

Mizuno Corporation

The 98th Period

(Year ending March 31, 2011)

4th Quarter

Financial Report



This report includes forecasts based on our assumptions, outlook and plans for the future as of May 19, 2011, which may substantially differ from actual results due to risks and uncertainties relating to the global economy, competitors' situations, changes in exchange rates, etc.

Contents



- ◆ FY2010 Business Results
- ◆ Regional Highlights
- ◆ Mid-term plan for FY2011-FY2013

Income Statement



- ◆ Sales and profit increased due to mainly growth in running shoes. Europe and Americas showed strong sales.

(1 billion yen)	FY09 (12 months)	FY10 (12 months)	Versus FY09(%)
Revenues	148.7	150.0	+0.9%
Gross margin	60.6	63.0	+3.8%
Gross margin ratio	40.8%	42.0%	+1.2P
SG&A expenses	57.9	58.4	+0.8%
SG&A expenses ratio	38.9%	38.9%	±0.0
Salaries and bonus	19.9	20.0	+0.4%
A&P expenses	10.5	10.6	+0.6%
Operating profit	2.8	4.6	+65.2%
Operating profit ratio	1.9%	3.1%	+1.2P
Ordinary profit	3.1	4.5	+46.3%
Ordinary profit ratio	2.1%	3.0%	+0.9P
Net Income	1.6	2.8	+77.1%
JPY/1USD	93.5	87.7	
JPY/1GBP	147.2	133.1	
JPY/!EUR	130.5	113.5	

Balance Sheet



- ◆ Interest-bearing debts decreased by utilizing earned operating cash flow.

(1 billion yen)	March 31,2010	March 31,2011	+/-
Total assets	128.8	128.5	-0.4
Cash and Cash equivalents	12.5	13.5	+1.0
Accounts receivable	32.5	32.8	+0.3
Inventories	24.3	24.9	+0.6
Fixed assets	38.9	37.7	-1.1
Investment securities	8.0	7.1	-0.9
Deferred tax assets	4.5	5.0	+0.5
Total liabilities	52.9	53.3	+0.4
Short-term debt	8.8	11.6	+2.8
Long-term debt	10.8	5.8	-5.0
Other liabilities	33.3	35.9	+2.5
Net assets	75.9	75.2	-0.7

Q4 Year-to-Date Outline of Business Results



- ◆ Profit increased due to healthy running shoes sales and growth in Europe and Americas.
- ◆ Decrease in purchasing cost contributed to improvement of gross margin ratio.

Versus FY09

Revenues	150.0 billion yen	+1.3 billion (+0.9%)
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Impact of exchange fluctuations	-2.8 billion (-1.8%)
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Increase/decrease excl. impact of exchange rate fluctuations	+4.1 billion (+2.7%)
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- ▶ Europe and Americas showed double-digit growth in local currency.
- ▶ High value-added running shoes lead the sales.

Operating profit	4.6 billion yen	+1.8 billion (+65.2%)
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- ▶ Though the SG&P was same level as previous year, gross profit ratio was improved due to increase of running shoes sales and reduction of purchasing cost.

Ordinary profit	4.5 billion yen	+1.4 billion (+46.3%)
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- ▶ Exchange rate losses from JPY translation, etc.

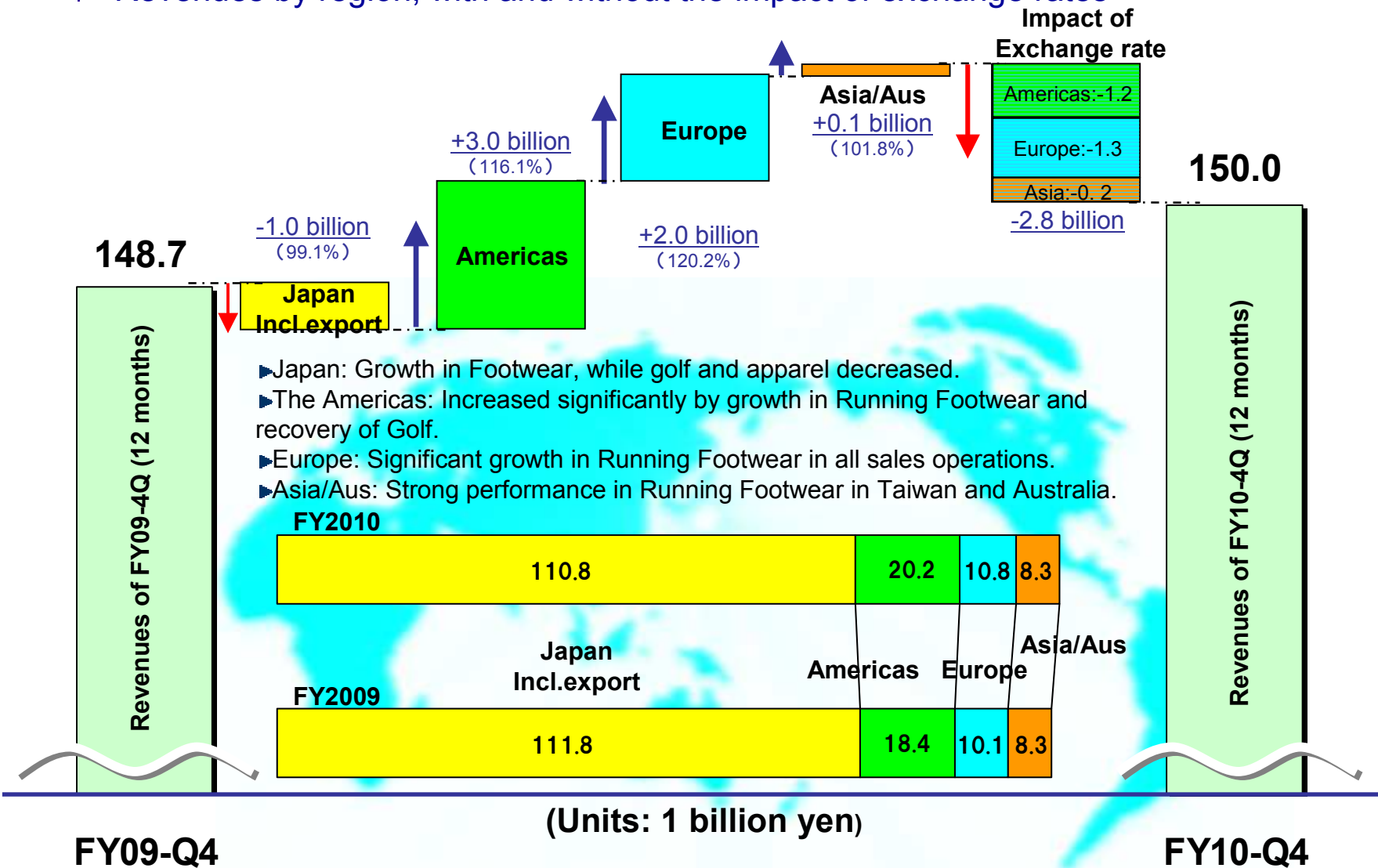
Net income	2.8 billion yen	+1.2 billion (+77.1%)
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- ▶ Net income increased with the increase of operating profit.

Revenue Increase/Decrease Analysis by Region



◆ Revenues by region, with and without the impact of exchange rates

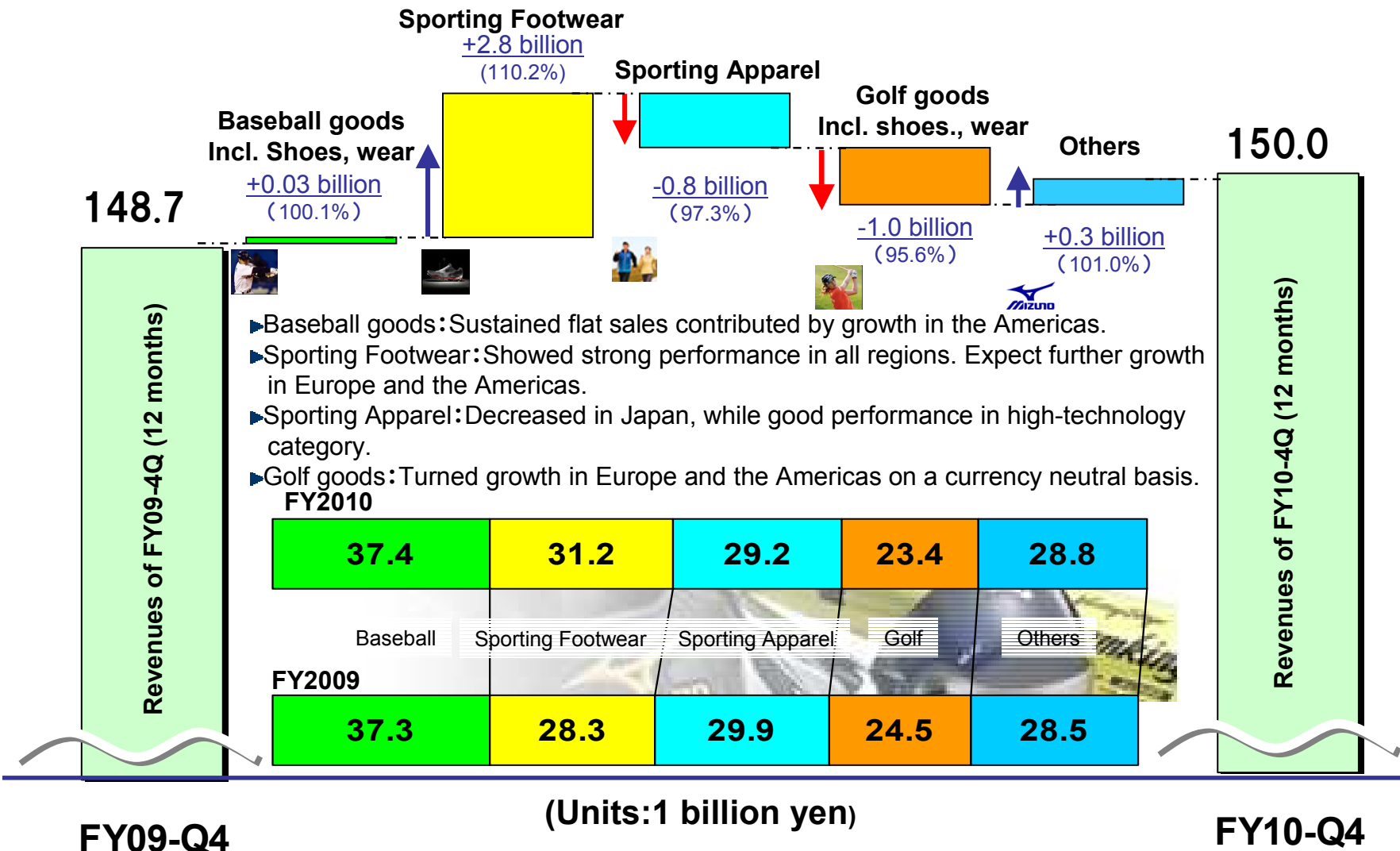


- ▶ Japan: Growth in Footwear, while golf and apparel decreased.
- ▶ The Americas: Increased significantly by growth in Running Footwear and recovery of Golf.
- ▶ Europe: Significant growth in Running Footwear in all sales operations.
- ▶ Asia/Aus: Strong performance in Running Footwear in Taiwan and Australia.

Revenue Increase/Decrease Analysis by Product



- Increase/Decrease in consolidated revenues by product, including impact of exchange rates



- ▶ Baseball goods: Sustained flat sales contributed by growth in the Americas.
- ▶ Sporting Footwear: Showed strong performance in all regions. Expect further growth in Europe and the Americas.
- ▶ Sporting Apparel: Decreased in Japan, while good performance in high-technology category.
- ▶ Golf goods: Turned growth in Europe and the Americas on a currency neutral basis.

	Baseball	Sporting Footwear	Sporting Apparel	Golf	Others
FY2010	37.4	31.2	29.2	23.4	28.8
FY2009	37.3	28.3	29.9	24.5	28.5

Principal Financial indexes



- Both ROA & ROE rose thanks to improvement of profitability.

	FY2009	FY2010	+/-
Return on assets (ROA)	2.3%	3.8%	+1.5P
Return on equity (ROE)	2.1%	3.8%	+1.7P
Shareholder's equity ratio	58.8%	58.4%	-0.4P
Earnings per share (EPS)	JPY12.86	JPY22.78	JPY+9.92
Book value per share (BPS)	JPY607.87	JPY602.19	JPY-5.68
Price book value ratio (PBR)	0.68	0.59	-0.09
Price at the end of this period	JPY413	JPY354	—
Dividend payout ratio	77.8%	43.9%	—

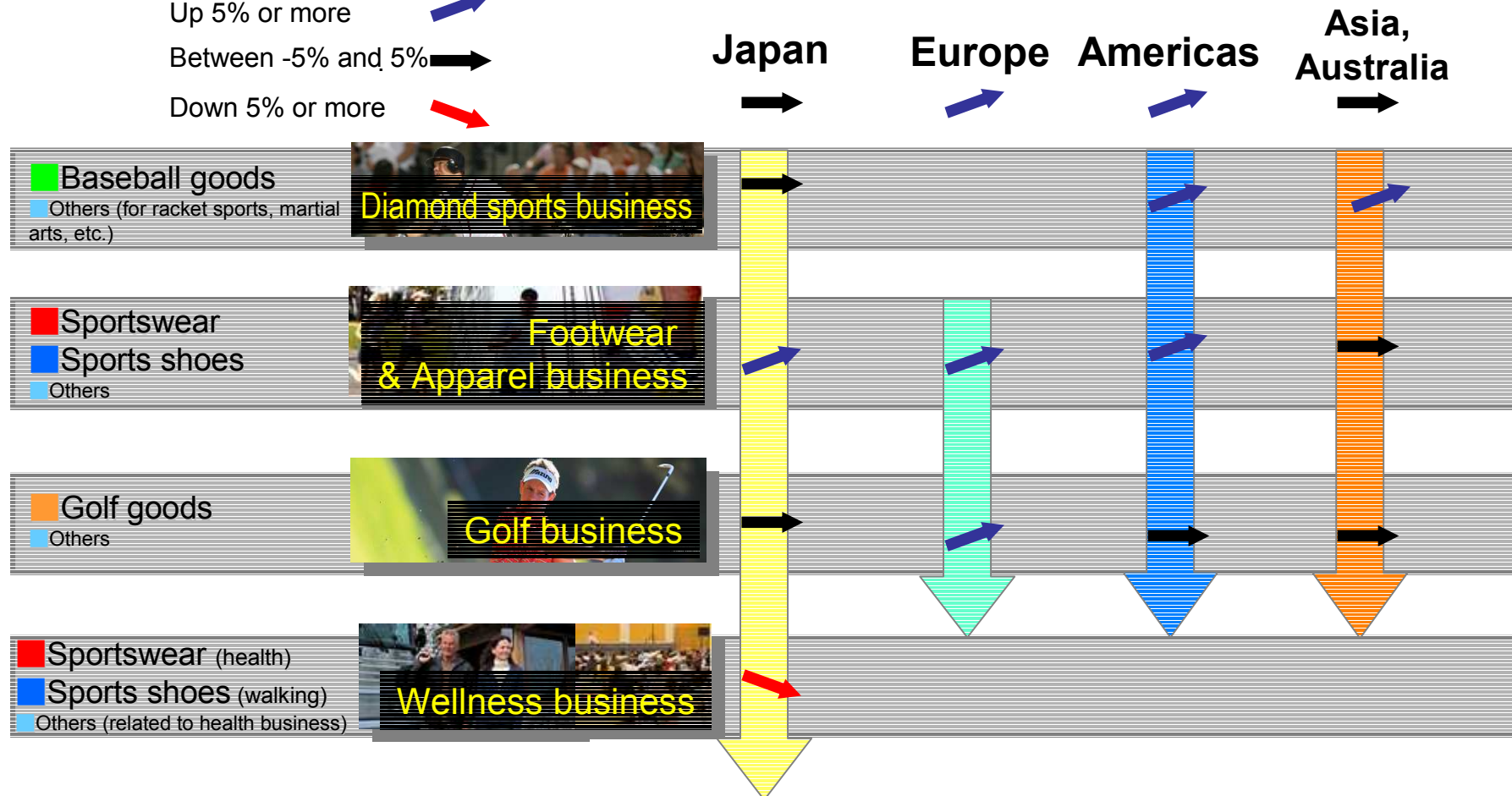
Regional Highlights



Global Business Unit (global strategic decision-making unit)

- FY10 net sales outline (growth rate y-o-y) based on local currency without currency translation.

- Up 5% or more
- Between -5% and 5%
- Down 5% or more



Regional Highlights (Japan)

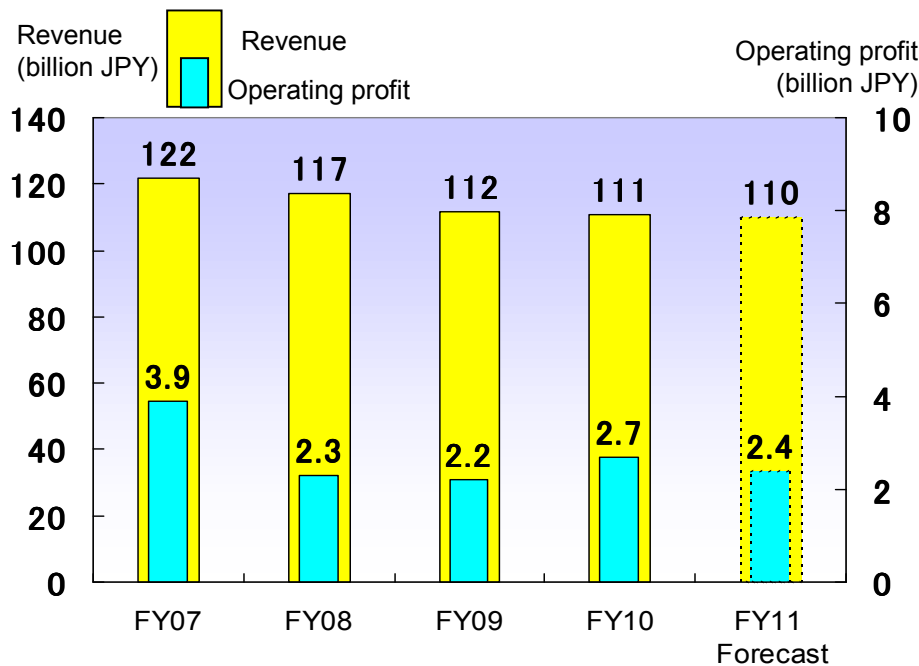


◆ Summary of results (Japan)

▶ FY10 results by business

(incl. exports to Asia)

(billion JPY)	Total	Footwear & Apparel	Diamond	Golf	Wellness	Other
Revenue	110.8	30.8	38.4	13.1	18.1	10.4
vs. FY09	99%	107%	97%	98%	90%	-



◆ FY10 Summary

- ◆ **FW & Apparel:** Reinforced promotional activity of high technology running shoes and obtained full support from serious runners.
- ◆ **Diamond:** Slight decrease in revenue. In spite of shrink of the market and longer cycle of demand of replacement, maintained market share.
- ◆ **Golf:** Effective Sales activity of JPX series as core item improved ratio of profit though sales was flat.

◆ Future actions/outlook

- ◆ **FW and Apparel:** Increase of market share by introduction of high performance product and aggressive approach to team wear.
- ◆ **Diamond:** Promotional activity utilizing top professional and Expansion of targeted consumer by sales promotion of global Elite.
- ◆ **Golf:** Strengthen sales for average golfer

(Note) Results by business are based on internal company documents.

Regional Highlights (Europe)

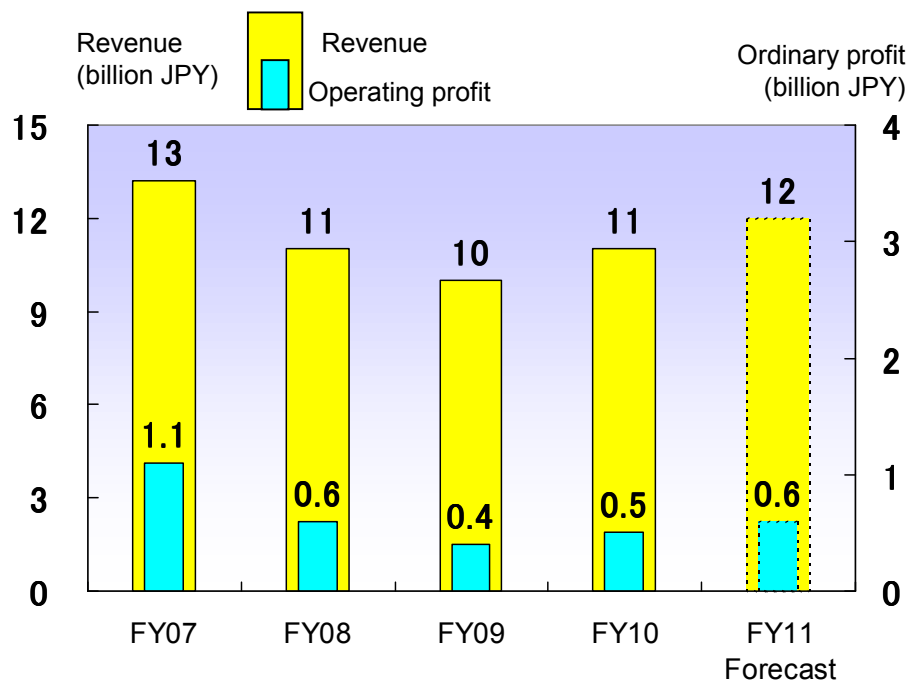


◆ Summary of results (Europe)

▶ FY10 Results by business

(Unit: billion JPY)

	Total	Footwear & Apparel	Golf
Revenue	10.8	7.3	3.5
vs. FY09	107%	109%	98%
Currency neutral basis	120%	122%	110%



◆ FY10 Summary

- ◆ **Footwear & Apparel:** Enjoyed good reputation of running shoes with WAVE function among many runners and sales increased as projected. Endeavored exploitation of new runners.
- ◆ **Golf:** New work shop car contributed elevation of brand recognition. Achieved steady sale of JPX 800 in England and Scandinavia.

◆ Future actions/outlook

- ◆ **Footwear & Apparel:** Aim for more market share by effective grass roots activity in various running event in Europe.
- ◆ **Golf:** Develop more excellence of technology by Performance Fitting System.

(Note) Results by business are based on internal company documents.

Regional Highlights (Americas)

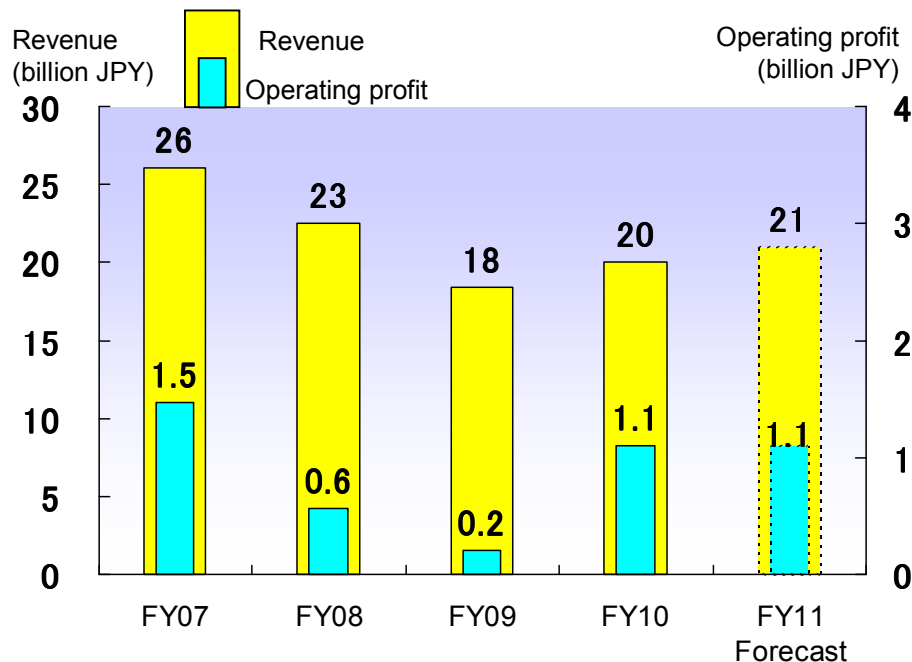


◆ Summary of results (Americas)

▶ FY10 Results by business

(Unit: billion JPY)

	Total	Footwear & Apparel	Diamond	Golf
Revenue	20.2	9.2	6.8	4.1
vs. FY09	110%	120%	104%	98%
Currency neutral basis	116%	124%	111%	103%



◆ FY10 Summary

- ◆ **Footwear & Apparel:** Marked good results with increased sales of running shoes in specialized shops and major retailers.
- ◆ **Diamond:** Increased orders/shipments both by major retailers and team dealer channel.
- ◆ **Golf :** With substantial increase in number of shops introducing Custom Fitting, marked good sales mainly in custom-made clubs.

◆ Future actions/outlook

- ◆ **Overall:** With “user communication” on the Web as the marketing core, enhance Mizuno brand presence in North American market.
- ◆ While maintaining stable performance in team sport businesses such as baseball and volleyball, promote running field as the focus of further growth.

(Note) Results by business are based on internal company documents.

Regional Highlights (Asia/Australia)

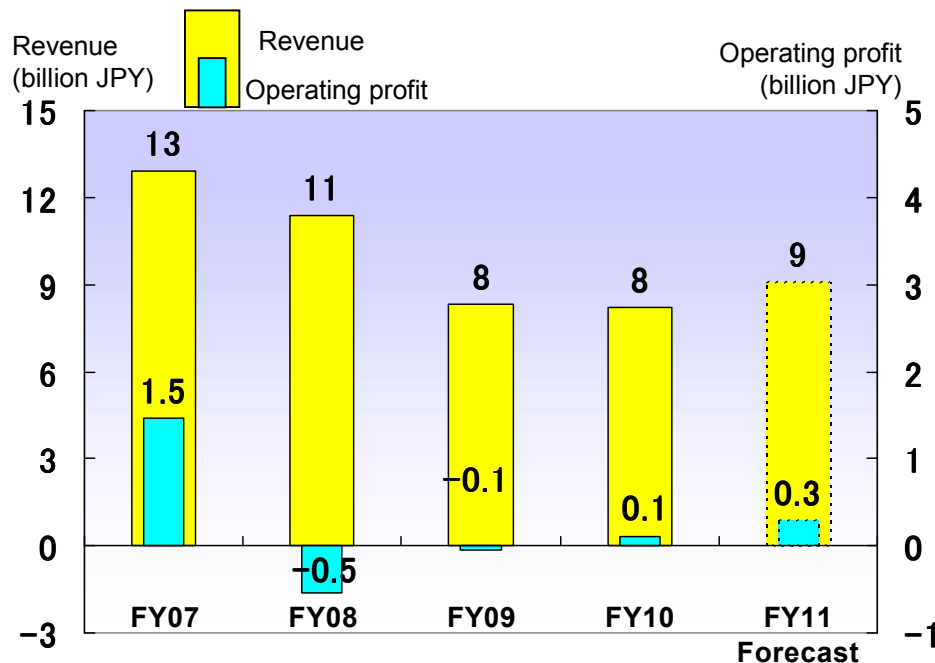


◆ Summary of results (Asia/Au)

▶ FY10 Results by business

(Unit: billion JPY)

	Total	Footwear & Apparel	Diamond	Golf
Revenue	8.2	6.4	0.3	1.6
vs. FY09	99%	99%	111%	101%
Currency neutral basis	102%	102%	112%	102%



◆ FY10 Summary

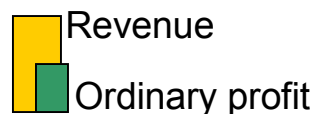
- ◆ **China:** Improved profitability due to re-organization of retail sales channel and reduction of inventory.
- ◆ **Taiwan:** Increased both revenues and profits because of mainly good footwear sales results.
- ◆ **Production:** Revenues from production management fees rose along with increased orders received at sales companies (Hong Kong). Production output is also recovering (Shanghai).

◆ Future actions/outlook

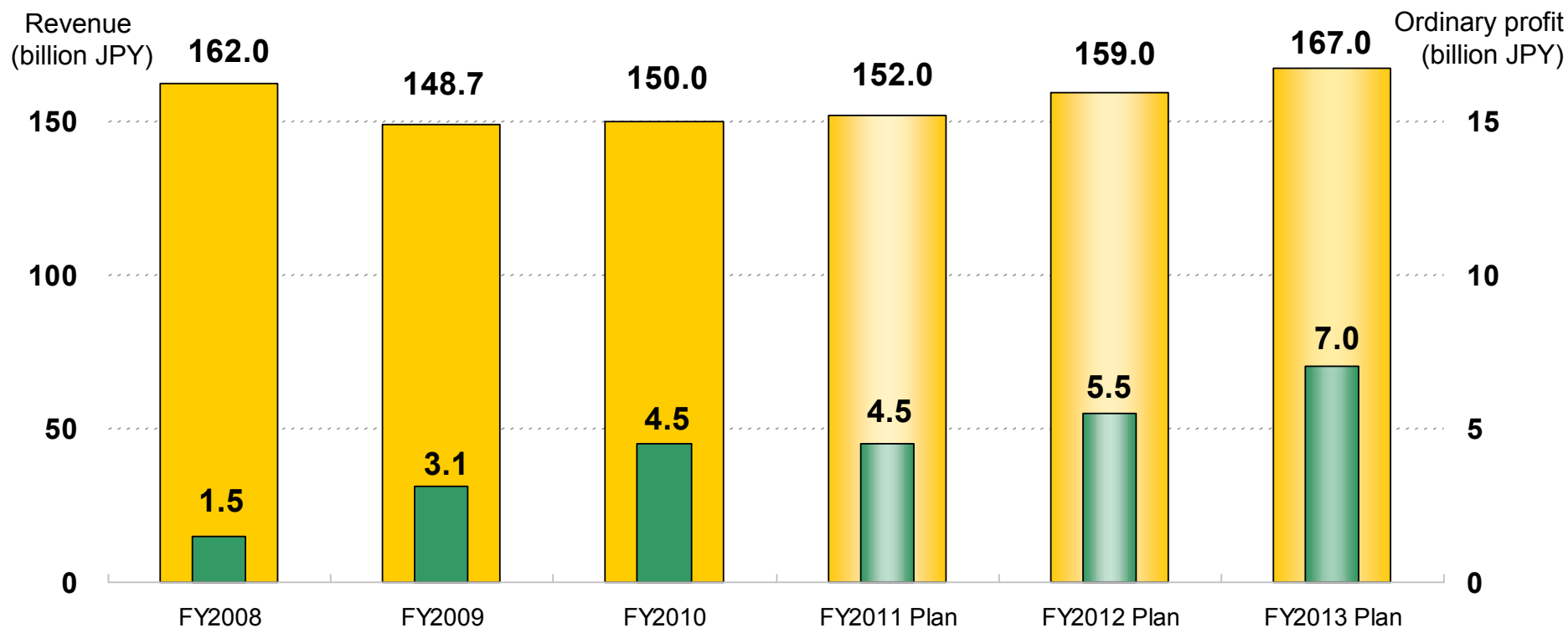
- ◆ **China:** maintain to improve business efficiency and appeal our high functional products under concept of “Wellness” and “competition”.
- ◆ **Australia:** Increase market share especially in running specialty shops.
- ◆ **Production:** With review of material, design and sourcing, take measures to deal with high production cost situation.

(Note) Results by business are based on internal company documents.

Mid-term Plan (Consolidated)



◆ Maintain FY2010 results with the economy uncertain by the Tohoku Earthquake in FY2011



JPY/USD	103.7	93.5	87.7	82.5
JPY/GBP	175.3	147.3	133.1	135
JPY/EUR	144.4	130.6	113.5	120

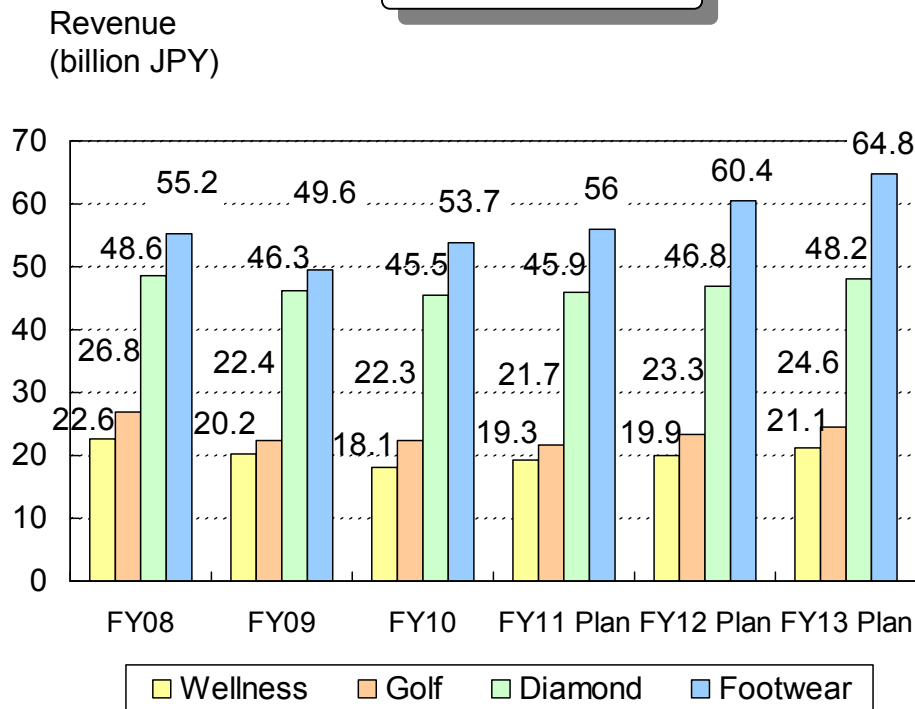
Exchange rate history for consolidated financial statement
The last column shows exchange rate for FY11-13 estimate.

Mid-term Plan (by business and region)

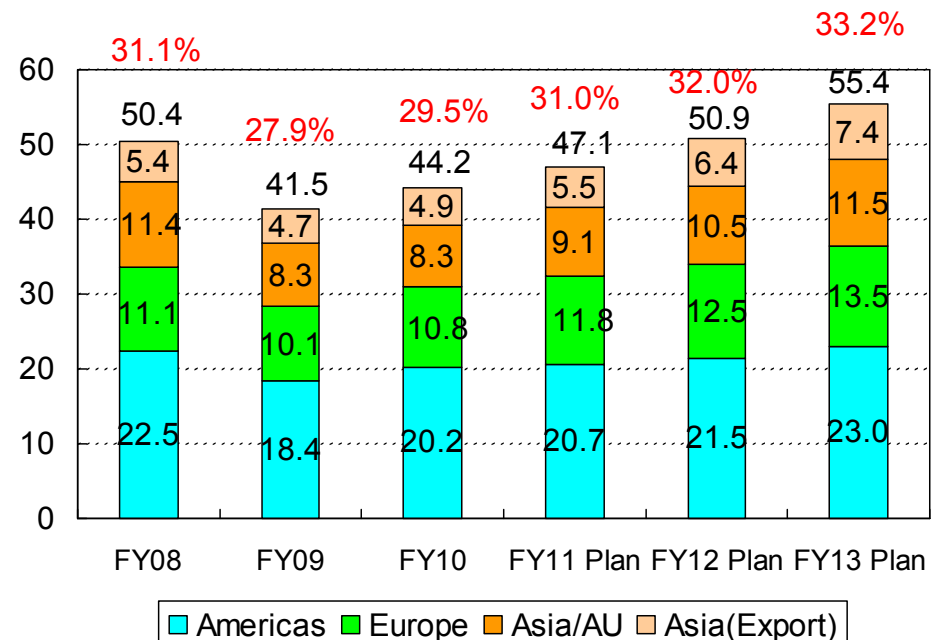


◆ We focus on the Footwear & Apparel business in order to grow in non-Japan regions.

By Business Unit



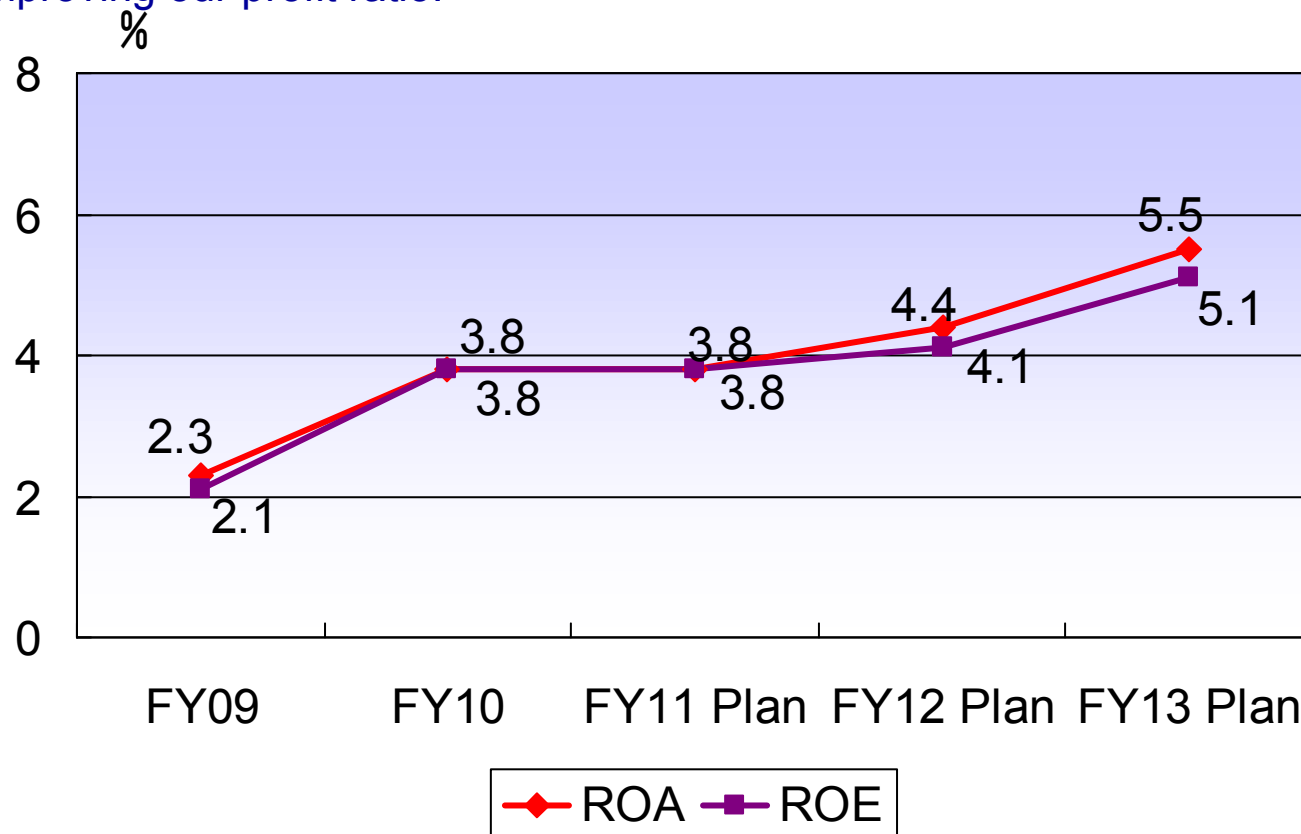
Non-Japan revenue (ratio of non-Japan revenue)



Mid-term Plan (ROA, ROE)



- ◆ ROA Target 7%: The gap from the target has increased under severe market conditions since the financial crisis in FY2008. To reach the target as soon as possible, we have addressed reducing excess assets, especially inventory, and improving our profit ratio.





◆ Business Slogan “Go with Passion ! ”

In FY2010, we had strong sales in Europe and Americas mainly. In Japan we recognized that 3Q sales hit the bottom and turn toward a recovery. However, there was shrinkage after Eastern Japan Earthquake. We will make concerted efforts to cheer Japanese people up by providing Sports activities. We believe Sports, and work with passion in FY 2011.

FY 2011 Company Policies

Create a New Beginning

Build Trust

Think and Act