Capabilities and Outcomes

Business Portfolio

By combining the Manufacturer Business and VONA Business, two businesses with distinct strengths, MISUMI provides an end-to-end offering ranging from standard components and custom products to consumables and auxiliary materials.
Through its diverse lineup of products and services, MISUMI helps customers solve their challenges.

Manufacturing Businesses

MISUMI operates the FA (Factory Automation) Business and the Die Components Business. Even for precision mechanical components specified to micron-level dimensions, MISUMI offers a standard lead time of two days, with same-day shipment available for certain products.

FA (Factory Automation) Business

The FA Business develops and supplies standard components used in automation equipment and systems to streamline production and reduce labor requirements. Through its online manufacturing services, meviy and Fictiv, the business also provides fully customized products.



Value proposition Mechanical components essential to automation equipment and systems, ranging from standard products to customized solutions.

Die Components Business

The Die Components Business develops and supplies standard die components and precision die components used in press dies for metal forming and molds for plastic injection molding, primarily serving the automotive, electronics, and electrical equipment industries.



Value proposition MISUMI has established a leading global market share in standard die components and provides a stable supply of products through its global network.

Distribution Business

VONA Business

MISUMI operates the VONA (Variation & One-stop by New Alliance) Business, supplying production-equipment components, indirect manufacturing materials, and MRO consumables. Its extensive product lineup includes both MISUMI-brand products and products sourced from third-party brands.



Value proposition A one-stop source for a vast range of indirect manufacturing materials and consumables, including MISUMI-brand products and third-party brands from approximately 4,000 manufacturers.

Combining Two Distinct Businesses: Manufacturing and VONA

MISUMI provides a seamless offering, from standard and custom components to consumables and indirect materials. Its diverse lineup of products and services helps customers solve their manufacturing challenges.

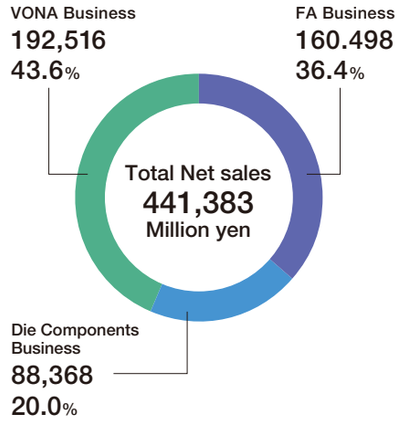
As of the end of FY2025

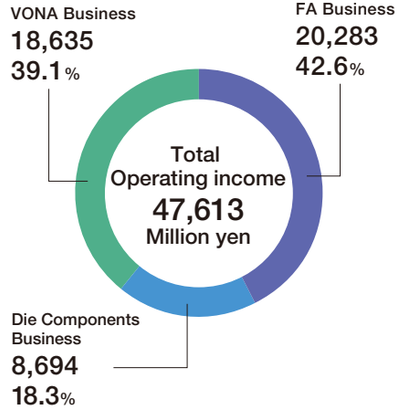
40+ million products

80 sextillion product variations

339,000 customers worldwide

FY2025 Results and Composition





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FA Business

Capturing Diversifying Automation Demand and the Growing Use of AI, while Harnessing AI to Drive MODEL Transformation



Business Strategy

1 Market Environment

Against a backdrop of global labor shortages, rising labor costs, and the trend toward digital transformation (DX) and smart factories, investment demand for automation and labor-saving solutions in the manufacturing sector continues to grow on a structural basis. As a result, the FA market is expected to achieve medium- to long-term growth. In addition, technological innovations, including AI, are accelerating new product development, driving increased demand for production equipment. Furthermore, the FA market is expected to continue growing as FA expands into new markets that have traditionally been outside the scope of the FA Business.

2 Medium- to Long-Term Vision

MISUMI is driving Business MODEL transformation in response to the growing adoption of AI. We will accelerate our global expansion by focusing on three key initiatives: (1) enhancing technical information to support AI-driven automated design, (2) expanding our lineup of unit and module products compatible with AI-controlled systems, and (3) building a sales model that leverages AI to recommend the right products at the right time.

3 Why MISUMI

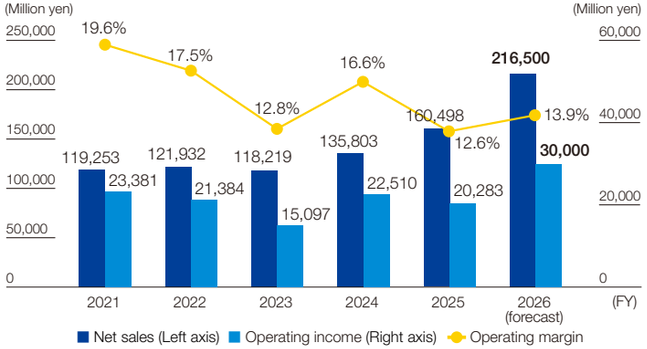
Our competitive advantage lies in our ability to provide standard, semi-custom, and custom products through a one-stop offering, supported by a globally distributed, multi-site supply chain. This enables us to maintain a relatively stable supply in every region of the world. No other player combines such an extensive global network with such a broad product lineup. This uniqueness is our greatest strength and gives us a competitive advantage in the growing FA market.

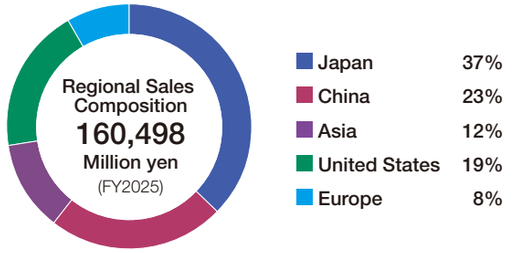
* Initiatives, services, and products within the FA segment: meviy, Fictiv, automated stages, selected Economy Series products, and selected D-JIT offerings.

Fiscal 2026 Initiatives

We will continue enhancing technical information to support AI-driven automated design while expanding our lineup of unit and module products compatible with AI-controlled systems. At the same time, we are advancing our entry into growth industries. Examples include investments in production facilities to capture demand from data centers and our partnership with Oishii Farm, which also supports potential entry into the agritech sector. Through expansion into these new fields, we will continue to broaden business opportunities while building an AI-enabled sales model that delivers more relevant product recommendations.

Net Sales, Operating Income, and Regional Sales Composition





What Is the FA Business?

The FA (Factory Automation) Business provides a broad range of products and solutions to meet the Monozukuri industry's needs for greater efficiency and automation. The Business develops and supplies standard components essential to industrial machinery and automated equipment, high-precision positioning modules, a wide range of experimental and research equipment for optical technology applications, and materials and components for equipment production sites evolving with the digitalization of electronic devices.

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Die Components Business

Responding Quickly to Shifting Demand to Sustain Growth while Improving Cost Efficiency



Business Strategy

1 Market Environment

The die and mold market is often viewed as a mature or contracting market, given the reduction in component counts associated with the shift to electric vehicles and the decline of Japan's domestic die and mold industry. However, supported by global population growth and the continued advancement of motorization, the die and mold market is expected to continue growing over the medium to long term. MISUMI views this as a growth opportunity.

2 Medium- to Long-Term Vision

Demand for die components exists worldwide, but the regions driving growth continue to shift over time. MISUMI will achieve medium- to long-term growth in both sales and profit by focusing on three priorities: (1) identifying shifts in demand early and adapting flexibly through the localization of products, production, and organizations; (2) accelerating growth in China and other Asian markets, where strong growth potential currently exists; and (3) accelerating global expansion to improve costs, including through collaboration with PUNCH INDUSTRY CO., LTD.

3 Why MISUMI

The Die Components Business is MISUMI's founding business, and the production expertise accumulated over many years is its greatest strength. Our global production and procurement network also enables us to provide a stable supply of die components with consistent quality across regions. No other player combines comparable depth of expertise with such an extensive supply network. These strengths have earned us the strong trust of customers with production operations around the world and have helped establish our competitive advantage.

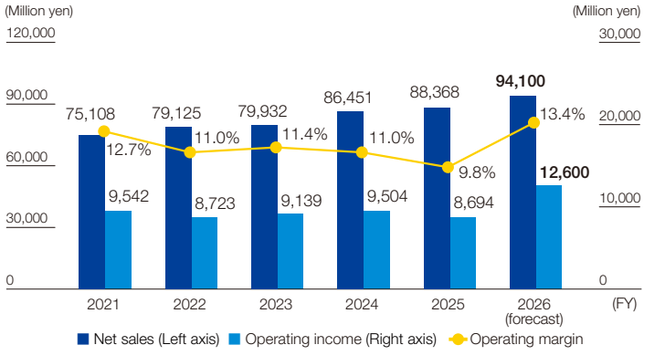
* Initiatives, services, and products within the Die Components segment: selected D-JIT offerings.

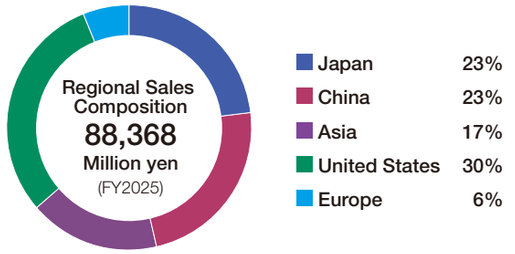
Fiscal 2026 Initiatives

Demand for dies and molds is shifting toward emerging markets, particularly China and India. In fiscal 2026, we aim to become a preferred supplier in both China and India. Specifically, we are accelerating the rollout of products tailored to Chinese market standards and expanding local procurement in India.

We will also improve the profitability of existing businesses by increasing production and logistics efficiency through collaboration with PUNCH INDUSTRY CO., LTD. and by further localizing products, production, and organizations.

Net Sales, Operating Income, and Regional Sales Composition





What Is the Die Components Business?

The Die Components Business provides components for press dies used in metal forming and molds used in plastic injection molding across a wide range of industries, including automotive, electronics, and electrical equipment. Its product lineup spans from highly versatile standard die components to precision die components requiring fine tolerances and high-precision specifications, enabling flexible responses to customers' diverse design and manufacturing needs.

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VONA Business

Supporting One-Stop Procurement, Including Third-Party Brands



Business Strategy

1 Market Environment

Competition in the B2B indirect-material procurement market is intensifying around price and convenience as comprehensive online procurement platforms continue to expand. As a result, the market is often viewed as commoditized and difficult to differentiate. The VONA Business serves both as a trusted source for parts that cannot be readily procured elsewhere and as a one-stop procurement destination for customers seeking to consolidate purchases from multiple suppliers, enabling it to address a wide range of procurement needs.

2 Medium- to Long-Term Vision

The VONA Business is not a standalone strategy but an integral part of the MISUMI Group's overall strategy. As the Group identifies growth markets where it can deliver its value proposition and seeks to provide a comprehensive range of the mechanical components required in those markets, VONA plays an important role by complementing MISUMI products with third-party offerings to fully meet customer expectations.

3 Why MISUMI

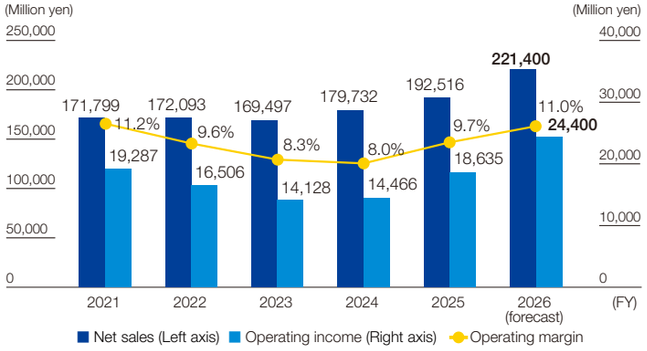
In a market prone to commoditization, our greatest strength is our deep understanding of customers, which helps us avoid competing on price alone. Services, support, and communication built on this deep customer understanding form the core of our differentiation. For example, when our AI chat service recommends substitute products, it goes beyond simply presenting alternatives by providing responses that reflect the perspective of design engineers. This gives MISUMI a competitive advantage.

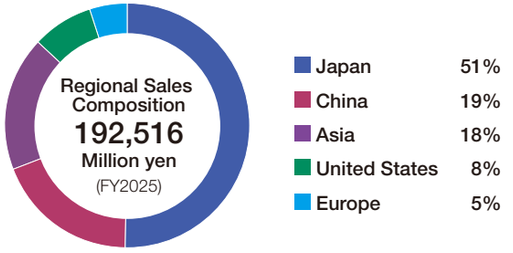
* Initiatives, services, and products in the VONA segment: MISUMI floow and selected D-JIT offerings.

Fiscal 2026 Initiatives

Our highest priority is to shift VONA from a service used only when customers face procurement challenges to one they rely on every day. In addition to developing services such as floow, we will continue to strengthen our price competitiveness. We will also focus on expanding the business in Asia, particularly in China and Thailand.

Net Sales, Operating Income, and Regional Sales Composition





What Is the VONA Business?

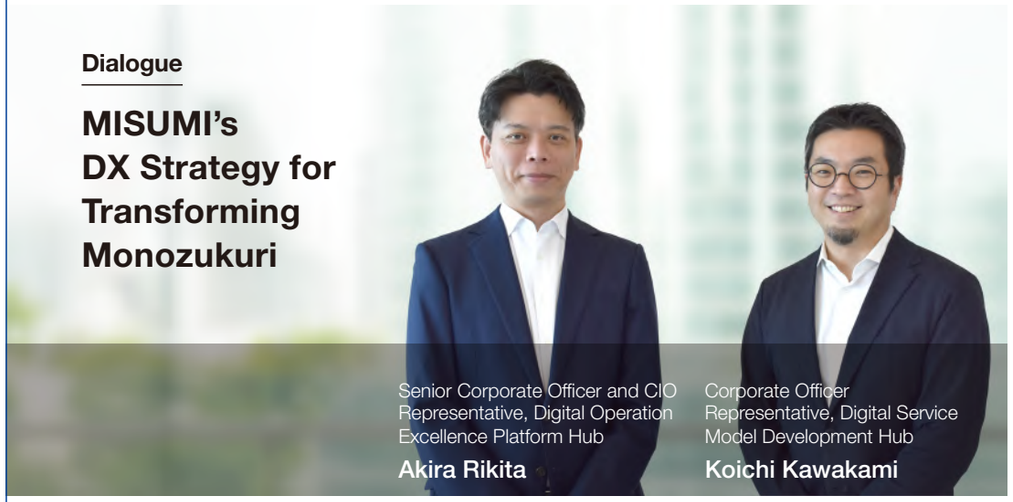
The VONA* Business aims to provide the wide variety of indirect production materials, including factory consumables, required by manufacturing companies' design and procurement functions through one-stop procurement that is both fast and efficient. Its extensive lineup of more than 40 million products includes mechanical components, tools, piping materials, electrical materials, control equipment, and office supplies, meeting a broad range of customer needs through products supplied primarily by manufacturers in Japan and overseas.

* VONA: Variation & One-stop by New Alliance

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MISUMI's DX Strategy



Dialogue

MISUMI's DX Strategy for Transforming Monozukuri

Senior Corporate Officer and CIO
Representative, Digital Operation Excellence Platform Hub
Akira Rikita

Corporate Officer
Representative, Digital Service Model Development Hub
Koichi Kawakami

The rapid advancement of AI is bringing Monozukuri and its procurement processes to a major turning point. The accumulation and use of data are key to responding to these changes and creating new value. MISUMI's competitive strength lies in its extensive, up-to-date data and the mechanisms that continuously generate it. MISUMI's CIO, who oversees the Company's digital foundation, and the executive responsible for customer experience (CX) development discuss how MISUMI is leveraging this intellectual capital to transform Monozukuri.

1 How MISUMI Is Navigating the AI Era

Kawakami The emergence of AI has brought the Monozukuri industry to a major turning point. In China and the United States in particular, the practical adoption of humanoid robots, alongside AI, is advancing at a remarkable pace. MISUMI must determine how to address the immediate challenges facing customers while looking ahead to this wave of technological innovation.

Rikita MISUMI aims to transform the customer purchasing experience itself. Our growth strategy comprises three elements: Global Expansion, Digital MODEL Shift, and Entry into Growth Industries. We will first refine our digital services so that they more closely address customer needs and then expand that MODEL. Building on this strength, we intend to enter growth industries.

Kawakami We recognize that MISUMI has offered so many services, including its e-Commerce site, meviy, and RAPiD Design, that customers have sometimes found it difficult to know which service to use. Going forward, we will create an environment in which customers can easily use the right service at the right time, in a way suited to their circumstances. By creating a place where we can engage more closely with customers, we aim to gain a deeper understanding of their needs and quickly translate those insights into the creation and evolution of services.

Rikita Behind this is a major theme: the sustainability of manufacturing. As the working population declines, existing operating models will no longer be viable. Since we cannot increase headcount, we will use AI as a tool to dramatically improve productivity. Making the world of Monozukuri sustainable in this way is MISUMI's mission.

2 A System That Continuously Generates Data and Transforms It into New Value

Kawakami MISUMI's greatest intellectual capital is the up-to-date data generated through daily transactions. The data accumulated goes beyond records of purchases and sales to include information on customers' business processes, such as browsing activity on the e-Commerce site and design activity through meviy and RAPiD Design. No other platform brings together this many indications of the challenges customers face. MISUMI's true competitive advantage lies not only in the volume of its data, but in the services that continuously generate it.

Rikita Supporting this mechanism is NEWTON, MISUMI's core system, which functions as an AI-ready foundation. MISUMI's ability to offer products of the same model and quality worldwide depends on globally standardized data management. The combination of an e-Commerce site capable of handling flexible data for custom products as well as standard products and the core system supporting it is a strength that competitors cannot replicate. Development of NEWTON began in 2020, and its overseas rollout was completed in September 2026. This has enabled MISUMI to further refine its services and focus on Digital MODEL Shift initiatives.

Kawakami This foundation enables us to engage with customers individually. One initiative we are advancing to deepen customer understanding is the Digital Twin of the Customer. Using purchasing and behavioral histories, we create virtual customer representations and develop a more detailed understanding of each customer, enabling more personalized communication.

On our e-Commerce site, we are piloting AI-powered inquiry support through MiMA (MISUMI Multimodal Agent), which integrates multiple services into a single point of access. MiMA identifies customer needs and guides customers seamlessly to the appropriate services, with a domestic launch targeted by the end of FY2027. As interactions between customers and AI accumulate, the resulting data will become increasingly rich.

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Rikita However, maintaining an abundance of data can also become a burden. We therefore need to use AI to automate data preparation, allowing people to shift toward more creative work. One area we are currently considering is how to close the information gap between MISUMI and the Sourcing Partners responsible for supplying our products. Rather than issuing orders unilaterally, MISUMI aims to establish a mechanism for two-way information sharing, including demand forecasts.



Kawakami The most important consideration in sharing information is ensuring that it contributes to the growth and profitability of our Sourcing Partners. Building a “true partnership” in which both sides continue to choose one another is key to creating a sustainable supply network.

Rikita We are extending this information sharing beyond the supply side to the beginning of the customer purchasing process. In June 2026, MISUMI entered into the first business alliances of their kind in the industry with two major production management system providers. Through APIs, we directly connected systems used by a combined 4,700 companies in Japan to MISUMI’s database of more than 40 million products. By breaking through barriers that could not be overcome through the DX initiatives of individual companies, we aim to simplify customers’ purchasing processes and improve productivity in procurement.

3 Enhancing Productivity to Deliver a New Purchasing Experience

Rikita Fundamentally, AI and IT are tools for driving Business MODEL Innovation. What matters is whether the resulting Business MODEL expands the value delivered to customers. Productivity is currently one of our most important metrics. For example, we use activity-based costing (ABC) data to quantify the time required for each type of work, identify the most time-intensive processes, and prioritize them for improvement. The first area we addressed as a result was product complaint handling. By combining automation through AI agents with standardized business processes, we reduced handling time per case by up to 92%. We are also using AI agents to automate most internal inquiry operations and plan to reduce the associated outsourced operating costs to nearly half their current level within several years. The capacity created through these improvements will be redirected to the development of new services.

Kawakami We are also reviewing the KPIs used to measure customer experience value. Our objective is not simply to have customers use the service, but to encourage them to experience its value and realize the benefits. Offering more services has little value if it only makes choosing among them more difficult. What matters is whether customers can find and purchase what they need more easily. Ultimately, we aim to achieve customer success by becoming the company customers know they can turn to whenever a need arises, and trust to handle the entire process.



Rikita In the near future, AI agents may make purchases on behalf of customers and interact directly with MISUMI’s AI agents. The question is how seamlessly we can fulfill and deliver orders in such an environment. I believe that integrating our digital and physical capabilities will create value that only MISUMI can provide.

At the same time, regardless of how purchasing methods evolve, our responsibility to deliver products reliably will remain unchanged. We must keep our systems operating and maintain an uninterrupted supply. By continuing to safeguard the platform connecting customers and Sourcing Partners, we intend to support this new purchasing experience.

External Recognition

DX Grand Prix 2026

In April 2026, MISUMI was selected as a DX Stock company for the second consecutive year under the DX Stocks 2026 program, which recognizes Tokyo Stock Exchange-listed companies demonstrating excellence in digital transformation. MISUMI was also selected for the DX Grand Prix 2026, awarded to only three particularly outstanding companies. The recognition reflected MISUMI’s efforts to realize unlimited Monozukuri through Digital MODEL Shift, promote company-wide DX under the leadership of senior management, develop talent, and advance its platform through the acquisition of Fictiv.

DX Grand Prix 2026
Digital Transformation

Customer Support Awards

In July 2026, MISUMI received the highest award in the Customer Support Awards organized by the Japan Institute of Information Technology. The award recognized MISUMI’s next-generation contact center model, which combines frontline expertise with digital technologies to improve customer experience while transforming operations. Recognized initiatives included an AI chatbot that integrates AI with the renewed core system, as well as application development led by operations personnel.

Best Customer Support of The Year 2026

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Intellectual Property and Research and Development

Approach to Intellectual Property

To strengthen the competitive advantage of digital services that contribute to enhancing Customer's Time Value, MISUMI promotes the creation and utilization of DX-related patents. These patents constitute important intellectual capital supporting the growth strategy of Digital MODEL Shift. Intellectual property personnel actively gather business and development information by participating in development progress meetings, holding regular discussions with developers, and organizing invention-discovery sessions. They also analyze competitors' patents to identify DX-related inventions that can enhance business competitiveness. In line with the Company's business development, MISUMI seeks to secure DX-related patents globally, including in Japan, China, and the United States.

Through these initiatives, MISUMI's global portfolio of DX-related patents has grown more than four-fold over the past five years, from 26 at the end of FY2020 to 114 at the end of FY2025. Notable achievements include patents covering a meviy function that uses visual guidance to help users correct errors and a D-JIT function that uses a multi-sourcing network to provide an immediate delivery-date response based on the required quantity. MISUMI uses these patents to prevent competitors from imitating these functions.

MISUMI has also begun applying a backcasting approach to its intellectual property activities. Starting from the anticipated business environment and its desired position five to ten years from now, MISUMI conducts intellectual property analyses to consider forward-looking patent applications, explore development themes, and consider collaboration with other companies. Through these activities, MISUMI is strengthening the intellectual capital that will support future growth.

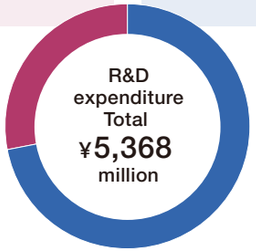
Research and Development

MISUMI promotes research and development investment in both service development and product and production technology development to eliminate waste and unnecessary effort from Monozukuri processes and continuously advance customers' Monozukuri.

Research and development expenditure totaled JPY 5,368 million in FY2025. In service development, MISUMI expanded its e-Commerce and meviy services and established a new generative AI research and development organization based at Fictiv Inc. in the United States. In product and production technology development, MISUMI pursued new product development, greater production efficiency, and quality improvements, primarily through Suruga Production Platform and Suruga Seiki.

Research and Development Expenditure Breakdown
(FY2025 Consolidated Results)

Production technology and new product development	Service development
28% (¥1,504 million)	72% (¥3,864 million)
Development of new products and production methods in the FA and Die Components businesses	e-Commerce site search and recommendation functions
Production efficiency and quality improvements to expand the range of products supported by meviy	Expansion of meviy service areas and functions
	Establishment of a generative AI research base in the United States



MISUMI-Fictiv Joint AI R&D Center

Since its founding, Fictiv has believed that the complexities of manufacturing should be resolved through systems rather than placed on engineers. Building on this principle, Fictiv and MISUMI jointly established a generative AI research and development center in San Francisco, the United States, in October 2025.

The research focuses on the structural challenge that 80% of parts costs is determined at the design stage. Using product data and manufacturing records held by Fictiv and MISUMI, the companies are developing a system that instantly visualizes the effects of design changes on cost and lead times and provides consistent improvement recommendations without relying on the experience of individual personnel. For products ranging from standard to custom items, the companies aim to develop a system that presents specific options covering design changes to reduce costs or shorten lead times, as well as the selection of production sites to diversify risk.

Toward 2030, MISUMI and Fictiv will accumulate knowledge supporting supply chain and procurement decisions while enhancing the model through real-world data from the expanding global manufacturing network. The research scope will then be broadened beyond conventional manufacturing frameworks, with the aim of recommending optimal design and manufacturing methods based on the requirements of each product.

Physical AI Summit

On June 3, 2026, MISUMI held the AI summit "Imprint – AI for the Built World" in San Francisco, the United States. Approximately 170 executives, investors, and engineers working at the forefront of physical AI attended the event. The summit focused on the challenges involved in deploying AI models to physical equipment and operational sites, with sessions spanning design AI, quality inspection, autonomous systems, and supply chains. Participants engaged in in-depth discussions on reliability and safety in real-world operations, approaches to data utilization, and the challenges of scaling these technologies. MISUMI positions physical AI as one of its next growth areas and promotes cross-industry knowledge exchange and opportunities for co-creation.



Nate Evans speaking at the summit
Representative, AI Model Development Hub; CXO, Americas Business Company

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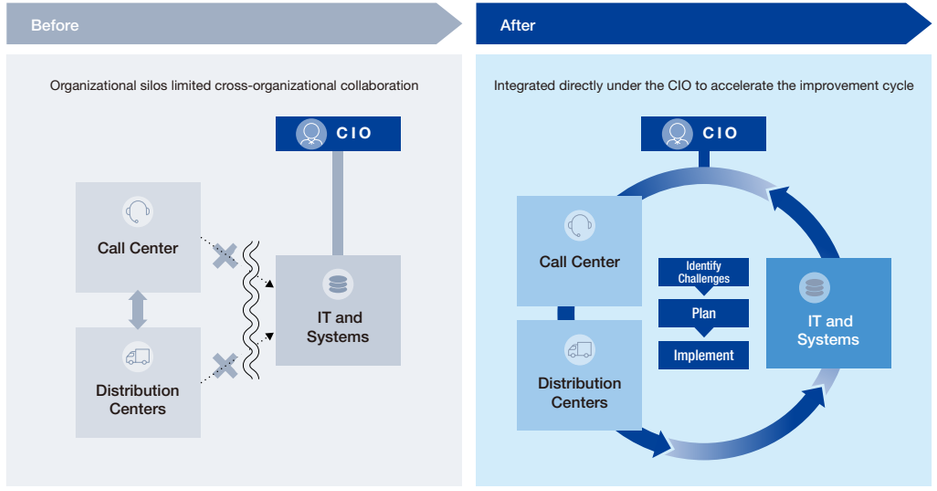
Organizational Structure and Talent Development

DX Promotion Structure

To support high-mix, variable-volume Monozukuri for 339,000 customers worldwide, MISUMI has continuously reviewed and innovated its business processes. Advances in AI are dramatically accelerating the pace of transformation required of companies. However, no matter how advanced the technology, the value provided to customers will not change unless operations also change.

To further accelerate the integration of technology and operations, MISUMI established a new organization under the CIO in June 2026 by bringing together the Call Center, Distribution Centers, and the organization responsible for developing internal systems. This structure enables frontline operations and the IT and systems functions to work as one, accelerating the process from identifying challenges to planning and implementing improvements. MISUMI also assigns IT and systems personnel to operations functions, creating a mechanism that enables them to drive improvements while directly addressing customer feedback and frontline challenges.

MISUMI positions DX not simply as the implementation of systems or digitalization, but as a management foundation for creating sustainable competitive advantage. To realize this objective, MISUMI does not limit responsibility for DX to specific functions. Instead, the Company emphasizes developing every employee's knowledge of both operations and IT. MISUMI's organizational management is based on each employee acting as the Chief DX Officer (CDXO) of their own function and taking responsibility for solving challenges and creating value. The entire Company works together to drive transformation.



DX Talent

As advances in AI make information increasingly accessible, companies require stronger Dynamic Capabilities than ever. MISUMI seeks employees who demonstrate curiosity and strong dialogue skills, use digital technologies such as AI effectively, identify challenges, and create value through conceptualization and dialogue. These are requirements for all MISUMI employees.

Recruitment

MISUMI's DX functions use dedicated recruitment platforms, international recruitment, and industry conferences to recruit people with diverse perspectives and strong IT and AI expertise.

Development

MISUMI provides company-wide training programs that enable employees to apply digital technologies in their work. In addition, employee-led study groups and community activities facilitate the sharing of practical knowledge and foster a culture of mutual learning.

<Examples of Training Programs>

AI Forum: Introduces external experts and advanced internal examples to broaden understanding of AI utilization

IT Master: An internal portal that shares frontline-led DX examples using Microsoft 365, AI, and other technologies, promoting the accumulation and broader application of practical knowledge

P42 Human Capital / Examples of Initiatives to Enhance Dynamic Capabilities

Practice

Through participation in service development and operational-efficiency projects, employees apply what they have learned in practice, leading to improvements and value creation.

Growth

Employees are evaluated on both skills and results, supporting autonomous career development. Practical experience promotes employee growth and strengthens the competitiveness of the organization as a whole.

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Customer Experience (CX)

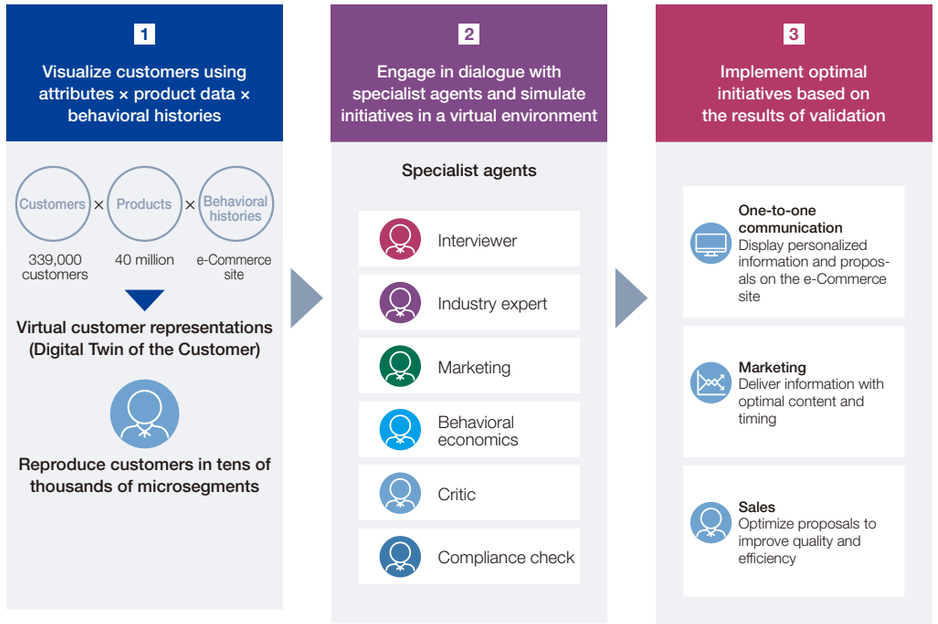
Digital Twin of the Customer

To gain a deeper understanding of customers, MISUMI is developing a Digital Twin of the Customer as a foundation for AI-driven marketing. By combining data on 339,000 customers worldwide with data on more than 40 million products, MISUMI classifies customers into tens of thousands of microsegments based on attributes such as industry and company size and behavioral histories such as spot purchases, modeling each segment as an AI agent.

Specialist AI agents with different roles engage in repeated dialogue with these virtual customer representations and handle the entire process, from planning promotional initiatives to testing them through simulations in a virtual environment.

MISUMI currently uses the system in marketing and sales activities, including communication through its e-Commerce site. Going forward, MISUMI plans to refine its functionality through further testing in Japan before expanding it globally. By using AI to visualize previously unidentified needs at a granular level, MISUMI aims to provide a purchasing experience that enables customers to easily find the products and services they need.

How the Digital Twin of the Customer Works



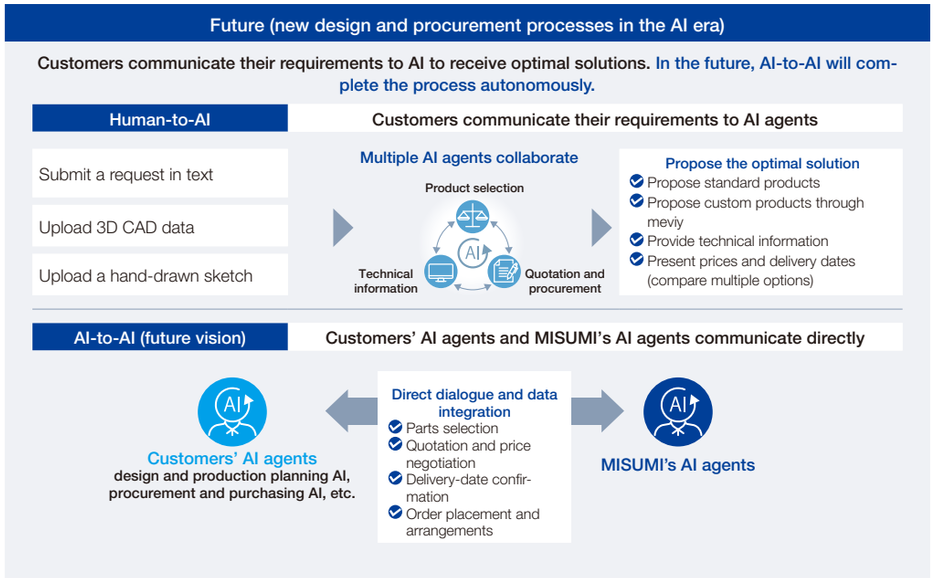
MiMA (MISUMI Multimodal Agent)

We expect the purchasing process to evolve from one in which customers search for and select products and obtain quotations themselves to one in which they receive AI-generated proposals for products and procurement methods.

With MiMA, customers can communicate their requirements in a variety of formats, including text, 3D CAD data, and hand-drawn sketches. Multiple AI agents work together to draw on information across products, digital services, and other areas to propose the optimal solution. This reduces the effort customers spend searching for parts, allowing them to focus on design and development.

This concept is supported by MISUMI's accumulated Monozukuri expertise and product data, together with its distinctive business foundation integrating digital and physical capabilities. Going forward, as AI agents continue to engage in dialogue with customers, more data will be accumulated, enabling proposals that are even more closely tailored to customers' needs.

MISUMI plans to release a prototype of the service at the end of November 2026, launch the full service in Japan in FY2027, and subsequently expand it overseas. Ultimately, MISUMI aims to realize an "AI-to-AI" model in which customers' AI agents interact directly with MISUMI's AI agents and autonomously complete the process from parts selection through quotation and order placement, without human involvement.



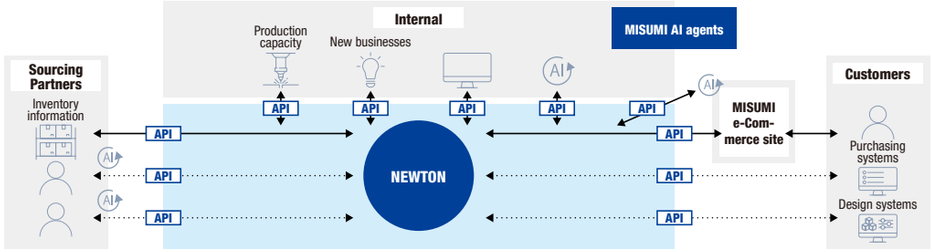
Capabilities and Outcomes | Intellectual Capital

NEWTON

Service Overview

NEWTON is a core system that functions as a platform connecting customers, Sourcing Partners, and MISUMI. Its microservices architecture allows functions to be combined flexibly, while its scalability enables secure API connections with external systems and AI. NEWTON provides a foundation for strengthening competitiveness by not only resolving challenges in existing businesses, but also enabling the rapid and easy introduction of new businesses such as D-JIT, which integrates and visualizes supplier inventory information, and the delivery-date discount service.

In some cases, the introduction of NEWTON has reduced the development time for new services to less than one-third of the previous level and cut costs to one-third. In addition, a chatbot combining NEWTON's API foundation with AI has reduced customer waiting times by up to 98% and halved the number of inquiries handled through live chat, significantly improving both customer experience and MISUMI's productivity.



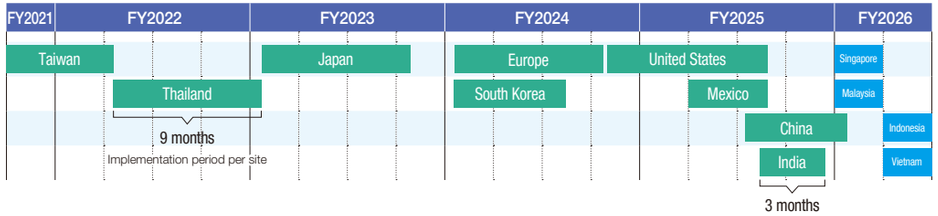
Global Rollout

MISUMI began rolling out NEWTON to local subsidiaries in 13 countries and regions in 2021 and completed implementation at all locations by the end of September 2026.

This global rollout was supported by a modular architecture that combines small functional units. Individual functions can be adapted to local business practices and regulations without affecting the system as a whole, enabling implementation tailored to the circumstances of each country and region. Because cloud environments are established separately by region, MISUMI can provide customers with more responsive service while optimizing costs by allocating resources according to the scale of each regional business.

In addition to establishing this technology foundation, MISUMI reviewed its business processes and packaged knowledge from the initial rollout locations for use elsewhere. MISUMI also developed future leaders by assigning younger employees responsibility for driving the global rollout and broadening the scope of their roles. As a result, the implementation period was reduced from nine months at the initial locations to as little as three months.

Overseas Rollout Schedule



Global Implementation Example

NEWTON has made order confirmation and online quotations for custom products available 24 hours a day, improving convenience for customers. Internally, improved order and delivery processes have increased response speed and enabled smoother information sharing with Sourcing Partners. NEWTON's ability to connect flexibly with external systems also allows us to consider improvements to processes that could not previously be integrated with the core system. I believe this renewal of our foundation is expanding the possibilities for evolving our business.



Assistant Director, China ME Business Division MISUMI China

Peng Qian

Integration with Production Management Systems

Using NEWTON's flexible API connectivity with external systems, MISUMI connected its database of more than 40 million products to production management systems in June 2026. MISUMI formed a three-company consortium with DAIKO XTECH, Ltd. and Technoa Inc. to advance the digital transformation of purchasing. By enabling processes such as quotation, ordering, and obtaining delivery information, which previously required repeated exchanges of information, to be completed within the same system, the initiative will increase purchasing-department productivity by up to two-fold. Through cross-industry co-creation, the consortium is advancing new standards for procurement and purchasing. The new system is planned for introduction at more than 1,000 companies in Japan over the next five years.

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Manufacturing Capital

MISUMI receives an average of 200,000 orders per day globally. These orders involve semi-custom products with 80 sextillion possible variations, in quantities ranging from one to several hundred units, resulting in high-mix, variable-volume demand. Using AI and IT to determine the optimal procurement method, MISUMI delivers its own products, including those supplied by Sourcing Partners, as well as third-party products, with Reliable and Quick Delivery and an on-time delivery rate of 99.5%.
The combination of digital and physical capabilities is the source of MISUMI's competitive advantage.

Orders

200,000 orders per day
High-Mix, Variable-Volume Monozukuri

meviy
fictiv
MiSUMi flow
⋮

Company A ×100
Company B ×1
Company C ×16
…
Company ZZ ×3



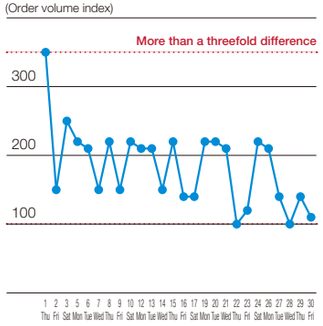
AI/IT-Optimized Procurement System

High-Mix, Variable-Volume

An Enormous Variety of Products and Wide Fluctuations in Order Volumes

For example, daily order volumes at the Shimizu Factory of Suruga Production Platform vary by more than threefold. MISUMI has developed proprietary expertise that uses AI and IT to ensure stable production across an enormous range of product types and quantities.

Daily Fluctuations in Orders for Die Components



* Index based on a minimum order volume of 100

Optimal Procurement Source Selection

- Standard products — More than 40 million products
- Semi-custom products — Mass customization encompassing semi-custom products with 80 sextillion possible variations
- Custom products — Unlimited range of product variations
- Factory-MRO — Consumables and supplies for mass-production factories



Features

Optimal Sourcing Partner Optimal Process
Optimal Timing Optimal Machining Program

Procurement and Manufacturing

MISUMI Products

Production Improvement

Over 14 Years
Productivity Up 3.2-Fold
Lead Time Reduced to 1/68

Optimal Utilization of People and Equipment

* At the Shimizu Factory of Suruga Production Platform

Proprietary Machining Equipment ALASHI

Global Production Network

22 MISUMI Production Sites Worldwide

Five-Region Global Production System

Third-Party Products

Agile Procurement Network

4,000 Sourcing Partners Worldwide

Connected by AI Agents

Data Integration with 800 Companies

Resilient Logistics Network

21 MISUMI Logistics Sites Worldwide

AI-Enabled Procurement Inventory Optimization

Globally Reliable and Quick Delivery

Shipments	Lead time	On-Time Delivery Rate
200,000 per day	As short as one day	99.5%



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Capabilities and Outcomes | Manufacturing Capital

An agile production and logistics system supports high-mix, variable-volume Monozukuri. Technologies and continuous-improvement expertise developed at sites worldwide are shared across locations.

[Production]

China Nantong Factory

One of MISUMI's Largest Make-To-Order Production Sites Taking Semi-Custom Product Manufacturing to the Next Level

- **Handles an average of 44,000 units per day** * July 2026 results
  - A semi-custom product manufacturing site serving demand in China, Asia, Europe, and the Americas.
- **Launched an unmanned production line for FA components** * August 2025
  The factory has introduced automation technologies developed at the Shimizu Factory of Suruga Production Platform in Shizuoka, Japan. Productivity per person has increased 8.5-fold compared with the existing line, and the factory plans to expand the range of products manufactured.
- **Began production of assembled products** * August 2025
  The factory established a new product assembly process, achieving shorter lead times by bringing the production of certain products in-house.



Nantong Factory



Unmanned production line for semi-custom products

Vietnam Saigon Precision Company (SPC)

- **Asia's largest production site**

Established in 1995, SPC has continued to expand and now operates four factories, supporting MISUMI's global supply system. It manufactures a broad range of products, from standard and semi-custom products to custom products ordered through meviy.

- **Plan to expand production of automated positioning stages for data centers**

SPC also manufactures automated positioning stages for data centers, demand for which is growing. In January and July 2026, MISUMI decided to invest in expanding production capacity, primarily at SPC. By FY2027, MISUMI plans to approximately triple the Group's overall supply capacity for automated positioning stages compared with FY2025.



SPC Production Floor

[Logistics]

China Shanghai QCT* Center

Demonstration Site for Logistics DX Sharing Productivity-Improvement Expertise Internally and Externally

* August 2026 results. The Group's largest overseas site by shipment volume

- **Ships an average of 24,000 orders per day**
- **Productivity increased approximately 1.7-fold**
  * August 2026 results, compared with FY2023

Through frontline-led improvement activities, the center develops automation equipment and systems in-house. More efficient operations have reduced costs. The center is also testing the introduction of humanoid robots.

- **Deploying 85 improvement practices across eight overseas sites**

The center developed a low-cost operating model for small-scale warehouses and is deploying it to local subsidiaries in Asia. At the Taiwan QCT Center, which introduced the model in April 2026, productivity increased by 12.7%.

* At MISUMI, we prioritize Q (Quality), C (Cost), and T (Time Value).



High-Speed Automated Sorting Machine Built with 60% MISUMI Products



Packing and Sorting Machine That Improved Packing Productivity by Approximately 80%

Opening Our Manufacturing Operations to the Public

The Shimizu Factory of Suruga Production Platform is the mother factory supporting MISUMI's Monozukuri.

The factory develops and implements proprietary production technologies, including ALASHI, which automates the precision grind-ing of die components, and production lines for custom products ordered through meviy. In this way, the factory pursues an advanced manufacturing model capable of meeting high-mix, variable-volume demand.

In response to requests from many customers and industry stakeholders, the factory conducted 67 factory tours in FY2025. It also engages in CSR activities, including serving as a partner company in a career education program organized by Shizuoka University and providing junior high school students in Shizuoka City with opportunities to experience Monozukuri firsthand.



Junior high school students experience die-component machining using ALASHI

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Message from the Chief Human Resources Officer (CHRO)

Creating Customer Value through the Collective Strength of the Group, with Employees' Challenges and Growth as the Starting Point

Senior Corporate Officer and CHRO
Representative, Human Resources and Legal Platform Hub
Tsutomu Kato

The Significance of Establishing the CHRO Role: Bringing Together the Strengths of Our People and Organization to Open the Way to the Next Stage of Growth

MISUMI has grown through a decentralized, autonomous management model based on the delegation of authority to its business organizations. Within this framework, human resources was positioned as a function supporting each business. Today, however, approximately 60% of MISUMI's business is conducted overseas, and I believe that overseas markets will account for much of our future growth. At the same time, customer needs continue to evolve, while rapid advances in AI and robotics are beginning to transform the very nature of Monozukuri.

Amid these changes in the business environment, we must move beyond a model in which each business serves customers based solely on what is optimal for that individual business. We need to evolve into a company that organically connects the knowledge, experience, talent, supply chains, and other capabilities distributed around the world to create customer value through the collective strength of the entire Group. Our people and organization are what will make this transformation possible.

I believe that responding to these changes is the primary reason MISUMI now requires the role of CHRO. The CHRO's mission is to evolve human resources from a support function into a core function that connects talent and organizational capabilities across the Group and supports the execution of our management strategies. Talent strategy is management itself, creating corporate value and generating competitive advantage.

"The Best Place to Grow" as the Starting Point for Our Human Capital Management

The concept underlying our human capital management is "The Best Place to Grow."

The environment surrounding our customers, Monozukuri, and industrial structures continues to change significantly. To respond to these changes, it is essential for every employee to deeply understand customers' challenges, think and act independently, and continue taking on new challenges to create value. Our diverse employees proactively pursue growth, and the Company fully supports them in taking on these challenges. We aspire to be the company where every employee has the greatest opportunity to grow in the world, and where that growth leads to the creation of value for customers. We aim to provide world-class opportunities that foster such a virtuous cycle of challenge and growth. This is what "The Best Place to Grow" means to us.

At the same time, as we expand our business domains and take on the challenge of creating new value, there are very few areas where the path to success is clear from the outset. Bold challenges come with the risk of failure, yet there can be no growth without challenge. We must therefore clearly articulate a culture in which people can take on challenges without fear of failure and create an environment where employees around the world can continue looking ahead and take new steps forward.

At the same time, it is also essential for diverse talent to play an active role. To me, diversity extends beyond differences in attributes such as nationality and gender. It means bringing together people with different experiences, expertise, and values, and harnessing those differences as a source of organizational strength. I also believe that continued growth requires every employee to broaden their thinking, actively embrace different perspectives and values, and continue learning from new viewpoints rather than resting on past successes.

Creating Value through a Talent Strategy Centered on Challenge and Growth in the Global and AI Era

At the same time, we are facing new challenges.

For MISUMI to achieve further growth as a global company, talent from diverse countries and regions, not only in Japan, must play a greater role in management, thereby increasing diversity and enhancing the quality of decision-making.

It is also important to establish "The Best Place to Grow" as a shared global concept. This does not mean simply rolling out initiatives developed in Japan to other countries unchanged. While upholding a common philosophy, we must flexibly adapt the way it is put into practice to the culture and labor market of each region.

Furthermore, AI is beginning to change the assumptions underlying talent development. While the use of AI continues to advance, there is still no clear answer to the question of what kind of talent we should develop in the AI era. For this reason, we do not view AI adoption as an end in itself. Instead, we will focus on the fundamental question of how people can grow and create value in an environment where AI is an integral part of work.

Our aim is to build an organization in which every employee, wherever they work in the world, can continue to contribute more to customers while taking on challenges and growing. The growth of our people leads to the growth of the Company, and the growth of the Company creates further opportunities to take on new challenges. By extending this virtuous cycle across the globe and leveraging the strengths of our people and organization, we will sustainably create value for customers and corporate value. This is MISUMI's vision for human capital management.

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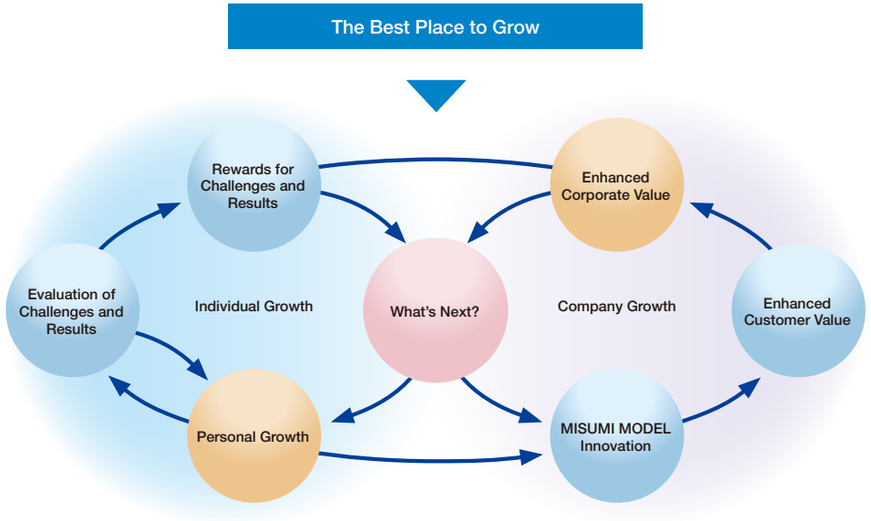
MISUMI's Human Capital Management: The Best Place to Grow

The Growth Chain-reaction Aspired Management to which the Group seeks to achieve begins with employees' challenges. By continuously innovating its Business MODEL (the MISUMI MODEL), MISUMI realizes its growth strategy and seeks to maximize both the value it delivers to customers and its corporate value. It is people who refine the MISUMI MODEL, and the challenges undertaken by each individual employee form the foundation of the Company's human capital management.

The Best Place to Grow diagram below illustrates the virtuous cycle of growth that begins with employees' challenges. The cycle on the left pursues individual growth. Employees grow by asking themselves, "What's next?" and taking on their next challenge; those challenges are appropriately evaluated and rewarded, creating a cycle that leads to further challenges. The cycle on the right pursues the growth of the Company. Employees' challenges innovate the MISUMI MODEL, enhance the value delivered to customers, and in turn lead to increased corporate value.

With employees' challenges as the starting point, the continuous operation of these two cycles in tandem forms the foundation of Growth Chain-reaction Aspired Management. This is the central pillar of the Group's human capital management and reflects its aspiration to be, for its employees, The Best Place to Grow: a company full of challenges and unparalleled opportunities for growth.

Connection Between Human Capital Management and The Best Place to Grow



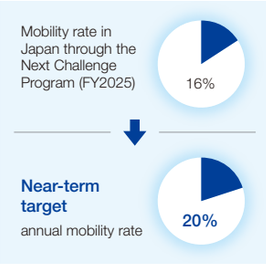
Mechanisms for Realizing The Best Place to Grow

Mechanism	Subsystem	Description
1 Mechanisms for Accelerating Individual Challenges and Growth	Next Challenge Program	A program that enables employees to proactively choose their next challenge, including transfers, promotions, and new responsibilities.
	i-Up	A platform where the next generation of employees can freely present trials and initiatives that have the potential to become the seeds of future MODEL innovation.
	Next-generation Talent Development	Initiatives to develop future executive talent who will lead MISUMI.
	Improvement Literacy Program	A learning program that combines classroom learning with practical application to strengthen improvement capabilities and Dynamic Capabilities.
2 Mechanisms for Accelerating Organizational Challenges and Growth	Business Plan	A management system through which each organization formulates and executes its growth strategy and autonomously revises it as appropriate in response to changes in markets and the environment.
	M-Up/Q-Up	Forums for globally sharing the results of MISUMI MODEL innovation and fostering mutual learning and inspiration.
	Management Forum	A forum where executives and employees openly exchange views and engage in two-way discussion across organizational and hierarchical boundaries on Business Plans, key initiatives, changes in the business environment, and other topics.
3 Principles and Initiatives for Creating an Environment That Enables Employees to Take on Challenges and Grow in the Right Ways	Internal Control	A framework and mechanisms for autonomously ensuring, reinforcing, and verifying appropriate conduct by employees and organizations.
	Zero Tolerance for Harassment	Following the adoption of the Zero Harassment Declaration in 2017, MISUMI has promoted compliance education, revised and globally deployed its Codes of Conduct, and strengthened its internal whistleblowing framework.
	DE&I	Through remote work, reduced working hours, childcare support, and other measures, MISUMI is working to create an environment in which everyone can take on challenges. Initiatives that turn diversity into a strength are advanced in ways that reflect the characteristics of each country and region.

Next Challenge Program: Accelerating Individual Challenge and Growth

The Next Challenge Program enables employees to proactively determine "what's next" in their careers. By creating an internal talent marketplace, MISUMI enables employees to continue taking on challenges: each year, employees reconsider their current positions, apply to the organizations in which they wish to work, and their assignments are determined through the program. Organizations are also expected to enhance their appeal to attract talent, creating a virtuous cycle in which employees and organizations strengthen one another. Employees can pursue challenges across countries and functions, and internal mobility has been established as a KPI for measuring progress.

Next Challenge Program



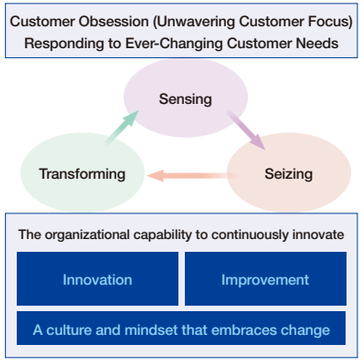
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Priority Initiative 1 Developing People and Organizations with Strong Dynamic Capabilities

Dynamic Capabilities: A Foundation for Enhancing Corporate Value

In the business environment surrounding the Company, the pace and impact of change are increasing, driven by accelerating technological innovation, heightened geopolitical risk, and the globalization of competition. Under these conditions, sustained growth requires the ability to identify changes in markets and customer needs at an early stage, make decisions quickly, and translate them into action. To realize Growth Chain-reaction Aspired Management through enhancing the value delivered to customers, MISUMI believes that it must continue innovating its Business MODEL and organization in response to environmental change. The Company therefore regards strengthening Dynamic Capabilities across the organization, namely the ability to sense changes, seize opportunities, and transform the organization accordingly, as an important management priority. Dynamic Capabilities are a foundation that supports the enhancement of corporate value and a competitive capability that sustains growth into the future.



Reforms toward an Organization with Strong Dynamic Capabilities

Hub Organizations (Organizational Structure Reform)

To further accelerate global business growth, MISUMI reorganized its structure from a region-based framework to a global business-based framework, enabling resources to be allocated dynamically by business in response to changes in markets and the operating environment. Organizations responsible for businesses, regions, competitive foundations, and breakthrough strategies are designated as Hub Organizations. As hubs for the Group as a whole, they drive MODEL innovation and enhance customer value.

Multi-Network (Organizational Dynamics Reform)

Hub Organizations are organically connected through a variety of formal and informal channels, maximizing the capabilities of the Group as a whole. Through cross-organizational projects, activities that connect people through shared expertise and interests, such as forums and study groups, and opportunities for external learning and collaboration, including lectures and media engagement, MISUMI strengthens Dynamic Capabilities by fostering connections that extend beyond organizational boundaries.



Autonomy and Governance (Organizational Management Reform)

At the management meetings of each Hub Organization, MISUMI forms management teams comprising the Supervising Officers, Hub Presidents or Representatives, and “External Executives” drawn from outside the organization, including from outside the Company. By ensuring diversity within each organization’s management team and incorporating insights from other organizations and outside the Company, MISUMI achieves a balance between flexible, agile autonomous management and appropriate governance.

Examples of Initiatives to Strengthen Dynamic Capabilities

1 Management Forum

Throughout the year, the Group holds Management Forums that enable direct dialogue between executives and employees. In addition to Group-wide sessions, forums are held by Hub Organizations and departments to share Business Plans and key initiatives, draw on external perspectives and support, and accelerate implementation.

All employees are free to participate either in person or online. The forums encourage active participation and help foster a Multi-Network organizational culture aimed at enhancing corporate value.

2 i-Up

MISUMI launched i-Up in FY2025 to encourage employees’ challenges and growth. It provides a forum in which the next generation of employees can share trials and initiatives that may become the seeds of future MODEL innovation across the Company and exchange views with one another. Financial support for personal growth is provided for outstanding initiatives. The inaugural event featured 129 submissions from Japan and China, including themes such as the use of AI and the development of new services, and led to interaction across organizations and regions. Going forward, MISUMI will invite submissions from all regions globally and further foster a culture that encourages challenges.

Unlock our Waku-Waku!!

i-Up

3 “Ara Talk!” Roundtables between the President and Employees

Inspired by President Arata Shimizu’s desire to deepen interaction with employees following his appointment in April 2026, these roundtables, held approximately once a month, provide an informal forum for dialogue between the President and employees. They are held not only in Japan but also at global locations, are open to employees regardless of position, and are planned and operated by participating members. This open communication allows employees to hear directly about the thinking and intentions of top management, while enabling management to understand frontline realities and employees’ voices firsthand, thereby strengthening the organization’s Dynamic Capabilities.

AraTalk

4 Improvement Literacy Program

The Improvement Literacy Program is a proprietary MISUMI foundational course based on the Toyota Production System (TPS), designed to promote productivity improvement across all areas of work. Employees learn the fundamentals of problem structuring and problem solving, including how to identify bottlenecks and analyze and resolve their root causes. MISUMI regards this improvement literacy as fundamental to the work people should perform in the AI era and aims to make its organization and people AI-ready from perspectives beyond technology.

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Priority Initiative 2 Realizing The Best Place to Grow Globally

Toward People and Organizations That Enable Every Region to Lead the Group's Growth

The key to MISUMI's next stage of growth lies in generating a continuous stream of MODEL innovation across regions around the world. To achieve this, the Group must become an organization in which all employees can take on challenges and grow.

MISUMI is therefore transitioning from a Japan-centered, headquarters-led approach to talent utilization toward a structure in which national staff, who best understand local customers, cultures, and workforces, take a strong lead in managing businesses in their respective countries and regions.

Each country and region will focus on enhancing the value delivered to customers, while, from the perspective of optimizing the Group as a whole, connecting its knowledge and technologies through the Multi-Network to create value for customers worldwide. MISUMI will work together globally to advance the talent and organizational development needed to achieve both objectives.

Rebuilding the HR Foundation with a Global-First Approach

The HR functions of the Americas, Europe, Asia, China, and Japan operate as a virtual global HR team.

Rather than simply issuing policies from headquarters or combining regional systems and practices, MISUMI openly discusses the organizational and talent development principles to be shared across the Group, as well as the policies and initiatives to be applied consistently worldwide, and adapts them to regional circumstances. Through its Global-First and Think Global, Act Local approach, MISUMI is building a distinctive global HR foundation.

Deliberate Development of the Next Generation of Global Management Talent

To become a truly global company, MISUMI needs a system for identifying future management talent worldwide, developing that talent systematically, and appointing individuals to key leadership roles. The Company is building a framework for continuously developing the next generation of global management talent, centered on executives responsible for businesses and regions and the high-potential leaders who may succeed them.

In developing the next generation of management talent, MISUMI identifies high-potential talent across the Group and provides outstanding growth opportunities centered on demanding assignments and leadership roles. By cascading similar initiatives across regions and Hub Organizations, MISUMI aims to build a diverse and robust pipeline of talent capable of leading the Group well into the future.

Initiatives Led by Global HR Regional Leaders



Melissa Salcius / Americas

Following the integration of Fictiv and MISUMI USA, we are renewing the organizational structure in the Americas so that employees can clearly understand how their roles connect to organizational objectives. Going forward, continued deployment of the right talent will be critical to supporting rapid business expansion. In particular, we will more carefully assess alignment with the roles and behavioral characteristics required for senior positions, thereby strengthening the foundations of our talent and organizational culture. We aim to extend the positive impact of these changes across the Group.

Arno Schwarz / Europe

In Europe, we are strengthening promotion, succession planning, and talent development processes to align more closely with the global talent development model. Going forward, we will strengthen transparent talent selection and development based on role requirements, competencies, business needs, language capabilities, and expertise, while ensuring alignment with both The Best Place to Grow and the European context.





Qing Pu / Asia

Asia is a "mini-global" region comprising seven local subsidiaries and Suruga-related companies, with close ties to China. We are leveraging these characteristics to strengthen cross-regional talent networks and expand opportunities for employees to take on challenges. Going forward, we will continue developing systems and initiatives to select outstanding talent, build management capabilities through practical experience, and provide incentives that encourage employees to take on challenges, enabling local talent to assume key management positions across the region and its subsidiaries at an early stage.

Jason Song / China

In China, we are embedding MISUMI Value's and The Best Place to Grow while promoting autonomous management by local talent. As a core MISUMI region, China also dispatches talent to the Asia region. Going forward, we will advance talent development from a Global-First perspective so that we can contribute further to Group management. Guided by Think Global, Act Local, we will balance unified standards with regional culture while supporting employees' proactive career development.





Matthew VonderBrink / Dayton Lamina

Working with HR leaders across the world, we are advancing talent and organizational development that contributes to the growth of each region, each organization, and the Group as a whole. While recognizing and respecting the cultural and regional differences that contribute to each organization's success, we will build global frameworks for leadership development, talent management, employee engagement, and related areas that support the growth of both Dayton Lamina and the Group.

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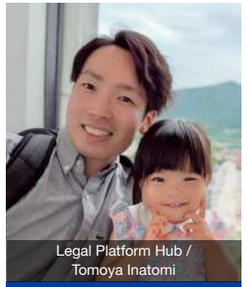
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Ways of Working and Diversity

Supporting the Balance between Parenting and Career

Before taking parental leave, I was concerned about stepping away from work, but the support of my manager and team members gave me the confidence to make that decision. During my leave, I shared household and childcare responsibilities with my spouse while watching our child grow. For someone whose life had largely centered on work, the time I spent with my family provided many valuable insights. The ability to prioritize within limited time and consider situations from others' perspectives has also benefited me since returning to work. The experience also deepened my understanding of employees who balance work with a variety of personal responsibilities, including childcare and caregiving. Today, I use flextime and other arrangements to balance work and family life while respecting diverse ways of working. MISUMI has a culture that encourages people to take on challenges, and parental leave became more than the use of a formal program; it was an opportunity for my own growth. Going forward, I hope to continue contributing to value creation while balancing my professional and family responsibilities.



Legal Platform Hub / Tomoya Inatomi

Data (MISUMI Japan)

Male Childcare Leave Uptake Rate: 101.7%

Calculated in accordance with the Ministry of Health, Labour and Welfare guidelines by dividing the number of male employees who took childcare leave or related leave by the number of male employees whose spouses gave birth.

Building a People-centered Corporate Culture at P.C.S.

(P.C.S. Company, a MISUMI Group company)

P.C.S. regards corporate culture as a critical management foundation for sustainable growth. Even in the age of AI and digital transformation, P.C.S. believes that people remain the ultimate source of competitiveness and views AI as a tool that enables employees to create greater value through their creativity. Accordingly, P.C.S. has placed trust and respect at the center of its corporate culture and has worked to strengthen confidence in management while fostering open, two-way communication. Through transparent communication, the use of feedback, fair compensation systems, job shadowing, and other initiatives, P.C.S. is creating an environment in which employees can express their opinions and take on challenges with confidence. As a result, the engagement score rose from 56% to 82% over seven years, and P.C.S. has been recognized as a Detroit Free Press Top Workplace for four consecutive years. In addition, stronger cross-functional collaboration and an increase in improvement proposals have enhanced customer value and contributed to record-high sales in FY2025. Going forward, through a corporate culture in which employees' voices are reflected in management, P.C.S. will continue to generate Dynamic Capabilities and innovation, thereby achieving the sustainable enhancement of corporate value.



President of P.C.S. Company: Angela Elsey

Data (P.C.S. Company)

Engagement Score: 82%
Top Workplaces: Recognized for Four Consecutive Years



Employees with Disabilities Making an Impact

Art Talent At MISUMI, employees with disabilities who possess artistic talent work as in-house designers. Through the creation of a wide range of content, they support visual communication and help foster more active communication across the Company.

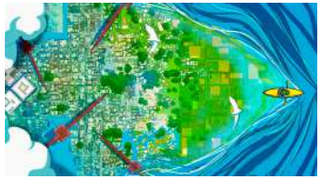
Takashi Araki Through my creative work at MISUMI, I have developed the ability to pursue high standards within limited time constraints while balancing speed and quality. My goal is to create work that helps people recognize their potential and inspires them to take on their next challenge. Going forward, I hope to expand into advertising production and communicate MISUMI's appeal and value to an even broader audience.

Hinata Sasaoka Since joining MISUMI, I have expanded the range of my creative expression through a variety of projects by considering both the audience and the context in which the work will be used. Through design, I hope to facilitate communication among employees and contribute to enhancing customer value. Going forward, I will continue exploring new forms of expression, including 3DCG and VR, to deliver value to an even broader audience.

Health Keepers As part of its employee benefits program, MISUMI employs Health Keepers, in-house practitioners who provide employee wellness services, helping to create an environment in which employees can perform at their best.

Nobunao Kiyohara As a practitioner, I continually refine my skills while embracing the challenge of contributing to employees' physical and mental well-being and helping them perform at their best. During my 10 years at MISUMI, seeing people with diverse backgrounds and perspectives thrive has taught me the importance of expanding possibilities without being constrained by conventional assumptions. Going forward, I want to broaden the range of treatments I provide and create value for more employees and customers by expanding massage rooms to other locations and developing practitioners.

Yumi Mori In addition to regular treatments, I focus on recommending stretching and self-care. I support the health and well-being of MISUMI employees so that they can thrive not only at work, but also in their hobbies and sporting activities. Since joining MISUMI, I have strengthened my ability to provide treatments tailored to individual needs while responding flexibly to a wide range of situations. Going forward, I will also take on the challenge of learning medical English and aim to become a Health Keeper who can deliver value to a more diverse range of users.



i-Up Official Artwork (Araki)
Depicting how challenges expand possibilities and drive personal growth.



i-Up Official Artwork (Sasaoka)
Depicting young leaves growing into MISUMI's future.





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Roundtable Discussion on Women's Advancement



Turning Differences into Strength and Empowering Everyone to Take on Challenges

Still a Work in Progress: Where MISUMI Stands on Women's Advancement

Yano We have gathered participants with diverse roles and career backgrounds. From your respective perspectives, how would you assess the current state of women's advancement at MISUMI?

Sato During my 15 years with MISUMI, I spent 12 years overseas and also served as the head of a local subsidiary. In my experience, being a woman did not affect my opportunities or how I was evaluated, which I see as one of the strengths of MISUMI's culture. At the same time, people who fit a certain mold of what was expected at MISUMI tended to thrive, regardless of gender. As MISUMI accelerates its growth as a global company, I believe our next challenge is to become an organization that can turn differences in perspectives and ways of working into a source of strength.

Zheng I joined MISUMI as a new graduate and gave birth during my third year with the company. After returning from parental leave, I have been able to balance childcare and work with the support of remote work and reduced working hours. However, I know people who have both the ability and the opportunity to take on greater responsibilities but hesitate to pursue management positions because they believe managers must work long hours. In addition to flexible work arrangements, managers need to encourage employees and help them see the range of opportunities available to them.

Advancing Careers through Mentorship and Expanded Choices

Yano I did not begin my career with the goal of attaining a leadership position. Alongside the enjoyment of work itself, another important factor in my growth was the presence of mentors who encouraged me, sometimes through candid and challenging advice. What role do you think mentors play in supporting women's advancement?

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Okawa Drawing on my experience at a previous company, I, too, recognize the importance of mentors. Younger employees sometimes ask whether they should prioritize their careers or their families. My response is that, rather than giving up one or the other, they should think about how to achieve both. Having a mentor other than a direct manager with whom employees can openly discuss their concerns can help them gain new insights and discover possibilities they may not have considered before. I believe there is significant room for the company to expand an environment where employees feel comfortable seeking advice and are encouraged to take the next step in their careers.

Sato I, too, have drawn inspiration and encouragement from seeing accomplished senior colleagues and friends thrive in their careers. I also believe that mentors do not necessarily have to be women. Male mentors can play an equally valuable role in supporting growth and development.

Zheng I was also supported by managers who, when I was close to giving up, challenged me by asking, “Are you really satisfied with stopping here?” Mentors are often viewed as role models, but I do not believe their role is to lead others down the same path they themselves followed. Rather, mentors help people recognize that other paths remain open to them, broaden their perspective on what is possible, and encourage them to take on new challenges.

Management That Unlocks the Potential of Diverse Talent

Yano Simply bringing together people with diverse backgrounds, including differences in gender, is not enough to make an organization stronger or enable it to perform at its best. What should MISUMI do to turn diversity into a true source of strength?

Sato To deliver value to a diverse range of customers, we need a workforce that reflects diversity in nationality, gender, culture, and ways of thinking. Understanding differences and embracing perspectives that differ from our own can lead to unexpected ideas and innovation. I believe it all begins with respecting one another and communicating, “I trust you.”



Okawa I believe people can fully realize their potential only when three elements come together: Diversity, which brings together people with different backgrounds; Inclusion, which means respecting one another and recognizing individual differences; and Equity, which ensures support tailored to the needs of each person. For example, paying attention to those who have not spoken during a meeting and creating opportunities for them to share their views is an important responsibility of leaders and managers.

Zheng It is also essential for employees to feel confident that expressing their opinions openly will not negatively affect how they are evaluated. Some people have ideas of their own but hesitate to speak up for fear of going against the prevailing view. Managers need to look beyond those who speak the loudest and actively draw out perspectives that have not yet been expressed.



Taking DE&I from Knowledge to Everyday Action

Okawa Everyone has unconscious biases. I believe it is important to recognize that we all have our own assumptions and to develop the habit of pausing to ask ourselves, “Am I viewing this only from my own perspective?”



Zheng People should not refrain from speaking up out of fear that their evaluation may suffer. Rather, I believe that expressing one’s views openly is what enables people to take responsibility for the outcomes. That is precisely why managers must demonstrate respect through their words and actions, both in meetings and in everyday interactions.

Yano The essence of DE&I lies in understanding and accepting one another’s differences and then adjusting our direction as an organization accordingly. I believe that, by embracing and advancing DE&I, each of us can help make MISUMI an even stronger and more attractive company.

Kato Thank you for sharing your candid perspectives. It is not easy to bring together differing opinions while aligning everyone around the Company’s direction and objectives. However, through the steady accumulation of such efforts, diversity becomes a source of innovation and competitive advantage. As MISUMI looks toward its next stage of growth, we will continue exploring ways to translate DE&I from a concept into everyday practice, creating an environment where everyone can take on challenges in their own way and perform to their fullest potential.



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Message from the Chief Financial Officer

Turning Change into Growth through Optimal Resource Allocation

Senior Corporate Officer and CFO
Representative, Finance Platform Hub
Toru Takanami

Turning Change into Growth through Management Beyond Fixed Budgets

Since its founding, MISUMI has pursued its mission of enhancing Customer's Time Value by eliminating inefficiencies in the manufacturing industry. In recent years, alongside Digital MODEL Shift initiatives such as meviy, the Economy Series, D-JIT, and MISUMI floow, our integration with Fictiv has expanded our business domain into product development. In supporting this growth, I believe my essential role lies not only in performance and cash management but in determining how management resources should be allocated and where growth opportunities lie in order to enhance corporate value.

Through dialogue with investors, I sense that although MISUMI is a unique company, its overall picture is not easy to convey. Our FA, Die Components, and VONA businesses each have their own strengths and have achieved steady growth. At the same time, some aspects of corporate value are difficult to see from the growth of individual businesses alone. From our customers' perspective, MISUMI is one company. That is why we need to show not only the profitability and growth potential of each business, but also the value we create as a company as a whole. As the executive responsible for finance, I am working to enhance corporate value while keeping sight of both the growth of individual businesses and Group-wide optimization.

From Cash Management to Capital Management

MISUMI has built a solid financial base on the back of high earning power and strong cash-generating capabilities. In our global operations, we have also put in place a structure that allows funds to be deployed flexibly across countries and regions, including centralized fund management through the introduction of cash pooling. As a result, we have been able to reduce the minimum level of funds required for business continuity.

While cash management has advanced, I believe we are at a stage where we must devote even greater effort to capital management, that is, to the question of how to connect accumulated capital to growth. In the past, we may have viewed our growth opportunities somewhat too narrowly. That is precisely why we are now accelerating our entry into growth industries such as semiconductors, data centers, robotics, aerospace, and agritech, and actively pursuing investments that lead to enhanced corporate value.

The role of finance is not only to advance investment, but also to increase the likelihood that those investments succeed. In investment decisions, we do not mechanically follow the numbers alone; we place importance on the growth story that a given business seeks to write. ROIC and ROI are important indicators, but if management decisions were based only on present figures, a company would stop taking on challenges. Balancing future growth potential with financial discipline is the foundation of MISUMI's financial strategy.

A Management System to Accelerate Growth Investment

In an era of rapid change, enhancing corporate value requires a mechanism for quickly identifying change and allocating resources appropriately. MISUMI is therefore building a new management system based on the concept of management beyond fixed budgets. Rather than being bound by fixed budgets, this system uses rolling forecasts to reallocate resources as market conditions and business circumstances change. It is not merely a management technique, but a management foundation for strengthening our Dynamic Capabilities.

The role of the finance function is also shifting from managing budgets to supporting management decision-making. Using data and AI, the finance function provides objective insights on the future outlook developed by each business division, supporting higher-quality decision-making. Financial data is being used across an increasingly broad range of areas, including profitability management by organization and function, profitability analysis by customer and product, and demand forecasting. These capabilities have become an important foundation for directing limited management resources to the areas with the greatest potential to create value.

Message to the Capital Markets

Looking three to five years ahead, what I consider most important is how to maximize the likelihood of success in our growth investments and global expansion. Success in these areas should lead to improved capital efficiency. Building on a strong financial base, MISUMI will continue to take on the challenge of turning change into growth. While pursuing the optimal balance between growth investment and shareholder returns, we will continue to enhance corporate value over the long term.

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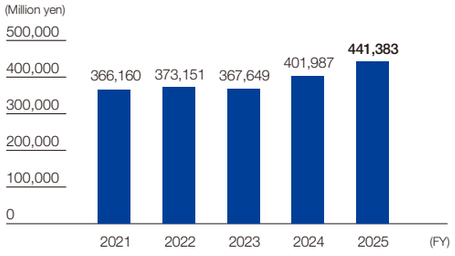
MD&A: Financial Review

Review through the First Quarter of FY2026

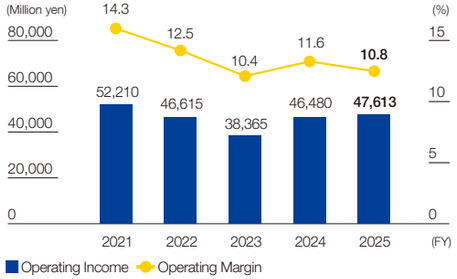
In FY2025, amid continued uncertainty arising from U.S. tariff policies and heightened geopolitical risks, we advanced Digital MODEL Shift initiatives and region-specific growth strategies. As a result, net sales were ¥441.3 billion, operating income was ¥47.6 billion, and net income was ¥40.4 billion, with both net sales and net income reaching record highs. Growth was led in particular by Digital MODEL initiatives such as meviy, the Economy Series, and D-JIT, while expanding demand in the Chinese and Asian markets and growth in telecommunications-related demand also supported results. In addition, the acquisition of Fictiv expanded our business into the product development domain and gave us AI-related capabilities.

In the first quarter of FY2026, data center demand and semiconductor-related demand expanded against a backdrop of AI-related investment, and the effects of our Digital MODEL Shift initiatives emerged at a pace exceeding expectations. As a result, net sales reached ¥131.4 billion and operating income ¥17.8 billion, both marking record quarterly highs, while the operating margin was 13.6%. In the FA business in particular, initiatives such as Fictiv, meviy, the Economy Series, and D-JIT contributed significantly, and all segments achieved double-digit growth. We also revised our full-year forecast upward and now expect operating income of ¥67.0 billion. We captured demand in growth markets, digital initiatives became more firmly established, and profitability improved steadily.

Net Sales



Operating Income / Operating Margin



Basic Policy

For sustained enhancement of corporate value, we position the advancement of our cash management system, the optimization of cash allocation, the improvement of capital efficiency, and deeper dialogue with stakeholders as the pillars of our financial strategy. While strengthening the financial base needed to accelerate growth investment, we aim to achieve both improved capital efficiency and enhanced shareholder returns, and to enhance corporate value over the medium to long term through expansion of the equity spread. We are also working continuously to build a financial structure that can respond flexibly to a rapidly changing business environment. In particular, we position cash allocation as a core management decision for enhancing corporate value, determining how cash on hand and operating cash flow are allocated to growth investment and shareholder returns.

Cash Allocation

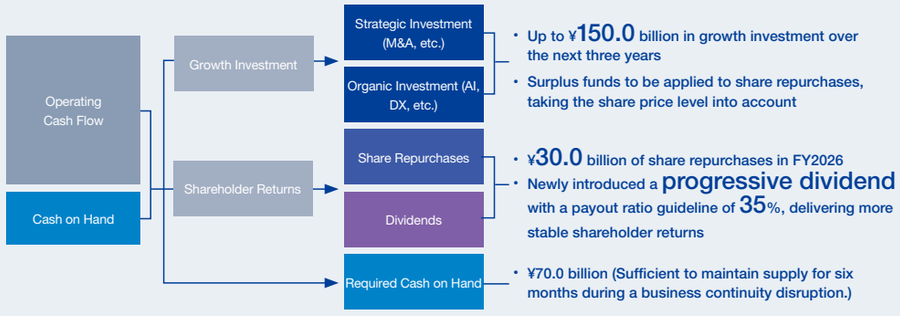
Growth Investment

We position global expansion, Digital MODEL Shift, and entry into growth industries as our three growth pillars. We will continue to invest in AI and digital transformation, as well as in production and logistics, to strengthen the competitiveness of our existing businesses, while also actively considering M&A and alliances that deliver non-linear growth. We have committed up to ¥150.0 billion to growth investment over the three years from FY2026. By accelerating entry into growth industries such as data centers, semiconductors, robotics, humanoids, and agritech and capturing growth opportunities, we aim to enhance corporate value.

In October 2026, MISUMI established the MISUMI Imprint Foundation in the United States and launched the corporate venture capital (CVC) fund MISUMI Venture Capital Fund I, LP. Both are positioned as strategic investments aimed at supporting manufacturing globally while contributing to the MISUMI Group's next stage of growth and enhancing corporate value.

The MISUMI Imprint Foundation, MISUMI's first foundation, was launched with US$2 million in seed funding. It supports engineering education, applied design and robotics programs, and industry-academia collaboration in the United States. MISUMI Venture Capital Fund I, LP has a fund size of US$50 million. As part of the Group's efforts to develop new business domains, the fund will make strategic investments in promising startups with the aim of building a next-generation manufacturing ecosystem centered on frontier hardware, robotics, and industrial AI.

FY2026–FY2028



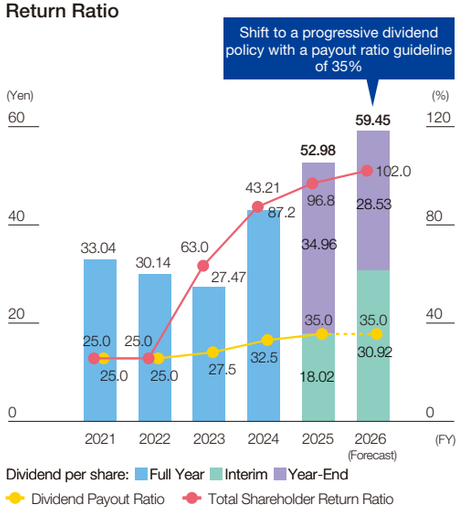
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Shareholder Returns

We continue to strengthen shareholder returns while placing importance on the balance with growth investment. Beginning in FY2026, we introduced a progressive dividend policy with a payout ratio guideline of 35%. Share repurchases are conducted flexibly according to circumstances, taking into account cash on hand, growth investment opportunities, and stock market conditions. In light of factors including revised funding requirements resulting from advances in cash management, as well as the share price level, we plan to conduct share repurchases totaling approximately ¥30.0 billion in FY2026.

Dividend Payout Ratio / Total Shareholder Return Ratio



Financial Performance Management System

To evolve into a proactive organization that takes on challenges, we are building a new Financial Performance Management System that incorporates the concepts of management beyond fixed budgets and Dynamic Capabilities. Under conventional target management based on single-year budgets, attention tends to focus on achieving year-end numerical targets at the end of the fiscal year, which can lead to short-sighted behavior that sacrifices a medium- to long-term perspective. We have therefore abolished single-year budgets and introduced a system with a two-year planning period. Each business division sets key goal indicators (KGIs), such as the two-year CAGR in net sales and the operating margin, and establishes these autonomously as market-relative targets based on market conditions and comparisons with competitors. By using relative rather than fixed targets, we seek to foster an organizational culture that does not ease off when conditions are good and keeps up its efforts when conditions are poor. In addition, we conduct rolling forecasts every quarter that consistently look two years ahead, flexibly allocating additional resources or revising existing allocations in line with gaps between targets and forecasts. We also review the validity of our strategies as needed at the monthly company-wide management meeting. Through these efforts, we are strengthening a flexible and autonomous management foundation that is not swayed by changes in the environment, and we aim to enhance corporate value on a sustained basis.

Advancing Stakeholder Dialogue

In recent years, the progress of our Digital MODEL Shift and the acquisition of Fictiv have significantly broadened our business domains and growth opportunities. At the same time, our business structure and growth strategy have aspects that are difficult to understand from outside the company, making it important to reduce information asymmetry. We therefore strive to communicate not simply our results and financial figures, but also our approach to growth strategy, the background to our investment decisions, and our capital allocation policy in a way that is easier to understand.

To achieve enhanced corporate value, we position dialogue with shareholders, investors, and other stakeholders as one of our important management priorities. In FY2025, we held 537 dialogue sessions with institutional investors and others, in addition to 27 overseas IR engagements.

Going forward, by deepening mutual understanding through dialogue, we will strengthen relationships of trust with the capital markets and thereby further enhance corporate value.

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Natural Capital



Message from the Executive in Charge of Sustainability

The Next Focus of Natural Capital Management: Product Sustainability

Senior Corporate Officer and CFO
Representative, Finance Platform Hub
Executive Responsible for the Sustainability Division

Toru Takanami

Toward Sustainable Growth in Harmony with Natural Capital

We recognize natural capital as a theme directly linked to global challenges such as climate change, and one that companies should address as a top priority. For MISUMI, which serves a broad range of manufacturing customers through its direct sales model, environmental considerations are fundamental to our business activities. Expectations from customers and investors are rising year by year.

To reduce GHG emissions, we have improved energy efficiency across our operations, expanded the use of renewable energy, and worked to measure and reduce emissions throughout the supply chain. At the same time, we are strengthening our Product Sustainability initiatives, recognizing the importance of reducing the environmental impact of our products and complying with emerging product-related regulations. Specifically, we are responding appropriately to new regulatory requirements, including the Carbon Border Adjustment Mechanism (CBAM), the EU Deforestation Regulation (EUDR), and the Packaging and Packaging Waste Regulation (PPWR).

As a company that supports the advancement of industry, MISUMI Group is committed to balancing the conservation of natural capital with business growth. By steadily building on each initiative, we will continue to contribute to a sustainable society.

Climate Change

Our Approach to Climate Change

MISUMI Group addresses climate change through its business activities, including measures to mitigate global warming. In September 2021, we announced our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) and joined the TCFD Consortium. In March 2022, we conducted and disclosed an analysis of the impacts of climate change based on the 1.5°C/2°C and 4°C scenarios, including the identification and impact assessment of transition risks, physical risks, and opportunities.

From a governance perspective, the Sustainability Committee, chaired by the Representative Director and President, establishes sustainability-related targets, including those related to climate change, monitors progress, and regularly reports to and makes recommendations to the Board of Directors. We also prioritize risks based on the financial impacts of climate change and when those impacts may arise, and formulate and implement appropriate measures.

Through a Business MODEL designed to eliminate various forms of waste for customers and suppliers, MISUMI Group also contributes to the decarbonization of society as a whole. We continue to monitor the impact of climate change on management and make appropriate disclosures.

Climate Change Initiatives: TCFD-Aligned Disclosure and Greenhouse Gas Emissions (Scope 1 and Scope 2)

GHG Emissions Reduction Targets

MISUMI Group has established the following GHG emissions reduction targets. These targets are aligned with the reduction rates and levels required by the Science Based Targets initiative (SBTi)*1 to achieve the 1.5°C target.*2

Targets

GHG Emissions from MISUMI Group's Business Activities
(Scope 1 and Scope 2)

by FY2030	Reduce GHG emissions by 42% from FY2020 levels
by 2050	Achieve carbon neutrality

*1 Science Based Targets initiative (SBTi): An international framework that encourages companies to set GHG emissions reduction targets aligned with the levels required by the Paris Agreement adopted at COP21 in 2015.
*2 The Paris Agreement target of limiting the increase in the global average temperature to 1.5°C above pre-industrial levels.

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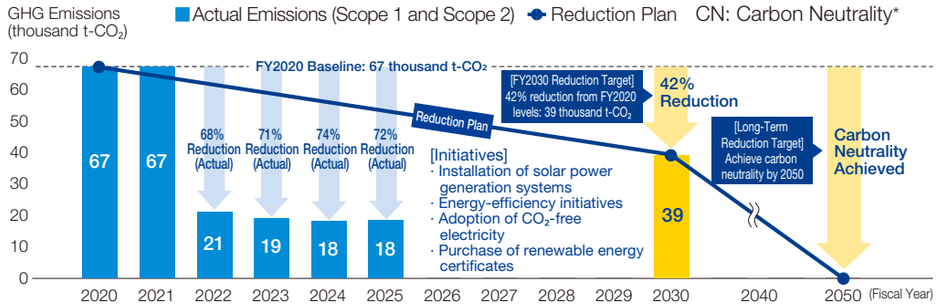
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GHG Emissions Reduction Plan and Progress

To achieve the Scope 1 and Scope 2 GHG emissions reduction targets outlined above, MISUMI Group has established a reduction roadmap and is implementing initiatives in line with it.

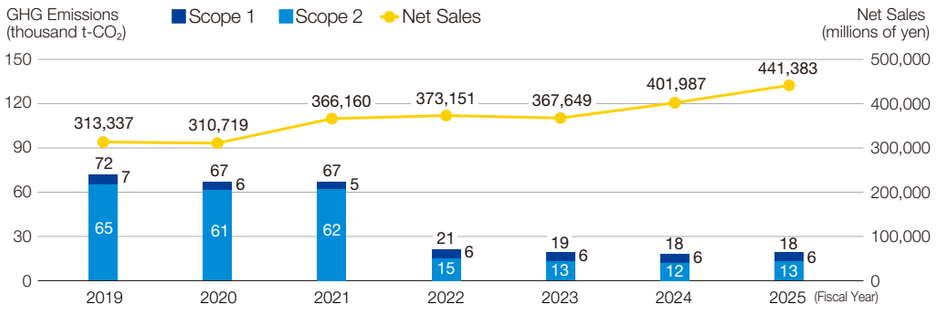
We have achieved significant reductions since FY2022 and are currently on track to meet our targets. Total Group GHG emissions amounted to 18 thousand t-CO_2 in FY2025, representing a reduction of 48 thousand t-CO_2, equivalent to 72% of FY2020 emissions. Although Group net sales reached a record high in FY2025, we maintained the lower level of emissions achieved since FY2022.

GHG Emissions (Scope 1 and Scope 2) Reduction Roadmap, Initiatives, and Progress



* Emission calculations use FY2025 emission factors from Japan's Ministry of the Environment, Ministry of Economy, Trade and Industry, and the International Energy Agency (IEA).

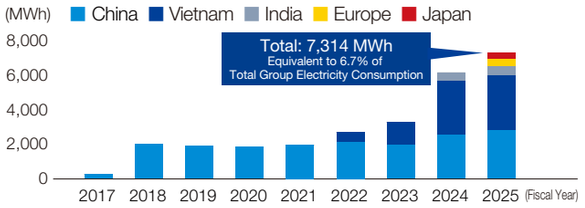
GHG Emissions (Scope 1 and Scope 2) and Group Net Sales



Specific Initiatives to Reduce GHG Emissions

MISUMI Group has achieved significant reductions in GHG emissions since FY2022. Specific initiatives include installing solar power generation systems, promoting energy-saving initiatives, adopting CO_2-free electricity*1, and purchasing renewable energy certificates, including I-REC and GEC*2. Category 1 (Purchased Goods and Services) accounts for more than 85% of Scope 3 emissions. Since FY2022, we have worked with major suppliers in Japan to collect data and reduce Scope 3 emissions overall.

Solar Power Generation

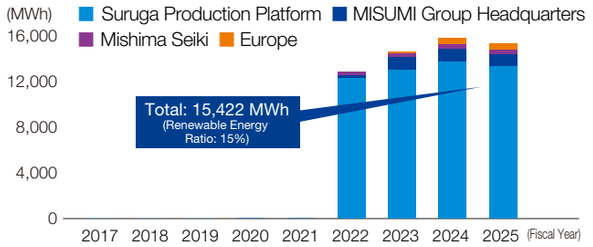



Solar Panels at the Bellaire Plant, United States

By FY2025, solar power generation systems had been introduced in Vietnam, China, India, Portugal, and Japan, all under on-site Power Purchase Agreement (PPA) arrangements. Total Group solar power generation amounted to 7,314 MWh in FY2025, equivalent to 6.7% of the Group's total electricity consumption. In April 2026, solar power generation was also introduced at the Bellaire Plant in Michigan, enabling the plant to meet approximately 20% of its electricity needs through on-site generation.

An on-site PPA (Power Purchase Agreement) is a contractual arrangement under which a third party installs, owns, operates, and maintains power generation facilities on a company's premises, while the company purchases the electricity generated by those facilities.

CO_2-Free Electricity Adoption



MISUMI Group has introduced CO_2-free electricity at domestic production sites, its headquarters building, and an overseas location. The domestic production sites include Suruga Production Platform's Shimizu Plant and Ami Plant, Kansai Plant, and Mishima Seiki. The overseas location is MISUMI Europe in Germany.

*1 CO_2-free electricity refers to electricity supplied with the environmental value of renewable energy sources that do not emit CO_2 during power generation and is therefore recognized as having zero CO_2 emissions at the point of use.
*2 Green Electricity Certificate (GEC): An environmental certificate issued based on electricity generated from renewable energy sources under a program operated by the Chinese government.

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Resource Circularity

Through its business model of providing Time Value by eliminating all forms of waste for customers and suppliers, MISUMI Group contributes to resource and energy conservation across society and helps accelerate the transition to a circular society. We are also actively working to reduce waste and optimize resource use.

Resource Circularity Initiatives in Manufacturing Processes

Suruga Production Platform, which is responsible for the Group's production functions, has established global environmental targets and is implementing initiatives to achieve them. Waste is properly segregated, and the recycling rate has remained above 90% since FY2022, meeting the established target. To reduce losses from manufacturing defects, we are also improving production processes, introducing new equipment, and conducting appropriate equipment maintenance.

For example, the meviy business uses waterjet machining technology to minimize the width of each cut and maximize the number of parts produced from each sheet, thereby minimizing scrap.

This significantly reduces material waste, while any scrap generated is reliably recycled in cooperation with material suppliers.

Suruga Production Platform Environmental Report 2026



Waterjet Machining in meviy

Initiatives to Reduce the Environmental Impact of Packaging Materials

MISUMI Group regards reducing the environmental impact of packaging materials as a key initiative. We are working to eliminate excessive packaging, reduce packaging weight, and switch to alternative materials. Specifically, we are reducing material use by making packaging thinner and transitioning from fossil-based plastics to plant-derived biomass plastics.

We also use packaging designs that communicate environmental considerations, helping raise awareness and reduce packaging waste customers need to dispose of.



Air Cushion Bag



Environmental Impact Reduction Mark





Air Pillow Made with Plant-Derived Biomass Plastic

Water Resource Initiatives

MISUMI Group monitors water withdrawals across the Group and works to understand the impact of its business activities on water resources. Using international assessment tools such as Aqueduct,*1 we continuously analyze water withdrawals in water-stressed areas. Through FY2030, we will continue to comply with the laws and regulations applicable to each site regarding water use and wastewater discharge and ensure that no wastewater discharge exceeds the thresholds agreed with government authorities and other relevant bodies.

Item	Value	Unit
FY2025 Water Withdrawal*2	293	thousand m^3
Of which: Water-Stressed and High Water Withdrawal Areas	216	thousand m^3
Of which: Water-Stressed Areas	44	thousand m^3
Of which: High Water Withdrawal Areas	172	thousand m^3
FY2025 Water Discharge*2	293	thousand m^3
Sites in Water-Stressed Areas	29	sites
High Water Withdrawal Sites*3	2	sites

*1 Aqueduct: A global water risk assessment platform provided by the World Resources Institute (WRI).
*2 Because no water is incorporated into products, water withdrawal is calculated as equal to water discharge.
*3 Sites accounting for 10% or more of the Group's total water withdrawal.

Pollution Prevention Initiatives

MISUMI Group regards the prevention of environmental pollution as an important responsibility in its global business operations. Under the MISUMI Group Environmental Policy revised in July 2026, we work to prevent air, water, and soil pollution. Specifically, each site takes stringent measures to prevent leaks of oil and hazardous substances and appropriately manages wastewater discharges and atmospheric emissions. Through FY2030, our goal is to comply with laws and regulations and ensure that no emissions or discharges exceed the thresholds established by government authorities and other relevant bodies.

As standards governing environmentally hazardous substances become increasingly stringent, we conduct surveys of chemical substances contained in products in accordance with major regulations such as RoHS, REACH, and TSCA*4 as well as chemical substance management frameworks such as chemSHERPA. We provide customers with the survey results and pursue responsible mineral sourcing aimed at eliminating the use of conflict minerals. Through these initiatives, we seek to minimize the impact of our business activities on local communities and ecosystems, contribute to a sustainable society, and earn the trust of stakeholders.

*4 Toxic Substances Control Act (TSCA): U.S. legislation regulating hazardous substances.

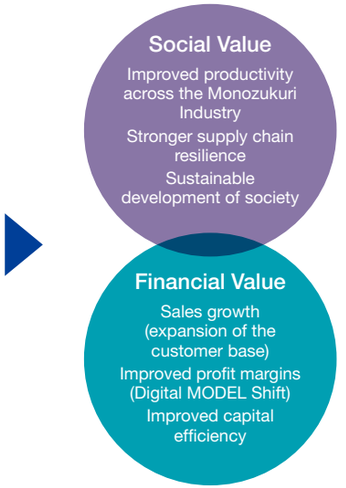
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Social and Relationship Capital

MISUMI Group positions the development of a resilient and sustainable supply chain as one of its highest management priorities and promotes procurement activities that take environmental and human rights considerations into account.
We engage in ongoing dialogue with stakeholders, co-create social value through our business activities, and will continue to contribute to the development of a sustainable society.

Stakeholders	Expectations	Initiatives	Outcomes
Employees	• Growth opportunities • Fair evaluation • Opportunities to take on challenges (The Best Place to Grow) • Career choices	• Next Challenge Program (internal talent mobility) • AI/DX talent development • Global career opportunities	• MODEL Innovation driven by employee initiatives • Creation of innovation • Enhanced organizational adaptability
Customers	• Short lead times • Reduced workload • Reliable supply • Improved procurement efficiency	• meviy (automated quotation and rapid delivery) • D-JIT (inventory visibility and immediate procurement) • MISUMI floow (procurement DX)	• Enhanced Customer's Time Value • Greater efficiency across design, procurement, and mass production • Improved customer competitiveness
Suppliers and Business Partners	• Stable business relationships • Opportunities to capture demand • Digital collaboration	• Suppliers inventory data integration (D-JIT) • Development of a global supply network • Collaboration with Fictiv (expansion of the manufacturing network)	• Improved utilization rates and increased business opportunities • Enhanced supply chain resilience • Risk diversification
Society and Industry (Monozukuri Industry)	• Improved productivity • Addressing labor shortages • Stronger supply chains	• Process innovation through the integration of IT and Monozukuri • AI and data-utilization platforms (including NEWTON) • Expansion across upstream and downstream domains through Fictiv	• Improved productivity across the industry • Accelerated innovation • Development of a sustainable industrial foundation
Shareholders and Investors	• Growth potential • Capital efficiency • Execution of the digital strategy	• Digital MODEL Shift strategy • Development of a high-profitability business model • Information disclosure and dialogue	• Sales and profit growth • Improved capital efficiency • Enhancement of medium- to long-term corporate value



Supply Chain Management

MISUMI Group is undertaking the following initiatives to build a resilient and sustainable supply chain in a rapidly changing global marketplace.

Promoting Sustainable Procurement

MISUMI Group has established and operates Sustainable Procurement Guidelines to ensure respect for human rights, the promotion of health and safety, and the development of appropriate management systems throughout the supply chain. We encourage key Suppliers to agree to these guidelines and conduct periodic surveys of actual practices.

In environmental initiatives, we are strengthening collaborative efforts with Suppliers through the sharing of energy-use data and cooperation in calculating greenhouse gas (GHG) emissions. By expanding these efforts, we aim to improve sustainable procurement activities across the entire supply chain. Looking ahead, we will continue to quantitatively assess risks and opportunities across the supply chain, quantify their impacts, and develop and implement effective countermeasures.

Partnership Building Declaration and Commitment to Fair Transactions

To build new partnerships through collaboration and mutual prosperity with Suppliers and value-creating business partners across the supply chain, MISUMI announced its Partnership Building Declaration in August 2025 and publicly articulated its commitment to these principles. Based on this declaration, we comply with relevant laws and regulations, including the Act on Ensuring Proper Transactions with Small and Medium-sized Contractors (effective January 1, 2026; formerly the Subcontract Act), as well as the Promotion Standards, and contribute to the sound development of supply chains through fair and transparent business practices.

MISUMI has also established and published a Multi-Stakeholder Policy that outlines its approach to appropriately sharing the benefits of its activities with diverse stakeholders, including shareholders and investors, suppliers and business partners, employees, and local communities. The initiatives described above form part of that policy. Please refer to the policy for additional details.

Multi-Stakeholder Policy (Japanese only)

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Contributing to Supply Chain Resilience

In recent years, supply chains across the Monozukuri industry, particularly in manufacturing, have faced growing instability both in Japan and overseas due to increasingly evident business succession challenges, increasing geopolitical risks, and changes in industrial structures and procurement processes accompanying the rapid advancement of IT. As a result, strengthening supply chain resilience has become an urgent priority.

To address these challenges, MISUMI Group supports greater efficiency and resilience across supply chains through Business MODEL Innovation that makes full use of its strengths in AI and IT. We recognize supply chain resilience as one of our identified material issues and believe that overcoming these challenges through a robust Business MODEL is an important mission for MISUMI.

Green Procurement

MISUMI Group promotes Green Procurement to reduce environmental impact across the entire supply chain and contribute to the realization of a sustainable society. To this end, we have established Green Procurement Guidelines and work closely with suppliers to ensure the proper management and reduction of substances of environmental concern. We promote compliance with environmental regulations such as RoHS, REACH, and TSCA to meet societal expectations. In Japan, we also use chemSHERPA, an information-sharing scheme for chemical substances contained in products, and disclose relevant information on our website.

We are also working to improve transportation efficiency and reduce waste throughout the supply chain. Through these efforts, we place importance on environmental performance across the entire supply chain and aim to contribute to a sustainable society while enhancing corporate value.

MISUMI Green Procurement Guidelines Suruga Production Platform Green Procurement Guidelines

Responsible Mineral Sourcing

MISUMI Group places great importance on respect for human rights and social responsibility throughout the supply chain and considers addressing conflict minerals issues to be an important management priority. To avoid the use of minerals, including tin, tantalum, tungsten, gold, cobalt, and natural mica, that may serve as sources of funding for armed groups in the Democratic Republic of the Congo and neighboring countries, we have established the MISUMI Group Responsible Mineral Sourcing Policy.

This policy is aligned with the OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We continuously investigate whether conflict minerals are used throughout the supply chain, provide customers with the results upon request, and, if their potential use is identified, request appropriate action from suppliers. Through these activities, we seek to prevent human rights violations and environmental destruction, improve transparency, and contribute to the realization of a sustainable society.

Responsible Mineral Sourcing Policy

Supplier Survey Results

MISUMI Group identifies suppliers to be prioritized for surveys based primarily on procurement value, such as suppliers of MISUMI-branded products. Suppliers are selected through a comprehensive assessment that also considers factors other than procurement value, such as the availability of alternative suppliers.

1 Sustainable Procurement Survey

We informed targeted suppliers* in Japan about the Sustainable Procurement Guidelines established in 2022 and conducted a survey regarding the status of compliance.

- Agreements received regarding the Guidelines: 869 companies (equivalent to 97% of total procurement value among 960 targeted suppliers)
- Survey responses received: 458 companies (equivalent to 95% of total procurement value among 602 targeted suppliers)

* Survey period: December 2022 to April 2023

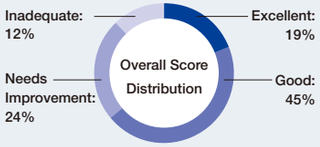
2 ESG Survey and Due Diligence

We conduct surveys covering ESG-related topics and carry out due diligence based on the responses received. In addition to interviews regarding compliance, the due diligence process also considers factors such as suppliers' business continuity plans (BCPs) and their management systems.

Fiscal Year	Survey and Due Diligence Activities
2023	Conducted compliance assessments for major suppliers representing the top 50% of domestic procurement spending for MISUMI-branded products. Minor findings were identified for certain suppliers. Necessary corrective action was requested, and all identified items were resolved.
2024	Continued compliance assessments for major suppliers representing 51%–70% of domestic procurement spending for MISUMI-branded products. Minor findings were identified for certain suppliers. Necessary corrective action was requested, and all identified items were resolved. In addition, MISUMI Europa GmbH conducted supplier assessments concerning key requirements under Germany's Supply Chain Due Diligence Act.
2025 onward	Conducted compliance assessments of 17 major domestic suppliers and confirmed that no significant risks, such as legal violations, had been identified. We are also advancing initiatives based on the Guidelines, focusing primarily on the following two initiatives through FY2028: • Obtain agreement to the Guidelines from all major suppliers and continue conducting supplier surveys • Provide internal training on human rights, labor, and environmental issues to employees engaged in procurement activities

3 Results

In FY2023, 458 suppliers responded to the survey, and 64% received ratings of Grade B or higher (Good).



4 Looking Ahead

Going forward, we will further strengthen collaboration with Group companies in Japan and overseas to improve compliance with the Guidelines across the entire Group. As part of our global approach, we will continue expanding the Guidelines to overseas Group companies and conducting surveys, while prioritizing suppliers that account for the top 70% of global procurement spending.

MISUMI Group Sustainable Procurement Guidelines

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