

June 2, 2011

To our Shareholders:

Tadashi Saegusa
Representative Director, Chairman and Chief Executive Officer
MISUMI Group Inc.
4-43, Toyo 2-chome, Koto-ku, Tokyo

Notice of Convocation of the 49th Ordinary General Meeting of Shareholders

You are hereby notified of and cordially requested to attend the 49th Ordinary General Meeting of Shareholders (the Meeting) of MISUMI Group Inc. (the Company) that will be held as follows:

If you are unable to attend the Meeting, you may exercise your voting rights either by returning to us by mail the enclosed Voting Right Exercise Form indicating your approval or disapproval of the propositions or by accessing the website for the exercise of voting rights stated in the enclosed Voting Right Exercise Form and exercising your voting rights by an electronic method (such as the Internet). Hence, please review the accompanying Reference Document for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. JST, Thursday, June 16, 2011.

- 1. Date:** 3:00 p.m., Friday, June 17, 2011
- 2. Venue:** Hotel East 21 Tokyo, 3rd Floor, Eidai Hall
3-3, Toyo 6-chome, Koto-ku, Tokyo

**3. Purpose of the Meeting:
Matters to be Reported**

1. The Business Report, the Consolidated Financial Statements, and Audit Reports on the Consolidated Financial Statements by an independent accounting auditor and our Board of Corporate Auditors for the 49th Fiscal Year (from April 1, 2010, through March 31, 2011).
2. The Non-Consolidated Financial Statements Report for the 49th Fiscal year (from April 1, 2010, through March 31, 2011).

Matters to be Resolved

- Proposal 1:** Distribution of retained earnings
Proposal 2: Election of nine (9) directors
Proposal 3: Revision to the amount of compensation for directors

4. Guidance for the Exercise of Voting Rights

- 1) In case of exercising of voting rights by Mail
Please indicate your vote for or against each of the proposals on the enclosed Voting Right Exercise Form, and return the form to the Company so that it arrives no later than 5:00 p.m., Thursday, June 16, 2011.
In case that no representation of either approval or disapproval is made to each of the proposals, it shall be counted as a vote of approval.
- 2) In case of exercising of voting rights via electronic method (such as the Internet)
Please see the Guidance for the Exercise of Voting Rights via Internet next page, access the relevant Web site for the exercise of voting rights (<http://www.evote.jp/>) and exercise voting rights no later than 5:00 p.m., Thursday, June 16, 2011.

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1. If you attend the Meeting in person, please submit the enclosed Voting Right Exercise Form to the receptionist at the venue of the Meeting.
 2. Any modification made to the reference documents for the General Meeting of Shareholders and the Annual Business Report, financial statements and consolidated financial statements, shall be notified by placing the modified information on the Company's website on the Internet. (<http://www.misumi.co.jp>)
 3. Conclusions of the Meeting will be notified on the Company's website mentioned above.

<Guidance to the Exercise of Voting Rights via the Internet>

If you wish to exercise voting rights via the Internet, please read carefully the following explanation before doing so.

If you attend the meeting, you do not need to mail the Voting Rights Exercise Form or exercise voting rights via the Internet.

1. Web Site for the Exercise of Voting Rights

(1) The exercise of voting rights via the Internet is available to you only by accessing the voting service website: < <http://www.evotep.jp/>> designated by the Company from a personal computer or mobile phone (i-mode, EZWeb, Yahoo! Mobile)* to which the Internet can be connected. (The voting rights exercise service is suspended 2 a.m.–5 a.m., everyday).

*i-mode and EZweb are all trademarks or registered trademarks of NTT Docomo, Inc. and KDDI Corporation, respectively, and Yahoo! is a trademark or registered trademark of Yahoo! Inc. in the United States.

(2) Please note that the exercise of voting rights via the Internet may not be available depending on the Internet use environment of each shareholder such as usage of firewall, etc. for the Internet access, installment of antivirus software and/or usage of a proxy server.

(3) Please use one of your mobile web services — i-mode, EZweb or Yahoo! Mobile — to access the voting service website from your mobile phone. To ensure the security of your data transmission, the voting service is not available for mobile phones that do not support SSL encryption communication and data transmission.

(4) The exercise of voting rights will be acceptable until 5:00 p.m., on Thursday, June 16, 2011. However, we recommend the early exercise of your voting rights well ahead of the deadline. If you have any questions, please contact the Help Desk mentioned below.

2. Method of Exercising Voting Rights via the Internet

(1) Use the “Log-in ID” and the “Temporary Password,” which are printed on the Voting Rights Exercise Form, to log on to the voting service website for the exercise of voting rights (<http://www.evotep.jp/>), then input your approval or disapproval of the respective agenda items according to the guidance on the screen.

(2) To prevent unauthorized access (so-called “spoofing”) by any third party other than a qualified shareholder or falsification of data regarding the exercise of voting rights, every shareholder will be requested to change the “Temporary Password” on the voting service website.

(3) The Company will inform you of a new “Log-in ID” and “Temporary Password” every time a General Meeting of Shareholders is convened.

3. Handling of Voting Rights Exercised More Than Once

(1) If you have exercised your voting rights both by mailing the Voting Rights Exercise Form and via the Internet, only the exercise of voting rights via the Internet shall be deemed effective.

(2) If you have exercised your voting rights more than once via the Internet, only the final exercise of your voting rights shall be deemed as effective. If you have duplicated your exercise of the voting rights via the Internet and mobile phone, only the final exercise of your voting rights shall be deemed as effective.

4. Charges Incurred to Access the voting service website for the Exercise of Voting Rights

Any charges that might be required to access the voting service website (e.g., a dial-up connection fee, telecommunications charges and others) shall be borne by the shareholder. Charges such as packet communication fees and other mobile phone fees to access the voting service website via mobile phones shall also be borne by the shareholder.

<p>For Inquiries about the System Environment, etc. (“Help Desk”) Transfer Agent, Mitsubishi UFJ Trust and Banking Corporation Toll-Free Call: 0120-173-027 Business Hours: 9 a.m.–9 p.m.</p>
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<<Voting Platform>>

For management and trust banks or other nominee shareholders (including standing proxies), the Electronic Voting Platform operated by Investor Communication Japan, Inc. (ICJ, Inc.), a joint company incorporated by Tokyo Stock Exchange, Inc. and others, is available as another online voting method for the Meeting, in addition to the method of voting through the Internet as described in 1. above, subject to the prior application for use to ICJ, Inc.

Business Report

(April 1, 2010 through March 31, 2011)

1. Current Status of the Company Group

(1) Performance and Results of Operations and the Tasks Ahead

The global economy in the consolidated fiscal year under review generally continued to recover and expand, leveraged by continuing growth in the economies of China and elsewhere in Asia, though the recovery of the economies in Europe and the United States was moderate as economic stimulus measures ended and credibility concerns were raised in European countries. The Japanese economy showed signs of a recovery in the first half, helped by the economic measures taken by the Japanese government, however, it failed to grow further in the second half due to the end of those economic measures and yen appreciation. In addition, Japan was hit by the Great East Japan Earthquake on March 11, 2011, creating concern about the impact of electricity shortages. For these reasons, the Japanese economy is now marked by uncertainty.

In the machinery fabrication industry, in which the customers of the MISUMI Group (hereinafter “the Group”) operate, capital investments mainly by domestic exporting corporations and in countries throughout Asia continued to be robust. The Group steadily received orders with short delivery times and no-delay delivery and increased sales by reinforcing sales capabilities not only through competitive pricing but also by improving services. Our updated services include the Company’s web site, which was established to support customers’ design, the web catalogs that all local Group companies had put in place by the end of the previous fiscal year and an online ordering system, all of which address customers’ need for “reducing time for design and placing orders.” Our efforts to promote local production and procurement to reinforce sales capability in Asia and other overseas markets and optimize procurement have been producing good results. As the economies in Asian countries grew, the Group’s overseas sales advanced dramatically. As a result, consolidated net sales were ¥121,203 million, up ¥32,023 million, or 35.9%, from a year earlier. Operating income was ¥15,562 million, up ¥7,154 million, or 85.1%, year-over-year; ordinary income was ¥15,230 million, up ¥7,147 million, or 88.4%; and net income was ¥9,007 million, up ¥5,121 million, or 131.8%, from the previous fiscal year.

(Millions of yen)

	Net sales			Operating income		
	Previous consolidated fiscal year	Current consolidated fiscal year	Change (%)	Previous consolidated fiscal year	Current consolidated fiscal year	Change (%)
Factory Automation Business	51,444	74,830	45.5	6,817	11,277	65.4
Die Components Business	23,006	26,622	15.7	819	1,910	133.1
Electronics Business	8,080	11,376	40.8	1,039	1,672	60.9
Diversified Business	7,772	9,113	17.3	79	432	441.3
Corporate and eliminations	(1,124)	(739)	—	(348)	268	—
Total	89,180	121,203	35.9	8,408	15,562	85.1

• Business Results by Segment

From the consolidated fiscal year under review, the “Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Statement No. 17, March 27, 2009) and the “Guidance on Accounting Standard for Disclosures about Segments of an Enterprise and Related Information” (ASBJ Guidance No. 20, March 21, 2008) have been applied. Comparison with the results for the previous consolidated fiscal year was made by updating the previous segmentation into that for the current consolidated fiscal year.

1) Factory Automation business

Recovery and expansion continued during the first half of the year: in the automotive industry, in which the Group’s major customers operate, the effects of the economic measures by the Japanese government such as

the eco-car subsidy continued; and in LCDs and semiconductors, capital investments were active. During the second half, such economic measures ended and the Japanese economy did not grow further. However, in Europe and Asia, where a continuing recovery trend was seen, the economies generally continued to recover and expand. As a result of these factors, net sales were ¥74,830 million, up ¥23,386 million, or 45.5%, from a year earlier. Operating income, leveraged by an increase in sales and with the effect of the previous year's measure to improve profitability, was ¥11,277 million, up ¥4,460 million, or 65.4%, year-over-year.

2) Die Components business

Likewise, the Die Components business advanced during the first half but did not grow further during the second half. The advance during the first half was leveraged by the continuing recovery of the domestic automobile-related industries, in which our major customers operate. However, economies in Europe and Asia continued to recover and so did the light electrical appliance industry, therefore our Die Components business in general progressed steadily. As a result of these factors, net sales were ¥26,622 million, up ¥3,615 million, or 15.7%, year over year. Operating income, due to cost reductions from our measures to improve the production process, was ¥1,910 million, up ¥1,090 million, or 133.1%, compared with a year earlier.

3) Electronics business

In the Electronics business, which enjoyed active capital investments in semiconductor production equipment, net sales were ¥11,376 million, up ¥3,295 million, or 40.8%, from a year earlier. Operating income was ¥1,672 million, up ¥633 million, or 60.9%, from the previous consolidated fiscal year.

4) Diversified business

The Diversified business consists of machine tools and consumables business (Factory Supply Division) and veterinary medical consumables business (PROMICLOS Corporation). In the factory supply business, the mainstay product carbide-end mills led to a recovery of sales. In the overall Diversified business segment, net sales were ¥9,113 million, up ¥1,341 million, or 17.3%, year-over-year. Operating income increased ¥352 million year-over-year to ¥432 million.

(2) Capital Investments and Financing

During the consolidated fiscal year under review, the Group implemented capital investments amounting to ¥5,362 million under its basic strategies of entering into new businesses, expanding the range of existing business fields and reinforcing its competitive edge. The major investments were related to our information network and to establish our new core system. These investments were principally financed by our own funds. There were no significant sales and disposal of equipment and facilities.

(3) Assets, Profits and Loss in the Preceding Four (4) Fiscal Years

(Millions of yen)

Item \ Term	46th Term (Year ended March 2008)	47th Term (Year ended March 2009)	48th Term (Year ended March 2010)	49th Term (Year ended March 2011)
Net sales	126,665	110,041	89,180	121,203
Net income	9,698	4,686	3,885	9,007
Net income per share (Yen)	109.72	52.89	43.84	101.16
Total assets	92,596	86,079	92,940	107,551
Equity	71,423	71,853	75,946	84,275

(4) Major Lines of Businesses

The Group sells mainly MISUMI's original products using catalogs and the Internet. Our products include factory automation (FA) components, die components, cables to connect FA equipment, harness cables, connectors, machine tools and supplies, and medical supplies for veterinary clinics and general practitioners.

(5) Status of Parent Company and Major Subsidiaries

1) Relation with the parent company:

None applicable

2) Status of major subsidiaries

Company name	Capital	The Company's shareholding ratio (%)	Major businesses	
MISUMI Corporation	(Million JPY) 850	100.0	Factory Automation business Die Components business Electronics business Diversified business (Machine tools, supplies)	
SURUGA Production Platform Co., Ltd.	(Million JPY) 491	100.0	Factory Automation business Die Components business Diversified business (Machine tools, supplies)	
SURUGA SEIKI CO., LTD.	(Million JPY) 100	100.0	Factory Automation business	
PROMICLOS Corporation	(Million JPY) 50	100.0	Diversified business (Medical and veterinary supplies)	
SP PARTS CO., LTD.	(Million JPY) 99	100.0 (100.0)	Factory Automation business	
MISUMI USA, INC.	(Thousand USD) 4,900	100.0 (100.0)	Factory Automation business Die Components business Electronics business Diversified business (Machine tools, supplies)	
MISUMI TAIWAN CORP.	(Thousand TWD) 15,000	100.0 (100.0)		
MISUMI UK LTD.	(Thousand GBP) 800	100.0 (100.0)		
MISUMI SOUTH EAST ASIA PTE. LTD.	(Thousand SGD) 1,000	100.0 (100.0)		
MISUMI E.A. HK LIMITED	(Thousand HKD) 8,000	100.0 (100.0)		
MISUMI (THAILAND) CO., LTD.	(Thousand THB) 37,701	100.0 (100.0)		
MISUMI KOREA CORP.	(Thousand KRW) 700,000	100.0		
MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD.	(Thousand RMB) 180,509	100.0 (100.0)		
MISUMI EUROPA GmbH	(Thousand EUR) 6,500	100.0 (100.0)		
MISUMI INDIA Pvt Ltd.	(Thousand INR) 586,201	100.0 (61.5)		
MISUMI MALAYSIA SDN.BHD.	(Thousand MYR) 2,500	(100.0) (100.0)		
MISHIMA SEIKI CO., LTD.	(Million JPY) 80	100.0 (100.0)		Die Components business

Company name	Capital	The Company's shareholding ratio (%)	Major businesses
SAIGON PRECISION CO., LTD.	(Thousand USD) 8,500	100.0 (100.0)	Factory Automation business Die Components business
SURUGA USA CORP.	(Thousand USD) 7,500	100.0 (100.0)	
SURUGA SEIKI (SHANGHAI) CO., LTD.	(Thousand RMB) 73,509	100.0 (100.0)	
SURUGA (THAILAND) CO., LTD.	(Thousand THB) 77,000	100.0 (100.0)	
SURUGA POLSKA Sp. z o.o.	(Thousand PLN) 22,654	100.0 (100.0)	Factory Automation business
SURUGA KOREA CO., LTD.	(Thousand KRW) 2,502,840	100.0 (100.0)	

Notes:

1. The indirect shareholding ratio is included in parentheses under "The Company's shareholding ratio."
2. The name of the company changed from SURUGA SEIKI CO., LTD., to SURUGA Production Platform Co., Ltd., in January 2011. The current SURUGA SEIKI CO., LTD., was established through a corporate split that took place in January 2011, succeeding the OST business to sell optical equipment and FA-related components, etc., of SURUGA Production Platform Co., Ltd.
3. MISUMI MALAYSIA SDN.BHD. was established in November 2010.
4. The name of SURUGA SEIKI (SHANGHAI) CO., LTD., is authentically presented in Chinese characters. Because the traditional Chinese characters that represent "SURUGA SEIKI" do not exist in the electronic data system, Japanese *katakana* is used for this part of the company name in the original Japanese document.

(6) Major Sales Offices and Operational Bases

1) The Company

Name	Location	
Headquarters	Tokyo	Koto-ku

2) Subsidiaries

• In Japan

Name	Location	
MISUMI Corporation	Tokyo	Koto-ku
SURUGA Production Platform Co., Ltd.	Shizuoka Prefecture	Shizuoka-shi
SURUGA SEIKI CO., LTD.	Shizuoka Prefecture	Shizuoka-shi
PROMICLOS Corporation	Tokyo	Koto-ku
MISHIMA SEIKI CO., LTD.	Shizuoka Prefecture	Shizuoka-shi
SP PARTS CO., LTD.	Ibaraki Prefecture	Inashiki-gun

• Overseas

Name	Location	
MISUMI USA, INC.	United States	Illinois
MISUMI TAIWAN CORP.	Taiwan	Taipei
MISUMI UK LTD.	United Kingdom	Middlesex
MISUMI SOUTH EAST ASIA PTE. LTD.	Singapore	
MISUMI E.A. HK LIMITED	China	Hong Kong
MISUMI (THAILAND) CO., LTD.	Thailand	Rayong
MISUMI KOREA CORP.	South Korea	Seoul
MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD.	China	Shanghai
MISUMI EUROPA GmbH	Germany	Schwalbach
MISUMI INDIA Pvt Ltd.	India	Pune
MISUMI MALAYSIA SDN.BHD.	Malaysia	Selangor
SAIGON PRECISION CO., LTD.	Vietnam	Ho Chi Minh City
SURUGA USA CORP.	United States	Illinois
SURUGA SEIKI (SHANGHAI) CO., LTD.	China	Shanghai
SURUGA (THAILAND) CO., LTD.	Thailand	Rayong
SURUGA POLSKA Sp. z o.o.	Poland	Gdansk
SURUGA KOREA CO., LTD.	South Korea	Gyeonggi-do

(7) Employees

Number of employees	Change from the end of the previous fiscal year
4,831 persons	+1,250 persons

Note: The above number of employees is that of employees in operation.

(8) Major Lenders

No special indication

(9) Policy for Resolutions on Dividends from Retained Earnings, etc.

None applicable

2. Matters Related to the Company's Stock

(1) Total number of authorized shares 340,000,000

(2) Total number of issued shares 89,467,751

Note: The above total number of issued shares excludes 385,333 treasury shares.

(3) Number of shareholders 4,754

(4) Major shareholders (top 10)

Name of Shareholder	Number of shares held	Shareholding ratio (%)
State Street Bank and Trust Company	18,270,160	20.4
The Master Trust Bank of Japan, Ltd.	9,318,400	10.4
Japan Trustee Services Bank, Ltd.	6,260,600	7.0
Goldman Sachs and Company Regular Account	5,657,957	6.3
Hiroshi Taguchi	5,528,500	6.2
Mizuho Trust & Banking Co., Ltd. (Retirement Benefits Trust, Mizuho Bank, Ltd., Account)	3,559,500	4.0
RBC Dexia Investor Services Trust, London Lending Account	2,726,752	3.0
The Chase Manhattan Bank, N.A. London , S.L. Omnibus Account	2,708,726	3.0
The Nomura Trust and Banking Co., Ltd.	2,211,200	2.5
SAJAP	1,574,500	1.8

Notes:

1. The shareholding ratios are calculated deducting 385,333 treasury shares.
2. The shareholding ratios are calculated rounding the hundredth place.

3. Matters relating to stock acquisition rights

(1) Outline of the stock acquisition rights held by the Company's officers at the end of the fiscal year under review (March 31, 2011)

	5th stock acquisition rights	6th stock acquisition rights
Number of holders thereof		
Directors of the Company (excluding outside officers)	1 person	1 person
Outside directors of the Company (limited to outside officers)	1 person	—
Corporate auditors of the Company	—	—
Type of shares subject to the stock acquisition rights	Common stock	Common stock
Number of shares subject to the stock acquisition rights	143,800	36,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥1,795 per share	¥1,735 per share
Exercise period for the stock acquisition rights	From August 1, 2006 to July 31, 2011	
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) If an individual to whom the stock acquisition rights are allotted dies, his/her heir shall inherit the right to exercise the stock acquisition rights. However, if said heir dies after having inherited but before exercising the stock acquisition rights, such right to exercise the stock acquisition rights of said heir shall be forfeited.</p> <p>c) Pledging or any other disposition of the stock acquisition rights shall not be permitted.</p> <p>d) Certain other conditions for the exercise of the stock acquisition rights shall be determined by a resolution of the Board of Directors, which decides to issue the stock acquisition rights, and shall be as set forth in the "Stock Acquisition Rights Granting Agreement" to be entered into by and between the Company and each officer or employee of the Company or its subsidiary or an affiliate.</p>	
Cause/reason for acquisition of the stock acquisition rights	<p>In case a merger agreement, according to which the Company becomes an extinct company, has been approved by a general meeting of shareholders, or a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or a proposal on a share transfer has been approved by a general meeting of shareholders, the Company may acquire said stock acquisition rights without contribution.</p>	
Content of advantageous conditions	<p>The stock acquisition rights were gratis issued to certain directors and employees of the Company.</p>	

	7th stock acquisition rights	8th stock acquisition rights
Number of holders thereof		
Directors of the Company (excluding outside officers)	1 person	4 persons
Outside directors of the Company (limited to outside officers)	1 person	—
Corporate auditors of the Company	—	—
Type of shares subject to the stock acquisition rights	Common stock	Common stock
Number of shares subject to the stock acquisition rights	465,000	189,200
Amount to be subscribed upon the exercise of the stock acquisition rights	¥1,785 per share	¥2,534 per share
Exercise period for the stock acquisition rights	From August 1, 2007 to July 31, 2012	
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) If an individual to whom the stock acquisition rights are allotted dies, his/her heir shall inherit the right to exercise the stock acquisition rights. However, if said heir dies after having inherited but before exercising the stock acquisition rights, such right to exercise the stock acquisition rights of said heir shall be forfeited.</p> <p>c) Pledging or any other disposition of the stock acquisition rights shall not be permitted.</p> <p>d) Certain other conditions for the exercise of the stock acquisition rights shall be determined by a resolution of the Board of Directors, which decides to issue the stock acquisition rights, and shall be as set forth in the “Stock Acquisition Rights Granting Agreement” to be entered into by and between the Company and each officer or employee of the Company or its subsidiary or an affiliate.</p>	
Cause/reason for acquisition of the stock acquisition rights	In case a merger agreement, according to which the Company becomes an extinct company, has been approved by a general meeting of shareholders, or a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or a proposal on a share transfer has been approved by a general meeting of shareholders, the Company may acquire said stock acquisition rights without contribution.	
Content of advantageous conditions	The stock acquisition rights were gratis issued to certain directors and employees of the Company.	

	10th stock acquisition rights
Number of holders thereof	
Directors of the Company (excluding outside officers)	4 persons
Outside directors of the Company (limited to outside officers)	1 person
Corporate auditors of the Company	—
Type of shares subject to the stock acquisition rights	Common stock
Number of shares subject to the stock acquisition rights	270,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥2,219 per share
Exercise period for the stock acquisition rights	From August 1, 2009 to July 31, 2014
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Acquisition Rights Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, or in case he/she abandons all the stock acquisition rights he/she holds, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

	11th stock acquisition rights
Number of holders thereof	
Directors of the Company (excluding outside officers)	1 person
Outside directors of the Company (limited to outside officers)	—
Corporate auditors of the Company	—
Type of shares subject to the stock acquisition rights	Common stock
Number of shares subject to the stock acquisition rights	8,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥2,027 per share
Exercise period for the stock acquisition rights	From February 1, 2010 to January 31, 2015
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Acquisition Rights Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, or in case he/she abandons all the stock acquisition rights he/she holds, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

	12th stock acquisition rights
Number of holders thereof	
Directors of the Company (excluding outside officers)	5 persons
Outside directors of the Company (limited to outside officers)	1 person
Corporate auditors of the Company	—
Type of shares subject to the stock acquisition rights	Common stock
Number of shares subject to the stock acquisition rights	390,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥2,073 per share
Exercise period for the stock acquisition rights	From August 1, 2010 to July 31, 2015
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if they have discontinued service when exercising the stock acquisition rights..</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Acquisition Rights Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, or in case he/she abandons all the stock acquisition rights he/she holds, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

	13th stock acquisition rights
Number of holders thereof	
Directors of the Company (excluding outside officers)	1 person
Outside directors of the Company (limited to outside officers)	—
Corporate auditors of the Company	—
Type of shares subject to the stock acquisition rights	Common stock
Number of shares subject to the stock acquisition rights	16,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥1,576 per share
Exercise period for the stock acquisition rights	From January 1, 2011 to December 31, 2016
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Acquisition Rights Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, or in case he/she abandons all the stock acquisition rights he/she holds, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

	14th stock acquisition rights
Number of holders thereof	
Directors of the Company (excluding outside officers)	5 persons
Outside directors of the Company (limited to outside officers)	1 person
Corporate auditors of the Company	—
Type of shares subject to the stock acquisition rights	Common stock
Number of shares subject to the stock acquisition rights	483,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥1,432 per share
Exercise period for the stock acquisition rights	From August 1, 2011 to July 31, 2016
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, on the condition that they resigned or retired from office after the commencement of the above exercise period, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Acquisition Rights Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, or in case he/she abandons all the stock acquisition rights he/she holds, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

	15th stock acquisition rights
Number of holders thereof	
Directors of the Company (excluding outside officers)	1 person
Outside directors of the Company (limited to outside officers)	—
Corporate auditors of the Company	—
Type of shares subject to the stock acquisition rights	Common stock
Number of shares subject to the stock acquisition rights	20,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥1,600 per share
Exercise period for the stock acquisition rights	From September 1, 2011 to August 31, 2016
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, on the condition that they resigned or retired from office after the commencement of the above exercise period, even if they have discontinued service when exercising the stock acquisition rights..</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Acquisition Rights Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, or in case he/she abandons all the stock acquisition rights he/she holds, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

	16th stock acquisition rights
Number of holders thereof	
Directors of the Company (excluding outside officers)	6 persons
Outside directors of the Company (limited to outside officers)	—
Corporate auditors of the Company	—
Type of shares subject to the stock acquisition rights	Common stock
Number of shares subject to the stock acquisition rights	520,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥1,827 per share
Exercise period for the stock acquisition rights	From August 1, 2012 to July 31, 2018
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, on the condition that they resigned or retired from office after the commencement of the above exercise period, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Acquisition Rights Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, or in case he/she abandons all the stock acquisition rights he/she holds, the Company may, upon arrival of a date that the Company’s Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

(2) Outline of the stock acquisition rights issued to certain employees of the Company, as well as to certain officers and employees of any subsidiaries during the fiscal year under review

Item	17th stock acquisition rights
Date of the resolution for issuance thereof	June 17, 2010
Number of individuals to whom stock acquisitions rights have been issued	
Employees of the Company (excluding those who concurrently serve as officers of the Company)	38 persons
Officers and employees of any subsidiaries of the Company (excluding those who concurrently serve as officers or employees of the Company)	—
Type of shares subject to the stock acquisition rights	the Company's shares of common stock
Number of shares subject to the stock acquisition rights	155,000
Amount to be subscribed upon the exercise of the stock acquisition rights	¥1,827 per share
Value of assets to be contributed upon exercise of the stock acquisition rights	¥283,185,000
Exercise period for the stock acquisition rights	From August 1, 2012 to July 31, 2018
Major conditions for the exercise of the stock acquisition rights	<p>a) Individuals to whom the stock acquisition rights are allotted must be actually employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock acquisition rights. Provided, however, that the qualified individuals may exercise the stock acquisition rights only for a period prior to the two-year anniversary date reckoning from the next day of the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, on the condition that they resigned or retired from office after the commencement of the above exercise period, even if they have discontinued service when exercising the stock acquisition rights.</p> <p>b) The conditions for the exercise of the stock acquisition rights other than the clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the "Stock Acquisition Rights Allotment Agreement" to be entered into by and between the Company and each individual to whom the stock acquisition rights are allotted.</p>
Major cause/reason for acquisition of the stock acquisition rights	<p>a) In case of a proposal to request approval (i) of a merger agreement, according to which the Company becomes an extinct company, (ii) of an absorption-type company split agreement or an incorporation-type company split plan, according to which the Company becomes a split company, (iii) of a share exchange agreement, according to which the Company becomes a wholly owned subsidiary of another company, or (iv) of a plan for a share transfer that has been approved by a general meeting of shareholders, the Company may, upon arrival of a date that the Company's Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p> <p>b) In case a holder of the stock acquisition rights is no longer qualified to exercise his/her stock acquisition rights due to the application of the clause a) above, the Company may, upon arrival of a date that the Company's Board of Directors otherwise determines, acquire without contribution all the stock acquisition rights that remain unexercised as of the same date.</p>
Content of advantageous conditions	—

4. Officers of the Company

(1) Directors and Corporate Auditors

Position	Name	Responsibilities and important concurrent positions
Representative Director, Chairman and Chief Executive Officer	Tadashi Saegusa	
Representative Director and President	Masayuki Takaya	Representative Director and President, MISUMI Corporation
Representative Director and Executive Vice President	Masahiko Eguchi	In charge of FA Business Group, MISUMI Group Inc.
Representative Director and Executive Vice President	Teiichi Aruga	Executive Officer of Business Platform Group, MISUMI Group Inc. Representative Director, PROMICLOS Corporation
Director and Senior Corporate Officer	Ryusei Ohno	Executive Officer of Production Platform Group, MISUMI Group Inc. Representative Director and President, SURUGA Production Platform Co., Ltd. Representative Director and President, SURUGA SEIKI CO., LTD.
Director and Senior Corporate Officer	Tokuya Ikeguchi	Company President, Die & Mold Company, MISUMI Corporation
Director	Hiroshi Fukino	President & Chief Executive Officer of Fukino Consulting Inc. Outside Director, Rakuten, Inc.
Director	Tsuyoshi Numagami	Professor and Dean, Graduate School of Commerce and Management, Hitotsubashi University Dean, Faculty of Commerce and Management, Hitotsubashi University
Full-time Corporate Auditor	Hiroshi Miyamoto	Corporate Auditor, MISUMI Corporation, SURUGA Production Platform Co., Ltd., SURUGA SEIKI CO., LTD., and PROMICLOS Corporation
Corporate Auditor	Kouichi Takemata	Representative of ReEx Accounting Firm Outside Corporate Auditor, Mars Engineering Corporation Certified Public Accountant, and Licensed Tax Accountant
Corporate Auditor	Juichi Nozue	Attorney at law, Shizuoka Nozomi Law and Patent Office Outside Corporate Auditor, Shizuoka Gas Co., Ltd.

Notes:

1. Director Hiroshi Fukino and Tsuyoshi Numagami are outside directors under Article 2, Item 15 of the Companies Act.
2. Corporate auditor Kouichi Takemata and Juichi Nozue are outside auditors under Article 2, Item 16 of the Companies Act.
3. Corporate Auditor Kouichi Takemata is a Certified Public Accountant and has significant knowledge in finance and accounting.
4. Corporate Auditor Juichi Nozue is an Attorney at law.
5. The Company designates directors Hiroshi Fukino and Tsuyoshi Numagami and Corporate Auditors Kouichi Takemata and Juichi Nozue as independent officers as stipulated by the Tokyo Stock Exchange and reported thereto.

(2) Total Compensations, etc., Paid to Directors and Corporate Auditors

Classification	Number of Directors and Corporate Auditors (persons)	Amounts of compensation, etc. (millions of yen)	Remarks
Director (Outside directors of above)	9 (2)	752 (11)	The total amount of compensation for directors that was determined by resolution of the Ordinary General Meeting of Shareholders held on June 23, 2006, is within ¥700 million a year, which does not include directors' salaries as employees of the Company. Other than the above total compensation (¥700 million), by resolution of the Ordinary General Meeting of Shareholders each fiscal year, stock acquisition rights are issued as a stock option as part of compensation. The amounts of compensation on the left include the amount accounted for as expenses from the stock acquisition rights.
Corporate Auditor (Outside auditors of above)	4 (3)	27 (8)	The amount of compensation for Corporate Auditors that was determined by resolution of the Ordinary General Meeting of Shareholders held on June 28, 1993, is within ¥50 million a year.
Total	13	779	

Notes:

1. Other than the above, the amount of employee salaries for employees serving concurrently as directors is ¥46 million.
2. The above Number of Directors and Corporate Auditors, to whom the compensation is to be paid, includes one Director and one Corporate Auditor who retired at the close of the 48th Ordinary General Meeting of Shareholders held on June 17, 2010.
3. The above Amounts of compensation, etc., include the amount from the stock acquisition rights issued as a stock option as part of compensation (¥143 million for eight Directors).
4. The above Amounts of compensation, etc., include this fiscal year's Provision for Directors and Corporate Auditors' retirement benefits of ¥56 million (¥55 million for Directors and ¥1 million for Corporate Auditors).
5. The above Amounts of compensation, etc., include this fiscal year's Provision for Directors and Corporate Auditors' bonuses of ¥265 million (¥264 million for Directors and ¥1 million for Corporate Auditors).

(3) Matters Related to Outside Officers

1) Relationship between the Company and other corporations for which Outside Directors and Outside Auditors concurrently hold important positions

There are no important transactions between the Company and other corporations for which Outside Directors and Outside Auditors concurrently hold important positions.

2) Major Activities in the Fiscal Year

Classification	Name	Major activities
Outside Director	Hiroshi Fukino	<ul style="list-style-type: none"> • Attendance at the meetings of the Board of Directors and expression of opinions: Attended 13 of the 15 meetings of the Board of Directors held during the fiscal year under review and made inquiries or provided advice concerning the proposals and discussed matters from an objective perspective independent of the management as to the conduct of business execution. • Business policies that were changed by the Director's opinion: None applicable • Outline of the director's measures with regard to the Company's "Scandals, etc.": None applicable
	Tsuyoshi Numagami	<ul style="list-style-type: none"> • Attendance at the meetings of the Board of Directors and expression of opinions: Attended 12 of the 12 meetings of the Board of Directors during the fiscal year under review since he assumed the office and made inquiries or provided advice concerning the proposals and discussed matters from his professional perspective as an economics scholar. • Business policies that were changed by the Director's opinion: None applicable • Outline of the director's measures with regard to the Company's "Scandals, etc.": None applicable
Outside Corporate Auditor	Kouichi Takemata	<ul style="list-style-type: none"> • Attendance at the meetings of the Board of Directors and the Board of Corporate Auditors and expression of opinions: Attended 14 of the 15 meetings of the Board of Directors and 16 of the 16 meetings of the Board of Corporate Auditors held during the fiscal year under review and made inquiries or provided advice concerning the proposals and discussed matters from his professional perspective as a Certified Public Accountant. • Business policies that were changed by the Corporate Auditor' opinion: None applicable • Outline of the Corporate Auditor's measures with regard to the Company's "Scandals, etc.": None applicable
	Juichi Nozue	<ul style="list-style-type: none"> • Attendance at the meetings of the Board of Directors and the Board of Corporate Auditors and expression of opinions: Attended 14 of the 15 meetings of the Board of Directors and 15 of the 16 meetings of the Board of Corporate Auditors held during the fiscal year under review and made inquiries or provided advice concerning the proposals and discussed matters from his professional perspective as an attorney at law. • Business policies that were changed by the Corporate Auditor' opinion: None applicable • Outline of the Corporate Auditor's measures with regard to the Company's "Scandals, etc.": None applicable

3) Outline of the liability limitation agreement

The Company revised its Articles of Incorporation at the 44th Ordinary General Meeting of Shareholders held on June 23, 2006, and set forth a provision with regard to the liability limitation agreement concluded with Outside Directors and Outside Corporate Auditors.

Below is the outline of the liability limitation agreement that the Company concluded with all the Outside Directors and Outside Corporate Auditors based on the provision of the Articles of Incorporation.

Classification	Outline of the liability limitation agreement
Outside Director	The Company entered into an agreement with Outside Directors to limit their liability if such liabilities as stipulated in Article 423, Paragraph 1 of the Companies Act fall under the requirement stipulated by law, to within ¥10 million or the amount stipulated by law, whichever is higher, based on the provisions set forth under Article 427, Paragraph 1 of the Companies Act.
Outside Corporate Auditor	The Company entered into an agreement with Outside Corporate Auditors to limit their liability if such liabilities as stipulated in Article 423, Paragraph 1 of the Companies Act fall under the requirement stipulated by law, to within ¥5 million or the amount stipulated by law, whichever is higher, based on the provisions set forth under Article 427, Paragraph 1 of the Companies Act.

4) Amounts of compensation, etc., that these Outside Directors and Outside Corporate Auditors received from the Company's subsidiaries as compensation for their duties as a Director or a Corporate Auditor for the fiscal year under review

None applicable

5. Independent Auditor

(1) Name of the Independent Auditor of the Company

Deloitte Touche Tohmatsu LLC.

(2) Outline of the liability limitation agreement

None applicable

(3) Amounts of compensation, etc., to be paid to the Independent Auditor for the fiscal year under review

1) Compensation for audit duties under Article 2, Paragraph 1 of the Certified Public Accountants Act
¥66 million

2) Total of cash or other assets that the Company and/or its subsidiaries must pay ¥69 million

The Company's major overseas subsidiaries were audited by Deloitte Touche Tohmatsu.

Note: Compensation, etc., for audit duties under Article 2, Paragraph 1 of the Certified Public Accountants Act is a total of the amount paid for the audit by the Independent Auditor under the Companies Act and the compensation for the audit under the Financial Instruments and Exchange Act.

(4) Contents of non-audit duties

Advisory duties are provided to some subsidiaries regarding financial settlements.

(5) Policy for the Company's decision on dismissal or non-reappointment of the Independent Auditor

The Company's Board of Corporate Auditors shall discuss the dismissal and non-reappointment of the Independent Auditor when the Company needs to do so, or should any violation of the Companies Act, the Certified Public Accountants Act and such laws and regulations by the Independent Auditor be recognized, or should the Independent Auditor infringe public order and morality, based on the fact of specific acts.

In case the Board of Corporate Auditors determines the dismissal or non-reappointment to be appropriate after investigation and discussion, pursuant to the Company's Board of Corporate Auditors Regulations, the Board of Corporate Auditors shall request that the Board of Directors propose the "Dismissal or Non-Reappointment of the Independent Auditor" at the Ordinary General Meeting of Shareholders, which shall be discussed by the Board of Directors.

6. The Company's Systems and Policies

(1) The system to ensure that the Company's business execution complies with laws, regulations and the Articles of Incorporation and other systems to ensure the appropriateness of the Company's businesses

The Company's Board of Directors, at its meeting held on April 21, 2011, made a resolution on the Basic Policy for an Internal Control System based on Article 362, Paragraph 4, Item 6 of the Companies Act and Article 100, Paragraphs 1 and 3 of the Enforcement of the Companies Act. Below is its content.

- 1) System to preserve and manage information concerning Directors' execution of duties
 - Prepare the minutes of meetings of the Board of Directors, the Executive Committee of MISUMI Group Inc. and other important meetings, as stipulated by laws, regulations and rules, and appropriately store them.
- 2) Rules and other systems related to risk management for losses
 - Prepare various kinds of provisions, internal rules and manuals to address risks related to legal compliance, the environment, information, export management and natural disasters and establish a risk management system.
 - Set up a countermeasures headquarters to cope with any emergency situation, in case such occurs, quickly and report the progress to the Board of Directors.
- 3) System to ensure the efficient execution of duties by Directors
 - Designate that the Board of Directors give the final approval for any management plan and that the progress of the plan be monitored at the monthly Executive Committee meetings.
 - Discuss the important issues that are found while monitoring the progress of the management plan, or during other processes, at the meetings of the Board of Directors or the Executive Committee of MISUMI Group Inc., etc.
 - Report and monitor business results and provide advice and guidance on important matters at the monthly meetings of the Board of Directors.
- 4) System to ensure that the execution of duties by Directors and employees complies with laws, regulations and the Articles of Incorporation
 - Ensure that Directors and employees comply with the MISUMI Group Code of Conduct, laws and regulations, as well as the Company's Articles of Incorporation.
 - Set up occupational authority rules and other rules for decision making to ensure the appropriateness of the execution of duties.
 - Set up an internal reporting system to quickly discover violations of laws, regulations and/or internal rules or such suspicions, while guaranteeing the privacy of the individual making the report so that the person will not be disadvantaged by the action of reporting.
- 5) System to ensure the appropriateness of the execution of duties at the corporate group consisting of the parent company and its subsidiaries and affiliates
 - MISUMI Group Inc. ensures the appropriateness of the execution of duties by each subsidiary and affiliate by having each company's business results reported and monitoring the progress of the management plan at the Executive Committee.
 - The internal audit section conducts audits regularly on the execution of duties at each subsidiary and affiliate.
 - Stipulate the repudiation of any relationship with antisocial forces in the MISUMI Group Code of Conduct and resolutely oppose such forces Group-wide.
- 6) Matters related to Corporate Auditors' assistants in case Corporate Auditors request to have assistants who help them with the execution of duties
 - The Corporate Auditor shall be able to appoint assistants freely, and the Corporate Auditor gets involved in the personnel transfer and evaluation of the assistants.
- 7) System for Directors and employees to report to the Board of Corporate Auditors or Corporate Auditors and the system to ensure efficient audits by the Corporate Auditors
 - The Corporate Auditors attend important meetings such as those of the Board of Directors and the Executive Committee of MISUMI Group Inc., where Directors and employees quickly report to the Corporate Auditors in case an incident occurs or such suspicion arises that could pose a serious concern for the Company.
 - The Corporate Auditors meet regularly with the Independent Auditor and the internal audit section to

exchange opinions and information. The Corporate Auditors request reports from the Independent Auditor whenever necessary.

(2) Basic Policy on Control of the Company

None applicable

* Amounts less than one unit and fractions after the decimal point of the numbers of shares indicated in this Business Report are truncated.

Consolidated Balance Sheets

(As of March 31, 2011)

(Millions of Yen)

Items	Amount	Items	Amount
(Assets)		(Liabilities)	
Current assets	81,985	Current liabilities	20,562
Cash and deposits	35,763	Trade notes and trade accounts payable	8,567
Trade notes and trade accounts receivable	25,964	Short-term bank loans	900
Marketable securities	4,866	Accounts payable-other	3,195
Merchandise and finished goods	9,082	Income taxes payable	4,907
Work in process	906	Accrued bonuses	1,660
Raw materials and supplies	2,549	Accrued directors' bonuses	275
Deferred tax assets	1,595	Other	1,054
Income tax refundable	292		
Other	1,289		
Allowance for doubtful receivables	(326)		
Noncurrent assets	25,566	Long-term liabilities	2,713
Property, plant and equipment	15,073	Liability for retirement benefits	2,026
Buildings and structures	7,006	Liability for directors' retirement benefits	424
Machinery and vehicles	3,338	Other	263
Land	3,889		
Construction in progress	252	Total liabilities	23,275
Other	585		
Intangible assets	4,919	(Equity)	
Software	4,183	Shareholders' equity	86,036
Goodwill	488	Common stock	5,340
Other	247	Capital Surplus	15,112
		Retained earnings	66,235
Investments and other assets	5,573	Treasury stock	(651)
Investment securities	3,229	Accumulated other comprehensive income	(2,221)
Deferred tax assets	1,282	Unrealized gain on available-for-sale securities	30
Refundable insurance premium	232	Foreign currency translation adjustments	(2,252)
Other assets	947	Stock acquisition rights	460
Allowance for doubtful receivables	(117)		
		Total equity	84,275
Total assets	107,551	Total liabilities and equity	107,551

Consolidated Statements of Income

(From April 1, 2010 to March 31, 2011)

(Millions of Yen)

Items	Amount	
Net Sales		121,203
Cost of sales		72,264
Gross profit		48,939
Selling, General and Administrative Expenses		33,376
Operating income		15,562
Non-operating income		
Interest income	178	
Dividend income	21	
Equity in earnings of affiliates	36	
Miscellaneous income	152	387
Non-operating expenses		
Interest expense	17	
Stock issuance cost	2	
Foreign exchange losses	553	
Rent loss	57	
Miscellaneous loss	88	719
Ordinary Income		15,230
Extraordinary income		
Gain on sales of noncurrent assets	3	
Gain from performance to asset retirement obligations	37	
Subsidy income	338	
Gain on sales of subsidiaries and affiliates' stocks	14	393
Extraordinary loss		
Loss on sales of stocks of subsidiaries and affiliates	94	
Loss on adjustment for changes of accounting standard for asset retirement obligations	68	
Impairment loss	14	
Loss on valuation of investment securities	37	
Other	0	215
Income before income taxes		15,409
Income taxes-current	6,868	
Income taxes-deferred	(466)	6,401
Income before minority interests		9,007
Net income		9,007

Consolidated Statements of Changes in Equity

(From April 1, 2010 to March 31, 2011)

(Millions of Yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained Earnings	Treasury stock	Total Shareholders' equity
Balance, March 31, 2010	4,681	14,453	58,801	(650)	77,286
Changes of items during the period					
Issuance of new shares	658	658	—	—	1,317
Dividends from surplus	—	—	(1,573)	—	(1,573)
Net income	—	—	9,007	—	9,007
Increase in treasury stock	—	—	—	(1)	(1)
Disposal of treasury stock	—	—	0	0	0
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	658	658	7,434	(0)	8,750
Balance, March 31, 2011	5,340	15,112	66,235	(651)	86,036

(Millions of Yen)

	Accumulated other comprehensive income			Stock acquisition rights	Total equity
	Unrealized gain on available-for-sale securities	Foreign currency translation adjustments	Total accumulated other comprehensive income		
Balance, March 31, 2010	63	(1,682)	(1,619)	279	75,946
Changes of items during the period					
Issuance of new shares	—	—	—	—	1,317
Dividends from surplus	—	—	—	—	(1,573)
Net income	—	—	—	—	9,007
Increase in treasury stock	—	—	—	—	(1)
Disposal of treasury stock	—	—	—	—	0
Net changes of items other than shareholders' equity	(32)	(569)	(602)	180	(421)
Total changes of items during the period	(32)	(569)	(602)	180	8,328
Balance, March 31, 2011	30	(2,252)	(2,221)	460	84,275

Non-consolidated Balance Sheets

(As of March 31, 2011)

(Millions of Yen)

Items	Amount	Items	Amount
(Assets)		(Liabilities)	
Current assets	8,889	Current liabilities	2,241
Cash and deposits	4,925	Short-term bank loans	500
Marketable securities	1,362	Accounts payable-other	980
Prepaid expenses	1	Income taxes payable	51
Deferred tax assets	160	Deposits received	8
Short-term loans receivable from subsidiaries and affiliates	910	Accrued bonuses	350
Income taxes refundable	282	Accrued directors' bonuses	275
Accounts receivable-other	1,163	Other	74
Other	84	Long-term liabilities	1,069
Noncurrent assets	42,784	Liability for retirement benefits	683
Investments and other assets	42,784	Liability for directors' retirement benefits	386
Investment securities	1,017	Total liabilities	3,310
Stocks of subsidiaries and affiliates	33,231	(Equity)	
Long-term loans receivable from subsidiaries and affiliates	8,050	Shareholders' equity	47,872
Deferred tax assets	384	Common stock	5,340
Other assets	100	Capital Surplus	12,039
		Legal capital surplus	12,039
		Retained earnings	31,206
		Legal retained earnings	402
		Other retained earnings	30,803
		General reserve	27,400
		Retained earnings brought forward	3,403
		Treasury stock	(713)
		Valuation and translation adjustments	30
		Unrealized gain on available-for-sale securities	30
		Stock acquisition rights	460
		Total equity	48,362
Total assets	51,673	Total liabilities and equity	51,673

Non-consolidated Statements of Income

(From April 1, 2010 to March 31, 2011)

(Millions of Yen)

Items	Amount	
Operating revenue		7,799
Operating expenses		6,492
Operating income		1,307
Non-operating income		
Interest and dividend income	146	
Miscellaneous income	13	160
Non-operating expenses		
Interest expense	7	
Loss on redemption of investment securities	24	
Stock issuance cost	2	
Miscellaneous loss	0	34
Ordinary Income		1,432
Extraordinary loss		
Loss on valuation of investment securities	37	37
Income before income taxes		1,394
Income taxes-current	143	
Income taxes-deferred	(283)	(139)
Net income		1,534

Non-consolidated Statements of Changes in Equity

(From April 1, 2010 to March 31, 2011)

(Millions of Yen)

	Shareholder's equity								
	Common stock	Capital surplus		Retained Earnings			Treasury stock	Total Shareholders' equity	
		Legal capital surplus	Total Capital Surplus	Legal retained earnings	Other retained earnings				Total Retained earnings
					General reserve	Retained earnings brought forward			
Balance, March 31, 2010	4,681	11,381	11,381	402	27,400	3,442	31,245	(713)	46,594
Changes of items during the period									
Issuance of new shares	658	658	658	—	—	—	—	—	1,317
Dividends from surplus	—	—	—	—	—	(1,573)	(1,573)	—	(1,573)
Net income	—	—	—	—	—	1,534	1,534	—	1,534
Increase in treasury stock	—	—	—	—	—	—	—	(1)	(1)
Disposal of treasury stock	—	—	—	—	—	0	0	0	0
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the period	658	658	658	—	—	(38)	(38)	(0)	1,277
Balance, March 31, 2011	5,340	12,039	12,039	402	27,400	3,403	31,206	(713)	47,872

(Millions of Yen)

	Valuation and translation adjustments	Stock acquisition rights	Total equity
	Unrealized gain on available-for-sale securities		
Balance, March 31, 2010	47	279	46,922
Changes of items during the period			
Issuance of new shares	—	—	1,317
Dividends from surplus	—	—	(1,573)
Net income	—	—	1,534
Increase in treasury stock	—	—	(1)
Disposal of treasury stock	—	—	0
Net changes of items other than shareholders' equity	(17)	180	162
Total changes of items during the period	(17)	180	1,440
Balance, March 31, 2011	30	460	48,362

Reference Document for the General Meeting of Shareholders

Proposal 1: Distribution of retained earnings

At the Meeting, the following year-end dividend for FY2010 (April 1, 2010, to March 31, 2011) will be proposed as a means of answering the support of our shareholders while appropriating retained earnings to further enhance the Company's financial standing and prepare for future business expansion.

Please note that an interim dividend of ¥9.7 per share (total of ¥864,028,382) was distributed on December 13, 2010.

- (1) Type of dividend asset
Cash
- (2) Allocation of dividend assets to shareholders and the total amount of allocation
¥10.5 per share of common stock
Total amount: ¥939,411,386
- (3) Effective date of distribution of the dividend
June 20, 2011

Proposal 2: Election of nine (9) directors

The terms of office of all eight (8) of the current directors will expire as of the end of the Meeting. Therefore, at the Meeting, the election of the following nine (9) directors will be proposed to form a board comprising nine (9) directors as a means of strengthening the Company's management structure.

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
1	Tadashi Saegusa (September 22, 1944)	Jun 2001: Director, MISUMI Group Inc. Mar 2002: Executive Vice President, MISUMI Group Inc. Jun 2002: Representative Director and President, MISUMI Group Inc. Apr 2005: Representative Director and President, MISUMI Corporation Apr 2006: Representative Director and President, SURUGA Production Platform Co., Ltd. Apr 2006: Representative Director, PROMICLOS Corporation Oct 2008: Representative Director Chairman and Chief Executive Officer, MISUMI Group Inc. (to present)	547,700 shares
2	Masayuki Takaya (March 21, 1963)	Jan 1999: Joined A.T. Kearney, Inc. Feb 2004: Joined MISUMI Group Inc. Jan 2005: Corporate Officer, MISUMI Group Inc. Jun 2005: Director and Corporate Officer, MISUMI Group Inc. Oct 2006: Director and Senior Corporate Officer, MISUMI Group Inc. Jun 2007: Representative Director and President, SURUGA Production Platform Co., Ltd. Oct 2008: Representative Director and President, MISUMI Group Inc (to present) Oct 2008: Representative Director and President, MISUMI Corporation (to present)	10,900 shares

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
3	Masahiko Eguchi (July 6, 1959)	Apr 1982: Joined MISUMI Group Inc. Apr 2002: Corporate Officer, MISUMI Group Inc. Jun 2003: Director and Corporate Officer, MISUMI Group Inc. Oct 2006: Director and Senior Corporate Officer, MISUMI Group Inc. Oct 2008: Representative Director and Executive Vice President, MISUMI Group Inc. (to present) Oct 2009: In charge of FA Business Group, MISUMI Group Inc. (to present)	40,700 shares
4	Teiichi Aruga (October 13, 1947)	Jun 1997: Senior Managing Director, CSK CORPORATION Jun 2000: Representative Director and Executive Vice President, CSK CORPORATION Oct 2005: Representative Director, CSK HOLDINGS CORPORATION May 2008: Advisor to MISUMI Group Inc. Jun 2008: Representative Director and Executive Vice President and Executive Officer of Business Platform Group, MISUMI Group Inc. (to present) May 2010: Representative Director, PROMICLOS Corporation (to present)	3,000 shares
5	Ryusei Ohno (October 1, 1964)	Apr 1987: Joined MISUMI Group Inc. Apr 2002: Corporate Officer, MISUMI Group Inc. Jun 2007: Director and Corporate Officer, MISUMI Group Inc. Oct 2008: Representative Director and President, SURUGA Production Platform Co., Ltd. (to present) Oct 2008: Director and Senior Corporate Officer and Executive Officer of Production Platform Group, MISUMI Group Inc. (to present) Jan 2011: Representative Director and President, SURUGA SEIKI CO., LTD. (to present)	12,400 shares
6	Tokuya Ikeguchi (December 30, 1968)	Apr 1992: Joined Mitsubishi Corporation Apr 2005: Joined MISUMI Corporation Apr 2007: Corporate Officer, MISUMI Group Inc. Nov 2009: Senior Corporate Officer, MISUMI Group Inc. Nov 2009: Company President, Die & Mold Company, MISUMI Corporation (to present) Jun 2010: Director and Senior Corporate Officer, MISUMI Group Inc. (to present)	1,100 shares
7	Yoshiyuki Sanada (May 23, 1954)	Apr 1978: Joined Mitsubishi Corporation Apr 2009: General Manager of Consolidated Management Support Department, Mitsubishi Corporation Apr 2010: Senior Vice President ("Riji") and General Manager of Energy Business Group Administration Department, Mitsubishi Corporation Oct 2010: Senior Corporate Officer and Chief Financial Officer, MISUMI Group Inc. (to present)	—

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
8	Hiroshi Fukino (February 4, 1942)	<p>Dec 1974: Joined Seiko Instruments & Electronics, Ltd. (presently Seiko Instruments Inc.)</p> <p>Mar 1986: President and Chief Executive Officer, Seiko Instruments & Electronics USA (presently Seiko Instruments USA Inc.)</p> <p>Sep 1994: Representative Director and Chairman, Dell Computer Japan (presently Dell Japan Inc.)</p> <p>Jun 2002: Director, MISUMI Group Inc. (to present)</p> <p>May 2004: Representative Director and President, Fukino Consulting Inc. (to present)</p> <p>Mar 2008: Outside Director, Rakuten, Inc. (to present)</p>	65,800 shares
9	Tsuyoshi Numagami (March 27, 1960)	<p>Apr 1988: Assistant Professor, Faculty of Economics, Seijo University</p> <p>Apr 1991: Assistant Professor, Institute of Business Research, Faculty of Commerce and Management, Hitotsubashi University</p> <p>Apr 1992: Associate Professor, Institute of Business Research, Faculty of Commerce and Management, Hitotsubashi University</p> <p>Apr 1997: Associate Professor, Faculty of Commerce and Management, Hitotsubashi University</p> <p>Apr 2000: Professor, Graduate School of Commerce and Management, Hitotsubashi University (to present)</p> <p>Jun 2010: Director, MISUMI Group Inc. (to present)</p> <p>Jan 2011: Dean of Graduate School of Commerce and Management, and Dean of Faculty of Commerce and Management, Hitotsubashi University (to present)</p>	2,000 shares

Notes:

1. No special interests exist between the candidates and the Company.
2. Information concerning the candidates for outside director is as follows.
 - (1) Candidates for director Hiroshi Fukino and Tsuyoshi Numagami are candidates for outside director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
 - (2) Hiroshi Fukino and Tsuyoshi Numagami are designated as an independent officer according to a rule set by the Tokyo Stock Exchange, which has already been reported to said Stock Exchange.
 - (3) Reasons why the outside director candidates were nominated:
 - 1) Hiroshi Fukino was nominated because he has used his understanding of our business model to perform supervisory and check functions with respect to management based on his experience and knowledge from the perspective of an expert in international business management cultivated through his years managing Dell Japan Inc., among others, and he is expected to continue to perform such a role.
 - 2) Tsuyoshi Numagami was nominated because we expect his considerable insights based on his academic knowledge and experience as a scholar in business administration to be effectively reflected in the management of the Company. Although Mr. Numagami does not have experience dealing directly with corporate management, we believe that his highly reputed experience in corporate studies will enable him to perform the duties of an outside director adequately relative to supervising and monitoring the management of the Company.
 - (4) Period of service as outside director

Hiroshi Fukino is and has been an outside director at the Company since June 2002 and will have served as such for about nine (9) years upon the closing of the Meeting. Tsuyoshi Numagami is and has been an outside director of the Company since June 2010 and will have served as such for about one (1) year upon the closing of the Meeting.
 - (5) Limited liability contract with outside directors

The Company holds a limited liability agreement with Hiroshi Fukino and Tsuyoshi Numagami. The agreement provides that the ceiling amount for liability as an outside director be ¥10 million or an amount stipulated by law, whichever is higher. If the reelection of Mr. Fukino and Mr. Numagami is approved, the Company will continue to hold said limited liability agreement with each of them.
3. The MISUMI Group Inc. changed its trade name from MISUMI Shoji Co., Ltd. to MISUMI Corporation in May 1989 and from MISUMI Corporation to MISUMI Group Inc. in April 2005. The present MISUMI Corporation was established in April 2005 by means of a spin-off from the present MISUMI Group Inc. and took over all business operations from MISUMI Group Inc.
4. SURUGA SEIKI CO., LTD., was renamed SURUGA Production Platform Co., Ltd., in January 2011. A subsidiary spun off from SURUGA Production Platform in January 2011 has taken over the name of SURUGA SEIKI CO., LTD., and the business operations of its Optical and Scientific Technology Division, which sells products related to optical and factory automation (FA).

Proposal 3: Revision to the amount of compensation for directors

Director compensation is limited to a maximum of ¥700 million a year according to a resolution adopted at the 44th Ordinary General Meeting of Shareholders held on June 23, 2006.

Taking into account the increase in the number of directors and the changing economic situation, and to allow for a flexible compensation policy, it is proposed to revise the maximum compensation for directors to ¥900 million a year, including a maximum of ¥40 million for outside directors.

The amount of said compensation shall not include employee salaries for employees serving concurrently as directors, and stock acquisition rights as stock options as has been the case. Stock acquisition rights as stock options shall not be issued for directors in the 50th business year (from April 1, 2011, to March 31, 2012).

Currently, the number of directors is eight (8), including two (2) outside directors, but if Proposal 2 is approved without modification, the number of directors will be nine (9), including two (2) outside directors.