

MISUMI Group Inc. Announces Consolidated Business Performance for 1H FY2008**—Net Sales and Operating Income Both in Line with Original Target—**

MISUMI Group Inc. (Koto-ku, Tokyo, President: Masayuki Takaya) announced its business performance for the 1H of FY2008 (the period from April 1, 2008 to September 30, 2008) on November 14. Figures for performance highlights are outlined below:

	<u>1H FY2007</u>	<u>1H FY2008</u>	<u>Change</u>
	Million Yen	Million Yen	%
Net Sales	61,294	63,607	+3.8
Operating Income	8,142	8,383	+3.0
Net Income	5,568	5,061	-9.1
Earnings per share	63.09yen	57.13yen	-9.5

<Consolidated Business Performance Highlights for 1H FY2008>**1. Net Sales & Operating Income as planned**

- Performance in 1H FY2008, compared to the previous year, was as follows: Net sales were ¥63.6 billion (up 3.8% year-on-year), operating income was ¥8.3 billion (up 3.0%), and net income was ¥5.0 billion (down 9.1%). Net sales hit a record high for the seventh year running, as did operating income for its sixth.
- The effects of Japan being hit by the global economic slowdown were clearly reflected in the 2nd quarter, with a decrease in exports and worsening business confidence among Japanese firms. Economic uncertainty is more prevalent in the industry than before, and this is shown in the Company's business performance indexes such as the number of machinery orders received and the Japan Machine Tool Builders' Association's machine tool order statistics, which both showed a significant drop compared to this period last year.
- Faced with this situation, MISUMI Group proactively pursued measures to stimulate sales through continuous development of new products, customer sensitive price reductions, timely issue of our new catalog, and enhancement of our web content for on-line purchases. We simultaneously implemented measures to respond to customer needs for reduced lead times. Despite facing adverse market conditions, these efforts have enabled MISUMI Group to maintain financial results in Q2 in line with original targets, thanks to growth in Factory Automation Businesses and expanded international operations.

2. Factory Automation Businesses achieved sales growth, while other segments experienced decrease

- Net sales for each business segment were as follows: Factory Automation Businesses, ¥34.0 billion (up 15.7% year-on-year), Die Components Businesses, ¥16.3 billion (down 3.5%), Electronics Businesses, ¥5.9 billion (down 2.0%), Optical-related Businesses, ¥2.3 billion (down 19.9%), and Diversified Businesses, ¥4.9 billion (down 17.0%).

- Net sales figures for Die Components, Electronics and Optical-related Businesses all experienced a decrease, as a result of lowering capacity utilization and reduced capital expenditures in areas such as automotive, semiconductors and semiconductor manufacturing equipment. Net sales in Diversified Businesses also fell, due to the disposition of business operations for food-related commodities for restaurants during Q2 FY2007.

3. Revision to Business Performance Forecast for FY2008

- The global financial crisis originating in the US is currently having a negative impact on the real economy, and uncertainty is mounting. Although MISUMI Group will continue to thoroughly implement its business model and proactively expand its international platform, it has decided to make downward revisions to its Business Performance Forecast, taking into account possible slowdown in demand due to a further economic downturn.

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
Revised Forecast	119,000	14,000	14,200	8,300	93.64
[ref]Original Forecast	136,000	16,800	17,200	10,000	112.95

4. Secure 20% Dividend Payout Ratio

- The dividend policy of MISUMI Group Inc. is to “secure dividend distribution amounting to 20% of consolidated earnings”. Considering the full-year business performance, it decided to pay interim dividends of 10 yen (per share), a decrease of 1 yen year-on-year.
- While maintaining continued efforts to strengthen the Group’s balance sheet, retained earnings are to be leveraged to establish stable management foundations over the long term, through improvement to product/service power, and enhancement of the purchasing and sales structure in Japan and overseas.

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2008 ending March 2009) 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.