

ASICS SPIRIT and Corporate Philosophy

ASICS SPIRIT

ASICS SPIRIT comprises our Philosophy, Vision, and Values.



Founding Philosophy

Anima Sana In Corpore Sano: "A sound mind in a sound body"

Corporate Philosophy

- 1. Provide valuable products and services through sport to all our customers
- Fulfill our social responsibility and help improve conditions for communities around the world
- Share profits brought by our sound services with our shareholders, communities and employees
- 4. Maintain a spirit of freedom, fairness and discipline, respectful of all individuals



Create Quality Lifestyle through Intelligent Sport Technology



Sportsmanship

- 1. Respect Rules
- 2. Be Courteous
- 3. Be Persistent
- 4. Work as One Team
- 5. Be Prepared
- 6. Learn from Failure



Structure of Our Corporate Documents

By building on the ASICS SPIRIT, the ASICS Group has established the ASICS CSR Policy with the aim of contributing to the emergence of a sustainable society.

ASICS CSR
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ASICS
CSR Policy

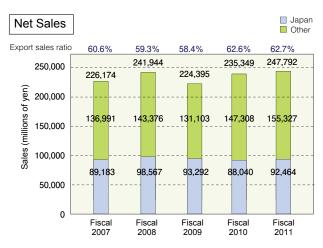
ASICS Code of Conduct

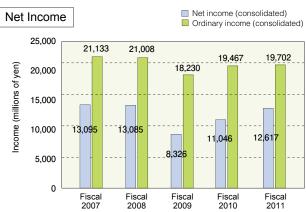
Policies and Guidelines

The ASICS Group in Brief

The ASICS Group, which includes subsidiaries both inside and outside Japan, comprises a total of 55 companies with 5,906 employees as of March 31, 2012. As a global enterprise, it operates in the three business segments of sports shoes, sportswear, and sports equipment.

Management and Financial Indices





Editorial Policy for Our Fiscal 2012 Edition

In this issue, we have modified the document structure that was based on seven core subjects encompassed within ISO 26000 the guideline for social responsibility introduced in fiscal 2010, replacing it with a structure based on the four philosophies of ASICS. The intent of this change is to provide greater clarity in limited space, as is evident on page 8 of this CSR report.

The ASICS Group is committed to reporting in good faith our priorities and the issues of greatest interest to society. We utilize our Annual Report, Securities Report and CSR Report as means of reporting information to our stakeholders.

Boundary of Report

This report introduces the initiatives of ASICS Group.

Reporting Period

Fiscal Year 2011 (April 1, 2011 to March 31, 2012)

Previous date of issue

June 24, 2011 (issued annually)

Reference Guideline

Sustainability Reporting Guideline 2006 [3rd edition] issued by the GRI *The GRI (Global Reporting Initiative) is an NGO headquartered in the Netherlands. It is an official collaborative organization of the UN Environmental Program (UNEP).

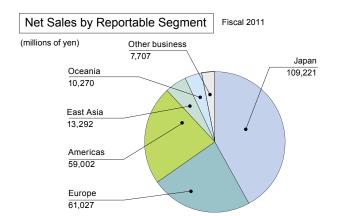
ASICS Websites

Japanese site:

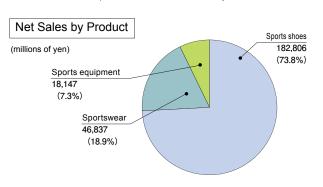
www.asics.co.jp/

Global site:

www.asics.com/top/



"Other business" represents the sales for each territory and sales from HAGLÖFS



Company Outline (as of March 31, 2012)

Company name: ASICS Corporation Paid-in capital: 23,972 million yen

Number of employees:

1,464 (5,906 on a consolidated basis)

Employees in Japan: 3,593 Employees outside Japan: 2,313

[Main offices]
Head Office: Kobe*

Tokyo Branch (Chuo-ku, Tokyo), Kansai Branch (Amagasaki, Hyogo) Institute of Sport Science (Kobe)* Guangzhou Branch (China)

[ASICS Corporation and its subsidiaries located both inside and outside Japan] In Japan: 21 Outside Japan: 34

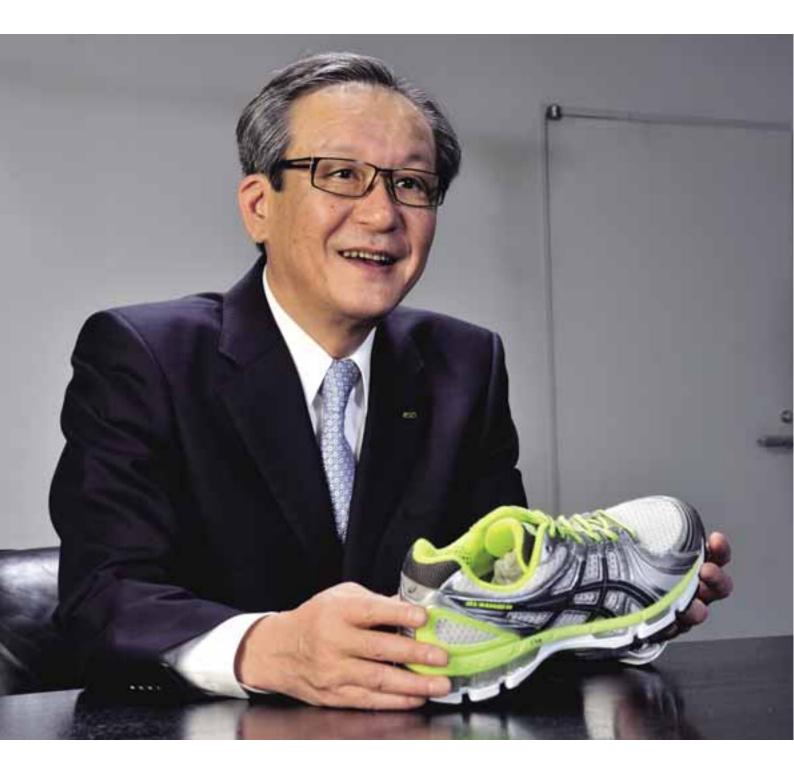
(including North America, Europe*, Australia, Korea, Taiwan, and China)

* Offices with ISO 14001 certification

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Top Commitment



Motoi Oyama President and CEO

03

Sound Mind Sound Body Sound World

CSR Management as Our Foundation

In fiscal 2011, ASICS launched the ASICS Growth Plan 2015 (AGP2015), a medium-term management plan focused on a policy of implementing customer-centric business operations throughout our Group companies worldwide.

AGP2015 identifies the sales territories we will target as well as our global strategy. Our goals, in terms of our consolidated financial statements for the year ending March 31, 2016, are net sales of ¥400 billion; an operating income ratio greater than 10%; a return on equity (ROE, or net income divided by shareholders' equity) greater than 15%; and a return on assets (ROA, or net income divided by total assets) greater than 8%. AGP2015 also identifies our corporate social responsibility (CSR) and corporate governance as the business foundations that support our business operations.

For all companies, of course, sales and income are also essential indicators of economic value; nevertheless, we cannot fulfill our social responsibilities unless we identify environmental and social sustainability as our priorities.

At ASICS, our mission is to provide products and services as a sporting goods manufacturer, thus contributing to the health and happiness of people around the world. However, we should not pursue this mission at the expense of stakeholders or the environment.

In the effort to implement CSR management, we emphasize the common desire of our 6,000 employees worldwide to contribute to the emergence of a sustainable society with better products and services, and the power of sport, through the ASICS Spirit (p. 1) and ASICS CSR Policy (p. 8). We build on this foundation each and every business day.

Our CSR as a Sporting Goods Manufacturer

The Great East Japan Earthquake struck in March 2011, at the end of our preceding fiscal year. This was also a great shock to ASICS, as our head office is located in Kobe, a city with its own history of earthquakes.

In the immediate aftermath of the disaster, we provided assistance in the form of 66,000 donated items including shoes, training wear, and windbreakers, as was mentioned in CSR Report 2011.

In fiscal 2012, we undertook an initiative to provide continuous support for the healthy growth of children left orphaned by the earthquake. In keeping with the spirit of our founder, who long sought to assist the younger generation, our future leaders, through sports, we started this project in part to return the kindness we received from across the country in the aftermath of the Great Hanshin-Awaji Earthquake of 1995. Sport has the power to give people courage; therefore, we believe that we can support the ongoing reconstruction effort through sports (p. 7).

Moreover, through CSR initiatives that are unique to us as a manufacturer, we are contributing to the sustainable development of society through our products and technologies.

In fiscal 2011, we conducted collaborative research with the Massachusetts Institute of Technology (MIT) — an organization with a particularly high level of expertise in environmental sustainability — in an effort to determine ways of reducing the environmental impact of the footwear industry.

As a result, we intend to monitor carbon dioxide emissions in each phase of the product lifecycle, including raw material procurement, production, transport, use and end of life. We use this knowledge to adhere to our sustainability targets as set forth in our medium-term environmental targets. As one result of this initiative in fiscal 2012, we are releasing products that contribute to around 20% reduction in CO2 emissions while maintaining the same functionality. In the future, we plan to extend this initiative to our other business divisions (p. 5).

The application of CSR to our manufacturing operations is not limited to environmental issues. In addition to maintaining rigid compliance with laws and regulations, we are taking steps to protect the rights of those who work throughout our supply chain.

At present, this initiative is primarily the responsibility of the CSR department at our head office. In future, however, we intend to devise a system that our offices outside Japan which handle production, production management, and quality control could become the basis for CSR initiatives related to labor, the environment and the management of chemical substances.

ASICS was the first Japanese company to join the Sustainable Apparel Coalition (SAC), having become a member in fiscal 2011. We are now working actively in the industry to reduce adverse impacts on the environment and society. As a member of SAC, we are also able to address CSR issues that are difficult for individual companies to solve on their own.

Enhancing Communication and Creating Social Value

We believe that the main focus of CSR in the future will be "to create economic value by creating social value."

ASICS has always been proactive about considering social value at the heart of our business operations; in this spirit, we hope to strengthen communication with stakeholders so that more members of society come to recognize our initiatives.

We believe that this approach will not only increase the transparency of management and provide accountability, but also improve the quality of our CSR management and contribute to the emergence of a sustainable society.

We look forward to your continued support as we demonstrate our commitment to our stated goals.

Collaboration with the Massachusetts Institute of Technology on a Joint Research Project

ASICS, in an effort to promote a sustainable society, has teamed up with the Massachusetts Institute of Technology (hereafter, MIT) in joint research to reduce CO₂ in the production of footwear. MIT has conducted environmental analysis of many global companies.

Based on the results of the detailed, collaborative

effort, the ASICS Group has set a new sustainability targets toward fiscal 2015 in actively promoting environmental management.

We intend to continue striving for environmental improvements, especially in the footwear business, with the goal of contributing to the emergence of sustainable society.

I. ASICS-MIT Joint Research Project (August 2010-July 2012)

Measuring CO₂ emissions of running shoes

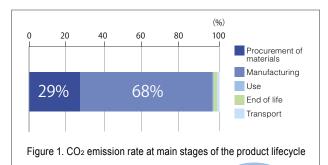
In order to understand the environmental impacts of our products, we measured the CO_2 emissions attributable to GEL-KAYANO 17 running shoes, one of the typical products of ASICS. This research revealed that — throughout the product lifecycle encompassing materials procurement, manufacturing, transport, use, and end of life — CO_2 emissions attributable to a pair of running shoes totaled around 14 kg per shoe. This is equivalent to CO_2 emissions from using a 100-watt light bulb for one week continuously.

The analysis of CO_2 emissions at each stage of the product lifecycle revealed that the environmental impact was largest mainly during the materials procurement stage and the manufacturing stage. The manufacturing stage was notable for contributing roughly 68% of total CO_2 emissions (Fig. 1).

This project, conducted with the cooperation of the factory of one of our major contract manufacturers in China, collected the required data and analyzed manufacturing processes. We believe it is very important that we work closely with the contract manufacturing plants in order to continuously reduce the environmental impacts of our manufacturing processes.



Exchanging opinions about manufacturing processes



Data source: MIT academic papers (next page link)



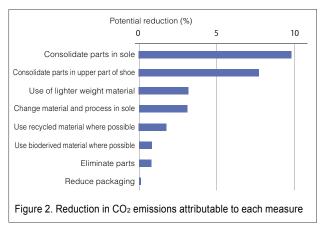
About **14** kg of CO₂ emissions per pair of shoes

Discussing CO₂ emissions reduction of products

Following the measurement and analysis, MIT has suggested directions on how to reduce CO_2 emissions attributable to the products.

- (1) Reduce the number of parts.
- (2) Reduce material scrap.
- (3) Improve the manufacturing processes.
- (4) Use alternative materials.
- (5) Adopt alternative energy sources in the plant.
- (6) Use alternative sources of electricity in the plant.
- (7) Increase the energy-efficiency of plant buildings.

Based on these directions, we have discussed measures to further reduce CO_2 emissions while maintaining the functionality of the shoes, and have quantified the reduction in CO_2 emissions resulting from the implementation of each measure (Fig. 2).



Data source: MIT academic papers

Academic papers

"Manufacturing-Focused Emissions Reductions in Footwear Production" http://ssrn.com/abstract=2034336

"LCA streamlining of manufacturing impact, a case study of running shoes" The International Symposium on Sustainable Systems and Technology

A Message from Joint Research Staff at the Massachusetts Institute of Technology

"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."

II. Applied project outcome to Sustainability Targets and product development.

Sustainability targets for fiscal 2015

From the results of the project, we have set the sustainability targets for fiscal 2015. Considering the entire value chain, we focused on reducing the environmental impact of the manufacturing process. The following are the three key targets.

(See p. 14 for details.)

- Reduce greenhouse gas (CO₂) emissions by 10%¹
- Continually strengthen management of chemical substances
- Conduct R&D on industry-leading sustainable manufacturing processes

Applied CO₂ reduction measures to product development

Among the measures investigated to reduce CO2 emissions (Fig. 2) as part of the project, "Consolidate parts in sole" and "Consolidate parts in upper part of shoe" were found to have the greatest benefit. We applied these measures to 2012 Fall-Winter model of the GEL-KAYANO 18 running shoe (new color), and CO2 emissions were found to have been reduced by about 20% with no change in functionality.2

- 1: Scope: Business locations, footwear manufacturing activities, and transport
- 2: Compared to the same model without the below improvements



Environmental measures adopted for the 2012 Fall-Winter model of the GEL-KAYANO 18 running shoe (new color)



Launching the effort to support orphaned children

As part of the drive to support victims of the Great East Japan Earthquake of March 11, 2011, ASICS made an emergency donation of approximately 66,000 sporting goods items and contributed ¥20 million in funding in the immediate aftermath of the earthquake.

In addition, ASICS launched "A Bright Tomorrow Through Sport," an initiative that provides ongoing support through sport in the hope that children who lost their parents in this terrible earthquake would grow up in good mental and physical health. (Details in table at right.)

The Product Donation Program

Through the Product Donation Program, after an ongoing information campaign in local newspapers and on radio stations, including contact with the municipal and prefectural school boards, we were able to deliver goods to 181 earthquake orphans as of the end of March 2012.

In October, the disaster area started to stabilize and school sports activities finally began to resume. Therefore, we also began promoting the Kobe Invitation Program, the Athlete Dispatch Program, and the Healthful Exercise Instruction Program in cooperation with an NPO.



Athlete Dispatch Program

Thank-you letter

Four Support Programs

1. Product Donation Program	We continuously donate our sporting goods to earthquake orphans aged 0 to 18 years as of April 1, 2011, until they turn 19 years of age.
2. Athlete Dispatch Program	We dispatch athletes to the affected areas to provide earthquake victims with an opportunity to participate in sports.
3. Kobe Invitation Program	We invite children from the affected areas to visit the ASICS Sports Museum and ASICS Institute of Sport Science (both located in Kobe). This program is intended to help these children regain their vitality by experiencing the joy of sports and viewing Kobe after its reconstruction.
4. Healthful Exercise Instruction Program	ASICS employees who have qualified as leaders of various sports, such as healthful exercise instructors, visit the affected areas and provide exercise instruction to improve public health.

Providing ongoing support through sports

ASICS was founded with the desire to help the younger generation through sports in the reconstruction period following World War II. As a result of this recent catastrophe, we responded with the strong desire to contribute to the reconstruction of the affected areas through sports.

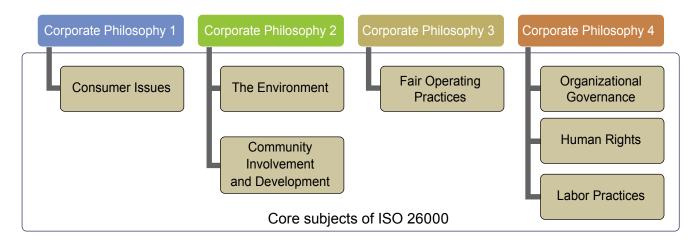
When we suffered damage from the Great Hanshin-Awaji Earthquake in 1995, we received a great deal of inspirational support from across Japan. From our experience, we were able to sense a keen need for ongoing support programs, so we have committed to providing continued support for the healthy growth of the children who will build the Japan of the future.

ASICS CSR Policy

We are committed to the health and happiness of people around the world and to contributing to the emergence of a sustainable society and environment through products and services related to sports.



Relationship between the ASICS Corporate Philosophy and the core subjects of ISO 26000





Safety & Quality

Product Safety & Quality Assurance Policies

ASICS considers product safety and quality assurance to be universal responsibilities of manufacturers. Therefore, ASICS has adopted the following product safety & quality assurance policies.

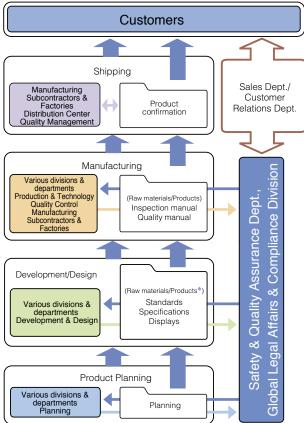
- We shall provide safe and high-quality products and services that satisfy our customers.
- (2) We shall provide our customers with accurate and easily understandable information.
- (3) We shall comply with laws and regulations applicable to manufacturing.
- (4) We shall strive to continually maintain and improve the Product Safety & Quality Assurance Policies we have implemented for our products and services.

We appoint Product Safety Managers at each department and promote consistency among departments in terms of information sharing and the adoption of quality assurance and product safety.

Comprehensive Monitoring of All Processes

In all main phases from planning to shipping, we review the adequacy of product safety and quality improvement measures in our products and advertising materials.

Product Safety Examination Flowchart



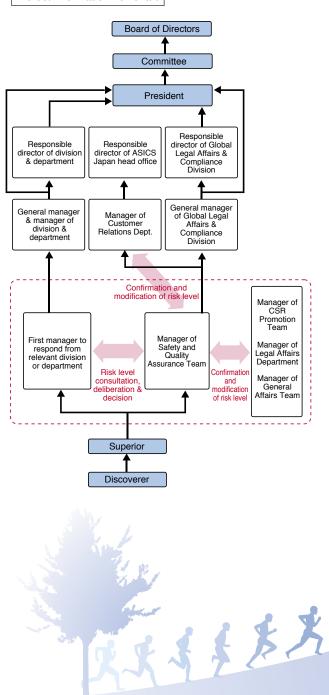
*To ensure the safety and quality of our materials and products, we apply tests stipulated by laws and regulations, industry standards, and voluntary standards. From the results of these tests, we issue instructions and proposals. We establish and implement voluntary guidelines and standards on hazardous chemical substances and monitor some products through product safety inspections.

In-House Sharing of Essential Information on **Product Safety**

Depending on the risk level associated with a defect or accident, certain occurrences can trigger a crisis in the operation of the business of the entire ASICS Group.

We place priority on customer safety; therefore, we respond immediately when a defect is detected - even one of very low probability - and when an accident occurs, no matter how minor. We inform upper management of the occurrence of the defect accurately and promptly according to the flowchart below. Depending on the severity of the risk, we disclose information to our customers without delay through newspaper announcements, on our website, and by other means. Moreover, as required by law, we promptly report the defect to the authorities who have jurisdiction over the issue.

Defect information flowchart



Product Recalls

In fiscal 2011, we undertook a total of six product recalls.

Outline of product recalls (in Japan)

May 2011	Onitsuka Tiger pants: Error in size indication (waist)
June 2011	Fitness pants: Error in indication of product quality label (composition of fiber)
Julie 2011	Running bag: Error in functional description of product tag
	Outdoor jacket & vest: Fabric torn by button pulling out of body of garment
October 2011	Calf supporter: Brand mark tends to peel off due to stretching of the product.
December 2011	One-piece suit: Fastener at risk of detaching from garment

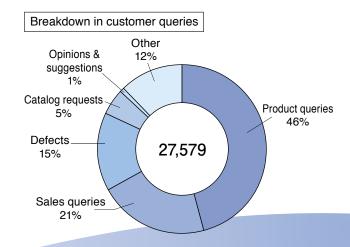
Quality Information Exhibition

Since fiscal 2003, we have been presenting our Quality Information Exhibition annually in order to pass on feedback from our customers to all employees, including those in our Group companies.

The exhibits detail customer complaints regarding products that fail to satisfy our customers and the responses of our Customer Relations personnel. Exhibits also include defective products and the results of inspections or checks carried out by our quality control division.

Toward Improved Customer Satisfaction

Our Customer Relations Department evolved from the Consumer Relations Department established in 1980 by our late founder, Kihachiro Onitsuka, in the belief that "a fountain of treasure is available to those who dig deep to discover the source of customer dissatisfaction." When this department was first established, Mr. Onitsuka emphasized focusing on the importance of "not merely responding to customer complaints, but disseminating customer feedback throughout the company."



Products & Services That Earn the Trust of the Customer

At ASICS, we continually work to develop products and services that meet the needs of our customers while always giving full consideration to the environment.



Product: GT-2160

This product was chosen by Runner's World magazine of the U.S.A. for its 2011 "International Editor's Choice" award. This commendation is awarded to the best shoes on sale during that

These shoes feature eco-friendly design for their use of recycled polyester and adopt a molding process that generates less scrap. They have also been approved by the APMA* (American Podiatric Medical Association).

* Established in 1912 as the most prestigious organization for podiatrists, APMA boasts the largest membership in its field.

More than 40 of our shoe models have been accredited by APMA. This certification is only awarded after proof is provided of rigorous clinical trials by testing laboratories to confirm safety and effectiveness



Product: AY Support Cross Bra

Research on the movement of the upper body has resulted in a product design that reduces bust movement during exercise. Contact between the skin and the fabric is also reduced. This eliminates friction against the skin and sensations of constriction due to exercise motion, resulting in a sports bra that enables smooth motion.



Product: BC Walker Shape

These walking shoes introduce the new concept of fusing two functions: contributing to a beautiful walking posture and shaping the lower extremities through walking.

In addition, these shoes feature eco-friendly design by incorporating a more durable material for the sole and adopting a molding process that generates less scrap.

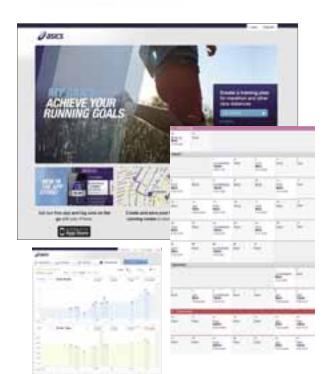




This product won the Good Design Award. Its highly praised design was crafted through careful consideration ease of operation and accommodating the runner's motion. Note: This product was planned and developed

in collaboration with Seiko Instruments Inc.





Service: My ASICS

Our website offers a free online service, grounded in scientific theory, that provides an efficient training menu matched to the level and training frequency of each runner. It provides a highly effective and efficient training menu that can be expected to maximize benefit from limited training effort.

my.asics.co.jp/

Protection of Personal Information

Personal Information Control Policy

ASICS understands the need and importance of protecting customer information and a variety of other personal information. We have thus established the following privacy policy in order to ensure safe and appropriate control.

- 1. The company's core business is the manufacture and sale of various sporting gear and leisure goods. The company will collect, use, and provide personal information within the scope of specified purposes, which are adequate to the type and size of its
- 2. The company will make efforts to prevent the use of personal information for purposes not specified
- 3. The company will make efforts to prevent unauthorized access to, loss, destruction, and/or alteration of personal information and, should any of these occur, take corrective action.
- 4. The company will observe the laws, regulations, and general standards in and out of the organization for handling personal
- 5. The company will respond to any complaint or inquiry appropriately and promptly.
- 6. The company will implement an adequate management system to control and protect personal information and make a continuous effort to improve the system.

The Japan Information Processing Development Corporation (JIPDEC) grants permission for use of the Privacy Mark, a registered trademark, to business enterprises that meet their specific requirements regarding the protection of personal information



Privacy Mark

Personal Information Management System

In fiscal 2011, we implemented our initiatives with the goal of appropriate management and protection of personal information. This goal was determined at a meeting to review fiscal 2010 initiatives under the president. We therefore drafted and implemented the following two-point implementation plan:

- (1) Reexamining the rules regarding the carrying out of recorded personal information for use off company premises
- (2) Upgrading seminars for employees of domestic sales subsidiaries who have not yet acquired the privacy mark, and increasing the management level of the entire group.

Fiscal 2011 initiatives were reported at the meeting under the president. At this meeting, we adopted the following three-point implementation plan for fiscal 2012.

- (1) We shall promote effective handling of customer information in response to increased information risk resulting from a strengthened retail sector.
- (2) All employees shall be especially careful not to disclose personal information by gaining an understanding of personal information management.
- (3) We shall manage information according to risk levels.

Achievements for Fiscal 2011

Plan	Achievement	Evaluation	Challenges	Planned Improvements
We shall reexamine the rules regarding the carrying out of recorded personal information for use off company premises.	We ascertained the usage of USB drives as external storage media and formulated rules for taking them off company premises.	Specific measures have been determined through IT Security Guidelines.	Raising awareness of IT Security Guidelines.	To transfer the content of the personal information seminar for implementation in fiscal 2012.
We shall strengthen seminars for employees of group sales companies.	We provided training in management of personal information at all six sales companies of the Group.	Able to communicate the importance of personal information management.	We need a mechanism for day-to-day management of personal information.	Development of a voluntary inspection list was requested for day-to-day management of personal information.





Environmental Considerations

Environmental Policy

Environmental issues such as global warming and resource depletion are becoming a major international challenge. We recognize that these challenges are having a major impact on our business; we have thus adopted the following corporate policies in order to contribute to implementation of sustainable development.

ASICS Environmental Policy

Principle

Recognizing environmental preservation to be an important responsibility of a corporation, ASICS is determined to act to enable sustainable development of the global community.

Policies

- (1) ASICS will expand and improve its environmental management system within the Group, clarify authority and responsibilities within the organization, and act to preserve the environment on a global scale.
- (2) ASICS will make every effort to reduce the environmental impact of its business operations, including saving resources, saving energy, reducing wastes, promotion of green procurement, and preventing environmental contamination.
- (3) ASICS will not only observe environment related laws, regulations, and agreements in all countries and regions, but also take proactive measures.
- (4) ASICS will make efforts to reduce the environmental impact of its products and services by taking necessary measures from the planning stage.
- (5) ASICS will implement environmental audits to ensure continuous improvement of its environmental management and, in so doing, fulfill its social responsibility.
- (6) ASICS will promote improved awareness of environmental issues among employees throughout the Group through its public relations activities and environment instructor program.
- (7) ASICS will disclose information regarding its environmental activities and ensure better communication with stakeholders.

Achievements in Fiscal 2011 and Future Challenges

At the ASICS Group, we have been promoting to adopt environmental management system such as ISO 14001 to ensure continuous improvement of our environmental initiatives according to the PDCA ("plan-do-check-act") cycle. In fiscal 2011, we obtained ISO 14001 certification at three locations in Europe and expanded our environmental management systems.

Moreover, in fiscal 2011, we set sustainability targets toward 2015 for the entire ASICS Group as well as for our core business, footwear.

We are committed to reducing our environmental impact by 2015 with consideration of the entire value chain from materials procurement through to manufacturing, transport, use, and end of life.

Sustainability Targets toward 2015

Reflecting the results of a joint research project undertaken with the Massachusetts Institute of Technology (page 5), we have set sustainability targets toward 2015 across the entire ASICS Group, including our core business, footwear.

Our targets encompass the entire value chain with an emphasis on reducing the environmental impacts throughout the manufacturing process. In the future, we will continue with our efforts to achieve these targets.

Key ASICS Group Sustainability Targets

- Reduce greenhouse gas (CO₂) emissions by 10%.¹
- Continually strengthen management of chemical substances.
- Conduct R&D on industry-leading sustainable manufacturing processes.
 - Scope: Offices, footwear manufacturing processes, and transportation
 - ² Index of the Sustainable Apparel Coalition (SAC)
 - ³ Target date: Fiscal 2013, Target market: Japan
 - ⁴ Focused on high-volume products
 - ⁵ For shipments to Japan

Footwear sustainability targets

1. Products Overall	2. Materials Procurement	3. Manufacturing Processes	4. Packaging & Transportation
 1-1 Sequentially introduce industry environmental indicators.² 1-2 Set global evaluation standards. 1-3 Increase sales ratio of eco-friendly products to 35%.³ 1-4 Continually strengthen management of chemical substances. 	2-1 Use eco-friendly materials.2-2 Conduct R&D on industry-leading sustainable materials.	 3-1 Reduce greenhouse gas (CO₂) emissions, water consumption, and waste at direct trading factories by 10% per pair of shoes (compared to 2009).⁴ 3-2 Promote use of eco-friendly water-soluble adhesives in at least 60% of production volume. 3-3 Conduct R&D on industry-leading sustainable manufacturing processes. 3-4 Strengthen management of labor practices at subcontracted factories. 	 4-1 Reduce weight of packaging and use recycled materials. 4-2 Reduce greenhouse gas (CO₂) emissions through integration of distribution bases. 4-3 Increase capacity usage of product transport containers to at least 85%.⁵

Environmental Targets for Fiscal 2011 and Achievement Status

We achieved most of our targets for fiscal 2011 based on our ISO 14001 environmental management system. The following table shows the achievement status of the environmental targets of the head office and the Institute of Sport Science, which hold ISO 14001 certification. (Some targets are for Japan Group.)

From fiscal 2012, we will endeavor to promote initiatives on the basis of sustainability targets toward 2015 inherited from our medium-term environmental targets; moreover, we will improve and refine the content of all our initiatives.

Environmental targets, achievement status and evaluation for fiscal 2011

*Evaluation standards: Achievement of 100% and greater: © Achievement of less than 100%:

Category	Fiscal 2011 target		Fiscal 2011 achievement	Evaluation	Related pages
Draduat	· To provide eco-friendly products and services	· R&D of eco-friendly products totaling 393 new products	· 396 new products developed	:	
Product development	· To increase the share of eco-friendly products to 35% of total sales revenue in Japan by fiscal 2013	· Eco-friendly products' share of total sales revenue in Japan: 25%	· Revenue from eco-friendly products totaled 28.9% of total sales	(P15
Information disclosure	· To disclose and disseminate environmental information	To disclose and disseminate our environmental information through the website, catalogs, exhibitions, publicity, and events.	Exhibited and published information on Eco Plan Mark products through the website, catalogs, and exhibitions.	:	_
Factory management	· To adopt eco-friendly management at subcontracted factories	To promote the use of eco-friendly adhesives. To inspect eco-friendly management at subcontracted factories.	· Achieved an eco-friendly adhesives adoption rate of 54.5%	:	_
Reduction in CO ₂ emissions	· To reduce CO₂ emissions by 8% from the fiscal 2007 level by fiscal 2013 (As a target of Japan Group)	· Reduction in CO ₂ emissions from fiscal 2007 level: 6%	· Decreased CO ₂ emissions by 6.2% from 2007 levels.	(P16
Training and awareness-raising	· Train and raise awareness on environmental issues	To implement environmental training and raise awareness within the ASICS Group	· Implemented seminars at 4 offices	<u></u>	_



Developing Eco-friendly Products

We focus on environmental considerations right from the design stage, and have established a voluntary standard for certifying eco-friendly products. We promote environmental sustainability at various stages of the product life cycle from materials procurement and manufacturing to transport, use and end of life (such as selection of eco-friendly materials and processes).

Based on the standard shown in the table at right, more specific standards have been established for each type of product. The ASICS Eco Plan Mark is applied to all our products that meet these standards.

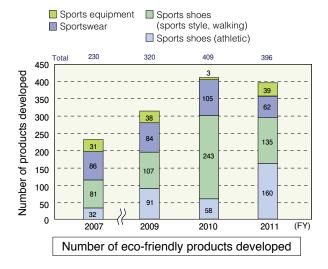
These standards will be periodically reviewed in response to developers' comments and market demand.



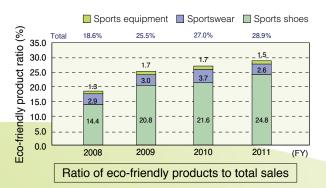
ASICS Eco Plan Mark

Results of Eco-friendly Product Development

In fiscal 2011, we adopted the target of developing 393 eco-friendly products. We developed 396 products (an increase of 3 products above our target), thus successfully achieving our target.



Moreover, we adopted the target of increasing by 25% the share of eco-friendly products relative to total sales in Japan. We succeeded in increasing the ratio to 28.9%, which represents a 1.9 percentage point increase year-on-year, thus achieving our target.



ASICS Eco Plan Mark Certification Standard

Clean	We will reduce environmental impact in manufacturing activities. ★ Products made of environmentally-friendly materials for reduced impact at time of disposal ★ Products constructed with materials that easily biodegrade and breakdown to reduce environmental impact at time of disposal
Saving	We will save energy and resources used in manufacturing activities. ★ Resource saving products that use less materials ★ Products that make efficient use of resources by adopting common materials ★ Energy saving products with an energy efficient manufacturing process
Sustainable	We will reduce wastes by extending product life. ★ Products that allow repair and replacement of worn out parts or those with a construction that makes repair and replacement easy ★ Products that use durable materials and are of durable construction
Recycle	We will recycle products to contribute to a recycling oriented society. ★ Products designed for the recycling system (product collection recycling product) ★ Products that make use of waste materials ★ Products that make use of recycled materials
Packaging materials	We consider packaging materials to be parts of the product and will make efforts to reduce and simplify packaging materials.

Control of Hazardous Chemical Substances

Continuing progress is evident with today's advanced international regulations on hazardous chemical substances, such as the REACH Regulation in Europe and regulations on lead in children's products in the U.S.A.; clearly, environmental regulations are becoming more stringent.

For example, the REACH Regulation has been made more stringent because it was determined that the conventional management methods for chemical substances were not effective at protecting human health and the environment. This more stringent regulation is intended to support a fundamental review of existing systems in keeping with the precautionary principle. As a result, the revised REACH Regulation specifies that chemical substances should be used more carefully considering the impact not only on human health but also on plant growth and the animal environment.

Based on the ASICS Environmental Policy developed in 1995, we have established the ASICS Guideline for the Control and Use of Hazardous Chemicals in 2005 in order to limit the use of chemical substances in our products. This guideline classifies chemical substances into two managerial categories — prohibited substances and controlled substances — according to legal regulations and environmental assessments. For each category, we define a set of rules for subcontracted manufacturers to use when controlling and handling these chemicals.

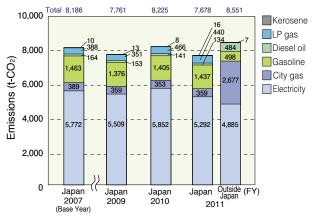
We will continue to update the ASICS Guideline in the future as necessary to adapt to changes in legal regulations and the environment.



Initiative to Reduce CO₂ Emissions in Business Locations

In fiscal 2007, we began compiling CO_2 emissions data in business locations of our Group companies in Japan. We set sustainability targets toward 2015 (page 14) and took steps to implement this reduction in each business location. Regarding the reduction of CO_2 emissions, we achieved the following results: little influence of climatic factors and enhanced power-saving efforts resulted in a reduced impact. As a result, CO_2 emissions across the entire Japan Group decreased by 6.2% relative to the fiscal 2007 level.

In fiscal 2012, in addition to reducing emissions from our current facilities, we plan to consider introducing energy-efficient equipment while working diligently to achieve our targets. Since fiscal 2010, we have been targeting a further reduction in CO₂ emissions globally by compiling data on our group companies outside Japan.



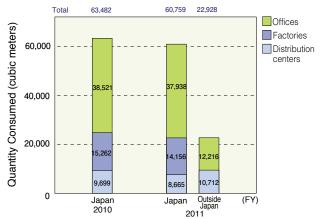
Notes:

- Data applies to Group companies in Japan (33 locations) and outside Japan (37 locations).
- Japan (37 locations).
 Figures for Group companies in Japan are calculated according to an emissions factor based on the Law Concerning the Promotion of Measures to Cope with Global Warming. The electric power emissions factor is 0.410 kg-CO₂/kWh.
- Data for Group companies outside Japan is calculated with emissions factor provided by the GHG Protocol.

CO₂ emissions

Water Consumption of Business Locations

In fiscal 2010, we began monitoring the amount of water consumed by the entire Group.



* Data applies to Group companies in Japan (33 locations) and outside Japan (37 locations).

Water consumption

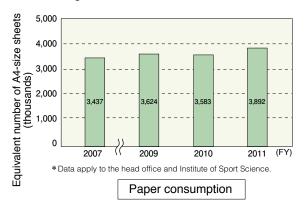
Energy Efficiency, Waste Management, Waste Reduction, and Green Purchasing

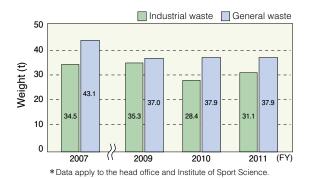
We are engaged in an ongoing effort to reduce paper consumption, minimize industrial waste and general waste from business locations, and practice green purchasing (through the purchase of eco-friendly stationery).

Paper consumption increased by 10.7% from fiscal 2010 levels due to an increase in the number of employees.

Waste from the head office and from the Institute of Sport Science includes industrial waste, which includes materials used in R&D activities, and general office waste. Industrial waste increased by 9.5% and general waste from offices remained stable.

Moreover, 6.1 tonnes of plastic waste generated by the Institute of Sport Science were recycled for use as recycled plastic fuel (RPF), a type of solid fuel. We remain committed to conserving resources and reducing waste in an increasing number of business locations.





CO₂ reduction initiatives at business locations

Volume of waste

Branches & sales corporations	Switching off lights Undertook a switchover to energy-efficient lighting Reducing engine idling with energy-efficient driving education and campaign
Factories	Switching off lights in unoccupied areas Implementation of "Cool Biz" and "Warm Biz" initiatives Adoption of energy-efficient machinery
Distribution centers	Reducing operating hours by increasing work efficiency (reducing electric power consumption) Turning off power sources for unused equipment Increasing the concentration of deliveries
Head office,	Switching off lights; conserving electricity; continuing promotion of energy-efficient driving Reducing CO₂ emissions from business trips by adopting video conference system
Institute of Sport Science	Improving the loading ratio and sufficiency ratio of product transport containers Adopting green design for offices by performing a switchover to energy-efficient lighting Economizing on air conditioning by adopting "green curtains"

Joining the Sustainable Apparel Coalition (SAC)

In March 2011, the Sustainable Apparel Coalition (SAC) was founded by a group of apparel and footwear brands, retailers, manufacturers, academics, government agencies, and non-governmental organizations. With a desire to reduce the environmental and social impacts of apparel and footwear products, the SAC is committed to addressing difficult issues throughout the entire value chain that no single company can achieve on its own.

As a first step, the SAC set out to create a single, common index through which the industry can evaluate the environmental and social impact of products and the supply chain.

In June 2011, we became a member of SAC in order to improve our environmental and social performance in conjunction with the industrial movement. In fiscal 2011, we conducted a pilot test of the index for apparel products, an initiative under development by SAC. We have contributed to the development of the index by providing feedback to SAC in an effort to improve the index and its user-friendliness.

With reference to the content of the index, we revised our eco-friendly product certification standard for apparel products (Eco Plan Mark Certification Standard).

As set forth in our sustainability targets toward 2015 (page 14), we intend to sequentially apply the industry's index to our sustainable product initiatives.

Environmental Initiatives of ASICS Europe B.V.

Expanding ISO 14001 Certification

ASICS is, after the regional head office of ASICS Europe achieved ISO 14001 certification in 2010, further expanding its ISO 14001 compliant environmental management system within its EMEA region.

By 2015 the aim is to have all ASICS subsidiaries in the EMEA region certified. In 2011 ASICS Deutschland

Environmental Initiatives of ASICS America Corporation

Offices with Environmental Features

In fiscal 2011, we took steps to improve the environmental awareness of employees while promoting environmental features in our offices through the following initiatives.

Environmental Considerations Related to Logistics Activities



We promoted the reuse of cardboard boxes in our distribution center. In 2011, we recycled 443 tonnes of paper.

Improving Waste Reduction and Raising Awareness of Reuse

By installing three water filtration systems to provide drinking water in-house, we reduced the use of plastic bottles and consumption of paper cups by employees. This also contributed to a reduction in waste. The filtration device is an energy-efficient device that meets the standards of the international Energy Star program.

In addition, by distributing reusable bottles and cups to employees to promote a switch to reusable products and other efforts, we sought to increase employee participation in and awareness of environmental initiatives.

3 Reduction of Water Consumption

We introduced a waterless urinal system that helps to reduce water consumption by at least 450,000 liters annually.

Procurement of Eco-Friendly Equipment

We introduced environmentally friendly detergents, soaps, and paper products for all lavatories and dining rooms.

GmbH, ASICS Austria GmbH and ASICS Polska Sp.zo.o, which are the sales subsidiaries in Germany, Austria and Poland achieved ISO 14001 by BSI (British Standards Institute) and with the next office of ASICS UK Ltd. working towards certification in the second half of 2012.

New Office Building Featuring Eco-friendly Design

In November 2011, ASICS Europe B.V. moved to a new building featuring eco-friendly design. As a result, this is a very worker-friendly and earth-friendly workplace.

Climate Ceilings (water pipe system) throughout the office provide efficient low-level warming and cooling. No refrigerants are needed!

The meeting rooms each have a demand-driver ventilation system which is monitored and controlled by CO₂ meters.

Intelligent lighting ensures that office lights are only on when needed. Office lights are linked to motion detectors so they switch off when areas are not in use. Also the row of lights closest to the exterior windows dim or brighten depending on how bright it is outside.

AEB has chosen to use 100% renewable electricity which is sourced through Delta Energy.



Efficient use of space and a pleasant outdoor area have been created by locating the parking area below the office.

Solar Panels located on the office roof generate electricity the whole year round, but particularly in summer when the electricity is used to power the cooling system.

The atrium is not only a great place for meetings and sharing lunch - it also increases the amount of natura light within the office and decreases the need for artificial lighting.

The 'Green Machine' uses bio-oil synthesized from waste from the meat processing industry. The waste is an existing & renewable resource.

80% of the heating needs of our office are provided by waste heat generated by the 'Green Machine' bio-oil electricity generator (located between the TNT and ASICS offices)

Management Review

ASICS holds an annual review meeting under the president in order to review environmental initiatives from a management perspective.

At the annual review meeting held in March 2012, we reviewed our initiatives for fiscal 2011 and issued the following decisions.



Review meeting under the president

Decisions

- 1. To continue the environmental policy (p. 13)
- 2. Integrate the medium-term targets within the sustainability targets toward fiscal 2015. Promote environmental initiatives with the Division as an activity
- 3. To promote value-chain-conscious development of products and technologies while fulfilling our responsibilities as a global company

We intend to undertake improvements of the accounting system in the future in order to use this tool as an indicator for environmental management.

Environmental Accounting

From fiscal 2010, ASICS calculated the amounts invested and costs of environmental preservation. We are working to implement Environmental Accounting in which the amounts invested and the cost-effectiveness of these investments are reflected in management decision-making.

Environmental Conservation Cost

(thousands of yen)

	Category	Key Activity and the Outcome	Investment	Cost
	Business area cost		0	32,016
1	Pollution prevention cost	Inspection, testing and analysis	0	13,751
'	Global environmental conservation cost	Introduction of energy-efficient equipment and energy-efficient vehicles	50,500	553
	Resource circulation cost	Use of recycled materials, introduction of energy-efficient equipment	0	17,712
2	Upstream/downstream cost	Green procurement, etc.	0	15,751
3	Administration cost	Implementation of ISO 14001, etc.	0	6,364
4	R&D cost	Eco-friendly product development, etc.	0	79,719
5	Social activity cost	Support of local environment, donations, etc.	0	291
6	Environmental remediation cost	_	_	0
7	Other cost		0	0
	Total		50,500	166,157

Notes:

Environmental Conservation Benefit (volume)

Environmental Aspects		FY2010	FY2011	Difference
Conservation of energy and resources	Electricity (kWh)	3,282,005	3,013,432	-268,573
	Fuel gases (cubic meters)	143,655	148,920	5,265
	Gasoline (liters)	41,069	46,697	5,628
	Water (cubic meters)	20,821	22,575	1,754
Waste	Industrial waste incineration (tonnes)	28.4	31.1	2.7
vvaste	General waste emissions (tonnes)	37.9	37.9	0

Environmental Conservation Benefit (monetary value)

(thousands of yen)

Environmental Aspects	FY2010	FY2011	Difference
Amount paid for electricity, gas, gasoline and water	82,836	84,705	1, <mark>86</mark> 9



[•] Data cover only the Head Office, the Institute of Sport Science, and all divisions. • The amount of recycled materials present in our products are not included.

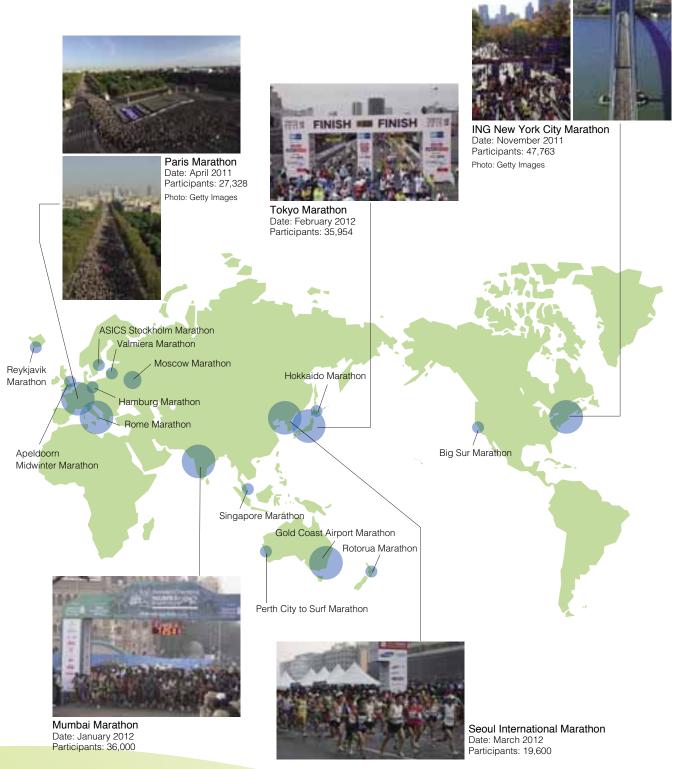
Community Service

Basic Concept

According to our founding philosophy of *Anima Sana In Corpore Sano* ("A sound mind in a sound body"), we are committed to supporting human health and happiness and contributing to the emergence of a sustainable society through the sports addressed in our business. In this belief, ASICS contributes to ongoing social initiatives at both the community and global level.

Supporting marathons worldwide

As of 2011, we have provided support to about 50 marathons worldwide. In the future, ASICS Group companies both inside and outside Japan will strive to contribute to society by promoting sports in all regions.



Major marathons supported by ASICS in fiscal 2011

Promoting sports throughout Japan

We continued to support community events in which all segments of society can participate.

(1) The 5th ASICS Tohoku Sales Corporation Cup ParkGolf Tournament

Date: July 2011 Participants: 127



(2) The 9th ASICS Open ParkGolf Tournament in Hokkaido

Date: June 2011 Participants: about 400



(3) The 19th ASICS Cup Track-and-Field

Tournament in Aichi Date: March 2012

Participants: about 1,200



- (4) Special Olympics Nippon Golf Tournament* Our employees volunteer for competitions, games, and routine programs held in all parts of Japan.
 - *Special Olympics Nippon is an international sports organization for people with intellectual disabilities that provides a variety of sports training and competitions annually that offer an opportunity for these athletes to demonstrate their abilities.



(5) The ASICS Sports Museum

● Visitors: 11,830

- Miniature shoe-making: 1,140 participants
- Off-campus Sports Environmental Education: 703 students from 12 schools
- Exhibition of Sports Paintings: 29 participants at the sketching event and 13 schools submitted a total of 148 paintings as general submissions.
- Walking Workshop: Offered five times to a total of 88 participants
- (6) Public access to our company's facilities in our head office atrium

Hyogo Basketball Association

"Table Tennis Workshop," Kobe Athlete Town Club, an NPO





Share profits brought by our sound services with our shareholders, communities and

CSR Objectives

- We engage in fair competition and just business transactions to create profits.
- We continuously share our profits with our shareholders, communities and employees appropriately.
- We encourage those in our supply chain, who contribute to product supply such as subcontracted factories, to share our CSR values.

CSR Management for Subcontractors

Basic Approach

At ASICS, we strive to create relationships throughout the supply chain by evolving together with the people who work in it, especially at subcontracted factories. We are committed to implementing factory audits and improvement initiatives in collaboration with factories according to the Management Policies for ASICS Business Partners.

Management Policies for ASICS Business Partners (condensed)

- 1. General Principle
- ASICS Business Partners shall operate in full compliance with all national and local laws, rules and regulations applicable to their business operations.
- 2. Employment Standards (extracted titles only)
- (1) Forced Labor (2) Child Labor (3) Harassment or Abuse
- (4) Discrimination
- (5) Right of Association and Collective Bargaining (6) Wages (7) Hours of Work (8) Benefits (9) Health and Safety
- 3. Environment ASICS Business Partners shall comply with all applicable environmental laws and regulations and shall work towards further improving environmental conservation. (Excerpt)

Main Initiatives for Fiscal 2011

In fiscal 2011, we conducted audits on 59 subcontracted factories in Southeast Asia. Concurrently, we are improving the management level of the entire ASICS Group while taking steps to standardize work within our Group, including at subsidiaries outside Japan, while updating our factory evaluation index, auditing tools, and business flow.

The audits help to clarify the situation and enable us to address problems when encountered. In addition, we have held seminars to improve understanding at these factories.

By applying the findings of past initiatives, we intend to further refine our future initiatives.

Audit for Fiscal 2011

In fiscal 2011, we actively conducted internal audits of factories in Vietnam, Indonesia, Thailand, and Cambodia. This initiative was intended to enhance our understanding of country risks specific to emerging economies and working conditions. One advantage is that we can more easily communicate with the factories for improvement initiatives when our employees audit themselves directly. So, we added more weight to this activity.

At the same time, we commissioned audits with independent third party monitors in the regions familiar with local laws and languages.

As of fiscal 2012, we have been scheduled to conduct internal audits and commissioned audits alternately in order to undertake more accurate audits and implement enhanced improvement initiatives.

Number of Audits by Year

ASICS products are manufactured by 157 subcontracted factories in 20 countries around the world. These factories are audited with consideration for their state of improvement and audit frequency. In fiscal 2011, ASICS conducted these audits at 59 factories.

Audits by year

Audit year	Internal Audit	Commissioned Audit	FLA Audit	Total
2007	31	27	11	69
2008	34	36	8	78
2009	10	23	10	43
2010	32	22	8	62
2011	41	10	8	59

Audit Items

According to the terms of Management Policies for Business Partners, we prepared an audit checklist to evaluate each subcontracted factory. We use this list to confirm the status of compliance with laws, regulations, and international standards as well as ASICS corporate standards, and we seek to identify detailed improvement measures tailored to individual circumstances.

In fiscal 2012, we plan to structure the system in a way that reveals the status quo with greater accuracy while undertaking improvements by closely investigating the evaluation guidelines and items to be checked.

Items covered by the audit and compliance rate

Broad category	Compliance rate (%)	
Contracts	76	
Wages	78	
Working hours	77	
Holidays/vacation	85	
Benefits package	81	
Labor-management relations	64	
Occupational health and safety	75	
Other		
Total	77	

Types of Audits

In order to prevent omissions, errors, and bias in evaluations, and to ensure greater accuracy of auditing, we have implemented three types of audits, each with its respective advantages.

(1) Internal Audit

Our CSR team visits a subcontracted factory as auditors and interviews management regarding labor issues, health and safety, and environmental issues and undertakes a document inspection. During the audit, the team informs the management of the details of our CSR philosophy, vision, and policy.

Through this process, the team members and the management seek to coordinate their respective awareness levels in keeping with global trends. The team also works to identify any outstanding issues and the management implements any corrective actions required.

(2) Commissioned Audit

This audit is performed by a professional auditing company at our request. Professional auditors who understand the local language inspect the state of the subcontracted factory. Offsite interviews are also employed to collect raw information from employees who are often difficult to reach during working hours.

This is an audit performed by the FLA*, an NPO of which we are a member. We believe that it is very important to request a third-party organization to conduct audits in addition to the existing internal audits and commissioned audits.

* Fair Labor Association

The Fair Labor Association (FLA) is an NPO advocating for labor rights and improved working conditions around the world. It performs random audits on subcontracted factories according to the FLA's own standards, which are based on the ILO Charter. The results of the audits are publicly disclosed on the FLA website to ensure fairness and transparency.





Top: Measuring the width of passages for their suitability in an emergency Bottom: Confirming the scope of

management and contents of the first-aid kit.



Confirming the scope of management of fire extinguishers



Concept of Audit

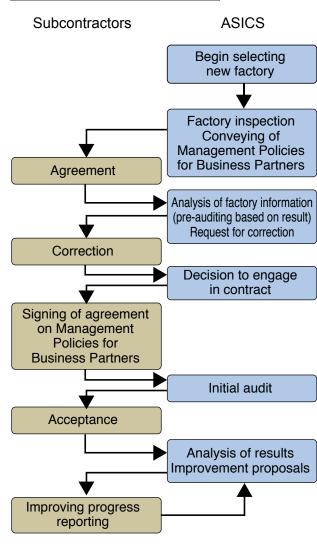
We prepared an audit checklist comprising over 100 items according to the terms of Management Policies for ASICS Business Partners, and we are using the checklist to evaluate each subcontracted factory. This approach offers the advantage of simplifying the calculation of the compliance rate by comparing against the checklist; moreover, it can be used effectively to confirm the status of labor agreements, wages, and the management of working hours with relative efficiency.

On the other hand, we found out that it was less than suitable for making a comprehensive evaluation because it was too focused on extracting events piecemeal and not on determining whether a factory has a mechanism for identifying problems and taking measures to prevent recurrence.

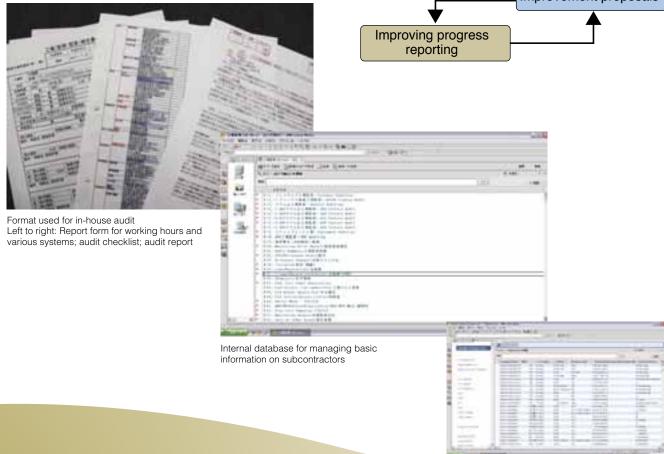
For example, for factories with no violations where this result was attributed to the competence of excellent individuals in charge, the working environment of the plant can clearly be impacted by a personnel turnover. In other words, such a factory has no overarching mechanism for sustaining such improvements at the organizational level.

Thus, rather than use a method that is too focused on short-term phenomena, we sought to establish an evaluation method that leads to improvements through identification of the true cause of a violation.

In 2012, in addition to establishing a consistent evaluation method throughout the entire ASICS Group, we plan to create an auditing tool for evaluations with a scheduled restart for globalized supply chain management.



Selecting a factory for an initial audit



Communication with External Stakeholders

ASICS Complaint Hotline

We have provided our subcontracted factories in China with the telephone number of the ASICS Complaint Hotline in order to give workers an outlet for suggestions on improvements.

However, since we have not yet received any complaints or opinions concerning factory management or the initiatives of ASICS, we will continue to seek other means of obtaining this information in the future.



A label showing the telephone number of the ASICS Complaint Hotline affixed to a poster showing Management Policies for ASICS Business

These posters are displayed in subcontracted factories.

Communication with other companies and organizations

To resolve labor issues, it is important to talk with various NGOs and NPOs, to exchange opinions with various business organizations and manufacturers of other brands, and to collaborate with parts suppliers. Consequently, we shared information with the Asian and Pacific Regional Organization of the International Textile, Garment and Leather Workers' Federation (TWARO) and exchanged opinions with the CSR Committee of the World Federation of the Sporting Goods Industry (WFSGI)1.

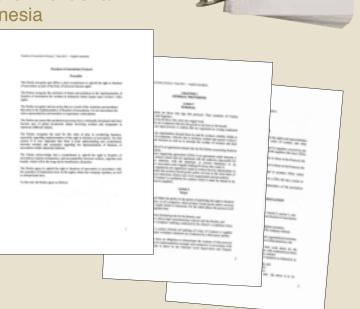
In addition, as a founding member of the Sustainable Apparel Coalition (SAC)2, we participated in the organization's charter convention.

- 1 World Federation of the Sporting Goods Industry, a global industry organization whose members comprise companies and organizations related to the sporting goods industry. The federation's current president is Motoi Oyama, President of ASICS Corporation.
- 2 An association of global apparel and footwear brands, retailers, manufacturers, and NGOs focused on reducing adverse environmental and societal impacts of apparel and footwear products.

Agreement to Promote the Establishment of a Labor Union at Factories in Indonesia

In June 2011, an organization consisting of several NPOs submitted a request through the World Federation of the Sporting Goods Industry (WFSGI) to promote the establishment of a factory labor union at each company belonging to the sports industry in Indonesia. ASICS feels supporting the Indonesia Protocol complements our own brand principle that we support Freedom of Association and Collective Bargaining.

Moreover, no unfair repression of labor union activities is allowed from management or others; at the same time, no one may be compelled to form a labor union. ASICS intends to respond on the basis of this position in the future.





TOPICS

Implementing participatory training workshops for factory managers

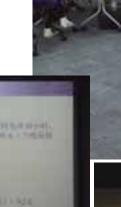
ASICS undertakes audits not only to identify violations, but also to provide instruction and suggestions for improvements to subcontracted factories. As this process revealed, in too many cases violations resulted from a lack of awareness of the issues to be complied with.

The rationale for the floor lines that mark out evacuation routes to emergency exits and floor lines around fire extinguishers were not well understood. As a result, as one example, lines were drawn at locations not relevant to the facility circumstances and obstacles were stacked in a prohibited area.

At the audit closing meeting, we explained and identified violations within the factory while introducing examples of a model factory in order to make sure everyone clearly understands the situation.

We then realized that it would be more effective to impart the basic knowledge by gathering together all people from numerous factories. Taking this approach, we held a seminar in Shanghai, China. We focused on health and safety in fiscal 2011 and now intend to hold such seminars over the long run. Many topics remain to be addressed, including wages, working hours, and the establishment of sound labor-management relations. Looking forward, we will continue to hold these seminars with consideration for the needs of individual plants.

Seminar in Shanghai



Explanatory screen used at the seminar (example of calculation method for overtime pay)



Participants in Shanghai seminar

Comments from Outside Stakeholders

The Pou Chen Group, a footwear subcontractor, and the Fair Labor Association that undertakes an external audit provided us with comments on the CSR initiatives of ASICS.

Comment from Pou Chen Group, a Subcontractor

In developing its business integration with ASICS, the Pou Chen Group has made efforts to establish pleasant working conditions that exceed the regulatory requirements of local governments and international CSR standards, with no discriminatory treatment of employees according to nationality, age, gender, or

As part of these efforts, we have sought to create a better working environment that meets the dietary preferences and living conditions of people from various regions. We have constructed a factory that provides a spacious work environment with a ceiling height that accommodates the specific weather conditions of

Vietnam and Indonesia, with water-cooled curtains and fan-driven ventilation. In addition, we established a mosque in Indonesia, a country with a large population of Muslims; thus, we show consideration for our employees' faith and rest requirements.

In addition to providing such facilities, we are working to address issues related to labor and our employees' way of life. We have established CSR Secretariats at all factories that provide employees with assistance by listening to their concerns and opinions. Shoes are made by people and are intended for their use, so it is clearly important to care for the people who make them. In the CSR audits undertaken annually by ASICS, our approach has been highly praised. We have sustained our business by sharing with ASICS the values that are common to companies located in Asia. We take great pride and joy that our relationship with ASICS has not resulted in any major disputes, labor strikes, or any remarkable tardiness.

We are committed to working with ASICS for many years to come.



Training of new hires



A health and safety-conscious

Comment from the Fair Labor Association

The Fair Labor Association (FLA) is an NPO that promotes fair labor practices. To promote the establishment of and compliance with fair labor standards for all workers, ASICS has made efforts to take action through its global supply chain.

Over a period exceeding 15 years, we have conducted Independent External Monitoring (IEM) at more than 1,000 locations. As a result, we have been able to identify instances of non-compliance and provide guidance on improvements on a global scale for the realization of a better working environment.

ASICS, the only member of the FLA in Japan, takes a leading role in demonstrating corporate responsibility and sustainable manufacturing. In order to protect workers' rights and improve their lives in the future, the FLA will remain committed to working collaboratively with ASICS.





Corporate Philosophy 4

Maintain a spirit of freedom, fairness and discipline, respectful of all individuals

CSR Objectives

- We put in place processes, systems and structures to enable appropriate and efficient decision-making and business activities.
- We encourage diversity, respect for all, and create a working environment where every employee can show individuality and creativity, so that personal development and corporate growth go hand in hand.

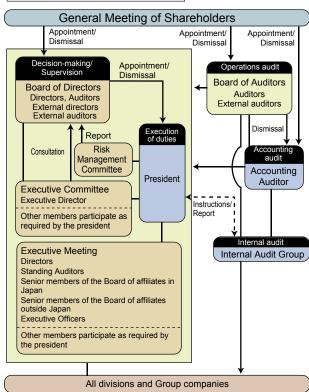
Corporate Governance

Basic Approach

ASICS is dedicated to continuous enhancement of our corporate value, to gaining the trust of all stakeholders, and to achieving highly transparent management without delay. We aim to implement corporate governance that enables us to improve our business management system. We are focusing our efforts on enhancing the audit functions of our corporate management and the internal controls, thorough compliance, and improving the transparency of our business activities. We are dedicated to forging a management approach that reflects the perspectives of our shareholders.

Our founding philosophy is *Anima Sana In Corpore Sano* ("A sound mind in a sound body"), reflecting the ASICS Spirit. With this as our foundation, we have established the corporate policy of conducting business according to the Philosophy of ASICS in order to realize our vision of "creating a quality lifestyle through intelligent sports technology."

Corporate governance system



Internal Control System

Internal Control Policy

In keeping with the ASICS Spirit - the heart of our enterprise - and the ASICS CSR Policy, we have established a system for ensuring the proper operation of ASICS by adopting an Internal Control Policy under the Companies Act and the Ordinance for Enforcement of the Companies Act.

Internal Controls on Financial Reporting

We have adopted a scope of evaluation based on the Internal Control Reporting System under the Financial Instruments Exchange Act (J-SOX). Thus, we have developed and implemented various regulations and rules for the areas of "company-wide control," "accounting and financial reporting processes," "business processes," and "IT general controls."

In light of the expected expansion of the ASICS Group, we will continue to prepare internal controls for subsidiaries, which were not conventionally subject to evaluations. Through this process, we will also improve the operational efficiency of related departments.

Internal Audits

In fiscal 2011, the Internal Audit Group undertook audits on a total of 14 companies (seven in Japan and seven outside Japan), including ASICS.

We implemented proposals for improving operational efficiency with a focus on sales subsidiaries in Japan. Outside Japan, for the new members of our Group HAGLÖFS Holding AB and ASICS Canada Corporation, we undertook audits for the purpose of understanding business details and internal control matters subject to the local management.

In fiscal 2012, we are scheduled to strengthen the audits of our own branded retail stores in anticipation of an increase in their numbers as a result of the strengthening of the retail sector both inside and outside Japan.

Risk Management System

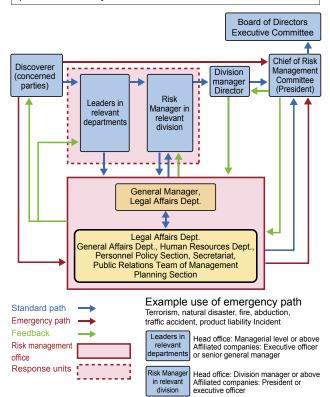
The ASICS Group has formulated a risk management policy that defines the basic response to a crisis that either has occurred or is expected to occur. Through the implementation of the following systems, this policy is intended to minimize damage whenever a crisis occurs.

The committee follows a predefined communications network and methods for notifying the chairman (the president) and Board of Directors should any executive or employee of the Group recognize the sign of an impending crisis.

- In a time of a crisis, the chairman of the Risk Management Committee establishes an emergency response headquarters and appoints the chief of the headquarters according to the risk level as defined in the risk management policy. The chief of the headquarters shall be responsible for determining response measures and for external negotiations in order to implement the necessary measures.
- The Risk Management Committee shall undertake regular reviews to expose potential risks; plan and execute the necessary detection, prevention, and training measures; and evaluate the risk management and response measures. The office of the Risk Management Committee shall manage risk for the entire group collectively and comprehensively, while the Auditing Department shall perform periodic audits of the risk management system.

Following the East Japan Great Earthquake on March 11, 2011, we were able to confirm the safety of all employees by the following day. On March 12, we were able to quickly prepare and ship relief supplies to the disaster area.

Management disclosure chart for quality assurance & product security issues





ASICS Code of Conduct

ASICS has adopted the fundamental principle that all executives and employees must observe the ASICS Code of Conduct.

ASICS Code of Conduct

"ASICS Code of Conduct" sets out the basic standards to be complied with by all members of ASICS Group during their daily activities and in each decision.

1. Integrity to customer

- 1) Create innovative values and meet customer needs
- 2) Safety of products and services
- 3) Appropriate display, description and advertising
- 4) Respect customer's privacy

2. Appropriate relation with Society and Environment

- 1) Refuse any relation with anti-social forces
- 2) Compliance and respect for regional culture
- 3) Contribute to sports culture and community
- 4) Minimize environmental impact

3. Fair business activities

- 1) Disciplined business activities
- 2) Ban of big rigging, cartels and dumping
- 3) Limits on entertainment and gifts
- 4) Appropriate relations with our business partners
- 5) Recognize the value of intellectual property
- 6) Protect corporate assets
- 7) Safeguard of confidential information
- 8) Distinction between public and private interests
- 9) Ban of insider trading
- 10) Appropriate corporate publication and disclosure

4. Maintain sound workplace

- 1) Health and safety in workplace
- 2) Eliminate discrimination
- 3) Eliminate harassment
- 4) Respect of privacy

For details, please visit the following website. www.asics.co.jp/corp/envi/D

Safeguarding Our Intellectual Property

As our business operations become more globalized, instances of violations of our intellectual property rights continue to increase. In order to defend our brand value, we are promoting global initiatives to protect intellectual property rights.

In recent years, developing countries have been producing increasing amounts of counterfeit products that are being sold around the world. Therefore, surveillance and detection must be strengthened.

In fiscal 2009, in order to increase in-house recognition of the damage to our brand value arising from the current extent of product counterfeiting, we created a display area for an exhibit of examples of counterfeit products.

We will continue to strengthen the confidence of our customers by taking measures against counterfeit products.

Speak-Up Hotline

The company has instituted the Speak-Up Hotline, a service available to Group companies in Japan as well as major sales companies in the U.S.A. and Europe. It accepts reports and inquiries regarding any behavior that violates or could violate the ASICS CSR Policy or the ASICS Code of Conduct. It also provides an opportunity for consultation on compliance issues. This service is intended to detect the first signs of wrongdoing and to promote the adoption of corrective measures without delay.

Special measures are taken to prevent unfair treatment of employees who use the Hotline.

Compliance initiatives in fiscal 2011 (continuous enforcement)

We provided training regarding compliance, sexual harassment and workplace bullying as part of our CSR training at workshops (51 participants) held for newly hired graduates (including the ASICS Group).

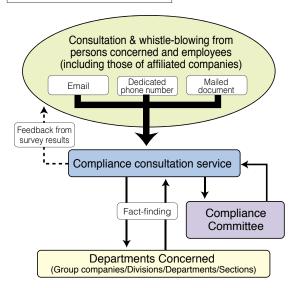
We provided training regarding compliance, sexual harassment and workplace bullying as part of our CSR training for employees recruited in mid-career.

- · June 17, 2011: 19 participants
- · November 8, 2011: 37 participants
- · February 7, 2012: 25 participants

Implement training of division managers and department managers regarding overall compliance, prevention of harassment, and labor time management.

· November 7-December 20, 2011: 145 participants

Speak-Up Hotline flowchart





Investor Relations

Prompt Disclosure System

We recognize that prompt and timely disclosure of information, including accounting information, to investors is indispensable for ensuring a sound securities market. We shall make a diligent effort to establish a proper organization for the rapid provision of fair and accurate information from the perspective of investors.

Moreover, information disclosed through securities exchange is promptly published on our corporate website.

Flowchart for prompt disclosure



Distribution to stakeholders over the internet Corporate Other subjects 5% executives 1% Investors 1% Company NPO·NGO 1% employees 27% Government bodies 1% Private enterprises 1% Local Total: governments 1,287 11% Students (job hunting) Research and educational institutions Students 18% (research) 18%

Communication

As a medium of communication with all shareholders and investors, we issue our semiannual ASICS Shareholders Newsletter (Japanese-language edition) and our Annual Report (English-language edition).

In addition, we publish securities reports on our corporate website.

For our multiple stakeholders, we publish our annual CSR Report to present not only economic data but also information related to the environment and society.

Our company is registered on the Eco Hotline Website. All stakeholders can obtain our latest CSR Report from our website at no charge.



Our website for investors



Our Employees

A Full Spectrum of Systems

Work-life Balance Initiative

We are working to achieve greater work-life balance with a system designed to enable employees to maintain their employment even when they must leave work temporarily for childcare and family-care reasons. At the same time, we are seeking to enhance our operational efficiency in order to reduce overtime requirements.

Regarding the initiatives we have adopted to support childcare, maternity leaves for our employees have increased not only for the first child, but also for subsequent children.

Our International Training System

Focused on young employees, our international training system posts personnel for one year to an affiliate or office located outside their home country; in 2011 we posted two employees. In addition, since fiscal 2007 we have been accepting two trainees annually from ASICS Europe B.V.

Our Multifaceted Evaluation System and Double-track Career System

We are planning to engage our personnel in a flexible manner through five initiatives: a multifaceted evaluation system in which subordinates, superiors and colleagues evaluate their managers; a double-track career system that addresses the work style of research and engineering positions that require a high degree of specialization; an internal recruiting system that recruits necessary talent from within the company; an entry system that allows employees to request their field of choice; and a self-declaration system through which employees can submit their opinions regarding work and transfers.

Opening of the ASICS Business Leadership School

This school was established in order to create a strong foundation for training personnel capable of responding flexibly to rapid globalization and changing markets over the medium to long term. We train candidates for executive positions at an early stage and continually enable them to achieve the ASICS Growth Plan while contributing to future development. The following three classes were offered in fiscal 2011.

Management Class: 8 participants, 10 months duration
The goal of this class is to cultivate a broader perspective
in preparation for an executive position in our Group.

Assistant Management Class: 16 participants, 0 months

Assistant Management Class: 16 participants, 9 months duration

The goal of this class is to impart management skills for leadership and to foster a broader perspective.

Responsibility Level Class: 8 participants, 8 months duration

The goal of this class is to strengthen English language and communication abilities as well as market analysis skills.

Benefits exceeding the legal requirement

Childcare Leave System:

Available until the child reaches the age of 2 (18 months according to law).

Nursing Care Leave System:

Provides for a maximum of one year (93 days according to law).

Working-hour Reduction for Childcare System:

Working hours can be reduced until the child completes grade 6 (attainment of school age according to law).

Short Flextime System:

Introduced for childcare/nursing care, the flextime system offers one less hour of work than the prescribed total.

Childcare Leave System:

To allow parents to care for outbreaks of childhood diseases, absences of 10 days annually are available to employees until their child completes grade 6 (five days for the first child and 10 days for the second child, according to law).

Nursing Care Holiday System:

For families involved in a primary nursing care situation, absences of 12 days annually are available to employees with one dependant (five days for the first dependant, 10 days for the second, according to law).

Cumulative Paid Leave System:

This system allows for the accumulation of up to 80 days of annual paid leave. According to law, this time would otherwise expire after a two-year statute of limitations. This time can be used for childcare, caring for family members, or fertility treatments.

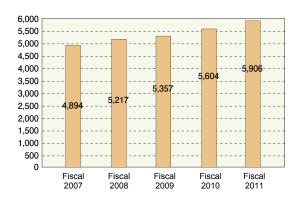
Childcare Leave System during Daycare Adaptation Period:

With this system for those with children being admitted to a daycare facility, up to one month of leave is available during the period the child is becoming accustomed to daycare.

Number of Employees

The following graph shows the trend in the number of employees working for the ASICS Group worldwide. As of March 2012, 3,593 were employed in Japan and 2,313 were employed outside Japan.

Number of employees



Contributing to Healthy Minds and Healthy Bodies

The ASICS Health-up Plan

Since February 2010, we have been holding the Walkers' Rally* on a regular basis. Building on this initiative, in fiscal 2011 we launched the ASICS Health-up Plan, an annual health event. The goal of this plan is to raise our own health awareness and spontaneously practice healthful behaviors.

Through these initiatives, we can create an environment for easy consultation and provide effective health guidance through exchanges with our Health Care Section. In the Walkers' Rally in particular, in addition to increasing the number of long-term members, we were able to learn more about employees who did not participate in regular events but who adopted their own practice schedules. In addition, we saw the unexpected benefit of active communication on common topics within departments by employees who already were familiar with each other.

In the future, we intend to enhance the content while promoting increased participation and new participants who can take part in various events while encouraging our affiliates to adopt this practice.

* A health management event in which participants count their steps during a specific period and adopt the habit of exercise.



Prize for participation in "ASICS Health-up Plan" awarded to participants

Company-wide Employee Interviews

Using company-wide employee interviews, we set out to establish health goals by consulting with our employees regarding their lifestyles (diet, alcohol consumption, exercise, smoking, sleep habits, stress levels, and type of work). We monitored their progress after one year, with fiscal 2011 marking the first year of the monitoring program.

One employee who achieved success remarked, "Last year I declared that I would lose 3 kg, so I tried my best to remain on my diet."

In another case, some employees who had agreed to a more aggressive target shared their successes with great joy.

On the other hand, some employees were unable to continue with their planned health goals, and their state of health deteriorated. However, we heard comments from some that they would even consider different methods this year and put all their efforts into their health, statements that were not part of their interviews. These statements suggested a difference from their past approach of simply following a generally healthy diet and exercising.

Setting voluntary goals through dialogue, we were able to tailor health guidance more closely to the personality of the individual.

Going forward, we aim to enhance these health activities by continuously monitoring the lifestyles of our employees.

Public Lifesaving Classes using AEDs

With the widespread and growing installation of automated external defibrillators (AEDs) in public facilities, it is believed that those who have been given defibrillation are more likely to successfully re-enter society. We have expanded the number of public lifesaving classes that were introduced at our head office, thus training employees who can contribute significantly to the wellbeing of their fellow citizens.

Current Evaluation of Our Efforts

Our efforts to create a pleasant workplace were recognized in an article published in the Kobe Shimbun newspaper in March 2012.

"2006 ASICS was awarded the Kobe Male/Female Lively Business Award," which is presented to businesses with a proactive approach to creating a pleasant workplace for both men and women.



Kobe Shimbun, March 12, 2012



Standard Disclosure Table of GRI Sustainability Reporting Guidelines 2006 (3rd edition)

The ASICS CSR Report 2012 was prepared in accordance with the GRI Sustainability Reporting Guidelines 2006 (3rd edition). The following table shows how the pages of the ASICS CSR Report correspond with the sections of the GRI Guidelines.

Content of Report			Reference page
1	1.1	A Statement from the most senior decision maker in the organization (CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy	P3-P4
	1.2	Description of key impacts, risks, and opportunities	P3-P4, P8, P14
	2.1	Name of the organization	P2
	2.2	Primary brands, products and services	P2
	2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures	P2
	2.4	Location of organization's headquarters	P2
2	2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report	P2, 34
	2.6	Nature of ownership and legal form	P2
	2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries)	P2
	2.8	Scale of the reporting organization	P2
	2.9	Significant changes during the reporting period regarding size, structure, or ownership	
	2.10	Awards received in the reporting period	P11
	3.1	Reporting period (e.g., fiscal/calendar year) for information provided	P2
	3.2	Date of most recent previous report (if any)	P2
	3.3	Reporting cycle (annual, biannual, etc.)	P2
	3.4	Contact point for questions regarding the report or its contents.	Back cover
	3.5	Process for defining report content	P2, P8
3	3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	P2
	3.7	State any specific limitations on the scope or boundary of the report.	
	3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	
	3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	P16
	3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods)	
	3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report	
	3.12	Table identifying the location of the Standard Disclosures in the report	P33
	3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	P12, P14, P22

1	Strategy	and	Ana	lysis

² Organizational Profile

⁵ Management Approach and Performance Indicators

		Content of Depart	Poforonoo nogo
		Content of Report Governance structure of the organization, including	Reference page
4	4.1	committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight	P27
	4.2	Indicate whether the Chair of the highest governance body is also an executive office (and, if so, their function within the organization's management and the reasons for this arrangement)	P27
	4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members	See the relevant page of the "Securities Report."
	4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body	P27
	4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	See the relevant page of the "Securities Report."
	4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	P27
	4.7	Process for determining the qualifications and expertise of the members of the highest governance body for guiding the organization's strategy on economic, environmental, and social topics.	P27
	4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	P1, P8, P14, P29
	4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	P18, P27
	4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	P27
	4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	P28-P29
	4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	P8, P11, P17, P22, P24
	4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	P17, P22, P24
	4.14	List of stakeholder groups engaged by the organization.	P8
	4.15	Basis for identification and selection of stakeholders with whom to engage.	P8
	4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	P24-P26, P32
	4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	P10, P24-P26, P32
	5	Economic	P2
		Environmental	P5-P6, P13-P18
		Labor Practices and Decent Work (fair working conditions)	P31-P32
5		Human Rights	P21-P26, P29
		Society	P29
		Product Responsibility	P9-P10, P12
		1	

³ Report Parameters

⁴ Governance, Commitments, and Engagement

The ASICS Group International Network



ASICS America Corporation

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ASICS Brasil Distribuicao Ecomercio de Artigos Esportivos Ltda. ASICS Europe B.V.

ASICS France S.A.S

ASICS Deutschland GmbH ASICS UK Limited ASICS Italia S.p.A. ASICS Oceania PTY.LTD.

ASICS Korea Corporation ASICS China Trading Co., Ltd. **ASICS Taiwan Corporation** HAGLÖFS HOLDING AB

Director's Message

In fiscal 2011, we formulated Phase 2, the next stage of ASICS Growth Plan 2015. In Phase 2, we included the basic strategy of ensuring a stable supply of safe and high-quality products. Clearly, being able to provide our customers with a stable supply of such products is a company's responsibility. By reiterating this commitment here again, we believe it is important to share the same ideal not only with our employees, but also with all those involved in the production of ASICS products.

In recent years, the need to address many social and environmental issues surrounding the company has necessitated that we collaborate beyond our conventional corporate framework.

In order to realize our common mission of the sustainable development of society, we remain dedicated to fulfilling our responsibilities as a member of society.

> Toshiyuki Sano Director and Managing Executive Officer, Senior General Manager Global Legal & Compliance Division



Scope of This Report

Period: 2011 fiscal year (April 1, 2011-March 31, 2012)

Boundary: ASICS Group

Publication date: June 22, 2012

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