

MIZUNO Corporation

3rd Quarter Financial Report The 97th Period (Year ended March 31, 2010)

This report includes forecasts based on our assumptions, outlook and plans for the future as of February 12, 2010, which may substantially differ from the actual results due to risks and uncertainties relating to the global economy, competitors' situations, changes in exchange rates, etc.



Income Statement



- ✓ Revenues decreased due to shrinkage in golf product sales and also had a negative impact from exchange rate fluctuation. Op. profit ratio declined despite reduction of fixed costs (ad expenses, etc.)

(JPY billion)	FY08-3Q (9 months)	FY09-3Q (9 months)	Versus 2008
Revenues	123.1	110.8	-10.0%
Gross margin	51.1	45.3	-11.4%
Gross margin ratio	41.5%	40.9%	-0.6P
SG&A expenses	47.6	43.1	-9.4%
SG&A expenses ratio	38.7%	38.9%	+0.2P
Salaries and bonus	15.5	14.8	-4.3%
A&P expenses	9.5	7.8	-17.9%
Operating profit	3.5	2.1	-38.4%
Operating profit ratio	2.9%	2.0%	-0.9P
Ordinary profit	1.9	2.4	+28.2%
Ordinary profit ratio	1.6%	2.2%	+0.6P
Net income (Loss)	(0.1)	1.0	-
JPY/1 USD	106.29	94.55	
JPY/1 GBP	186.79	149.29	
JPY/1 EUR	150.76	132.67	

Balance Sheet



- ✓ **Inventory reduction progressed in major consolidated companies.**
 - ✓ This, along with the debt reduction, contributed to higher asset efficiency.

(JPY billion)	December 31, 2008	December 31, 2009	+ / -
Total assets	136.3	124.8	-11.5
Cash and cash equivalents	11.1	14.0	+2.9
Accounts receivable	30.7	27.5	-3.2
Inventories	28.1	23.4	-4.7
Fixed assets	40.4	39.2	-1.2
Investment in securities	8.0	7.5	-0.5
Deferred tax assets	7.2	4.5	-2.7
Total liabilities	58.1	50.1	-8.0
Short-term debt	11.5	10.4	-1.1
Long-term debt	12.8	8.8	-4.0
Other liabilities	33.8	30.9	-2.9
Net assets	78.2	74.7	-3.5

Q3 Accumulated Total – Outline of Business Results



✓ Summary of financial results

Versus previous year

Revenues	JPY 110.8 billion	–12.3 billion (–10.0%)
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Impact of exchange rate fluctuations	–4.3 billion (–3.5%)
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Increase/decrease excl. impact of exchange rate fluctuations	–8.0 billion (–6.5%)
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- ▶ Sales of golf items ceased falling in Europe in local currency, though the decrease continued in the Americas and Japan.
- ▶ Sales of apparel decreased in Japan and China.

Operating profit	JPY 2.1 billion	–1.4 billion (–38.4%)
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- ▶ Due to the impact of decreased unit prices resulting from reduced inventory, etc., gross margin ratio fell 0.6% from the previous year.
- ▶ Though the effect of cutbacks on fixed expenses (ad. expenses, etc.), SG & A expenses ratio increased 0.2% effected the decrease of Op. Profit ratio.

Ordinary profit	JPY 2.4 billion	+0.5 billion (+28.2%)
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- ▶ Exchange rate gain from yen translation of European branch assets, etc.
(Current term end: 146.54 JPY/GBP, 131.93 JPY/EUR; Previous term end: 140.52 JPY/GBP, 129.84 JPY/EUR)

Net profit	JPY 1.0 billion	+1.2 billion (–)
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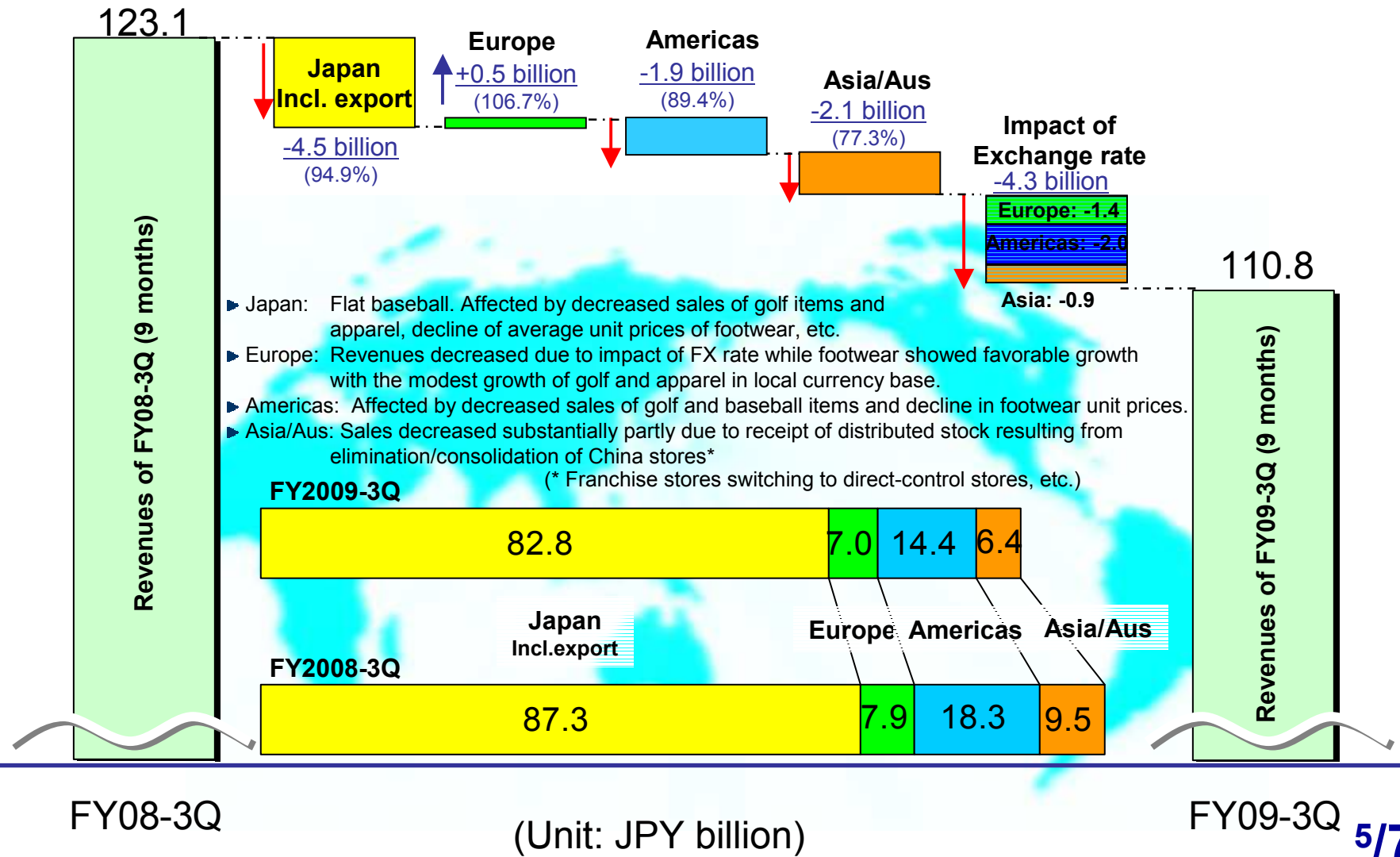
- ▶ Loss from write-downs of securities in previous year

Revenue

Increase/Decrease Analysis – by Region



- ✓ Revenues by region without impact of exchange rates, and the impact of exchange rates

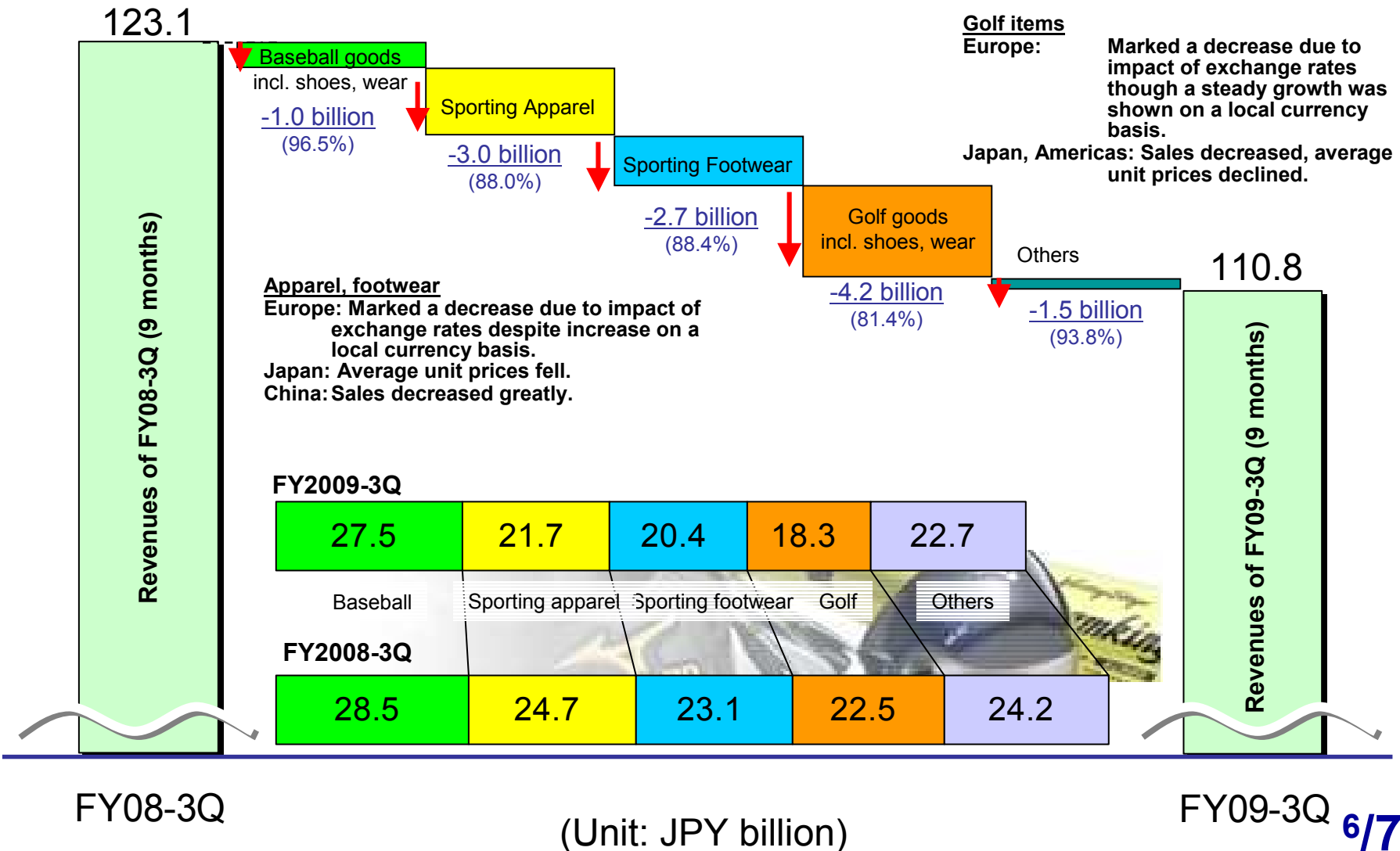


Revenue

Increase/Decrease Analysis – by Product



- ✓ Increase/decrease in consolidated revenues by product, including impact of exchange rate



Revised forecast



✓ Full year forecast published in May 20, 2009 revised reflecting recent business performance.

Forecast of full year result for FY09 (Apr 1, 2009 ~ Mar 31, 2010) revised.

(Unit: JPY Billion)

	Previous Year (FY 08)	Previous Forecast for FY 09 (A)	Revised Forecast for FY09 (B)	Variance (B-A)	Ratio (%)
Revenues	JPY billion 162.0	160.0	145.0	-15.0	-9.4
Operating profit	JPY billion 2.9	4.4	2.2	-2.2	-50.0
Ordinary profit	JPY billion 1.5	4.5	2.5	-2.0	-44.4
Net profit	JPY billion -2.4	2.5	1.0	-1.5	-60.0
Earnings per share	JPY -19.35	20.06	8.02		

(Reasons)

- ✓ Sales of apparel decreased in Japan due to the unexpected decrease in winter apparel.
- ✓ Continued sluggish sales of apparel in China.
- ✓ Continued sluggish sales of golf in Japan and the Americas.

➤ Forecast of year-end dividend not revised as JPY 5 per share.

➤ Mid-term plan released in May 20, 2009 will be replaced in May, 2010 as planned.