

On Consolidated Operating Results for the Year Ended March 2010 “Attack and Defend” Business Management, Aimed at an Upward Turn

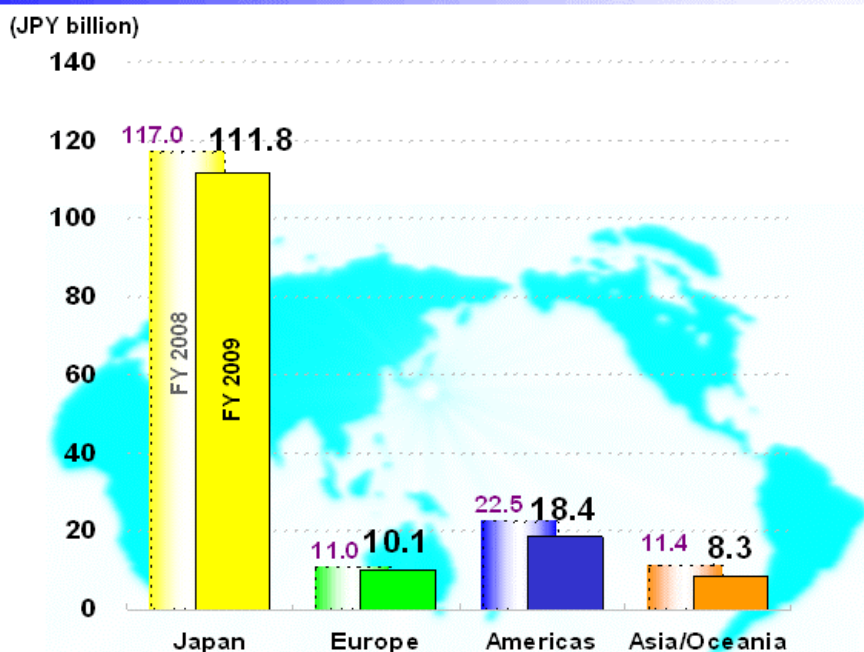
Akito Mizuno, President, Mizuno Corporation

Looking back on operational results for the fiscal year ended March 2010 (97th business year for Mizuno)

Although net sales for the 97th business year ended March 31, 2010 decreased by 8.2% from the previous year to 148,703 million yen, ordinary income increased by 103.6% to 3,054 million yen and net income increased by 4,015 million yen to 1,602 million yen. These results include the impact of unfavorable exchange rate fluctuation from the previous year. Decreases resulting from this impact comprised approx. 4,647 million yen in net sales.

During the past fiscal year net sales declined, due primarily to sluggish sales of golf products in the Japanese and U.S. markets, decline in unit prices of footwear and apparel items in Japan, and intensified competition in China. To secure profits in this difficult situation, we adopted various “defensive” measures, including the clearance of slow-moving inventories and thorough purchase controls. As a result, the total inventory level decreased by 3,151 million yen from the previous year. Moreover, our cost-saving efforts led to an increase in profits.

Revenues



- Japan includes export to Asia / Oceania from Japan

Consolidated Sales by Product Category

FY 2009		(JPY billion)		
37.3	29.9	28.3	24.5	28.5
Baseball Products	Apparel	Footwear	Golf Products	Others
FY 2008				
38.4	32.9	30.9	28.3	31.4

Operating results in Japan

Net sales in Japan decreased by 4.4% from the previous year, to 111,837 million yen.

Regarding baseball products, sales was flat, although the new brand <Global Elite> was well accepted in unchanged relevant market size and number of players.

In the footwear category, sales of running shoes recorded steady growth, supported by the increasing population of runners. Sales of ball game shoes, however, slowed due to the decline in unit prices, which was impacted by the slow economy. As a result, sales in all footwear were small down.

In the sportswear category, sales of running clothes were strong, but this did not offset the decline in unit prices and the diminishing sales of school sportswear, which was affected by the decline in number of schoolchildren.

Regarding golf business, the golf club market is diminishing, influenced by the slow economy. To recover sales of golf clubs, we took advantage of our exceptional craftsmanship to reinforce our fitting service, an effort that received favorable customer responses and resulted in sales growth during the latter half of the year. This, however, did not offset the decline in the first half.

In the sports facility business, sales increased steadily as a result of reinforced efforts in marketing activities of school sports equipment and an increase in the number of sports facilities that we operate under contract.

International operating results

Sales revenues in Europe increased 5.7% from the previous year, on a local currency basis. When converted into yen, however, unfavorable exchange rates had a negative impact of 1,574 million yen.

In the footwear and apparel business in Europe, we reinforced sales promotional activities for shoes featuring Mizuno Wave plates in the specialty retailers. Coupled with strong demand for running and football items, these efforts resulted in increased sales.

In the golf products market, demand remained weak, affected by economic stagnation in the Eurozone. However, sales increased in the UK and Scandinavian markets.

In the Americas, on a local currency basis, sales revenues decreased to 91.4% of the previous year. When converted into yen, unfavorable exchange rates had a negative impact of 2,117 million yen.

The baseball business remained slow, since large national retailers held off purchases so as to reduce their inventory levels. In this environment, we reinforced our support of customer services provided at retailers by offering glove steamers, so as to differentiate our products from those of competitors. Despite these efforts, sales in the baseball products category decreased, impacted primarily by retailers' inventory control during the first half.



In the footwear and apparel category we promoted among amateur runners our running shoes featuring Mizuno Wave plates, stressing their high functionality. Sales remained flat in this category, however, since large retail stores held off purchases so as to reduce their inventory levels.

In the golf products category, the sales volume of the entire market has shrunk, resulting in intensified price competition among retailers. Sales decreased sharply due to the weak replacement demand for iron clubs, one of our mainstay products in this category.

In the Asia and Oceania region, sales revenues on a local currency basis decreased to 81% of the previous year. When converted into yen, unfavorable exchange rates had a negative impact of 955 million yen.

In China, competition has intensified in the sporting footwear and apparel business as a result of rising Chinese domestic brands in this category. Under this circumstance we promoted faster reduction of inventories, which resulted in decreased unit selling prices and decreased gross margin.

In the Chinese golf products market, the golfing population continued to grow. To meet the needs of those golfers, we offered highly professional fitting and trial events, which helped increase sales of forged irons. This, however, did not offset decreases in other product lines.

Results of defensive measures

In sum, we achieved good results by adopting “defensive” measures during fiscal 2009.

Through earlier clearance of excess inventory and strict purchasing control, we have reduced our Group-wide inventory levels to 89% of the previous year.

In response to the decline in sales revenues, we also took rigorous cost-reduction actions and succeeded in maintaining the expenses ratio at the previous year’s level. We will continue these efforts as defensive measures.

Use of Our Exceptional Technology and Sensibility in Response to Diversifying Customer Demand

Major elements underpinning Mizuno brand products have always been exceptional quality, technology and craftsmanship. To supply products that precisely meet current user needs, we began focusing on yet another element: sensible and appealing design.

To obtain women’s support for our golf products, we are developing products with designs that meet women’s tastes. To increase our market share in ladies’ golf products we have developed the JPX Ladies series based on a new design concept, and have launched the Moe Oshikiri Collection, developed jointly with popular female talent Moe Oshikiri.

In Japan, given the decreasing population of young generations, the sporting goods market for young people is expected to diminish. In this challenging environment, we are striving to find potential consumer needs and add new value to existing products, thereby creating new markets. For instance, we have developed children's shoes featuring a "insole for growing foot" and special molds for Children's feet by three-dimensional foot measurement equipment, in order to designed to support the healthy development of children. Considering elementary school children today show less athletic ability than before, Mizuno holds Special Training for School Sports Events. In offering the opportunity for appropriate training, this program is designed to develop young participants’ physical abilities and, what is more, to enable them to feel and recognize that their ability is growing. At the Mizuno Victory Clinic, we encourage more junior generations and amateurs to engage in sporting activities. Through these events, Mizuno intends to promote sports and the joy of sports activities as many children as possible.



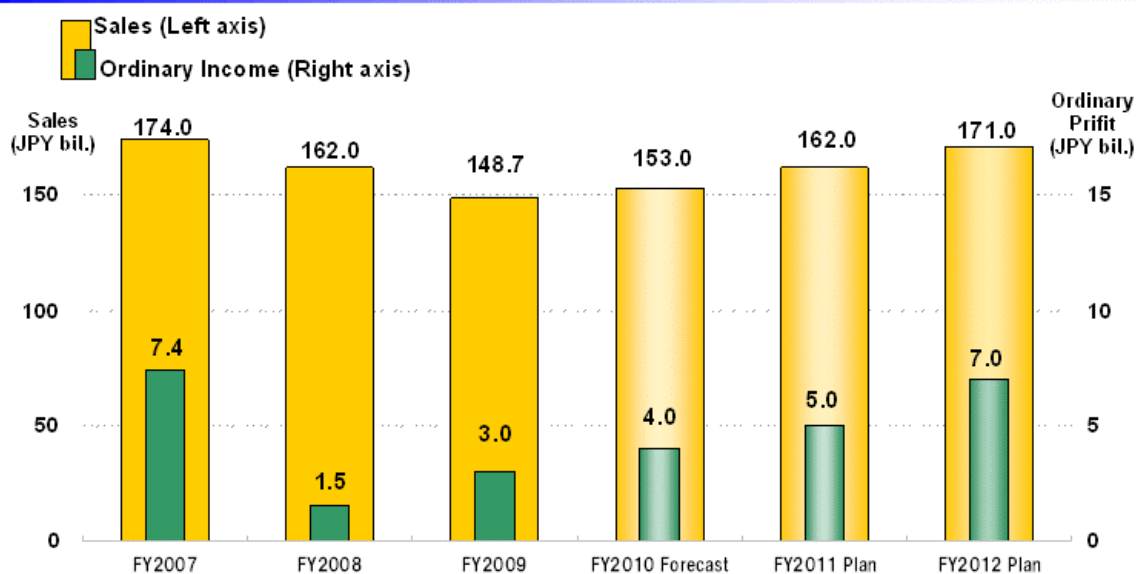
Forecasts of full-year results for fiscal 2010, and Mid-Term Plan until fiscal 2012

Major sports events planned for this fiscal year include World Cup in South Africa, to be held in June, and the Asian Games, to be held in November in Guangzhou, China. Such global sports events, to be hosted in emerging economies, will surely encourage and inspire people all over the world.

In consideration of the global economic recovery predicted for fiscal 2010, we forecast that net sales for the full year ending March 2011 will be 153.0 billion yen, with ordinary income of 4.0 billion yen and net income of 1.7 billion yen. As indicated in the chart below, in the Mid-Term Plan we have set the following targets for fiscal 2012, ending March 2013: net sales of 171.0 billion yen and ordinary income of 7.0 billion yen.

Although there are various uncertainties in economic outlooks, in fiscal 2010 we will use “attack” policies to achieve business growth under this Mid-Term Plan.

FY2010-12 Revenues/Ordinary Profit Plan



JPY/USD	117.82	103.68	93.52	93.00
JPY/GBP	229.27	175.25	147.27	145.00
JPY/EUR	161.86	144.40	130.59	125.00

FY2010 : Projected Exchange Rate
(FY2011-12 same as FY2010)

Conclusion

Today, we increasingly hear reports informing of economic recovery in and outside Japan. Although it may take a considerable time before the global economy achieves full-fledged recovery, at Mizuno we will work to improve our products and services still further, and to develop Mizuno into a unique and unparalleled sports brand. To that end, all employees will combine their efforts, adhering to the spirit of our founder Rihachi Mizuno, who started a sporting goods business in Japan when Japanese people could not afford to enjoy sports. Inspired by the founder's spirit, this fiscal year we will adopt the "attack" policy in order to return to the growth path. In these endeavors, we would appreciate generous understanding and support from our shareholders and other stakeholders. Thank you for your cooperation.