

Notice regarding Capital and Business Alliance with Punch Industry Co., Ltd. and Subscription to Third-party Allotment of New Shares

MISUMI Group Inc. hereby announces that at its Board of Directors' meeting, held on October 7, 2024, has resolved (i) to enter into a capital and business alliance agreement (the "Alliance Agreement") with PUNCH INDUSTRY CO., LTD ("Punch Group"); and (ii) to acquire shares of Punch Group by subscribing to a third-party allotment conducted by Punch Group (the "Third-party Allotment").

(The capital and business alliance based on the Alliance Agreement is hereinafter referred to as the "Alliance").

1. Alliance Rationale

MISUMI Group provides its customers in the industrial automation (IA) industry with "reliable, quick delivery" and "reduction of customer's wasted work and tasks" to create "time value" for automation and labor savings. In the manufacturing business, we develop, manufacture and sell automation equipment, automation equipment parts, Die and Mold parts and automation-related indirect materials; in the distribution business, we handle a wide range of products from automation-related indirect materials to consumables (MRO), including products from other companies. Leveraging this unique Business MODEL, we are accelerating business expansion and global development through various channels and advanced digital technologies, namely catalogs, e-commerce websites, and "meviy," our online machine parts procurement service.

Punch Group, guided by their corporate purpose of "Shaping a Prosperous Future for the Next Generation with Trust through Manufacturing, Sincerity in Technology and Free Creative Power," supports the manufacturing industry in a wide range of fields with its highly reliable, exceptionally responsive services, utilizing the global network it has built up to date. Based on its advanced precision machining technology, Punch Group has established a manufacturing system that seamlessly covers the entire manufacturing process from start to finish. In addition to its diverse product line, which includes Die and Mold components, automation equipment and peripheral components, and custom machine parts, Punch Group also provides services in 3D measurement and participates in joint research with the aerospace industry. Punch Group constantly takes on new challenges and responds to a wide range of customer needs with an attentive and responsive approach.

As equal partners MISUMI Group and Punch Group have entered into the Alliance Agreement with the aim of continuously coexisting and prospering, thereby contributing to the prosperity of the entire industry and society.

Going forward, both groups will fully leverage their respective advantages; Punch Group will draw on its advanced precision machining technology and attentive responsiveness to customer needs, while MISUMI Group will capitalize on its leading digital technologies and supply chain capabilities of globally reliable, quick delivery. Together, we will continue to grow and develop, complementing and strengthening each other in a wide range of metal processing, from standardized to custom parts, and to not be limited to the field of automated equipment and its peripheral parts, and Die and Mold components.

2. Alliance Overview

(1) Business Alliance Overview

MISUMI Group and Punch Group endeavors to ensure that the Alliance Agreement will create synergies that will contribute to improving the business performance for both companies. To help realize the synergies as soon as possible, we will start by supplying each other's products within Japan.

For international opportunities, where growth is expected, we will jointly explore new markets to create new business opportunities by leveraging our overseas networks.

(2) Capital Alliance Overview

MISUMI Group Inc. plans to subscribe to 3,000,000 ordinary shares of Punch Group at a price of 423 yen per share, for a total of 1,269,000,000 yen (MISUMI's percentage of voting rights after this capital increase via third-party allotment is 10.93%) through a third-party allotment conducted by Punch Group. MISUMI Group Inc. does not currently hold any shares of Punch Group. Punch Group plans to acquire the ordinary shares of MISUMI Group Inc. through market purchases, with approximately 1,269,000,000 yen as a benchmark. Punch Group does not currently hold any shares of MISUMI Group Inc.

3. Alliance Partner Overview

(1) Name	PUNCH INDUSTRY CO., LTD.	
(2) Location	22-7, 6-Chome, Minami-Oi, Shinagawa-ku, Tokyo	
(3) Representative	Tetsuji Morikubo Representative Director, President & CEO	
(4) Business	Manufacture and sale of Die and Mold components, automation equipment and peripherals, custom machine parts	
(5) Capital	3,406 Million Yen	
(6) Established	March 1975	
(7) Major shareholders and shareholding ratio (As of March 31, 2024)	MT Kosan Co., Ltd. (15.55%) CACEIS BANK S. A., GERMANY BRANCH - CUSTOMER ACCOUNT (standing proxy: The Hongkong and Shanghai Banking Corporation Limited) (9.86%) The Master Trust Bank of Japan, Ltd. (trust account) (4.07%) Masatoshi Ohata (3.81%) Custody Bank of Japan, Ltd. (trust account) (3.10%)	
(8) Relation between MISUMI Group Inc. and said alliance partner	Capital relation	No applicable matters.
	Personnel relation	No applicable matters.
	Business relation	Normal business transactions between the subsidiaries of MISUMI Group Inc. and said partner.
	Status as related parties	No applicable matters.

(9) Partner's operating results (consolidated) and financial condition for the last three years			
Fiscal Year	Ended March 2022	Ended March 2023	Ended March 2024
Consolidated net assets (Million yen)	16,307	19,052	18,750
Consolidated total assets (Million yen)	28,774	30,455	29,649
Consolidated net assets per share (yen)	737.40	778.02	764.81
Consolidated net sales (Million yen)	39,358	42,799	38,344
Consolidated operating profit (Million yen)	3,041	2,436	1,240
Consolidated ordinary profit (Million yen)	3,007	2,394	1,421
Net income attributable to owners of the parent (Million yen)	2,040	1,390	-577
Consolidated earnings per share (yen)	93.36	60.58	-23.61
Annual dividends per share (yen)	13.00	19.50	19.40

4. Schedule

(1) Resolution at Board of Directors' meeting	October 7, 2024
(2) Conclusion of the Alliance Agreement	October 7, 2024
(3) Acquisition/ payment date for shares via the Third-party Allotment	October 23, 2024 (Subject to change)

5. Future Outlook

The impact of the conclusion of the Alliance Agreement, on the business performance of MISUMI Group Inc. for the fiscal year ending March 2025, is expected to be negligible. In the event that any matters arises in the future that requires disclosure, notification will be provided promptly.