

Growth Strategy

MISUMI Group's Growth Strategy

Pursuing Customer's Time Value: Pioneering New Domains through MODEL innovation

We are committed to fulfilling stakeholder expectations while pursuing sustainable growth and enhancing corporate value over the medium to long term.

Chapter 1 Establishing MISUMI's Unique Business MODEL that Transformed the Conventional Monozukuri Process

Revolutionizing Procurement through Standardization

MISUMI Shoji (now MISUMI) was founded in 1963 by then-president and founder, Hiroshi Taguchi, who focused on the inefficiencies in the distribution of production materials and set out to address challenges in the manufacturing industry. At the time, parts used in production equipment had different specifications for each company, resulting in an enormous amount of labor from drafting to manufacturing. MISUMI noticed that, even among one-of-a-kind custom machine parts, the differences were often only minor variations in dimensions and sizes, and that standardization could be achieved by establishing common rules. By enabling catalog-based ordering, allowing customers to specify part numbers without the need for drawings, MISUMI fundamentally reformed the procurement process. Furthermore, the Company developed a system called "Reliable and Quick Delivery for each custom-made item," making it possible to deliver needed parts, even in single units, quickly and reliably. This enabled MISUMI to offer a wide variety of products at low cost.

Through standardization, MISUMI shortened delivery times from the usual two to four weeks to just one to two days, contributing not only to shorter lead times for customers but also to inventory reduction and the downsizing of warehouse functions. Today, MISUMI offers an extensive range of 80 sextillion product variations, continually meeting customer needs. The Company's ability to provide mass customization by standardizing to the greatest extent possible for each customer's requirements is the very source of MISUMI's competitive advantage.

Horizontal Expansion into the Global Arena

After establishing its proprietary QCT MODEL (Q = Quality, C = Cost, T = Time Value) in Japan, the Company began full-scale global expansion under then-CEO Tadashi Saegusa from 2002 onward, marking a major transformation for MISUMI.

This was also a significant challenge in deploying the MISUMI QCT MODEL, cultivated in Japan, on a global scale.

Supporting this challenge was the 2005 business integration with Suruga Seiki. Our Company evolved from a trading company without

Changes in Procurement of Production Equipment Parts



its own production capabilities into a unique organization that encompasses Monozukuri functionalities. Furthermore, by adopting Suruga Seiki's advanced technology and production capacity, a seamless "Create, Make, Sell," structure was established, accelerating the global rollout of manufacturing-sales integration.

Establishing a Proprietary Business MODEL

Through these process reforms and global expansion, the Company has enhanced procurement efficiency by standardizing product catalogs and shortened global lead times through a Reliable and Quick Delivery system. However, challenges remained at the actual procurement sites, such as difficulty in selecting parts, the complexity of comparing manufacturers, and the dispersal of ordering sources.

To address these issues, we launched the VONA business and, by handling products from other manufacturers using MISUMI's unique distribution MODEL, contributed to solving the problems faced by designers and purchasers. As a result, we dramatically improved the previously inefficient and high-cost multi-stage distribution* system, and by leveraging a robust core system and an automation-related indirect materials database, enabling one-stop procurement of everything from machine parts to consumables.

In 2012, we acquired Dayton Progress and Anchor Lamina in the United States, gaining a global product lineup in the die and mold components sector and achieving synergies in both production and sales. This further strengthened our international presence.

* A market where transactions are conducted repeatedly among producers, wholesalers, retailers, and consumers.

MISUMI's Business MODEL and Value Proposition



Growth Strategy: MISUMI Group's Growth Strategy

Chapter 2 Accelerating DX: Advancement of “Time Value” through the Digital MODEL Shift

MISUMI to date, has delivered Time Value to Monozukuri sites through initiatives such as the Standardized Product Catalog and the global rollout of Reliable and Quick Delivery.

However, with the rise of the Industry 4.0* trend and the impact of the COVID-19 pandemic, the Monozukuri landscape has undergone significant changes. On the customer side, Digital Monozukuri is accelerating, driven by the real-time collection and visualization of operational data using IoT sensors, the growing adoption of 3D printing technology, and the increasing use of digital twin methods that connect design and production, which are becoming mainstream.

On the other hand, many suppliers of production materials and intermediate distributors or processors still lag in adopting IT for order processing and lead time management, making it difficult to

fully meet the growing demand for digital Monozukuri processes. Delays persist in quoting and providing delivery dates for custom machine parts, and opportunities for procurement optimization using accumulated data remain largely unexplored.

MISUMI is actively addressing these gaps by breaking into untapped areas and driving the Digital MODEL Shift.

Leveraging our expertise in the Monozukuri industry, we are now boldly utilizing IT, AI algorithms, and extensive data analysis to once again rewrite the norms of the Monozukuri process.

* Initiatives aimed at transforming industrial structures through technological innovation such as IoT (Internet of Things), which digitizes various types of information for seamless exchange over networks; Big Data, which collects and analyzes large volumes of data to create new value; Artificial Intelligence (AI), where machines learn and control equipment in place of humans; and Robotics, which enables automation even in complex and diverse tasks.

Source: Nomura Securities “an annotated glossary of securities industry terminology”

meviy: Quick Response for Custom Machine Parts, Delivering “1-Minute Quote and Next-Day Shipping”

Procuring custom machine parts, beyond the scope of standardized catalogs, has been a significant burden for designers and purchasing managers. To tackle these challenges, the first phase of the Digital MODEL Shift, “meviy,” was fully launched in FY2019. With meviy, users can instantly receive a quote simply by uploading 3D data of their machine parts. To enable next-day shipping, the platform integrates various digital technologies, including AI-powered automatic analysis of 3D shapes, automated data entry of materials through the DDS (Digital Dispatch System), and manufacturing automation via waterjet machining and unmanned transport.

Furthermore, to meet the demand for diverse processing methods, the “meviy Marketplace” was introduced in September 2024, enabling users to obtain quotes from multiple manufacturing partners through a single platform. According to our research, the time required to start a business with new partners has been reduced by 90% compared to previous methods, greatly improving procurement efficiency.

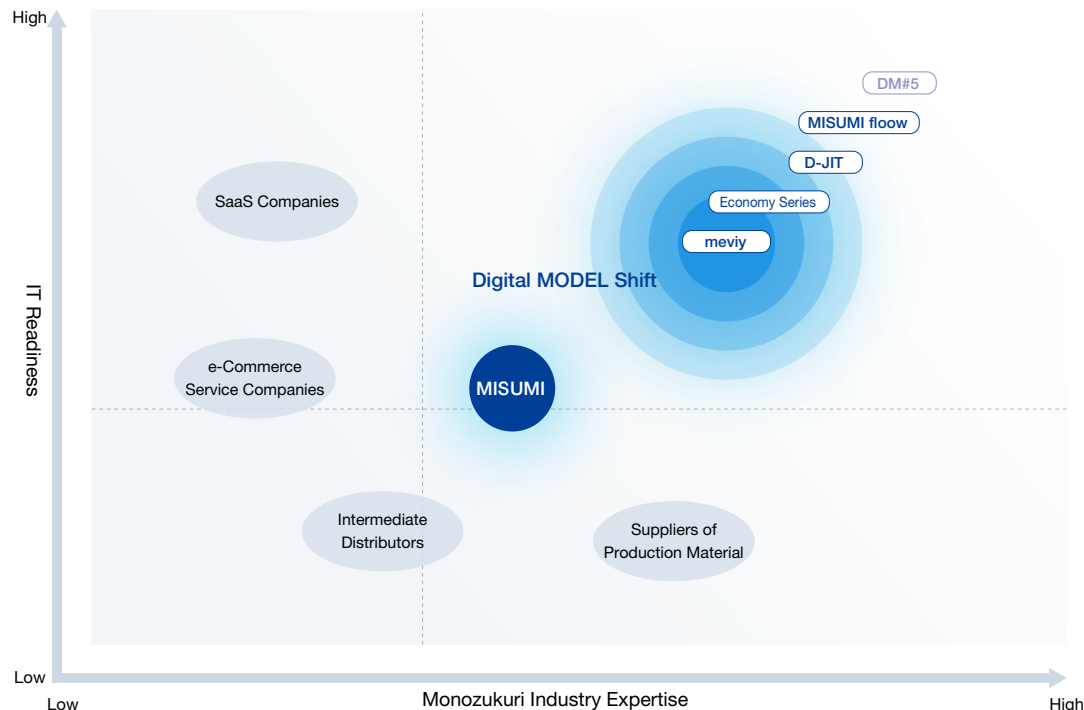
In FY2024, meviy's sales reached JPY 15.9 billion, with more than 190,000 cumulative users, and the business achieved profitability within Japan.

Economy Series: Strategy for Balancing Precision and Cost in the Digital Era

As digital society advances, manufacturing sites are increasingly required to select the appropriate level of precision for each application, driving up demand for “just enough precision at low cost.” With production sites concentrated in China and Asia, their post-COVID-19 relocation and intensifying competition in Asian markets have further accelerated this shift.

In response, we developed the second phase in our Digital MODEL Shift: the Economy Series. In addition to relaxing specifications and revising manufacturing methods, we leveraged overseas development sites to aggregate customer needs and enabled autonomous product development in China, Asia, and Japan, greatly accelerating development speed. As a result, we maintained previous gross profit margin levels while keeping costs low and expanded our customer base to new industries such as food, tobacco, and packaging. Within just one year of launch in China in FY2022, the Economy Series quickly expanded into Asia, and Japan. In FY2024, sales reached JPY 11.1 billion, a 61% increase year-over-year. The number of customers exceeded 90,000 companies, offering a new option that balances precision and cost.

Expansion of IT x Monozukuri Coverage through Digital MODEL Shift Initiatives



was introduced earlier, 1,900 vending machines have already been installed in 480 factories as of the end of September 2025. Looking ahead, MISUMI aims to expand horizontally across Asia and further penetrate new mass production sectors such as food, pharmaceuticals, and furniture, thereby expanding the Time Value in mass production factories.

Growth Strategy: MISUMI Group's Growth Strategy

Driving Digital MODEL Shift × Region-Specific Strategies

MISUMI's Digital MODEL Shift is not only an initiative aimed at streamlining customers' procurement processes through digital transformation (DX) but also addresses fundamental challenges faced by the manufacturing industry. For example, it provides solutions to issues such as lack of data integration, difficulties in transferring design and production know-how, labor shortages, and financial constraints, thereby supporting and strengthening the Monozukuri supply chain. For this reason, since the early stages of development, MISUMI has worked to launch services tailored to the industrial characteristics of each region.

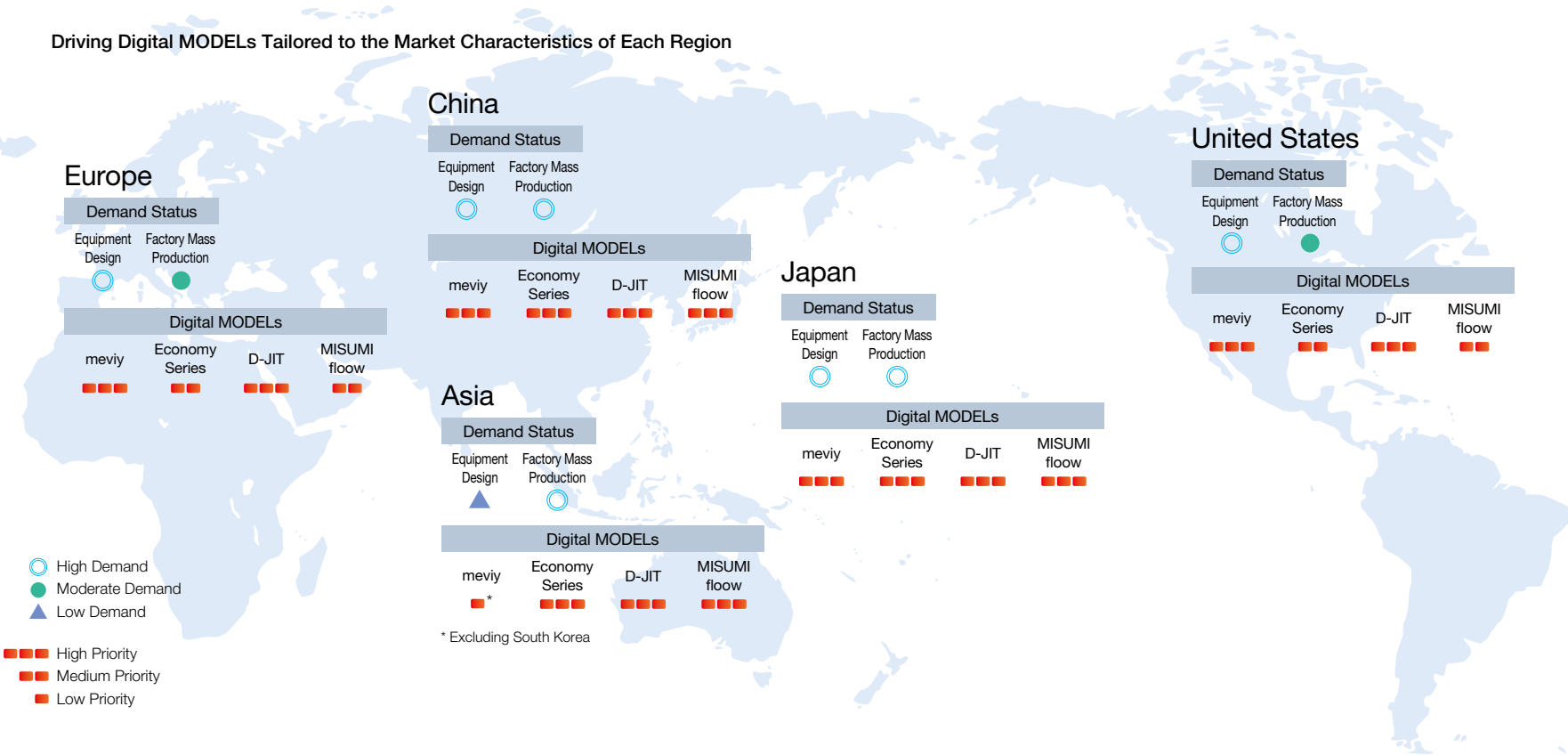
In regions with high demand for production equipment manufacturing and mass production—particularly China and Asia, and to some extent Japan— MISUMI has broadened its price range

with the Economy Series and established a flexible supply system tailored to regional characteristics by integrating usage data of various indirect production materials through MISUMI flow. Regional strategies for each Digital MODEL Shift initiative have also progressed. In China, the Economy Series has been focused not only on machine parts but also on unit product expansion. In Asia, where service-providing countries and regions are dispersed, MISUMI prioritizes Customer's Time Value by consistently balancing cost and lead time, including the use of local procurement. In Japan, the Company is accelerating its initiatives with a focus on RoHS compliance.

Meanwhile, meviy has been deployed mainly in Europe, the Americas, Japan, China, and South Korea, where there is strong demand for production equipment design. meviy meets the needs

for custom machine parts and complex shapes that standard catalogs cannot provide. Within the rapidly advancing FA (Factory Automation) market, MISUMI ensures a stable supply of high value-added products by adapting to local manufacturing processes and regulations.

Through these efforts, the Digital MODEL Shift has allowed MISUMI to expand its customer base while deepening engagement in each market by tailoring services to the unique market characteristics of every region. This approach maximizes the Customer's Time Value. However, to truly address the core challenges of the Monozukuri industry, it is not sufficient to focus solely on production equipment design, manufacturing, and mass production. MISUMI is now taking on new challenges by expanding into the "product development" domain.



Growth Strategy: MISUMI Group's Growth Strategy

Chapter 3 Next Domain Expansion: Product Development with Fictiv

In April 2025, MISUMI announced the acquisition of U.S.-based Fictiv. This marks our largest transaction since acquiring Dayton Progress and Anchor Lamina in 2012, with the purchase amounting to approximately JPY 50 billion. The objective is not merely diversification; it is to further reinforce the foundations and technologies we have developed and expand into the upstream “product development” domain in the Monozukuri industry. This strategy is intended to nurture the next core pillar for MISUMI.

The Monozukuri process is generally divided into three stages: “product development and prototyping,” “design and manufacturing of production equipment,” and “mass production management.” In the upstream product development and prototyping stage, procurement tends to be complex and inefficient due to small-lot, high-mix requirements because many designers are involved. Additionally, the dispersion of suppliers and reliance on analog methods make the situation more complex, resulting in multifaceted challenges at development sites such as loss of labor-hours and delivery delays, as well as shortages of funds and personnel.

This acquisition of Fictiv is intended to resolve these inefficiencies in upstream processes by leveraging digital technology, fundamentally addressing the challenges faced by our customers, including manufacturers, startups, and R&D departments. Among existing online machine parts processing companies, Fictiv distinguishes itself through its high precision and wide variety. Although it is a fabless company, Fictiv operates a global supply network of carefully selected partner suppliers, managed by experienced engineers and specialists in each region, rivaling that of in-house production. This enables comprehensive support across the entire product development lifecycle, from design and prototyping to production launch, and helps reduce rework through DFM (Design for Manufacturing) as well as shorten development cycles. It is not just about automation or digitalization—Fictiv’s collaborative, hands-on approach to service eliminates waste at its source, aligning perfectly with our value proposition of “enhancing Customer’s Time Value” and demonstrates high cultural compatibility.

In the product development domain, few proactive players can offer seamless, end-to-end support from prototyping to small-scale mass production. Additionally, there is not yet a platform that provides Reliable and Quick Delivery, one-stop procurement for mechanical parts, circuit boards, electrical and electronic components. By bridging these market gaps through the acquisition of Fictiv, our expansion into the product development domain is a

strategy with exceptionally high growth potential. Leveraging MISUMI’s core strengths in high-mix, low-volume production with Reliable and Quick Delivery, along with the D-JIT system’s capabilities for inventory visualization, diversified procurement, and rapid quotation response, combined with Fictiv’s advanced resources—including its complex-shape CAD database tailored for product development and its unique talent pool in AI and manufacturing—positions us to address the need for comprehensive support from prototyping to small-scale mass production. This level of support has not been sufficiently provided by existing major manufacturers or traditional procurement frameworks.

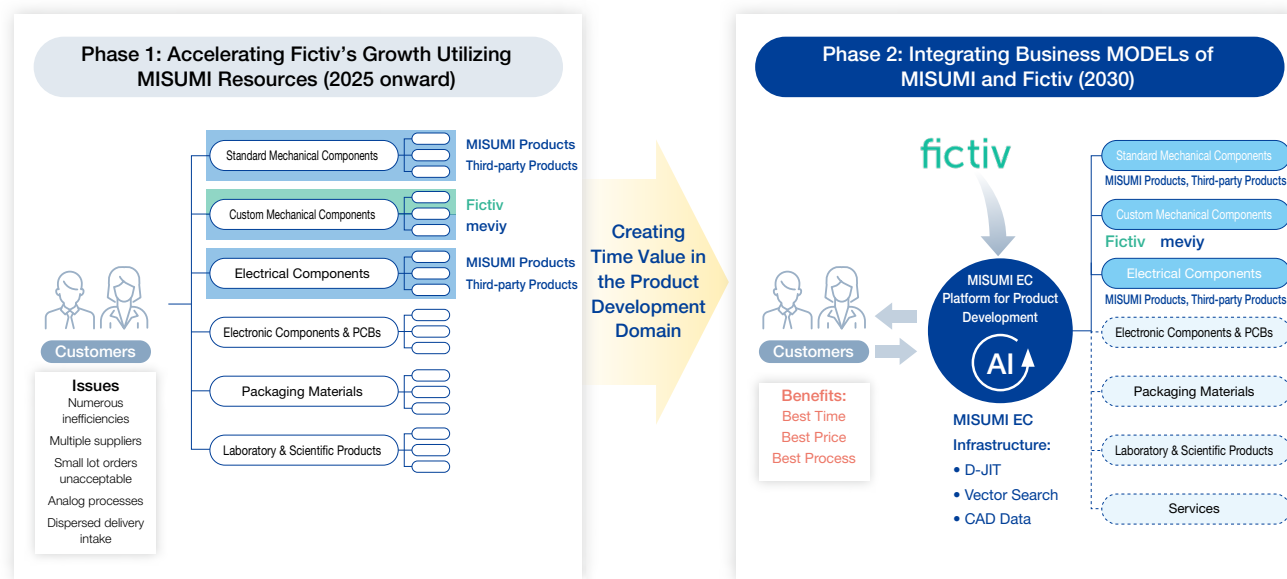
Furthermore, by leveraging our extensive procurement network, our proven track record in handling products from other manufacturers, and our strong partnerships with cooperating suppliers, we envision delivering a comprehensive, one-stop solution for product development in the future. This solution would

encompass not only electronic components and circuit boards but also packaging materials and laboratory supplies.

Additionally, by combining our digital transformation talent pool—skilled in both IT and manufacturing—with Fictiv’s expertise in AI and Monozukuri, we can expand our offerings beyond component supply to provide value-added services for the Monozukuri industry. These services include knowledge sharing and talent development, integrating Monozukuri with IT and AI.

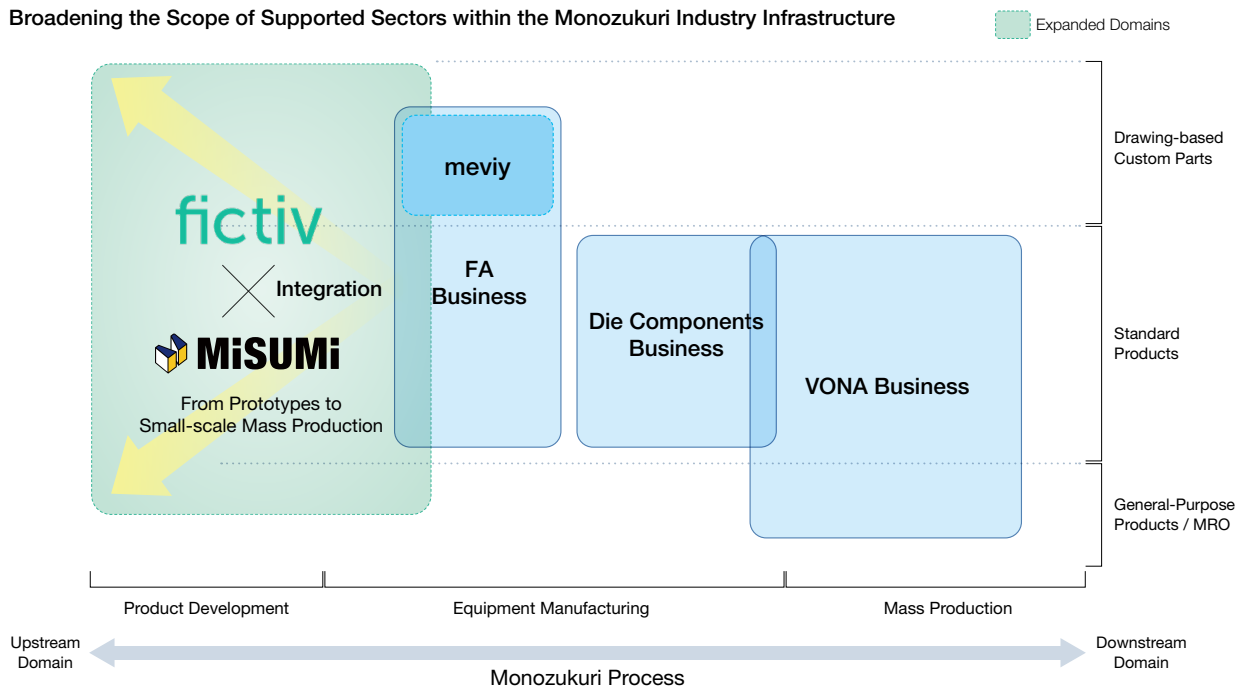
Our expansion into the product development domain through the acquisition of Fictiv goes beyond the application of our existing strengths to a new domain. It signifies a transformation toward building an industrial platform that supports the entire Monozukuri process, from product development to equipment manufacturing and mass production. Our objective is to maximize Customer’s Time Value, shorten product development cycles, and ultimately improve Monozukuri efficiency throughout society.

Process Innovation for Product Development



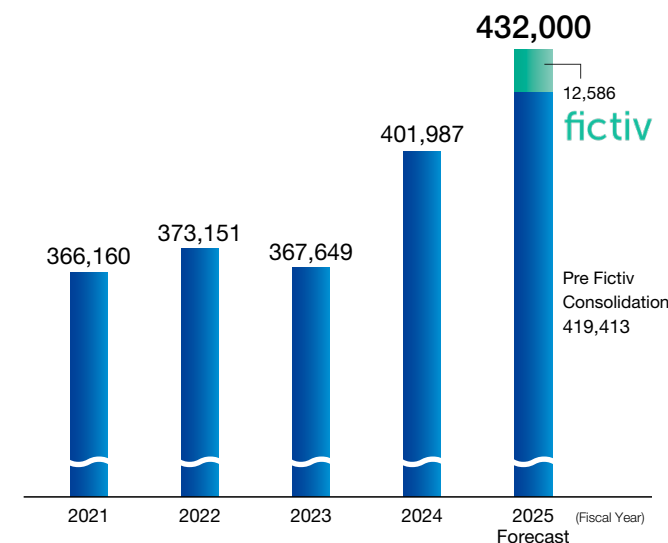
Growth Strategy: MISUMI Group's Growth Strategy

Broadening the Scope of Supported Sectors within the Monozukuri Industry Infrastructure



FY2025 Sales Forecast Post Fictiv Consolidation

(JPY Million)



Note: Based on information available at the time of the FY2025 first-half financial results announcement.

The Core Principle Driving Innovation: The Philosophy of Providing Time Value

MISUMI adheres to the principle of “Your Time, Our Priority,” prioritizing Customer's Time Value since its founding. To achieve this, the Company has consistently advanced its Business MODEL, expanded service domains, and invested in organizational and human capital.

MISUMI has placed a particular emphasis on innovating the parts procurement process. For example, initiatives such as the online catalog, which allows orders by simply specifying a part number without drawings, the “meviy” platform that provides automatic quotes for complex-shaped parts through CAD data uploads, lead time discount services, and the highly competitive Economy Series all help streamline the quotation and ordering process.

In recent years, MISUMI has also focused on advancing innovation in customers' search and design activities. In addition to the traditional “RAPID Design,” the Company has introduced AI-based vector search technology that instantly identifies optimal parts and design patterns which previously were difficult to find using keyword searches. By quantifying a vast array of past drawings and design criteria, and calculating similarities, designers can make decisions more quickly. As the system continues to learn, search accuracy improves, enabling even vague queries to yield optimal solutions while maintaining design diversity. This approach seamlessly connects customers' procurement, design, and manufacturing cycles through digital transformation, delivering an even greater level of Time Value to customers.

Through these initiatives, MISUMI effectively addresses evolving customer needs and drives innovation throughout the entire

industry, aiming to improve Monozukuri processes. Business MODEL innovation, Digital MODEL Shift and regional optimization, domain expansion into product development through the acquisition of Fictiv, and AI-powered services are all essential components of MISUMI's growth strategy.

The philosophy of providing Time Value fundamentally reimagines challenges within customers' Monozukuri processes and enhances their experience value. This pursuit will continue to evolve. Guided by the “Growth Chain-reaction Aspired Management” philosophy, MISUMI continuously pushes its own boundaries and welcomes new challenges, ultimately contributing to the growth of the Monozukuri industry. This industry's growth, in turn, generates further opportunities for MISUMI's own growth. Through this virtuous cycle, MISUMI strives to deliver the most valuable time creation for its customers.