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Kobe, Japan | April 25, 2012

A First in the Footwear Industry Collaborative Environmental Footprint Reduction Project with Massachusetts Institute of Technology — ASICS Drafts Sustainability Strategy toward 2015 —

ASICS Corporation (Headquarters: Kobe, Japan; President: Motoi OYAMA), in an effort to promote a sustainable society, has teamed up with the Massachusetts Institute of Technology (USA, hereafter, MIT) in joint research to reduce CO₂ in the production of footwear. Based on the results of this detailed, collaborative effort, the ASICS Group has drafted a new sustainability strategy through 2015 in actively promoting environmental management.

The project has been ongoing since August 2010, and the joint research project with MIT is a first for collaborative environmental footprint reduction in the footwear industry.

Environmental efforts are an important management issue for ASICS. In an effort to further raise the level of its previously-developed own standards, ASICS has bridged the divide between industry and academia to collaborate with MIT, world-renowned in its environmental analysis of numerous global companies, in this joint research project. The research gauges CO₂ emissions throughout the entire value chain, focusing particularly on the manufacturing process, which has a high environmental impact. As a result, ASICS was able to reduce the environmental impact from production of shoes while maintaining high performance.

ASICS Group will use the results of the industry-academia joint research project to try to reduce the environmental impact of its footwear production activities in order to achieve a sustainable society.

Outline of joint research efforts

- 1) Measure and analysis of CO₂ emissions throughout the entire value chain, from procurement of materials, manufacturing, transport, use, and end of life
- 2) Study analysis of CO₂ reduction methods in production activities and proposals for improvement

< Measure and Analysis >

- One pair of running shoes produces approximately 14kg of CO₂ emissions through its value chain. (*1)
- The materials procurement and manufacturing stages have the biggest environmental impact. Approximately 68 percent of the environmental burden is from the manufacturing stage.
- An average of approximately 65 parts are needed to complete one pair of shoes, and an average of approximately 360 manufacturing process.

Production of the GEL-KAYANO17 was studied

*1: Equivalent to CO₂ emissions from using a 100-watt light bulb for one week continuously.



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< Mitigation strategies based on Analysis >

Based on the quantification analysis of the mitigation strategies by MIT, ASICS decided to apply below strategies in footwear production activities for improvement.

- 1) Consolidate parts in sole
- 2) Consolidate parts in upper part of shoe
- 3) Use of lighter weight material
- 4) Change material and process in sole
- 5) Use recycled material where possible
- 6) Eliminate parts
- 7) Reduce packaging

Comment from MIT:

"The ASICS-MIT research collaboration has led to contributions in sustainable product design and manufacturing, both for the industry and academia. The active relationship between ASICS and its suppliers has enabled the collection of meticulous primary data that was vital to identify areas with the highest potential reduction of carbon emissions. From a research perspective, this project has given us important insight into the relatively high manufacturing phase burden which is a characteristic of these types of products."

(Materials Systems Laboratory, MIT)

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- *Manufacturing-Focused Emissions Reductions in Footwear Production (February 20, 2012). Available at SSRN: <http://ssrn.com/abstract=2034336>*
 - *LCA streamlining of manufacturing impact, a case study of running shoes. The International Symposium on Sustainable Systems and Technology, May 2012*
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The ASICS Sustainability Strategy toward 2015

Based on the research findings, ASICS drafted the 2015 Sustainability Strategy for the Group as a whole, as well as its core business, Footwear. The Strategy is outlined below.

Major ASICS Group Targets

- Reduce greenhouse gases (CO₂) by 10% (*2)
- Continuously strengthen chemical substance management
- Research and develop industry-leading sustainable manufacturing processes

Footwear Targets

- 1 . Products overall
 - 1-1 Sequential introduction of industry environmental indicators
 - 1-2 Set global evaluation standards
 - 1-3 Increase share of eco-friendly product sales to 35% of total sales (*3)
 - 1-4 Continuously strengthen chemical substance management
- 2 . Materials procurement
 - 2-1 Use eco-friendly materials
 - 2-2 Research and develop industry-leading sustainable material
- 3 . Manufacturing process
 - 3-1 Reduce greenhouse gases (CO₂), water, and waste at direct trading factories by 10% per pair of shoes (compared to 2009) (*4)



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- 3-2 Promote use of eco-friendly adhesives (water-soluble adhesives), 60% or more of production volume to include these adhesives
- 3-3 Research and develop industry-leading sustainable manufacturing processes
- 3-4 Strengthen labor practice management at production outsourcing plants
- 4 . Packaging materials, transport
 - 4-1 Reduce weight, use recycled materials in packaging
 - 4-2 Reduce greenhouse gases (CO₂) by concentrating distribution bases
 - 4-3 Increase the bulk ratio of manufactured goods transport containers to 85% or more (*5)

*2 : Scope: Business locations, footwear manufacturing activities and transport

*3 : Target date: FY13. Target market: Japan

*4 : Focusing on high-volume products

*5 : For shipments to Japan

Development of Goods Using Joint Project Research Findings

The GEL-KAYANO 18 running shoe 2012 autumn/winter model (new color) will be launched globally starting in May 2012. The manufacturing improvements of the GEL-KAYANO 18 shoe are based on the findings of the joint project research, and reduce the CO₂ footprint by approximately 20% (*6). This is achieved without any compromise to product quality and function. Low-CO₂ recycled polyester is used; the pressing process of the outer sole has been changed; and the shoe upper mold has been consolidated.

- 1) Use recycled polyester materials
- 2) Reduce energy, waste by changing pressing process of outer sole
- 3) Reduce energy, waste by consolidating mold of shoe upper
- 4) Reduce energy, waste by reducing parts in shoe upper

*6 : Compared to the same model without eco-friendly efforts

