

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



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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.

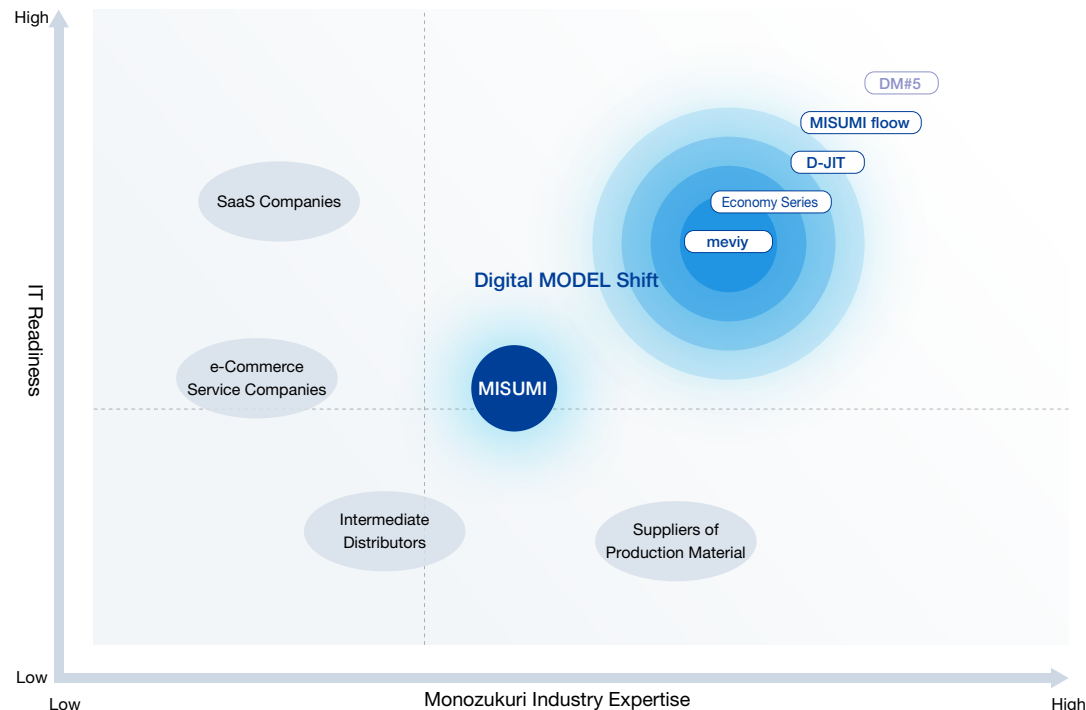
In FY2024, meviy's sales reached JPY 15.9 billion, with more than 190,000 cumulative users, and the business achieved profitability within Japan.

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



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D-JIT: Fundamentally Strengthening Quantity Responsiveness and Supporting Diversified Procurement and Inventory Optimization

For customers, what may appear to be the simple task of “securing the required parts, in the required quantities, and by the required delivery date” has been a longstanding challenge within the multi-tiered distribution structure. Delays in delivery or shortages in quantity have frequently forced customers to change designs or search for new suppliers, increasing burdens on the manufacturing sites. To fundamentally address these issues, MISUMI launched the third phase of the Digital MODEL Shift: D-JIT. Currently, we have built an algorithm* that provides real-time visualization of inventory and factory operations of over 700 suppliers both domestically and internationally. This system instantly allocates inventory according to requested quantities and automatically presents price and delivery options. The system was refined through pilot projects and data sharing with suppliers to solve inventory imbalances and risk of lost orders, challenges that became evident during the COVID-19 pandemic. Furthermore, by upgrading our core system, “NEWTON,” we have integrated inventory information and achieved advanced automation without compromising the e-Commerce experience.

After a trial launch of D-JIT in Thailand and Taiwan in FY2023, the system was fully implemented in the following year in Japan and South Korea, achieving sales of JPY 8.2 billion in FY2024. Looking ahead, we expect even greater results as the adoption of NEWTON expands to additional regions.

*Patent acquired

MISUMI flow: Eliminating Administrative Burdens in Manufacturing Components Management and Achieving Total Cost Reduction

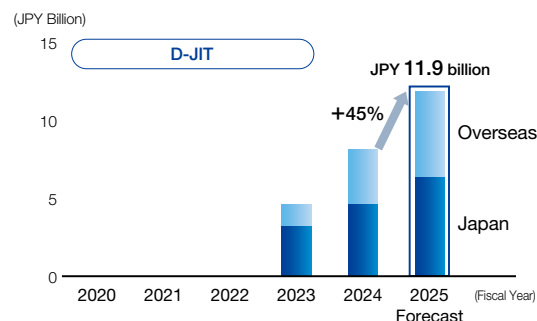
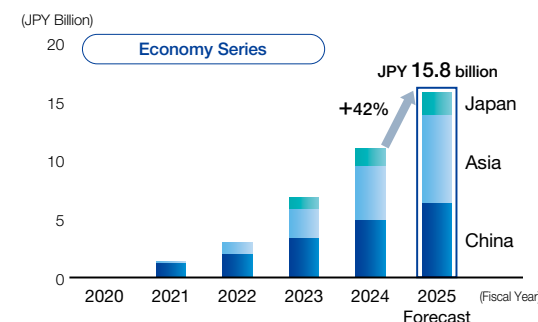
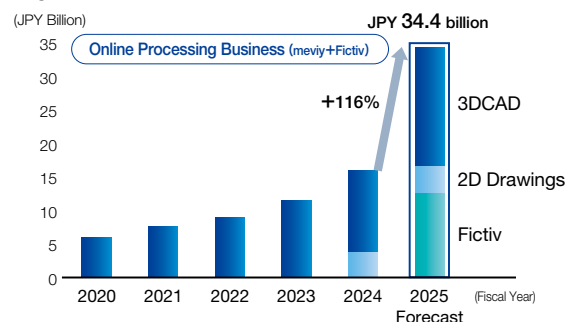
While digitalization of direct materials is advancing in mass production factories, indirect materials due to their wide variety and low purchase volumes were unable to benefit from DX-driven efficiencies. Procurement activities were handled separately by each department, which meant manufacturing sites had to take on extra responsibilities beyond their core function of production. As a result, it was challenging to enhance productivity and optimize costs at the same time.

To address this, MISUMI developed “MISUMI flow,” a comprehensive cost reduction service for indirect materials that tailors to the supply method based on purchase frequency. MISUMI flow centralizes processes from ordering to inspection and inventory management, delivering “inventory-free,” “order-free,” “management-free,” and “fraud-free” operations. This is made possible by a robust system: more than 3,000 manufacturers, 8 million MRO products,

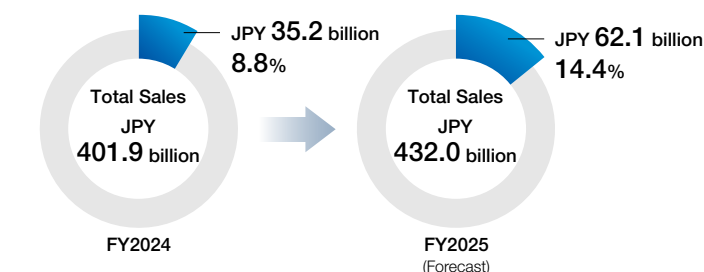
Penetration of the Digital MODEL Shift in Core Businesses

		FA Business	VONA Business	Die Components Business
Company-wide Strategy	meviy	Online Processing Business		
	Economy Series	Product Series with Low Prices × Optimal Quality		
	D-JIT	Automated Bulk Procurement Ordering System		
	MISUMI flow	Factory MRO Procurement Optimization Service		

Digital MODEL Shift Outlook



Sales and Composition Ratio of Digital MODEL Shift Initiatives¹



* MISUMI floor is not included as its sales are not disclosed.

and a Reliable and Quick Delivery system with second-day shipping as standard. In addition, data visualization through D-JIT has significantly improved operational efficiency.

The full rollout in Japan began in April 2025, with customers achieving about a 70% reduction in labor hours after implementation, as well as reduced burdens for suppliers. In China, where the service

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.

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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.

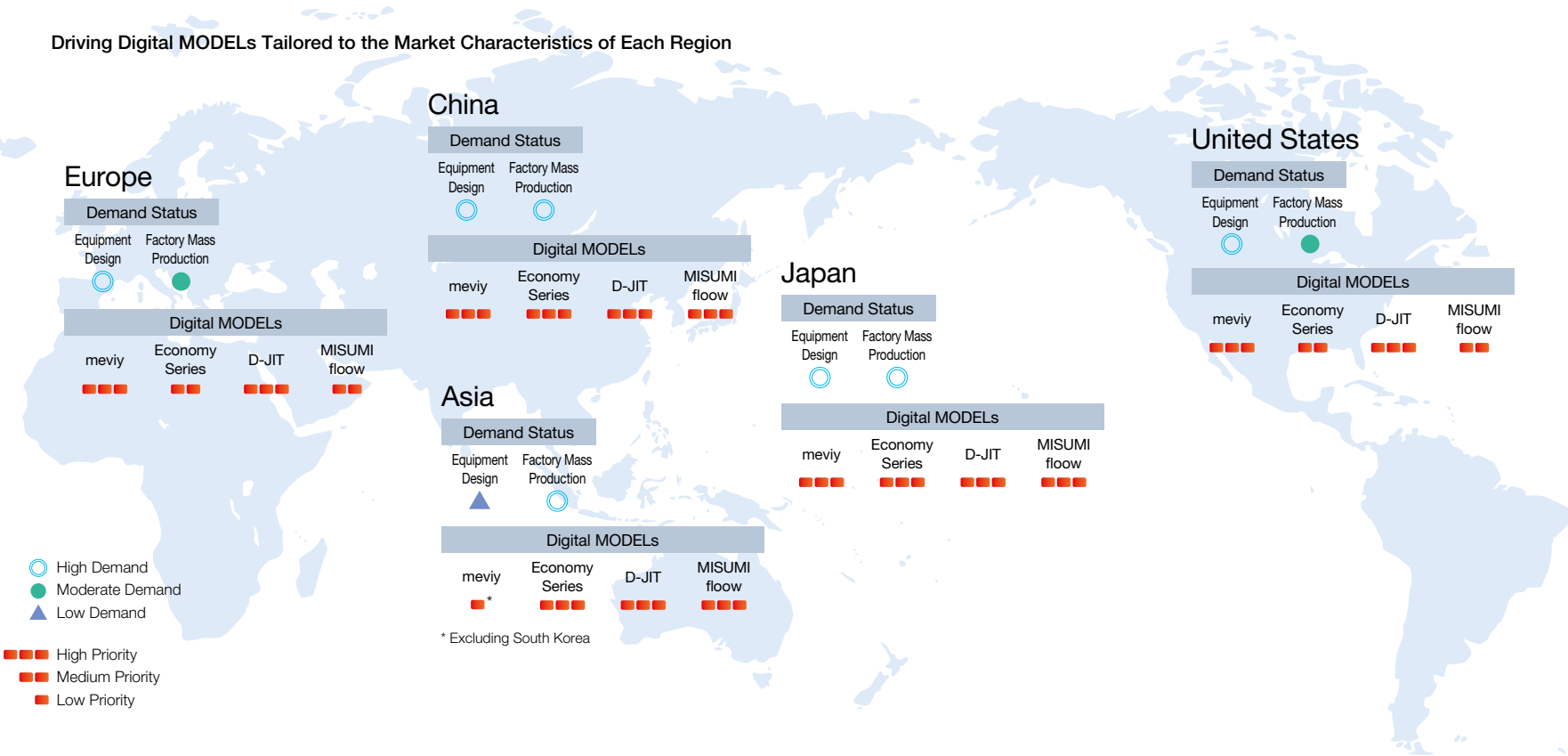
In regions with high demand for production equipment manufacturing and mass production—particularly China and Asia, and to some extent Japan— MISUMI has broadened its price range

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.



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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.

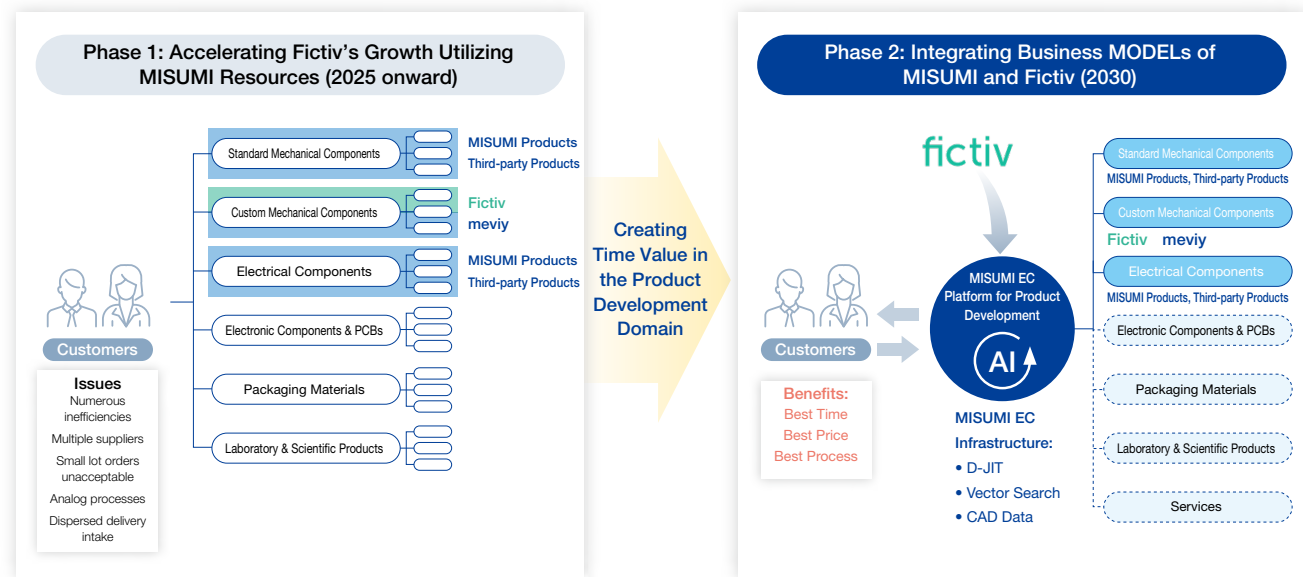
Furthermore, by leveraging our extensive procurement network, our proven track record in handling products from other manufacturers, and our strong partnerships with cooperating suppliers, we envision delivering a comprehensive, one-stop solution for product development in the future. This solution would

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.

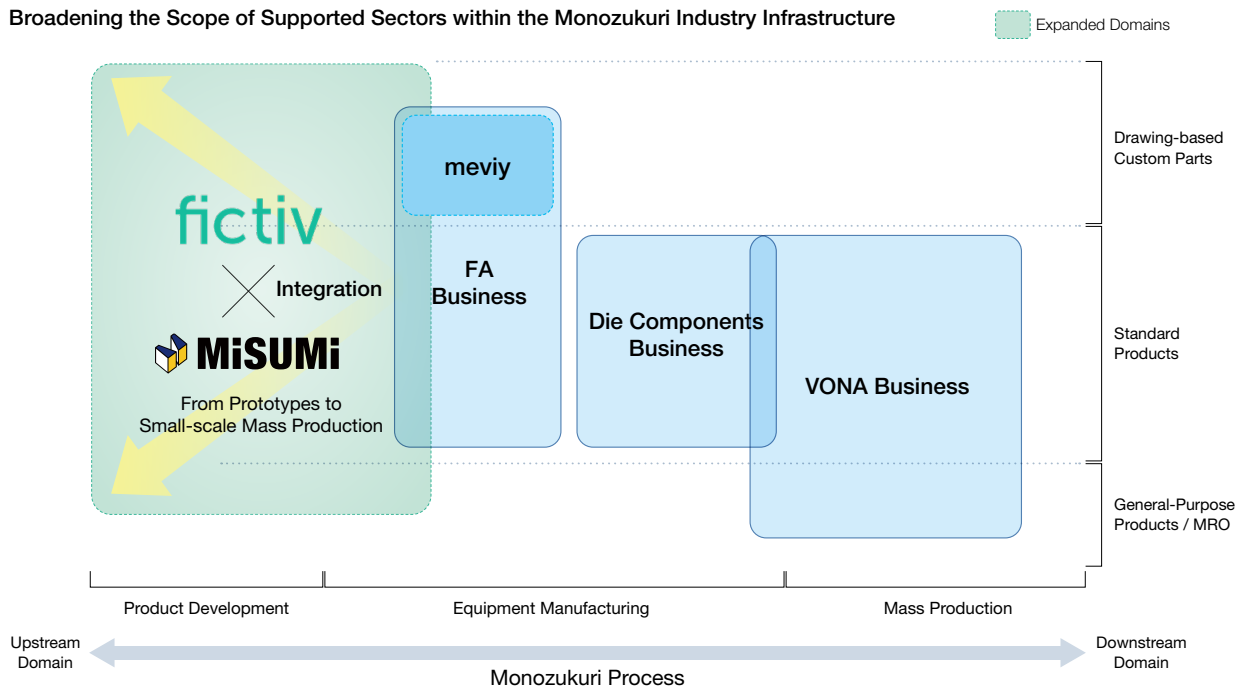
Our expansion into the product development domain through the acquisition of Fictiv goes beyond the application of our existing strengths to a new domain. It signifies a transformation toward building an industrial platform that supports the entire Monozukuri process, from product development to equipment 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



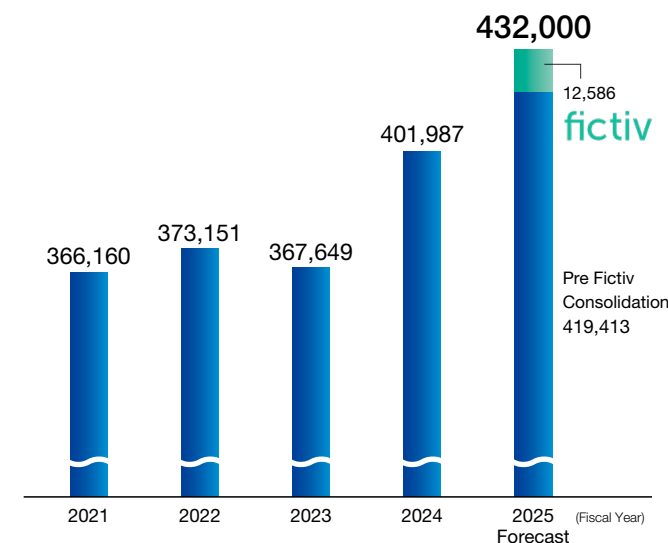
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Broadening the Scope of Supported Sectors within the Monozukuri Industry Infrastructure



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.

Growth Strategy

Intellectual Capital: Digital Transformation (DX) Strategy



■ Future Outlook

IT and AI are not only central to MISUMI's growth strategy but also essential for driving business process innovation across the Monozukuri industry. MISUMI will continue to develop new products, expand sales channels, and enhance the provisioning process as we work toward becoming a platform that connects customers and suppliers.

Director, Senior Executive Corporate Officer, CIO

Arata Shimizu

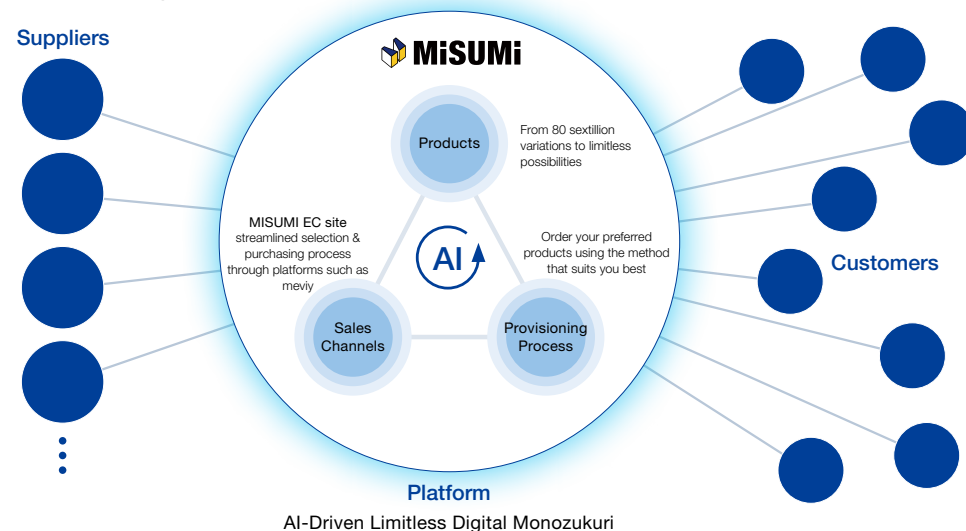
MISUMI's DX Strategy

■ DX Strategy is Management Strategy Itself

In MISUMI's ongoing efforts to innovate the "Business MODEL targeting the Monozukuri industry," the use of digital technology is essential. Even before the term DX came into the spotlight, our Company has always viewed the integration of digital technologies and management strategies as inseparable. Our goal is not limited to DX for localized efficiency gains; we aim to fundamentally redesign Monozukuri processes through Business MODEL transformation—delivering new value to customers while enhancing our own operational productivity.

Our service innovations for customers are based on three key perspectives: products, sales channels (such as MISUMI EC site), and the provisioning process. The immense scale of 80 sextillion product

MISUMI DX: Aspired Form



variations enables mass customization and allows us to meet the unique customer needs with standardized solutions made possible only by the latest digital technologies and Monozukuri capabilities. For custom-made items, our AI-powered automatic quotation system offers an almost limitless selection of products. The sales channel delivers value such as instant product search, immediate quotes and delivery dates, flexible pricing based on quantity and lead time, and AI-powered technical and customer support. The provisioning process utilizes a distinctive Make-To-Order Business MODEL that is difficult to replicate. With standard two-day shipping and a 99.7% on-time delivery rate, this approach has made sales in customers' preferred formats more efficient.

Our Company has strengthened its competitiveness by responding swiftly to changes in the environment surrounding our customers and suppliers, our valued co-creation partners, building closer relationships with both; identifying their challenges which we regard as business insights; and expanding new value propositions. We aim to leverage our Monozukuri expertise and digital readiness, harnessing advances in generative AI to drive growth and offer new value propositions to our customers.

■ Potential for Platform Advancement

MISUMI has strengthened both its front-end and back-end operations through digital technology, enabling the delivery of products that customers want, when they want them, with greater speed, higher quality, and lower costs. A distinguishing feature of MISUMI's DX is the use of comprehensive, up-to-date, and accurate data via IT to revolutionize customers' Monozukuri. Our aim is to become a data-rich platform that connects customers and suppliers by leveraging the data accumulated within our Company. In addition, AI is significantly enhancing the creativity involved in customers' Monozukuri. We will integrate the capabilities of data and AI into our services, enabling us to fulfill any customer request through e-Commerce searches, order processing, and digital Monozukuri.

With services such as meviy and Fictiv already available for product development, we automatically read CAD data, connect our factories and supplier networks globally, and broaden our ability to meet customer expectations. Furthermore, we are improving our data analysis capabilities and our ability to mobilize our global supplier network. Our efforts include visualizing market-wide inventory information and advancing the global supply chain.

■ The Driving Force Behind DX

Since FY2021, we have been deploying our new core system, NEWTON, globally, to quickly adapt to changes in the business environment.

Beyond the use of AI as a supplementary tool in daily operations, we have reached an "AI ready" state, enabling the entire organization to leverage AI effectively. This organization-wide readiness has enhanced our capacity for innovation, as we actively adopt advanced technologies and update legacy systems, thereby enhancing our Dynamic Capabilities.

The driving force behind the new "MISUMI MODEL innovation" is the spirit of challenge embraced by our employees. We are making significant investments in acquiring and developing talents skilled in both digital technology and Monozukuri. Fictiv also has many engineers proficient in both AI and Monozukuri, and synergies with MISUMI are already beginning to emerge. Within our organization, IT and AI are applied across various functions, including profit management and business process improvements; accelerating our employees' MODEL innovation efforts.

Growth Strategy: Intellectual Capital: Digital Transformation (DX) Strategy

External Evaluation

Selected as a DX Stock for the First Time



DX銘柄2025
Digital Transformation

In April 2025, MISUMI was selected for the first time as a “DX Stock 2025,” an honor awarded to listed companies on the Tokyo Stock Exchange that demonstrate exceptional achievement in DX initiatives. This recognition reflects MISUMI’s strategic application of digital technologies, including IT and AI, to enhance its Dynamic Capabilities in response to global developments in Monozukuri. This external recognition highlights the effectiveness of MISUMI’s ongoing digital transformation efforts, which began before the term “DX” became widely used.

[Ministry of Economy, Trade and Industry, News Release](#)

Evaluation Highlights (Excerpt)

- Utilizing digital technology to ensure Reliable and Quick Delivery while reducing labor hours
- Supporting Reliable and Quick Delivery, as well as flexibility in product mix and quantity through Digital MODEL Shift initiatives

- Promoting talent development under a DX strategy by identifying both common and unique skill requirements
- Delivering measurable outcomes by applying digital technology in alignment with the Business MODEL

DX Promotion Structure

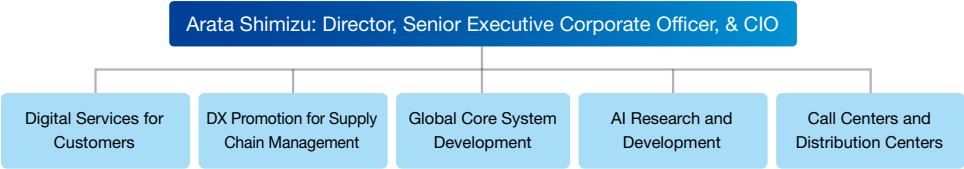
DX Promotion Structure Connecting Customer and Supplier Touchpoints with Technology

In October 2025, MISUMI implemented a company-wide organizational restructuring. The DX Promotion Department now oversees all processes that connect customers and suppliers, driving digital innovation at every customer touchpoint. Under the leadership of Arata Shimizu, an accomplished CIO recognized for leading DX strategies across various companies, the DX promotion structure consists of five specialized organizations:

- A development team focused on customer-facing digital services, including the MISUMI e-Commerce site and meviv
- An organization dedicated to promoting DX in supply chain management, facilitating connections between suppliers and customers
- An organization responsible for the development and global deployment of the core system NEWTON
- An AI research and development unit based in the U.S. at Fictiv, a leader in AI innovation
- An organization tasked with managing operations at call centers and distribution centers

These entities serve as the central hub for promoting DX throughout the Group, fostering cross-functional collaboration among IT departments within each division, expediting development processes, and strengthening security measures.

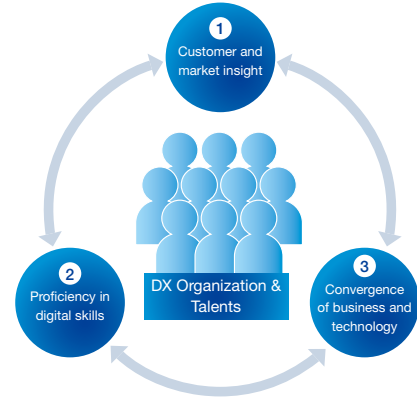
DX Promotion Structure



Organizational & Talent Capabilities

To advance DX, it is essential to build organizational and talent capabilities from three perspectives to fully leverage internal resources. The first is the ability to understand customers and the market and to expand the value proposition. This requires in-depth knowledge of the business, products, and services, as well as insights for identifying customer issues and aligning them with new value propositions, strategic thinking skills, and an understanding of business operations. The second is the capability to deepen expertise in digital technologies and to apply the right solutions to business challenges. Our Company has a diverse pool of talent in areas such as AI, data analysis, system development, UI/UX design, and cybersecurity. The third is the ability to effectively integrate business and technology to implement and embed DX. For example, marketing skills for understanding customers, expertise in finance and intellectual property, awareness of regional characteristics, and communication skills with stakeholders are required. Success in DX demands not only technological knowledge but also proficiency in business and related fields. By combining these three elements, we are driving MISUMI MODEL innovation through DX.

Capabilities and Talent Required to Drive DX in Organizations



Monitoring

For each project, key progress checkpoints are defined as milestones, and a progress indicator called the BNI (Bottleneck Indicator) is defined at the outset. Reports and countermeasures are shared based on this BNI. Projects that require special support are addressed through individual discussions. Project effectiveness is assessed through a structured evaluation framework conducted at least three times: an initial assessment, a mid-term review, and an assessment upon completion of investment payback, with ROI measured and verified at each stage.

Cybersecurity

Cybersecurity is recognized as one of our key management risks. We proactively identify potential risks and allocate sufficient budget and human resources to address them appropriately. In addition to establishing information management protocols including the Basic Information Security Policy, we have built a governance structure with the CIO also acting as the Chief Information Security Officer for the entire Group. Each department appoints an Information Security Manager, supported by implementation managers and on-site managers. Furthermore, we conduct regular drills and provide continuous training to ensure preparedness and strengthen our security posture.

Growth Strategy: Intellectual Capital: Digital Transformation (DX) Strategy

Direction for AI Utilization

■ Company-wide AI Readiness Optimized for Creating New Monozukuri Value

At MISUMI, AI and other cutting-edge technologies are regarded as key factors for fundamentally transforming service competitiveness and labor productivity. We leverage these technologies at both the organizational and individual levels to enhance Customer's Time Value.

Our approach involves training AI systems using our extensive data*1 and proprietary expertise. Through the implementation of our core system NEWTON, we have established Query and Update APIs*2. This has enabled us to make steady progress toward becoming “AI ready.” At the same time, we are expanding customer-facing front-end and back-end services and continuously improving internal business operations.

We are also engaged in research and development to support the Monozukuri industry by gathering and sharing tacit knowledge and expertise, often reliant on individual employees, as company-wide assets. We envision fully autonomous AI agents that can independently think and act to achieve objectives. For instance, we have introduced the MISUMI AI Agent platform, which securely integrates multiple general-purpose AIs internally, and now operates more than 90 business assistants. This platform is also available as an AI chat service for customers.

Looking ahead, we will proactively utilize AI's capabilities in identification, personalization, and prediction to better understand customers' latent needs and to uncover new business insights.

*1 With robust information security measures, we independently integrate and analyze core data, product data, other e-Commerce-related data, customer feedback on customer support, production and logistics data, and activity-based costing data for service improvement, daily business activities, and management decision-making.

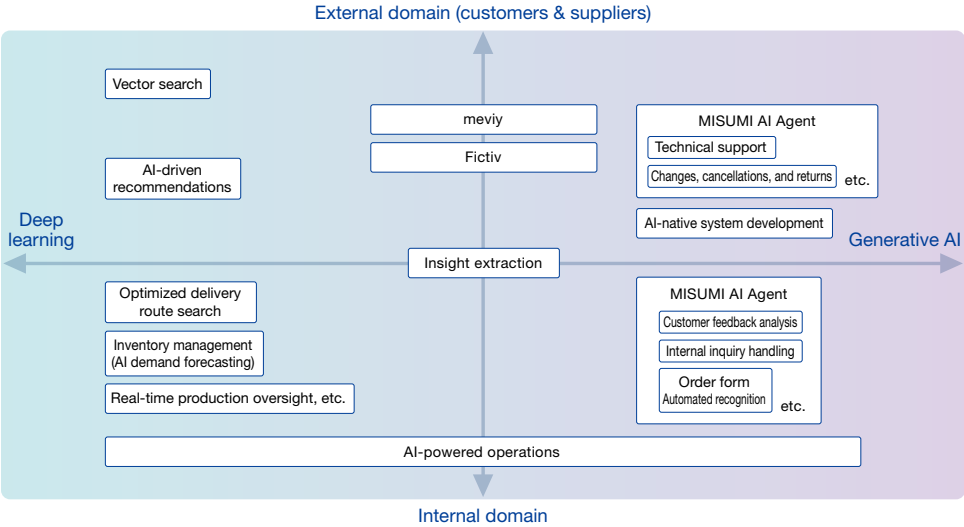
*2 Application Programming Interface: a mechanism that enables different software or applications to exchange data.

Monozukuri AI

Fictiv

mevivy

Examples of AI Utilization at MISUMI

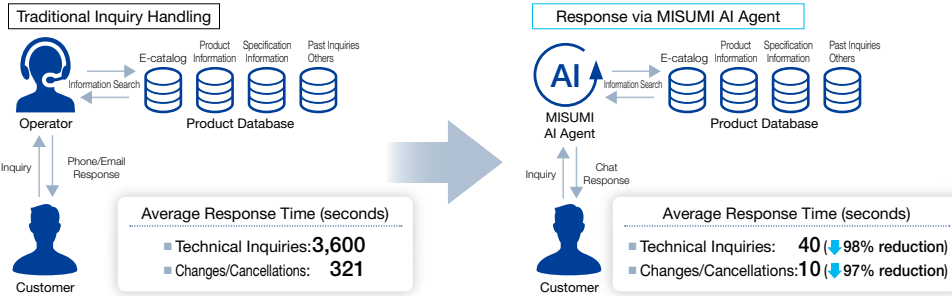


■ AI-powered Chat Service

On the MISUMI e-Commerce site, we provide inquiry support through the MISUMI AI Agent powered by generative AI*3. This service offers two core functions: 1) technical support for confirming product specifications and assisting with product selection from our extensive product lineup and 2) customer support for determining the eligibility of order changes, cancellations, or returns on an order-by-order basis. Responding to customer inquiries, the AI autonomously searches relevant information within the Company database and delivers answers in text format. Available 24/7, this solution has reduced average response times by 97–98% compared to traditional operator-assisted support, ensuring customers receive prompt and seamless access to the information they need. Alongside text input, voice input functionality is also in development.

*3 This feature utilizes a chatbot interface that automatically responds to questions via chat and is currently available on the MISUMI e-Commerce site in Japan.

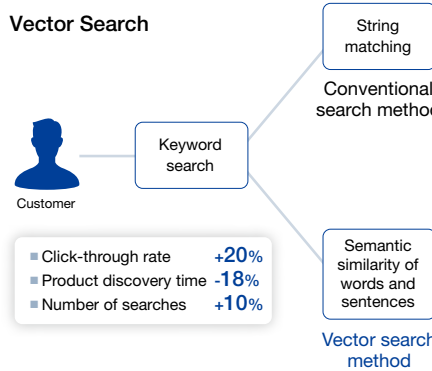
AI-powered Chat Service



■ Vector Search

B2B products are highly specialized, and with over 30 million items in our product lineup, MISUMI has faced limitations with conventional e-Commerce “keyword search,” which requires exact term matching to function efficiently. Consequently, customers frequently needed to enter multiple variations of keywords to locate the products they were seeking. Our Company was among the first in the industry to adopt “vector search” powered by natural language processing, developing this capability internally. By converting the meaning and context of words and sentences into numerical representations, the system measures semantic similarity to search queries and delivers highly relevant results—even when the intended use isn't explicitly captured in the keywords. As a result, our e-Commerce platform has realized a 20% increase in click-through rate, an 18% reduction in product discovery time, and a 10% rise in the number of searches.

Vector Search



Growth Strategy

Business Portfolio

MISUMI is comprised of 3 business segments: the FA Business, Die Components Business, both of which are manufacturing businesses, and the VONA Business, which is a distribution business. To promptly meet the varying needs of customers in the Monozukuri industry across different regions, we are committed to offering an extensive product lineup and continually strengthening our product assortment.

	Business Segments	Main products handled	FY2024 Results
Manufacturing Business	<div><div>FA Business</div><p>The Factory Automation (FA) Business offers a wide range of products and solutions to address the needs for streamlining and automation within the Monozukuri industry. This business develops and supplies essential standard components for automation machinery, high-precision automatic positioning modules, various experimental and research equipment related to optical technologies, and materials for production sites of various devices that are evolving with the digitalization of electronic equipment.</p></div>	<div><div><div>Shafts</div><div>Gears</div></div><div><div>Linear bushings</div><div>Automatic linear XYZ-axis stages</div></div></div>	<div><div><div>Net Sales</div><div>JPY 401.9 billion</div><div>FY2024</div></div><div><div>VONA Business</div><div>JPY 179.7 billion</div><div>44.7%</div></div><div><div>FA Business</div><div>JPY 135.8 billion</div><div>33.8%</div></div><div><div>Die Components Business</div><div>JPY 86.4 billion</div><div>21.5%</div></div></div>
	<div><div>Die Components Business</div><p>The Die Components Business supplies components for press dies used in metal forming and molds for plastic injection molding serving a broad spectrum of industries such as automotive and electronics sectors. Its product lineup ranges from highly versatile standard die components to fine, high-precision components for precision molds, enabling the business to respond flexibly to diverse customer needs in design and manufacturing.</p></div>	<div><div><div>Punches</div><div>Sprue bushings</div></div><div><div>Dies</div><div>Ejector pins</div></div></div>	<div><div><div>Operating Income</div><div>JPY 46.4 billion</div><div>FY2024</div></div><div><div>VONA Business</div><div>JPY 14.4 billion</div><div>31.1%</div></div><div><div>FA Business</div><div>JPY 22.5 billion</div><div>48.4%</div></div><div><div>Die Components Business</div><div>JPY 9.5 billion</div><div>20.5%</div></div></div>
Distribution Business	<div><div>VONA Business</div><p>The VONA Business* provides design and procurement teams in the manufacturing industry with a wide range of components—including factory consumables—through a fast, efficient, one-stop solution. With a lineup of more than 30 million products, the VONA Business offers a comprehensive selection that encompasses mechanical components, tools, piping materials, electrical installation materials, control devices, and office supplies. By primarily sourcing products from manufacturers in Japan and abroad, it effectively meets a broad range of customer needs worldwide.</p><p>*VONA stands for "Variation & One-stop by New Alliance"</p></div>	<div><div><div>Sensors</div><div>End mills</div></div><div><div>Cables</div><div>Carts</div></div></div>	

* Figures are shown in units of JPY 1 billion. Since composition ratios are based on actual values, they may not match figures calculated from the displayed amounts.

Growth Strategy

MISUMI × Fictiv Roundtable Discussion: Essence of “Digital MODEL Shift” and the Future of Global Monozukuri



Participants

David Evans (left)

Corporate Officer
and President & CEO of Fictiv Inc.

Nathan Evans (center)

Corporate Officer
Representative of AI Global R&D Center
and CXO of Fictiv Inc.

Mitsunobu Yoshida (right)

Senior Corporate Officer,
President of ID Business Company, and Chairman of Fictiv Inc.

Value Creation Through Synergy from Integration

Through its integration with Fictiv, a U.S.-based company with an advanced manufacturing platform, MISUMI Group is accelerating the Digital MODEL Shift strategy and pursuing new value creation. In this roundtable session, Mitsunobu Yoshida, Senior Corporate Officer at MISUMI who spearheaded this integration, together with David Evans and Nathan Evans, co-founders of Fictiv, discussed the specific synergy impacts resulting from their collaboration and shared perspectives on the outlook toward establishing competitive advantages within the global marketplace.

Shared Vision and Mission to Support Monozukuri

Yoshida: I have consistently monitored trends within the industrial sector, paying special attention to Fictiv’s innovative approach over the years. When Fictiv was founded in 2013, MISUMI was also beginning to move seriously from concept to development, working toward what would become meviy, with the goal of transforming traditional business practices, eliminating inefficiencies, and supporting Monozukuri.

David: At the time, one of the major challenges we saw in our customers’ product development was the procurement process

for custom machine parts. Unstable supply chains, substantial time and financial costs, and operational inefficiencies, such as manual quoting and intricate vendor management, led to ongoing delays in product launches and posed significant obstacles to innovation. Fictiv was founded to resolve these issues. Since then, we have been building a cloud-based platform designed to simplify procurement and accelerate manufacturing through digital transformation. To date, the Company has manufactured more than 39 million parts and provides services to over 5,000 customers worldwide.

Nathan: From the outset, our goal was to make ordering precision-machined components as simple as booking an airline ticket online. We aimed to provide engineers and procurement professionals with a platform to bring any product to life—whether it’s a rocket or a medical device. Our unwavering mission is to relieve customers from low-value-added manual processes and establish a truly digital-native supply chain, empowering them to focus on innovation and speed up product launches.

Yoshida: When I learned about Fictiv’s founding purpose and vision, I immediately thought, “They’re just like us.” Their mission to make world-class manufacturing technology accessible to everyone and reduce barriers to product development is perfectly aligned with MISUMI’s Digital MODEL Shift growth strategy.

David: We feel the same way. For more than ten years, we have worked with MISUMI as a customer, and from our first interactions, I recognized that we shared a common vision: to make manufacturing faster, more accessible, and more reliable.

Combining the Strengths of Both Companies to Create a One-of-a-Kind Platform That Contributes to the Entire Industry.

David: Fictiv’s corporate identity is defined by its role as a digital-native, innovation-driven manufacturing partner. While maintaining the precision and discipline essential to manufacturing, what truly sets us apart is our ability to seamlessly blend agility and creativity—hallmarks of a technology company. We have cultivated a culture that embraces new technologies and encourages bold, forward-thinking ideas.

Nathan: We take pride in having built an inclusive culture by bringing together diverse talent from around the world. At the same time, because we are directly involved in our customers’ manufacturing processes, we have consistently earned trust through rigorous quality management and highly transparent communication. As a rapidly growing startup, we expect every employee to demonstrate initiative and ownership, and we empower them with significant autonomy to make that possible.

Yoshida: What stands out to me the most about Fictiv’s culture is its impressive combination of “innovation and agility” with “quality and accountability.” In recent years, MISUMI has placed increasing emphasis on the speed of adapting to change, and I find Fictiv’s rapid cycle of validation and improvement both remarkable and

Growth Strategy: MISUMI × Fictiv Roundtable Discussion

inspiring. While it's natural that there are differences in organizational culture and mindset. I believe it's important to move forward with integration by understanding and respecting each other. In particular, I have much to learn from Fictiv's swift decision-making and technology-driven approach to problem-solving.

Nathan: We would be pleased if our entrepreneurial spirit and technology-driven approach could help accelerate MISUMI Group's overall pace and transformation. At the same time, joining the MISUMI Group is also highly significant for Fictiv. MISUMI's extensive experience in global expansion, developed over several decades, will enhance the depth and stability of our business operations.

Yoshida: From a business perspective, I believe our differences will become a source of strength. Fictiv excels in complex, custom mechanical components, especially for direct materials used in finished products such as robotics and aerospace. On the other hand, MISUMI's meviu specializes in manufacturing components used in production equipment (indirect materials), offering cost advantages for simple-shaped components.

David: Exactly. Through integration, the scope and convenience of our services will expand dramatically. Beyond meviu, MISUMI's global infrastructure and standard components business will strongly support Fictiv's expansion into new domains. Customers will be able to seamlessly procure both custom and standard mechanical components from a single network, accelerating product development and delivering benefits to companies of all sizes.

Yoshida: This integration is not just a typical M&A, but an exceptionally strategic partnership where we truly complement each other. By combining our strengths, we can enhance the value proposition to existing customers while expanding our reach into



new markets and customer segments. We believe this will enable us to build a one-of-a-kind platform that streamlines everything from prototyping to small-scale mass production, making a significant contribution to the entire Monozukuri industry.

Building a Resilient Supply Chain by Turning Environmental Changes into Opportunities

Nathan: In recent years, the manufacturing environment has become increasingly unstable. Shifts in tariffs and trade agreements, as well as geopolitical risks such as U.S.-China relations and regional conflicts, have resulted in higher costs and restricted market access. Additionally, disruptions caused by natural disasters and cyberattacks have exposed vulnerabilities in the supply chain. That said, these changes also present new opportunities. Our Company has expanded its manufacturing network across the United States, Mexico, India, and China, building a structure that can flexibly respond to geopolitical risks.

David: One of our major strengths is having a system that enables us to source from the most optimal region depending on the situation. For example, even if production in a specific region

becomes less advantageous due to tariff changes, we can quickly shift our manufacturing bases to alternative locations without compromising on quality or delivery times. Furthermore, by leveraging AI-powered real-time visibility, we gain a comprehensive understanding of our fragmented global manufacturing landscape allowing us to minimize risks and optimize costs for our customers. This capability is a significant competitive advantage for us.

Yoshida: It is crucial to view changes in the external environment not as "threats," but as "opportunities."

Transforming new digital solutions into competitive strengths is essential in today's era, and MISUMI is pursuing the same direction.

Nathan: Now that we have joined the MISUMI Group, I am even more committed to our mission to "Unlock the world's creative potential to innovate." We will broaden access to world-class manufacturing, eliminate procurement fragmentation, and build a more resilient supply chain. Regardless of global circumstances, we aim to create an environment where everyone—from startups to large enterprises—can quickly prototype, iterate, and accelerate time-to-market for their products. This is what it means to "democratize access to manufacturing" and to establish a Digital Foundation built for the new era.

Yoshida: I strongly resonate with that perspective. We aim to create a world where everyone involved in manufacturing can access high-quality components quickly and without barriers, enabling all industries to advance product development smoothly. Through the integration of MISUMI and Fictiv, we hope to bring new "creativity and smiles" to the Monozukuri industry.

Growth Strategy

Fictiv: Digital On-Demand Supplier Shaping the Future of Global Monozukuri Through Advanced Technology and an International Network



Foundations of Competitive Advantage

Proprietary Business MODEL

Fictiv is a leading U.S. company focused on providing on-demand processing services for custom machine components. Operating with an asset-light model, the company does not own manufacturing facilities, resulting in strong capital efficiency. Fictiv has raised a total of USD192 million in funding and has achieved rapid growth.

Cutting-edge AI Technology and Skilled Professionals

Fictiv has developed a proprietary digital platform that uses advanced algorithms and artificial intelligence to deliver highly accurate quotes, maintain quality control, and select the most suitable suppliers. The Company is backed by a team of exceptionally talented individuals with expertise in both manufacturing and AI, forming the cornerstone of its development capabilities.

Global Network

By collaborating with approximately 250 carefully selected manufacturing partners worldwide, Fictiv offers exceptional flexibility and scalability to support a diverse array of manufacturing processes. The Company can fulfill any customer order in as little as one day and has established a foundation that can readily adapt to geopolitical supply chain risks.

Solid Customer Base

The Company serves more than 5,000 customers worldwide, ranging from startups to large enterprises dedicated to driving innovation. Its primary customers are major corporations in high-growth sectors such as robotics, energy, healthcare, and aerospace, with a strong focus on the United States.



Organizationally Embedded Culture

Fictiv's culture is defined by a strong execution capability, seamlessly integrating the founders' entrepreneurial spirit with a digital-native approach to transforming Monozukuri and an unwavering commitment to deliver results. This technology-driven momentum, paired with a readiness to embrace and learn from setbacks, is set to accelerate MISUMI Group's digital transformation.

Moreover, by consistently upholding high standards of quality and efficiency, and proactively addressing customer challenges as our own, we demonstrate a strong commitment to service excellence. This approach is fully aligned with MISUMI's corporate philosophy, "Your Time, Our Priority," fostering synergistic outcomes that are well-positioned to drive market transformation.



Fictiv's Business and Core Values: Maximizing "Time Value" in Manufacturing

Founding Philosophy

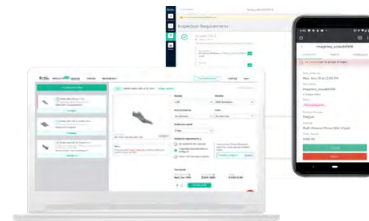
Fictiv was established in 2013 to resolve a fundamental challenge in product development: enhancing the productivity of the procurement process for custom machine components, which remains one of the most significant obstacles. The Company's clear purpose, "Unlock the world's creative potential to innovate," serves as the driving force behind its development of digital technologies.



Services Offered

Fictiv streamlines the on-demand procurement of custom machine components for a wide range of products by enabling users to upload 3D data directly to its platform. What was once a closed analog process, can now be managed entirely online—from a single prototype to mass production runs exceeding one million units—with delivery possible in as little as 24 hours. This innovative approach accelerates product development cycles and eliminates inefficiencies.

- Providing instant quotes and Design for Manufacturability (DFM) feedback via an AI-powered platform
- Supporting diverse manufacturing methods, including CNC machining, injection molding, 3D printing, die casting, sheet metal fabrication, compression molding, and urethane casting
- Offering comprehensive services: product design, bill of materials cost reduction, assembly, global sourcing, customs management, and logistics optimization



Growth Strategy: Digital MODEL Shift

meviy: A New Phase of Advancement Through Service Expansion and Accelerated Global Expansion



Future Outlook

2025 marks a pivotal year for meviy. With the goal of becoming the “Japan-originated Global No.1” B2B platform, we will further accelerate the enhancement and expansion of our services by integrating the technologies and platforms of the meviy family and Fictiv, in line with the growing demand for automation across all industries and sectors.

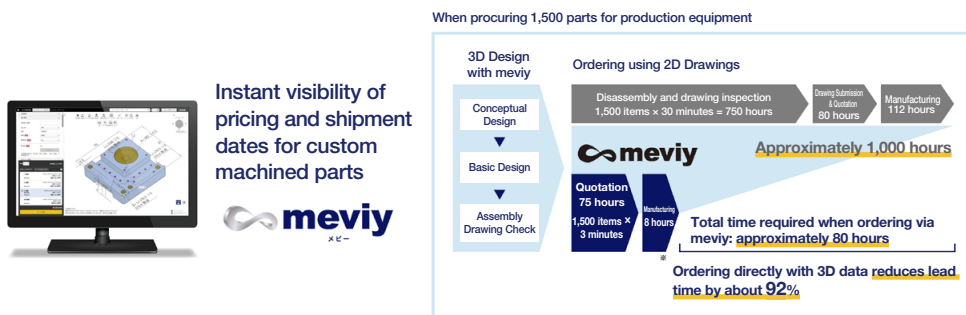
Senior Corporate Officer, President of ID Business Company and Chairman of Fictiv Inc.

Mitsunobu Yoshida

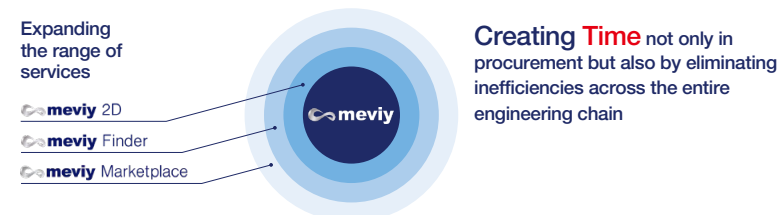
Initiatives to Date

Since its official launch in 2019, the meviy business has experienced steady growth. In FY2024, sales increased by 38% year over year, and by the end of September 2025, the user base surpassed 210,000, further strengthening the company's market presence. meviy is a SaaS solution designed for 3D CAD engineers; by simply uploading 3D data, AI instantly generates quotations and delivery dates. This process reduces the time spent on parts procurement by more than 90%. As a result, engineers can focus on higher value-added and creative activities such as product development, delivering true Time Value to users.

meviy continues to establish a flexible service foundation that accommodates diverse customer needs and production plans, including support for complex geometries and materials, lead time discounts, and volume-based pricing. Recently, usage has expanded from small-lot prototyping to medium-lot production, with adoption growing across a broad range of industries such as automotive, semiconductors, pharmaceuticals, aerospace, and education. The number of users outside Japan is also steadily increasing. We are actively engaged in initiatives to raise meviy's brand awareness. Last year, our YouTube-based initiatives were recognized with the Content Category Award at the Nikkei Cross Trend BtoB Marketing Awards 2024.



The “meviy 360-Degree Concept” Creates Time Throughout the Engineering Chain



meviy Finder: Cloud Service for Drawing Searching and Sharing **meviy Finder**

meviy Finder is a free cloud service for searching and sharing drawings, launched in August 2024 to streamline drawing management, which remains one of the most analog tasks in manufacturing. Leveraging the AI analysis technologies developed through meviy, the system automatically analyzes dimensions, symbols, and text from drawing data using advanced recognition, and stores this information as reusable information assets. As a result, users can perform not only keyword searches but also AI-driven similar drawing searches, significantly contributing to reduced dependence on individual expertise while improving overall productivity.

meviy Marketplace: Diversifying and Strengthening Custom Machine Parts Procurement **meviy Marketplace**

Introduced in September 2024, the meviy Marketplace serves as a one-stop procurement platform for diverse manufacturing methods, including machining, sheet metal fabrication, 3D printing, injection molding, frame construction, and welding. As one of Japan's largest manufacturing marketplaces, customers can easily upload their design data and receive AI-driven recommendations for manufacturing partners tailored to their specifications. Since transactions are completed digitally, the time and effort required to find partners and communicate with them are greatly reduced. Since the service launch, the number of users has been growing rapidly.



Global Expansion

By 2024, the Company established its Global 5-Pole Production Structure spanning Europe, North America, China, Asia, and Japan. In recent years, we have accelerated our global expansion. In June 2025, Fictiv, a U.S.-based company, joined the MISUMI Group, allowing us to provide seamless support across a broader range of customer needs from our conventional equipment development to the product development which Fictiv specializes in. This significantly broadened the range of services available to our customers. By integrating the technologies and strengths of both Companies, we have built a solid foundation for expanding our services, enhancing quality, and strengthening supply chain resilience.

Source of meviy's Competitive Advantage: In-house System Development (DT Dynamics)

As meviy expands its service areas and global reach, it is crucial to swiftly implement a wide range of customer requests into our services. In 2022, we established DT Dynamics as a meviy system development subsidiary to accelerate in-house development. This effort has tripled our development productivity and resulted in substantial cost savings. It has also contributed to securing outstanding DX talent. Currently, in addition to meviy, we are consolidating the digital service development functions for the entire MISUMI Group, focusing on further strengthening the company's overall IT development capabilities.

Growth Strategy: Digital MODEL Shift

MISUMI flow: Expanding Our Business Domain Downstream by Reducing Overall Costs Throughout the Procurement Process

Future Outlook

MISUMI flow is a service that supports the DX of procurement operations in high-volume, repetitive operational environments within the Monozukuri industry. By expanding its domain from the traditional equipment manufacturing sector to addressing challenges in mass-production settings, MISUMI is broadening its overall value proposition.

Corporate Officer, President of the Factory-MRO Business Company

Takashi Baba

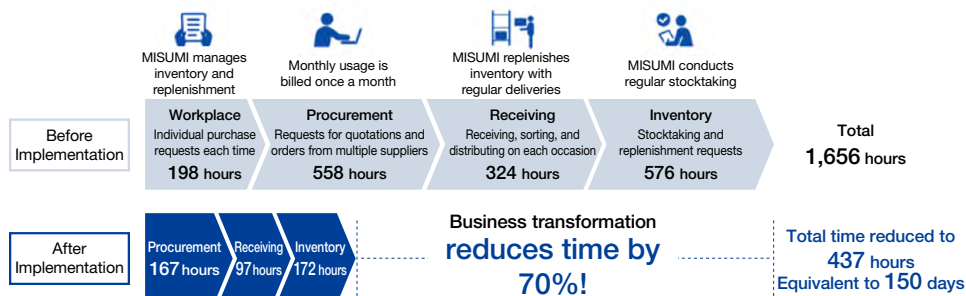
Background to Development

MISUMI flow is a comprehensive cost-reduction service for manufacturing components and marks a new pillar in our Digital MODEL Shift, following mevi, Economy Series, and D-JIT. By moving beyond services traditionally offered to equipment manufacturing, we are now tackling challenges in mass production environments to deliver greater value across a broader range of industries. The MRO (maintenance, repair, and operations) products offered by MISUMI flow, such as everyday tools and consumables, represent a high-growth segment within our business portfolio. By implementing MISUMI flow, we are expanding customer touchpoints and contributing to the overall revenue growth of the MISUMI Group.

To address structural challenges facing the Monozukuri industry, including labor shortages, time constraints, and rising material and labor costs, we have developed MISUMI flow as an innovative digital solution.

The concept originated from the need to fundamentally transform the inefficiencies found in the complex procurement of indirect materials at mass production sites by using data- and system-driven approaches.

By automating order processes for procurement professionals and providing real-time visibility into inventory levels, MISUMI flow reduces procurement-related time by approximately 70%. This enables optimal inventory management and operational efficiency at the same time.

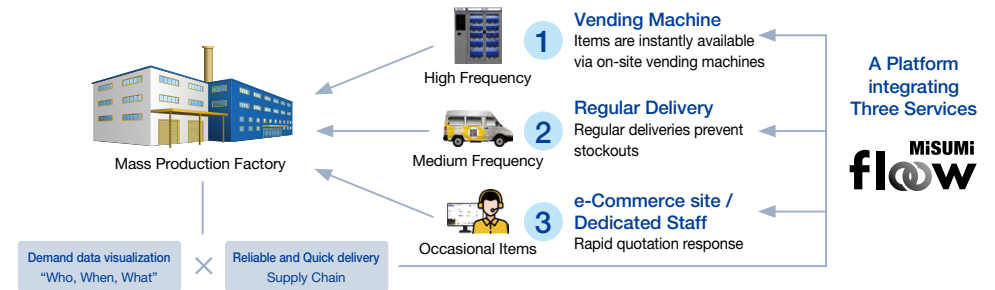


* The total annual time required for each process.

* Figures are calculated based on the average time per production line across five companies that have implemented the system.

* The total reduction is the sum of time saved at each process stage, rounded up to the nearest whole number.

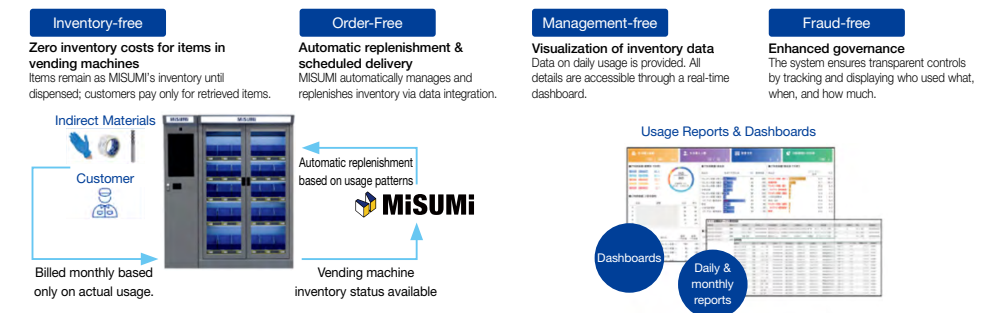
Driving Procurement DX at the Production Site



MISUMI flow is a service that streamlines the procurement of manufacturing components by providing products through the most suitable channels, based on customer demand data, thereby reducing overall costs.

For high-frequency items, vending machines equipped with communication and data connectivity are installed within the factory, allowing immediate access whenever needed. This MODEL, inspired by the "Toyama Medicine Box" model, visualizes usage by tracking who used what, when, and how much. By analyzing usage trends and operational patterns, it enables improvements in inventory management, order accuracy, including more efficient use of consumables. Medium-frequency items are supplied via regular deliveries, while high-value, quotation-based items are handled through the MISUMI e-Commerce site or a dedicated support desk, ensuring flexible responses to all procurement needs.

Companies that have implemented MISUMI flow have achieved multifaceted benefits, including optimized inventory levels, more time for process improvement, reduced psychological burden associated with inventory management, and lower environmental impact through reduced packaging through streamlined deliveries. In FY2025, MISUMI flow received several external recognitions, including the Good Design Award, the IT Award for Excellence (Customer Value & Service Innovation Division), and the Encouragement Prize in the SX category at the Japan DX Awards.



Strengthening Mass Operations to Unlock New Business Opportunities

Moving forward, we will continue to develop new features driven by feedback from frontline operations and will further accelerate our global expansion, with a particular focus on Asia. By solving on-site challenges not only in the Monozukuri industry but also in high-volume operations, we aim to accelerate the growth of MISUMI's business segments.

Growth Strategy: Digital MODEL Shift

Economy Series, D-JIT—Enhancing Price and Quantity Flexibility to Meet Customer Needs

Economy Series



■ Strong Price Competitiveness to Counter Rising Costs
The Economy Series is expanding its presence in Japan, China, and throughout Asia, setting itself apart by addressing the unique needs of customers in each region. By focusing exclusively on the essential functions of traditionally costly products, such as motors and cable carriers, we have achieved substantial price reductions.

Corporate Officer, President of the Mechatronics Business Company

Hitoshi Ura

This product series is designed to meet mid-range demand, providing optimal quality at a low cost. By refining specifications and manufacturing processes, we have achieved an average price reduction of 45% and, in some cases, up to 90% compared to conventional products.

The series includes more than 600,000 products worldwide, and as of March 2025, approximately 90,000 companies are utilizing them.



Now expanding into new product domains such as motors

■ Three Factors Enabling Cost Efficiency

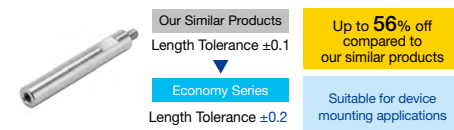
1. Revision of the Manufacturing Processes

For example, switching washers from “turning” to “press processing” has lowered prices by up to 82%.



2. Optimization of Precision

For example, for round columns, by adjusting the length of tolerance (machining error) to a level that is practically sufficient, 56% price reduction was achieved.



3. Mass Production & Inventory Accumulation



For example, with stainless steel bolts, changing from “loose-item sales” to “bulk-packaging sales (50 pcs)” resulted in a 50% cost reduction. Costs are further controlled by maintaining a global inventory through mass production and selling in packs.

	Our Conventional Products SCB/BOX-SCB	Economy Series E-GSCB/ E-BOX-GSCB	Price Reduction Rate (compared to conventional products)
Loose-item Sales:	8 yen/unit	6 yen/unit	25%
Bulk Packaging Sales:	4 yen/unit	2 yen/unit	50%

* Comparison based on tax-excluded price

D-JIT



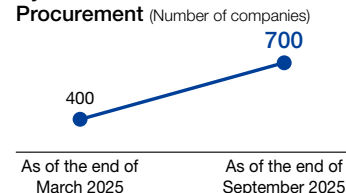
■ From MISUMI for Small Quantities to MISUMI Even for Large Quantities
By integrating inventory data through cyber network with over 700 suppliers in Japan and abroad, MISUMI's available product supply quantity has increased significantly. Globally, following South Korea, Thailand, Taiwan, and Europe, this service offering expanded in November 2025 to the United States and Mexico. More than 90,000 companies are using D-JIT as of November.

Corporate Officer, Representative of DJ System Global Development Center

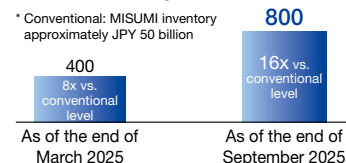
Tomohiro Yamamoto

D-JIT offers an innovative purchasing solution that removes the need for adjusting lead times and waiting for quotes, even when placing large orders. Full-scale deployment began in Japan in April 2024. When customers enter their desired quantity on the MISUMI e-Commerce site, prices and lead times for large orders—previously available only by quotation—are now provided instantly. Previously, if the required quantity was unavailable, purchasing managers had to contact suppliers and gather inventory, leading to inefficiency. D-JIT has resolved this issue.

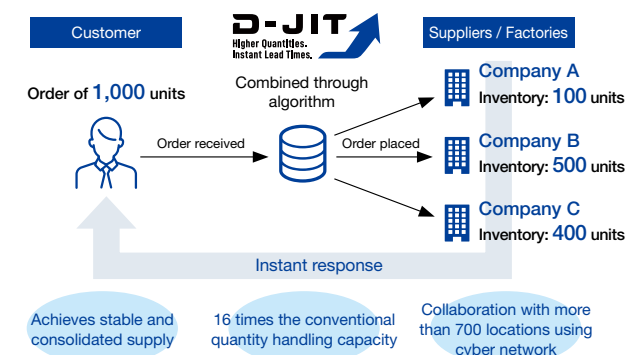
Cyber Network-based Collaborative Procurement



Virtual Inventory (JPY Billion)



In FY2025, we will expand the available quantity and accelerate overseas expansion.



Proprietary algorithms calculate available quantities and lead times, instantly displaying them on the MISUMI e-Commerce site

■ External Recognition

Our innovative procurement MODEL for the manufacturing industry has been recognized with the IT Grand Prize in the Customer Value and Service Innovation category at the 2025 IT Awards, as well as the Excellence Award in the Business Transformation category at the Japan DX Awards. Furthermore, our initiative to redefine logistics value received the Runner-Up Grand Prize at the Logistics Awards.

Growth Strategy: Digital MODEL Shift

3D CAD Design Support

RAPiD Design



This 3D CAD data library software is designed for components used in automation equipment and facilities. It allows users to select parts, acquire data, and request quotations within the CAD platform—streamlining complex processes and reducing design time by over 90%. The software is trusted by more than 5,000 companies, and its user base continues to grow due to integration with mevi and broader compatibility with various CAD programs.

POINT 1

Integration with SOLIDWORKS, iCAD SX, and Inventor

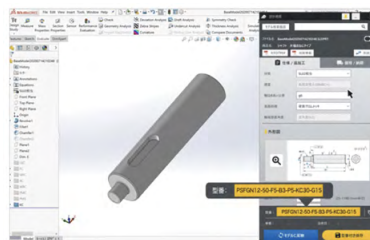
Import models directly into your 3D CAD software



POINT 2

Integrate CAD data with MISUMI part information

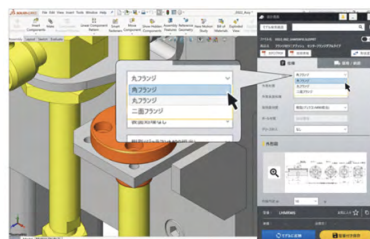
Acquired models are automatically assigned part numbers, prices, and delivery information, which are also updated automatically



POINT 3

No need to replace CAD data when making design changes

After importing, you can easily edit directly in CAD, eliminating the need for tedious file replacement tasks



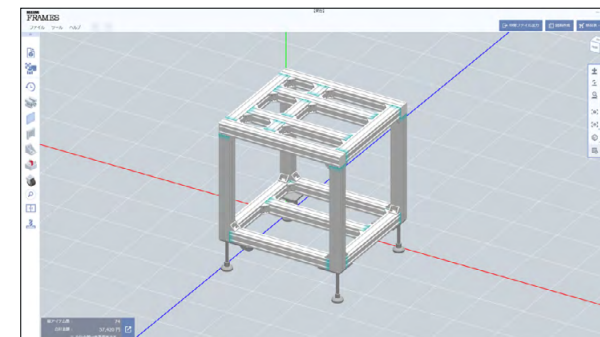
MISUMI FRAMES



This installable software allows users, even those without CAD experience, to intuitively design and order aluminum frame structures as if they were drawing a picture. By automating labor-intensive tasks, it delivers up to 90%-time savings compared to traditional methods. More than 100,000 users at 40,000 companies in Japan and abroad rely on the software, which is available in Japan, North America, Germany, Singapore, Thailand, Malaysia, and Vietnam. We intend to further accelerate global expansion with a focus on Asia.

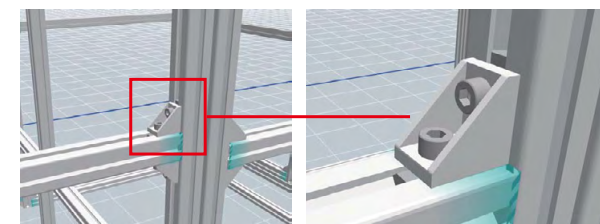
POINT 1

Easily design enclosures with an intuitive interface



POINT 2

Enhance design efficiency through CAD integration



POINT 3

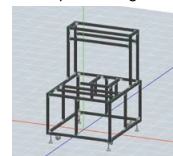
Significantly reduce ordering errors Instant quotes and ordering.

When you select products and connect the aluminum frames, nuts and brackets are automatically aligned.

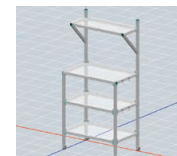
POINT 4

Access an extensive database of design case studies

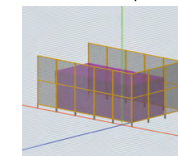
Plastic processing frames



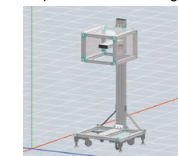
Electronic workbenches



Safety fences for manufacturing automotive parts



Camera stands for electronic parts manufacturing



Growth Strategy: Digital MODEL Shift

NEWTON: New “AI Ready” Core System Accelerating Company-wide DX

Characteristics of NEWTON

Implementation Background

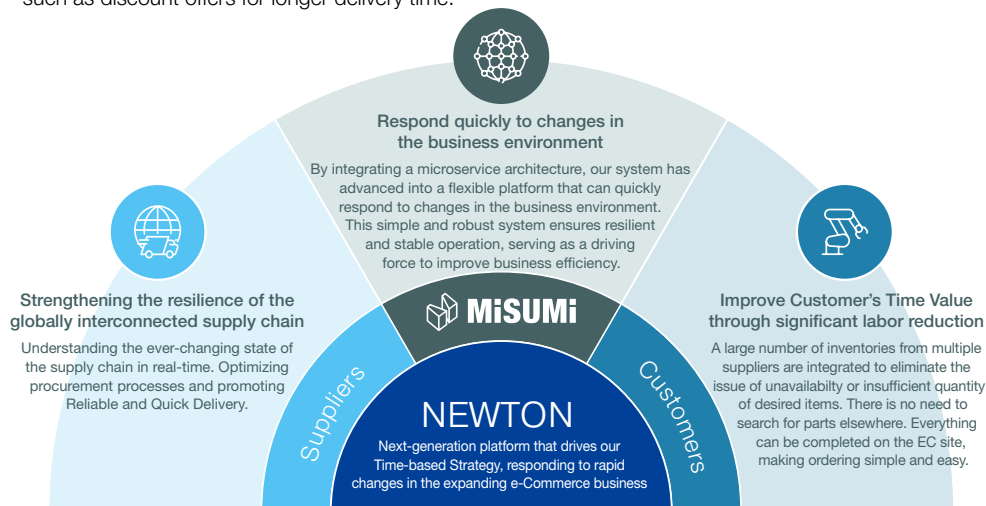
MISUMI has made IT infrastructure enhancement one of its top priorities and is advancing the development and deployment of the new core system, NEWTON, to support global business expansion. During the transition from the previous core system, we reassessed our strengths and weaknesses and conducted a thorough review to determine which data and functions should be retained, redesigned or eliminated. We believe that strengthening our business and updating our core system are inseparable; NEWTON is designed to be a state-of-the-art and adaptable infrastructure that evolves alongside our Business MODEL.

Characteristics

NEWTON combines a highly resilient multi-cloud architecture with a microservices-based order and fulfillment system enabling flexible responses even in times of disruption. By securely connecting with external systems via APIs, NEWTON also enables seamless integration with cloud services and external, general-purpose AI solutions. Compared to our legacy core system, development speed has tripled, and costs have been reduced to one-third, further driving savings through in-house e-Commerce development. Operationally, system performance, availability, security, and operability have improved significantly. Throughout the enhancement process, the system and business teams collaborated closely, ensuring that unnecessary complexity and tight coupling were avoided.

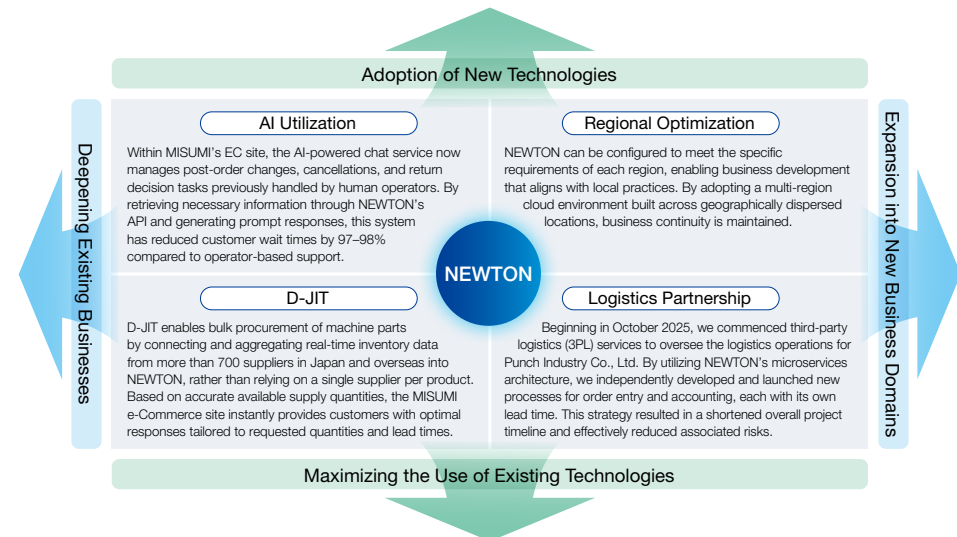
Value Proposition

NEWTON was developed with the aim of building an infrastructure that can respond swiftly to changes in customer needs and the Monozukuri industry, incorporating scalable and globally applicable mechanisms while strengthening differentiating factors in competitive areas. With solutions such as D-JIT, which integrates and visualizes supplier inventory data in real time, NEWTON not only addresses challenges in our existing businesses but has made it faster and easier to introduce new businesses and services, such as discount offers for longer delivery time.



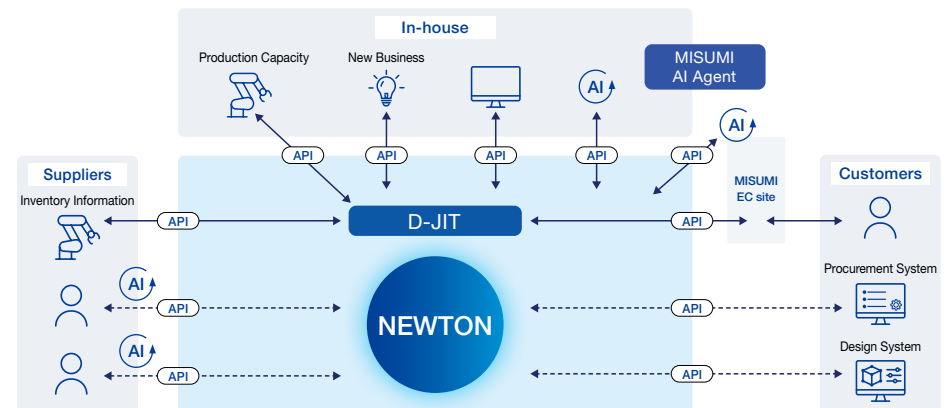
Results of NEWTON Implementation

NEWTON, our core system designed to provide flexible support across diverse regions and emerging business domains, is expected to enhance system performance and further drive business growth by directly contributing to value creation.



A Flexible and Scalable Core System

NEWTON's microservices offer a range of standardized APIs. By securely connecting with customers and suppliers in real time, we strive to reduce information gaps and eliminate inefficiencies.



Growth Strategy: Digital MODEL Shift

Case Studies (Customer Testimonials)

MISUMI's digital services are effectively addressing challenges faced across the Monozukuri industry. Drawing feedback from customers who have implemented these solutions in their design, procurement, and production workflows, we present key aspects of MISUMI's value proposition.

Case
1

Improving Productivity in Design, Procurement, and Production Sites Supported by meviy and MISUMI floww

Challenges Prior To Implementation

Our flagship product, "Rakuraku Hand," is a hand crane designed to ease the workload of workers who handle heavy objects at manufacturing sites. Since each workplace has unique requirements, the design drawings must be tailored to fit each specific situation.

Even though designs were created with 3D CAD, it was still necessary to generate paper drawings for part fabrication and procurement. Furthermore, inventory management and ordering of indirect materials, such as work gloves, were handled individually at the manufacturing site, which added to the responsibilities of the procurement department.

Post-implementation Effects

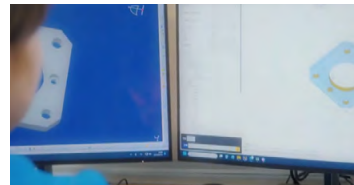
The procurement department worked together with the design department to promote the introduction of meviy, aiming to enhance operational efficiency. This collaboration achieved smooth integration between design and procurement processes. In the design phase, quotations can now be generated directly from 3D data, reducing the workload of creating paper drawings. On the procurement side, orders can now be placed using only model numbers, significantly cutting down on administrative tasks such as stamping large quantities of paper drawings for release and then contacting external manufacturers by fax or email.

At the production site, the introduction of MISUMI floww established a system in which indirect materials, such as gloves, are automatically replenished through vending machines. These reduced procurement tasks allowed immediate access to necessary materials, even during nights and holidays.

MISUMI's digital services are connecting departments and streamlining operations from design to the manufacturing site.

Future Outlook

With reduced workloads across design, procurement, and manufacturing, we can now dedicate more time to address customer needs and solve their challenges, which increases the added value of our products and designs.



Direct quotation from 3D data with meviy



Uninterrupted Procurement of Indirect Production Materials via MISUMI floww Vending Machines

Customer Profile Aikoku Alpha Co., Ltd.

Location: Inazawa City, Aichi Prefecture

Business: Manufacturing and sales of automotive parts, hand cranes, processing of aerospace parts, and development and sales of CAD/CAM systems for the above manufacturing industries

Number of employees: 1,021



Technical Manager, Rakuraku Hand Division, Procurement Group

Junichiro Kawai

Case
2

Visualizing Market Inventory with D-JIT for Easier Production Planning

Challenges Prior To Implementation

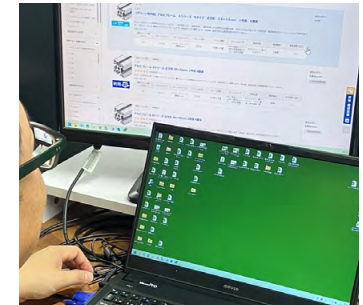
Our Company manages every aspect of system and equipment design, manufacturing, and maintenance related to conveyance and inspection for customers in industries such as beverages and food. In procurement, we source parts based on lists provided by the design department; however, securing the required quantities within short lead time frames has been extremely challenging, and we were constantly under pressure.

Post-implementation Effects

By referencing the MISUMI EC site, which integrates inventory information from multiple suppliers, we can now view an overview of market inventory and lead times. This makes production planning much easier. Our vision is to "realize customer factories that never stop," and we are now able to minimize the risk of delays in system and equipment manufacturing.

Future Outlook

By capitalizing on the time gained through streamlined parts procurement, we are prioritizing the development of new collaborative frameworks and the advancement of internal process innovation. Our objective is to build a structure that delivers even greater added value as we move forward.



D-JIT clearly displays market inventory quantities and lead times on the MISUMI EC site.

Customer Profile N-Tech Co., Ltd.

Location: Yoro Town, Gifu Prefecture

Business: Design, manufacture, and maintenance of conveyance and inspection systems and equipment for the beverage and food industries

Number of employees: 192



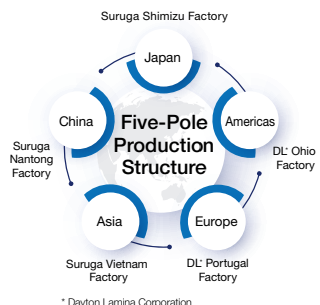
Procurement Section Manager, Manufacturing Department

Osamu Hiraki
(Right-side of the picture)

Growth Strategy Manufacturing Capital

With 22 production sites and 20 distribution centers across five global regions, our global production and supply network supports Reliable and Quick Delivery.

Risk-resilient Global Five-Pole Production Structure



Standardized parts, such as FA components and die components, are produced as “semi-finished products” at factories like those in Vietnam, then undergo final finishing near the point of consumption. This approach minimizes inventory. Even for Make-To-Order products without inventory, we consistently achieve high quality, reliable and rapid delivery, and low costs.

Custom machine parts are produced at multiple mevi factories leveraging our Digital Manufacturing System which allows for flexible switching between production sites. Even during the COVID-19 pandemic, this resilient production framework ensured stable operations and made a significant contribution to strengthening the competitiveness of our entire supply chain.

Global Network

“Optimal Automation”—Collaboration Between Digital Technology and People

At MISUMI’s production facilities and distribution centers, we do not pursue full automation indiscriminately. Instead, we combine “just-in-time” teamwork with advanced digital technologies to eliminate inefficiencies at every level. Each day, we strive to achieve the optimal balance of automation—what we refer to as “best-fit automation.”

Production Factories

■ Suruga Production Platform, Shimizu Factory

Suruga Production Platform’s die components factory stands as MISUMI’s mother factory—the birthplace of the MISUMI Production Method, which enables shorter, more consistent lead times and significant cost reductions. We developed in-house automation solutions for Make-To-Order production processes that are widely regarded as challenging to automate, which now allows a single operator to manage nine machines at once. Back in 2010, it took 40.5 hours to process, inspect, and prepare semi-finished products for shipment. Now, the process has been shortened to approximately 40 minutes. We handle about 2,000 custom orders per day, all with different dimensions, and can ship as few as one item, with same day shipping available for the fastest orders.

Our mevi factories, which manufacture custom machine parts, are equipped with proprietary production lines automatically generate manufacturing data and harness robotics and advanced digital technologies. We are committed to continuous innovation as we shape the future of manufacturing.

Even in high-mix, variable-quantity production environments, our manufacturing sites deliver exceptional productivity and Reliable and Quick Delivery—without relying solely on full automation. Through the combination of strategic investments and ongoing improvements, we relentlessly pursue the optimal level of automation for every process.



Die Components Factory
In-house-developed Processing Machine “ALASHI”



mevi Factory
Digital Manufacturing System

In October 2024, MISUMI Group Inc. entered into a capital and business alliance agreement with Punch Industry Co., Ltd. Through this partnership we aim to complement and reinforce each other’s strengths, driving growth and development throughout a wide spectrum of metal processing fields. Our efforts span both standard and custom products, and include not only automation equipment, but also peripheral and die components.

Distribution Centers

A specialized department promoting warehouse automation in Japan is streamlining logistics operations by combining automation technologies, such as shelf-transport robots with on-site improvements. In October 2025, the distribution hub of Punch Industry Co., Ltd. was integrated into our East Japan Distribution Center. In April 2026, West Japan Distribution Center will move to a new facility with a total floor area 7.5 times larger, significantly expanding capabilities to include storage for 400,000 items and processing of 100,000 order lines per day. The system for stable supply, even in emergencies, will be further strengthened.

● East Japan Distribution Center Recipient of the highest honor, “Best Logistics Improvement Award,” at the All-Japan Logistics Improvement Case Competition

The East Japan Distribution Center accounts for approximately 36% of our global shipment volume and previously managed picking operations involving 2.4 million inspection tasks per day. To ease operational burdens, we independently developed a DPC system equipped with image recognition and weighing functions, achieving a 21% increase in productivity compared to 2022. Over the past two years, we have implemented 1,100 improvements, earning high recognition for our unwavering commitment to the “Three Actuals Principle” (actual place, actual thing, actual situation).



Picking operations using DPC

■ Central Japan Distribution Center

The Central Japan Distribution Center, a reference site for warehouse automation, manages approximately 30% of our total domestic sales volume. In November 2020, we began full-scale operations at an automated warehouse featuring large-scale material handling equipment. On-site teams have continuously identified and resolved challenges, resulting in productivity levels about twice as high as our conventional system. The expertise developed here is now being applied to logistics sites in Europe and the Americas.



Central Japan Distribution Center

■ Shanghai QCT Center

The Shanghai QCT Center, which commenced operations in April 2024, features an advanced, highly flexible, and adaptable design. Serving as the core hub of our distribution network in China and Asia, it offers the largest storage capacity and handling volume among MISUMI’s overseas distribution centers. The center conducts research on cutting-edge logistics-related technologies and has developed 31 types of low-cost automation equipment, securing 72 patents. Of these, nine types have been implemented at distribution centers in Japan, Korea, and other regions in Asia. Since its launch, overall productivity has increased by 31%.



Shanghai QCT Center



Growth Strategy

Human Capital

MISUMI's Human Capital Management: Best Place To Grow

Growth Chain-reaction Aspired Management: Employees' Challenges as the Starting Point

By eliminating inefficiencies in the Monozukuri industry and enhancing Customer's Time Value, MISUMI aims to realize Growth Chain-reaction Aspired Management where MISUMI, the Monozukuri industry, and society grow and develop together. Since the products we handle do not have significant differentiating features on their own, we continually innovate our business model, the MISUMI MODEL, to deliver greater added value. It is our people who consistently refine this MODEL. Therefore, employees' challenges serve as the starting point for Growth Chain-reaction Aspired Management and form the foundation of our Company's approach to human capital management

Individuals' Growth and Company's Growth

The cycle illustrated on the left side of the figure begins with each employee asking, "What's next?" and centers on pursuing Individuals' Growth. This cycle highlights the proactivity of each employee: they grow by taking on new challenges, the Company acknowledges and rewards these efforts appropriately, and this recognition inspires employees to pursue their next stage of growth, forming a continuous and virtuous cycle. The cycle on the right focuses on Company's Growth. By aligning individual challenges under each organization's strategy and driving MISUMI MODEL innovation, we enhance the value proposition to our customers, ultimately leading to increased corporate value.

The continuous rotation of these two interlocking cycles, always working in tandem, enables sustainable growth for our Group's employees and organizations and serves as the foundation of our Growth Chain-reaction Aspired Management. This framework represents the core of the MISUMI Group's approach to human capital management, illustrating that our Group is full of opportunities and offers unmatched growth potential worldwide. In other words, MISUMI is the Best Place To Grow for every employee.

The relationship between MISUMI's Growth Chain-reaction Aspired Management and Human Capital Management: Best Place To Grow



Growth Strategy: Human Capital

Four Mechanisms for Becoming the Best Place To Grow

For MISUMI to remain the Best Place to Grow for its employees, we must always maintain a cycle of individual and organizational growth in every location. This cycle is fueled by the question “What’s next?” and supported by mechanisms that encourage employees to take on new challenges in an accelerated manner. To this end, the MISUMI Group has established the following four key mechanisms, along with supporting subsystems to ensure employees pursue the right challenges and further accelerate their developmental growth.

Four Mechanisms	Subsystem	Details
1. Individuals’ Challenges and Growth	Next Challenge Program	A program that encourages employees to constantly ask “What’s next?” and to voluntarily shape their own career paths.
	Evaluation System	The evaluation system is a unified framework with two axes: Practical Capability Evaluation, which assesses how employees embody the MISUMI Value’s, and Performance Evaluation, which measures the achieved outcomes.
	Compensation System	It is designed on the principle of rewarding those who embrace challenges and deliver results at market-leading levels.
2. Organizational Challenges and Growth	Business Plan	Executives take ownership of both designing “growth strategies,” namely Business Plan, and executing them.
	M-Up/ Q-Up	Global forums to share, celebrate, and learn from MISUMI MODEL advancements across workplaces. Each year, the Company hosts M-Up (MISUMI MODEL Up) for all employees and Q-Up (Quality Up) for manufacturing divisions.
	Management Forum	Opportunities for direct dialogue between top management and employees, held company-wide and across hubs and department levels.
3. Direct Growth Impetus	MISUMI Strategy School	Leadership programs taught directly by top management, fostering strategic thinking and a leadership mindset required of future leaders.
	Next-Generation Talent Development	The entire executive team is collectively responsible for nurturing and monitoring future executive candidates.
	Improvement Literacy Lectures	Company-wide programs to boost productivity and enhance Dynamic Capabilities.

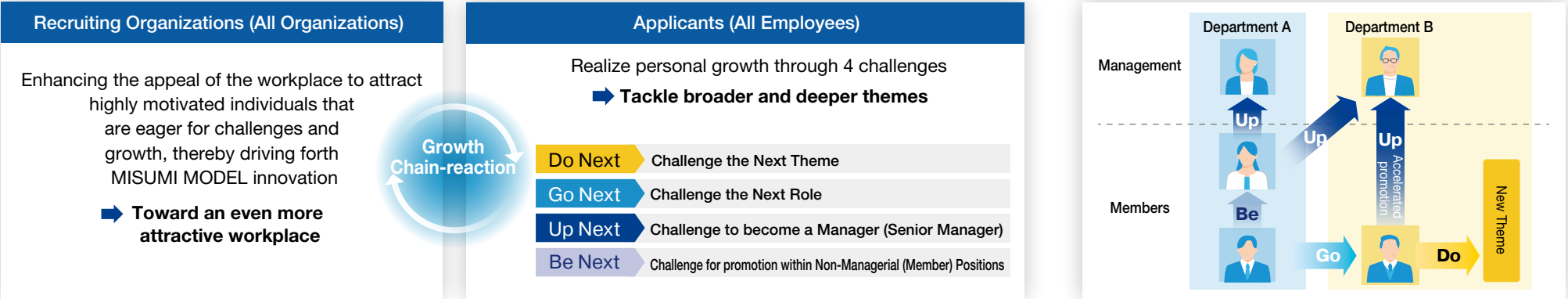


Four Mechanisms	Core Perspectives	Details
4. Organizational Development (Right Ways to Grow)	Right Challenges: Keep Challenging	We foster an environment that continually encourages employees to ask “What’s next?”, avoids complacency, and embraces ongoing challenges, while deploying programs like the Next Challenge initiative worldwide.
	Right Perspective: Think and See Right	We strengthen the right perspective, grounded in MISUMI Value’s, by implementing the evaluation system and related initiatives globally.
	Right Actions: Discipline	To encourage swift and disciplined right actions, we have reinforced internal controls and introduced the Dynamic Leadership Program, our change-responsive leadership development initiative.
	Right Environment: Fair Environment	We advance initiatives such as zero harassment and Diversity & Inclusion to foster a work environment where individuals can take on maximum challenges while considering personal circumstances and ensuring fairness for all.

Growth Strategy: Human Capital

Next Challenge Program

Establishing an In-house Labor Market



Maximally Stimulate “Employees’ Challenges,” which Serve as the Starting Point for the “Best Place To Grow”

Employees proactively challenge various themes, and the organization creates opportunities for challenges and enhances workplace appeal, aiming for a mutually reinforcing, virtuous cycle of Growth Chain-reaction.

Employees constantly consider “What’s next” for their own career paths and voluntarily choose from the following four “Next Challenges” (XX Next).

Do Next and Go Next

■ “Reset” Current Positions to a Clean Slate

Employees typically have the autonomy to decide whether to transfer based on their career aspirations. Remaining in the same role for an extended period and becoming complacent is considered an obstacle to growth. The Do Next and Go Next initiatives require employees to “reset” their current positions each year. To either remain in their current role or pursue a transfer, employees must “apply” to their preferred organization to select their position. A notable characteristic of this system is the opportunity to explore various career paths within the Company, including transfers across countries and job functions.

■ Establishing an In-house Labor Market

As a foundation for mutual selection and appeal between employees and organizations, MISUMI has established its in-house labor market: MISUMI NEXT Market (MNM).

Through MNM, recruiting organizations present their challenge themes (strategies and actions). Employees, as applicants, actively pursue their next challenges by attending briefings hosted by various organizations. The application and selection processes are also facilitated through MNM. Furthermore,

the HR department serves as an internal agent, providing support for any concerns that arise for both applicants and recruiting organizations.

Up Next and Be Next

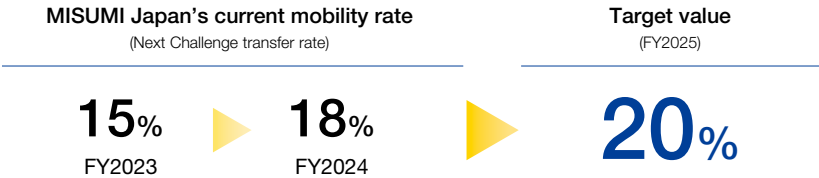
We offer Up Next and Be Next formats for self-driven career advancement and promotions.

These are conducted year-round, allowing individuals to take on challenges according to their career plans. The challenge requirements do not consider age, gender, nationality, or even experience and tenure. Moreover, individuals can also “skip grades” by trying out for positions more than two levels above their current one.

KPI for the Next Challenge Program and Future Developments

As an indicator to measure employees’ next challenges, our Group has set internal mobility as a KPI.

Currently, it is primarily implemented for employees at MISUMI Japan, but we are advancing the development of a scheme that includes overseas Group companies.



Growth Strategy: Human Capital

Interviews with Next Challenge Program Participants

INTERVIEW



Age 29/ Joined MISUMI as a new graduate

Mai Hattori

Go Next →

September 2024

The Legal Department, MISUMI Japan →
The Legal Department, MISUMI Europe

■ What Inspired Me to Take on the Challenge

From my experience studying abroad as a student, working overseas has been one of my goals since I first joined the company. By consistently expressing my interest in international work to my supervisor and actively participating in global projects, I believe these efforts ultimately led to my overseas assignment.

■ Having Worked in Germany

While the core aspects of my work remain largely unchanged from Japan, working in a different country naturally brings differences in legal systems and areas of focus. In some fields, we are engaged in initiatives that are even more advanced than those in Japan, which makes the work challenging at times but also highly rewarding and interesting.

Another positive aspect is the opportunity to work with colleagues from diverse backgrounds. MISUMI Europe operates in 11 languages, and employees represent more than 30 nationalities. Through daily interactions, I am constantly exposed to new perspectives and regional characteristics, which I find particularly enriching.

■ My Next Challenge

My goal is to become a legal professional who can thrive on the global stage. I am to further explore the differences between Japan and Europe; by further exploring the differences from Japan and the unique characteristics of Europe, I aim to develop a broader global perspective. At the same time, I hope to actively take on challenges that are only possible in Europe, while also aspiring to grow into a leadership role in the future.



Age 37/ Joined MISUMI as a mid-career hire

Feiying Wang

Up Next →

January 2025

Member position →
Section Leader in the meviy Business
Department

■ What Inspired Me to Take on the Challenge

The main catalyst was the growing opportunities to take on management responsibilities, along with encouragement from my supervisor and colleagues. In addition, because my role involves frequent interaction with overseas subsidiaries and international customers, I strongly felt the importance of being able to lead and collaborate across borders to deliver results with people from diverse cultures and values.

■ Working as a Section Leader

My focus has shifted from individual performance to achieving results as a team, and I find great fulfillment in working together to meet the needs of customers both in Japan and overseas. While it has been challenging to bring together diverse perspectives and maximize each member's strengths, I made a conscious effort to build strong relationships through one-on-one meetings. As projects progressed, trust within the team deepened, which in turn became a source of motivation for tackling future work.

■ My Next Challenge

Building on the experience gained so far, I hope to take on an overseas assignment and contribute to promoting local product development and establishing tailored processes at an overseas subsidiary. By working abroad, I aim to experience diverse cultures and values firsthand and continue growing as a global professional.

Looking ahead, I am also considering the possibility of challenging myself in a director-level role. Through hands-on experience in overseas operations, I hope to achieve both personal growth and further career development.



Age 36/ Joined MISUMI as a new graduate

Takuya Sanetou

Up Next →

June 2025

Director →
President Director of the Indonesian
Subsidiary

■ What Inspired Me to Take on the Challenge

I joined the company with the aspiration of becoming a business leader, but witnessing many younger entrepreneurs outside the company made me acutely aware of the need to accelerate my own growth. Until last year, I was based in Vietnam; drawing on the experience and knowledge accumulated, I felt confident to be able to further strengthen our Indonesian subsidiary. This led me to challenge for the position of President Director. I believe this opportunity was made possible by the trust I earned through cross-regional work in Asia, as well as a corporate culture that actively supports individuals taking on new challenges.

■ My Current Challenge and Future Goals

I am currently focused on reexamining organizational habits and culture to transform the organization into one that acts more strategically. I stay closely involved on the ground, working hands-on with teams until even small strategy-driven results can be clearly felt. I strongly believe that my experience in systematizing and modeling repeatable ways of delivering results, as well as communicating key points simply and engaging those around me, is proving valuable. As the entire organization continues to take on challenges together, I find great fulfillment in seeing customer satisfaction increase and in witnessing the growing energy and vitality spreading throughout the organization.

Looking ahead, I will continue to challenge myself to build a MODEL that can contribute globally, with the aim of positioning Indonesia as a source of best-practice MODELS for the MISUMI Group worldwide.

Growth Strategy: Human Capital

DX Talent

At MISUMI, DX is not the sole responsibility of the IT department. Instead, all employees are expected to acquire IT and AI knowledge appropriate to their roles, enabling them to solve and create business value, as well as to transform existing operations. In addition, to ensure both business contribution and the optimization of company-wide business processes, we adopt a human capital strategy that equips, visualizes, and develops the three core capabilities required for talents promoting DX across the entire organization, from a company-wide optimization perspective.

[Intellectual Capital: DX Strategy](#)



Talent Requirements

Common Requirements for All Employees

- The ability to understand customers and markets and enhance the value proposition.
- The ability to deepen understanding of digital technologies and effectively apply necessary technologies to business challenges.
- Exceptional capabilities that integrate business and technology to effectively implement and embed DX throughout the organization.

Role-Specific Requirements (IT-Related Departments)

- We define the knowledge, skills, and experience required for each professional role, including IT engineers, data scientists, and project managers.

Recruitment Activities Supporting MISUMI's Sustainable Growth

In DX-related divisions, where highly specialized IT and AI talent is critical, we pursue multifaceted recruitment strategies. These include leveraging dedicated recruiting platforms, forming partnerships with overseas universities and technical colleges, and participating in industry conferences. Beyond hiring professionals who can make an immediate impact, we also focus on developing core talent and nurturing the next generation of leaders.

DT Dynamics Corporation* has doubled its engineering workforce within two years of its establishment. In addition, our acquisition of Fictiv, a company with a strong base of AI engineers, is expected to drive further growth in our digital manufacturing capabilities.

*Group subsidiary that promotes the in-house development of meviy.



Development

Skill Development Process for All Employees

We provide a comprehensive range of company-wide training programs covering foundational IT and AI knowledge, data literacy enhancement, and leadership and communication skills. Through our online learning platform, M-Campus, employees have on-demand access to learning. In FY2024, approximately 4,700 employees participated in about 230 courses.

In addition, employees acquire practical skills by participating in projects based on real-world business challenges.



Evaluation

Balanced Evaluation of Skills and Results

We combine quantitative performance metrics with qualitative contributions to ensure a balanced evaluation of both skills and results. Emphasis is placed on contributions to business growth strategies, especially improvements in internal and external productivity through digital technologies. Going forward, we aim to strengthen talent retention and engagement by creating an environment where employees can take greater ownership of their career development.

AI Forum

To significantly enhance MISUMI's strengths by gaining insights into company-wide AI utilization, our CIO personally plans and hosts lectures and panel discussions featuring external academics with advanced expertise as well as practitioners with extensive business experience. Each session attracts several hundred employees seeking "disruptive new ideas" that go beyond conventional frameworks. The forum provides employees with opportunities to proactively consider how AI can be integrated as a partner in their own ways of working.



AI Forum

Internal Portal Site, "IT Master"

We operate "IT Master," an internal portal designed to share practical DX initiatives throughout the organization to build a collective knowledge base. The site features field-driven success stories (best practices) covering everything from everyday ICT support and effective use of Microsoft 365 to productivity improvements enabled by generative AI. By sharing actionable and widely applicable knowledge, we maximize the added value of time created through improved operational efficiency.



IT Master

Interview



Finance Platform
Finance DX Promotion Team
Transferred to MISUMI
Europe in August 2025
through Go Next

Satoshi Mamoru

Introduction of DX Talent

Finance DX: Building a Management Information Platform

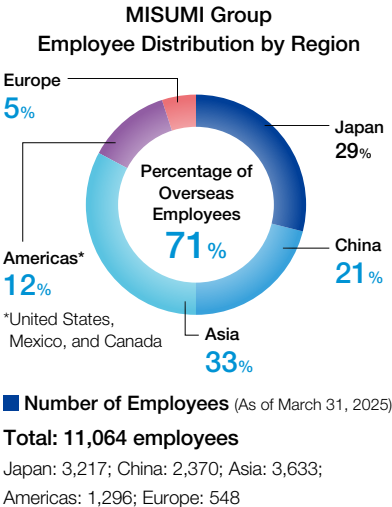
While many companies' finance functions still rely heavily on Excel files and emails, MISUMI is driving a fundamental transformation of its finance processes. As business growth expands both the volume and complexity of data required for management decision-making, our team has built a revenue management system that provides just-in-time access to strategically organized management information. Furthermore, by actively experimenting with the latest DX capabilities and scaling successful practices across the organization, we are pioneering data process innovations that inform the next strategic moves in management. These efforts enhance the accuracy of forecasting and financial analysis while laying out the foundation for a global finance platform that supports business strategy. In an environment that fosters continuous experimentation and bold challenges, each team member contributes to company-wide transformation by creating new mechanisms and advancing DX initiatives.

Growth Strategy: Human Capital

Initiatives Toward Becoming the Best Place To Grow Globally

Since FY2023, MISUMI has adopted “Best Place To Grow” as a shared global concept across the entire Group. To realize this vision, we are building talent management systems grounded in the principles of Growth Chain-reaction Aspired Management across all Japanese and overseas entities.

While advancing global infrastructure development, we have recognized the need to further embed the concept and to clarify which elements should be globally standardized versus those that should remain tailored to local characteristics such as labor markets, societal norms, and cultural contexts. For instance, Japan introduced the Practical Capability Evaluation in FY2023 to assess individual competencies. In FY2024, we began gradually harmonizing evaluation criteria across Japan, China, and Asia in areas where alignment is beneficial. By continually exploring what “MISUMI-style globalization” should entail, we will keep driving initiatives that realize the Best Place To Grow vision and enable sustainable global growth.



Interview

Corporate Officer
Americas Region
Randolph T. Yu

Pursuing MISUMI’s Global Vision as The Best Place To Grow

Being the “Best Place To Grow” holds great significance as a shared global goal for current and future MISUMI employees around the world. It demonstrates our commitment to provide meaningful opportunities to employees who proactively seek out challenges that simultaneously advance MISUMI’s priorities and further their professional growth and development. MISUMI USA has proudly encouraged and enabled many development and promotion opportunities that have allowed motivated employees to work in other departments. This breaks down silos and significantly increases employee retention and engagement. This is a win-win outcome between employees and the company and results in employees who have a broader and deeper understanding of MISUMI.

To further MISUMI’s vision as the “Best Place To Grow,” each region’s leaders should understand what growth means to their employees and seek out ways to create such opportunities. In turn, employees should thoughtfully consider and pursue roles that enable them to grow and increase their contributions. By embracing “Best Place To Grow” as a global vision and adapting it to fit each region’s unique culture and characteristics, we will attract, engage, and retain employees who will help achieve our aggressive business priorities.

Interview

President of
P.C.S. Company
Angela Elsey

P.C.S. Company, a Group Company, Received Top Workplaces Award* for the Third Consecutive Year

We are truly proud to have received this prestigious award for the third consecutive year. At P.C.S. Company (PCS), we have been committed to enhancing employee engagement by hosting monthly cross-functional volunteer committees to drive improvements. For example, to foster individual employee initiative and ensure employee voices are reflected, we introduced a “What’s Your Idea” form on the PCS portal site, enabling anyone to easily share ideas with management. Submitted ideas are reviewed and responded to at least every two weeks. The fact that every employee has been actively involved in the process and worked together to overcome challenges is an achievement beyond measure.

Alongside celebrating these accomplishments, we have launched an ambitious five-year plan called “PCS Next.” We continuously challenge ourselves with questions such as, “Will this project still work if the company doubles in size?”—ensuring we never settle for the status quo and always strive for improvement.

*An award recognizing “Great Workplaces,” based on employee satisfaction surveys conducted by U.S. research firm Energage, LLC.

Diversity & Inclusion

At MISUMI, we strictly forbid any form of discrimination based on nationality, gender, age, educational background, or employment status, whether new graduates or mid-career professionals. Recruitment, promotion, and transfer decisions are made solely based on each employee’s practical capabilities and performance, without regard to these attributes.

As a result, female managers represent 15% at MISUMI Japan and 24% globally—figures that are relatively high for the manufacturing industry. Furthermore, mid-career hires make up 85% of MISUMI Japan’s workforce, which underscores our commitment of embracing diverse talent.

We are also dedicated to creating work environments that empower employees to take on maximum challenges while accommodating individual circumstances. For instance, MISUMI Japan has implemented unique measures such as full remote work options for employees managing childcare or caregiving responsibilities.

Driven by the belief that diversity in people and perspectives accelerates the advancement of the MISUMI MODEL, we will continue to enhance our work environment and introduce various policies and initiatives. Increasing the proportion of locally hired executives and female managers is a key priority, and we aim to raise the global ratio of female managers to 30% by FY2030.

MISUMI Global (As of March 31, 2025)		MISUMI Japan (As of March 31, 2025)	
Female Employees	36%	Female Employees	43%
Female Managers	24%	Female Managers	15%
		Mid-career Hires	85%
		Male Paternity Leave	95%



Growth Strategy

Financial Capital

Building on the steady progress of our financial strategy, we remain committed to meeting stakeholders' expectations and driving sustainable growth in corporate value.

Review of FY2024 through to the First Quarter of FY2025

In FY2024, supported by a moderate recovery in capital investment in the manufacturing sector and the success of our proprietary initiatives, MISUMI achieved record-high consolidated net sales of JPY 401,987 million, marking a 9.3% year-over-year (YoY) increase. Operating income also reached a new high at JPY 46,480 million, up 21.2% YoY, driven by increased sales volumes, an improved product mix, and favorable FX effects. Both sales and profits achieved significant growth.

In the first quarter of FY2025, demand remained solid in certain regions, including telecommunications-related, electrical and electronic sectors in China. However, the impact of U.S. tariff policies began to gradually surface, and operating conditions softened globally in the automotive sector, one of our core customer industries. Consequently, consolidated performance for the first quarter resulted in net sales of JPY 99,368 million (down 0.2% YoY) and operating income of JPY 9,627 million (down 18.6% YoY), reflecting expenses related to the announced acquisition of Fictiv on April 17 and foreign exchange impacts.

Under these circumstances, the MISUMI Group continued to make concerted efforts to accurately capture customer demand, while initiatives for new businesses, including the development of new products and services, progressed largely as planned.

For the full fiscal year 2025, although uncertainties such as tariffs persist, we project consolidated net sales of JPY 422,000 million (up 5.0% YoY) and operating profit of JPY 42,900 million (down 7.7% YoY). These figures reflect the continued effects of our proprietary initiatives and the anticipated results of Fictiv, which was consolidated from July. By leveraging our robust Business Foundations, including IT, production, and logistics, and our global network, we will continue to steadily advance new business initiatives, including those involving Fictiv.

Basic Policy

With the aim of achieving sustainable enhancements in corporate value through Growth Chain-reaction Aspired Management, we prioritize growth-oriented investments from a medium- to long-term perspective, while ensuring an appropriate balance with shareholder returns. Specifically, by focusing on the four financial initiatives outlined below, we seek to expand our equity spread over the medium to long term.

Four Financial Initiatives

1. Enhancing the cash management system
2. Improving capital efficiency
3. Optimizing cash allocation
4. Deepening dialogue with stakeholders

In FY2025, following progress in cash management and a reassessment of required funds, including those for BCP, from approximately JPY 100 billion to JPY 70 billion, it was determined to allocate surplus cash to share repurchases after comprehensively considering factors such as share price levels. Accordingly, in July 2025, share repurchases totaling JPY 25 billion were announced. Going forward, we will continue to implement flexible and timely cash allocation while carefully evaluating conditions such as growth investment opportunities and share price levels.

Progress of Financial Initiatives

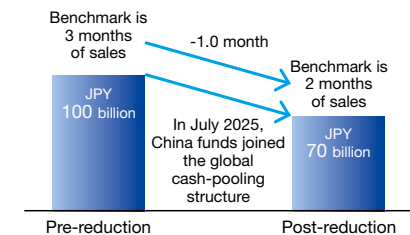
1. Enhancing the Cash Management System

■ Reduction of Required Funds

The MISUMI Group has worked to establish a solid cash management foundation to enable flexible allocation of funds for growth investments and to enhance overall capital efficiency across the Group. Specifically, we began implementing cash pooling in Japan in FY2015, followed by setting up a finance subsidiary in Singapore in FY2019 to supply operating funds globally and mitigate foreign exchange risk. In FY2021, we also introduced cash pooling in China.

Subsequently, we initiated efforts to create a global cash pooling structure that centrally consolidates funds across regions. This system has been rolled out in stages, covering Japan, the Americas, the Singapore finance subsidiary, and Europe in FY2022, followed by China in FY2025. We are currently working to expand this system to other regions in Asia.

As Group-wide liquidity improved due to advancements in cash management, we reduced the level of required funds, including those allocated for BCP, which ensures the ability to maintain operations for six months in the event of an emergency—from approximately JPY 100 billion to approximately JPY 70 billion, representing a reduction of approximately 30%.



■ Inventory Optimization

Inventory management is conducted on a team-by-team basis, with excess inventory automatically calculated within our core systems and reflected in each team's profit and loss, as well as performance evaluations. Excess inventory levels are visualized at monthly management meetings, where business leaders are encouraged to take timely corrective actions. Additionally, to optimize inventory levels, we have developed an inventory ordering system based on demand forecasting that leverages the latest AI technologies. This system has been deployed in Japan and Asia, and its effectiveness—evidenced by reductions in inventory levels—is already apparent. Looking ahead, we plan to further reduce inventory-related capital by expanding deployment to other regions, including Europe and the Americas. Furthermore, our DX-driven innovation in indirect materials procurement, known as D-JIT (Digital Just-In-Time), plays a critical role in managing inventory-related capital. By connecting real-time inventory information from more than 700 suppliers as well as the Group's domestic and overseas companies, D-JIT has increased its quantity-handling capacity by a factor of 16 compared with conventional approaches. This enables us to keep in-house inventory levels prepared for large-volume orders to a minimum, contributing significantly to more efficient inventory fund management.

2. Improving Capital Efficiency

■ Strengthening Earnings Power

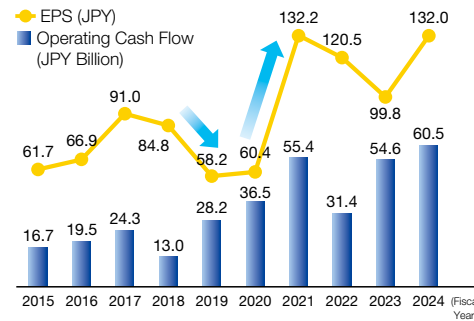
Following the emergence of bloc-style economic trends sparked by U.S.–China trade tensions beginning in 2018 and the spread of COVID-19, the MISUMI Group experienced a decline in profitability. In response, we implemented fundamental restructuring of our earnings model in 2020, including revisions

Growth Strategy: Financial Capital

to pricing strategies and product assortments, as well as reducing non-operating assets. These initiatives led to improvements in earnings per share and operating cash flow, while also enhancing our ability to make strategic growth investments. Key efforts included Digital MODEL Shift initiatives, such as mevi, the Economy Series, and D-JIT, along with inorganic growth initiatives such as the acquisition of U.S.-based Fictiv.

We have further strengthened ongoing profit management by integrating a sophisticated revenue management system, leveraging the latest IT technologies, with activity-based costing at the individual product level; an approach we have pursued for many years. This integration enables detailed visualization of profitability at the smallest transaction unit, specifically the shipment unit for each product. Through this methodology, we can evaluate performance by organizational units and manage profitability from multiple perspectives aligned with strategic initiatives and other actions. These insights are actively applied in management's decision-making, including the reconfiguration of initiatives and the reallocation of resources.

EPS (Earnings per Share) / Operating Cash Flow Trends



■ Utilization of Financial Leverage

Advancement in our cash management system has allowed us to lower the required funds from approximately JPY 100 billion to about JPY 70 billion. To secure additional capital for future growth investments, we will continue to enhance capital efficiency while maintaining financial soundness. This may include the potential use of financial leverage, such as utilizing a committed credit line of JPY 15 billion, as part of a balanced and flexible capital strategy.

3. Optimizing Cash Allocation

■ Growth Investments

We make investments aimed at driving both the linear growth of existing businesses and non-linear growth through new ventures.

For investment decisions in existing businesses such as DX promotion and production-related initiatives—we set hurdle rates based on IRR (Internal Rate of Return) and NPV (Net Present Value) as key evaluation metrics, ensuring timely and appropriate investment decisions to allocate resources to high-impact initiatives. Furthermore, after investment, we conduct periodic effectiveness reviews that consider market alignment, striving to maximize investment returns.

To achieve non-linear growth, we are actively reviewing our business portfolio and pursuing alliances and M&A to incorporate external growth drivers. For M&A opportunities, a specialized task force drawn from expert teams and business units conducts comprehensive evaluations, combining quantitative and qualitative analyses. Factors considered include expected investment returns, alignment with growth strategies, synergy potential, feasibility of business plans, and management compatibility. This rigorous process ensures that we thoroughly examine the purpose and economic rationale of each investment before proceeding.

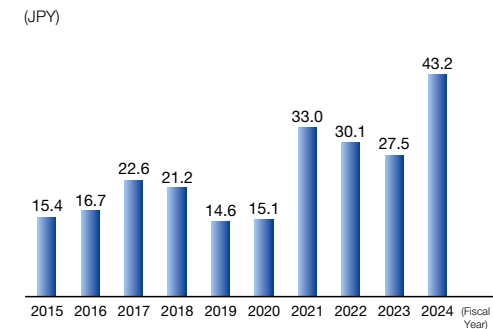
In 2025, to strengthen our Americas business and broaden our business domains, we acquired Fictiv, a U.S.-based leader in digital manufacturing and product development. By leveraging MISUMI's

resources to enhance operational efficiency and accelerate growth through cross-selling, we will support Fictiv's ongoing momentum. Over the medium term, we aim to maximize synergies by fully integrating the MISUMI and Fictiv Business MODELS, thereby accelerating business growth and expanding our addressable market in North America.

■ Shareholder Returns

Regarding dividends, our previous policy set a target payout ratio of approximately 30% as a guideline. Taking into consideration factors such as strengthening our Management Foundation, enhancing our financial position, and improving capital efficiency, we revised this policy starting at FY2024 year-end, raising the target payout ratio to approximately 35%. We conduct share buy-backs flexibly in response to factors such as available cash, growth investment opportunities, and stock market trends. Considering changes in required funds following advances in cash management and current share price levels, we announced a share repurchase program totaling JPY 25 billion in July 2025.

DPS (Dividends per Share) Trends



4. Deepening Dialogue with Stakeholders

The MISUMI Group believes that constructive dialogue with stakeholders is essential for achieving sustainable growth and enhancing corporate value. In FY2024, we conducted 526 engagements with institutional investors and resumed information sharing sessions for overseas investors, which had been suspended due to the COVID-19 pandemic. These efforts actively created opportunities to deepen the understanding of our business. Additionally, we disclose earnings presentation materials, presentation videos, and summaries of Q&A sessions on our corporate site. We have also resolved to voluntarily adopt IFRS standards from the fourth quarter of the fiscal year ending March 2028. Through these initiatives, we strive to ensure fair and equitable information disclosure to all stakeholders. By advancing these efforts, we continue to deepen dialogue while sincerely incorporating stakeholder perspectives into management, always keeping in mind the optimal balance among capital efficiency, growth investments, and shareholder returns.

Message to the Capital Markets

For the MISUMI Group, which operates globally, the ability to accurately recognize and adapt to rapidly changing external environments is becoming increasingly important. In this context, dialogue with capital markets goes beyond simple information disclosure; it is a critical process for the market to deeply understand our management policies and financial strategies, as well as for incorporating market expectations and challenges in our management decisions.

Looking ahead, we will continue to treat the review and enhancement of capital efficiency indicators as a key management priority. Alongside our efforts to increase transparency in financial disclosures, we will refine our capital policies and growth strategies by integrating feedback from the capital markets into our management systems. Through this two-way dialogue, we aim to deepen trust with capital markets and achieve sustainable long-term value creation.

Growth Strategy Natural Capital

MISUMI Group is committed to achieving carbon neutrality by 2050 through initiatives to reduce greenhouse gas (GHG) emissions, including the introduction of solar power generation and the use of carbon-free electricity as part of our climate change mitigation efforts. In addition, through initiatives focused on resource circulation and the prevention of environmental pollution, we contribute to building a sustainable society.

Climate Change

Approach to Climate Change Initiatives

MISUMI Group announced its support for the TCFD recommendations in September 2021. In that same month, the Company announced its participation in the TCFD Consortium of companies that support these recommendations. MISUMI then began formulating strategies for climate change initiatives focusing on manufacturing operations, that have a significant environmental impact. These initiatives include conducting scenario analyses based on projected temperature rise of 1.5°C/2°C and 4°C, identifying transition and physical risks as well as opportunities, and evaluating potential business impacts under each scenario.

After receiving approval by the Board of Directors in March 2022, MISUMI established risk management processes to identify, assess, and mitigate climate-related risks; quantified its assessment of risks and opportunities; and established a framework for monitoring progress. In line with these efforts, MISUMI has disclosed information in accordance with the TCFD recommendations as part of its management policy.

Going forward, MISUMI will enhance climate-related disclosures in line with the TCFD framework and continue to advance initiatives to mitigate global warming through its business activities, thereby contributing to a sustainable society.

Climate Change Initiatives (TCFD-aligned, GHG Emissions) [↗](#)

GHG Emissions Reduction Targets

The Group has set the following targets for reducing GHG emissions. These targets are aligned with the reduction pathways required to meet the 1.5°C target*² under the Science Based Targets initiative (SBTi)*¹.

● Targets

Group-wide GHG emissions from business activities

(Scope 1 and 2)

By FY2030	42% reduction compared to FY2020
By Year 2050	Carbon Neutrality

*1 The SBTi is an initiative that encourages companies to set GHG reduction targets in alignment with the standards set forth in the Paris Agreement, adopted at COP21 in 2015.

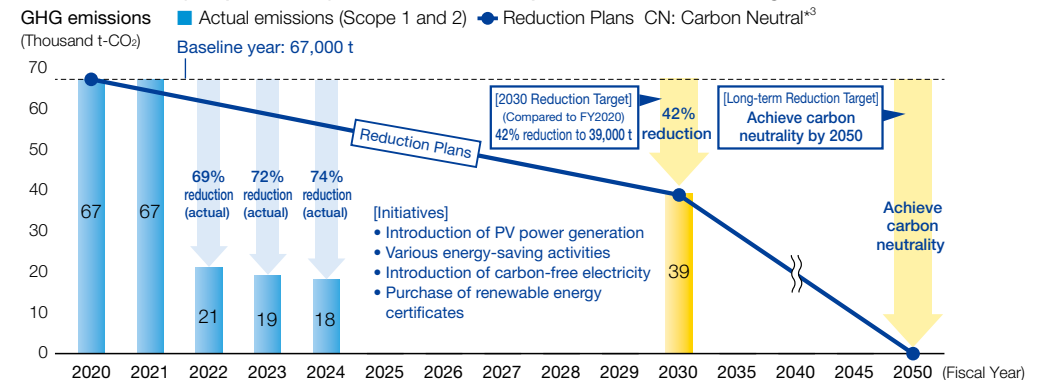
*2 This target, as defined by the Paris Agreement, aims to limit the increase in average global temperature to 1.5°C above pre-industrial levels.

■ GHG Emissions Reduction Plan and its Progress

To achieve the aforementioned GHG emissions reduction targets for Scope 1 and Scope 2, the MISUMI Group has formulated a reduction plan based on the roadmap outlined below.

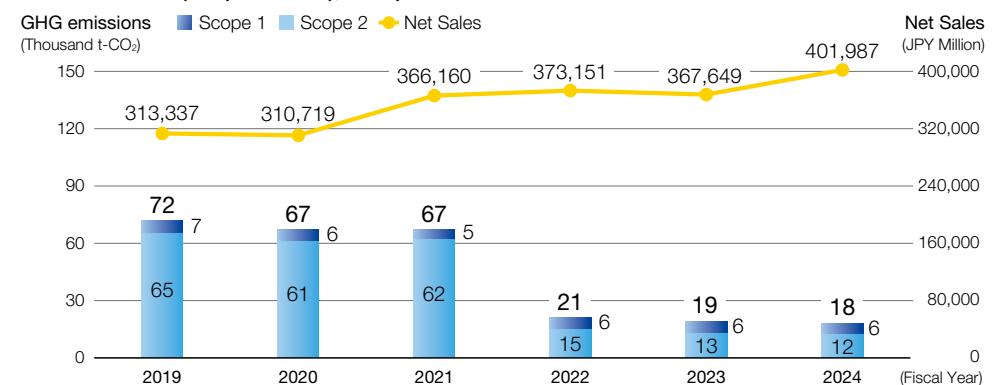
Regarding progress under this plan, we have achieved substantial reductions since FY2022 and remain on track to meet our targets. In FY2024, total GHG emissions for the Group amounted to 18 thousand tons of CO₂, marking a reduction of 49 thousand tons, or 74% compared to FY2020 levels. Despite record-high Group sales in FY2024, we sustained the reduced emissions level achieved since FY2022, demonstrating the decoupling of business growth from GHG emissions.

GHG Emissions (Scope 1 and 2) Reduction Roadmap, Initiatives, and its Progress



*3 Emissions are calculated using coefficients published by Japan's Ministry of the Environment, the Ministry of Economy, Trade and Industry, and the International Energy Agency (IEA) for FY2023.

GHG Emissions (Scope 1 and 2), Group Sales

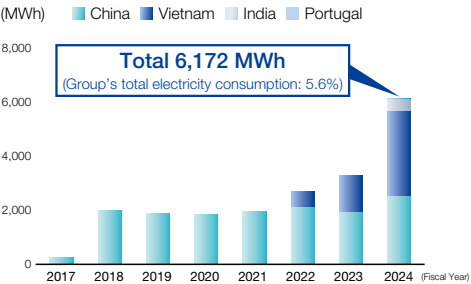


Growth Strategy: Natural Capital

Initiatives to Reduce GHG Emissions

The MISUMI Group has achieved substantial reductions in GHG emissions since FY2022. Specific initiatives include implementing solar power generation, promoting a range of energy-saving activities, the use of carbon-free electricity*1, and purchasing renewable energy certificates (I-REC, GEC*2). Regarding Scope 3 emissions, over 85% of total emissions are classified under Category 1 (Purchased goods and services). Since FY2022, we have been advancing data collection for this category in cooperation with major domestic suppliers, thereby supporting the reduction of Scope 3 emissions throughout the value chain.

Amount of PV Power Generated



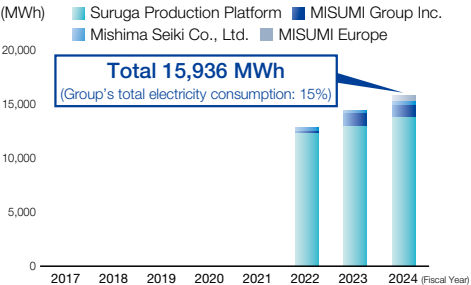
Photovoltaic Power Generation Panels
Installed at a Production Site in Vietnam

Photovoltaic power generation systems were introduced under the onsite PPA model in Vietnam, China, India, and Portugal by FY2024. As a result, total PV power generation reached 6,172 MWh in FY2024, accounting for a 5.6% of the Group's total electricity consumption.

In FY2025, we plan to introduce similar onsite PPA arrangements in Japan and a self-owned solar power model in the United States.

An onsite PPA (Power Purchase Agreement) is a contractual arrangement whereby a third-party construct, owns, operates, and maintains power generation facilities on the Company's premises, and the Company purchases the electricity generated.

Carbon-free Electricity Introduced



*1 Carbon-free electricity refers to electricity that incorporates the environmental value of renewable energy sources that emit no CO₂ during power generation is recognized as having zero CO₂ emissions during use.
*2 Green Electricity Certificates (GEC) are environmental certificates issued based on electricity generated using renewable energy and operated under a scheme administered by the Chinese government.

Resource Circulation and Prevention of Environmental Pollution

Resource Circulation

Through its Business MODEL centered on providing Time Value and eliminating all forms of waste for customers and suppliers, the MISUMI Group contributes to resource and energy conservation across society and supports the acceleration of the transition to a circular economy. In addition, we actively promote initiatives to reduce waste and optimize the use of resources.

Initiatives for Resource Conservation

The Suruga Production Platform, which serves as the core of the Group's manufacturing functions, has established global environmental targets and is advancing initiatives to achieve them. Waste is appropriately sorted, and since FY2022 the recycling rate has been maintained at over 90%, meeting the established targets. To reduce defect-related losses generated during manufacturing processes, we are also working to improve production processes, introduce new equipment, and ensure proper maintenance of facilities.

For example, in the meviy business, waterjet cutting technology is employed to minimize cutting width and maximize part extraction from metal sheets. This significantly reduces the generation of scrap material. Any scrap generated is systematically recycled in collaboration with material manufacturers, thereby substantially reducing material waste.



waterjet machining with meviy

[Suruga Production Platform Environmental Report 2024](#)

Prevention of Environmental Pollution

The MISUMI Group recognizes the prevention and reduction of environmental pollution as an important responsibility in its globally deployed business activities. We ensure thorough compliance with applicable laws and regulations at each site, while also promoting voluntary management and continuous improvement.

In recent years, standards for managing environmentally hazardous substances have become increasingly stringent and are now an important factor in customers' product selection decisions. In response, the Group conducts investigations based on major regulations such as RoHS, REACH, and TSCA*3, and provides customers with appropriate disclosure of results.

*3 TSCA (Toxic Substances Control Act): U.S. legislation regulating hazardous substances



Growth Strategy

Social and Relationship Capital

The MISUMI Group positions the establishment of a resilient and sustainable supply chain as one of its most important management priorities. We promote procurement activities that take environmental and human rights considerations into account, while engaging in ongoing dialogue with stakeholders. Through our business activities, we aim to co-create social value and contribute to the development of a sustainable society.

Supply Chain Management

In a rapidly changing global market, the MISUMI Group is undertaking the following initiatives to build a resilient and sustainable supply chain.

■ Promotion of Sustainable Procurement

The Group has established and implemented Sustainable Procurement Guidelines, through which we promote respect for human rights, occupational safety and health, and the establishment of appropriate management systems throughout the supply chain. We encourage key suppliers to agree to these guidelines and conduct regular assessments to confirm actual conditions.

In addition, in the area of environmental initiatives, we are strengthening collaborative efforts with suppliers by sharing energy usage data and cooperating in the calculation of GHG emissions to support emissions reduction. By expanding these activities, we aim to strengthen sustainable procurement practices across the entire supply chain. Looking ahead, we will continue to take a supply chain-wide perspective, quantitatively assess risks and opportunities, and develop and execute effective countermeasures.

■ Partnership Building Declaration and Commitment to Fair Trade

With the aim of building new partnerships through collaboration, coexistence, and mutual prosperity with our business partners and value-creating enterprises across the supply chain, the Company announced its “Partnership Building Declaration” in August 2025, clearly articulating its approach.

Based on this declaration, we will comply with relevant laws and regulations, including the Subcontract Act, revised version effective January 1, 2026, under the Act on the Proper Treatment of Small and Medium Enterprise Transactions, as well as applicable promotion standards. Through the thorough implementation of fair and transparent transaction practices, we will contribute to the sound development of the supply chain.

■ Contribution to Supply Chain Resilience

In recent years, supply chains in the Monozukuri industry have faced growing instability on a global scale due to factors such as succession issues among manufacturers, increasing geopolitical risks, and the rapid evolution of IT technologies. As a result, strengthening supply chain resilience has emerged as a critical priority.

To address this challenge, the MISUMI Group leverages its strengths in IT and AI to drive innovation in its Business MODEL, supporting both greater efficiency and resilience across supply chains. This initiative is recognized as one of the Group’s material issues. We recognize it as an important mission to overcome these challenges through a robust business model and continue to contribute to the sustainable development of manufacturing industries.

Green Procurement

In today’s world, where global environmental challenges are becoming increasingly pressing, the MISUMI Group clearly recognizes its responsibility as a company indispensable to achieving a sustainable society. We position environmental conservation as one of our most important management priorities and have established and implemented robust environmental policies and environmental management systems.

To give concrete form to this commitment, we have formulated the Green Procurement Guidelines. In accordance with these guidelines, and with the cooperation of our suppliers, we promote green procurement by working to eliminate the use of environmentally hazardous substances in products and other materials, thereby aiming to support the transition to a circular economy.

In addition, to respond to the diverse environmental requirements of our customers, we continue to expand our green procurement initiatives and offer a wide range of products with reduced environmental impact, including finished products, semi-finished products, components, raw materials, auxiliary materials, and packaging and packing materials.

Through these efforts, the MISUMI Group seeks not only to reduce environmental impact, but also to maximize environmental performance across the entire supply chain and create new values that support sustainable growth. This strategic initiative enhances the resilience of the Group’s business as a whole and contributes to the long-term enhancement of corporate value.

[MISUMI Green Procurement Guidelines](#)

[Suruga Production Platform Green Procurement Guidelines](#)

Responsible Mineral Procurement

The MISUMI Group places great importance on respect for human rights and social responsibility throughout its supply chain and positions its response to the issue of conflict minerals as a key management priority. To avoid the use of minerals—such as tin, tantalum, tungsten, gold, and cobalt—that may finance conflict in the Democratic Republic of the Congo (DRC) and its adjoining countries, we have established the MISUMI Group Responsible Mineral Sourcing Policy.

This initiative, which is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains, demonstrates our strong commitment to the realization of a sustainable society. Through responsible sourcing practices, we strive to prevent human rights violations and enhance transparency across our supply chain.

[Initiatives in Procurement of Products / Parts](#)

■ Initiatives for Responsible Mineral Procurement

To avoid the use of mineral resources that are deeply associated with human rights abuses or environmental destruction, the MISUMI Group continuously investigates the presence of conflict minerals throughout its entire supply chain. Upon request, we provide customers with the results of these investigations. If the use of conflict minerals is identified, we request that the relevant suppliers implement corrective actions to ensure responsible sourcing, thereby promoting improvement throughout the supply chain.

Growth Strategy: Social and Relationship Capital

Supplier Questionnaire Survey Results

Within the MISUMI Group, suppliers particularly those providing MISUMI brand products prioritized for questionnaire surveys are primarily identified based on purchase amounts. This determination, however, is made through a comprehensive assessment that also considers factors such as supplier substitutability and overall supply chain impact, rather than relying solely on procurement value.

1. Questionnaire Survey on Sustainable Procurement

We informed suppliers in Japan subject to the survey* of the Sustainable Procurement Guidelines established in 2022 (hereinafter, the “Guidelines”) and conducted a questionnaire survey to confirm their compliance status.

- **Agreements submitted in response to the Guidelines: 869 companies**
(Representing 97% of total procurement value among 960 target suppliers)
- **Number of questionnaire responses: 458 companies**
(Representing 95% of total procurement value among 602 target suppliers)

* Survey period: December 2022 to April 2023

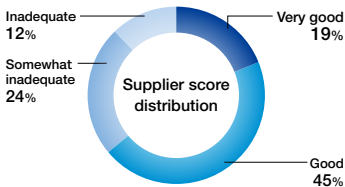
2. ESG Surveys and Due Diligence

We conduct surveys covering ESG-related matters and perform due diligence based on the responses received. Due diligence includes not only compliance-related interviews but also evaluations of suppliers’ business continuity plans (BCP) and the robustness of their management systems.

Fiscal Year	Survey and Due Diligence Records and Activities
2023	We conducted compliance surveys targeting major suppliers accounting for the top 50% of procurement value for MISUMI brand products in Japan. Minor issues were identified at certain suppliers; however, all required corrective actions were requested and completed.
2024	Continuing from the previous year, we conducted compliance surveys targeting major suppliers representing the 51%–70% range of procurement value for MISUMI brand products in Japan. Minor issues were identified at some suppliers, and all necessary corrective actions were completed. Additionally, MISUMI Europa GmbH, a Group subsidiary in Germany, conducted supplier surveys on key items related to Germany’s Supply Chain Due Diligence Act.
2025-	We are promoting activities based on the Guidelines, with a focus on achieving the following two initiatives by FY2028: <ul style="list-style-type: none">• Obtaining agreement to the Guidelines from all major suppliers and continuing questionnaire surveys• Providing internal training for employees engaged in procurement activities on human rights, labor, and environmental issues

3. Performance

In FY2023, we received questionnaire responses from 458 suppliers, with 64% rated B rank (Good) or above.



4. Looking Ahead

Going forward, we will further strengthen collaboration with both Japanese and overseas Group companies to improve the overall compliance with the Guidelines across the MISUMI Group. In particular, as part of our global expansion, we will promote the rollout of the Guidelines and conduct surveys at overseas Group companies, while prioritizing suppliers representing the top 70% of global procurement value.

[MISUMI Group Sustainable Procurement Guidelines](#)

Dialogue and Co-creation with Stakeholders

The MISUMI Group engages in ongoing dialogue with stakeholders and strives to co-create social value through its business activities, thereby contributing to the development of a sustainable society.

• Dialogue with Shareholders and Investors

We actively engage in dialogue with institutional investors to build long-term partnerships. In FY2024, senior management and relevant departments held 526 dialogue sessions with shareholders and investors.

• Dialogue with Suppliers

We provide explanations and conduct interviews with suppliers regarding human rights and safety initiatives as well as efforts to reduce GHG emissions. We also request compliance with related requirements and the provision of relevant data.

• Dialogue with Employees

We promote initiatives to foster mutual understanding between the Company and its employees. For example, we hold Management Forums where top management engages directly with employees. These forums share progress on management issues and key strategies, encouraging shared awareness, mutual understanding, and cross-organizational collaboration through Q&A and discussions.

- **Example themes: Sharing and discussion of financial results, growth strategies, and key actions**

We also conduct regular surveys to collect employee feedback on engagement and opinions regarding systems and initiatives, enabling continuous identification of current conditions and issues.

- **Example surveys: Satisfaction survey for the Next Challenge Program, survey on motivation and perceived growth**

• Dialogue with Regional Communities

We engage in activities that promote the appeal of Monozukuri, including support for students who will shape the next generation. Through these initiatives, we contribute to the revitalization of regional communities.

FY2024 Results

Target Groups	Main Activities	Events held and Timing
Analysts and Institutional Investors	Individual meetings with analysts and institutional investors	526 sessions
	of which, Group meetings	21 sessions
	of which, ESG/ Engagement meetings	8 sessions
	IR meetings with overseas institutional investors	20 sessions
	Conferences hosted by securities firms	21 events
Suppliers (Product Suppliers)	Financial results briefings	4 sessions
	Briefings on sustainability initiatives	1 session
	Briefings on sustainable procurement	1 session
	Briefing on GHG reduction	4 sessions
Employees	Management Forum	June (Company-wide) + As-needed-basis by each organization
	Feedback surveys on engagement, systems, and initiatives	Total of 4 times by theme
Regional Communities	Sponsoring of the Biped Robot Battle Tournament	September
	Various initiatives to support students taking on Monozukuri challenges	110 cases