



# Mizuno Corporation

## The 111th Period (Year ending March 31, 2024)

### 3<sup>rd</sup> Quarter Financial Report

Feb 8, 2024

This report includes forecasts based on our assumptions, outlook and plans for the future as of February 8, 2024, which may substantially differ from actual results due to risks and uncertainties relating to the global economy, competitors' situations, changes in exchange rates, etc..



(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)	Note
Revenues	147.4	168.0	20.6	14.0	Record revenue for the 3 <sup>rd</sup> quarter. Football, Indoor grew across all geographies. Baseball and Work performed well in Japan. Sales in Lifestyle footwear increased.
Operating profit	10.2	13.7	3.5	35.3	Record operating profit for the 3 <sup>rd</sup> quarter. Operating profit ratio was 8.2%, up by 1.3 points vs FY22 3Q.
Ordinary profit	10.6	15.0	4.4	42.2	Record ordinary profit for the 3 <sup>rd</sup> quarter.
Net income	7.8	11.3	3.5	44.7	Record net income for the 3 <sup>rd</sup> quarter.

# Outline of Business Results | Consolidated Income Statement

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(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)	Forecast	Progress (%)		
<b>Revenues</b>	147.4	<b>168.0</b>	20.6	14.0	225.0	75		
<b>Gross margin</b>	58.9	<b>67.2</b>	8.3	14.2				
Gross margin ratio	39.9%	<b>40.0%</b>	0.1				FX rate	FY22 3Q
Salaries & bonus	17.3	<b>17.9</b>	0.6	3.8			JPY/USD	128.03
A&P expenses	7.4	<b>8.1</b>	0.7	9.3			JPY/GBP	163.57
<b>SG&amp;A expenses</b>	48.7	<b>53.5</b>	4.8	9.7			JPY/EUR (branches)	140.45
SG&A expenses ratio	33.1%	<b>31.8%</b>	△1.3					
<b>Operating profit</b>	10.2	<b>13.7</b>	3.5	35.3	16.5	83	JPY/EUR (subsidiaries)	136.04
Operating profit ratio	6.9%	<b>8.2%</b>	1.3					
<b>Ordinary profit</b>	10.6	<b>15.0</b>	4.4	42.2	17.5	86		
Ordinary profit ratio	7.2%	<b>9.0%</b>	1.8					
<b>Net income</b>	7.8	<b>11.3</b>	3.5	44.7	12.5	90		

# Outline of Business Results | Consolidated Balance Sheet

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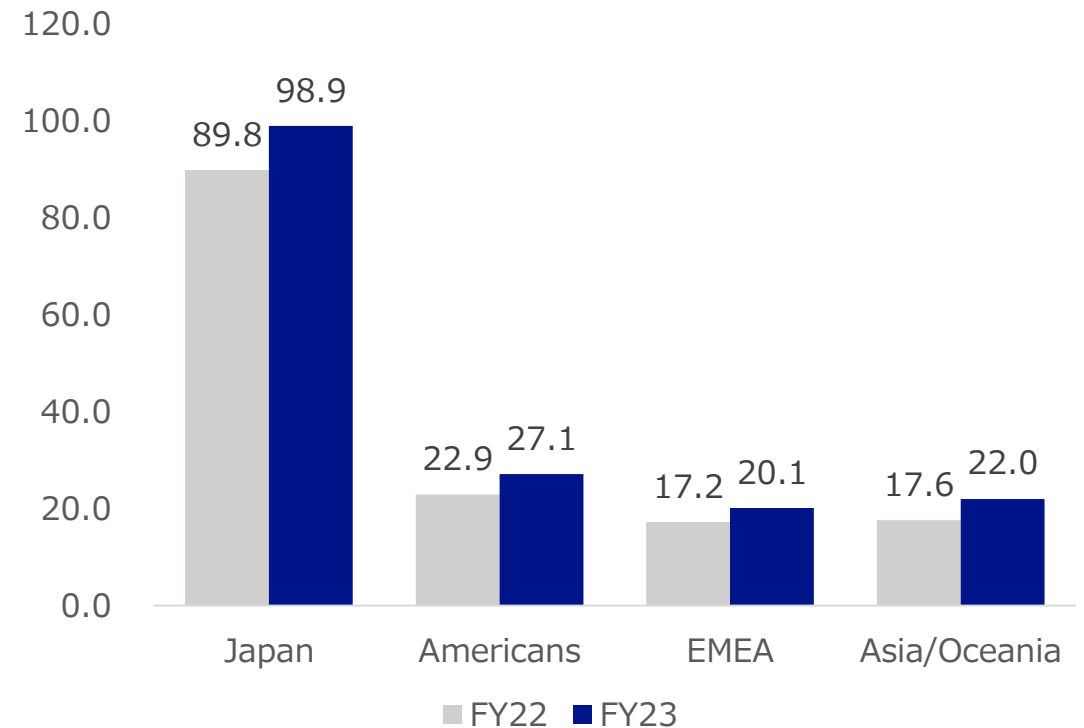


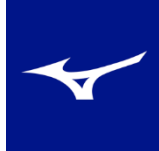
(Billions of JPY)	Dec.31 2022	Mar.31 2023	Dec.31 2023	Versus Dec.31 2022		Versus Mar.31 2023	
				change	change(%)	change	change(%)
<b>Total assets</b>	187.3	197.5	<b>195.6</b>	8.3	4.4	△1.9	△1.0
Cash & deposits	20.7	23.8	<b>28.6</b>	7.9	38.3	4.8	20.0
Accounts receivable	40.4	48.0	<b>41.6</b>	1.2	3.0	△6.4	△13.4
Inventories	55.7	55.4	<b>54.3</b>	△1.4	△2.5	△1.1	△2.0
Fixed assets	45.7	45.6	<b>44.4</b>	△1.3	△2.8	△1.2	△2.5
Investment securities	7.3	7.2	<b>8.0</b>	0.7	10.0	0.8	10.7
Deferred tax assets	2.5	1.9	<b>1.7</b>	△0.8	△33.4	△0.2	△8.5
<b>Total liabilities</b>	63.7	73.2	<b>56.6</b>	△7.1	△11.2	△16.6	△22.7
Short-term loan	11.2	11.4	<b>1.9</b>	△9.3	△83.1	△9.5	△83.4
Long-term loan	8.7	12.4	<b>11.8</b>	3.1	35.9	△0.6	△5.0
<b>Net assets</b>	123.6	124.3	<b>139.0</b>	15.4	12.4	14.7	11.8



- ✓ Football, Indoor, Baseball, Work, Lifestyle shoes etc. performed well in Japan.
- ✓ Sales in Competitive sports such as Football and Indoor increased in overseas market.
- ✓ Overseas sales ratio was 41.1%, up by 2.0 points compared to FY22 3Q.

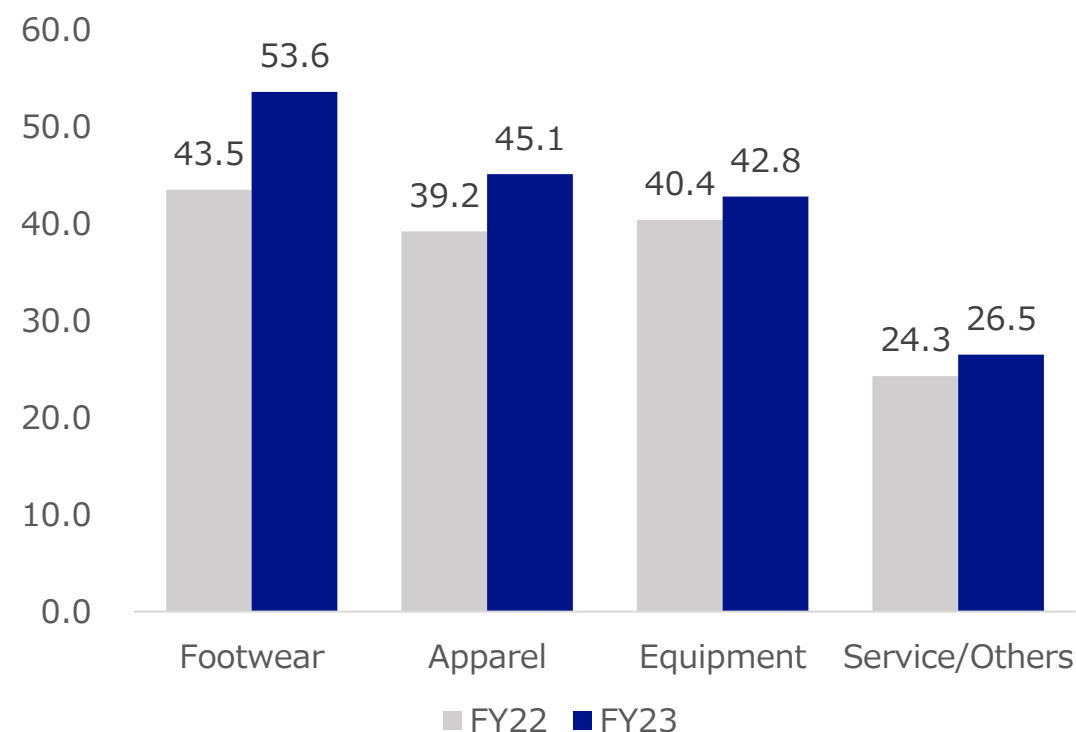
(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)
Japan	89.8	98.9	9.1	10.2
Americas	22.9	27.1	4.2	18.4
EMEA	17.2	20.1	2.9	16.7
Asia/Oceania	17.6	22.0	4.4	25.1
Total	147.4	168.0	20.6	14.0





- ✓ Footwear grew mainly in competitive sports market(Football etc.).
- ✓ Growth in team sports apparel like Baseball.

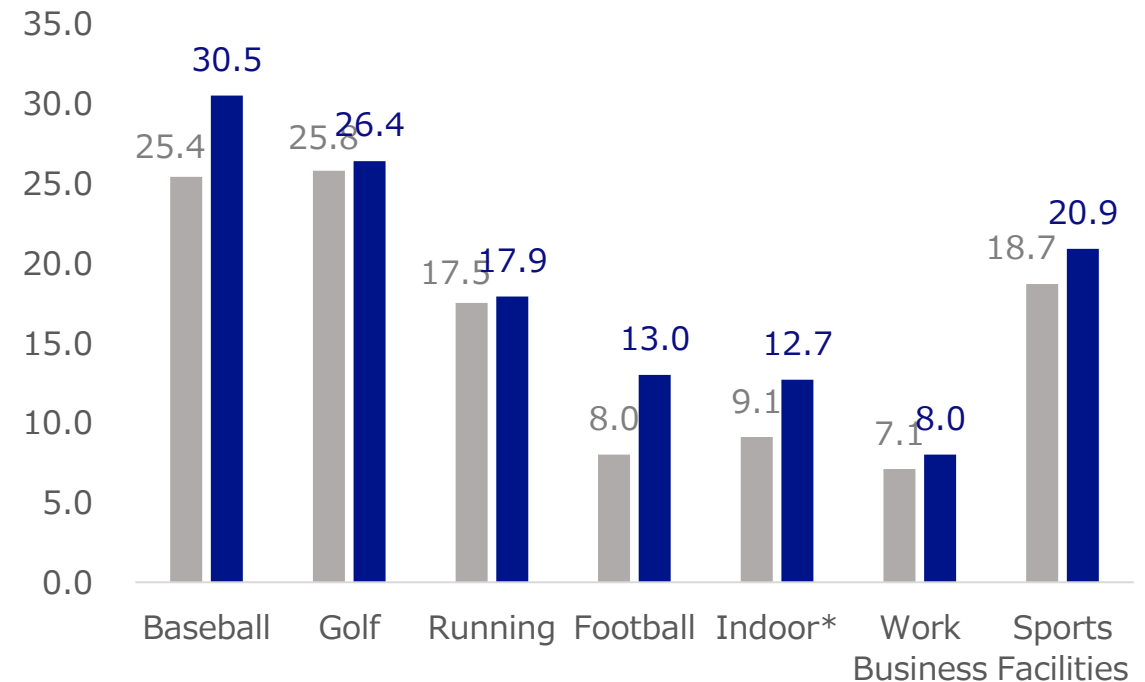
(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)
Footwear	43.5	53.6	10.1	23.4
Apparel	39.2	45.1	5.9	14.9
Equipment	40.4	42.8	2.4	6.1
Service/Others	24.3	26.5	2.2	8.9
<b>Total</b>	<b>147.4</b>	<b>168.0</b>	<b>20.6</b>	<b>14.0</b>





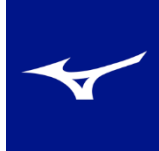
- ✓ Strong performance in competitive sports categories such as Football, Indoor, Baseball etc..
- ✓ Sales in Work, non-sports category, kept increasing.

(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)
Baseball	25.4	30.5	5.1	20.3
Golf	25.8	26.4	0.6	2.1
Running	17.5	17.9	0.4	2.4
Football	8.0	13.0	5.0	62.0
Indoor*	9.1	12.7	3.6	40.3
Work Business	7.1	8.0	0.9	12.3
Sports Facilities	18.7	20.9	2.2	11.5



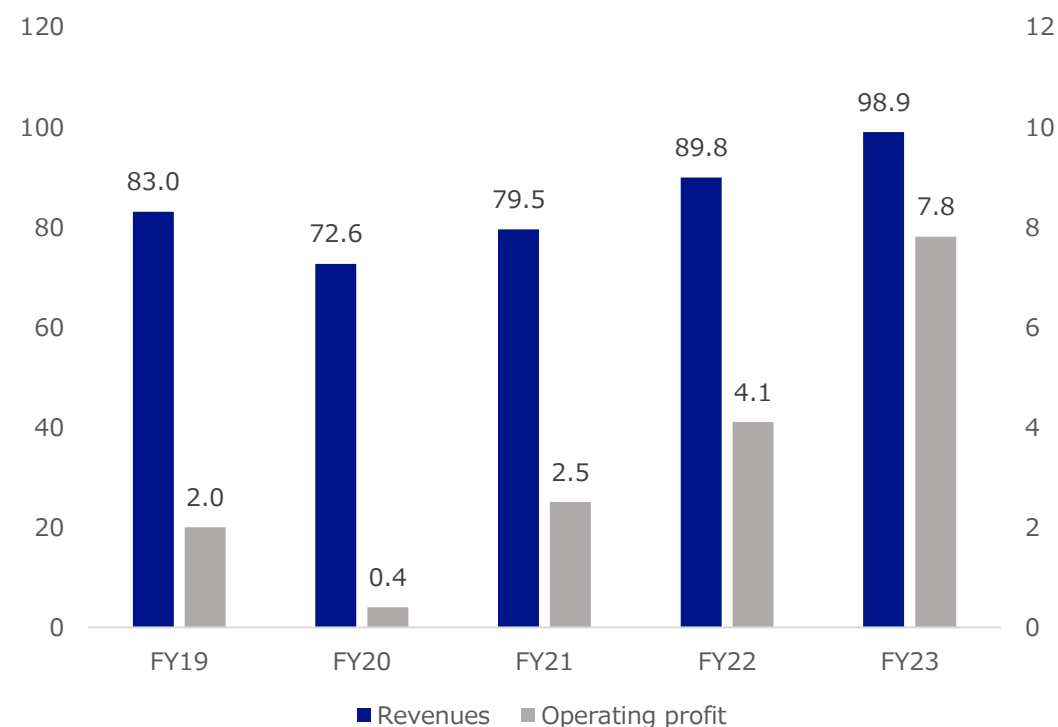
\*Indoor includes volleyball, badminton, table tennis, basketball and so on.

■ FY22 ■ FY23



- ✓ Football, our strategic category, grew strongly.
- ✓ Favorable sales in Baseball, Volleyball, and other competitive sports products.
- ✓ Sales in Work and Lifestyle footwear increased.
- ✓ Record revenue and operating profit for the 3<sup>rd</sup> quarter.

(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)
Footwear	20.1	23.2	3.1	15.5
Apparel	29.5	33.2	3.7	12.3
Equipment	17.0	16.5	△0.5	△3.0
Service/Others	23.1	26.0	2.9	12.6
<b>Total</b>	<b>89.8</b>	<b>98.9</b>	<b>9.1</b>	<b>10.2</b>

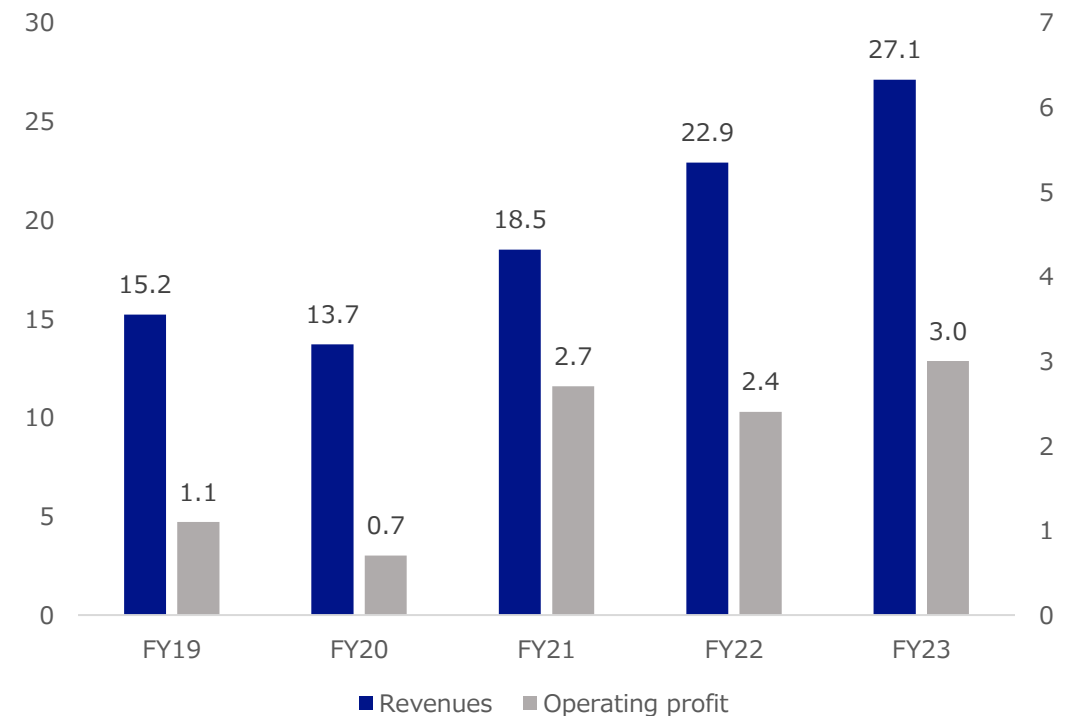


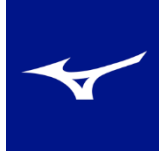




- ✓ Sales in Golf continued to increase.
- ✓ Sales in team sports business such as Baseball and Volleyball improved.
- ✓ Record Revenue and Operating profit for the 3<sup>rd</sup> quarter.

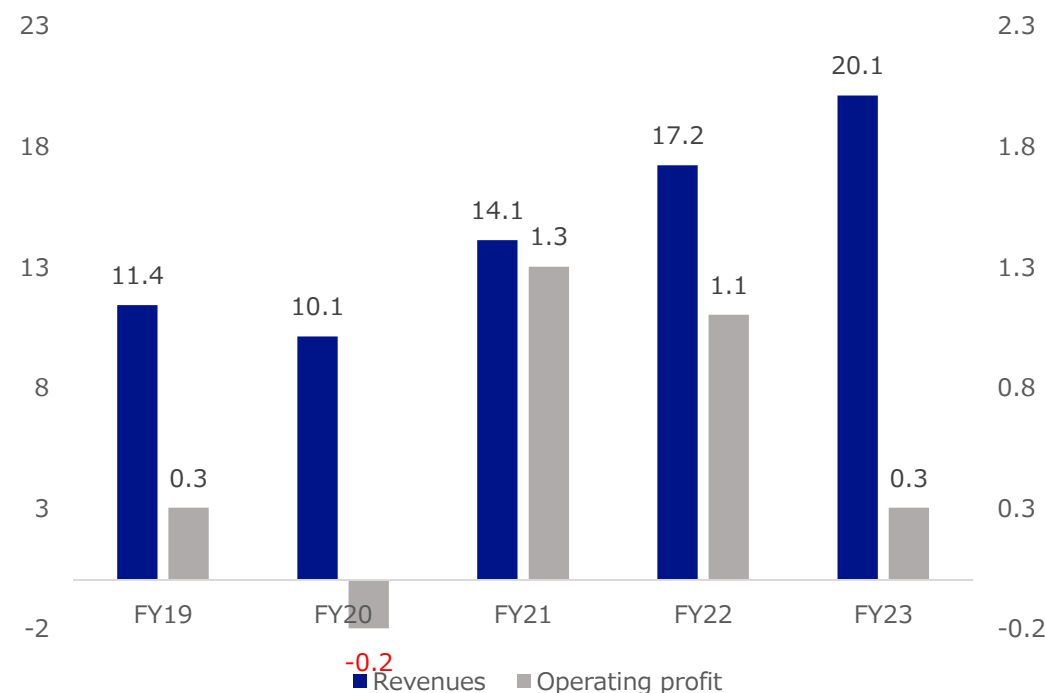
(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)
Footwear	4.9	6.7	1.8	36.0
Apparel	4.0	4.0	△0.0	△1.4
Equipment	13.9	16.4	2.5	17.9
Service/Others	-	-	-	-
<b>Total</b>	<b>22.9</b>	<b>27.1</b>	<b>4.2</b>	<b>18.4</b>

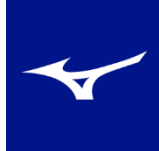




- ✓ Growth in Football and Indoor.
- ✓ Sales in Lifestyle footwear increased.
- ✓ Profit was negatively impacted by high inventory in retailers and purchasing price increase.
- ✓ Record Revenue for the 3<sup>rd</sup> quarter.

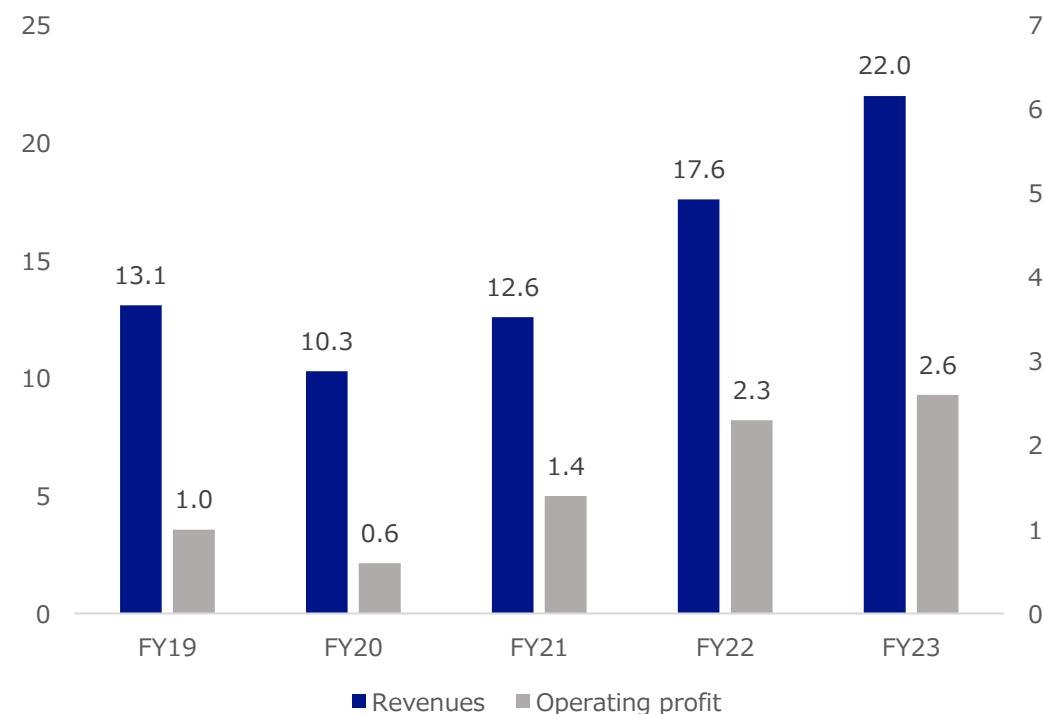
(Billions of JPY)	FY22 3Q	FY23 3Q	Change	change (%)
Footwear	11.8	13.9	2.1	18.2
Apparel	2.7	3.4	0.7	26.5
Equipment	2.7	2.8	0.1	1.1
Service/Others	-	-	-	-
<b>Total</b>	<b>17.2</b>	<b>20.1</b>	<b>2.9</b>	<b>16.7</b>





- ✓ Strong sales in Football in Korea and Southeast Asia.
- ✓ Growth in Competitive sports category (e.g., Badminton).
- ✓ Construction of artificial turf in a baseball stadium in Taiwan. This is the first time for Mizuno group to record construction revenue outside Japan.
- ✓ Record Revenue and Operating profit for the 3<sup>rd</sup> quarter.

(Billions of JPY)	FY22 3Q	FY23 3Q	change	change (%)
Footwear	7.0	9.8	2.8	40.4
Apparel	3.4	4.6	1.2	32.2
Equipment	7.0	7.2	0.2	2.4
Service/Others	0.2	0.5	0.3	191.3
<b>Total</b>	<b>17.6</b>	<b>22.0</b>	<b>4.4</b>	<b>25.1</b>



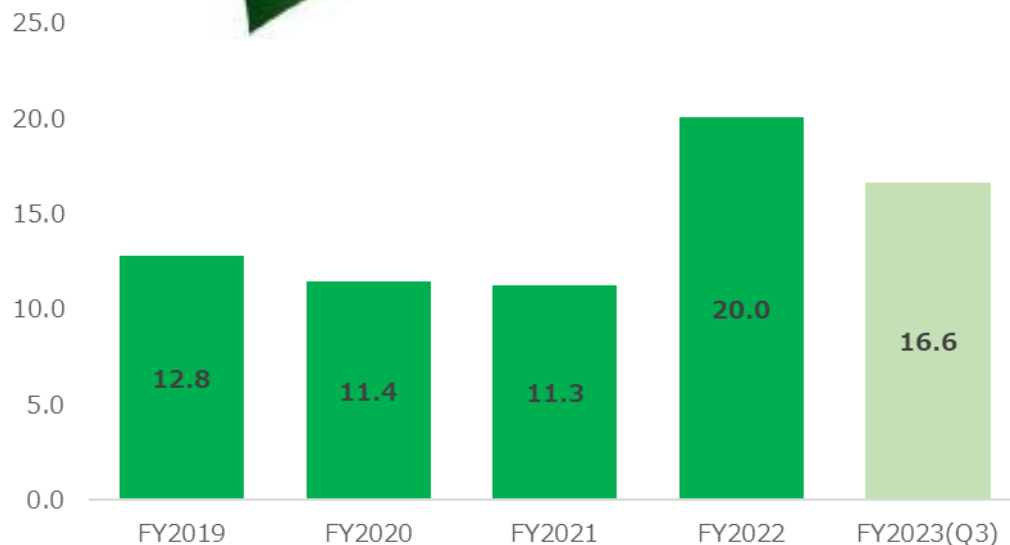


- ✓ Mizuno conducts business through local distributors in both countries and receives royalties from them.
- ✓ Main product in Brazil is footwear. Local manufacturing started in 2021 and the business is expanding.
- ✓ In China Mizuno granted a local distributor marketing rights in some business categories in 2019. Both sales in E-commerce and directly operated stores are increasing in FY2023.

Billions of JPY



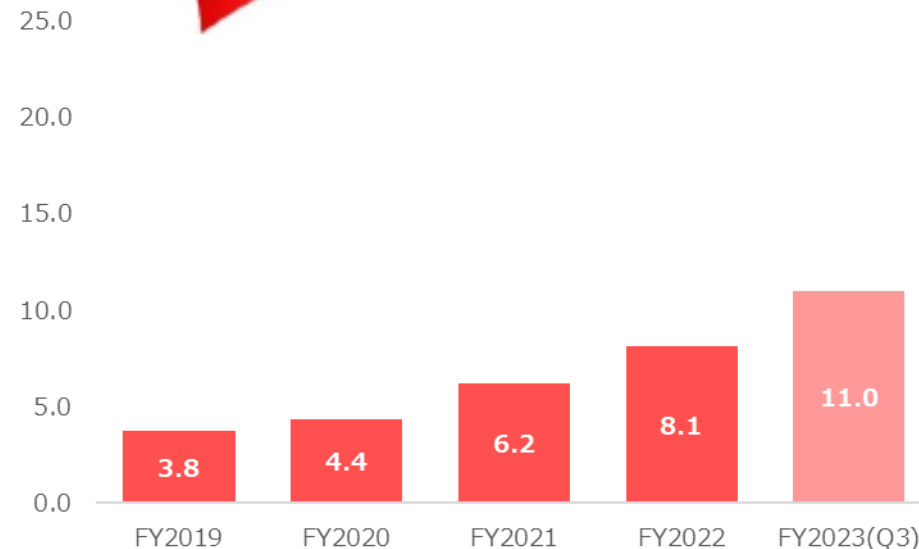
### Brazil



Billions of JPY



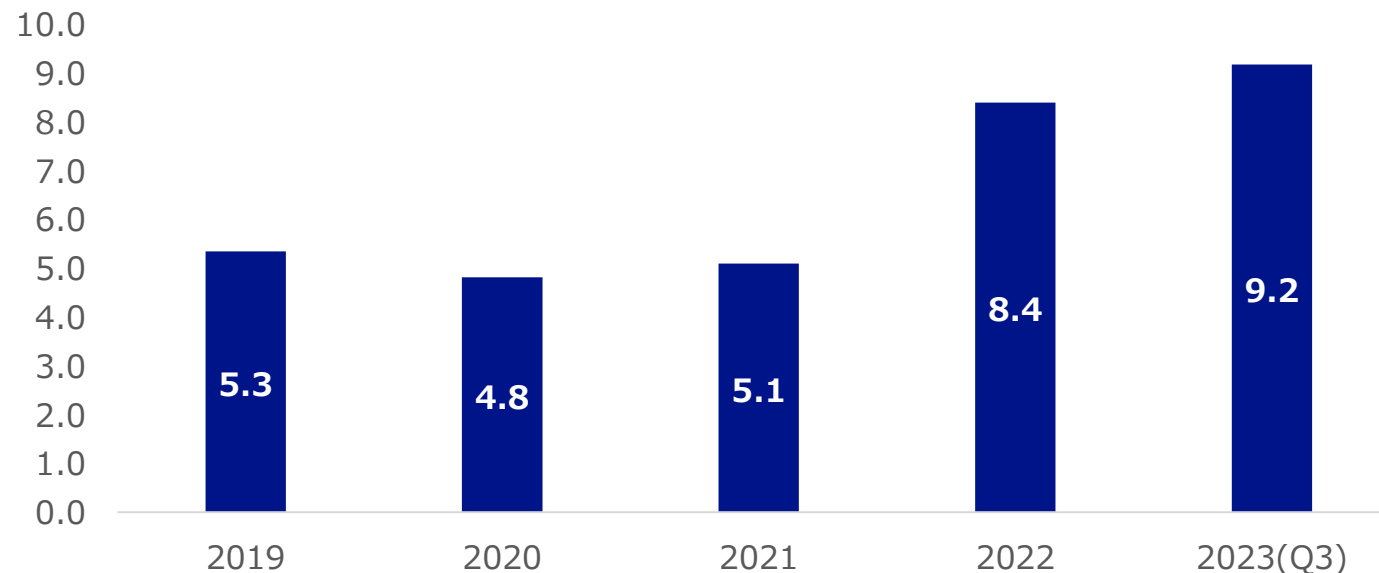
### China





- ✓ The growth was driven by the mixture of our high-quality products and marketing efforts.
- ✓ Studying and analyzing customer insights deeply.
- ✓ Supply capacity of “made in Japan” products increased by 1.5 times.
- ✓ Utilized prominent clubs to enhance our brand awareness.

Billions of JPY Sales in Football footwear (soccer)



Serie A  
SS Lazio



Bundesliga  
VfL Bochum



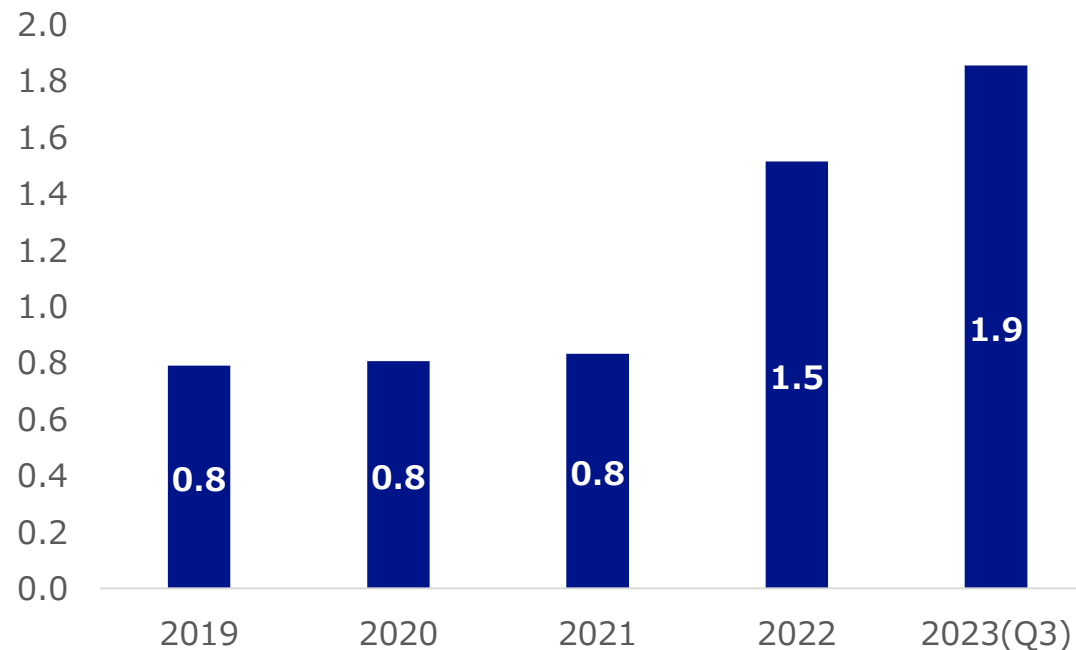
Bundesliga  
FC Augsburg



- ✓ Enhanced industry recognition through continuous product planning and collaboration with other brands.
- ✓ Opened a new directly managed store focusing on lifestyle footwear and explored new sales channels.
- ✓ Established a global collaborative approach to product planning, development, and marketing.

Billions of JPY

Sales in Lifestyle footwear





- ✓ Considering that the actual business results for the 9 months period reached record high, our yearly consolidated business results forecast and year-end dividend forecast were revised.

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (May 12 2023)	million yen 225,000	million yen 15,000	million yen 15,000	million yen 11,000	430.34 yen
Revised forecast (B)	225,000	16,500	17,500	12,500	489.02 yen
Amount changed (B-A)	—	1,500	2,500	1,500	
Percentage of change (%)	—	10.0	16.7	13.6	
(Reference)Actual results for the fiscal year ended March 31, 2023	212,044	12,945	14,039	9,910	387.71 yen

	Dividend per Share (yen)		
	Interim Dividend	Year-End Dividend	Annual
Previous forecast		35 yen	70 yen
Revised forecast		85 yen	120 yen
Actual results for the fiscal year ending March 31, 2024	35 yen		
Actual results for the fiscal year ending March 31, 2023	30 yen	40 yen	70 yen



- ✓ **Record revenues and profit** for the 3<sup>rd</sup> quarter
- ✓ **Significant growth in Football**, our strategic category
- ✓ **Increase in Lifestyle footwear**
- ✓ **Business results forecast and dividend forecast were upwardly revised**