

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

Securities Code: 9962
May 31, 2022

To Our Shareholders:

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

Convocation Notice for the 60th Annual General Meeting of Shareholders

You are hereby notified of the 60th Annual General Meeting of Shareholders (the “Meeting”) of ISUMI Group Inc. (the “Company”), details of which are provided below.

Instead of attending the Meeting, you may exercise your voting rights, either by returning to us by mail, the enclosed Voting Rights Exercise Form indicating your approval or disapproval of the propositions, or by accessing the website indicated in the enclosed Voting Right Exercise Form and exercising your voting rights via the Internet. Please review the accompanying Reference Documents for the General Meeting of Shareholders and exercise your voting rights by no later than 5:00 p.m. JST, on Wednesday June 15, 2022.

- 1. Date and Time:** June 16, 2022 (Thursday) from 2:00 p.m.
2. Place: Toranomon Hills Forum,
Toranomon Hills Mori Tower 5th Floor,
1-23-3 Toranomon, Minato-ku, Tokyo, Japan

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

3. Agenda: Reports

1. The Business Report, the Consolidated Financial Statements, and Audit Reports on the Consolidated Financial Statements by the independent auditor and our Board of Corporate Auditors for the 60th Fiscal Year (from April 1, 2021 to March 31, 2022).
2. The Non-Consolidated Financial Statements Report for the 60th Fiscal Year (from April 1, 2021 to March 31, 2022).

Proposals

- Proposal 1:** Dividend of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of Eight (8) Directors
- Proposal 4:** Election of One (1) Corporate Auditor
- Proposal 5:** Election of One (1) Alternate Corporate Auditor

4. Instructions for the Exercise of Voting Rights

1) Exercise of voting rights by post

Please indicate your approval or disapproval for each of the proposals on the enclosed Voting Right Exercise Form and return the form to the Company so that it arrives no later than 5:00 p.m. (JST) on Wednesday, June 15, 2022.

Please note that if there is no indication of approval or disapproval for any of the proposals, it will be counted as a vote of approval.

2) Exercise of voting rights via the Internet

Please access the designated website (<https://evote.tr.mufg.jp/>)* and place your vote no later than 5:00 p.m. (JST) on Wednesday, June 15, 2022.

*Website available only in Japanese

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

Electronic Voting Platform

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

Response measures to prevent the spread of COVID-19

In order to prevent the spread of COVID-19, we plan to take the following measures during the Company's 60th Annual General Meeting of Shareholders. We would like to ask all our shareholders for their kind understanding and cooperation.

1. Request to Shareholders

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

2. Requests to our Shareholders attending the Meeting

- Please kindly cooperate by wearing a mask and using hand sanitizer where available. At reception, we may check your body temperature with a non-contact thermometer.
- Please be advised that we may refuse entry of those who seems to be unwell.

3. The Company's response measures

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

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

Reference Document

Proposal 1: Dividend of Surplus

For maintaining future competitive advantages, and realizing corporate value enhancement and sustainable growth, the Company enhances IT, logistics and manufacturing business foundations and strengthens the supply chain and continuously innovates its business model. Therefore, the Company uses a benchmark dividend payout ratio of 25% as part of the policy to return profits to the shareholders after a comprehensive review of expansion of the business foundation, strength of the balance sheet, and capital efficiency among other factors.

Based on the benchmark described above, the Company proposes a year-end dividend of **¥14.71** per share.

Pending approval for this proposal, the annualized dividend would be **¥33.04** per share, an increase of **¥17.95** from the previous year's figure, including the interim dividend of **¥18.33** per share (Total amount: **¥ 5,209,009,282**) already paid out on **December 7, 2021**.

(1) Type of dividend assets

Cash

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

¥14.71 per share of common stock. Total amount: **¥4,182,391,345**

(3) Effective date of dividend of surplus

June 22, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the Amendments

(1) Relocation of the head office

The Company plans to relocate its head office to Chiyoda-ku, Tokyo, in order to improve management efficiency and develop its business by improving the office environment. Accordingly, Article 3 (Location of Head Office) of the current Articles of Incorporation shall be amended. In addition, a supplementary provision regarding the effective date of the provision is to be added.

(2) Introduction of a system for providing reference materials for the General Meeting of Shareholders in electronic format

The amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will come into effect on September 1, 2022. In order to prepare for the introduction of a system for providing reference materials for the General Meeting of Shareholders in electronic format, the Company proposes to amend its Articles of Incorporation as follows:

- (i) Article 16, Paragraph 1 in the proposed amendment stipulates that the Company shall take measures to provide information contained in the Reference Materials for the General Meeting of Shareholders, etc. in electronic format.
- (ii) Article 16, Paragraph 2 in the proposed amendment establishes a provision for limiting the scope of matters to be stated in the paper-based documents to be delivered to shareholders who have made a request for delivery in writing.
- (iii) The provisions concerning the internet disclosure of Reference Documents for the General Meeting of Shareholders, etc. (current Article 16 of the Articles of Incorporation) will no longer be required. Thus, they shall be deleted.
- (iv) As a result of the foregoing establishment and deletion, supplementary provisions regarding the effective date, etc. will be established.

(3) The Other Revision

The Company will make a necessary change so as to conform to the provisions of the current Companies Act.

2. Details of the Amendments

Details of the amendments are as follows.

(Underlined text is amended)

| Current Article of Incorporation | Proposed amendments |
|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| Articles 1 to 2 (Omitted) | Articles 1 to 2 (Same as at present) |
| (Location of Head Office) Article 3. The Company shall have its head office in <u>Bunkyo-ku</u> , Tokyo. | (Location of Head Office) Article 3. The Company shall have its head office in <u>Chiyoda-ku</u> , Tokyo. |
| Articles 4 to 15 (Omitted) | Articles 4 to 15 (Same as at present) |

(Underlined text is amended)

| Current Article of Incorporation | Proposed amendments |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>(Disclosure via the Internet and Deemed Delivery of Reference Documents for the Shareholders Meeting)</u> <u>Article 16. When convening the Shareholders Meeting, the Company may deem that it has provided shareholders with information relating to items to be described or indicated in the reference documents for the Shareholders Meeting, business reports, non-consolidated financial statements and consolidated financial statements, by disclosing such information via the Internet, in accordance with the relevant Ordinance of the Ministry of Justice.</u></p> <p><Newly Established></p> | <p><Deleted></p> <p><u>(Measure for Electronic Provision)</u> <u>Article 16.</u> <u>1. In convening the Shareholders Meeting, the Company shall provide information contained in the reference documents for the Shareholders Meeting, etc. in electronic format.</u> <u>2. Among the matters to be provided in electronic format, the Company may exclude all or part of the matters set forth in the Ordinance of Ministry of Justice in the paper-based documents to be sent to shareholders who have requested it by the record date for voting rights.</u></p> |
| <p>Articles 17 to 32 (Omitted)</p> | <p>Articles 17 to 32 (Same as at present)</p> |
| <p>(Term of Office of Corporate Auditors) Article 33. (Omitted) 2. (Omitted) 3. The resolution to elect Alternate Corporate Auditor pursuant to Article 329, paragraph (2) of the Companies Act shall be effective until the commencement of the Annual Shareholders Meeting four (4) years after his or her election.</p> | <p>(Term of Office of Corporate Auditors) Article 33. (Same as at present) 2. (Same as at present) 3. The resolution to elect an Alternate Corporate Auditor pursuant to Article 329, paragraph (3) of the Companies Act shall be effective until the commencement of the Annual Shareholders Meeting four (4) years after his or her election.</p> |
| <p>Articles 34 to 43 (Omitted)</p> | <p>Articles 34 to 43 (Same as at present)</p> |

(Underlined text is amended)

| Current Article of Incorporation | Proposed amendments |
|----------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <Newly Established> | <p><u>(Supplementary provisions)</u></p> <p><u>1. The amendment in Article 3 shall take effect on March 1, 2023. This paragraph shall be deleted after the effective date.</u></p> <p><u>2. The deletion of Article 16 (Disclosure via the Internet and Deemed Delivery of Reference Documents for the Shareholders Meeting) of the Articles of Incorporation before the amendments and the establishment of new Article 16 (Measure for Electronic Provision) after the amendments shall take effect from September 1, 2022 (hereinafter referred to as the “Effective Date”), which is the date of enforcement of the amended provisions prescribed in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019).</u></p> <p><u>3. Notwithstanding the provision of the preceding paragraph, Article 16 (Disclosure via the Internet and Deemed Delivery of Reference Documents for the Shareholders Meeting) of the Articles of Incorporation before the amendments shall remain in force with respect to any Shareholders Meeting held on a date within six (6) months from the Effective Date.</u></p> <p><u>4. Paragraphs 2, 3 and 4 of these supplementary provisions shall be deleted after the lapse of six (6) months from the Effective Date or the lapse of three (3) months from the date of the Shareholders Meeting in the preceding paragraph, whichever comes later.</u></p> |



Proposal 3: Election of Eight (8) Directors

The terms of office of all nine (9) of the current Directors will expire as of the end of the Meeting. Therefore, the Company proposes the election of eight (8) Directors, including 1 new Director. This proposal has been deliberated by the Nomination and Compensation Committee as a voluntary committee in which the majority comprises independent Outside Directors, and thereafter, decided by the Board of Directors.

When all candidates for the Directors in this proposal are elected, the Board of Directors will be comprised of 8 Directors (7 males and 1 female) including 3 Outside Directors.

Candidates for the position of Director are as follows.

| | Name | | Positions and responsibilities in Company |
|---|-------------------|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1 | Kosuke Nishimoto | Re-appointment | Representative Director and Chairman |
| 2 | Ryusei Ono | Re-appointment | Representative Director and President Representative Director and President, MISUMI Corporation |
| 3 | Tomoki Kanatani | Re-appointment | Executive Director President, China Business Company, MISUMI Corporation |
| 4 | Shigetaka Shimizu | Re-appointment | Executive Director President, Japan Business Company, MISUMI Corporation |
| 5 | Shaochun Xu | New appointment | Managing Executive Officer, China Business Company, MISUMI Corporation Chairperson and General Manager, MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD. |
| 6 | Yoichi Nakano | Re-appointment Outside Director | Outside Director |
| 7 | Arata Shimizu | Re-appointment Outside Director | Outside Director |
| 8 | Tomoharu Suseki | Re-appointment Outside Director | Outside Director |

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| Candidate number 1 | <p>Kosuke Nishimoto Re-appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1981: Joined Kanebo, Ltd. Sep 1984: Joined Meitec Corporation Jun 1995: Director, Meitec Corporation Jul 1996: Senior Managing Director, Meitec Corporation Nov 1999: Representative Director and President, Meitec Corporation Apr 2003: Representative Director and President, and CEO, Meitec Corporation Apr 2014: Director and Chairman, Meitec Corporation Jun 2015: Outside Director, Interworks, Inc. Apr 2017: Representative Director, Chairman and President, Interworks, Inc. Jun 2017: Outside Director, MISUMI Group Inc. Jun 2019: Director and Executive Vice President, MISUMI Group Inc. Feb 2020: Representative Director and Chairman, MISUMI Group Inc. (to present)</p> <p><u>Reason for nomination as Director:</u> Mr. Kosuke Nishimoto has extensive experience as business manager over many years and has wide-ranging knowledge on various manufacturing industries in Japan. Using his experience and knowledge, Mr. Nishimoto has appropriately and effectively carried out his decision-making and supervisory roles as Director and Executive Vice President since June 2019 and as Representative Director and Chairman since February 2020. Mr. Nishimoto has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p> |
| |  | |
| | <p><u>Date of Birth:</u> March 1, 1958</p> <p><u>Ownership of the Company's shares</u> 10,000 shares</p> | |
| Candidate number 2 | <p>Ryusei Ono Re-appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1987: Joined MISUMI Group Inc. Apr 2002: Corporate Officer, MISUMI Group Inc. Jun 2007: Director and Corporate Officer, MISUMI Group Inc. Oct 2008: Representative Director and President, SURUGA Production Platform Co., Ltd. Oct 2008: Director and Senior Corporate Officer, MISUMI Group Inc. Jan 2011: Representative Director and President, SURUGA SEIKI CO., LTD. Jan 2013: Senior Executive Director, MISUMI Group Inc. Dec 2013: Representative Director and President, MISUMI Group Inc. Dec 2013: Representative Director and President, MISUMI Corporation (to present) Jun 2014: Representative Director, President and CEO, MISUMI Group Inc. Feb 2020: Representative Director and President, MISUMI Group Inc. (to present)</p> <p><u>Reason for nomination as Director:</u> As Representative Director and President, Mr. Ryusei Ono has led the MISUMI Group to further growth as a global enterprise while formulating and implementing strategies to enhance the Company's corporate value in the medium to long-term perspective. He has used his wide-ranging experience and knowledge of our business activities, operations, production and other areas as the basis for appropriate and effective management decision-making and supervision. Mr. Ono has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p> |
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| | <p><u>Date of Birth:</u> October 1, 1964</p> <p><u>Ownership of the Company's shares</u> 440,000 shares</p> | |

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| Candidate number 3 | <p>Tomoki Kanatani Re-appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1991: Joined Kankaku Securities Co., Ltd. Apr 1992: Joined SADOSHIMA CORPORATION Jun 2000: Joined MISUMI Group Inc. Dec 2015: CEO, China Business Company, MISUMI Corporation Apr 2018: President, China Business Company, MISUMI Corporation (to present) Jul 2020: Senior Corporate Officer, MISUMI Group Inc. Jun 2021: Executive Director, MISUMI Group Inc. (to present)</p> |
| |  | <p><u>Reason for nomination as Director:</u> Mr. Tomoki Kanatani has participated in the Company's business for a long period of time, enhancing the foundation for the Company's sales, among other things. Since December 2015, Mr. Kanatani has demonstrated his leadership as the head of China Business Company and has been driving the growth of MISUMI Group's business in China, its largest overseas market. Using his experience and knowledge, Mr. Kanatani has appropriately and effectively carried out his executive, decision-making and supervisory roles. Mr. Kanatani has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p> |
| | <p><u>Date of Birth:</u> October 20, 1967</p> <p><u>Ownership of the Company's shares</u> 9,000 shares</p> | |
| Candidate number 4 | <p>Shigetaka Shimizu Re-appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1995: Joined Okura & Co., Ltd. Apr 1999: Joined MISUMI Group Inc. Dec 2015: CEO, Asia Business Company, MISUMI Corporation. Apr 2018: President, Asia Business Company, MISUMI Corporation Jul 2020: Senior Corporate Officer, MISUMI Group Inc. Oct 2020: President, IM Business Company, MISUMI Corporation Jun 2021: Executive Director (to present) Apr 2022: President, Japan Business Company, MISUMI Corporation (to present)</p> |
| |  | <p><u>Reason for nomination as Director:</u> Mr. Shigetaka Shimizu has participated in the Company's business for a long period of time, playing core role in starting up the Company's business in China, among other things. Since December 2015, Mr. Shimizu has demonstrated his leadership as the head of Asia Business Company, driving the growth of MISUMI Group's business in Asia. In addition, Mr. Shimizu has been leading IM Business Company (responsible for the Company's FA business) since October 2020, and newly established Japan Business Company since April 2022 as its Company President. Using his experience and knowledge, Mr. Shimizu has appropriately and effectively carried out his executive, decision-making and supervisory roles. Mr. Shimizu has been nominated as a candidate for Director in the expectation that he will make further contributions in the future.</p> |
| | <p><u>Date of Birth:</u> November 28, 1971</p> <p><u>Ownership of the Company's shares</u> 34,300 shares</p> | |

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| Candidate number 5 | <p>Shaochun Xu New appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Sep 1988: Joined Treasury, Commercial Bureau of Shanghai city, China Sep 1996: Chief of China Investment Department, ITOCHU (CHINA) HOLDING CO., LTD. Aug 1998: General Manager of Finance Department, Panasonic Electric Works China Co., Ltd. May 2012: Joined MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD. Dec 2015: General Manager, China Corporate Service Platform, China Business Company, MISUMI Corporation Apr 2017: Corporate Officer, China Business Company, MISUMI Corporation and General Manager, MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD. Oct 2021: Managing Executive Officer, China Business Company, MISUMI Corporation, and Chairperson and General Manager, MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD. (to present)</p> |
| |  | <p><u>Reason for nomination as Director:</u> Ms. Shaochun Xu joined MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD. after experiencing working at Chinese government office and several Japanese companies in China. Ms. Xu has demonstrated her leadership in the company as General Manager since April 2017, and Chairperson since October 2021 and has been driving the growth of MISUMI Group's business in China, its largest overseas market. Ms. Xu has been nominated as a candidate for Director in the expectation that she will carry out appropriate and effective management decision-making and supervision in the perspective of global business using her experience and knowledge.</p> |
| | <p><u>Date of Birth:</u> January 28, 1964</p> <p><u>Ownership of the Company's shares</u> - shares</p> | |
| Candidate number 6 | <p>Yoichi Nakano Outside Director Re-appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> May 1990: Joined International Finance Corporation, World Bank Group Jun 1996: Joined McKinsey & Company Incorporated, Japan. Jun 2003: Executive Search Consultant, Jomon Associates Inc. Aug 2011: Partner, Leadership Consulting, Heidrick & Struggles Japan, GK Jan 2013: Partner, Executive Search, Heidrick & Struggles Japan, GK Feb 2016: Representative Director and President, Chuuyou Corporation (to present) Jun 2019: Outside Director, MISUMI Group Inc. (to present)</p> |
| |  | <p><u>Reason for nomination as Director:</u> Mr. Yoichi Nakano has proactively provided opinions and advice and has supervised MISUMI Group's management from an independent perspective as Outside Director since June 2019. Mr. Nakano has extensive experience in various industries on a global basis, namely, finance, consulting and executive search, as well as broad knowledge of Management personnel development. We nominate Mr. Nakano as a candidate for Outside Director, as it is expected that, with his experience and knowledge, he will continue to provide appropriate advice and supervision to strengthen our group management.</p> |
| | <p><u>Date of Birth:</u> April 26, 1960</p> <p><u>Ownership of the Company's shares</u> - shares</p> | |

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| Candidate number 7 | <p>Arata Shimizu Outside Director Re-appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1997: Joined Accenture Japan Ltd. Sep 2005: Executive Partner, Accenture Japan Ltd. Jul 2015: Executive Officer, General Manager of Strategic Consulting Headquarters, Accenture Japan Ltd. Mar 2017: Representative Director, Vice President and COO, SEAOS Inc. Jun 2017: Outside Director, Interworks, Inc. (to present) Sep 2017: Outside Director, Trust Tech Inc. (currently BeNEXT-Yumeshin Group Co.) (to present) Jun 2020: Outside Director, MISUMI Group Inc. (to present) Jun 2021: Director, P&E Directions, Inc. (to present)</p> |
| |  | <p><u>Reason for nomination as Director:</u> Mr. Arata Shimizu has proactively provided opinions and advice and has supervised MISUMI Group's management from an independent perspective as Outside Director since June 2020. Mr. Shimizu has ample experience and broad knowledge through his extensive career in strategic consulting and business management. We nominate Mr. Shimizu as a candidate for Outside Director, as it is expected that he will continue to provide appropriate advice and supervision to strengthen our group management based on his experience and knowledge.</p> |
| | <p><u>Date of Birth:</u> June 1, 1972</p> <p><u>Ownership of the Company's shares</u> - shares</p> | |
| Candidate number 8 | <p>Tomoharu Suseki Outside Director Re-appointment</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1979: Joined Sumitomo Electric Industries, Ltd. Jan 1997: Joined Raychem Corporation Nov 2001: Representative Director, Tyco Electronics Raychem K.K. Apr 2003: Executive Officer, D&M Holdings, Inc. Nov 2004: Representative Director, President and CEO, OCC Corporation Mar 2007: Executive Officer and COO, Sumida Corporation Sep 2010: Representative Executive Officer and President, Sumida Corporation Mar 2020: Director, Sumida Corporation (to present) Mar 2020: Chairman of the Risk Management Committee, Sumida Corporation (to present) Mar 2021: Member of the Nomination Committee and the Compensation Committee, Sumida Corporation (to present) Jun 2021: Outside Director, MISUMI Group Inc. (to present)</p> |
| |  | <p><u>Reason for nomination as Director:</u> Mr. Tomoharu Suseki has proactively provided opinions and advice and has supervised MISUMI Group's management from an independent perspective as Outside Director since June 2021. Mr. Suseki has ample experience and broad knowledge through his extensive career in management of various global companies primarily in electronics field. We nominate Mr. Suseki as a candidate for Outside Director, as it is expected that he will continue to provide appropriate advice and supervision to strengthen our group management based on his experience and knowledge.</p> |
| | <p><u>Date of Birth:</u> February 18, 1957</p> <p><u>Ownership of the Company's shares</u> - shares</p> | |

Notes:


1. No special interests exist between the candidates and the Company.
2. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all the Directors of the Companies as the insured. The said insurance agreement shall compensate for damages and legal expenses to be borne by the insured. In the event that the candidates are appointed as Directors of the Company, they will become the insured under the said insurance agreement. The Company plans to renew the said insurance agreement with the same terms at the time of next renewal.
3. Information concerning the candidates for Outside Director is as follows.
 - (1) Candidates for Director Mr. Yoichi Nakano, Mr. Arata Shimizu and Mr. Tomoharu Suseki are candidates for Outside Director as stipulated in Article 2, Paragraph 3, Item 7 of the Ordinance for Enforcement of the Companies Act.
 - (2) Mr. Yoichi Nakano, Mr. Arata Shimizu and Mr. Tomoharu Suseki are designated as Independent Officers according to the rules set by the Tokyo Stock Exchange and said designation has been reported to the said stock exchange.
 - (3) Number of Years in Office:
 - (i) Mr. Yoichi Nakano has been an Outside Director of the Company since June 2019 and will have served as such for about two (3) years upon the closing of the Meeting.
 - (ii) Mr. Arata Shimizu has been an Outside Director of the Company since June 2020 and will have served as such for about two (2) years upon the closing of the Meeting.
 - (iii) Mr. Tomoharu Suseki has been an Outside Director of the Company since June 2021 and will have served as such for about one (1) year upon the closing of the Meeting.
 - (4) Attendance to Board of Directors Meetings:
 - (i) Mr. Yoichi Nakano attended 14 of the 14 meetings of the Board of Directors during the fiscal year under review and made inquiries and provided advice concerning proposals and discussions mainly from his professional perspective as a business manager.
 - (ii) Mr. Arata Shimizu attended 14 of the 14 meetings of the Board of Directors during the fiscal year under review and made inquiries and provided advice concerning proposals and discussions mainly from his professional perspective as a business manager.
 - (iii) Mr. Tomoharu Suseki attended 11 of the 11 meetings of the Board of Directors since he assumed the office on June 17, 2021 and made inquiries and provided advice concerning proposals and discussions mainly from his professional perspective as a business manager.
4. Limited Liability Agreement with Outside Directors
The Company has entered into Limited Liability Agreements with Mr. Yoichi Nakano, Mr. Arata Shimizu and Mr. Tomoharu Suseki. These Agreements provide that the maximum amount for liability will be ¥10 million or an amount stipulated by law, whichever is higher. The Company will maintain Limited Liability Agreement with Mr. Yoichi Nakano, Mr. Arata Shimizu, and Mr. Tomoharu Suseki if approval is given for their reappointment.
5. MISUMI Group Inc. changed its trade name from MISUMI Shoji Co., Ltd. to MISUMI Corporation in May 1989 and from MISUMI Corporation to MISUMI Group Inc. in April 2005. Present MISUMI Corporation was established in April 2005 by means of a spin-off from present MISUMI Group Inc. and took over all business operations from MISUMI Group Inc.
6. SURUGA SEIKI CO., LTD. was renamed SURUGA Production Platform Co., Ltd. in January 2011. A subsidiary spun off from SURUGA Production Platform in January 2011 has taken over the name of SURUGA SEIKI CO., LTD., as well as the business operations of its Optical and Scientific Technology Division, which sells products related to optical equipment and factory automation (FA).
7. Nomination and Compensation Committee
The Company has set up the Nomination and Compensation Committee as a voluntary committee to evaluate and decide on remuneration of Directors, the selection and dismissal of Directors, and succession planning for Representative Directors. In the event that the appointment as Outside Directors of the Company is approved for each candidate, Outside Directors will compose the majority of the members of the Compensation Committee of the Company.

Proposal 4: Election of One (1) Corporate Auditor

The term of office of Full-time Corporate Auditor Hiroshi Miyamoto will expire as of the end of the Meeting. Therefore, the Company proposes the election of the following one (1) new Corporate Auditors.

The Board of Corporate Auditors has given its consent to this proposal.

Candidates for the position of Corporate Auditor are as follows.

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| <p style="text-align: center;">Takaaki Wada</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1985: Joined MISUMI Group Inc Jul 2006: Business Director of P&D Business Team, Mold Part Division, MISUMI Corporation Nov 2011: Corporate Officer, Die and Mold Business Company, MISUMI Corporation Nov 2013: President, Mold Business Company, MISUMI Corporation Dec 2015: President, Die and Mold Business Company, MISUMI Corporation Jan 2017: Corporate Officer, MISUMI Group Inc. May 2017: Senior Corporate Officer, MISUMI Group Inc. Apr 2022: Corporate Auditor, MISUMI Corporation (to present)</p> |
|  | <p><u>Reason for nomination as Corporate Auditor:</u> Mr. Takaaki Wada has participated in the Company's business for a long period of time, mainly in the Die and Mold business which is traditionally the core business of Misumi Group. Since December 2015, Mr. Wada has demonstrated his leadership as the head of Die and Mold Business Company. Mr. Wada has extensive experience and knowledge in the global business, operation and organizational management of the Company. Mr. Wada has been nominated as a candidate for Corporate Auditor in the expectation that he will use his experience and knowledge to strengthen the audit function of the Company and appropriately audit directors' execution of their duties.</p> |
| <p><u>Date of Birth:</u> December 21, 1962 <u>Ownership of the Company's shares</u> 17,800 shares</p> | |

Notes:

1. No special interests exist between the candidate and the Company.
2. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all the Corporate Auditors of the Companies as the insured. The said insurance agreement shall compensate for damages and legal expenses to be borne by the insured. In the event that Mr. Takaaki Wada is appointed as Corporate Auditor of the Company, he will become the insured under the said insurance agreement. The Company plans to renew the said insurance agreement with the same terms at the time of next renewal.
3. MISUMI Group Inc. changed its trade name from MISUMI Shoji Co., Ltd. to MISUMI Corporation in May 1989 and from MISUMI Corporation to MISUMI Group Inc. in April 2005. Present MISUMI Corporation was established in April 2005 by means of a spin-off from present MISUMI Group Inc. and took over all business operations from MISUMI Group Inc.


Proposal 5: Election of One (1) Alternate Corporate Auditors

The selection of the current Alternate Corporate Auditor expires as of the beginning of the Meeting. The Company proposes the election of one (1) Alternate Corporate Auditor as a measure to prevent the number of Corporate Auditors falling below the legal requirement.

Said Alternate Corporate Auditor would take office if the number of Corporate Auditors fell below the legal requirement. In that event, the alternate's term of office would be equivalent to the remaining term of office of the alternate's predecessor. If approved, the decision would remain in effect until the beginning of the Annual General Meeting of Shareholders for the last fiscal year ending within four (4) years from the election of the alternate, per the stipulations of Article 33, Paragraph 3 of the Articles of Incorporation.

The Board of Corporate Auditors has given its consent to this proposal.

Candidate for the position of Alternate Corporate Auditor is as follows

| | |
|----------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;">Shizuyo Ichikawa</p> | <p><u>Profile, positions and responsibilities and important concurrent positions</u> Apr 1987: Registered as an attorney-at-law Apr 1987: Joined Yoshihara & Co. (currently Komatsu Miwa & Co.) (to present) Apr 2000: Full-time Director, DC Loan Servicing Inc. Jun 2020: Outside Corporate Auditor, Kyogoku unyu shoji Co., Ltd. (to present)</p> |
|  | <p><u>Reason for nomination as Alternate Corporate Auditor:</u> Ms. Shizuyo Ichikawa has expertise and experience in legal affairs as a lawyer and ample experience as an Outside Corporate Auditor of another company. Ms. Ichikawa has been nominated as a candidate for Alternate Outside Corporate Auditor in the expectation that she will fulfill her role of a fair and objective auditor from an independent viewpoint using her experience and knowledge.</p> |
| <p><u>Date of Birth:</u> August 1, 1961</p> <p><u>Ownership of the Company's shares</u> - shares</p> | |

Notes:

1. No special interests exist between the candidate and the Company.
2. The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, with all the Corporate Auditors of the Companies as the insured. The said insurance agreement shall compensate for damages and legal expenses to be borne by the insured. In the event that Ms. Shizuyo Ichikawa is appointed as Corporate Auditor of the Company, she will become the insured under the said insurance agreement. The Company plans to renew the said insurance agreement with the same terms at the time of next renewal.
3. Ms. Shizuyo Ichikawa fulfills the requirements of Outside Director as stipulated in Article 2, Paragraph 3, Item 8 of the Ordinance for Enforcement of the Companies Act.
4. Ms. Shizuyo Ichikawa fulfills the requirements of Independent Officers according to the rules set by the Tokyo Stock Exchange.
5. If Ms. Shizuyo Ichikawa is appointed as outside corporate auditor, the Company will enter into Limited Liability Agreements with her. This agreement provides that the maximum amount for liability will be ¥5 million or an amount stipulated by law, whichever is higher.

(Reference)**Skill Matrix of Directors and Corporate Auditors**

The Company has prepared and disclosed a skills matrix that lists the knowledge, experience, abilities, etc., of each Director and Corporate Auditor after identifying the skills that Directors and Corporate Auditors should have in light of the Company's management strategy.

When Proposals 3 and 4 are approved, the Board of Directors and Board of Corporate Auditors will be comprised of members with the following skills. (9 males/2 females, and 10 Japanese/1 foreign-national)

| Name | Positions | Corporate Mgt | Business strategy | Global experience (*1) | DX/ IT | Manufacturing/ Operations (*2) | Organizational/ HR strategy | Finance/ Accounting | Legal/ Governance/ Risk Mgt |
|-------------------|---------------------------|---------------|-------------------|------------------------|--------|--------------------------------|-----------------------------|---------------------|-----------------------------|
| Kosuke Nishimoto | Representative Director | ○ | ○ | | | | ○ | ○ | ○ |
| Ryusei Ono | Representative Director | ○ | ○ | ○ | ○ | ○ | | | |
| Tomoki Kanatani | Director | | ○ | ○ | ○ | ○ | | | |
| Shigetaka Shimizu | Director | | ○ | ○ | ○ | ○ | | | |
| Shaochun Xu | Director | | | ○ | | | ○ | ○ | ○ |
| Yoichi Nakano | Outside Director | ○ | | ○ | | | ○ | ○ | |
| Arata Shimizu | Outside Director | ○ | ○ | | ○ | ○ | | | |
| Tomoharu Suseki | Outside Director | ○ | | ○ | | ○ | | | ○ |
| Takaaki Wada | Corporate Auditor | | | ○ | | ○ | ○ | | |
| Juichi Nozue | Outside Corporate Auditor | | | ○ | | | | | ○ |
| Nanako Aono | Outside Corporate Auditor | ○ | | | | | | ○ | |

*1 Overseas business management, Management of regional subsidiaries, etc.

*2 Logistics, Customer services, etc.

Business Report

From April 1, 2021 to March 31, 2022

1. Current Status of the MISUMI Group of Companies

(1) Business Activities, Results, Priorities

The global economy during FY2021 saw demand for automation remain at generally elevated levels amid the recovery from the COVID-19 pandemic. However, uncertainty in supply chains persisted, as there continued to be shortages of parts and materials, making it difficult to source some. This coupled with the peaking out of production facility setup and utilization rates along with the impacts of the Ukraine situation and resurgence of COVID-19 in China toward the end of the fiscal year resulted in further supply chain disruptions.

Under this economic environment, MISUMI Group is leveraging its unique business model, which encompasses both manufacturing and distribution businesses. By advancing the business foundation that supports these businesses globally, we contribute to industries worldwide that related to automation demand, particularly the manufacturing industry, by responding to customers' reliable, quick delivery needs.

By utilizing the strong business foundation built to date in IT, logistics, and production as well as our global network, we continue to implement profitability improvement measures since last year while dedicating efforts to appropriately capturing demand for automation that has recovered across all regions. Despite some supply constraints, we were able to display our strength of reliably quick delivery worldwide.

Consequently, consolidated net sales totaled ¥366,160 million (17.8% increase year-on-year). In terms of profits, operating income was ¥52,210 million (92.0% increase year-on-year) due to increased sales, the effects of profitability improvement and forex. Ordinary income was ¥52,500 million (93.1% increase year-on-year), and net income attributable to owners of parent totaled ¥37,557 million (119.1% increase year-on-year). Both sales and profits reached record highs.

The Company has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022.

Segment Information

(Million yen)

| | Net Sales | | | Operating Income | | |
|----------------------------------|-----------------------------------|----------------------------------|-----------------------|-----------------------------------|----------------------------------|-----------------------|
| | Previous Consolidated fiscal year | Current Consolidated fiscal year | Percentage Change (%) | Previous Consolidated fiscal year | Current Consolidated fiscal year | Percentage Change (%) |
| Factory Automation (FA) Business | 102,244 | 119,253 | 16.6 | 16,115 | 23,381 | 45.1 |
| Die Components Business | 66,871 | 75,108 | 12.3 | 4,930 | 9,542 | 93.5 |
| VONA Business | 141,602 | 171,799 | 21.3 | 6,152 | 19,287 | 213.5 |
| Total | 310,719 | 366,160 | 17.8 | 27,199 | 52,210 | 92.0 |

i. Factory Automation (FA) Business

In the FA business, sales totaled ¥119,253 million (16.6% increase year-on-year) and operating income reached ¥23,381 million (45.1% increase year-on-year) due to strong growth across all regions owing to robust demand for automation.

ii. Die Components Business

In the Die components business, sales totaled ¥75,108 million (12.3% increase year-on-year) and operating income was ¥9,542 million (93.5% increase year-on-year), amid the recovery in automobile-related demand worldwide, driven by the U.S. and Asia.

iii. VONA Business

VONA business is MISUMI Group's sales and distribution business of manufacturing / automation-related equipment parts, and indirect materials such as MRO (consumables) products. This business segment includes MISUMI brand products, as well as third-party manufacturers' products. With our acquisition of automation related demand worldwide, significant growth was achieved as sales totaled ¥171,799 million (21.3% increase year-on-year) and operating income was ¥19,287 million (213.5% increase year-on-year), despite the impacts from the termination of low-profit products and shortages of certain products.

(2) Capital Investment and Financing

Capital investments made during the consolidated fiscal year ending March 31, 2022 amounted to ¥16,508 million. The main areas of investments were IT systems, logistic sites and production facilities. These investments were all self-financed. There were no significant sales or disposals of equipment and facilities.

(3) Challenges and Priorities

It is expected that the global economy and the Japanese economy will continue to face uncertain business environments amid structural transitions of the post COVID-19 market and shifts toward regional disruption in the global supply chain. In the industrial sector, however, demand for automation is expected to increase globally in anticipation of a post COVID-19 market.

To meet these customer needs, we will continue to advance our IT, logistics, and manufacturing business foundations and further refine our "reliable and quick delivery on a global basis. "

In addition, we will focus on regions, businesses and services with higher growth potential and profitability, and strive to innovate the business model in anticipation of the changes in the competitive environment and geopolitical risks, among others.

i. Business domain expansion and global rollout

MISUMI Group is expanding its business domain and accelerating global expansion by maximizing its strength of possessing both manufacturing and distribution businesses. In the manufacturing business, FA and Die components businesses are being rolled out globally. Through providing services linked to the 3D CAD system in addition to conventional (paper) catalogs and the EC website, we are contributing to the improvement of convenience by significantly shortening the customer's equipment design and procurement process.

In the distribution business, we are enhancing the product lineup of the VONA business, including third-party brands, and at the same time, we forcefully propelling global expansion with our unique product lineup that matches our customer demand and characteristics. Through these efforts, we will continue to strengthen and expand our global customer base to realize future sustainable growth.

ii. Business model innovation

To innovate the business model and establish a competitive advantage, strengthening of the IT, logistics, and manufacturing business foundations continues. We relentlessly work to implement IT investment for the fundamental switch over of the core IT system, which is at the heart of MISUMI's business model.

We are also required to advance our business model in each global region or country to meet global customers' demand. To meet such demand, we will develop products tailored to the characteristics of each region or country's market, enhance IT, logistics and manufacturing business foundations and strengthen the supply chain.

We will strive to further advance "reliable and quick delivery on a global basis" by continuing to innovate our business model.

iii. Contribution to the sustainable development of society

MISUMI Group commits to contribute to sustainable development of society through "Time innovation" in the industrial automation industry. MISUMI Group aims to support the sustainable development of society and industry through process transformation, and reliable, quick delivery which are the core of "Customer Time Value" provided by MISUMI and achieve sustainable growth for the company itself.

Please refer to the following pages for our approach to sustainability, key issues, climate change initiatives and the governance structure to promote sustainability.

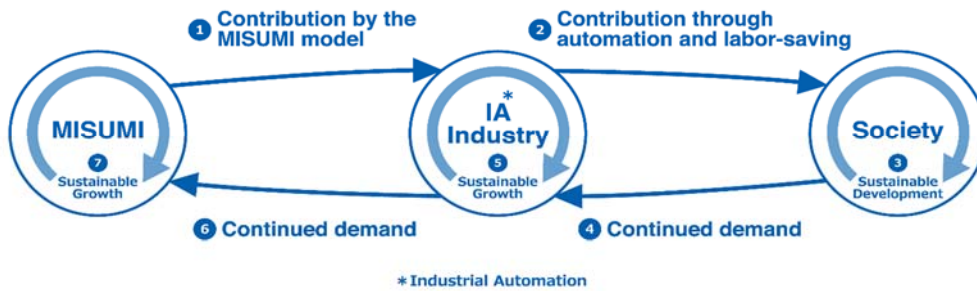
(Reference)

Our Approach to Sustainability

The industrial automation industry, which is the focus of our business, has realized automation and labor-saving of various economic activities and is indispensable in contributing to the sustainable development of society.

Our business resolves various inefficiencies in the total supply chain and the total business process in the industrial automation industry from the perspective of “time” and contributes to development of the industry. The sustainable development of society resulting from development of the industrial automation industry creates further demand in the industrial sector, creating new opportunities for MISUMI.

By contributing to the establishment of this cycle, the MISUMI Group aims to support the sustainable development of society and industry and achieve sustainable growth for the company itself.



- “Customer Time Value” provided by MISUMI: (1) Process transformation
The parts of automation equipment and devices are unique. Creating drawings, quotations, processing, and procuring parts are complicated and require extended delivery times, resulting in highly inefficient work. By standardizing the parts to be manufactured to order for automation equipment and devices, we eliminate the need to create drawings and significantly reduce the time spent on inefficient work for our customers.
- “Customer Time Value” provided by MISUMI: (2) Reliable and quick delivery
We have built a supply chain that serves more than 300,000 customers globally. By realizing reliable, quick delivery on a global scale, even for a single part, we can reduce unnecessary inventory and eliminate production and operation opportunity losses.

Our Key Issues in Sustainability

We identified the following three key issues to continuously improve the time value we provide for customers and for the sustainable growth of our business activities.

| | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>Evolution of business models</u> to meet customer needs</p> <ul style="list-style-type: none"> ● Ensuring quick delivery, product assortment, service, etc. ● Formulate, implement, and oversee business strategies | <p><u>Strengthen business infrastructure</u> to support reliable, quick delivery</p> <ul style="list-style-type: none"> ● Five-pole global production system ● Expansion of logistics sites network ● Evolution of information ● Risk management | <p><u>Build a human resource infrastructure</u> to provide time value and fulfill social responsibility</p> <ul style="list-style-type: none"> ● Strategic and improvement-oriented global HR development ● HR and organization to fulfill social responsibilities such as product safety, information management, and human rights protection |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

We are constantly evolving and developing our business models, including businesses, products, and services. At the same time, we are working to strengthen our business infrastructure, including IT, logistics and production, and the establishment of human resources infrastructure to support these business models.

Climate Change Initiatives

We are acting to prevent global warming and other climate change measures through our business activities.

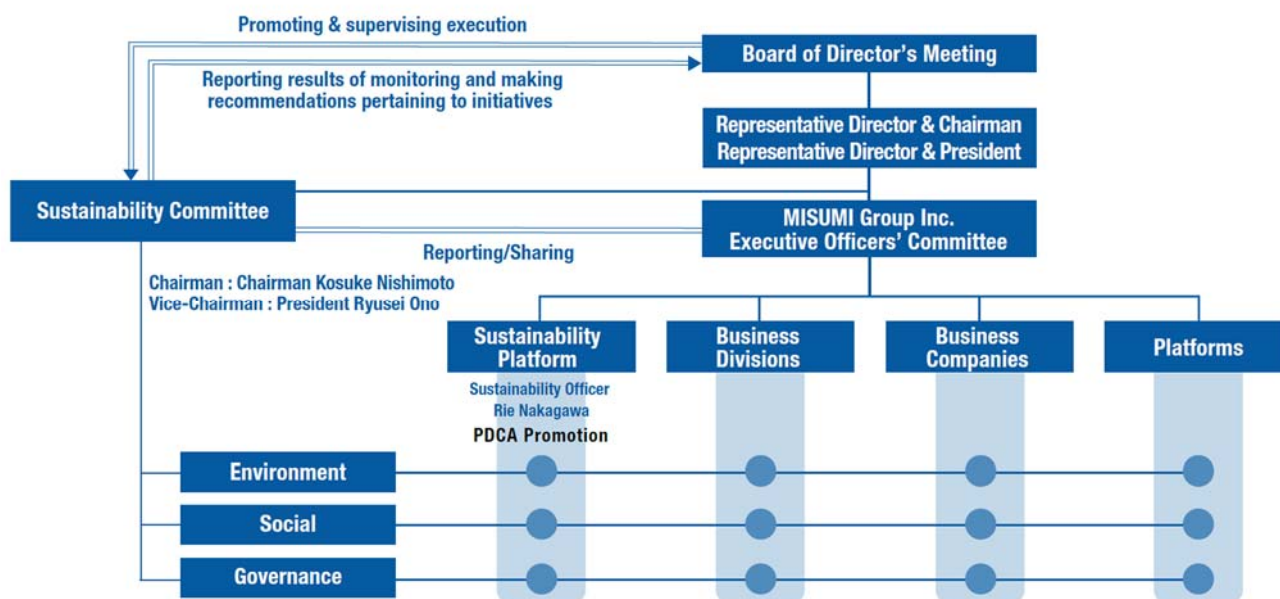
In September 2021, we announced our support for the Task force on Climate-related Financial Disclosures (“TCFD”) recommendations and also announced our intent to join the TCFD Consortium. In March 2022, we conducted an analysis based on scenarios of temperatures rising 1.5-2 degrees Celsius or temperatures rising 4 degrees Celsius, and disclosed information of the identified transition risks, physical risks and opportunities under each scenario as well as the assessed business impacts.

Additionally, we have set greenhouse gas emission targets for 2030 (Scope 1 and Scope 2) to drop by 42% compared to fiscal 2020 so as to reach zero carbon emissions by 2050. To achieve this target, the MISUMI Group will further promote energy conservation.

Governance Structure to Promote Sustainability

MISUMI Group has established a “Sustainability Committee,” chaired by the Representative Director and Chairman, and the Representative Director and President as Vice-Chairman, to further strengthen its sustainability initiatives. This Committee formulates the basic sustainability policy of MISUMI Group, verifies the management plan and management policy, and reports and makes recommendations regarding initiatives that address social issues to the Board of Directors.

Additionally, we have appointed an officer in charge of sustainability promotion who cooperates with Business Divisions, Business Companies, and Platforms (which are MISUMI Group’s executive organizations) to monitor Environmental Social and Governance-related goal setting, progress, and evaluations, etc. and continue to develop sustainability initiatives.



(4) Assets, Income

| Item | Period | 57 th Term (Year ended March 2019) | 58 th Term (Year ended March 2020) | 59 th Term (Year ended March 2021) | 60 th Term (Year ended March 2022) |
|------------------------------------------------|---------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|
| Net Sales | (Million yen) | 331,936 | 313,337 | 310,719 | 366,160 |
| Net Income attributable to owners of parent | (Million yen) | 24,034 | 16,504 | 17,138 | 37,557 |
| Net Income per share | (Yen) | 84.80 | 58.18 | 60.36 | 132.15 |
| Total assets | (Million yen) | 252,393 | 264,684 | 288,921 | 347,390 |
| Net assets | (Million yen) | 205,424 | 211,630 | 233,569 | 279,959 |

Notes:

The Company has applied Accounting Standard for Revenue Recognition (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the fiscal year ended March 31, 2022. Therefore, consolidated financial position as of March 31, 2022 has been presented by the figures to reflect such changes.

(5) Principal Business Operations

MISUMI Group companies are active in three business segments. The FA Business mainly supplies standardized components for automated equipment used in factory automation and other applications. The Die Components Business specializes primarily in die and mold parts used to manufacture automobiles and electronic devices. VONA Business provides third-party brands alongside original MISUMI-branded products mainly through online sales. It provides indirect materials such as MRO (consumables), etc as well as manufacturing, automation-related equipment parts.

(6) Status of Major Subsidiaries

1) Status of major subsidiaries

| Company name | Capital | The Company's shareholding ratio (%) | Principal businesses |
|------------------------------------------------------|-------------------------|--------------------------------------|---------------------------------------------------------|
| MISUMI Corporation | Million Yen 850 | 100.0% | FA Business Die Components Business VONA Business |
| SURUGA SEIKI CO., LTD. | Million Yen 100 | 100.0% | FA Business |
| SURUGA Production Platform Co., Ltd. | Million Yen 491 | 100.0% | FA Business Die Components Business VONA Business |
| MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD. | Thousand RMB 587,328 | 100.0% (100.0%) | FA Business Die Components Business VONA Business |
| SURUGA SEIKI (NANTONG) CO., LTD. | Thousand RMB 624,769 | 100.0% (100.0%) | FA Business |
| MISUMI KOREA CORP. | Thousand KRW 700,000 | 100.0% | FA Business Die Components Business VONA Business |
| SAIGON PRECISION CO., LTD. | Thousand USD 95,200 | 100.0% (100.0%) | FA Business Die Components Business |
| MISUMI (THAILAND) CO., LTD. | Thousand THB 118,805 | 100.0% (100.0%) | FA Business Die Components Business VONA Business |
| MISUMI USA, INC. | Thousand USD 4,900 | 100.0% (100.0%) | FA Business Die Components Business VONA Business |
| Dayton Progress Corporation | Thousand USD 348 | 100.0% (100.0%) | Die Components Business |
| MISUMI Europa GmbH | Thousand EUR 6,500 | 100.0% (100.0%) | FA Business Die Components Business VONA Business |
| Dayton Progress-Perfuradores Lda | Thousand EUR 400 | 100.0% (100.0%) | Die Components Business |

Notes:

- Including the above, the number of consolidated subsidiaries is 50 and the number of equity-method affiliates is 2.
- Figures in parentheses in the “the Company’s shareholding ratio” indicate indirect ownership.

2) Status of designated wholly owned subsidiaries as of March 31, 2022

| Name | Address | Total book value | Total assets |
|--------------------|---------------------------------------|------------------|------------------|
| MISUMI Corporation | 5-1, Koraku 2-chome, Bunkyo-ku, Tokyo | ¥ 25,295 million | ¥ 77,548 million |

(7) Major Sales Offices and Business Sites

| Company name | Location |
|------------------------------------------------------|-------------------------|
| Misumi Group, Inc. (Head Office) | Bunkyo-ku, Tokyo, Japan |
| MISUMI Corporation | Bunkyo-ku, Tokyo, Japan |
| SURUGA SEIKI CO., LTD. | Shizuoka, Japan |
| SURUGA Production Platform Co., Ltd. | Shizuoka, Japan |
| MISUMI (CHINA) PRECISION MACHINERY TRADING CO., LTD. | Shanghai, China |
| SURUGA SEIKI (NANTONG) CO., LTD. | Nantong, China |
| MISUMI KOREA CORP. | Seoul, South Korea, |
| SAIGON PRECISION CO., LTD. | Ho Chi Minh, Vietnam, |
| MISUMI (THAILAND) CO., LTD. | Rayong, Thailand, |
| MISUMI USA, INC. | Illinois, U.S. |
| Dayton Progress Corporation | Ohio, U.S. |
| MISUMI Europa GmbH | Frankfurt, Germany |
| Dayton Progress-Perfuradores Lda | Alcobaça, Portugal, |

(8) Employees

| Number of employees | Change from the end of the previous fiscal year |
|---------------------|-------------------------------------------------|
| 11,842 | 160 (increased) |

Notes:

1. The number of employees is the number of employed staff and does not include part-time and temporary staff.
2. The total number of employees including part-time and temporary staff as of March 31, 2022 is 12,878.

(9) Major Lenders

There are no borrowings from financial institutions.

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

2. Matters Relating to the Shares of the Company

- (1) **Total number of authorized shares** 1,020,000,000 shares
- (2) **Total number of shares issued** 284,323,001 shares
(excluding 129,896 shares of treasury stock)
- (3) **Number of shareholders** 5,991

(4) Major shareholders (Top 10)

| Name of shareholder | Number of shares held (thousand shares) | Percentage of ownership (%) |
|----------------------------------------------------|--------------------------------------------|--------------------------------|
| THE MASTER TRUST BANK OF JAPAN, LTD. | 57,130 | 20.1 |
| CUSTODY BANK OF JAPAN, LTD. | 22,217 | 7.8 |
| SSBTC CLIENT OMNIBUS ACCOUNT | 15,475 | 5.4 |
| RBC IST 15 PCT LENDING ACCOUNT - CLIENT ACCOUNT | 7,543 | 2.7 |
| THE BANK OF NEW YORK MELLON 140051 | 5,824 | 2.0 |
| STATE STREET BANK WEST CLIENT - TREATY 505234 | 4,600 | 1.6 |
| THE BANK OF NEW YORK MELLON 140044 | 4,457 | 1.6 |
| NORTHERN TRUST CO.(AVFC) RE FIDELITY FUNDS | 4,425 | 1.6 |
| BNYM AS AGT/CLTS NON TREATY JASDEC | 4,325 | 1.5 |
| BNYM AS AGT/CLTS 10 PERCENT | 4,248 | 1.5 |

Notes:

1. Treasury stock (129,896 shares) is excluded from the calculations of percentages of ownership.
2. Percentages of shares owned are rounded to one decimal place.

3. Officers of the Company

(1) Directors and Corporate Auditors

| Position | Name | Areas of Responsibility and Important Posts Held Concurrently |
|---------------------------------------|-------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Representative Director and Chairman | Kosuke Nishimoto | |
| Representative Director and President | Ryusei Ono | Representative Director and President, MISUMI Corporation |
| Executive Director | Ichiro Otokozawa | Chief Executive in charge of Europe and Americas Business, MISUMI Corporation |
| CIO and Executive Director | Toshinari Sato | Representative Corporate Officer, Digital Transformation System Platform, MISUMI Group Inc. |
| Executive Director | Tomoki Kanatani | President, China Business Company, MISUMI Corporation |
| Executive Director | Shigetaka Shimizu | President, IM Business Company, MISUMI Corporation |
| Director | Yoichi Nakano | Representative Director and President, Chuuyou Co., Ltd. |
| Director | Arata Shimizu | Outside Director, Interworks Inc. Outside Director, BeNEXT-Yumeshin Group Co. Director, P&E Directions, Inc. |
| Director | Tomoharu Suseki | Director, Chairman of the Risk Management Committee, Member of the Nomination Committee, and Member of the Compensation Committee, Sumida Corporation |
| Full-time Corporate Auditor | Hiroshi Miyamoto | Corporate Auditor, SURUGA Production Platform Co., Ltd. Corporate Auditor, SURUGA SEIKI CO., LTD. |
| Corporate Auditor | Juichi Nozue | Attorney at Law, Shizuoka Nozomi Law and Patent Office Outside Director, Shizuoka Gas Company. Outside Director (Audit and Supervisory Committee Member), LEC, INC. Outside Director, AKASAKA Diesels Limited. |
| Corporate Auditor | Nanako Aono | Representative Director and President, GEN Co., Ltd. Outside Corporate Auditor, Nippon Paper Industries Co., Ltd.. Outside Director, OPTEX GROUP CO., LTD. Outside Corporate Auditor, MEIKO NETWORK JAPAN CO., LTD. |

Notes:

1. Directors Yoichi Nakano, Arata Shimizu, and Tomoharu Suseki are Outside Directors as stipulated in Article 2, Paragraph 15 of the Companies Act.
2. Corporate Auditors Juichi Nozue and Nanako Aono are Outside Corporate Auditors as stipulated in Article 2, Paragraph 16 of the Companies Act.
3. Corporate Auditor Juichi Nozue is qualified as an attorney at law.
4. Corporate Auditor Nanako Aono is qualified as a certified public accountant and has extensive experience and knowledge in the field of financial accounting.
5. The Company has designated Directors Yoichi Nakano, Arata Shimizu, and Tomoharu Suseki, and Corporate Auditors Juichi Nozue and Nanako Aono as Independent Officers as stipulated in the rules of the Tokyo Stock Exchange and submitted a notification to that effect to the Tokyo Stock Exchange.

6. Changes in position and posts of Director following subject fiscal year are as follows.

| Name | Former Post | New Post | Date of Change |
|-------------------|----------------------------------------------------|-------------------------------------------------------|----------------|
| Shigetaka Shimizu | President, IM Business Company, MISUMI Corporation | President, Japan Business Company, MISUMI Corporation | April 1, 2022 |

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

1) Total Amount of Compensation, etc. Paid to Directors and Corporate Auditors

| Category | Amount of compensation, etc. (Million yen) | Total amount of each type of compensation, etc. (Million yen) | | | Number of officers |
|-----------------------------------------------------------|--------------------------------------------|---------------------------------------------------------------|-------------------------------------------|-------------------------------------------|--------------------|
| | | Basic Compensation | Performance-Linked Compensation (Bonuses) | Non-Monetary Compensation (Stock options) | |
| Directors (Outside Directors, subtotal) | 847 (28) | 298 (28) | 250 (-) | 299 (-) | 10 (3) |
| Corporate Auditors (Outside Corporate Auditors, subtotal) | 36 (16) | 36 (16) | - (-) | - (-) | 3 (2) |
| Total | 883 | 334 | 250 | 299 | 13 |

2) Matters pertaining to Performance-Linked Compensation

The Company provides Bonuses to Directors as performance-linked compensation. The amount of performance-linked compensation is calculated based on the consolidated ordinary income and dividends amount, etc. of each consolidated fiscal year, in order to increase the motivation toward improved business performance for each consolidated fiscal year. The amount of compensation for each Director is decided, taking all these factors into consideration. The performance indicators and result thereof for this consolidated fiscal year are stated in Consolidated Statement of Income on page 40 as for consolidated ordinary income, and in Proposal 1 on page 4 as for the amounts of dividends.

3) Details of Non-Monetary Compensation

The Company provides stock options to Directors. The aim is continuous increase of corporate value by creating stronger value sharing with shareholders through shareholding. Summary of Stock Options provided during the fiscal year under review is as follows.

| Name | Stock Options Issue No. 41 | Stock Options Issue No. 42 |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Date of Resolution to Issue | June 24, 2021 | June 24, 2021 |
| Number of Holders | 6 Directors excluding Outside Directors | 6 Directors excluding Outside Directors |
| Number of Stock Options | 150 (The number of shares subject to 1 stock option is 100 shares) | 894 (The number of shares subject to 1 stock option is 100 shares) |
| Type of Shares to be Issued upon the Exercise of Stock Options | Common Stock | Common Stock |
| Number of Shares to be Issued upon the Exercise of Stock Options | 15,000 shares | 89,400 shares |
| Amount to be Paid for the Exercise of Stock Options | ¥1 per share | ¥1 per share |
| Exercise Period for Stock Options | From July 10, 2021 to July 9, 2031 | From July 9, 2024 to July 8, 2031 |
| Principal Conditions Relating to the Exercise of Stock Options | <p>i. Directors who have ceased to be officers or employees of the Company or its subsidiaries or affiliates may exercise their options within 10 days reckoning from the date on which they ceased to hold the status of officers or employees of the Company or its subsidiaries or affiliates.</p> <p>ii. The conditions for the exercise of the stock options other than those stated in Clause i) above shall be based on a resolution of the Board of Directors and stipulated in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p> | <p>i. Directors must be employed as officers or employees of the Company or its subsidiaries or affiliates when they exercise the stock options. Provided, however, that the Company Directors may exercise the stock options only for a period prior to the two-year anniversary date of reckoning from the day following the date of resignation/retirement, or until the expiration date of the exercise period, whichever comes earlier, even if the Company Directors no longer have said employment status when exercising the stock options</p> <p>ii. The conditions for the exercise of the stock options other than those stated in Clause i) above shall be based on a resolution of the Board of Directors, and shall be as set forth in the “Stock Options Allotment Agreement” to be entered into by and between the Company and each individual to whom the stock options are allotted.</p> |

Notes: Summary of Stock Options provided before the fiscal year under review is available at the notes on the Matters Relating to Stock Acquisition Rights on MISUMI’s website in accordance with laws, regulations, and the Articles of Incorporation. *Website available only in Japanese.

4) Matters pertaining to Resolutions of General Shareholders Meeting on Compensation for Directors and Corporate Auditors

By resolution of the 52nd Annual General Meeting of Shareholders held on June 13, 2014, the total amount of compensation for Directors shall not exceed ¥1,100 million per annum (including a maximum of ¥40 million for Outside Directors). This does not include Directors' salaries as employees of the Company or stock acquisition rights issued as stock options. The number of Directors at the end of the said Annual General Meeting of Shareholders is 7 (including 1 Outside Director).

Separately from the above compensation, by resolution of the 59th Annual General Meeting of Shareholders held on June 17, 2021, stock options (stock acquisition rights) as stock-based compensation upon retirement (Stock Option Plan A) shall not exceed ¥220 million per annum and stock options (stock acquisition rights) as stock-based compensation as a medium-term incentive (Stock Option Plan B) shall not exceed ¥630 million per annum. Outside Directors are excluded from both Plans. The number of Directors at the end of the said Annual General Meeting of Shareholders is 9 (including 3 Outside Director).

By resolution of the of the 31st Annual General Meeting of Shareholders held on June 28, 1993, the total amount of compensation for Corporate Auditors shall not exceed ¥50 million per annum. The number of Corporate Auditors at the end of the said Annual General Meeting of Shareholders is 2.

5) Matters pertaining to the Policy for Deciding the Details of Individual Compensation, etc. for the Directors

The Company established “the Policy for Deciding the Details of Individual Compensation, etc. for the Directors” (the “Policy”) at the Board of Directors Meeting held on February 18, 2021 as below.

It should be noted that, in deciding individual compensation for Directors, Nomination and Compensation Committee conducts deliberation from various perspectives, including the consistency with the Policy, through mutual consultation among the members. Therefore, it is deemed by the Board of Directors that such decisions are consistent with the Policy.

The Policy for Deciding the Details of Individual Compensation, etc. for the Directors

1. Basic Policy and Composition of Compensation for Directors

Regarding the amount of compensation of Directors, the Company's policy is to provide appropriate compensation in light of experience, market standard and contribution. Specifically, the compensation of Directors shall be composed of “Basic Compensation” which is fixed amount, “Performance-Linked Compensation,” the amount of which may vary depending on the Company's performance, and “Stock Options” as non-monetary compensation. With respect to Outside Directors, who are independent from executory function, the Company provides Basic Compensation only from the viewpoint of their function and independence.

(1) Basic Compensation

With respect to the Basic Compensation, the amount shall be decided according to the role and position of each Director, taking into consideration the market standard, etc., and provided as monthly fixed compensation.

(2) Performance-Linked Compensation (Bonuses)

The amount of Performance-Linked Compensation shall be decided taking into consideration the consolidated ordinary income and dividends amount, etc. of each consolidated fiscal year, in order to increase the motivation toward improved business performance for each

consolidated fiscal year. Performance-Linked Compensation shall be provided as bonuses at a certain time each year.

(3) Non-Monetary Compensation (Stock Options)

Non-Monetary Compensation shall be stock options with an aim to increase the motivation and morale of Directors toward improved business performance and increased corporate value over the medium- to long-term. The stock options shall consist of stock-based compensation upon retirement (Stock Option Plan A) and stock-based compensation as a medium-term incentive (Stock Option Plan B). As for Plan A, a certain amount of stock acquisition rights will be provided according to the position of each Director. As for Plan B, stock acquisition rights will be provided within the defined scope, according to their respective positions based on evaluation of their contribution. Under both Plans, the stock acquisition rights are provided at a certain time each year.

2. Proportion of Basic Compensation, Performance-Linked Compensation and Non-Monetary Compensation

The Company shall set the proportion of compensation appropriately, considering the Company's strategy/business environment, role/position, and medium, long-term incentives, etc., with reference to the compensation standard using benchmark companies with similar size, business area, etc. The amount of Performance-Linked Compensation and Plan B stock options may vary, or may not be provided at all, depending on the performance and evaluation result.

3. Process of Deciding Individual Compensation, etc. of Directors

With respect to individual compensation and other matters relating to the compensation of Directors, the Representative Director and President of the Company shall make a proposal, and the Nomination and Compensation Committee comprised of an Outside Director, Representative Director and Chairman, Representative Director and President shall make the decision through mutual consultation among its members. For issuing stock options, a resolution of Board of Directors shall also be obtained, in addition to the decision by the Nomination and Compensation Committee.

End

6) Matters pertaining to Delegation of Decision on Individual Compensation, etc. of Directors

With respect to individual compensation and other matters relating to the compensation of Directors concerning the fiscal year under review, Representative Director and President Ryusei Ono made the proposal, and the Nomination and Compensation Committee, comprised of Outside Director Yoichi Nakano, Outside Director Arata Shimizu, Outside Director Tomoharu Suseki, Representative Director and Chairman Kosuke Nishimoto, Representative Director and President Ryusei Ono, made the decision through mutual consultation among its members. The reason for delegating decision-making authority to the Nomination and Compensation Committee is to enhance transparency and accountability regarding decision-making on compensation. For issuing stock options, the conditions such as the number of units were deliberated and decided by the Nomination and Compensation Committee, and a resolution of the Board of Directors were obtained.

7) Malus and Clawbacks

In the event of serious misconduct or violation by a Director, the Director's compensation (including beneficial interest) may be confiscated or claimed for restitution.

(3) Matters Pertaining to Outside Officers

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

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

2) Main Activities in the Fiscal Year Ended March 31, 2022

| Name | Main Activities |
|-------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;">Yoichi Nakano (Outside Director)</p> | <ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors, and overview of the duties performed concerning expected role: Mr. Nakano attended 14 out of 14 meetings of the Board of Directors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management, and supervision of MISUMI Group's management from an independent perspective. Additionally, Mr. Nakano attended 4 meetings, including 2 meetings of the Compensation Committee and 2 meetings of the Nomination and Compensation Committee, and provided appropriate supervision by participating in discussions on evaluation and decisions on remuneration of Directors, the selection and dismissal of Directors, and succession planning for Representative Directors from the neutral and objective position. Instead of the Compensation Committee, the Nomination and Compensation Committee was established in October 2021 to have the nomination function. • Business policies changed as a result of input from Mr. Nakano: Nothing to report. • Summary of actions by Mr. Nakano in response to any misconduct, etc., involving the Company: Nothing to report. |
| <p style="text-align: center;">Arata Shimizu (Outside Director)</p> | <ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors, and overview of the duties performed concerning expected role: Mr. Shimizu attended 14 out of 14 meetings of the Board of Directors during fiscal year under review and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management, and supervision of MISUMI Group's management from an independent perspective. Additionally, Mr. Shimizu attended 3 meetings, including 1 meeting of the Compensation Committee and 2 meetings of the Nomination and Compensation Committee, since becoming a committee member on June 17, 2021, and provided appropriate supervision by participating in discussions on evaluation and decisions on remuneration of Directors, the selection and dismissal of Directors, and succession planning for Representative Directors from the neutral and objective position. Instead of the Compensation Committee, the Nomination and Compensation Committee was established in October 2021 to have the nomination function. • Business policies changed as a result of input from Mr. Shimizu: Nothing to report. • Summary of actions by Mr. Shimizu in response to any misconduct, etc., involving the Company: Nothing to report. |

| Name | Main Activities |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tomoharu Suseki (Outside Director) | <ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors, and overview of the duties performed concerning expected role: Mr. Suseki attended 11 out of 11 meetings of the Board of Directors held after his appointment on June 17, 2021, and asked questions or provided advice concerning proposals and discussions, based mainly on his extensive experience and knowledge of business management, and supervision of MISUMI Group's management from an independent perspective. Additionally, Mr. Suseki attended 3 meetings, including 1 meeting of the Compensation Committee and 2 meetings of the Nomination and Compensation Committee, since becoming a committee member on June 17, 2021, and provided appropriate supervision by participating in discussions on evaluation and decisions on remuneration of Directors, the selection and dismissal of Directors, and succession planning for Representative Directors from the neutral and objective position. Instead of the Compensation Committee, the Nomination and Compensation Committee was established in October 2021 to have the nomination function. • Business policies changed as a result of input from Mr. Suseki: Nothing to report. • Summary of actions by Mr. Suseki in response to any misconduct, etc., involving the Company: Nothing to report. |
| Juichi Nozue (Outside Corporate Auditor) | <ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors and Board of Corporate Auditors: Mr. Nozue attended 14 out of 14 meetings of the Board of Directors and 22 out of 22 meetings of the Board of Corporate Auditors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, mainly from his professional perspective as an attorney at law. • Business policies changed as a result of input from Mr. Nozue: Nothing to report. • Summary of actions by Mr. Nozue in response to any misconduct, etc., involving the Company: Nothing to report. |
| Nanako Aono (Outside Corporate Auditor) | <ul style="list-style-type: none"> • Attendance and input at meetings of the Board of Directors and Board of Corporate Auditors: Ms. Aono attended 14 out of 14 meetings of the Board of Directors and 22 out of 22 meetings of the Board of Corporate Auditors during the fiscal year under review and asked questions or provided advice concerning proposals and discussions, mainly from her professional perspective as a certified public accountant. • Business policies changed as a result of input from Ms. Aono: Nothing to report. • Summary of actions by Ms. Aono in response to any misconduct, etc., involving the Company: Nothing to report. |

3) Outline of Limited Liability Agreements

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

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

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

4) Compensation amount received by officers from subsidiaries of the Company during the fiscal year ended March 31, 2022

Nothing to report.

(4) Outline of Directors and Officers Liability Insurance Agreement

The Company has concluded a directors and officers liability insurance agreement as stipulated in Article 430-3, paragraph (1) of the Companies Act with an insurance company, which shall compensate for damages and legal expenses to be borne by the insured, excluding the damages caused by the action that directors or officers committed knowing that it is violation of law.

The insured under the said directors and officers liability insurance agreement are the past, current and future directors, corporate auditors, executive officers, accounting advisors and corporate officers (including individuals having the position equivalent to these under applicable laws) as well as employees with managerial or supervisory capacity (including full-time, part time and seasonal employees). Insurance fees for all the insured are borne by the Company.

4. Independent Auditor

(1) Name of the Independent Auditor of the Company

Deloitte Touche Tohmatsu LLC

(2) Outline of the Limited Liability Agreement

Nothing to report.

(3) Outline of the Indemnity Agreement

Nothing to report.

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

- | | |
|-----------------------------------------------------------------------------------|-------------|
| 1) Audit fee under Article 2, Paragraph 1 of the Certified Public Accountants Act | ¥91 million |
| 2) Sum of cash or other assets payable by the Company and/or its subsidiaries | ¥91 million |

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

Notes:

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

(5) Non-audit duties

Nothing to report.

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

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

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

5. The Company's Systems and Policies

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

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

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

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

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

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

The Company reviewed the administration of its Basic Policy on Internal Control Systems in the fiscal year ended March 31, 2022. This review confirmed that the policy is being implemented appropriately, and that there are no significant problems.

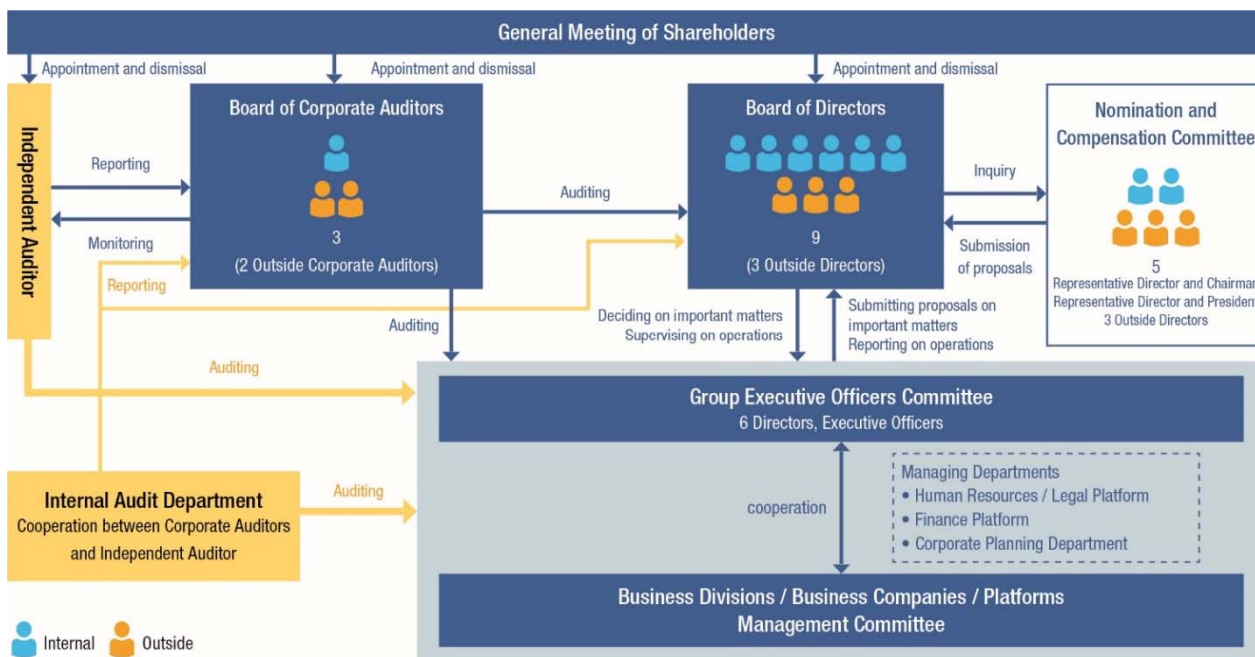
The main actions pertaining to internal control systems during the fiscal year ended March 31, 2022 were as follows.

- The Company's Board of Directors held 14 meetings during the fiscal year ended March 31, 2022. The Board of Directors and the Group Officers' Committee made important decisions and appropriately performed other functions, such as the monitoring, supervision and guidance of the operations of business units, divisions, platforms and subsidiaries.
- Comprehensive risk assessments have been carried out at key MISUMI Group sites and reported to Board of Directors. Based on the results of these assessments, which covered such aspects as the executions of business operations, information, financial management, human resource management, and legal affairs, the Company nominates the principal department in-charge which addresses identified risks going forward. As part of such efforts, the Company has a Business Continuity Plan (BCP) in place, to deal with crisis/ emergency situations, providing appropriate response measures in dealing with the COVID-19 pandemic.
- Compliance and legal affairs training are carried out at all major sites of the MISUMI Group. During this training employees are made fully aware of the MISUMI Group's Code of Conduct and legal compliance.
- An internal reporting ("whistleblowing") system has been established and administered appropriately across the entire MISUMI Group.
- Corporate Auditors / Board of Corporate Auditors' auditing environment is being enhanced through expansion of interview opportunities with Directors, including Outside Directors, and coordination with administration departments and in addition, fulfillment of a full-time corporate auditor for the Subsidiary. Corporate Auditor's support arrangement is operationally stable.
- Cooperation between Internal Audit Department and Board of Directors or Board of Corporate Auditors has been ensured by establishing a system in which the Internal Audit Department reports directly to the Board of Directors and the Board of Corporate Auditors. The Board of Directors shall establish a company-wide internal control and risk management system and supervise its operation status while utilizing the Internal Audit Department.

(Reference)

Corporate Governance Structure

Board of Directors, Group Executive Officer’s Committee, and Board of Corporate Auditors have supervised and audited on business execution.



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

Nothing to report.

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

Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

| Item | Amount | Item | Amount |
|---------------------------------------|----------------|-----------------------------------------------|----------------|
| (Assets) | | (Liabilities) | |
| Current assets | 253,123 | Current liabilities | 52,410 |
| Cash and deposits | 108,895 | Notes and accounts payable - trade | 21,617 |
| Notes and accounts receivable - trade | 76,819 | Lease obligations | 1,775 |
| Merchandise and finished goods | 50,593 | Accounts payable - other | 9,208 |
| Work in process | 2,823 | Income taxes payable | 7,154 |
| Raw materials and supplies | 8,324 | Provision for bonuses | 4,819 |
| Income tax receivable | 452 | Provision for directors' bonuses | 250 |
| Other | 5,498 | Other | 7,585 |
| Allowance for doubtful accounts | (282) | Long-term liabilities | 15,019 |
| | | Lease obligations | 5,409 |
| | | Deferred tax liabilities | 939 |
| | | Liabilities for retirement benefits | 6,872 |
| | | Other | 1,798 |
| Non-current assets | 94,266 | Total liabilities | 67,430 |
| Property, plant and equipment | 46,520 | | |
| Buildings and structures | 13,815 | (Net assets) | |
| Machinery, equipment and vehicles | 16,272 | Shareholders' equity | 258,125 |
| Land | 3,876 | Common stock | 13,664 |
| Right-of-use assets | 6,724 | Capital surplus | 24,020 |
| Construction in progress | 3,210 | Retained earnings | 220,519 |
| Other | 2,620 | Treasury stock | (79) |
| Intangible assets | 35,719 | Accumulated other comprehensive income | 19,100 |
| Software | 28,527 | Deferred gain (loss) on hedges | 36 |
| Other | 7,192 | Foreign currency translation adjustments | 19,063 |
| Investments and other assets | 12,026 | Defined retirement benefit plans | (0) |
| Investment securities | 6 | Stock acquisition rights | 1,937 |
| Deferred tax assets | 6,550 | Non-controlling interests | 797 |
| Other | 5,824 | Total net assets | 279,959 |
| Allowance for doubtful accounts | (355) | Total liabilities and net assets | 347,390 |
| Total assets | 347,390 | | |

Consolidated Statement of Income
(From April 1, 2021 to March 31, 2022)

(Millions of yen)

| Item | Amount | |
|---------------------------------------------------------------|--------|----------------|
| Net Sales | | 366,160 |
| Cost of sales | | 199,296 |
| Gross profit | | 166,863 |
| Selling, general and administrative expenses | | 114,652 |
| Operating income | | 52,210 |
| Non-operating income | | |
| Interest income | 532 | |
| Share of profit of entities accounted for using equity method | 37 | |
| Miscellaneous income | 473 | 1,043 |
| Non-operating expenses | | |
| Interest expenses | 99 | |
| Foreign exchange losses | 450 | |
| Miscellaneous losses | 204 | 753 |
| Ordinary income | | 52,500 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 57 | 57 |
| Extraordinary losses | | |
| Impairment loss | 642 | |
| Loss related to COVID-19 | 783 | 1,426 |
| Income before income taxes | | 51,131 |
| Income taxes - current | 13,975 | |
| Income taxes - deferred | (466) | 13,509 |
| Net income | | 37,621 |
| Net income attributable to non-controlling interests | | 64 |
| Net income attributable to owners of parent | | 37,557 |

Consolidated Statements of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

| | Shareholders' equity | | | | |
|------------------------------------------------------------|----------------------|-----------------|-------------------|----------------|----------------------------|
| | Common stock | Capital surplus | Retained earnings | Treasury stock | Total shareholders' equity |
| Balance as of April 1, 2021 | 13,436 | 23,791 | 190,779 | (78) | 227,929 |
| Changes of items during the consolidated fiscal year | | | | | |
| Issuance of new shares | 228 | 228 | — | — | 456 |
| Dividends of surplus | — | — | (7,817) | — | (7,817) |
| Net income attributable to owners of parent | — | — | 37,557 | — | 37,557 |
| Purchase of treasury stock | — | — | — | (0) | (0) |
| Net changes of items other than shareholders' equity | — | — | — | — | — |
| Total changes of items during the consolidated fiscal year | 228 | 228 | 29,739 | (0) | 30,195 |
| Balance as of March 31, 2022 | 13,664 | 24,020 | 220,519 | (79) | 258,125 |

(Millions of yen)

| | Accumulated other comprehensive income | | | | Stock acquisition rights | Non-controlling interests | Total net assets |
|------------------------------------------------------------|----------------------------------------|------------------------------------------|----------------------------------|----------------------------------------------|--------------------------|---------------------------|------------------|
| | Deferred gain (loss) on hedges | Foreign currency translation adjustments | Defined retirement benefit plans | Total accumulated other comprehensive income | | | |
| Balance as of April 1, 2021 | — | 3,371 | (153) | 3,217 | 1,787 | 634 | 233,569 |
| Changes of items during the consolidated fiscal year | | | | | | | |
| Issuance of new shares | — | — | — | — | — | — | 456 |
| Dividends of surplus | — | — | — | — | — | — | (7,817) |
| Net income attributable to owners of parent | — | — | — | — | — | — | 37,557 |
| Purchase of treasury stock | — | — | — | — | — | — | (0) |
| Net changes of items other than shareholders' equity | 36 | 15,692 | 153 | 15,882 | 149 | 162 | 16,194 |
| Total changes of items during the consolidated fiscal year | 36 | 15,692 | 153 | 15,882 | 149 | 162 | 46,390 |
| Balance as of March 31, 2022 | 36 | 19,063 | (0) | 19,100 | 1,937 | 797 | 279,959 |

Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

| Item | Amount | Item | Amount |
|-------------------------------------------------------------|---------------|----------------------------------------------------|---------------|
| (Assets) | | (Liabilities) | |
| Current assets | 38,628 | Current liabilities | 10,480 |
| Cash and deposits | 24,130 | Accounts payable - other | 2,746 |
| Accounts receivable - other | 8,039 | Deposits received from subsidiaries and affiliates | 3,202 |
| Deposits paid to subsidiaries and associates | 6,431 | Income taxes payable | 3,008 |
| Other | 27 | Provision for bonuses | 1,052 |
| | | Provision for directors' bonuses | 250 |
| | | Other | 220 |
| | | Long-term liabilities | 1,690 |
| | | Provision for retirement benefits | 1,642 |
| | | Other | 47 |
| Non-current assets | 38,919 | Total liabilities | 12,170 |
| Investments and other assets | 38,919 | (Net assets) | |
| Shares of subsidiaries and associates | 32,320 | Shareholders' equity | 63,439 |
| Long-term loans receivable from subsidiaries and associates | 5,093 | Common stock | 13,664 |
| Deferred tax assets | 1,405 | Capital surplus | 20,920 |
| Other | 100 | Legal capital surplus | 20,363 |
| | | Other capital surplus | 557 |
| | | Retained earnings | 28,936 |
| | | Legal retained earnings | 402 |
| | | Other retained earnings | 28,533 |
| | | General reserve | 27,400 |
| | | Retained earnings brought forward | 1,133 |
| | | Treasury stock | (81) |
| | | Stock acquisition rights | 1,937 |
| | | Total net assets | 65,377 |
| Total assets | 77,548 | Total liabilities and net assets | 77,548 |

Non-consolidated Statement of Income

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

| Item | Amount | |
|-----------------------------------|--------|---------------|
| Operating revenue | | 26,307 |
| Operating expenses | | 18,473 |
| Operating income | | 7,834 |
| Non-operating income | | |
| Interest income | 79 | |
| Commission received | 225 | |
| Miscellaneous income | 4 | 308 |
| Non-operating expenses | | |
| Interest expenses | 0 | |
| Miscellaneous losses | 0 | 1 |
| Ordinary income | | 8,142 |
| Income before income taxes | | 8,142 |
| Income taxes - current | 436 | |
| Income taxes - deferred | (247) | 189 |
| Net income | | 7,953 |

Non-consolidated Statements of Changes in Equity

(From April 1, 2021 to March 31, 2022)

(Millions of yen)

| | Shareholders' equity | | | | | | | |
|------------------------------------------------------|----------------------|-----------------------|-----------------------|-----------------------|-------------------------|-----------------------------------|---------|-------------------------|
| | Common stock | Capital surplus | | | Retained earnings | | | |
| | | Legal capital surplus | Other capital surplus | Total capital surplus | Legal retained earnings | Other retained earnings | | Total retained earnings |
| | | | | | General reserve | Retained earnings brought forward | | |
| Balance as of April 1, 2021 | 13,436 | 20,134 | 557 | 20,692 | 402 | 27,400 | 997 | 28,800 |
| Changes of items during the fiscal year | | | | | | | | |
| Issuance of new shares | 228 | 228 | — | 228 | — | — | — | — |
| Dividends of surplus | — | — | — | — | — | — | (7,817) | (7,817) |
| Net income | — | — | — | — | — | — | 7,953 | 7,953 |
| Purchase of treasury stock | — | — | — | — | — | — | — | — |
| Net changes of items other than shareholders' equity | — | — | — | — | — | — | — | — |
| Total changes of items during the fiscal year | 228 | 228 | — | 228 | — | — | 136 | 136 |
| Balance as of March 31, 2022 | 13,664 | 20,363 | 557 | 20,920 | 402 | 27,400 | 1,133 | 28,936 |

(Millions of yen)

| | Shareholders' equity | | Stock acquisition rights | Total net assets |
|------------------------------------------------------|----------------------|----------------------------|--------------------------|------------------|
| | Treasury stock | Total shareholders' equity | | |
| Balance as of April 1, 2021 | (80) | 62,848 | 1,787 | 64,636 |
| Changes of items during the fiscal year | | | | |
| Issuance of new shares | — | 456 | — | 456 |
| Dividends of surplus | — | (7,817) | — | (7,817) |
| Net income | — | 7,953 | — | 7,953 |
| Purchase of treasury stock | (0) | (0) | — | (0) |
| Net changes of items other than shareholders' equity | — | — | 149 | 149 |
| Total changes of items during the fiscal year | (0) | 591 | 149 | 741 |
| Balance as of March 31, 2022 | (81) | 63,439 | 1,937 | 65,377 |