

MISUMI Group Inc.

FY2017 (ending March 2018) Full year earnings report

May 11, 2018
Representative Director, President and CEO
Ryusei Ono

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FY 17 full year earnings overview

FX rates (vs YEN)	FY16 actual	FY17 actual
USD	109.0 yen	110.9 yen
EUR	119.4 yen	129.4 yen
RMB	16.2 yen	16.7 yen

FY 17 full year earnings overview

Surpassed all previous records for 7 consecutive years in a row, in terms of both sales and profit

Sales almost according to plan having captured steady automation demand
Operating income slightly less than plan since advance investments were made in anticipation of accrescence

Million yen

Category	FY16 Actual	FY17		Percentage change	
		Plan	Actual	YoY	vs plan
	Net sales	259,015	314,000	312,969	+20.8%
Operating income (before amortization of goodwill, etc.)※	29,421	38,000	36,465	+23.9%	▲4.0%
Margin	11.4%	12.1%	11.7%	+0.3pt	▲0.4pt
Operating income	27,127	36,350	34,848	+28.5%	▲4.1%
Margin	10.5%	11.6%	11.1%	+0.6pt	▲0.5pt
Ordinary income	26,462	35,750	34,679	+31.1%	▲3.0%
Net income	18,387	24,900	25,601	+39.2%	+2.8%

※Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

FY 17 sales by business segment

Sales up in all segments

FA: managed to reap ample demand leveraging our competitive advantage of reliable and quick delivery system

Die components: maintained growth thanks to expanding market share in China and Asia, despite faltering automobile production

VONA: enhancement of product lineup for the manufacturing sector, and accelerated global rollout

Million yen

Category	FY16		FY17	
	Actual	Actual	YoY	
			Yen basis	Local currency basis
Total	259,015	312,969	+20.8%	+18.7%
FA business	84,669	105,184	+24.2%	+21.9%
Die components business	69,797	76,523	+9.6%	+6.9%
VONA business	104,548	131,262	+25.6%	+23.8%
Other factors and adjustments	-	-	-	-

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FY 17 operating income by business segment

FA business increased sales and profitability continued owing to effects of cost reduction

Die components business significantly increased sales as a result of combined effects of reduction in cost and product variations

VONA business prioritized acceleration of global rollout and expansion and addressed competitors

Million yen

Category	FY16		FY17			
	Actual	Margin	Actual		YoY	
			Margin	Yen basis	Local currency basis	
Total	27,127	10.5%	34,848	11.1%	+28.5%	+18.3%
FA business	14,417	17.0%	20,171	19.2%	+39.9%	+33.2%
Die components business	3,097	4.4%	5,869	7.6%	+89.5%	+71.6%
Before amortization of goodwill, etc.	5,391	7.7%	7,486	9.8%	+38.9%	+28.1%
VONA business	9,950	9.5%	9,010	6.9%	▲9.4%	▲21.7%
Other factors and adjustments	▲338	-	▲203	-	-	-

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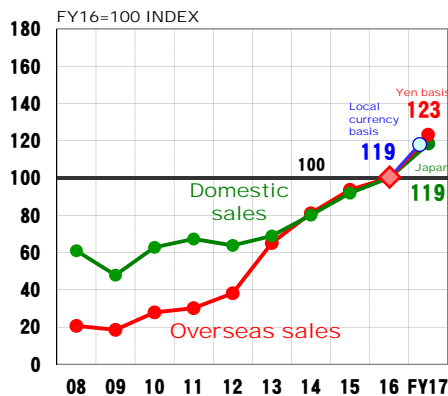
FY 17 domestic and overseas sales

Japan: significant sales increase of the VONA and FA businesses

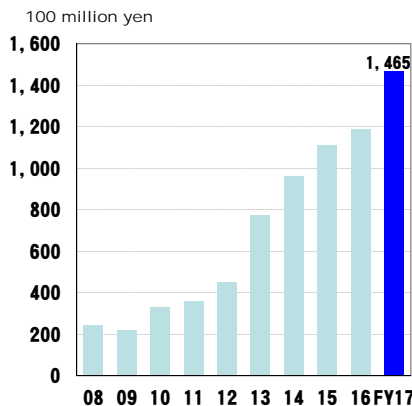
Overseas: continued high growth in China and Asia; sales increase in Europe was driven by the FA business

Overseas sales grew by 19% in local currency basis; overseas sales ratio at 47%

Domestic and overseas sales



Overseas sales



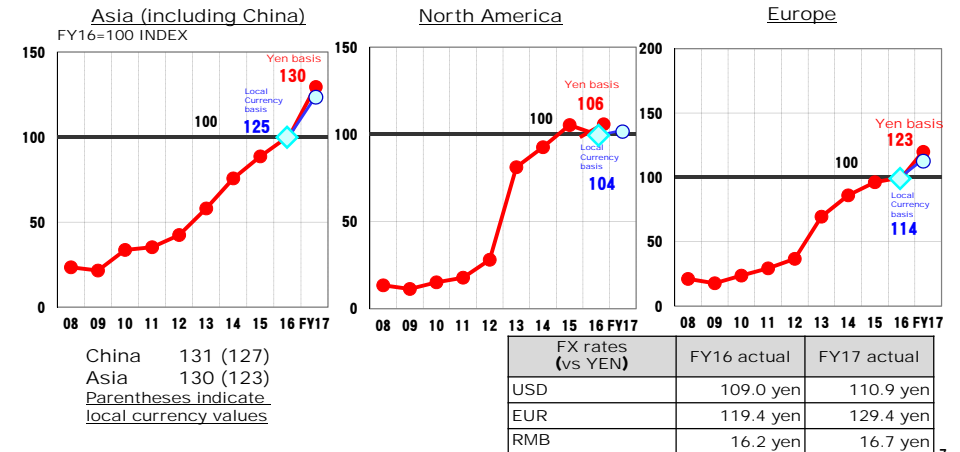
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FY 17 sales by region (local currency basis)

Asia: managed to capture robust demands in smartphone and semi-conductor related demands by reason of strengthening reliable and quick delivery system

North America: limited increase in sales by virtue of reduced demands of Die components for automobiles

Europe: FA business had traction within automobiles and electric sector

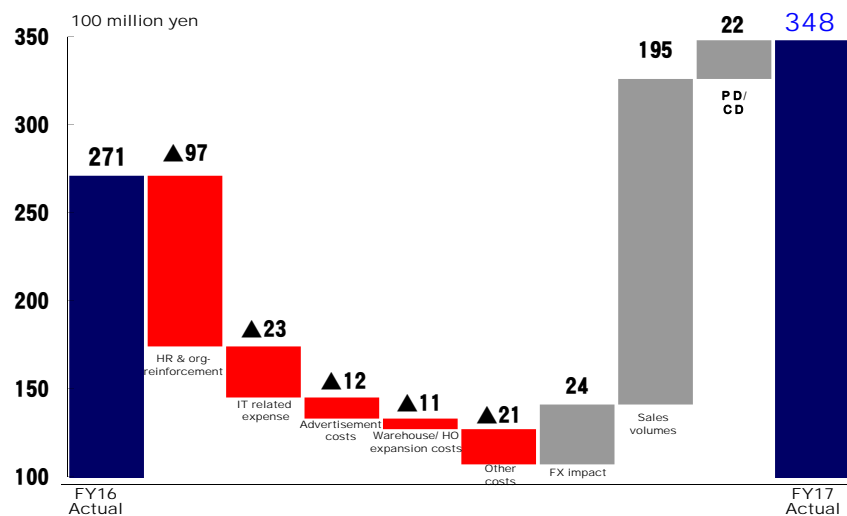


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FY 17 operating income analysis (YoY)

Reinforcement of organization and personnel according to plan; fortification of IT infrastructure was accelerated

Overseas rollout of VONA accelerated, notwithstanding logistic costs being incurred, impact from increase in sales volume improved profitability



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FY 18 full year consolidated earnings forecasts

FX rates (vs YEN)	FY17 actual	FY18 full-year plan
USD	110.9 yen	105.0 yen
EUR	129.4 yen	129.0 yen
RMB	16.7 yen	16.6 yen

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FY 18 full year earnings forecasts

Expected to continue surpassing previous sales and profit records for the 8th consecutive year in a row

Planning to continue strengthening the business foundation, in order to further advance reliable and quick delivery system

Million yen

Category	FY17	FY18	
	Actual	Plan	YoY
Net sales	312,969	361,000	+15.3%
Operating income (before amortization of goodwill, etc.)*	36,465	40,300	+10.5%
Margin	11.7%	11.2%	▲0.5pt
Operating income	34,848	39,700	+13.9%
Margin	11.1%	11.0%	▲0.1pt
Ordinary income	34,679	39,500	+13.9%
Net income	25,601	28,500	+11.3%

* Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

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FY 18 sales forecasts by business segment

Expecting expanded sales in the area of EV, organic EL among others for the sake of our reliable and quick delivery system

VONA business expects continued growth domestically, as well as expanded rollout overseas

Million yen

Category	FY17	FY18		
	Actual	Plan	YoY	
			Yen basis	Local currency basis
Total	312,969	361,000	+15.3%	+16.6%
FA business	105,184	118,200	+12.4%	+13.5%
Die components business	76,523	80,400	+5.1%	+7.3%
VONA business	131,262	162,400	+23.7%	+24.6%
Other factors and adjustments	-	-	-	-

※Since FY16 all subsidiaries' consolidated financial accounting has been unified to start in April, ending in March. Adjustments are no longer required to align accounting periods.

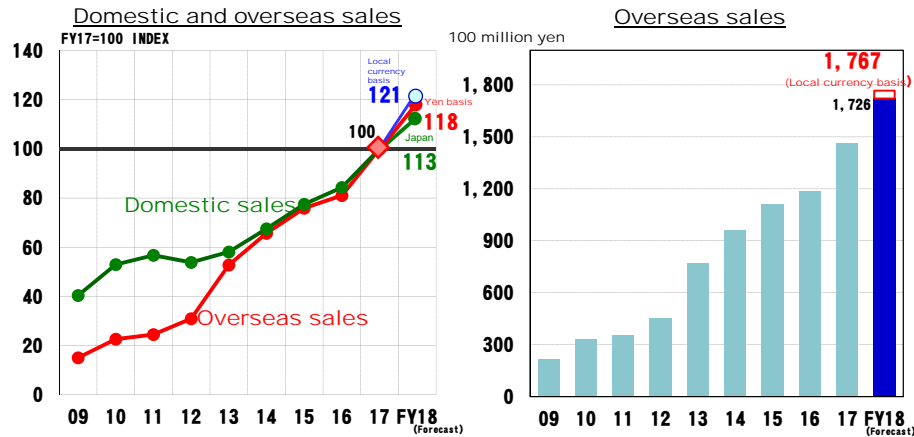
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FY18 domestic and overseas sales forecasts

Japan: continued growth expected to be driven by FA and VONA businesses

Overseas: high level of growth in China and Asia by further reinforcing reliable and quick delivery supply system

Overseas sales planned to increase by 21% in local currency basis;
ratio of overseas sales 48%



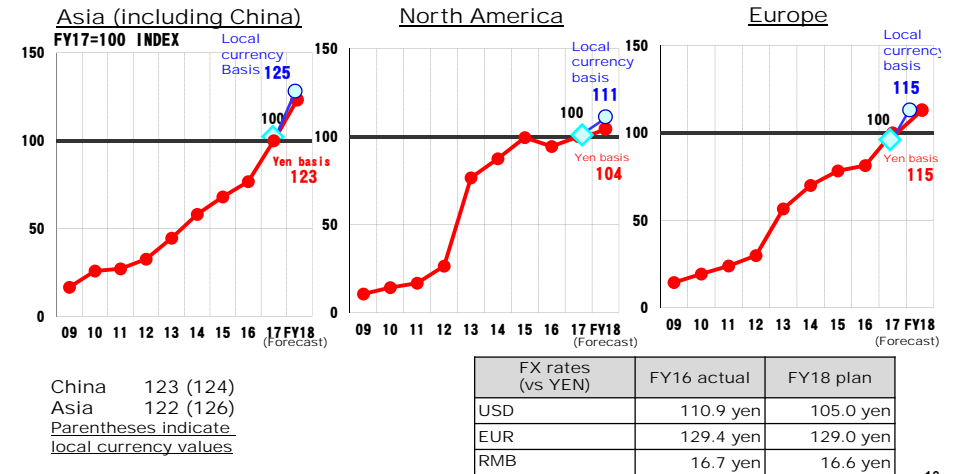
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FY 18 sales forecast by region (local currency basis)

Asia: planning high level of growth in China, S. Korea and Thailand where FA demand is brimming

North America: strengthening the FA business in order to reap EV related demands

Europe: aiming to infiltrate FA business related to automotive, electric, and electronics related sectors



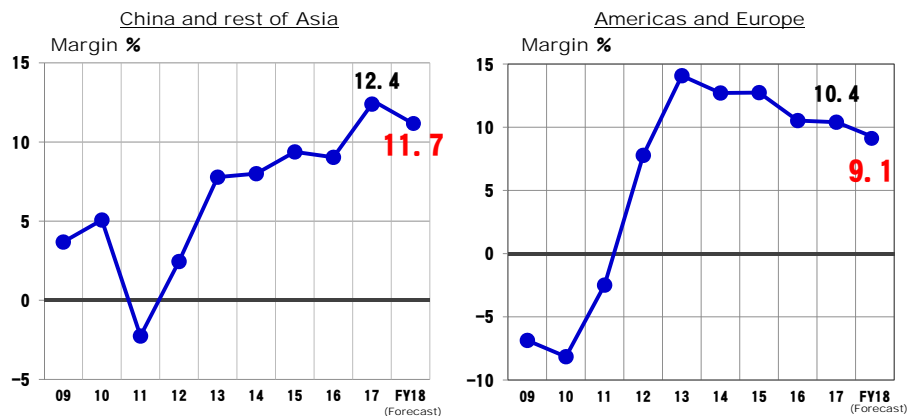
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FY 18 operating income forecasts by region

China and Asia: when excluding FX impact, levels were similar to the previous year.

Advance investments were made in the Americas and Europe.

Managed to maintain high profitability as a result of low procurement costs continuing, as well as improved production efficiency

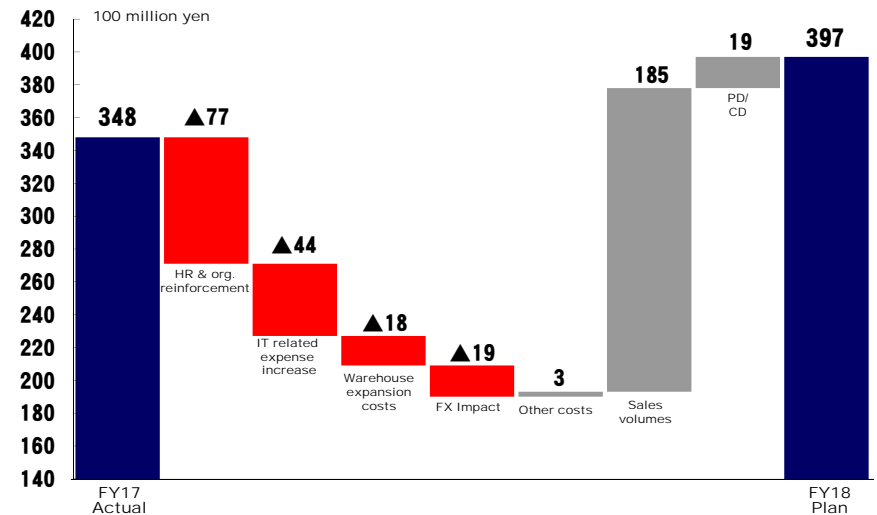


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FY 18 operating income analysis (YoY)

Advancing reliable and quick delivery system through fortification of manufacturing, logistics, IT related business foundations

Reinforcement of personnel organization, and increase in amortization exists due to assertive investments having been made, but absorbed through increase in sales volume



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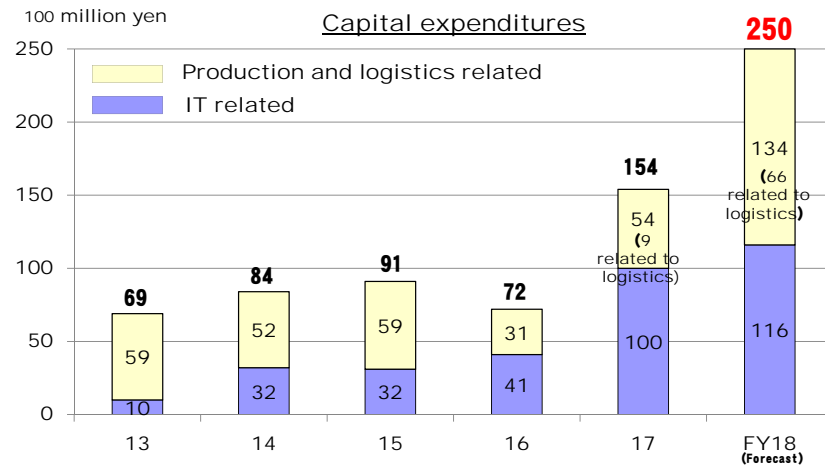
* 1. Based on operating income by region

* 2. Beginning with FY12, operating income (margin) is disclosed as two regions: Americas & Europe and China & rest of Asia

* 3. Calculated based on operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

Investment plan

In order to strengthen global reliable and quick delivery system, we will be reinforcing production, logistics, IT infrastructure. IT investments are being made ahead of schedule; investments planned for FY 18 is 250,000 million yen

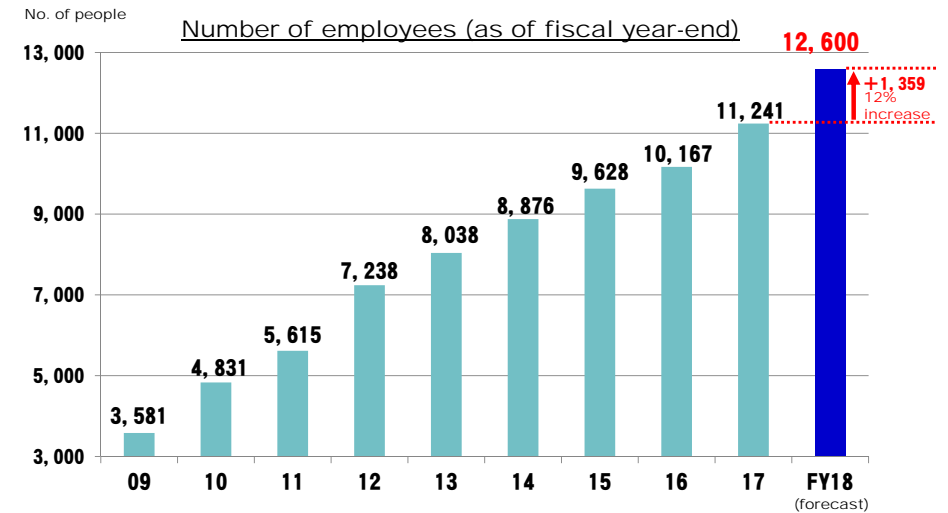


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Reinforcement of personnel

Business expansion of the organization continues to be globally underway; part of our management strategy

Continuing to reinforce organization principally involved with production, logistics, and IT infrastructure

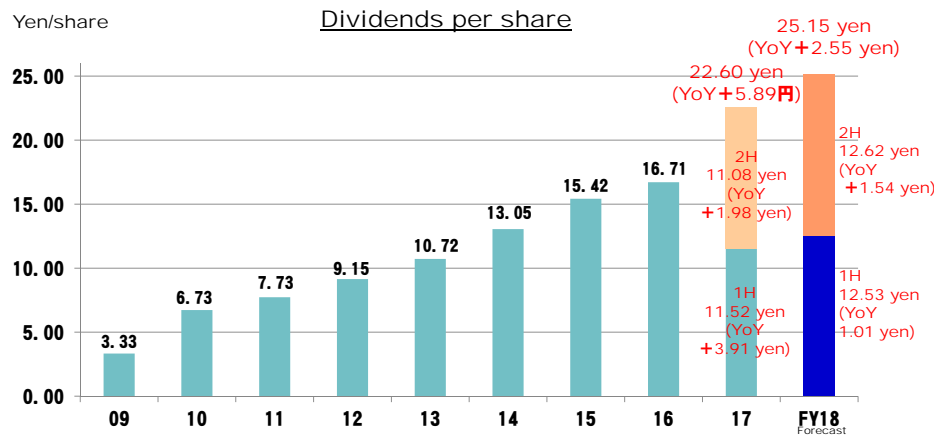


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Shareholder returns

Dividend payout for FY 17 is expected to be 22.60 yen per share for the entire year

As for FY 18 annual dividend is expected to be 25.15 yen per share, surpassing all previous records for the 8th consecutive year

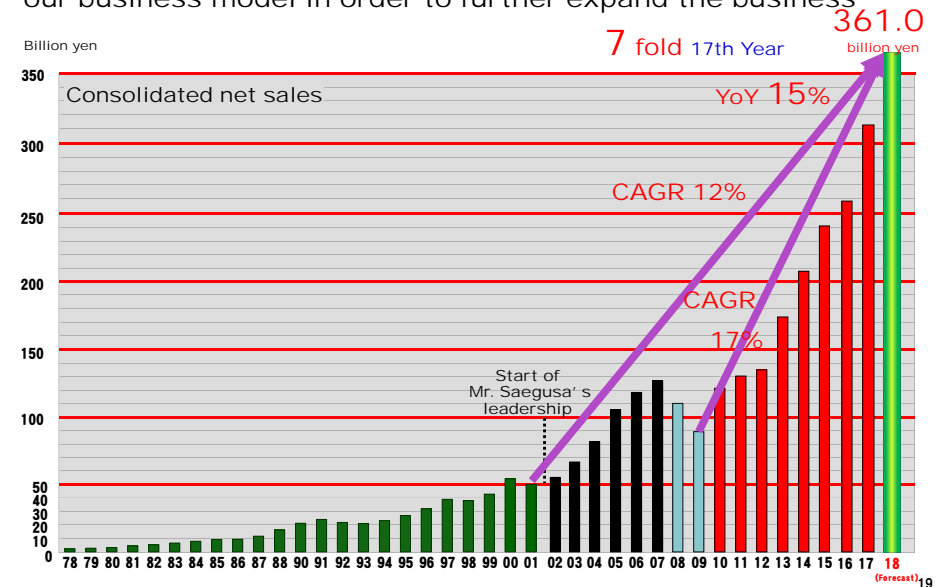


* Effective July 1, 2015, we executed a 3-for-1 stock split. Past DPS amounts have been adjusted to reflect the split.

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Summary

We plan to grow by 15% this fiscal year by further strengthening our business model in order to further expand the business



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