

# MISUMI Group Inc.

FY2022 (ended March 31, 2023)

## Full year earnings report and future initiatives

April 28, 2023

Ryusei Ono  
Representative Director and President

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## FY22 full year earnings overview

FX rates (vs Yen)	FY21 actual	FY22 actual
USD	112.9 yen	135.1 yen
EUR	131.0 yen	141.3 yen
RMB	17.6 yen	19.7 yen

## Market conditions and our initiatives for FY22

No major disruptions to our view of the trends and developments in the market over the medium to long term

- Shift in demand from internal combustion engine vehicles and cell phones to electric vehicles, robots and semiconductors
- Regional blocs in global supply chains

On the other hand, the Chinese market's slowdown has had a considerable impact in the single fiscal year

- The market conditions have deteriorated due to the impact of the COVID-19 pandemic, with lockdowns and the resurgence of infections during the first and second halves of the year, respectively
- Sluggish demand in China has resulted in negative spillover effects in Japan and other Asian countries
- It has been a challenging year with economic downturns in China, Japan, and other parts of Asia, which were not offset by growth in Europe and the U.S.

In this environment, we will proactively prepare for the next phase of demand recovery by continuing to **be on the offensive**

- We accelerated the **innovation of our regional MODEL** to meet the diverse needs of each region
- Despite the aggressive implementation of product development, we have managed to absorb the impact of cost increases and **maintain a certain level of profitability**
- Continued to invest in fortifying our greatest strength, which is our ability to provide **“global, reliable and quick delivery”**

## FY22 full year earnings overview

Despite the lockdown in China at the beginning of the period and a subsequent slowdown in demand during the second half, sales managed to exceed last year's figures

In addition to the decline in sales volumes, profits were lower due to an increase in investments and expenses in connection with assertive measures

Million yen

Category	FY21		FY22		
	Actual	1/27 Revised plan	Actual	Percentage change	
				YoY	Vs plan
Net sales	366,160	377,000	373,151	+1.9%	-1.0%
Operating income	52,210	49,000	46,615	-10.7%	-4.9%
Margin	14.3%	13.0%	12.5%	-1.8pt	-0.5pt
Ordinary income	52,500	50,000	47,838	-8.9%	-4.3%
Net income	37,557	36,500	34,282	-8.7%	-6.1%

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## FY22 sales by business segment

All businesses are being affected by the slowdown, but we increased our revenue through the exchange rate effect

FA/VONA: Growth in Europe and the U.S. was not enough to offset sluggishness in China and Japan

Die Components: Weakness in China and Asia due to delayed automotive investment and lower capacity utilization

Million yen

Category	FY21		FY22	
	Actual	Actual	YoY change	
			Yen basis	Local currency basis
Total	366,160	373,151	+1.9%	-4.4%
FA business	119,253	121,932	+2.2%	-3.9%
Die components business	75,108	79,125	+5.3%	-4.8%
VONA business	171,799	172,093	+0.2%	-4.5%

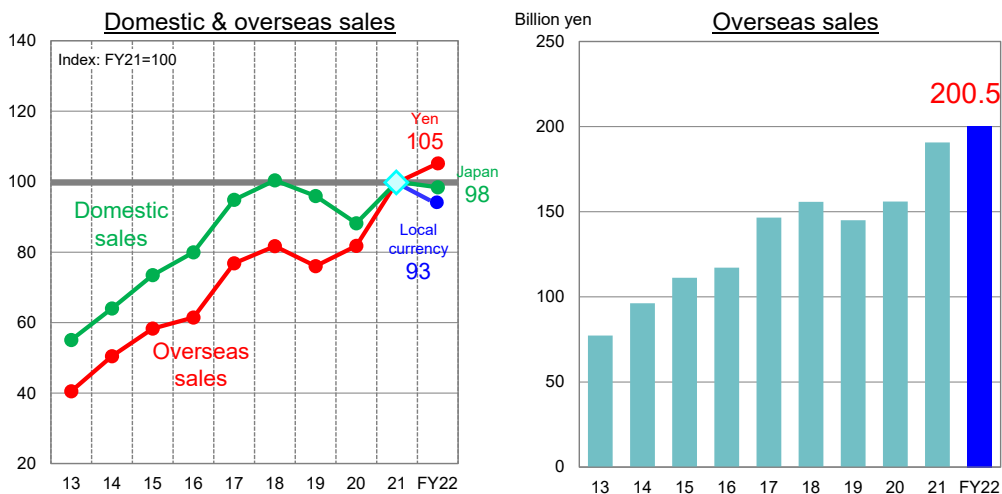
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## FY22 sales by region (local currency basis)

Japan: Sluggish performance across the automotive industry due to slow business in China and low factory utilization rates

Overseas: Although Europe and the U.S. are expected to continue to grow, the global recession in the middle of the period is likely to have an impact on their economies

Consequently, the overseas ratio increased by 1.6 percentage points YoY, reaching 53.7%

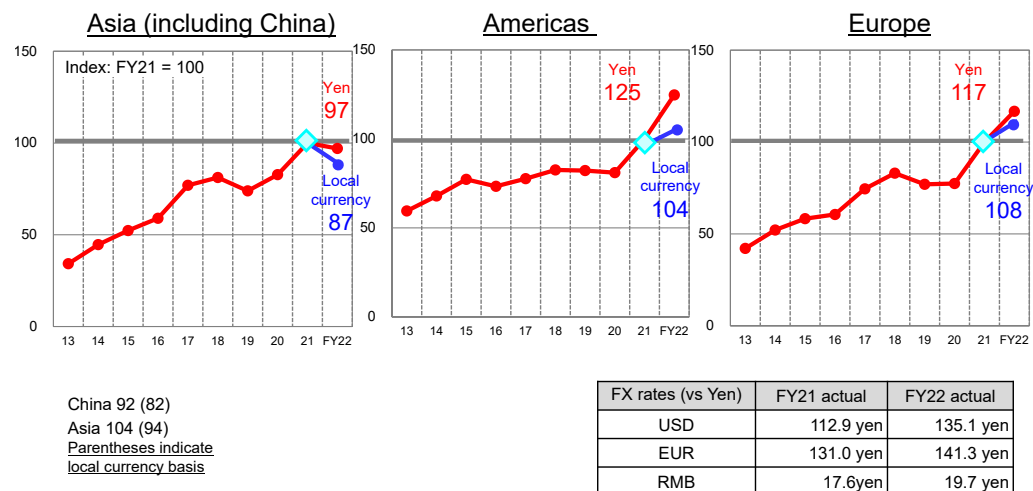


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## FY22 sales by region (local currency basis)

Asia: In the first half of the year, Asia, excluding China, experienced significant growth in the rechargeable battery sector. However, growth slowed significantly in the second half of the year

U.S./Europe: Continued growth mainly in electric vehicles despite signs of recession in the second half of the year



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## FY22 operating income by business segment

FA/ VONA: A significant decrease in sales volumes in China, Asia, and Japan caused the decline in profit

Die Components: Reduced automobile demand caused a decrease in production, resulting in lower capacity utilization

Million yen

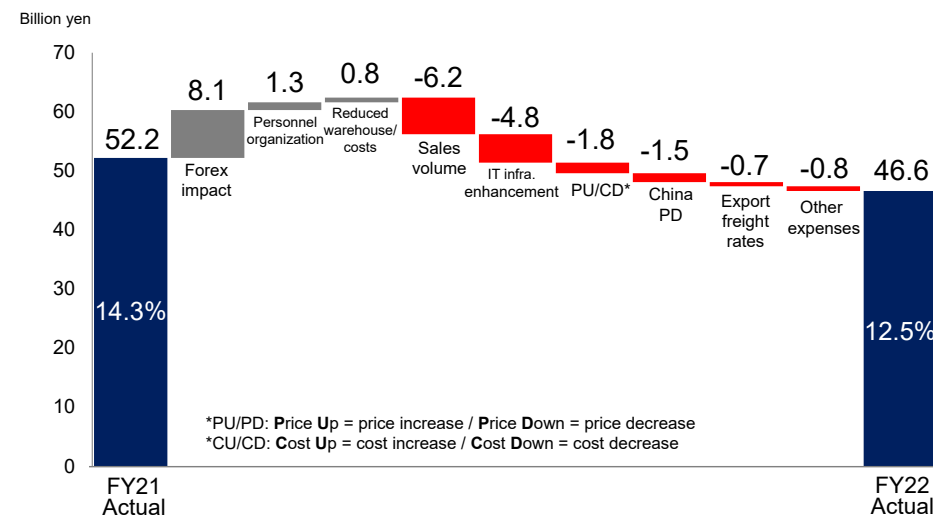
Category	FY21		FY22			
	Actual		Actual		YoY	
		Margin		Margin	Yen basis	Local currency basis
Total	52,210	14.3%	46,615	12.5%	-10.7%	-26.3%
FA business	23,381	19.6%	21,384	17.5%	-8.5%	-23.7%
Die components business	9,542	12.7%	8,723	11.0%	-8.6%	-22.8%
VONA business	19,287	11.2%	16,506	9.6%	-14.4%	-31.1%

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## FY22 operating income analysis (YoY)

Cost containment measures and foreign exchange effects helped mitigate the impact of lower volumes

Growth initiatives (IT infrastructure renewal, price reduction) implemented as planned while maintaining a certain level of profitability



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## FY23 market outlook and consolidated earnings forecast

FX rates (vs Yen)	FY22 actual	FY23 plan
USD	135.1 yen	130.0 yen
EUR	141.3 yen	138.0 yen
RMB	19.7 yen	19.0 yen

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## Market outlook for FY23

No change in the view of medium- to long-term market trends and development

Based on market conditions from the previous year, a full demand recovery is expected in the **second half** of FY23

- The recovery and expansion of automation demand is expected to be driven primarily by China and other overseas markets
- Significantly accelerate investments in electric vehicles, semiconductors and other growth areas

Considering these factors, the Company is:

- committed to **continuously improving** our products and services
- aiming to **innovate its business foundation** while maintaining thorough **profit management**
- preparing for the upcoming high growth phase by leveraging our **global, reliable and quick delivery** capabilities and emphasizing short lead times

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## FY23 full year earnings forecast

Although the market remains uncertain, the Company is taking innovative steps to achieve record sales performance

The Company aims to maintain profitability while making the necessary upfront investments in innovation for its Business MODEL

Million yen

Category	FY22	FY23		
	Actual	Plan	YoY	
			Yen basis	Local currency basis
Net sales	373,151	396,000	+6.1%	+8.0%
Operating income	46,615	51,000	+9.4%	+14.3%
Margin	12.5%	12.9%	+0.4pt	+0.7pt
Ordinary income	47,838	51,400	+7.4%	-
Net income	34,282	37,800	+10.3%	-

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## FY23 sales forecast by business segment

FA/ VONA: We aim to accelerate meviy development, expand the lineup of economy products, and focus growth primarily on overseas markets

Die Components: A moderate recovery in global automotive demand is expected

Million yen

Category	FY22	FY23		
	Actual	Plan	YoY	
			Yen basis	Local currency basis
Total	373,151	396,000	+6.1%	+8.0%
FA business	121,932	135,586	+11.2%	+13.2%
Die components business	79,125	80,857	+2.2%	+4.7%
VONA business	172,093	179,557	+4.3%	+5.8%

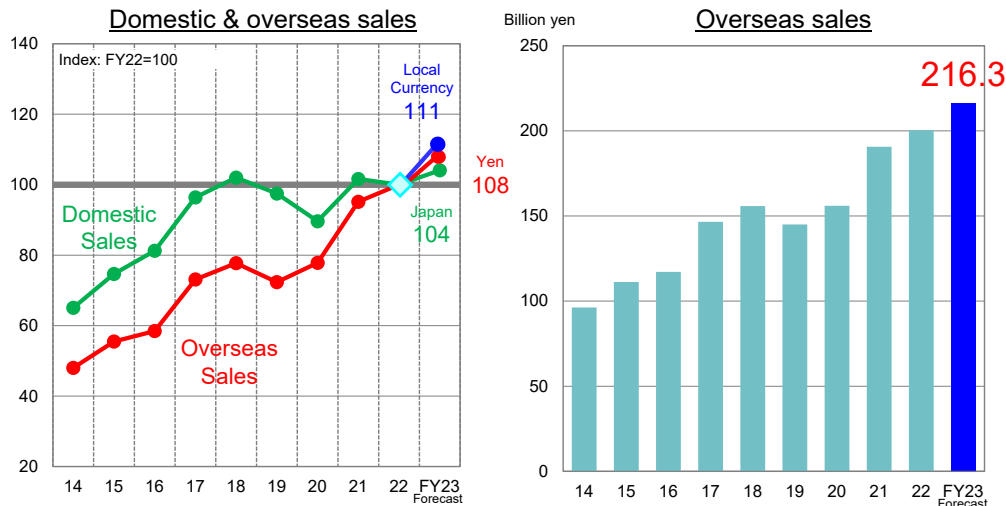
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## FY23 domestic & overseas sales

Japan: We plan to secure growth by expanding into areas supported by meviy and developing new sources of demand

Overseas: The effects of unique measures, in addition to the recovery of market conditions in China and other Asian markets from the next period, will contribute to growth

As a result, the overseas ratio was 54.6%, up 0.9 pt from the previous year

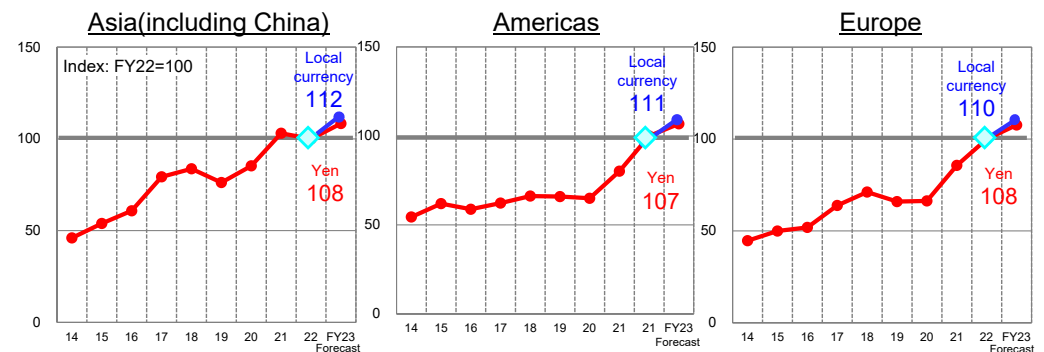


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## FY23 sales by region (local currency basis)

Asia: We aim to achieve market penetration of economy products by accelerating new product launches

U.S. and Europe: We aim to expand customer base by focusing on growth areas such as electric vehicles



China 108(112)  
Asia 109(111)  
Parentheses indicate local currency basis

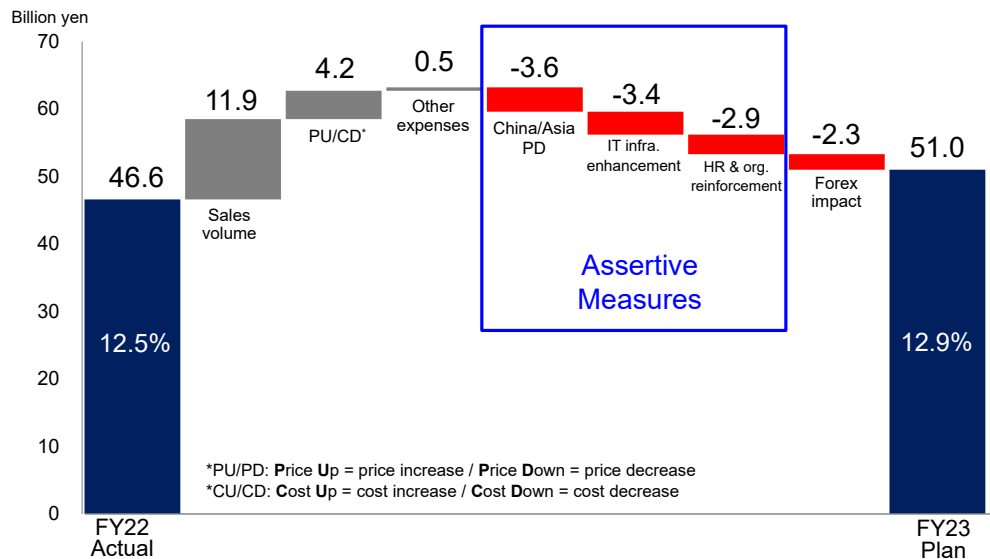
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USD	135.1 yen	130.0 yen
EUR	141.3 yen	138.0 yen
RMB	19.7 yen	19.0 yen

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## FY23 operating income analysis (YoY)

The Company plans to significantly increase its profits through the effects of sales growth and improvement in profit margins (PU/CD\*)

We will continue to implement "assertive measures" to improve our operating income levels and ratios year over year

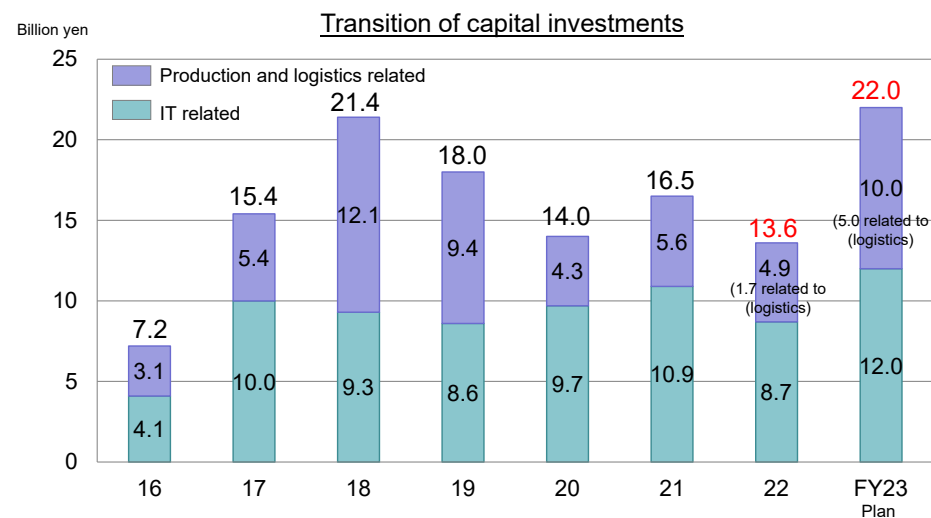


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## Investment performance

FY22: Despite some delays caused by the impact of LD in China, we will execute our plan with a focus on the renewal of our core systems

FY23: We aim to strengthen our logistics and production capabilities, and further refine our global, reliable and quick delivery capabilities



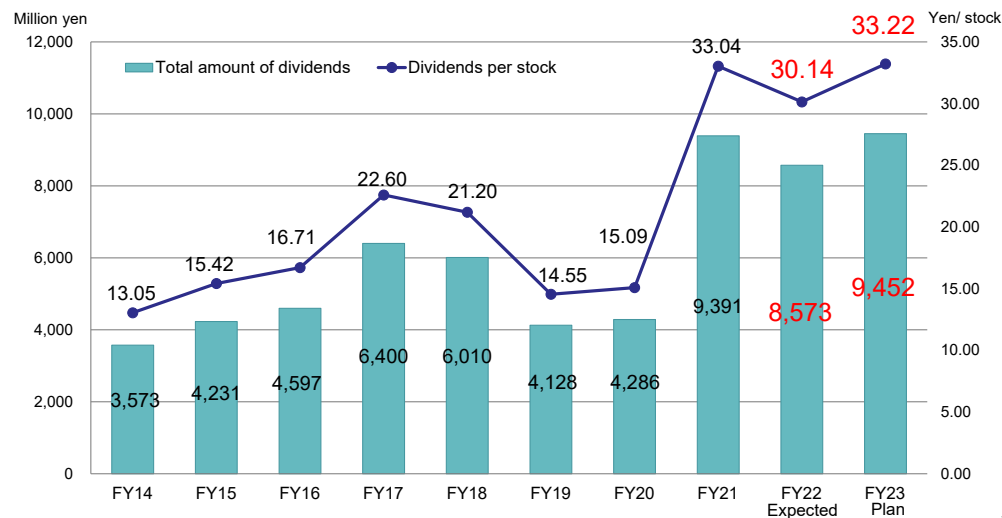
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## Shareholder return

For FY22, a full-year dividend of ¥30.14 per share is planned

For FY23, we expect to pay a full-year dividend of ¥33.22 per share, with a payout ratio of 25%

The increase of 3.08 yen compared to the previous year represents a 10.2% increase and a new record high



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## Stock buy-back

The Company has resolved to repurchase its own stocks as follows:

- Maximum purchase amount: 10 billion yen
- Maximum number of stocks to be repurchased: 4,000,000 stocks
- Purchase period : May 1<sup>st</sup>, 2023 ~ July 31<sup>st</sup>, 2023

We implement our stock buy-back program in a flexible manner, taking into consideration factors such as long-term growth investments, available cash, and stock market trends, among others

We strive to balance sustainable growth and maximize shareholder returns through a flexible capital policy

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# Summary

We aim to accelerate the creation of unique Business MODEL tailored to each region, in order to drive growth that meets their specific needs

