

This is an abridged translation of the original notice in Japanese and is intended for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the Japanese original shall prevail.

Securities Code: 9962
May 29, 2020

To Our Shareholders:

Kosuke Nishimoto
Representative Director,
and Chairman
MISUMI Group Inc.
5-1, Koraku 2-chome,
Bunkyo-ku, Tokyo
JAPAN

Convocation Notice for the 58th Annual General Meeting of Shareholders

You are hereby notified of and cordially requested to attend the 58th Annual General Meeting of Shareholders (the “Meeting”) of MISUMI Group Inc. (the “Company”), details of which are provided below.

If you are unable to attend the Meeting, you may exercise your voting rights, either by returning to us by mail, the enclosed Voting Rights Exercise Form indicating your approval or disapproval of the propositions, or by accessing the website indicated in the enclosed Voting Right Exercise Form and exercising your voting rights via the Internet. Please review the accompanying Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. JST, on Monday June 15, 2020.

- 1. Date and Time:** June 16, 2020 (Tuesday) from 2:00 p.m.
2. Place: Toranomom Hills Forum,
Toranomom Hills Mori Tower 5th Floor,
1-23-3 Toranomom, Minato-ku, Tokyo, Japan

- To reduce the risk of infection for shareholders, please be advised that the Management’s Briefing for Shareholders and the product exhibition booth, ordinarily held after the General Meeting of Shareholders, will be cancelled this year. Also, distribution of souvenirs will not be taking place.
- The operation of the General Meeting of Shareholders and the venue may change significantly depending on how the situation transpires going forward. For shareholders considering attendance to this General Meeting of Shareholders, please refer to our website (<https://www.misumi.co.jp/>) in advance, where the latest information will be available for confirmation. We sincerely appreciate your time to confirm.

3. Agenda: Reports

1. The Business Report, the Consolidated Financial Statements, and Audit Reports on the Consolidated Financial Statements by the independent auditor and our Board of Corporate Auditors for the 58th Fiscal Year (from April 1, 2019 to March 31, 2020).
2. The Non-Consolidated Financial Statements Report for the 58th Fiscal Year (from April 1, 2019 to March 31, 2020).

Proposals

- Proposal 1:** Dividend of Surplus
Proposal 2: Election of Eight (8) Directors

4. Instructions for the Exercise of Voting Rights

- 1) Exercise of voting rights by post
Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Right Exercise Form and return the form to the Company so that it arrives no later than 5:00 p.m. (JST) on Monday, June 15, 2020.
Please note that if there is no indication of approval or disapproval for any of the proposals, it will be counted as a vote of approval.
- 2) Exercise of voting rights via the Internet
Please access the designated website (<https://www.evoting.tr.mufg.jp/>)* and place your vote no later than 5:00 p.m. (JST) on Monday, June 15, 2020.
*Website available only in Japanese

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1. If attending the Meeting in person, please submit the enclosed Voting Right Exercise Form to the receptionist at the venue.
 2. The notes to the Consolidated Financial Statements and Non-Consolidated Financial Statements are available on behalf of shareholders on MISUMI's website (<https://www.misumi.co.jp/english/ir/stock/syousyu.html>)* in accordance with laws, regulations, and the Articles of Incorporation.
*Website available only in Japanese.
 3. We will notify you of any changes to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements or the Non-Consolidated Financial Statements by placing the updated information on MISUMI's website (<https://www.misumi.co.jp/english/>).
 4. The results of voting at Annual General Meeting of Shareholders will also be posted on MISUMI's website indicated above.

Electronic Voting Platform

Custodian banks or other nominee shareholders (including standing proxies) that have registered in advance with ICJ Co., Ltd., a company established by Tokyo Stock Exchange, Inc. and other organizations, are able to use ICJ's Voting Rights Electronic Voting Platform as an alternative electronic method for the exercise of voting rights at the General Meeting of Shareholders, in addition to Internet voting as described in 4 above.

Response measures to prevent the spread of COVID-19

In order to prevent the spread of COVID-19, we plan to take the following measures during the Company's 58th Annual General Meeting of Shareholders. We would like to ask all our shareholders for their kind understanding and cooperation.

1. Request to Shareholders

- For shareholders who are considering attendance to this Annual General Meeting of Shareholders, please confirm your physical condition beforehand and don't over exert yourself especially if you have health concerns.
- There are a limited number of seats in the venue, as shareholders are provided with spaces in between seats, to reduce the risk of infection. Thank you for your understanding.
- Given above, we recommend that you exercise your voting rights in writing or via the Internet in advance to the extent possible. For details, please refer to pages 4 and 5 of this Convocation Notice.

2. Requests to our Shareholders attending the Meeting

- Please kindly cooperate wearing a (mouth) mask, using alcohol disinfectant where available. At the reception, we may check your body temperature with a non-contact thermometer.
- Please be advised that if you feel unwell, we may ask for your cooperation in exercising moderation by excusing admission.

3. The Company's response measure

- Staff involved in the operation of the General Meeting of Shareholders, will only participate when their physical condition has been confirmed, including temperature measurement. In addition, a (mouth) mask will always be worn.
- Drinks will not be provided to prevent infection through contact.
- We may briefly explain upon reportable matters.

The operation of the General Meeting of Shareholders and the venue may change significantly depending on how the situation transpires going forward. For shareholders considering attendance to this General Meeting of Shareholders, please refer to our website (<https://www.misumi.co.jp/>) in advance, where the latest information will be available for confirmation. We sincerely appreciate your time to confirm.

Proposal 1: Dividend of Surplus

The Company uses a benchmark dividend payout ratio of 25% as part of the policy to return profits to the shareholders after a comprehensive review of the business environment, performance trends and outlooks, expansion of the business foundation to realize sustainable growth and corporate value enhancement, strength of the balance sheet, and capital efficiency among other factors.

Based on the benchmark described above, the Company proposes a year-end dividend of ¥7.04 per share.

Pending approval for this proposal, the annualized dividend would be ¥14.55 per share, a decrease of ¥6.65 from the previous year's figure, including the interim dividend of ¥7.51 per share (Total amount: ¥2,130,299,975) already paid out on December 3, 2019.

(1) Type of dividend assets

Cash

(2) Allocation of dividend assets to shareholders and the total amount of dividends

¥7.04 per share of common stock. Total amount: ¥1,998,646,010

(3) Effective date of dividend of surplus

June 22, 2020

Proposal 2: Election of Eight (8) Directors

The terms of office of all seven (7) of the current Directors will expire as of the end of the Meeting. Therefore, the Company proposes the election of eight (8) Directors, including one new Outside Director in order to reinforce the management of the Company.

Candidates for the position of Director are as follows.

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
1	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Re-Appointment</div> <p>Kosuke Nishimoto (March 1, 1958)</p>	<p>Apr 1981: Joined Kanebo, Ltd. Sep 1984: Joined Meitec Corporation Jun 1995: Director, Meitec Corporation Jul 1996: Senior Managing Director, Meitec Corporation Nov 1999: Representative Director and President, Meitec Corporation Apr 2003: Representative Director and President, and CEO, Meitec Corporation Apr 2014: Director and Chairman, Meitec Corporation Jun 2015: Outside Director, Interworks, Inc. Apr 2017: Representative Director, Chairman and President, Interworks, Inc. June 2017: Outside Director, MISUMI Group Inc. June 2019: Director and Executive Vice President, MISUMI Group Inc. Feb 2020: Representative Director and Chairman, MISUMI Group Inc. (present position) Feb 2020: President, OST Business Company, MISUMI Corporation (present position) Feb 2020: Representative Director and President, SURUGA SEIKI CO., LTD. (present position)</p>	10,000 shares
<p>Reason for nomination as Director: Mr. Kosuke Nishimoto has extensive experience as business manager over many years and has wide-ranging knowledge on various manufacturing industries in Japan. Using his experience and knowledge, Mr. Nishimoto has appropriately and effectively carried out his decision-making and supervisory roles as Director and Executive Vice President since June 2019 and as Representative Director and Chairman since February 2020. Mr. Nishimoto has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p>			

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
2	<div style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Re-Appointment</div> <p style="text-align: center;">Ryusei Ono (October 1, 1964)</p>	<p>Apr 1987: Joined MISUMI Group Inc. Apr 2002: Corporate Officer, MISUMI Group Inc. Jun 2007: Director and Corporate Officer, MISUMI Group Inc. Oct 2008: Representative Director and President, SURUGA Production Platform Co., Ltd. Oct 2008: Director and Senior Corporate Officer, MISUMI Group Inc. Jan 2011: Representative Director and President, SURUGA SEIKI CO., LTD. Jan 2013: Senior Executive Director, MISUMI Group Inc. Dec 2013: Representative Director and President, MISUMI Group Inc. Dec 2013: Representative Director and President, MISUMI Corporation (present position) Jun 2014: Representative Director, President and CEO, MISUMI Group Inc. Feb 2020: Representative Director and President, MISUMI Group Inc. (present position) Feb 2020: President, VONA Business Company, MISUMI Corporation (present position)</p>	400,000 shares
<p>Reason for nomination as Director: As Representative Director and President, Mr. Ryusei Ono has led the MISUMI Group to further growth as a global enterprise while formulating and implementing strategies to enhance the Company's corporate value in the medium to long-term perspective. He has used his wide-ranging experience and knowledge of our business activities, operations, production and other areas as the basis for appropriate and effective management decision-making and supervision. Mr. Ono has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p>			

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
3	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-Appointment</div> Tokuya Ikeguchi (December 30, 1968)	Apr 1992: Joined Mitsubishi Corporation Apr 2005: Joined MISUMI Corporation Apr 2007: Corporate Officer, MISUMI Group Inc. Nov 2009: Senior Corporate Officer, MISUMI Group Inc. Jun 2010: Executive Director, MISUMI Group Inc. May 2015: Senior Executive Director, MISUMI Group Inc. May 2017: Director and Executive Vice President, MISUMI Group Inc. (present position) Feb 2020: Head of EC Business Innovation Center, MISUMI Group Inc. (present position) Feb 2020: President, VONA MRO Business Company, MISUMI Corporation (present position)	187,300 shares
	Reason for nomination as Director: Mr. Tokuya Ikeguchi has built a track record of achievement as the person in charge of key business divisions. He has shown excellent leadership as a driving force in a wide range of areas, including operational innovation. As Head of EC Business Innovation Center and President of VONA MRO Business Company, he has provided organizational leadership and appropriate and effective decision-making and supervision. Mr. Ikeguchi has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.		
4	<div style="border: 1px solid black; padding: 2px; display: inline-block;">Re-Appointment</div> Ichiro Otokozaawa (August 22, 1955)	Apr 1979: Joined Nippon Kokan Corporation (currently JFE Engineering Corporation) Mar 1997: General Manager of President's Office, Santen Pharmaceutical Co., Ltd. Jul 1999: Corporate Officer, Santen Pharmaceutical Co., Ltd. Jun 2005: Director and Senior Corporate Officer, Santen Pharmaceutical Co., Ltd. May 2006: Senior Director, AlixPartners Jul 2007: Senior Director, Advent International Corporation Apr 2011: Director and CFO, Avon Products Co., Ltd (currently FMG & MISSION CO., LTD.) Dec 2013: Senior Corporate Officer and CFO, MISUMI Group Inc. Jun 2014: Executive Director and CFO, MISUMI Group Inc. (present position) Dec 2015: Representative Corporate Officer responsible for Corporate Service Platform, MISUMI Group Inc. (present position)	10,000 shares
	Reason for nomination as Director: Mr. Ichiro Otokozaawa has extensive experience as CFO for several companies and a wide-ranging track record as a manager of administrative and business units. He has appropriately and effectively carried out his executive, decision-making and supervisory roles as the CFO for the MISUMI Group, and as the person responsible for head office administrative organization. Mr. Otokozaawa has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.		

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's shares
5	<div data-bbox="252 465 491 510" style="border: 1px solid black; padding: 2px; width: fit-content; margin: 0 auto;">Re-Appointment</div> <p data-bbox="276 555 467 618" style="text-align: center;">Toshinari Sato (March 30, 1956)</p>	<p data-bbox="528 315 1300 371">Apr 1980: Joined Tokyo Shibaura Electric Co., Ltd. (currently Toshiba Corporation)</p> <p data-bbox="528 376 1018 405">Apr 2006: Joined i2 Technologies Japan Inc.</p> <p data-bbox="528 409 1241 439">Mar 2008: Representative Director and President, SGI Japan, Ltd.</p> <p data-bbox="528 443 1246 472">Feb 2010: Representative Director and Chairman, SGI Japan, Ltd.</p> <p data-bbox="528 477 951 506">Apr 2010: Joined NIDEC Corporation</p> <p data-bbox="528 510 1129 539">Jun 2010: Corporate Officer CIO, NIDEC Corporation</p> <p data-bbox="528 544 1206 573">Jun 2012: Senior Corporate Officer CIO, NIDEC Corporation</p> <p data-bbox="528 577 1209 607">Oct 2016: Senior Corporate Officer CIO, MISUMI Group Inc.</p> <p data-bbox="528 611 1297 667">Oct 2016: Representative Corporate Officer responsible for IT Service Platform, MISUMI Group Inc. (present position)</p> <p data-bbox="528 672 1265 728">Feb 2017: Representative Corporate Officer responsible for User Service Platform, MISUMI Group Inc. (present position)</p> <p data-bbox="528 732 1286 788">Jun 2018: Executive Director and CIO, MISUMI Group Inc. (present position)</p>	1,100 shares
<p data-bbox="252 824 635 853">Reason for nomination as Director:</p> <p data-bbox="252 857 1441 981">Mr. Toshinari Sato has extensive experience as a business manager and CIO for several companies. As CIO for the MISUMI Group, he has shown excellent leadership in reforming and strengthening MISUMI Group's IT. Mr. Sato has been nominated as a candidate for Director in the expectation that he will carry out appropriate and effective management decision-making and supervision using his experience and knowledge.</p>			

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's Shares
6	<div data-bbox="252 398 491 439" style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Re-Appointment</div> <div data-bbox="252 472 491 539" style="border: 1px solid black; padding: 2px; margin-bottom: 10px;">Candidate for Outside Director</div> <p data-bbox="279 589 464 651">Takehiko Ogi (August 8, 1961)</p>	<p data-bbox="526 315 1262 376">Apr 1984: Joined the Ministry of International Trade and Industry (currently the Ministry of Economy, Trade and Industry)</p> <p data-bbox="526 376 1289 436">May 2000: Representative Director and President, Tsutaya Online Co., Ltd.</p> <p data-bbox="526 436 1262 497">Jun 2002: Representative Director and Managing Director, Culture Convenience Club Co., Ltd.</p> <p data-bbox="526 497 1270 528">Jul 2004: Managing Director, Industrial Revitalization Corporation</p> <p data-bbox="526 528 1214 560">Nov 2004: Representative Director and President, Kanebo, Ltd.</p> <p data-bbox="526 560 1270 591">Apr 2007: Representative Director and President, Maruzen Co., Ltd.</p> <p data-bbox="526 591 1297 651">Feb 2010: Representative Director and President, CHI Group Co., Ltd. (currently Maruzen CHI Holdings Co., Ltd.)</p> <p data-bbox="526 651 1254 683">Jun 2013: Outside Director, Seibu Holdings Inc. (present position)</p> <p data-bbox="526 683 1262 714">Jun 2015: Outside Director, MISUMI Group Inc. (present position)</p> <p data-bbox="526 714 1222 775">Aug 2015: Representative Director and President, Japan Human Resources Co., Ltd. (present position)</p> <p data-bbox="526 775 1294 806">Apr 2016: Advisor to the Financial Services Agency (present position)</p> <p data-bbox="526 806 1193 866">Sep 2017: Trustee, Shizenkan University Graduate School of Leadership & Innovation (present position)</p> <p data-bbox="526 866 1310 927">Aug 2018: Counselor of the Minister's Secretariat, Ministry of Economy, Trade and Industry</p>	5,000 Shares
	<p data-bbox="252 981 722 1012">Reason for nomination as Outside Director:</p> <p data-bbox="252 1012 1437 1131">As an Outside Director, Mr. Takehiko Ogi has provided appropriate advice and supervision with regard to the MISUMI Group's management, based on his extensive experience and wide-ranging knowledge as a person with a long career in business management. His nomination as Outside Director reflects our judgment that he will continue to carry out the duties of that position appropriately in the future.</p>		

Candidate number	Name (Date of birth)	Profile, positions and responsibilities and important concurrent positions	Ownership of the Company's Shares
7	<div data-bbox="252 338 491 376" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Re-Appointment</div> <div data-bbox="252 398 491 465" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <p data-bbox="284 495 459 562">Yoichi Nakano (April 26, 1960)</p>	<p data-bbox="528 315 1241 371">May 1990: Joined International Finance Corporation, World Bank Group</p> <p data-bbox="528 376 1203 405">Jun 1996: Joined McKinsey & Company Incorporated, Japan.</p> <p data-bbox="528 409 1214 439">Jun 2003: Executive Search Consultant, Jomon Associates Inc.</p> <p data-bbox="528 443 1305 499">Aug 2011: Partner, Leadership Consulting, Heidrick & Struggles Japan, GK</p> <p data-bbox="528 504 1294 537">Jan 2013: Partner, Executive Search, Heidrick & Struggles Japan, GK</p> <p data-bbox="528 542 1310 598">Feb 2016: Representative Director and President, Chuuyou Corporation (present position)</p> <p data-bbox="528 602 1262 631">Jun 2019: Outside Director, MISUMI Group Inc. (present position)</p>	- Shares
	<p data-bbox="252 658 724 687">Reason for nomination as Outside Director:</p> <p data-bbox="252 692 1437 869">Mr. Yoichi Nakano has extensive experience in various industries on a global basis, namely, finance, consulting and executive search, possessing ample experience and broad knowledge of Management personnel development. As Outside Director, Mr. Nakano has provided appropriate advice and supervision for MISUMI Group's management based on his experience and knowledge. His nomination as Outside Director reflects our judgment that he will continue to carry out the duties of that position appropriately in the future.</p>		
8	<div data-bbox="252 936 491 974" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">New Appointment</div> <div data-bbox="252 996 491 1064" style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">Candidate for Outside Director</div> <p data-bbox="284 1093 459 1160">Arata Shimizu (June 1, 1972)</p>	<p data-bbox="528 913 963 943">Apr 1997: Joined Accenture Japan Ltd.</p> <p data-bbox="528 947 1091 976">Sep 2005: Executive Partner, Accenture Japan Ltd.</p> <p data-bbox="528 981 1305 1037">Jul 2015: Executive Officer, General Manager of Strategic Consulting Headquarters, Accenture Japan Ltd.</p> <p data-bbox="528 1041 1294 1097">Mar 2017: Representative Director, Vice President and COO, SEAOS Inc. (present position)</p> <p data-bbox="528 1102 1219 1131">Jun 2017: Outside Director, Interworks, Inc. (present position)</p> <p data-bbox="528 1135 1310 1191">Sep 2017: Outside Director, Trust Tech Inc. (currently BeNEXT Group Inc.) (present position)</p>	- Shares
	<p data-bbox="252 1225 724 1254">Reason for nomination as Outside Director:</p> <p data-bbox="252 1258 1417 1379">Mr. Arata Shimizu has ample experience and broad knowledge through his extensive career in strategic consulting and business management. His nomination as Outside Director reflects our judgment that he will provide appropriate advice and supervision for MISUMI Group's management, based on his experience and knowledge.</p>		

Notes:

1. No special interests exist between the candidates and the Company.
2. Information concerning the candidates for Outside Director is as follows.
 - (1) Candidates for Director Mr. Takehiko Ogi, Mr. Yoichi Nakano and Mr. Arata Shimizu are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
 - (2) Mr. Takehiko Ogi and Mr. Yoichi Nakano are designated as an independent officer according to rules set by the Tokyo Stock Exchange and said designation has been reported to said stock exchange. Upon the approval of his appointment, Mr. Arata Shimizu will become an independent officer according to rules set by the Tokyo Stock Exchange.
 - (3) Number of Years in Office:
 - ① Mr. Takehiko Ogi has been an Outside Director of the Company since June 2015 and will have served as such for about five (5) years upon the closing of the Meeting.
 - ② Mr. Yoichi Nakano has been an Outside Director of the Company since June 2019 and will have served as such for about one (1) year upon the closing of the Meeting.
 - (4) Attendance to Board of Directors Meetings:
 - ① Mr. Takehiko Ogi attended 14 of the 14 meetings of the Board of Directors during the fiscal year under review and made inquiries and provided advice concerning proposals and discussions mainly from his professional perspective as a business manager.
 - ② Mr. Yoichi Nakano attended 11 of the 11 meetings of the Board of Directors since he assumed the office on June 13 2019 and made inquiries and provided advice concerning proposals and discussions mainly from his professional perspective as a business manager.
3. Limited Liability Agreement with Outside Directors

The Company has entered into Limited Liability Agreements with Mr. Takehiko Ogi and Mr. Yoichi Nakano. These Agreements provide that the maximum amount for liability will be ¥10 million or an amount stipulated by law, whichever is higher. The Company will maintain Limited Liability Agreement with Mr. Takahiro Ogi and Mr. Yoichi Nakano if approval is given for his reappointment. If appointment of Mr. Arata Shimizu is approved, the Company plans to enter into an agreement of the same kind with him.
4. MISUMI Group Inc. changed its trade name from MISUMI Shoji Co., Ltd. to MISUMI Corporation in May 1989 and from MISUMI Corporation to MISUMI Group Inc. in April 2005. Present MISUMI Corporation was established in April 2005 by means of a spin-off from present MISUMI Group Inc. and took over all business operations from MISUMI Group Inc.
5. SURUGA SEIKI CO., LTD. was renamed SURUGA Production Platform Co., Ltd. in January 2011. A subsidiary spun off from SURUGA Production Platform in January 2011 has taken over the name of SURUGA SEIKI CO., LTD., as well as the business operations of its Optical and Scientific Technology Division, which sells products related to optical equipment and factory automation (FA).

Business Report

From April 1, 2019 to March 31, 2020

1. Current Status of the MISUMI Group of Companies

(1) Business Activities, Results, Priorities

The global economy during FY2019 was mired by harsh circumstances, namely the prolonged US-China trade conflict causing restraint on capital expenditures and operation; in addition to the impact caused by the spread of COVID-19 pandemic around the fiscal year end period. Automotive demand in principal countries remained sluggish, and in Japan, impact from decrease in export of production machinery was apparent

Even in such economic environment, MISUMI Group is leveraging its unique business model, which encompasses both manufacturing and distribution businesses, and by advancing the business foundation that supports these businesses globally, we are contributing to the manufacturing industry worldwide by responding to customer's reliable quick delivery needs. Innovations to our business model was sought throughout this fiscal year, to be better adapted to the world's evolving "digital manufacturing" trend that is ever accelerating; all the while continuing to carefully select themes for making investments geared towards strengthening the IT and logistics infrastructure.

Also, when the operation in China faced temporary suspension due to the impact of COVID-19 taking place around the fiscal year end period, steady provision of products meeting customers' needs for reliable and quick delivery was made possible by taking full advantage of the global five-pole production network and promptly switching the supply chain. Shipments were made out from Japan and Vietnam instead, where the same products of those from China can be manufactured. However, both sales and profits decreased year-on-year mainly due to continued sluggish capital investment demand and operations in the manufacturing industry.

Consequently, consolidated net sales was ¥313,337 million, (5.6% decrease year-on-year). In terms of profit, decrease in sales volume, continued upfront investments which are carefully selected for sustainable growth both impacted upon profits. Subsequently, operating income was ¥23,640 million, (25.8% decrease year-on-year), and ordinary income was ¥23,245 million, (26.9% decrease year-on-year). Net income attributable to owners of parent was ¥16,504 million (31.3% decrease year-on-year).

(Million yen)

	Net Sales			Operating Income		
	Previous consolidated fiscal year	Current consolidated fiscal year	Percentage Change (%)	Previous consolidated fiscal year	Current consolidated fiscal year	Percentage change (%)
Factory Automation (FA) Business	109,230	99,403	(9.0)	18,835	12,578	(33.2)
Die Components Business	76,443	72,413	(5.3)	6,109	5,009	(18.0)
VONA Business	146,262	141,519	(3.2)	6,929	6,052	(12.7)
Total	331,936	313,337	(5.6)	31,874	23,640	(25.8)

Segment Information

① Factory Automation (FA) Business

In the FA business, excluding the Americas, sluggish capital investment demand and operations continued in principal countries especially in Japan, caused net sales to be ¥99,403 million (9.0% decrease year-on-year). Operating income was ¥12,578 million (33.2% decrease year-on-year) impacted by decline in sales, and upfront investments which are carefully selected, aimed at strengthening the business foundation.

② Die Components Business

Despite mostly steady sales activities in Southeast Asia, net sales in the Die components business was ¥72,413 million (5.3% decrease year-on-year) due to sluggish market conditions in the automotive related sectors in regions elsewhere. Operating income was ¥5,009 million (18.0% decrease year-on-year) impacted by decline in sales, and upfront investments which are carefully selected, aimed at strengthening the business foundation.

③ VONA Business

VONA business is MISUMI Group's sales and distribution business of production facilities related components, production auxiliary materials and MRO* products. This business segment includes MISUMI brand products, as well as third party manufacturer's products. Enhanced product lineup continued to support business growth. Items handled reached 31 million globally as at the end of FY2019. These efforts coupled with carrying out proactive sales expansion measures resulted in sales expansion in the Americas, Southeast Asia and Europe, but could not compensate for the slowdown in Japan and China. Consequently, net sales was ¥141,519 million (3.2% decrease year-on-year). Notwithstanding profit improvement measures taking effect, decreased sales and carefully selected investments made geared towards fortifying the reliable quick delivery system, resulted in the operating income to be ¥6,052 million (12.7% decrease year-on-year).

*MRO: Maintenance, repair, and operations; i.e. expendable supplies/ consumables

(2) Capital Investment and Financing

Capital investments made during the consolidated fiscal year ending March 31, 2020 amounted to ¥18,442 million. The main areas of investments were IT systems, logistic sites and production facilities. These investments were all self-financed. There were no significant sales or disposals of equipment and facilities.

(3) Challenges and Priorities

Prolonged US-China trade conflict coupled with the spread of COVID-19 pandemic, are causing uncertainties to global economies, including Japan. With the highest priority being placed on ensuring the health and safety of our employees, MISUMI Group set up a task force response team, monitoring the health status of our global employees and their families daily. In the meantime, we are fulfilling our supply responsibilities to our customers with best endeavors, in terms of production, logistics and customer support.

Since our customers represent a wide array of industries, including medical devices, pharmaceuticals, food manufacturing and so on, we believe that it is our social responsibility to supply products necessary in maintaining critical 'lifelines' by taking full advantage of the global five-pole production network and promptly switching the supply chain, thereby steadily meeting customers' needs for reliable and quick delivery by continuing to supply products, utilizing the strong business foundation established so far.

Going forward, while thoroughly implementing infection control measures both inside and outside the Company, we will continue to leverage the strength of our "globally reliable quick delivery" that can respond immediately to environmental changes. Carefully selected investments will continue to be made in anticipation of ever accelerating "digital manufacturing" trend, while also striving to bring about business model innovation geared towards sustainable growth for when business conditions recover.

① Expansion of Business Areas, Global Roll Out

MISUMI Group continues to increase its contributory impact to the manufacturing industry, by accelerating business expansion and global roll out; taking full advantage of possessing both manufacturing and distribution businesses.

In the manufacturing business, we are striving to expand product lineup of the FA and Die component businesses as well as conventional catalogs and website and through 3D CAD collaborative service offerings, which has managed to significantly reduce customer's equipment design and procurement process, thereby improving convenience.

With respect to our distribution business, we have expanded product line up by including third party manufactured products on the VONA platform, simultaneously expanding product line up and inventory that suit customers' needs in the respective regions of the world, thereby improving our one-stop shop capabilities. Through these efforts, we will continue to strengthen and expand our global customer base and accelerate growth in anticipation for when business conditions recover.

② Business Platform Innovation

Although we will temporarily curb investments based on current demand trends, we will continue to deploy investments geared towards (business) model innovation adapted to digital manufacturing, continuing to reinforce the business foundation such as, manufacturing, logistics and IT, by carefully selecting investment themes.

We will continue to further strengthen reliable and quick delivery on a global basis, by establishing new logistics sites as well as expand existing ones to increase the number of inventoried items to meet customers' needs. Also, with the aim to be completely in synch with customers' workflow process, we are striving to build the world's best production materials database, as well as revamping EC websites that are optimized for customers' preference for each respective country. Furthermore, establishment of the next generation core IT system is underway, to elevate the stability and trustworthiness of reliable and quick delivery.

③ Advancement of the Organization

MISUMI Group's organizational concept is based upon two fundamental pillar concepts "energized individual employees" and "management-led strategic alignment" being in co-existence. Equipped with a one-set cycle to "develop, make and sell" at the organization's core, and by decentralizing authority to each business line, MISUMI Group empowers the "energized individual employees" to

take on responsibilities for their business. MISUMI Group can realize a coherent business strategy throughout the organization via coordinated strategic guidance by the Senior Management, thus making “management-led strategic alignment” possible. We envisage continuing to advance the organization based on this premise, while adapting to business environmental changes and MISUMI's organizational growth. As advancement of digital manufacturing within the manufacturing industry accelerate further globally, MISUMI Group has created fully autonomous regional Business Company structures in China, Asia, Europe and the Americas to expand our business, by effectively responding to increasing demands in each region. At the same time, our product Business Companies and our Service Platforms e.g. Manufacturing, Logistics, IT, and Customer Services are responsible for offering competitive products and services in each region, thereby accelerating the expansion of MISUMI Group's strategy.

In addition to this, in February 2020, the Management structure was reinforced by increasing the number of Representative Directors from one to two. By sharing responsibilities and expediting the management decision-making process, we will realize acceleration of (business) model innovation and business growth.

(4) Assets, Income

Item	Period	55 th Term (Year ended March 2017)	56 th Term (Year ended March 2018)	57 th Term (Year ended March 2019)	58 th Term (Year ended March 2019)
Net Sales	(Million yen)	259,015	312,969	331,936	313,337
Net Income attributable to owners of parent	(Million yen)	18,387	25,601	24,034	16,504
Earnings per share attributable to owners of the parent (basic)	(Yen)	66.94	91.01	84.80	58.18
Total assets	(Million yen)	212,041	243,492	252,393	264,684
Net assets	(Million yen)	155,658	186,719	205,424	211,630

Notes:

Effective from the 57th term (year ended March 2019), the presentation method has been changed following the application of “Partial Amendments to Accounting Standard for Tax Effect Accounting” (Accounting Standards Board of Japan (ASBJ) Statement No. 28, February 16, 2018). Therefore, consolidated financial position as of March 31, 2018 has been presented by retroactively adjusting the figures to reflect such changes.

(5) Principal Business Operations

MISUMI Group companies are active in three business segments. The FA Business mainly supplies standardized components for automated equipment used in factory automation and other applications. The Die Components Business specializes primarily in die and mold parts used to manufacture automobiles and electronic devices. VONA Business sells third-party brand products alongside the MISUMI brand products, including parts for production equipment, ancillary production materials, and MRO (consumables), under a distribution business model.

(6) Status of Parent Company and Major Subsidiaries

1) Relation with the parent company:

Nothing to report.

2) Status of major subsidiaries

Company name	Capital	The Company's shareholding ratio (%)	Principal businesses
MISUMI Corporation	Million Yen 850	100.0%	FA Business Die Components Business VONA Business
SURUGA SEIKI CO., LTD.	Million Yen 100	100.0%	FA Business
SURUGA Production Platform Co., Ltd.	Million Yen 491	100.0%	FA Business Die Components Business VONA Business
MISHIMA SEIKI CO., LTD.	Million Yen 80	100.0% (100.0%)	Die Components Business
DAISEKI Co., Ltd.	Million Yen 10	100.0% (100.0%)	FA Business
MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD.	Thousand RMB 587,328	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI Investment (Shanghai) Co., Ltd.	RMB 0	100.0% (100.0%)	Holding company
MISUMI (Shanghai) Supply Chain Management Co., Ltd.	RMB 0	100.0% (100.0%)	Supply Chain Management
SURUGA SEIKI SALES & TRADING (SHANGHAI) CO., LTD.	Thousand RMB 25,325	100.0% (100.0%)	FA Business
MISUMI E.A.HK LIMITED	Thousand HKD 8,000	100.0% (100.0%)	FA Business Die Components Business VONA Business
SURUGA SEIKI (NANTONG) CO., LTD.	Thousand RMB 624,769	100.0% (100.0%)	FA Business
SURUGA SEIKI (SHANGHAI) CO., LTD.	Thousand RMB 112,992	100.0% (100.0%)	FA Business Die Components Business
SURUGA SEIKI (FOSHAN) CO., LTD.	Thousand RMB 2,178	100.0% (100.0%)	FA Business
Wuhan Dong Feng Connell Die & Mold Standard Parts Co., Ltd.	Thousand RMB 13,117	63.0% (63.0%)	Die Components Business
MISUMI KOREA CORP.	Thousand KRW 700,000	100.0%	FA Business Die Components Business VONA Business
SURUGA KOREA CO., LTD.	Thousand KRW 2,502,840	100.0% (100.0%)	FA Business

Company name	Capital	The Company's shareholding ratio (%)	Principal businesses
MISUMI TAIWAN CORP.	Thousand NTD 15,000	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI Vietnam CO., LTD.	Million VND 405,237	100.0% (100.0%)	
SAIGON PRECISION CO., LTD.	Thousand USD 95,200	100.0% (100.0%)	FA Business Die Components Business
MISUMI (THAILAND) CO., LTD.	Thousand THB 118,805	100.0% (100.0%)	FA Business Die Components Business VONA Business
SURUGA (THAILAND) CO., LTD.	Thousand THB 107,000	100.0% (100.0%)	Die Components Business
MISUMI INDIA Pvt. Ltd.	Thousand INR 1,878,720	100.0% (100.0%)	FA Business Die Components Business VONA Business
SURUGA India Pvt. Ltd.	Thousand INR 360,460	100.0% (99.7%)	Die Components Business
MISUMI SOUTH EAST ASIA PTE.LTD.	Thousand SGD 1,000	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI TREASURY SINGAPORE PTE. LTD.	Thousand US\$ 89,300	100.0% (99.9%)	Group Financial Business
MISUMI MALAYSIA SDN. BHD.	Thousand MYR 2,500	100.0% (100.0%)	FA Business Die Components Business VONA Business
PT. MISUMI INDONESIA	Million IDR 127,552	100.0% (100.0%)	
MISUMI USA, INC.	Thousand USD 4,900	100.0% (100.0%)	
MISUMI Investment USA Corporation	USD 100	100.0% (100.0%)	Holding company
Dayton Lamina Corporation	USD 1,000	100.0% (100.0%)	
Dayton Progress International Corporation	USD 2,500	100.0% (100.0%)	Die Components Business
Dayton Progress Corporation	Thousand USD 348	100.0% (100.0%)	

Company name	Capital	The Company's shareholding ratio (%)	Principal businesses
Anchor Lamina America, Inc.	USD 0	100.0% (100.0%)	Die Components Business
P.C.S. Company	Thousand USD 500	100.0% (100.0%)	
Connell Asia Limited LLC	Thousand USD 1,000	100.0% (100.0%)	Holding company
Connell Anchor America, Inc.	USD 0	100.0% (100.0%)	
Dayton Progress Canada, Ltd.	CAD 100	100.0% (100.0%)	Die Components Business
MISUMI Mexico S. de R.L. de C.V.	Thousand MXN 172,636	100.0% (100.0%)	FA Business Die Components Business VONA Business
MISUMI Mexico Service S. de R.L. de C.V.	Thousand MXN 107	100.0% (100.0%)	
Dayton Progress (Mexico), S. de R.L. de C.V.	Thousand MXN 148,982	100.0% (100.0%)	Die Components Business
Dayton Progress (Mexico) Services, S. de R.L. de C.V.	Thousand MXN 3	100.0% (100.0%)	
MISUMI Europa GmbH	Thousand EUR 6,500	100.0% (100.0%)	FA Business Die Components Business VONA Business
Dayton Progress GmbH	Thousand EUR 1,533	100.0% (100.0%)	Die Components Business
Dayton Progress SAS	Thousand EUR 440	100.0% (100.0%)	
Dayton Progress Ltd.	GBP 100	100.0% (100.0%)	
Dayton Progress-Perfuradores Lda	Thousand EUR 400	100.0% (100.0%)	
Dayton Progress s.r.o.	Thousand CZK 200	100.0% (100.0%)	

Notes:

1. The indirect shareholding ratios are included in parentheses under the Company's shareholdings.
2. Percentages of shares owned are rounded to one decimal place.

3) Status of designated wholly owned subsidiaries as of March 31, 2020

Name	Address	Total book value	Total assets
MISUMI Corporation	5-1, Koraku 2-chome, Bunkyo-ku, Tokyo	¥25,295 million	¥71,849 million

(7) Major Sales Offices and Business Sites

1) The Company

Name	Location	
Head Office	Tokyo	Bunkyo Ward

2) Subsidiaries

• Japan

Name	Location	
MISUMI Corporation	Tokyo	Bunkyo Ward
SURUGA SEIKI CO., LTD.	Shizuoka Prefecture	Shizuoka City
SURUGA Production Platform Co., Ltd.	Shizuoka Prefecture	Shizuoka City
MISHIMA SEIKI CO., LTD.	Shizuoka Prefecture	Sunto County
DAISEKI Co., Ltd.	Hyogo Prefecture	Kobe City

• Overseas

Name	Location	
MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD.	China	Shanghai
MISUMI Investment (Shanghai) Co., Ltd.	China	Shanghai
MISUMI (Shanghai) Supply Chain Management Co., Ltd.	China	Shanghai
SURUGA SEIKI SALES & TRADING (SHANGHAI) CO., LTD.	China	Shanghai
MISUMI E.A.HK LIMITED	China	Hong Kong
SURUGA SEIKI (NANTONG) CO., LTD.	China	Nantong
SURUGA SEIKI (SHANGHAI) CO., LTD.	China	Shanghai
SURUGA SEIKI (FOSHAN) CO., LTD.	China	Foshan
Wuhan Dong Feng Connell Die & Mold Standard Parts Co., Ltd.	China	Wuhan
MISUMI KOREA CORP.	South Korea	Seoul
SURUGA KOREA CO., LTD.	South Korea	Gyeonggi-do
MISUMI TAIWAN CORP.	Taiwan	Taipei

Name	Location	
MISUMI Vietnam CO., LTD.	Vietnam	Bac Ninh
SAIGON PRECISION CO., LTD.	Vietnam	Ho Chi Minh
MISUMI (THAILAND) CO., LTD.	Thailand	Rayong
SURUGA (THAILAND) CO., LTD.	Thailand	Rayong
MISUMI INDIA Pvt. Ltd.	India	Gurgaon
SURUGA India Pvt. Ltd.	India	Gurgaon
MISUMI SOUTH EAST ASIA PTE. LTD.	Singapore	
MISUMI TREASURY SINGAPORE PTE. LTD.	Singapore	
MISUMI MALAYSIA SDN. BHD.	Malaysia	Selangor
PT. MISUMI INDONESIA	Indonesia	Jakarta
MISUMI USA, INC.	U.S.A.	Illinois
MISUMI Investment USA Corporation	U.S.A.	Delaware
Dayton Lamina Corporation	U.S.A.	Ohio
Dayton Progress International Corporation	U.S.A.	Ohio
Dayton Progress Corporation	U.S.A.	Ohio
Anchor Lamina America, Inc.	U.S.A.	Michigan
P.C.S. Company	U.S.A.	Michigan
Dayton Progress Canada, Ltd.	Canada	Ontario
MISUMI Mexico S. de R.L. de C.V.	Mexico	Querétaro
MISUMI Mexico Service S. de R.L. de C.V.	Mexico	Querétaro
Dayton Progress (Mexico), S. de R.L. de C.V.	Mexico	Querétaro
Dayton Progress (Mexico) Services, S. de R.L. de C.V.	Mexico	Querétaro
MISUMI Europa GmbH	Germany	Frankfurt

Name	Location	
Dayton Progress GmbH	Germany	Oberursel
Dayton Progress SAS	France	Meaux
Dayton Progress Ltd.	U.K.	Warwickshire
Dayton Progress-Perfuradores Lda	Portugal	Alcobaça
Dayton Progress s.r.o.	Czech Republic	Benátky nad Jizerou

(8) Employees

Number of employees	Change from the end of the previous fiscal year
12,138	(162)

Notes:

1. The number of employees is the number of employed staff and does not include part-time and temporary staff.
2. The total number of employees including part-time and temporary staff as of March 31, 2020 is 13,494.

(9) Major Lenders

There are no borrowings from financial institutions.

However, we have entered into a Commitment Line Agreement (credit line limit of ¥ 15.0 billion) with financial institutions.

(10) Policy on Decisions Concerning the Surplus Distribution, etc.

Nothing to report.

2. Matters Relating to the Shares of the Company

- (1) **Total number of authorized shares** 1,020,000,000 shares
- (2) **Total number of shares issued** 283,898,581 shares (excluding 129,616 treasury shares)
- (3) **Number of shareholders** 5,498

(4) Major shareholders (Top 10)

Name of shareholder	Number of shares held	Percentage of ownership (%)
JAPAN TRUSTEE SERVICES BANK, LTD.	47,262,800	16.6
THE MASTER TRUST BANK OF JAPAN, LTD.	30,660,400	10.8
SSBTC CLIENT OMNIBUS ACCOUNT	14,505,412	5.1
TRUST & CUSTODY SERVICES BANK, LTD. (as trustee for Mizuho Bank Ltd. Retirement Benefit Trusts Account re-entrusted by Mizuho Trust and Banking Co., Ltd.)	10,678,500	3.8
RBC IST 15 PCT LENDING ACCOUNT	9,228,914	3.3
THE BANK OF NEW YORK MELLON 140044	5,623,961	2.0
THE BANK OF NEW YORK MELLON 140051	5,315,800	1.9
BBH FOR MATTHEWS ASIA DIVIDEND FUND	5,234,900	1.8
BNYM AS AGT/CLTS 10 PERCENT	5,161,683	1.8
JP MORGAN CHASE BANK 385151	4,893,618	1.7

Notes:

1. Treasury shares (129,616 shares) are excluded from the calculations of percentages of ownership.
2. Percentages of shares owned are rounded to one decimal place.

3. Matters Relating to Stock Acquisition Rights

(1) Stock acquisition rights (Stock Options) held by Directors of the Company at the end of the fiscal year

	Stock Options Issue No. 20
Date of Resolution to Issue	June 13, 2014
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Share to be Issued upon the Exercise of Stock Options	21,900 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From November 8, 2014 to November 7, 2044
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 23
Date of Resolution to Issue	February 10, 2016
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	18,100 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From February 26, 2016 to February 25, 2046
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 24
Date of Resolution to Issue	February 10, 2016
Number of Holders	
Directors of the Company (excluding outside officers)	1
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	10,400 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From February 25, 2019 to February 24, 2026
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 26
Date of Resolution to Issue	September 15, 2016
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	15,400 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 4, 2016 to October 3, 2046
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 27
Date of Resolution to Issue	September 15, 2016
Number of Holders	
Directors of the Company (excluding outside officers)	2
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	38,700 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 3, 2019 to October 2, 2026
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 29
Date of Resolution to Issue	September 21, 2017
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	11,500 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 7, 2017 to October 6, 2047
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 30
Date of Resolution to Issue	September 21, 2017
Number of Holders	
Directors of the Company (excluding outside officers)	3
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	72,200 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From October 6, 2020 to October 5, 2027
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 32
Date of Resolution to Issue	June 21, 2018
Number of Holders	
Directors of the Company (excluding outside officers)	4
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	12,100 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 7, 2018 to July 6, 2048
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 33
Date of Resolution to Issue	June 21, 2018
Number of Holders	
Directors of the Company (excluding outside officers)	4
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	77,500 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 6, 2021 to July 5, 2028
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 35
Date of Resolution to Issue	June 20, 2019
Number of Holders	
Directors of the Company (excluding outside officers)	5
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	18,100 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 6, 2019 to July 5, 2049
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

	Stock Options Issue No. 36
Date of Resolution to Issue	June 20, 2019
Number of Holders	
Directors of the Company (excluding outside officers)	4
Outside Directors of the Company (outside officers only)	–
Corporate Auditors of the Company	–
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	76,400 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From July 5, 2022 to July 4, 2029
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a Company Director is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that Director as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	–

(2) Stock acquisition rights (Stock Options) issued to certain employees of the Company, as well as to certain officers and employees of any subsidiaries during the fiscal year

	Stock Options Issue No. 37
Date of Resolution to Issue	October 17, 2019
Number of Individuals Granted Allotments	
Employees of the Company (excluding those who also serve as officers of the Company)	35
Officers and Employees of the Company's Subsidiaries (excluding those who also serve as officers or employees of the Company)	67
Type of Shares to be Issued upon the Exercise of Stock Options	Common stock
Number of Shares to be Issued upon the Exercise of Stock Options	163,600 shares
Amount to be Paid for the Exercise of Stock Options	¥1 per share
Exercise Period for Stock Options	From November 1, 2022 to October 31, 2029
Principal Conditions Relating to the Exercise of Stock Options	<p>a. Holders of stock options must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the qualified individuals may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the individual no longer has said employment status when exercising the stock options.</p> <p>b. The conditions for the exercise of the stock options other than those stated in Clause a) above shall be based on a resolution of the Board of Directors and shall be as set forth in the "Stock Options Allotment Agreement" to be entered into by and between the Company and each individual to whom the stock options are allotted.</p>
Basis in which Stock Options can be Acquired	<p>a. If a shareholders meeting of the Company (or a board meeting of the Company if shareholder approval is not required) approve proposals for (i) a merger agreement whereby the Company becomes a non-surviving company, (ii) an agreement whereby the Company is spun off into and absorbed by another entity, or a plan whereby the Company is spun off into a newly established entity, (iii) a stock swap agreement whereby the Company becomes the wholly owned subsidiary of another entity, or (iv) a stock transfer plan, the Company may acquire without providing compensation all stock options outstanding as of a date to be determined separately by the Company's Board of Directors.</p> <p>b. If a holder of the stock options is no longer qualified to exercise his/her stock options under the Main Conditions for the Exercise of Stock Options, as stated above, the Company may acquire without providing compensation all stock options held by that stock option holder as of a date to be determined separately by the Company's Board of Directors.</p>
Favorable Conditions	—

4. Officers of the Company

(1) Directors and Corporate Auditors

Position	Name	Areas of Responsibility and Important Posts Held Concurrently
Representative Director and Chairman	Kosuke Nishimoto	President, OST Business Company, MISUMI Corporation. Representative Director and President, SURUGA SEIKI CO., LTD.
Representative Director and President	Ryusei Ono	Representative Director and President, MISUMI Corporation. President, VONA Business Company, MISUMI Corporation
Director and Executive Vice President	Tokuya Ikeguchi	Head of EC Business Innovation Center, MISUMI Group Inc. President, VONA MRO Business Company, MISUMI Corporation.
Executive Director and CFO	Ichiro Otokozawa	Representative Corporate Officer responsible for Corporate Service Platform, MISUMI Group Inc.
Executive Director and CIO	Toshinari Sato	Representative Corporate Officer responsible for IT Service Platform, MISUMI Group Inc. Representative Corporate Officer responsible for User Service Platform, MISUMI Group Inc.
Director	Takehiko Ogi	Representative Director and President, Japan Human Resources Co., Ltd. Outside Director, Seibu Holdings Inc. Advisor to the Financial Services Agency Trustee, Shizenkan University Graduate School of Leadership & Innovation
Director	Yoichi Nakano	Representative Director and President, Chuuyou Co., Ltd.
Full-time Corporate Auditor	Hiroshi Miyamoto	Corporate Auditor, MISUMI Corporation Corporate Auditor, SURUGA Production Platform Co., Ltd. Corporate Auditor, SURUGA SEIKI CO., LTD.
Corporate Auditor	Juichi Nozue	Attorney at Law, Shizuoka Nozomi Law and Patent Office Outside Director, Shizuoka Gas Company. Outside Director (Audit and Supervisory Committee Member), LEC, INC. Outside Director, Akasaka Diesels Limited.
Corporate Auditor	Nanako Aono	Representative Director and President, GEN Co., Ltd. Outside Corporate Auditors, Nippon Paper Industries Co., Ltd.. Outside Director, OPTEX GROUP Company, Limited.

Notes:

1. Directors Takehiko Ogi and Yoichi Nakano are Outside Directors as stipulated in Article 2, Paragraph 15 of the Companies Act.
2. Corporate Auditors Juichi Nozue and Nanako Aono are Outside Corporate Auditors as stipulated in Article 2, Paragraph 16 of the Companies Act.
3. Corporate Auditor Juichi Nozue is qualified as an attorney at law.
4. Corporate Auditor Nanako Aono is qualified as a certified public accountant and has extensive experience and knowledge in the field of financial accounting.

5. The Company has designated Directors Takehiko Ogi and Yoichi Nakano, and Corporate Auditors Juichi Nozue and Nanako Aono as Independent Officers as stipulated in the rules of the Tokyo Stock Exchange and submitted a notification to that effect to the Tokyo Stock Exchange.
6. Change in positions and posts of Corporate Auditor following the subject fiscal year are as follows.

Name	Former Post	New Post	Date of Change
Hiroshi Miyamoto	Corporate Auditor, MISUMI Corporation Corporate Auditor, SURUGA Production Platform Co., Ltd. Corporate Auditor, SURUGA SEIKI CO., LTD.	Corporate Auditor, SURUGA Production Platform Co., Ltd. Corporate Auditor, SURUGA SEIKI CO., LTD.	April 1, 2020

(2) Total Compensation, etc., Paid to Directors and Corporate Auditors

Category	Amount of compensation, etc. (Million yen)	Total amount of each type of compensation, etc. (Million yen)			Number of officers
		Base salary	Bonuses	Stock options	
Directors (Outside Directors, subtotal)	569 (18)	259 (18)	27 (-)	282 (-)	7 (2)
Corporate Auditors (Outside Corporate Auditors, subtotal)	36 (16)	36 (16)	- (-)	- (-)	3 (2)
Total	605	295	27	282	10

Notes:

1. By resolution of the 52nd Annual General Meeting of Shareholders held on June 13, 2014, the total amount of compensation for Directors shall not exceed ¥1,100 million per annum (including a maximum of ¥40 million for Outside Directors). This does not include Directors' salaries as employees of the Company or stock acquisition rights issued as stock options.
2. By resolution of the of the 31st Annual General Meeting of Shareholders held on June 28, 1993, the total amount of compensation for Corporate Auditors shall not exceed ¥50 million per annum.
3. Among the total amount of each type of compensations, etc., the total amount of stock options represents the amount treated as the cost of stock options, which were issued as part of compensation in accordance with resolutions passed at the 52nd Annual General Meeting of Shareholders and previous Annual General Meetings.

(3) Matters Pertaining to Outside Officers

1) Relationships between the Company and Other Corporations in which Positions are Held

There are no significant business relationships, etc., between the Company and other corporations in which Outside Directors and Outside Corporate Auditors concurrently hold important positions.

2) Main Activities in the Fiscal Year Ended March 31, 2020

Name	Main Activities
<p>Takehiko Ogi (Outside Director)</p>	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors Mr. Ogi attended 14 out of 14 meetings of the Board of Directors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management. • Business policies changed as a result of input from Mr. Ogi: Nothing to report. • Summary of actions by Mr. Ogi in response to any misconduct, etc., involving the Company: Nothing to report.
<p>Yoichi Nakano (Outside Director)</p>	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors Mr. Nakano attended 11 out of 11 meetings of the Board of Directors held after his appointment on June 13, 2019 and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management. • Business policies changed as a result of input from Mr. Nakano: Nothing to report. • Summary of actions by Mr. Nakano in response to any misconduct, etc., involving the Company: Nothing to report.
<p>Juichi Nozue (Outside Corporate Auditor)</p>	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors and Board of Corporate Auditors: Mr. Nozue attended 13 out of 14 meetings of the Board of Directors and 19 out of 20 meetings of the Board of Corporate Auditors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, mainly from his professional perspective as an attorney at law. • Business policies changed as a result of input from Mr. Nozue: Nothing to report. • Summary of actions by Mr. Nozue in response to any misconduct, etc., involving the Company: Nothing to report.
<p>Nanako Aono (Outside Corporate Auditor)</p>	<ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors and Board of Corporate Auditors: Ms. Aono attended 14 out of 14 meetings of the Board of Directors and 20 out of 20 meetings of the Board of Corporate Auditors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, mainly from her professional perspective as a certified public accountant. • Business policies changed as a result of input from Ms. Aono: Nothing to report. • Summary of actions by Ms. Aono in response to any misconduct, etc., involving the Company: Nothing to report.

3) Outline of Limited Liability Agreements

The Company has stipulated rules concerning Limited Liability Agreements with Outside Directors and Outside Corporate Auditors in Article 29, Paragraph 2, and Article 39, Paragraph 2, of its Articles of Incorporation.

The following is an outline of the Limited Liability Agreements that the Company concluded with all of the Outside Directors and Outside Corporate Auditors based on the provisions of the Articles of Incorporation.

Classification	Outline of Limited Liability Agreements
Outside Directors	The Company entered into an agreement with Outside Directors to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act, to ¥10 million or the amount stipulated by law, whichever is higher, based on the provisions set forth under Article 427, Paragraph 1 of the Companies Act.
Outside Corporate Auditors	The Company entered into an agreement with Outside Corporate Auditors to limit their liability as stipulated in Article 423, Paragraph 1 of the Companies Act, to ¥5 million or the amount stipulated by law, whichever is higher, based on the provisions set forth under Article 427, Paragraph 1 of the Companies Act.

4) Compensation amount received by officers from subsidiaries of the Company during the fiscal year ended March 31, 2020:

Nothing to report.

5. Independent Auditor

(1) Name of the Independent Auditor of the Company

Deloitte Touche Tohmatsu LLC

(2) Outline of the Limited Liability Agreement

Nothing to report.

(3) Amounts of Audit Fee, etc., to be Paid to the Independent Auditor for the Fiscal Year under Review

- | | |
|---|-------------|
| 1) Audit fee under Article 2, Paragraph 1 of the Certified Public Accountants Act | ¥84 million |
| 2) Sum of cash or other assets payable by the Company and/or its subsidiaries | ¥84 million |

The Company's major overseas subsidiaries were audited by Deloitte Touche Tohmatsu.

Notes:

1. Audit fee under Article 2, Paragraph 1 of the Certified Public Accountants Act is the sum of fee paid for the audit by the independent auditor under the Companies Act and fee paid for the audit under the Financial Instruments and Exchange Act.
2. The Board of Corporate Auditors has concluded that the amount of audit fee paid to the independent auditor is appropriate and approved the payment under the provisions Article 399 Paragraph 1 of the Companies Act, after checking and examining an outline of the audit plan, the performance of work by the independent auditor, and the basis for the calculation of the estimated amount of audit fee.

(4) Content of Any Non-audit Duties

Nothing to report.

(5) Policy on Decisions by the Company Concerning the Dismissal or Non-Reappointment of the Independent Auditor

The Company's Board of Corporate Auditors will deliberate concerning the dismissal or non-reappointment of the independent auditor if this becomes necessary due to the Company's circumstances, or if there is factual evidence that any of the items in Article 340 Paragraph 1 of the Companies Act applies to the independent auditor.

If as a result of these deliberations the Board of Corporate Auditors determines that dismissal or non-reappointment would be appropriate, the Board of Corporate Auditors will decide to submit a proposal for the dismissal or non-reappointment of the independent auditor to a General Meeting of Shareholders and determine the content of said proposal, in accordance with the Company's Board of Corporate Auditors Regulations.

6. The Company's Systems and Policies

(1) Systems to Ensure that the Company's Business Operations are Conducted in Compliance with Laws, Regulations and the Articles of Incorporation, Other Systems to Ensure that Company's Business Operations are Conducted in an Appropriate Manner

The Company's Board of Directors, at its meeting held on May 14, 2015, adopted a resolution on the Basic Policy on Internal Control Systems, as stipulated on Article 362, Paragraph 4, Item 6 of the Companies Act, and Article 100, Paragraphs 1 and 3 of the Companies Act Enforcement Ordinance. The content of that policy is as follows.

- ① Systems for the retention and management of information concerning the execution of Directors' duties
 - Minutes for meetings of the Board of Directors, the Group Officers' Committee and other important meetings will be compiled and retained appropriately, as stipulated by laws, regulations and rules.
- ② Rules and other systems pertaining to management of risks that could cause losses to the Company or its subsidiaries
 - Various regulations, internal rules, manuals, and risk management systems will be formulated to address risks faced by MISUMI Group Inc. and its subsidiaries (hereinafter referred to collectively as the "MISUMI Group"), including risks relating to regulatory compliance, the environment, information, export controls and natural disasters.
 - Task forces will be established to take timely action and report to the Board of Directors in the event of unforeseen contingencies affecting the MISUMI Group.
- ③ Systems to ensure the efficient execution of duties by Directors of the Company and its subsidiaries
 - Management plans will be subject to final approval by the Board of Directors, and progress on such plans will be monitored at monthly meetings of the Group Officers' Committee.
 - Important issues identified through the monitoring of progress on management plans, or through other processes, will be discussed at meetings of the Board of Directors or the Group Officers' Committee, etc.
 - At its monthly meetings, the Board of Directors will hear reports, monitor business results, and provide advice and guidance on important matters.
- ④ Systems to ensure that the duties of Directors and employees of the Company and its subsidiaries are performed in accordance with laws, regulations and the Articles of Incorporation
 - Directors and employees of the MISUMI Group will ensure observance of the MISUMI Group Code of Conduct and compliance with laws, regulations, and the Company's Articles of Incorporation.
 - Systems has been established to ensure that duties are carried out appropriately in accordance with the occupational authority rules and other decision-making rules of the MISUMI Group.
 - An internal reporting ("whistleblowing") system has been established for the entire MISUMI Group to ensure the early discovery of actual or suspected violations of laws, regulations and/or internal rules. Steps will be taken to guarantee that whistleblowers will not be disadvantaged.
- ⑤ Systems for ensuring that the business operations of the Company and the subsidiaries that make up the Group are conducted appropriately, including systems for reporting to the Company on the execution of duties by the subsidiaries' directors, etc.
 - MISUMI Group Inc. will require each subsidiary to submit a monthly report concerning its business execution and operations.

- MISUMI Group Inc will ensure the appropriateness of the business operations of each subsidiary by obtaining business reports and monitoring progress on management plans at Group Officers' Committee meetings.
 - The business operations of each subsidiary will be audited regularly by the Internal Audit Department.
 - Provisions will be included in the MISUMI Group Code of Conduct requiring the repudiation of relationships with antisocial forces, and resolute opposition to such forces by the entire MISUMI Group.
- ⑥ Matters pertaining to employees who assist the Company's Corporate Auditors
- Corporate Auditors will be free to appoint audit assistants and will be involved in transfers and evaluations, etc., of audit assistants.
 - When assisting the Corporate Auditors in the performance of their activities, audit assistants will act in accordance with instructions from the Corporate Auditors.
- ⑦ Systems for reporting to the Company's Corporate Auditors
- The Corporate Auditors will attend important meetings, including meetings of the Board of Directors and the Group Officers' Committee. Directors and employees will inform the Corporate Auditors immediately of any situation that could have a serious impact on the MISUMI Group, or of the risk that such a situation might arise.
 - Officers and employees of the MISUMI Group will provide accurate reports about the execution of their duties at the request of the Corporate Auditors.
 - The Corporate Auditors will meet regularly with the independent auditor and the Internal Audit Department to share opinions and information. Corporate Auditors will seek reports from the independent auditor whenever necessary.
 - The unit in charge of the internal reporting ("whistleblowing") system will report on a regular basis to the Corporate Auditors about the status of internal reporting within the MISUMI Group.
 - A guarantee will be provided to the effect that no officer or employee of the MISUMI Group who reports to the Corporate Auditors will be disadvantaged as a result of that action.
- ⑧ Matters pertaining to policies concerning the treatment of costs resulting from the execution of duties by Corporate Auditors of the Company
- A fixed budget will be provided each year for costs, etc., incurred in the execution of duties by the Corporate Auditors. Any other essential costs incurred by the Corporate Auditors in the execution of their duties will be either paid in advance or settled promptly on request from the Corporate Auditors.

(2) Administration of Systems to Ensure the Appropriateness of Business Operations

The Company has adopted a Basic Policy on Internal Control Systems and created systems to ensure that business operations are carried out appropriately. This Basic Policy is revised as necessary to reflect environmental changes within or beyond the Company. As noted above, the system was amended by a resolution of the Board of Directors at its meeting on May 14, 2015 to reflect the amendment of the Company Act.

The Company reviewed the administration of its Basic Policy on Internal Control Systems in the year ended March 31, 2019. This review confirmed that the policy is being implemented appropriately, and that there are no significant problems.

The main actions pertaining to internal control systems during the year ended March 31, 2019 were as follows.

- The Company's Board of Directors held 14 meetings during the fiscal year ended March 31, 2019. The Board of Directors and the Group Officers' Committee made important decisions and appropriately performed other functions, such as the monitoring, supervision and guidance of the operations of business units, divisions, service platforms and subsidiaries.
- Comprehensive risk assessments have been carried out at key MISUMI Group sites. Based on the results of these assessments, which covered such aspects as the executions of business operations, information, financial management, human resource management, and legal affairs, the Company nominates the principal department in-charge which addresses identified risks going forward. As part of such efforts, the Company has a Business Continuity Plan (BCP) in place, to deal with crisis/ emergency situations, with a task force response team being set up in February 2020, providing appropriate responses in dealing with the COVID-19 pandemic.
- Compliance and legal affairs training are carried out at all major sites of the MISUMI Group. During this training employees are made fully aware of the MISUMI Group's Code of Conduct and legal compliance.
- An internal reporting ("whistleblowing") system has been established and administered appropriately across the entire MISUMI Group.
- Corporate Auditors / Board of Corporate Auditors' auditing environment is being enriched through interview opportunities with Directors, including Outside Directors, and coordination with administration departments. Corporate Auditor's support arrangement is operationally stable.

(3) Basic Policy Concerning Control of the Joint-Stock Corporation

Nothing to report.

* Amounts or numbers of shares provided in this Business Report have been truncated if less than the indicated unit.

Consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	176,395	Current liabilities	40,592
Cash and deposits	51,646	Notes and accounts payable - trade	17,448
Notes and accounts receivable - trade	63,178	Lease obligations	1,663
Merchandise and finished goods	46,506	Accounts payable - other	9,961
Work in process	2,391	Income taxes payable	2,658
Raw materials and supplies	6,280	Provision for bonuses	2,463
Income tax receivable	776	Provision for directors' bonuses	30
Other	5,857	Other	6,365
Allowance for doubtful accounts	(242)	Long-term liabilities	12,462
		Lease obligations	3,529
		Deferred tax liabilities	1,353
		Liabilities for retirement benefits	6,008
		Other	1,571
Non-current assets	88,289	Total liabilities	53,054
Property, plant and equipment	45,503		
Buildings and structures	12,469		
Machinery, equipment and vehicles	15,344		
Land	4,249	(Net assets)	
Right-of-use assets	5,147	Shareholders' equity	214,057
Construction in progress	5,844	Common stock	13,231
Other	2,447	Capital surplus	23,586
Intangible assets	32,334	Retained earnings	177,317
Software	25,734	Treasury stock	(78)
Other	6,600	Accumulated other comprehensive income	(4,543)
		Foreign currency translation adjustments	(4,455)
Investments and other assets	10,451	Defined retirement benefit plans	(88)
Investment securities	6	Stock acquisition rights	1,560
Deferred tax assets	5,737	Non-controlling interests	555
Other	4,914		
Allowance for doubtful accounts	(206)	Total net assets	211,630
Total assets	264,684	Total liabilities and net assets	264,684

Consolidated Statement of Income
(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
Net Sales		313,337
Cost of sales		179,751
Gross profit		133,585
Selling, general and administrative expenses		109,944
Operating income		23,640
Non-operating income		
Interest income	276	
Share of profit of entities accounted for using equity method	50	
Miscellaneous income	342	670
Non-operating expenses		
Interest expenses	78	
Sales discounts	72	
Foreign exchange losses	683	
Loss on retirement of non-current assets	138	
Miscellaneous losses	92	1,065
Ordinary income		23,245
Extraordinary losses		
Impairment loss	464	464
Income before income taxes		22,781
Income taxes - current	6,665	
Income taxes - deferred	(415)	6,249
Net income		16,531
Net income attributable to non-controlling interests		27
Net income attributable to owners of parent		16,504

Consolidated Statements of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity				
	Common stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance as of April 1, 2019	13,023	23,378	166,060	(78)	202,384
Changes of items during the consolidated fiscal year					
Issuance of new shares	208	208	—	—	416
Dividends of surplus	—	—	(5,247)	—	(5,247)
Net income attributable to owners of parent	—	—	16,504	—	16,504
Sale of treasury stock	—	—	—	0	0
Net changes of items other than shareholders' equity	—	—	—	—	—
Total changes of items during the consolidated fiscal year	208	208	11,257	0	11,673
Balance as of March 31, 2020	13,231	23,586	177,317	(78)	214,057

(Millions of yen)

	Accumulated other comprehensive income			Stock acquisition rights	Non-controlling interests	Total net assets
	Foreign currency translation adjustments	Defined retirement benefit plans	Total accumulated other comprehensive income			
Balance as of April 1, 2019	1,211	(75)	1,135	1,331	572	205,424
Changes of items during the consolidated fiscal year						
Issuance of new shares	—	—	—	—	—	416
Dividends of surplus	—	—	—	—	—	(5,247)
Net income attributable to owners of parent	—	—	—	—	—	16,504
Sale of treasury stock	—	—	—	—	—	0
Net changes of items other than shareholders' equity	(5,666)	(12)	(5,679)	229	(17)	(5,467)
Total changes of items during the consolidated fiscal year	(5,666)	(12)	(5,679)	229	(17)	6,205
Balance as of March 31, 2020	(4,455)	(88)	(4,543)	1,560	555	211,630

Non-consolidated Balance Sheet

(As of March 31, 2020)

(Millions of yen)

Item	Amount	Item	Amount
(Assets)		(Liabilities)	
Current assets	32,381	Current liabilities	6,678
Cash and deposits	14,518	Accounts payable - other	3,723
Accounts receivable - other	5,632	Deposits received from subsidiaries and affiliates	1,016
Deposits paid to subsidiaries and associates	12,193	Income taxes payable	1,266
Other	36	Provision for bonuses	180
		Provision for directors' bonuses	30
		Other	461
		Long-term liabilities	1,415
		Provision for retirement benefits	1,367
		Other	47
Non-current assets	39,467	Total liabilities	8,093
Investments and other assets	39,467	(Net assets)	
Shares of subsidiaries and associates	32,320	Shareholders' equity	62,194
Long-term loans receivable from subsidiaries and associates	6,093	Common stock	13,231
Deferred tax assets	944	Capital surplus	20,486
Other	110	Legal capital surplus	19,929
		Other capital surplus	557
		Retained earnings	28,555
		Legal retained earnings	402
		Other retained earnings	28,153
		General reserve	27,400
		Retained earnings brought forward	753
		Treasury stock	(79)
		Stock acquisition rights	1,560
		Total net assets	63,755
Total assets	71,849	Total liabilities and net assets	71,849

Non-consolidated Statement of Income

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

Item	Amount	
Operating revenue		23,608
Operating expenses		19,557
Operating income		4,051
Non-operating income		
Interest income	142	
Miscellaneous income	15	157
Non-operating expenses		
Interest expenses	0	
Foreign exchange losses	27	
Miscellaneous losses	3	31
Ordinary income		4,177
Income before income taxes		4,177
Income taxes - current	365	
Income taxes - deferred	(72)	292
Net income		3,885

Non-consolidated Statements of Changes in Equity

(From April 1, 2019 to March 31, 2020)

(Millions of yen)

	Shareholders' equity							
	Common stock	Capital surplus			Retained earnings			
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward		
Balance as of April 1, 2019	13,023	19,721	557	20,278	402	27,400	2,115	29,917
Changes of items during the fiscal year								
Issuance of new shares	208	208	—	208	—	—	—	—
Dividends of surplus	—	—	—	—	—	—	(5,247)	(5,247)
Net income	—	—	—	—	—	—	3,885	3,885
Sale of treasury stock	—	—	0	0	—	—	—	—
Net changes of items other than shareholders' equity	—	—	—	—	—	—	—	—
Total changes of items during the fiscal year	208	208	0	208	—	—	(1,362)	(1,362)
Balance as of March 31, 2020	13,231	19,929	557	20,486	402	27,400	753	28,555

(Millions of yen)

	Shareholders' equity		Stock acquisition rights	Total net assets
	Treasury stock	Total shareholders' equity		
Balance as of April 1, 2019	(79)	63,140	1,331	64,472
Changes of items during the fiscal year				
Issuance of new shares	—	416	—	416
Dividends of surplus	—	(5,247)	—	(5,247)
Net income	—	3,885	—	3,885
Sale of treasury stock	0	0	—	0
Net changes of items other than shareholders' equity	—	—	229	229
Total changes of items during the fiscal year	0	(946)	229	(716)
Balance as of March 31, 2020	(79)	62,194	1,560	63,755