

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 50th Ordinary General Meeting of Shareholders

You are hereby notified of and cordially requested to attend the 50th 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 electronic method (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, Friday, June 15, 2012.

- 1. Date:** 3:00 p.m., Monday, June 18, 2012
- 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 the independent auditor and our Board of Corporate Auditors for the 50th Fiscal Year (from April 1, 2011 to March 31, 2012).
2. The Non-Consolidated Financial Statements Report for the 50th Fiscal year (from April 1, 2011 to March 31, 2012).

Matters to be Resolved

- Proposal 1:** Distribution of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Eight (8) Directors
- Proposal 4:** Election of One (1) Corporate Auditor
- Proposal 5:** Issuance of Stock Acquisition Rights as Stock Options to 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., Friday, June 15, 2012.
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 by electronic method (such as the Internet)
Please 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., Friday, June 15, 2012.

Voting Platform

For custodian banks or other nominee shareholders (including standing proxies), the Electronic Voting Platform operated by Investor Communications Japan, Inc. (ICJ, Inc.), a joint company incorporated by Tokyo Stock Exchange, Inc. and others, is available as an alternative electronic voting method for the Meeting, in addition to the method of voting through the Internet as described in 4. above, subject to the prior application for use to ICJ, Inc.

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 Document for the General Meeting of Shareholders and the Business Report, Consolidated Financial Statements and Non-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.

Reference Document for the General Meeting of Shareholders

Proposal 1: Distribution of Surplus

At the Meeting, the following year-end dividend for FY2011 (from April 1, 2011 to March 31, 2012) will be proposed as a means of answering the support of our shareholders while appropriating internal reserves to further enhance the Company's financial standing and prepare for future business expansion.

Effective from the second half of FY2011, the Company raised its benchmark payout ratio to 25% from 20% to enhance the distribution of profits to our shareholders. Accordingly, combined with the interim dividend of ¥10.2 per share (total of ¥917,800,253) on December 12, 2011, the annual dividend for the year under review will increase ¥3 per share from the previous year to ¥23.2 per share.

- (1) Type of dividend assets
Cash

- (2) Allocation of dividend assets to shareholders and the total amount of dividends
¥13 per share of common stock
Total amount: ¥1,160,839,615

- (3) Effective date of distribution of surplus
June 19, 2012

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

To accommodate the increase of employees and enhance the efficiency of business operations, the Company plans to move its head office to Bunkyo-ku, Tokyo. Accordingly, the following amendments to Article 3 "Location of Head Office" of the current Articles of Incorporation will be proposed. In addition, it will be proposed to establish a supplementary provision regarding the effective date for the aforementioned amendments.

2. Details of the Amendments

The details of the amendments are as follows.

(Underlines indicate the amendments.)

Current Articles of Incorporation	Proposed Amendments
Articles 1 and 2 (Provisions omitted)	Articles 1 and 2 (Same as the current)
(Location of Head Office) Article 3 The Company shall establish its head office in <u>Koto-ku</u> , Tokyo.	(Location of Head Office) Article 3 The Company shall establish its head office in <u>Bunkyo-ku</u> , Tokyo.
Articles 4 to 43 (Provisions omitted)	Articles 4 to 43 (Same as the current)
(New)	<u>Supplementary Provision</u> <u>The amendment to Article 3 shall be effective upon the date of the head office relocation, which will be determined at a meeting of the Board of Directors to be held no later than September 30, 2012. This supplementary provision shall be deleted upon the passage of the effective date of the head office relocation.</u>

Proposal 3: Election of Eight (8) Directors

The terms of office of all eight (8) of the current directors will expire as of the end of the Meeting. Therefore, the election of the following eight (8) directors will be proposed at the Meeting.

Candidates for the position of director are as follows.

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: Director and 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. Oct 2008: Representative Director, Chairman and Chief Executive Officer, MISUMI Group Inc. (to present)	515,600 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) Jul 2011: Company President, Die & Mold Company, MISUMI Corporation (to present)	21,600 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 Corporation Oct 2011: Executive Officer in charge of VONA Business Platform, MISUMI Corporation (to present)	41,300 shares
4	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)	13,500 shares

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
5	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 Jun 2010: Director and Senior Corporate Officer, MISUMI Group Inc. (to present) Nov 2011: Company President, Factory Automation Company, MISUMI Corporation (to present)	3,000 shares
6	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. Jun 2011: Director, Senior Corporate Officer and Chief Financial Officer, MISUMI Group Inc. (to present)	2,000 shares
7	Hiroshi Fukino (February 4, 1942)	Dec 1974: Joined Seiko Instruments & Electronics, Ltd. (presently Seiko Instruments Inc.) Mar 1986: President and Chief Executive Officer, Seiko Instruments & Electronics USA (presently Seiko Instruments USA Inc.) Sep 1994: Representative Director and Chairman, Dell Computer Japan (presently Dell Japan Inc.) Jun 2002: Director, MISUMI Group Inc. (to present) May 2004: Representative Director and President, Fukino Consulting Inc. (to present) Mar 2008: Outside Director, Rakuten, Inc. (to present)	95,800 shares
8	Tsuyoshi Numagami (March 27, 1960)	Apr 1988: Assistant Professor, Faculty of Economics, Seijo University Apr 1991: Assistant Professor, Institute of Business Research, Faculty of Commerce and Management, Hitotsubashi University Apr 1992: Associate Professor, Institute of Business Research, Faculty of Commerce and Management, Hitotsubashi University Apr 1997: Associate Professor, Faculty of Commerce and Management, Hitotsubashi University Apr 2000: Professor, Graduate School of Commerce and Management, Hitotsubashi University (to present) Jun 2010: Director, MISUMI Group Inc. (to present) Jan 2011: Dean of Graduate School of Commerce and Management, and Dean of Faculty of Commerce and Management, Hitotsubashi University (to present)	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 independent officers according to a rule set by the Tokyo Stock Exchange, and said designations have been reported to said Stock Exchange.
- (3) Hiroshi Fukino previously worked with Dell Japan Inc., which is a supplier of computers, etc., to the Company. The amount for computers purchased from Dell Japan Inc. during the year under review accounted for about 0.02% of the Company's selling, general and administrative expenses.
- (4) 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.
- (5) Period of service as outside director
 - 1) Hiroshi Fukino is and has been an outside director at the Company since June 2002 and will have served as such for about ten (10) years upon the closing of the Meeting.
 - 2) Tsuyoshi Numagami is and has been an outside director of the Company since June 2010 and will have served as such for about two (2) years upon the closing of the Meeting.
- (6) Attendance of outside directors at the meetings of the Board of Directors
 - 1) Hiroshi Fukino attended 14 of the 16 meetings of the Board of Directors held during the fiscal year under review and made inquiries or provided advice concerning proposals and discussions from an objective perspective independent of the management responsible for the conduct of business execution.
 - 2) Tsuyoshi Numagami attended 16 of the 16 meetings of the Board of Directors during the fiscal year under review and made inquiries or provided advice concerning proposals and discussions from his professional perspective as an economics scholar.
- (7) Limited liability agreements with outside directors

The Company holds limited liability agreements with Hiroshi Fukino and Tsuyoshi Numagami. The agreements provide 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 agreements 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., as well as the business operations of its Optical and Scientific Technology Division, which sells products related to optical equipment and factory automation (FA).

Proposal 4: Election of One (1) Corporate Auditor

Corporate auditor Kouichi Takemata will resign as of the end of the Meeting. Therefore, the election of one (1) corporate auditor will be proposed at the Meeting.

The candidate Hidetada Hirai was nominated as an alternate corporate auditor who will fill the vacancy created by the resignation of Kouichi Takemata, and his term of office would be the predecessor's remaining term of office in accordance with Article 33, Paragraph 2, of the Articles of Incorporation.

This proposal has been approved by the Board of Corporate Auditors.

The candidate for the position of corporate auditor is as follows.

Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
Hidetada Hirai (January 10, 1942)	Apr 1964: Joined Nissei Sangyo Co., Ltd. (currently Hitachi High-Technologies Corporation) Feb 1996: General Manager of Internal Auditing Div., Nissei Sangyo Co., Ltd. Jun 1996: Director and General Manager of General Affairs Div., Nissei Engineering Co., Ltd. (currently Hitachi High-Tech Solutions Corporation) Jul 2001: General Manager of Finance and Accounting Dept., Tokki Corporation, Ltd. (currently Canon Tokki Corporation) Sep 2001: Director and General Manager of Finance and Accounting Dept., Tokki Corporation, Ltd. Sep 2002: Corporate Auditor, Tokki Corporation, Ltd. Nov 2006: Corporate Auditor, Full Speed Inc. Nov 2010: Executive Advisor, Full Speed Inc. (to present)	—

Notes:

1. No special interests exist between the candidate Hidetada Hirai and the Company.
2. Candidate Hidetada Hirai is a candidate for outside corporate auditor as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act. If the election of Hidetada Hirai is approved, the Company will report him as an independent officer to the Tokyo Stock Exchange.
3. Hidetada Hirai was nominated because he has considerable practical experience and expertise in finance and accounting, as well as extensive knowledge acquired through his experience as a business manager and a corporate auditor, and it is expected that he is capable of performing audits in a fair and objective manner from an independent standpoint, while making use of his experience and knowledge to reinforce the Company's auditing system.
4. If the election of Hidetada Hirai is approved, the Company will conclude a limited liability agreement with him, which provides that the ceiling amount for liability be ¥5 million or an amount stipulated by law, whichever is higher.

Proposal 5: Issuance of Stock Acquisition Rights as Stock Options to Directors

The assignment of stock acquisition rights to the Company's directors (excluding outside directors) of a combined amount of no more than ¥300 million during the 51st fiscal year (from April 1, 2012 to March 31, 2013) as detailed below will be proposed at the Meeting, based on comprehensive consideration of the measure's effects as an incentive to further increase motivation among the Company's directors to enhance the Company's business performance by aligning earnings received by the Company's directors with the Company's share price.

The amount of compensation in the form of the said stock acquisition rights is set separately from the director compensation (up to ¥900 million per year) approved at the 49th Ordinary General Meeting of Shareholders held on June 17, 2011.

It will also be proposed that the amount and other details of said compensation paid to individual directors be delegated to the Board of Directors. Presently, there are six directors, excluding outside directors. If Proposal 3 is approved without modification, there will be six directors, excluding outside directors.

Guidelines for stock acquisition rights

(1) Total number of stock acquisition rights and type and number of shares subject to the rights

1) Total number of stock acquisition rights

Up to 4,800 in the 51st fiscal year (from April 1, 2012 to March 31, 2013)

2) Type and number of shares subject to the stock acquisition rights

Up to 480,000 of the Company's common shares in the 51st fiscal year (from April 1, 2012 to March 31, 2013)

The number of shares subject to each stock acquisition right (hereinafter the "Number of Shares to be Granted") shall be 100.

However, should the Company's common shares be split or merged or should the Company find it otherwise appropriate to adjust the Number of Shares to be Granted, the Company shall apply the treatment considered necessary.

(2) Monetary value of assets to be contributed upon exercise of stock acquisition rights

Stock acquisition rights are to be exercised in lieu of a cash investment. The monetary value of assets to be contributed for the exercise of one stock acquisition right is the amount obtained by multiplying the price per share as determined below (the "Exercise Price") by the Number of Shares to be Granted.

The Exercise Price is the amount obtained by multiplying by 1.05 the average of the closing prices of the Company's common stock on the Tokyo Stock Exchange on all trading days (excluding days where no trades were made) of the month preceding the month in which the allotment date falls. Fractions of less than ¥1 resulting from said calculation are rounded up. However, if that amount is less than the closing price of the Company's common stock on the Tokyo Stock Exchange on the allotment date (or on the most recent day a trade was made if no trade was made on the allotment date), then said closing price shall be the Exercise Price.

Should the Company's common shares be split or merged or should the Company find it otherwise appropriate to adjust the Exercise Price after the allotment date, the Company shall apply the treatment considered necessary.

(3) Exercise period for the stock acquisition rights

The exercise period shall fall between the date on which two (2) years and the date on which nine (9) years will have elapsed from the first day of the month that follows the month in which the stock acquisition right allotment date falls.

(4) Conditions for the exercise of stock acquisition rights

1) The Company's directors who have received an allotment of stock acquisition rights may exercise those rights, provided they remain in office as directors or employees of the Company or a subsidiary or affiliate thereof. However, an individual who has lost said status after commencement of the period stipulated in (3) above may nevertheless exercise the allotted stock acquisition rights within two years from the date following the date of resignation or retirement or until the exercise period for the stock acquisition rights expires, whichever is first.

2) Conditions other than those stated in 1) above for the exercise of stock acquisition rights shall be stipulated in an agreement regarding the allotment of stock acquisition rights between the Company and directors who have received an allotment of stock acquisition rights.

(5) Other matters

Other matters related to the stock acquisition rights shall be stipulated by the Board of Directors where the distribution of stock acquisition rights is decided.

Business Report

(From April 1, 2011 to March 31, 2012)

1. Current Status of the Company Group

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

The Japanese economy in the consolidated fiscal year under review suffered heavily from a significant decline in production activities due to the occurrence of the Great East Japan Earthquake and subsequent accidents at nuclear power plants that caused nationwide power shortages. The disruption of supply chains due to the disaster severely affected production activities not only in Japan but also in foreign countries. The severity of overseas economic situations also intensified. The real GDP growth rate of China, which had continued high economic growth, started to slow chiefly due to the tightening of its monetary policies. The economic growth of Europe and the United States showed a trend of deceleration as well. The machinery fabrication industry, in which the customers of the MISUMI Group (hereinafter “the Group”) operate, suffered sluggish growth in capital investments by domestic exporting corporations and production activities in countries throughout Asia. As seen in the growing anxiety over world economies in the wake of the Euro debt crisis, uncertainty about the future has been increasing.

Despite these circumstances, the Group maintained high on-time delivery rates, while seeking higher quality, shorter delivery times and lower prices. In addition, the Group continued efforts to enhance the convenience for customers by using the Web catalogs and online order-receiving systems introduced in all overseas Group companies to address customers’ potential need to reduce the time to design and order. In international markets, while the Group has steadily strengthened its sales capability by increasing and enhancing its bases for business operations mainly in Asia, its efforts for promoting local production and procurement to achieve optimal procurement have been producing good results.

As a result, consolidated net sales hit a record high of ¥130,212 million, up ¥9,009 million (7.4%) from a year earlier. The increase in net sales more than offset the investments to continue proactive implementation of the aforementioned measures and secure human resources. Therefore, we achieved operating income of ¥16,646 million, up ¥1,083 million (7.0%) from the previous fiscal year; ordinary income of ¥17,056 million, up ¥1,825 million (12.0%); and net income of ¥9,414 million, up ¥407 million (4.5%).

(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	74,830	80,724	+7.9	11,277	11,825	+4.9
Die Components business	26,622	27,685	+4.0	1,910	2,195	+14.9
Electronics business	11,376	12,401	+9.0	1,672	1,485	-11.2
Diversified business	9,113	9,774	+7.3	432	569	+31.6
Corporate and eliminations	(739)	(372)	—	268	571	—
Total	121,203	130,212	+7.4	15,562	16,646	+7.0

Business Results by Segment

1) Factory Automation business

The automotive industry, in which the segment's major customers operate, made a gradual recovery from the post-disaster confusion and returned to a normal state of production activities. Meanwhile, the electronics-related industry, including LCDs and semiconductors, continued to suffer sluggish production. Under these circumstances, the Group steadily increased the number of customers by promoting of the penetration of the MISUMI model in international markets. As a result of these factors, the segment's net sales were ¥80,724 million, up ¥5,893 million, or 7.9%, from a year earlier. Operating income was ¥11,825 million, up ¥547 million, or 4.9%, thanks to an increase in sales and the effect from the previous year's measures to improve profitability.

2) Die Components business

Although favorable signs began to appear in part of the automobile-related industries, in which the segment's major customers operate, lackluster production in the electric appliances and electronics industries continued. As a result, the segment's net sales were ¥27,685 million, up ¥1,063 million, or 4.0%, from a year earlier. Operating income was ¥2,195 million, up ¥284 million, or 14.9%, reflecting cost reductions from our measures to improve the production process.

3) Electronics business

Although the Electronics business segment was affected uninspiring performance in the LCD and semiconductor industries, its net sales were ¥12,401 million, up ¥1,024 million, or 9.0%, from a year earlier, whereas operating income was ¥1,485 million, down ¥187 million, or 11.2%.

4) Diversified business

The Diversified business consists of machine tools, consumables (Factory Supply Division) and medical supplies for veterinary hospitals and practitioners (PROMICLOS Corporation). Owing to the favorable sales of carbide-end mills, the mainstay product of the factory supply business, the overall net sales of the Diversified business segment increased ¥660 million, or 7.3% year over year, to ¥9,774 million. Operating income jumped ¥136 million, or 31.6%, to ¥569 million.

(2) Capital Investments and Financing

During the consolidated fiscal year under review, the Group implemented capital investments amounting to ¥4,231 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) Fiscal Performance Highlights

(Millions of yen)

Item \ Term	47th Term (Year ended March 2009)	48th Term (Year ended March 2010)	49th Term (Year ended March 2011)	50th Term (Year ended March 2012)
Net sales	110,041	89,180	121,203	130,212
Net income	4,686	3,885	9,007	9,414
Net income per share (Yen)	52.89	43.84	101.16	105.14
Total assets	86,079	92,940	107,551	115,721
Equity	71,853	75,946	84,275	91,339

(4) Principal Business Operations

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:

No item to report

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 supplies for veterinary hospitals and practitioners)
SP PARTS CO., LTD.	(Million JPY) 99	100.0 (100.0)	Factory Automation business

Company name	Capital	The Company's shareholding ratio (%)	Major businesses
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) 229,169	100.0 (100.0)	
MISUMI EUROPA GmbH	(Thousand EUR) 6,500	100.0 (100.0)	
MISUMI INDIA Pvt Ltd.	(Thousand INR) 845,180	100.0 (73.3)	
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
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) 95,511	100.0 (100.0)	
SURUGA (THAILAND) CO., LTD.	(Thousand THB) 107,000	100.0 (100.0)	
SURUGA POLSKA Sp. z o. o.	(Thousand PLN) 26,337	100.0 (100.0)	Factory Automation business
SURUGA KOREA CO., LTD.	(Thousand KRW) 2,502,840	100.0 (100.0)	
SURUGA India Pvt Ltd.	(Thousand INR) 202,381	100.0 (99.0)	Die Components business
SURUGA INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	(Thousand RMB) 17,397	100.0 (100.0)	Factory Automation business Die Components business
SURUGA SEIKI SALES & TRADING (SHANGHAI) CO., LTD.	(Thousand RMB) 15,826	100.0 (100.0)	Factory Automation business

Notes:

1. The indirect shareholding ratio is included in parentheses under the Company's shareholding ratio.
2. SURUGA India Pvt Ltd. was established in February 2011. SURUGA INTERNATIONAL TRADING (SHANGHAI) CO., LTD., and SURUGA SEIKI SALES & TRADING (SHANGHAI) CO., LTD., were established in July 2011.

(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
SURUGA India Pvt Ltd.	India	Pune
SURUGA INTERNATIONAL TRADING (SHANGHAI) CO., LTD.	China	Shanghai
SURUGA SEIKI SALES & TRADING (SHANGHAI) CO., LTD.	China	Shanghai

(7) Employees

Number of employees	Change from the end of the previous fiscal year
5,615	+784

Note: The above number of employees is that of current employees.

(8) Major Lenders

No item to report

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

No item to report

2. The Company's Stock

(1) Total Number of Authorized Shares 340,000,000

(2) Total Number of Issued Shares 89,295,355

Note: The above total number of issued shares excludes 1,271,629 treasury shares.

(3) Number of Shareholders 4,697

(4) Major Shareholders (top 10)

Name of Shareholder	Number of shares held	Shareholding ratio (%)
State Street Bank and Trust Company	17,966,760	20.1
The Master Trust Bank of Japan, Ltd.	9,320,500	10.4
Japan Trustee Services Bank, Ltd.	6,738,200	7.5
Hiroshi Taguchi	5,028,500	5.6
Goldman Sachs and Company Regular Account	3,667,242	4.1
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	2,868,124	3.2
Mellon Bank, N.A., as Agent for Its Client Mellon Omnibus US Pension	2,074,540	2.3
Trust & Custody Services Bank, Ltd.	1,839,200	2.1
The Nomura Trust and Banking Co., Ltd.	1,816,800	2.0

Notes:

1. The shareholding ratios are calculated deducting 1,271,629 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, 2012)

	7th stock acquisition rights	8th stock acquisition rights
Number of holders thereof		
Directors of the Company (excluding outside officers)	1	4
Outside directors of the Company (limited to outside officers)	1	—
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	208,800	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 of 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
Outside directors of the Company (limited to outside officers)	1
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 of 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
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 of 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)	4
Outside directors of the Company (limited to outside officers)	1
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	¥2,073 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 of 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
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	14,100
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 of 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)	4
Outside directors of the Company (limited to outside officers)	1
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	283,900
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 of 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
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 of 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)	5
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	440,000
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 of 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

No item to report.

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 Company President, Die & Mold Company, MISUMI Corporation Representative Director, PROMICLOS Corporation
Representative Director and Executive Vice President	Masahiko Eguchi	Executive Officer in charge of VONA Business Platform, MISUMI Corporation
Representative Director and Executive Vice President	Teiichi Aruga	
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, Factory Automation Company, MISUMI Corporation
Director, Senior Corporate Officer and Chief Financial Officer	Yoshiyuki Sanada	
Director	Hiroshi Fukino	Representative Director and President 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
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 Nozumi Law and Patent Office Outside Corporate Auditor, Shizuoka Gas Co., Ltd.

Notes:

1. Directors Hiroshi Fukino and Tsuyoshi Numagami are outside directors under Article 2, Item 15 of the Companies Act.
2. Corporate auditors Kouichi Takemata and Juichi Nozue are outside corporate 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.
6. Director Teiichi Aruga resigned as of September 30, 2011.

(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)	660 (12)	<p>The total amount of compensation for directors that was determined by resolution of the Ordinary General Meeting of Shareholders held on June 17, 2011, is within ¥900 million (including ¥40 million for outside directors) a year, which does not include directors' salaries as employees of the Company.</p> <p>Other than the above total compensation (¥900 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.</p> <p>The amounts of compensation on the left include the amount accounted for as expenses from the stock acquisition rights.</p>
Corporate Auditor (Outside corporate auditors of above)	3 (2)	25 (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	12	686	

Notes:

1. Other than the above, the amount of employee salaries for employees serving concurrently as directors is ¥13 million.
2. The above Number of directors and corporate auditors, to whom the compensation is to be paid, includes one director who retired during the year under review.
3. The above Amounts of compensation, etc., include the amount from the stock acquisition rights issued as a stock option as part of compensation (¥97 million for seven directors).
4. The above Amounts of compensation, etc., include this fiscal year's Provision for directors and corporate auditors' retirement benefits of ¥63 million (¥61 million for directors and ¥1 million for corporate auditors).
5. The above Amounts of compensation, etc., include this fiscal year's Provision for directors bonuses of ¥169 million.

(3) Matters Related to Outside Officers

- 1) Relationship between the Company and other corporations for which outside directors and outside corporate auditors concurrently hold important positions

There are no important transactions between the Company and other corporations for which outside directors and outside corporate 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 14 of the 16 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: No item to report • Outline of the director’s measures with regard to the Company’s “Scandals, etc.” No item to report
	Tsuyoshi Numagami	<ul style="list-style-type: none"> • Attendance at the meetings of the Board of Directors and expression of opinions: Attended 16 of the 16 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 a business scholar. • Business policies that were changed by the director’s opinion: No item to report • Outline of the director’s measures with regard to the Company’s “Scandals, etc.” No item to report
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 15 of the 16 meetings of the Board of Directors and 16 of the 17 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’s opinion: No item to report • Outline of the corporate auditor’s measures with regard to the Company’s “Scandals, etc.” No item to report
	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 15 of the 16 meetings of the Board of Directors and 16 of the 17 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’s opinion: No item to report • Outline of the corporate auditor’s measures with regard to the Company’s “Scandals, etc.” No item to report

3) Outline of the limited liability agreement

The Company has provisions with regard to the limited liability agreement with outside directors and outside corporate auditors in Article 29, Paragraph 2, and Article 39, Paragraph 2, of its Articles of Incorporation.

Below is the outline of the limited liability agreement that the Company concluded with all the outside directors and outside corporate auditors based on the provisions of the Articles of Incorporation.

Classification	Outline of the limited liability 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. from subsidiaries

No item to report

5. Independent Auditor

(1) Name of the Independent Auditor of the Company

Deloitte Touche Tohmatsu LLC.

(2) Outline of the Limited liability Agreement

No item to report

(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 payable by the Company and/or its subsidiaries
¥67 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) Content 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 the independent auditor violate the Companies Act, the Certified Public Accountants Act, or any other laws and regulations, 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 task force to promptly cope with any emergency situation, in case such occurs, 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

No item to report

* 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, 2012)

(Millions of yen)

Items	Amount	Items	Amount
(Assets)		(Liabilities)	
Current assets	88,334	Current liabilities	21,629
Cash and deposits	36,719	Trade notes and trade accounts payable	8,960
Trade notes and trade accounts receivable	28,614	Short-term bank loans	1,000
Marketable securities	5,951	Accounts payable-other	5,162
Merchandise and finished goods	10,503	Income taxes payable	4,118
Work in process	887	Accrued bonuses	878
Raw materials and supplies	2,819	Accrued directors' bonuses	171
Deferred tax assets	1,419	Other	1,337
Income tax refundable	438		
Other	1,098		
Allowance for doubtful receivables	(117)		
Noncurrent assets	27,386	Long-term liabilities	2,752
Property, plant and equipment	15,747	Liability for retirement benefits	2,137
Buildings and structures	6,701	Liability for directors' retirement benefits	431
Machinery and vehicles	3,824	Other	183
Land	3,793		
Construction in progress	852	Total liabilities	24,381
Other	575	(Equity)	
		Shareholders' equity	93,349
Intangible assets	4,747	Common stock	5,968
Software	4,178	Capital Surplus	15,739
Goodwill	245	Retained earnings	73,792
Other	323	Treasury stock	(2,151)
		Accumulated other comprehensive income	(2,525)
Investments and other assets	6,890	Unrealized gain on available-for-sale securities	11
Investment securities	3,758	Foreign currency translation adjustments	(2,536)
Deferred tax assets	1,201	Stock acquisition rights	515
Refundable insurance premium	245		
Other assets	1,790		
Allowance for doubtful receivables	(105)	Total equity	91,339
Total assets	115,721	Total liabilities and equity	115,721

Consolidated Statements of Income

(From April 1, 2011 to March 31, 2012)

(Millions of yen)

Items	Amount	
Net Sales		130,212
Cost of sales		<u>77,786</u>
Gross profit		52,426
Selling, general and administrative expenses		<u>35,780</u>
Operating income		16,646
Non-operating income		
Interest income	196	
Dividend income	18	
Reversal of allowance for doubtful receivables	197	
Miscellaneous income	<u>151</u>	563
Non-operating expenses		
Interest expense	8	
Stock issuance cost	2	
Sales discounts	31	
Foreign exchange losses	101	
Miscellaneous loss	<u>10</u>	<u>153</u>
Ordinary income		17,056
Extraordinary loss		
Loss on valuation of investment securities	5	
Loss on valuation of investment in capital of subsidiaries and affiliates	<u>29</u>	<u>34</u>
Income before income taxes and minority interests		17,021
Income taxes-current	7,284	
Income taxes-deferred	<u>323</u>	<u>7,607</u>
Income before minority interests		<u>9,414</u>
Net income		9,414

Consolidated Statements of Changes in Equity

(From April 1, 2011 to March 31, 2012)

(Millions of yen)

	Shareholder's equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance, April 1, 2011	5,340	15,112	66,235	(651)	86,036
Changes of items during the period					
Issuance of new shares	628	627	—	—	1,255
Dividends from surplus	—	—	(1,857)	—	(1,857)
Net income	—	—	9,414	—	9,414
Increase in treasury stock	—	—	—	(1,500)	(1,500)
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the period	628	627	7,557	(1,500)	7,312
Balance, March 31, 2012	5,968	15,739	73,792	(2,151)	93,349

(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, April 1, 2011	30	(2,252)	(2,221)	460	84,275
Changes of items during the period					
Issuance of new shares	—	—	—	—	1,255
Dividends from surplus	—	—	—	—	(1,857)
Net income	—	—	—	—	9,414
Increase in treasury stock	—	—	—	—	(1,500)
Net changes of items other than shareholders' equity	(19)	(284)	(304)	55	(248)
Total changes of items during the period	(19)	(284)	(304)	55	7,063
Balance, March 31, 2012	11	(2,536)	(2,525)	515	91,339

Non-consolidated Balance Sheets

(As of March 31, 2012)

(Millions of yen)

Items	Amount	Items	Amount
(Assets)		(Liabilities)	
Current assets	5,357	Current liabilities	2,335
Cash and deposits	3,197	Short-term bank loans	700
Marketable securities	355	Accounts payable-other	1,285
Prepaid expenses	1	Income taxes payable	2
Deferred tax assets	54	Deposits received	11
Short-term loans receivable from subsidiaries and affiliates	110	Accrued bonuses	86
Income taxes refundable	390	Accrued directors' bonuses	171
Accounts receivable-other	1,113	Other	77
Other	134	Long-term liabilities	978
		Liability for retirement benefits	558
		Liability for directors' retirement benefits	419
Noncurrent assets	46,097	Total liabilities	3,313
Investments and other assets	46,097		
Investment securities	982	(Equity)	
Stocks of subsidiaries and affiliates	33,233	Shareholders' equity	47,613
Long-term loans receivable from subsidiaries and affiliates	11,470	Common stock	5,968
Deferred tax assets	310	Capital surplus	12,667
Other assets	100	Legal capital surplus	12,667
		Retained earnings	31,192
		Legal retained earnings	402
		Other retained earnings	30,789
		General reserve	27,400
		Retained earnings brought forward	3,389
		Treasury stock	(2,214)
		Valuation and translation adjustments	11
		Unrealized gain on available-for-sale securities	11
		Stock acquisition rights	515
		Total equity	48,140
Total assets	51,454	Total liabilities and equity	51,454

Non-consolidated Statements of Income

(From April 1, 2011 to March 31, 2012)

(Millions of yen)

Items	Amount	
Operating revenue		10,039
Operating expenses		<u>8,142</u>
Operating income		1,897
Non-operating income		
Interest and dividend income	126	
Reversal of liability for directors' retirement benefits	29	
Miscellaneous income	<u>2</u>	159
Non-operating expenses		
Interest expense	5	
Stock issuance cost	2	
Commission for purchase of treasury stock	3	
Miscellaneous loss	<u>0</u>	<u>10</u>
Ordinary income		2,045
Extraordinary loss		
Loss on valuation of investment securities	<u>5</u>	<u>5</u>
Income before income taxes		2,040
Income taxes-current	3	
Income taxes-deferred	<u>193</u>	<u>197</u>
Net income		1,842

Non-consolidated Statements of Changes in Equity

(From April 1, 2011 to March 31, 2012)

(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, April 1, 2011	5,340	12,039	12,039	402	27,400	3,403	31,206	(713)	47,872
Changes of items during the period									
Issuance of new shares	628	627	627	—	—	—	—	—	1,255
Dividends from surplus	—	—	—	—	—	(1,857)	(1,857)	—	(1,857)
Net income	—	—	—	—	—	1,842	1,842	—	1,842
Increase in treasury stock	—	—	—	—	—	—	—	(1,500)	(1,500)
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—	—
Total changes of items during the period	628	627	627	—	—	(14)	(14)	(1,500)	(258)
Balance, March 31, 2012	5,968	12,667	12,667	402	27,400	3,389	31,192	(2,214)	47,613

(Millions of yen)

	Valuation and translation adjustments	Stock acquisition rights	Total equity
	Unrealized gain on available- for-sale securities		
Balance, April 1, 2011	30	460	48,362
Changes of items during the period			
Issuance of new shares	—	—	1,255
Dividends from surplus	—	—	(1,857)
Net income	—	—	1,842
Increase in treasury stock	—	—	(1,500)
Net changes of items other than shareholders' equity	(19)	55	36
Total changes of items during the period	(19)	55	(222)
Balance, March 31, 2012	11	515	48,140