

August 14, 2008

**MISUMI Group Inc. Announces Consolidated Business Performance for FY2008 Q1**

— Net Sales and Operating Income Both Post First-Quarter Record Highs —

MISUMI Group Inc. (Koto-ku, Tokyo, President & CEO: Tadashi Saegusa) announced its consolidated business performance for FY2008 Q1 (period from April 1, 2008 to June 30, 2008) on August 14. Figures for performance highlights are as follows:

|                    | <u>FY2007 Q1</u> | <u>FY2008 Q1</u> | <u>Change</u> |
|--------------------|------------------|------------------|---------------|
|                    | Million Yen      | Million Yen      | %             |
| Net Sales          | 29,895           | <b>32,039</b>    | +7.2          |
| Operating Income   | 3,952            | <b>4,040</b>     | +2.2          |
| Net Income         | 2,635            | <b>2,302</b>     | -12.6         |
| Earnings per share | ¥29.92           | <b>¥25.99</b>    | -13.1         |

Highlights of consolidated business performance for FY2008 Q1 are as follows.

**1. Net Sales & Operating Income hit first-quarter record highs**

- Looking at performance of FY2008 Q1 relative to the previous year, net sales were ¥32.0 billion (up 7.2% year-on-year), operating income was ¥4.0 billion (up 2.2%), and net income was ¥2.3 billion (down 12.6%). Both net sales and operating income hit record highs as Q1 performance, while net income decreased from last fiscal year due to the increased tax rate brought about by the use of tax effect accounting.
- Q1 of this year took place under a bleak global economic climate affected by soaring prices in crude oil and other resources, and turmoil in the US financial market arising from sub-prime housing loan issues. The machinery manufacturing industry saw machinery orders during April and May in Japan fall into negative growth year-on-year. Meanwhile, growth of orders received according to Japan Machine Tool Builders' Association slowed down to a meager 0.4% increase year-on-year. There is now greater sense of uncertainty about the future.
- Within that climate, MISUMI Group proactively pursued measures to stimulate sales through our continuous development of new products, consumer sensitive price reductions, timely issue of our new catalog, and enhancement of our web content for on-line purchases, while simultaneously implementing measures in Japan and overseas to respond to customers' need for reduced lead time. These efforts enabled MISUMI Group to maintain stable growth while achieving the highest net sales and operating income figures we ever realized in Q1.

**2. Factory Automation Businesses achieved robust sales growth, while other segments remained firm**

- As for net sales of each business segment, Factory Automation Businesses increased by 18.8% to ¥17.0 billion, net sales in Die Components Businesses increased by 0.1% to ¥8.2 billion, net sales in Electronics Businesses decreased by 0.1% to ¥3.0 billion, net sales in Optical-related Businesses decreased by 8.6% to ¥1.2 billion, and net sales in Diversified Businesses decreased by 15.2% to ¥2.4 billion. Factory Automation Businesses dramatically increased sales thanks to measures including enhancements to

our web strategy, while sales in Optical-related Businesses and Diversified Businesses were down affected by consolidation of underperforming divisions and disposition of business operations, respectively.

### 3. Overseas net sales ratio of 22.1%

- Presently, MISUMI Group has expanded its international platform integrating manufacturing and sales network, issuing 22 catalogs in local languages and dealing in local currencies in seven locations, with nine production facilities and seven logistical facilities overseas. As a result, the Group's overseas net sales in Q1 of FY2008 reached ¥7.0 billion, accounting for 22.1% of total net sales.

### 4. Continuing high growth driven by strong overseas sales; no change in performance forecasts for 1H and full year FY2008

- Though the future of the economy is still unclear, MISUMI Group anticipates growth in overseas markets, forecasting 1H performance with net sales of ¥63.5 billion (up 3.6% year-on-year), operating income of ¥8.3 billion (up 1.9%), and net income of ¥5.6 billion (up 0.6%). While for the full year, the company forecasts net sales of ¥136 billion (up 7.4%), operating income of ¥16.8 billion (up 3.0%), and net income of ¥10 billion (up 3.1%), as announced at the beginning of this fiscal year. (See chart below for details)

#### Consolidated Business Performance Forecasts for the Full-Year FY2008 (April 1, 2008 – March 31, 2009)

|                      | Net Sales   | Operating Income | Ordinary Income | Net Income  | Earnings per share |
|----------------------|-------------|------------------|-----------------|-------------|--------------------|
|                      | Million Yen | Million Yen      | Million Yen     | Million Yen | Yen                |
| 1H<br>(consolidated) | 63,500      | 8,300            | 8,500           | 5,600       | 63.25              |
| Full Year            | 136,000     | 16,800           | 17,200          | 10,000      | 112.95             |

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

Although forecasts for FY2008 and forward looking statements contained in this material are based on assumptions applied and judged to be reasonable by the Company and its Group reflecting currently available information, including domestic/international economic circumstances, fluctuations in currency exchange rates, and other factors that may influence our business performance, they are subject to risk and uncertainty. Therefore, investors should avoid making their investment decisions based entirely and exclusively on the forward-looking statements herein. Please be advised that our actual business performance may differ substantially from the forecasts indicated in this document.

The material factors that may influence our actual performance include economic circumstances, market trends, exchange rates etc.