

## Attention

This is a translation of the official Japanese original for reference purposes only.  
In the event of any discrepancy between this translation and the official Japanese original, the Japanese original shall prevail.

The information being disclosed in this translation consists of:-

- 1) Notice of the 106th Ordinary General Meeting of Shareholders
- 2) Reference Materials for the General Meeting of Shareholders
- 3) A part of “Business Report”
  1. Business development and results
  2. Capital investment and fund procurement
  3. Issues to address

and does not include “The rest of Business Report”, “Consolidated Financial Statements” and “Non-consolidated Financial Statements”.

--- End of Attention ---

(Securities Code: 8022)  
May 28, 2019

To All Shareholders:

**MIZUNO CORPORATION**  
Akito Mizuno  
President and Representative Director  
4-1-23 Kitahama, Chuo-ku, Osaka

## **Notice of the 106th Ordinary General Meeting of Shareholders**

On behalf of the Board, I would like to thank you, our shareholders, for your continued support.

MIZUNO Corporation (hereinafter, “the Company” or “MIZUNO”) cordially invites you to attend the 106th Ordinary General Meeting of Shareholders to be held on the date and at the venue specified below.

**If you are unable to attend the meeting, please refer to the attached Reference Materials for the General Meeting of Shareholders and exercise your voting rights in writing or via the Internet in accordance with the following instructions described below.**

**1. Date and Time: 10:00 a.m., Thursday, June 20, 2019**  
(Reception open: 9:00 a.m.)

**2. Venue: MIZUNO Osaka Head Office**  
1-12-35, Nanko-Kita, Suminoe-Ku, Osaka-Shi  
“Mizuno Crysta”, the convention hall on the first basement level

### **3. Agenda**

#### **Matters to be Reported**

- (1) The Business Report for the 106th fiscal year (from April 1, 2018 to March 31, 2019) and the Consolidated Financial Statements, as well as the results of the audit by the Accounting Auditor and the Audit and Supervisory Committee of the Consolidated Financial Statements
- (2) The Non-consolidated Financial Statements for the 106th fiscal year (from April 1, 2018 to March 31, 2019)

#### **Matters to be Resolved**

**Agendum 1:** Appropriation of surplus

**Agendum 2:** Election of five (5) Directors (exclusive of Directors who are Audit and Supervisory Committee members)

**Agendum 3:** Election of one (1) Director who is Audit and Supervisory Committee Members

## **Procedures for Exercising of Voting Rights**

### 1. Voting at the General Meeting of Shareholders

Please submit the enclosed Voting Rights Exercise Form to the reception staff at the meeting venue.

### 2. Exercising of voting rights in writing

Please indicate your approval or disapproval of the matters to be resolved on the Voting Rights Exercise Form enclosed herewith, and return it so that it reaches us by 6:00 p.m. on Wednesday, June 19, 2019.

### 3. Exercising of voting rights via the Internet

Please refer to “Procedure for Exercise of Voting Rights via the Internet” on the next page, and exercise your voting rights by 6:00 p.m. on Wednesday, June 19, 2019.

#### \* Duplicate exercising of voting rights

If you exercise your voting rights both in writing and via the Internet, the vote that arrives later at the Company shall be treated as valid. If both votes arrive on the same day, the vote via the Internet shall be treated as valid.

## **Disclosure via the Internet (Disclosure on Website)**

Of the documents to be provided, we have made the matters listed below available to our shareholders by posting them on the website of the Company (<https://corp.mizuno.com/jp/>) in accordance with laws and the provisions of Article 17 of the Articles of Incorporation, and therefore they are not included in the attached Reference Materials for the General Meeting of Shareholders.

- “Major business operations”, “Major operating sites”, “Number of employees (on a consolidated basis)”, “Major institutes for funds resource” and “Structure and policies of the Company, and the status of operation thereof” of the Business Report
- “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements” of the Consolidated Financial Statements
- “Statements of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” of the Non-consolidated Financial Statements

The contents of “Major business operations”, “Major operating sites”, “Number of employees (on a consolidated basis)”, “Major institutes for funds resource” and “Structure and policies of the Company, and the status of operation thereof” have been audited as part of the Business Report by the Audit and Supervisory Committee when they prepared their audit report.

The contents of “Consolidated Statements of Changes in Net Assets” and “Notes to Consolidated Financial Statements,” and of “Statements of Changes in Net Assets” and “Notes to Non-consolidated Financial Statements” have been audited as part of the Consolidated Financial Statements and Non-consolidated Financial Statements by the Audit and Supervisory Committee and the Accounting Auditor when they prepared their audit report.

Please be aware that if it becomes necessary to revise the information contained in the Reference Materials for the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-consolidated Financial Statements, the revised information will be posted on the MIZUNO’s website (<https://corp.mizuno.com/jp/>).

## **Procedure for Exercise of Voting Rights via the Internet**

For shareholders who exercise voting rights via the Internet, the following items should be verified when exercising voting rights via the Internet.

1. Website for exercise of voting rights

It is only possible to exercise voting rights via the Internet by using the following website designated by the Company (<https://www.web54.net>).

2. Treatment on exercise of voting rights

- (1) When exercising voting rights via the Internet, please use the voting rights code and password stated on “the Exercise of Voting Rights form” which is a postcard-sized and input “For” or “Against” in accordance with the instruction on the screen.

The voting rights code and password provided are effective only for this Ordinary General Shareholders’ Meeting.

- (2) Shareholders voting via the Internet are requested to exercise their voting rights prior to 6:00 p.m. on Wednesday, June 19, 2019.

- (3) When voting rights are exercised more than once via the Internet, the vote that has arrived the latest shall be deemed the valid vote.

If you exercise your voting rights both in writing and via the Internet, the vote that arrives later at the Company shall be treated as valid. If both votes arrive on the same day, the vote via the Internet shall be treated as valid.

- (4) Shareholders shall bear the expenses incurred when accessing the Internet to exercise shareholder voting rights.

For questions related to exercising shareholder voting rights via the Internet, please contact:-

Sumitomo Mitsui Trust Bank, Limited  
Securities Agent Web Support  
Tel: 0120-652-031 (toll-free)  
Service hours: 9:00 a.m. to 9:00 p.m.

--- End of Notice ---

## Reference Materials for the General Meeting of Shareholders

### Agendum 1: Appropriation of surplus

The Company plans to dispose of retained earnings as follows:

It is the Company's basic policy to ensure stable distribution of dividends based on the recognition that returning profits to its shareholders is one of its top priority management tasks.

Based on this basic policy and taking into consideration the need to secure internal reserves to be appropriated to capital investment and research & development for further business growth in order to improve its corporate value, the Company would like to distribute year-end dividends for the 106th fiscal year as follows:

- (1) Type of dividend property:

Cash

- (2) Matters concerning appropriation of dividend property and the total amount thereof

25 yen per share of the Company's common stock

Total amount of dividends: 638,332,650 yen

Herewith, together with the interim dividend of 25 yen per share, the annual dividend for this fiscal year will be 50 yen per share.

- (3) Date on which distribution of dividends takes effect:

June 21, 2019

**Agendum 2: Election of five (5) Directors (exclusive of Directors who are Audit and Supervisory Committee members)**

The term of office of all of the current five (5) Directors (exclusive of Directors who are Audit and Supervisory Committee members) will expire at the conclusion of this ordinary general meeting of shareholders. It is therefore proposed that five (5) Directors (exclusive of Directors who are Audit and Supervisory Committee members) should be elected.

The Audit and Supervisory Committee has an opinion to the effect that each candidate is qualified to serve as a Director of the Company.

The candidates are as described below:

No. 1	<b>Akito Mizuno</b>	
Standing for	Reelection	
Date of birth	August 25, 1949	
Number of the Company's shares held	108,410	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	August 1975	Joined the Company
	December 1982	Senior Manager, Marketing Dept., Senri Business Division of the Company
	May 1984	Director of the Company
	May 1986	Managing Director of the Company
	June 1990	Senior Managing Director of the Company
	June 1994	Executive Vice President of the Company
	June 1998	Executive Vice President and Representative Director of the Company
	June 2006	President and Representative Director of the Company (current position)
<p>The reasons for his nomination as a Director:</p> <p>Akito Mizuno, having the deep insight and abundant experience in overall management as the President of the Company, has contributed for the reinforcement and development of the globalization of the group. Further he, as the top management, has also performed his leadership to realize the group-wide strategies.</p> <p>Therefore, the Company has proposed that he is continuously appropriate for a Director of the Company.</p>		
<p>(Notes)</p> <p>There are no particular conflicts of interest between any of the candidates and the Company.</p>		

No. 2	<b>Masaharu Kato</b>	
Standing for	Reelection	
Date of birth	August 15, 1955	
Number of the Company's shares held	14,935	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	March 1979	Joined the Company
	April 1999	Senior Manager, Corporate Planning Office of the Company
	June 2000	Director of the Company In charge of Corporate Planning (current position)
	June 2005	Managing Director of the Company
	June 2012	In charge of Asian and Oceanian Business (current position)
	June 2013	Representative Director and Senior Managing Director of the Company In charge of Human Resources & General Affairs, Legal Affairs (current position)
	June 2015	In charge of Golf Business (current position)
	June 2016	Representative Director and Senior Managing Executive Officer of the Company (current position)
<p>The reasons for his nomination as a Director:</p> <p>Masaharu Kato, having the deep insight and abundant experience in overall management as the Director &amp; Senior Managing Executive Officer, has taken the most important roles to realize the group-wide strategies and performed well results.</p> <p>Therefore, the Company has proposed that he is continuously appropriate for a Director of the Company.</p>		
<p>(Notes)</p> <p>There are no particular conflicts of interest between any of the candidates and the Company.</p>		

No. 3	<b>Mutsuro Yamamoto</b>	
Standing for	Reelection	
Date of birth	April 25, 1954	
Number of the Company's shares held	9,035	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	March 1977	Joined the Company
	March 1999	Senior Manager, Footwear Planning and Production Dept. of the Company
	June 2003	Director of the Company
	June 2008	In charge of Sports Facilities & Services (current position)
	June 2011	Managing Director of the Company
	June 2012	Chairman of Senoh Corporation (current position)
	January 2013	In charge of Life Style Sports Business, Life Style Channel Sales (current position)
	June 2013	Senior Managing Director of the Company
	October 2014	In charge of Sales Supervision (current position)
	June 2016	Senior Managing Executive Officer of the Company (current position)
<p>The reasons for his nomination as a Director:</p> <p>Mutsuro Yamamoto, having the deep insight and abundant experience in overall management and engaged in the domestic sales and marketing as the Director &amp; Senior Managing Executive Officer, has challenged the sales strategies and new business development with the good result and contributions.</p> <p>Therefore, the Company has proposed that he is continuously appropriate for a Director of the Company.</p>		
<p>(Notes)</p> <p>There are no particular conflicts of interest between any of the candidates and the Company.</p>		



No. 4	<b>Daisuke Fukumoto</b>	
Standing for	Reelection	
Date of birth	June 27, 1957	
Number of the Company's shares held	11,561	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	March 1981	Joined the Company
	April 2001	Senior Manager, Accounting and Finance Dept.
	June 2003	Director of the Company In charge of Accounting and Finance (current position)
	June 2004	In charge of Retail Sales (current position)
	June 2005	In charge of Logistics Administration (current position)
	June 2008	In charge of Information Systems, European Business (current position)
	June 2011	Managing Director of the Company
	December 2011	Chairman of Mizuno (Taiwan) Corporation (current position)
	June 2013	Senior Managing Director of the Company
	September 2014	Chairman of Mizuno Norge AS (current position)
	October 2015	In charge of Internal Audit of the Company (current position)
	June 2016	Senior Managing Executive Officer of the Company (current position)
<p>The reasons for his nomination as a Director:</p> <p>Daisuke Fukumoto, having the deep insight and abundant experience in overall management as the Director &amp; Senior Managing Executive Officer, has achieved the reinforcement of the group-wide financial conditions and improvement of efficiency and conducted structuring of the corporate governance and internal control system.</p> <p>Therefore, the Company has proposed that he is continuously appropriate for a Director of the Company.</p>		
<p>(Notes)</p> <p>There are no particular conflicts of interest between any of the candidates and the Company.</p>		

No. 5	<b>Kozo Kobashi</b>	
Standing for	Outsider / Independent / Reelection	
Date of birth	July 16, 1946	
Number of the Company's shares held	0	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	April 1971	Joined Shimizu Corporation
	June 2002	Executive Officer of Shimizu Corporation
	June 2004	Managing Executive Officer of Shimizu Corporation
	April 2006	Senior Managing Executive Officer of Shimizu Corporation
	June 2009	Director and Senior Managing Executive Officer of Shimizu Corporation
	April 2011	Director and Executive Vice President of Shimizu Corporation
	June 2015	Director of the Company (current position)
<p>The reasons for his nomination as an Outside Director:</p> <p>Kozo Kobashi has long been engaged in corporate management, and his proposals and advice based on his abundant experience and professional knowledge have contributed greatly to the vitalization of the Board of Directors of the Company. As we believe that it is important, for the improvement of the corporate value of the Mizuno Group, to receive opinions and supervision on our management from an objective perspective based on fair judgment, the Company has nominated him as a candidate, expecting that he will continue to play a significant role as an Outside Director.</p>		
<p>(Notes)</p> <ol style="list-style-type: none"> <li>1. There are no particular conflicts of interest between any of the candidates and the Company.</li> <li>2. Kozo Kobashi is a candidate for the position of an Outside Director. The length of his service since his appointment as an Outside Director will be four (4) years at the close of this ordinary general meeting of shareholders. In light of the "Standards and Policies Concerning Independence to Select Candidates of Outside Directors" established by the Company, we have judged that he is not in a position of conflict of interest with general shareholders and there is no problem with respect to his neutrality and independence. Thus, we have registered him as an independent officer pursuant to the rules and regulations of the Tokyo Stock Exchange.</li> </ol>		

**Agendum 3: Election of one (1) Director who is Audit and Supervisory Committee Members**

Yasuhiro Hamada, as a Director who is also an Audit & Supervisory Committee member, is to resign at the closing of this Ordinary General Meeting of Shareholders. Accordingly, it is therefore proposed that one (1) Director who is Audit and Supervisory Committee Members should be elected.

The Audit and Supervisory Committee has given consent to this proposal.  
The candidate is as described below:

No. 1	<b>Hiroshi Uchida</b>	
Standing for	New Candidate	
Date of birth	March 13, 1958	
Number of the Company's shares held	2,000	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	March 1981	Joined the Company
	October 2008	Senior Manager, Wellness & Sports Apparel Division, Swimming & Fitness Products Marketing Dpt. of the Company.
	January 2013	Senior Manager, Quality Assurance Dept. of the Company
	January 2017	Senior Manager, Composite Material Engineering Development Sect. of Mizuno Technics Corporation
<p>The reasons for his nomination as a Director:</p> <p>Hiroshi Uchida has abundant experience in such areas as marketing and quality assurance. The Company has determined to nominate him as a candidate for a Director who serves as a member of the Audit &amp; Supervisory Committee, expecting that he will contribute by providing us with his opinions and comments on our management with a view to securing the effectiveness of audits as well as the soundness and appropriateness of the management decisions of the Group.</p>		
<p>(Notes)</p> <p>There are no particular conflicts of interest between any of the candidates and the Company</p>		

## **Business Report** (April 1, 2018 to March 31, 2019)

### **1. Business development and results**

During the consolidated fiscal year under review, the Japanese economy continued to observe a mild recovery on the back of increased capital expenditure, improved employment conditions, rebounded consumer spending, and other factors, despite negative impacts arising from natural disasters and a standstill amid the recovery trend of exports. Outside Japan, the economy mainly in developed countries including the robust U.S. economy showed strong growth despite concerns over the U.S. trade policy and interest rate policy, the Brexit issue, the risks of the decelerating Chinese economy, etc.

Under these circumstances, despite an improvement in the gross margin ratio, the Group was forced to wage a desperate fight on a global basis mainly in the sales of running shoes due to an apparently shrinking market. Furthermore, in the core domestic market, the sports product sales business faced sluggish sales due to the decreased population of competitive sports players and reduced sales via existing sales channels due to intensified competition.

Consequently, the Group's operating results saw a decrease of 7,290 million yen in net sales (down 3.9% year on year), to 178,108 million yen. Operating profit recorded a decrease of 420 million yen (down 5.2% year on year), to 7,623 million yen, despite a rise in gross margin ratio and cost reduction effects, failing to make up the decline in the gross margin due to the decreased sales. Ordinary profit decreased by 389 million yen (down 4.8% year on year), to 7,717 million yen due to declines in operating profit and foreign exchange losses. Net income attributable to owners of parent recorded an increase of 1,126 million yen (up 23.1% year on year), to 6,005 million yen.

Performance by regional segment is as follows.

#### (1) Japan

In Japan, in contrast to the competitive sports product sales business which recorded robust sales of soccer shoes, and products relating to table tennis and badminton which received greater attention following the excellent performance of Japanese players and the establishment of a new league, products including those associated with soft tennis suffered a slight decrease in sales due partly to a decrease in the population of players. While the baseball product sales business also faced a slight decline in sales due to a similarly shrinking number of players, the profit margin improved to record an increase in profit. In the lifestyle product sales business, while workwear, a new market entry product, saw robust sales, both walking shoes and winter apparel suffered weaker sales due to intensified competition and a mild winter, respectively. The golf product sales business recorded a decline in sales reflecting the shrinking population of competitive players and sales measures conducted to maintain the brand value, but the gross margin ratio has been maintained at a high level. The sports facilities service business saw growth of sales reflecting the increase in the number of operation contracts entrusted.

Consequently, net sales decreased by 4,796 million yen (down 3.7% year on year), to 124,542 million yen, while operating profit fell by 1,574 million yen (down 21.4% year on year), to 5,776 million yen.

## (2) Europe

In Europe, robust sales were recorded in indoor sports shoes such as handball and volleyball, in which the Company has supplier contracts with the representative teams of many countries. Furthermore, a recovery in sales of running shoes, which had suffered sluggish sales, contributed to a growth of revenue. In addition, gross margin ratios significantly improved for each product, leading to an increase in profits.

As a result, net sales increased by 820 million yen (up 5.7% year on year), to 15,134 million yen, in contrast to operating income, which fell to 336 million yen. (The previous consolidated fiscal year recorded an operating loss of 64 million yen.)

## (3) Americas

In the Americas, the gross margin ratio improved while sales decreased because of our efforts to realize quality sales emphasizing securing profits mainly in baseball gloves and running shoes. In addition, a significant increase in profit was realized along with improved cost efficiency due to the effects of the business structural reforms implemented in the previous fiscal year, and our performance turned profitable.

Consequently, net sales dropped by 2,864 million yen (down 13.8% year on year), to 17,951 million yen, while operating profit was 159 million yen. (The previous consolidated fiscal year recorded an operating loss of 209 million yen.)

## (4) Asia/Oceania

In Asia and Oceania, while net sales decreased reflecting weak performance of running shoes mainly in China and Taiwan despite strong sales of competitive sports products and others in South Korea, the improvement of the gross margin ratio brought us increased operating profit. In our long-struggling retail business in the Chinese market, sales of our products began in January 2019 by a local company outside the Group under a license agreement. In line with this agreement, we implemented a business structural reform, and the related expenses were recorded as an extraordinary loss equivalent to 515 million yen.

As a result, net sales shrank by 450 million yen (down 2.2% year on year), to 20,479 million yen, while operating profit increased by 233 million yen (up 23.5% year on year), to 1,226 million yen.

## **2. Capital investment and fund procurement**

During this consolidated fiscal year, total capital investment made by the Group was 2,936 million yen. The purpose of the capital investment was mainly for maintenance and renewal of existing equipment.

To satisfy the demand for funds for investment and operations (working capital), funds from an increase in operating cash flows was mainly allocated.

The balance of long-term and short-term debts as of the end of this consolidated fiscal year decreased by 1,461 million yen from the end of previous consolidated fiscal year to 20,526 million yen.

### **3. Issue to address**

With the aim of realizing sustainable growth and improving corporate value, the Group will focus on the following items as its priority issues in its business.

In the domestic market, sales of products through existing sales channels are on a downward trend except for several product groups such as table tennis and badminton, reflecting the shrinking population of sports players due to the aging society and lower birthrate and intensified competition. Under such an environment, the Company carried out the following organizational changes effective April 1, 2019.

- (1) Domestic sales will be assumed by both Sport Sales Division and Lifestyle Sales Divisions.
- (2) Lifestyle Sports Division will be reorganized to establish Life & Health Division and Work Business Division.

As a result of these reorganizations, the Company will expand sales by clarifying the roles of each division, and developing products and markets for the health and ordinary citizens as well as work business.

In the overseas market, the footwear business including running shoes continued to suffer sluggish sales. Going forward, with the aim of recovering sales of running shoes, we will place greater emphasis on product planning and sales strategies that fit the characteristics of each market, including mature markets like Europe and the United States and growth markets such as China and Southeast Asia.

We will also continue our efforts to reduce costs and re-examine the allocation of management resources in pursuit of further improvement of the target management indicators (ROA and ROE). Concurrently, we will establish new growth strategies by accelerating investments in new business domains such as the carbon product business and the sports facilities service business (use-of-service business), in addition to the above-mentioned life & health business and work business.

--- End of Business Report ---