

**MISUMI Group Inc.**  
**FY2016 1Q Consolidated Business Performance**  
**—Posting Sales and Profit Growth by Absorbing Unfavorable Forex Impact—**

MISUMI Group Inc. announced today its consolidated results for the first quarter (1Q) of FY2016 (April 1, 2016-June 30, 2016). Major performance measures are as follows.

(Million Yen)	FY2015 1Q	FY2016 1Q	YoY Change
Net Sales	57,129	<b>60,903</b>	+6.6%
EBITDA*	6,810	<b>8,070</b>	+18.5%
Operating Income	6,183	<b>7,496</b>	+21.2%
Net Income	3,801	<b>5,223</b>	+37.4%
Earnings per Share	¥13.87	<b>¥19.03</b>	

\*Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation.

**<Highlights of FY2016 1Q consolidated financial results>**

**1. Consolidated net sales rose 6.6% YoY (13.3% growth on a local currency basis) reflecting sales increase in China and Europe, and the active deployment of the VONA Business**

- In the first quarter of FY2016, the global economy as a whole continued to trend modestly toward recovery. However, some economies were weak, including an economic downturn in emerging economies in Asia, including China, and resource-producing nations. The growing uncertainty of overseas economies such as this was a negative risk factor for Japan, pushing its economy downward. Fluctuations in financial capital markets and other impacts must also be closely monitored.
- Amid this economic environment, the MISUMI Group is leveraging its unique business, which encompasses both manufacturing and distribution operations, to expand its business infrastructure globally and contribute to manufacturing industry worldwide by eliminating customer inefficiency, while simultaneously accelerating business expansion. In an effort to address a new wave of manufacturing that positions IT at its core, we improved our competitive strength by continuing to implement Internet strategies. In addition, we strengthened our global sure-and-quick delivery system. As a localization strategy, we are promoting local production-local procurement initiatives, with the goal of providing optimal sourcing. Reflecting these and other initiatives, our consolidated net sales growth was driven by an increase in sales in Factory Automation (FA) Business, where we secured a portion of the rise in demand in the automotive industry and electronics industry, mainly related to smartphones, and owing to growth in the VONA Business, which benefited from an increase in customer base underpinned by an

expansion in the number of manufacturers for which we distribute products.

- In light of this, we posted consolidated net sales of ¥60.9 billion, a rise of 6.6% year-on-year (up 13.3% on a local currency basis). In the profit front, we recorded operating income of ¥7.4 billion, a growth of 21.2%, and ordinary income of ¥7.4 billion, a rise of 24.3%. In our bottom line, we posted an all-time high for quarterly net income attributable to owners of the parent of ¥5.2 billion, an increase of 37.4%.

## 2. Growth continues centered around the VONA and FA Businesses

- Segment sales for the first quarter are shown in the table below.
- We revised the organizational management structure of the MISUMI Group. In tandem with this, we adjusted our reporting segments. We transferred a portion of the FA Business to the VONA Business at the start of the first quarter. It should be noted that the same changes were made to reporting segments in the same quarter of the previous fiscal year for the purpose of year-on-year comparison.

	Net Sales (Million Yen)		YoY Change	
	FY2015 1Q	FY2016 1Q	¥ basis	Local currency basis
FA Business	18,991	<b>20,002</b>	+5.3%	+11.8%
Die Components Business	17,409	<b>16,707</b>	-4.0%	+5.0%
VONA Business	22,333	<b>24,193</b>	+8.3%	+14.0%
Adjustments (including cut-off errors)	-1,606	—	—	—
Total	57,129	<b>60,903</b>	+6.6%	+13.3%

- In the FA Business, we posted a sales growth of 5.3% year-on-year, primarily attributable to a high rate of sales growth in China and Europe owing in part to actively securing new demand for automation.
- In the Die Components Business, although there was sales growth, mainly in China and Europe, overall segment sales declined 4.0% versus the previous year due in part to unfavorable forex impact.
- In the VONA Business, as of July 2016, we were distributing over 16 million products for more than 2,600 manufacturers. Growth in this business is underpinned by the number of manufacturers for which we distribute product. Thanks to these and other measures, segment sales rose 8.3% year-on-year.

### 3. Overseas sales continue to rise owing to growth in markets in China and Europe

- In the first quarter, sales by region are as follows.

	Net Sales (Million Yen)		YoY Change	
	FY2015 1Q	FY2016 1Q	¥ basis	Local currency basis*
Japan	30,307	<b>32,761</b>	+8.1%	—
Overseas*	26,821	<b>28,142</b>	+4.9%	+19.1%
China	8,098	<b>10,444</b>	+29.0%	+48.2%
Asia	7,615	<b>7,175</b>	-5.8%	+9.7%
US	7,041	<b>6,319</b>	-10.3%	-0.8%
Europe	2,915	<b>3,163</b>	+8.5%	+18.4%
Other	1,150	<b>1,038</b>	-9.7%	-0.3%

\*To more accurately disclose our consolidated financial results, starting from the first quarter of FY2016, MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD and our other 27 consolidated subsidiaries, which officially settle their accounts on December 31st of each year, will conduct a provisional book-closing on March 31, in line with our fiscal year, to facilitate our preparation of consolidated financial statements. Accordingly, we prepared our consolidated financial statements for 1Q (April 1, 2016-June 30, 2016). Note that profits/losses posted in the January 1, 2016-March 31, 2016 quarter have been reflected as a change in retained earnings.

- In Japan, sales increased 8.1% year-on-year. This in part reflects our success in actively securing demand for automation and aggressively pursuing sales expansion in the VONA Business while addressing the growing need for reliable short delivery times.
- Overseas sales rose 4.9%, (up 19.1% on a local currency basis) versus the same quarter a year earlier, owing to brisk sales growth in markets in China and Europe. In China especially, despite the pronounced slowdown in economic growth, brisk performance was driven by new demand for automation in the manufacturing industry and successful efforts for actively securing smartphone demand. Meanwhile, in the US, performance weakened, due in part to sluggish demand for automotive dies.

#### 4. Aiming for another year of all-time high consolidated net sales and profits in FY2016 (April 1, 2016-March 31, 2017)

- We have not made any changes to the consolidated earnings forecast for FY2016 which we released on May 12, 2016.

##### FY2016 (April 1, 2016-March 31, 2017) consolidated earnings forecast

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Full-year Forecast	256,000	27,200	26,600	17,800	64.85
FY2015 Results	240,139	25,690	25,119	16,907	61.65
YoY Change	+6.6%	+5.9%	+5.9%	+5.3%	-

##### [Notes regarding forward-looking statements]

The outlook for the fiscal year ending March 31, 2017 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 has been determined as 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 quarterly earnings results report (Japanese-only) for details on consolidated earnings results for the first quarter of the fiscal year ending March 31, 2017.

Please direct any inquiries to:  
 IR Team  
 Corporate Relation Department, MISUMI Group Inc.  
 Tel: +81-3-5805-7037  
 Email cc@misumi.co.jp