

Annual Securities Report

The 112th Fiscal Year (From April 1, 2024 to
March 31, 2025)

NOTE TO READERS

The following is an English translation of the Independent Auditor's Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

Mizuno Corporation

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The 112th Fiscal Year (From April 1, 2024 to March 31, 2025)

Annual Securities Report

1. This document was prepared for outputting and printing by adding a table of contents and page numbers to the Annual Securities Report prepared in accordance with Article 24, Paragraph 1 of the Financial Instruments and Exchange Act, submitted as data using the Electronic Data Processing System for Disclosure (EDINET) prescribed in Article 27-30, Paragraph 2 of the aforementioned act.
2. The Independent Auditor's Reports, which were attached to the Annual Securities Report as filed in the aforementioned manner, and the Internal Control Report and its Certificate, which were submitted together with the Annual Securities Report as mentioned above, have been included at the end of this document.

Mizuno Corporation

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[Document Filed]	Annual Securities Report
[Applicable Law]	Article 24, Paragraph 1 of the Financial Instruments and Exchange Act
[Filed to]	Director, Kanto Local Finance Bureau
[Filing Date]	June 19, 2025
[Fiscal year]	The 112th Fiscal Year (From April 1, 2024 to March 31, 2025)
[Company Name]	Mizuno Corporation
[Company Name in English]	MIZUNO CORPORATION
[Position and Name of Representative]	Akito Mizuno, President and Representative Director
[Address of the Head Office]	4-1-23 Kitahama, Chuo-ku, Osaka (The above is the registered address of the head office; the actual business is conducted at the following location.) 1-12-35 Nanko Kita, Suminoe-ku, Osaka
[Phone Number]	+81-6-6614-8465
[Contact Person]	Yoshihiro Murakami, Executive Officer in charge of Global Accounting and Finance
[Nearest Contact Location]	3-22-4 Kanda Ogawa-machi, Chiyoda-ku, Tokyo
[Phone Number]	+81-3-3233-7028
[Contact Person]	Ken Urushiya, Senior Manager of Accounting and Finance Department
[Place Available for Public Inspection]	Mizuno Corporation, Tokyo Head Office (3-22-4 Kanda Ogawa-machi, Chiyoda-ku, Tokyo) (Although the above is not the registered address of the office, actual business is carried out at this location.) Tokyo Stock Exchange, Inc. (2-1 Nihombashi Kabutocho, Chuo-ku, Tokyo)

Part I. [Information on Mizuno Corporation and Its Consolidated Subsidiaries]

I. [Overview of Mizuno Corporation and Its Consolidated Subsidiaries]

1. [Key Financial Indicators, etc.]

(1) Consolidated Management Indicators, etc.

Fiscal Year		108th	109th	110th	111th	112th
Fiscal Year-end		March 2021	March 2022	March 2023	March 2024	March 2025
Revenues	(Millions of yen)	150,419	172,744	212,044	229,711	240,335
Ordinary profit	(Millions of yen)	6,028	10,977	14,039	19,288	21,352
Profit attributable to owners of parent	(Millions of yen)	3,748	7,717	9,910	14,311	15,243
Comprehensive income	(Millions of yen)	5,988	9,601	13,526	19,759	18,682
Net assets	(Millions of yen)	104,174	112,463	124,275	142,065	157,121
Total assets	(Millions of yen)	157,137	166,356	197,523	206,151	218,479
Net assets per share	(Yen)	1,354.18	1,460.71	1,613.46	1,843.94	2,037.43
Earnings per share	(Yen)	48.98	100.67	129.24	186.57	198.65
Diluted earnings per share	(Yen)	—	—	—	—	—
Capital adequacy ratio	(%)	66.0	67.3	62.6	68.6	71.6
Return on equity	(%)	3.7	7.2	8.4	10.8	10.2
Price earnings ratio	(Times)	14.80	6.99	8.01	11.36	13.05
Cash flows from operating activities	(Millions of yen)	8,781	12,041	-8,047	21,412	7,007
Cash flows from investing activities	(Millions of yen)	-841	-2,178	-4,445	131	-3,514
Cash flows from financing activities	(Millions of yen)	-2,307	-8,774	11,012	-14,008	-4,014
Cash and cash equivalents at end of period	(Millions of yen)	22,638	24,429	23,845	31,963	32,399
Number of Employees [Plus, average number of temporarily employed personnel]		3,855 [1,641]	3,782 [1,946]	3,421 [1,889]	3,584 [2,144]	3,649 [2,158]

Notes: 1. “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29; March 31, 2020), etc., have been applied from the beginning of the 109th fiscal year, and the key financial indicators relating to the 109th fiscal year and after are shown after applying these accounting standards, etc.

2. “Accounting Standard for Current Income Taxes, etc.” (ASBJ Statement No. 27; October 28, 2022; hereinafter referred to as “2022 Revised Accounting Standard”) has been applied from the beginning of the 112th fiscal year, and the key financial indicators, etc. relating to the 111th fiscal year are shown after applying these accounting standards, etc. Regarding the 2022 Revised Accounting Standard, the transitional treatment prescribed in the proviso of paragraph 20-3 is applied, and for the “Guidance on Accounting Standard for Tax Effect Accounting” (ASBJ Guidance No. 28; October 28, 2022), the transitional treatment prescribed in the proviso of paragraph 65-2 (2) is applied. As a result, the key financial indicators, etc. relating to the 112th fiscal year are those after applying the relevant accounting standard, etc.

3. Diluted earnings per share are not presented because there were no dilutive shares.

4. The Company effected a three-for-one stock split for its common stock effective April 1, 2025. Net assets per share and earnings per share are calculated based on the assumption that the said stock split would be effected at the beginning of the 108th fiscal year.

(2) Management Indicators, etc. of the Company

Fiscal Year		108th	109th	110th	111th	112th
Fiscal Year-end		March 2021	March 2022	March 2023	March 2024	March 2025
Revenues	(Millions of yen)	107,139	114,049	141,494	150,847	154,705
Ordinary profit	(Millions of yen)	4,354	4,990	7,296	11,778	13,527
Profit	(Millions of yen)	2,832	3,759	5,801	9,672	10,274
Capital stock	(Millions of yen)	26,137	26,137	26,137	26,137	26,137
Total number of shares issued	(Thousand)	26,578	26,578	26,578	26,578	26,578
Net assets	(Millions of yen)	81,669	83,920	87,739	97,593	104,075
Total assets	(Millions of yen)	126,807	131,137	144,201	151,177	147,638
Net assets per share	(Yen)	1,065.66	1,094.69	1,144.07	1,272.19	1,356.25
Dividend per share [of which, interim dividend per share]	(Yen)	50.00 (25.00)	60.00 (25.00)	70.00 (30.00)	120.00 (35.00)	150.00 (60.00)
Earnings per share	(Yen)	37.00	49.04	75.65	126.10	133.90
Diluted earnings per share	(Yen)	—	—	—	—	—
Capital adequacy ratio	(%)	64.4	64.0	60.8	64.6	70.5
Return on equity	(%)	3.5	4.5	6.8	10.4	10.2
Price earnings ratio	(Times)	19.58	14.35	13.68	16.81	19.36
Dividend payout ratio	(%)	45.0	40.8	30.8	31.7	37.3
Number of employees [Plus, average number of temporarily employed personnel]		1,743 [389]	1,800 [473]	1,702 [344]	1,713 [464]	1,533 [452]
Total shareholder return(Comparison indicator: Tokyo Stock Price Index)	(%) (%)	118.9 (139.3)	118.7 (138.7)	175.6 (142.8)	356.0 (197.3)	439.7 (189.5)
Highest stock price (Yen)	(Yen)	2,484	2,839	3,760	6,520	10,200
Lowest stock price (Yen)	(Yen)	1,657	2,032	2,016	3,015	5,830

Notes: 1. “Accounting Standard for Revenue Recognition, etc.” (ASBJ Statement No. 29; March 31, 2020), etc., has been applied from the beginning of the 109th fiscal year, and the key financial indicators, etc. relating to the 109th fiscal year and after are shown after applying these accounting standards, etc.

2. “Accounting Standard for Current Income Taxes, etc.” (ASBJ Statement No. 27; October 28, 2022; hereinafter referred to as “2022 Revised Accounting Standard”) has been applied from the beginning of the 112th fiscal year, and these accounting standards have retrospectively been applied to the key financial indicators relating to the 111th fiscal year. Regarding the 2022 Revised Accounting Standard, the transitional treatment prescribed in the proviso of paragraph 20-3 is applied. As a result, the key financial indicators, etc. relating to the 112th fiscal year are those after applying the relevant accounting standard, etc.

3. Diluted earnings per share are not presented because there were no dilutive shares.

4. The Company effected a three-for-one stock split for its common stock effective April 1, 2025. Net assets per share, earnings per share and total shareholder returns are calculated based on the assumption that the said stock split would be effected at the beginning of the 108th fiscal year.

5. The highest and lowest stock prices represent those recorded on the First Section of the Tokyo Stock Exchange on or before April 3, 2022, and those recorded on the Prime Market of the Tokyo Stock Exchange on or after April 4, 2022.

6. The Company effected a three-for-one stock split for its common stock effective April 1, 2025; however, the highest and lowest stock prices for the 112th fiscal year are the ones before the stock split.

7. Of the dividend per share of 150.00 yen for the 112th fiscal year (ending March 2025), the year-end dividend of 90.00 yen is a matter to be resolved at the Ordinary General Meeting of Shareholders scheduled on June 20, 2025.

2. [History]

Year	Month	Description
1906	April	The late Chairman, Rihachi Mizuno, founded Mizuno Brothers Ltd. in Kita-ku, Osaka, to start manufacturing and selling athletic wear and other items.
1912	May	Tokyo Branch was established in Kanda-ku, Tokyo.
1921	July	Osaka Factory was built and started operation in Fukushima-ku, Osaka. (Sold in April 2006)
1923	July	Reorganized as Mizuno Undo Yohin Kabushikigaisha (Mizuno Sporting Goods Corporation) (Capital stock: 1.50 million yen)
1927	July	The Head Office building with eight floors above ground and one floor below ground was completed with reinforced concrete in Higashi-ku, Osaka, and the head office function was relocated there.
1942	January	Renamed Mizuno Corporation
1943	March	Yoro Factory (currently, Mizuno Technics Corporation) was built and started operation in Yoro-gun, Gifu Prefecture.
1961	October	Listed on the Second Section of the Osaka Securities Exchange (Capital stock: 200 million yen)
1962	December	Listed on the Second Section of the Tokyo Stock Exchange (Capital stock: 320 million yen)
1968	November	Osaka Sales Center was newly constructed in Fukushima-ku, Osaka. (Sold in April 2006)
1970	September	Mizuno Sports Promotion Association (currently, Mizuno Sports Promotion Foundation) was founded.
1972	July	Shares designated to the First Sections of both the Tokyo Stock Exchange and the Osaka Securities Exchange. (Capital stock: 1,200 million yen)
1974	July	Tokyo Sales Center was established and started operation in Chiyoda-ku, Tokyo.
1977	February	Mizuno International Sports Exchange Foundation (currently, Mizuno Sports Promotion Foundation) was founded.
1981	September	Mizuno RunBird Co., Ltd. (currently, integrated into Mizuno Technics Corporation), a subsidiary, was established in Shiso-gun (currently, Shiso City), Hyogo Prefecture.
1984	January	Osaka Distribution Center was established and started operation in Tsurumi-ku, Osaka. (Relocated to Suminoe-ku, Osaka in August 2008)
1986	May	Mizuno (Taiwan) Corporation was established as a subsidiary in Taipei, Taiwan.
1989	March	Esport Mizuno, the Tokyo flagship shop, was newly built and opened.
1991	October	Mizuno Canada Ltd. was established as a subsidiary in Ontario, Canada.
1992	March	Mizuno Crystal, the new head office building with 31 floors above ground and three floors below ground in Suminoe-ku, Osaka, was completed and started business.
1992	September	Nagoya Branch was opened in Kita-ku, Nagoya, with the relocation and expansion of the Nagoya Sales Office.
1992	September	Mizuno Corporation of Hong Kong Ltd. was established as a subsidiary in Hong Kong.
1994	April	Shanghai Mizuno Corporation Ltd. was established as a subsidiary in Shanghai, China.
1995	January	Mizuno Corporation (U.K.) was established in Berkshire, U.K
1995	January	Mizuno Corporation, Niederlassung Deutschland, was established in Munich, Germany. (Relocated to Aschheim in March 2013)
1996	November	Mizuno USA, Inc. was established as a subsidiary in Georgia, U.S.
1998	April	Mizuno Corporation (France) was opened in Gentilly, France. (Relocated to Chaville in February 2000)
1998	September	Kyushu Branch was established in Hakata-ku, Fukuoka, with the relocation and expansion of the Fukuoka Sales Office.
2002	April	Yoro Factory was split and the company name was changed to Mizuno Technics Corporation.
2005	May	Mizuno China Corporation Ltd. was established as a subsidiary in Shanghai, China.
2008	July	Mizuno Corporation Australia Pty. Ltd. was established as a subsidiary in Melbourne, Australia.
2010	April	Mizuno Wellness Co., Ltd. and Mizuno Alpha Service Co., Ltd. were integrated. (The company name was changed to Mizuno Sports Service Co., Ltd.)
2010	October	Mizuno Industry Shikoku Co., Ltd. and Mizuno Industry Hikami Co., Ltd. were integrated. (The company name was changed to Mizuno Apparel Technics Co., Ltd.)
2012	June	Acquired all shares of Senoh Corporation to make it a wholly owned subsidiary
2013	January	Three manufacturing subsidiaries, including Mizuno Industry Haga Co., Ltd., were integrated into Mizuno Technics Corporation.
2013	January	Mizuno Italia S.r.l. was established by acquiring all the shares of the former Italian representative store and renaming it.
2013	April	Mizuno Korea Ltd. was established as a subsidiary in Seoul, South Korea.
2013	May	Mizuno Iberia S.I. was established as a subsidiary in Barcelona, Spain.
2013	November	Mizuno Singapore Pte. Ltd. was established as a subsidiary in Singapore.

2014	September	Mizuno Norge AS was established as a subsidiary in Norway.
2015	January	Mizuno China Corporation Ltd. was integrated into Shanghai Mizuno Corporation Ltd.
2015	April	Mizuno Apparel Technics Co., Ltd. was integrated into Mizuno Technics Corporation.
2018	April	The MIZUNO OSAKA CHAYAMACHI store was newly built and started operation.
2020	May	Acquired all shares of Sharp Sangyo Co., Ltd. to make it a wholly owned subsidiary
2020	October	Mizuno France SAS was established in Chaville, France, to which the business of the Mizuno Corporation (France) was transferred.
2021	January	Mizuno Europe B.V., a European business management subsidiary, was established in Capelle aan den IJssel, the Netherlands.
2022	April	The shares were shifted to the Tokyo Stock Exchange Prime Market due to a review of the market classification of the Tokyo Stock Exchange.
2025	January	Branch operations in the U.K., Germany and the Netherlands were transferred to Mizuno Corporation UK Limited.

3. [Description of Business]

The Group consists of 29 subsidiaries and 14 affiliated companies, centered on Mizuno Corporation (hereinafter, the “Company”), and its main business is the manufacture and sale of sporting goods.

The following four regions are categorized in the same manner as in the segments listed in “[Notes] to 1 (1) [Consolidated Financial Statements] in V. [Financial Information].”

(1) Japan

Our main business is the manufacture and sale of sporting goods, such as baseball products, sports wear, sports shoes and golf products. In addition, in Japan, we are also engaged in construction work for sports facilities (the Company), operation and contracted operation of sports facilities (the Company and Mizuno Sports Service Co., Ltd.), school business (the Company), and manufacturing and sale of sports equipment (Senoh Corporation, etc.), as well as manufacturing and sale of lifestyle products (the Company) and manufacturing and sale of working products (the Company), etc.

(2) Europe

Sale of sports shoes, sportswear, golf products, lifestyle products, etc.

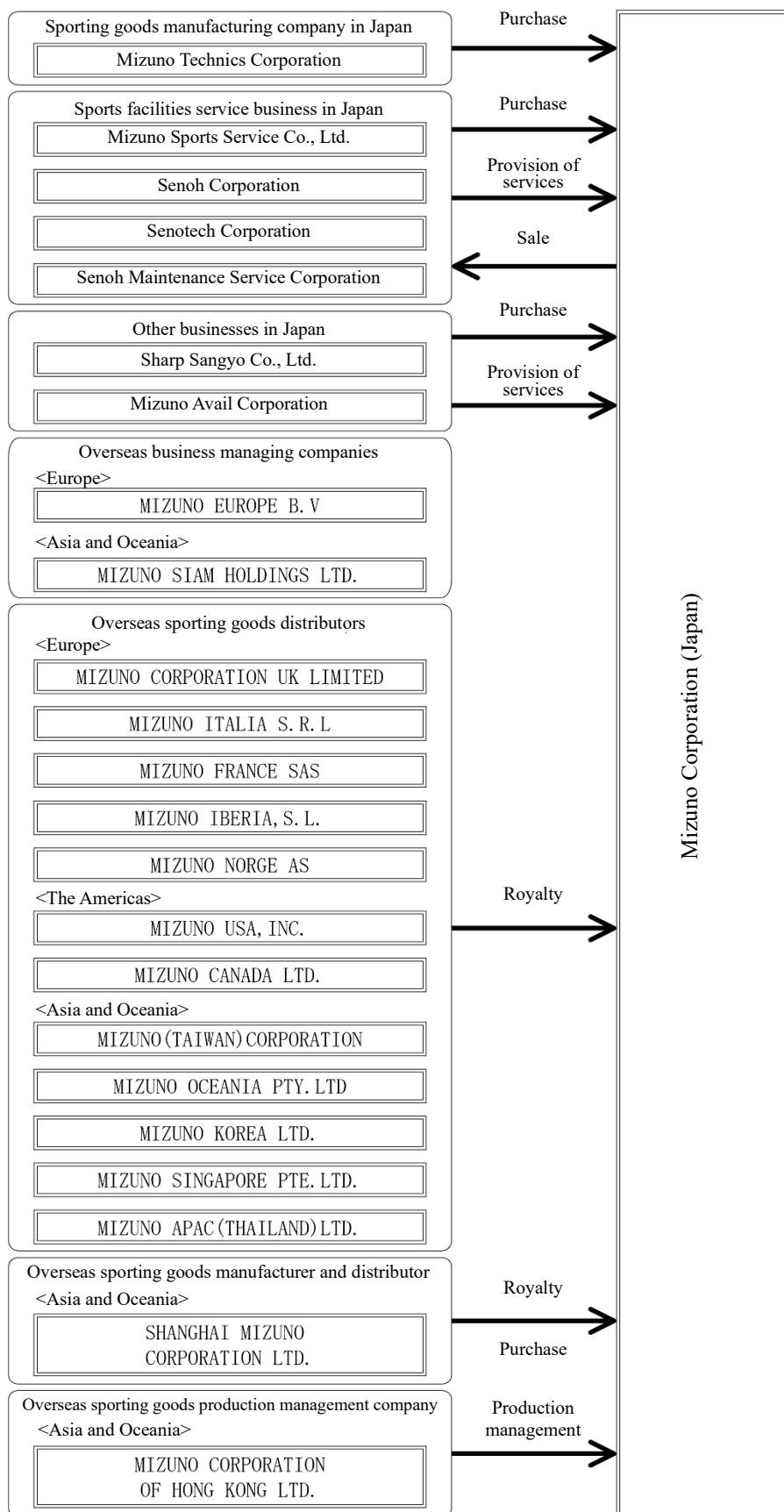
(3) The Americas

Manufacture and sale of sports shoes, sportswear, baseball products, golf products, etc.

(4) Asia and Oceania

Manufacture and sale of sports shoes, sportswear, baseball products, golf products, lifestyle products, etc. and construction work for sports facilities

The system diagram of the business is as follows.



Note: Consolidated subsidiaries

4. [Information on Subsidiaries and Affiliated Companies]

Name	Address	Capital Stock or Contribution (Millions of yen)	Details of Principal Businesses	Proportion of Voting Rights Held by the Company (%)	Relationship
(Consolidated subsidiary) Mizuno Technics Corporation *1 *1	Yoro-gun, Gifu Prefecture	100	Manufacture of sporting goods	100.0	Manufacture of the Company's products Three persons concurrently serving as officers, etc.
Mizuno Sports Service Co., Ltd.	Chuo-ku, Osaka	10	Operation and contracted operation of sports facilities	100.0	Sale of the Company's products One person concurrently serving as an officer, etc.
Mizuno Avail Corporation	Chuo-ku, Osaka	20	Provision of various services	100.0	Provision of services to the Company One person concurrently serving as an officer, etc.
Senoh Corporation	Matsudo, Chiba Prefecture	200	Manufacture and sale of sports equipment	100.0	Two persons concurrently serving as officers, etc.
Senotech Corporation	Numata, Gunma Prefecture	10	Manufacture and sale of sports equipment	100.0 (100.0)	No persons concurrently serving as an officer, etc.
Senoh Maintenance Service Corporation	Matsudo, Chiba Prefecture	10	Maintenance of sports equipment	100.0 (100.0)	No persons concurrently serving as an officer, etc.
Sharp Sangyo Co., Ltd	Higashinada-ku, Kobe, Hyogo Prefecture	97	Manufacture and sale of sporting goods	100.0	Two persons concurrently serving as officers, etc.
MIZUNO USA, INC. *1	Georgia, U.S.A.	Thousand US dollars 65,000	Manufacture and sale of sporting goods	100.0	Sale of the Company's products Two persons concurrently serving as officers, etc.
MIZUNO CANADA LTD.	Ontario, Canada	Thousand Canadian dollars 500	Sale of sporting goods	100.0	Sale of the Company's products One person concurrently serving as an officer, etc.
MIZUNO (TAIWAN) CORPORATION	Taipei, Taiwan	Thousand NT dollars 45,000	Sale of sporting goods	80.0	Sale of the Company's products Two persons concurrently serving as officers, etc.
MIZUNO CORPORATION OF HONG KONG LTD.	Hong Kong	Thousand HK dollars 2,392	Provision of various services associated with production control	100.0	Provision of services to the Company One person concurrently serving as an officer, etc.
SHANGHAI MIZUNO CORPORATION LTD. *1	Shanghai, China	Thousand US dollars 49,800	Manufacture and sale of sporting goods	100.0	Manufacture of the Company's products Four persons concurrently serving as officers, etc.
MIZUNO SIAM HOLDINGS LTD.	Bangkok, Thailand	Thousand Thai baht 3,000	Southeast Asia business management	49.0 (49.0)	Two persons concurrently serving as officers, etc.
MIZUNO APAC (THAILAND) LTD.	Bangkok, Thailand	Thousand Thai baht 15,000	Sale of sporting goods	74.0 (74.0)	Sale of the Company's products Two persons concurrently serving as officers, etc.
MIZUNO OCEANIA PTY. LTD.	Melbourne, Australia	Thousand Australian dollars 2,500	Sale of sporting goods	100.0	Sale of the Company's products Three persons concurrently serving as officers, etc.
MIZUNO CORPORATION UK LIMITED *1	Wokingham, U.K.	Thousand Pound Sterling 10,345	Sale of sporting goods	100.0	Sale of the Company's products One person concurrently serving as an officer, etc.
MIZUNO ITALIA S.R.L.	Turin, Italy	Thousand euros 500	Sale of sporting goods	100.0 (100.0)	Sale of the Company's products Three persons concurrently serving as officers, etc.
MIZUNO IBERIA, S.L.	Barcelona, Spain	Thousand euros 796	Sale of sporting goods	100.0 (100.0)	Sale of the Company's products Three persons concurrently serving as officers, etc.
MIZUNO NORGE AS	Kristiansand, Norway	Thousand Norwegian krone 30	Sale of sporting goods	100.0 (100.0)	Sale of the Company's products Three persons concurrently serving as officers, etc.
MIZUNO KOREA LTD.	Seoul, South Korea	Million won 1,100	Sale of sporting goods	100.0	Sale of the Company's products Four persons concurrently serving as officers, etc.
MIZUNO SINGAPORE PTE.LTD.	Singapore	Thousand US dollars 3,000	Sale of sporting goods	100.0	Sale of the Company's products Two persons concurrently serving as officers, etc.
MIZUNO EUROPE B.V.	Capelle aan den IJssel, the Netherlands	Thousand euros 16,244	European business management	100.0	Three persons concurrently serving as officers, etc.
MIZUNO FRANCE SAS	Boulogne-Billancourt, France	Thousand euros 2,904	Sale of sporting goods	100.0 (100.0)	Sale of the Company's products Two persons concurrently serving as officers, etc.

In addition to the above, there are six non-consolidated subsidiaries and 14 affiliated companies.

- Notes: 1. None of the above subsidiaries have submitted their securities registration statements or securities reports.
2. Companies marked with *1 are specified subsidiaries.
3. The indirect ownership ratio is indicated by the number in parentheses of the Proportion of Voting Rights Held by the Company.
4. For Mizuno USA, Inc., revenue (excluding internal sales between consolidated companies) accounts for more than 10% of consolidated revenue.

- Major profit and loss information:
- (i) Revenues: 33,435 million yen
 - (ii) Ordinary profit: 2,449 million yen
 - (iii) Profit: 1,795 million yen
 - (iv) Net assets: 25,195 million yen
 - (v) Total assets: 31,065 million yen

5. [Employees]

(1) Status of Consolidated Companies

As of March 31, 2025

Segment	Number of Employees
Japan	2,339 [2,063]
Europe	313 [11]
The Americas	357 [3]
Asia and Oceania	640 [81]
Total	3,649 [2,158]

Notes: 1. The number of employees represents the number of workers (excluding those seconded from the Group to outside the Group), and the number of temporary employees is stated in brackets, which represents the average number of such employees during the current fiscal year.

2. Temporary employees include seasonal workers, part-time employees and employees with fixed-term contracts, and they exclude dispatched employees.

(2) Status of the Company

As of March 31, 2025

Number of employees	Average age (years old)	Average length of service (years)	Average annual salary (thousand yen)
1,533 [452]	43.0	18.0	6,990

Segment	Number of Employees
Japan	1,533 [452]
Total	1,533 [452]

Notes: 1. The number of employees represents the number of workers (excluding those seconded from the Company to the outside and including those seconded from the outside to the Company). The number of temporary employees is stated in brackets, indicating the average number of such employees during the current fiscal year.

2. Temporary employees include part-time employees and employees with fixed-term contracts and exclude dispatched employees.

3. Average annual salary includes bonuses and extra wages.

4. The number of employees decreased by 180 compared to the end of the previous fiscal year due to the restructuring of the European branch business into a subsidiary as of January 1, 2025.

(3) Status of the Labor Union

The Mizuno Union, a labor union that takes the form of a union shop system, is organized and active in the Group. The union belongs to UA Zensen, which is its upper organization. The total number of union members in the Group is 1,457. There is no other information to report regarding labor-management relations.

(4) Proportion of Female Workers in Managerial Positions, Percentage of Male Workers Taking Childcare Leave, and Wage Discrepancies between Male and Female Workers

(i) Mizuno Corporation

Current fiscal year				
Proportion of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Wage discrepancies between male and female workers (%) (Note 1)		
		All workers	Regular workers	Part-time/fixed-term workers
10.7	70.6	75.0	76.4	77.7

Notes: 1. Percentages are calculated based on the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015). However, at overseas branches, the number of managerial positions is calculated in accordance with the relevant regulations based on the details of their duties and the degree of their responsibilities.

2. The percentage of employees taking childcare leave stipulated in the Article 71-6, Paragraph 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ministry of Labor Ordinance No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991). However, at overseas branches, the number of male employees taking childcare leave is calculated in accordance with the relevant regulations.

(ii) Consolidated subsidiaries

Current fiscal year					
Name	Proportion of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking childcare leave (%) (Note 2)	Wage discrepancies between male and female workers (%) (Note 1)		
			All workers	All workers	Regular workers
Mizuno Technics Corporation	3.0	100.0	66.7	72.7	86.7
Mizuno Sports Service Co., Ltd.	4.0	80.0	78.6	79.4	88.3
Mizuno Avail Corporation	10.0	100.0	78.7	74.6	92.4
Senoh Corporation	7.0	100.0	70.7	70.3	78.3

Notes: 1. Percentages are calculated based on the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015).

2. The percentage of employees taking childcare leave stipulated in the Article 71-6, Paragraph 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ministry of Labor Ordinance No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991).

3. Among consolidated subsidiaries, domestic subsidiaries with 101 or more regularly employed workers are stated. For other consolidated subsidiaries, the figures are stated in “VII. [Reference Information on the Company] 2. [Other Reference Information] (2) Proportion of female workers in managerial positions, percentage of male workers taking child care leave, and wage discrepancies between male and female workers.”

II. [Business Overview]

1. [Management Policy, Business Environment, and Management Issues, etc.]

The Group's management policies, business environment, and issues to be addressed are as follows:

It should be noted that the forward-looking statements contained below are based on the judgment of the Group as of the end of the current consolidated fiscal year.

(1) Management Policy

Based on the corporate philosophy of “Contributing to society through the advancement of sporting goods and the promotion of sports,” the Group has established a medium- to long-term management policy to promote our business by further developing it into a company-wide policy for the fiscal year. The Group works to contribute to society and develop the Group companies in accordance with this management philosophy by actively fulfilling its mission and role for the promotion and development of sports.

In addition, the Group adopts ROA (Return on Assets) and ROE (Return on Equity) as its main financial indicators, and it aims to achieve 11% for both on a consolidated basis in FY2027. We intend to increase corporate value by improving asset efficiency and capital efficiency in a well-balanced manner while enhancing profitability.

(2) Business Environment and Management Issues

The Group will address the following priority management issues in order to achieve sustainable growth and increase corporate value.

1) Basic management policy: Mizuno's purpose, vision, and values

As we respond to today's rapid environmental change and seek to expand our business in the global market, the Group has placed sustainability at the core of its strategy. We maintain the values we have cherished over the years while carrying them into the future and pursuing sustainable growth.

To crystallize this policy, we have established a new “Vision (futuristic view to aim for)” and “Values (our core values)” in addition to “Purpose (raison d'être)” to share with all employees. By rebuilding the values of the founder to fit the modern business environment based on respect for traditions since our founding, these values have defined a globally unified standard of conduct. All employees of the Group will continue to keep the Purpose, Vision, and Values in mind and create new corporate value for a sustainable future.

<Purpose>

“Contributing to society through the advancement of sporting goods and the promotion of sports”

<Vision>

“We are persistent in bringing ‘A-mon (high-quality products)’ for the world.”

<Values>

■ Fair Play

Since our founding, we have valued the spirit of “principle over profit.”

Demonstrate courageous leadership to achieve short-term and mid- to long-term business success and create a better world.

■ Friendship

Friendship and respect in a disciplined, not a cozy, situation

Praise behaviors that elevate yourself and the team.

■ Fighting Spirit

Mizuno has continued to produce A-mon with a frontier spirit.

Constantly strive for innovation, maintain an attitude committed to results, and keep growing.

2) Future growth strategy and target management indicators

We believe the Group's strength lies in the “quality” and “technical capabilities” in our manufacturing. For example, in football (soccer) shoes, which currently hold the top domestic market share, the “Morelia Series,” which has been on sale for nearly 40 years, continues to provide unchanged comfort in new products and is highly regarded.

We will maintain and develop our competitive advantage by offering unchanged high quality, such as functionality and fit.

In addition, the environment surrounding sports has changed dramatically in recent years. Athletes' physical and technical capabilities have evolved remarkably, and regulations on equipment have also changed. To identify these changes and swiftly

develop products and services in response to them, “MIZUNO ENGINE,” our Innovation Center, will play a central role in fully displaying the Group's technological capability and collective strength as a comprehensive sporting goods manufacturer.

Furthermore, we will look to overseas markets more than ever, as well as the domestic market, and continue to boldly take on challenges in areas other than sports fields, such as work and lifestyle.

The main strategies to achieve the goals of the medium-term management plan are as follows.

■ Domestic

- Increase share of competitive sports products such as those for baseball and soccer
- Diversify business by leveraging product development capability and strong brand name cultivated in sports
- Expand team business by being closely suited to areas and improve productivity through sales digital transformation

■ Overseas

- Expand football (soccer) business
- Regrow running business
- Exploit new regions (Latin America, South Asia, etc.)

■ Common to domestic and overseas markets

- Strengthen sales through DTC (owned EC, directly managed stores)
- Increase sales of sports-style shoes

<Medium-term plan targets for FY2027>

(Billions of yen)

	FY2024 Actual results	FY2025 Forecasts	FY2027 Medium-term plan targets
Net sales (Overseas sales ratio)	240.3 (39%)	260.0 (40%)	310.0 (45%)
Operating profit (Operating profit ratio)	20.7 (8.6%)	22.5 (8.7%)	28.0 (9.0%)
ROA	10.0%	10.3%	11.0%
ROE	10.2%	10.5%	11.0%

2. [Approach to Sustainability and Initiatives]

The Group's approach to sustainability and initiatives are as follows.

It should be noted that the forward-looking statements contained below are based on the judgment of the Group as of the end of the current consolidated fiscal year.

(1) Governance and Risk Management Related to Overall Sustainability

The Group has strengthened its sustainability promotion system to enhance its corporate value from the perspective of sustainability, and the President and Representative Director has ultimate responsibility for management decisions related to sustainability issues. The Sustainability Promotion Committee (internal name: MIZUNO CREW21 Committee), chaired by the executive officer in charge of human resources and general affairs, discusses matters related to overall sustainability (held four times a year in principle), and its details are reported to the Board of Directors along with the progress of sustainability activities. The Board of Directors has the responsibility and authority to oversee risks and opportunities related to overall sustainability.

The Risk Management Committee, chaired by the President and Representative Director, was established based on the "Risk Management Regulations" to oversee risk management in the business activities of the entire Group, and it plays a central role in identifying all types of risks, including economic, social, and environmental impacts, and in establishing and implementing preventive measures, recurrence prevention measures, and BCPs for such risks. The Risk Management Committee meets once a month in principle. The Risk Management Committee discusses the review of the risk management process regarding sustainability and reports it to the Board of Directors through the Sustainability Promotion Committee. The Sustainability Promotion Committee monitors the status of responses to risks related to sustainability and reports its results to the Board of Directors.

We have identified "Climate change" and "Responsible procurement with respect for human rights" as key sustainability items in the Group through governance and risk management. The Group's approach to sustainability and initiatives for each item are as follows.

<Climate change>

(i) Governance

The Sustainability Promotion Committee (internal name: MIZUNO CREW21 Committee), chaired by the Executive Officer in charge of human resources and general affairs, discusses matters related to climate change (held four times a year in principle), and its details are reported to the Board of Directors along with the progress of sustainability activities, which are overseen by the Board of Directors.

From FY2021 to FY2024, matters related to climate change were reported five times at the Board of Directors Meeting, four times at the Executive Board Meeting attended by Directors and Executive Officers, and four times at the Management Meeting attended by Directors, Executive Officers, and Department Managers. Decisions were made on management strategy (seven times), information sharing, and information disclosure at those meetings, which are reflected in business activities. In addition, we have established the independent CREW21 Environment committee and Cross-Product Planning and Development Committee as subcommittees of the Sustainability Promotion Committee to address issues that involve multiple divisions among those identified as priority issues (materiality) related to social responsibility and sustainability. Specific measures on issues related to climate change are discussed in the CREW21 Environment committee.

(ii) Strategy

For aspects we believe are relevant in the short, medium, and long term, we identify materiality across our entire sustainability spectrum and are working to resolve climate-related issues with our "Responsibility for the global environment throughout the life cycle" within the materiality. In addition to the EMS, we consider measures at meetings of the Risk Management Committee (chaired by the President and Representative Director with three vice-chair persons, including the Senior Managing Executive Officer and Executive Officers, and consisting of five heads of departments promoting internal control) and through the Business Continuity Plan ("BCP") overseen by the Global Human Resources and General Affairs Department. The product and development departments are considering the development and sales of environmentally friendly products and climate-change-responsive products (products that mitigate the impact of climate change or adapt to climate change), taking them as opportunities.

We have been examining the effect of identified climate-related issues on our business, strategy, and finance as risks and opportunities for EMS since FY2015, and we have been discussing them more actively since FY2021. Specifically, we have extracted logistics BCP for business, environmentally friendly and climate-change-responsive products, research and development of new materials for strategy, and the introduction of renewable energy for finance. In addition, the Risk

Management Committee discussed the impact of climate-related issues associated with the analysis of the BCP in each product and corporate department on our business, strategy, and finances. In the future, each department will further discuss the issues, including analysis of the financial impact, and classify the risks and opportunities of climate change into physical, regulatory, and other categories to disclose the information as an entire Group.

We will analyze the impact of climate-related issues based on a 1.5°C scenario in line with the Paris Agreement. We will analyze climate change-related risks and opportunities and their impacts, including business models/value chains, and integrate them into the organizational strategy, aiming to disclose information based on the adopted 1.5°C scenario in our 2025 activity report.

(iii) Risk management

Based on ISO14001, an international environmental management standard, the Group figures out and identifies environmental risks and opportunities, including climate change, at least once a year through the EMS (Environmental Management System) Promotion Office (Environmental Promotion Office), which belongs to the compliance department. The results of the risk and opportunity analysis are submitted by the Environmental Promotion Office to the CREW21 Environmental committee for approval by the Chair, Vice-Chair, and committee members. In particular, we are addressing the risks of wind and flood damage, such as heavy downpours and typhoons, as measures in business continuity planning (BCP). The product department is working on selection to improve management efficiency while maintaining the decentralization and diversification of production bases and suppliers. Since proper decentralization of suppliers, particularly for products (mainly equipment) requiring high manufacturing technology, is difficult, we will take business priorities into consideration and proceed with measures such as letting Tier 2 and Tier 3 suppliers' manufacturing plants formulate BCPs.

(iv) Indicators and targets

To accelerate our efforts towards climate change mitigation, the Company reviewed the long-term environmental goals in August 2020 and established the goal of achieving net zero by 2050.

Additionally, in April 2024, we obtained certification for the international initiative "SBTi (Science Based Targets initiative)." We aim to reduce Scope 1 (the Company's direct emissions) and Scope 2 (the Company's indirect emissions) of greenhouse gas by 50.4% in 2030 compared to 2018 (base year). Furthermore, our target of reducing emissions by 58.1% (per 1.0 billion yen of added value) compared to 2018 (base year) for Scope 3 (Others' indirect emissions) Category 1 (Purchased goods and services) and Category 12 (End-of-life treatment of sold products) has been certified as a science-based target.

Going forward, we will accelerate our activities to achieve these targets through energy conservation, the use of renewable energy, innovation in product manufacturing processes, waste reduction, and the promotion of recycling.

For more information on climate change, information disclosure based on TCFD recommendations, and reporting on the amount of greenhouse gas emissions, please refer to the respective pages on our website. The website is scheduled to be updated in July 2025.

Climate change: <https://corp.mizuno.com/jp/sustainability/sustainability-report/environment>

TCFD : <https://corp.mizuno.com/jp/sustainability/sustainability-report/tcfd>

Amount of greenhouse gas emissions:

<https://corp.mizuno.com/jp/sustainability/sustainability-report/environment/energy>

<Responsible procurement with respect for human rights>

The Group has identified "Responsible procurement with respect for human rights" as one of its key sustainability issues (materiality). We recognize this as a priority issue to be addressed in sustainable corporate activities, alongside climate change.

(i) Governance

The Group has established a "Cross-Product Planning and Development Committee," chaired by the Senior Managing Executive Officer. The Committee holds regular meetings, attended by representatives from the R&D, apparel, footwear, and equipment product departments. It is working to achieve a sustainable future, including R&D outlook, future policies and specific planning.

The Group recognizes the impact of its monozukuri (manufacturing) on factory workers and local communities and has been promoting CSR procurement activities that maintain appropriate human rights, occupational safety and health, and environmental conservation of Mizuno product suppliers in light of the international standards since 2004. Following the organizational restructuring effective June 22, 2022, the Cross-Product Planning and Development Committee discusses such matters as

promotion of compliance with the Mizuno Code of Conduct for Suppliers and conduct of the CSR procurement audit. In principle, the agenda for CSR procurement is discussed four times a year.

(ii) Strategy

The Group believes that evaluation before the commencement of business is important to ensure CSR procurement. Therefore, the Group sets a goal of 100% implementation of CSR evaluation before the commencement of business for new potential supplier factories, and it continues to achieve this goal. Furthermore, we conduct regular CSR audits of the suppliers with whom we have business transactions and disclose information on the flow of CSR audits and the number of audits conducted by country.

(iii) Risk management

The Group refers to the “Worldwide Governance Indicators” published by the World Bank and adds its own perspective to identify countries that are considered to have high human rights risks as targets for CSR audits. Therefore, we conduct an annual review, referring to the latest Indicators. We exclude countries that rank highly in the indicators of “Voices and Accountability,” “Political Stability and Absence of Violence/Terrorism,” “Government Effectiveness,” “Regulatory Quality,” “Rule of Law,” and “Control of Corruption,” all of which constitute the Indicators, from the audit. Although suppliers in Japan are not subject to audits, we conduct audits on suppliers that employ foreign technical intern trainees, as there are cases where human rights issues are concerned.

In FY2024, we reported on the progress of a transformation project of our CSR risk management system with the aim of responding to the legislation of human rights and environmental due diligence progressing in Europe and the United States and developing a resilient supply chain. This project was approved for continued advancement in FY2025.

(iv) Indicators and targets

The Group believes that evaluation before the commencement of business is important to make CSR procurement viable. Therefore, based on Mizuno CSR Procurement Regulations, the Group has established a system for conducting evaluation before the commencement of business for new suppliers, and we evaluate major new supplier candidates from the perspectives of “human rights,” “labor practices,” “safety and health,” and “(impact on) environment” prior to the start of production.

Based on the Mizuno CSR Procurement Regulations, we conduct CSR audits on 150 or more factories of our major suppliers with whom we have ongoing business transactions. We regularly (once every three years) monitor (CSR audits) the status of compliance with the content stipulated in the Mizuno Code of Conduct for Suppliers. There are two monitoring methods: direct audits commissioned by Mizuno to an audit institution and assessments by other audit institutions against Mizuno standards. Since CSR audits consist of on-site audits, document audits, and employee interviews, they are usually conducted by multiple auditors over one to several days. To check the compliance status of suppliers, a globally common monitoring sheet based on ISO 26000 is used. Each audit item on the monitoring sheet is classified into the three categories of “critical,” “significant,” and “general,” depending on its importance and urgency. If the item requirements are met, the points set for each category are aggregated and quantified for evaluation. We evaluate the CSR audit results on a four-level scale, with a rating index of 90 or above as rating A, 80-89 as rating B, 70-79 as rating C, and 69 or below or a case where child labor or forced labor is found as rating D.

In FY2024, we assessed 58 suppliers (4 domestic and 54 overseas), including assessments by other audit institutions. The evaluation rankings of the factories audited in FY2024 were as follows: 16 companies received an A rating, six companies received a B rating, zero company received a C rating, one company received a D rating, and 35 companies received a rating equivalent to or higher than B according to Mizuno standards in assessments by other audit institutions (58 companies in total). For factories that do not meet the B rating or above, we provide feedback on the results and discuss with the suppliers specific and realistic methods to correct or improve the items evaluated as non-compliant. In addition, we set a KPI and monitor the correction rate for the items evaluated as critical and significant non-compliance in the relevant fiscal year.

For more details of our responsible procurement with respect for human rights, please refer to our website. The website is scheduled to be updated in July 2025.

<https://corp.mizuno.com/jp/sustainability/sustainability-report/human-rights>

(2) Policy on Human Resources Development and Internal Environment Development

For the Group to achieve sustainable growth in today's increasingly uncertain business environment, we believe it is important to realize both higher profit per employee, by motivating various types of employees of all ages to take on challenges, and greater job satisfaction. Therefore, we consider the human resources development that brings business competitiveness and enhanced employee engagement that builds a better relationship between the Company and its employees as the core of our human resources development strategy.

(i) Strategy

<Human resources development policy>

Based on the recognition that the source of the Group's competitiveness is “*jinzai*” (human resources) and that the “*zai*” in “*jinzai*” means “asset,” the Group supports the improvement and development of the abilities of each and every employee regardless of nationality, race, gender, age, etc.

In particular, we develop and train “Management human resources” who enable business continuity into the future, “Global human resources” who create global competitive advantages, and “Innovative human resources” who create new value by utilizing digital technology.

In addition to the above, the Company continues to develop human resources by designing and operating a training system for them to acquire the skills and expertise required for each seniority level of service, job position, and function, in terms of expertise that directly impacts the business.

<Career development>

The Group provides career training for each employee according to their age group so that they can continue to work with a sense of reward and fulfillment and build and design their careers autonomously. The employees, within 10 years of university graduation, check their own short-, medium-, and long-term career plans on the career sheet every year, and we are working on systematic personnel transfers so that they can build their careers autonomously. The Company also proactively conducts career changes in the strategic transfers at the management level to develop human resources for executive candidates with diversified perspectives.

<Internal environment development>

Aiming to improve employee engagement, the Company has introduced an employee engagement platform (by Qualtrics) to continuously monitor employee engagement levels to drive the organization's vitality.

The measures shown below are initiatives related to employee engagement to improve corporate value.

1. Diversity & inclusion

○ Promoting female participation

The Company continues to work to “promote female participation.” The Company aims to raise the ratio of female employees in management positions to 10% by the end of FY2025 through career development support, improvement of the workplace atmosphere, systems for supporting diverse workstyles, in-house training for selected members and career interviews, and encouragement of such members to participate in a forum for female managers held jointly with other companies, and we were able to increase this ratio to 10.7% at the end of FY2024. The Company continues to work to promote female participation.

○ Career employment

The Company believes that the essence of diversity is the “maximization of different qualities” and welcomes diverse workers to achieve innovation which creates new value. The Company works to secure human resources with different values and expertise through mid-career employment. The current ratio of mid-career employees in managerial posts is 15.7%. To raise it to 20% by the end of FY2025, the Company will continue to actively hire human resources who will be candidates for managerial positions, including female managers.

2. Creation of a Comfortable Workplace Environment

Mizuno offers various support systems to help employees achieve a work-life balance.

The principal measures are as follows.

○ Childcare support

The employment patterns of female employees from pregnancy/childbirth to the childcare period have mostly been implemented and used, and they comprise the following: 1) paid holidays available on an hourly-use basis from the day of

pregnancy (40 hours a year); 2) prenatal and postnatal leave, childcare leave, and extended leave (for a child up to two years old if over one year and six months old); 3) short working hours after returning to work (up until the day the child completes their third year of elementary school); and 4) flexible working hours (up until the day the child completes their third year of junior high school). The Company actively encourages its male employees to participate in childcare, and to do so, it allows its male employees to also use its childcare and paternity leave and flexible working hour systems.

In FY 2021, the Company began a trial system that allows employees to work shorter hours and take leave for infertility treatment, which allows them to work shorter hours for nursing, which is currently ongoing.

○ Reentry system

To secure talented employees, the Company also offers a reentry system that welcomes employees back to work after they have unwillingly left for personal reasons, such as marriage or childbirth.

○ Annual paid holiday system

The Company provides full-time and contract employees with annual paid holidays of 10 days immediately after joining the Company and 20 days after having worked for six years. In FY2014, the Company decided to operate and promote a system that allows employees to take annual paid holidays on an hourly basis (five days; 40 hours at maximum/year), and its use is expanding. In addition, the Company puts effort into improving employee welfare. It has established a transferable annual paid holiday system, whereby employees are allowed to use expired annual paid holidays for personal reasons, such as injury or illness, nursing, welfare activities (including volunteer work), or sports promotion activities.

○ Health management (well-being)

The Group has declared its commitment to health management and strives to create an environment where every employee maintains good physical and mental health and can realize an excellent work-life balance. Based on this health management declaration, the Company has set goals for the following items and promotes measures aimed at primarily helping employees improve their health: 1) Reducing the percentage of employees who are on the verge of suffering from lifestyle-related diseases, 2) Helping detect major diseases at as early a stage as possible, 3) Reducing the number of employees absent from work due to mental health problems, and 4) Lowering the smoking rate.

As part of the measures, the Company broadcasts its original exercise videos internally, holds internal sports events such as walking events, holds health management seminars on the themes of food and sleep, holds women's health promotion seminars on fertility treatment and menopause disorder jointly with different industries, provides financial aid for club activities and employees' private sports activities, and conducts company-wide education related to health and exercise.

(ii) Indicators and targets

Regarding the indicators related to the policy on human resources development, including ensuring diversity in human resources, and the policy on internal environment development, described in (2) Policy on Human Resources Development and Internal Environment Development (i) Strategy, above, the Company manages data on related indicators and takes specific measures. However, since not all companies belonging to the consolidated group have done so, it is difficult for the Group to describe them for the consolidated group. Therefore, the targets and results for the following index are those for the Company's Japan segment.

Index	Fiscal year ended March 2025	Goal
Female manager rates	10.7%	10% (Fiscal year ending March 2026)
Proportion of mid-career hires in management positions	15.7%	20% (Fiscal year ending March 2026)

For more detailed information on the development and training of human resources in the Group, please visit the website below (scheduled to be updated in July 2025).

<https://corp.mizuno.com/jp/sustainability/sustainability-report/employee/development>

<https://corp.mizuno.com/jp/sustainability/sustainability-report/employee/diversity>

<https://corp.mizuno.com/jp/sustainability/sustainability-report/employee/workplace>

<https://corp.mizuno.com/jp/sustainability/sustainability-report/employee>

3. [Business Risk and Other]

The risks that may affect the business performance, etc. of the Group are as follows. The Group is aware of the possibility of occurrence of these risks and has set in advance measures for the avoidance of risks and countermeasures to be taken when risks arise. However, the matters that may affect our business performance, etc., are not limited to these risks.

It should be noted that the matters concerning the future in the text are based on the judgment of the Group as of the end of the current consolidated fiscal year.

(1) Potential Risks in Global Business Development

The Group is aggressively promoting overseas expansion by establishing sales bases and production bases worldwide. In addition to developing sales bases as local subsidiaries and branches in Europe, North America, Asia, Australia, etc., we distribute our products through local sales agents. Furthermore, in China, Thailand, Indonesia, Vietnam and Cambodia, we have our own factories and OEM consignment factories that manufacture the main products of our Group, such as sports shoes, sportswear and golf clubs.

To clarify the responsibility system for risk management, we have established the “Risk Management Committee,” chaired by the President and Representative Director. Based on the “Risk Management Regulations,” the Risk Management Committee is responsible for identifying and evaluating all types of risks associated with business activities and overseeing risk management concerning the implementation of countermeasures and information disclosure of the entire Mizuno Group. The Group also conducts training and prepares manuals on risk management to ensure a system in which we can respond to various foreseeable risks in each business field. We have also prepared the Crisis Management Manual, which explains how to detect and respond to natural disasters, sabotage from outside the Company and fraud.

However, global business development involves unpredictable changes in local laws and regulations and political, social and economic turmoil caused by terrorism, war, riots, strikes, infectious diseases and other factors. In the event of emergence of such risks, the Group’s subsequent business development may not be able to continue, which may affect the Group’s business performance, such as a decrease in sales.

(2) Fluctuations of Foreign Exchange Rates

Since the Group conducts business activities such as manufacturing and sales in many regions of the world, foreign-currency-denominated transactions at each Group base are affected by fluctuations in exchange rates. While each Group base employs foreign currency forward contracts as a risk-hedging method in order to minimize the effects of exchange fluctuations, in the event of unexpected fluctuations, such as those significantly exceeding expectations, the Group’s business performance, etc. may be affected in a sales decrease, increase in cost of sales, and increase in foreign exchange loss.

(3) Product Defects

The Group manufactures products under the strict quality control and quality assurance regulations established by the Company, but products used in active situations such as sports and outdoor activities are likely to exceed the Company’s assumed standards. As a result, there is a potential risk that the product will be damaged more than assumed, and the damage will injure the user or a third party or cause damage to objects. The Group holds product liability insurance to prepare for unexpected proceedings and claims, but there is no guarantee that the insurance will cover them sufficiently. Furthermore, in the event of a recall, the Group’s business performance, etc. is likely to be affected due to a significant increase in costs for product recalls, replacements, design changes, etc., a decline in brand image and social reputation, and a consequent decline in sales.

(4) Initiatives for Environmental Conservation

The Group recognizes that all corporate activities have the impact of adversely affecting the environment. Accordingly, aiming at protecting the earth's environment, we launched a global environment conservation activity titled "Crew21 Project" in September 1991 and have worked on environmental conservation activities and reduction of environmental load. Currently, the "Crew21 Environment committee" is playing a central role in operating an environmental management system that promotes environmental conservation activities and reduction of environmental load, in the attempt to solve various environmental issues. However, it is likely that the social credibility of the Group will deteriorate and its brand will be damaged if it is evaluated that the response to climate change issues such as energy saving, reduction of greenhouse gas emissions, and conversion to renewable energy is not satisfactory and if the reduction of the amount of wastes, including plastic waste, reduction of hazardous chemical substances, and efficient use of water resources are not properly carried out. The Group has declared the long-term goal of achieving carbon neutrality by 2050. In March 2022, we declared our support for the recommendations of the Task Force on Climate-related Financial Information Disclosure (TCFD) and are working toward disclosure in line with the TCFD.

(5) Price Hikes in Raw Materials

The raw materials of the products manufactured and sold by the Group include natural leather, natural resin, wood, metal, and petroleum products, and these raw materials are exposed to the risk of fluctuations in resource prices. The Group purchases major raw materials from as many suppliers as possible from the perspective of risk management. However, if an unexpected rise in resource prices occurs, the increase in raw material costs may affect the Group's business performance, etc.

(6) Protection of Intellectual Property

The Mizuno Code of Ethics provides for "1) securing the protection of intellectual property created in-house and 2) respecting and not infringing on intellectual property held by a third party." The Group actively obtains and uses intellectual property rights, including patents, utility models, designs, and trademarks in Japan and abroad.

However, we recognize the possibility that the pending patents of the Group may not be approved, the countermeasures to prevent unauthorized use or infringement of the Group's intellectual property may not be successful, and the Group's technology, etc., may infringe on the intellectual property rights of other companies. Therefore, if the Group's intellectual property is violated, such a case may affect our business performance, etc., due to the increase in cost required to deal with it.

(7) Compliance with Laws and Regulations

The Group is subject to various laws and regulations concerning product quality, transaction-related matters, the environment, labor, health and safety, accounting standards, and taxation. Based on the Mizuno Corporation Ethical Standards, the Group undertakes thorough compliance throughout the Group under the Sustainability Promotion Committee and the Risk Management Committee. Mizuno Corporation is involved in the design and operation of the internal control system of the Group, including its subsidiaries, in accordance with the "System for ensuring the appropriateness of business" (basic policy for the design of the internal control system), which was established by a resolution of the Board of Directors of the Company. It is clarified that subsidiaries should perform their business activities and operate their risk management system under the same policy management as Mizuno Corporation. Regarding the management execution of subsidiaries, since it is set forth in the standards that any matters of high qualitative and monetary importance should be approved and determined by the Board of Directors, Executive Directors, or Executive Officers of the Company while respecting the independence and expertise of the management executors of the subsidiaries, we believe that the appropriateness of operations at the subsidiaries will not be impaired.

However, failure to comply with these laws and regulations may affect the Group's business performance due to increased costs of dealing with non-compliance. In addition, if the current laws and regulations are changed or new laws and regulations are added, the business activities of the Group may be restricted, or investment for other measures may be required, thus affecting the Group's business performance, etc.

(8) Changes in Economic Conditions

The Group develops its business activities on a global scale. Since demand for the Group's products is affected by the economic conditions of the countries or regions in which they are sold, a recession and the accompanying decrease in demand may have the impact of a decrease in sales, etc. On the other hand, if new business structural reforms are required to address such a situation, there is also a possibility that the relevant costs will increase. In addition, since the Group manufactures and distributes many products for general consumers, the Group's business performance, etc. may be affected by fluctuations in demand for personal consumption due to changes in the weather or a decrease in sales due to changes in consumer tastes, etc.

(9) Impairment of Fixed Assets

The Group invests in fixed assets based on a business plan formulated through appropriate procedures.

However, for some fixed assets, it may not be possible to expect recovery of the investment amount assumed in the business plan due to a decline in profitability of the assets. As a result of the accounting procedures stipulated in the "Accounting Standard for Impairment of Fixed Assets," there is a possibility that the Group's business performance, etc., may be affected by recording impairment losses and other factors.

(10) Risks Concerning Information Security

In selling products and providing services to customers, the Group pays the utmost attention to customer information management and implements information system protection to prevent leakage.

However, problems such as intentional intrusion into the information system by a third party or the suspension of the information system due to various causes and reasons are expected, resulting in the risk of leakage or outflow of customer information, including that of individual customers. In the case of occurrence of such a situation, there is a possibility that the Group's business performance, etc., may be affected due to increased costs for addressing the situation following claims for damages from customers or loss of credibility.

(11) Risks Concerning Disasters, Accidents, etc.

The Group implements risk management in preparation for disasters, accidents, etc.

However, due to the occurrence of natural disasters such as earthquakes, fire, explosion accidents, war, terrorist attacks, epidemics of infectious diseases, etc., there are risks that the Group's sales and production bases may be damaged, operation may be interrupted, distribution may be delayed, and a large amount of recovery costs may be incurred. Even if the direct damage to the Company's facilities and products is limited, the Group's business performance, etc., may be affected by a decrease in revenues and an increase in costs for addressing the situation if our business partners, suppliers, or contract manufacturers are damaged or if consumption activity becomes sluggish.

(12) Securing and Developing Human Resources

Recruiting, training, and maintaining excellent human resources is an issue for maintaining the competitiveness and achieving the growth of the Group. The Group strives to create a work environment where diverse and excellent human resources can demonstrate their abilities under fair and transparent personnel systems, education and training systems, improvement of welfare systems, and promotion of diversity. However, if we fail to secure and develop human resources as planned, the Group's business performance, etc., may be adversely affected.

4. [Analysis of Financial Position, Results of Operation and Cash Flows by Management]

(1) Overview of Results of Operation, etc.

The following is an overview of the financial position, operating results, and cash flows (hereinafter, “operating results, etc.”) of the Group (the Company and its consolidated subsidiaries) in the current consolidated fiscal year.

It should be noted that the forward-looking statements contained below are based on the judgment of the Group as of the end of the current consolidated fiscal year.

(i) Overview of Operating Results

During the current consolidated fiscal year, the Japanese economy maintained a gradual recovery trend, primarily thanks to improved employment and income conditions and continued strong consumption by inbound tourists. Overseas economies have also continued to recover, although there are signs of a standstill in some regions. Meanwhile, the global economic outlook is uncertain due to factors such as the impact of the U.S. tariff and trade policies and increasing geopolitical risks.

Thanks to the global sport events that took place, the sport market has enjoyed growing opportunities for a wide range of sports. Meanwhile, the expansion of the sport market for outdoor personal sports such as golf, which continued to expand since the COVID-19 pandemic, has slowed down.

Under such circumstances, the Group’s sales in Japan remained robust in competitive sports products including football, volleyball, and racket sports, and sales of the work business remained strong. Overseas business performance also expanded, driven in part by the improvement of gross profit margin, in addition to the continued growth in sales of products for competitive sports such as football and Sportstyle shoes.

As a result of these factors, net sales were 240,335 million yen, up 10,623 million yen (up 4.6% yoy), operating profit was 20,777 million yen, up 3,498 million yen (up 20.2% yoy), ordinary profit was 21,352 million yen, up 2,064 million yen (up 10.7% yoy), and profit attributable to owners of parent was 15,243 million yen, up 931 million yen (up 6.5% yoy), all of which were record highs.

Performances of each business segment are as follows.

a Japan

In Japan, sales of products for competitive sports, such as volleyball and racket sports increased, and sales of the football business and Sportstyle shoes business, which are the focus of our business expansion efforts in this region continued to remain strong. In addition, the work business, which is our non-sports businesses, continued to enjoy growth. In spite of downward pressures on profit due to the foreign exchange, sales through a direct-to- consumer (DTC) channel increased especially in Sportstyle shoes, boosting gross profit margin.

As a result, the Group recorded net sales of 147,291 million yen, up 5,877 million yen (up 4.2% yoy), and operating profit of 13,265 million yen, up 1,228 million yen (up 10.2% yoy), both achieving record-high levels.

b Europe

In Europe, the football business and Sportstyle shoes business, which are the focus of our business expansion efforts in this region, enjoyed growth. Additionally, sales of products for competitive sports, such as volleyball, also increased. Gross profit margin of running shoes, which is one of our main products, improved reflecting our efforts to improve the margin.

As a result, although net sales decreased by 1,823 million yen (down 7.1% yoy) to 23,743 million yen, operating profit increased by 150 million yen (up 28.4% yoy) to 678 million yen.

The exchange rates for each currency in Europe in the current consolidated fiscal year are as follows.

Pound Sterling: 195.75 yen (181.39 yen in the previous fiscal year); Euro (branches): 164.90 yen (156.80 yen in the previous fiscal year);

Euro (subsidiaries): 163.79 yen (152.27 yen in the previous fiscal year); Norwegian Krone: 14.10 yen (13.37 yen in the previous fiscal year)

c Americas

In the Americas, sales of iron clubs, main products of golf, continued to be strong although there is a sense of a lull in the expansion of the golf market, which has continued over the past few years. In the products for competitive sports, sales increased especially in volleyball. In addition, gross profit margin improved thanks to progress in optimizing inventory levels.

As a result, net sales were 35,986 million yen, up 2,100 million yen (up 6.2% yoy), and operating profit was 2,766 million yen, up 427 million yen (up 18.3% yoy).

The exchange rates for each currency in the Americas in the current consolidated fiscal year are as follows.

U.S. Dollar: 151.44 yen (140.55 yen in the previous fiscal year); Canadian Dollar: 110.58 yen (104.13 yen in the previous fiscal year)

d Asia and Oceania

In Asia and Oceania, the football business, which is the focus of our business expansion efforts in this region, experienced growth in South Korea and Southeast Asia. Furthermore, sales of products for competitive sports, such as racket sports and volleyball, also increased. Sales of Sportstyle shoes significantly increased as well.

As a result, net sales were 33,314 million yen, up 4,469 million yen (up 15.5% yoy), and operating profit was 4,038 million yen, up 1,755 million yen (up 76.9% yoy), each achieving record-high level.

The exchange rates for each currency in Asia and Oceania in the current consolidated fiscal year are as follows:

New Taiwan Dollar: 4.73 yen (4.52 yen in the previous fiscal year); Hong Kong Dollar: 19.41 yen (17.96 yen in the previous fiscal year); Chinese Yuan: 21.04 yen (19.81 yen in the previous fiscal year); Australian Dollar: 99.87 yen (93.32 yen in the previous fiscal year);

Korean Won (per 100 won): 11.11 yen (10.78 yen in the previous fiscal year);

U.S. Dollar (Singapore): 151.44 yen (140.55 yen in the previous fiscal year)

(ii) Overview of Financial Position

Total assets at the end of the current fiscal year increased by 12,328 million yen from the end of the previous fiscal year to 218,479 million yen. This was primarily due to increases of merchandise and finished goods by 5,625 million yen and accounts receivable - trade by 2,085 million yen.

Liabilities at the end of the current fiscal year decreased by 2,085 million from the end of the previous fiscal year to 61,358 million yen. This was primarily due to decreases of notes and accounts payable - trade by 4,775 million yen and accounts payable - other, and accrued expenses by 562 million yen.

Net assets increased by 15,055 million yen from the end of the previous fiscal year to 157,121 million yen.

As a result of the above, the equity ratio increased by 3.0 percentage points from 68.6% at the end of the previous fiscal year to 71.6%.

(iii) Overview of Cash Flows

The balance of cash and cash equivalents at the end of the current fiscal year was 32,399 million yen. The status of cash flows by category for the current fiscal year is as follows:

<Cash flows from operating activities>

Net cash provided by operating activities amounted to 7,007 million yen. The main items of income are profit before income taxes of 21,803 million yen, and depreciation of 3,071 million yen. The main items of expenditures consist of an increase in inventories of 3,465 million yen, a decrease in trade payables of 5,606 million yen and income taxes paid of 6,556 million yen.

<Cash flows from investing activities>

Net cash used in investing activities amounted to 3,514 million yen. The main item of income is proceeds from sale of property, plant and equipment of 182 million yen. The main items of expenditures are purchase of property, plant, and equipment of 3,274 million yen, and purchase of intangible assets amounting to 840 million yen.

<Cash flows from financing activities>

Net cash used in financing activities amounted to 4,014 million yen. The main items of expenditures are repayments of long-term borrowings of 478 million yen and dividends paid of 3,699 million yen.

(iv) Production, orders received and sales

a. Production results

The production results by segment for the current consolidated fiscal year are shown below.

Segment	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)	
	Amount (Millions of yen)	YoY (%)
Japan	15,670	97.41
Europe	1,179	61.92
The Americas	7,618	126.22
Asia and Oceania	2,925	102.08
Total	27,393	101.86

Note: The amount in Europe decreased mainly due to the restructuring of the European branch business into a subsidiary as of January 1, 2025. As a result, the production result in Europe for the current consolidated fiscal year covers nine months.

b. Orders received

The Group conducts prospective production, and among other businesses, only some of the sports-facility-related products are made-to-order. The description is omitted because the ratio to the total is small.

c. Sales results

The sales results by segment for the current consolidated fiscal year are shown below.

Segment	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)	
	Amount (Millions of yen)	YoY (%)
Japan	147,291	104.16
Europe	23,743	92.87
The Americas	35,986	106.20
Asia and Oceania	33,314	115.49
Total	240,335	104.62

Notes: 1. Inter-segment transactions are offset and eliminated from calculations.

2. None of the customers' sales account for 10% or more of the total sales results.

(2) Analysis and Consideration of Business Performance, etc. from the Viewpoint of Management

The recognition, analysis, and consideration of the Group's business performance, etc. from the viewpoint of management are as follows. It should be noted that the forward-looking statements contained below are based on the judgment of the Group as of the end of the current consolidated fiscal year.

(i) Important Accounting Estimates and Assumptions Used for Those Estimates

The Group's consolidated financial statements are prepared in accordance with accounting standards generally accepted in Japan. The significant accounting policies for preparing these consolidated financial statements are as described in "Significant Matters That Are the Basis for Preparing Consolidated Financial Statements." And the various factors used as the premise are applied based on actual results in the past, the current situation, and future assumptions, which were comprehensively taken into consideration and considered as reasonable estimates. Actual results may differ from these estimates due to the uncertainty inherent in the estimates.

The Group believes that the following important accounting policies will have a significant impact on the estimates and judgments used in the preparation of the Group's consolidated financial statements.

a. Deferred tax assets

The calculation of deferred tax assets is based on various forecasts and assumptions about future taxable income, and the actual results may differ from those forecasts and assumptions. The Group records deferred tax assets for future deductible temporary differences that are judged to be recoverable based on scheduling of future taxable income and addition or subtraction. However, if it is determined that some or all of the deferred tax assets cannot be collected due to changes in forecast or assumptions for future taxable income, the deferred tax assets of the Group may be reduced and tax expenses may be recorded.

b. Retirement benefit obligation

The Group's retirement benefit obligations and retirement benefit expenses are calculated using the calculation basis set in actuarial calculations such as discount rates and the expected rate of return on pension assets. If the estimated value is different from the actual value, or if the estimated value is changed, the impact amount will be recognized regularly in the future. Therefore, it generally affects the expenses recognized in the future and the obligations to be recorded.

The discount rate is estimated based on a highly secure long-term bond yield. The expected rate of return on investment is determined in consideration of the portfolio of pension assets held, past performance, investment policy, and market trends.

c. Impairment accounting

The Group considers whether or not impairment of fixed assets is necessary for the fixed assets subject to the "Accounting Standards for Impairment of Fixed Assets," in the event of changes in the corporate environment or economic events in which there is concern about the recovery of the book value. As for fixed assets that are judged to have signs of impairment considering the market price of the asset and the profit or loss resulting from operating activities using the asset, if the recoverable value is lower than the book value, the asset is impaired to the recoverable value.

While the recoverable value is reasonably determined based on estimated future cash flows, other estimates, and assumptions, there is a possibility of an increase and new impairment recognition if these estimates and assumptions are changed in the future due to changes in the business plan or market environment.

d. Evaluation of securities and investment securities

The Group owns shares, etc. from the perspective of pure investment purposes and long-term cooperative relationships and business relationships, and if it is determined that the decline in investment value is not temporary, the Group will recognize impairment losses on such shares, etc. That means that impairment loss is recognized for "available-for-sale securities" with a market value, when the market value as of the end of the fiscal year is 30% or more below the book value and it is determined that the decline is not temporary, and for "available-for-sale securities" without a market value, when the net asset value to be evaluated is 50% or more below the book value. Therefore, future stock market and performance trends of investees may have a significant impact on the valuation of these securities and investment securities.

(ii) Recognition, Analysis and Consideration of the Group's Business Performance, etc. for the Current Fiscal Year

The Group positions ROA (return on assets) and ROE (return on equity) as its target management indicators, and we have set a target value for ROA as a particularly important management index which will improve as profitable growth and financial condition are properly balanced. At present, we have set a target of ROA at 11% on a consolidated basis in FY2027. Since ROA for the current consolidated fiscal year was 10.0% (up 1.2 percentage points yoy), we will endeavor to increase corporate value by maximizing profits through effective and efficient investment in assets to achieve the target.

a. Net sales and gross profit

Net sales increased by 10,623 million yen (up 4.6% yoy) to 240,335 million yen. In Japan, sales remained robust in products for competitive sports such as football, volleyball, and racket sports, and sales of the work business also expanded. Overseas sales also grew, driven in part by the improvement in gross profit margin, in addition to the growth in sales of products for competitive sports such as football and Sportstyle shoes. As a result, gross profit increased by 7,612 million yen (up 8.4% yoy) to 98,558 million yen.

b. Selling, general and administrative expenses, operating profit, and ordinary profit

Selling, general and administrative expenses increased by 4,113 million yen (up 5.6% yoy) to 77,780 million yen, while the SG&A to sales ratio remained at the same level as the previous year. Operating profit increased by 3,498 million yen (up 20.2% yoy) to 20,777 million yen partly due to higher gross profit.

Ordinary profit increased by 2,064 million yen (up 10.7% yoy) to 21,352 million yen, including operating profit and dividend income, etc.

c. Extraordinary income/losses, income taxes, etc. and profit attributable to owners of parent

Extraordinary income was 525 million yen mainly due to gain on sale of investment securities. Extraordinary losses were 75 million yen due to posting of loss on retirement of non-current assets. Income taxes increased by 964 million yen compared with the previous fiscal year to 6,377 million yen.

As a result, profit attributable to owners of parent increased by 931 million yen (up 6.5% yoy) to 15,243 million yen.

(iii) Capital Resources and Liquidity

The main demand for funds of the Group is operating expenses, such as purchase costs of merchandise and raw materials, selling, general and administrative expenses, and capital investment for the purpose of maintenance and renewal. To meet these demands for funds, we basically procure our own funds from our business activities and loans from financial institutions. In addition, the Company has concluded overdraft agreements with our banks for the purpose of securing stable working capital.

Interest-bearing debt at the end of the current fiscal year was 13,492 million yen.

5. [Material Agreements, etc.]

(1) License Agreements

Company name	Name of the counterparty	Address of the counterparty	Contract item	Date of signing	Contract period	Contract description
Mizuno Corporation (the Company)	Shanghai Mizuno Corporation Ltd.	Shanghai, China	The Company's products excluding some items	December 1, 2018	From January 1, 2019 to December 31, 2031	1. Grant of trademark use right in China 2. Setting of manufacturing rights and sales rights
Mizuno Corporation (the Company)	VULCABRAS	Brazil, Sao Paulo	Mainly the Company's footwear	October 5, 2020	From October 5, 2020 to December 31, 2033	1. Grant of trademark use right in South America 2. Setting of manufacturing rights and sales rights

Note: We receive a certain percentage of royalties on sales.

(2) Restructuring of the European branch business into a subsidiary

At the Board of Directors meeting held on September 25, 2024, the Company resolved to transfer the business of its European branches to "Mizuno Corporation UK Limited," its wholly owned subsidiary, through a capital contribution in kind, and the transfer was completed on January 1, 2025.

For details, please refer to "[Notes] to (1) [Consolidated Financial Statements] (Business combinations) in 1. [Consolidated Financial Statements, etc.] in V. [Financial Information]."

6. [Research and Development]

The basic concept of the Group's R&D activities is product development based on our management philosophy and long-term management policy in line with our global business strategies. To that end, our core activity is in research and development of critical technologies and materials based on research of sports engineering and sports science; thereby, we believe that this will enable us to realize the development of high-performance products. At the same time, we also believe that production functions will be enhanced by proceeding with the development of production technologies to materialize products and by accumulating those technologies.

Currently, regarding the system of R&D activities for the manufacturing of sporting goods, the R&D Department of the Company, which is engaging in research and development, including basic research and research of functions from wide-ranging and medium- to long-term perspectives, and the development sections of each global product department (apparel, footwear and equipment) play central roles, as well as the technology section of Mizuno Technics Corporation, the development headquarters of Senoh Corporation, and the development sections of Mizuno USA, Inc., subcontracted by the Company. In the research and development of platform technologies, materials, and products, we work in a close cooperative relationship with the laboratories of many universities and R&D departments of our business partners, in addition to conducting our proprietary research.

Recently, we have been also focusing on the development of applications to the life innovation field and the industrial materials field, aiming to utilize our technology cultivated in sports over many years in fields other than sports. We endeavor to focus on research and development in order to contribute to the creation of a safer and more comfortable society in which more people can feel motivation and joy and live happily in the areas of health, comfort, and safety through Mizuno's sports technology, products, and services. The number of personnel engaging in R&D in the entire Group is 237.

The R&D expenses of the entire Group for the current fiscal year amounted to 2,987 million yen, with Japan as the only segment in this respect.

III. [Property, Plant and Equipment]

1. [Summary of Capital Investments, etc.]

The total amount of capital investment by the Group for the current fiscal year was 4,275 million yen (after deducting inter-segment transactions, including intangible assets). The main factor of the capital investments was the maintenance and replacement of existing facilities.

(Millions of yen)

	Japan	Europe	The Americas	Asia and Oceania
Amount of capital investment	117	65	3,753	337

2. [Major Property, Plant and Equipment]

(1) Mizuno Corporation

As of March 31, 2025

Facility (Main location)	Segment	Types of Equipment and Facilities	Book Value (Millions of yen)						Number of Employees
			Buildings and Structures	Machinery and Vehicles	Land (m ²)	Leased Assets	Others	Total	
Osaka Head Office Building "Mizuno Crystal" (Suminoe-ku, Osaka)	Japan	Supervision and administration facilities Sales facilities Production control facilities	8,295	2	4,326 (15,528.87)	14	1,107	13,746	743
Innovation Center MIZUNO ENGINE (Suminoe-ku, Osaka)	Japan	R&D facilities	3,375	60	-	7	296	3,739	138
Tokyo Head Office Tokyo Sales Center (Chiyoda-ku, Tokyo)	Japan	Supervision and administration facilities Sales facilities	802	0	3,589 (1,159.49)	-	26	4,418	412
Chubu Branch (Kita-ku, Nagoya)	Japan	Supervision and administration facilities Sales facilities	265	-	212 (1,314.43)	-	2	480	53
Kyushu Branch (Hakata-ku, Fukuoka)	Japan	Supervision and administration facilities Sales facilities	283	0	239 (2,740.86)	-	4	528	32

Note: "Others" under Book Value represent tools, appliances, fixtures and software and do not include the amount of construction in progress.

(2) Domestic Subsidiaries

As of March 31, 2025

Company Name	Facility (Main location)	Segment	Types of Equipment and Facilities	Book Value (Millions of yen)						Number of Employees
				Buildings and Structures	Machinery and Vehicles	Land (m ²)	Leased Assets	Others	Total	
Mizuno Technics Corporation	Head Office Factory (Yorocho, Yoro-gun, Gifu Prefecture)	Japan	Production facilities for golf and baseball products	339 [192]	350 [1]	1,881 (98,174.74) [819]	6	77 [7]	2,654 [1,021]	268
Mizuno Sports Service Co., Ltd.	Sports club (Abeno-ku, Osaka)	Japan	Facilities associated with the operation of sports facilities, etc.	702 [0]	-	- (1,537.32) [345]	83	8 [0]	795 [345]	145
Senoh Corporation	Head Office Factory (Matsudo, Chiba Prefecture)	Japan	Facilities for the production and sale of sports equipment	225	5	2,170 (63,288.91)	35	44	2,482	169

Notes: 1. "Others" under Book Value represent tools, appliances, fixtures, and software and do not include the amount of construction in progress.

2. The figures indicated in brackets are not included in the above figures in parentheses, and they show the facilities rented by the Company.

(3) Overseas Subsidiaries

As of March 31, 2025

Company Name	Facility (Main location)	Segment	Types of Equipment and Facilities	Book Value (Millions of yen)						Number of Employees
				Buildings and Structures	Machinery and Vehicles	Land (m ²)	Leased Assets	Others	Total	
MIZUNO USA, INC.	Head Office (Georgia, U.S.A.)	The Americas	Production and Sales facilities for sporting goods	574	594	180 (13,395.09)	2,491	203	4,045	331
SHANGHAI MIZUNO CORPORATION LTD.	Head Office (Shanghai, China)	Asia and Oceania	Production and Sales facilities for sporting goods	434	182	-	5	63	686	318
MIZUNO CORPORATION UK LIMITED	Head Office (Wokingham, UK)	Europe	Production and Sales facilities for sporting goods	508	88	130 (15,045.00)	-	863	1,590	209

Note: "Others" under Book Value represent tools, appliances, fixtures, and software and do not include the amount of construction in progress.

3. [Plans for Capital Investment, Disposal of Property, Plant and Equipment, etc.]

(1) Establishment of Significant Facilities

As of March 31, 2025

Facility (Main location)	Segment	Types of Equipment and Facilities	Amount to be invested (Millions of yen)		Fund Procurement Method	Start of Construction and Planned Completion		Total Floor Area (m ²)
			Total	Amount paid		Start of Construction	Completion	
Yodoyabashi Station West District Redevelopment Project (Chuo-ku, Osaka)	Japan	Sales facilities, etc.	To be decided	-	Own fund	September 2021	December 2025	Approx. 6,000

Note: Regarding the Yodoyabashi Station West District Urban Redevelopment Project, the Company participates as a right holder and a project member. The total floor area is equivalent to the Company's share to be acquired by the Company among the participating members. The amount to be invested is omitted because it will be covered by compensation.

(2) Disposal of Significant Facilities, etc.

Not applicable

IV. [Information on the Company]

1. [Information on the Company's Stock, etc.]

(1) [Total Number of Shares, etc.]

(i) [Total Number of Shares]

Class	Total number of shares authorized to be issued
Common stock	59,200,000
Total	59,200,000

Note: Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Articles of Incorporation were amended in association with the stock split as of April 1, 2025, increasing the total number of shares authorized to be issued by 118,400,000 shares to 177,600,000 shares.

(ii) [Shares Issued]

Class	Number of shares issued as of the end of the fiscal year (March 31, 2025)	Number of shares issued as of the filing date (June 19, 2025)	Names of stock exchanges on which the Company is listed or names of authorized financial instrument firms association	Description
Common stock	26,578,243	79,734,729	Tokyo Stock Exchange Prime Market	Number of shares constituting one unit: 100
Total	26,578,243	79,734,729	—	—

Note: Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025. As a result, the total number of shares issued increased by 53,156,486 shares to 79,734,729 shares.

(2) [Status of Stock Acquisition Rights, etc.]

(i) [Details of Stock Option Plan]

Not applicable

(ii) [Details of Rights Plan]

Not applicable

(iii) [Status of Other Stock Acquisition Rights, etc.]

Not applicable

(3) [Status of Exercise of Bonds with Stock Acquisition Rights Containing a Clause for Exercise Price Adjustment]

Not applicable

(4) [Changes in Total Number of Shares Issued, Capital Stock, etc.]

Date	Changes in the Total Number of Shares Issued (Thousand)	Balance of Total Number of Shares Issued (Thousand)	Changes in Capital Stock (Millions of yen)	Balance of Capital Stock (Millions of yen)	Changes in Legal Capital Surplus (Millions of yen)	Balance of Legal Capital Surplus (Millions of yen)
October 1, 2017	-106,312	26,578	—	26,137	—	22,454

Notes: 1. The decrease in the total number of shares issued reflects the consolidation of shares in which five (5) shares were consolidated into one (1) share effective October 1, 2017.

2. Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025. As a result, the total number of shares issued increased by 53,156,486 shares to 79,734,729 shares.

(5) [Status of Shareholders]

As of March 31, 2025

Category	Status of Shares (1 unit: 100 shares)								Status of Shares of Less Than One Unit (Shares)
	National and Local Governments	Financial Institutions	Financial Instruments Business Operators	Other Corporations	Foreign Shareholders		Individuals and Other	Total	
					Foreign Shareholders Other Than Individuals	Individuals			
Number of shareholders	-	34	31	170	217	24	11,421	11,897	—
Number of shares held (units)	-	83,399	4,809	62,978	52,287	52	60,851	264,376	140,643
Percentage of shares held (%)	-	31.545	1.819	23.821	19.777	0.019	23.016	100.00	—

Note: Out of the treasury stock of 998,910 shares, 9,989 units are included under “Individuals and Others,” and ten shares are included under “Status of Shares of Less Than One Unit.”

(6) [Major Shareholders]

As of March 31, 2025

Name of Shareholder	Address	Number of Shares Held (Thousand)	Percentage of Shares Held out of the Total Number of Shares Issued (excluding treasury shares) (%)
Mizuno Sports Promotion Foundation	3-22, Kanda Ogawa-machi, Chiyoda-ku, Tokyo	4,377	17.11
The Master Trust Bank of Japan, Ltd.	Akasaka Intercity AIR, 1-8-1 Akasaka, Minato-ku, Tokyo	3,338	13.05
Custody Bank of Japan, Ltd.	1-8-12, Harumi, Chuo-ku, Tokyo	2,131	8.33
STATE STREET BANK AND TRUST COMPANY	P.O. BOX 351 BOSTON MASSACHUSETTS 02101, U.S.A	1,745	6.82
Sumitomo Mitsui Banking Corporation	1-1-2, Marunouchi, Chiyoda-ku, Tokyo	930	3.63
J.P. MORGAN CHASE BANK	25 BANK STREET CANARY WHARF LONDON E14 5JP, UK	787	3.07
Nippon Life Insurance Company	1-6-6, Marunouchi, Chiyoda-ku, Tokyo	684	2.67
Mizuno Employee Stock Ownership Plan	1-12-35, Nanko Kita, Suminoe-ku, Osaka	505	1.97
The Bank of New York Mellon Corporation (Standing proxy: Settlement & Clearing Services Department, Mizuho Bank, Ltd.)	240 Greenwich Street New York, NY 10286, U.S.A. (2-15-1 Konan, Minato-ku, Tokyo)	444	1.73
The Dai-ichi Life Insurance Company, Limited	1-13-1, Yurakucho, Chiyoda-ku, Tokyo	334	1.30
Total	—	15,280	59.68

Notes: 1. In addition to the above, there are 998,000 treasury shares held by the Company.

2. Of the Number of Shares Held, the number of shares related to the trust services is as follows.

The Master Trust Bank of Japan, Ltd.	3,338 thousand shares
Custody Bank of Japan, Ltd.	2,131 thousand shares

(7) [Status of Voting Rights]

(i) [Shares Issued]

As of March 31, 2025

Category	Number of Shares	Number of Voting Rights (Units)	Description
Shares without voting rights	—	—	—
Shares with restricted voting rights (treasury shares, etc.)	—	—	—
Shares with restricted voting rights (other)	—	—	—
Shares with full voting rights (treasury shares, etc.)	Common stock 998,900	—	—
Shares with full voting rights (other)	Common stock 25,438,700	254,387	—
Shares less than one unit	Common stock 140,643	—	Shares of less than one unit (100 shares)
Total number of shares issued	26,578,243	—	—
Total voting rights held by all shareholders	—	254,387	—

Note: The common stock in the “Shares less than one unit” column includes ten treasury shares held by the Company.

(ii) [Treasury Shares, etc.]

As of March 31, 2025

Name of Shareholder	Address	Number of Shares Held under Own Name	Number of Shares Held under the Name of Others	Total Number of Shares Held	Shareholding Ratio (%)
Mizuno Corporation	4-1-23, Kitahama, Chuo-ku, Osaka	998,900	-	998,900	3.75
Total	—	998,900	-	998,900	3.75

2. [Information on Acquisition, etc. of Treasury Shares]

[Class of Shares] Acquisition of shares of common stock under the condition set forth in Article 155, Item 7 of the Companies Act

(1) [Status of Acquisition of Treasury Share based on a Resolution of a General Meeting of Shareholders]

Not applicable

(2) [Status of Acquisition of Treasury Share based on a Resolution of the Board of Directors]

Not applicable

(3) [Acquisition of Treasury Shares Not Based on a Resolution of an Ordinary General Meeting of Shareholders or the Board of Directors]

Category	Number of Shares	Total Amount (Yen)
Treasury shares acquired during the current fiscal year	2,492	20,423,560
Treasury shares acquired during the current period	244	626,761

Notes: 1. The treasury shares acquired during the current period do not include the number of shares of less than one unit purchased during the period from June 1, 2025 to the filing date of this annual securities report.

2. Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025. The number of treasury shares acquired during the current fiscal year is stated as the number of shares before the stock split, and the number of treasury shares acquired during the current period is stated as the number of shares after the stock split.

(4) [Status of Disposition and Holding of Acquired Treasury Stock]

Category	Current Fiscal Year		Current Period	
	Number of Shares	Total Disposition Amount (Yen)	Number of Shares	Total Disposition Amount (Yen)
Acquired treasury stock that was offered to subscribers for subscription	—	—	—	—
Acquired treasury shares that were canceled	—	—	—	—
Acquired treasury shares that were transferred due to merger, stock swap, stock delivery, or company split	—	—	—	—
Others				
(Disposition of treasury shares for restricted stock remuneration)	10,683	86,425,470	—	—
(Transfer of shares of less than one unit)	—	—	40	94,440
Number of treasury shares held	998,910	—	2,996,934	—

Notes: 1. The number of treasury shares disposed of during the current period does not include the number of shares of less than one unit sold during the period from June 1, 2025 to the filing date of this annual securities report. Furthermore, the number of treasury shares held during the current period does not include the number of shares of less than one unit purchased or sold during the period from June 1, 2025 to the filing date of this annual securities report.

2. Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025. The number of treasury shares for the current fiscal year is stated as the number of shares before the stock split, and the number of treasury shares acquired for the current period is stated as the number of shares after the stock split.

3. [Dividend Policy]

From a medium- to long-term perspective, the Company has set its basic policy of dividend of surplus under which the Company will endeavor to improve profitability and strengthen its financial position and distribute stable and continuous return of profits to shareholders.

In addition, the Articles of Incorporation stipulate that the Company can pay an interim dividend as stipulated in Article 454, Paragraph 5 of the Companies Act, and it is the basic policy to distribute earnings twice a year in the form of interim and year-end dividends. The decision-making bodies for dividends of these surpluses are the general meeting of shareholders for year-end dividends and the Board of Directors for interim dividends.

Regarding the year-end dividend for the current fiscal year, we plan to pass a resolution to pay 90.00 yen per share at the 112th Ordinary General Meeting of Shareholders to be held on June 20, 2025, under the basic policy of continuous stable dividends.

As a result, the annual dividend for the current fiscal year will be 150.00 yen per share, including an interim dividend of 60.00 yen per share.

Regarding retained earnings, with the aim of preparing for future business development, we will apply the fund to investment in research and development for the strengthening of product power, business fund to improve brand value and enhance marketing, and capital investment and working capital required for the expansion of overseas sales, production, and distribution bases.

Note: The dividends of surpluses whose record date belongs to the current fiscal year are as follows.

Date of Resolution	Total Dividend Amount (Millions of yen)	Dividend per Share (Yen)
November 8, 2024 Resolution of the Board of Directors	1,534	60
June 20, 2025 Resolution of the Ordinary General Meeting of Shareholders	2,302	90

4. [Corporate Governance, etc.]

(1) [Overview of Corporate Governance]

(i) Basic Concept of Corporate Governance

Based on the corporate philosophy of “Contributing to society through the advancement of sporting goods and the promotion of sports” and our belief that the rationality and objectivity of management decisions and the swiftness and transparency of decision making are important to improve the corporate value of the Group, we strive to build and strengthen a corporate governance system that can materialize them.

Our mission is to improve the management efficiency of the entire Group and to fulfill appropriate information disclosure and accountability. We are also responsible for ensuring the internal control system functions for the Group as a whole.

(ii) Corporate Governance System

<Outline of the System and Reason for Adoption of Such System>

With a resolution of the 103rd Ordinary General Meeting of Shareholders held on June 23, 2016, the corporate governance system has been transferred to the company with an Audit and Supervisory Committee.

Directors serving as Audit and Supervisory Committee members have voting rights on the Board of Directors and are expected to help improve the effectiveness of audits and supervision compared with corporate auditors. We believe that this will lead to the enhancement of corporate governance.

Our Articles of Incorporation stipulate that the number of Directors shall be seven or less (excluding Directors serving as Audit and Supervisory Committee members) and that the number of Directors serving as Audit and Supervisory Committee members shall be three or less. As of the date of filing of this annual securities report, the Board of Directors consists of five Directors (excluding Directors who are Audit and Supervisory Committee members): Akito Mizuno, Daisuke Fukumoto, Takeshi Shichijo, Osamu Sano, and Yuko Arai. There are three Directors serving as Audit and Supervisory Committee members: Takuhei Hara, Shunsaku Yamazoe, and Akiko Hosokawa.

Of the five Directors (excluding Directors serving as Audit and Supervisory Committee members), four are Directors who execute business, including the President, and one is Yuko Arai, an Outside Director. We believe that the size of the current Board of Directors is appropriate, and we evaluate that the speed of management decisions has increased and the effects of organization change have been enhanced. Furthermore, we have proposed “Appointment of five directors (excluding Directors serving as Audit and Supervisory Committee members)” as an agenda item (resolution) for the Ordinary General Meeting of Shareholders to be held on June 20, 2025. If this proposal is passed, four directors (excluding directors who are members of the Audit and Supervisory Committee) will be reappointed based on the situation as of the filing date, and Takumi Nakata will be newly appointed as a Director, Managing Executive Officer.

Of the three Directors serving as Audit and Supervisory Committee members, Takuhei Hara is a full-time Audit and Supervisory Committee member, and Shunsaku Yamazoe and Akiko Hosokawa are part-time Outside Directors. The Audit and Supervisory Committee audits and supervises the status of business execution over the entire Group, including the execution of duties by Directors, by using the internal control system. In addition, the Audit and Supervisory Committee members endeavor to improve the efficiency of auditing in close cooperation with the Accounting Auditors.

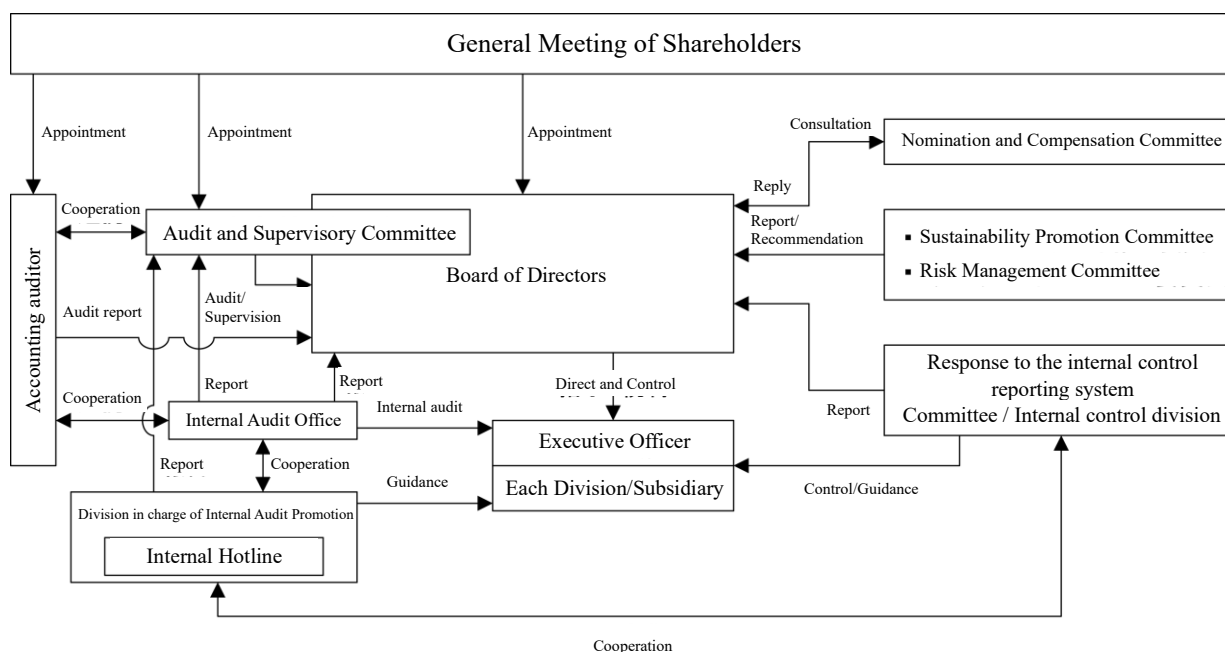
Outside Directors are expected to express their opinions at the Board of Directors’ meetings with an open mind from an objective and neutral standpoint without being bound by industry practices and business relations. We believe that they help improve the rationality and transparency of the decision making and management decisions of the Board of Directors. Currently, the ratio of Outside Directors on the Board of Directors is 37.5%.

The Nomination and Compensation Committee has been established as a voluntary advisory body to the Board of Directors, which is equivalent to the Nomination Committee and the Compensation Committee. The Nomination and Compensation Committee consists of three Outside Directors (Yuko Arai, Shunsaku Yamazoe, and Akiko Hosokawa) and one internal Director (Akito Mizuno) and is chaired by Akito Mizuno. This Committee deliberates on and responds to consultation by the Board of Directors on the appointment of Directors, the appointment and dismissal of executives, and the remuneration system and amount of remuneration for Directors and Executive Officers.

In addition, the Company has introduced an executive officer system. Under this system, the Board of Directors fulfills the function of strategy formulation and management supervision, and Executive Officers are responsible for business execution, thereby aiming to ensure management transparency and speed up decision making. Executive Officers (Akito Mizuno, Daisuke Fukumoto, Takeshi Shichijo, Osamu Sano, Tetsuya Ozaki, Takumi Nakata, Tsuyoshi Watanabe, Shinichi Saito, Yoshihiro Murakami, Kunihiro Omori, Shuichi Naganuma, Mitsuhiro Okamoto, and Hirokazu Fujie) are responsible for each management area of the business divisions (merchandise and their product items), sales channels, market areas (including overseas), and subsidiaries. They are also responsible for business execution in the management areas supervised across the entire Group. Furthermore, we have proposed “Appointment of five directors (excluding Directors serving as Audit and Supervisory Committee members)” as an agenda item (resolution) for the Ordinary General Meeting of Shareholders to be held on June 20, 2025. If this proposal is passed, the constitution of executive officers will be 14: Akito Mizuno, Takeshi Shichijo, Osamu Sano, Takumi Nakata, Tetsuya Ozaki, Tsuyoshi Watanabe, Shinichi Saito, Yoshihiro Murakami, Kunihiro Omori, Shuichi Naganuma, Mitsuhiro Okamoto, Hirokazu Fujie, Tomohiro Ota, and Kenji Itabashi.

The Company maintains Executive Officers’ liabilities insurance as stipulated in the provisions of Article 430-3, Paragraph 1 of the Companies Act with an insurance company. Under the relevant insurance policy, damages and litigation costs incurred by the insured person due to a claim for damages caused by an act (including omission) carried out in the capacity of an Officer of the Company will be covered. The Company bears all insurance premiums for the insured persons.

The following diagram illustrates the outline of our corporate governance system.



<Other Matters>

a. Status of development of internal control system

Mizuno Corporation designs and operates the internal control system of the Mizuno Group, including its subsidiaries, in accordance with the “System for ensuring the appropriateness of business” (basic policy for the design of the internal control system), which was established by a resolution of the Board of Directors of the Company. It is clarified that subsidiaries should perform their business activities and operate their risk management system under the same policy management as Mizuno Corporation.

In addition, to ensure the reliability of financial reporting relating to the consolidated financial results, the Response Committee for the Internal Control Reporting System, chaired by the Representative Director, is in charge of the design, operation, and evaluation of the internal control system across all organizations of the Group based on the Internal Control Regulations. During the current consolidated fiscal year, the internal control system functioned properly and no deficiencies were detected.

To promptly announce information that should be disclosed in a timely manner, such as material facts relating to the Group upon decision of the Board of Directors, the Executive Director in charge of accounting and finance thoroughly manages information as the person responsible for handling information. In particular, stock trading by Officers and other insiders is strictly controlled through monitoring and is rigorously supervised to prevent the occurrence of insider trading.

b. Status of development of risk management system

To clarify the responsibility system for risk management, the Company has established the Risk Management Committee, chaired by the President and Representative Director. Based on the Risk Management Regulations, the Risk Management Committee is responsible for overseeing the risk management of the Group concerning evaluation, implementation of countermeasures, and information disclosure by identifying all types of risks associated with business activities.

Each department and subsidiary of the Company conducts training and prepares manuals on risk management to ensure a system whereby various foreseeable risks can be responded to in each field. We have also prepared the Crisis Management Manual, which explains how to detect and respond to natural disasters, sabotage from outside the Company and fraud.

c. Status of development of a system to ensure appropriate business conduct by subsidiaries

Regarding the management execution of subsidiaries, the Company's regulation stipulates that the Company's Board of Directors, Executive Directors, or Executive Officers shall be responsible for the approval and decision of any matters of high qualitative and monetary importance while respecting the independence and expertise of the management executors of the subsidiaries. Therefore, we believe that the appropriateness of business of the subsidiaries will not be undermined.

In addition, the Sustainability Promotion Committee, chaired by the Executive Officer in charge of human resources and general affairs, decides and implements policies and plans concerning the Group's social responsibility. The decisions made by the Sustainability Promotion Committee will be expanded to all departments of the Company and all business bases of the Group after specific goals are fixed.

(iii) Basic Policy for Corporate Control

The Company has resolved a basic policy regarding the ideal state of the person who controls the decisions of the Company's financial and business policies (Article 118, Item 3 (a) of the Regulation for Enforcement of the Companies Act) and special efforts to realize this basic policy (Article 118, Item 3 (b) of the same act.)

a. Basic policies regarding persons who control the decisions of financial and business policies of the Company

The Board of Directors of the Company as a public company believes that it is desirable that a person who controls the decision of the Company's financial and business policies should be the one who contributes to securing and improving the corporate value of the Company and also the common interests of shareholders. Ultimately, the judgment of appointment should be left to the will of our shareholders.

On the other hand, in managing the Company, the controlling company of the Group, which develops businesses such as the manufacture and sale of sporting goods and the operation of sports facilities on a global scale, it is essential to have specialized know-how and abundant experience while understanding the relationships established with domestic and overseas customers, employees, and business partners, as well as stakeholders, including athletes, teams, organizations, and federations specific to the sports industry. We believe that shareholder value would be damaged if "a person who controls the decisions of the Company's financial and business policies" does not thoroughly understand these matters.

Amid the increasingly intensifying competition, the Group must continue to exist in the sports market as a "characteristic brand."

At the core of our brand value is a sense of trust in our products, including "technology," "craftsmanship," and "quality." Product development is the most important factor in increasing our brand value in order to foster such a sense of trust. In the research and development of sporting goods, we have gone through many development processes, from basic research of materials to commercialization, and over a long period of time, we have accumulated technology and know-how and trained engineers.

Furthermore, in order to link overseas and domestic businesses and build a competitive advantage business model, we will optimize overseas production bases to consistently reduce product costs and maintain and take over the level of the core production technology.

In addition, the Group has continued its efforts to create a corporate culture and company spirit (our uniqueness) that strengthens emotional connections with our customers. Our corporate culture emphasizes efforts for the education of employees, values fair play, friendship and fighting spirit, and does not allow unfair acts. We have also been actively working for a long time to contribute to society by supporting local sports organizations and conducting sports promotion activities such as training leaders. These corporate cultures and company spirit have helped increase trust in the Group and the Mizuno brand among our business partners, consumers, and various sports organizations.

As described above, the intangible added value of trust has been built by the Group's employees and corporate culture and plays a major role in improving corporate value as a brand asset.

Unless these tangible and intangible assets, which have been built up over 100 years, are preserved and their value is improved in the medium to long term under the control of a person who carries out a large-scale purchase that controls our financial and business policy decisions, we believe that the corporate value of the Company and the common interests of shareholders will be seriously damaged. Therefore, if it is recognized that there is a risk of damaging the corporate value of the Company and the common interests of shareholders, we believe that such a large-scale purchase is inappropriate.

b. Our initiatives for the realization of the basic policy

Based on our management philosophy of “Contributing to society through the advancement of sporting goods and the promotion of sports,” we are working to improve corporate value in line with the following long-term management policy.

- Co-creation of brands that will continue into the future
- Realization of Mizuno, a global company
- Fostering a proud corporate culture

Since our foundation, we have endeavored to increase user satisfaction by enhancing the quality and functions of our products. And, with the power of sports as the driving force to realize a sustainable society, we will continue to have all employees create the Mizuno brand, together with all customers and stakeholders. To that end, we will endeavor to become a global company through cross-border collaboration, aiming to maximize the corporate value of the entire Group, and, under fair corporate activities, we will foster a challenging and vibrant corporate culture. In addition, we have set the following medium- to long-term priority goals and will effectively utilize management resources to improve corporate value in order to achieve the goals.

<Increase Market Share in Overseas Markets>

We believe that it is important to aggressively promote technologies and functionality that have already been highly evaluated by further strengthening and promoting our marketing activities in overseas markets. We will enhance brand awareness and increase our market share in overseas markets such as Europe, the Americas, Asia, and Oceania, centering on “specialty store channels,” where end users who pursue a high level of performance are the target customers.

<Enhance Product Development Capability>

As a source of brand differentiation, we will aggressively invest human resources and funds in research and development. The global market for sports shoes, which is backed by excellent technologies, and the domain of sports apparel, which makes full use of sewing technology that can demonstrate various functionalities, in addition to the development and adoption of new materials, have an extremely large market globally. We believe there is greater room for sales expansion in the future. Therefore, we will increase the weight of management resource allocation for the development of these product domains.

In addition, a new R&D center, MIZUNO ENGINE, started operation in November 2022. We will accelerate our research and development activities by rotating the processes of “measure,” “create,” and “test” at high speed.

<Strengthen Efforts for Health-related Businesses>

In Japan, as the birthrate declines and the aging population rapidly increases, it is expected that the population composition ratio of elderly people will increase, and people’s awareness of health will rise, which will result in an increase in opportunities for activities for such purpose. By fully responding to demand for day-to-day sports and training, we will provide products and services that meet such demand based on the technology and know-how we have cultivated in competitive sports and create social innovation through sports.

c. Initiatives to prevent decisions regarding the Company's financial and business policies from being controlled by inappropriate parties in light of the basic policy

At the Board of Directors meeting held on February 8, 2019, the Company resolved not to continue the “Policy on Large-Scale Purchases of the Company's Shares (Takeover Defense Measures)” and abolished the policy following the completion of the first Board of Directors meeting held on June 20, 2019 after the completion of Ordinary General Meeting of Shareholders held on the same day, when the effective period of the policy expired. However, in the event of a large-scale purchase that could damage the Company's corporate value and the common interests of shareholders, the Company will request the party conducting such large-scale purchase to provide necessary and sufficient time and information for shareholders to make an appropriate judgment for or against such purchase and take appropriate measures from time to time within the scope permitted by the Financial Instruments and Exchange Act, the Companies Act, and other relevant laws and regulations, while respecting the opinions of independent outside directors.

The above initiatives are aimed at realizing our basic policy and enhancing our corporate value and the common interests of our shareholders. Therefore, we believe the above initiatives are in line with our basic policy, are in the common interests of our shareholders, and are not intended to maintain the positions of our officers.

(iv) Matters relating to Directors

a. Number of Directors

Our Articles of Incorporation stipulate that the number of Directors of the Company shall be not more than seven (excluding Directors serving as Audit and Supervisory Committee members) and that the number of Directors serving as Audit and Supervisory Committee members shall be not more than three.

b. Requirement for appointment of Directors

The Articles of Incorporation stipulate that the resolution to appoint Directors shall be made by a majority vote of the voting rights of shareholders present at a general meeting of shareholders, where such shareholders present shall hold shares representing one-third or more of the voting rights of all shareholders who are entitled to exercise such voting rights. The Articles of Incorporation also stipulate that a resolution to appoint Directors shall not be adopted by cumulative voting.

(v) Matters Concerning the Resolution of the General Meeting of Shareholders

a. Resolutions of the General Meeting of Shareholders that can be resolved by the Board of Directors

(1) Acquisition of Treasury Shares

In accordance with the Articles of Incorporation, the Company may acquire its own shares through market transactions, etc. by a resolution of the Board of Directors, pursuant to the provisions of Article 165, Paragraph 2 of the Companies Act, in order to implement agile capital policies in response to changes in the business environment.

(2) Exemption of Directors from Liability

Pursuant to the provision of Article 426, Paragraph 1 of the Companies Act, the Company stipulates in its Articles of Incorporation that it may exempt liability for remuneration for Directors (including those who were Directors) up to the limit amount provided for by laws and ordinances, as set forth in Article 423, Paragraph 1 of the same act, by a resolution of the Board of Directors in order for Directors to fully demonstrate their abilities and fulfill their expected roles in performing their duties.

The Articles of Incorporation also stipulate that the Company may enter into a liability limitation agreement with Directors who do not engage in business execution so that the Company can invite useful human resources as Outside Directors, who will be able to perform their expected roles. As of the date of the filing of this report, we have not concluded any liability limitation agreements.

(3) Exemption from Liability of Accounting Auditor

In accordance with the provision of Article 427, Paragraph 1 of the Companies Act, the Company specifies in its Articles of Incorporation that it may enter into an agreement that limits the liability of the Accounting Auditor as provided for in Article 423, Paragraph 1 of the same act, provided that the duties were performed in good faith and with no gross negligence, considering the externality of the Accounting Auditor and limiting the risks within a reasonable range so that the Accounting Auditor can fully demonstrate his/her ability and play the expected role in performing his/her duties. We have not concluded a liability limitation agreement yet.

(4) Interim Dividend

In order to flexibly return profits to shareholders, the Articles of Incorporation stipulate that the Company may pay an interim dividend with September 30 as the record date every year by a resolution of the Board of Directors pursuant to the provisions of Article 454, Paragraph 5 of the Companies Act.

b. Special resolution requirements for a General Meeting of Shareholders

In order to ensure the smooth proceedings of the general meeting of shareholders by relaxing the quorum for special resolutions at the general meeting of shareholders, the Articles of Incorporation stipulate that the resolutions that should be made pursuant to the provisions of Article 309, Paragraph 2 of the Companies Act can be made with the attendance of shareholders who hold one-third or more of their voting rights and two-thirds or more of such voting rights.

(vi) Status of the Board of Directors

The Board of Directors convened 23 meetings during the current fiscal year. The status of attendance by individual directors and main matters considered were as follows. The Nomination and Compensation Committee, which is voluntarily established, convened two meetings.

<Attendance status of individual Directors>

Position	Name	Status of attendance
President and Representative Director	Akito Mizuno	23 of 23 (attendance rate: 100%)
Senior Managing Executive Officer, Representative Director	Daisuke Fukumoto	23 of 23 (attendance rate: 100%)
Director, Senior Managing Executive Officer	Takeshi Shichijo	23 of 23 (attendance rate: 100%)
Director, Managing Executive Officer	Osamu Sano	23 of 23 (attendance rate: 100%)
Outside Director	Kozo Kobashi	6 of 6 (attendance rate: 100%)
Outside Director	Yuko Arai	17 of 17 (attendance rate: 100%)
Director (Full-time Audit and Supervisory Committee member)	Takuhei Hara	23 of 23 (attendance rate: 100%)
Outside Director (Audit & Supervisory Committee member)	Shunsaku Yamazoe	23 of 23 (attendance rate: 100%)
Outside Director (Audit & Supervisory Committee member)	Akiko Hosokawa	23 of 23 (attendance rate: 100%)

We have proposed “Appointment of five directors (excluding Directors serving as Audit and Supervisory Committee members)” as an agenda item (resolution) for the Ordinary General Meeting of Shareholders to be held on June 20, 2025. If this proposal is passed, the constitution of the Board of Directors will be the following eight members:

Akito Mizuno
Takeshi Shichijo
Osamu Sano
Takumi Nakata
Yuko Arai (Outside Director)
Takuhei Hara
Shunsaku Yamazoe (Outside Director)
Akiko Hosokawa (Outside Director)

<Main Matters Considered by the Board of Directors>

- Determination of agenda to be proposed by the Company at the general meeting of shareholders
- Determination of agenda on year-end dividend and interim dividend amount
- Report on status of Accounting Audit
- Report on audit by the Audit and Supervisory Committee, status of internal audits, and internal control evaluation results
- Determination of evaluation and remuneration amount of directors and executive officers
- Appointment of directors and executive officers
- Reports on financial results and accounting audits
- Review and determination of important business directions and policies
- Review and determination of important investments, real estate acquisitions and sales
- Enactment, revision or abolition of important regulations and systems
- Determination of medium-term management plan and fiscal budget
- Review and determination of establishment and modification of subsidiaries and other important organizations

(2) [Directors and Audit & Supervisory Board Members]

(i) List of Officers

(A) As of June 19, 2025 (the filing date of this annual securities report), the status of our officers is as follows:

Six males and two females (Female Officers account for 25.0% of all officers.)

Title and Position	Name (Date of Birth)	Career		Term of Office	Number of Shares Held (Thousand)
President and Representative Director	Akito Mizuno (August 25, 1949)	August 1975 December 1982 May 1984 May 1986 June 1990 June 1994 June 1998 June 2006	Joined the Company Senior Manager, Marketing Dept., Senri Business Division of the Company Director of the Company Managing Director of the Company Senior Managing Director of the Company Executive Vice President of the Company Executive Vice President and Representative Director of the Company President and Representative Director of the Company (current position)	Note 2	123
Senior Managing Executive Officer, Representative Director	Daisuke Fukumoto (June 27, 1957)	March 1981 April 2001 June 2003 June 2004 June 2005 June 2008 June 2011 December 2011 June 2013 September 2014 October 2015 June 2016 June 2022 January 2023	Joined the Company Senior Manager, Accounting and Finance Dept. Director of the Company In charge of Accounting and Finance In charge of Retail Sales In charge of Logistics Administration In charge of Information Systems, European Business Managing Director of the Company Chairman of Mizuno (Taiwan) Corporation (current position) Senior Managing Director of the Company Chairman of Mizuno Norge AS In charge of Internal Audit of the Company Senior Managing Executive Officer of the Company Representative Director and Senior Managing Executive Officer of the Company (current position) In charge of Global IT/Digital DTC Management (current position)	Note 2	21
Director, Senior Managing Executive Officer	Takeshi Shichijo (October 27, 1961)	March 1984 March 2005 October 2010 June 2012 June 2013 June 2015 June 2016 January 2017 October 2018 June 2021 June 2022 June 2023	Joined the Company Senior Manager, Athletic Division, Marketing Dept. of the Company Division Manager, Apparel Planning & Production Division of the Company Director of the Company In charge of Global Apparel Products (current position) Chairman of SHANGHAI MIZUNO CORPORATION LTD. (current position) In charge of Global Footwear Product (current position) Managing Executive Officer of the Company In charge of South American Business (current position) In charge of Global Marketing In charge of Competition Sports Business (current position) Director and Managing Executive Officer of the Company Senior Managing Executive Officer of the Company (current position)	Note 2	14
Director, Managing Executive Officer	Osamu Sano (March 8, 1962)	March 1984 October 2006 March 2011 March 2013 January 2017 March 2020 June 2021 June 2022 January 2023 January 2024	Joined the Company Senior Manager, Golf Division, Marketing Dept. of the Company Senior Manager, Business Reform Office of the Company Senior Manager, Corporate Planning Office of the Company Executive Officer of the Company In charge of North American Business (current position) Director (CEO) of MIZUNO USA INC. (current position) Chairman of the Board of Mizuno Canada Ltd. (current position) In charge of Golf Business Managing Executive Officer of the Company In charge of Corporate Communication In charge of EMEA Business In charge of Asia/Oceania Business Director and Managing Executive Officer of the Company (current position) In charge of Global Corporate & Marketing (current position) In charge of Golf Marketing (current position)	Note 2	10

Title and Position	Name (Date of Birth)	Career		Term of Office	Number of Shares Held (Thousand)
Director	Yuko Arai (January 27, 1961)	April 1979 April 2014 April 2016 June 2016 April 2021 June 2021 April 2022 June 2024	Joined ALL NIPPON AIRWAYS CO., LTD. Executive Officer of ALL NIPPON AIRWAYS CO., LTD. Senior Executive Officer of ALL NIPPON AIRWAYS CO., LTD. Director and Senior Vice President of ANA Sales Co., Ltd. (currently ANA Akindo Co., Ltd.) Outside Director of AICHI STEEL CORPORATION (current position) Director and Senior Vice President of ANA Akindo Co., Ltd. Outside Director of Daikin Industries, Ltd. (current position) Advisor of ANA Akindo Co., Ltd. (current position) Director of the Company (current position)	Note 2	—
Director (Audit and Supervisory Committee member)	Takuhei Hara (June 5, 1963)	March 1987 March 2008 January 2013 January 2019 June 2022	Joined the Company Senior Manager, Human Resources & General Affairs Dept. of the Company Senior Manager, Legal Affairs Office of the Company Deputy Division Manager, Sales Supervision Division of the Company Senior Manager, Customer Center of the Company Director of the Company (Audit and Supervisory Committee Member) (current position)	Note 3	7
Director (Audit and Supervisory Committee member)	Shunsaku Yamazoe (October 22, 1949)	April 1972 July 1993 June 2001 June 2007 June 2011 June 2013 June 2015 June 2016	Joined Sumitomo Realty & Development Co., Ltd. Senior Manager, Housing Sales Dept. 1, Sumitomo Real Estate Sales Co., Ltd. Director of Sumitomo Real Estate Sales Co., Ltd. Director and Managing Executive Officer of Sumitomo Real Estate Sales Co., Ltd. Senior Managing Executive Officer of Sumitomo Real Estate Sales Co., Ltd. Statutory Auditor of Sumitomo Real Estate Sales Co., Ltd. Director of the Company Director of the Company (Audit and Supervisory Committee Member) (current position)	Note 3	—
Director (Audit and Supervisory Committee member)	Akiko Hosokawa (October 16, 1963)	March 1994 December 2000 August 2002 June 2019 June 2020 June 2023	Registered as a certified public accountant Retired from Showa Ota & Co., Osaka Office (currently, Ernst & Young ShinNihon LLC) Outside Auditor of Soiken Holdings Inc. Audit Committee member of the Kobe City government (current position) Outside Director of the Company (Audit and Supervisory Committee Member) (current position) Outside Director of ALINCO INCORPORATED (current position)	Note 3	—
Total					176

- Notes: 1. Director Yuko Arai, Director (Audit and Supervisory Committee member) Shunsaku Yamazoe, and Director (Audit and Supervisory Committee member) Akiko Hosokawa are Outside Directors.
2. The term of office of a Director is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2025.
3. The term of office of a Director (Audit and Supervisory Committee member) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.
4. The structure of the Audit and Supervisory Committee is as follows.
Full-time Audit and Supervisory Committee member: Takuhei Hara
Audit and Supervisory Committee member (part-time): Shunsaku Yamazoe, Akiko Hosokawa
5. The Company has introduced an executive officer system for the purpose of clarifying the areas of responsibility for management supervision and business execution and speeding up decision making. The execution system is as follows.
President and Representative Director: Akito Mizuno
Senior Managing Executive Officers: Daisuke Fukumoto, Takeshi Shichijo
Managing Executive Officer: Osamu Sano
Executive Officers: Tetsuya Ozaki, Takumi Nakata, Tsuyoshi Watanabe, Shinichi Saito, Yoshihiro Murakami, Kunihiro Omori, Shuichi Naganuma, Mitsuhiro Okamoto, and Hirokazu Fujie

6. The Company has elected one director who is a substitute Audit and Supervisory Committee member in accordance with Article 329, Paragraph 3 of the Companies Act in case the number of Directors who are Audit and Supervisory Committee members is insufficient, as stipulated by laws and ordinances. The effective term of office of the substitute director (Audit and Supervisory Committee member) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the opening of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.

The name and biography of the substitute director who is an Audit and Supervisory Committee member is as follows.

Name (Date of Birth)	Career		Number of Shares Held (Thousand)
Kumi Takeda (January 17, 1971)	June 2006	Registered as a certified public accountant	—
	September 2016	Retired from KPMG AZSA LLC	
	July 2017	Representative of Takeda CPA Firm (current position)	
	March 2020	Outside Auditor of T.S.I Corporation (current position)	
	September 2020	Audit & Supervisory Board member of Kitayama Jutaku Hanbai Corporation (current position)	
	June 2022	Substitute Director of the Company (Audit and Supervisory Committee Member) (current position)	

(B) The Company has proposed “Appointment of five directors (excluding Directors serving as Audit and Supervisory Committee members)” as an agenda item (resolution) for the Ordinary General Meeting of Shareholders to be held on June 20, 2025. If this proposal is approved, the Company's status of officers will be as follows:

Six males and two females (Female Officers account for 25.0% of all officers.)

Title and Position	Name (Date of Birth)	Career		Term of Office	Number of Shares Held (Thousand)
President and Representative Director	Akito Mizuno (August 25, 1949)	August 1975 December 1982 May 1984 May 1986 June 1990 June 1994 June 1998 June 2006	Joined the Company Senior Manager, Marketing Dept., Senri Business Division of the Company Director of the Company Managing Director of the Company Senior Managing Director of the Company Executive Vice President of the Company Executive Vice President and Representative Director of the Company President and Representative Director of the Company (current position)	Note 2	123
Senior Managing Executive Officer, Representative Director	Takeshi Shichijo (October 27, 1961)	March 1984 March 2005 October 2010 June 2012 June 2013 June 2015 June 2016 January 2017 October 2018 June 2021 June 2022 June 2023 June 2025	Joined the Company Senior Manager, Athletic Division, Marketing Dept. of the Company Division Manager, Apparel Planning & Production Division of the Company Director of the Company In charge of Global Apparel Products (current position) Chairman of SHANGHAI MIZUNO CORPORATION LTD. (current position) In charge of Global Footwear Product (current position) Managing Executive Officer of the Company In charge of South American Business (current position) In charge of Global Marketing In charge of Competition Sports Business (current position) Director and Managing Executive Officer of the Company Senior Managing Executive Officer of the Company Representative Director and Senior Managing Executive Officer of the Company (current position)	Note 2	14
Director, Managing Executive Officer	Osamu Sano (March 8, 1962)	March 1984 October 2006 March 2011 March 2013 January 2017 March 2020 June 2021 June 2022 January 2023 January 2024	Joined the Company Senior Manager, Golf Division, Marketing Dept. of the Company Senior Manager, Business Reform Office of the Company Senior Manager, Corporate Planning Office of the Company Executive Officer of the Company In charge of North American Business (current position) Director (CEO) of MIZUNO USA INC. (current position) Chairman of the Board of Mizuno Canada Ltd. (current position) In charge of Golf Business Managing Executive Officer of the Company In charge of Corporate Communication In charge of EMEA Business In charge of Asia/Oceania Business Director and Managing Executive Officer of the Company (current position) In charge of Global Corporate & Marketing (current position) In charge of Golf Marketing (current position)	Note 2	10
Director, Managing Executive Officer	Takumi Nakata (December 1, 1965)	March 1990 January 2013 January 2015 January 2018 January 2021 May 2022 June 2025	Joined the Company Administration Manager, Mizuno Technics Corporation SHANGHAI MIZUNO CORPORATION LTD. DEPUTY GENERAL MANAGER President and Representative Director, Mizuno Technics Corporation Executive Officer of the Company In charge of Global Equipment Product (current position) In charge of Global Research and Development (current position) In charge of Quality Assurance (current position) Director and Managing Executive Officer of the Company (current position)	Note 2	5

Title and Position	Name (Date of Birth)	Career		Term of Office	Number of Shares Held (Thousand)
Director	Yuko Arai (January 27, 1961)	April 1979 April 2014 April 2016 June 2016 April 2021 June 2021 April 2022 June 2024	Joined ALL NIPPON AIRWAYS CO., LTD. Executive Officer of ALL NIPPON AIRWAYS CO., LTD. Senior Executive Officer of ALL NIPPON AIRWAYS CO., LTD. Director and Senior Vice President of ANA Sales Co., Ltd. (currently ANA Akindo Co., Ltd.) Outside Director of AICHI STEEL CORPORATION (current position) Director and Senior Vice President of ANA Akindo Co., Ltd. Outside Director of Daikin Industries, Ltd. (current position) Advisor of ANA Akindo Co., Ltd. (current position) Director of the Company (current position)	Note 2	—
Director (Audit and Supervisory Committee member)	Takuhei Hara (June 5, 1963)	March 1987 March 2008 January 2013 January 2019 June 2022	Joined the Company Senior Manager, Human Resources & General Affairs Dept. of the Company Senior Manager, Legal Affairs Office of the Company Deputy Division Manager, Sales Supervision Division of the Company Senior Manager, Customer Center of the Company Director of the Company (Audit and Supervisory Committee Member) (current position)	Note 3	7
Director (Audit and Supervisory Committee member)	Shunsaku Yamazoe (October 22, 1949)	April 1972 July 1993 June 2001 June 2007 June 2011 June 2013 June 2015 June 2016	Joined Sumitomo Realty & Development Co., Ltd. Senior Manager, Housing Sales Dept. 1, Sumitomo Real Estate Sales Co., Ltd. Director of Sumitomo Real Estate Sales Co., Ltd. Director and Managing Executive Officer of Sumitomo Real Estate Sales Co., Ltd. Senior Managing Executive Officer of Sumitomo Real Estate Sales Co., Ltd. Statutory Auditor of Sumitomo Real Estate Sales Co., Ltd. Director of the Company Director of the Company (Audit and Supervisory Committee Member) (current position)	Note 3	—
Director (Audit and Supervisory Committee member)	Akiko Hosokawa (October 16, 1963)	March 1994 December 2000 August 2002 June 2019 June 2020 June 2023	Registered as a certified public accountant Retired from Showa Ota & Co., Osaka Office (currently, Ernst & Young ShinNihon LLC) Outside Auditor of Soiken Holdings Inc. (current position) Audit Committee member of the Kobe City government (current position) Outside Director of the Company (Audit and Supervisory Committee Member) (current position) Outside Director of ALINCO INCORPORATED (current position)	Note 3	—
Total					161

- Notes: 1. Director Yuko Arai, Director (Audit and Supervisory Committee member) Shunsaku Yamazoe, and Director (Audit and Supervisory Committee member) Akiko Hosokawa are Outside Directors.
2. The term of office of a Director is from the time of appointment at the Ordinary General Meeting of Shareholders on June 20, 2025, to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.
3. The term of office of a Director (Audit and Supervisory Committee member) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.
4. The structure of the Audit and Supervisory Committee is as follows.
Full-time Audit and Supervisory Committee member: Takuhei Hara
Audit and Supervisory Committee (part-time): Shunsaku Yamazoe, Akiko Hosokawa
5. The Company has introduced an executive officer system for the purpose of clarifying the areas of responsibility for management supervision and business execution and speeding up decision making. The execution system is as follows.
President and Representative Director: Akito Mizuno
Senior Managing Executive Officer: Takeshi Shichijo
Managing Executive Officers: Osamu Sano, Takumi Nakata
Executive Officers: Tetsuya Ozaki, Tsuyoshi Watanabe, Shinichi Saito, Yoshihiro Murakami, Kunihiro Omori, Shuichi Naganuma, Mitsuhiro Okamoto, Hirokazu Fujie, Tomohiro Ota and Kenji Itabashi

6. The Company has elected one director who is a substitute Audit and Supervisory Committee member in accordance with Article 329, Paragraph 3 of the Companies Act in case the number of Directors who are Audit and Supervisory Committee members is insufficient, as stipulated by laws and ordinances. The effective term of office of the substitute director (Audit and Supervisory Committee member) is from the conclusion of the Ordinary General Meeting of Shareholders for the fiscal year ended March 2024 to the opening of the Ordinary General Meeting of Shareholders for the fiscal year ending March 2026.

The name and biography of the substitute director who is an Audit and Supervisory Committee member is as follows.

Name (Date of Birth)	Career		Number of Shares Held (Thousand)
Kumi Takeda (January 17, 1971)	June 2006	Registered as a certified public accountant	—
	September 2016	Retired from KPMG AZSA LLC	
	July 2017	Representative of Takeda CPA Firm (current position)	
	March 2020	Outside Auditor of T.S.I Corporation (current position)	
	September 2020	Audit & Supervisory Board member of Kitayama Jutaku Hanbai Corporation (current position)	
	June 2022	Substitute Director of the Company (Audit and Supervisory Committee Member) (current position)	

(ii) Outside Officers

a. Appointment of Outside Directors

The Company has three Outside Directors, two of whom are Directors who are Audit and Supervisory Committee members.

b. Personal relationships, capital relationships or business relationships and other interests of Outside Directors

There are no personal, capital, business, or other interests between Yuko Arai, Shunsaku Yamazoe, or Akiko Hosokawa, all of whom are Outside Directors, and the Company.

c. Reasons for adopting the current system

Outside Directors are required to carry out management supervision from an objective standpoint based on fair judgment by eliminating prejudices concerning traditional practices of industries and business relationships. We select personnel expecting that they will speak and act independently and neutrally from the viewpoint of general shareholders by keeping a certain distance from business execution.

Ms. Yuko Arai has long been involved in the management execution of All Nippon Airways Co., Ltd., which operates a global business, and ANA Akindo Co., Ltd. in a key position in the sales division. The Company has appointed her as an Outside Director with the expectation that she will contribute to strengthening the supervisory function over management in general with her recommendations and advice based on her abundant experience and broad knowledge.

Mr. Shunsaku Yamazoe has been engaging in the management execution of a listed company for a long time and has contributed to the revitalization of the Board of Directors of the Company through his abundant experience and suggestions and advice based on excellent judgment. In addition, as an Outside Director who is an Audit and Supervisory Committee member, he has contributed to securing the soundness of the Company's management execution, based on his experience as a corporate auditor fulfilling the role of auditing and supervising management execution.

Ms. Akiko Hosokawa has been providing useful advice and recommendations to the Board of Directors based on her experience and broad knowledge as a certified public accountant and contributing to strengthening the functions of the Board of Directors by her objective and neutral auditing on management execution, mainly from the viewpoint of corporate finance and accounting.

In addition, the above three persons are not in a position to cause conflicts of interest with general shareholders in light of the "Criteria and Policies for Appointment of Outside Officers to Ensure Independence" established by the Company, and we have determined that they are neutral and independent. Therefore, we have appointed them as independent officers as stipulated in the rules of the Tokyo Stock Exchange.

d. Criteria or policies for appointment of Outside Directors to ensure independence

The Company has established the criteria of independence to select candidates for Outside Directors.

We have set the highest priority requirement that there be no conflict of interest between an Outside Officer and general shareholders, and we will exclude those who fall under the following attributes from the selection.

- (1) A person who was an Officer or an employee of the Group.
- (2) A major business partner of the Group, a business executor or a person who was a business executor of such business partner in the past.
 - * Major business partners: Business partners whose annual transaction amount is 5% or more of the Group's consolidated net sales
 - Business executors: Directors, Officers and Executive Officers, and those equivalent thereto. (Hereinafter, the same shall apply.)
- (3) Companies, etc. whose major business partner is one of the Group companies, or a person who is or was a business executor of such companies.
 - * Companies, etc. whose main business partner is one of the Group companies: The business partners whose annual transaction amount is 5% or more of the consolidated sales of the relevant company, etc.
- (4) Major shareholders of the Company (holding 10% or more of the voting rights of all shareholders whether having a direct or indirect holding) or a business executor or a person who was a business executor of such major shareholder in the past
- (5) Persons who receive cash, etc. (including donations) equivalent to 10 million yen or more from the Group, excluding remuneration for officers, or persons who received it in the past
- (6) Spouses of persons in each of the items above or relatives within the second degree of kinship

(iii) Mutual Cooperation of Oversight or Audit Performed by Outside Directors with Internal Audit, Audit by the Audit and Supervisory Committee and Accounting Audit, and Relationships with Internal Control Departments

Outside Directors and Outside Directors who are the Audit and Supervisory Committee members receive reports on internal audits and audits by the Audit and Supervisory Committee through the Board of Directors and the Audit and Supervisory Committee. The internal control department monitors the internal control system of the entire group, including subsidiaries, and reports the audit results to the Audit and Supervisory Committee on a monthly basis from the Internal Audit Office, and on a quarterly basis from the Accounting Auditor, while exchanging information.

(3) [Status of Audit]

(i) Status of Audit by the Audit and Supervisory Committee

The Audit and Supervisory Committee of the Company consists of three Directors who are Audit and Supervisory Committee members, including one full-time Audit and Supervisory Committee member and two outside Audit and Supervisory Committee members. Shunsaku Yamazoe, an Outside Audit and Supervisory Committee member, has extensive experience and knowledge as a business executive and corporate auditor, and Akiko Hosokawa, a certified public accountant, has specialized knowledge and abundant experience in finance and accounting.

In addition to attending the Board of Directors meetings, all Audit and Supervisory Committee members attend the Executive Board Meeting, the Management Meeting, etc., held at least once a month to monitor the status of management execution appropriately. In principle, the Audit and Supervisory Committee, which meets at least once a month, receives monthly reports from the four departments (the Global Human Resources and General Affairs Department, the Accounting and Finance Department, the Legal Department, and the Internal Audit Office) in charge of promoting internal audits and exchanges opinions, in addition to the reports from the full-time Audit and Supervisory Committee members, and exchanges opinions, thereby carrying out systematic audits in close cooperation with the Accounting Auditor, as necessary.

In compliance with the auditing standards of the Audit and Supervisory Committee, the Company conducted audits focusing on the following points in the current fiscal year.

- Audit and supervise the status of design and operation of the risk management and the compliance systems
- Audit and supervise the status of improvement and progress on important management issues
- Audit and supervise the internal control system of the Group's companies

The Audit and Supervisory Committee convened 15 meetings during the current fiscal year. The status of attendance by individual members of the Audit and Supervisory Committee and the main matters considered were as follows.

<Attendance status of individual Audit and Supervisory Committee members>

Position	Name	Status of attendance
Director (Full-time Audit and Supervisory Committee member)	Takuhei Hara	15 of 15 (attendance rate: 100%)
Outside Director (Audit & Supervisory Committee member)	Shunsaku Yamazoe	15 of 15 (attendance rate: 100%)
Outside Director (Audit & Supervisory Committee member)	Akiko Hosokawa	15 of 15 (attendance rate: 100%)

<Specific consideration, including resolutions, deliberations, and discussions by the Audit and Supervisory Committee>

- Audit policy, audit plan, priority audit items, and division of duties
- Confirmation of the status of execution of duties by Directors, formation of opinions on appointment of directors, remuneration, etc.
- Consent on the evaluation and reappointment or non-reappointment of the Accounting Auditor, and determination of the audit fee of the Accounting Auditor
- Legality and appropriateness of audit reports by the Audit and Supervisory Committee, proposals at the General Meeting of Shareholders, and reference documents
- Status of progress and countermeasures of important management issues for medium-term growth
- Status of operation and handling of the internal control and the risk management systems
- Interviews with directors, executive officers, heads of major departments, etc., and planning and results confirmation of auditing at business establishments and subsidiaries
- Proactive measures for non-guarantee business by the Accounting Auditor group
- Confirmation of the effectiveness of the system, including the record of whistleblowing and its operational status
- Evaluation of the effectiveness of the Audit and Supervisory Committee and confirmation of issues based on self-evaluation by each Audit and Supervisory Committee member
- Discussion with the Accounting Auditors on Key Audit Matters and confirmation of audit status
- Status report of audit, etc., by a Full-time Audit and Supervisory Committee member (monthly)
- Report from the department in charge of internal audit promotion (monthly)

The Audit and Supervisory Committee strives to appropriately monitor the status of management execution through hearings with Representative Directors and Directors and attendance at important meetings. In addition, the Audit and Supervisory Committee conducts systematic audits in close cooperation with the Internal Audit Office and the Accounting Auditor, including onsite visits to the head office and major business sites of subsidiaries and interviews with Executive Officers and Department Heads. The status of attendance at important meetings and the main points of cooperation with the Accounting Auditor are as follows.

<Status of Attendance at Important Meetings>

Name of meeting	Frequency	Status of attendance
Executive Board Meeting	Twice a month	All members attended every time.
Management Meeting	Once a month	All members attended every time.
Risk Management Committee	Once a month	A full-time Audit and Supervisory Committee member attended every time (in principle).
Sustainability Promotion Committee	Twice a year	A full-time Audit and Supervisory Committee member attended every time (in principle).

<Status of Main Cooperation with Accounting Auditor>

- Explanation and exchange of opinions on audit policies, audit plans and audit reports (as needed)
- Explanation and exchange of opinions on interim review and progress of audit during the period (three times a year)
- Exchange of opinions on key audit considerations (Key Audit Matters) (as needed)
- Explanation and exchange of opinions on handling of non-assurance service, and individual response to each case (as needed)
- Exchange of information and opinions on trends related to sustainability information disclosure (as needed)

Based on the characteristics of a full-time committee member, the full-time Audit and Supervisory Committee member proactively works to improve the audit environment and collect information in the Company and routinely monitors and verifies the status of construction and operation of the internal control system, sharing information and maintaining good communication with the other Audit and Supervisory Committee members. The main activities, etc. of the full-time Audit and Supervisory Committee members are as follows.

<Main Activities, etc., of Full-time Audit and Supervisory Committee Members>

- Collect internal information and report monthly on the status of audits, etc. at the Audit and Supervisory Committee
- Interviews and exchange of opinions with the heads of Division in charge of Internal Audit Promotion
- Attendance at important meetings such as the regular debriefing session of the Internal Audit Office and the Risk Management Committee
- Attendance at major subsidiaries' Board of Directors' meetings, management meetings, etc., auditing at subsidiary offices, and meetings with the responsible person at subsidiaries
- Planning of audits at subsidiaries and coordination with related divisions, etc.

(ii) Status of Internal Audit

The internal audit of the Group is conducted by the Company's Internal Control Office, consisting of nine staff members, and a cooperative system is established with the Legal Department, the Accounting and Finance Department, and the Personnel and General Affairs Department, which collect information and conduct investigations. The Internal Audit Office conducts internal audits to ascertain the validity and legality of business execution and procedures, and it reports the results to the Representative Directors, the Board of Directors, and the Audit and Supervisory Committee, who chair the "Response Committee for the Internal Control Reporting System." In order to ensure the effectiveness of audits by the Audit and Supervisory Committee, the Board of Directors requests the Internal Audit Office to collect necessary information and conduct investigations and presents the information collected and the results of investigations conducted by the Internal Audit Office to the Audit and Supervisory Committee. Thus, the Board of Directors and the Audit and Supervisory Committee closely coordinate with each other by exchanging information and opinions. Furthermore, the Internal Audit Office coordinates with the Accounting Auditor by having the opportunity to exchange information and opinions regarding internal audits.

For the purpose of confirming the status of the design and operation of internal control, the internal auditors attend meetings and inspect documents as appropriate to check the appropriateness of transactions and the decisions that are made in the process of the transactions. They also ask for explanations from the relevant divisions as needed to improve the effectiveness of the internal audits.

(iii) Status of Accounting Audit

a. Auditing firm

Ernst & Young ShinNihon LLC

b. Consecutive audit period

Since the fiscal year ended February 1976

c. Certified public accountant who performed the audit

Mr. Naoya Nishino

Ms. Miho Ueda

d. Composition of assistants involved in auditing operations

12 certified public accountants, six persons who passed the CPA exam, and 16 others were involved in the audit of the financial statements as assistants.

e. Policy and reasons for selecting an audit firm

In selecting and evaluating an audit corporation, the Audit and Supervisory Committee of the Company makes a comprehensive decision based on the following criteria: (1) having a certain scale and a global network that can carry out an efficient audit corresponding to the wide range of operations of the Company; (2) having an appropriate auditing system; (3) having an appropriate level of independence and expertise; (4) the number of audit days, audit period, specific audit implementation guidelines, and audit fees being reasonable and appropriate; and (5) having past audit accomplishments.

The Audit and Supervisory Committee will dismiss the Accounting Auditor at the discretion of the Audit and Supervisory Committee if it determines that the Accounting Auditor falls under any of the items of Article 340, Paragraph 1 of the Companies Act. In addition, regarding the reappointment of the Accounting Auditor, the Committee will consider the eligibility, validity, independence, and performance of duties of the Accounting Auditor in each fiscal term in light of its own evaluation criteria. As a result, if the non-reappointment is deemed appropriate, the Audit and Supervisory Committee will decide the content of the agenda to be submitted to the general meeting of shareholders regarding the non-reappointment of the Accounting Auditor.

f. Evaluation of the auditing firm by the Audit and Supervisory Committee

Based on paragraph e. above and the "Practical Guidelines for Auditors, etc. Regarding Evaluation of Accounting Auditors and the Formulation of Selection Criteria" published by the Japan Audit & Supervisory Board Members Association, the Audit and Supervisory Committee has confirmed that there were no grounds for dismissal or non-reappointment of Ernst & Young ShinNihon LLC as a result of comprehensive considerations of the said Accounting Auditor's performance of duties, etc. following the receipt of reports from the Accounting Auditor on the audit plan, the status of implementation of audits, the system for ensuring appropriate performance of duties, and quality control standards relating to audits, etc.

(iv) Audit Fees

a. Fees paid to Auditing Certified Public Accountants, etc.

Category	Previous Consolidated Fiscal Year		Current Consolidated Fiscal Year	
	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)
The Company	53	—	55	—
Consolidated subsidiaries	—	—	—	—
Total	53	—	55	—

There are no applicable items regarding fees paid based on non-audit services at the Company and its consolidated subsidiaries in either the previous consolidated fiscal year or the current consolidated fiscal year.

b. Fees paid to companies in the same network as the Auditing Certified Public Accountants, etc. (i.e., Ernst & Young ShinNihon LLC) (excluding a. above)

Category	Previous Consolidated Fiscal Year		Current Consolidated Fiscal Year	
	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)	Fees for audit services (Millions of yen)	Fees for non-audit services (Millions of yen)
The Company	12	16	27	35
Consolidated subsidiaries	23	11	27	12
Total	35	27	54	47

The non-audit services provided to the Company and its consolidated subsidiaries were tax-related advisory services, etc. in both the previous consolidated fiscal year and the current consolidated fiscal year.

c. Details of fees for other important audit services

Not applicable

d. Policy for determining audit fees

The amount of audit fees calculated based on the audit plan, taking into consideration the audit time and system that allows our Auditing Certified Public Accountants, etc., to ensure the quality of audits is decided with the consent of the Audit and Supervisory Committee while considering the scale of our business, the nature of our business, the characteristics of our business, and changes in processing and procedures due to revisions to laws and regulations.

e. Reasons for the Audit and Supervisory Committee's consent to the remuneration and other benefits of the Accounting Auditor

The Audit and Supervisory Committee of the Company agrees upon the remuneration and other benefits of the Accounting Auditor by confirming and examining the audit method and audit details based on the "Practical Guidelines for Cooperation with the Accounting Auditor" published by the Japan Audit & Supervisory Board Members Association.

(4) [Remuneration for Officers]

(i) The Policy and Calculation Method for Determining Remuneration for Officers

The basic concept regarding the determination of the amount of remuneration, etc., for Officers of the Company or the calculation method thereof is as follows.

For Directors (excluding Audit and Supervisory Committee members), the Company has a remuneration system that directly links to the willingness to contribute to increasing corporate value, through which we aim to appoint, and securing talented personnel as managers. We have established a systematized calculation method of remuneration to ensure transparency, fairness, rationality, and objectivity based on the average level of remuneration at companies of the same size listed on the Prime Market of the Tokyo Stock Exchange in order to hold ourselves accountable to stakeholders.

The maximum amount of annual remuneration for Directors (excluding Audit and Supervisory Committee members) was resolved at the 103rd Ordinary General Meeting of Shareholders held on June 23, 2016 at 300 million yen (of which, the annual remuneration for Outside Directors is not more than 30 million yen.) The amount of base remuneration and the amount of performance-linked remuneration are determined by the Board of Directors within a range of remuneration resolved following an examination and reply by the Nomination and Compensation Committee, in which independent officers account for a majority. For the maximum amount of stock-based remuneration for Directors (excluding Audit and Supervisory Committee members and Outside Directors), the amount of restricted stock remuneration is determined by the Board of Directors within a range of annual remuneration up to 80 million yen as resolved at the 105th Ordinary General Meeting of Shareholders held on June 21, 2018, following an examination and reply by the Nomination and Compensation Committee. The activities of the Board of Directors and the Nomination and Compensation Committee in the process of determining the amount of remuneration for Officers of the Company in the current fiscal year are as follows.

- Upper limit and the amount of remuneration for Directors
- Remuneration paid to Officers in the fiscal year ended March 2025

The base remuneration of the definitive amount for Directors (Audit and Supervisory Committee members) is determined separately for full-time and part-time Audit and Supervisory Committee members with reference to the average level of remuneration paid by companies of the same size listed on the Prime Market of the Tokyo Stock Exchange, with the aim of appointing and securing human resources with a wide range of experience and deep insight who can provide useful proposals at the Board of Directors' meetings and appropriately fulfill their duties in auditing and supervising the business execution of the Board of Directors.

The maximum amount of remuneration for Directors (Audit and Supervisory Committee members) was resolved at 50 million yen on an annual basis by the 103rd Ordinary General Meeting of Shareholders held on June 23, 2016. The amount of base remuneration is determined within this limit by the resolution of the Audit and Supervisory Committee. Due to the nature and role of the duties, performance-linked remuneration and restricted share-based remuneration will not be paid to the Directors (Audit and Supervisory Committee members) because they are not suitable for them.

a. Base remuneration

A fixed amount of base remuneration is set for each position of the Representative Directors and Directors, and additions or subtractions will be made according to changes in the economic situations surrounding the Company, including the management environment.

b. Performance-linked remuneration

The Company has introduced a performance-linked remuneration system as an incentive according to the status of business performance and the degree of contribution to business performance. We believe this system will provide incentives for Directors to improve business performance and shareholder value through the implementation of management policies, with ROE in mind from the viewpoint of general shareholders. As stated in the Calculation Method for Performance-linked Remuneration below, the amount to be paid is automatically calculated according to the profit attributable to owners of parent and the consolidated ordinary profit.

(Calculation Method for Performance-linked Remuneration)

Total amount paid: Profit attributable to owners of parent in the subject fiscal year x 2% x Achievement rate

However, the upper limit is 4% of profit attributable to owners of parent in the subject fiscal year.

Achievement rate: Consolidated ordinary profit for the subject fiscal year divided by the forecast of consolidated ordinary profit for the subject fiscal year initially announced

Payment amount : Total amount paid x distribution index for each person / total distribution index for each person
Distribution index

Position	Index for one person
President	14.0
Director, Senior Executive Vice President and Executive Officer	13.0
Representative Director, Senior Managing Executive Officer	11.2
Director, Managing Executive Officer (3 years or more in office)	9.8
Director, Managing Executive Officer (Less than 3 years in office)	9.7
Executive Officer (6 years or more in office)	8.6
Executive Officer (3 years or more and less than 6 years in office)	8.0
Executive Officer (1 year or more and less than 3 years in office)	7.4
Executive Officer (Less than 1 year in office)	5.5

- Notes: 1. The Officers qualified are the executive officers stated in Article 34, Paragraph 1, Item 3 of the Corporation Tax Act and other executive officers.
2. "Indicators on profits of the business year" as provided for in Article 34, Paragraph 1 (3) (i) of the Corporation Tax Act shall mean profit attributable to owners of parent and consolidated ordinary profit based on the annual securities report.
3. In calculating the total amount of payment, profit attributable to owners of parent is rounded down to the nearest million yen. Also, in calculating the achievement rate, the consolidated ordinary profit and the initially announced forecast for consolidated ordinary income are rounded down to the nearest million yen. The resulting total amount of payment calculated is rounded down to the nearest 10,000 yen.
4. The amount of payment is fixed by rounding the amount calculated based on the above calculation down to the nearest 10,000 yen.
5. Indicators and results relating to performance-linked remuneration for FY2024 are as follows. In addition, the maximum amount of payment for performance-linked remuneration for FY2024 was 609 million yen.

Item	Initially announced value	Actual results
Consolidated ordinary profit	20,500 million yen	21,352 million yen
Profit attributable to owners of parent	15,000 million yen	15,243 million yen

Distribution index

Position	Index for one person	Number of persons	Subtotal
President	14.0	1	14.0
Director, Senior Executive Vice President and Executive Officer	13.0	0	0
Representative Director, Senior Managing Executive Officer	11.2	2	22.4
Director, Managing Executive Officer (3 years or more in office)	9.8	1	9.8
Director, Managing Executive Officer (Less than 3 years in office)	9.7	0	0
Executive Officer (6 years or more in office)	8.6	0	0
Executive Officer (3 years or more and less than 6 years in office)	8.0	3	24.0
Executive Officer (1 year or more and less than 3 years in office)	7.4	6	44.4
Executive Officer (Less than 1 year in office)	5.5	0	0

Total distribution index	—	—	114.6
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6. The allocation index for performance-linked remuneration for FY2025 is as follows. In addition, the initially announced consolidated ordinary profit for FY2025 is 23,000 million yen, and the maximum amount of payment as performance-linked remuneration for FY2025 is 660 million yen. (This is the maximum amount to be paid only to the executive officers stated in Article 34, Paragraph 1, Item 3 of the Corporation Tax Act.) The maximum amount per person is 46,604,027 yen for the President, 37,283,221 yen for the Director, Senior Managing Executive Officer, and 32,622,819 yen for the Director, Managing Executive Officer (three years or more in office), and 32,289,933 yen for the Director, Managing Executive Officer (less than three years in office).

Distribution index

Position	Index for one person	Number of persons	Subtotal
President	14.0	1	14.0
Director, Senior Executive Vice President and Executive Officer	13.0	0	0
Representative Director, Senior Managing Executive Officer	11.2	1	11.2
Director, Managing Executive Officer (3 years or more in office)	9.8	1	9.8
Director, Managing Executive Officer (Less than 3 years in office)	9.7	1	9.7
Executive Officer (6 years or more in office)	8.6	0	0
Executive Officer (3 years or more and less than 6 years in office)	8.0	6	48.0
Executive Officer (1 year or more and less than 3 years in office)	7.4	2	14.8
Executive Officer (Less than 1 year in office)	5.5	2	11.0
Total distribution index	—	—	118.5

c. Restricted share-based remuneration

For the purpose of granting medium- to long-term incentives and sharing shareholder value, the Company has introduced a restricted share-based remuneration system. We will grant a total credit amount of monetary remuneration by calculating the base remuneration ratio and deliver the shares of the Company with a transfer restriction for five to ten years from delivery.

(ii) Total Amount of Remuneration by Category of Position, Total Amount of Remuneration by Type, and Number of Recipients

Position category	Total amount of remuneration, etc. (Millions of yen)	Total amount of remuneration, etc. by type (Millions of yen)			Number of recipients
		Fixed remuneration	Performance-linked remuneration	Transfer-restricted stock-based remuneration	
Directors (excluding Audit and Supervisory Committee members) (excluding Outside Directors)	297	151	135	11	4
Outside Directors (excluding Audit and Supervisory Committee members)	8	8	—	—	2
Directors (Audit and Supervisory Committee members) (excluding Outside Directors)	19	19	—	—	1
Outside Directors (Audit and Supervisory Committee members)	16	16	—	—	2

(iii) Total Amount of Consolidated Remuneration for Directors (and other officers)

It is not presented because there is no one whose total amount of remuneration is 100 million yen or more.

(iv) Important Portion of an Employee Salary for an Officer Who Concurrently Serves as an Employee

Not applicable

(5) [Information on Shareholdings]

(i) Standard and Concept for Categories of Investment Stocks

With respect to the category of investment stocks that are held for the purpose of pure investment and that are held for purposes other than pure investment, the Company classifies that stocks held for the purpose of gaining profit by the fluctuation of stock prices or the receipts of dividends are investment stocks held for the purpose of pure investment and that other stocks are investment stocks (cross-shareholdings) held for purposes other than pure investment.

(ii) Investment Stocks Held for Purposes Other Than Pure Investment

a. Policies and method to verify the rationality of shareholding, as well as the verification process at meetings of the Board of Directors regarding appropriateness of holding certain individual stock of shares

The Company's business purpose is "manufacturing and sale of sporting goods, construction work for sports facilities, operation and contracted operation of sports facilities and manufacture and sale of sports equipment." In engaging in these businesses, we have a large number of business relationships. Under these circumstances, we are in close business relationships particularly with the companies in which we invest through cross-holding stocks, and we engage in useful transactions that contribute to mutual growth and development. In addition to business alliances, we intend to strengthen our relationships as we believe that by forming capital alliances, we will be able to exchange more intimate opinions and share confidential corporate information such as new product development.

From the viewpoint of controlling the risks of holding those stocks and improving capital efficiency, the Board of Directors verifies the significance of continuous holding of each individual stock and regularly reviews the pros and cons in order to reduce cross-shareholdings.

b. Number of stocks and amount recorded on the balance sheet

	Number of Shareholdings	Total Amount Recorded on the Balance Sheet (Millions of yen)
Unlisted Shares	12	988
Shares Other Than Unlisted Shares	19	6,534

(Number of stocks for which the number of shares increased during the current fiscal year)

	Number of Shareholdings	Total Acquisition Amount for Increased Shares (Millions of yen)	Reason for Increase in the Number of Shares
Unlisted Shares	—	—	—
Shares Other Than Unlisted Shares	1	1	To strengthen business relationships in sales of our products

(Number of stocks of which the number of shares decreased during the current fiscal year)

	Number of Shareholdings	Total Sales Amount for Decrease in Number of Shares (Millions of yen)
Unlisted Shares	—	—
Shares Other Than Unlisted Shares	4	199

c. Information on specified investment stocks and stocks deemed to be held, including number of shares by stock, and the amount recorded on the balance sheet

Specified investment stocks

Issuer Name	Current fiscal year	Previous Fiscal Year	Purpose of Holding, Summary of Business Alliance, etc., Quantitative Effects of Shareholding, and Reason for Increase in Number of Shares	Whether the Issuer Holds the Company's Shares
	Number of Shares	Number of Shares		
	Amount Recorded on the Balance Sheet (Millions of yen)	Amount Recorded on the Balance Sheet (Millions of yen)		
Sumitomo Mitsui Financial Group, Inc.	574,140	191,380	To maintain and strengthen our cooperative relationships as we engage in transactions with this main financial institution	Yes
	2,178	1,705		

The Sumitomo Warehouse Co., Ltd.	405,000	405,000	To maintain and strengthen cooperative relationships in business collaboration such as logistics management	Yes
	1,119	1,039		
Hankyu Hanshin Holdings, Inc.	142,800	142,800	To maintain and strengthen our business relationships in product sales and cooperation in business promotion.	Yes
	574	628		
LOOK HOLDINGS INCORPORATED	369,000	369,000	To maintain and strengthen our cooperative relationships for business collaboration in the development and sales of license products	Yes
	868	984		
KOKUYO Co., Ltd.	215,000	215,000	To maintain and strengthen our cooperative relationships in business collaboration in the co-creation of office space	Yes
	613	534		
AEON Co., Ltd.	101,726	101,726	To maintain and strengthen our business relationships in product sales	No
	381	365		
TEIJIN LIMITED	120,000	120,000	To maintain and strengthen our cooperative relationships in business collaboration in the development of products and materials	Yes
	157	169		
TOYOBO CO., LTD.	140,000	140,000	To maintain and strengthen our cooperative relationships in business collaboration in the development of products and materials	Yes
	131	157		
Isetan Mitsukoshi Holdings Ltd.	—	198,000	To maintain and strengthen our business relationships in product sales	No
	—	493		
Alpen Co., Ltd.	60,000	60,000	To maintain and strengthen our business relationships in product sales	No
	143	120		
XEBIO HOLDINGS CO., LTD.	129,000	129,000	To maintain and strengthen our business relationships in product sales	Yes
	166	127		
Ogaki Kyoritsu Bank, Ltd.	30,100	30,100	To maintain and strengthen our cooperative relationships as we engage in transactions with this financial institution	Yes
	71	65		
MS&AD Insurance Group Holdings, Inc.	—	18,100	To maintain and strengthen our cooperative relationships as we engage in transactions with this financial institution	No
	—	147		
JSS Corporation	—	65,000	To maintain and strengthen our business relationships in product sales	No
	—	32		
AXAS Holdings Co., Ltd.	241,900	241,900	To maintain and strengthen our business relationships in product sales	Yes
	29	32		
J. FRONT RETAILING Co., Ltd.	22,721	21,585	To maintain and strengthen our business relationships in product sales	No
	41	36		
Seven & i Holdings Co., Ltd.	8,400	8,400	To maintain and strengthen our business relationships in product sales	No
	18	18		
TSI Holdings Co., Ltd.	18,000	18,000	To maintain and strengthen our cooperative relationships for business collaboration in the development and sales of license products	No
	19	14		
H2O RETAILING CORPORATION	5,500	5,500	To maintain and strengthen our business relationships in product sales	No
	12	10		
AEON KYUSHU Co., Ltd.	2,400	2,400	To maintain and strengthen our business relationships in product sales	No
	5	7		
Daiwa Co., Ltd.	1,800	1,800	To maintain and strengthen our business relationships in product sales	No
	0	0		

Notes: 1. “-” indicates that the stock is not held.

2. The quantitative effects of shareholding of the specified investment stock are difficult to describe. Regarding the rationality of shareholding, we comprehensively judge whether the issuer is a business partner that contributes to improvement of our corporate value by verifying the significance of continuous holding from the viewpoint of risks relating to shareholding and improvement of capital efficiency.

Stocks deemed to be held

Issuer Name	Current fiscal year		Previous Fiscal Year		Purpose of Holding, Quantitative Effects of Shareholding, and Reason for Increase in Number of Shares	Whether the Issuer Holds the Company's Shares
	Number of Shares	Number of Shares	Number of Shares	Number of Shares		
	Amount Recorded on the Balance Sheet (Millions of yen)	Amount Recorded on the Balance Sheet (Millions of yen)	Amount Recorded on the Balance Sheet (Millions of yen)	Amount Recorded on the Balance Sheet (Millions of yen)		
Daikin Industries, Ltd.	200,000	200,000	200,000	200,000	The authority to direct the exercise of voting rights under a retirement benefit trust contract	Yes
	3,228	4,120	4,120	4,120		
KOKUYO Co., Ltd.	1,083,874	1,083,874	1,083,874	1,083,874	The authority to direct the exercise of voting rights under a retirement benefit trust contract	Yes
	3,093	2,695	2,695	2,695		
Fuji Co., Ltd.	139,300	139,300	139,300	139,300	The authority to direct the exercise of voting rights under a retirement benefit trust contract	Yes
	302	259	259	259		
Isetan Mitsukoshi Holdings Ltd.	—	206,000	206,000	206,000	The authority to direct the exercise of voting rights under a retirement benefit trust contract	No
	—	513	513	513		
Mitsubishi UFJ Financial Group, Inc.	242,000	242,000	242,000	242,000	The authority to direct the exercise of voting rights under a retirement benefit trust contract	Yes
	486	376	376	376		
Japan Transcity Corporation	206,000	206,000	206,000	206,000	The authority to direct the exercise of voting rights under a retirement benefit trust contract	Yes
	182	138	138	138		

Note: “-” indicates that the stock is not held.

(iii) Investment Stocks Held for the Purpose of Pure Investment

Category	Current fiscal year		Previous Fiscal Year	
	Number of Shareholdings	Total Amount Recorded on the Balance Sheet (Millions of yen)	Number of Shareholdings	Total Amount Recorded on the Balance Sheet (Millions of yen)
Unlisted Shares	2	0	2	0
Shares Other Than Unlisted Shares	7	746	8	875

Category	Current fiscal year		
	Total Amount of Dividends Received (Millions of yen)	Total Amount of Gains (Losses) on Sale of Stocks (Millions of yen)	Total Amount of Valuation Gains (Losses) (Millions of yen)
Unlisted Shares	0	—	—
Shares Other Than Unlisted Shares	19	8	590

(iv) Stocks whose holding purpose was changed from a pure investment purpose to a purpose other than the pure investment purpose during the current fiscal year

Not applicable

(v) Stocks whose holding purpose was changed from a purpose other than a pure investment purpose to the pure investment purpose during the current fiscal year

Not applicable

V. [Financial Information]

1. Method of Preparation of Consolidated Financial Statements and Non-consolidated Financial Statements

(1) The Company's consolidated financial statements are prepared in conformity with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Consolidated Financial Statements" (Ministry of Finance Regulation No. 28, 1976).

(2) The Company's non-consolidated financial statements are prepared in conformity with the "Regulations Concerning Terminology, Forms, and Preparation Methods of Non-consolidated Financial Statements" (Ministry of Finance Regulation No. 59, 1963; hereinafter, "Regulations on Financial Statements").

As a company designated for the filing of financial statements prepared in accordance with special provision, the Company prepares its financial statements pursuant to Article 127 of the Regulations on Financial Statements.

2. Audit Certification

In accordance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, the Company's consolidated and non-consolidated financial statements for the fiscal year (April 1, 2024 to March 31, 2025) were audited by Ernst & Young ShinNihon LLC.

3. Special Efforts to Ensure the Appropriateness of Consolidated Financial Statements, etc.

The Company makes special efforts to ensure the appropriateness of consolidated financial statements, etc. Specifically, the Company is a member of the Financial Accounting Standards Foundation for the purpose of properly grasping the details of accounting standards, etc., or to maintain and design our system under which we will be able to appropriately and reliably respond to changes in accounting standards, etc.

1 [Consolidated Financial Statements, etc.]

(1) [Consolidated Financial Statements]

(i) [Consolidated balance sheet]

(Millions of yen)

	End of Previous Consolidated Fiscal Year (As of March 31, 2024)	End of Current Consolidated Fiscal Year (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	31,963	32,399
Notes receivable - trade	※1,※2 4,814	※1 4,640
Accounts receivable - trade	※1 43,996	※1 46,081
Merchandise and finished goods	45,117	50,743
Work in process	749	680
Raw materials and supplies	6,577	6,701
Others	6,122	6,876
Allowance for doubtful accounts	(679)	(702)
Total current assets	138,662	147,421
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	※3 17,685	※3 17,107
Machinery, equipment and vehicles, net	※3 883	※3 1,366
Land	※8 14,187	※8 14,149
Leased assets	1,610	3,650
Construction in progress	※9 1,789	※9 2,423
Other, net	※3 1,010	※3 1,048
Total property, plant and equipment	37,167	39,744
Intangible assets		
Goodwill	979	852
Others	5,469	5,332
Total intangible assets	6,449	6,185
Investments and other assets		
Investment securities	※4,※5 9,487	※4,※5 9,569
Long-term loans receivable	351	4
Deferred tax assets	1,671	1,591
Retirement benefit asset	10,270	11,615
Others	2,724	2,627
Allowance for doubtful accounts	(632)	(280)
Total investments and other assets	23,872	25,127
Total non-current assets	67,489	71,058
Total assets	206,151	218,479

(Millions of yen)

	End of Previous Consolidated Fiscal Year (As of March 31, 2024)	End of Current Consolidated Fiscal Year (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,942	16,166
Short-term borrowings	750	2,056
Current portion of long-term borrowings	328	3,828
Accounts payable - other, and accrued expenses	15,137	14,574
Income taxes payable	3,704	2,586
Provision for bonuses for directors (and other officers)	143	135
Others	※7 3,478	※7 3,222
Total current liabilities	44,485	42,571
Non-current liabilities		
Lease obligations	741	2,530
Long-term borrowings	11,586	7,608
Deferred tax liabilities	2,116	3,189
Deferred tax liabilities for land revaluation	※8 1,807	※8 1,785
Retirement benefit liability	249	568
Long-term guarantee deposits	2,358	2,449
Asset retirement obligations	338	300
Others	401	354
Total non-current liabilities	19,599	18,786
Total liabilities	64,085	61,358
Net assets		
Shareholders' equity		
Share capital	26,137	26,137
Capital surplus	31,854	31,921
Retained earnings	71,447	83,118
Treasury shares	(1,864)	(1,864)
Total shareholders' equity	127,574	139,311
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,598	3,504
Deferred gains or losses on hedges	291	391
Revaluation reserve for land	※8 (319)	※8 (353)
Foreign currency translation adjustment	8,088	11,264
Remeasurements of defined benefit plans	2,220	2,229
Total accumulated other comprehensive income	13,879	17,036
Non-controlling interests	611	772
Total net assets	142,065	157,121
Total liabilities and net assets	206,151	218,479

(ii) Consolidated Statements of Income and Comprehensive Income

[Consolidated Statement of Income]

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Net sales	※1 229,711	※1 240,335
Cost of sales	※2,※3 138,765	※2,※3 141,777
Gross profit	90,946	98,558
Selling, general and administrative expenses		
Freight and packing costs	4,557	4,813
Storage costs	4,865	5,043
Advertising expenses	11,127	11,875
Salaries and allowances	20,665	21,438
Bonuses	4,262	4,462
Retirement benefit expenses	432	353
Depreciation	2,736	2,988
Provision of allowance for doubtful accounts	154	110
Others	24,865	26,694
Total selling, general and administrative expenses	※3 73,666	※3 77,780
Operating profit	17,279	20,777
Non-operating income		
Interest income	128	144
Dividend income	260	282
Commission income	17	17
Insurance claim income	5	17
Foreign exchange gains	1,649	-
Compensation income	48	49
Others	499	571
Total non-operating income	2,609	1,083
Non-operating expenses		
Interest expenses	255	121
Foreign exchange losses	-	250
Commission for syndicated loans	18	6
Commission expenses	16	24
Warehouse relocation expenses	92	-
Others	217	104
Total non-operating expenses	599	508
Ordinary profit	19,288	21,352
Extraordinary income		
Gain on sale of non-current assets	※4 1,021	※4 59
Gain on sale of investment securities	53	465
Total extraordinary income	1,075	525

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Extraordinary losses		
Loss on sale of non-current assets	※5 30	-
Loss on retirement of non-current assets	※6 52	※6 62
Impairment losses	※7 38	※7 12
Loss on valuation of inventories	393	-
Others	12	-
Total extraordinary losses	527	75
Profit before income taxes	19,836	21,803
Income taxes - current	5,388	5,399
Income taxes - deferred	24	978
Total income taxes	5,412	6,377
Profit	14,423	15,425
Profit attributable to non-controlling interests	112	182
Profit attributable to owners of parent	14,311	15,243

Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Profit	14,423	15,425
Other comprehensive income		
Valuation difference on available-for-sale securities	1,262	(94)
Deferred gains or losses on hedges	574	99
Revaluation reserve for land	233	34
Foreign currency translation adjustment	2,533	3,207
Remeasurements of defined benefit plans, net of tax	732	8
Total other comprehensive income	※1 5,335	※1 3,256
Comprehensive income	19,759	18,682
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	19,607	18,468
Comprehensive income attributable to non-controlling interests	152	213

(iii) Consolidated Statement of Changes in Equity

Previous Consolidated Fiscal Year (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,137	31,833	59,582	(1,871)	115,681
Changes during period					
Dividends of surplus			(1,917)		(1,917)
Profit attributable to owners of parent			14,311		14,311
Purchase of treasury shares				(12)	(12)
Disposal of treasury shares		21		19	41
Reversal of revaluation reserve for land			(528)		(528)
Net changes in items other than shareholders' equity					
Total changes during period	-	21	11,865	6	11,893
Balance at end of period	26,137	31,854	71,447	(1,864)	127,574

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	2,336	(282)	(1,081)	5,594	1,488	8,055	539	124,275
Changes during period								
Dividends of surplus								(1,917)
Profit attributable to owners of parent								14,311
Purchase of treasury shares								(12)
Disposal of treasury shares								41
Reversal of revaluation reserve for land								(528)
Net changes in items other than shareholders' equity	1,262	574	761	2,494	732	5,824	72	5,896
Total changes during period	1,262	574	761	2,494	732	5,824	72	17,790
Balance at end of period	3,598	291	(319)	8,088	2,220	13,879	611	142,065

Current Consolidated Fiscal Year (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of period	26,137	31,854	71,447	(1,864)	127,574
Changes during period					
Dividends of surplus			(3,708)		(3,708)
Profit attributable to owners of parent			15,243		15,243
Change in scope of consolidation			136		136
Purchase of treasury shares				(20)	(20)
Disposal of treasury shares		66		19	86
Net changes in items other than shareholders' equity					
Total changes during period	-	66	11,670	(0)	11,736
Balance at end of period	26,137	31,921	83,118	(1,864)	139,311

	Accumulated other comprehensive income						Non-controlling interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at beginning of period	3,598	291	(319)	8,088	2,220	13,879	611	142,065
Changes during period								
Dividends of surplus								(3,708)
Profit attributable to owners of parent								15,243
Change in scope of consolidation							28	164
Purchase of treasury shares								-20
Disposal of treasury shares								86
Net changes in items other than shareholders' equity	(94)	99	(34)	3,176	8	3,156	132	3,289
Total changes during period	(94)	99	(34)	3,176	8	3,156	161	15,055
Balance at end of period	3,504	391	(353)	11,264	2,229	17,036	772	157,121

(iv) Consolidated Statement of Cash Flows

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from operating activities		
Profit before income taxes	19,836	21,803
Depreciation	3,223	3,071
Impairment losses	38	12
Amortization of goodwill	100	103
Increase (decrease) in retirement benefit asset and liability	(848)	(664)
Increase (decrease) in allowance for doubtful accounts	134	(352)
Loss (gain) on sale of short-term and long-term investment securities	(53)	(465)
Interest and dividend income	(389)	(427)
Interest expenses	255	121
Loss (gain) on sale of non-current assets	(991)	(59)
Loss on retirement of non-current assets	52	62
Decrease (increase) in trade receivables	387	(197)
Decrease (increase) in inventories	4,712	(3,465)
Increase (decrease) in trade payables	(2,328)	(5,606)
Increase (decrease) in accrued consumption taxes	832	(433)
Increase (decrease) in other provisions	1	(8)
Other, net	(504)	(237)
Subtotal	24,458	13,256
Interest and dividends received	389	426
Interest paid	(263)	(119)
Income taxes paid	(3,171)	(6,556)
Net cash provided by (used in) operating activities	21,412	7,007
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,300)	(3,274)
Proceeds from sale of property, plant and equipment	2,145	182
Purchase of intangible assets	(715)	(840)
Purchase of investment securities	(438)	(183)
Proceeds from sale of investment securities	140	665
Net decrease (increase) in short-term loans receivable	395	286
Purchase of shares of subsidiaries and associates	(100)	(195)
Other, net	5	(155)
Net cash provided by (used in) investing activities	131	(3,514)

(Millions of yen)

	For the fiscal year ended March 31, 2024	For the fiscal year ended March 31, 2025
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(8,723)	549
Proceeds from long-term borrowings	2,000	-
Repayments of long-term borrowings	(4,978)	(478)
Purchase of treasury shares	(12)	(20)
Dividends paid	(1,914)	(3,699)
Dividends paid to non-controlling interests	(79)	(80)
Repayments of lease liabilities	(298)	(285)
Net cash provided by (used in) financing activities	(14,008)	(4,014)
Effect of exchange rate change on cash and cash equivalents	582	912
Net increase (decrease) in cash and cash equivalents	8,118	391
Cash and cash equivalents at beginning of period	23,845	31,963
Increase in cash and cash equivalents resulting from the additions of subsidiaries in consolidation	-	44
Cash and cash equivalents at end of period	※1 31,963	※1 32,399

[Notes]

(Significant Matters That Are the Basis for Preparing Consolidated Financial Statements)

1. Matters Concerning the Scope of Consolidation

(1) Number and names of consolidated subsidiaries

23 (Previous Consolidated Fiscal Year: 20)

The names of consolidated subsidiaries are omitted because they are described in “I. [Overview of Mizuno Corporation and its consolidated subsidiaries] 4. Information on Subsidiaries and Affiliated Companies.”

MIZUNO APAC (THAILAND) LTD. and MIZUNO SIAM HOLDINGS LTD. have been included in consolidated subsidiaries from the current consolidated fiscal year, as their significance to the consolidated financial statements has increased due to higher sales. Additionally, MIZUNO CORPORATION UK LIMITED has been included in consolidated subsidiaries, as its significance to the consolidated financial statements has increased as a result of the commencement of business following the transfer of the European branch business implemented on January 1, 2025.

(2) Names of major non-consolidated subsidiaries

THAI MIZUNO CO.,LTD.

Reasons for exclusion from the scope of consolidation

The non-consolidated subsidiary is a small company, and its total assets, net sales, profit (proportional amount of equity), and retained earnings (proportional amount of equity) do not have any significant impact on the consolidated financial statements.

2. Matters Concerning Application of the Equity Method

(1) Number of non-consolidated subsidiaries and affiliated companies which are accounted for using the equity method: None

(2) Names of major non-consolidated subsidiaries and affiliated companies to which the equity method is not applied.

Non-consolidated subsidiary: THAI MIZUNO CO., LTD

Affiliated company: Thai Sports Garment Co., Ltd.

(3) Reasons for not applying the equity method to companies not subject to the equity method

Non-consolidated subsidiaries and affiliates to which the equity method is not applied are excluded from the scope of the equity method because the impact on the consolidated financial statements is minor and immaterial as a whole, even if they are excluded from the scope of the equity method in view of profit or loss (proportional amount of equity) and retained earnings (proportional amount of equity).

3. Matters Concerning the Business Year, etc. of Consolidated Subsidiaries

Of the consolidated subsidiaries, the book-closing date of 16 overseas subsidiaries is December 31.

In preparing the consolidated financial statements, the financial statements as of the same date were used, and necessary adjustments were made for material intercompany transactions that occurred between the dates of the consolidated financial statements.

4. Matters Concerning Accounting Policies

(1) Valuation Policies and Methods for Significant Assets

(i) Securities

Held-to-maturity bonds

Amortized cost method (straight-line method)

Available-for-sale securities

Securities other than stocks without market price

Market value method

(Valuation differences recorded directly in net assets. Cost of sales is calculated by the moving average method.)

Stocks without market price, etc.

Moving-average cost method

With respect to investments in investment business limited partnerships and associations of a similar nature (those deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the net amount equivalent to an equity share shall be recorded based on the most recent financial statements available based on the date of the financial statement report stipulated in the partnership contract.

(ii) Derivatives

Market value method

(iii) Inventories

Regarding goods, products, work in process, raw materials, and supplies, the cost is mainly evaluated by the first-in, first-out method.

(Balance sheet amounts are subject to the method of writing down the book value based on any decrease in profitability.)

(2) Depreciation and Amortization Methods for Material Depreciable and Amortizable Assets

(i) Property, Plant and Equipment (excluding leased assets)

Osaka Head Office building and structures, overseas branches	Straight-line method
Buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on or after April 1, 2016	Straight-line method
Property, plant and equipment other than the above held by the Company and its domestic consolidated subsidiaries	Declining-balance method
Overseas consolidated subsidiaries	Straight-line method

The useful life of principal assets is as follows.

Buildings and Structures 3 to 65 years

Machinery, Equipment and Vehicles 2 to 17 years

(ii) Intangible Assets (excluding leased assets)

Straight-line method

For software for internal use, the straight-line method is applied based on its estimated useful life (mainly five years) within the Company.

(iii) Leased Assets

Leased assets relating to finance lease transactions without transfer of ownership

Depreciation is calculated using the straight-line method over the lease term which is equal to the useful life with no residual value.

(3) Standards for Conversion of Significant Assets and Liabilities Denominated in Foreign Currencies into Japanese Yen

Foreign-currency-denominated monetary claims and monetary obligations are converted into Japanese yen at the spot exchange rate as of the consolidated financial statement date, with conversion differences recognized as gains or losses. Assets and liabilities of overseas subsidiaries, etc. are converted into Japanese yen at the spot exchange rate as of their book-closing date, while revenues and expenses are converted into Japanese yen at the average exchange rate during the period, with conversion differences included in foreign currency translation adjustment and non-controlling interests in Net assets.

(4) Reporting Basis for Significant Allowances

(i) Allowance for Doubtful Accounts

To prepare for bad debt losses of trade receivables and loans receivable, etc., the estimated uncollectable amounts regarding general accounts receivable are recorded using the historical bad debt ratio, and the estimated uncollectable amounts regarding certain accounts receivable, such as doubtful accounts receivable, are recorded by separately examining their collectability.

(ii) Provision for Bonuses for Directors (and Other Officers)

The Company provides an allowance for bonuses for Directors based on the estimated amount of payment in the current consolidated fiscal year.

(5) Accounting Method for Retirement Benefits

(i) Method for Attributing Projected Retirement Benefits to Periods

In calculating the retirement benefit obligation, projected benefits are attributed to periods of service up to the end of the current fiscal year on a benefit formula basis.

(ii) Method of Recognizing Unrecognized Actuarial Variance and Past Service Cost

Past service costs are treated as an expense using the straight-line method over a certain number of years (8 to 10 years) within the average remaining service period of the employees in the year in which the past service costs occur.

The actuarial difference is treated as an expense using the straight-line method over a certain number of years (8 to 10 years) within the average remaining years of service of the employees in the consolidated fiscal year in which the gain/loss occurs, and it is recorded from the following consolidated fiscal year.

(iii) Simplified Accounting Treatment

Some consolidated subsidiaries apply a simplified accounting treatment to calculate retirement benefit obligations and retirement benefit expenses, using a method whereby the amount of retirement benefits to be paid in the case of voluntary termination at the end of the period is used as the retirement benefit obligation.

(6) Accounting Standards for Material Revenue and Expenses

The major performance obligations and the timing of revenue recognition in principal businesses are as follows.

(i) Sale of Merchandise and Finished Goods

In the sporting goods sales business, we principally manufacture and distribute sporting goods. Regarding the sale of those merchandise and finished goods, revenue is recognized when the performance obligation has been satisfied upon delivery of the merchandise and finished goods to the location agreed upon with the customer. However, applying the alternative treatment stipulated in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition," revenue is recognized at the time of shipment for domestic sales of merchandise and finished goods.

(ii) Sports Facility Management Business

In the sports facility management business, we are mainly engaged in operation and contract operation of sports facilities on a long-term basis, and we contract the construction of sports facilities. Regarding such contracts, as the performance obligation will be satisfied over a certain period of time, revenue is recognized on a straight-line basis over the period of service provision or based on the progress related to the fulfillment of the performance obligation. For short-term contracts, revenue is recognized when the performance obligations are fully satisfied.

(7) Significant Hedge Accounting Methods

(i) Hedge Accounting Methods

In principle, the deferral hedge accounting method is applied. If items qualify for specific conditions under J-GAAP, the following treatments can be applied.

- For foreign exchange forward contracts and currency swaps, appropriation treatment whereby hedged items for foreign-currency-denominated transactions can be booked directly using the forward contract rate is applied.
- For interest rate swaps, exceptional treatment is applied whereby, if interest paid or received can be netted against the interest of underlying hedged interest bearing debt, there is no need for fair value evaluation to be applied.

(ii) Hedging Instruments and Hedged Items

(Hedging instruments)	(Hedged items)
Forward exchange contracts	Foreign-currency-denominated receivables and payables, foreign-currency-denominated forecasted transactions
Currency swaps	Foreign-currency-denominated forecasted transactions, loans payable
Interest rate swaps	Loans payable and bonds

(iii) Hedging Policy

We hedge foreign exchange fluctuation risk and interest rate fluctuation risk mainly based on our internal rules, such as "Foreign Exchange Transaction Management Regulations" and "Fund Management Transaction Management Regulations." As for foreign exchange fluctuation risks, which is one of the major risks, in forecasted foreign-currency-denominated transactions, we will hedge 40% or more and 80% or less of forecasted foreign-currency-denominated transactions, in principle.

(iv) Method for Evaluating the Effectiveness of Hedges

Hedge effectiveness is evaluated based on a semi-annual comparison of total fluctuations in cash flow or fluctuations in the market value of the hedged item with the total fluctuations in the cash flow or fluctuations in the market value of the hedging instrument; provided, however, that the evaluation of effectiveness is omitted for the interest-rate swap subject to exceptional treatment.

(8) Amortization Method and Period of Goodwill

Goodwill is amortized over 10 years or 20 years by the straight-line method.

(9) Scope of Cash and Cash Equivalent on Consolidated Statements of Cash Flows

The scope includes cash on hand, deposits that can be withdrawn at any time, and short-term investments that are easily cashed and redeemable within three months from the date of acquisition with minimum risk of fluctuations in value.

(Significant Accounting Estimate)

Recoverability of deferred tax assets

(1) Amount Recorded in the Consolidated Financial Statements for the Current Consolidated Fiscal Year

(Millions of yen)

Category	Previous Consolidated Fiscal Year	Current Consolidated Fiscal Year
Total deferred tax assets relating to deductible temporary differences	5,440	3,037
Valuation allowance for total deductible temporary differences	-791	-618
Deferred tax assets before offsetting deferred tax liabilities	4,648	2,418
Deferred tax assets after offsetting deferred tax liabilities	1,671	1,591

(2) Information on the Content of Significant Accounting Estimates for the Identified Item

(i) Calculation Method for the Amount Recorded in the Consolidated Financial Statements for the Current Consolidated Fiscal Year

As to future deductible temporary differences, taxable income and tax planning based on future earning power are estimated, and the amount is calculated by judging the recoverability of deferred tax assets.

(ii) Significant Assumptions Used for Calculation of the Amount Recorded in the Consolidated Financial Statements for the Current Consolidated Fiscal Year

Taxable income is estimated based on the business plan, and the main assumptions are the growth rates of the market and business.

(iii) Impact on the Consolidated Financial Statements for the Following Consolidated Fiscal Year

In the case where factors that may affect the estimation of taxable income occur due to downward revisions to the business plan or failure to achieve the plan, deferred tax assets may be reversed, resulting in an adverse impact on profit and loss.

(Changes in accounting policies)

(Application of “Accounting Standard for Current Income Taxes” etc.)

The “Accounting Standard for Current Income Taxes” (Accounting Standards Board of Japan (“ASBJ”) Statement No. 27, October 28, 2022; hereinafter referred to as the “Revised Accounting Standard 2022”), etc. have been applied from the beginning of the fiscal year ended March 31, 2025. The amendment to categories in which current income taxes should be recorded (taxes on other comprehensive income) follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the Revised Accounting Standard 2022 and the transitional treatment prescribed in the proviso of paragraph 65-2 (2) of the Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022; hereinafter referred to as the “Revised Guidance 2022”). This change in accounting policies has no impact on the consolidated financial statements. For the amendment related to the revised accounting treatment for consolidated financial statements when gains or losses on the sale of shares in subsidiaries resulting from transactions between consolidated companies were deferred for tax purposes, the Revised Guidance 2022 has been adopted from the beginning of the fiscal year ended March 31, 2025. This revision in the accounting policies was applied retrospectively. Also, the consolidated financial statements for the prior fiscal year have been modified retrospectively. This revision in accounting policies

has no impact on the consolidated financial statements for the prior fiscal year.

(Unapplied Accounting Standards, etc.)

- “Accounting Standard for Leases” (ASBJ Statement No. 34; September 13, 2024)
- Implementation Guidance on “Accounting Standard for Leases” (ASBJ Guidance No. 33; September 13, 2024)

In addition, revisions to related Accounting Standards, Implementation Guidance, Practical Solutions, and Transferred Guidance

(1) Overview

As consistent with international accounting standards, this standard stipulates treatments for leases recognizing assets and liabilities for all leases held by a lessee.

(2) Expected Date of Application

It is scheduled to be applied from the beginning of the fiscal year ending March 2028.

(3) Impact of Application of the Relevant Accounting Standard, etc.

The Group is currently assessing the impact of the application of the “Accounting Standard for Leases,” etc. on the consolidated financial statements.

(Change of Presentation Method)

(Consolidated Balance Sheet)

“Leased assets” included in “Other, net” under “Property, plant and equipment” and “Lease obligations” included in “Other” under “Non-current liabilities” in the previous consolidated fiscal year are separately stated from the current consolidated fiscal year due to their increased materiality. The consolidated financial statements for the previous consolidated fiscal year have been reclassified to reflect this change in presentation method. As a result, 2,621 million yen stated in “Other (net)” under “Property, plant and equipment” on the Consolidated Balance Sheets for the previous consolidated fiscal year was reclassified as 1,610 million yen of “Leased assets” and 1,010 million yen of “Other (net)”, and 1,142 million yen stated in “Other” under “Non-current liabilities” was reclassified as 741 million yen of “Lease obligations” and 401 million yen of “Other (net).”

(Consolidated Balance Sheet)

- *1. Of notes and accounts receivable - trade, the amounts of receivables and contractual assets arising from contracts with customers are as follows:

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Notes receivable - trade	4,814Millions of yen	4,640Millions of yen
Accounts receivable - trade	43,996	46,081

- *2. Notes maturing on the fiscal year end date are treated as if they were settled on the maturity date.

As the previous consolidated fiscal year end date fell on a holiday of financial institutions, the following notes maturing on the fiscal year end date are treated as if they were settled on the maturity date.

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Notes receivable - trade	422Millions of yen	—Millions of yen

- *3. Accumulated depreciation of property, plant and equipment

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Accumulated depreciation of property, plant and equipment	39,613Millions of yen	40,369Millions of yen

- *4. Principal assets relating to non-consolidated subsidiaries and affiliated companies are as follows.

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Investment securities (Stocks)	269Millions of yen	480Millions of yen

*5. Assets pledged as collateral against a third party's borrowings, etc. are as follows.

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Investment securities (Stocks)	9Millions of yen	9Millions of yen
Liabilities corresponding to pledged assets		
Not applicable		

*6. Guarantee obligation

Guarantee associated with commercial letters of credit

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Guarantee against overseas financial institutions	439Millions of yen	824Millions of yen

Guarantee associated with non-consolidated subsidiary's loans from financial institutions.

Not applicable

*7. The amounts of contract liabilities included in others are as follows.

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Contract liabilities	749Millions of yen	702Millions of yen

*8. Application of the Land Revaluation Act

In accordance with the Act on Revaluation of Land (Act No. 34 issued on March 31, 1998) and the Act to Partially Amend the Act on Revaluation of Land (Act No. 19, issued on March 31, 2001), the Group revaluated the land for business use on March 31, 2002; as a result, the amount corresponding to taxes on the relevant revaluation difference is included in liabilities as "Deferred tax liabilities for land revaluation," and the amount deducted is included in net assets as "Revaluation reserve for land."

(1) Revaluation Method

The revaluation of land is conducted by using the road rate as prescribed in Article 2, Item 4 of the Order for Enforcement of the Act on Revaluation of Land (Cabinet Order No. 119 promulgated on March 31, 1998), and the land without road rate is revaluated by making reasonable adjustments to the assessed values of fixed assets stipulated in Item 3 of the abovementioned Order for Enforcement.

(2) Date of Revaluation: March 31, 2002

(3) Difference between the fair value of the revaluated land as of the end of the current fiscal year and its book value after revaluation

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
	1,431Millions of yen	1,384Millions of yen

*9. Reduction Entry

The reduction entry deducted from the acquisition price of non-current assets due to the conversion of fixed assets rights associated with the Urban Area Redevelopment Project Type 1 under the Urban Renewal Act is as follows.

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Construction in progress	4,120Millions of yen	4,120Millions of yen

(Consolidated Statement of Income)

*1. Revenue from contracts with customers

Revenue from contracts with customers and revenue from other sources are not stated separately. The amounts of revenues from contracts with customers are stated in “Notes to consolidated financial statements (Segment Information) 3. Information on the Amounts of Net sales, Profit or Loss, Assets and Other Items by Reportable Segment and Breakdown of Revenues.”

*2. Inventories as of the end of the period represent the amount after devaluation due to the decline in profitability, and the following inventory valuation loss is included in cost of sales.

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
	695Millions of yen	142Millions of yen

*3. Research and development expenses included in general and administrative expenses and production costs for the current consolidated period

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
	2,955Millions of yen	2,987Millions of yen

*4. Breakdown of gain on sales of principal non-current assets

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Buildings	506Millions of yen	44Millions of yen
Land	505	14
Machinery and Vehicles	6	0
Other (Property, plant and equipment)	2	0

*5. Breakdown of loss on sales of principal non-current assets

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Buildings	16Millions of yen	—Millions of yen
Land	13	—
Other (Property, plant and equipment)	0	—

*6. Loss on retirement of principal non-current assets

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Buildings and Structures	39Millions of yen	23Millions of yen
Machinery and Vehicles	2	14
Other (Property, plant and equipment)	8	18
Other (Intangible assets)	2	5

*7. Impairment losses

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

Purpose of use	Location	Class	Impairment loss (Millions of yen)
Business assets	Funabashi City, Chiba Prefecture	Structure	20
Business assets	Minoh City, Osaka Prefecture	Structure	5
Business assets	Sakai City, Osaka Prefecture	Structure	8
Business assets	Adachi-ku, Tokyo Metropolitan	Buildings	1
Business assets	Daito City, Osaka Prefecture, etc.	Buildings	0
Business assets	—	Software	2
Total			38

Non-current assets for which impairment losses have been recognized are grouped by individual property based on each revenue unit. Due to the continuous deterioration of operating profit and loss, etc., the book value was reduced to a recoverable amount, and the reduced amount was recorded as an extraordinary loss. The recoverable amount is measured based on value in use, and the value in use is calculated based on future cash flows.

Since the undiscounted future cash flows are negative, the discount rate is omitted.

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

Purpose of use	Location	Class	Impairment loss (Millions of yen)
Business assets	Matsumoto City, Nagano Prefecture	Buildings	0
Business assets	Hikone City, Shiga Prefecture	Buildings	1
Business assets	Suita City, Osaka Prefecture	Buildings	0
Business assets	Yokohama City, Kanagawa Prefecture	Buildings	0
Business assets	Kobe City, Hyogo Prefecture	Tools, appliances and fixtures	0
Business assets	Osaka City, Osaka Prefecture	Building	6
Business assets	Yanai City, Yamaguchi Prefecture	Tools, appliances and fixtures, etc.	0
Business assets	—	Software	1
Total			12

Non-current assets for which impairment losses have been recognized are grouped by individual property based on each revenue unit. Due to the continuous deterioration of operating profit and loss, etc., the book value was reduced to a recoverable amount, and the reduced amount was recorded as an extraordinary loss. The recoverable amount is measured based on value in use, and the value in use is calculated based on future cash flows.

Since the undiscounted future cash flows are negative, the discount rate is omitted.

(Consolidated Statement of Comprehensive Income)

*1. The amounts of reclassification adjustments, income taxes and tax effects relating to other comprehensive income

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Valuation difference on available-for-sale securities		
Amount recognized during the period	1,875Millions of yen	372Millions of yen
Amount of reclassification adjustments	-53	-462
Before income taxes and tax effect adjustment	1,822	-90
Income taxes and tax effect amount	-560	-3
Valuation difference on available-for-sale securities	1,262	-94
Deferred gains or losses on hedges		
Amount recognized during the period	823Millions of yen	114Millions of yen
Amount of reclassification adjustments	-	-
Before income taxes and tax effect adjustment	823	114
Income taxes and tax effect amount	-249	-14
Deferred gains or losses on hedges	574	99
Revaluation reserve for land		
Income taxes and tax effect amount	233Millions of yen	34Millions of yen
Foreign currency translation adjustment		
Amount recognized during the period	2,533Millions of yen	3,207Millions of yen
Amount of reclassification adjustments	-	-
Before income taxes and tax effect adjustment	2,533	3,207
Income taxes and tax effect amount	-	-
Foreign currency translation adjustment	2,533	3,207
Remeasurements of defined benefit plans, net of tax		
Amount recognized during the period	1,321Millions of yen	369Millions of yen
Amount of reclassification adjustments	-266	-315
Before income taxes and tax effect adjustment	1,054	54
Income taxes and tax effect amount	-322	-45
Remeasurements of defined benefit plans, net of tax	732	8
Total other comprehensive income	5,335	3,256

(Consolidated Statement of Changes in Equity)

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

1. Matters Concerning Shares Issued

Class of Shares	Balance at April 1, 2023	Increase	Decrease	Balance at March 31, 2023
Common stock (shares)	26,578,243	—	—	26,578,243

2. Matters Concerning Treasury Shares

Class of Shares	Balance at April 1, 2023	Increase	Decrease	Balance at March 31, 2024
Common stock (shares)	1,014,726	3,036	10,661	1,007,101

Note: Overview of cause of movement

The details of the increase are as follows:

Increase due to purchase of shares of less than one unit: 3,036 shares

The details of the decrease are as follows:

Disposal of treasury shares for restricted stock remuneration: 10,661 shares

3. Matters Concerning Stock Acquisition Rights and Treasury Share Acquisition Rights

Not applicable

4. Matters Concerning Dividends

(1) Dividends Paid

Resolution	Class of Shares	Total Dividend Amount (Millions of yen)	Dividend per Share (Yen)	Record date	Effective date
June 21, 2023 Ordinary general meeting of shareholders	Common stock	1,022	40	March 31, 2023	June 22, 2023
November 8, 2023 Board of Directors	Common stock	895	35	September 30, 2023	December 1, 2023

(2) Among Dividends Whose Record Date Belongs to the Current Consolidated Fiscal year, Dividends Whose Effective Date Falls in the Following Consolidated Fiscal year

Resolution	Class of Shares	Source of dividend	Total Dividend Amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
June 21, 2024 Ordinary general meeting of shareholders	Common stock	Retained earnings	2,173	85	March 31, 2024	June 24, 2024

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

1. Matters Concerning Shares Issued

Class of Shares	Balance at April 1, 2024	Increase	Decrease	Balance at March 31, 2025
Common stock (shares)	26,578,243	—	—	26,578,243

2. Matters Concerning Treasury Shares

Class of Shares	Balance at April 1, 2024	Increase	Decrease	Balance at March 31, 2025
Common stock (shares)	1,007,101	2,492	10,683	998,910

Notes: 1. Overview of cause of movement

The details of the increase are as follows:

Increase due to purchase of shares of less than one unit: 2,492 shares

The details of the decrease are as follows:

Disposal of treasury shares for restricted stock remuneration: 10,683 shares

2. Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025; however, the above item states the number of shares before the stock split.

3. Matters Concerning Stock Acquisition Rights and Treasury Share Acquisition Rights

Not applicable

4. Matters Concerning Dividends

(1) Dividends Paid

Resolution	Class of Shares	Total Dividend Amount (Millions of yen)	Dividend per Share (Yen)	Record date	Effective date
June 21, 2024 Ordinary general meeting of shareholders	Common stock	2,173	85	March 31, 2024	June 24, 2024
November 8, 2024 Board of Directors	Common stock	1,534	60	September 30, 2024	December 2, 2024

(2) Among Dividends Whose Record Date Belongs to the Current Consolidated Fiscal year, Dividends Whose Effective Date Falls in the Following Consolidated Fiscal year

Planned resolution	Class of Shares	Source of dividend	Total Dividend Amount (Millions of yen)	Dividend per share (Yen)	Record date	Effective date
June 20, 2025 Ordinary general meeting of shareholders	Common stock	Retained earnings	2,302	90	March 31, 2025	June 23, 2025

Note: Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025; however, the "Dividend per share" states the amount before the stock split.

(Consolidated Statement of Cash Flows)

- *1. Relationship between the balance of cash and cash equivalents at the end of the period and the amount of items listed on the consolidated balance sheet

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Cash and deposits account	31,963Millions of yen	32,399Millions of yen
Short-term investments with a maturity of three months or less from the date of acquisition (securities, etc.)	—	—
Cash and cash equivalents	31,963	32,399

(Lease Transactions)

1. Finance Lease Transactions

Finance lease transactions without transfer of ownership

Lessee

(1) Leased Assets

(i) Property, Plant and Equipment

Office equipment, office computers, store facilities in retail business, assets for sports facility management, warehouse, etc.

(ii) Intangible Assets

Analysis software, etc. used for research and development purposes

(2) Depreciation Method for Leased Assets

Please refer to “4. Matters Concerning Accounting Policies (2) Depreciation and Amortization Methods for Material Depreciable and Amortizable Assets,” which is the basis for the preparation of consolidated financial statements.

2. Operating Lease Transactions

Not applicable

(Financial Instruments)

1. Matters Concerning the Status of Financial Instruments

(1) Policy for Financial Instruments

The Group procures necessary funds mainly through borrowings from financial institutions based on capital investment plans and working capital requirements. Temporary surplus funds are invested in highly secure financial assets, such as bank deposits.

In addition, the Group does not enter into derivative transactions for speculative trading purposes but uses them only for the purpose of avoiding the risks described below.

(2) Details of Financial Instruments and Their Risks

Notes and accounts receivable - trade, which are trade receivables, are exposed to credit risk deriving from clients. In addition, foreign-currency-denominated trade receivables are exposed to country risk and exchange rate fluctuation risk in addition to credit risk.

Securities and investment securities are mainly held-to-maturity bonds and listed stocks, and they are exposed to the credit risk of issuers and the risk of market price fluctuations.

Some notes and accounts payable - trade, which are trade payables, are denominated in foreign currencies associated with imports of merchandise, raw materials, etc., and are exposed to the risk of exchange rate fluctuations. However, in principle, net positions of foreign-currency-denominated trade receivable are hedged using forward exchange contracts.

While some loans payables are with floating interest rates and are therefore exposed to interest rate fluctuation risk, they are hedged using derivative transactions (interest rate swap transactions.)

(3) Risk Management System Relating to Financial Instruments

(i) Management of Credit Risk

The Group monitors credit limits for customers, such as trade receivables, in accordance with various regulations by managing due dates and balances for each counterparty, and it strives to prevent uncollectable credits due to deterioration in financial conditions.

The credit risk pertaining to held-to-maturity bonds is considered to be limited because they are highly rated bonds.

In addition, with regard to derivative transactions, we see almost no credit risk since we conduct transactions with highly rated financial institutions only.

(ii) Management of Market Risks (Fluctuating Risks of Foreign Exchange, Interest Rates, etc.)

As a general rule, the Group uses forward exchange contracts to hedge foreign-currency-denominated trade receivables and payables against exchange rate fluctuation risks identified by currency and by month. Furthermore, the Company uses interest rate swap transactions to control the risk of interest rate fluctuations relating to loans payable.

With regard to securities and investment securities, we monitor the trends of market prices and issuers' business performance and financial conditions, and we pay attention to preventing losses arising from market price declines.

With regard to derivative transactions, the follow-up verification is conducted in terms of the effectiveness of hedging in accordance with regulations that stipulate transaction authority and transaction amount limits, etc. The transaction performance is regularly reported to the Board of Directors.

(4) Supplementary Explanation on Matters Concerning Fair Values of Financial Instruments

The fair value of financial instruments includes the value based on the market prices, and the value reasonably calculated in the absence of market prices. Since fluctuation factors are incorporated in the calculation of the relevant value, the relevant value may fluctuate depending on the adoption of different assumptions.

Notes are omitted for "Cash and deposits," "Notes receivable - trade," "Accounts receivable - trade," "Notes and accounts payable - trade," "Short-term loans payable," and "Income taxes payable" because they are settled in a short period of time, and their fair values are almost equivalent to the book value. The current portion of long-term loans payable (3,828 million yen) is included in long-term loans payable.

2. Matters Concerning Fair Values of Financial Instruments, etc.

Consolidated balance sheet amounts, fair values, and differences between them are as follows.

End of previous consolidated fiscal year (As of March 31, 2024)

	Consolidated balance sheet amounts (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Securities and investment securities:			
Held-to-maturity bonds	300	288	-11
Available-for-sale securities	7,568	7,568	—
Total assets	7,868	7,857	-11
Long-term loans payable	11,914	11,526	-387
Total liabilities	11,914	11,526	-387
Derivatives	398	398	—

Notes: 1. Net receivables and payables arising from derivatives transactions are indicated in net amounts, and items that are net liabilities in total are shown in parentheses.

2. Equity investments in partnerships and other equivalent entities which account for the amount of net equity on the consolidated balance sheet are not included. The amount recorded on the consolidated balance sheet for this investment is 358 million yen.

End of current consolidated fiscal year (As of March 31, 2025)

	Consolidated balance sheet amounts (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Securities and investment securities:			
Held-to-maturity bonds	300	283	-16
Available-for-sale securities	7,281	7,281	—
Total assets	7,581	7,564	-16
Long-term loans payable	11,436	10,607	-828
Total liabilities	11,436	10,607	-828
Derivatives	549	549	—

Notes: 1. Net receivables and payables arising from derivatives transactions are indicated in net amounts, and items that are net liabilities in total are shown in parentheses.

2. Equity investments in partnerships and other equivalent entities which account for the amount of net equity on the consolidated balance sheet are not included. The amount recorded on the consolidated balance sheet for this investment is 516 million yen.

3. Stocks without market price, etc. are not included in “Securities and investment securities.” The consolidated balance sheet amounts of the relevant financial instruments are as follows.

Category	End of previous consolidated fiscal year (Millions of yen)	End of current consolidated fiscal year (Millions of yen)
Unlisted Shares	1,259	1,471

4. Scheduled redemption amount after the consolidated balance sheet date for monetary claims and securities with maturity dates

End of previous consolidated fiscal year (As of March 31, 2024)

	1 year or less (Millions of yen)	More than 1 year and 5 years or less (Millions of yen)	More than 5 years and 10 years or less (Millions of yen)	More than 10 years (Millions of yen)
Cash and deposits	31,808	—	—	—
Notes receivable - trade	4,814	—	—	—
Accounts receivable - trade	43,996	—	—	—
Securities and investment securities:				
Held-to-maturity bonds				
Japanese government bonds, municipal bonds, etc.	—	—	—	—
Corporate bonds	—	300	—	—
Available-for-sale securities with maturity				
Bonds (Corporate bonds)	—	—	—	—
Total	80,618	300	—	—

End of current consolidated fiscal year (As of March 31, 2025)

	1 year or less (Millions of yen)	More than 1 year and 5 years or less (Millions of yen)	More than 5 years and 10 years or less (Millions of yen)	More than 10 years (Millions of yen)
Cash and deposits	32,399	—	—	—
Notes receivable - trade	4,640	—	—	—
Accounts receivable - trade	46,081	—	—	—
Securities and investment securities:				
Held-to-maturity bonds				
Japanese government bonds, municipal bonds, etc.	—	—	—	—
Corporate bonds	—	300	—	—
Available-for-sale securities with maturity				
Bonds (Corporate bonds)	—	—	—	—
Total	83,121	300	—	—

5. Scheduled repayment amount of long-term loans payable, lease obligations, and other interest-bearing debt after the consolidated balance sheet date

End of previous consolidated fiscal year (As of March 31, 2024)

	1 year or less (Millions of yen)	More than 1 year and 2 years or less (Millions of yen)	More than 2 years and 3 years or less (Millions of yen)	More than 3 years and 4 years or less (Millions of yen)	More than 4 years and 5 years or less (Millions of yen)	More than 5 years (Millions of yen)
Short-term loans payable	750	—	—	—	—	—
Long-term loans payable	328	3,828	328	3,328	2,828	1,274
Lease obligations	577	301	156	78	51	153
Total	1,656	4,129	484	3,406	2,879	1,427

End of current consolidated fiscal year (As of March 31, 2025)

	1 year or less (Millions of yen)	More than 1 year and 2 years or less (Millions of yen)	More than 2 years and 3 years or less (Millions of yen)	More than 3 years and 4 years or less (Millions of yen)	More than 4 years and 5 years or less (Millions of yen)	More than 5 years (Millions of yen)
Short-term loans payable	2,056	—	—	—	—	—
Long-term loans payable	3,828	328	3,328	2,828	328	796
Lease obligations	582	437	479	513	479	621
Total	6,467	765	3,807	3,341	807	1,417

3. Matters Concerning the Breakdown, etc. by Fair Value Level of Financial Instruments

The fair value of financial instruments is classified into the following three levels according to the observability and materiality of the inputs used for the calculation of the fair value.

Level 1 fair value: Fair value calculated using (unadjusted) quoted prices in active markets for identical assets or liabilities

Level 2 fair value: Fair value calculated using directly or indirectly observable inputs other than Level 1 inputs

Level 3 fair value: Fair value determined using significant and unobservable inputs

When multiple inputs that have a significant impact on the calculation of fair value are used, the fair value is classified into the lowest priority level in the calculation of fair value among the levels to which those inputs belong.

(1) Financial Assets and Financial Liabilities Whose Fair Values Are Marked as the Consolidated Balance Sheet Amounts

End of previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	7,568	—	—	7,568
Derivatives	—	398	—	398

Note: Net receivables and payables arising from derivatives transactions are indicated in net amounts, and items that are net liabilities in total are shown in parentheses.

End of current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Available-for-sale securities	7,281	—	—	7,281
Derivatives	—	549	—	549

Note: Net receivables and payables arising from derivatives transactions are indicated in net amounts, and items that are net liabilities in total are shown in parentheses.

(2) Financial Assets and Financial Liabilities Whose Fair Values Are Not Marked as the Consolidated Balance Sheet Amounts

End of previous consolidated fiscal year (As of March 31, 2024)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held-to-maturity bonds	—	288	—	288
Total assets	—	288	—	288
Long-term loans payable	—	11,526	—	11,526
Total liabilities	—	11,526	—	11,526

End of current consolidated fiscal year (As of March 31, 2025)

(Millions of yen)

Category	Fair value			
	Level 1	Level 2	Level 3	Total
Investment securities				
Held-to-maturity bonds	—	283	—	283
Total assets	—	283	—	283
Long-term loans payable	—	10,607	—	10,607
Total liabilities	—	10,607	—	10,607

Note: Explanation of the valuation technique used for the calculation of fair value and the inputs relating to the calculation of the fair value

Investment securities

Listed stocks are valued using quoted market prices. The fair values of listed stocks are classified as Level 1 fair values because they are traded in an active market. On the other hand, the fair values of other receivables held by the Company are classified as Level 2 fair values because the frequency of transactions on the market is low and they are not recognized as quoted prices in active markets.

Derivatives

The fair values of forward exchange contracts are calculated by the discount cash flow method using observable inputs, such as interest rates and foreign exchange rates, and are classified as Level 2 fair values. Interest rate swaps subject to exceptional treatment are accounted for together with long-term loans payable as hedged items. Therefore, the fair values are included in the fair values of such long-term loans payable.

Long-term loans payable

These fair values are calculated using the discount cash flow method based on the total amount of principal and interest and an interest rate that takes into account the remaining term of the relevant debt and credit risk, and they are classified as Level 2 fair value. Long-term loans payable with floating interest rates are subject to special treatment for interest rate swaps (see “Derivatives” above) and are calculated using the total amount of principal and interests processed together with the relevant interest rate swaps.

(Securities)

I. End of Previous Consolidated Fiscal Year

1. Held-to-maturity Bonds (As of March 31, 2024)

	Class	Consolidated balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Securities whose fair value exceeds the consolidated balance sheet amount	(1) Japanese government bonds, municipal bonds, etc.	—	—	—
	(2) Corporate bonds	—	—	—
	(3) Others	—	—	—
	Subtotal	—	—	—
Securities whose fair value does not exceed the consolidated balance sheet amount	(1) Japanese government bonds, municipal bonds, etc.	—	—	—
	(2) Corporate bonds	300	288	-11
	(3) Others	—	—	—
	Subtotal	300	288	-11
Total		300	288	-11

2. Available-for-sale Securities (As of March 31, 2024)

	Class	Acquisition cost (Millions of yen)	Consolidated balance sheet amount (Millions of yen)	Difference (Millions of yen)
Securities whose consolidated balance sheet amount exceeds acquisition cost	(1) Stocks	2,366	7,345	4,978
	(2) Bonds			
	(i) Japanese government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	2,366	7,345	4,978
Securities whose consolidated balance sheet amount does not exceed the acquisition cost	(1) Stocks	247	223	-23
	(2) Bonds			
	(i) Japanese government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	247	223	-23
Total		2,613	7,568	4,955

3. Available-for-sale Securities Disposed of During Current Fiscal Year (From April 1, 2023 to March 31, 2024)

Category	Sales amount (Millions of yen)	Total gain on sales (Millions of yen)	Total loss on sales (Millions of yen)
Stocks	140	53	—
Bonds	—	—	—
Others	—	—	—
Total	140	53	—

4. Held-to-maturity Bonds Disposed of During Current Fiscal Year (from April 1, 2023 to March 31, 2024)

Not applicable

5. Securities Whose Impairment Losses Were Recognized

Not applicable

II. End of Current Consolidated Fiscal Year

1. Held-to-maturity Bonds (As of March 31, 2025)

	Class	Consolidated balance sheet amount (Millions of yen)	Fair value (Millions of yen)	Difference (Millions of yen)
Securities whose fair value exceeds the consolidated balance sheet amount	(1) Japanese government bonds, municipal bonds, etc.	—	—	—
	(2) Corporate bonds	—	—	—
	(3) Others	—	—	—
	Subtotal	—	—	—
Securities whose fair value does not exceed the consolidated balance sheet amount	(1) Japanese government bonds, municipal bonds, etc.	—	—	—
	(2) Corporate bonds	300	283	-16
	(3) Others	—	—	—
	Subtotal	300	283	-16
Total		300	283	-16

2. Available-for-sale Securities (As of March 31, 2025)

	Class	Acquisition cost (Millions of yen)	Consolidated balance sheet amount (Millions of yen)	Difference (Millions of yen)
Securities whose consolidated balance sheet amount exceeds acquisition cost	(1) Stocks	2,078	6,991	4,913
	(2) Bonds			
	(i) Japanese government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	2,078	6,991	4,913
Securities whose consolidated balance sheet amount does not exceed the acquisition cost	(1) Stocks	337	289	−48
	(2) Bonds			
	(i) Japanese government bonds, municipal bonds, etc.	—	—	—
	(ii) Corporate bonds	—	—	—
	(iii) Others	—	—	—
	(3) Others	—	—	—
	Subtotal	337	289	−48
Total	2,415	7,281	4,865	

3. Available-for-sale Securities Disposed of During Current Fiscal Year (From April 1, 2024 to March 31, 2025)

Category	Sales amount (Millions of yen)	Total gain on sales (Millions of yen)	Total loss on sales (Millions of yen)
Stocks	665	465	—
Bonds	—	—	—
Others	—	—	—
Total	665	465	—

4. Held-to-maturity Bonds Disposed of During Current Fiscal Year (from April 1, 2024 to March 31, 2025)

Not applicable

5. Securities Whose Impairment Losses Were Recognized

Not applicable

(Derivatives)

End of previous consolidated fiscal year (As of March 31, 2024)

1. Derivative Transactions to Which Hedge Accounting Is Not Applied

(1) Currency Related

Category	Type of transaction	Contract amount, etc. (Millions of yen)	Of which, more than 1 year (Millions of yen)	Fair value (Millions of yen)	Unrealized gains or losses (Millions of yen)
Off-market transactions	Foreign exchange forward contract Long position				
	U.S. dollar	789	—	767	-21
	Japanese yen	14	—	14	-0
Total		804	—	782	-22

(2) Interest-rate Related

Not applicable

2. Derivative Transactions to Which Hedge Accounting Is Applied

(1) Currency Related

Methods of hedge accounting	Type of transaction	Hedged items	Contract amount, etc. (Millions of yen)	Of which, more than 1 year (Millions of yen)	Fair value (Millions of yen)
Principle method	Foreign exchange forward contract Long position				
	U.S. dollar	Account payable - trade	13,264	—	422
	Chinese yuan	Account payable - trade	967	—	2
	Japanese yen	Account payable - trade	604	—	-12
Total			14,836	—	413

(2) Interest-rate Related

Not applicable

End of current consolidated fiscal year (As of March 31, 2025)

1. Derivative Transactions to Which Hedge Accounting Is Not Applied

(1) Currency Related

Category	Type of transaction	Contract amount, etc. (Millions of yen)	Of which, more than 1 year (Millions of yen)	Fair value (Millions of yen)	Unrealized gains or losses (Millions of yen)
Off-market transactions	Foreign exchange forward contract Long position U.S. dollar	106	—	3	3
Total		106	—	3	3

(2) Interest-rate Related

Not applicable

2. Derivative Transactions to Which Hedge Accounting Is Applied

(1) Currency Related

Methods of hedge accounting	Type of transaction	Hedged items	Contract amount, etc. (Millions of yen)	Of which, more than 1 year (Millions of yen)	Fair value (Millions of yen)
Principle method	Foreign exchange forward contract Long position	U.S. dollar	21,110	—	538
		Chinese yuan	805	—	—0
		Japanese yen	319	—	7
Total			22,235	—	545

(2) Interest-rate Related

Not applicable

(Retirement Benefits)

1. Outline of Retirement Benefit Plans Adopted

The Company and its domestic consolidated subsidiaries adopt defined benefit plans, consisting of a contract-type defined benefit corporate pension plan, a tax-qualified retirement pension plan (closed type), and a retirement lump-sum payment plan. The Company adopts a defined contribution pension plan, and some overseas consolidated subsidiaries also adopt defined contribution pension plans. In some cases, when an employee retires, a premium retirement allowance may be paid. The Company sets up a retirement benefit trust.

The Company and some consolidated subsidiaries revised their retirement benefit plans in June 2019. For the accounting treatment associated with the revision, the “Guidance on Accounting for Transfer between Retirement Benefit Plans” (ASBJ Guidance No. 1; December 16, 2016) and “Practical Solution on Accounting for Transfer between Retirement Benefit Plans” (ASBJ PITF No. 2; February 7, 2007) were applied, and the accounting treatment for partial termination of the retirement benefit plan before the revision was processed.

Some consolidated subsidiaries calculate retirement benefit obligations and retirement benefit expenses using the simplified method; however, they are included in the notes using the general method as they are not material.

2. Defined Benefit Plan

(1) Reconciliation of Retirement Benefit Obligations at the Beginning and End of the Period

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Balance of retirement benefit obligations at beginning of the period	23,831Millions of yen	22,741Millions of yen
Service cost	742	637
Interest expense	163	230
Amount of actuarial gains and losses	-211	-1,100
Amount of retirement benefits paid	-1,785	-1,616
Balance of retirement benefit obligations at the end of the period	22,741	20,891

(2) Reconciliation of Pension Assets at the Beginning and End of the Period

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Balance of pension assets at the beginning of the period	31,695Millions of yen	32,761Millions of yen
Expected returns on pension assets	460	474
Amount of actuarial gains and losses	1,110	-731
Employer’s contribution	920	914
Amount of retirement benefits paid	-1,536	-1,462
Others	111	-17
Balance of pension assets at the end of the period	32,761	31,939

(3) Reconciliation of the Balances of Retirement Benefit Obligations and Pension Assets at the End of the Period, and Retirement Benefit Liability and Retirement Benefit Asset Recorded on the Consolidated Balance Sheet

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Retirement benefit obligations of funded scheme	22,584Millions of yen	20,761Millions of yen
Pension assets	-32,761	-31,939
	-10,177	-11,177
Retirement benefit obligations of unfunded scheme	156	130
Net liabilities and assets recorded on the consolidated balance sheet	-10,020	-11,047
Retirement benefit obligations	249	568
Retirement benefit asset	-10,270	-11,615
Net liabilities and assets recorded on the consolidated balance sheet	-10,020	-11,047

(4) Amounts of Retirement Benefit Expenses and Their Components

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Service cost	742Millions of yen	637Millions of yen
Interest expense	163	230
Expected returns on pension assets	-460	-474
Expensed amount of actuarial gains and losses	-266	-315
Others	-111	17
Retirement benefit expenses for defined benefit plan	67	96

(5) Remeasurements of Defined Benefit Plans, Net of Tax

The breakdown of items (before deducting income taxes and tax effects) recorded in “Remeasurements of defined benefit plans, net of tax” is as follows.

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Actuarial gains and losses	-1,054Millions of yen	54Millions of yen
Total	-1,054	54

(6) Remeasurements of Defined Benefit Plans

The breakdown of items (before deducting income taxes and tax effects) recorded in “Accumulated remeasurements of defined benefit plans, net of tax” is as follows.

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Unrecognized actuarial gains and losses	-3,198Millions of yen	-3,253Millions of yen
Total	-3,198	-3,253

(7) Matters Relating to Pension Assets

(i) Breakdown of Principal Pension Assets

The ratios of major categories to total pension assets are as follows.

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Bonds	12%	12%
Stocks	42	42
Cash and deposits	3	2
General account	16	14
Separate account	2	2
Others	25	29
Total	100	100

Note: Total pension assets include 41% and 39% of the retirement benefit trust established for the corporate pension plan in the previous consolidated fiscal year and the current consolidated fiscal year, respectively.

(ii) Method of Determining Long-term Expected Rate of Return on Pension Assets

In determining the long-term expected rate of return on pension assets, we consider the current and expected allocation of the plan’s assets and the current and expected future long-term rates of return from the various assets that make up the pension assets.

(8) Matters Relating to the Basis for Measurement of Actuarial Gains and Losses

Basis for measurement of major actuarial gains and losses at the end of the current consolidated fiscal year (weighted average)

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Discount rate	1.1%	1.8%
Long-term expected rate of return on pension assets	1.5	1.5
Expected salary increase rate	1.2–4.0	1.2–4.0

3. Defined Contribution Plan

The required contributions to the defined contribution plans of the Company and its consolidated subsidiaries were 516 million yen for the previous fiscal year and 528 million yen for the current fiscal year.

(Stock Options, etc.)

Not applicable

(Tax Effect Accounting)

1. Breakdown of Major Causes of Deferred Tax Assets and Deferred Tax Liabilities

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Deferred tax assets		
Allowance for doubtful accounts	347 Millions of yen	199 Millions of yen
Inventory valuation losses	565	481
Accrued expenses	1,927	1,467
Losses carried forward	254	100
Retirement benefit obligations	323	118
Refund liability	238	265
Others	1,783	403
Subtotal deferred tax assets	5,440	3,037
Valuation allowance for tax loss carryforwards (Note)	-168	-89
Valuation allowance for total deductible temporary differences	-623	-528
Subtotal of valuation allowance	-791	-618
Total deferred tax assets	4,648	2,418
Deferred tax liabilities		
Valuation difference on available-for-sale securities	1,434	1,439
Deferred gains on hedges	129	126
Valuation difference in the fair value of consolidated subsidiaries	1,411	1,412
Retained earnings of overseas subsidiaries	919	1,026
Others	1,197	10
Total deferred tax liabilities	5,093	4,015
Deferred tax liabilities, net	-444	-1,597

Note: Amounts of tax loss carryforwards and the deferred tax assets by carryforward deadline

End of Previous Consolidated Fiscal Year (As of March 31, 2024)

	1 year or less	More than 1 year and 2 years or less	More than 2 years and 3 years or less	More than 3 years and 4 years or less	More than 4 years and 5 years or less	More than 5 years	Total
Tax loss carryforwards (a)	86	12	7	0	5	143	254
Valuation allowance	-15	-12	-7	0	-5	-128	-168
Deferred tax assets	70	—	—	—	—	15	86

(a) Tax loss carryforwards are calculated by multiplying the statutory effective tax rate.

End of Current Consolidated Fiscal Year (As of March 31, 2025)

	1 year or less	More than 1 year and 2 years or less	More than 2 years and 3 years or less	More than 3 years and 4 years or less	More than 4 years and 5 years or less	More than 5 years	Total
Tax loss carryforwards (a)	—	0	—	5	5	90	100
Valuation allowance	—	-0	—	-5	-5	-78	-89
Deferred tax assets	—	—	—	—	—	11	11

(a) Tax loss carryforwards are calculated by multiplying the statutory effective tax rate.

2. Causes of the Difference between the Statutory Effective Tax Rate and the Burden Rate of Income Taxes, etc. after Application of Tax-effect Accounting

	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
	(%)	(%)
Statutory effective tax rate	30.6	30.6
(Adjustment)		
Items that are permanently excluded from deductible expenses, such as entertainment expenses	0.4	0.4
Items that are permanently excluded from taxable revenues, such as dividends received	-0.1	0.6
Inhabitant tax on a per capita basis	0.6	0.6
Changes in valuation allowance	-1.1	-0.8
Difference in tax rate of consolidated subsidiaries	-1.8	-1.8
Unrealized income	0.1	-0.4
Retained earnings of overseas subsidiaries	0.9	0.5
Tax credits	-2.9	-2.0
Others	0.6	1.7
Income tax burden rate after application of tax effect accounting	27.3	29.3

3. Adjustment of Deferred Tax Assets and Deferred Tax Liabilities Due to Changes in Corporate Tax Rates, Etc.

The “Act to Partially Amend the Income Tax Act, etc.” (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and “Special Defense Corporate Tax” will be levied from the consolidated fiscal years beginning on or after April 1, 2026.

Following this change, deferred tax assets and deferred tax liabilities relating to deductible temporary differences that are expected to be utilized in the consolidated fiscal years beginning on or after April 1, 2026, are calculated using a normal effective statutory tax rate of 31.5%, up from 30.6%.

The impact of this tax rate change is immaterial.

(Business combinations)

Transaction, etc. under common control

(1) Outline of transaction

1) Names and business description subject to transaction

Name	Business description
Mizuno Corporation (UK) Mizuno Corporation (Germany) Mizuno Corporation (The Netherlands) Mizuno Corporation (Sweden) Mizuno Corporation (Denmark)	Sale of sports products

2) Date of business combination

January 1, 2025

3) Legal form of business combination

Contribution in kind of the European branch business of the Company to Mizuno Corporation UK Limited

4) Name of the company after business combination

Mizuno Corporation UK Limited

5) Other matters related to outline of transaction

The Company has determined that this business combination is necessary in order to aim for realizing swift management decision making and efficient management in the Europe business segment as well as work on further expanding profits of the entire Group.

(2) Outline of the accounting treatment to be implemented

In accordance with the “Accounting Standard for Business Combinations” (ASBJ Statement No. 21, January 16, 2019) and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.” (ASBJ Guidance No. 10, January 16, 2019), this business combination was treated as a transaction under common control.

(Asset Retirement Obligations)

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

The amount is omitted due to its immateriality.

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

The amount is omitted due to its immateriality.

(Rental Property)

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

The total amount is omitted due to its immateriality.

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

The total amount is omitted due to its immateriality.

(Revenue Recognition)

1. Breakdown of Revenues from Contracts with Customers

The breakdown of revenues from contracts with customers is described in “Notes (Segment Information, etc.)”

2. Information That Forms the Basis for Understanding Revenues

The information that forms the basis for understanding revenues is described in “(Significant Matters That Are the Basis for Preparing Consolidated Financial Statements), 4. Matters Concerning Accounting Policies, (6) Accounting Standards for Material Revenue and Expenses.”

3. Information for Understanding the Amount of Revenue for the Current and Next Following Periods

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(1) Balance of Contract Assets and Contract Liabilities, etc.

Balances of receivables, contract assets, and contract liabilities generated from contracts with customers are as follows.

(Millions of yen)

	Balance at April 1, 2023	Balance at March 31, 2024
Receivables from contracts with customers	48,027	48,810
Contract liabilities	1,149	749

Of the amount of revenue recognized during the current fiscal year, the amount included in the balance of contract liabilities at the beginning of the period is 1,149 million yen. The decrease of 399 million yen in contract liabilities during the current consolidated fiscal year is attributable mainly to a decrease in advances received.

(2) Transaction Price Allocated to Remaining Performance Obligations

The total amount of the transaction price allocated to the remaining performance obligations and the period during which revenue is expected to be recognized are omitted due to the absence of the Group’s material transactions with customers whose contract period is initially scheduled to exceed one year.

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

(1) Balance of Contract Assets and Contract Liabilities, etc.

Balances of receivables, contract assets, and contract liabilities generated from contracts with customers are as follows.

(Millions of yen)

	Balance at April 1, 2024	Balance at March 31, 2025
Receivables from contracts with customers	48,810	50,722
Contract liabilities	749	702

Of the amount of revenue recognized during the current consolidated fiscal year, the amount included in the balance of contract liabilities at the beginning of the period is 749 million yen. The decrease of 46 million yen in contract liabilities during the current consolidated fiscal year is attributable mainly to a decrease in advances received.

(2) Transaction Price Allocated to Remaining Performance Obligations

The total amount of the transaction price allocated to the remaining performance obligations and the period during which revenue is expected to be recognized are omitted due to the absence of the Group’s material transactions with customers whose contract period is initially scheduled to exceed one year.

(Segment information, etc.)

[Segment information]

1. Outline of Reportable Segment

The Group's reportable segments are components of the Group for which separate financial information is available and which are subject to regular review by the Company's Board of Directors for the purpose of making decisions about the allocation of management resources and assessing the segments' performance.

The Group mainly manufactures and distributes sporting goods, and domestic business is assumed by the Company and its subsidiaries, while overseas business is assumed by the Company's branches and local subsidiaries outside Japan. Our branch offices and local subsidiaries are independent management units and develop business activities by formulating comprehensive strategies, policies and goals for each region regarding their specific items, product categories, and sales formats. On the other hand, since the markets within the same region are similar, the reportable segments are based on a geographical base that integrates each base.

Therefore, the Group is composed of segments by region based on production and distribution systems, and has four reportable segments: "Japan," "Europe," "The Americas," and "Asia and Oceania."

2. Calculation Methods for Net Sales, Profit or loss, Assets, Liabilities, and Other Items for Each Reportable Segment

The accounting method for reported segments is generally the same as described in "Significant Matters That Are the Basis for Preparing Consolidated Financial Statements."

Reportable segment profit is based on operating profit. Inter-segment internal net sales and transfers are based on current market prices.

3. Information on the amounts of Net Sales, Profit or Loss, Assets, and Other Items by Reportable Segment

For the fiscal year ended March 31, 2024 (from April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable segment					Adjustment Notes 1. and 2.	Total
	Japan	Europe	The Americas	Asia and Oceania	Total		
Net sales							
Net sales from external customers	141,413	25,566	33,886	28,845	229,711	—	229,711
Inter-segment internal net sales and transfers	6,716	—	14	4,291	11,022	(11,022)	—
Total	148,130	25,566	33,900	33,136	240,733	(11,022)	229,711
Segment profit	12,037	528	2,338	2,282	17,187	91	17,279
Segment assets	125,539	19,880	26,454	20,413	192,287	13,863	206,151
Other items							
Depreciation	2,100	233	646	242	3,223	—	3,223
Increase in property, plant and equipment, and intangible assets	1,311	330	459	187	2,289	—	2,289

(Notes) 1. Adjustments in segment profit are attributable to the elimination of inter-segment transactions.

3. Adjustments in segment assets are attributable to the elimination of inter-segment transactions and corporate assets. Corporate assets mainly consist of the Company's surplus operating fund (cash and deposits, securities), long-term investment funds (investment securities), and deferred tax assets.

(Millions of yen)

	Reportable Segment				
	Japan	Europe	The Americas	Asia and Oceania	Total
Sale of sporting goods	118,162	25,566	33,886	28,845	206,460
Sports facility management business	23,047	—	—	—	23,047
Revenues from contracts with customers	141,210	25,566	33,886	28,845	229,507
Other revenues	203	—	—	—	203
Net sales from external customers	141,413	25,566	33,886	28,845	229,711

Note: The "Other revenues" category includes revenue from real estate.

For the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable segment					Adjustment Notes 1. and 2.	Total
	Japan	Europe	The Americas	Asia and Oceania	Total		
Net sales							
Net sales from external customers	147,291	23,743	35,986	33,314	240,335	—	240,335
Inter-segment internal net sales and transfers	6,765	—	16	4,500	11,282	(11,282)	—
Total	154,056	23,743	36,002	37,814	251,617	(11,282)	240,335
Segment profit	13,265	678	2,766	4,038	20,749	28	20,777
Segment assets	128,071	23,095	32,432	23,695	207,294	11,185	218,479
Other items							
Depreciation	2,097	195	552	224	3,071	—	3,071
Increase in property, plant and equipment, and intangible assets	2,272	65	3,753	337	6,430	—	6,430

(Notes) 1. Adjustments in segment profit are attributable to the elimination of inter-segment transactions.

2. Adjustments in segment assets are attributable to the elimination of inter-segment transactions and corporate assets.

Corporate assets mainly consist of the Company's surplus operating fund (cash and deposits, securities), long-term investment funds (investment securities), and deferred tax assets.

(Millions of yen)

	Reportable Segment				
	Japan	Europe	The Americas	Asia and Oceania	Total
Sale of sporting goods	122,674	23,743	35,986	33,314	215,718
Sports facility management business	24,301	—	—	—	24,301
Revenues from contracts with customers	146,975	23,743	35,986	33,314	240,019
Other revenues	315	—	—	—	315
Net sales from external customers	147,291	23,743	35,986	33,314	240,335

Note: The "Other revenues" category includes revenue from real estate.

[Related Information]

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

1. Information by Product and Service

The description is omitted because the same information is disclosed in the Segment Information.

2. Information by Region

(1) Net sales

(Millions of yen)

Japan	Europe	The U.S.	The Americas (excluding the U.S.)	Asia and Oceania	Total
141,413	25,566	31,173	2,713	28,845	229,711

(2) Property, Plant and Equipment

(Millions of yen)

Japan	Europe	The Americas	Asia and Oceania	Total
33,763	835	1,727	840	37,167

3. Information by Major Customer

There are no customers who account for 10% or more of total sales.

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

1. Information by Product and Service

The description is omitted because the same information is disclosed in the Segment Information.

2. Information by Region

(1) Net sales

(Millions of yen)

Japan	Europe	The U.S.	The Americas (excluding the U.S.)	Asia and Oceania	Total
147,291	23,743	32,941	3,044	33,314	240,335

(2) Property, Plant and Equipment

(Millions of yen)

Japan	Europe	The Americas	Asia and Oceania	Total
33,223	900	4,628	992	39,744

3. Information by Major Customer

There are no customers who account for 10% or more of total sales.

[Information on Impairment Losses on Non-current Assets by Reportable Segment]

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment					Adjustment	Total
	Japan	Europe	The Americas	Asia and Oceania	Total		
Impairment loss	38	—	—	—	38	—	38

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment					Adjustment	Total
	Japan	Europe	The Americas	Asia and Oceania	Total		
Impairment loss	12	—	—	—	12	—	12

[Information on Amortization and Unamortized Balance of Goodwill by Reportable Segment]

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Reportable Segment					Adjustment	Total
	Japan	Europe	The Americas	Asia and Oceania	Total		
Amortization for the period	—	7	—	93	100	—	100
Balance at end of period	—	—	—	979	979	—	979

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Reportable Segment					Adjustment	Total
	Japan	Europe	The Americas	Asia and Oceania	Total		
Amortization for the period	—	—	—	103	103	—	103
Balance at end of period	—	—	—	852	852	—	852

[Information on Gain From Negative Goodwill by Reportable Segment]

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

Not applicable

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

Not applicable

(Related Party Information)

Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)

The description is omitted because there are no significant transactions with related parties.

Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)

Class	Name of Company or Person	Location	Capital Stock or Contribution (Millions of yen)	Details of Businesses	Proportion of Voting Rights Held (%)	Relationships	Outline of Transaction	Transaction Amount (Millions of yen)	Item	Balance at End of Period (Millions of yen)
Officer	Akito Mizuno	—	—	President and Representative Director of the Company	Held in Direct 0.48%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note)	16	—	—
Officer	Daisuke Fukumoto	—	—	Representative Director, Senior Managing Executive Officer of the Company	Held in Direct 0.08%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note)	10	—	—
Officer	Takeshi Shichijo	—	—	Director, Senior Managing Executive Officer of the Company	Held in Direct 0.05%	Contribution in kind of monetary compensation claims	Contribution in kind of monetary compensation claims (Note)	10	—	—

Note: The amount shown is the contribution in kind of monetary compensation claims under the restricted stock (RS) remuneration system.

(Per Share Information)

	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Net assets per share	1,843.94 yen	2,037.43 yen
Earnings per share	186.57 yen	198.65 yen
Diluted earnings per share	- yen	- yen

- Notes: 1. Diluted earnings per share are not presented because there were no dilutive shares with dilutive effect.
2. Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025. Net assets per share and earnings per share are calculated based on the assumption that the said stock split would be effected at the beginning of the previous consolidated fiscal year.
3. The basis for calculating earnings per share is as follows.

Item	Previous Consolidated Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Consolidated Fiscal Year (From April 1, 2024 to March 31, 2025)
Earnings per share		
Profit attributable to owners of parent (Millions of yen)	14,311	15,243
Amount not attributable to shareholders of common stock (Millions of yen)	—	—
Profit attributable to shareholders of common stock (Millions of yen)	14,311	15,243
Average number of shares of common stock during the period	76,708,094	76,731,708

4. The Basis for Calculating Net Assets per Share Is as Follows.

Item	End of previous consolidated fiscal year (As of March 31, 2024)	End of current consolidated fiscal year (As of March 31, 2025)
Total amount of net assets (Millions of yen)	142,065	157,121
Amount deducted from total amount of net assets (Millions of yen)	611	772
(Of which, non-controlling interests)	(611)	(772)
Net assets related to common stock at the end of the period (Millions of yen)	141,454	156,348
Number of shares as of the end of the period used for calculation of net assets per share	76,713,426	76,737,999

(Significant Subsequent Event)

(Stock split and partial amendment to the Articles of Incorporation)

Based on the resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a stock split and partially amended its Articles of Incorporation effective April 1, 2025.

1. Purpose of the Stock Split

The purpose of the stock split is to lower the Company's per-share price with the aim of enhancing the liquidity and making the stock more accessible to a wider range of investors.

2. Overview of the Stock Split

(1) Method of the stock split

The Company effected a three-for-one stock split for its common stock held by the shareholders recorded on the shareholder registry as of March 31, 2025.

(2) Increase in the number of shares after the stock split

Shares outstanding before the stock split	26,578,243 shares
Increase in the number of shares after the stock split	53,156,486 shares
Shares outstanding after the stock split	79,734,729 shares
Total number of shares authorized to be issued after the stock split	177,600,000 shares

(3) Schedule

Date of public notice of the record date	Friday, March 14, 2025
Record date	Monday, March 31, 2025
Effective date	Tuesday, April 1, 2025

(4) Impact on per share information

Per share information that was calculated as if the stock split had been effected at the beginning of the previous consolidated fiscal year is as follows.

Item	Previous consolidated fiscal year (From April 1, 2023 to March 31, 2024)	Current consolidated fiscal year (From April 1, 2024 to March 31, 2025)
Earnings per share	186.57 yen	198.65 yen
Diluted earnings per share	- yen	- yen

3. Partial Amendment to the Articles of Incorporation

(1) The reason for the amendment

The Company executed a partial amendment to its Articles of Incorporation associated with the stock split pursuant to the provisions of Article 184, Paragraph 2 of the Companies Act on April 1, 2025.

(2) Details of the amendments of the Articles of Incorporation

Details of the amendments are as follows.

The Articles of Incorporation before the stock split	The Articles of Incorporation after the stock split
Article 6 (Total number of shares authorized to be issued) The total number of shares authorized to be issued by the Company shall be 59,200,000 shares.	Article 6 (Total number of shares authorized to be issued) The total number of shares authorized to be issued by the Company shall be 177,600,000 shares.

(3) Schedule

Date of the resolution of the Board of Directors	Friday, February 7, 2025
Effective date	Tuesday, April 1, 2025

(v) [Consolidated Supplementary Schedules]

[Schedule of Corporate Bonds]

Not applicable

[Schedule of Loans Payable, etc.]

Category	Balance at beginning of current period (Millions of yen)	Balance at end of current period (Millions of yen)	Average interest rate (%)	Repayment date
Short-term loans payable	750	2,056	3.6	—
Current portion of long-term loans payable	328	3,828	0.4	—
Current portion of lease obligations	577	582	—	—
Long-term loans payable (except for current portion)	11,586	7,608	0.8	August 2027 to January 2033
Lease obligations (except for current portion)	741	2,530	—	April 2026 to March 2038
Other interest-bearing debt	—	—	—	—
Total	13,983	16,605	—	—

Notes: 1. “Average interest rate” represents the weighted average interest rate for the balance of loans payable, etc. at the end of the period. The current portions of lease obligations and lease obligations (excluding the current portion) are not applicable as the interest-inclusive method is adopted.

2. The estimated repayment amounts of long-term loans payable (excluding the current portion) and lease obligations (excluding the current portion) within five years after the consolidated balance sheet date are as follows.

Category	More than 1 year and 2 years or less (Millions of yen)	More than 2 years and 3 years or less (Millions of yen)	More than 3 years and 4 years or less (Millions of yen)	More than 4 years and 5 years or less (Millions of yen)
Long-term loans payable	328	3,328	2,828	328
Lease obligations	437	479	513	479

[Schedule of Asset Retirement Obligations]

Information is omitted because the amount of asset retirement obligations at the beginning and the end of the current consolidated fiscal year is not more than 1% of the total amount of liabilities and net assets at the beginning and end of the current consolidated fiscal year.

(2) [Others]

Quarterly information, etc., for the current consolidated fiscal year

		First three-month period from April 1, 2024 to June 30, 2024	First six-month period from April 1, 2024 to September 30, 2024	First nine-month period from April 1, 2024 to December 31, 2024	The 112th consolidated fiscal year from April 1, 2024 to March 31, 2025
Revenues	(Millions of yen)	60,783	119,613	175,364	240,335
Profit before income taxes	(Millions of yen)	7,409	11,340	17,271	21,803
Profit attributable to owners of parent	(Millions of yen)	5,135	8,097	12,609	15,243
Earnings per share	(Yen)	66.95	105.54	164.33	198.65

		First quarter of consolidated accounting period from April 1, 2024 to June 30, 2024	Second quarter of consolidated accounting period from July 1, 2024 to September 30, 2024	Third quarter of consolidated accounting period from October 1, 2024 to December 31, 2024	Fourth quarter of consolidated accounting period from January 1, 2025 to March 31, 2025
Quarterly earnings per share	(Yen)	66.95	38.60	58.79	34.33

Notes: 1. The Company prepares quarterly financial statements for the first and third quarters in accordance with the rules prescribed by the financial instruments exchange, but they have not received interim review for those quarters.

2. Based on a resolution of the Board of Directors meeting held on February 7, 2025, the Company effected a three-for-one stock split for its common stock effective April 1, 2025. The quarterly earnings per share is calculated based on the assumption that the said stock split would be effected at the beginning of the current consolidated fiscal year.

2. [Non-consolidated Financial Statements]

(1) [Non-consolidated Financial Statements]

(i) [Non-consolidated Balance Sheet]

(Millions of yen)

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
Assets		
Current assets		
Cash and deposits	11,126	8,290
Notes receivable - trade	*3 3,565	*3 3,877
Accounts receivable - trade	*3 32,443	*3 26,946
Merchandise	24,433	22,862
Short-term loans receivable	*3 1,275	*3 355
Accounts receivable	*3 1,678	*3 1,401
Others	*3 3,100	*3 3,075
Allowance for doubtful accounts	-219	-127
Total current assets	77,403	66,682
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	14,961	14,153
Tools, furniture and fixtures, net	593	495
Land	9,812	9,682
Other, net	*4 2,741	*4 2,698
Total property, plant and equipment	28,109	27,030
Intangible assets		
Software	2,177	1,404
Others	501	422
Total intangible assets	2,679	1,826
Investments and other assets		
Investment securities	9,217	9,087
Shares of subsidiaries and associates	*1 23,565	*1 32,760
Prepaid pension cost	7,228	8,030
Deferred tax assets	889	-
Others	2,793	2,526
Allowance for doubtful accounts	-707	-306
Total investments and other assets	42,986	52,098
Total non-current assets	73,774	80,956
Total assets	151,177	147,638

(Millions of yen)

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
Liabilities		
Current liabilities		
Notes and accounts payable - trade	*3 13,899	*3 9,158
Short-term loans payable	*3 940	-
Current portion of long-term loans payable	328	3,828
Accounts payable - other and accrued expenses	*3 10,479	*3 7,906
Income taxes payable	2,572	1,538
Provision for bonuses for directors (and other officers)	143	135
Others	1,623	1,180
Total current liabilities	29,985	23,747
Non-current liabilities		
Long-term loans payable	*3 19,335	*3 15,439
Deferred tax liabilities for land revaluation	1,181	1,215
Provision for retirement benefits	16	13
Long-term guarantee deposits	2,172	2,267
Asset retirement obligations	93	94
Deferred tax liabilities	-	88
Others	799	695
Total non-current liabilities	23,598	19,815
Total liabilities	53,584	43,562
Net assets		
Shareholders' equity		
Capital stock	26,137	26,137
Capital surplus		
Legal capital surplus	22,454	22,454
Other capital surplus	9,395	9,462
Total capital surplus	31,849	31,916
Retained earnings		
Other retained earnings		
General reserve	10,900	10,900
Retained earnings brought forward	26,995	33,561
Total retained earnings	37,895	44,461
Treasury shares	-1,864	-1,864
Total shareholders' equity	94,018	100,650
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,598	3,504
Deferred gains or losses on hedges	296	274
Revaluation reserve for land	-319	-353
Total valuation and translation adjustments	3,575	3,425
Total net assets	97,593	104,075
Total liabilities and net assets	151,177	147,638

(ii) [Non-consolidated Statement of Income]

(Millions of yen)

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Net sales	*1 150,847	*1 154,705
Cost of sales	*1 95,782	*1 97,662
Gross profit	55,065	57,043
Selling, general and administrative expenses	*1, *2 46,288	*1, *2 46,688
Operating profit	8,776	10,354
Non-operating income		
Interest income	*1 77	*1 78
Interest on securities	5	5
Dividend income	1,307	2,884
Commission income	16	16
Insurance claim income	3	12
Foreign exchange gains	1,396	-
Compensation income	48	49
Reversal of allowance for doubtful accounts	432	83
Others	157	306
Total non-operating income	3,445	3,438
Non-operating expenses		
Interest expenses	*1 167	*1 143
Foreign exchange losses	-	49
Commission for syndicated loans	18	6
Commission expenses	16	24
Warehouse transfer expenses	92	-
Provision of allowance for doubtful accounts	49	-
Others	99	42
Total non-operating expenses	443	266
Ordinary profit	11,778	13,527
Extraordinary income		
Gain on sale of non-current assets	*3 857	-
Gain on sale of investment securities	53	465
Total extraordinary income	911	465
Extraordinary losses		
Loss on sale of non-current assets	*4 14	-
Loss on retirement of non-current assets	*5 4	*5 11
Impairment loss	*6 38	*6 4
Loss on valuation of inventories	300	-
Total extraordinary losses	358	16
Profit before income taxes	12,331	13,977
Income taxes - current	2,929	2,808
Income taxes - deferred	-270	894
Total income taxes	2,659	3,702
Profit	9,672	10,274

(iii) [Non-consolidated Statement of Changes in Equity]

Previous Fiscal Year (From April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	26,137	22,454	9,374	31,828	10,900	19,769	30,669
Change during current period							
Dividends of surplus						-1,917	-1,917
Profit						9,672	9,672
Acquisition of treasury shares							
Disposal of treasury shares			21	21			
Reversal of revaluation reserve for land						-528	-528
Net changes in items other than shareholders' equity							
Total changes during period	-	-	21	21	-	7,226	7,226
Balance at end of period	26,137	22,454	9,395	31,849	10,900	26,995	37,895

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	-1,871	86,763	2,336	-279	-1,081	975	87,739
Change during current period							
Dividends of surplus		-1,917					-1,917
Profit		9,672					9,672
Acquisition of treasury shares	-12	-12					-12
Disposal of treasury shares	19	41					41
Reversal of revaluation reserve for land		-528					-528
Net changes in items other than shareholders' equity			1,262	575	761	2,599	2,599
Total changes during period	6	7,254	1,262	575	761	2,599	9,854
Balance at end of period	-1,864	94,018	3,598	296	-319	3,575	97,593

Current Fiscal Year (From April 1, 2024 to March 31, 2025)

(Millions of yen)

	Shareholders' equity						
	Capital stock	Capital surplus			Retained earnings		
		Legal capital surplus	Other capital surplus	Total capital surplus	Other retained earnings		Total retained earnings
					General reserve	Retained earnings brought forward	
Balance at beginning of period	26,137	22,454	9,395	31,849	10,900	26,995	37,895
Change during current period							
Dividends of surplus						-3,708	-3,708
Profit						10,274	10,274
Acquisition of treasury shares							
Disposal of treasury shares			66	66			
Reversal of revaluation reserve for land							
Net changes in items other than shareholders' equity							
Total changes during period	-	-	66	66	-	6,566	6,566
Balance at end of period	26,137	22,454	9,462	31,916	10,900	33,561	44,461

	Shareholders' equity		Valuation and translation adjustments				Total net assets
	Treasury shares	Total shareholders' equity	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Revaluation reserve for land	Total valuation and translation adjustments	
Balance at beginning of period	-1,864	94,018	3,598	296	-319	3,575	97,593
Change during current period							
Dividends of surplus		-3,708					-3,708
Profit		10,274					10,274
Acquisition of treasury shares	-20	-20					-20
Disposal of treasury shares	19	86					86
Reversal of revaluation reserve for land							-
Net changes in items other than shareholders' equity			-94	-21	-34	-150	-150
Total changes during period	-0	6,632	-94	-21	-34	-150	6,482
Balance at end of period	-1,864	100,650	3,504	274	-353	3,425	104,075

[Notes]

(Significant Accounting Policies)

1. Valuation Policies and Methods for Securities

(1) Held-to-maturity Bonds

Amortized cost method (straight-line method)

(2) Shares of Subsidiaries and Affiliated Companies

Moving-average cost method

(3) Available-for-sale securities

(i) Securities Other Than Stocks Without Market Price

Market value method (Valuation differences are recorded directly in net assets, and cost of sales is calculated by the moving-average method.)

(ii) Stocks without Market Price, etc.

Moving-average cost method

With respect to investments in investment business limited partnerships and associations of a similar nature (those deemed to be securities pursuant to Article 2, Paragraph 2 of the Financial Instruments and Exchange Act), the net amount equivalent to an equity share shall be recorded based on the most recent financial statements available based on the date of the financial statement report stipulated in the partnership contract.

2. Valuation Policies and Methods for Derivatives

Market value method

3. Valuation Policies and Methods for Inventories

Merchandise

Cost by the first-in first-out method

(Balance sheet amounts are subject to the method of writing down the book value based on any decrease in profitability.)

4. Depreciation Method for Non-current Assets

(1) Property, Plant and Equipment (excluding leased assets)

Osaka Head Office building and structures, overseas branches	Straight-line method
Buildings acquired on or after April 1, 1998 (excluding facilities attached to buildings) and facilities attached to buildings and structures acquired on or after April 1, 2016	Straight-line method
Property, plant and equipment other than the above	Declining-balance method

(2) Intangible Assets (excluding leased assets)

Straight-line method

For software for internal use, the straight-line method is applied based on its estimated useful life (five years) within the company.

(3) Leased Assets

Leased assets relating to finance lease transactions without transfer of ownership

Depreciation is calculated using the straight-line method over the lease term, which is equal to useful life with no residual value.

5. Standards for Conversion of Assets and Liabilities Denominated in Foreign Currencies into Japanese Yen

Foreign-currency-denominated monetary claims and monetary obligations are converted into Japanese yen at the spot exchange rate as of the fiscal year end date, with conversion differences recognized as gains or losses. Monetary claims and monetary obligations denominated in foreign currencies with foreign exchange forward contracts are converted into the Japanese yen by applying appropriation treatment of foreign exchange forward, etc.

6. Reporting Basis for Allowances

(1) Allowance for Doubtful Accounts

To prepare for bad debt losses of trade receivables and loans receivable, etc., the estimated uncollectable amounts regarding general accounts receivable are recorded using the historical bad debt ratio, and the estimated uncollectable amounts regarding certain accounts receivable, such as doubtful accounts receivable, are recorded by separately examining their collectability.

(2) Provision for Retirement Benefits

(i) Method for Attributing Projected Retirement Benefits to Periods

To prepare for employees' retirement benefits, provisions for retirement benefits are recorded based on retirement benefit obligations as of the end of the period and the estimated pension assets. In calculating the retirement benefit obligations, projected benefits are attributed to service periods up to the end of the period on a benefit formula basis.

(ii) Method of Recognizing Unrecognized Actuarial Variance and Past Service Cost

Past service costs are treated as an expense using the straight-line method over a certain number of years (10 years) within the average remaining service period of the employees in the year in which the past service costs occur.

The actuarial difference is treated as an expense allocated by using the straight-line method over a certain number of years (10 years) within the average remaining years of service of the employees in the fiscal year in which the gain/loss occurs and is recognized from the following fiscal year.

(3) Provision for Bonuses for Directors (and Other Officers)

The Company provides allowance for bonuses for Directors based on the estimated amount of payment in the current fiscal year.

7. Methods of Hedge Accounting

The deferral hedge accounting method is applied. If items qualify for specific conditions under J-GAAP, the following treatments can be applied.

- For foreign exchange forward contracts and currency swaps, appropriation treatment whereby hedged items for foreign-currency-denominated transactions can be booked directly using the forward contract rate is applied.
- For interest rate swaps, exceptional treatment is applied whereby, if interest paid or received can be netted against the interest of underlying hedged interest bearing debt, there is no need for fair value evaluation to be applied.

8. Accounting Standards for Material Revenue and Expenses

The major performance obligations and the timing of revenue recognition in principal businesses are as follows.

(i) Sale of Merchandise and Finished Goods

In the sporting goods sales business, we principally manufacture and distribute sporting goods. Regarding the sale of those merchandise and finished goods, revenue is recognized when the performance obligation has been satisfied upon delivery of the merchandise and finished goods to the location agreed upon with the customer. However, applying the alternative treatment stipulated in Paragraph 98 of the "Implementation Guidance on Accounting Standard for Revenue Recognition," revenue is recognized at the time of shipment for domestic sales of merchandise and finished goods.

(ii) Sports Facility Management Business

In the sports facility management business, we are mainly engaged in operation and contract operation of sports facilities on a long-term basis, and we contract the construction of sports facilities. Regarding such contracts, as the performance obligation will be satisfied over a certain period of time, revenue is recognized on a straight-line basis over the period of service provision or based on the progress related to the fulfillment of the performance obligation. For short-term contracts, revenue is recognized when the performance obligations are fully satisfied.

(Significant Accounting Estimate)

Recoverability of deferred tax assets

(1) Amount Recorded in the Non-consolidated Financial Statements for the Current Fiscal Year

(Millions of yen)

Category	Previous Fiscal Year	Current fiscal year
Total deferred tax assets relating to deductible temporary differences	3,769	3,332
Valuation allowance for total deductible temporary differences	-1,290	-1,778
Deferred tax assets before offsetting deferred tax liabilities	2,478	1,554
Deferred tax assets after offsetting deferred tax liabilities	889	-88

(2) Information on the Content of Important Accounting Estimates for the Identified Item

The content is the same as that described in “Notes to Consolidated Financial Statements (Significant Accounting Estimates) (2) Information on the Content of Significant Accounting Estimates for the Identified Item.”

(Change in Accounting Policy)

(Application of “Accounting Standard for Current Income Taxes, etc.”)

“Accounting Standard for Current Income Taxes, etc. (ASBJ Statement No. 27; October 28, 2022; hereinafter referred to as “2022 Revised Accounting Standard”) has been applied from the beginning of the current fiscal year. Regarding the revisions concerning the classification of corporate tax, etc., the Company follows the transitional treatment prescribed in the proviso of paragraph 20-3 of the “2022 Revised Accounting Standard.” This treatment has no impact on the financial statements. We have also applied the 2022 Revised Implementation Guidance from the beginning of the current fiscal year for the revisions related to the review of treatment in financial statements when deferring gains (losses) on sale of subsidiary shares, etc. arising from the sale between consolidated companies for tax treatment. The change in this accounting policy has been applied retroactively, and the financial statements for the previous fiscal year reflect this retroactive application. This change has no impact on the financial statements for the prior fiscal year.

(Non-consolidated Balance Sheet)

*1. Assets pledged as collateral against a third party's borrowings, etc. are as follows:

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
Shares of subsidiaries and associates	9Millions of yen	9Millions of yen

*2. Guarantee Obligation

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
(1) Guarantees related to bank borrowings of subsidiaries and affiliated companies	693Millions of yen	1,853Millions of yen
(2) Guarantee associated with commercial letter of credit	439	824
(3) Guarantees related to trade payables of affiliated companies	1,273	234
Total	2,406	2,912

*3. Monetary claims and monetary obligations to subsidiaries and affiliated companies (excluding those listed separately)

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
(1) Short-term monetary claims	7,047Millions of yen	3,254Millions of yen
(2) Long-term monetary claims	700	1,028
(3) Short-term monetary obligations	2,928	1,468
(4) Long-term monetary obligations	7,899	7,831

*4. Reduction Entry

The reduction entry deducted from the acquisition price of non-current assets due to the conversion of fixed assets rights associated with the Urban Area Redevelopment Project Type 1 under the Urban Renewal Act is as follows.

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
Other, net	4,120Millions of yen	4,120Millions of yen

(Non-consolidated Statement of Income)

*1. Trading volume with subsidiaries and affiliated companies

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Revenues	12,939Millions of yen	13,684Millions of yen
Purchase amount	22,542	20,683
Selling, general and administrative expenses	2,053	1,940
Transactions other than ordinary sales transactions	78	36

*2. Major expense items, amounts and approximate percentages of selling, and general and administrative expenses are as follows.

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Advertising expenses	7,428Millions of yen	7,466Millions of yen
Salaries and allowances	11,029	10,844
Depreciation	1,679	1,620
Retirement benefit expenses	169	131
Approximate percentage		
Selling expenses	58%	58%
General and administrative expenses	42%	42%

*3. Gain on sale of principal non-current assets

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Buildings and Structures	488Millions of yen	—Millions of yen
Land	367	—
Tools, furniture and fixtures	0	—

*4. Loss on sale of principal non-current assets

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Buildings and Structures	14Millions of yen	—Millions of yen

*5. Loss on retirement of principal non-current assets

	Previous Fiscal Year (From April 1, 2023 to March 31, 2024)	Current Fiscal Year (From April 1, 2024 to March 31, 2025)
Buildings and Structures	0Millions of yen	3Millions of yen
Tools, furniture and fixtures	0	1
Software	1	5
Other (Property, plant and equipment)	1	0

*6. Impairment losses

Previous Fiscal Year (From April 1, 2023 to March 31, 2024)

In this fiscal year, the Company posted an impairment loss of 38 million yen for the following asset groups.

Purpose of use	Location	Class	Impairment loss (Millions of yen)
Business assets	Funabashi City, Chiba Prefecture	Structure	20
Business assets	Minoh City, Osaka Prefecture	Structure	5
Business assets	Sakai City, Osaka Prefecture	Structure	8
Business assets	Adachi-ku, Tokyo Metropolitan	Buildings	1
Business assets	Daito City, Osaka Prefecture, etc.	Buildings	0
Business assets	—	Software	2
Total			38

Non-current assets for which impairment losses have been recognized are grouped by individual property based on each revenue unit. Due to the continuous deterioration of operating profit and loss, etc., the book value was reduced to a recoverable amount, and the reduced amount was recorded as an extraordinary loss.

The recoverable amount is measured based on value in use, and the value in use is calculated based on the future cash flows. However, the discount rate is omitted because the future cash flow before the discount is negative.

Current Fiscal Year (From April 1, 2024 to March 31, 2025)

In this fiscal year, the Group posted an impairment loss of 4 million yen for the following asset groups.

Purpose of use	Location	Class	Impairment loss (Millions of yen)
Business assets	Matsumoto City, Nagano Prefecture	Buildings	0
Business assets	Hikone City, Shiga Prefecture	Buildings	1
Business assets	Suita City, Osaka Prefecture	Buildings	0
Business assets	Yokohama City, Kanagawa Prefecture	Buildings	0
Business assets	—	Software	1
Total			4

Non-current assets for which impairment losses have been recognized are grouped by individual property based on each revenue unit. Due to the continuous deterioration of operating profit and loss, etc., the book value was reduced to a recoverable amount, and the reduced amount was recorded as an extraordinary loss. The recoverable amount is measured based on value in use, and the value in use is calculated based on future cash flows.

Since the undiscounted future cash flows are negative, the discount rate is omitted.

(Securities)

End of Previous Fiscal Year (As of March 31, 2024)

The fair value of the shares of subsidiaries and affiliated companies are omitted since it is considered extremely difficult to determine the fair value due to the absence of market prices.

The balance sheet amounts of shares of subsidiaries and affiliated companies whose fair values are recognized to be extremely difficult to determine are as follows.

Category	Previous Fiscal Year (Millions of yen)
Shares of subsidiaries	23,445
Shares of affiliated companies	119
Total	23,565

End of Current Fiscal Year (As of March 31, 2025)

The fair value of the shares of subsidiaries and affiliated companies are omitted since it is considered extremely difficult to determine the fair value due to the absence of market prices.

The balance sheet amounts of shares of subsidiaries and affiliated companies whose fair values are recognized to be extremely difficult to determine are as follows.

Category	Current Fiscal Year (Millions of yen)
Shares of subsidiaries	32,640
Shares of affiliated companies	119
Total	32,760

(Tax Effect Accounting)

1. Breakdown of Major Causes of Deferred Tax Assets and Deferred Tax Liabilities

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
Deferred tax assets		
Inventory valuation losses	210 ^{Millions of yen}	132 ^{Millions of yen}
Accrued expenses	1,358	863
Allowance for doubtful accounts	283	135
Provision for retirement benefits	158	—
Loss on valuation of shares of subsidiaries and affiliated companies	684	704
Refund liability	95	99
Shares of subsidiaries	—	575
Others	977	821
Subtotal deferred tax assets	3,769	3,332
Valuation allowance for total deductible temporary differences	-1,290	-1,778
Subtotal of valuation allowance	-1,290	-1,778
Total deferred tax assets	2,478	1,554
Deferred tax liabilities		
Valuation difference on available-for-sale securities	1,434	1,439
Deferred gains on hedges	129	126
Prepaid pension cost	—	75
Others	24	0
Total deferred tax liabilities	1,589	1,643
Deferred tax assets (liabilities), net	889	-88

2. Causes of the Difference between the Statutory Effective Tax Rate and the Burden Rate of Income Taxes, etc. after Application of Tax-effect Accounting

	End of Previous Fiscal Year (As of March 31, 2024)	End of Current Fiscal Year (As of March 31, 2025)
	(%)	(%)
Statutory effective tax rate	30.6	30.6
(Adjustment)		
Items that are permanently excluded from deductible expenses, such as entertainment expenses	0.2	0.2
Items that are permanently excluded from taxable revenues, such as dividends received	-2.9	-4.9
Inhabitant tax on a per capita basis	0.8	0.8
Changes in valuation allowance	-1.3	3.1
Tax credits	-4.1	-3.0
Others	-1.8	-0.2
Income tax burden rate after application of tax effect accounting	21.6	26.5

3. Adjustment of Deferred Tax Assets and Deferred Tax Liabilities Due to Changes in Corporate Tax Rates, Etc.

The “Act to Partially Amend the Income Tax Act, etc.” (Act No. 13 of 2025) was passed by the Diet on March 31, 2025, and “Special Defense Corporate Tax” will be levied from the fiscal years beginning on or after April 1, 2026.

Following this change, deferred tax assets and deferred tax liabilities relating to deductible temporary differences that are expected to be utilized in the fiscal years beginning on or after April 1, 2026, are calculated using a normal effective statutory tax rate of 31.5%, up from 30.6%.

The impact of this tax rate change is immaterial.

(Business combinations)

Notes are omitted for the information on transactions under common control of the European branch business because the same descriptions are stated in “Notes to Consolidated Financial Statements (Business combinations).”

(Revenue Recognition)

The relevant notes regarding information that forms the basis for understanding revenues from contracts with customers are omitted since the same information is provided in the “Notes to Consolidated Financial Statements (Revenue Recognition).”

(Significant Subsequent Event)

Notes are omitted for the information on the stock split because the same descriptions are stated in “Notes to Consolidated Financial Statements (Significant Subsequent Event).”

(iv) [Supplementary Schedule]
[Property, Plant and Equipment]

(Millions of yen)

Category	Asset type	Balance at beginning of current period	Increase during the period	Decrease during the period	Amortization for the period	Balance at end of period	Accumulated depreciation
Property, plant and equipment	Buildings	37,670	255	887 (3)	556	37,037	23,056
	Structure	859	33	47	24	845	672
	Machinery and equipment	457	7	45	16	419	348
	Vehicles	50	64	110	3	4	4
	Tools, furniture and fixtures	2,412	197	372	217	2,237	1,741
	Land	9,812 [861]	—	130	—	9,682 [861]	—
	Leased Assets	1,224	63	84	69	1,203	197
	Construction in progress	1,620	1	0	—	1,621	—
	Total	54,106	623	1,678 (3)	888	53,051	26,021
Intangible assets	Software	9,224	700	1,424 (1)	666	8,500	7,096
	Others	2,424	140	76	143	2,488	2,066
	Total	11,649	840	1,500 (1)	810	10,989	9,162

- Notes: 1. The balances at the beginning and end of the current period are indicated by the acquisition prices.
2. The amounts indicated in parentheses of the decrease during the period present the amounts of impairment loss recorded during the period.
3. The amounts indicated in brackets in the item “Land” present the difference from the book value before the revaluation of the land for business use conducted in accordance with the Act on Revaluation of Land (Act No. 34 promulgated on March 31, 1998).
4. “Decrease during the period” includes the following fixed assets transferred to Mizuno Corporation UK Limited in connection with the reorganization of overseas branches into a subsidiary as follows.
Building 762 (Millions of yen)
Machinery and equipment 43 (Millions of yen)
Vehicles 110 (Millions of yen)
Tools, appliances and fixtures 283 (Millions of yen)
Land 130 (Millions of yen)
Software 1,417 (Millions of yen)

[Schedule of Allowances]

(Millions of yen)

Item	Balance at beginning of current period	Increase during the period	Decrease during the period	Balance at end of period
Allowance for doubtful accounts	927	4	498	433
Provision for bonuses for directors (and other officers)	143	135	143	135

(2) [Details of Main Assets and Liabilities]

Information is omitted as consolidated financial statements have been prepared.

(3) [Others]

Not applicable

VI. [Overview of the Stock-related Administration of the Company]

Fiscal year	From April 1 to March 31
Ordinary general meeting of shareholders	To be held in June
Record date	March 31
Record date for distribution of surplus	March 31 and September 30
Number of shares constituting one unit	100
Purchase and sale of shares of less than one unit	
Office for handling business	Sumitomo Mitsui Trust Bank, Limited Stock Transfer Agency 4-5-33, Kitahama, Chuo-ku, Osaka
Administrator of shareholders' register	Sumitomo Mitsui Trust Bank, Limited 1-4-1, Marunouchi, Chiyoda-ku, Tokyo
Forwarding office	—
Handling charge for selling or purchase	Free of charge
Method of public notice	Electronic public notice https://corp.mizuno.com/jp/ Provided, however, that if the Company is unable to give an electronic public notice due to an accident or any other unavoidable reason, public notices of the Company may be given in <i>The Nikkei</i> newspaper.
Special benefits for shareholders	<p>1. Shopping discount coupon</p> <ul style="list-style-type: none"> • Target shareholders Shareholders holding one unit (100 shares) or more as of March 31 • Complimentary coupon amount 20% discount per coupon • Number of coupons to be presented 10 for a shareholder holding 100 shares or more but less than 1,000 shares 20 for a shareholder holding 1,000 shares or more • How to use the coupon One coupon can be used for the total amount per purchase. <p>2. Preferential discounts for online shopping (using a dedicated website)</p> <ul style="list-style-type: none"> • Target shareholders Shareholders holding one unit (100 shares) or more as of March 31 and September 30 • Details of the complimentary discount 20% discount on total amount of purchase

- Notes: 1. Pursuant to the provisions of the Articles of Incorporation of the Company, shareholders of less than one unit are not authorized to exercise rights except for the following: the rights provided for in each item of Article 189, Paragraph 2 of the Companies Act; the rights to make requests pursuant to the provisions of Article 166, Paragraph 1 of the Companies Act; the right to receive allotment of shares for subscription and stock acquisition rights for subscription according to the number of shares held by shareholders; and the right to request the sale of shares constituting less than one unit.
2. The purchase and sale of shares recorded in the special account shall be handled by Sumitomo Mitsui Trust Bank, Limited, which concurrently serves as the administrator of the shareholders' register.

VII. [Reference Information on the Company]

1. [Information on the Parent Company, etc.]

The Company does not have a parent company, etc. as stipulated in Article 24-7, Paragraph 1 of the Financial Instruments and Exchange Act.

2. [Other Reference Information]

(1) The documents filed by the Company during the period from the commencement date of the current fiscal year to the filing date of the Annual Securities Report.

The Company filed the following documents during the period from the commencement date of the current fiscal year and the filing date of the Annual Securities Report.

(1)	Annual Securities Report and its attached documents and the Certificate	Fiscal year (The 111th)	From April 1, 2023 to March 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on June 21, 2024
(2)	Amended Report for Annual Securities Report and its Certificate	Fiscal year (The 111th)	From April 1, 2023 to March 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on July 12, 2024
(3)	Internal Control Report and its attachments	Fiscal year (The 111th)	From April 1, 2023 to March 31, 2024	Filed with the Director of the Kanto Local Finance Bureau on June 21, 2024
(4)	Semi-annual Securities Report and Certificate	(During the 112th)	From April 1, 2024 to September 30, 2024	Filed with the Director of the Kanto Local Finance Bureau on November 11, 2024
(5)	Extraordinary Report	Extraordinary Report on the Results of the Exercise of Voting Rights at the General Meeting of Shareholders pursuant to Article 19, Paragraph 2, Item 9 (2) of the Cabinet Office Order on Disclosure of Corporate Affairs. Extraordinary Report on the (Issuances of share certificates, etc. or share option certificates, etc. that do not require notification) pursuant to Article 19, Paragraph 2, Item 2 (2) of the Cabinet Office Order on Disclosure of Corporate Affairs, etc.		Filed with the Director of the Kanto Local Finance Bureau on June 24, 2024 Filed with the Director of the Kanto Local Finance Bureau on May 13, 2025

(2) Proportion of Female Workers in Managerial Positions, Percentage of Male Workers Taking Childcare Leave, and Wage Discrepancies between Male and Female Workers

Among consolidated subsidiaries, the Proportion of female workers in managerial positions, percentage of male workers taking childcare leave, and wage discrepancies between male and female workers other than those listed in “I. [Overview of Mizuno Corporation and Its Consolidated Subsidiaries] 5. [Employees] (4) Proportion of female workers in managerial positions, percentage of male workers taking childcare leave, and wage discrepancies between male and female workers” are as follows.

Name	Current fiscal year						Supplementary explanation
	Proportion of female workers in managerial positions (%) (Note 1)	Percentage of male workers taking child care leave (%)		Wage discrepancies between male and female workers (%) (Note 1)			
		All workers		All workers	Regular workers	Part-time/fixe d-term workers	
Senotech Corporation	0.0	0.0	(Note 2)	58.1	65.0	21.1	
Senoh Maintenance Service Corporation	0.0	0.0	(Note 2)	61.8	52.2	-	Part-time/fixed-term workers are male only.
Sharp Sangyo Co., Ltd	9.1	100.0	(Note 2)	67.2	71.0	85.2	No employees are eligible for childcare leave.
MIZUNO USA, INC.	19.2	-	(Note 3)	80.5	81.0	-	Part-time/fixed-term workers are female only.
MIZUNO CANADA LTD.	28.6	-		59.5	48.9	184.1	No employees are eligible for childcare leave.
MIZUNO (TAIWAN) CORPORATION	28.6	0.0	(Note 2)	78.7	82.3	67.7	
SHANGHAI MIZUNO CORPORATION LTD.	46.7	100.0	(Note 2)	58.3	64.1	297.1	
MIZUNO OCEANIA PTY. LTD.	16.7	100.0	(Note 2)	74.3	74.3	-	There are no part-time/fixed-term workers.
MIZUNO CORPORATION UK LIMITED	21.6	100.0	(Note 2)	87.9	93.0	75.8	
MIZUNO ITALIA S.R.L.	25.0	-		73.8	76.8	-	No employees are eligible for childcare leave. Part-time/fixed-term workers are female only.
MIZUNO IBERIA, S.L.	0.0	-		58.8	58.8	-	No employees are eligible for childcare leave or part-time/fixed-term employment.
MIZUNO FRANCE SAS	0.0	-		62.9	73.4	41.2	No employees are eligible for childcare leave.
MIZUNO NORGE AS	50.0	-		84.2	78.0	-	No employees are eligible for childcare leave. Part-time/fixed-term workers are male only.
MIZUNO KOREA LTD.	25.0	-		78.2	83.2	75.3	No employees are eligible for childcare leave.
MIZUNO SINGAPORE PTE.LTD.	0.0	-		63.8	63.8	-	No employees are eligible for childcare leave or part-time/fixed-term employment.
MIZUNO APAC (THAILAND) LTD.	0.0	-		49.2	49.2	-	No employees are eligible for childcare leave or part-time/fixed-term employment.

Notes: 1. Percentages are calculated based on the provisions of the “Act on the Promotion of Women’s Active Engagement in Professional Life” (Act No. 64 of 2015). However, at overseas consolidated subsidiaries, the number of managerial positions is calculated in accordance with the relevant regulations based on the details of their duties and the degree of their responsibilities.

2. The percentage of employees taking childcare leave stipulated in the Article 71-6, Paragraph 1 of the “Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Ministry of Labor Ordinance No. 25 of 1991) is calculated based on the provisions of the “Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members” (Act No. 76 of 1991). However, at overseas consolidated subsidiaries, the number of male employees taking child care leave is calculated in accordance with the relevant regulations.

3. There is no information on the percentage of male employees taking child care leave because there is no state law regarding child care leave for male workers in Georgia, U.S.

Part II. [Information on Guarantors, etc. for the Company]

Not applicable

INDEPENDENT AUDITOR’S REPORT

June 19, 2025

NOTE TO READERS:

The following is an English translation of the Independent Auditor’s Report filed under the Financial Instruments and Exchange Act of Japan. This report is presented merely as supplemental information.

To the Board of Directors of Mizuno Corporation

Ernst & Young ShinNihon LLC

Osaka Office

Designated Engagement Partner	Certified Public Accountant	Naoya Nishino
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Designated Engagement Partner	Certified Public Accountant	Miho Ueda
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<Audit of Consolidated Financial Statements>

Opinion

For the purpose of audit certification in compliance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the consolidated financial statements of Mizuno Corporation and its consolidated subsidiaries (the “Group”) for the fiscal year from April 1, 2024 to March 31, 2025, included in the “Financial Information” section, namely, the Consolidated Balance Sheet as of March 31, 2025, the Consolidated Statement of Income, the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Changes in Equity, and the Consolidated Statement of Cash Flows for the year then ended, Significant Matters That Are the Basis for Preparing Consolidated Financial Statements, other notes, and the Consolidated Supplementary Schedule.

In our opinion, the abovementioned consolidated financial statements present fairly, in all material respects, the financial position of the Company and its consolidated subsidiaries as of March 31, 2025, as well as their financial performance and cash flows for the year then ended in accordance with accounting standards generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements” section of our report. We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethics of Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that were, in our professional judgment, of most significance in our audit of the consolidated financial statements for the current consolidated fiscal year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred tax assets of Mizuno Corporation	
Key audit matters and reasons for decisions	How the matter was addressed in our audit
<p>Mizuno Corporation (hereinafter, “the Company”) posted deferred tax assets of 1,591 million yen on its consolidated balance sheet and disclosed matters related to (Tax Effect Accounting). Consolidated deferred tax assets deemed recoverable were 2,418 million yen (before offsetting deferred tax liabilities), of which the Company’s deferred tax assets were 1,554 million yen (before offsetting deferred tax liabilities), accounting for more than 60%.</p> <p>As stated in “(Significant Accounting Estimate) Recoverability of Deferred Tax Assets,” the Company calculated the recoverability of deferred tax assets by estimating taxable income in consideration of future earning power and tax planning.</p> <p>Taxable income is estimated based on the business plan, and the significant assumptions include the growth rates of the market and the business.</p> <p>Since the recoverability of the Company’s deferred tax assets is mainly based on management’s estimates of taxable income, the underlying business plans are impacted by significant assumptions accompanying management’s judgment and involve uncertainty.</p> <p>Based on the above, we have determined that the recoverability of the Company's deferred tax assets is a key audit matter.</p>	<p>We mainly performed the following audit procedures in examining the recoverability of the Company's deferred tax assets.</p> <ul style="list-style-type: none"> • We involved tax experts of our network firm in partial verification of the Company’s closing balance of deductible temporary differences. • We reviewed underlying business plans to evaluate the management’s estimate of taxable income. In reviewing the business plan, we verified the consistency with the next fiscal year’s budget approved by management. In addition, in order to evaluate the effectiveness of management’s estimation process for formulating business plans, we compared past and current fiscal year business plans with actual results. • We discussed with management about market and business growth rates, which are the major assumptions, were briefed on the relationship with external information, and compared them with the results of trend analysis based on past performance to examine the consistency with available external information. • We considered the scheduling of the fiscal year in which deductible temporary differences are expected to be reversed

Other Information

The other information comprises the information included in the Annual Securities Report but does not include the consolidated financial statements, the non-consolidated financial statements, and the Auditor’s Reports thereon. Management is responsible for the preparation and disclosure of the content of the other information. In addition, the responsibility of the Audit and Supervisory Committee is to supervise the execution of duties of directors in the design and operation of the reporting process for the other information.

Our opinion on the consolidated financial statements does not cover the content of the other information, and we do not express an opinion on the other information.

Our responsibility in the audit of the consolidated financial statements is to read through the other information and consider in the process of reading through whether there are any material differences between the other information and the consolidated financial statements, or our knowledge obtained in the course of the audit. It is also important for us to pay attention to any signs of material errors in the other information in addition to such material differences.

Based on the work we have performed, if we judge that there is a material error in the other information, we are required to report that fact.

As a result, we have found no matters to be reported regarding the other information.

Responsibilities of Management and Audit and Supervisory Committee for Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes designing and operating internal controls that management considers necessary to enable the appropriate preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements based on the assumption of a going concern and for disclosing relevant matters if it is necessary to disclose matters concerning going concerns in accordance with the accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for supervising the execution of duties of directors in design and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks of material misstatement. The selection of audit procedures to be applied is at the discretion of the auditor. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- While the purpose of an audit of the consolidated financial statements is not to express an opinion on the effectiveness of internal control, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in conducting risk assessment.
- Evaluate the appropriateness of accounting policies used by management and their method of application and the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude the appropriateness of preparing the consolidated financial statements with the assumption of a going concern by management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the assumption to continue as a going concern. If we judge that a material uncertainty concerning the assumption of a going concern exists, we are required to draw attention in our auditor's report to the notes to the consolidated financial statements or, if the notes to the consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with an exceptive item in the consolidated financial statements. Our conclusions are based on the audit evidence obtained by the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes thereto are in accordance with the accounting principles generally accepted in Japan, and evaluate the presentation, structure, and content of the consolidated financial statements, including the related notes thereto, and whether the consolidated financial statements fairly present the underlying transactions and accounting events.
- Plan and conduct an audit of the consolidated financial statements to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and review of the audit of the consolidated financial statements. We remain solely responsible for our opinion.

We report to the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also report to the Audit and Supervisory Committee that we have complied with professional ethics in Japan regarding independence and the matters that are reasonably considered to affect the independence of the auditor, and, if countermeasures have been taken to remove the matters or safeguards have been applied to reduce the matters to an acceptable level, the content of such safeguards shall be reported.

Among the matters communicated with the Audit and Supervisory Committee, we determine that the matters that were of the most significance in the audit of the consolidated financial statements of the current fiscal year are the key audit matters and describe them in the Auditor's Report. However, in cases where the disclosure of such matters is prohibited by laws and regulations, or where, in extremely rare circumstances, it is reasonably expected that the disadvantages arising from reporting in the auditor's report will outweigh the public interest, we determine that such matter should not be communicated in our report.

<Audit of Internal Control Report>

Opinion

For the purpose of audit certification in compliance with the provisions of Article 193-2, Paragraph 2 of the Financial Instruments and Exchange Act, we have audited the Internal Control Report of the Company as of March 31, 2025.

In our opinion, the abovementioned internal control report, in which the Company states that the internal control over financial reporting was effective as of March 31, 2025, presents fairly, in all material respects, the results of the assessments of internal control over financial reporting in accordance with assessment standards for internal control over financial reporting generally accepted in Japan.

Basis for Opinion

We conducted our audit of the internal control report in accordance with auditing standards for internal control over financial reporting generally accepted in Japan. Our responsibilities under auditing standards for internal control over financial reporting are described in the “Auditor’s Responsibilities for the Audit of the Internal Control Report.” We are independent of the Company and its consolidated subsidiaries in accordance with the professional ethics of Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Responsibilities of Management and the Audit and Supervisory Committee for the Internal Control Report

Management is responsible for the design and operation of internal control over financial reporting and the preparation and fair presentation of the internal control report in accordance with the assessment standards for internal control over financial reporting generally accepted in Japan.

Audit and Supervisory Committee is responsible for supervising and verifying the design and operation of internal control over financial reporting.

Internal control over financial reporting may not be able to completely prevent or detect misstatements in financial reporting.

Auditor’s Responsibilities for the Audit of the Internal Control Report

Our responsibilities are to obtain reasonable assurance about whether the internal control report is free from material misstatement based on our audit of the internal control report and to issue an auditor’s report that expresses our opinion on the internal control report based on our audit from an independent point of view.

In accordance with auditing standards for internal control over financial reporting generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Perform audit procedures to obtain audit evidence regarding the results of the assessment of internal control over financial reporting in the internal control report. The procedures for the audit of the internal control report are selected and performed at the auditor’s discretion based on the significance of the effect on the reliability of financial reporting.
- Consider the overall presentation of the internal control report, including the appropriateness of the scope, procedures, and results of the assessments that management presents.
- Plan and conduct an audit of the internal control to obtain sufficient and appropriate audit evidence about the results of the assessments of internal control over financial reporting in the internal control report. We are responsible for the direction, supervision, and review of the audit of the internal control report. We remain solely responsible for our opinion.

We report to the Audit and Supervisory Committee regarding the planned scope and timing of the internal control audit, the results of the internal control audit, significant deficiencies to be disclosed in internal control that we identify, the results of remedies thereof, and other matters required by internal auditing standards.

We also report to the Audit and Supervisory Committee that we have complied with professional ethics in Japan regarding independence and the matters that are reasonably considered to affect the independence of the auditor, and, if countermeasures have been taken to remove the matters or safeguards have been applied to reduce the matters to an acceptable level, the content of such safeguards shall be reported.

<Audit Fee Information>

The fees for audit services and non-audit services of the Company and its subsidiaries paid to us and persons belonging to the same network with us are set forth in (3) [Status of Audit] under Corporate Governance, etc., included in “Information on the Company.”

Interest Required to Be Disclosed

Our firm and its designated engagement partners do not have any interests in the Company and its subsidiaries that are required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End of the Report

Notes: 1. The original of the above Auditor’s Report is kept separately by the Company (the company filing the annual securities report.)

2. XBRL data is not included in the scope of audit.

INDEPENDENT AUDITOR’S REPORT

June 19, 2025

To the Board of Directors of Mizuno Corporation

Ernst & Young ShinNihon LLC

Osaka Office

Designated Engagement Partner Certified Public Accountant Mr. Naoya Nishino

Designated Engagement Partner Certified Public Accountant Ms. Miho Ueda

<Audit of Financial Statements>

Opinion

For the purpose of audit certification in compliance with the provisions of Article 193-2, Paragraph 1 of the Financial Instruments and Exchange Act, we have audited the non-consolidated financial statements of Mizuno Corporation for the 112th fiscal year from April 1, 2024 to March 31, 2025 included in the “Financial Information” section, namely, the Non-consolidated Balance Sheet as of March 31, 2025, the Non-consolidated Statement of Income, the Non-consolidated Statement of Changes in Equity for the year then ended, Significant Accounting Policies, other notes, and the Supplementary Schedules.

In our opinion, the abovementioned non-consolidated financial statements present fairly, in all material respects, the financial position of the Company as of March 31, 2025 and its financial performance for the year then ended, in accordance with accounting standards generally accepted in Japan.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the “Auditor’s Responsibilities for the Audit of the Non-consolidated Financial Statements” section of our report. We are independent of the Company in accordance with the professional ethics in Japan, and we have fulfilled our other ethical responsibilities as auditors. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the non-consolidated financial statements for the current fiscal year. These matters were addressed in the context of our audit of the non-consolidated financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Recoverability of deferred tax assets
Description is omitted because the same information is provided in Key Audit Matters (Recoverability of deferred tax assets of Mizuno Corporation) contained in the auditor’s report on the consolidated financial statements.

Other Information

The other information comprises the information included in the Annual Securities Report but does not include the consolidated financial statements, the non-consolidated financial statements, and the Auditor's Reports thereon. Management is responsible for the preparation and disclosure of the content of the other information. In addition, the responsibility of the Audit and Supervisory Committee is to supervise the execution of duties of directors in the design and operation of the reporting process for the other information.

Our opinion on the non-consolidated financial statements does not cover the content of the other information, and we do not express an opinion on the other information.

Our responsibility in the audit of the non-consolidated financial statements is to read through the other information and consider in the process of reading through whether there are any material differences between the other information and the non-consolidated financial statements or our knowledge obtained in the course of the audit. It is also important for us to pay attention to any signs of material errors in the other information in addition to such material differences.

Based on the work we have performed, if we judge that there is a material error in the other information, we are required to report that fact.

As a result, we have found no matters to be reported regarding the other information.

Responsibilities of Management and the Audit and Supervisory Committee for Non-consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the non-consolidated financial statements in accordance with the accounting principles generally accepted in Japan. This includes designing and operating internal controls that management considers necessary to enable the appropriate preparation and fair presentation of non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the non-consolidated financial statements based on the assumption of a going concern and for disclosing relevant matters if it is necessary to disclose matters concerning going concerns in accordance with the accounting principles generally accepted in Japan.

The Audit and Supervisory Committee is responsible for supervising the execution of duties of directors in design and operation of the financial reporting process.

Auditor's Responsibilities for the Audit of the Non-consolidated Financial Statements

Our responsibilities are to obtain reasonable assurance about whether the non-consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that expresses our opinion on the non-consolidated financial statements based on our audit from an independent point of view. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of these non-consolidated financial statements.

In accordance with auditing standards generally accepted in Japan, we exercise professional judgment and maintain professional skepticism throughout the audit process to perform the following:

- Identify and assess the risks of material misstatement, whether due to fraud or error, and design and perform audit procedures responsive to those risks of material misstatement. The selection of audit procedures to be applied is at the discretion of the auditor. Furthermore, obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- While the purpose of an audit of the non-consolidated financial statements is not to express an opinion on the effectiveness of internal control, we consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances in making risk assessment.
- Evaluate the appropriateness of accounting policies used by management and their method of application and the reasonableness of accounting estimates made by management and related notes thereto.
- Conclude the appropriateness of preparing the non-consolidated financial statements with the assumption of a going concern by management, and, based on the audit evidence obtained, conclude whether a material uncertainty exists related to events or conditions that may cast significant doubt on the assumption to continue as a going concern. If we judge that a material uncertainty concerning the assumption of a going concern exists, we are required to draw attention in our auditor's report to the notes to the non-consolidated financial statements or, if the notes to the non-consolidated financial statements on material uncertainty are inadequate, to express a qualified opinion with an exceptive item in the non-consolidated financial statements. Our conclusions are based on the audit evidence obtained by the date of our auditor's report. However, future events or conditions may cause the Group to cease to maintain the matter as a going concern.
- Evaluate whether the presentation of the non-consolidated financial statements and notes thereto are in accordance with the accounting principles generally accepted in Japan, and evaluate the presentation, structure, and content of the non-consolidated financial statements, including the related notes thereto, and whether the non-consolidated financial statements fairly present the underlying transactions and accounting events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of constituent units included in the non-consolidated financial statements for the purpose of expressing an opinion on the non-consolidated financial statements. We are responsible for the direction, supervision, and performance of audits concerning the financial information of the constituent units. We remain solely responsible for our opinion.

We report to the Audit and Supervisory Committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit process, and other matters required by auditing standards.

We also report to the Audit and Supervisory Committee that we have complied with professional ethics in Japan regarding independence and the matters that are reasonably considered to affect the independence of the auditor, and, if countermeasures have been taken to remove the matters or safeguards have been applied to reduce the matters to an acceptable level, the content of such safeguards shall be reported.

Among the matters communicated with the Audit and Supervisory Committee, we determine the matters that were of the most significance in the audit of the non-consolidated financial statements for the current fiscal year are the key audit matters, and we describe them in the Auditor's Report. However, in cases where the disclosure of such matters is prohibited by laws and regulations, or where, in extremely rare circumstances, it is reasonably expected that the disadvantages arising from reporting in the auditor's report will outweigh the public interest, we determine that such matter should not be communicated in our report.

<Audit Fee Information>

Audit fee information is contained in the auditor's report on the consolidated financial statements.

Interest Required to Be Disclosed

Our firm and its designated engagement partners do not have any interest in the Company that is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

End of the Report

Notes: 1. The original of the above Auditor's Report is kept separately by the Company (the company filing the annual securities report.)

2. XBRL data is not included in the scope of audit.

