

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 107th 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)
June 3, 2020

To All Shareholders:

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

Notice of the 107th Ordinary General Meeting of Shareholders

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

You are hereby notified that the 107th Ordinary General Meeting of Shareholders of MIZUNO Corporation (hereinafter the “Company”) will be held on June 24, 2020

Placing top priority on the safety and security of our shareholders, we recommend that you refrain from attending the Ordinary General Meeting of Shareholders in person to prevent the spread of COVID-19.

You are kindly requested to 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., Wednesday, June 24, 2020
(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 107th fiscal year (from April 1, 2019 to March 31, 2020) 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 107th fiscal year (from April 1, 2019 to March 31, 2020)

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 two (2) Directors who are Audit and Supervisory Committee Members

Agendum 4: Election of one (1) Substitute Director who is an Audit and Supervisory Committee Member

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 Tuesday, June 23, 2020.

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 Tuesday, June 23, 2020.

* 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 Tuesday, June 23, 2020.

- (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 107th 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: 638,487,025 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 25, 2020

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	Akito Mizuno	
Standing for	Reappointment	
Date of birth	August 25, 1949	
Number of the Company's shares held	110,346	
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	Masaharu Kato	
Standing for	Reappointment	
Date of birth	August 15, 1955	
Number of the Company's shares held	16,149	
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 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 & 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	Mutsuro Yamamoto	
Standing for	Reappointment	
Date of birth	April 25, 1954	
Number of the Company's shares held	10,249	
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 & Health Business, Life Style 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)
	April 2019	In charge of Work Business (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 & 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	Daisuke Fukumoto	
Standing for	Reappointment	
Date of birth	June 27, 1957	
Number of the Company's shares held	12,775	
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 & 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	Kozo Kobashi	
Standing for	Outsider / Independent / Reappointment	
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"> 1. There are no particular conflicts of interest between any of the candidates and the Company. 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 five (5) 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 and should he be elected as a Director of the Company, we will re-register him as an independent officer. 		

Agendum 3: Election of two (2) Directors who are Audit and Supervisory Committee Members

The term of office of the current Directors who are Audit and Supervisory Committee Members, Yutaka Tsutsui and Shunsaku Yamazoe, will expire at the conclusion of this ordinary general meeting of shareholders. It is therefore proposed that two (2) Directors who are Audit and Supervisory Committee Members should be elected.

The Audit and Supervisory Committee has given consent to this proposal.

The candidates are as described below:

No. 1	Shunsaku Yamazoe	
Standing for	Outsider / Independent / Reappointment	
Date of birth	October 22, 1949	
Number of the Company's shares held	0	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	April 1972	Joined Sumitomo Realty & Development Co.,Ltd
	July 1993	Senior Manager, Housing Sales Dept. 1, Sumitomo Real Estate Sales Co., Ltd.
	June 2001	Director of Sumitomo Real Estate Sales Co., Ltd.
	June 2007	Director and Managing Executive Officer of Sumitomo Real Estate Sales Co., Ltd.
	June 2011	Senior Executive Officer of Sumitomo Real Estate Sales Co., Ltd.
	June 2013	Statutory Auditor of Sumitomo Real Estate Sales Co., Ltd.
	June 2015	Director of the Company
	June 2016	Director of the Company (Audit and Supervisory Committee Member) (current position)
<p>The reasons for his nomination as a Director:</p> <p>Shunsaku Yamazoe has long been engaged in the execution of corporate management, and has contributed to the revitalization of the Board of Directors of the Company by providing proposals and recommendations based on his abundant experience and excellent judgment. Furthermore, he has served as Outside Director and a member of the Audit & Supervisory Committee, fulfilling his duties of auditing and supervising the managerial execution of the Company. In expectation of his continued service as Outside Director in helping to ensure the soundness of the managerial execution of the Company, we propose to select him as a candidate for Outside Director who serves as a member of the Audit & Supervisory Committee.</p>		

(Notes)

1. There are no particular conflicts of interest between any of the candidates and the Company.
2. Shunsaku Yamazoe is a candidate for the position of an Outside Director. The length of his service since his appointment will be five (5) years as an Outside Director and four (4) years as an Outside Director who serves as a member of the Audit & Supervisory Committee 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 and should he be elected as a Director of the Company, we will re-register him as an independent officer.

No. 2	Aiko Hosokawa	
Standing for	Outsider / Independent / New Candidate	
Date of birth	October 16, 1963	
Number of the Company's shares held	0	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	March 1994	Registered as a certified public accountant
	December 2000	Retired from Showa Ota & Co., Osaka Office (currently, Ernst & Young ShinNihon LLC)
	August 2002	Outside Auditor of Soiken Holdings Inc. (current position)
	June 2019	Audit Committee member of the Kobe City government (current position)

The reasons for her nomination as a Director:

Akiko Hosokawa has experience and a broad range of knowledge as a certified public accountant. In expectation of her useful advice and suggestions for the Board of Directors, as well as her auditing based on her objective and neutral standing for performance of management mainly from her perspective of corporate financing and accounting, the Company proposes to select her as a candidate for Outside Director who serves as a member of the Audit and Supervisory Committee.

(Notes)

1. There are no particular conflicts of interest between any of the candidates and the Company.
2. Akiko Hosokawa is a candidate for the position of an Outside Director. In light of the “Standards and Policies Concerning Independence to Select Candidates of Outside Directors” established by the Company, we have judged that she is not in a position of conflict of interest with general shareholders and there is no problem with respect to her neutrality and independence. Thus, should she be elected as a Director of the Company, we will register her as an independent officer pursuant to the rules and regulations of the Tokyo Stock Exchange.

Agendum 4: Election of one (1) Substitute Director who is an Audit and Supervisory Committee Member

In the case that a shortage occurs in the number of Directors who are Audit and Supervisory Committee members as prescribed in laws and regulations, it is proposed that one (1) Director should be elected as a substitute member of the Audit and Supervisory Committee.

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

No. 2	Yoshiaki Ito	
Standing for	Reappointment	
Date of birth	June 20, 1953	
Number of the Company's shares held	0	
Personal history, position and duty at the Company, and significant concurrent positions outside the Company	<p>March 1990</p> <p>June 2014</p> <p>March 2015</p> <p>June 2015</p> <p>June 2016</p>	<p>Registered as a certified public accountant</p> <p>Retired from Ernst & Young ShinNihon LLC</p> <p>Outside Director at Naigai Trans Line Ltd. (current position).</p> <p>Substitute Statutory Auditor of the Company</p> <p>Substitute Director of the Company (Audit and Supervisory Committee Member) (current position)</p>
<p>The reasons for his nomination as a Director:</p> <p>We propose to select Yoshiaki Ito as a candidate for substitute Outside Director who serves as a member of the Audit & Supervisory Committee in the expectation, based on his experience and abundant knowledge as a certified public accountant, that he will provide useful advice and recommendations to the Board of Directors, and conduct objective and neutral auditing mainly from the viewpoint of corporate finance and accounting concerning the managerial execution of the Company.</p>		
<p>(Notes)</p> <ol style="list-style-type: none"> 1. There are no particular conflicts of interest between any of the candidates and the Company. 2. Yoshiaki Ito is a candidate for the position of a substitute Outside Director who serves as a member of the Audit & Supervisory Committee. 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. Should he assume the office of an Outside Director who serves as a member of the Audit & Supervisory Committee, we will resister him as an independent officer pursuant to the rules and regulations of the Tokyo Stock Exchange. 		

Business Report

(April 1, 2019 to March 31, 2020)

1. Business development and results

In the consolidated fiscal year under review, while the Japanese economy continued to demonstrate a mild recovery trend, it faced significant downward pressure due to the impact of COVID-19 pandemic that occurred in the fourth quarter of the consolidated fiscal year. The world economy had also recorded a moderate growth, albeit slowing down, but economic activities were inhibited sharply on the back of COVID-19 pandemic. This situation is expected to continue both in Japan and the rest of the world.

Under these circumstances, despite robust sales of golfing goods in Europe and the United States, the Group's net sales decreased reflecting the shrinking population of competitive sports players and intensifying business competitions as well as sluggish sales of sportswear for autumn and winter due to a warm winter in the core domestic market. Profits also decreased as the decrease in sales failed to be offset by the reduction in expenses reflecting the improvement of efficiency as a result of the business structural reforms implemented in China.

Consequently, the Group's operating results saw a decrease of 8,366 million yen in net sales (down 4.7% year on year), to 169,742 million yen. Operating profit recorded a decrease of 1,359 million yen (down 17.8% year on year), to 6,263 million yen, despite cost reduction effects, failing to make up the decline in the gross margin due to the decreased sales. Ordinary profit decreased by 1,644 million yen (down 21.3% year on year), to 6,072 million yen due to declines in operating profit and foreign exchange losses. Net income attributable to owners of parent recorded a decrease of 1,379 million yen (down 23.0% year on year), to 4,625 million yen.

Performance by regional segment is as follows.

(1) Japan

In Japan, the sports facilities service business, which comprises operation and construction of designated management facilities of municipalities, and sales of sports equipment recorded robust performance reflecting the increase in the number of deliveries of gymnasium equipment and operation contracts entrusted. Furthermore, the work goods category on which the Company focused by establishing a dedicated department in the consolidated fiscal year under review also maintained robust sales. Meanwhile, the sports product sales business including baseball, golf and football products faced difficulties in sales of sportswear for autumn and winter of which the unit price is higher mainly due to the decrease in the number of competitive sports players reflecting a declining birth rate. Furthermore, toward the end of the consolidated fiscal year under review, over-the-counter sales fell significantly due to the impact of COVID-19 pandemic as we voluntarily refrained from sales activities at stores of our business partners and our directly managed stores, and also amid the trend of avoiding non-essential and non-urgent outings.

As a result, net sales decreased by 6,587 million yen (down 5.3% year on year), to 117,955 million yen, and operating profit plunged by 1,915 million yen (down 33.2% year on year), to 3,860 million yen.

(2) Europe

In Europe, robust sales of golf clubs, which are one of our core products, running shoes and indoor shoes contributed to growth of sales. While purchasing cost rose due to weaker European currencies, an increase in operating profit was secured.

As a result, net sales increased by 78 million yen (up 0.5% year on year), to 15,213 million yen, and operating profit was 369 million yen, an increase of 32 million yen (up 9.6% year on year).

(3) Americas

In the Americas, strong sales of golf clubs and running shoes, which are our core products, as well as golf balls, which were launched in the current consolidated fiscal year, contributed to an increase in sales. In addition, operating profit showed significant growth due to further enhancement of profit structure as a result of business structural reforms implemented in the previous fiscal year.

Consequently, net sales increased by 1,435 million yen (up 8.0% year on year), to 19,387 million yen whereas operating profit soared by 656 million yen (up 410.7% year on year), to 816 million yen.

(4) Asia/Oceania

In Asia and Oceania, despite increased sales mainly in Taiwan and Australia, the whole area saw a decrease in net sales due to the impacts of the shrinkage of retail business in China following the business structural reforms implemented in the previous fiscal year as well as the movement to boycott Japanese products in South Korea. In terms of profit and loss, profits decreased despite the favorable effects of business structural reforms in China, failing to make up the decline in gross margin due to the decreased sales.

As a result, net sales decreased by 3,294 million yen (down 16.1% year on year), to 17,185 million yen, whereas operating profit fell by 114 million yen (down 9.3% year on year), to 1,112 million yen.

2. Capital investment and fund procurement

During this consolidated fiscal year, total capital investment made by the Group was 3,056 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 3,564 million yen from the end of previous consolidated fiscal year to 16,961 million yen.

3. Issue to address

Going forward, there are concerns about the management environment that the sluggish economy and decline in demand will continue for a certain period amid the uncertainties concerning the end of COVID-19 pandemic. In particular, in the field of sports, we have had no choice but to voluntarily refrain from organizing various sports activities, competitions and events in response to requests for suspension of large-scale events. Therefore, it is also anticipated that the management environment surrounding the Group will also remain unclear.

Under these circumstances, the Group places its first priority on exerting its best efforts to take measures to avoid infection risks for employees and stakeholders, and to establish a safe and secure working environment while reducing non-essential and non-urgent costs and controlling inventory as much as possible.

Meanwhile, we believe that the power of sports will contribute to people's rich and healthy life by again giving courage and strong impressions to them after this infection ends. In expectation of that day, the Group will further endeavor to engage in research and development as well as improvement of quality of our products and services.

Furthermore, in the consolidated fiscal year starting in 2020, the Group introduced the factors of SDGs (Sustainable Development Goals) into its new Long-term Management Policies toward the realization of sustainable society. Utilizing the Group's business assets, we will realize innovations such as the development of exercise programs that contribute to the maintenance of locomotor functions of senior generations and the improvement of locomotor abilities of children, along with the development of materials and products which have less impact on environment and the human body. Thus, we will endeavor to raise corporate value and enhance growth by making all our businesses contribute to the achievement of these goals.

--- End of Business Report ---