

Notice Concerning the Issue of Stock Options (Stock Acquisition Rights) to Directors

MISUMI Group Inc. (the Company) announces that at a board meeting held on June 20, 2008, it decided to issue stock acquisition rights per the following details.

(1) Total Number of Stock Acquisition Rights

4,400 rights (100 of the Company's common shares per each stock acquisition right)

(2) Type and Number of Shares Subject to the Stock Acquisition Rights

The number of the Company's common shares (number of shares granted) shall be 100 [per right]. Therefore, the number of shares subject to all stock acquisition rights shall be 440,000 in total.

However, on or after the date the stock acquisition rights are allotted (allotment date) should the Company's common shares be split or consolidated (reverse split), the number of shares granted shall be adjusted based on the following formula. The adjustment in question will apply only to stock acquisition rights yet to be exercised as of the relevant time. Fractions of shares resulting from application of the formula shall be discarded.

$$\text{Adjusted number of shares granted} = \text{Number of shares granted (before adjustment)} \times \text{Ratio of split (or reverse split) of shares}$$

Furthermore, if on or after the allotment date the Company undergoes a merger or a business entity is spun off, if shares are allocated without compensation, or if any other event occurs that necessitates adjustment to the number of shares granted, the Company may adjust the number of shares granted within a rational range after considering matters such as the terms of events including merger or spin-off of a business entity. Fractions of shares resulting from such adjustments shall be discarded.

(3) Monetary Value of Assets to be Contributed Upon Exercise of the Stock Acquisition Rights

Stock acquisition rights are to be exercised in lieu of a cash investment. The monetary value of assets to be contributed for the exercise of one stock acquisition right is the amount obtained by multiplying the number of shares granted by the price per share as determined below (exercise price).

The exercise price is the amount obtained by multiplying by 1.05 the average of the closing price of the Company's common stock on the Tokyo Stock Exchange on all trading days (excluding days where no trades were made) of the month preceding the month in which the allotment date falls. Fractions of less than one yen resulting from said calculation are rounded up. However, if that amount is less than the closing price of the Company's common stock on the Tokyo Stock Exchange on the allotment date (or on the most recent day a trade was made if no trade was made on the allotment date), then said closing price shall be the exercise price.

Should the Company implement a split or reverse split of its stock after the allotment date, the exercise price shall be adjusted proportionately by multiplying the reciprocal of the split or reverse split ratio. Fractions of less than one yen resulting from said adjustment are rounded up.

Furthermore, should the Company issue new common shares at a price below the market value of the Company's common shares (excluding the exercise of stock acquisition rights as stipulated by Articles 236, 238 and 240 of the Companies Act) or should the Company

cancel treasury shares after the allotment date, the exercise price shall be adjusted based on the following formula. Fractions of less than one yen resulting from said adjustment are rounded up.

$$\text{Adjusted exercise price} = \frac{\text{Exercise price before adjustment} \times \text{Number of shares already issued} + \frac{\text{Number of shares newly issued} \times \text{Amount paid in per share}}{\text{Market value per share}}}{\text{Number of shares already issued} + \text{Number of shares newly issued}}$$

In the above formula, “number of shares already issued” is equal to the total number of the Company’s shares outstanding less the number of treasury shares held by the Company. “Number of shares newly issued” is replaced by “number of shares to be cancelled” should the Company cancel treasury shares.

Furthermore, if after the allotment date the Company undergoes a merger or a business entity is spun off, if shares are allocated without compensation, or if any other event occurs that necessitates adjustment to the number of shares in question, the Company shall adjust the exercise price to within a rational range after considering matters such as the terms of events including merger or spin-off of a business entity.

(4) Issuance Price of the Stock Acquisition Rights

No monetary payment is required in exchange for the stock acquisition rights. Because no payment is required, the issuance does not qualify as an issue on particularly favorable terms (to relevant persons).

(5) Date Stock Acquisition Rights are to be Allotted

July 11, 2008

(6) Exercise Period for the Stock Acquisition Rights

From August 1, 2010 through July 31, 2015

(7) Matters Related to the Increase to Capital and Capital Reserves Upon Issuance of Shares Under Execution of Stock Acquisition Rights

(i) The amount of the increase in capital upon issuance of shares under execution of stock acquisition rights shall equal half the limit on increases to capital and other items, as calculated in accordance with stipulations set forth in Article 40, Paragraph 1 of the Corporate Accounting Regulations. Fractions of less than one yen resulting from said calculation are rounded up.

(ii) The amount of the increase in capital reserves upon issuance of shares under execution of stock acquisition rights shall be equal to the limit on increases to capital and other items set forth in (i) above, less the amount of capital increase derived by (i) above.

(8) Conditions for the Exercise of Stock Acquisition Rights

(i) Company directors who have received an allotment of stock acquisition rights may exercise those stock acquisition rights provided they remain in office as directors or employees of the Company or a subsidiary or affiliate thereof. However, an individual who has lost said status may nevertheless exercise his or her allotted stock acquisition rights within two years from the day following his or her date of resignation or retirement or until the exercise period for the stock acquisition rights expires, whichever occurs first.

(ii) Conditions other than those listed in (i) above for the exercise of stock acquisition rights shall be stipulated in an agreement regarding allotment of stock acquisition rights between the Company and directors who have received an allotment of stock acquisition rights.

(9) Grounds for Acquiring Stock Acquisition Rights

(i) Should any of the following proposals be approved at a shareholders meeting of the Company (or approved at a board meeting of the Company where shareholder approval is not required):

- merger agreement wherein the Company becomes a non-surviving company;
- agreement where the Company is spun off into and absorbed by another entity or plan where the Company is spun off into a newly established entity;
- stock swap agreement wherein the Company becomes the wholly owned subsidiary of another entity; or
- plan for stock transfer

on a date determined separately by the Company's Board of Directors the Company may acquire without providing compensation all stock acquisition rights remaining as of said date.

(ii) Should an owner of stock acquisition rights no longer meet the conditions to exercise the rights as stipulated in (8) above or should an owner of stock acquisition rights surrender all stock acquisition rights in that person's possession, on a date determined separately by the Company's board of directors, the Company may acquire without providing compensation all stock acquisition rights remaining as of said date.

(10) Restrictions on Acquisition of Stock Acquisition Rights By Means of Transfer

Acquisition of stock acquisition rights by means of transfer requires approval by the Company's Board of Directors.

(11) Discard of Fractions of Shares Resulting from Exercise of Stock Acquisition Rights

Should any of the shares granted to those who have received allotment of stock acquisition rights result in fractions of shares, those fractions shall be discarded.

(12) Persons Eligible for Allotment

To be allotted to all eight of the Company's board members.

(13) Treatment of Stock Acquisition Rights Upon Corporate Reorganization

Should the Company be merged (only when the Company becomes the non-surviving entity due to said merger), be spun off and absorbed by another entity, be spun off into a newly established entity, swap its shares, or transfer its shares (collectively called corporate reorganization), owners of stock acquisition rights remaining as of the effective date of the corporate reorganization (remaining stock acquisition rights) shall be granted the relevant stock acquisition rights of the relevant joint-stock corporation (company subject to reorganization) set forth in Article 236, Paragraph 1, (viii) (a)-(e) of the Companies Act. Said stock acquisition rights shall be granted in accordance with conditions documented in the agreement, plan or other document concluded at the time of the relevant corporate reorganization if said agreement, plan or other document concluded at the time of the relevant corporate reorganization does indeed set forth such conditions. In such case, the remaining stock acquisition rights expire and stock acquisition rights of the company subject to reorganization shall be newly issued.

(14) Grounds for Losing Rights

- (i) When a board member is terminated by the Company, its subsidiaries or its related companies
- (ii) When a document stipulating abandonment of the stock acquisition rights is submitted to the Company
- (iii) When the owner of the stock acquisition rights files for personal bankruptcy or is declared bankrupt.

For Reference

- (1) Date of Resolution at Board Meeting for Proposal to Annual General Meeting of Shareholders: May 21, 2008
- (2) Date of Resolution at Annual General Meeting of Shareholders: June 20, 2008