

1. Reporting measures

Please indicate whether your company will be willing to report publicly {on your website, in annual reports, or through other publicly available means} on the following matters:

A6. the presence of unions and collective bargaining agreements within your supply chain, including both the number of factories with unions and collective bargaining agreements and the percentage of total production in such factories.

We will request factories to disclose their trade union status. Based on the data, it may be possible in the future to disclose the number of factories with unions and collective bargaining agreements and the percentage of total production in such factories on our website or in our CSR report.

A7. the percentage of your company's production in countries and/or zones where freedom of association and collective bargaining are legally restricted.

We have a corporate policy not to state political issues including a definition of countries where rights are legally restricted. We, however, will take steps to disclose data on our supply chain and are prepared to provide the total number of suppliers in each country producing for the Mizuno group in our CSR report published in September 2009. As a result you will be able to judge numbers of suppliers in countries and/or zones where freedom of association and collective bargaining are legally restricted.

C2. the percentage of your company's production in each country in which your goods are manufactured.

As we mentioned in our answer to A7, we are prepared to provide the percentage on the number of suppliers in each country producing for the Mizuno group in our CSR report published in September 2009.

C3. the average length of relationship with your supply factories, as well as more detailed statistics on the number of factories with which the company has worked for various incremental number of years[e.g.1,3,5, or more years] and where they are located.

We may consider disclosing the average length of our relationship with our main direct suppliers if there is no difficulty to calculate out. With respect to our small suppliers and 2nd or 3rd suppliers we cannot provide the detailed statistics.

C4. your company's policies for supplier/vendor selection, management, and/or termination, including new source approval process, linking of supplier CSR performance with sourcing decisions, and strategy for managing impact of exiting factories.

We have corporate policies for supplier selection that on start of business with supplier Mizuno group shows supplier documents required, evaluates supplier's capability by using sheets specified and submit to conduct a labor audit related with CSR if necessary.

The chapter 2 in our internal rule of practice for supplier/vendor titled Group Rule of Supply Chain Management undisclosed (the "RSCM") provides the procedures detailed on start of business. In our view we select supplier that has advantages both in capability of performance and CSR.

The chapter 3 in the RSCM provides procedures of business period including specific labor audit, factory profile questionnaires and factory visit report. We have no procedures on termination except provisions of OEM agreement as we have policies that we should instruct suppliers if we find problems in suppliers.

Please also indicate when and in what form this reporting will be made available.

We will prepare to disclose our labor standards program titled Mizuno Business Standards, Overview Evaluation for Vendors Human Rights Checklist undisclosed (the "Checklist") in near future. There is no plan to disclose the RSCM as we regard it an internal rule.

2. Policy development

Please indicate whether your company will adopt new policies across your supply chain regarding the following matters, and where applicable, a time-frame for delivery.

A1. In order to develop a positive climate of non-interference with freedom of association and collective bargaining within sportswear supply chains, require all suppliers to

proactively adopt a “Freedom of Association Policy” and communicate this policy to workers in their own languages in the form of a ‘Right to Organize Guarantee’. Audit to ensure the policy has been adopted and communicated to workers.

The Guiding Principles already provides on the Freedom of association that we expect our suppliers to recognize and respect the right of employees to join and organize association of their own choosing.

In our opinion, a positive climate of non-interference is encouraged under an effective system of communication between workers and factories managements.

B4. Incorporate a clause in the Code of Conduct prohibiting labour-only contracting arrangements or false apprenticeship schemes intended to avoid fulfilling obligations to workers.

As we are now reviewing the Guiding Principles, we will also study to incorporate the clause proposed. We, however, believe that we do not oppose all labor-only contracting arrangements or apprenticeship schemes but oppose illegal arrangements or schemes.

B5. Produce guidelines on precarious employment, and incorporate key requirements into Compliance Benchmarks.

As mentioned previously, we are reviewing the Guiding Principles. Therefore, there is a possibility that we will incorporate the clause on precarious employment, as general clause, after our study.

C1. Develop and adopt formal policies and procedures to give effect to the MFA Forum’s Collaborative Framework, including all of the steps outlined in the MFA Forum’s Guidelines for Managing Responsible Transitions, and communicate these policies publicly.

Now we are taking steps to revise our Code of Conduct titled Guiding Principles for Suppliers to the Mizuno Corporation (the “Guiding Principles”), the Checklist and the RSCM. We will consider developing formal policies and procedures to give effect to the MFA Forum’s Collaborative Framework in the steps above-mentioned.

D1. Incorporate a living wage standard in your Code of Conduct.

The Guiding Principles describes on Wages and Benefits the following:

“We expect our suppliers to recognize that wages are essential for meeting the basic needs of employees and reasonable savings and discretionary expenditure, in all cases, wages must equal or exceed the minimum wage required by law or the prevailing industry wage, whichever is higher, and legally mandated benefits must be provided.”

Though we can state, based on our labor audit reports, that minimum wage is guaranteed in our suppliers,

3. Study/measurement

Please indicate whether your company will engage in research –either individually or in a multi-stakeholder environment – regarding the following matters, and where applicable, in what time frame:

A3. Develop means of measuring impacts of management and worker training programs, and develop quantitative and transparent reporting on those results.

We will consider to engage in a multi-stakeholder environment to develop the management and worker training programs and accordingly on ways of measuring impacts of the programs.

D3. Undertake an independent review of price paid to suppliers in supplier factories to determine whether prices paid to suppliers are sufficient to allow compliance with international labour standards and provide for an expected wage for workers that meets workers' basic needs.

As we have a corporate policy that we regard price data as confidential, we will not undertake such review.

D5. Work with trade unions, suppliers and NGOs to develop a wage ladder, including a living wage figure for workers in each country or region.

We are negative to work with trade unions, suppliers and NGOs to develop a wage ladder in our supply chains as wage systems of suppliers have significant variations.

D8. Commission one or more independent studies of lean production methods and whether they reliably deliver increases in wages to workers by increasing the efficiency of production lines without increasing the pace, hours or physical exertion expected of workers.

We would consider to commission one or more independent studies of lean production methods by various ways of incentive plans.

4. Factory Monitoring

Please indicate whether your company will monitor supply factories and/or establish its own procedures to ensure that:

A4. Workers have accessible and safe means by which they can file complaints about violations of freedom of association and collective bargaining rights to buyers, with a transparent process for resolving credible complaints.

Though we have the domestic worker confidential channel system named “Mizuno Hotline” in Japan and are still investigating, there are problems, including languages and manpower, on an overseas confidential channel to file complaints by workers,.

As we, however, had experience that we have received a direct contact from a labour union in Bangladesh on working conditions and have arbitrated between the union and the factory managements by cooperation of International Textile, Garment & Leather Workers’ Federation ASIAN AND PACIFIC REGIONAL ORGANIZATION (ITGLWF-APRO) in 2005, we are actually able to respond to worker’s requests.

A11. Where trade unions are not restricted by law but non-union forms of worker representation are permissible, such forms of workplace representation conform with the principles of worker representation as laid down in ILO Convention 135.

The Guiding Principles provides on the paragraph of Freedom of association and Collective Bargaining that we expect our suppliers not to obstruct alternative and legal means for independent and free association where law specifically restricts the right to freedom of association. As, in our opinion, the alternative and legal means above-mentioned includes non-union forms of worker representation, the Guiding Principles satisfies your request.

Please, however, note that even Japanese government has not ratified the Convention 135 and that our efforts on this item have to have a limitation.

B1. Suppliers enter into formal employment contracts with workers and ensure workers receive a formal appointment letter setting out the terms of their contract.

The requirement for suppliers to enter into formal employment contacts with workers has been a standard requirement of our program and is stipulated in the provision 1.1 of the Checklist.

B2. Any workers engaged in the company's core business are employed directly rather than through third-party employment schemes.

In Japan also there has been short-term contract and third-party employment problems in recent years. We understand these problems and will take steps to state our policies on the response to the problems related our suppliers gradually.

B3. Workers engaged in the company's core business are employed under open-ended or undermined duration contracts, and that:

In Japan also there has been short-term contract and third-party employment problems in recent years. We understand these problems and will take steps to state our policies on the response to the problems related our suppliers gradually.

- Any use of fixed duration contracts is in response to a clearly defined plan justifying their use;

We understand these problems and will take steps to state our policies on the response to the problems related our suppliers gradually.

- Any workers on fixed duration contracts are provided the same salary and benefits accorded to permanent workers performing the sama work;

We understand these problems and will take steps to state our policies on the response to the problems related our suppliers gradually.

- Once a short-term employee has been hired on a fixed duration contract twice by the same employer, or for two years, the employee is automatically hired on an undermined duration contract with the third contract; and

We understand these problems and will take steps to state our policies on the response to the problems related our suppliers gradually.

- Where requirements are stronger under local law, the higher standard should prevail.

This is consistent with the paragraph of Wages and Benefits in the Guiding Principles.

D9. Increases in production targets for workers are only adopted after significant upgrades to equipment, processes, or worker skills. Ensure that increases in wages are not answered with decreases in other monetary benefits.

As we stated in our answer to D8, we would consider to commission one or more independent studies of lean production methods by various ways of incentive plans.

5. Factory level actions

Please indicate whether your company will undertake efforts with your suppliers and trade unions at the factory level to:

A2. In collaboration with trade union organizations and credible labour rights NGOs, facilitate independent education and training for workers and management personnel concerning freedom of association and collective bargaining.

Still, we are doing our efforts mainly on “Health & Safety” in Asian factories.

We think our priority is action in labor environment (H&S) mainly. Education and training of FOA & CB are uncovered within current program.

A9. Require the signing of access agreements between factory management and local unions at supply factories.

Majority of our suppliers have just small portion of total out put for Mizuno's manufacturing. Considering such small percentage, it may not be appropriate to require the agreement to the suppliers. However as our suppliers know our Guideline Principles, according to its philosophy, there might be dialogue and constructive discussion to respect of labors' rights.

A10. Where trade unions are present or newly established at supply factories, facilitate the negotiation by the union and the employer of grievance procedures, as well as rules and procedures for hiring, firing, promotion, discipline, union facilities at the workplace, and dispute handling.

As we mentioned in A11, our "Guiding Principles for Suppliers to the Mizuno Corporation" includes "Freedom of association and Collective Bargaining", factories would recognizes its importance. Currently we check the situation in audit procedure. We have no intention to promote the process of union activities from our side, but we are open to hear the information from any union as we mentioned in A4.

A12. Where freedom of association and collective bargaining are restricted by law, take identifiable measures promoting genuine freedom of association within the country concerned, including engaging the workers collectively to facilitate their self-organization in ways that are consistent with the principles of freedom of association and respect for human rights.

As same as A11 above, we have a guidance in Guideline Principle "not to obstruct alternative and legal means for independent and free association or collective bargaining" in such circumstance. We express declaration of intent to our supplies but we are not main body of fighting law.

D4. On a confidential basis, provide information regarding the unit price the buyer is paying for goods to workers' representatives engaged in collective bargaining with suppliers.

We cannot disclose the information of agreed unit price between suppliers and ourselves. It is against to the integrity of relations. It could be proper measures that the Union would negotiate to get the information directly from the factory.

6. Supplier relationships

Please indicate whether your company will adapt its own procedures for supplier selection and management to ensure that your company:

A5. Provide measurable incentives for factories that have a Collective Bargaining Agreement with an independent trade union, including:

- Preferential order placement;
- long-term, stable supply contracts; and
- a measurable CBA premium in unit prices.

As we select the factories by various reasons, it is not possible to make decision only based on CBA for purchasing criteria. However, we follow our Guiding Principles, which mentioned, “respect CB rights”, to choose suppliers.

B6. Establishes long-term, stable supply contracts with supply factories.

To build long-term relation, we tried longer connection with factories. We understand that it should affect positive impact to “Quality” “Efficiency” and “Labor Environment”.

B7 and D2. Sets out payment schedules in all supply contracts and makes payments on time.

Almost case, we make a contract with third party supplier including payment condition. The standard contract includes condition of payment as L/C or payment with favorable term.

B8. Establishes an optimum notice time for factories about changes in existing orders or placement of orders so that the factory is able to adjust production accordingly without violating hours of work standards or requiring the use of short-term contracts and subcontracting. Apply optimum notice time for placement of orders and changes in existing orders.

Supplier and Mizuno should co-ordinate proper order procedure together.

Both should follow the formal procurement engaged order. If the one wants to change the order, it must be equal dialogue until another satisfaction with compensation.

We continuously try to make better and longer relation on fair trade condition with the suppliers.

D7. Across the supply chain, favours suppliers that consistently meet a higher standard on the wage ladder for the region.

As process of choosing suppliers is depends on various criteria and not on higher wage only, it is not possible to appraise the supplier by single factor (wage only).

7. Government policy

Please indicate whether your company is willing to advocate and/or support advocacy with national governments for:

A13. positive legal reforms of labour laws to remove legal restrictions on freedom of association and collective bargaining where these rights are restricted by law.

We are not political organization to reform the law and the resume of the country. According to our articles, it is not possible to take action to remove legal restrictions by ourselves.

B9. positive legal reforms of labour laws in each country of supply to legally restrict the use of short-term contracts.

As same as above A13, it is impossible to take action to the Law for system of employment. However, good cooperation with the suppliers could improve term of labour contract between the supplier and workers

D10. increases in the minimum wage consistent with ILO Convention 131.

As same as above, we could try to cooperate with the suppliers in order to establish proper wage level but could not take action to the government.

8. Collaboration with other brand buyers

Please indicate whether your company is willing to commit to achieving a living wage in shared suppliers over time by:

- collaborating with other buyers (possibly through an MSI) to identify suppliers in which participating buyers collectively control more than 75% of production on a regular basis;
- facilitating the establishment of negotiating structures to enable factory management and trade union(s) to consolidate the living wage element into the existing pay structure at those factories;
- individually negotiating with factory management on measures needed to meet a living wage target proportional to each buyer's share in production.

We can collaborate with other buyers to improve working environment and conditions. However, it is difficult to unify the recognition of a living wage from a neutral standpoint.