

# MISUMI Group Inc.

## FY2015 (ended March 2016)

### Earnings Report

May 13, 2016  
 Representative Director, President and CEO  
 Ryusei Ono

## FY2015 Earnings Overview

FX rates (vs Yen)	FY 14 Actual	FY 15 Actual
USD	¥110.0	¥120.2
EUR	¥138.7	¥132.4
RMB	¥17.3	¥19.2

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## FY2015 Earnings Overview

Record-high sales and profit for fifth straight year  
 Large growth in top & bottom lines on increased sales mainly in Japan and China

Million Yen

Category	FY 14	FY 15		% Change	
		Actual	Plan	Actual	YoY
	<b>Net Sales</b>	<b>208,562</b>	<b>242,000</b>	<b>240,139</b>	<b>15.1%</b>
<b>Operating Income</b> <small>(Before amortization of goodwill, etc.)*</small>	<b>25,998</b>	<b>29,500</b>	<b>28,228</b>	<b>8.6%</b>	<b>-4.3%</b>
Margin	12.5%	12.2%	11.8%	-0.7pt	-0.4pt
<b>Operating Income</b>	<b>23,759</b>	<b>27,100</b>	<b>25,690</b>	<b>8.1%</b>	<b>-5.2%</b>
Margin	11.4%	11.2%	10.7%	-0.7pt	-0.5pt
<b>Ordinary Income</b>	<b>23,352</b>	<b>27,100</b>	<b>25,119</b>	<b>7.6%</b>	<b>-7.3%</b>
<b>Net Income</b>	<b>14,291</b>	<b>16,900</b>	<b>16,907</b>	<b>18.3%</b>	<b>+0.0%</b>

\*Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

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## FY2015 Sales by Business Segment

Sales up in all segments

FA: Driven by demand for automation in Japan, China

Die Components: Sales grew mainly in China and Europe

VONA: Customer acquisitions and penetration at existing customers paid off

Million Yen

Category	FY 14	FY 15	
	Actual	Actual	YoY
<b>Total</b>	<b>208,562</b>	<b>240,139</b>	<b>+15.1%</b>
<b>FA Businesses</b>	<b>99,094</b>	<b>109,653</b>	<b>+10.7%</b>
<b>Die Components Businesses</b>	<b>64,737</b>	<b>69,732</b>	<b>+7.7%</b>
<b>VONA Business</b>	<b>48,248</b>	<b>60,474</b>	<b>+25.3%</b>
Other factors and adjustments	-3,517	279	-

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## FY2015 Operating Income by Business Segment

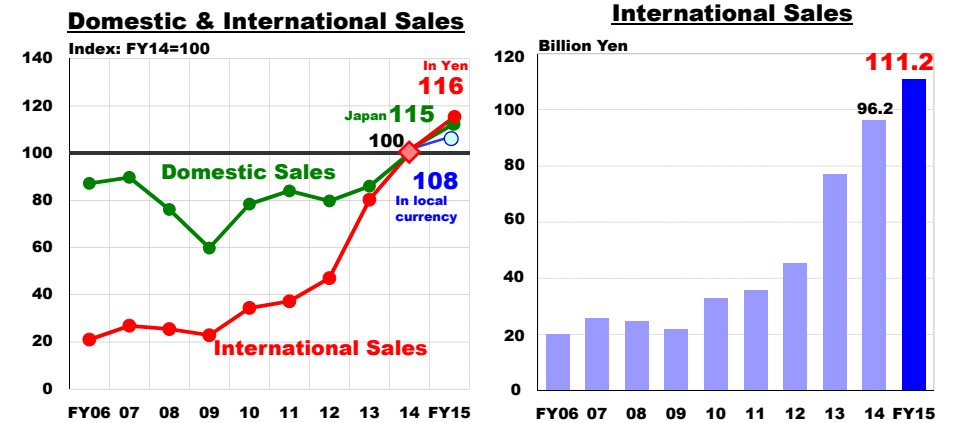
FA double-digit profit growth on sales growth in Japan, China  
 Die Components down on investments toward overseas growth  
 VONA profits up significantly on topline growth

Category	FY 14		FY 15		YoY
	Actual		Actual		
	Margin	Margin	Margin	Margin	
<b>Total</b>	<b>23,759</b>	<b>11.4%</b>	<b>25,690</b>	<b>10.7%</b>	<b>+8.1%</b>
<b>FA Businesses</b>	<b>16,815</b>	<b>17.0%</b>	<b>18,756</b>	<b>17.1%</b>	<b>+11.5%</b>
<b>Die Components Businesses</b>	<b>4,279</b>	<b>6.6%</b>	<b>3,464</b>	<b>5.0%</b>	<b>-19.0%</b>
Before amortization of goodwill, etc.	6,519	10.1%	6,001	8.6%	-7.9%
<b>VONA Business</b>	<b>2,907</b>	<b>6.0%</b>	<b>3,652</b>	<b>6.0%</b>	<b>+25.6%</b>
Other factors and adjustments	-242	-	-182	-	-

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## FY2015 Domestic & International Sales

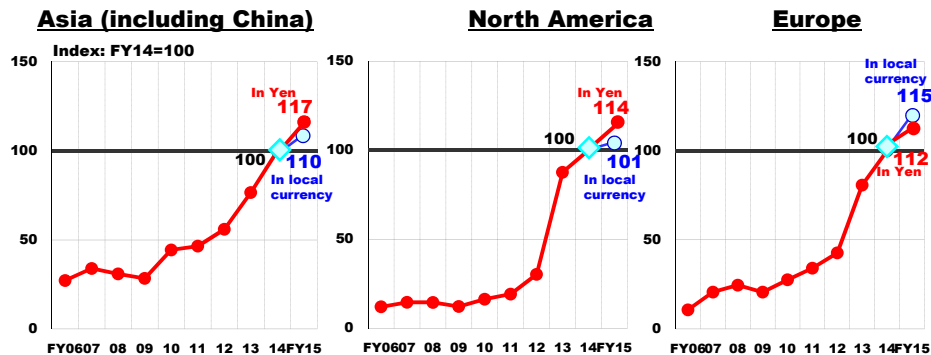
Japan: Driven by strong VONA sales growth  
 Overseas: China and Europe strong, but Asia and NA stalled  
 First time that Int'l sales topped ¥100 bn (46.3% of total sales)



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## FY2015 Sales by Region (in local currency)

Asia: Strong sales in China drove double digit topline growth  
 NA stalled as automotive demand for dies and molds shifted to Asia  
 Europe: double-digit growth on steady growth in customer acquisition and deeper MISUMI brand penetration



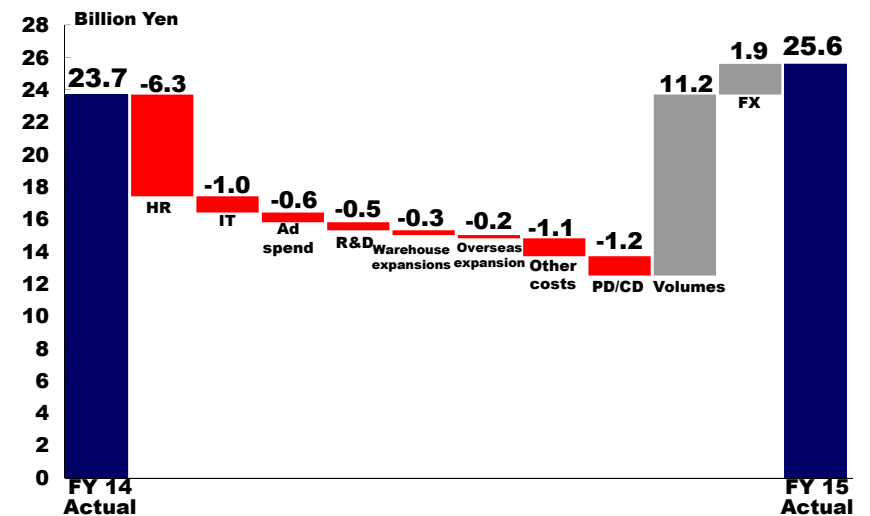
China 125(113)  
 Asia 108(107)  
 Parentheses indicate local currency values

FX rates (vs Yen)	FY 14 Actual	FY 15 Actual
USD	¥110.0	¥120.2
EUR	¥138.7	¥132.4
RMB	¥17.3	¥19.2

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## FY2015 Operating Income Bridge

Invested aggressively to capture new demand  
 Profit grew again as increased sales absorbed expenses



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## FY2016 Full Year Consolidated Earnings Forecasts

FX rates (vs Yen)	FY 15 Actual	FY 16 Plan
USD	¥120.2	¥107.0
EUR	¥132.4	¥120.0
RMB	¥19.2	¥16.5

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## FY2016 Full Year Earnings Forecasts

Forecast record-high sales and profit for sixth straight year  
Continue strong topline growth (up 13.1% in local currencies)

Category	FY 15		FY 16	
	Actual	Plan	YoY	
<b>Net Sales</b>	240,139	256,000	<b>+6.6%</b>	
<b>Operating Income</b> <small>(Before amortization of goodwill, etc.)*</small>	28,228	29,500	<b>+4.5%</b>	
<b>Margin</b>	11.8%	11.5%	<b>-0.3pt</b>	
<b>Operating Income</b>	25,690	27,200	<b>+5.9%</b>	
<b>Margin</b>	10.7%	10.6%	<b>-0.1pt</b>	
<b>Ordinary Income</b>	25,119	26,600	<b>+5.9%</b>	
<b>Net Income</b>	16,907	17,800	<b>+5.3%</b>	

\*Operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

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## Accelerating the VONA Business

FY13 reorganization of distribution-like business led to strong growth  
Changed segmentation in reorganization aimed at sustainable growth  
Focused FA on its strength: MTO (make-to-order)

### Comparison of Old vs. New Business Segments (FY 15)

	Old segmentation		New segmentation	
	YoY	YoY	YoY	YoY
<b>Net Sales</b>	240,139	+15.1%	240,139	+15.1%
<b>FA Businesses</b>	109,653	+10.7%	76,369	+9.7%
<b>Die Components Businesses</b>	69,732	+7.7%	69,732	+7.7%
<b>VONA Business</b>	60,474	+25.3%	93,758	+20.6%
<b>Other factors and adjustments</b>	279	-	279	-

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## FY2016 Sales Forecasts by Business Segment

FA: Double-digit local currency sales growth driven by overseas  
Die Components to feel FX but grow topline in local currencies  
VONA topline to rise significantly on sustained growth in Japan

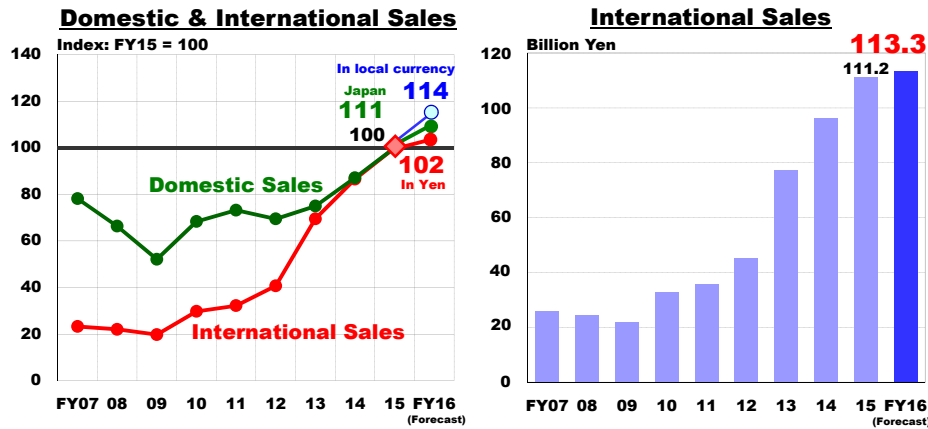
Category	FY 15		FY 16	
	Actual	Plan	YoY	
			In Yen	In local currency
<b>Total</b>	240,139	256,000	+6.6%	+13.1%
<b>FA Businesses</b>	76,370	83,000	+8.7%	+14.4%
<b>Die Components Businesses</b>	69,732	68,000	-2.5%	+6.7%
<b>VONA Business</b>	93,758	105,000	+12.0%	+17.1%
<b>Other factors and adjustments</b>	279	-	-	-

\*1. \* FY 15 also reflects new reporting segments (introduced in FY 16)  
2. Effective FY 16 all consolidated subsidiaries will report April-March business years. That will eliminate adjustments from time lags in reporting periods.

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## FY2016 Domestic & Int'l Sales Forecasts

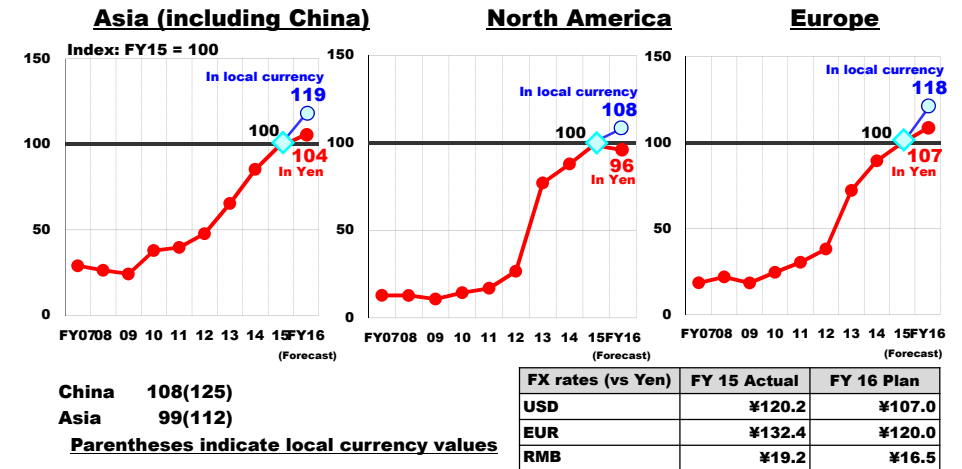
Japan to capture new demand on sustained growth mainly in VONA  
 Overseas growth strong as this year also sees new demand in China, Europe  
 Overseas sales to rise modestly in Yen, but up 14.4% in local currencies.



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## FY2016 Sales Forecasts by Region (In local currency)

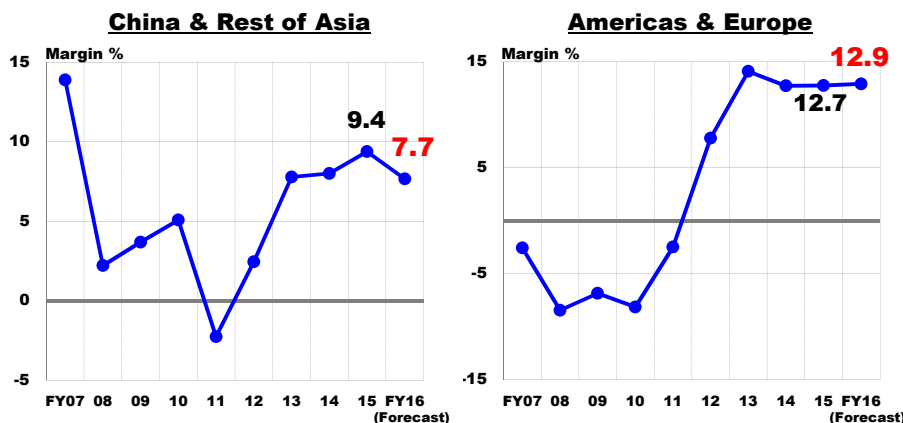
Asia: Driver to be China's continued strong topline growth  
 NA: Growth due to FA despite weak demand for dies and molds  
 Europe: New customers and deeper penetration in existing customers



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## FY2016 Operating Income Forecasts by Region

China & Asia: Pursue sales growth at Vietnam local subsidiary, etc.  
 Americas/Europe: Maintain strong profitability in face of FX headwinds

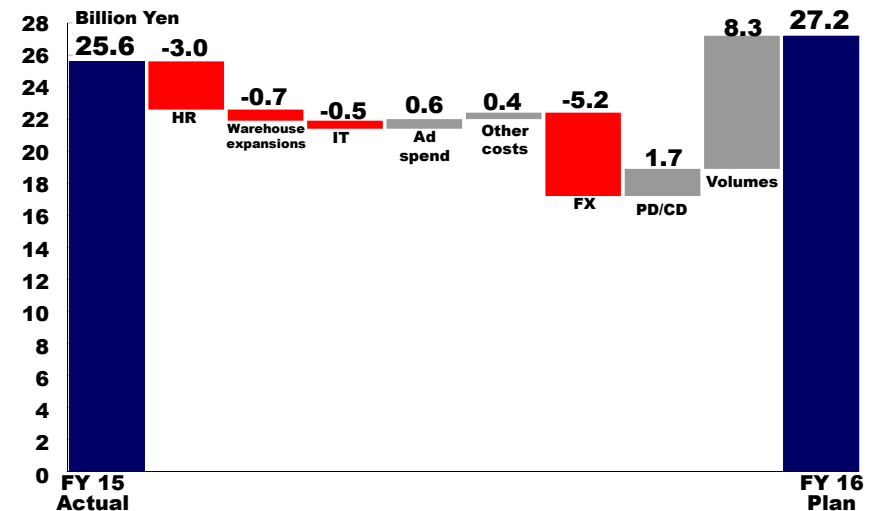


\*1. Based on operating income by region  
 \*2. Beginning with FY12, operating income (margin) is disclosed as two regions: Americas & Europe and China & the rest of Asia  
 \*3. Based on operating income before the amortization of goodwill and other intangible fixed assets associated with the acquisition of Dayton Lamina Corporation of North America (DL).

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## FY2016 Operating Income Bridge (YoY)

Continue aggressive investments in FY 16 to sustain growth  
 New profit high as sales growth absorbs FX headwinds

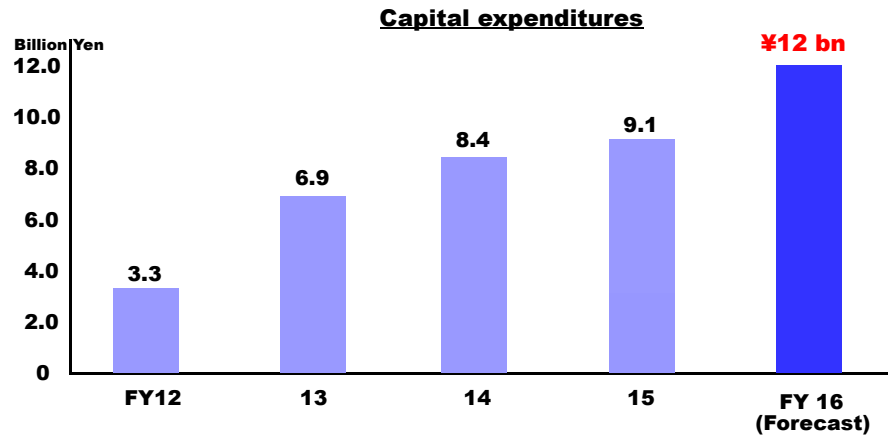


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## Capital Expenditures

FY15 Actual: ¥9.1 bn.

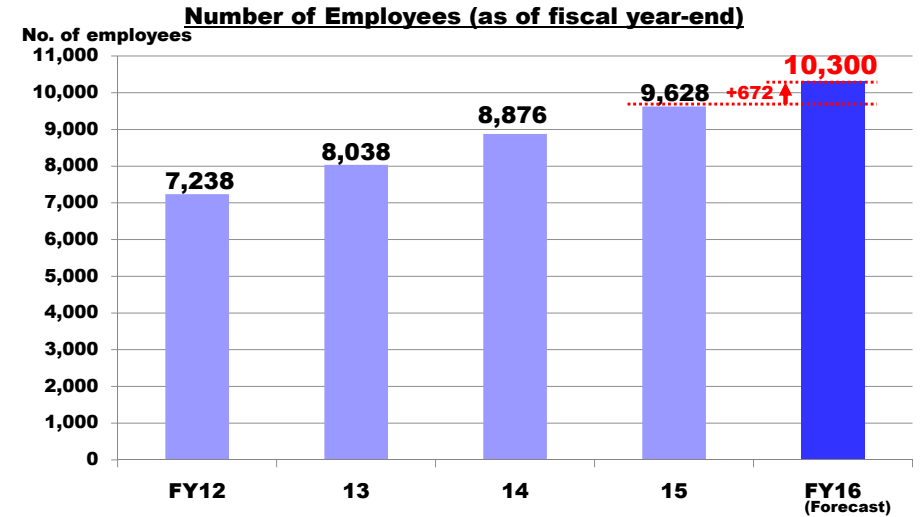
Planning to spend ¥12 bn over FY16.



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## Adding Personnel

Adding personnel and bolstering organizations at overseas plants and regional company units

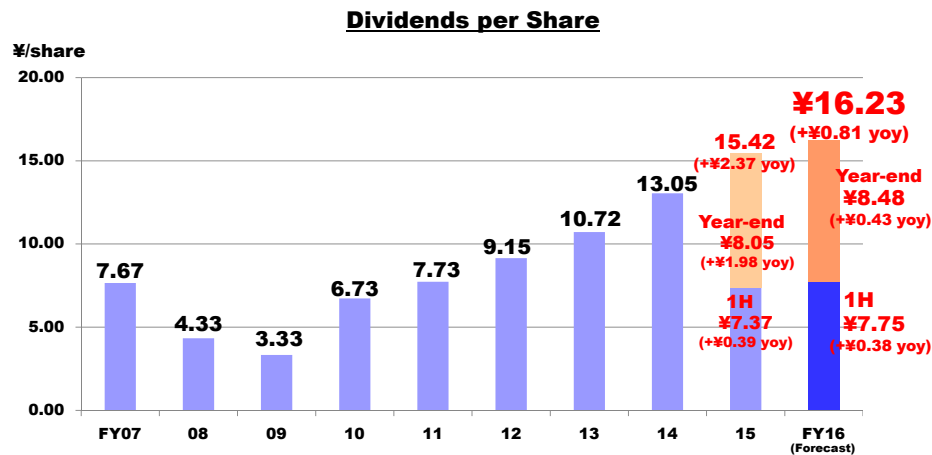


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## Shareholder Returns

FY 15 full-year dividend to be ¥15.42 based on a 25% payout ratio

FY 16 total DPS to be ¥16.23, a new record high for 6 straight years



\* Effective July 1, 2015, we executed a 3-for-1 stock split. Past DPS amounts have been adjusted to reflect the split.

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## Summary

Continue aggressive growth strategy and achieve sustainable growth

