

MISUMI Group Inc. FY2024 first half consolidated financial results

~Record first half sales and increased profits due to a gradual recovery of demand and impact from our unique measures~

MISUMI Group Inc. announced its consolidated financial results for the first half of FY2024 (April 1, 2024- September 30, 2024) today. Major performance indicators are as follows.

(Million yen)	FY2023 first half	FY2024 first half	YoY change
Net sales	180,094	198,022	+10.0%
Operating income	18,515	23,390	+26.3%
Net income	14,185	18,200	+28.3%
Earnings per share	50.18 yen	65.21 yen	

1. Highlights of FY2024 first half consolidated financial results

- For the first half of the fiscal year, the global economy was expecting a recovery in demand for capital investments, particularly in the manufacturing industry; however, demand failed to meet market expectations. In China, Asia, and Japan, demand remains steady for one of our main customer industries, automotive, in addition to signs of recovery in the semiconductors and electronic components sector. On the other hand, European and US markets remain soft, as there is caution to invest in capital expenditure in a stagnated market coupled with geopolitical risks.
- In this economic environment, MISUMI Group is leveraging its unique Business MODEL, which encompasses manufacturing and distribution businesses. By advancing the global business foundation supporting these operations, we contribute to industries related to automation demand, particularly the manufacturing industry, by meeting customers' needs for reliable and quick delivery. We continued to develop new businesses, including new products and services, while leveraging our strong business foundations in IT, manufacturing and logistics that we have built up over the years, as well as our global network of bases, and worked to accurately capture customer demand.

- These results were driven by an increase in sales volume, product mix and impact from foreign exchange. This resulted in consolidated net sales of ¥198,022 million, 10.0% year-over-year increase (6.1% increase on local currency basis); a first half sales record, including the impact from foreign exchange. In terms of profit, despite continued expenses related to measures aimed at sustainable growth, operating income was ¥23,390 million (26.3% year-over-year increase), ordinary income was ¥25,221 million (26.1% year-over-year increase), and net income attributable to owners of the parent was ¥18,200 million (28.3% year-over-year increase). These results were driven by an increase in sales volume, product mix and impact from foreign exchange.

2. Sales grows in all business segments driven by a recovery in market demand and impact from our unique measures

- Segment sales for FY2024 first half are shown in the table below.

	Net sales (million yen)		YoY change	
	FY2023 first half	FY2024 first half	Yen basis	Local Currency basis
FA business	57,895	66,854	+15.5%	+11.4%
Die components business	39,329	42,819	+8.9%	+3.7%
VONA business	82,868	88,347	+6.6%	+3.7%
Total	180,094	198,022	+10.0%	+6.1%

- The FA business steadily gain demand, in China and Japan.
- In the Die Components business, demand in Europe and the US remained weak while automotive-related demand in China, Asia and Japan was on a recovery trend.
- In the VONA business, sales were strong in all overseas regions, helping to secure year-over-year sales growth.

3. Overseas, China and Asia continue to drive growth; sales increase in domestic markets

- Regional break down of sales for FY 2024 first half were as follows.

	Net sales (million yen)		YoY change	
	FY2023 first half	FY2024 first half	Yen basis	Local currency basis
Japan	83,696	85,831	+2.6%	—
Overseas	96,397	112,190	+16.4%	+9.3%
China	29,583	39,462	+33.4%	+24.9%
Asia	27,996	31,929	+14.0%	+8.6%
United States	21,428	22,324	+4.2%	-3.4%
Europe	12,961	13,713	+5.8%	-1.8%
Other	4,426	4,760	+7.5%	+2.1%

4. Interim dividend per share to be 19.83 yen, an increase of 7.23 yen year-on-year

- The Group is committed to the Growth Chain-reaction management based on the employees' challenges to contribute to the sustainable growth of the IA (Industrial Automation) industry, which is our customer, and to support the sustainable development of society through automation and labor saving in the IA industry. To achieve this, we are actively investing in growth in regions, businesses, and the development of new products and services, and are working to advance our Business MODEL that contributes to increasing customer's time value. In addition, to increase corporate value over the medium to long term, we will accurately assess the cost of capital and aim for a return on capital that exceeds the cost of capital, or, to widen the equity spread. To that end, we will strike a balance between investments in growth from a medium- to long-term perspective and the return of profits to our shareholders.
- In determining the dividend, we consider factors such as expanding our management base, strengthening our financial position, and improving capital efficiency. From the fiscal year ended March 2024, we have set a payout ratio benchmark of 30%, and as a result, the interim dividend per share is 19.83 yen (an increase of 7.23 yen from the previous year). The year-end dividend forecast has been revised to 20.59 yen (an increase of 5.72 yen from the previous year) due to the revision of the consolidated earnings forecast for the fiscal year ending March 2025. The annual dividend is expected to be 40.42 yen per share.

		Annual dividend		
		Interim	Year-end	Total
Previous forecast			20.44 yen	36.62 yen
	Payout ratio		30.0%	30.0%
Revised forecast			20.59 yen	40.42 yen
	Payout ratio		30.0%	30.0%
Actual results this year		19.83 yen		
	Payout ratio			
Results of previous fiscal year		12.60 yen	14.87 yen	27.47 yen
	Payout ratio	25.0%	30.0%	27.5%

5. Revised consolidated earnings forecast for the fiscal year ending March 31, 2025

- During the first half of the fiscal year, the global economy continues to show signs of a gradual recovery in capital investment demand, particularly for the manufacturing industry and impact from our own unique measures, we have exceeded the sales and profit forecast announced on April 26, 2024. On the other hand, while market conditions remain uncertain, based on the progress of this fiscal year and current market demand, we have revised our full year consolidated business forecast as follows.
In the event that significant matters arise, that could affect our business performance, due to a change in our business environment, we will disclose this information promptly.

FY2024 (April 1, 2024 - March 31, 2025) consolidated earnings forecast

	Net sales	Operating income	Ordinary income	Net income	Earnings per share
	Million yen	Million yen	Million yen	Million yen	Yen
Previous Forecast (A)	393,000	46,000	47,400	34,400	122.05
Revised forecast (B)	401,200	49,100	51,600	37,100	134.67
Difference (B-A)	+8,200	+3,100	+4,200	+2,700	
Ratio of difference (%)	+2.1%	+6.7%	+8.9%	+7.8%	
FY2023 results	367,649	38,365	41,265	28,152	99.75

Note: For the period starting from October 1, 2024 until March 31, 2025 the average exchange rates are USD: 145.0 yen, EUR: 157.0 yen, CNY: 20.0 yen.

[Notes regarding forward-looking statements]

The outlook for the fiscal year ending March 31, 2025, and the forward-looking statements in this document have been prepared on the basis of information available at the time of preparation. This includes the domestic and foreign economic climate, changes in foreign exchange rates for various currencies, and other factors that may affect business performance, that have been determined to be reasonable by MISUMI Group Inc. as well as risks and uncertainties. In light of this, please refrain from making investment decisions solely on the basis of this outlook. Actual business performance may differ greatly from this outlook due to various factors that affect MISUMI Group Inc., including economic climate, market trends and exchange rates.

Please refer to our earnings results report for details on first half consolidated earnings results for the fiscal year ending March 31, 2025.

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