

Millions of Yen						
2023						
	Japan	China	Vietnam	America	Others	Total
Property, plant and equipment.....	¥ 15,792	¥11,485	¥ 5,951	¥ 6,616	¥ 8,561	¥ 48,405

Millions of Yen						
2022						
	Japan	China	Vietnam	America	Others	Total
Property, plant and equipment.....	¥ 15,162	¥11,052	¥ 6,205	¥ 4,939	¥ 9,162	¥46,520

Thousands of U.S. Dollars						
2023						
	Japan	China	Vietnam	America	Others	Total
Property, plant and equipment.....	\$118,266	\$86,007	\$44,570	\$49,548	\$64,114	\$362,505

(5) Impairment losses by reportable segment

For the fiscal year ended March 31, 2023, impairment loss was not allocated to reportable segments.

The amount of impairment loss was ¥44 million (\$330 thousand) for the fiscal year ended March 31, 2023.

For the fiscal year ended March 31, 2022, impairment loss was not allocated to reportable segments.

The amount of impairment loss was ¥642 million for the fiscal year ended March 31, 2022.

For the fiscal year ended March 31, 2021, the Company posted impairment losses of ¥792 million in the FA Business, of ¥2,415 million in the Die Components Business, and ¥6 million in the VONA Business. The impairment loss on companywide assets was ¥88 million.



Deloitte Touche Tohmatsu LLC
Marunouchi Nijubashi Building
3-2-3 Marunouchi
Chiyoda-ku, Tokyo 100-8360
Japan

Tel: +81 (3) 6213 1000
Fax: +81 (3) 6213 1005
www.deloitte.com/jp/en

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of MISUMI Group Inc.:

Opinion

We have audited the consolidated financial statements of MISUMI Group Inc. and its consolidated subsidiaries (the "Group"), which comprise the consolidated balance sheet as of March 31, 2023, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies, all expressed in Japanese yen.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with accounting principles generally accepted in Japan.

Convenience Translation

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

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the provisions of the Code of Professional Ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements of the current period. The matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on the matter.

Reasonableness of accounting estimates relating to the Valuation of Merchandise and Finished Goods	
Key Audit Matter Description	How the Key Audit Matter Was Addressed in the Audit
<p>The Group recorded merchandise and finished goods inventories of 62,751 million yen (16.6% of the total assets) on the consolidated balance sheet as of March 31, 2023.</p> <p>The Group handles a wide variety of merchandise and finished goods, which include size variations in microns. The core system records receipt and shipment transactions, then calculates the moving average unit price for each merchandise and finished goods. Also, the Group has established an inventory management system to determine the amounts of each order, which are based on forecasted future sales demand from historical customer purchase trends, for each merchandise and finished goods.</p> <p>As stated in Note 3, Significant Accounting Estimates, merchandise and finished goods exceeding a certain quantity for which a certain period of time has elapsed since being initially recorded in inventory and which are deemed unsellable in the future, are evaluated in principle, by writing down the carrying amount of the inventories to zero.</p> <p>For the industry in which the Group belongs, world-wide increase in demand from the automation-related industry, mainly from the manufacturing industry, is expected.</p> <p>However, there are certain future market uncertainties due to factors such as increase in geopolitical risk, change of market structure after the end of COVID-19 and progression on regional block formation in the global supply chain. To deal with such uncertainty, the Group continuously achieves reliable quick delivery and provides time value to customers by establishing a strong supply chain and expanding its lineup of merchandise and finished goods.</p> <p>Accounting estimates relating to the valuation of merchandise and finished goods are based on forecasts of sales prices and volumes after a certain period of time has elapsed since the merchandise and finished goods were initially recorded in inventory and involves uncertainty and management judgment. Accordingly, we determined this to be a key audit matter.</p>	<p>We performed the following audit procedures to test reasonableness of accounting estimates relating to the valuation of merchandise and finished goods, among others:</p> <p>Testing the design and operating effectiveness of internal controls</p> <ul style="list-style-type: none"> —We evaluated the design and operating effectiveness of internal controls over the reasonableness of valuation methodology in the valuation process for merchandise and finished goods, which was a part of the inventory management process. —With the assistance of our Information Technology ("IT") specialists, we evaluated the design and operating effectiveness of general IT controls relevant to the inventory management system used for the valuation of merchandise and finished goods, and we tested the accuracy and completeness of information generated by the core system and used for the valuation of merchandise and finished goods. <p>Risk assessment procedures</p> <ul style="list-style-type: none"> —Regarding the reasonableness of forecasts on future sales prices and volumes, we inspected the Group's analysis and inquired of management about its supply chain management policy and business strategy that considered the change in business environment. Furthermore, we assessed the consistency between the Group's analysis and management's response. <p>Audit procedures responsive to the assessed risks</p> <ul style="list-style-type: none"> —We also evaluated the reasonableness of management assumptions used in the sales forecasts for a certain period since the merchandise and finished goods were initially recorded in inventory by performing the following: <ul style="list-style-type: none"> · We performed a sales trend analysis by the year when the merchandise and finished goods were initially recorded in inventory and by region of the merchandise and finished goods and evaluated whether there was any significant downtrend in sales volume within the certain period since the merchandise and finished goods were initially recorded in inventory. · We performed an inventory turnover period analysis by type of merchandise and finished goods, and evaluated whether the turnover period was significantly long. · For inventories exceeding a certain turnover period, we performed an analysis of inventory amount by region and by number of years elapsed since the merchandise and finished goods were initially recorded in inventory, and evaluated whether there was any change in trends that contradicted the management assumption.

Company Profile and Stock Information

(As of March 31, 2023)

Company Overview

Trade name	MISUMI Group Inc.
Established	February 23, 1963
Headquarters	Kudan Kaikan Terrace, 6-5, Kudan-Minami 1-chome, Chiyoda-ku, Tokyo 102-8583, Japan
Common stock	13,936 million yen

Stock listing	Prime Section of the Tokyo Stock Exchange (Code: 9962)
Fiscal year	From April 1 through March 31 of the following calendar year
Annual general meeting of shareholders	June
Description of business	Development of Group management strategies, administration, and all functions related to Group management
Website	https://www.misumi.co.jp/english/

Stock Information

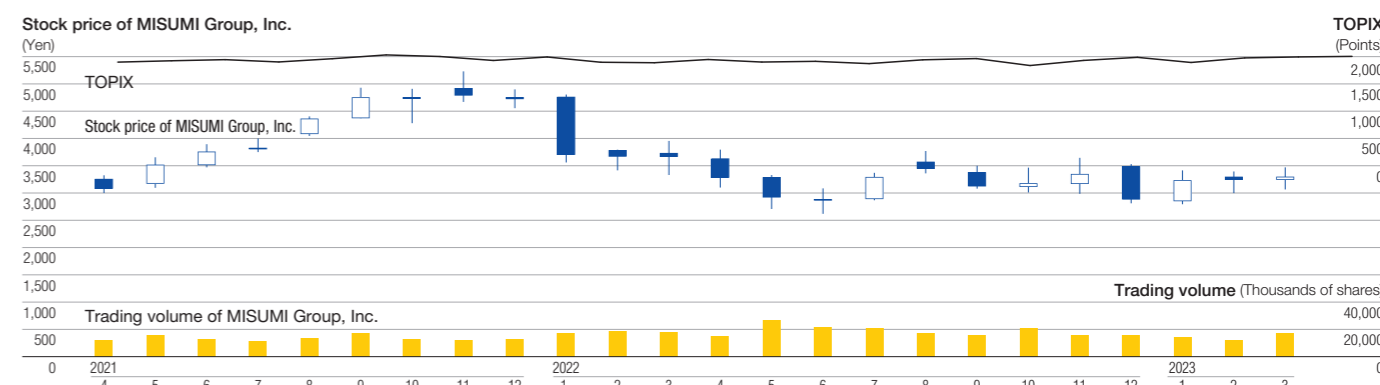
Total number of authorized shares	1,020,000,000 shares
Total number of shares outstanding	284,675,397 shares
Number of shareholders	7,005

Major Shareholders

Name	Number of shares held (thousands)	Percentage of shares outstanding (%)
The Master Trust Bank of Japan, Ltd.	60,720	21.34
Custody Bank of Japan, Ltd.	22,448	7.89
SSBTC CLIENT OMNIBUS ACCOUNT	14,316	5.03
BNYM AS AGT/CLTS NON TREATY JASDEC	8,611	3.03
RBC IST 15 PCT LENDING ACCOUNT – CLIENT ACCOUNT	5,553	1.95
THE BANK OF NEW YORK MELLON 140051	5,248	1.84
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	4,881	1.72
STATE STREET BANK WEST CLIENT – TREATY 505234	4,775	1.68
GIC PRIVATE LIMITED – C	4,287	1.51
THE BANK OF NEW YORK MELLON 140042	4,109	1.44

Notes: 1. Treasury stock is excluded from the calculation of percentage of shares outstanding.
2. Percentages of shares outstanding are rounded to the second decimal point.

Monthly Stock Price Range/Trading Volume



Please direct any inquiries to: Investor Relations Department, MISUMI Group Inc. | Tel: +81-3-6777-7501 | E-mail: cc@misumi.co.jp

Other Information

Management is responsible for the other information. Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Audit & Supervisory Board Members and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern in accordance with accounting principles generally accepted in Japan and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for overseeing the Directors' execution of duties relating to the design and operating effectiveness of the controls over the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Japan will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks. The procedures selected depend on the auditor's judgment. In addition, we obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain, when performing risk assessment procedures, an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the overall presentation and disclosures of the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, as well as the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit & Supervisory Board members and the Audit & Supervisory Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit & Supervisory Board members and the Audit & Supervisory Board with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with Audit & Supervisory Board members and the Audit & Supervisory Board, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Interest Required to Be Disclosed by the Certified Public Accountants Act of Japan

Our firm and its designated engagement partners do not have any interest in the Group which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Deloitte Touche Tohmatsu LLC

August 31, 2023