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May 13, 2025

**Consolidated Financial Results
for the Fiscal Year Ended March 31, 2025
(Under Japanese GAAP)**



| | |
|---|--|
| Company name: | Mizuno Corporation |
| Listing: | Tokyo Stock Exchange |
| Securities code: | 8022 |
| URL: | https://corp.mizuno.com/en |
| Representative: | Akito Mizuno, President and Representative Director |
| Inquiries: | Yoshihiro Murakami, Executive Officer in charge of Global Accounting and Finance |
| Telephone: | +81-6-6614-8465 |
| Scheduled date of ordinary general meeting of shareholders: | June 20, 2025 |
| Scheduled date to commence dividend payments: | June 23, 2025 |
| Scheduled date to file annual securities report: | June 19, 2025 |
| Preparation of supplementary material on financial results: | Yes |
| Holding of financial results briefing: | Yes (for institutional investors) |

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | |
|-------------------|-----------------|-----|------------------|------|-----------------|------|---|------|
| Fiscal year ended | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % |
| March 31, 2025 | 240,335 | 4.6 | 20,777 | 20.2 | 21,352 | 10.7 | 15,243 | 6.5 |
| March 31, 2024 | 229,711 | 8.3 | 17,279 | 33.5 | 19,288 | 37.4 | 14,311 | 44.4 |

Note: Comprehensive income For the fiscal year ended March 31, 2025: 18,682 million yen [(5.5%)]
For the fiscal year ended March 31, 2024: 19,759 million yen [46.1%]

| | Earnings per share | Diluted earnings per share | Return on equity | Ratio of ordinary profit to total assets | Ratio of operating profit to net sales |
|-------------------|--------------------|----------------------------|------------------|--|--|
| Fiscal year ended | Yen | Yen | % | % | % |
| March 31, 2025 | 595.97 | — | 10.2 | 10.1 | 8.6 |
| March 31, 2024 | 559.71 | — | 10.8 | 9.6 | 7.5 |

Reference: Share of profit (loss) of entities accounted for using equity method
For the fiscal year ended March 31, 2025: - million yen
For the fiscal year ended March 31, 2024: - million yen

(2) Consolidated financial position

| | Total assets | Net assets | Capital adequacy ratio | Net assets per share |
|----------------|-----------------|-----------------|------------------------|----------------------|
| As of | Millions of yen | Millions of yen | % | Yen |
| March 31, 2025 | 218,479 | 157,121 | 71.6 | 6,112.30 |
| March 31, 2024 | 206,151 | 142,065 | 68.6 | 5,531.81 |

Reference: Equity
As of March 31, 2025: 156,348 million yen
As of March 31, 2024: 141,454 million yen

(3) Consolidated cash flows

| | Cash flows from operating activities | Cash flows from investing activities | Cash flows from financing activities | Cash and cash equivalents at end of period |
|----------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|--|
| Fiscal year ended March 31, 2025 | Millions of yen 7,007 | Millions of yen (3,514) | Millions of yen (4,014) | Millions of yen 32,399 |
| March 31, 2024 | 21,412 | 131 | (14,008) | 31,963 |

2. Cash dividends

| | Annual dividends per share | | | | | Total cash dividends (Total) | Payout ratio (Consolidated) | Ratio of dividends to net assets (Consolidated) |
|--|----------------------------|--------------------|-------------------|-----------------|---------------|------------------------------|-----------------------------|---|
| | First quarter-end | Second quarter-end | Third quarter-end | Fiscal year-end | Total | | | |
| Fiscal year ended March 31, 2024 | Yen – | Yen 35.00 | Yen – | Yen 85.00 | Yen 120.00 | Millions of yen 3,068 | % 21.4 | % 2.3 |
| Fiscal year ended March 31, 2025 | – | 60.00 | – | 90.00 | 150.00 | 3,836 | 25.2 | 2.6 |
| Fiscal year ending March 31, 2026 (Forecast) | – | 25.00 | – | 25.00 | 50.00 | | 23.3 | |

(Note) The Company executed a 3-for-1 split of its common stock on April 1, 2025. Dividends per share for the fiscal year ended March 31, 2024, and for the fiscal year ended March 31, 2025, are actual dividends per share before the stock split was executed. Dividends per share for the interim and the year-end for the fiscal year ended March 31, 2026 (forecast) are dividends per share after the stock split was executed

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

| | Net sales | | Operating profit | | Ordinary profit | | Profit attributable to owners of parent | | Earnings per share |
|-----------|-----------------|-----|------------------|-----|-----------------|-----|---|-----|--------------------|
| | Millions of yen | % | Millions of yen | % | Millions of yen | % | Millions of yen | % | Yen |
| Full year | 260,000 | 8.2 | 22,500 | 8.3 | 23,000 | 7.7 | 16,500 | 8.2 | 215.02 |

(Note) The Company executed a 3-for-1 split of its common stock on April 1, 2025. Basic earnings per share in the forecasts of business performance section ending March 31, 2026 (estimated) are basic earnings per share after the stock split was executed.

* **Notes**

(1) Significant changes in the scope of consolidation during the period: Yes

Newly included: 3 companies (MIZUNO APAC (THAILAND) LTD., MIZUNO SIAM HOLDINGS LTD., MIZUNO CORPORATION UK LIMITED)

Excluded: -

(2) Changes in accounting policies, changes in accounting estimates, and restatement

- (i) Changes in accounting policies due to revisions to accounting standards and other regulations: Yes
- (ii) Changes in accounting policies due to other reasons: None
- (iii) Changes in accounting estimates: None
- (iv) Restatement: None

(3) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

| | |
|----------------------|-------------------|
| As of March 31, 2025 | 26,578,243 shares |
| As of March 31, 2024 | 26,578,243 shares |

(ii) Number of treasury shares at the end of the period

| | |
|----------------------|------------------|
| As of March 31, 2025 | 998,910 shares |
| As of March 31, 2024 | 1,007,101 shares |

(iii) Average number of shares outstanding during the period

| | |
|----------------------------------|-------------------|
| Fiscal year ended March 31, 2025 | 25,577,236 shares |
| Fiscal year ended March 31, 2024 | 25,569,364 shares |

* Financial results reports are exempt from audits conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts and other special matters

The earnings forecasts and other forward-looking statements herein are based on information currently available to the Company and certain assumptions that the Company deems reasonable. Actual results may differ significantly from these forecasts due to a wide range of factors.

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1. Overview of Operating Results and Financial Position

(1) Overview of Operating Results for the Period

During the fiscal year under review, the Japanese economy maintained a gradual recovery trend. This was 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 been steady.

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 during the fiscal year under review 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 during the fiscal year under review 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 during the fiscal year under review 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)

(2) Overview of Financial Position for the Period

Total assets at the end of the fiscal year under review 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 fiscal year under review 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%.

(3) Overview of Cash Flows for the Period

The balance of cash and cash equivalents at the end of the fiscal year under review was 32,399 million yen. The status of cash flows by category for the fiscal year under review 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 a 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.

(4) Future Outlook

For the fiscal year ending March 31, 2026 (April 1, 2025 to March 31, 2026), Japan's economy is expected to continue moderate growth, driven by factors such as increased personal consumption due to wage increases, expansion of inbound demand and so on. Overseas economies are also projected to continue their growth trajectory, although there will be variations in the pace of growth among different countries and regions. However, the global economic outlook is uncertain due to factors such as increasing geographical risks and the impact of the U.S. tariff and trade policies.

In light of these circumstances, our consolidated financial forecast for the fiscal year ending March 31, 2026, is as follows: net sales of 260,000 million yen (up 8.2% yoy); operating profit of 22,500 million yen (up 8.3% yoy); ordinary profit of 23,000 million yen (up 7.7% yoy); and profit attributable to owners of parent of 16,500 million yen (up 8.2% yoy).

2. Basic Approach to Selection of Accounting Standards

The Group is currently considering the future application of International Financial Reporting Standards (IFRS). We are gathering information, analyzing key discussion points, and examining the appropriate timing of adoption.

3. Consolidated Financial Statements and Principal Notes

(1) Consolidated Balance Sheet

(Millions of yen)

| | As of March 31, 2024 | As of March 31, 2025 |
|--|----------------------|----------------------|
| Assets | | |
| Current assets | | |
| Cash and deposits | 31,963 | 32,399 |
| Notes receivable - trade | 4,814 | 4,640 |
| Accounts receivable - trade | 43,996 | 46,081 |
| Merchandise and finished goods | 45,117 | 50,743 |
| Work in process | 749 | 680 |
| Raw materials and supplies | 6,577 | 6,701 |
| Other | 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 | 17,685 | 17,107 |
| Machinery, equipment and vehicles, net | 883 | 1,366 |
| Land | 14,187 | 14,149 |
| Construction in progress | 1,789 | 2,423 |
| Other, net | 2,621 | 4,699 |
| Total property, plant and equipment | 37,167 | 39,744 |
| Intangible assets | | |
| Goodwill | 979 | 852 |
| Other | 5,469 | 5,332 |
| Total intangible assets | 6,449 | 6,185 |
| Investments and other assets | | |
| Investment securities | 9,487 | 9,569 |
| Long-term loans receivable | 351 | 4 |
| Deferred tax assets | 1,671 | 1,591 |
| Retirement benefit asset | 10,270 | 11,615 |
| Other | 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 |

| | As of March 31, 2024 | 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 |
| Other | 3,478 | 3,222 |
| Total current liabilities | <u>44,485</u> | <u>42,571</u> |
| Non-current liabilities | | |
| Long-term borrowings | 11,586 | 7,608 |
| Deferred tax liabilities | 2,116 | 3,189 |
| Deferred tax liabilities for land revaluation | 1,807 | 1,785 |
| Retirement benefit liability | 249 | 568 |
| Long-term guarantee deposits | 2,358 | 2,449 |
| Asset retirement obligations | 338 | 300 |
| Other | 1,142 | 2,885 |
| Total non-current liabilities | <u>19,599</u> | <u>18,786</u> |
| Total liabilities | <u>64,085</u> | <u>61,358</u> |
| 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 | <u>127,574</u> | <u>139,311</u> |
| 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 | (319) | (353) |
| Foreign currency translation adjustment | 8,088 | 11,264 |
| Remeasurements of defined benefit plans | 2,220 | 2,229 |
| Total accumulated other comprehensive income | <u>13,879</u> | <u>17,036</u> |
| Non-controlling interests | <u>611</u> | <u>772</u> |
| Total net assets | <u>142,065</u> | <u>157,121</u> |
| Total liabilities and net assets | <u>206,151</u> | <u>218,479</u> |

(2) 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 | 229,711 | 240,335 |
| Cost of sales | 138,765 | 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 |
| Other | 24,865 | 26,694 |
| Total selling, general and administrative expenses | 73,666 | 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 |
| Other | 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 transfer expenses | 92 | - |
| Other | 217 | 104 |
| Total non-operating expenses | 599 | 508 |
| Ordinary profit | 19,288 | 21,352 |
| Extraordinary income | | |
| Gain on sale of non-current assets | 1,021 | 59 |
| Gain on sale of investment securities | 53 | 465 |
| Total extraordinary income | 1,075 | 525 |
| Extraordinary losses | | |
| Loss on sale of non-current assets | 30 | - |
| Loss on retirement of non-current assets | 52 | 62 |
| Impairment losses | 38 | 12 |
| Loss on valuation of inventories | 393 | - |
| Other | 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 | 5,335 | 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 |

(3) Consolidated Statement of Changes in Equity

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

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | 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 |

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

(Millions of yen)

| | Shareholders' equity | | | | |
|--|----------------------|-----------------|-------------------|-----------------|----------------------------|
| | Share capital | 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 |

(4) 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 net defined 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) |
| 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 inclusion of subsidiaries in consolidation | - | 44 |
| Cash and cash equivalents at end of period | 31,963 | 32,399 |

(5) Notes to Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(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.

(Business combinations)

Transaction, etc. under common control

(1) Outline of transaction

1) Names and details of business subject to transaction

| Name | Details of business |
|--------------------------------------|-------------------------|
| Mizuno Corporation (UK) | |
| Mizuno Corporation (Germany) | |
| Mizuno Corporation (The Netherlands) | Sale of sports products |
| Mizuno Corporation (Sweden) | |
| Mizuno Corporation (Denmark) | |

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 split is necessary in order to aim for realizing swift management decision making and efficient management in the European Business as well as work on further expanding profits of the entire Group.

(2) Outline of the accounting treatment to be implemented

The transaction will be treated as a common control transaction in accordance with the “Accounting Standard for Business Combinations” and the “Implementation Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures.”

(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 (Loss), Assets, Liabilities, and Other Items for Each Reportable Segment

The accounting method for reported segments is generally the same as the one adopted in the preparation of the 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 Net Sales, Profit, Assets, Liabilities, and Other Items for Each 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 and amortization | 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.
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.

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

| | 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 and amortization | 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.

(Per share information)

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended March 31, 2025 |
|----------------------------|---|---|
| Net assets per share | 5,531.81 yen | 6,112.30 yen |
| Earnings per share | 559.71 yen | 595.97 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. The basis for calculating earnings per share is as follows.

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended 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 (Shares) | 25,569,364 | 25,577,236 |

(Significant subsequent events)

Not applicable.

(Material Subsequent Events),

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

Under the resolution of the Board of Directors of February 7, 2025, the Company executed a stock split and a partial amendment to its Articles of Incorporation on April 1, 2025.

1. Purpose of the stock split

The purpose of the stock split is to lower the investment unit price to encourage investment with aiming to (improve the liquidity of stock and?) increase investors.

2. Overview of the stock split

(1) Method of the stock split

The Company executed a 3-for-1 split of 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 |
|---|------------|

| | |
|--|-------------|
| Increase in the number of shares after the stock split | 53,156,486 |
| Shares outstanding after the stock split | 79,734,729 |
| Number of authorized shares after the stock split | 177,600,000 |

(3) Schedule

Date of public notice of the record date March 14, 2025

Record date March 31, 2025

Effective date April 1, 2025

(4) Impact on per share information

Per share information that calculated as if the stock split had been executed at the beginning of the previous fiscal year are as follows.

| | For the fiscal year ended March 31, 2024 | For the fiscal year ended 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 the Articles of Incorporation associated with stock split in accordance with Section 184.2 of Companies Act on April 1, 2025.

(2) The content (substance) of the amendment

The Changes are as follows.

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

(3) Schedule

Date of the resolution of the Board of Directors February 7, 2025

Effective date April 1, 2025