

MISUMI Group Inc. FY2023 third quarter consolidated financial results

~Although a gradual recovery trend was seen in the second half of the third quarter, global capital investment demand did not fully recover, resulting in a year-over-year decline in sales~

MISUMI Group Inc. announced its consolidated financial results for the cumulative third quarter period of FY2023 (April 1, 2023- December 31, 2023) today. Major performance indicators are as follows.

(Million yen)	FY2022 3Q cumulative basis	FY2023 3Q cumulative basis	YoY change
Net sales	281,995	272,823	-3.3%
Operating income	38,306	28,903	-24.5%
Net income	28,641	22,455	-21.6%
Earnings per share	100.71 yen	79.53 yen	

1. Highlights of FY2023 cumulative third quarter consolidated financial results

- During the cumulative period of the third quarter, the global economy continued to lack signs of recovery in China, where economic activity remained stagnant. Meanwhile, in Europe and the U.S., recessionary concerns persisted, and global investment demand remained generally sluggish. Toward the second half of the review period, a gradual recovery trend began to emerge in certain regions, such as Japan and Asia, particularly in relation to automotive demand. However, this did not transpire into a full-fledged recovery.
- In this economic environment, the MISUMI Group is leveraging its unique Business MODEL, which encompasses manufacturing and distribution businesses. By advancing the global business foundation supporting these operations, we contribute to industries related to automation demand, particularly the manufacturing industry, by meeting customers' needs for reliable and quick delivery. Utilizing the robust business foundation of IT, production, logistics, and our global network of locations, we have made efforts to capture customer demand accurately. Our new business policies, including developing new products and services for sustainable growth, while the implementation of our new business policies, including the development of new products and services for sustainable growth, and although progress has been steady, it has not been enough to offset the slump in demand for capital investment, resulting in a year-over-year decline in sales.

- Consequently, despite the effects of exchange rates, the impact of a slowdown in demand led to consolidated net sales of ¥272,823 million, 3.3% decrease year-over-year (5.5% decrease on local currency basis). In terms of profit, due to decreased sales volume, increased costs related to the introduction of a new core IT system for Business MODEL innovation, and a decrease in operation, operating income was ¥28,903 million (24.5% decrease year-over-year), ordinary income was ¥31,157 million (20.5% decrease year-over-year). Net income attributable to owners of parent was at ¥22,455 million (21.6% decrease year-over-year).

2. Although the year-over-year decline slowed from the third quarter, it could not compensate for the slump in demand in the first half of the year, resulting in a decrease in sales

- Segment sales for FY2023 cumulative third quarter are shown in the table below.

	Net sales (million yen)		YoY change	
	FY2022 3Q cumulative basis	FY2023 3Q cumulative basis	Yen basis	Local Currency basis
FA business	91,788	87,723	-4.4%	-6.8%
Die components business	59,936	59,348	-1.0%	-4.4%
VONA business	130,270	125,751	-3.5%	-5.2%
Total	281,995	272,823	-3.3%	-5.5%

- The FA business in Japan secured an increase in sales as the demand related to the automotive sector gradually recovered. However, the demand for equipment investment remained sluggish in overseas regions, including China.
- In the Die Components business, while seeing generally robust capital investment and production from automotive-related customers in Europe and Asia, experiencing growth compared to the previous year, was unable to compensate for the decrease in sales in other regions.
- In the VONA business, regions such as China and Asia continued to experience a sustained decline in demand as customers' factory operations remained sluggish while Japan generally followed a similar pattern to the previous year.

3. Indications of recovery from the third quarter, but not a full recovery

- Regional break down of sales for FY 2023 cumulative third quarter were as follows.

	Net sales (million yen)		YoY change	
	FY2022 3Q cumulative basis	FY2023 3Q cumulative basis	Yen basis	Local currency basis
Japan	128,501	127,492	-0.8%	—
Overseas	153,494	145,330	-5.3%	-9.5%
China	54,652	45,064	-17.5%	-18.3%
Asia	43,037	42,572	-1.1%	-5.6%
United States	32,013	31,711	-0.9%	-5.9%
Europe	17,363	19,227	+10.7%	+0.2%
Other	6,426	6,755	+5.1%	-6.0%

4. The consolidated earnings forecast for the fiscal year ending March 31, 2024, remains unchanged

- Regarding the full-year consolidated performance forecast for the fiscal year ending March 2024, there are no changes from the performance forecast announced on July 28, 2023. Although uncertainties remain in our business environment, we are maintaining our previously announced forecast, considering current demand trends and the progress of the Company's unique measures taken. If there are any significant events that may affect our business results due to changes in the business environment, we will disclose them promptly.

FY2023 (April 1, 2023 - March 31, 2024) consolidated earnings forecast

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	Million yen	Million yen	Million yen	Million yen	yen
Full year forecast	377,000	42,800	43,600	30,500	108.35
FY2022 results	373,151	46,615	47,838	34,282	120.53
Ratio (%)	+1.0%	-8.2%	-8.9%	-11.0%	—

[Notes regarding forward-looking statements]

The outlook for the fiscal year ending March 31, 2024, and the forward-looking statements in this document have been prepared on the basis of information available at the time of preparation. This includes the domestic and foreign economic climate, changes in foreign exchange rates for various currencies, and other factors that may affect business performance, that have been determined to be reasonable by MISUMI Group Inc. as well as risks and uncertainties. In light of this, please refrain from making investment decisions solely on the basis of this outlook. Actual business performance may differ greatly from this outlook due to various factors that affect MISUMI Group Inc., including economic climate, market trends and exchange rates.

Please refer to our earnings results report for details on consolidated earnings results for the cumulative third quarter period of fiscal year ending March 31, 2024.

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