



Review of “ASICS Growth Plan 2015”
New Five-Year Strategic Plan “ASICS Growth Plan 2020”

February 17, 2016
ASICS Corporation

Review of “ASICS Growth Plan (AGP) 2015”

Financial Target

Review of AGP2015

Achieved the sales target, but fell short of the operating income target

(Unit: 100Millions of YEN)	2010 Actual* ¹	AGP2015 Target	2015 Actual* ¹	CAGR* ¹
Sales	2,353	4,000	4,284	13%
Operating Income	215	400	274	5%
Operating Income Ratio	9.2%	10.0%	6.4%	--

*¹ 2010 actual is the period ended Mar 2011, 2015 actual is the period ended Dec 2015,
CAGR is Compound Annual Growth Rate from 2010 Actual to 2015 Actual

By product

- Apparel grew in our mainstay running category, although fell short of the AGP2015 target
- Footwear greatly exceeded the AGP2015 target

(Unit: 100Millions of YEN)	2010 Actual* ¹	AGP2015 Target	2015 Actual* ¹	CAGR* ¹
Footwear	1,750	2,900	3,460	15%
Apparel	436	850	616	7%
Equipment	166	250	208	5%

*¹ 2010 actual is the period ended Mar 2011, 2015 actual is the period ended Dec 2015,
CAGR is Compound Annual Growth Rate from 2010 Actual to 2015 Actual

By category

- Running -

- Offered innovative products and services as a leading brand in running
- Expanded sales particularly for serious runners in Europe and the U.S.

(Unit:100Millions of YEN)

2010 Actual*1	AGP2015 Target	2015 Actual*1	CAGR*1
1,047	1,831	2,462	19%

*1 2010 actual is the period ended Mar 2011, 2015 actual is the period ended Dec 2015,
CAGR is Compound Annual Growth Rate from 2010 Actual to 2015 Actual



By category

- Athletic Sports -

- Our high-function products were well accepted by top athletes and teams particularly in tennis, rugby, and volleyball



(Unit:100Millions of YEN)

2010 Actual* ¹	AGP2015 Target	2015 Actual* ¹	CAGR* ¹
654	927	906	7%

*¹ 2010 actual is the period ended Mar 2011, 2015 actual is the period ended Dec 2015,
CAGR is Compound Annual Growth Rate from 2010 Actual to 2015 Actual

By category

- Sport lifestyle -

- Onitsuka Tiger became popular as a unique brand in Asian countries (especially in China and Thailand)
- ASICS Tiger was relaunched in Jan 2015, and expanded sales



(Unit:100Millions of YEN)

2010 Actual*1	AGP2015 Target	2015 Actual*1	CAGR*1
101	285	449	35%

*1 2010 actual is the period ended Mar 2011, 2015 actual is the period ended Dec 2015, CAGR is Compound Annual Growth Rate from 2010 Actual to 2015 Actual



By channel

- Opened and expanded Own Retail and eCommerce during 5 years, which had been small scale in 2011
- Achieved 13% of our consolidated net sales

(Unit:
100Millions of YEN)

	2015	
	Actual	Number of Stores* ¹
Own Retail	494	444 Stores
Partnered Store	-	1,482 Stores
eCommerce	Actual	Countries* ¹
	61	14 Countries

*¹ As of 31st Dec 2015



By region

- Achieved substantial growth in Americas and EMEA
- Significantly exceeded the AGP2015 target in East Asia especially in China

(Unit: 100Millions of YEN)	2010 Actual* ¹	AGP2015 Target	2015 Actual* ¹	CAGR* ¹
Japan	926	1,200	1,006	2%
Americas	596	1,105	1,361	18%
EMEA	555	1,207	1,160	16%
Oceania/ Southeast and South Asia	104	144	224	17%
East Asia	126	167	418	27%
Others* ²	44	169	113	21%

*¹ 2010 actual is the period ended Mar 2011, 2015 actual is the period ended Dec 2015,
CAGR is Compound Annual Growth Rate from 2010 Actual to 2015 Actual

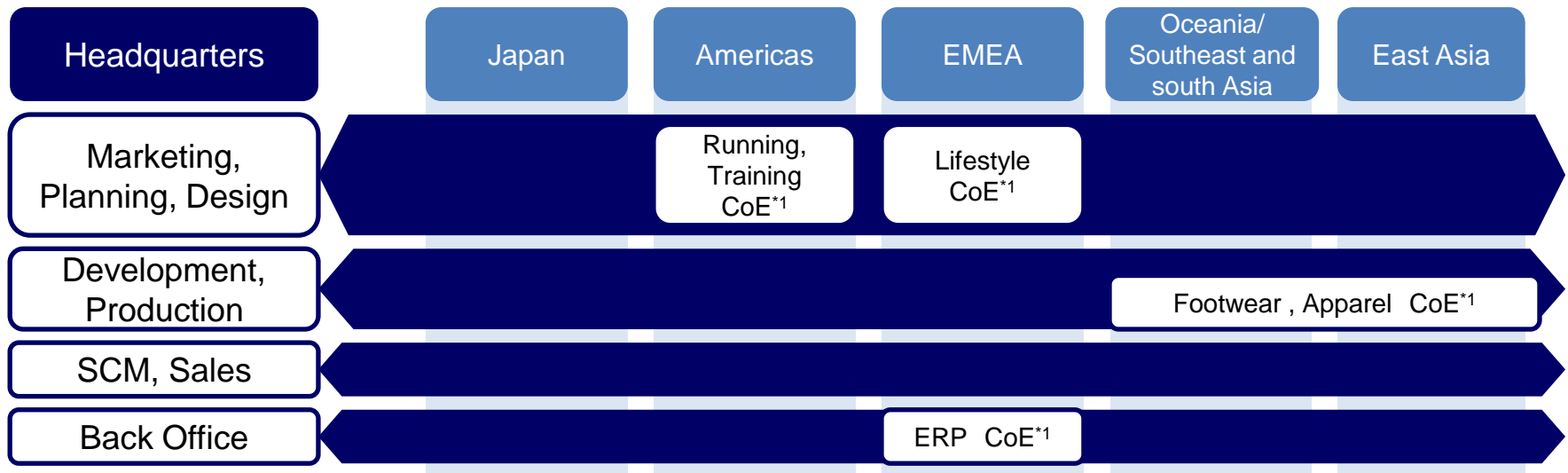
*² Includes Haglofs, and adjustment etc.

Strengthen function of headquarters

- Set up CoE (Center of Excellence)^{*1}
- Strengthen organization of DTC and Digital Division
- Recruited global talents
- Prepared for a global ERP system

Restructuring of subsidiaries

- Transformed the businesses in Japan, Korea, and Brazil
- Established regional headquarters functions in China and Singapore



^{*1} Properly put headquarters function of each category on main market, and plan strategy and execute prompt action.

New Five-Year Strategic Plan,
“ASICS Growth Plan (AGP) 2020”

Consciousness for “Health” is increasing

Sports are becoming an everyday part of people’s lives

People’s lives and societies overall are being changed
by IoT and Digital technology

Create Quality Lifestyle through Intelligent Sport Technology

Financial Target

Sales

750 Billion YEN or more
(CAGR*¹ 12%)

Operating
Income Ratio

10% or more

ROE

15% or more

*¹ Compound Annual Growth rate from FY2015 to FY2020

DTC*² Sales

150 Billion YEN or more

*² Collective term for Own Retail and owned eCommerce.

【 Exchange Rate to JPY 】

120.00 YEN
/USD

135.00 YEN
/EURO

90.00 YEN
/AUD

18.00 YEN
/RMB

0.1100 YEN
/KRW

90.00 YEN
/SPD

14.00 YEN
/SEK

Core Strategy

Shift to DTC mindset

Expand our consumer base

Communicate a consistent brand

Create differentiated innovation

Pursue operational excellence

Develop people and team

Core Strategy

Shift to DTC ^{*1} mindset

- Change all processes from product planning to sales into a consumer-centric, DTC business model, in which we can directly communicate with our consumers



^{*1} DTC is the collective term for Own Retail and owned eCommerce.

The DTC mindset means having a consumer-centric way of thinking that create the best touch-points and enables direct communication between consumers and our brands and products, and this information becomes the basis of our entire business process.

Core Strategy

Expand our consumer base

- Develop a deeper understanding of and expand our business in new consumer segments, such as women, youth and emerging markets
- Become the brand of choice, not only in sports, but also in our consumers' daily lives



Communicate a consistent brand

- Narrate a consistent brand to our consumers worldwide, and deepen an emotional connection




Create differentiated innovation

- Create innovative products, services and processes that can provide exceptional changes in our consumers' lifestyles and experiences



Core Strategy

Pursue operational excellence

- Transform outdated business practices to data-driven decision-making processes to drive improved profitability and sustainable growth
 - Reform our development and production systems, and support the development of a sustainable society and environment
- 
- ✓ Visualization of our global management data,
and promptly decision-make through analysis of the data
 - ✓ Efficiency improvement and optimization of SCM globally
 - ✓ Review and improvement of product SPEC and SKU efficiency

Core Strategy

Develop people and team

- Develop both individual and team capabilities to deliver values that exceed consumer expectations



Category Strategy

- Running -

- To excite a wide range of runners
- Achieve no lower than the NO.2 position in each market globally
- ✓ Design-driven, head-to-toe comprehensive stories
- ✓ Create competitive mid-price collection
- ✓ Create holistic Running experience that are unique to ASICS

AGP2020 Target

400 Billion YEN

CAGR^{*1}

11%

^{*1} Compound Annual Growth Rate from 2015 to 2020



Category Strategy

- Training -

- To excite and motivate a wide range of consumers by ASICS unique value
 - ✓ Extend our Running expertise and the power of our brand into Training
 - ✓ Engage influential and attractive ambassadors enforce strategy for women and apparel
 - ✓ Drive sales through DTC channels

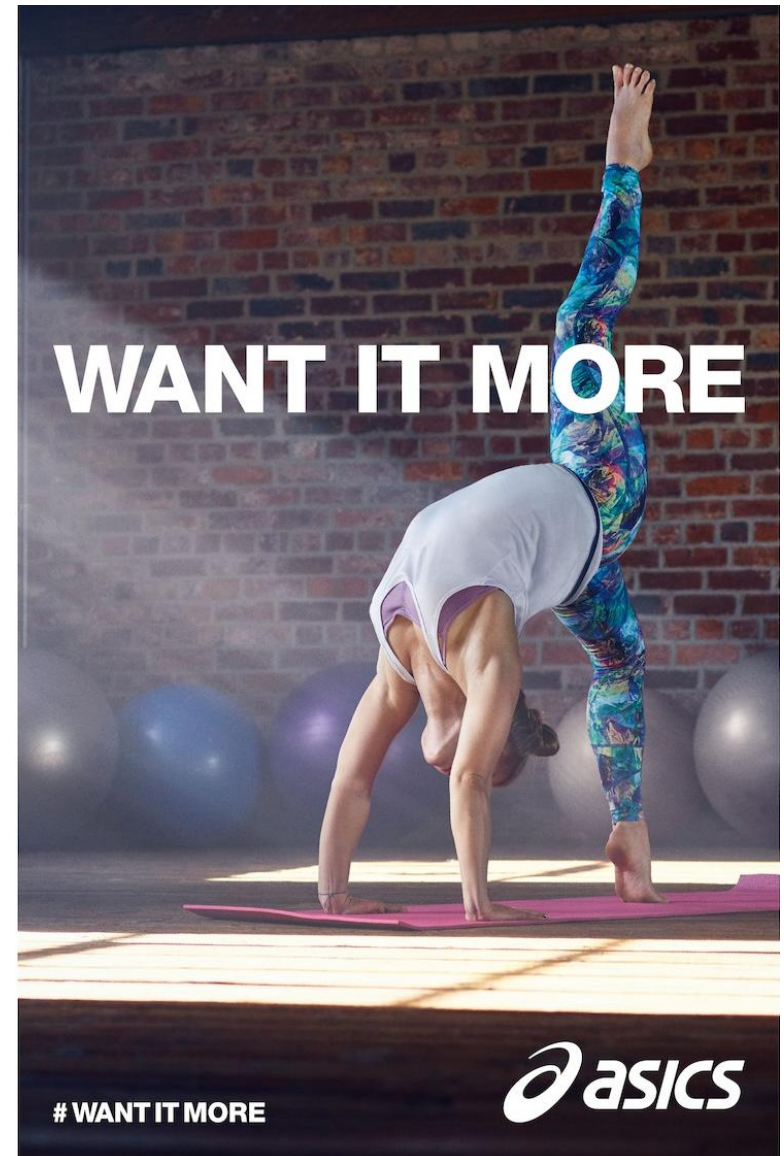
AGP2020 Target

70 Billion YEN

CAGR^{*1}

22%

^{*1} Compound Annual Growth Rate from 2015 to 2020



Category Strategy

- Core Performance Sports -

- Concentrating our business resources on categories where there is potential for us to rank at least third globally, or otherwise at least second in a region, with the aim of gaining brand awareness and expanding our sales
- ✓ Pursue design and function to boost higher performance of top athletes and teams
- ✓ Concentrate our marketing and developmental resources on categories where we can improve the brand value

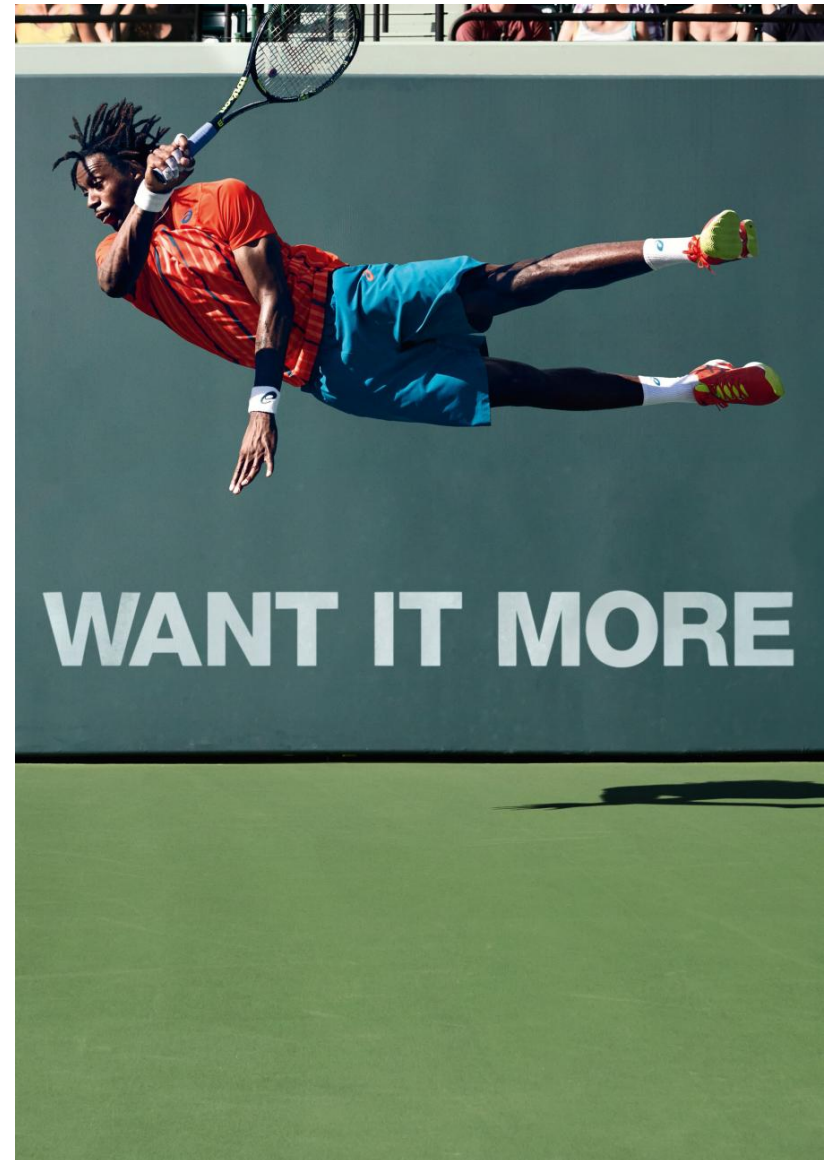
AGP2020 Target

100 Billion YEN

CAGR^{*1}

11%

^{*1} Compound Annual Growth Rate from 2015 to 2020



Category Strategy

- Lifestyle -

- As a sports brand of Japan origin, establish our heritage as a core
 - Be on the cutting-edge of trends to excite young people
 - Raise the awareness and image of the ASICS stripe through both ASICS Tiger and Onitsuka Tiger
- ✓ Develop products with background stories of brands and in line with emerging trends
 - ✓ Keep our brand fresh through collaboration
 - ✓ Strengthen Digital marketing

AGP2020 Target

90 Billion YEN

CAGR^{*1}

15%

^{*1} Compound Annual Growth Rate from 2015 to 2020



Category Strategy

- Health/Comfort -

- Support maintenance and promotion of healthy, safe and comfortable lives
- Expand and develop the business in Japan, keeping future global market expansion in mind
- ✓ Take on challenges that involve developing new businesses drawing on our capabilities in the area of intelligent sport technology
- ✓ Expand “Walking”, “Work product”, “Health/Comfort Service^{*1}” Businesses

	AGP2020 Target
Walking	16 Billion YEN
Work product	8 Billion YEN
Health/Comfort Service ^{*1}	8 Billion YEN

^{*1} Service businesses such as facility operation and “Tryus”



	CAGR* ¹
Japan	9%
Americas	14%
EMEA	12%
Oceania Southeast and South Asia	17%
East Asia	15%

*¹ Compound Annual Growth Rate from 2015 to 2020

Improvement of profitability and efficiency

Improve DTC operation

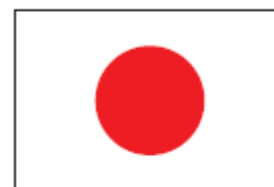
Make our business operation more efficient by IT and Digital technologies

Select optimal production location based on
flexible development and production systems

Reduce product cost through improvement of SKU efficiency

Reform business models of low profitability subsidiaries





Japanese Paralympic Committee

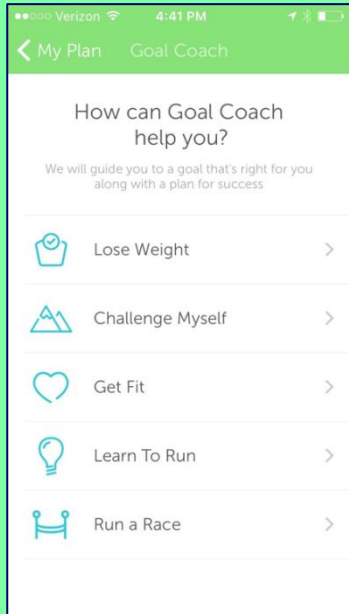
JOC • JPC/Tokyo 2020 GOLD PARTNER (SPORTING GOODS)



Acquisition of FitnessKeeper, Inc.

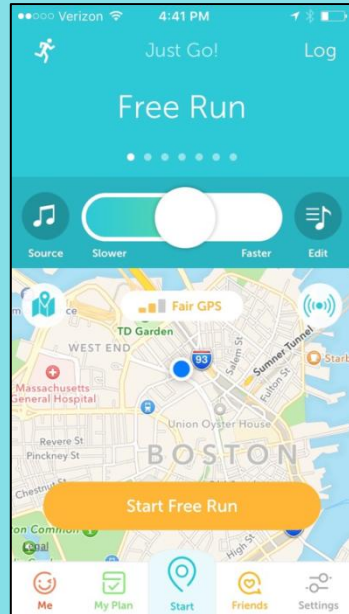
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Fitness Tracking App – Runkeeper



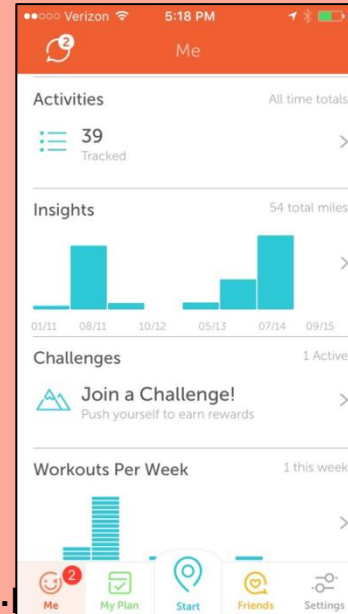
A personal coach...

An intuitive design lets you set goals that generate running plans that tell you exactly what to do and adapt to your personal schedule



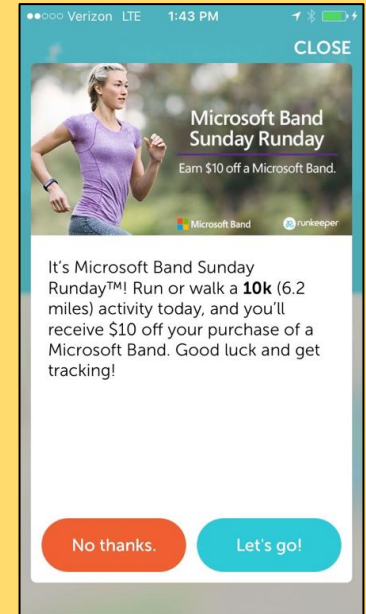
... enhancing your in-run experience,...

Track your run on any device, while the app gives you audio cues and synchs your music to your pace



... to reach your goals...

Run data is stored, analyzed, presented, and processed for personalized advice



... and rewarding you upon achievement

Achievements are recognized through rewards from brand partners

49 Million
Downloads

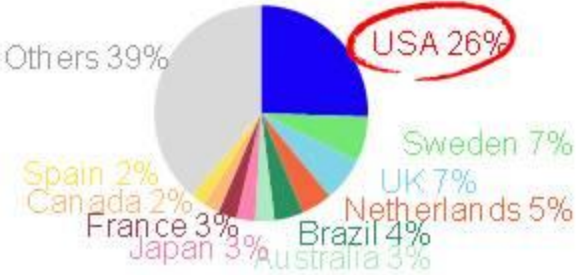
>3 Billion
Kilometers Run

186
Countries

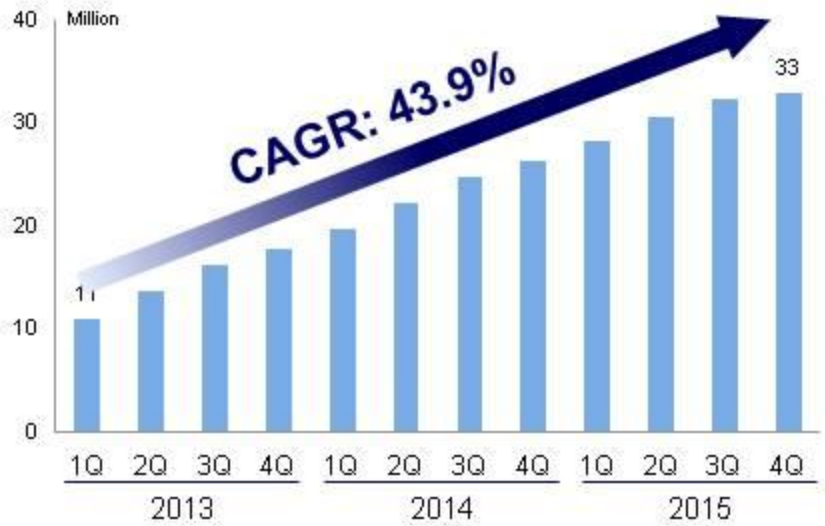
Fitness Tracking App – Runkeeper (cont'd)



Registered Users Country Breakdown (As of Dec 31, 2015)

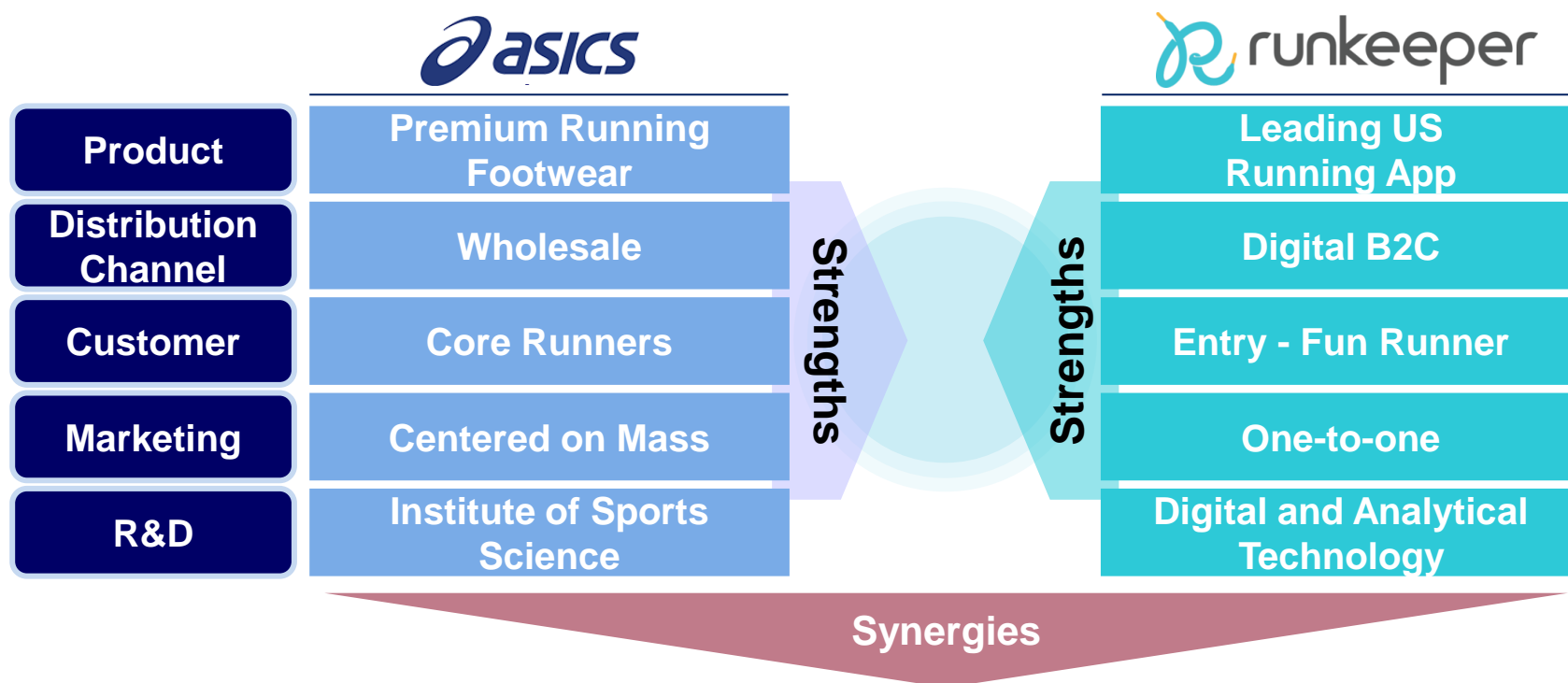


User Expansion Track Record (2013~2015)



>33 Million Registered Users

Synergies from Complementary Strengths



- Sale of ASICS products to Runkeeper users through eCommerce
- Retention of loyal customers on combined platform
- Provision of seamless customer experience
- Acquisition of leadership team for ASICS' digital strategy which includes Internet of Things

Impact of the Transaction for achieving AGP2020

AGP2020 Goals

- 1 **Strengthening of DTC ⁽¹⁾ Strategy**
Strengthen direct communication with customers
- 2 **Expansion of Customer Base**
Development of newly focused customer base (female, young demographics)
- 3 **Digital Approach**
Innovative marketing methods focusing on digital technology
- 4 **Branding**
Optimal branding catered for each customer
- 5 **Innovation Creation**
Bring impact on customers' lifestyle and experiences through creation of innovative products, services and processes

Achievement through Runkeeper

- ✓ • **Establishment of touchpoint** with customers, not only upon product purchase, but during the product use
- ✓ • Acquisition of **female and young** users
- ✓ • **Establishment of marketing approach** based on user data (activity/personal information) through in-app, email, etc.
- ✓ • Integration of globally recognized “Runkeeper” as an **ASICS Group brand**
- ✓ • **Provide support for customers'** further enjoyment of sports through fitness tracking app

Note

1. Direct to Consumer

Purchase Price	Enterprise value of USD85MM (approx. JPY10.2Bn) (1)
Transaction Description	100% acquisition of FitnessKeeper, Inc.
Transaction Closing	March 2016 (planned)
Impact on Financials	The impact on our consolidated financial results for the fiscal year ending December 31, 2016 will be minor
Acquisition Funding	Cash on balance sheet
Post Transaction Management	Current Management team to continue to run the business

Notes

1. JPY calculated based on exchange rate of USD1=JPY120

Appendix

FY Consolidated Results & Forecast Highlights

		FY2011	FY2012	FY2013	FY2014/3	FY2014/12	FY2015
Sales	mil ¥	235,349	247,792	260,198	329,464	354,051	428,496
Gross profit	mil ¥	103,122	107,549	113,838		155,187	182,154
Operating income	mil ¥	21,573	19,628	18,663	26,516	30,466	27,448
Ordinary income	mil ¥	19,467	19,702	20,526	26,999	34,302	22,533
Net income	mil ¥	11,046	12,617	13,773	16,108	22,285	10,237
Net income per share	Yen	58.26	66.55	72.65	84.96	117.40	53.93
ROE	%	11.1	12.2	11.6		12.4	5.1
ROA	%	5.7	6.1	6.0		6.6	2.9
PER	(times)	19.1	14.1	21.7		24.7	46.8

Total assets	mil ¥	200,790	212,343	244,725	317,528	355,837	343,467
Net assets	mil ¥	106,369	115,315	138,078	159,567	201,940	199,883
BPS	Yen	524.91	569.39	685.10	834.68	1,058.94	1045.02
Shareholder's equity ratio	(%)	49.6	50.8	53.1	49.9	56.5	57.8

Operating Cash Flow	mil ¥	9,553	10,239	14,295	6,393	10,720	18,301
Investing Cash Flow	mil ¥	△ 25,151	△ 3,563	△ 8,056	△ 13,735	-9,845	△ 8,706
Financing Cash Flow	mil ¥	10,549	△ 3,842	△ 2,955	27,646	-4,847	△ 12,764
Cash and cash equivalents	mil ¥	25,478	26,983	32,333	53,633	51,051	46,015

Foreign currency exchange rated (Yen)

	FY2011	FY2012	FY2013	FY2014/3	FY2014/12	FY2015
USD	87.68	79.61	79.93	97.11	106.37	121.00
EUR	116.36	110.91	103.22	129.31	140.67	134.65
AUD	80.38	82.89	82.73	93.47	95.34	90.98
KRW	0.0754	0.0718	0.0711	0.0890	0.1011	0.1070
SEK	11.89	12.31	11.88	14.91	15.43	14.41
CHY	-	-	-	-	17.26	19.21

FY Segment information

	FY2011		FY2012		FY2013		FY2014		FY2015	
	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)
Sales										
Japan	104,862	44.6	109,221	44.1	117,674	45.2	82,575	23.3	122,785	28.7
Americas	59,604	25.3	59,002	23.8	67,079	25.8	118,879	33.5	136,103	31.8
EMEA	55,542	23.6	61,027	24.6	61,835	23.8	104,791	29.6	116,022	27.1
Oceania/ Southeast and South Asia	10,481	4.5	10,270	4.1	11,762	4.5	18,559	5.2	22,472	5.2
East Asia	12,705	5.4	13,292	5.4	17,455	6.7	31,494	8.9	41,945	9.8
Others	4,363	1.9	7,707	3.1	8,200	3.2	11,822	3.3	11,176	2.6
Total	247,558	-	260,523	-	284,008	-	368,122	-	450,506	-
Adjustments	(12,209)	-5.3	(12,730)	-5.1	(23,809)	-9.2	(14,070)	-4.0	(22,010)	-5.1
Total	235,349	100	247,792	100	260,198	100	354,051	100.0%	428,496	100

	FY2011		FY2012		FY2013		FY2014		FY2015	
	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)
Operating income										
Japan	5,076	4.8	5,643	5.2	5,598	4.8	-714	-0.9	2,291	1.9
Americas	4,673	7.8	3,706	6.3	4,747	7.1	10,935	9.2	1,499	1.1
EMEA	8,631	15.5	7,028	11.5	6,630	10.7	8,652	8.3	10,939	9.4
Oceania/ Southeast and South Asia	2,754	26.3	2,489	24.2	2,564	21.8	3,245	17.5	3,572	15.9
East Asia	738	5.8	1,042	7.8	916	5.2	2,328	7.4	4,642	11.1
Others	150	3.4	-204	-2.7	-56	-0.7	-821	-7.0	-666	△6.0
Total	22,023	8.9	19,705	7.6	20,401	7.2	23,625	6.4	22,278	-
Adjustments	(450)	-	(76)	-	(1,738)	-	6,841	-	5,170	
Total	21,573	9.2	19,628	7.9	18,663	7.2	30,466	8.6	27,448	6.4

NOTE : Due to the organization restructuring from FY 2013, FY2014 is stated in new segment. FY2013 is stated in the segment before the restructuring.

NOTE : Because the fiscal year ending December 31, 2014 is a transitional period for the change in the fiscal year end, the domestic group companies except Haglöfs Japan cover nine months from April 1 to December 31, and overseas group companies including Haglöfs Japan cover twelve months from January 1 to December 31.

FY Category information

	FY2011		FY2012		FY2013		FY2014		FY2015	
	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)	Amount (mil ¥)	(%)
Foot wear										
Japan	46,590	19.8	49,935	20.2	52,912	20.3	42,499	12.0	66,328	15.4
Overseas	128,466	54.6	132,871	53.6	139,815	53.8	240,290	67.9	279,752	65.3
Total	175,057	74.4	182,806	73.8	192,728	74.1	282,790	79.9	346,080	80.7
Apparel										
Japan	27,983	11.9	28,619	11.5	28,090	10.8	17,574	5.0	23,030	5.4
Overseas	15,701	6.7	18,218	7.4	21,369	8.2	36,640	10.3	38,576	9.0
Total	43,685	18.6	46,837	18.9	49,460	19.0	54,215	15.3	61,606	14.4
Equipment										
Japan	13,466	5.7	13,910	5.6	13,056	5.0	8,916	2.5	11,866	2.8
Overseas	3,140	1.3	4,237	1.7	4,953	1.9	8,129	2.3	8,941	2.1
Total	16,606	7.0	18,147	7.3	18,010	6.9	17,046	4.8	20,808	4.9
Total										
Japan	88,040	37.4	92,464	37.3	94,060	36.1	68,990	19.5	101,226	23.6
Overseas	147,308	62.6	155,327	62.7	166,138	63.9	285,061	80.5	327,270	76.4
Total	235,349	100.0	247,792	100.0	260,198	100.0	354,051	100.0	428,496	100.0