

MISUMI Group Inc. FY2025 Full-Year Financial Results Briefing (Zoom) Q&A (Excerpt)

(Thursday, April 30, 2026)

<Q&A>

【Results/Outlook】

• Operating Profit

Q: The FY2026 plan identifies JPY 1.1 billion for supply chain (SC) reinforcement and JPY 7.4 billion for AI/DX investment as factors contributing to lower operating profit. What are the specific details and underlying assumptions for each?

A: SC reinforcement costs relate to investment associated with the new West Japan Distribution Center. AI/DX investment will be directed toward transforming customer services and improving internal productivity. Both matters will be assessed and executed in light of market conditions.

Q: Please elaborate on the continuity of AI/DX expenditures and when the benefits are expected to materialize.

A: We will continue to invest while carefully monitoring the impact. Our policy is to invest in a manner that improves the bottom line on a year-over-year basis, with contributions to earnings envisioned over the medium to long term.

-Segment Results

• FA Business

Q: What is the reason for the decline in core operating profit in the FA business in FY2026?

A: The primary cause is the partial outsourcing of incremental production in the automated stage business. This represents a temporary dip in profitability until the relevant capital investment is completed.

• Die Components Business

Q: What are the specific factors driving the improvement in profit margin for the Die Components business?

A: In FY2025, earnings were pressured by production adjustments stemming from sluggish automotive demand. A recovery is anticipated in FY2026, with restructuring efforts in the Americas and Europe expected to contribute to margin improvement.

• VONA Business

Q: What drove the high profit margin in the VONA business in Q4? Also, why does the FY2026 margin plan appear conservative?

A: In Q4, in addition to the impact of D-JIT, capturing high-volume production demand in Asia and China contributed to margin improvement. The FY2026 plan does not aggressively factor in mass-production demand and is set at a level aimed at returning margins to double digits.

【Regional/Demand Trends】

• Asia/China

Q: Why is Asia's growth projected to be lower in the FY2026 plan compared with Q4 actual results? Please also provide the China actuals and outlook.

A: In FY2025, Asia showed uneven growth across countries. The FY2026 plan reflects a mix of high-growth and underperforming markets, with overall growth planned at 8.1%. For China, we plan to further advance localization and are targeting 20% growth.

• Telecom-related Demand/Automated Stage

Q: Please share the FY2025 actuals and FY2026 outlook for automated stage sales to the telecom-related sector in China.

A: FY2025 results came in at +15% year on year. For FY2026, we expect a volume of 1.5x the FY2025 level on a local currency basis.

Q: Despite 1.5x growth in automated stage, the mix improvement contribution appears modest at +JPY 0.6 billion. Why?

A: Partial outsourcing of incremental production is required, and profit contribution will be limited until the relevant capital investment is completed.

【Digital Model Shift Initiatives】

-Fictiv

• Performance/Financial Targets

Q: Is Fictiv's continued loss a result of prioritizing investment? What are the long-term financial targets?

A: Our ultimate target is double-digit operating profit. It will take a bit more time to reach that level of profitability. We will need to present a medium-term plan in due course. The FY2027 breakeven target remains unchanged.

• Q4 Results and Future Supply Capacity

Q: What was behind the decline in Fictiv's Q4 revenue, and what measures are being taken to strengthen the supply structure for the new fiscal year?

A: January through March is seasonally a weak period for order intake. We are making upfront investments to expand supply bases in China, India, and Mexico in preparation for future growth.

-meviy

• FY2026 Plan

Q: Regarding the meviy FY2026 plan, could you provide a regional breakdown and any hints on profitability?

A: We plan 36.8% growth by expanding the scope of services, including support for mass-production needs. We are targeting approximate breakeven on a global consolidated basis in FY2026.

-Economy Series

• Growth Trajectory

Q: The Economy Series growth rate appears to be moderating from 63.7% in FY2025 to 37.2% in FY2026. What is the situation in China and Asia?

A: Sustaining growth in excess of 60% is not embedded in our plan. By region, China—which has strong product development capabilities—is expected to once again lead in volume and remain the key driver.

【Management Policy】

• New President's Key Focus Areas

Q: As the new President, what unfinished business have you inherited from your predecessor, and what are your priorities going forward?

A: We will actively leverage AI in both business operations and internal workflows and expand our domain in emerging markets such as telecom and robotics. We intend to formulate a corporate strategy and make proactive investments accordingly.

• Disclosure of Medium- to Long-Term Targets

Q: How do you view the governance-related feedback regarding the lack of disclosure of long-term targets?

A: We recognize the need to enhance the disclosure of our medium- to long-term direction and are committed to making improvements.

• Growth Investment (Up to JPY 150 Billion over Three Years)

Q: Please elaborate on the breakdown of up to JPY 150 billion in growth investment over three years, as well as how you are thinking about the balance between organic investment and M&A.

A: In addition to organic investment, we plan to actively pursue M&A. We anticipate M&A to account for slightly over one-third of the total.

• Productivity Improvement and Profitability

Q: What specific measures are planned to raise productivity to a general B2B level, and what is the expected impact on profitability?

A: The aim is to improve ROE by curbing SG&A expenses through a reduction in the labor cost ratio.

• Robotics/Humanoid Opportunities

Q: What business opportunities do you see in robotics and humanoids, and what is the direction for capital and business alliances?

A: We expect an increase in collaborative projects between Fictiv and meviy. Regarding robotics-related partnerships, we are exploring various angles including parts procurement; however, no specific decisions have been made at this time.