

Value Creation Narrative

Message from the Officer Responsible for Sustainability Promotion ~MISUMI's Unique Approach to Materiality Setting~

■ Outlook for the Future

To enhance our adaptability to changes in the business environment, a new approach to materiality that aligns with our growth strategy was formulated. Clearly sharing MISUMI Group's aspired state internally and externally, and by fostering deeper dialogue, we will further strengthen and advance our Growth Chain-reaction Aspired Management.

Senior Corporate Officer, CFO Representative of Finance Platform Hub,

Toru Takanami

Background to the Revision of Materiality

In September 2025, MISUMI revised its materiality after engaging in more than a year of discussions. Originally, materiality was established alongside the Basic Sustainability Policy in 2021. At the time, prevailing ESG trends have guided our management approach, providing a clear and unwavering strategic direction for MISUMI. However, over time, it was recognized that the connection between this approach and our overarching growth strategy was not sufficiently integrated. Furthermore, the introduction of "Growth Chain-reaction Aspired Management" and "MISUMI Value's" highlighted the need to better clarify and organize how these elements relate to one another. This became particularly important as stakeholders, including investors, expressed a strong desire to gain a deeper understanding of MISUMI's growth strategy and its alignment with our core values and management practices.

Both external and internal environments have undergone significant changes. Given the increasing complexity of international affairs and climate change, it has become necessary to reassess the relationship between societal issues and our own management challenges. With the emergence of opaque risks and the rapid advancement of technology, strengthening our "Dynamic Capabilities," that is, our adaptability to change, is crucial for sustainable growth. In this revision, we have identified key issues from both societal and corporate perspectives and have realigned our materiality issues to directly support our growth strategy.

[Basic Sustainability Policy](#)

Synchronizing Growth Strategy and Materiality

Our initial priority when disclosing new materiality was to ensure that it is clearly understandable and aligned with our long-term vision and growth strategy, including the principles of MISUMI Value's. It also encompasses recent key strategies such as expanding business domains through acquisitions of Fictiv, as well as renewing our management systems. In formulating our materiality, we have redefined our business domain from what was traditionally referred to as "Industrial Automation Industry" to the broader "Monozukuri industry" clarifying our commitment to broadly supporting the entire customer value chain

from product development to equipment manufacturing and mass production. The acquisition of Fictiv to strengthen the product development domain was a crucial step in this direction, demonstrating our determination to expand our business domains.

The revised materiality is organized into four elements: "Value Proposition," "Products & Services," "Capabilities," and "Foundation." MISUMI's value proposition is rooted in the concept of "Customer's Time Value," which has been a continuous emphasis for the Company and serves as a key foundation geared towards the Monozukuri industry. Regarding products and services, MISUMI underscores its expertise in driving "Monozukuri process innovation." In addition, we carefully considered how IT and AI can support the Monozukuri industry from the ground up, bolster the resilience of the global supply chains, and acknowledge employees' willingness to embrace challenges and their adaptability to change within Capabilities. As these elements form the backbone of our business operations, we prioritize a sustainable value chain and sound governance – paying close attention to human rights risk management, ensuring fair transactions, and reducing environmental impact.

The most notable accomplishment of this revision is the seamless alignment of MISUMI's growth strategy with materiality, resulting in a clear and organized depiction of "What MISUMI aspires to become as a Company" for both internal and external stakeholders. This approach has also enhanced employees' understanding of the integrated value creation process outlined in our Integrated Report, effectively connecting the overarching growth narrative of "Growth Chain-reaction Aspired Management," the driving force behind "MISUMI Value's," and the current priority issues pertaining to materiality. To reinforce the impact of this framework, we have already initiated updates to our management systems and undertaken organizational restructuring. Looking ahead, we will establish KPIs and targets, driving Company-wide adoption and ensuring consistent implementation through line management.

Serving as a Nexus for Internal and External Voices

MISUMI is sometimes seen as being "cautious in its disclosure" but in practice, the senior Management thoroughly discusses and scrutinizes every single word and document to be released externally until they are fully satisfied. Our attention to language goes beyond mere expression; it is essential for accurately conveying the true nature of our business. With approximately 60% of our shareholders now being overseas institutional investors, strengthening our communication both in Japan and overseas has become even more important. For the distinctively Japanese concept of "Monozukuri," we have adopted the policy of intentionally using the romanized "Monozukuri" with an accompanying explanatory note, so that it can be properly understood on a global level.

Having engaged directly with many investors, I have received a diverse range of opinions and suggestions, including those related to ESG. As the Officer responsible for promoting sustainability, I see it as my duty to earnestly listen to these voices, share them within the organization, and accurately represent the Company's views externally, serving as a nexus. Acting as a bridge between internal and external stakeholders, I am committed to fostering meaningful dialogue and clearly communicating MISUMI's unique perspective to society.

Value Creation Narrative

Materiality

Materiality Formulation Process

MISUMI formulated its materiality in FY2021. As the business environment has grown increasingly uncertain, we have continued to review emerging themes, focusing on how core strengths intersect with societal issues, the risks and opportunities present in our business activities, and focusing on how these connect to our Growth Chain-reaction Aspired Management. Since FY2024, both the Board of Directors and the Sustainability Committee have been continuously discussing updates to materiality.

Step 1

MISUMI Value's Formulation

To articulate our distinctiveness, we examined Growth Chain-reaction Aspired Management along with the implementation framework of MISUMI Value's, enabling us to clarify our long-term vision.

Step 2

Identifying Societal Issues

In the course of this review, we employed the Double Materiality framework. A matrix was established with two axes: one indicating the significance of achieving our long-term vision, and the other representing the societal issues identified by stakeholders as priorities. Drawing upon international standards such as SASB, GRI Standards, and the SDGs, we compiled an extensive list of pertinent issues. To evaluate their relevance to MISUMI, we conducted a survey among Directors, Auditors, and Executives-in-charge, ultimately refining the list to 26 material issues. Every issue was then analyzed with respect to its potential business risks and opportunities.

Step 3

Review from a strategic management standpoint

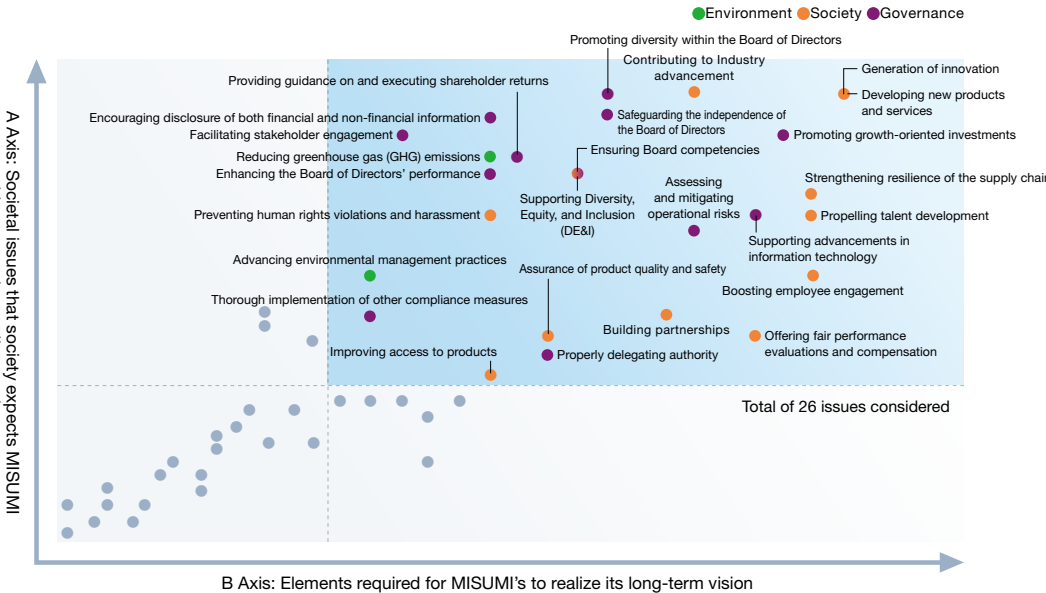
To support our Growth Chain-reaction Aspired Management approach, we have integrated management system elements intended to enhance Dynamic Capabilities, our adaptability to change, to expand our business domains into product development and reduce information asymmetry with stakeholders within our materiality priorities.

Step 4

Materiality Formulation

The 26 principal societal issues, together with factors recognized from a management strategy standpoint, were organized and classified according to the value proposition framework. The revised new materiality was approved by the Board of Directors in September 2025.

Societal Issue Extraction Matrix (Overview)



Revised Materiality

MISUMI Group's Materiality	
Value Proposition	Providing Time Value to meet the demands of the Monozukuri industry and society
Products & Services	Monozukuri process innovation
Capabilities	Fostering an organization that empowers employees to fully embrace challenges and their adaptability to change Strengthening resilience in global supply chains to address increasingly diversified risks
Foundation	Enhancing corporate value through agile management and governance excellence Reinforcing a sustainable value chain and resilient business operations

Value Creation Narrative

Explanation of Materiality and KPIs

Management Related to Materiality

	Materiality	Rationale for Selecting Material Issues	Concept for Establishing KPIs
Value Proposition	Providing Time Value to meet the demands of the Monozukuri industry and society	MISUMI aims to serve as the foundation of the Monozukuri industry, which is essential for the sustainable development of society, and enhancement of Customer's Time Value ("Your Time, Our Priority"). MISUMI proactively addresses structural changes in the Monozukuri industry and global societal challenges, striving for growth that creates value in accordance with the expectations of both the industry and society.	With a view to visualizing our value proposition, we pursue initiatives to quantify Customer's Time Value.
Products & Services	Monozukuri process innovation	MISUMI contributes through process innovation that eliminates waste and inefficiency hidden in the business processes within the Monozukuri industry, using time as the key lens. The Company leverages digital technologies (IT and AI) to transform its Business MODEL and extend it to new domains. This distinctive approach reinforces MISUMI's sustainable competitive advantage. Additionally, MISUMI actively pursues profit growth to support increased investment in future development.	The Company evaluates indicators to assess the impact of the "Digital MODEL Shift" growth strategy on our overall performance, alongside reviewing metrics associated with each form of capital that underpins our competitive advantage.
Capabilities	Fostering an organization that empowers employees to fully embrace challenges and their adaptability to change	For MISUMI, employees are its most important stakeholders. MISUMI is dedicated to fostering an environment in which every employee, worldwide, considers the Company the Best Place To Grow. The challenges embraced and growth achieved by employees strengthen MISUMI's Dynamic Capabilities, thereby increasing the Company's overall likelihood of success. Human Capital	To encourage employees to take on new challenges and foster growth opportunities, MISUMI is evaluating organizational activation indicators that blend both qualitative and quantitative measures, such as internal mobility, readiness to embrace challenges, and a sense of individual development.
	Strengthening resilience in global supply chains to address increasingly diversified risks	As risks surrounding the global supply chain increase, MISUMI prepares for unforeseen events by developing business continuity plans (BCP) and practical systems, to fulfill its supply responsibility to customers in the Monozukuri industry.	Additional indicators are being considered to enhance and secure MISUMI's stable supply system, which is essential for ensuring business continuity throughout the entire industry.
Foundation	Enhancing corporate value through agile management and governance excellence	MISUMI strengthens its Dynamic Capabilities, our adaptability to change, for timely and appropriate recognition of external risks and opportunities, as well as the optimal use of capital. The Company strives to resolve information asymmetries in capital markets and enhance the Board's independence, diversity, and expertise of its Board of Directors to meet the demands of effective corporate governance. Corporate Governance	We are considering indicators with a focus on the status of compliance with the Corporate Governance Code and other regulations, as well as improving the quality of dialogue with stakeholders.
	Reinforcing a sustainable value chain and resilient business operations	To fulfill responsibilities to key stakeholders across the entire value chain, including customers, suppliers, communities, and employees, MISUMI conducts business activities that emphasize fundamental values. The Company is also looking toward achieving carbon neutrality by reducing GHG emissions, conserving resources, and enhancing energy efficiency, working to minimize environmental impact across the full life cycle of products and services, from development to disposal. Natural Capital Social and Relationship Capital	Alongside disclosures aligned with international frameworks, MISUMI is actively considering indicators that capture the environmental impact of its business activities and their connection with supply chain management.

* KPIs are scheduled for disclosure in FY2026.