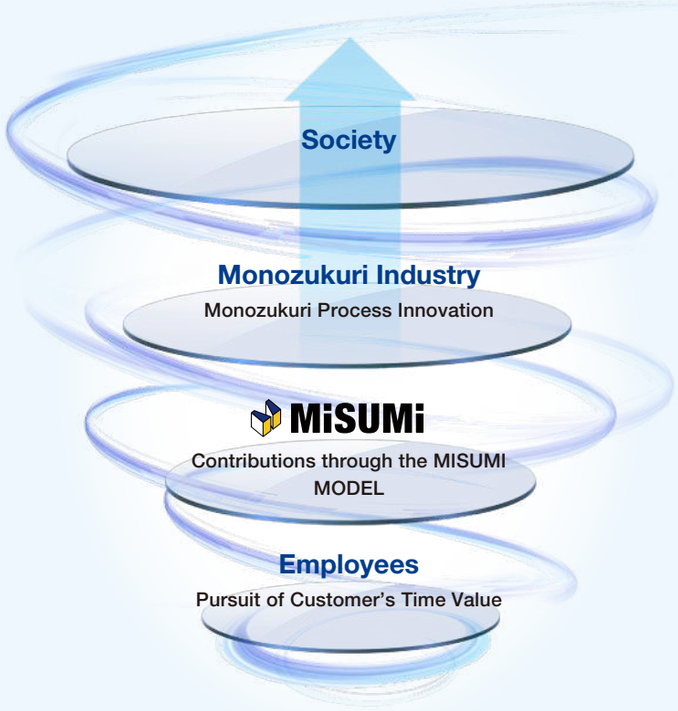
Value Creation Narrative

MISUMI's Growth Chain-reaction Aspired Management / MISUMI Value's

With employees' challenges as the starting point, MISUMI seeks to realize Growth Chain-reaction Aspired Management, enabling MISUMI, its customers, and society to grow together.



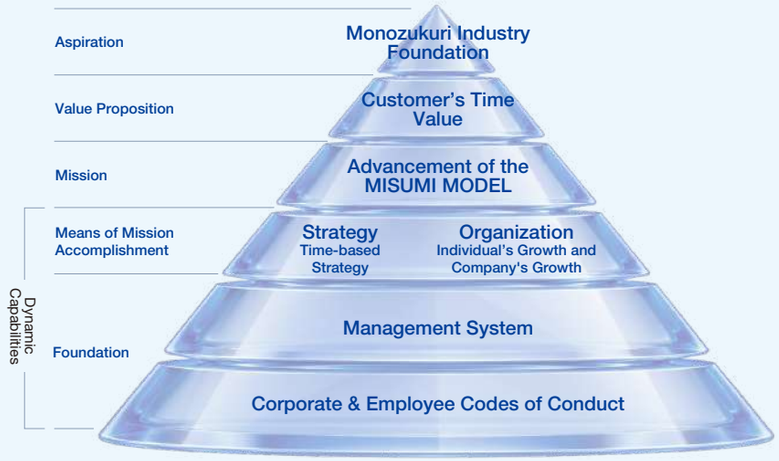
Aspired Management Style

Employees' challenges are the starting point.
By continually pursuing the next challenge, we accelerate MISUMI MODEL Innovation.

In-house Initiatives
Enhancing Customer's Time Value through continuous MODEL Innovation
- Reliable and Quick Delivery
- Reducing customers' time and effort

Initiatives Supporting Customers' Industries
MODEL Innovation across every customer process, from product development and equipment manufacturing through mass production

Contributing to Society's Sustainable Development
Advancing process innovation across the Monozukuri industry to accelerate the transition to a circular economy



Monozukuri Industry Foundation
The Monozukuri industry is essential for the sustainable development of society. By serving as the Industrial Foundation for Monozukuri, MISUMI drives innovation in its customers' Monozukuri processes, thereby maximizing their Time Value.

Customer's Time Value
Faster, more accurate, and more efficient. MISUMI upholds a customer first approach centered on maximizing Time Value, encapsulated in our tagline "Your Time, Our Priority." We provide two forms of Time Value: Reliable and Quick Delivery and reduction in customers' workload, through Monozukuri process innovation, enabling customers to focus on higher value-added activities.

Advancement of the MISUMI MODEL
All MISUMI employees are committed to continuously refining our unique business model to achieve MISUMI MODEL innovation which provides greater Time Value to our customers.

Dynamic Capabilities (Adaptability to Change)
Dynamic Capabilities (Adaptability to Change) are the organizational mindset and capabilities required of MISUMI and its employees to sustain Growth Chain-reaction Aspired Management amid global changes in the structure of the Monozukuri industry and in social issues. To adapt to changes in the external environment and maintain and strengthen our competitive advantage, we enhance three capabilities: sensing broadly, seizing accurately, and transforming rapidly.

Strategy and Organization

Strategy We continuously develop and advance our Time-based Strategy. By focusing on inefficiencies hidden in the Monozukuri industry's business processes and eliminating them through the lens of time. We are refining our approach to mass customization by fully leveraging digital technologies, enabling us to respond to customer needs with a level of ease and reliability that closely mirrors the experience of selecting a standard product.

Organization Employees are expected, above all, to … ('Individuals' Growth'), which leads to MISUMI MODEL innovation and greater Time Value ('Company's Growth').

Management System
To sustain our Growth Chain-reaction Aspired Management, we continue to enhance our global Dynamic Capabilities, our adaptability to change. We will enhance both the quantity and quality of individuals' challenges globally and bolster our prospects for success.

Corporate and Employee Code of Conduct
We have structured our codes of conduct into two frameworks: The Corporate Code of Conduct, which defines the behaviors expected of MISUMI as a corporate entity, and the Employee Code of Conduct, which specifies the principles and behaviors expected of each officer and employee.

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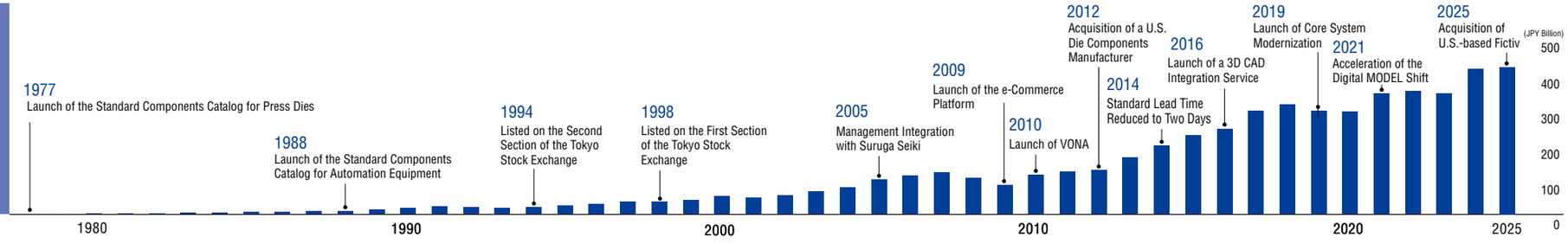
The Evolution of Value Creation — Six Transformational Turning Points

Since its founding, MISUMI has addressed the challenges facing Monozukuri sites in each era and contributed to improving customer productivity.
By innovating its Business MODEL in response to changes in the external environment, MISUMI has created an environment in which customers can focus on higher-value-added activities, leading to new value creation.

	1	2	3	4	5	6
Changes in the External Environment	**For mechanical components, drawing-based ordering was the norm** Preparing drawings, obtaining competitive quotations, and accepting long lead times were standard procurement practices.	**Factory automation (FA) advanced in earnest** and demand for components used in automation equipment expanded rapidly.	**Global competition intensified** making short lead times and low costs essential to competitiveness.	**The digitalization of purchasing activities advanced** raising expectations for greater efficiency and convenience in online component procurement.	**As design and procurement became increasingly digital and chronic labor shortages persisted at Monozukuri sites** an integrated system covering the process from design through procurement became essential.	**Advances in generative AI are transforming industrial structures** making speed to market a source of competitiveness.
MISUMI Turning Point	**1 Standard Components** 1977	**2 Standard Components for Automation Equipment (FA)** 1988	**3 Establishment of MTO*1 / In-house Manufacturing** 2005-	**4 Development of an Online Procurement Platform** 2009 EC / 2010 VONA*2	**5 Digital MODEL Shift** 2013	**6 AI-ready** 2024
					D-JIT, MiSUMi flow, fictiv, MiSUMi economy, meviy	
	MISUMI standardized and cataloged die components, enabling customers to order simply by specifying a part number and transforming conventional procurement practices.	MISUMI extended the standardization expertise developed for die components to components for automation equipment, expanding the scope of its business.	MISUMI shifted to an in-house production structure and established mass customization, enabling quick-lead-time delivery from a single unit despite a Make-To-Order (MTO) approach.	MISUMI built an e-Commerce platform and began offering third-party branded products through VONA, creating a one-stop process from product search to ordering.	MISUMI developed new Business MODELs leveraging digital technologies and transformed Monozukuri workflows by digitally connecting design, quotation, ordering, and production.	MISUMI is implementing AI across design, procurement, and production while expanding the value it provides to fields that support physical AI.
Value Proposition	**Reduced drawing preparation and quotation workloads.** Standardization shortened the time required for design and competitive quotations.	**Achieved stable supply.** MISUMI reduced the risk of production stoppages caused by stockouts and provided an environment for reliable procurement.	**Expanded digital procurement and the product range,** reducing the burden of searching for and selecting suppliers.	**Transformed Monozukuri by digitally connecting design,** Procurement, and production to create a seamless end-to-end procurement process	**Taking Monozukuri to the Next Stage.** MISUMI is advancing Monozukuri as a whole, from launching new products and businesses to enhancing production sites.	

Making Monozukuri Faster and More Reliable. Through process innovation, MISUMI creates time for customers to focus on higher-value-added work.

Revenue Growth



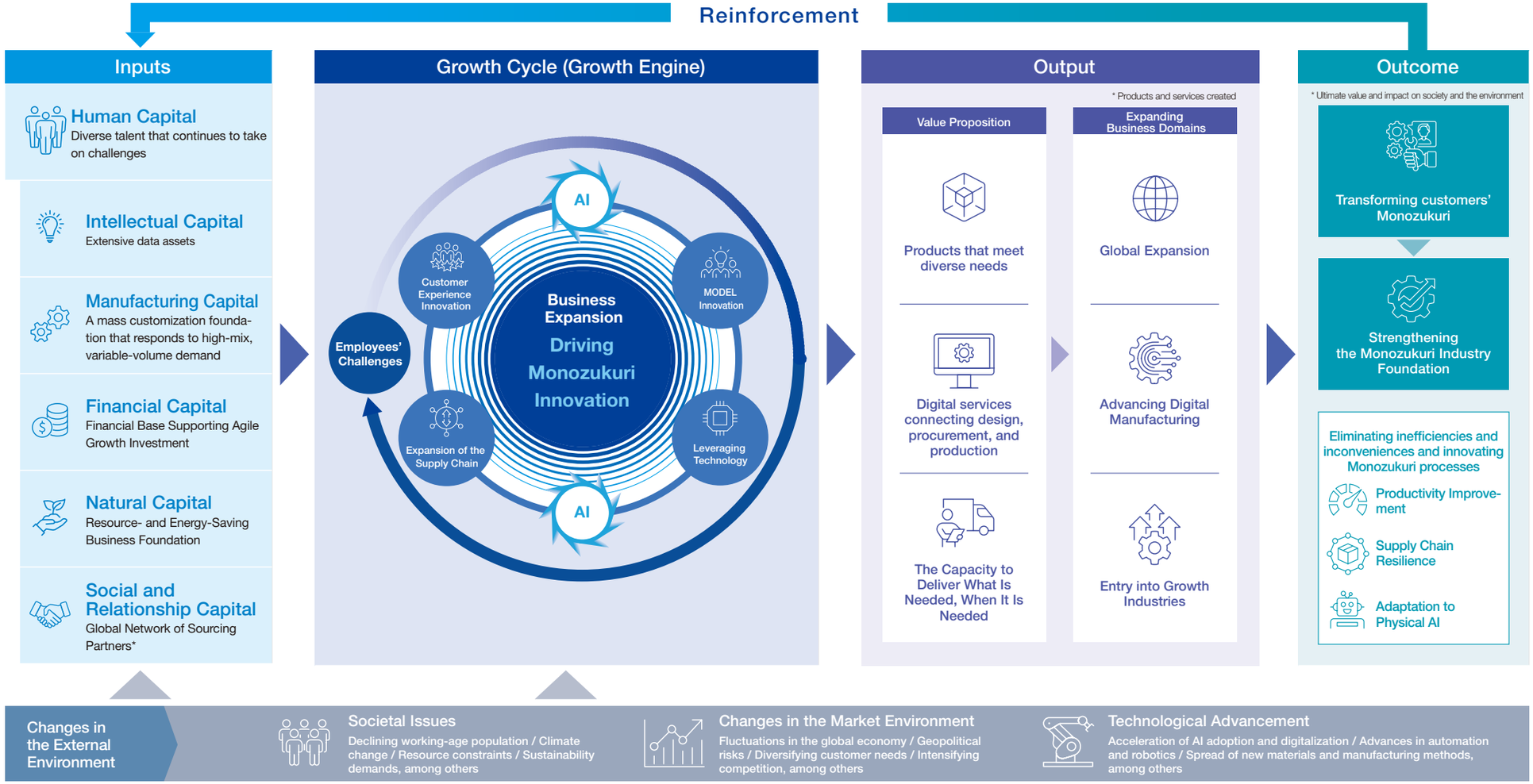
*1 MTO (Make-To-Order): Products manufactured to order. By standardizing mechanical components that would otherwise be custom-made, customers can complete an order simply by selecting the required dimensions and specifications. Part-number ordering eliminates the need for drawings, while component dimensions can be specified down to the micron level. The number of available product variations reaches 80 sextillion (80 billion times one trillion).
*2 VONA (Variation & One-stop by New Alliance): A one-stop service providing components for production equipment, indirect manufacturing materials, Factory-MRO supplies (consumables), and products from both MISUMI and third-party brands.

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Value Creation Process

At MISUMI, our diverse, challenge-driven people (human capital) draw on and strengthen the other five forms of capital.
We maximize the value of these capitals through a growth cycle built on four capabilities and AI, generating outputs and outcomes.



* Manufacturing and procurement partners that comprise MISUMI's product supply network

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Accumulated Management Capitals

Alongside the growth of its businesses, MISUMI has built six forms of management capital that serve as sources of sustainable value creation. These forms of capital are essential to Driving Monozukuri Innovation and the execution of the three growth strategies.

Management Capital	Importance to MISUMI	MISUMI's Capital	Background to the Capital
Human Capital	Create new value propositions through employees taking on challenges to drive MODEL Innovation	• Greater internal mobility through the Next Challenge program [Internal mobility rate: 16% (Japan)] • Greater willingness to take on challenges through a multi-network organization with Dynamic Capabilities [Willingness to take on challenges: 83% (Japan)] • A foundation for developing AI-ready talent through learning and knowledge sharing across organizational and regional boundaries	• Intensifying competition for talent • Increasingly advanced and changing skill requirements • Need to align growth and talent strategies
Intellectual Capital	Leverage design and purchasing data, AI, and IT to support Monozukuri process innovation and the creation of new business opportunities	• The NEWTON core system, customer feedback, and design and purchasing data that enhance the customer experience and value provided • Creation of digital services through AI and digital technologies [IT investment: JPY 8.4 billion] • An AI-ready foundation supported by research and development and intellectual property [DX-related patents: 114]	• Changes in industrial structures driven by generative AI • Increasingly sophisticated and individualized customer needs • Accelerating competition in data utilization
Manufacturing Capital	Leverage a global production and supply network to achieve Reliable and Quick Delivery and mass customization	• Reliable and Quick Delivery through a global production and supply network [22 production sites and 21 logistics sites; on-time delivery rate: 99.5%] • Ability to accommodate high-mix, variable-volume demand through an AI/IT-optimized procurement system • Production and supply structure spanning five global regions	• Need for more sophisticated responses to demand fluctuations • Supply constraints and geopolitical risks • Declining workforce and working-hour regulations
Financial Capital	Support Business MODEL Innovation and investment in growth opportunities through a robust financial foundation and cash-generating capacity	• A financial foundation that enables agile growth investment [Equity ratio: 81.7%] • Investment capacity for executing M&A and capital and business alliances [Growth investment capacity: JPY 150 billion] • Earnings-generating capacity supporting Business MODEL Innovation [Operating income: JPY 47.6 billion]	• Need to improve capital efficiency • Investment needs for sustainable growth • Expectations for greater shareholder value
Natural Capital	Balance decarbonization and resource conservation with enhanced product competitiveness to contribute to sustainable business growth	• Advancement of decarbonization through energy generation, renewable energy, and energy conservation [GHG emissions: 72.3% reduction from FY2020] • Reduction of material loss and the environmental impact of packaging materials through production and logistics infrastructure that supports resource circulation • Management of chemical substances contained in products and compliance with international environmental regulations through capabilities for addressing product sustainability requirements	• Climate change and resource constraints • Environmental disclosure requirements • Transition to a decarbonized society
Social and Relationship Capital	Leverage the customer base and global supply network to strengthen the foundation of the Monozukuri industry	• A more resilient supply chain supported by a global customer base [Customers: 339,000] • Advancement of sustainable procurement through a network of 4,000 Sourcing Partners • Reduction of information asymmetry by strengthening relationships with diverse stakeholders [Dialogues with institutional investors and others: 537]	• Declining supply capacity due to business succession challenges • Increasing procurement uncertainty due to geopolitical risks • Demand for responsible procurement that takes human rights and environmental considerations into account

Note: Data are for FY2025.

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MISUMI's Competitive Advantage Created by Combining Management Capitals

Our competitive advantage lies in how we combine our different forms of capital. A broad customer and market base provides diverse customer insights that strengthen our digital and intellectual capabilities.
A highly resilient supply chain integrating Digital and Physical capabilities further supports customers across the Monozukuri industry.

Customer and Market Foundation

Connecting with Monozukuri Sites of Every Kind Worldwide

Constituent Capitals

Social and Relationship Capital
- A Global Market Base of 339,000 Customers

Intellectual Capital
- Insights into Markets and Applications from Diverse Customer Touchpoints

Competitive Advantages Created

Capability to Respond to Diverse Customer Needs
Accurately identifying changing needs through extensive customer touchpoints

Capability to Expand into New Industries and Applications
Expanding into diverse industries and applications and continuing to open up new markets

Customer-Driven Value Creation Capability
Creating product and service value starting from customer challenges

Digital and Intellectual Foundation

A Mechanism That Leverages the Insights Gained and Turns Them into Value

Constituent Capitals

Intellectual Capital
- Core System NEWTON
- Customer feedback, design, and procurement data
- AI and digital technologies / R&D and intellectual property

Human Capital
- A Talent Development Foundation and DX Talent Supporting AI Readiness

Competitive Advantages Created

A Mechanism That Keeps Generating Data
Accumulating up-to-date data through digital services

A System Foundation Supporting the Monozukuri Industry
A core system that seamlessly connects customers and Sourcing Partners

Service Innovation Based on Customer Understanding
Identifying customer challenges and moving toward optimal proposals and the creation of new services

Supply Chain Foundation

Execution Capability Linking Production, Procurement, and Logistics

Constituent Capitals

Manufacturing Capital
- Global Production and Supply Network (22 Production Sites and 21 Logistics Sites)
- AI/IT-optimized procurement system

Social and Relationship Capital
- A network of 4,000 Sourcing Partners worldwide

Competitive Advantages Created

Reliable and Quick Delivery
Achieving immediate responsiveness to demand fluctuations and Reliable and Quick Delivery

Capability to Respond to High-Mix, Variable-Volume Demand
Meeting diverse needs through AI/IT and a global supply system

Resilient Supply Capability
Building and maintaining a stable global supply system

Three Foundations Driving the Transformation of Monozukuri

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Materiality

Materiality Formulation Process

MISUMI revised its materiality in September 2025. The Sustainability Committee and other relevant bodies conducted extensive discussions on the relationship between the Company's strengths and societal issues, the risks and opportunities associated with its business activities, the connection to Growth Chain-reaction Aspired Management, and newly emerging themes. The revised materiality was subsequently approved by the Board of Directors. In September 2026, MISUMI further enhanced this framework by introducing indicators to measure progress and outcomes for each material issue and establishing a system for regular monitoring as part of its management processes.

STEP 1 Clarifying the Long-term Vision and Identifying Societal Issues

To clarify MISUMI's distinctive strengths, we articulated the relationship between materiality and Growth Chain-reaction Aspired Management, along with other key elements of our long-term vision. We then adopted a double materiality approach and created a matrix based on two axes: importance to achieving our long-term vision and societal issues that stakeholders expect MISUMI to address. Drawing on international frameworks and standards, including SSBJ, the GRI Standards, and the SDGs, we comprehensively identified relevant issues. Through a survey of Directors, Audit & Supervisory Board Members, and executives responsible for business execution, we identified 26 material issues and analyzed the associated risks and opportunities.

STEP 2 Incorporation of the Management Strategy and Materiality Formulation

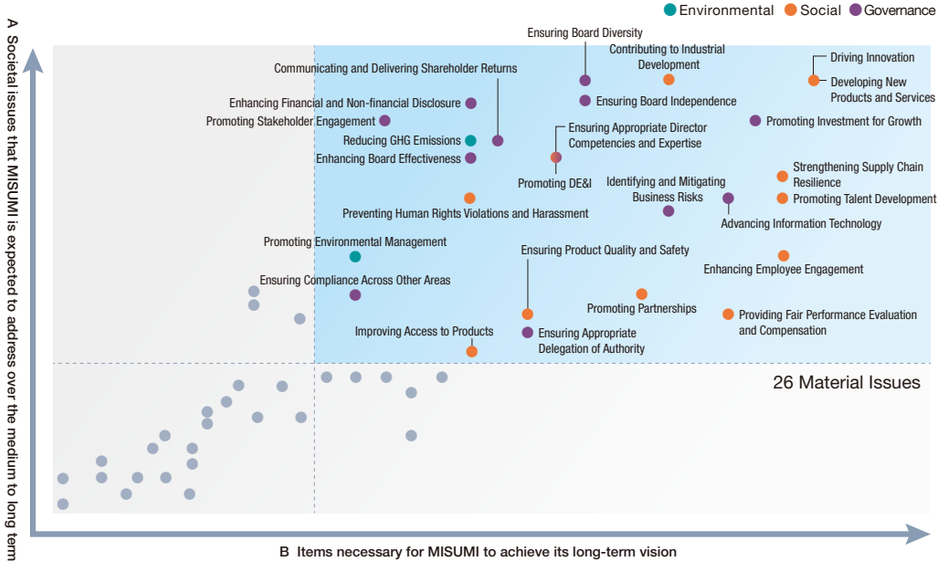
We incorporated key elements of our management strategy, including a management system designed to strengthen Dynamic Capabilities (adaptability to change), expansion into the product development domain, and efforts to reduce information asymmetry with stakeholders. The 26 identified issues and these strategic elements were then classified and structured using the value provision flow framework, resulting in the formulation of MISUMI's materiality, which was approved by the Board of Directors in September 2025.

STEP 3 Establishment of Progress and Outcome Measures

In the previous revision, we outlined our approach to indicators for each material issue and identified the development of specific measures as a priority for FY2026. Accordingly, in 2026, we established measures to track progress and outcomes for each material issue, shifting materiality from a statement of intent to an area of management focus.

Each measure is designed around the key themes of initiatives aimed at achieving the desired state, with methods for verifying progress tailored to the nature of each issue. Where progress can appropriately be measured using annual quantitative data, we have established KPIs. Where a single numerical measure would not adequately capture actual conditions, we instead define milestones that represent the intended outcomes of our initiatives. These themes, indicators, and annual progress are disclosed in an integrated manner. Progress is monitored by the Sustainability Committee and other relevant bodies and reported to the Board of Directors. The indicators themselves are not static and will be reviewed in light of changes in the business environment and ongoing dialogue with stakeholders.

Societal Issues Identification Matrix (Overview)



Materiality

The MISUMI Group's Materiality

Value Proposition	Providing Time Value to Meet the Demands of the Monozukuri Industry and Society
Products & Services	Monozukuri Process Innovation
Capabilities	Fostering an Organization That Maximizes Employees' Capacity to Take on Challenges and Dynamic Capabilities Strengthening Resilience in Global Supply Chains to Address Increasingly Diversified Risks
Foundation	Enhancing Corporate Value through Agile Management Systems and Advanced Governance Reinforcing a Sustainable Value Chain and Resilient Business Operations

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Materiality Management

	Materiality	Rationale for Materiality	Initiatives [KPIs]	FY2025 Progress [KPI Progress]
Value Proposition	Providing Time Value in Response to the Needs of the Monozukuri Industry and Society	MISUMI aims to serve as the foundation of the Monozukuri industry, which is essential for the sustainable development of society, and enhance Customer's Time Value ("Your Time, Our Priority"). MISUMI proactively addresses structural changes in the Monozukuri industry and global societal challenges, striving for growth that creates value in accordance with the expectations of both the industry and society.	Theme: Expanding the Customer Base in Global Markets	Number of Customers:339,000 companies Overseas Sales Ratio: 59.8% (+4 percentage points)
Products and Services	Monozukuri Process Innovation	MISUMI contributes through process innovation that eliminates waste and inefficiency hidden in business processes within the Monozukuri industry, using time as the key lens. MISUMI fully leverages digital technologies, including IT and AI, to transform its Business MODEL and extend it into new business domains. This distinctive approach reinforces MISUMI's sustainable competitive advantage. MISUMI also pursues profit growth to expand investment in future growth.	Theme: Expanding Digital MODEL Shift Results	Revenue : ¥64.2 billion (+81.6%) Share of Consolidated Revenue : 14.5% (+5.7 percentage points)
Capabilities	Building an Organization That Maximizes Employees' Ability to Take on Challenges and Adapt to Change	For MISUMI, employees are its most important stakeholders. MISUMI is dedicated to fostering an environment in which every employee worldwide considers the Company The Best Place to Grow. The challenges embraced and growth achieved by employees strengthen MISUMI's Dynamic Capabilities, thereby increasing the Company's overall likelihood of success. Human Capital P40-46	Theme: Building an Organization and Environment Where All Employees Take On Challenges and Grow [KPIs (Group-wide)] (1) Localization of Overseas Subsidiary Presidents: 90% or higher by FY2030 (2) Percentage of Female Managers: 30% by FY2030 (3) Positive Response Rate for "Willingness to Take On Challenges" in the Engagement Survey: 90%	[KPIs] (1) 54.3% (2) 23.5% (3) Group-wide engagement survey scheduled for FY2026 Improvement literacy courses at MISUMI Japan: 330 participants (cumulative)
	Strengthening the Global Supply Chain in Response to Diversifying Risks	As risks surrounding global supply chains continue to increase, MISUMI prepares for unforeseen events by developing business continuity plans and establishing practical systems, enabling the Company to fulfill its supply responsibility to customers in the Monozukuri industry to the greatest extent possible.	Theme: Reliable and Quick Delivery and Strengthening/Expanding the Global Supply Network	On-Time Delivery Rate: 99.5% Strengthened collaboration with Fictiv's sourcing partners
Foundation	Enhancing Corporate Value through an Agile Management System and Advanced Governance	MISUMI strengthens its Dynamic Capabilities, its adaptability to change, to identify risks and opportunities in the external environment in a timely and appropriate manner and maximize the effective use of capital. To enhance disclosure and communication with stakeholders, the Company also works to reduce information asymmetry in capital markets and strengthen the independence, diversity, and expertise of the Board of Directors in response to corporate governance requirements. Corporate Governance P62-66	Theme: Advancing the Management System Strengthened Enterprise Risk Management (ERM)	Comprehensively overhauled the organization, decision-making, ways of working and talent development to enhance adaptability to change Established the Risk Management Committee (RMC) in May 2026
	Strengthening a Sustainable Value Chain and Ensuring Resilient Business Activities	To fulfill its responsibilities across the entire value chain, MISUMI conducts business activities that emphasize fundamental values, recognizing customers, suppliers, local communities, and employees as stakeholders essential to its sustainable growth. The Company also works toward carbon neutrality by reducing GHG emissions and improving resource and energy efficiency, while striving to reduce the environmental impact of products and services throughout their life cycles, from development to disposal. Natural Capital P50-52 Social and Relationship Capital P53-54	Theme: Advancing Initiatives to Reduce GHG Emissions [KPIs] (1) Reduce Scope 1 and 2 GHG emissions by 42% from FY2020 levels by FY2030 (2) Achieve carbon neutrality by 2050 Promoting Supply Chain Sustainability [KPIs] (3) By FY2028, obtain agreement to MISUMI's Sustainable Procurement Guidelines from all major global suppliers and promote awareness of the guidelines Promoting Product-Related Sustainability	[KPIs] (1) (2) 72.3% reduction from FY2020 levels (3) Reviewing target suppliers based on factors such as business continuity capabilities and transaction status (*Agreements obtained from 97% of major domestic suppliers (960 companies)) Promoting initiatives to respond to EU product-related sustainability regulations (CBAM, EUDR)

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