



Mizuno Corporation

The 110th Period (Year ending March 31, 2023)

2nd Quarter Financial Report

November 9, 2022

This report includes forecasts based on our assumptions, outlook and plans for the future as of November 9, 2022, which may substantially differ from actual results due to risks and uncertainties relating to the global economy, competitors' situations, changes in exchange rates, etc..



Versus FY2021-2Q

Revenues **99.2 billion yen** **+14.2 billion (116.6%)**

- ▶ Driven by growth in the golf business.
- ▶ Steady recovery of soccer, baseball and racket sports footwear.
- ▶ Positive change in business climate in Japan.
- ▶ Record revenue for the 2nd quarter.

Operating profit **8.1 billion yen** **+2.6 billion (146.1%)**

- ▶ Cost reduction measures adopted over the past few years enhanced our business efficiency.
- ▶ Significant increase in operating profit ratio for overseas operations
- ▶ Record operating profit for the 2nd quarter.

Ordinary profit **8.5 billion yen** **+2.7 billion (145.9%)**

- ▶ Contributed by the increase in operating profit.
- ▶ Record ordinary profit for the 2nd quarter.

Net income **6.4 billion yen** **+2.1 billion (150.1%)**

- ▶ Record net income for the 2nd quarter.

Consolidated Income Statement (YTD)



| Billions of yen | FY2021 (6 months) | FY2022 (6 months) | Versus FY2021(%) |
|------------------------|----------------------|----------------------|---------------------|
| Revenues | 85.1 | 99.2 | +16.6% |
| Gross margin | 35.7 | 40.3 | +12.8% |
| Gross margin ratio | 42.0% | 40.6% | -1.4P |
| SG&A expenses | 30.1 | 32.1 | +6.6% |
| SG&A expenses ratio | 35.4% | 32.4% | -3.0P |
| Salaries & bonus | 10.7 | 11.3 | +5.8% |
| A&P expenses | 4.6 | 5.2 | +12.4% |
| Operating profit | 5.6 | 8.1 | +46.1% |
| Operating profit ratio | 6.6% | 8.2% | +1.6P |
| Ordinary profit | 5.9 | 8.5 | +45.9% |
| Ordinary profit ratio | 6.9% | 8.6% | +1.7P |
| Net income | 4.3 | 6.4 | +50.1% |
| Exchange rate JPY/1USD | 107.76 | 123.17 | |
| JPY/1GBP | 152.49 | 162.47 | |
| JPY/1EUR | 130.99 | 138.82 | (vs branches) |

Consolidated Balance Sheet



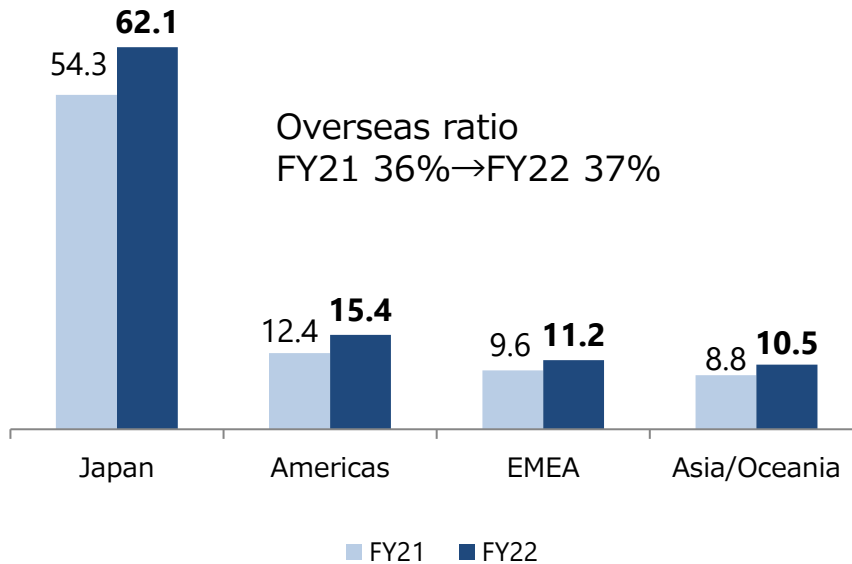
| Billions of yen | Sep.30 2021 | Mar.31 2022 | Sep.30 2022 | Versus Sep 30 2021 |
|--------------------------|----------------|----------------|----------------|--------------------------|
| Total assets | 155.7 | 166.4 | 178.6 | +22.9 |
| Cash & deposits | 25.6 | 24.4 | 23.4 | -2.2 |
| Accounts receivable | 29.9 | 37.1 | 39.0 | +9.1 |
| Inventories | 35.5 | 38.7 | 47.4 | +11.9 |
| Fixed assets | 43.3 | 43.4 | 44.1 | +0.8 |
| Investment securities | 6.9 | 6.8 | 6.9 | -0.0 |
| Deferred tax assets | 2.1 | 2.1 | 1.9 | -0.2 |
| Total liabilities | 46.8 | 53.9 | 55.4 | +8.6 |
| Short-term loan | 3.4 | 3.7 | 3.9 | +0.5 |
| Long-term loan | 6.5 | 7.0 | 8.5 | +2.0 |
| Net assets | 108.9 | 112.5 | 123.2 | +14.3 |

Revenues by Region & Product

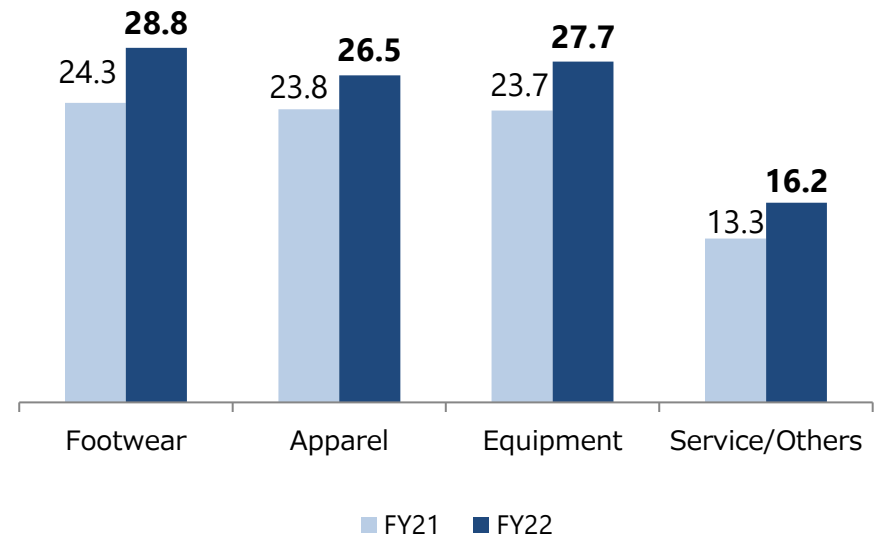


- The below charts show revenues by region & product for FY2022 2Q YTD.
(Billions of JPY)

Revenues by Region



Revenues by Products





| | FY2021-2Q | FY2022-2Q | Versus FY2021 |
|---------------------------------|-----------|------------------|------------------|
| Return on assets (ROA) | 3.7% | 4.6% | +0.9P |
| Return on equity (ROE) | 4.0% | 5.2% | +1.2P |
| Shareholder's equity ratio | 69.7% | 68.7% | -1.0P |
| Earnings per share (EPS) | ¥167.68 | ¥251.55 | + ¥83.87 |
| Book value per share (BPS) | ¥4,243.80 | ¥4,798.37 | + ¥554.57 |
| Price book value ratio (PBR) | 0.63 | 0.54 | -0.09 |
| Price at the end of this period | ¥2,680 | ¥2,573 | - ¥107 |



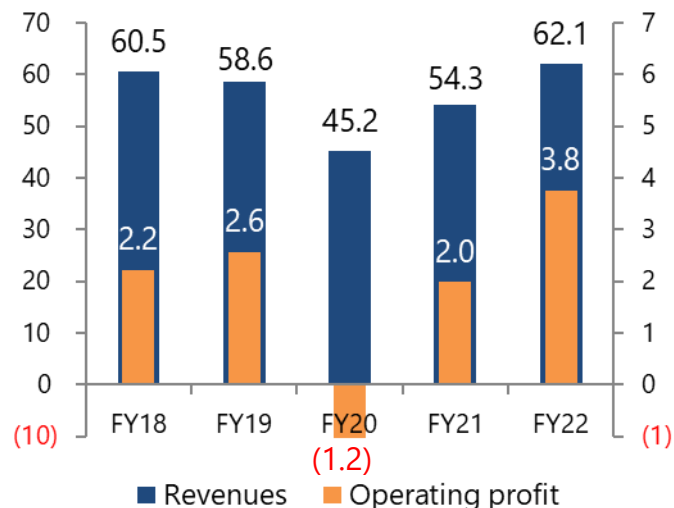
Revenues by product

(unit: billions of JPY)

| | Total | Footwear | Apparel | Equipment | Service/Others |
|-----------|-------|----------|---------|-----------|----------------|
| FY22 | 62.1 | 13.8 | 20.3 | 11.9 | 16.1 |
| FY21 | 54.3 | 10.4 | 19.3 | 11.2 | 13.3 |
| FY22/FY21 | 114% | 132% | 105% | 106% | 114% |

Revenues & Operating profit History

(unit: billions of JPY)



Summary of FY2022

- The recovery from a sharp fall caused by the pandemic.
- In addition to outdoor sports which are baseball, soccer, and golf, indoor sports recovered from damage caused by COVID-19.
- Stable growth of work business category and sports facility operation business.

Future measures & visions

- Utilizing the Innovation Center to develop new products and services.
- Responding to higher costs associated with weaker Japanese yen.



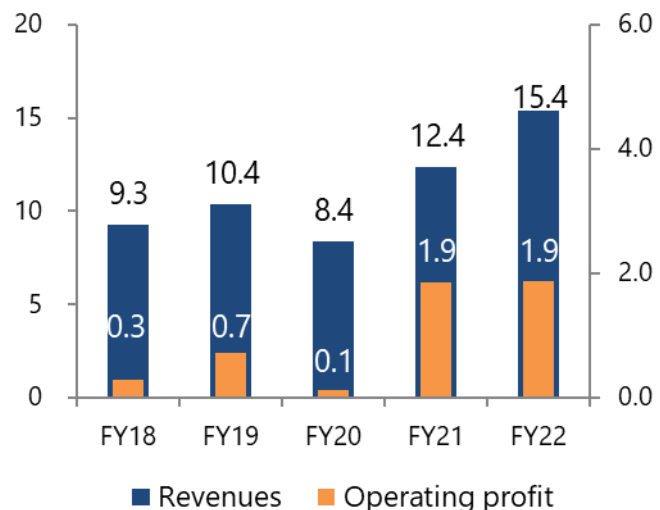
Revenues by product

(unit: billions of JPY)

| | Total | Footwear | Apparel | Equipment |
|-----------|-------|----------|---------|-----------|
| FY22 | 15.4 | 3.2 | 2.7 | 9.5 |
| FY21 | 12.4 | 3.3 | 1.9 | 7.2 |
| FY22/FY21 | 124% | 97% | 142% | 132% |

Revenues & Operating profit History

(unit: billions of JPY)



Summary of FY2022

- Strong sales of golf products.
- Steady recovery of team sports business which is baseball and volleyball.
- Record operating profit for the 2nd quarter.

Future measures & visions

- Close monitoring of the golf market momentum.
- Strengthening the running business
- Effective management of inflation.



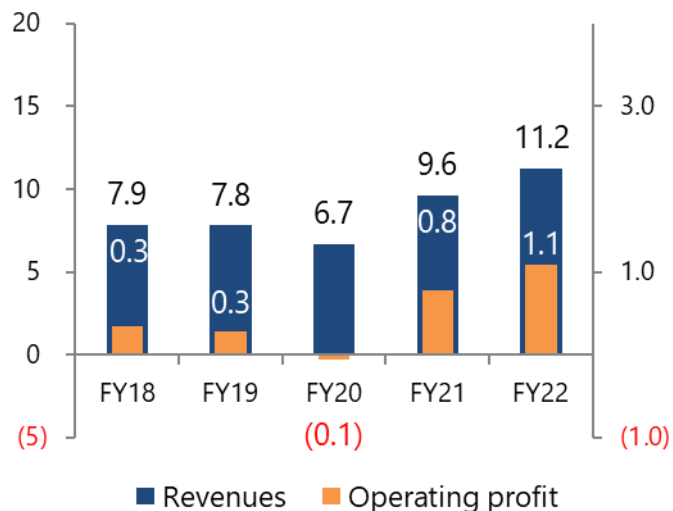
Revenues by product

(unit: billions of JPY)

| | Total | Footwear | Apparel | Equipment |
|-----------|-------|----------|---------|-----------|
| FY22 | 11.2 | 7.7 | 1.6 | 1.9 |
| FY21 | 9.6 | 6.8 | 0.9 | 1.9 |
| FY22/FY21 | 117% | 113% | 178% | 100% |

Revenues & Operating profit History

(unit: billions of JPY)



Summary of FY2022

- Strong performance was maintained mainly in running shoes, despite the supply chain disruption
- Driven by growth in the golf business.
- Record revenue and operating profit for the 2nd quarter.

Future measures & visions

- Building up the strong pillar of business inflows with indoor, soccer and tennis in addition to the existing pillars: golf and running.
- Effective management of ongoing currency market fluctuations and inflation.

Regional Highlights (Asia/Oceania)



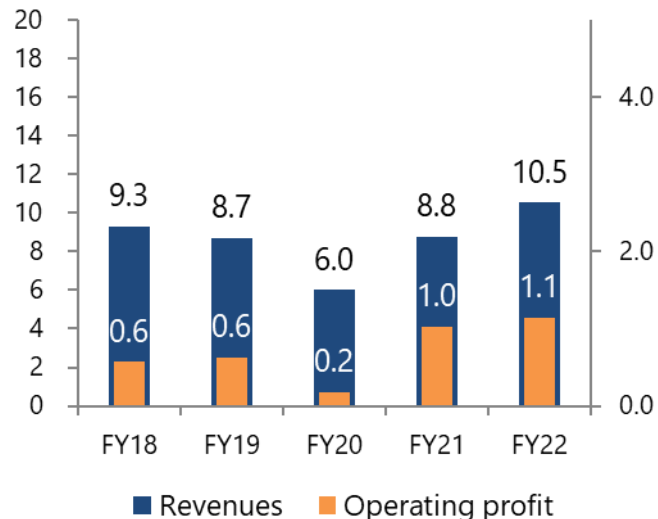
Revenues by product

(unit: billions of JPY)

| | Total | Footwear | Apparel | Equipment |
|-----------|-------|----------|---------|-----------|
| FY22 | 10.5 | 4.0 | 2.0 | 4.5 |
| FY21 | 8.8 | 3.7 | 1.6 | 3.4 |
| FY22/FY21 | 120% | 108% | 125% | 132% |

Revenues & Operating profit History

(unit: billions of JPY)



Summary of FY2022

- The recovery from a sharp fall caused by the pandemic.
- Favorable sales in golf clubs, especially in Korea.
- Record operating profit for the 2nd quarter.

Future measures & visions

- Strengthening the running, soccer, racket sports businesses
- Effective management of ongoing currency market fluctuations and inflation.