

**MISUMI launches “D-JIT”:
an innovative digital transformation of industrial automation parts purchasing
- It's time to stop hunting for parts -**

MISUMI Group Inc. (Headquarters: Chiyoda-ku, Tokyo, Japan; Representative Director and President: Ryusei Ono) will begin full-scale operation of “D-JIT”^{*1}, an innovative digital transformation of the purchasing process of industrial automation parts, on April 15, 2024. With an extensive network of over 400 suppliers in and outside of Japan, which is updated almost in real time, D-JIT can centralize information on their inventory status and factory production.

In response to the customer’s desired order volume, our newly developed D-JIT algorithm instantly consolidates inventory information from multiple suppliers dispersed across the world and automatically displays the price and delivery date, greatly boosting the volume that MISUMI's e-commerce site can offer to its customers. In addition, D-JIT eliminates a long-standing purchasing problem - the inability to get the products you want, in the quantities you want, on the dates you want - as global supply chains become increasingly unstable and the demand for large purchases grows. D-JIT is a new service that creates a “three-way win” for manufacturers and suppliers, increasing their profits while eliminating inefficiencies. After meviy and the Economy Series products, the implementation of D-JIT is positioned as the third phase in the digitalization of the MISUMI MODEL. e-commerce 1.0 was the era of establishing the purchase and sale of industrial automation parts, while e-commerce 2.0 requires contributing to customers' productivity improvement. MISUMI will now lead the world in e-commerce 2.0.

^{*1} D-JIT: A digital version of “Just in Time”

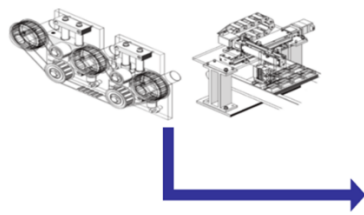


■ **Background**

Automated equipment is essential to manufacturing, and its production process involves many steps from getting quotes to delivery. One of these steps is “parts purchasing” performed by the purchasing department - based on the equipment design, they create several hundred sheets of bills of materials (BoMs), specifying parts names, quantities, and manufacturers, to procure parts from dozens to hundreds of suppliers. Unfortunately, it is usually the case that several percent of the total number of parts cannot be sourced on the desired delivery date or in the desired quantity^{*2}. If even one required part cannot be procured, the equipment cannot be manufactured, resulting in a tremendous amount of coordination, such as searching for parts from new suppliers or e-commerce sites. If the parts cannot be procured despite all these efforts, they will have to ask the design department to change the equipment design.

^{*2} According to our own research

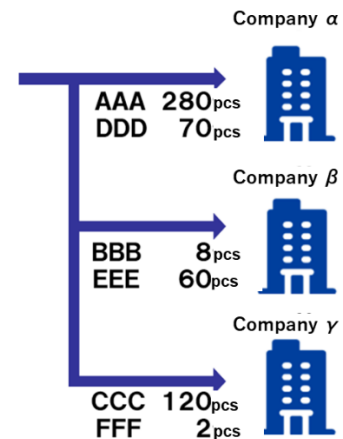
< Bill of Materials Creation and Order Allocation to Suppliers >



- Create a BOM listing the parts composing the designed drawing.
- Parts are purchased based on this BOM.

BOM表					
品名	数量	単位	仕入先	仕入先	仕入先
1	AAA	280個	〇社		
2	BBB	8個	〇社		
3	CCC	120個	〇社		
4	DDD	70個	〇社		
5	EEE	60個	〇社		
6	FFF	2個	〇社		
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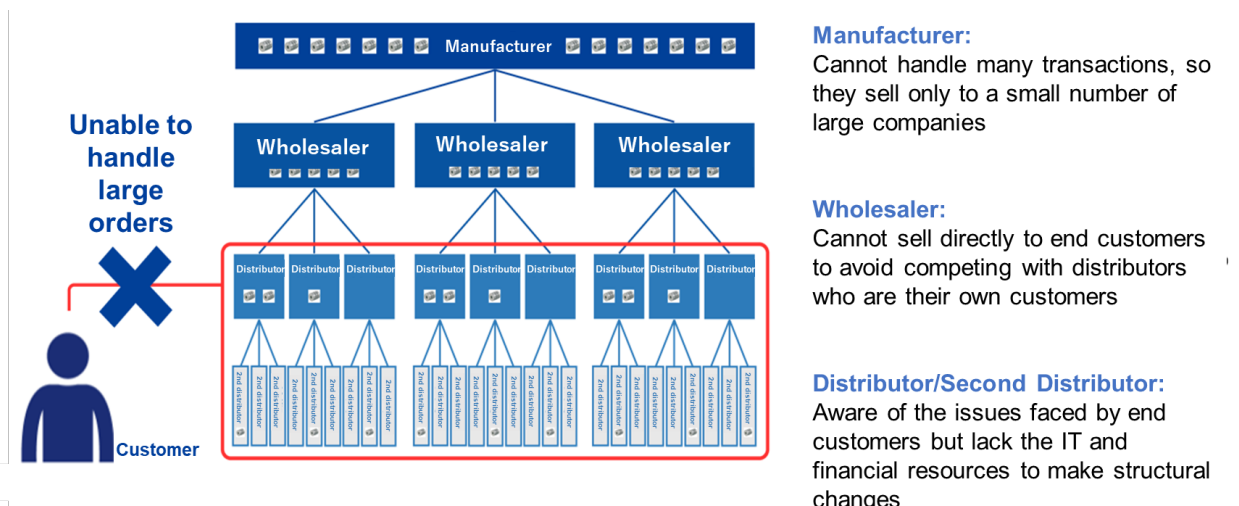
Parts ordered
from tens to
hundreds of companies



Why is it so hard to find parts on the market? There are structural issues behind this that have not been resolved for many years.

- Manufacturers of products and parts: They are unable to handle large volumes of individual transactions. So, they have limited their sales to large companies.
- Wholesalers: They cannot sell directly to individual end-customers because they need to avoid competing with their direct customers - the distributors.
- Distributors: They are aware of the market issues but lack the skills and financial resources to implement and operate an inventory management system, leaving structural change unachieved.

<The Structural Issue in Distribution >



■ D-JIT's Innovation

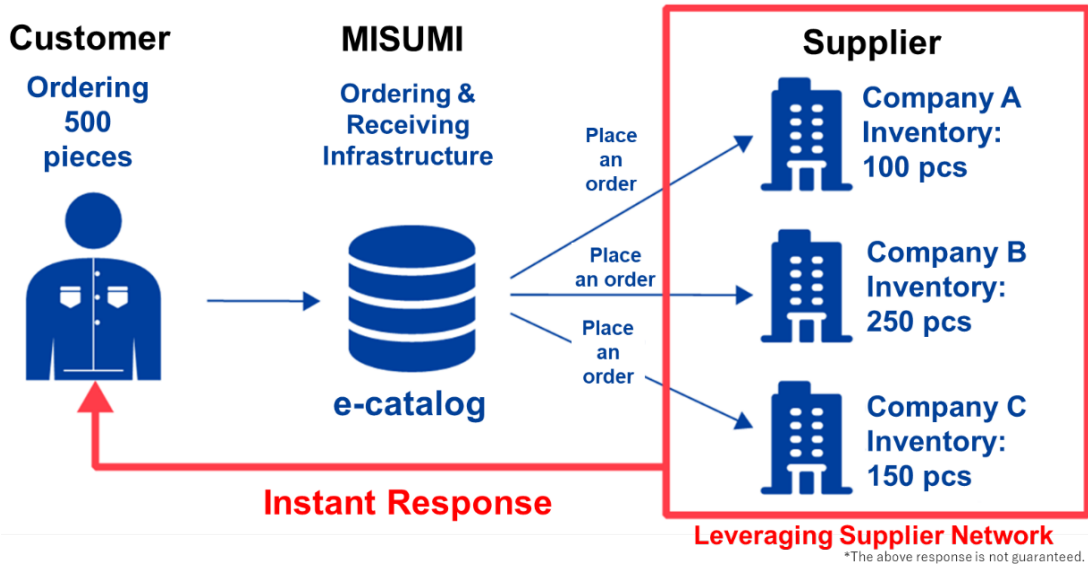
As a platformer with an extensive network of over 400 suppliers in and outside of Japan, D-JIT can solve this structural problem in the industry's distribution by linking the suppliers' inventories and factory production capacity. When a customer enters a desired quantity on MISUMI's e-commerce site, the inventory information of dispersed suppliers is immediately retrieved in real time to automatically display prices and the fastest delivery lead time. Customers can now make a one-stop purchase of "the products they want, in the quantities they want, on the dates they want" - simply by using the MISUMI e-commerce site as before.

■ A New Core System That Bundles Procurement Networks

In addition to the suppliers' understanding to integrate their inventory information with MISUMI's system, the renewal of our core system made a significant contribution to the realization of D-JIT.

Our newly introduced core system, "NEWTON", consolidates dispersed inventory information in real time, while allowing customers to use MISUMI's e-commerce site in the same way as before.

"NEWTON", which combines the latest multi-cloud technology with a microservices-based ordering and delivery system, was rolled out to subsidiaries in Taiwan and Thailand in 2022, and its full implementation in Japan was completed in early March 2024. This advanced IT infrastructure has enabled a highly automated system that aggregates the best combination of inventory information from suppliers around the world and shows customers the fastest possible delivery time.

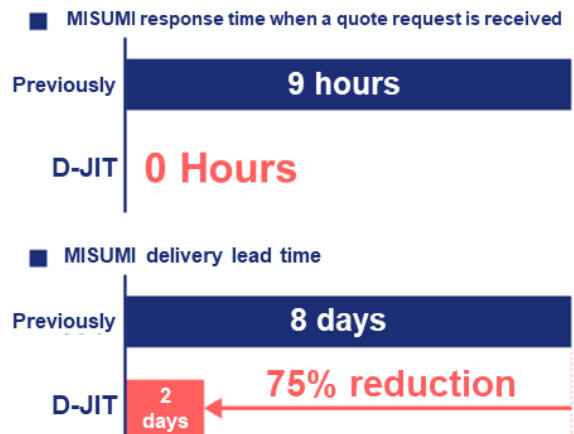
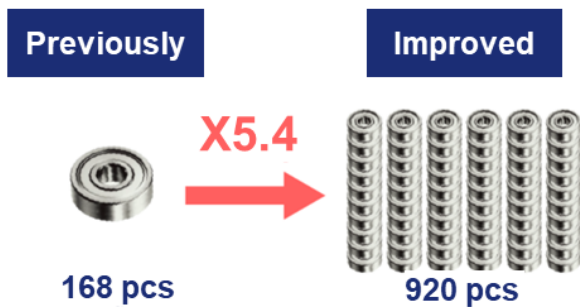


<Example: Increased Handling Volume and Reduced Lead Time>

<Example>

Manufacturer: NTN

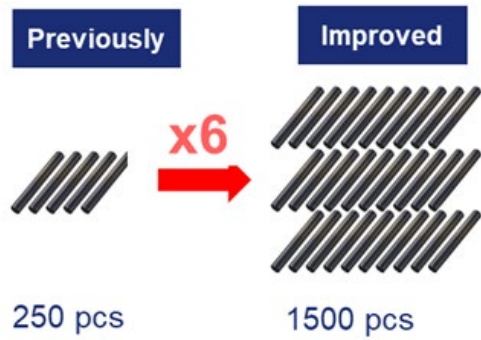
Product Name: Bearing



*The quantities, response time, and lead time listed above are based on our own research during a given time period.

*The above response is not guaranteed.

<Example>
 Manufacturer: MISUMI
 Product Name: Shaft



<A Quote Screen on MISUMI's e-commerce Site>

Auto-suggest the fastest delivery date

配送	数量	お届け予定日 (出荷日)
分納1回目	500	2023/12/03 (2023/12/02)
分納2回目	420	2023/12/08 (2023/12/07)

■ D-JIT Aims for "Three-Way Win"

For customers: Streamline the purchasing process and reduce inventory on hand

For suppliers: Capture demand outside of existing business areas, expand global sales channels, and manage inventory efficiently

For MISUMI: Improved BCP readiness, increased service level of our "Reliable, Quick Delivery" for large volume orders

D-JIT has started operating in Japan and is planning to expand outside Japan soon, increasing the number of products it can handle and the volumes involved.

■ What is MISUMI?

MISUMI sells mechanical components required on-site for factory automation, as well as tools, consumables, and other products to more than 320,000 companies*³ worldwide. We wear two hats: a manufacturer with manufacturing functions and a distributor of other company's branded products. With this unique business model, supported by a solid business base, MISUMI achieves "globally reliable, quick delivery" for greater customer convenience. *³As of March 2023

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