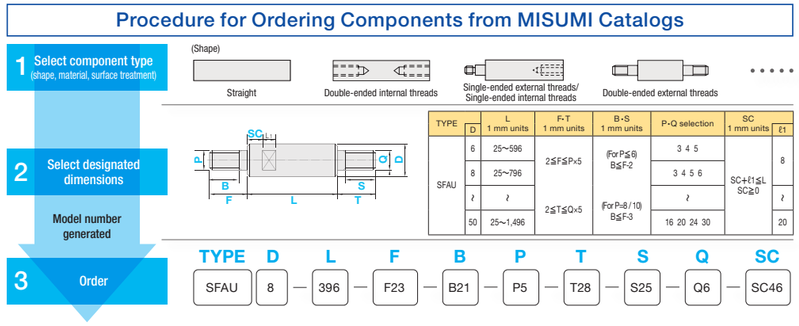
MTO Advantages

MISUMI's catalog allows customers to specify the size of parts in microns, and including this variation, MISUMI oversees 800 sextillion (80 billion times 1 trillion) product items. Regardless of when, where, and in what quantity, MISUMI can deliver them via reliable and quick delivery.

Fundamental Reform through Product Standardization

Realizing Considerable Time Savings through MTO (Make To Order)

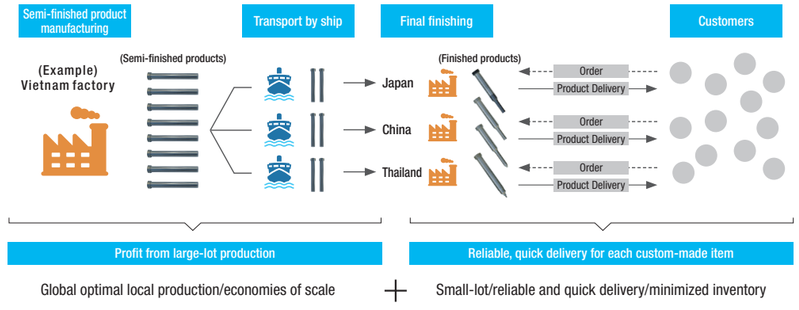
Each machine part is designed differently, and the designer must draw a diagram for each part. For each part, a quotation must be made and orders must be placed with multiple parts processing manufacturers. MISUMI's catalog "standardizes" parts that normally need to be custom-made, and orders can be placed simply by selecting the dimensions and specifications of the parts from a list.



Harmonizing Two Conflicting Competitive Advantages

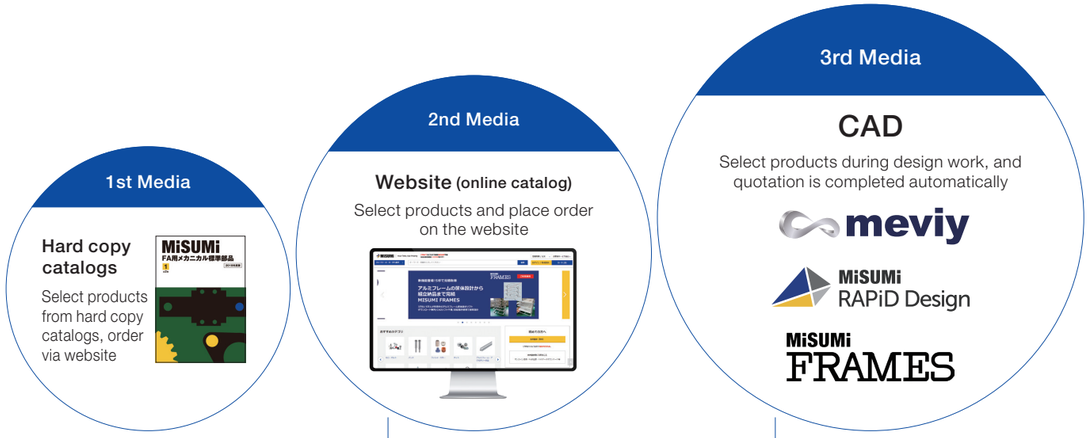
Abundant Product Variation, Low Cost, and Reliable, Quick Delivery while Minimizing Inventory

Semi-finished products are mass-produced at factories in Vietnam and other countries and finalized at the place of consumption by way of "reliable, quick delivery for each custom-made item" according to the customer's specified order.



Advanced Response to Digital Manufacturing

As use of digital manufacturing becomes increasingly pervasive at manufacturing and automation sites around the world, MISUMI is transforming the way it approaches digital manufacturing to aid customers' efforts in eliminating inefficiencies, such as, by offering a proprietary 3D-CAD linkage (software) tool that provides superior time value that goes beyond the traditional hard copy and online catalogs.



From 2010

Strengthening the Online Strategy

We have been enhancing our website (online catalog) as the second media after hard copy catalogs. Online catalogs enable an overwhelming advantage in product search and selection by securing full and instantaneous search responses for approximately 80 sextillion part configurations.

From 2016

Enhancing Our Approach to Digital Manufacturing

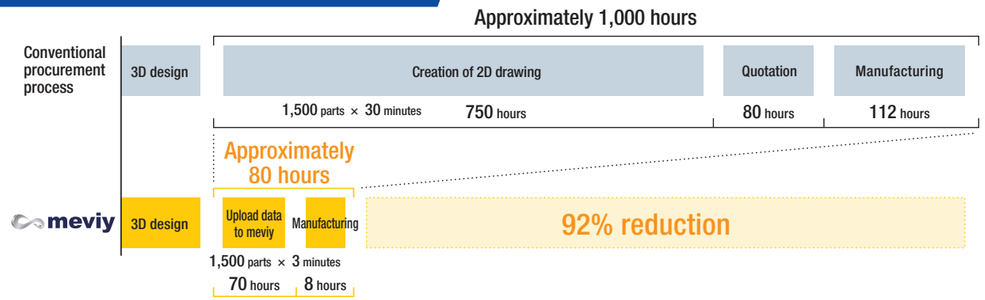
By positioning CAD, which is used by facility designers, as a third medium after the website, we have promoted the expansion of our 3D-CAD linkage services, including "meviy," "RAPiD Design," and "MISUMI FRAMES" services. Going forward, we will promote digital transformation (DX) in manufacturing in the area of parts procurement, and work to dramatically reduce the time required for procurement by strengthening our approach to digital manufacturing. By enabling customers to use the time they save to their higher value-added core operations, we are helping to improve the quality and productivity of the manufacturing industry as a whole.

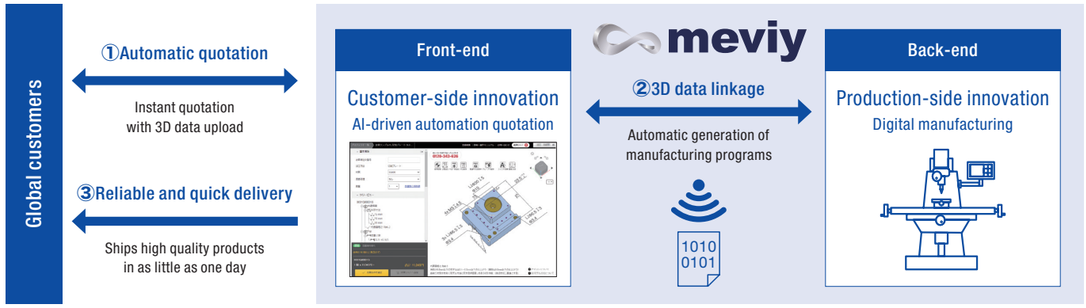
Procurement Reforms Realized by “meviy” Digital Parts Procurement Service

meviy digitalizes the process of providing quotation and manufacturing of mechanical parts, reducing the process from completing the 3D-CAD design to creating 2D drawings and obtaining quotes from them from dozens of hours to one minute. Furthermore, once the part’s design data (3D-CAD data) is uploaded, the AI immediately responds with the price and delivery date, and the automatic generation of manufacturing programs has made it possible to ship the part in as little as one day.

Even complex parts that are difficult to list in catalogs can now be procured easily using only data without human intervention.

Example: Parts procurement for equipment with 1,500 components





meviy, Supported by Two In-house Innovations, “Front-end Innovation×Back-end Innovation”

Front-end (customer side)

AI-driven automatic quotation

Shape confirmation engine
The AI reads the shape from the design data, and if it cannot be manufactured, it determines the reason and automatically proposes remedial measures.

Price calculation algorithm
The required processing technology, price, and delivery date are immediately calculated from design data, and the result is an immediate quotation.

Back-end reform (manufacturing side)

Digital manufacturing

By defining over 1 million lines of manufacturing parameters, it is possible to automatically generate manufacturing programs from design data, allowing us to deliver products at low cost and with quick delivery times (as soon as 1-day shipping).

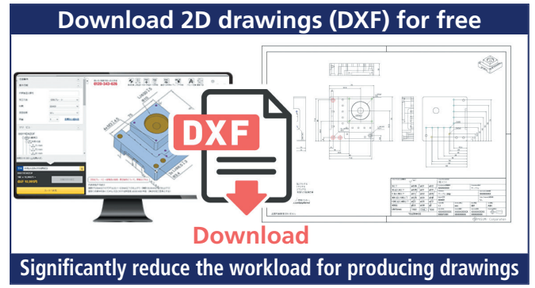
Expanding Our Product Range to Boost Customers’ Time Value

For meviy, we collect the voice of customers from a range of sources and swiftly apply it in service development.

Achieving the Automated Production of 2D Drawings (DXF) from 3D-CAD Data

We launched the “automated 2D drawing creation and download function” in April 2023. This function enables users to automatically create, download, and edit 2D drawings (DXF format) from 3D data uploaded to meviy.

Even today, when design work is progressively shifting to 3D, there still remain operations where 2D drawings are needed in areas other than procurement, such as drawing checks and internal drawings management, and many customers have requested that we work on the development of functions. This new function eliminates approximately 90% of the workload involved in producing the 2D drawings required by customers for drawing checks and internal drawings management, thus boosting productivity across the whole manufacturing industry.

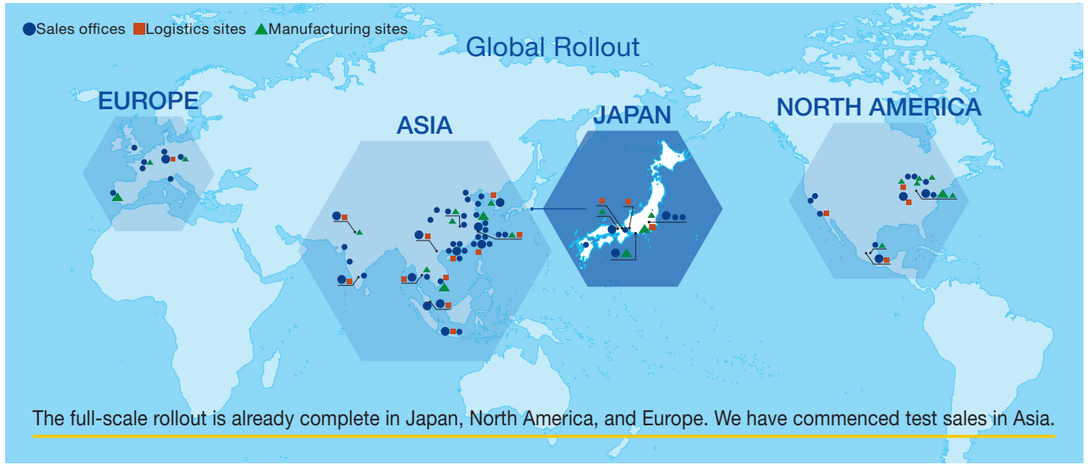


The Global Rollout of meviy

Since launching the meviy service in 2016, we have progressively expanded our product areas and updated our service functions to meet the needs of customers.

We commenced the global rollout of meviy in FY2021, aiming for further business expansion in regions experiencing a high demand for automation equipment design.

Through meviy, we will develop a platform that allows customers to easily procure parts from anywhere in the world and provide them with even more extraordinary “time value.”



Received the Prime Minister's Prize of the Monodzukuri Nippon Grand Award

“meviy” has received high acclaim in many fields for its innovation and contribution to the development of industrial society. It had previously received ten prestigious awards. The meviy business group received the 11th award for the service in FY2022: the Prime Minister's Prize at the 9th Monodzukuri Nippon Grand Award.

These Awards recognize people of each generation active on the front line of manufacturing, supporting Japan's industry and culture, who are considered especially outstanding. The Prime Minister's Prize is awarded to those recognized as the most exceptional among them.

meviy's unique functions are enormously effective in eliminating inefficiencies in the design and procurement processes. The aspirations that gave rise to meviy — to resolve social issues such as labor and time shortages — precisely reflect MISUMI's goal of increasing “customers' time value.”

The award recipients pose for a commemorative photograph with Prime Minister Fumio Kishida (third from left)

meviy Awards

2015
- GOOD DESIGN AWARD

2019
- CEATEC AWARD 2019 Smart X Category Grand Prix “Award for Individuals Contributing to the Promotion of Information Technology” The Minister of Economy, Trade and Industry Award

2020
- “62nd Best 10 New Products Award” Main Award
- “49th Japan Industrial Technology Awards” The Minister of Education, Culture, Sports, Science and Technology Award
- “Impress DX Awards 2019” Application Category Grand Prix
- “The 3rd Nihon Service Award” JETRO Chairman's Award
- “36th Sokeizai Industry Technology Award” Director-General's Award of the Manufacturing Industries Bureau, METI

2021
- “9th Technology Management and Innovation Awards” Award of the Society for Science, Technology and Economics Chairman's Award
- “The 9th Robot Award” Japan Machinery Federation President's Award

2022
- “9th Monodzukuri Nippon Grand Award” Prime Minister's Prize

Becoming a DX Driver in the Parts Procurement Domain

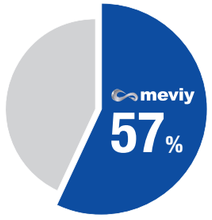
Working to find solutions to the issues of parts procurement by putting digital technology to use, “meviy,” has received 11 prestigious awards. The Company has also grown to become a leader in DX in the industrial automation field, winning the No. 1 share* in Japan for three consecutive years for its online machine parts procurement service.

*Surveyed by Techno Systems Research Co., Ltd.

CHECK!

No. 1 share in Japan for three consecutive years

According to a 2022 survey of the Japanese online machine parts procurement service market,* meviy had the No. 1 share with 57.0% of the market (up 1.5pt year on year) in terms of the number of users. This was the third consecutive year since 2020 it achieved the top market position.



Distribution Innovation Driven by the VONA Business

VONA, MISUMI's distribution business, was launched in 2010 as a platform to handle not only MISUMI brand products, but also third-party brand products, including tools, gloves, and other production auxiliary materials and consumables used in production and automation sites. We will continue to strengthen the brands and product lineups we handle to realize our vision embodied in the brand name VONA, or Variation & One-stop by New Alliance, and aim for global business expansion by continuously evolving our e-commerce website.

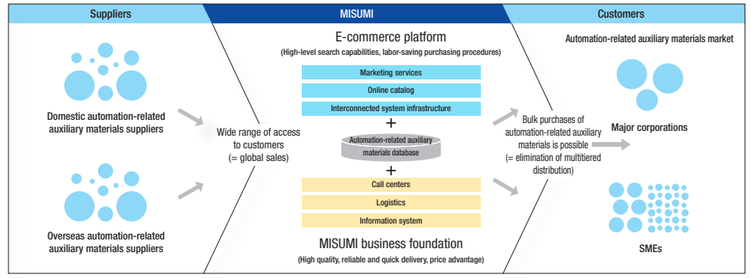
Enabling One-Stop Purchasing of Automation-Related Auxiliary Materials

Having started the VONA Business, it has become possible to globally connect the needs of customers who want to efficiently procure various products used at manufacturing and automation sites on a one-stop basis, with the needs of manufacturers of automation-related auxiliary materials who seek expanded sales channels beyond their own sales network as suppliers.

Domestic manufacturers we do business with

Over 3,000 companies

We do business with more than 3,000 manufacturers in Japan, and boast the largest scale of product lineups for the manufacturing and automation industries.



An Abundant Product Lineup

We are reinforcing our product lineup to promptly respond to customer needs, which vary by region.

In addition, we have built e-commerce websites that are rooted in each region around the world. Today, we have e-commerce websites available in 16 countries and in 12 languages, handling more than 30 million products with 80 sextillion part configurations, making it possible to easily search, make quotations and order from a rich product lineup.

		Products Handled				
Manufacturing Business	FA Business	FA standardized mechanical components	Shafts	Timing pulleys	Linear bushings	Flat belt conveyors
			Set collars	Locating pins	Gears	Couplings
		Locator devices and measurement equipment (OST* Business)	Automatic stage units	Actuators	Optical measurement devices	Optical waveguide alignment
	Die Components Business	Standardized metal press/plastic mold components	Punches	Button dies	Ejector pins	Sprue bushings
Distribution Business	VONA Business	Mechanical components and screws, bolts, washers and nuts	Sensors and switches	Pipe fittings	Screws, bolts and nuts	Castors
		Wiring, control and PC components	Connectors	Switches	Cables	Transformers
		Cutting tools and components for production machining	End mills	Hexagonal wrenches	Milling chips	Calipers
		Packaging, logistics & storage materials and safety & protection, environmental & sanitary and office supplies	Carts	Work gloves	Parts cleaners	Laboratory equipment & supplies

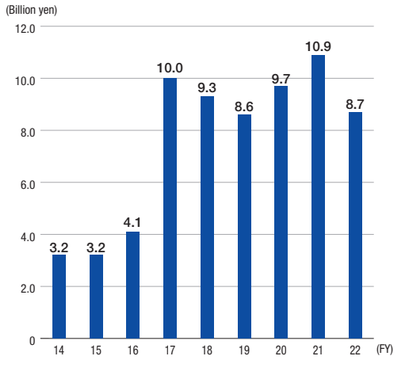
* Optical & Scientific Technology

A Solid IT Infrastructure Supporting MISUMI's Business MODEL

Whether it be for made-to-order or in-stock items, we have the capability to instantly provide our customers with prices and delivery dates for a product variation of 80 sextillion part configurations via our e-commerce platform. Indispensable to achieving this is digital innovation, both on the customer-facing front end and Company-side back end, which at its core consists of the automation-related production materials database accumulated since the Company's founding. In accelerating a shift toward a Digitalized MODEL, we have built a robust IT infrastructure that supports manufacturing and distribution businesses.

Accelerate IT Infrastructure Reinforcement through Proactive Investments that Support Further Business Growth

IT-related Investments



We have positioned "fortification of the IT infrastructure" as an essential assertive measure for sustainable growth and are actively working on IT-related investments.

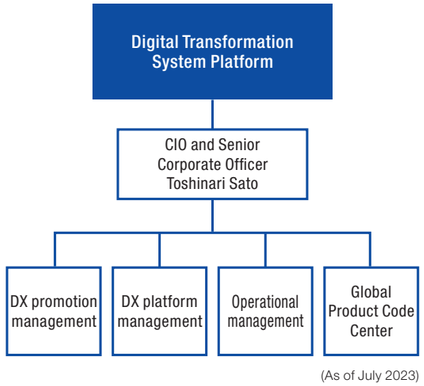
In FY2017, we globally developed e-commerce websites optimized for customer needs in each region, customized screen designs and functions according to the business practices of each country, and improved searchability to enhance convenience. In FY2019, we moved the system entirely to the cloud. In addition to reducing costs, this further improved the reliability and flexibility of core systems and networks.

In addition, by utilizing this stable network, from FY2021, we began the full-scale renovation of the core system at all subsidiaries. We aim to improve the development efficiency of more innovative services that realize the thorough elimination of inefficiencies for industrial automation customers. We will continue our efforts to further fortify our IT infrastructure by incorporating the most appropriate cutting-edge technologies.

Digital Transformation System Platform

In October 2020, the Digital Transformation System Platform was established, where CIO and Senior Corporate Officer Toshinari Sato serves as Representative Corporate Officer, fortifying our IT organizational structure in pursuit of digital innovation. This platform is tasked to develop the core system, at the heart of MISUMI's Business MODEL and takes the lead in promoting DX throughout the Company. We are also working to build a stable IT infrastructure common to all regions, including an IT organization of cross-divisional collaboration that spans the globe.

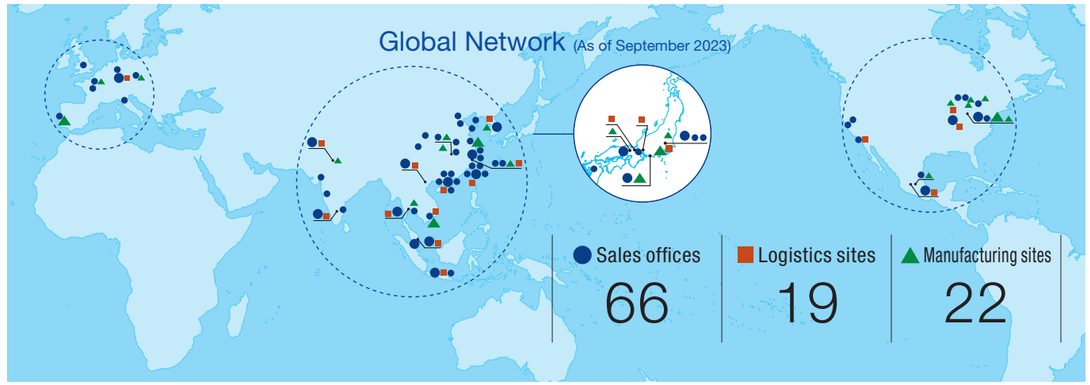
In addition, the organization supports MISUMI's mission of "globally reliable, quick delivery" through a wide range of initiatives, such as ramping up development cycle speed and enhancing security. We will continue to proactively bolster our organizational structure and secure IT talent in line with building the IT infrastructure that will support further growth.



(As of July 2023)

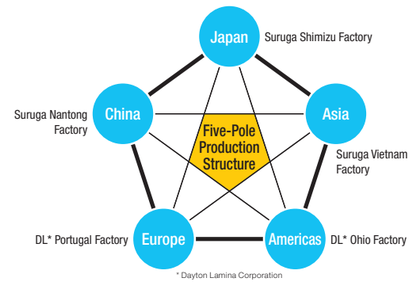
Enhancing Our "Globally Reliable, Quick Delivery"

To further bolster competitiveness and ensure a stable supply of products, it is essential to establish a reliable and quick system on a global basis. Therefore, to stay ahead of the curve in responding to strong demand for automation, we will enhance our five-pole production capacity in the five regions of Japan, China, Asia, the Americas, and Europe, as well our global logistics system to capture demand for quick delivery.



Five-Pole Global Production Structure

MISUMI Production System (MPS), developed in Japan, has been horizontally expanded overseas, transforming into a global five-pole production system. This system ensures reliable and quick delivery of products by manufacturing at the factory closest to the customer, which allows us to switch production factories immediately in case of emergency, raising the level of supply assurance to our customers. At present, we are planning to establish new production and logistics sites in China to further strengthen this structure.



Thorough Pursuit of "Time Value" with In-house Developed Machinery

MISUMI has constantly innovated its proprietary technologies to reduce lead times in its unique "variable mix and quantity" production system. It has been accelerating process improvements through in-house development. After introducing the machinery developed in-house, we significantly reduced the required equipment and human resources, dramatically reducing lead time.

Logistics: Leveraging Automation to Dramatically Improve Productivity

We are working to innovate our logistics operations on a global scale to build a more stable supply system.

In 2017, with the opening of the Central Japan Distribution Center, we introduced state-of-the-art automated operations to create a new logistics MODEL for global expansion. By introducing automation and operational innovation, we will achieve a higher level of reliable, quick delivery to win further customer trust. We will expand our MODEL to Europe, the Americas, East Japan, and China, aiming to strengthen our logistics infrastructure globally.