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Mizuno, President and Representative Director

Masato Mizuno

Austerity and fortitude Management Strategy

In the sports equipment industry, the brand strategy is dominant.
However, if the business relies on only that, the business cannot take a position as a real global company.
Mizuno has "Competition, Health, Environment" as the keywords of their business development. They develop new products taking advantage of their excellent ability of technology development, and they suggest people having sports in their life. We ask President Mizuno about the Mizuno business strategy.

Business Insight
The Journal for Deeper Insights Into Business

Masato Mizuno
Profile

May 25th, 1943: Born in Ashiya City, Hyogo.
1966: Graduated from the Department of Economics, Konan University
Joined Mizuno Inc.
1970: Graduated from the Science Department of Carthage College, Wisconsin, USA1988: Appointed to President and Representative Director (present)
1990: Vice President of All Japan Sports Equipment Commercial Federation (present)
Vice Present of National Agency for the Advancement of Sports and Health (present)

Quick Response to "Quality"

Editor: When you were appointed to President, Japanese style management was drawing attention internationally, and the economic bubble was at peak, right?

Mizuno: I was appointed to President in 1988, and at the third or the beginning of the forth year after my appointment the economic bubble was heated up most. It was the era of "just keep going," and newspapers' argument was "the companies that don't do financial management are stupid". Chairman Ito from Toray (then) said, "Our company will not do financial management", and the stock of Toray went right down. When I think about it now, that era was messed up. I was keen to catch the trend of the era, so I tried diversification and buying stocks for investments. But I experienced many failures with many other companies and paid a lot for dealing with the aftermath. I, myself, experienced "the lost 10 years" of Japan.

Editor: Compared to deciding to do something new, isn't it hard to decide to finish something?

Mizuno: Making up one's mind, or determination, is important to quit something. People should give up something without hesitation. Once we decide how much we are going to lose or how much we are going to apologize, we have to carry it out without making a fuss. We have an ordinary control and a crisis management in our company, and when something happens we shift the ordinary control to the crisis management. We make an emergency headquarters and respond to the situation urgently. We thoroughly pursue the cause and prepare counter-measures. And we set up a spokesman who is in charge of communicating with society. If we tell everyone how to deal with the public, they will talk differently, so only the spokesman talks to the public. If some questions are asked, we pass them onto the spokesman. The important things in the crisis management are calculation of damage, planning preventative measures and disclosure of information to society and quick implementation of the prevention measures. We decide how we should put ads on the newspapers or where we should go to apologize.

I think it was around July 1985. We had a quality issue because four metal baseball bats were broken in a row. It was right after NHK News had just formed a special coverage team and the "Mizuno Metal Baseball Bats Broken Incident" was their first special coverage. We analyzed the quality and found three causes. The first cause was there was the excessive zinc in the duralumin mixed metal for 2%. We used two different kinds of duralumin mixed metals. And when our employee who was in charge of the bats orders a metal manufacturer for "that metal", they sent us the mixed metal that was not for the bats. The second cause was that the bats were not thick enough.

There was a problem in the process of forming bats called swaging. The third cause was we didn't wash the mixed metals enough with water after the process of washing inside the duralumin mixed metal pipes with sodium hydroxide, so there was a possibility that inside the mixed metals were decomposed. These happened at the same time and the bats got broken in half.

The first thing we did was to recall all the bats. And, we reported and apologized to the organizer of the high school baseball championships, Asahi Shimbun, All Japan High School Baseball Federation, all the local baseball federations, and the Ministry of International Trade and Industry (Currently Ministry of Economy, Trade and Industry) and Consumer Product Safety Association. We explained to them the causes, countermeasures and measures to improve product development. It is true that the recall of all the bats damaged us financially, but quick and honest response was highly appreciated by the market. In addition, since this problem, the system of the product development has become even more careful not to make another mistake. A consequence of our proper response was really good.

The year before last year we recalled and repaired all the golf club called INTAGE. It was because the crown, the upper parts of the head, came off as a result of too much pressure pushing out the glue. At first we thought only specific lots would cause this trouble, but as we continued our research, we found out that "the product quality varies" and "we cannot say that the problem is only in the particular lots". So we decided to "recall all of the products".Our loss was big, but it didn't matter. As we did when we had the mental baseball bat problem, we quickly disclosed information to the public and showed the permanent solution. As a result, "beads retention" was invented. If we put special beads in glue, it creates a certain thickness when it is glued on. By this invention, we solved the problem that the crown came off. We always aim at producing perfect products, but it is extremely difficult to achieve zero defects in industrial products. There are many things we learn while we are producing. How we deal with the aftermath is a matter of "preparation". Since we are doing business in society, we have to make it clear, "Good things are good and bad things are bad".

Quick Decision Making

Editor: Mizuno makes a decision really quickly, doesn't it?

Mizuno: Yes, we are trying. However, we still have some slow communications, so I think we should decide what to do really quickly.

Editor: Performance based payment system was introduced to Japanese companies at the beginning of 1990. During the "lost 10 years", the performance based payment system didn't really function well since it wasn't applied properly. I think it is finally established just recently. It looks like Japan is not good at the drastic change for a short period of time.

Mizuno: Decision-making must be quick; otherwise, we cannot survive. There was a period that I thought "our company will not be able to even survive if we keep going like this". I suggested a labor union to decrease a large number of our employees. I only had two choices; "we will die doing nothing" or "we will have an operation and survive even though it hurts". Everyone said, "I understand. I will cooperate with you". When people agreed to cooperate with me, the only choice I had was to implement the operation. The number of our employees was reduced from 4000, the largest number of employees, to 2000.

Global Strategy and Product Development

Editor: There are the world's big sports equipment manufacturers as Nike and Adidas, aren't there? In the various industries of the world such as the pharmaceutical industry and the financial industry, a few companies in the big markets furiously compete with each other. What kinds of global strategies do you have for the future?

Mizuno: The pharmaceutical industries cannot take economies of scale in the product development if the companies are not big. They can make their companies big by mergers and such, and they can organize, integrate and focus their development teams. So it has economies of scale. The financial companies can also gain more strength as they get bigger.

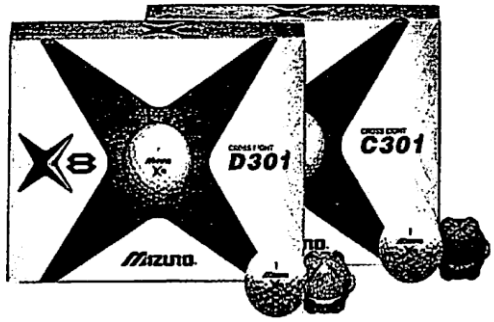
The support equipment industry is a little different. Nike and Adidas are big, but most of their products are OEM products that are not produced by them but by some other companies. What Nike and Adidas are doing is marketing to make a system to sell. If we only talk about a system to sell, the best way is to produce good products. However, sales measures such as advertisement, commercial message, sales promotion, and sales at stores are also important. Nike has a four year exclusive contract with Tiger Woods for $5.4 billion. They paid an arm and a leg to increase their corporate image. Since their corporate image increases, they can sell their products. Nike and Adidas emphasize marketing very much. We have to compete with them, but if we do the same thing as they do, of course, the bigger companies are stronger than us.

We must create something different from them; we have to wrestle in a different ring. We have an ability of product development that we created during the long history. Our product development team is really big compared to the size of the company. Its start was when the founder, Rihachi Mizuno, (my grandfather) went to Europe for about three months to observe what was going on there (around 1938). My father was a high school student of the old Japanese school system and he thought "wanted to do natural science," but my grandfather told him, "You will do business in the future, study business or economics". So my father was about to give up his dream because "dad says so". However, as my grandfather was going around Europe he thought, "The sports equipment will need the technology of today, so my son should study natural science". And he sent my father a short telegraphic message, "Kenjiro do science". So my father entered the Department of Science, Osaka University. Since then, we have focused on technology development and nurtured the ability of development. The effort of my father made our technologies that we have now.

Technology Innovation that Breaks through Antinomy

What I always say is, “Challenge to antinomy". It is normal for materials that if they are heavy they are strong, and if they are light they are weak. This is called antinomy. We can achieve technology innovation by breaking through antinomy. Now I would like to explain some successful examples.

Cross Eight



On 23rd June 2004 we launched new golf ball called, "Mizuno Cross Eight". The marketing keyword was "not-round ball (Core・Octahedron ball)". It is actually very difficult to place the core of the rubber part of a ball in the center. Even those companies who have produced golf balls such as Dunlop and Bridgestone are struggling to have the core in the middle of the ball. "Mizuno Cross Eight" definitely has its core right in the center of the ball. The feature of our unique technology is to place the core right in the center. It took us five years to develop. By adding ribs we create an inner layer that keeps the core in the center. The core is octahedron. With this structure the ball is shot in an ideal direction and also creates more distance. We started developing the ball after we took all the patents. It is selling well and we are out of stock. Currently, we are increasing the productivity so that our customers would be able to buy them.

The next product is a bat for rubber-ball baseball called "Beyond Max". While still developing the product, a guy who was in charge of the development came to me and said, "Please touch this bat". If you touch this bat you will know but this bat is very soft, isn't it? The common sense of a bad is that a bat is hard. However, according to that engineer, "Even if you want to hit a balloon with a hard thing to push it forward, it doesn't go very far. If I push a balloon with a balloon, the balloon will go further. This is the same theory. Because a ball for rubber-ball baseball is soft, if the surface of a bat is soft the ball goes far away". Since it is hard to get scores in rubber-ball baseball, the Japan Rubber Baseball Association encourages those bats that create distance. Apparently, when a batter comes in with this bat, outfielders step backward (laugh).

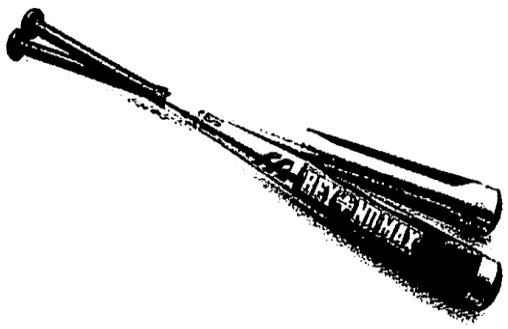
The next one is a function of shoe sole called "Mizuno Wave". It's very hard to see but there are waves on the heels. These waves are "Mizuno Wave". These can function as a

cushion for shock absorption.

Without the cushion, it is easy to hurt knees and ankles, but soft shoes tend to cause ankle sprain easily. However, these wavy soles give the stability to the side movements so it is hard to sprain ankles. In other words, we broke through antinomy by making shoes with the cushion and the stability. We have a patent for this as well. We don't advertise this product in America, but the product was introduced "Runner's World" as an editor's choice and we received a Best Buy award. At the moment we are trying to make this technology more sophisticated. And we are also horizontally developing spiked shoes for baseball and golf, soccer shoes and volleyball shoes. Volleyball shoes used to have thin soles to prevent sprains. But now Japanese national team members use our volleyball shoes.

The last product is called "Breath Thermo". There are many sheep in Scotland. You can see steam coming out of sheep when it rains. The wool of sheep is so thick that the water doesn't reach the skin. In spite of that, the steam comes out. It is a wonder. So I researched. When molecules of the wool or particles are moisture, they start moving. The frictional heat creates the steam. Extremely speaking, this product, “Breath Thermo" is made of textile that creates heat when it gets wet. We have a line of winter clothes with this textile. Since many women have sensitivity to cold temperatures, if they wear stocks of "Breath Thermo", they cannot wear anything else.

Beyond Max



wave rider VII

Lamb's Wool Breath Thermo/Socks with Extreme Thick Soles

Breath Thermo Underwear

Editor: It will be good when climbing up high mountains, won't it?

Mizuno: When we climb up a mountain we will sweat. And when we reach higher place the temperature goes down and the sweat gets cold. And we catch a cold. "Breath Thermo" will keep you warm. The textile will increase the temperature for 6℃ by sweat. If the temperature increases 6℃, it becomes as a sauna so we control it by mixing some other textile. We produce sweaters, underwear and socks by changing thickness and the

amount of other textiles. We don't do discount sales. We would like to be admitted for the value of our products. If we can make profit by that, I think it is good. At Salt Lake City Olympics, we rented a big store and made a half of the store sell only "Breath Thermo". A local old lady came and bought one. She came back the next day and told us, "It is very warm so I would like to have 16 of them for all of my family members". We were sold out halfway through of the Olympics, so we had to bring some more by plane. This year we have Torino Olympics so we would have a shop of "Breath Thermo" in Torino.

When people experience the products they say, "This is different". We produce balls, bats, shoes, textile products and so on but we must create "difference" in all products. Our products should not be similar to products of the others. We compete with different products. This is the big difference between us and Nike or Adidas.

"Competition" and "Health"

Mizuno: After the burst of the bubble economy, the General Planning and Policy Division staff and I were thinking, "How can we get over this crisis?" We reached a conclusion that "we should focus on the products that create profit and will not do anything other than that". We decided to focus "Kyogi (competition), Kenko (health), Kankyo (environment)". It is so-called 3K.

As a sports equipment manufacturer, we should not make products for competitions that top athletes do not use. We must make what the top athletes choose and sell those products. In the world of competition, each market is small but they are not niche markets. If we can increase the share in those markets, the rate of return is high. We focused on products for competitions while Adidas or Nike specialized in casual sports goods.

There is no doubt that the keyword of the aging society is "health". They want to be healthy even though they have to pay. They think that they will be the happiest if they can keep their health until right before they die so they don't have to ask anyone to look after them. We call it "PinPin-Korori". I cannot say that they wish to "die while they are

doing their favorite sports", but probably that is the tendency of society now. I would like to provide good products for their health. People exercise for their health. We focus on four categories, jogging, walking, aqua fitness and fitness, and holding an "Iki iki kenko dojo (Energetically Healthy Club)" campaign. We haven't seen a good result yet, because partly we just started. We have a team to provide Japanese people "health" and we decided to name the team "wellness". We create opportunities for senior citizens and at the same time we provide products. And then as a result, we have profit. I think that that is good.

Working on “Environmental Issues”

The reason why I decided to work on the environmental issues was because my father showed me the stars. We used to have two big reflecting telescopes in my father showed me satellites, planets, fixed stars and so on. I had such a hobby, so when I went to US to study, since the sky in Ashiya city and the sky in Wisconsin had the same stars, I didn't think I was far way from Japan. Additionally, my friends in US were kind to me so I never experienced homesickness.

I returned to Japan and started living in Tokyo in 1974. I had a very hard time. The reason why was because I couldn't see any stars. Back then we had the worst smog. On bad days we couldn't even see 200 m ahead of us because of the smog. I couldn't see any stars even though I really wanted to. I can say this experience made me aware of the environmental issues.

When I participated in a meeting of sports equipment manufacturers world federation, I said, "We must compete freely and fairly. However, at the same time we must solve the common problem. That is environment". And everyone agreed with me, and an environment committee was formed, and I have been Chairman of the committee since 1990. IOC also said, "let's protect the environment", and at the Paris meeting in 1994 they decided to “form a sports’ environment committee”. Then IOC President Samaranch asked me to be a member of the committee. I am still a member of the committee.

The IOC sports environment committee asked NOC of each country to form a similar

organization. When Mr. Yagi, whose job was a building maintenance, became President of JOC, IOC World meeting was held in Nagano, Japan. I worked as a coordinator. JOC formed an environmental committee in 2001, and since then I've been Chairman of the committee.

I've been working hard on the "environment" issues, so I thought our company should work on the environment too. Then we started an activity called "Crew 21" in 1991. It means a crew of spaceship "Earth". There is a limitation of what only one company can do, but if all the employees become aware of the environmental issues, such as energy reduction, resource consumption reduction, separation of trash and so on, we can make a relatively big difference. Anything can be our resources as we have a saying: if we mix them they become trash but if we separate them they become resources.

We have a factory called "Mizuno Technics" in Yoro. At the beginning of 1990s, a word, "zero emission" that means no waste was created. I actually thought, "Is it really possible to create no waste?" but now "Mizuno Technics" creates no waste. If we can recycle over 95% of the wastes created at the factory, it is admitted as "zero emission ". "Mizuno Technics" recycles 98% of the waste created at the factory.

If we mix the wastes of food and an enzyme, it becomes soil or fertilizer. When we cut cloth we will have some leftover. We melt them altogether we can create cloth or plastic. We make resources out of the waste, even though we create the waste out of raw materials. We achieve "zero emission" like that.

We are trying to make our producing methods more environmentally friendly, as well as the industrial waste. We make the grips of the golf clubs by compressing rubber chips, but the rubber chips are made by cutting old tires into pieces like powder and putting them together. Golfers change their old grips to the new grips all the time, but the grips are made of old rubber so the golf clubs are environmentally friendly products.

Wave Elixir

We melt plastic bottles and make fabric. These shoes are made of the fabric (the left picture). A part of this man-made leather is a recycled material. We make an effort to use these recycled materials as much as possible. We received ISO14001 certification, the international environmental conservation standard in production and will get ISO9001 certification in our golf business. We received ISO14001 certification for our factory in China so we basically have an established environmental conservation system.

Editor: There can be trade off among environment, cost and quality. What did you come up with in order to avoid the trade-off in the product development?

A trap of Being Short Sighted

Mizuno: In the production development we use environmental accounting. We measure how much we invested and how effective it was by environmental accounting. If the difference between investment in environmental conservation and the benefit from it is negative, the company makes up the cost. We are trying to clean the earth so in the long-term I think we will make a profit. Therefore, we are doing that as anticipatory investment.

Recently Japanese companies have become very short sighted. We shouldn't be worried about quarterly period sales too much like US. Mass Media and business magazines also write only about short-term-oriented things. People tend to compare things with

those of the previous period or the previous year, but I think we should judge things in the long term. Investment in the environmental issues should not be evaluated quarterly. It should be evaluated in a longer term. On the other hand, people in accounting and finance say, "Society evaluates corporations by management index so we should achieve certain sales". We should balance out by looking at the achievement in the long term as well as the short term. The amount of investment in environmental issues is not very big, so I think it would be better if we could contribute to the environmental conservation.

Fusion of "Techniques of Specialist" and "Technology"

Editor: I would like to ask you about the differentiation strategies that you have mentioned previously. You said that craftsmanship was very important. You have really excellent specialists for making bats or gloves. However, you have to mass-produce these days. How do you deal with this situation?

Mizuno: If I say they are not contrary to each other, I am lying. In fact, we can quantify craftsmanship to a certain extent. For example, when bat specialists choose raw materials before they shave them, they listen to the sound of the materials hitting against the concrete floor. If we measure the sound of bats the specialists choose by an oscilloscope, we can see the range of the sound that the specialists choose. So this task can be done by a machine. The specialists have to do what only they can do. The techniques of the specialists are for things machines cannot do. If a technology can take a part, the productivity of the specialist will increase more. Technology and techniques of the specialists can fuse each other. If we analyze the techniques of the specialist thoroughly enough, we can substitute some techniques of the specialists for machines.

Editor: It is very interesting. There are clear numerical numbers behind the techniques of the craftsmanship, and they must be measured and carried on the tradition. If I think about it, there are many craft works and art works that I wonder "how they are made and they cannot be made now". This is because the techniques of the specialists were not passed on to the next generation. It is becoming harder and harder to pass on to the next generation now. If we can systematize the "specialists", the passing becomes much easier, doesn't it? Craftsmanship is important, but machines and measurements to be

passed on also become very important, don't they?

Mizuno: I agree with you. In order to pass on what should be passed on, our specialists teach the younger generations and pass it onto from one generation to another. We can use technologies for whatever that can be substituted and humans should just do "particular parts" that must be done by humans.

Editor: When wisdom was passed down to the next generation in Japanese companies and society, it was passed on from a master to his pupil by the pupil looking at the master without any special system. However, recently there are some problems in the quality control of Japanese corporate products. Those who actually work with the specialists, people who came from overseas and new employees who will become specialists at the factory, lost their motivation when they saw how their masters are treated at work; "Our masters are really great but their salary is low". People want to be like some specialists but when they see how the specialists ended up, they will stop learning hard or the techniques will not be passed on well. How do you see such problem? Are some systems or education only substitutes?

Effects of " Sports minded " organization

Mizuno: We must analyze their developmental techniques and leave numerical data or something for the next generation, and at the same time we must make an effort to improve the manufacturing technologies in Japan. Product manufacturing is mainly done overseas. In our particular division in Japan, four-fifths of the employees have glasses on. They are bifocals. In Chinese factory, we have 1000 employees but no one wears bifocals. They are younger and learn really quickly. If Japan and China produced the same thing, China would beat Japan with no problems. So how Japan can be in the lead is because the production technologies are definitely improved in Japan, and we can produce the products overseas. If Japan develops advanced production technologies, it is fine to produce products overseas. If some production methods are leaked somewhere, Japan can be still in the lead because Japan still has the production technologies. For that, we must keep making effort without resting, and it is important to acquire an ability to persistently keep striving.

It may not be a problem of technique but a problem of mentality. A cause of current Japan being shortsighted is probably that Japan is not hungry anymore since society has become too good. When children are asked what professional sport player they want to be when they grow up, they say, "Golf, because I can earn 20 million yen for four days". They say that in baseball they could earn such amount for a half of the year. They only see a good part.

Recently it is normal for both husband and wife to work. So to keep their children safe, there are more tendencies that parents tell their children, "When you come home, lock the door and windows. Never open the door even when someone comes. Instead, we will give you a video game". Even if children kill people in a video game, when they push a reset button they can start it over again as if nothing happened. Also, in a sports festival at school, educational instruction has become "not to award children with the 1st place, 2nd place and 3rd place". Win or lose is not everything but children will never have a competitiveness.

As far as I know, the academic level of children in Finland is best in the world. The difference in their education from others is that teachers in Finland don't tell children answers. They give their students questions and let the children think. They may say, "The way you are trying is a bit wrong", but they let the children solve the problems. In that way, children will have an ability to think how to solve problems. In Japan, teachers tell their children how to solve problems from the beginning, so the children can solve the same problems. But when they see some other problems, they say, "We never learned it before" and that's the end of the story. That is the situation we have in Japan.

In our company, we have an sports mind culture so if a leader says, "turn right", everyone turns right. In a sense, it feels good. They all do really well. If we didn't have such culture, we could not survive until now. Once the company decided what to do, they all make an effort.

Editor: What do you do with the treatment of specialists?

Mizuno: We have a meister system. We pay the meisters some incentives. They cannot be awarded by promotion much, so we award them with incentives. We try to make a team for development, not alone. Our development teams consist of people with

different abilities. If profit is made, we award them somehow. We apply such system. It is normal to appreciate people who develop, and it is also normal to award them with something.

The Meaning of "Total"

Editor: You can develop excellent technologies and commercialize products because your engineers are great. And you explained us its award system and how it works. Do you have management in such a broad sense as "because we are doing this and that so we are doing well" in order to develop new technologies and commercialize the products?

Mizuno: During the era of the economic bubble, the basic research and development were done incompletely. I think that was because I we told them to "develop a lot for a short period of time" too many times. Now we do the basic research and development properly and applied research and development as well. We also emphasize on co-development with universities. I cannot tell you concretely but we are conducting a co-development in metals with Tohoku University and a co-development in shoes with University of Calgary. We also fund the development study and research and co-develop with the universities. Of course, there are many co-developments with companies from other industries. For example, we tied up with Toray for swimming suits. We make themes clear and conduct co-developments. What we emphasize on in all the co-developments is project control. The proper control is necessary in order to make the most out of time and resources and to achieve good results.

Editor: It is just like a pipe line of a pharmaceutical company, isn't it?

Mizuno: Yes indeed. When we visit the development teams, they already have a schedule. It is definitely bad to plan as they go. If we don't make a system, it doesn't last long. I always say, "Don't hit home runs all the time. We must score points by a series of hits".

Editor: When interesting products such as golf balls and shoes become hit products, do the teams of other product development divisions get motivated like "we are next"?

Mizuno: They can be horizontally influenced. We had used to be often called a "cafeteria in a department store". They have everything but they are not quite good. I thought that was not good. All the dishes should be good.

"Weight saving" can be analyzed and applied in many ways such as material reduction, light but strong material development, introduction of hollow architecture and so on. Then, in the development process, we can horizontally expand the usage of new development to equipment development in baseball, golf and so on. Very mobile clothing called "DF cut" can be used for judo, baseball, volleyball and rugby. When those companies specializing in rugby outfits develop something new they can only use it for rugby, but we can apply it horizontally and improve all gears. I think the efficiency of development will improve.

Editor: What you've just said is the total ability that Mizuno is imaging as a total sports equipment manufacturer? It is not called total if one just has everything.

Mizuno: Even though we are called total, there are many fields we haven't done in the sports area only. If we look at the numbers in sales in each sport, we have covered most of sports areas that have much population. After all, it is business, isn't it? (laugh)

Editor: Do you make income from royalties by providing patents to other companies?

Mizuno: We started it a little bit, but I don't say that it is an important component of our business. In terms of materials, we often get patents for their limited usage.

Usage of "Breath Thermo" is broad, so we have income from royalties by providing the technology. We provide the technology to bedclothes manufacturers and clothing manufacturers.

Mizuno in 20 years

Editor: I think that we should go forward imagining ourselves in 10 years or 20 years, or if we cannot imagine the future we have go forward thinking "The future will be this". Do you have an image of Mizuno in 10 years or a vision that you want to make Mizuno

like this in 20 years?

Mizuno: Three-fourths of the sales is made in Japan, and one quarter is made overseas. I would like to make the sales overseas two thirds some point in the future. Japanese market isn't going to be big rapidly even if we want to increase our share. We could increase sales in sports fashion. But it has some risks too. It is important to enhance business more in Japan for a short period of time. But it is necessary to expand our business in overseas markets.

We made a "21st century project" in 1980 and analyzed how the new century would be. We analyzed many dreams, such as since the communication technology would be developed, a pitcher and a catcher would decide the pitch by wireless communication, sun glasses automatically would come down when it is bright and so on. There are a few things that sound like nonsense, but there are some that came true.

In 2000, we conducted a project called "Dare to Dream 2020" in order to view in 20 years. We came to understand after researching that in sports in 20 years, protection would be very important. Athletes would have more strength, would get bigger, and their competitive ability would improve. When the muscle strength, physical strength, size and competitive ability improve, the energy created by the competitors is big. If so, they have to protect their body; otherwise, they will get hurt. We are now studying and researching how protection will be improved, but it is a corporate secret (laugh).

People strike, slide, run or jump using sports equipment. They are all the force against their body, so the body must be protected. There are protections in baseball. But how can we protect pitchers? The speed and strength of the ball will increase. It is disastrous if a pitcher dies by a ball hitting him. We develop protection for them. We need protection for any actions such as sliding and body contacting. In judo, if there is a possibility to get hurt by tripping over, we should make their clothing not to trip the competitors over. DF cut is used by the Japanese national team, and they have had many medals. That is probably because the protection actually is working.

In National Defense Academy of Japan, they are researching how much the competitive ability can improve if they prevent the competitors from getting hurt. If 15 members out a 100-member team have injuries all the time, their competitive ability is 85. If the average number of injured members is halved, the competitive ability increases to 92.5.

If they can prevent unnecessary injuries, 85 becomes 92.5. If we see 85 as 100, it leads about 10% increase of the competitive ability. Improvement of protection by improving equipment and so on will improve the competitive ability. The keyword for the future "competition" will be "protection".

In "health", our big assignment is to deal with the aging population of the baby-boom generations. Our very big target is seven or eight million people of the baby-boom generations who have a reasonable amount of savings. How can they maintain enjoyment and how can they experience health? These are the keys.

Editor: Thank you for your time.

[From Editor]

There are no people who don't know about Mizuno even if they don't play any sports. However, there must be many people who would be surprised by the fact that its headquarters is in Osaka. The consumers are sensitive to the brand of the sports equipment. It is because casual sporty outfits, street fashion and street shoes are already part of their lives.

However, the essence of sports is to gain a healthy body and sound mind, competitiveness to pursue the limit, and safety, and so on. Mizuno is, as its president said, an sports-mind company.

In this interview, there are many serious keywords mentioned. "Quality", "Craftsmanship", "Environment" and "Technology"… Sports are enjoyable and also stoic.

The quick decision-making ability by President Mizuno who talks the essence of manufacturing makes me expect that traditional sports equipment manufacturers will be the real globalized companies based on their unique technologies. Those companies without backup of technology will collapse.

Also, those companies who stick to technology or tradition will have no future. There is

no need to mention it, but the brand power backed up with technology is the royal road to gain and maintain competitive superiority. I am looking forward to development of Mizuno in the future.

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