

Management Foundation

Directors' Roundtable Discussion: Reflecting on MISUMI's Challenges and the Governance Structures that Enable Sustainable Growth Following the Acquisition of Fictiv



Representative Director & Chairman

Kosuke Nishimoto

Outside Director

Tomoharu Suseki

Outside Director

Keiko Yano

In April 2025, the MISUMI Group reached a significant management decision to acquire Fictiv in the United States. Throughout the period leading to this resolution, the Board of Directors, including Outside Directors, engaged in comprehensive discussions, considering a range of viewpoints. With respect to MISUMI's objective of enhancing medium to long-term corporate value, Outside Director Tomoharu Suseki and Keiko Yano joined Chairman Kosuke Nishimoto to review the effectiveness of corporate governance during the process and to discuss Directors' perspectives on the potential challenges associated with future Group growth.

Improving Decision-Making Effectiveness Through In-depth Deliberation

Nishimoto: When a company pursues a new avenue for growth, management often must make major decisions that involve considerable risk. M&A, which brings external strengths to enhance scale and speed, is one example. Naturally, reckless risk taking must be avoided, and I believe that the essence of corporate governance in management lies in ensuring that both the accelerator and the brake function appropriately. While the executive team took an assertive stance during Fictiv's recent acquisition, I received a variety of nuanced opinions from both of you regarding its validity.

Suseki: As an Outside Director, I felt that we dedicated considerable time to reaching a decision and were able to engage in substantive discussions. Information was shared even when the matter was still under consideration at the working level, and all Directors exchanged honest opinions. After deliberations moved to the Board

of Directors, materials were updated after each meeting, and questions and comments were reliably reflected in the subsequent review. I believe this process was both sound and appropriate.

Yano: Having open exchanges of opinions before entering formal Board of Directors Meeting deliberation was extremely meaningful. We were able to carefully consider "why this decision is necessary now," while linking it to the overall management picture, including capital policy and business plans. I believe we had high-quality discussions that examined management objectives and risk-return from multiple perspectives.

Nishimoto: The executive side has been engaging in dialogue with Fictiv's co-founders David Evans and Nathan Evans for over two years. In cross border M&A, there is always a risk of being drawn into a commercial pursuit aimed at short-term gains. On this occasion, it was evident that they demonstrated a strong enthusiasm for the business, a sincere commitment to their new

venture, and a clear intention to select MISUMI as their preferred partner. That was central to our management decision.

Yano: Meeting both individuals in person gave us, as Outside Directors, valuable insight. Experiencing the founder's sincerity directly strengthened our confidence beyond what online interactions could offer.

The Growth Strategy Embodied in the Fictiv Acquisition

Nishimoto: There are several objectives behind the acquisition of Fictiv, one of which is to accelerate new business development. We have been developing the online processing business domain through the mevy business, and by partnering with Fictiv, we can significantly accelerate this progress. Furthermore, Fictiv has strong capabilities in product development, which aligns with our strategy to expand beyond the equipment manufacturing sector that MISUMI has focused on thus far. In addition, Fictiv's AI-powered Monozukuri expertise will be essential for future global competitiveness. Each of these points represents an important management goal for our Company, leading us to make the major decision of investing approximately JPY50 billion.

Suseki: Expanding our business domain to include product development is extremely important for MISUMI's further growth. With Fictiv, which has strong capabilities in precisely this area, and by joining our Group, I have high expectations that MISUMI's overall growth speed will accelerate even more.

Yano: I believe the essence of this acquisition lies in "buying time and resources." MISUMI has been working on digital transformation (DX) from an early stage, but with the acquisition of Fictiv, we have suddenly gained a competitive advantage in AI, which will be at the core of competition in the DX domain going forward. The key issue



Management Foundation: Directors' Roundtable Discussion

now is how effectively we can leverage the time and resources we have acquired, and whether we can secure a favorable position ahead of our competitors.

Suseki: Fictiv is recognized for its advanced expertise in AI utilization. Through the acquisition of Fictiv, we have established a foothold in the AI sector, particularly with respect to talent and resources in the U.S. and Silicon Valley, both of which are global leaders in this domain. The decision to establish MISUMI's AI development base at Fictiv is appropriate and should serve as a catalyst to accelerate the Group's competitive advantage.

Nishimoto: The acquisition of top AI talent, including the two founders, was only made possible by bringing Fictiv into our Group. As you pointed out, this acquisition must serve as the trigger to accelerate MISUMI's overall growth speed. I would also like to add that, during the decision-making process, not only the Board members but all Corporate Officers shared a strong determination to use this opportunity as a turning point to "transform MISUMI into a new company."

Respecting Each Other and Sharing a Future of Growth

Nishimoto: The post-merger integration (PMI) is progressing in two phases. In Phase 1, the focus is on accelerating Fictiv's own growth by leveraging MISUMI's management resources, such as its customer base and manufacturing infrastructure. Then in Phase 2, by integrating the business models of both companies, we will drive process innovation across the entire product development domain and rapidly accelerate our business growth by establishing MISUMI as a new "Industrial Foundation." In other words, our growth strategy narrative is to take on major industry-wide challenges that neither company could accomplish alone.



Suseki: The merger of two companies with distinct corporate cultures provides a great stimulus for both sides. What is important is not to force one's culture on the other, but to approach it with an attitude of mutual understanding and respect for each other's differences. At the same time, it is crucial not to simply be swayed by the other party's way of doing things, but to openly communicate expectations and requests, confirm actions, and maintain a balanced approach.

Nishimoto: I believe that is precisely the most important aspect of PMI. The key is whether we can build a relationship in which we truly understand each other as equal partners, sometimes overcoming friction, with the aim of coming together "to share in our growth."

Yano: Even when systems or structures are acquired, true value is only realized when people take initiative and act. By inviting Fictiv's key people to Japan and creating opportunities to work together, we can establish personalized relationships. I also think it would be effective for MISUMI's management team to visit local sites and hold skip level meetings, where they directly hear the voices of manager-level staff.

Suseki: To prevent the outflow of talent after acquisition, it is necessary to frequently communicate information such as "This is what MISUMI is currently thinking." By directly conveying MISUMI's perspectives through town hall meetings and other means, reassurance can be provided to Fictiv employees. In addition, it is extremely important to establish systems such as compensation and long-term incentives and clearly present the returns.

Yano: In order to be a Company that attracts outstanding talent, it's essential to offer a wide range of career paths. By presenting new businesses and projects that make one feel, "I can grow even more here," and creating an exciting environment, I think that's the best retention plan possible.

Navigating Global Challenges as "One MISUMI" in a Rapidly Evolving Environment

Yano: MISUMI has achieved growth by integrating MP&L (Material Planning and Logistics), on-site Monozukuri capabilities, and Digital Transformation at a high level. This trinity of strengths is unparalleled globally, and I believe that collaboration with Fictiv will further enhance this advantage.

Suseki: Not just limited to this acquisition, MISUMI's management is characterized by thorough discussions and steadily advancing initiatives. However, due to many years of successful experience, there is a tendency for the organizational culture to lean towards monoculture. In this respect, the acquisition of Fictiv and ongoing



organizational reforms are highly significant. The addition of different cultures and talent presents a valuable opportunity to evolve into an organization that leverages diversity.

Nishimoto: That's exactly right. At MISUMI, we have been working on renewing our IT Infrastructure since FY2021, and by combining cutting-edge IT foundations with the resources that Fictiv has cultivated, I believe we have established a world-class DX structure. I am also expecting the next generation of management to take on this challenge of innovating our Business MODEL.

Suseki: From the perspective of succession planning, we need leaders who can respond to the ever-accelerating pace of change in the business, make bold management decisions with a global, overarching perspective on the industry, and drive organizations swiftly. These are the qualities required for the next generation of executives.

Yano: Going forward, the ability to set priorities and simplify matters will also be crucial. To increase speed, it is essential to identify what is truly important and have the decisiveness to eliminate everything else. In addition, leading the organization effectively will require accurately collecting feedback from those on-site and on the ground. Ultimately, it's crucial to possess the personal qualities that inspire others to think, "I want to give my best for this person."

Nishimoto: In terms of the global perspectives that you both mentioned, we also need to move away from the idea of always centering our business in Japan. From now on, I don't believe there's a necessity to keep our Head Office functions only in Japan. The challenge for MISUMI as a true global company is for MISUMI employees worldwide to leverage all available MISUMI resources and drive the greatest possible growth in every region across the globe.

Management Foundation

Corporate Governance

Members of the Management Team

Directors

**Kosuke Nishimoto**

Representative Director and Chairman

Apr 1981 Joined Kanebo, Ltd.
 Sep 1984 Joined Meitec Corporation
 (currently Meitec Group Holdings Inc.)
 Jun 1995 Director, Meitec Corporation
 Jul 1996 Senior Managing Director, Meitec Corporation
 Nov 1999 Representative Director and President, Meitec Corporation
 Apr 2003 Representative Director and President, and Group CEO, Meitec Corporation
 Apr 2014 Director and Chairman, Meitec Corporation
 Jun 2015 Outside Director, Interworks Inc.
 (currently Interworks Confidence Inc.)
 Apr 2017 Representative Director, Chairman and President, Interworks, Inc.
 Jun 2017 Outside Director, MISUMI Group Inc.
 Jun 2019 Director and Executive Vice President, MISUMI Group Inc.
 Feb 2020 Representative Director and Chairman, MISUMI Group Inc. (incumbent)
 Oct 2025 Representative of Human Resources & Legal Platform (incumbent)

**Ryusei Ono**

Representative Director and President

Apr 1987 Joined MISUMI Group Inc.
 Apr 2002 Corporate Officer, MISUMI Group Inc.
 Jun 2007 Director and Corporate Officer, MISUMI Group Inc.
 Oct 2008 Representative Director and President, SURUGA Production Platform Co., Ltd.
 Oct 2008 Director and Senior Corporate Officer, MISUMI Group Inc.
 Jan 2011 Representative Director and President, SURUGA SEIKI Co., Ltd.
 Jan 2013 Senior Executive Director, MISUMI Group Inc.
 Dec 2013 Representative Director and President, MISUMI Group Inc.
 Dec 2013 Representative Director and President, MISUMI Corporation (incumbent)
 Jun 2014 Representative Director, President, and CEO, MISUMI Group Inc.
 Feb 2020 Representative Director and President, MISUMI Group Inc. (incumbent)

**Arata Shimizu**

Director

Apr 1997 Joined Accenture Japan Ltd.
 Sep 2005 Executive Partner, Accenture Japan Ltd.
 Jul 2015 Executive Officer, General Manager of Strategic Consulting Headquarters, Accenture Japan Ltd.
 Mar 2017 Representative Director, Vice President, and COO, SEAOS Inc.
 Jun 2017 Outside Director, Interworks Inc.
 (currently Interworks Confidence Inc.)
 Sep 2017 Outside Director, Trust Tech Inc.
 (currently Open Up Group Inc.)
 Jun 2020 Outside Director, MISUMI Group Inc.
 Jun 2021 Director, P&E Directions, Inc.
 Jun 2024 Senior Executive Director and CIO, MISUMI Group Inc.
 Oct 2025 Director, Senior Executive Corporate Officer, CIO, and Representative of NEWTON Global Development Center

**Tomoki Kanatani**

Director

Apr 1991 Joined Kankaku Securities Co., Ltd.
 Apr 1992 Joined Sadoshima Corporation
 Jun 2000 Joined MISUMI Group Inc.
 Dec 2015 President, China Business Company, MISUMI Corporation
 Jul 2020 Senior Corporate Officer, MISUMI Group Inc.
 Oct 2020 Chief Executive in charge of China and Asia Business, MISUMI Corporation
 Jun 2021 Executive Director, MISUMI Group Inc.
 Oct 2025 Director and Senior Executive Corporate Officer, MISUMI Group Inc. (incumbent)

**Shigetaka Shimizu**

Director

Apr 1995 Joined Okura & Co., Ltd.
 Apr 1999 Joined MISUMI Group Inc.
 Dec 2015 President, Asia Business Company, MISUMI Corporation
 Jul 2020 Senior Corporate Officer, MISUMI Group Inc.
 Oct 2020 President, IM Business Company, MISUMI Corporation
 Jun 2021 Executive Director, MISUMI Group Inc.
 Apr 2022 President, Japan Business Company, MISUMI Corporation
 Oct 2025 Director and Senior Executive Corporate Officer, MISUMI Group Inc. (incumbent)

**Shaochun Xu**

Director

Sep 1988 Joined the Finance Division, Shanghai Municipal Bureau of Commerce, China
 Sep 1996 Chief of China Investment Department, ITOCHU (China) Holding Co., Ltd.
 Aug 1998 General Manager of the Finance Department, Panasonic Electric Works China Co., Ltd.
 May 2012 Joined MISUMI (China) Precision Machinery Trading Co., Ltd.
 Apr 2017 Corporate Officer, China Business Company, MISUMI Corporation
 Apr 2017 General Manager, MISUMI (China) Precision Machinery Trading Co., Ltd.
 Oct 2021 Chairperson, MISUMI (China) Precision Machinery Trading Co., Ltd. (incumbent)
 Jun 2022 Director, MISUMI Group Inc.
 Jun 2025 Executive Director, MISUMI Group Inc.
 Oct 2025 Director, Senior Corporate Officer, Representative of Asia and China Region (incumbent)

Management Foundation: Corporate Governance**Directors****Yoichi Nakano**

Lead Outside Director

May 1990 Joined Investment Division, International Finance Corporation, World Bank Group
 Jun 1996 Joined McKinsey & Company Incorporated, Japan
 Jun 2003 Executive Search Consultant, Jomon Associates Inc.
 Aug 2011 Partner, Leadership Consulting, Heidrick & Struggles Japan, GK
 Jan 2013 Partner, Executive Search, Heidrick & Struggles Japan, GK
 Feb 2016 Representative Director and President, Chuuuyou Corporation (incumbent)
 Jun 2019 Outside Director, MISUMI Group Inc.
 Jun 2024 Lead Outside Director and Chairman of Nomination and Remuneration Committee, MISUMI Group Inc. (incumbent)

**Tomoharu Suseki**

Outside Director

Apr 1979 Joined Sumitomo Electric Industries, Ltd.
 Jan 1997 Director, Raychem Corporation
 Nov 2001 Representative Director, Tyco Electronics Raychem K.K.
 Apr 2003 Executive Officer, D&M Holdings, Inc.
 Nov 2004 Representative Director, President and CEO, OCC Corporation
 Mar 2007 Executive Officer and COO, Sumida Corporation
 Sep 2010 Representative Executive Officer and President, Sumida Corporation
 Mar 2020 Director and Chairman of the Risk Management Committee, Sumida Corporation
 Mar 2021 Member of the Nomination Committee and the Remuneration Committee, Sumida Corporation
 Jun 2021 Outside Director, MISUMI Group Inc. (incumbent)

**Keiko Yano**

Outside Director

Apr 1981 Joined Toyo Kogyo Co., Ltd. (currently Mazda Motor Corporation)
 Jan 1988 Joined Ford Motor Company of Japan Limited
 Jul 2000 Senior Managing Director and General Manager of Corporate Planning, Japan Climate Systems Corporation, Secondment
 Nov 2005 Sales Director, Visteon Japan
 Dec 2011 Senior Managing Director and General Manager of Corporate Planning, Japan Climate Systems Corporation, Secondment
 Sep 2012 Mazda General Manager, Johnson Controls Inc.
 Jul 2014 Sales Director, Visteon Corporation
 Oct 2020 Vice President, Visteon Corporation
 Oct 2020 Representative Director, Visteon Japan Ltd.
 Jun 2024 Outside Director, MISUMI Group Inc. (incumbent)

**Figen Ulgen**

Outside Director

Sep 1991 Joined JustSystems Corporation
 Sep 1999 Joined McKinsey & Company, Inc. (U.S.)
 Apr 2002: Director, Microsoft Corporation (U.S.)
 Dec 2012 Senior Director, Microsoft Corporation (U.S.)
 Nov 2014 General Manager, Intel Corporation (U.S.)
 Mar 2019 Head of Data & Analytics, Woolworths New Zealand Limited
 Feb 2021 Chief Customer Officer, Z Energy Limited (N.Z.)
 Aug 2022 Chief Data Officer, LINE Corporation (currently Z Intermediate Global Corporation)
 Apr 2024 Chief Data and AI Officer, Dai-ichi Life Holdings, Inc.
 Apr 2025 Executive Officer as Group Chief Data and AI Officer, Dai-ichi Life Holdings, Inc. (incumbent)
 Jun 2025 Outside Director, MISUMI Group Inc. (incumbent)

Management Foundation: Corporate Governance**Audit & Supervisory Board Members****Ichiro Otokozawa**

Full-time Audit & Supervisory Board Member

Apr 1979 Joined Nippon Kokan Corporation (currently JFE Engineering Corporation)
 Mar 1997 General Manager of President's Office, Santen Pharmaceutical Co., Ltd.
 Jul 1999 Corporate Officer, Santen Pharmaceutical Co., Ltd.
 Jun 2005 Director and Senior Corporate Officer, Santen Pharmaceutical Co., Ltd.
 May 2006 Senior Director, Alix Partners
 Jul 2007 Senior Director, Advent International Corporation
 Apr 2011 Director and CFO, Avon Products Co., Ltd. (currently FMG & Mission Co., Ltd.)
 Dec 2013 Senior Corporate Officer and CFO, MISUMI Group Inc.
 Jun 2014 Executive Director and CFO, MISUMI Group Inc.
 Jul 2020 Executive Director, MISUMI Group Inc.
 Jun 2024 Full-time Audit & Supervisory Board Member, MISUMI Group Inc. (incumbent)

**Takaaki Wada**

Full-time Audit & Supervisory Board Member

Apr 1985 Joined MISUMI Group Inc.
 Jul 2006 Business Director of P&D Business Team, Die Components Business, MISUMI Corporation
 Nov 2011 Corporate Officer, Die and Mold Business Company, MISUMI Corporation
 Nov 2013 President and Chief Executive Officer of Die and Mold Business Company, MISUMI Corporation
 Jan 2017 G Corporate Officer, MISUMI Group Inc.
 May 2017 Senior Corporate Officer, MISUMI Group Inc.
 Apr 2022 Audit & Supervisory Board Member, MISUMI Corporation
 Jun 2022 Full-time Audit & Supervisory Board Member, MISUMI Group Inc. (incumbent)

**Nanako Aono**

Outside Audit & Supervisory Board Member

Apr 1984 Joined The Nikko Securities Co., Ltd. (currently SMBC Nikko Securities Inc.)
 Nov 1995 Joined ChuoAoyama Audit Corporation
 Jul 2002 Joined Busicom Co., Ltd. (currently OAG Busicom Co., Ltd.)
 Mar 2005 Director, Busicom Co., Ltd.
 Jun 2008 Outside Audit & Supervisory Board Member, Duskin Co., Ltd.
 May 2010 Representative Director and President, GEN Co., Ltd. (incumbent)
 Jun 2017 Outside Audit & Supervisory Board Member, MISUMI Group Inc. (incumbent)
 Jun 2019 Outside Audit & Supervisory Board Member, Nippon Paper Industries Co., Ltd. (incumbent)
 Mar 2020 Outside Director, OPTEX GROUP Co., Ltd. (incumbent)
 Mar 2021 Outside Audit & Supervisory Board Member, Meiko Network Japan Co., Ltd.
 Nov 2022 Outside Director and Audit and Supervisory Board Member, Meiko Network Japan Co., Ltd. (incumbent)

**Shizuyo Ichikawa**

Outside Audit & Supervisory Board Member

Apr 1987 Registered as an attorney-at-law
 Apr 1987 Joined Yoshihara & Co. (currently Komatsu Miwa & Co.) (incumbent)
 Apr 2000 Full-time Director, DC Loan Servicing Inc.
 Jun 2020 Outside Audit & Supervisory Board Member, Kyogoku unyu shoji Co., Ltd. (incumbent)
 Apr 2022 Executive Director, Saitama University (incumbent)
 Jun 2022 Alternate Audit & Supervisory Board Member, MISUMI Group Inc. (incumbent)
 Jun 2025 Outside Audit & Supervisory Board Member, MISUMI Group Inc. (incumbent)

Management Foundation: Corporate Governance

Composition and Skill Matrix of the Board of Directors and Audit & Supervisory Board Members

Name	Title	Number of years of service *1	Number of Board of Directors Meetings Attended in FY2024	Number of Audit & Supervisory Board Meetings Attended in FY2024	Corporate management	Business strategy	Global experience (Overseas business management, Management of regional subsidiaries, etc.)	DX/IT	Manufacturing/Operations (Logistics, Customer service, etc.)	Organizational/HR strategy	Finance/ Accounting	ESG/ Risk Mgt/ Legal
Kosuke Nishimoto	Representative Director	8 years*2	14/14 (100%)		●	●				●	●	●
Ryusei Ono	Representative Director	18 years*3	14/14 (100%)		●	●	●	●	●			
Arata Shimizu	Director	1 year	14/14 (100%)		●	●		●	●			
Tomoki Kanatani	Director	4 years	14/14 (100%)			●	●	●	●	●		
Shigetaka Shimizu	Director	4 years	14/14 (100%)			●	●	●	●	●		
Shaochun Xu	Director	3 years	14/14 (100%)				●			●	●	●
Yoichi Nakano	Outside Director	6 years	14/14 (100%)		●		●			●	●	
Tomoharu Suseki	Outside Director	4 years	14/14 (100%)		●		●		●			●
Keiko Yano	Outside Director	1 year	11/11*4		●	●	●			●		
Figen Ulgen	Outside Director	New appointment	(Newly appointed in June 2025)				●	●	●			●
Ichiro Otokozawa	Full-time Audit & Supervisory Board Member	1 year	11/11 (100%)*4	18/18 (100%)*4	●		●				●	●
Takaaki Wada	Full-time Audit & Supervisory Board Member	3 years	14/14 (100%)	24/24 (100%)			●		●	●		
Nanako Aono	Outside Audit & Supervisory Board Member	8 years	14/14 (100%)	24/24 (100%)	●						●	
Shizuyo Ichikawa	Outside Audit & Supervisory Board Member	New appointment	(Newly appointed in June 2025)	(Newly appointed in June 2025)	●							●

9 males, 5 females; 12 Japanese nationals, 2 foreign nationals

*1 As of Jun 2025

*2 The term of office as Representative Director is 5 years and 4 months

*3 The term of office as Representative Director is 11 years and 6 months

*4 Based on the number of meetings held after the appointment in Jun 2024

Management Foundation: Corporate Governance

Reasons for Appointment as Directors/ Audit & Supervisory Board Members

Name	Title	Reason for Appointment
Kosuke Nishimoto	Representative Director	Mr. Kosuke Nishimoto has extensive experience as business manager over many years and has extensive knowledge of various manufacturing industries in Japan. With his experience and knowledge, he has appropriately and effectively performed his decision-making and supervisory roles as Director and Executive Vice President since June 2019 and Representative Director and Chairman since February 2020. Accordingly, Mr. Nishimoto has been appointed as a Director, in recognition of his anticipated future contributions.
Ryusei Ono	Representative Director	As Representative Director and President, Mr. Ryusei Ono has led MISUMI Group to grow further as a global enterprise while formulating and implementing strategies to enhance the Company's value over the medium to long-term. He has used his extensive experience and knowledge of our business activities, operations, production, and other areas as the basis for appropriate and effective management decision-making and supervision. Accordingly, Mr. Ono has been appointed as a Director, in recognition of his anticipated future contributions.
Arata Shimizu	Director	Mr. Arata Shimizu has extensive experience as a strategic consultant and business manager over many years and has broad knowledge. With his experience and knowledge, he has appropriately and effectively performed his decision-making and supervisory roles as a Senior Executive Director and CIO since June 2024. Accordingly, Mr. Shimizu has been appointed as a Director, in recognition of his anticipated future contributions.
Tomoki Kanatani	Director	Mr. Tomoki Kanatani has participated in the Company's business for a long period of time, including strengthening the foundation of the Company's sales. Since December 2015, he has demonstrated his leadership as the head of the China Business Company. He has been driving the growth of MISUMI Group's business in China, its largest overseas market. In addition, since October 2020, he has been leading the organization as the Executive in charge of China and Asia Businesses. With his experience and knowledge, he has appropriately and effectively performed business execution, decision-making and supervisory roles. Accordingly, Mr. Kanatani has been appointed as a Director, in recognition of his anticipated future contributions.
Shigetaka Shimizu	Director	Mr. Shigetaka Shimizu has participated in the Company's business for a long time, including playing a central role in the establishment of the Company's business in China. Since December 2015, he has been demonstrating his leadership as the head of Asia Business Company, driving growth of MISUMI Group's business in Asia. In addition, he has been leading Japan Business Company as its President since April 2022. With his experience and knowledge, he has appropriately and effectively performed business execution, decision-making and supervisory roles. Accordingly, Mr. Shimizu has been appointed as a candidate for Director, in recognition of his anticipated future contributions.
Shaochun Xu	Director	Ms. Shaochun Xu joined MISUMI (China) Precision Machinery Trading Co., Ltd. after gaining experience in Chinese government offices and the Chinese operations of multiple Japanese companies. She has demonstrated her leadership in the company as General Manager since April 2017 and Chairperson since October 2021. She has been driving the growth of MISUMI Group's business in China, its largest overseas market. With her experience and knowledge, she has appropriately and effectively performed business execution, decision-making, and supervisory roles from a global perspective. Accordingly, Ms. Xu has been appointed as Director, as it is anticipated that she will offer valuable advice and effective oversight, drawing on her experience and expertise to further enhance the Group's Management Foundation.
Yoichi Nakano	Outside Director	Mr. Yoichi Nakano has proactively provided opinions and advice and supervised MISUMI Group's management from an independent perspective as Outside Director since June 2019. He has extensive experience in various industries on a global basis, namely, finance, consulting, and executive-search, as well as an extensive knowledge of management personnel development. We appointed Mr. Nakano, as an Outside Director, as it is anticipated that he will offer valuable advice and effective oversight, drawing on his experience and expertise to further enhance the Group's Management Foundation.
Tomoharu Suseki	Outside Director	Mr. Tomoharu Suseki has proactively provided opinions and advice and supervised MISUMI Group's management from an independent perspective as Outside Director since June 2021. He has ample experience and extensive knowledge from his extensive career in the management of various global companies primarily in the electronics sector. We appointed Mr. Suseki, as an Outside Director, as it is anticipated that he will offer valuable advice and effective oversight, drawing on his experience and expertise to further enhance the Group's Management Foundation.
Keiko Yano	Outside Director	Ms. Keiko Yano has proactively provided opinions and advice and supervised MISUMI Group's management from an independent perspective as Outside Director since June 2024. She has ample experience and broad knowledge through her extensive career in management of several global companies including joint venture formed by a Japanese and an American company in the automotive and related components industry. We appointed Ms. Yano as an Outside Director, as it is anticipated that she will offer valuable advice and effective oversight, drawing on her experience and expertise to further enhance the Group's Management Foundation.
Figen Ulgen	Outside Director	Ms. Figen Ulgen has demonstrated outstanding leadership in the fields of data science and data governance at several global companies, including major U.S. IT companies. She has ample experience and broad knowledge regarding the business application of information technology including AI. We appointed Ms. Ulgen as an Outside Director, as it is anticipated that she will offer valuable advice and effective oversight, drawing on her experience and expertise to further enhance the Group's Management Foundation.
Ichiro Otokozawa	Full-time Audit & Supervisory Board Member	In addition to extensive experience as CFO at multiple companies, Mr. Otokozawa has broad expertise as a leader of administrative divisions and business operations. Leveraging this knowledge, he has appropriately executed business execution and management oversight as CFO and head of Corporate Division of the MISUMI Group since December 2013, and as the Executive in charge of Americas and Europe Business since October 2020. Drawing on this wide-ranging experience and insight, it is anticipated that he will appropriately audit the execution of duties by Directors and contribute to enhancing and strengthening the Company's auditing framework.
Takaaki Wada	Full-time Audit & Supervisory Board Member	Mr. Wada has been engaged in business operations for many years, primarily in the Company's core Die Components Business, and has demonstrated strong leadership as President of the Die Components Business Company since December 2015. Leveraging his extensive experience in global business, operations, and organizational management, as it is anticipated that he will appropriately audit the execution of duties by Directors and contribute to enhancing and strengthening the Company's auditing framework.
Nanako Aono	Outside Audit & Supervisory Board Member	As a certified public accountant, Ms. Nanako Aono has a considerable degree of knowledge concerning financial accounting. She also has extensive insight, cultivated through her career as a business manager and Corporate Auditor. She utilizes her knowledge and insights for enhancing and strengthening the audit structure of the Company and fulfills her roles for fair and objective audit from an independent viewpoint. Her appointment as an Outside Audit & Supervisory Board Member reflects our judgment that she will continue to carry out the duties of that position appropriately going forward.
Shizuyo Ichikawa	Outside Audit & Supervisory Board Member	Ms. Shizuyo Ichikawa has expertise and experience in legal affairs as a lawyer and ample experience as an Outside Corporate Auditor of another company. Ms. Ichikawa has been appointed as an Outside Audit & Supervisory Board Member in the anticipation that she will fulfill her role as a fair and objective auditor from an independent viewpoint using her experience and knowledge.

Management Foundation: Corporate Governance**Supervising Officers** (As of October 1, 2025)

Chairman
and Representative of HL Platform
Kosuke Nishimoto

Senior Executive Corporate Officer, CIO,
and Representative of Newton Global Development Center
Arata Shimizu

Senior Executive Corporate Officer
Shigetaka Shimizu

President
Ryusei Ono

Senior Executive Corporate Officer
Tomoki Kanatani

Senior Executive Corporate Officer
Toru Arakawa

Founders

Chairman Emeritus, Second-Era Founder
Tadashi Saegusa

Special Advisor and Founder
Hiroshi Taguchi

Executive Officers (As of October 1, 2025)

Senior Corporate Officer
Representative of China Region
and Representative of Asia Region
Shaochun Xu

Corporate Officer
Representative of Production Platform
Takumi Toya

Corporate Officer
President of Distribution and Services Business Company
and Representative of Gateway Global Development Center
Masatake Sumi

Corporate Officer
Representative of DJ System Global Development Center
Tomohiro Yamamoto

Corporate Officer
President of Die & Mold Business Company
Yusuke Miyamoto

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

Corporate Officer
Representative of Operational Excellence
Hideka Shoji

Corporate Officer
President of OST Business Company
Nobumasa Watanabe

Corporate Officer
President & CEO of Fictiv Inc.
David Evans

Corporate Officer
President of Mechatronics Business Company
Hitoshi Ura

Senior Corporate Officer, CFO,
Representative of Finance Platform
Toru Takanami

Corporate Officer
President of Factory-MRO Business Company
Takashi Baba

Corporate Officer
Representative of Rapid Manufacturing Global Development Center
Yusuke Kido

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

Corporate Officer
Representative of Enterprise Tech Platform
Akira Rikita

Senior Corporate Officer
President of Dayton Lamina Business Company
and Representative of Americas Region
Ryuji Ohora

Corporate Officer
Representative of Digital Services Global Development Center
Koichi Kawakami

Corporate Officer
Representative of Europe Region
Noriaki Murata

Corporate Officer
President of Frontier Business Company
Jinwook Lee

Management Foundation: Corporate Governance

Basic Approach to Corporate Governance

Our Company is committed to strengthening its Management Foundation with the goal of fulfilling its social responsibilities and achieving sustainable growth in corporate value. We consider the advancement of corporate governance a central management priority, and, in line with our "Corporate Governance Guidelines," we are dedicated to the ongoing enhancement of our corporate governance framework.

Relationship with Shareholders

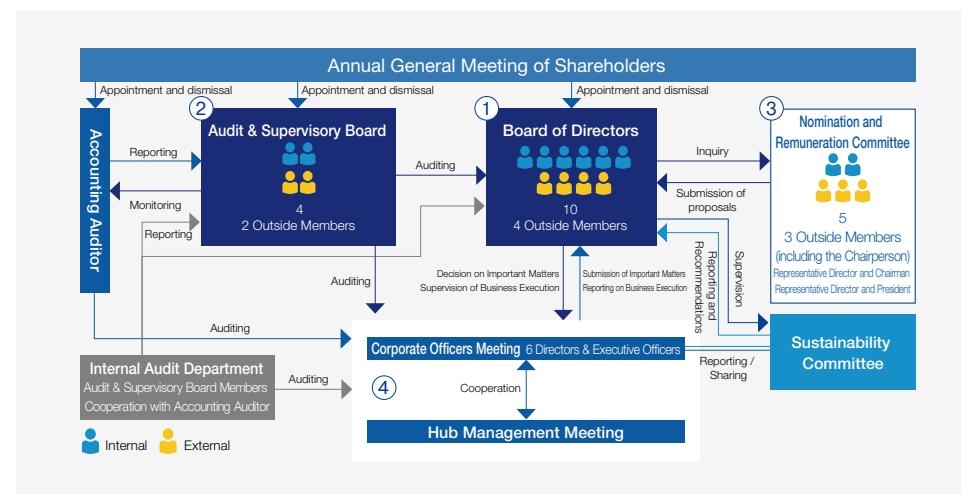
MISUMI Group proactively and appropriately communicates key management strategies, financial performance, sustainability initiatives, risk management, governance practices, and responses to social and environmental issues to shareholders in a timely manner. We are also committed to fostering active and constructive dialogue with our shareholders.

The MISUMI Group's Corporate Governance Guidelines have been established to define the fundamental concepts and policy approaches concerning corporate governance within our Group.

[MISUMI Group's Corporate Governance Guidelines](#)

Corporate Governance Structure

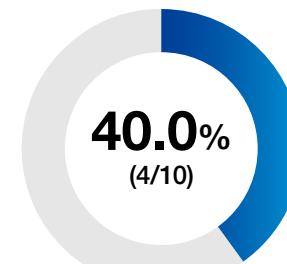
MISUMI Group Inc., as a company with an Audit & Supervisory Board, has its Board of Directors and Audit & Supervisory Board responsible for supervising business execution and conducting audits, respectively. Furthermore, voluntary advisory committees, including the Nomination and Remuneration Committee and the Sustainability Committee, have been instituted.



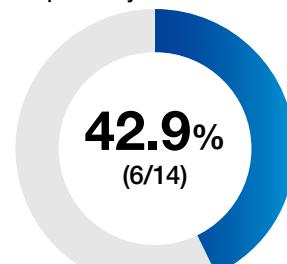
Overview of the Corporate Governance System

Organizational Structure	Company with an Audit & Supervisory Board
Number of Directors [of which, Outside Directors]	10 (4)
Term duration for Directors	1 year
Number of Outside Directors designated as independent executives	4
Number of Audit & Supervisory Board Members [of which, Outside Members]	4 (2)
Adoption of the Corporate Officer structure	Yes
Existence of voluntary committees	Yes (Nomination and Remuneration Committee)
Remuneration for Directors and other Officers	<ul style="list-style-type: none"> 1. Base salary 2. Performance-linked bonuses 3. Long-term incentives (restricted stock)

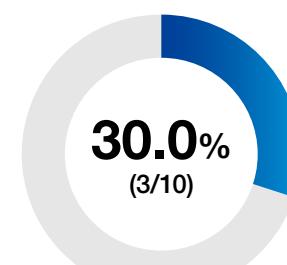
Percentage of Outside Directors



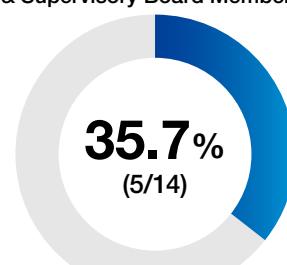
Percentage of Outside Executives (Directors and Audit & Supervisory Board Members)



Percentage of Female Directors



Percentage of Female Executives (Directors and Audit & Supervisory Board Members)



Management Foundation: Corporate Governance

1 Board of Directors

The Board of Directors is responsible for setting the strategic direction of the MISUMI Group, making decisions on significant business executions, establishing an appropriate Internal Control System and supervising and guiding the duties performed by Executive Directors and Representative Officers of Business Companies, Region Hubs, and Model Development Hubs. Moreover, the MISUMI Group periodically assesses and revises the operational status of the Internal Control System, the implementation of the Code of Conduct, and the functioning of the Internal Whistleblowing System. The Board of Directors, comprising 10 members, including four Independent Outside Directors, meets regularly once a month and convenes additional Extraordinary Board Meetings as needed to make critical management and business decisions and to oversee business execution.

Key Agenda Items of the Board of Directors (FY2024)

- Matters resolved (61, including 6 resolved in writing): Matters related to the Annual General Meeting of Shareholders, financial statements, Directors, shares, budgets and business plans, human resources and organizational matters, investments, funding, subsidiaries, and sustainability and ESG*
- Matters reported (65): Business reports (sales and HR-related), audit reports, internal audit status reports, sustainability and ESG* reports, report on the effectiveness of the Board of Directors, and matters related to the Annual General Meeting of Shareholders
- Matters discussed (3): Business strategy and investment-related matters

*ESG stands for Environment, Society, and Governance

2 Audit & Supervisory Board

The Audit & Supervisory Board consists of four members, including two outside Audit & Supervisory Board Members. Each member attends meetings such as the Board of Directors, the Corporate Officers Meeting, and the Hub Management Meeting; conducts on-site inspections at domestic and overseas locations; reviews approval documents; holds individual interviews with Directors, Executive Officers, and others; and participates in regular meetings with the second line of internal control, which are the various risk management departments, as well as the third line, the Internal Audit Office. Through these activities, they audit the execution of duties by Directors. In addition, the Audit & Supervisory Board works in cooperation with the accounting auditor to continuously improve the effectiveness and efficiency of accounting audits, while also assessing the appropriateness of the accounting auditor.

3 Nomination and Remuneration Committee

Our Company bolsters the Board of Directors' supervisory role and improves the transparency of its decision-making process with a Nomination and Remuneration Committee. This Committee is led by an Independent Outside Director and consists of a majority (60%) of Independent Outside Directors. The Nomination and Remuneration Committee acts as an advisory body, deliberating and submitting proposals to the Board of Directors on evaluation and remuneration matters, the election and dismissal of Directors, including Representative Directors, and succession planning for these roles to ensure the Company's sustainable growth as a global entity. Additionally, the Committee objectively discusses and considers important issues, such as nominations and remuneration, from various perspectives, including diversity and skills.

Member of the Nomination and Remuneration Committee	Outside Director Yoichi Nakano (Chairperson) Tomoharu Suseki Keiko Yano	Representative Director and Chairman Kosuke Nishimoto Representative Director and President Ryusei Ono
Meetings Held:	7 in FY2024	

4 Business Execution Structure

Our Group's operational framework is built upon four Hub organizations: the Business Companies (BH), responsible for business growth and profitability; the Region Hub (RH), tasked with strengthening the business and Management Foundations of each regional subsidiary; the Platform Hub (PH), which is accountable for enhancing global competitiveness, implementing cutting-edge technologies, and managing performance (KPIs) within specialized domains; and the Model Development Hub (MH), dedicated to fostering and developing next-generation dynamic competitive foundations and overseeing their implementation into BH, RH, and PH. By establishing these four Hubs and promoting collaboration among them through a multi-network organizational structure, we are reinforcing our Dynamic Capabilities to swiftly respond to changes in the global environment surrounding our Group, including customers, markets, and competitors.

Daily operations of each Hub are managed and supervised by six Supervising Officers, each responsible for their respective Hub. In addition, important operational decisions within each Hub are deliberated and resolved at the monthly Hub Management Meetings. Through this process, governance at the Hub level is reinforced.

Furthermore, for important matters related to business execution that extend beyond the scope of individual Hubs and impact on the entire Group, deliberation and decision-making are conducted by the Corporate Officers Meeting at the Head Office, which is primarily composed of the Representative Directors, Supervising Officers, and Senior Corporate Officers. This process serves to strengthen governance at the Group level and is held once a month.

Outside Directors and Outside Audit & Supervisory Board Members

■ Functions and Roles of Outside Directors and Outside Audit & Supervisory Board Members

Our Company maintains a Board of Directors responsible for both management decision-making and overseeing business execution by Executive Directors and Corporate Officers. Out of 10 Directors, four are Outside Directors, and of the four Audit & Supervisory Board Members; two are Outside members.

We consider the role of external oversight from an objective and neutral perspective to be crucial in corporate governance. We believe that our current structure adequately ensures effective external oversight, facilitated by the supervision and checks of Outside Directors and independent audits by Outside Audit & Supervisory Board Members.

■ Criteria and Policies Regarding the Independence of Outside Directors and Outside Audit & Supervisory Board Members

The appointment of Outside Directors and Outside Audit & Supervisory Board Members is based on their compliance with the standards for independent officers established by the Tokyo Stock Exchange. Their attendance at meetings of the Board of Directors during FY2024 is disclosed on page 53, and the reasons for their appointment are presented on page 54.

Based on the perspectives derived from their respective areas of specialized knowledge and extensive experience, the MISUMI Group believes that these Outside Directors and Outside Audit & Supervisory Board Members are well qualified to effectively fulfill their roles in supervising and overseeing management, as well as conducting fair and objective audits from an independent standpoint.

Management Foundation: Corporate Governance

■ Supervision or Auditing by Outside Directors and Outside Audit & Supervisory Board Members

Outside Directors participate in the monthly Board of Directors Meeting, where they offer questions and advice on proposals and discussions from an objective standpoint, independent of the management team responsible for business execution. Additionally, Outside Audit & Supervisory Board Members attend the monthly Board of Directors and the Audit & Supervisory Board, offering questions and advice on proposals and discussions, drawing from their specialized knowledge and experience.

Board of Directors' Effectiveness Evaluation

■ Evaluation process (year ended March 31, 2025)

To assess the effectiveness of our Board of Directors, a questionnaire was distributed to Directors and Audit & Supervisory Board Members, and their responses were collected. Designated evaluation members conducted analysis and assessment based on the aggregated results, the frequency of Board meetings during the fiscal year, the topics discussed, and the level of participation in deliberations.

■ Evaluation Results (year ended March 31, 2025)

Our Board of Directors has concluded that its effectiveness is adequately ensured, as outlined below.

- During the deliberations of the Board of Directors' agenda items, ample time is allocated, and attendees actively engage in discussions, ensuring thorough and serious debates. This process facilitates appropriate decision-making and oversight of execution.
- Outside Directors and Outside Audit & Supervisory Board Members actively participate in discussions, offering insights from their respective professional perspectives. Their opinions are thoroughly incorporated into the management decision-making process.
- The function and management approach of the Company's Board of Directors are continually refined to boost their effectiveness. This results in more active deliberations, enhanced supervision, and more effective guidance of execution.
- Following the Annual General Meeting of Shareholders held in June 2025, the Board now comprises four independent Outside Directors, exceeding the one-third requirement for the Prime Market and representing 40% of its members.
- At the same Annual General Meeting of Shareholders, an additional female Outside Director of foreign nationality was appointed, further enhancing the diversity of the Board of Directors.
- The Nomination and Remuneration Committee has been established as an advisory body to deliberate and submit proposals to the Board of Directors on evaluation and remuneration matters, as well as the election and dismissal of Directors, including Representative Directors. It also discusses and implements succession planning of the Representative Directors.

Moving forward, we will continue to evaluate the roles, functions, operations, and meeting agendas of the Board of Directors, including further delegation of authority to the executive team, to ensure a clear focus on future business growth and globalization initiatives. Additionally, we will maintain ongoing dialogue with stakeholders, including shareholders and investors, while carefully considering the number, composition, diversity, and the balance of knowledge, experience, and skills among Directors and Outside Directors.

Officers' Remuneration

■ Basic Policy on Officers' Remuneration

The Company's policy is to grant reasonable remuneration to Directors by considering past experience, market standards, and their contributions.

■ Composition and Proportion of Remuneration

Director compensation comprises three elements: base salary, performance-linked bonuses, and long-term incentives. Independent Outside Directors receive only a base salary, reflecting both their responsibilities and the necessity of maintaining their independence from business operations.

① Base Salary

The amount is determined as a monthly fixed salary, considering each Director's role, position, and market standards.

② Performance-linked Bonuses

To enhance each Director's motivation to contribute to the Company's performance during each consolidated fiscal year, the remuneration for each Director is determined comprehensively based on factors such as consolidated ordinary income and dividend amounts for the year and is paid annually as a bonus.

③ Long-term Incentives (restricted stock)

To boost motivation for contributing to mid- to long-term performance and enhancing corporate value, the number of restricted shares granted annually is determined based on individual evaluations.

The remuneration structure is appropriately determined based on our management strategy, business environment, responsibilities, and mid- to long-term incentives, with reference to the remuneration levels of benchmark companies. Furthermore, performance-linked bonuses and the allocation of long-term incentive shares may fluctuate based on performance and individual evaluations, and there may be years when they are not granted.

■ Method for Determining Individual Remuneration for Directors

Matters related to individual remuneration and other rewards for Directors are determined through deliberation by the Nomination and Remuneration Committee. Additionally, long-term incentives require a resolution by the Board of Directors, following the decision of the Nomination and Remuneration Committee.

■ Clawback Policy for Executive Remuneration

In the event of a significant fraudulent or illegal act by a Director, the remuneration of the said executive (including vested rights) may be confiscated or subject to a repayment claim.

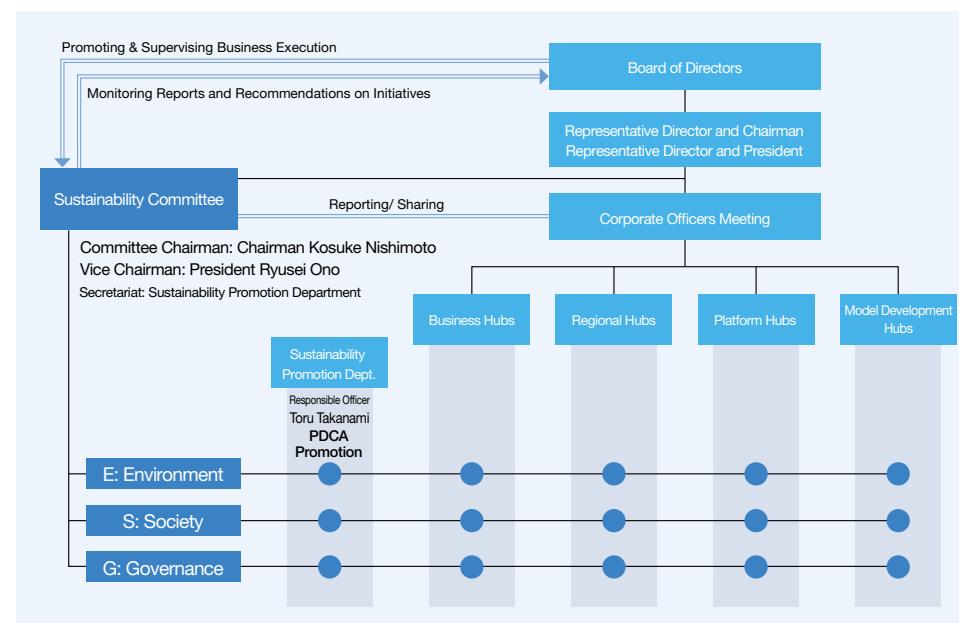
Management Foundation

Sustainability Committee

Sustainability Committee

MISUMI Group Inc. has established a "Sustainability Committee," chaired by the Representative Director and Chairman, the Representative Director and President as Vice-Chairman, to strengthen its sustainability initiatives. This Committee formulates the Basic Policy of Sustainability for the Company, verifies the management plan and management policy, reports and makes recommendations regarding initiatives that address social issues to the Board of Directors. To promote ESG management horizontally across the Group, the Sustainability Committee, under the supervision of the Board of Directors, which has appointed an Officer in charge of Sustainability, works with the Business Companies, Regional Hubs, Platform Hubs, and Model Development Hubs, which are the Group's executive organizations, to monitor ESG-related target setting, progress and evaluation, and to further develop initiatives.

● Sustainability Management System



● Status and Results of the Sustainability Committee Meetings

(As of Nov,2025)

Dates	Topics	Achievements
1st March 16, 2022	<ul style="list-style-type: none"> First discussion regarding evaluation and improvement from external agencies 	Improvement initiatives commenced with the dissemination of external evaluation results to management.
2nd April 20, 2022	<ul style="list-style-type: none"> Second discussion regarding evaluation and improvement from external agencies 	
3rd May 18, 2022	<ul style="list-style-type: none"> First discussion on Scope 3 initiative policy 	An anticipated 8.6% reduction in GHG Scope 1 and 2 emissions (relative to FY2020) was reported, attributed to the adoption of Carbon-free electricity across all Japanese manufacturing facilities. Further measures are under consideration.
4th June 14, 2022	<ul style="list-style-type: none"> Progress report on GHG emission reduction Second discussion on Scope 3 initiative policy 	
5th June 23, 2022	<ul style="list-style-type: none"> Report on Sustainability Committee's responses to the external agencies' evaluation Discussion on climate change-related countermeasures 	
6th July 28, 2022	<ul style="list-style-type: none"> Sustainability training for executives 	
7th August 1, 2022	<ul style="list-style-type: none"> Progress report on Procurement Guidelines and Code of Conduct 	
8th August 18, 2022	<ul style="list-style-type: none"> Discussion on Procurement Guidelines and Code of Conduct Discussion on revision of Code of Conduct and human capital disclosure 	The "Sustainable Procurement Guidelines" were developed and promoted.
9th October 20, 2022	<ul style="list-style-type: none"> Establishment of Procurement Guidelines and supply chain management system 	Supplier-focused sustainability activities were initiated at the 9th meeting held on October 20, 2022.
10th December 22, 2022	<ul style="list-style-type: none"> Report on climate change-related countermeasures Discussion on human capital disclosure Future initiatives 	Additional GHG Scope 1 and 2 reduction strategies—including energy conservation, solar power generation, and renewable energy certificates—were approved, with an expected total group-wide reduction exceeding 60%.
11th February 15, 2023	<ul style="list-style-type: none"> Review of activities and future direction and policy 	
12th May 18, 2023	<ul style="list-style-type: none"> Execution status report: GHG / Supply Chain Management Response to external agencies' evaluation regarding human capital 	Briefing sessions on sustainability and GHG accounting were held for major Japanese suppliers. Four months thereafter, all participating companies finalized their GHG calculations, contributing to a 6.7% year-on-year decrease in Scope 3 emissions.
13th September 21, 2023	<ul style="list-style-type: none"> FY22 Preliminary GHG results and progress in supply chain management Analysis by external evaluation agencies 	
14th November 16, 2023	<ul style="list-style-type: none"> FY22 GHG results and FY24 supply chain management activities Responses to European CSRD and Carbon Footprint 	Targeted support was provided to key suppliers facing sustainability challenges, resulting in the completion of necessary improvements.
15th March 19, 2024	<ul style="list-style-type: none"> Review of activities and future direction and policy 	
16th March 21, 2024	<ul style="list-style-type: none"> Reports on corporate governance-related matters and/ Board effectiveness evaluation Review on materiality 	
17th May 16, 2024	<ul style="list-style-type: none"> MISUMI Unique Index and/ Carbon Footprint 	The company successfully completed its initial product carbon footprint assessment.
18th September 18, 2024	<ul style="list-style-type: none"> Request for cooperation regarding European CBAM and EUDR and analysis of evaluation results from external agencies 	Company-wide policies and organizational frameworks were established for internal compliance with European CBAM and EUDR regulations.
19th October 17, 2024	<ul style="list-style-type: none"> First discussion on materiality assessment questionnaire 	
20th November 21, 2024	<ul style="list-style-type: none"> Second discussion on materiality assessment questionnaire 	
21st December 19, 2024	<ul style="list-style-type: none"> FY23 Preliminary GHG results and consideration of materiality 	
22nd January 23, 2025	<ul style="list-style-type: none"> Consideration of materiality 	
23rd July 17, 2025	<ul style="list-style-type: none"> Enhancing sustainability disclosure and MISUMI Unique Index 	Decisions were made to enhance policy disclosures to ensure transparency.
24th August 21, 2025	<ul style="list-style-type: none"> Reorganization of materiality and integrated report narrative 	
25th September 18, 2025	<ul style="list-style-type: none"> Reorganization of materiality and integrated report narrative 	Revisions to materiality content were finalized.
26th November 20, 2025	<ul style="list-style-type: none"> FY24 GHG results 	

Management Foundation

Risk Management

Risk Management Structure and Policy

The Group has implemented an operational framework to anticipate and manage various risks, ensuring Reliable and Quick Delivery of products to our customers. Considering the growing geopolitical risks, we are striving to further enhance our global risk management structure.

Risks Associated with Business Activities

At our Company, each organization responsible for business execution analyzes risks within their respective business areas in developing business plans, which are reviewed by the Directors and Corporate Officers. Additionally, the execution status is reported to the Board of Directors and the Corporate Officers Meeting, where countermeasures are deliberated in response to significant risks or issues.

Risks Relating to Quality Control

In the product planning and design stages, we thoroughly consider product safety and strive to establish a framework for appropriate quality control during the manufacturing stage.

Risks of Natural Disasters and Conflicts

We have established specialized organizations to respond to emergencies such as disasters and have implemented measures including the development of a Business Continuity Plan (BCP), the introduction of a disaster communication system, the establishment of disaster response frameworks, and employee training. Additionally, we conduct BCP drills at domestic and international business sites to identify issues and promote awareness.

Risks of Information Security

Our Group holds confidential information in electronic form pertaining to business processes such as ordering, sales, procurement, and manufacturing, as well as customer and personal data, and numerous information systems are utilized in business operations. To strengthen information security, we have established information management rules such as the "Basic Policy on Information Security," and conduct annual internal training to ensure thorough awareness. Moreover, with the increasing importance of cybersecurity, we are implementing the following measures.

■ Formulation and Execution of a Cybersecurity Risk Response Plan

Our Company identifies cybersecurity risks and formulates corresponding response plans. These plans consider both system and human aspects, advancing the development of a defense framework, and we conduct regular system and security audits. Additionally, as part of the BCP, we conduct exercises and drills to enhance the overall response capabilities of our employees.

■ Strengthening the Cybersecurity Framework

We are formulating security policies and promoting related investments while routinely implementing the PDCA (Plan, Do, Check, Act) cycle to establish a framework that can respond flexibly and swiftly to evolving threats.

Management Foundation

Internal Control

Status of Internal Control System Development

Our Group has established a three-line defense as part of its Internal Control System (First Line: Business Execution Departments, Second Line: Risk Management Department, Third Line: Internal Audit Department) and is working towards further strengthening it.

Additionally, at the Board of Directors Meeting held on October 17, 2024, a resolution was passed to revise the "Basic Policy on Internal Control Systems" based on Article 362, Paragraph 4, Item 6 of the Companies Act and Articles 100, Paragraphs 1 and 3 of the Enforcement Regulations of the Companies Act. Please refer to the following link for details.

The following summarizes our principal initiatives for FY2024.

[Basic Policy on Internal Control System](#)

- The Company held 14 Board of Directors Meetings. The Board of Directors and the Corporate Officers Meeting made important decisions for the Group and appropriately fulfilled their roles and functions, such as confirming the execution status at and providing supervision and guidance to Headquarters, Business Companies, Platforms, and subsidiaries.
- The Company has established internal regulations regarding the management of information security, information systems, trade secrets, and personal information. Based on these regulations, the responsible departments responsible are implementing appropriate measures.
- The Company regularly conducts comprehensive risk assessments covering business operations, information, finance, human resources, and legal affairs at key Group sites and reports the results to the Board of Directors. For significant risks, the responsible departments responsible are identified to implement countermeasures. As one of the measures to address significant risks, we have formulated a Business Continuity Plan (BCP) for disasters and other emergencies.
- The Company conducts compliance and legal training at key Group sites to ensure full awareness and thorough observance of the MISUMI Group Code of Conduct and legal compliance through these training programs.
- The Company has established an internal reporting system covering the entire Group and operates it appropriately.
- Regarding the development of the structure and coordination for the Audit & Supervisory Board and its members, we are continuously working to improve the auditing environment. This includes increasing opportunities for interviews with Directors, including Outside Directors, enhancing coordination with the Group's administrative departments, strengthening the full-time Audit & Supervisory Board structure, and enhancing the support system for Audit & Supervisory Board Members.
- Based on its audit plan, the Internal Audit Department conducts operational audits of domestic and overseas subsidiaries to assess and monitor the development and operation status of the Internal Control System.

Supervision through the Internal Control System and Evaluation/ Audit of System Operation Status

The Group has established, through resolutions of the Board of Directors, a "structure to ensure that the execution of duties complies with laws and the Articles of Incorporation" and a "structure to ensure the appropriateness of other operations," regulations (the "Internal Control System").

The Group's Audit & Supervisory Board evaluates and audits the operations of the Internal Control System annually.

Additionally, the Internal Audit Department selects approximately 10 target locations and organizations each year for audit and conducts reviews to ensure that operations at these locations are carried out appropriately and in compliance with laws, regulations and internal rules. Furthermore, since 2019, the Legal Department has implemented an initiative known as "Legal Risk Review Rounds" to detect legal risks that could lead to violations of laws in the early stage and work with the relevant departments to resolve them.

Management Foundation

Ethics and Compliance

Code of Conduct

The Group has established standards of conduct based on "Aspiration," "Value proposition," and "Mission" that drive MISUMI's Growth Chain-reaction Aspired Management, as well as on global social expectations, including the principles of the United Nations Global Compact. Among these, the behaviors expected of MISUMI as a corporate entity are stipulated in the Corporate Code of Conduct while behaviors expected from each Officer and employee are stipulated in the "Employee Code of Conduct."

[Code of Conduct](#)

Employee Training on Ethical Standards

The Group has established an ethics and compliance education system and conducts regular ethics training (in principle, once a year) for all relevant employees. The training covers topics such as the dissemination of the Code of Conduct, prevention of bribery and fraud, accounting compliance, insider trading, HR compliance, and export control. After each training session, a test is administered to measure understanding, ensuring retention of the training content.

Bribery and Anti-Corruption Policy/ Efforts to Prevent Bribery and Fraud

The Group has established in its "Code of Conduct" a prohibition on bribery or the giving of money or gifts to government and administrative agency officials, as well as the improper exchange of money or goods with suppliers and others. Additionally, through the aforementioned employee education activities, all employees are thoroughly informed about the prohibition of bribery and the prevention of fraud.

Protection of Personal Information

The Group complies with these policies, laws, and other regulations regarding the protection of personal information and appropriately handles the personal information of all stakeholders.

["Basic Policy on Personal Information Protection" and "Personal Information Protection Policy"](#)

Management Foundation: Ethics and Compliance

Information Security

The Group recognizes the importance of information security in conducting global business activities and has established the "Basic Policy on Information Security" to appropriately protect the information assets it owns or manages from various threats. We strive to enhance information security by conducting annual internal training to ensure thorough awareness and understanding throughout the Company.

Reporting and Supervision of Legal, Compliance, and Ethical Activities

The Group's activities concerning legal, compliance, and ethics are reported regularly (in principle, once a year) to the Board of Directors by the Corporate Officer responsible for legal and compliance. The Board of Directors discusses the reported status of these activities and supervises by providing guidance on areas that require correction or strengthening. The Legal Department provides monthly reports on important issues and challenges related to legal and compliance matters. We have also established an HR Compliance Committee comprising two Representative Directors, the Representative Officers of each relevant organization, and the Corporate Officer overseeing legal and compliance, to deliberate and make decisions regarding disciplinary actions.

Internal Whistleblowing System

Internal Whistleblowing System and Whistleblower Protection

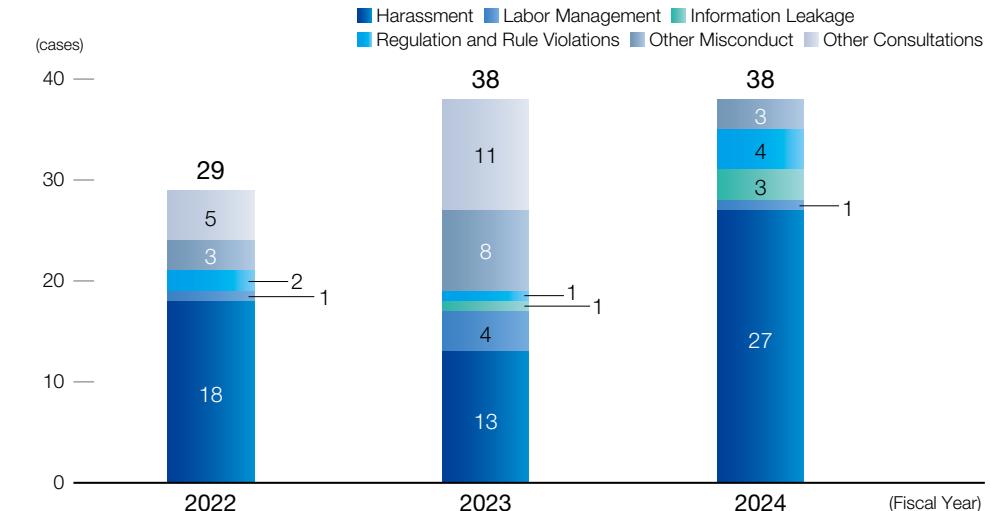
The Group has established an Internal Whistleblowing System called the "Corporate Ethics Helpline," which allows employees of Group companies, both domestically and internationally, to consult and report inappropriate conduct. Reports are accepted in both English and Japanese. The reporting hotline is managed by an external law firm to ensure strict confidentiality of the reported content. Additionally, a consultation desk has been established within the Human Resources Department, where employees can discuss harassment and other inappropriate workplace conduct. The consultation desk also guarantees the anonymity of whistleblowers and ensures that no adverse consequences occur to them.

Internal Whistleblowing System

Investigation of Reports and Decision on Response

When a report is made to the Corporate Ethics Helpline or the Human Resources Department's consultation desk, both the Human Resources and Legal Departments conduct an internal investigation into the facts and circumstances, taking the utmost care to protect the whistleblower's anonymity and safety. The necessity and content of any disciplinary action based on the investigation results are discussed and determined at the "Human Resources Compliance Meeting," which includes the Representative Director. When disciplinary action is taken, the name of the department involved is disclosed (without revealing individual names), and the fact of the disciplinary action is announced internally to ensure transparency in the process.

Trends in the Number of Reports and Consultations



Management Foundation

MISUMI Group Human Rights Policy

MISUMI Group Human Rights Policy

MISUMI Group considers respect for human rights to be a fundamental principle in all activities and has established the "MISUMI Group Human Rights Policy" (hereinafter referred to as the Human Rights Policy). We are committed to ensuring that our management and conduct are always aligned with the international community. The Human Rights Policy identifies key human rights issues that our Group must address and promote appropriate measures.

■ Key Human Rights Issues

- We respect individuals' fundamental human rights, individuality, and diversity, and prohibit discrimination or harassment based on race, nationality, gender, religion, beliefs, birth, age, sexual orientation, physical characteristics, or mental and physical disabilities. We prohibit all forms of harassment that unjustly harm individual dignity, such as sexual harassment, power harassment, and moral harassment.
- We emphasize diversity in backgrounds, skills, gender, nationality, and other aspects, ensuring equal opportunities in hiring, development, promotion, and treatment of personnel.
- We comply with safety and health-related laws and standards and strive to maintain a safe and comfortable workplace environment.
- We prioritize the mental and physical health of our employees and prevent long working hours.
- We respect employees' rights as workers, including freedom of association.
- We do not engage in any form of child labor or forced labor.

We apply the Human Rights Policy to all Officers and employees of the Group. We also expect our business partners, such as suppliers, to understand and support this policy, and we work to ensure it is respected. Additionally, as part of our due diligence efforts, we assess and identify human rights risks not only within our Group but also among our business partners, implementing measures to prevent and mitigate these risks. For communication, we ensure comprehensive education and raise awareness for all employees in the Group, while providing appropriate information disclosure and engaging in dialogue with stakeholders.

[MISUMI Group Human Rights Policy](#)

Zero Tolerance for Harassment

In 2017, the MISUMI Group adopted the "Zero Tolerance for Harassment Declaration," affirming that "all forms of harassment are unacceptable within the MISUMI Group," and has been continuously working to eradicate harassment. We vigorously promote initiatives toward this goal by conducting regular compliance training for employees worldwide, thoroughly revising and globally implementing our Corporate Code of Conduct and Employee Code of Conduct, and establishing a widely publicized internal reporting structure. However, we acknowledge that achieving Zero Harassment remains an ongoing challenge. To this end, we will further enhance our educational programs, preventive measures, and response strategies to completely eradicate harassment. Additionally, to ensure harassment is neither concealed nor overlooked, we will consistently provide clear and accessible information about our Internal Whistleblowing System and consultation services.

■ Provisions Outlined in the Zero Tolerance for Harassment Declaration

- Prohibition of Harassment Declaration
- Types and Specific Examples of Prohibited Harassment (Sexual Harassment, Power Harassment, Maternity Harassment, etc.)
- Scope of the Declaration (Applicable to all employees)
- Sanctions for Harassment Incidents
- Establishment of Consultation Channels and Protection for Whistleblowers
- Implementation of Investigations and Measures Following Consultations, and Consideration of Recurrence Prevention Strategies
- Programs Available for Employees Requiring Special Consideration
- Implementation of Harassment Training

[Zero Tolerance for Harassment Declaration](#)