MiSUMi

MISUMI Group Inc.
(Ticker Code 9962)

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MISUMI Group FY2011 3Q Cumulative Consolidated Business Performance

Sustained growth in both international and domestic businesses
Full-year forecasts call for new record highs in
sales and operating income for the first time in four years

Today, MISUMI Group Inc. announced its cumulative consolidated financial results through FY2011 3Q (April 1 through December 31, 2011). Major performance measures are as follows.

	FY2010 3Q Cumulative Million Yen	**FY2011 3Q Cumulative Million Yen**	Change %
Net Sales	89,130	**95,791**	+7.5%
Operating Income	13,001	**13,001**	0%
Net Income	7,290	**7,344**	+0.7%
Earnings per Share	¥81.97	**¥81.92**	–

＜Highlights of FY2011 3Q cumulative consolidated financial results＞

1. Both domestic and international businesses grow despite global slowdown

- Sales in the cumulative FY2011 3Q (April 1 through December 31, 2011) were ¥95.7 billion (up 7.5% compared to the same period in the previous year). This represents a record high level of sales for the cumulative 3Q period.
- Both our domestic and international businesses continued to grow revenues with the help of a partial recovery in domestic production activity after a slowdown following the Great East Japan Earthquake. That was despite many headwinds, such as global economic stagnation in the face of a deepening European sovereign debt crisis, slower economic growth in China and other Asian and emerging countries, and prolonged yen appreciation.
- Operating income in the cumulative 3Q period was ¥13.0 billion (flat) and net income was ¥7.3 billion (up 0.7%). As of the cumulative 2Q period (April 1 through September 30) operating income was ¥8.1 billion (down 6.7%), a year-on-year deficit that was covered by a strong third quarter, resulting in cumulative operating income equivalent to that of the previous year as of the end of the third quarter. Even as we continued to push forward with measures aimed at future growth, such as expanding our sales office network in Asia, driving more local production and sourcing and adding the personnel needed to support these activities, growth in sales and improved gross margins absorbed the up-front investments we made.
- In the third quarter (October to December), sales were ¥32.6 billion (up 7.2%)—our eighth consecutive quarter of revenue growth. Operating income was ¥4.8 billion (up 13.5%)—our first quarter of year-on-year operating income growth in three quarters. Despite slower economic growth in Asia, improved production activity and capital investments by global automotive makers and demand for replacement equipment following the flooding in Thailand drove increased sales in Japan, US and Europe.

2. Factory Automation and Electronics main drivers of sustained growth

- Sales grew in all business segments. Sales by business segment were as follows.

Business Segment	Net Sales (Yen)	Year-on-Year Comparison
Factory Automation	59.2 billion	+7.9%
Die Components	20.3 billion	+2.9%
Electronics	9.0 billion	+8.7%
Diversified	7.2 billion	+7.2%

- Our factory automation and electronics businesses sustained relatively high growth rates, mainly due to demand for factory automation applications.

3. International sales accounted for 27.6% of total sales (up 0.3 points)

- International sales amounted to ¥26.4 billion (up 8.6%). International sales accounted for 27.6% of total sales, up 0.3 percentage points year-on-year. These both represent record highs for a cumulative 3Q period.
- Sales by geographical region were as follows.

Geographical Region	Net Sales (Yen)	Year-on-Year Comparison
Japan	69.3 billion	+7.1%
Asia	19.9 billion	+5.5%
North & South America	3.8 billion	+13.4%
Europe	2.7 billion	+28.0%

- Moving forward, the company will continue to drive penetration of the MISUMI QCT Model in global markets.

4. FY2011 full-year forecasts: Record-high sales and operating income

- We make no change to our full-year forecasts.
- We forecast reaching record-high levels in net sales, operating income and ordinary income for the first time in four years.
- As announced November 9, 2011, we plan to raise the benchmark for dividend payouts to 25% from 20% of earnings, effective the second half of FY2011. The decision resulted from a comprehensive review that took into account the business environment, performance trends and forecasts, the strength of our balance sheet, capital efficiency and the level of retained earnings required to establish a stable financial standing over the long-term, among other factors.
- We terminated share buy-backs as of January 5, 2012, because we reached the preapproved cap of ¥1.5 billion.

Consolidated earnings forecasts for FY2011 (April 1, 2011, through March 31, 2012)

	Net Sales	Operating Income	Ordinary Income	Net Income	Earnings per Share
	Million Yen	Million Yen	Million Yen	Million Yen	Yen
Forecast	130,000	16,400	16,600	9,200	102.43
Year-on-Year Comparison	+7.3%	+5.4%	+9.0%	+2.1%	

	Annualized dividends					
	End of 2Q		Year end		Annualized total	
	Amount	Payout ratio	Amount	Payout ratio	Amount	Payout ratio
Forecast (FY2011)	—	—	¥12.30	25.0%	¥22.50	22.0%
Actual (FY2011)	¥10.20	19.2%	—	—	—	—
Actual (FY2010)	¥9.70	17.5%	¥10.50	23.0%	¥20.20	20.0%

[Disclaimer regarding forward-looking statements]

Although forecasts for FY2011 ending March 2012 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 or 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, and exchange rates, among others.

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