasury bonds applicable to the estimated remaining outstanding period of options.

	2006 Stock Option	2007 Stock Option (1)	2007 Stock Option (2)	2008 Stock Option (1)	2008 Stock Option (2)
	(Shares)				
For the Year Ended March 31, 2008					
Non-vested:					
March 31, 2007—outstanding	92,900				
Granted.....		280,000	60,000		
Canceled.....					
Vested	92,900	280,000			
March 31, 2008—outstanding			60,000		
Vested:					
March 31, 2007—outstanding.....					
Vested.....	92,900	280,000			
Exercised.....	87,200				
Canceled.....					
March 31, 2008—outstanding.....	5,700	280,000			
For the Year Ended March 31, 2009					
Non-vested:					
March 31, 2008—outstanding			60,000		
Granted.....				440,000	104,000
Canceled.....			14,000		
Vested					
March 31, 2009—outstanding.....			46,000	440,000	104,000
Vested:					
March 31, 2008—outstanding.....	5,700	280,000			
Vested					
Exercised.....	5,700				
Canceled.....					
March 31, 2009—outstanding.....		280,000			
Yen (U.S. Dollars)					
Exercise price.....	¥1 (\$0.01)	¥2,219 (\$22.59)	¥2,027 (\$20.64)	¥2,073 (\$21.10)	¥1,576 (\$16.04)
Average stock price at exercise.....	¥1,959 (\$19.94)				
Fair value price at grant date.....	¥2,018 (\$20.54)	¥384 (\$3.91)	¥305 (\$3.10)	¥286 (\$2.91)	¥87 (\$0.89)

The Assumptions Used to Measure Fair Value of Stock Options Granted for the Year Ended March 31,2009 were:

Granted on December 8,2008

Estimate method: Block-scholes option pricing model

Volatility of stock price: 24.74%

Estimated remaining outstanding period: 5.07 years

Estimated dividend: ¥22 per share

Interest rate with risk free: 0.90%

Notes: 1. Volatility of stock price is calculated based on the actual stock prices marked in the period from November 2003 to November 2008.

2. Estimated remaining outstanding period is determined based on the assumption that all options would be exercised on the middle date of the exercise period.

3. Estimated dividend is determined based on the actual dividend applicable to the year ended March 31,2008.

4. For the risk free interest rate,the Company uses the yield of Japanese treasury bonds applicable to the estimated remaining outstanding period of options.

The Assumptions Used to Measure the Number og Vested Stock Options

The Company uses only the actual cancellations due to difficulty in determining on reasonable assumption to measure the number of future cancellations.

10. INCOME TAXES

The Company is subject to Japanese national and income taxes which, in the aggregate, resulted in a normal effective statutory tax rate of approximately 40% for the years ended March 31, 2009, 2008 and 2007.

The tax effects of significant temporary differences which resulted in deferred tax assets and liabilities at March 31, 2009 and 2008 are as follows:

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Current deferred tax assets:			
Devaluation of inventories.....	¥ 304	¥221	\$ 3,092
Accrued enterprise tax.....	149	272	1,513
Accrued bonuses.....	373	530	3,797
Unrealized income	158	111	1,610
Tax losses carried forward.....	113		1,153
Valuation on available-for-sale securities.....	2		25
Other—net.....	285	31	2,895
Subtotal.....	1,384	1,169	14,085
Valuation allowance.....	(212)		(2,153)
Current deferred tax assets.....	1,172	1,169	11,932
Current deferred tax liabilities:			
Valuation on available-for-sale securities.....		0	
Enterprise tax refundable.....	7		75
Other—net.....	6	12	57
Current deferred tax liabilities.....	13	12	132
Net current deferred tax assets.....	¥1,159	¥1,157	\$11,800
Non-current deferred tax assets:			
Liabilities for retirement benefits for employees.....	¥ 614	¥535	\$ 6,251
Valuation loss on investment securities.....	94	354	962
Depreciation.....	428	242	4,356
Tax losses carried forward.....	816		8,307
Allowance for doubtful receivables.....	41		418
Valuation on available-for-sale securities.....	1		7
Other—net.....	123	160	1,247
Subtotal.....	2,117	1,291	21,548
Valuation allowance.....	(770)		(7,835)
Non-current deferred tax assets.....	1,347	1,291	13,713
Non-current deferred tax liabilities:			
Valuation on fixed assets.....	149	149	1,512
Valuation on available-for-sale securities.....		134	
Other—net.....	5	8	58
Non-current deferred tax liabilities.....	154	291	1,570
Net non-current deferred tax assets.....	¥1,193	¥1,000	\$12,143

Reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2009 is as follows:

	2009
Normal effective statutory tax rate.....	40.7%
Non-deductible bonuses to directors and corporate auditors.....	0.8
Increase in temporary differences not scheduled for income tax purposes.....	8.6
Amortization of goodwill.....	3.1
Equity in earnings of affiliates.....	(2.0)
Other.....	0.2
Actual effective tax rate.....	51.4%

Reconciliation between the normal effective statutory tax rate and the actual effective tax rate reflected in the accompanying consolidated statement of income for the year ended March 31, 2008 and 2007 was not presented because the differences between them were not material.

11. LEASES

The Group leases certain machinery, computer and telecommunication equipment, office space and other assets.

Total rental expense for the years ended March 31, 2009, 2008 and 2007 was ¥1,236 million (\$12,588 thousand), ¥1,325 million and ¥1,154 million, respectively.

Pro forma information of leased property, such as acquisition cost, accumulated depreciation, obligations under finance lease, depreciation expense of finance leases that do not transfer of the leased property to the lessee on an "as if capitalized" basis for the years ended March 31, 2009 and 2008 was as follows:

	Millions of Yen		
	2009		
	Machineries and Vehicles	Other	Total
Acquisition cost.....	¥1,454	¥191	¥1,645
Accumulated depreciation.....	(927)	(150)	(1,077)
Net leased property	¥527	¥ 41	¥568

	Millions of Yen		
	2008		
	Machineries and Vehicles	Other	Total
Acquisition cost.....	¥2,641	¥321	¥2,962
Accumulated depreciation.....	(1,277)	(225)	(1,502)
Net leased property	¥1,364	¥ 96	¥1,460

	Thousands of U.S. Dollars		
	2009		
	Machineries and Vehicles	Other	Total
Acquisition cost.....	\$14,798	\$1,946	\$16,744
Accumulated depreciation.....	(9,436)	(1,532)	(10,968)
Net leased property	\$5,362	\$ 414	\$5,776

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Obligations under finance leases:			
Due within one year.....	¥239	¥ 459	\$2,430
Due after one year.....	345	1,048	3,511
Total.....	¥584	¥1,507	\$5,941

	Millions of Yen		Thousands of U.S. Dollars
	2009	2008	2009
Depreciation expense and interest expense under finance leases:			
Depreciation expense.....	¥411	¥538	\$4,189
Interest expense.....	28	51	288
Total.....	¥439	¥589	\$4,477
Lease payments	¥445	¥588	\$4,526

Depreciation expense and interest expense, which are not reflected in the accompanying consolidated statements of income, are computed by the straight-line method and the interest method, respectively.

The minimum rental commitments under noncancelable operating leases at March 31, 2009 were as follows:

	Millions of Yen	Thousands of U.S. Dollars
		2009
Due within one year.....	¥110	\$1,123
Due after one year.....	42	426
Total.....	¥152	\$1,549

12. RESEARCH AND DEVELOPMENT COSTS

Research and development costs changed to income were ¥606 million (\$6,168 thousand), ¥401 million and ¥618 million for the years ended March 31, 2009, 2008 and 2007, respectively.

13. DERIVATIVES

The Group enters into foreign currency forward contracts to hedge foreign exchange risk associated with certain assets and liabilities denominated in foreign currencies.

All derivative transactions are entered into to hedge foreign currency exposures incorporated within its business. Accordingly, market risk in these derivatives is basically offset by opposite movements in the value of hedged assets or liabilities.

Because the counterparties to these derivatives are limited to major financial institutions, the management of the Group does not anticipate any losses arising from credit risk.

Derivative transactions entered into by the Group have been made in accordance with internal policies which regulate the authorization and credit limit amount.

The administration of the Group's derivative transactions are controlled in accordance with mutual supervision and controls by finance department personnel in charge of treasury of the Group.

The contract amount of derivatives does not necessarily indicate the significance of the risk in the market.

Fair Value of Derivative Financial Instruments

The fair value of the Company's derivative financial instruments at March 31, 2009 and 2008 is as follows:

	2009					
	Millions of Yen			Thousands of U.S. Dollars		
	Contract Amount	Fair Value	Unrealized Gain/Loss	Contract Amount	Fair Value	Unrealized Gain/Loss
Foreign currency forward contracts:						
Buying.....	¥383	¥355	¥(28)	\$3,900	\$3,618	\$(282)
Selling.....	706	733	27	7,183	7,459	276
	2008					
	Millions of Yen					
	Contract Amount	Fair Value	Unrealized Gain/Loss			
Foreign currency forward contracts:						
Buying.....	¥566	¥602	¥36			
Selling.....	812	789	(23)			

14. NET INCOME PER SHARE

Reconciliation of the differences between basic and diluted net income per share ("EPS"), for the years ended March 31, 2009, 2008 and 2007 is as follows:

	Millions of Yen	Thousands of Shares	Yen	U.S. Dollars
	Net Income	Weighted average Shares	EPS	
Year Ended March 31, 2009				
Basic EPS—Net income available to common shareholders.....	¥4,687	88,611	¥52.89	\$0.54
Effect of dilutive securities—Stock options.....		62		
Diluted EPS—Net income for computation.....	¥4,687	88,673	¥52.86	\$0.54
Year Ended March 31, 2008				
Basic EPS—Net income available to common shareholders.....	¥9,698	88,390	¥109.72	
Effect of dilutive securities—Stock options.....		371		
Diluted EPS—Net income for computation.....	¥9,698	88,761	¥109.26	
Year Ended March 31, 2007				
Basic EPS—Net income available to common shareholders.....	¥9,447	87,129	¥108.42	
Effect of dilutive securities—Stock options.....		1,015		
Diluted EPS—Net income for computation.....	¥9,447	88,144	¥107.17	

15. SUBSEQUENT EVENT

The following appropriations of retained earnings at March 31, 2009 were approved at the shareholders meeting held on June 18, 2009

	Millions of Yen	Thousands of U.S. Dollars
Year-end cash dividends, ¥3 (\$0.03) per share.....	¥266	\$2,707

16. SEGMENT INFORMATION

Information about operations in different industry segments, geographical segments and sales to foreign customers of the Company and its consolidated subsidiaries for the years ended March 31, 2009, 2008 and 2007 is as follows:

(1) Industri Segments

a. Sales and Operating Income

	Millions of Yen						
	2009						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Sales to customers.....	¥58,405	¥28,424	¥10,282	¥3,971	¥8,959		¥110,041
Intersegment sales.....							
Total sales.....	58,405	28,424	10,282	3,971	8,959		110,041
Operating expenses.....	49,938	27,070	9,156	3,700	8,668	¥ 492	99,024
Operating income.....	¥ 8,467	¥ 1,354	¥ 1,126	¥ 271	¥ 291	¥(492)	¥ 11,017

b. Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen						
	2009						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Assets.....	¥28,146	¥16,070	¥2,620	¥4,063	¥3,137	¥32,044	¥8,608
Depreciation.....	901	573	98	179	83		1,834
Impairment loss.....		542					542
Capital expenditures.....	2,357	1,147	186	195	174		4,059

a. Sales and Operating Income

	Thousands of U.S. Dollars						
	2009						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Sales to customers.....	\$594,575	\$289,367	\$104,670	\$40,427	\$ 91,202		\$1,120,241
Intersegment sales.....							
Total sales.....	594,575	289,367	104,670	40,427	91,202		1,120,241
Operating expenses.....	508,382	275,581	93,208	37,666	88,237	\$ 5,014	1,008,088
Operating income.....	\$ 86,193	\$ 13,786	\$ 11,462	\$ 2,761	\$ 2,965	\$(5,014)	\$ 112,153

b. Assets, Depreciation, Impairment Loss and Capital Expenditures

	Thousands of U.S. Dollars						
	2009						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Assets.....	\$286,529	\$163,591	\$26,672	\$41,360	\$31,931	\$326,224	\$876,307
Depreciation.....	9,188	5,830	995	1,821	840		18,674
Impairment loss.....		5,515					5,515
Capital expenditures.....	23,993	11,674	1,894	1,983	1,775		41,319

a. Sales and Operating Income

	Millions of Yen						
	2008						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Sales to customers.....	¥62,279	¥34,514	¥12,957	¥5,954	¥10,961		¥126,665
Intersegment sales.....							
Total sales.....	62,279	34,514	12,957	5,954	10,961		126,665
Operating expenses.....	51,919	30,727	11,313	5,457	10,439	¥ 493	110,348
Operating income.....	¥10,360	¥ 3,787	¥ 1,644	¥ 497	¥ 522	¥(493)	¥ 16,317

b. Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen						
	2008						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Assets.....	¥30,518	¥23,029	¥4,420	¥4,999	¥3,865	¥25,765	¥92,596
Depreciation.....	604	510	137	184	73		1,508
Impairment loss.....		21					21
Capital expenditures.....	2,085	1,241	208	142	129		3,805

a. Sales and Operating Income

	Millions of Yen						
	2007						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Sales to customers.....	¥56,344	¥32,796	¥11,836	¥4,333	¥12,830		¥118,139
Intersegment sales.....							
Total sales.....	56,344	32,796	11,836	4,333	12,830		118,139
Operating expenses.....	46,381	28,812	10,488	3,898	12,422	¥ 495	102,496
Operating income.....	¥ 9,963	¥ 3,984	¥ 1,348	¥ 435	¥ 408	¥(495)	¥ 15,643

b. Assets, Depreciation, Impairment Loss and Capital Expenditures

	Millions of Yen						
	2007						
	Factory Automation Business	Die Components Business	Electronics Business	Optics Business	Diversified Business	Eliminations (Corporate)	Consolidated
Assets.....	¥26,382	¥19,624	¥3,909	¥2,757	¥4,625	¥26,947	¥84,244
Depreciation.....	545	486	86	56	79		1,252
Impairment loss.....				184			184
Capital expenditures.....	2,337	1,450	116	137	113		4,153

(2) Geographical Segments

The geographical segments of the Company and its consolidated subsidiaries for the years ended March 31, 2009, 2008 and 2007 are summarized as follows:

Millions of Yen						
2009						
	Japan	Asia	North and South America	Europe	Eliminations (Corporate)	Consolidated
Sales to customers.....	¥ 87,825	¥ 16,015	¥3,690	¥ 2,511		¥110,041
Inter-area transfer.....	14,431	4,463	2	8	¥(18,904)	
Total sales.....	102,256	20,478	3,692	2,519	(18,904)	110,041
Operating expenses.....	90,566	20,022	4,086	2,838	(18,488)	99,024
Operating income (loss).....	¥ 11,690	¥ 456	¥ (394)	¥ (319)	¥ (416)	¥ 11,017
Assets.....	¥ 43,782	¥15,854	¥1,252	¥ 1,118	¥ 24,074	¥ 86,080

Thousands of U.S. Dollars						
2009						
	Japan	Asia	North and South America	Europe	Eliminations (Corporate)	Consolidated
Sales to customers.....	\$ 894,075	\$163,036	\$37,569	\$25,561		\$1,120,241
Inter-area transfer.....	146,909	45,443	17	82	\$(192,451)	
Total sales.....	1,040,984	208,479	37,586	25,643	(192,451)	1,120,241
Operating expenses.....	921,981	203,830	41,600	28,894	(188,217)	1,008,088
Operating income (loss).....	\$ 119,003	\$ 4,649	\$(4,014)	\$(3,251)	\$(4,234)	\$ 112,153
Assets.....	\$ 445,710	\$161,401	\$12,743	\$11,383	\$245,070	\$ 876,307

Millions of Yen						
2008						
	Japan	Asia	North and South America	Europe	Eliminations (Corporate)	Consolidated
Sales to customers.....	¥102,168	¥18,221	¥4,035	¥2,241		¥126,665
Inter-area transfer.....	13,854	5,387	3	255	¥(19,499)	
Total sales.....	116,022	23,608	4,038	2,496	(19,499)	126,665
Operating expenses.....	101,517	21,095	4,215	2,568	(19,047)	110,348
Operating income (loss).....	¥ 14,505	¥ 2,513	¥ (177)	¥ (72)	¥ (452)	¥ 16,317
Assets.....	¥ 55,006	¥17,267	¥1,335	¥1,804	¥ 17,184	¥ 92,596

Millions of Yen						
2007						
	Japan	Asia	North and South America	Europe	Eliminations (Corporate)	Consolidated
Sales to customers.....	¥ 99,024	¥14,729	¥3,229	¥1,157		¥118,139
Inter-area transfer.....	10,887	5,345	88	549	¥ (16,869)	
Total sales.....	109,911	20,074	3,317	1,706	(16,869)	118,139
Operating expenses.....	95,639	17,995	3,312	1,924	(16,374)	102,496
Operating income (loss).....	¥ 14,272	¥ 2,079	¥ 5	¥ (218)	¥ (495)	¥ 15,643
Assets.....	¥ 52,458	¥15,496	¥1,563	¥1,302	¥ 13,425	¥ 84,244

(3) Sales to Foreign Customers

Sales to foreign customers for the years ended March 31, 2009, 2008 and 2007 were as follows:

	Millions of Yen			
	2009			
	Asia	North and South America	Europe	Total
Sales to foreign customers.....	¥17,791	¥4,049	¥2,664	¥24,504

	Thousands of U.S. Dollars			
	2009			
	Asia	North and South America	Europe	Total
Sales to foreign customers.....	\$181,115	\$41,221	\$27,124	\$249,460

	Millions of Yen			
	2008			
	Asia	North and South America	Europe	Total
Sales to foreign customers.....	¥19,560	¥4,066	¥2,244	¥25,870

	Millions of Yen			
	2007			
	Asia	North and South America	Europe	Total
Sales to foreign customers.....	¥15,673	¥3,357	¥1,162	¥20,192

Independent Auditors' Report

Deloitte.

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To the Board of Directors of
 MISUMI Group Inc.:

We have audited the accompanying consolidated balance sheets of MISUMI Group Inc. (the "Company") and consolidated subsidiaries as of March 31, 2009 and 2008, and the related consolidated statements of income, changes in equity, and cash flows for each of the three years in the period ended March 31, 2009, all expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of MISUMI Group Inc. and consolidated subsidiaries as of March 31, 2009 and 2008, and the consolidated results of their operations and their cash flows for each of the three years in the period ended March 31, 2009, in conformity with accounting principles generally accepted in Japan.

Our audits also comprehended the translation of Japanese yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made in conformity with the basis stated in Note 1. Such U.S. dollar amounts are presented solely for the convenience of readers outside Japan.

Deloitte Touche Tohmatsu

June 18, 2009

Company Profile and Investor Information

(As of March 31, 2009)

Corporate Profile

Corporate Name	MISUMI Group Inc.
Established	February 23, 1963
Head Office	4-43, Toyo 2-chome, Koto-ku, Tokyo 135-8458
Paid-in Capital	4,682 Millions of Yen
Stock Listing	Tokyo Stock Exchange (Ticker code: 9962)
Fiscal Year	From April 1 to March 31
General Shareholders' Meeting	Generally held in June
Description of Business	Development of Group management strategies, administration, and all functions related to Group management
URL	http://www.misumi.co.jp/

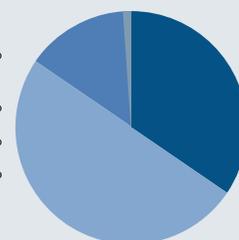


Investor Information

Authorized Number of Shares	340,000,000
Issued Number of Shares	89,018,684
Number of Shareholders	5,515

Composition of Shareholders

■ Banks and Other Financial Institutions	31.88%
■ Foreign Corporations and Other Foreign Investors	50.70%
■ Individuals and Other	14.72%
■ Other Companies	2.70%



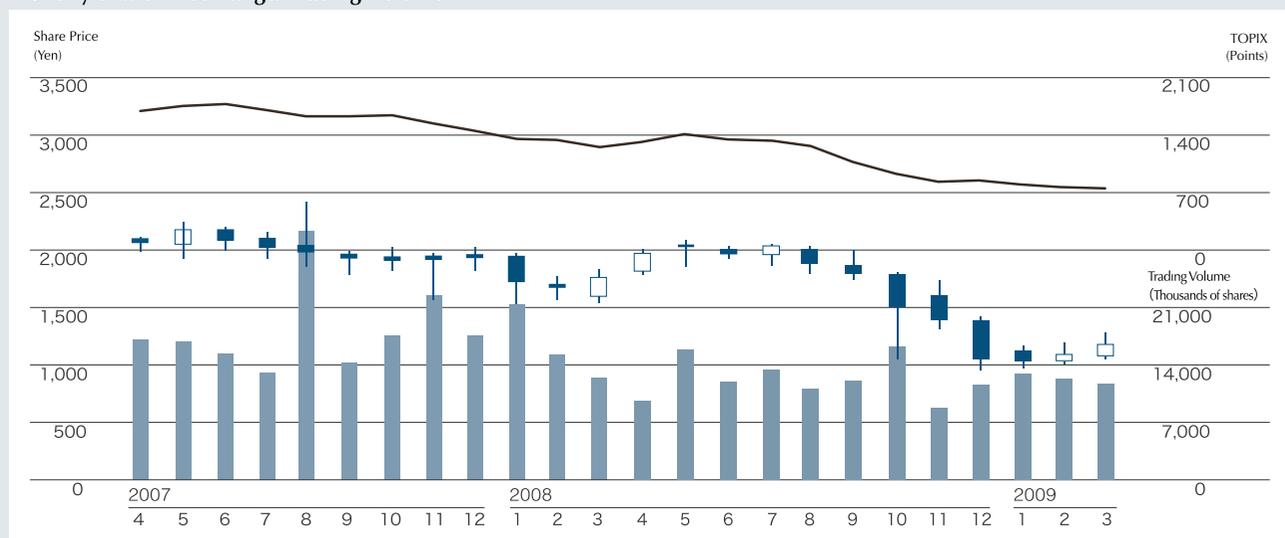
Major Shareholders

Name of Shareholder	Number of Shares Held (Thousands)	Percentage of Shares Held (%)
State Street Trust and Banking Company, Ltd.	19,542	21.95
The Master Trust Bank of Japan, Ltd.	9,511	10.68
Hiroshi Taguchi	6,328	7.11
Japan Trustee Services Bank, Ltd.	5,596	6.29
Goldman Sachs and Company Regular Account	5,549	6.23
Mizuho Trust & Banking Co., Ltd. (Retirement Benefits Trust, Mizuho Bank, Ltd. Account)	3,559	4.00
The Nomura Trust and Banking Co., Ltd.	2,395	2.69
Nippon Life Insurance Company	2,357	2.65
The National Mutual Insurance Federation of Agricultural Cooperatives	1,535	1.73
Mellon Bank N.A. as agent for its client, Mellon ABN Omnibus UK Pension	1,468	1.65

Stock Splits

May	1994	1	➔	1.2
May	1995	1	➔	1.1
May	1996	1	➔	1.1
November	1997	1	➔	1.1
May	2000	1	➔	1.1
August	2001	1	➔	1.1
May	2004	1	➔	1.5
April	2006	1	➔	2.0

Monthly Share Price Range/Trading Volume



It's all about TIME

MiSUMi