

# MISUMI Group Inc.

FY2022 (ended March 31, 2023)

First half (1H) earnings report  
and future initiatives

October 28, 2022

Representative Director, President  
Ryusei Ono

## FY22 1H earnings overview

FX rates (vs Yen)	FY21 1H actual	FY22 1H actual
USD	110.2 yen	133.5 yen
EUR	131.0 yen	138.8 yen
RMB	17.0 yen	19.8 yen

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## Market condition in FY22 1H and MISUMI's initiatives

### Initial point of view

mid-term	EVs, robots, and semiconductors take center stage from old cars and cell phones	--- unchanged
	Global supply chains are becoming increasingly divided into regional blocs	--- unchanged
FY22	Automation demand will continue to grow in China and other regions over the medium term	--- temporary deceleration
	Supply difficulties for semiconductors and other key components will continue until the second half of this fiscal year	--- as expected
	Ukraine Situation and COVID-19 convergence difficult to adopt optimism	--- China LD having a profound effect on

### Under these circumstances, the Company shall

mid-term	•Strengthen the business foundation that supports our greatest strength, "global and reliable quick delivery"
	•Accelerate model innovation by region and continue to promote unique measures
short-term	•During LD, we will continue to make full use of our production and supply network to ensure reliable and quick delivery
	•Despite the impact of higher costs, the company maintained high profitability through thorough earnings management

## FY22 1H earnings overview

Demand deceleration in Japan and China due to factors such as China LD and prolonged shortage of materials

Both sales and profits were significantly affected by market conditions, but sales increased year on year due to exchange rate effects

Million yen

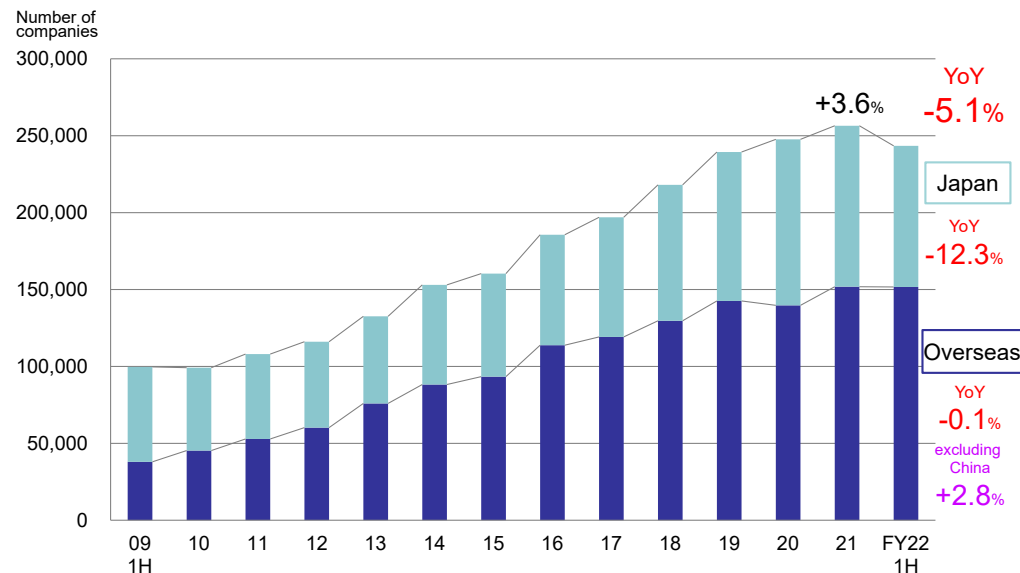
Category	FY21 1H		FY22 1H		
	Actual	5/6 Initial plan	Actual	Percentage change	
				YoY	vs plan
Net sales	182,238	190,900	188,158	+3.2%	-1.4%
Operating income	28,494	28,500	26,898	-5.6%	-5.6%
Margin	15.6%	14.9%	14.3%	-1.3pt	-0.6pt
Ordinary income	28,694	28,700	27,527	-4.1%	-4.1%
Net income	20,831	20,900	20,240	-2.8%	-3.2%

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## Transition of customer numbers(1H)

Domestic: customer decline was within expectations due to profit improvement measures implemented in the previous fiscal year

Overseas: continued to increase except for China, which was affected by the LD



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## FY22 1H sales by business segment

All businesses were affected by slowing demand, but foreign exchange effects helped to secure revenue growth

FA / VONA: growth in Asia, Europe, and the Americas failed to offset demand slowdown in Japan and China

Die components: weakness in Japan, China, and Asia due to lower automotive-related investment and operation of the customers

Million yen

Category	FY21 1H		FY22 1H	
	Actual	Actual	YoY change	
			Yen basis	Local currency basis
Total	182,238	188,158	+3.2%	-4.1%
FA business	59,073	61,415	+4.0%	-3.2%
Die components business	37,515	39,900	+6.4%	-5.1%
VONA business	85,649	86,842	+1.4%	-4.2%

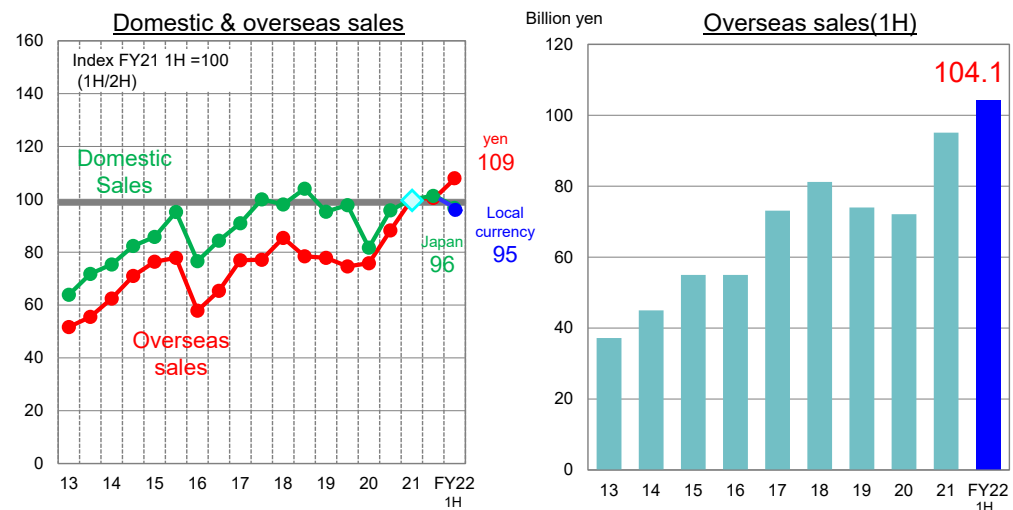
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## FY22 1H sales by region (local currency basis)

Japan: delayed recovery due to the impact of China LD, including automobile-related industries, remained sluggish

Overseas: slowed down due to the China LD and power restrictions, but other regions were steady

As a result, overseas sales ratio stood at 55.3%, up 3.1pts YoY

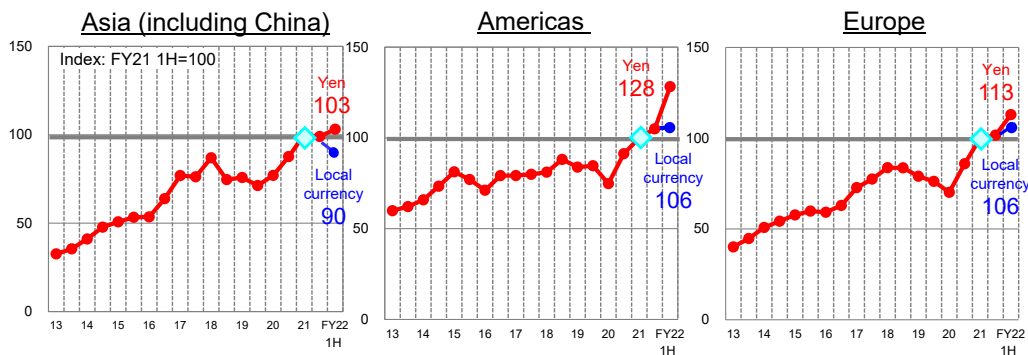


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## FY22 1H sales by region (local currency basis)

Asia: continued growth in Asia, excluding China, driven by rechargeable batteries and semiconductors

Americas / Europe: acquisition of new solid demand related to EVs, and steady growth in logistics and medical services



China 99 (85)  
Asia 109 (98)  
Parentheses indicate local currency basis

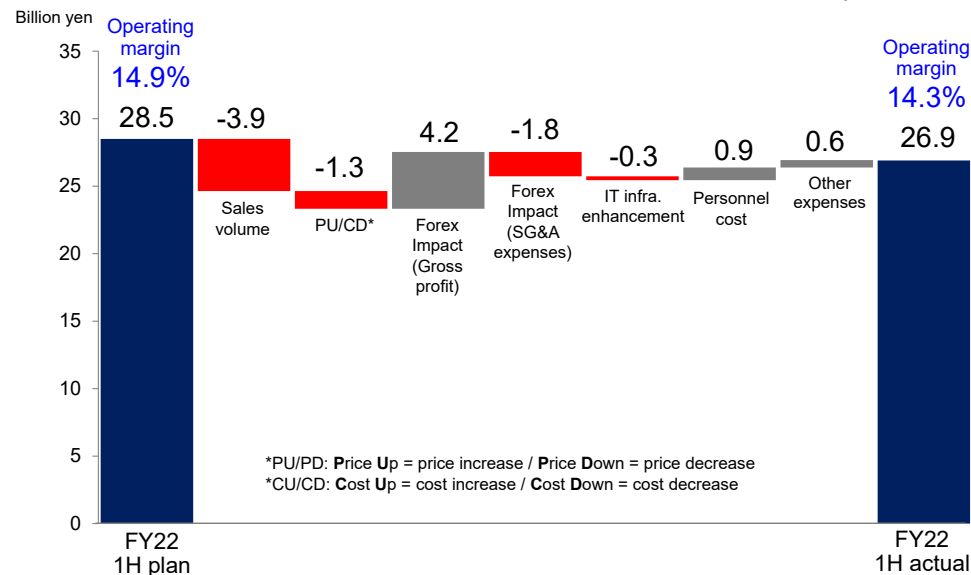
FX rates (vs Yen)	FY21 1H actual	FY22 1H actual
USD	110.2 yen	133.5 yen
EUR	131.0 yen	138.8 yen
RMB	17.0yen	19.8 yen

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## FY22 1H operating income analysis (vs. plan)

Significant impact of decreased sales volume due to China LD, partially affected by CU\* influence

Profit increase was achieved thanks to favorable foreign exchange effects and cost controls but fell short of the plan Adherence to a certain level of profitability



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## FY22 1H operating income by business segment

FA / VONA: Japan and China were affected by the volume decline due to LD, which accounted for a high percentage of sales, thereby significantly impacting profits

Die components: The significant weighting of automotive-related products and lower capacity utilization due to lower demand

Category	FY21 1H		FY22 1H			
	Actual	Margin	Actual	Margin	YoY	
					Yen basis	Local currency basis
Total	28,494	15.6%	26,898	14.3%	-5.6%	-22.1%
FA business	12,796	21.7%	12,241	19.9%	-4.3%	-19.5%
Die components business	5,091	13.6%	4,732	11.9%	-7.1%	-21.8%
VONA business	10,606	12.4%	9,924	11.4%	-6.4%	-25.4%

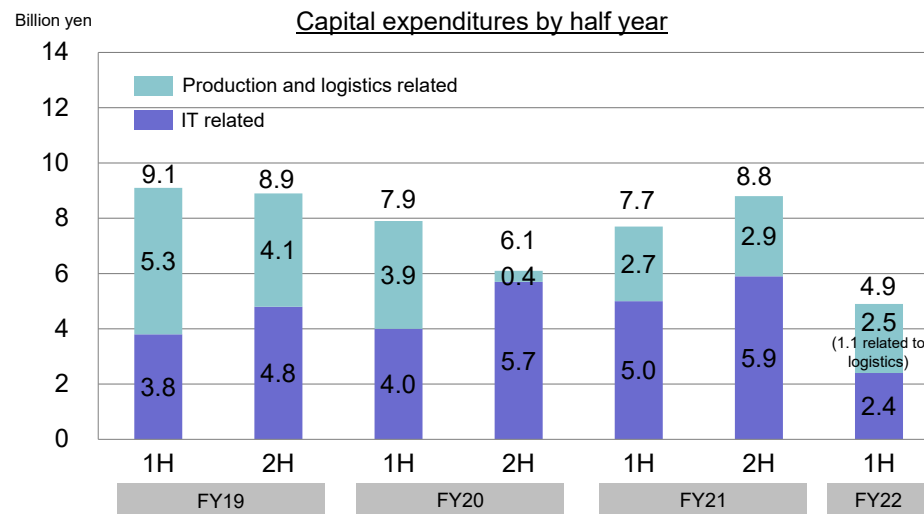
Million yen

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## Investment results

Active development to reinforce the IT infrastructure geared for business model innovation

Due to the impact of the China LD, some investments, including those related to new logistics site was delayed



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## Consolidated earnings forecasts for FY22

FX rates (vs Yen)	FY21 actual	FY22 2H plan	FY22 full-year plan
USD	112.9 yen	141.0 yen	136.9 yen
EUR	131.0 yen	141.0 yen	139.8 yen
RMB	17.6 yen	20.0 yen	19.9 yen

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## Outlook of FY22 going forward

While the demand for automation in the industrial automation industry will remain unchanged over the medium to long term, **uncertainty is progressing at present**

- Impact from **inflationary** prices in energy and raw materials, and **exchange rate fluctuations**
- Global **recession** risk
- **Prolonged** parts shortages and difficulty in procuring parts

Our company shall

- Thoroughly balance **“assertiveness”** and **“protectiveness”** in preparation for uncertainties in the business environment
- **Continue to focus on** regions/businesses/services with high growth and profitability
- Continue to strengthen business foundation and focus on refining **“reliable and quick delivery”**

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## FY22 full year earnings forecast

Uncertainty, but considering unique measures and exchange rate effects, the full-year plan remains unchanged

Profitability is expected to be at the same level as the previous year due to successful efforts to improve profitability in the last fiscal year

Million yen

Category	FY21	FY22		
	Actual	Plan	YoY	
			Yen basis	Local currency basis
Net sales	366,160	403,500	+10.2%	+3.0%
Operating income	52,210	57,300	+9.7%	-8.1%
Margin	14.3%	14.2%	-0.1pt	-1.5pt
Ordinary income	52,500	57,600	+9.7%	-
Net income	37,557	42,000	+11.8%	-

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## FY22 sales forecast by business segment

FA / VONA: growth through enhancement of product lineup and inventory, and acceleration of meviy expansion

Die components: growing EV demand, but full-scale recovery of automobile operations yet to be achieved

Million yen

Category	FY21	FY22		
	Actual	Plan	YoY	
			Yen basis	Local currency basis
Total	366,160	403,500	+10.2%	+3.0%
FA business	119,253	135,495	+13.6%	+6.5%
Die components business	75,108	83,739	+11.5%	+0.2%
VONA business	171,799	184,266	+7.3%	+1.8%

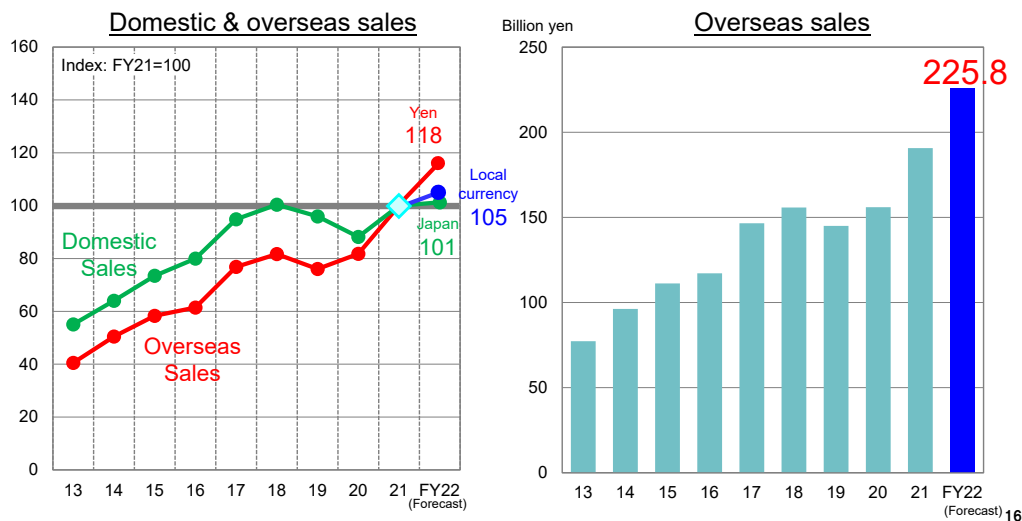
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## FY22 domestic & overseas sales

Japan: demand recovery is expected to be weak, including the automotive sector, and remained at the same level as the previous year

Americas / Europe: relatively strong compared to Japan, China and Asia

As a result, overseas sales ratio is expected to be 56.0%, up 3.9 pts YoY

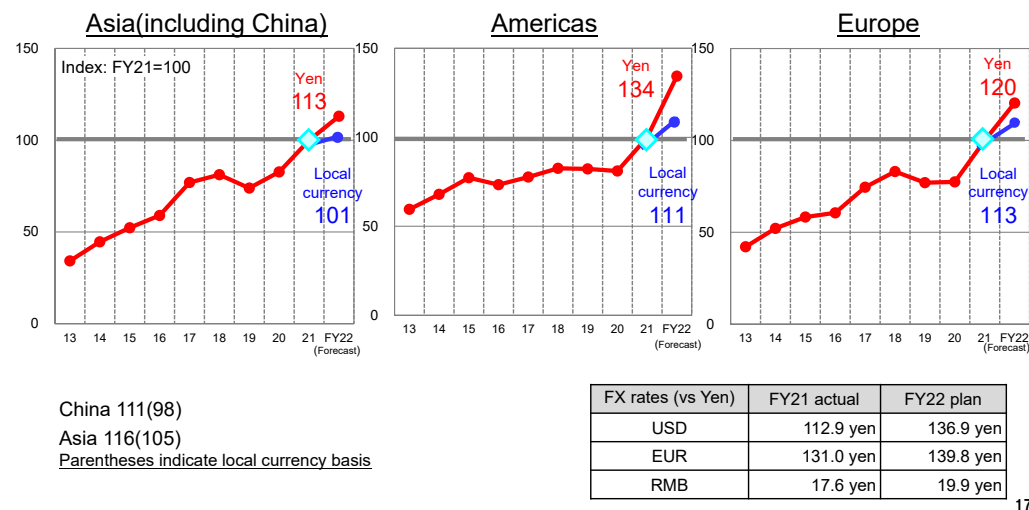


## FY22 sales by region (local currency basis)

Asia China: "Assertiveness" continues, but market conditions are on the way to recovery

Asia (other): growth by capturing demand of mass-production factories

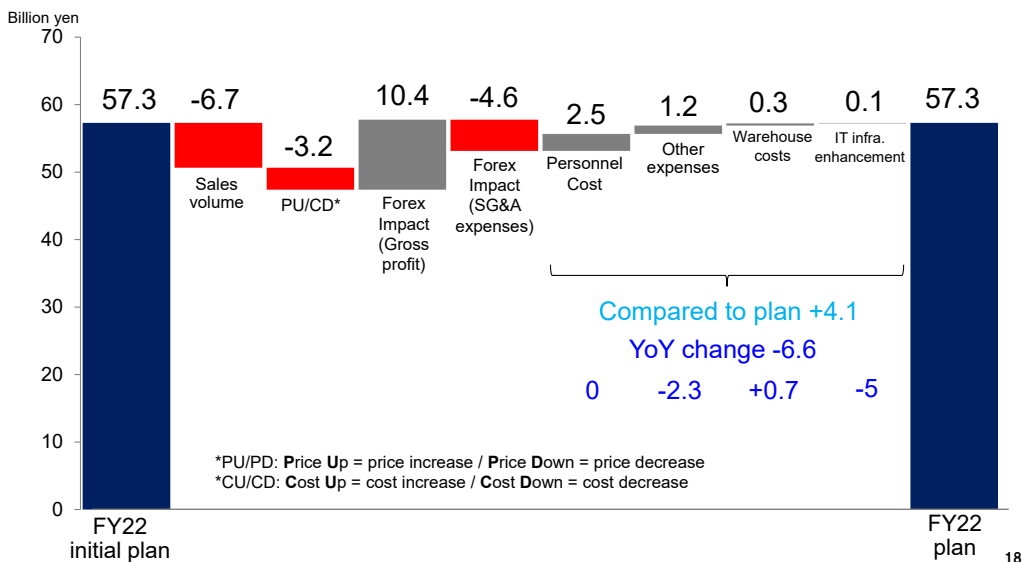
Americas / Europe: capturing growing demand centered on EVs + continue to penetrate logistics, medical, etc.



## FY22 operating income analysis (vs. plan)

Anticipating an increase in raw materials and other costs compared to 1H, which cost suppression will offset

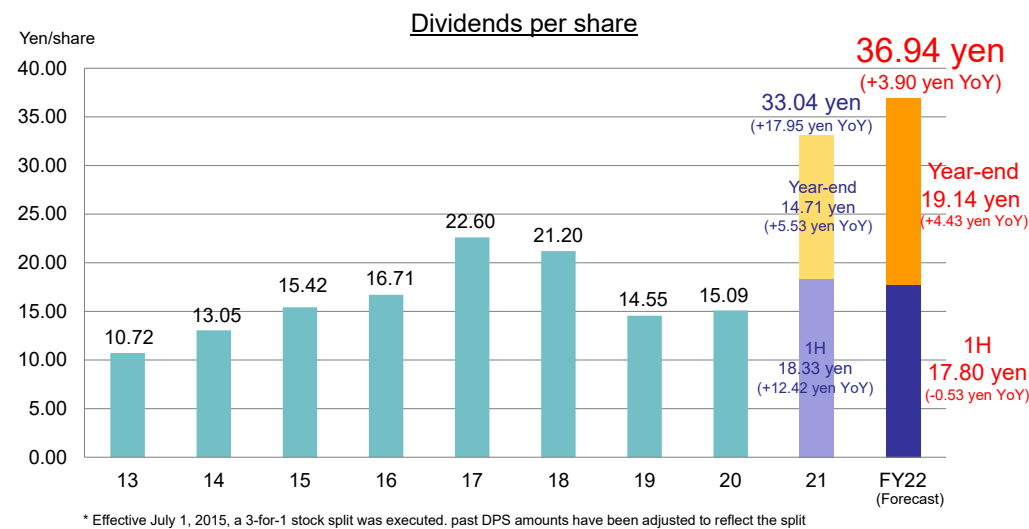
We will keep SG&A expenses below plan, but model innovation acceleration costs factored in as before



## Shareholder return

Dividend for 1H of FY22 was 17.80 yen, a decrease of 0.53 yen year-on-year

Full-year dividend is expected to be 36.94 yen, a record high, and an increase of 3.90 yen year-on-year



# Summary

Maintain a robust management structure for sustainable growth + accelerate regional model innovation

