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February 7, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 2024 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 8022
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 Scheduled date to commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended								
December 31, 2024	175,364	4.4	16,003	16.5	16,928	12.5	12,609	11.4
December 31, 2023	168,046	14.0	13,738	35.3	15,045	42.2	11,322	44.7

Note: Comprehensive income For the nine months ended December 31, 2024: 13,415 million yen [(20.6)%]
 For the nine months ended December 31, 2023: 16,898 million yen [31.3 %]

	Earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	493.00	-
December 31, 2023	442.84	-

(2) Consolidated financial position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
December 31, 2024	206,079	151,914	73.4
March 31, 2024	206,151	142,065	68.6

Reference: Equity
 As of December 31, 2024: 151,188 million yen
 As of March 31, 2024: 141,454 million yen

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	35.00	–	85.00	120.00
Fiscal year ending March 31, 2025	–	60.00	–		
Fiscal year ending March 31, 2025 (Forecast)				90.00	150.00

Note: Revisions to the forecast of cash dividends most recently announced: Yes

3. Consolidated financial result forecasts for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(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	250,000	8.8	19,000	10.0	20,500	6.3	15,000	4.8	586.64

Note: Revisions to the financial result forecast most recently announced: None

* Effective January 1, 2025, the Company restructured its overseas branches to make them subsidiaries. As a result, the accounting period of those branches for the fiscal year ending March 31, 2025 will be nine months, which has been taken into account in the above forecasts.

* **Notes**

(1) Changes in significant subsidiaries during the period: Yes

Newly included: 2 companies (MIZUNO APAC (THAILAND) LTD., MIZUNO SIAM HOLDINGS LTD.)

Excluded: –

(2) Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements: Yes

Note: For details, please refer to “2. Quarterly Consolidated Financial Statements and Principal Notes, (3) Notes to Quarterly Consolidated Financial Statements, (Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)” on page 8 of the attachments.

(3) 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

(4) Number of issued shares (common shares)

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

As of December 31, 2024	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 December 31, 2024	998,406 shares
As of March 31, 2024	1,007,101 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Nine months ended December 31, 2024	25,576,549 shares
Nine months ended December 31, 2023	25,568,750 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: None

* 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 period 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, as geopolitical risks and the risk of policy changes due to election results in various countries have increased.

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 lifestyle shoes.

As a result of these factors, net sales were 175,364 million yen, up 7,317 million yen (up 4.4% yoy), operating profit was 16,003 million yen, up 2,264 million yen (up 16.5% yoy), ordinary profit was 16,928 million yen, up 1,883 million yen (up 12.5% yoy), and profit attributable to owners of parent was 12,609 million yen, up 1,286 million yen (up 11.4% yoy), all of which were record highs for the first nine months of a fiscal year.

Performances of each business segment are as follows.

a Japan

In Japan, sales of products for competitive sports, such as football, volleyball, and racket sports, remained strong. In addition, the work business, which is our non-sports businesses, remained solid. Sales of lifestyle shoes, which are the focus of our business expansion efforts in this region, increased as well. Meanwhile, rising procurement costs mainly due to the impact of exchange rates became factors that placed downward pressure on profitability.

As a result, the Group recorded net sales of 101,974 million yen, up 3,046 million yen (up 3.1% yoy), and operating profit of 7,912 million yen, up 71 million yen (up 0.9% yoy).

b Europe

In Europe, the football business and lifestyle 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 343 million yen (down 1.7% yoy) to 19,738 million yen, operating profit increased by 902 million yen (up 290.1% yoy) to 1,213 million yen.

The exchange rates for each currency in Europe during the period under review are as follows:

Pound Sterling: 195.75 yen (178.89 yen in the same period of the previous fiscal year); Euro (branches): 164.90 yen (155.19 yen in the same period of the previous fiscal year); Euro (subsidiaries): 163.86 yen (150.22 yen in the same period of the previous fiscal year); Norwegian Krone: 14.17 yen (13.27 yen in the same period of the previous fiscal year)

c Americas

In the Americas, sales increased especially in the products for competitive sports although there is a sense of a lull in the expansion of the golf market, which has continued over the past few years. Gross profit margin improved thanks to progress in optimizing inventory levels.

As a result, net sales were 28,862 million yen, up 1,808 million yen (up 6.7% yoy), and operating profit was 3,325 million yen, up 337 million yen (up 11.3% yoy), all of which were record highs for the first nine months of a fiscal year.

The exchange rates for each currency in the Americas during the period under review are as follows:

U.S. Dollar: 150.62 yen (138.87 yen in the same period of the previous fiscal year); Canadian Dollar: 110.98 yen (103.02 yen in the same period of 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 lifestyle shoes grew as well, even though the sales volume was relatively small.

As a result, net sales were 24,789 million yen, up 2,806 million yen (up 12.8% yoy), and operating profit was 3,554 million yen, up 972 million yen (up 37.7% yoy), all of which were record highs for the first nine months of a fiscal year.

The exchange rates for each currency in Asia and Oceania during the period under review are as follows:

New Taiwan Dollar: 4.72 yen (4.49 yen in the same period of the previous fiscal year); Hong Kong Dollar: 19.28 yen (17.73 yen in the same period of the previous fiscal year); Chinese Yuan: 20.95 yen (19.66 yen in the same period of the previous fiscal year); Australian Dollar: 100.11 yen (92.37 yen in the same period of the previous fiscal year); Korean Won (per 100 won): 11.18 yen (10.66 yen in the same period of the previous fiscal year); U.S. Dollar (Singapore): 150.62 yen (138.87 yen in the same period of the previous fiscal year)

(2) Overview of Financial Position for the Period

Total assets at the end of the period under review decreased by 71 million yen from the end of the previous fiscal year to 206,079 million yen. This was primarily due to a decrease of accounts receivable - trade by 5,027 million yen, while other property, plant and equipment, such as tangible leased assets increased by 2,640 million yen.

Liabilities at the end of the period under review decreased by 9,920 million yen from the end of the previous fiscal year to 54,165 million yen. This was primarily due to decreases of notes and accounts payable - trade by 6,138 million yen and accounts payable - other, and accrued expenses by 2,903 million yen.

Net assets increased by 9,848 million yen from the end of the previous fiscal year to 151,914 million yen.

As a result of the above, the equity ratio increased by 4.8 percentage points from 68.6% at the end of the previous fiscal year to 73.4%.

(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Statements

The consolidated financial results forecast for the fiscal year ending March 31, 2025 has not changed from the financial results forecast announced on May 10, 2024.

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheets

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	31,963	33,044
Notes receivable - trade	4,814	4,100
Accounts receivable - trade	43,996	38,968
Merchandise and finished goods	45,117	44,861
Work in process	749	1,560
Raw materials and supplies	6,577	6,273
Other	6,122	8,055
Allowance for doubtful accounts	(679)	(665)
Total current assets	138,662	136,199
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	17,685	17,064
Land	14,187	14,174
Other, net	5,293	7,934
Total property, plant and equipment	37,167	39,173
Intangible assets		
Goodwill	979	895
Other	5,469	5,402
Total intangible assets	6,449	6,297
Investments and other assets		
Investment securities	9,487	9,607
Deferred tax assets	1,671	1,775
Retirement benefit asset	10,270	10,678
Other	3,075	2,920
Allowance for doubtful accounts	(632)	(573)
Total investments and other assets	23,872	24,408
Total non-current assets	67,489	69,879
Total assets	206,151	206,079

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Notes and accounts payable - trade	20,942	14,804
Short-term borrowings	750	1,986
Current portion of long-term borrowings	328	1,328
Accounts payable - other, and accrued expenses	15,137	12,234
Income taxes payable	3,704	1,924
Other	3,621	1,721
Total current liabilities	44,485	33,998
Non-current liabilities		
Long-term borrowings	11,586	10,156
Deferred tax liabilities	2,116	2,474
Deferred tax liabilities for land revaluation	1,807	1,807
Retirement benefit liability	249	212
Asset retirement obligations	338	339
Other	3,501	5,176
Total non-current liabilities	19,599	20,166
Total liabilities	64,085	54,165
Net assets		
Shareholders' equity		
Share capital	26,137	26,137
Capital surplus	31,854	31,921
Retained earnings	71,447	80,467
Treasury shares	(1,864)	(1,860)
Total shareholders' equity	127,574	136,665
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	3,598	3,721
Deferred gains or losses on hedges	291	956
Revaluation reserve for land	(319)	(319)
Foreign currency translation adjustment	8,088	8,107
Remeasurements of defined benefit plans	2,220	2,056
Total accumulated other comprehensive income	13,879	14,522
Non-controlling interests	611	726
Total net assets	142,065	151,914
Total liabilities and net assets	206,151	206,079

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Net sales	168,046	175,364
Cost of sales	100,847	102,337
Gross profit	67,198	73,027
Selling, general and administrative expenses	53,460	57,023
Operating profit	13,738	16,003
Non-operating income		
Interest income	81	129
Dividend income	222	145
Foreign exchange gains	1,124	597
Compensation income	36	39
Other	242	219
Total non-operating income	1,705	1,130
Non-operating expenses		
Interest expenses	225	135
Commission expenses	13	4
Warehouse transfer expenses	91	-
Other	68	65
Total non-operating expenses	398	205
Ordinary profit	15,045	16,928
Extraordinary income		
Gain on sale of non-current assets	989	50
Gain on sale of investment securities	53	311
Total extraordinary income	1,043	361
Extraordinary losses		
Loss on sale of non-current assets	14	-
Loss on retirement of non-current assets	49	19
Loss on sale of investment securities	0	-
Total extraordinary losses	64	19
Profit before income taxes	16,024	17,271
Income taxes	4,593	4,488
Profit	11,431	12,782
Profit attributable to non-controlling interests	108	173
Profit attributable to owners of parent	11,322	12,609

Quarterly Consolidated Statement of Comprehensive Income

Nine months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2023	For the nine months ended December 31, 2024
Profit	11,431	12,782
Other comprehensive income		
Valuation difference on available-for-sale securities	485	122
Deferred gains or losses on hedges	576	664
Revaluation reserve for land	446	–
Foreign currency translation adjustment	4,096	9
Remeasurements of defined benefit plans, net of tax	(138)	(164)
Total other comprehensive income	5,466	632
Comprehensive income	16,898	13,415
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	16,745	13,251
Comprehensive income attributable to non-controlling interests	153	163

(3) Notes to Quarterly Consolidated Financial Statements

(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 three months ended June 30, 2024.

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 quarterly 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 three months ended June 30, 2024. This revision in the accounting policies was applied retrospectively. Also, the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year have been modified retrospectively. This revision in accounting policies has no impact on the quarterly consolidated financial statements for the same quarter of the prior fiscal year and the consolidated financial statements for the prior fiscal year.

(Adoption of accounting treatment specific to the preparation of quarterly consolidated financial statements)

Calculation of tax expenses

Tax expenses were calculated by multiplying profit before income taxes for the period under review by a reasonably estimated effective tax rate for profit before income taxes for the fiscal year ending March 31, 2025, including the nine months ended December 31, 2024, after the application of tax effect accounting.

(Notes on segment information, etc.)

[Segment information]

I. For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)

1. Information on net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment				
	Japan	Europe	The Americas	Asia and Oceania	Total
Net sales					
Net sales from external customers	98,928	20,081	27,054	21,982	168,046
Inter-segment internal net sales and transfers	4,460	—	12	3,391	7,864
Total	103,389	20,081	27,067	25,373	175,911
Segment profit	7,840	311	2,988	2,582	13,721

2. Difference between total reportable segment profit and the amount recorded in the quarterly consolidated statement of income, and major details of this difference (matters related to adjustments of difference)

(Millions of yen)

Profit	Amount
Total reportable segment profit	13,721
Inter-segment transaction eliminations and other adjustments	17
Operating profit recorded in the quarterly consolidated statement of income	13,738

II. For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

1. Information on net sales and profit for each reportable segment

(Millions of yen)

	Reportable segment				
	Japan	Europe	The Americas	Asia and Oceania	Total
Net sales					
Net sales from external customers	101,974	19,738	28,862	24,789	175,364
Inter-segment internal net sales and transfers	4,748	—	15	3,551	8,316
Total	106,722	19,738	28,878	28,341	183,680
Segment profit	7,912	1,213	3,325	3,554	16,005

2. Difference between total reportable segment profit and the amount recorded in the quarterly consolidated statement of income, and major details of this difference (matters related to adjustments of difference)

(Millions of yen)

Profit	Amount
Total reportable segment profit	16,005
Inter-segment transaction eliminations and other adjustments	(2)
Operating profit recorded in the quarterly consolidated statement of income	16,003

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes to consolidated statement of cash flows)

The quarterly consolidated statement of cash flows for the nine months ended December 31, 2024, are not prepared. The amount of depreciation (including amortization of intangible assets other than goodwill) and amortization of goodwill for the nine months ended December 31, 2023 and December 31, 2024 are as follows:

(Millions of yen)

	For the nine months ended December 31, 2023 (from April 1, 2023 to December 31, 2023)	For the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)
Depreciation	2,159	2,135
Amortization of goodwill	74	78