

WILF ARE ASICS

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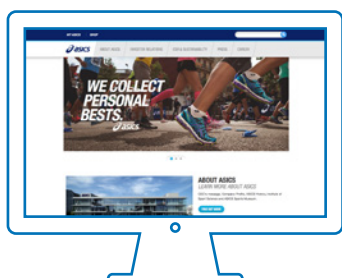
ABOUT THIS REPORT

To achieve in sport, just wanting it is not enough. Going to the gym or heading out for the occasional run will only get you so far. Success demands true ambition and dedication. These qualities are at the heart and soul of ASICS. As a growing global brand, we must live and breathe them every day.

For more than 60 years we have been committed to helping our customers to improve their athletic performance. We constantly invest in research and technological innovation in order to create the best products. Just as we help our customers aim higher, we strive for continuous improvement in everything we do.

From 2011 to 2015 we have worked on improving our sustainability performance in line with our ASICS Growth Plan (AGP) 2015. Over this time we have achieved a great deal. We have also faced setbacks. At every stage, we have learned valuable lessons. We are proud of where this journey has brought us, and we recognize that we couldn't have got here without the support of our colleagues, business partners, investors and many others who have helped us along the way.

There is still much to do, and as we look back on our progress up to 2015, we look forward to the next five years and making progress towards our new strategic sustainability targets for 2020.



Find out more

You can find out more about ASICS and our approach to sustainability, as well as reading previous reports and downloading our GRI index, on our corporate website.

VISIT [CORP.ASICS.COM/EN](http://corp.asics.com/en)

We welcome your feedback. Please contact us at:

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A MESSAGE FROM OUR CEO

WELCOME TO OUR 2015 SUSTAINABILITY REPORT.

Earlier this year, we launched our latest global brand campaign Want It More. This campaign taps into the heart and soul of the ASICS brand, encouraging athletes of all ages and abilities to push themselves to their limits in order to better their best.

For over 60 years, our company has remained committed to contributing to a healthier, better society through sport by driving technological innovation that supports athletes' pursuit of continuous improvement.

This sustainability report summarizes not only our sustainability performance in the fiscal year 2015, but also our progress towards achieving the mid-term sustainability goals we set five years ago, in alignment with the ASICS Growth Plan 2011-2015 (AGP2015). As we kick off activities for our new growth plan, AGP2020, it is therefore also a chance for us to reflect on where we want to go next.

Over the past five years, we have seen a number of developments that have fundamentally changed the way the sporting goods industry operates regarding sustainability. In particular, social media has played a role in increasing customers' awareness of the risks around unsafe and unethical working conditions, and environmental damage in complex, global supply chains. Consumers expect more transparency on the origin of products, materials used and ethical supply chains. We take this responsibility very seriously and recognize that we have an influential role to play.

Stakeholders are increasingly recognizing ASICS for our strong brand value, corporate leadership and efforts in sustainability. We were ranked 19th in Interbrand's Japan's Best Global Brands 2015; our highest ever brand valuation. Also in 2015, we were selected for the first time as a component company in the Asia/Pacific Index of the Dow Jones Sustainability Indices (DJSI), a recognized global sustainability benchmark for investors.

Moreover, in 2015, ASICS was included in the Health and Productivity Stock Selection, which is jointly selected by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. These acknowledgments illustrate that our dedication and commitment to integrating sustainability into our business is being valued and recognized by external stakeholders.

In 2016, as we take our first steps towards achieving our 2020 AGP and Sustainability Goals, ASICS will ensure that sustainability considerations remain integrated into our business processes. Our first materiality assessment, conducted in 2014 and subsequently updated, has prioritized our key sustainability challenges, risks and opportunities now and in the future. Our AGP towards 2020 and beyond is aligned with these aspects, and put us on a path to building a more sustainable future for our business.

Motoi Oyama

President and CEO
ASICS

尾山 基



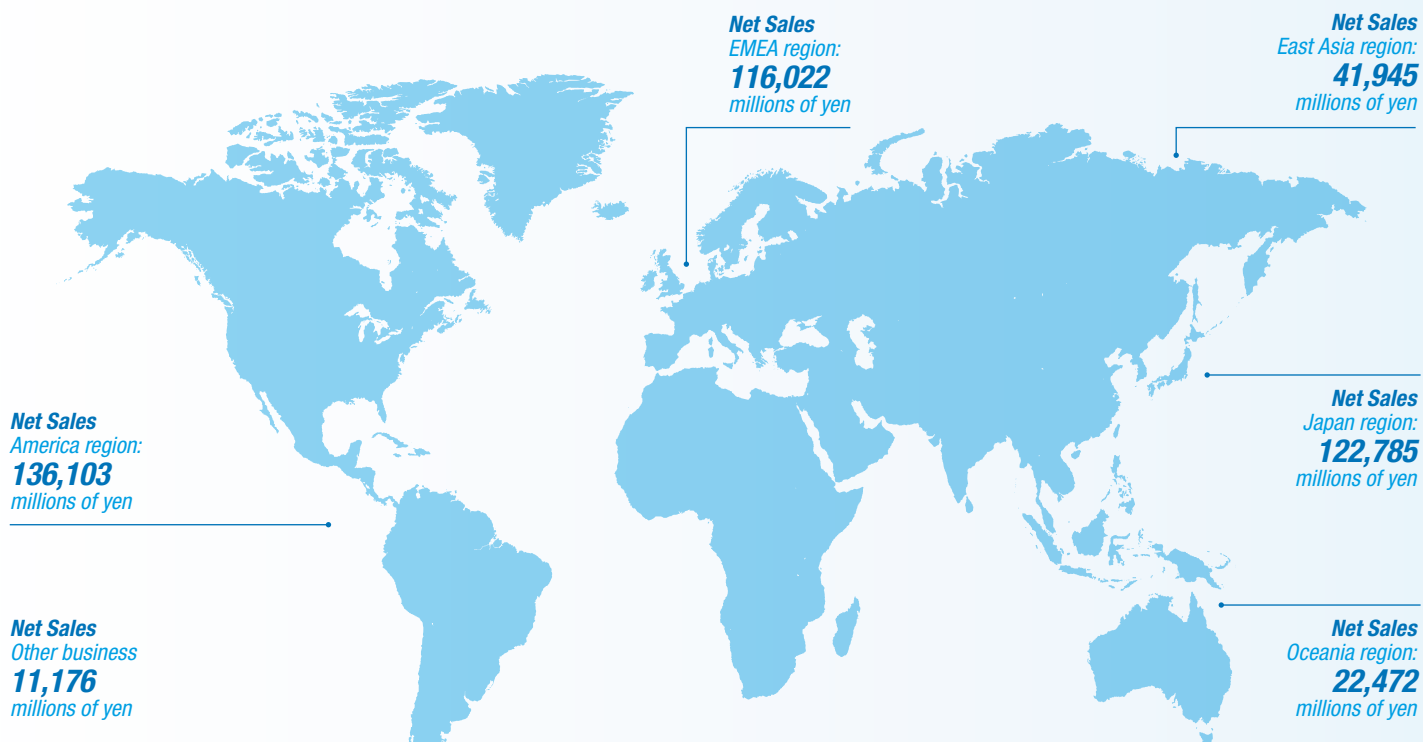
ASICS AT A GLANCE

ASICS is one of the world's top five sports performance and lifestyle brands. We operate 49 businesses in 26 countries. Our reach extends further through our supply chain business partners, sponsored events and connections to other stakeholders worldwide.

ASICS WORLDWIDE

23  **NUMBER OF KEY SOURCING COUNTRIES**

 **7,263** **NUMBER OF EMPLOYEES WORLDWIDE**



 **49** **GLOBAL NUMBER OF BUSINESSES**

26  **NUMBER OF COUNTRIES WHERE WE HAVE BUSINESSES ESTABLISHED**

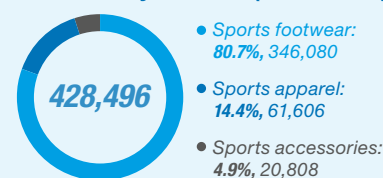
FY2015:

428,496
Net Sales (millions of yen)

FY2015:

10,237
Net Income (millions of yen)

Net Sales by Product (millions of yen)



OUR APPROACH TO SUSTAINABILITY

GUIDING PRINCIPLES

At ASICS, sustainability has always been fundamental to the way we do business. Today, Kihachiro Onitsuka's founding principles continue to guide everything we do.

A SOUND MIND IN A SOUND BODY

ASICS is an acronym of the Latin phrase *anima sana in corpore sano*, which translates as 'a sound mind in a sound body'. This reflects our founder's belief that sport and health brings benefits for not just our bodies but also our mental wellbeing, as well as our culture and society as a whole. This core belief continues to be at the heart of our corporate philosophy to this day.

OUR SUSTAINABILITY FRAMEWORK

We group our sustainability activities under three pillars, each relating to a key area of our operations. Each pillar has its own sustainability objectives and commitments. This report is structured in three sections reflecting these pillars.

1

CREATING PRODUCTS AND SERVICES

Principles

- Provide valuable products and services through sport to all our customers.

Objectives

- We provide highly technological and innovative products and services that meet our customers' needs and contribute to better, healthier lifestyles.
- We ensure that our products and services are safe and of a high quality. We are accountable for all decisions affecting our value chain from material procurement to sales.
- We seek to minimize the environmental impact of our product design, production processes and our other business activities.
- We put in place processes, systems and structures to enable appropriate and efficient decision-making and business activities.

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2

PARTNERING WITH SUPPLIERS AND WORKERS

Principles

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

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, such as subcontracted factories, to uphold our Corporate Social Responsibility (CSR) values.
- We put in place processes, systems and structures to enable appropriate and efficient decision-making and business activities.

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3

INVESTING IN PEOPLE AND COMMUNITIES

Principles

- Fulfill our social responsibility and help improve conditions for communities around the world.
- Maintain a spirit of freedom, fairness and discipline, respectful of all individuals.

Objectives

- We engage in community activities and aim to make a positive contribution to community development by promoting sports culture and healthy lifestyles, among other activities.
- We continuously share our profits with our shareholders, communities and employees appropriately.
- We encourage diversity and respect for all. We create a working environment where every employee can show individuality and creativity, so that personal development and corporate growth go hand in hand.

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OUR APPROACH TO SUSTAINABILITY

GOVERNANCE

We have a clear system of governance designed to make sure that our sustainability principles and objectives are fully embedded throughout our business. Sustainability is a shared responsibility at ASICS. It involves all company divisions and colleagues at every level. As well as initiating sustainability projects and ideas in our daily operations from the bottom up, we also manage and integrate them into our organization from the top down.

Our Board of Directors has overall responsibility regarding sustainability at ASICS. Management is responsible for integrating and prioritizing sustainability in our corporate objectives. In addition, each core department integrates sustainability into its business strategy and processes.

To drive sustainability initiatives, ASICS Group has operated a CSR and Sustainability department since 2004, currently comprising a global team and designated staff at regional level. This department works on implementing sustainability, driving performance, managing progress against targets and engaging with internal and external stakeholders.

EARNING TRUST, ENSURING COMPLIANCE

The ongoing success of our business depends on growing our corporate value and earning the trust of all our stakeholders. Maintaining a highly transparent system of corporate governance is one key way we do this.

We seek to continually improve the audit functions and internal controls of our corporate management. Our aim is to create a management approach that goes beyond compliance and reflects the perspectives of our stakeholders.

CSR AND SUSTAINABILITY POLICIES

We have a global Code of Conduct that sets out the basic standards we expect our colleagues to uphold in everything they do every day. These apply to all ASICS Group companies.

Our Policy of Engagement sets out the minimum requirements regarding human rights, labor standards, occupational health and safety and environmental practices for any ASICS business partner.

Our global Environmental Policy sets out our approach to managing environmental impacts in our own operations as well as in our value chain.

We encourage employees and business partners to report code or policy violations using our confidential, anonymous whistleblowing service. This allows us to detect the first signs of wrongdoing and carry out corrective measures without delay.



Find out more

To find out more about our system of governance and policies, visit <http://corp.asics.com/en/csr/our-approach/governance-and-policies>

OUR APPROACH TO SUSTAINABILITY

OUR MATERIALITY PROGRAM

Our business depends on, and is supported by, a wide range of interconnected stakeholders. Each of these stakeholder groups has different priorities, concerns and expectations. At ASICS, we believe that these stakeholder priorities should play a central role in shaping our approach to sustainability.

In order to identify the sustainability issues that are most material to our business, we run a continuous materiality program. We map the outcomes onto our materiality matrix, which arranges sustainability issues identified by internal and external stakeholders according to their level of priority. This forms the basis of our sustainability strategy, as well as the boundaries for our reporting.

MATERIALITY MATRIX

The materiality matrix in this report is our latest version, updated from last year following recent consultations with internal stakeholders across the entire global ASICS organization. Alongside insights gained from regular stakeholder engagement throughout the year, this update was fundamental in forming our sustainability roadmap for 2016-2020.

The update allowed us to connect different materiality topics directly with relevant stakeholders. This meant we were able to set more concrete action points and deliverables across the business, and ensure that the 2016-2020 roadmap covers all relevant issues.

OUR MATERIALITY MATRIX



OUR APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

Each of our stakeholder groups is different. To identify the issues that matter most to them, we seek to engage each of these groups on an ongoing basis. We do this in different ways, according to their needs and their relationship with our business.

Stakeholders	Engagement principles	Activities and interaction
Customers	Our main aim as a company is to provide products and services that add value for our customers and contribute to a healthy society.	Sustainability-related questions from customers are logged in order to ensure a timely and satisfactory response, and to track trends in subjects and interests.
Shareholders and investors	We believe in transparency in business operations throughout the ASICS Group. We will provide and disclose relevant information in a timely, appropriate, accurate and clear manner to shareholders and investors.	Shareholder meetings, sustainable investment fund surveys and inquiries.
Employees	We believe in treating one another with respect and dignity. We strive towards a corporate culture of discipline, creativity and ambition where personal development and corporate growth go hand in hand.	Employee surveys, periodic meetings, sustainability committees and business division updates.
Business partners	We are partners with our suppliers and other business partners in our value chain. Sustainability improvements depend on collaboration with and commitment from all.	Periodic supplier business alignment meetings, supplier audit and training sessions.
NGOs	We maintain an open dialogue with international and local non-governmental organizations (NGOs) and non-profit organizations (NPOs), remain aware of CSR-related topics and engage in collaborative efforts to solve sustainability challenges within our industry.	Collaboration as part of local disputes of factory workers and their management, collaboration with surveys and other review/research of NGOs regarding subjects of their interest.
Regulators	All our corporate operations comply with relevant laws and ordinances. We adopt processes, systems, and structures to support appropriate and efficient operations and decision-making.	Direct interaction or via industry collaborations regarding upcoming legislation.
Academic partners	Our involvement with universities and other knowledge centers increases awareness and promotes the development of improved and more sustainable products and services.	Collaboration around Life Cycle Analysis of our products, our supply chains and exploring other, new areas of sustainability research.
Industry associations	We maintain memberships with several industry associations, globally and locally. Collaboration and discussion with other companies and stakeholders will result in better solutions to common challenges in our industry and value chain.	<ul style="list-style-type: none"> • Founding member of the Sustainable Apparel Coalition (SAC). • Member World Federation of Sporting Goods Industry (WFSGI) – active CR Committee member. • Member American Apparel & Footwear Association (AAFA). • Member Federation of European Sports Industry (FESI) – active participant of sustainability committee. • Partner with ILO Better Work. • Member of Apparel & Footwear International RSL Management Group (AFIRM).
Communities	While we encourage sports participation, promote health and contribute to a healthy society, we aim to fulfill our social responsibility and to help improve conditions for communities around the world.	Employee volunteering, support of communities via financial donations or in kind, discussions with existing and potential new partner organizations.

SHAPING OUR 2020 SUSTAINABILITY STRATEGY

FOCUSING ON OUR MATERIAL ISSUES

Our ongoing materiality program to assess which sustainability issues matter most for ASICS and its stakeholders is instrumental in shaping our sustainability strategy.

As a result, our 2020 Sustainability Strategy is broader in scope regarding our business activities but at the same time more focused on the issues that matter most. It is also aligned with the ASICS Growth Plan 2020, which outlines our strategy to deliver our vision to 'Create a Quality Lifestyle Through Intelligent Sports Technology'.

2015 was a notable year for global sustainability due to the release of the United Nations Sustainable Development Goals (UN SDGs), which outline focus areas for government, business, and other stakeholders to act on. The year also saw the adoption at the Paris climate conference (COP21) in December of the first-ever universal, legally binding global climate deal. Our approach is aligned with both of these defining documents.

Toward 2020 we intend to drive meaningful action on each of our priority materiality issues. However, we recognize that there are many challenges. Where we have not been able to fully map out our 2020 end goal, we have set interim targets for 2016 to provide us with a focus for action while we finalize our 2020 direction.

Our work over the past five years has demonstrated the value of partnership and collaboration between stakeholders to deliver on sustainability issues. We believe that only through this approach can we drive improvements at-scale that deliver. Our activities in 2015, such as our commitment to set a 'Science Based Target' for CO₂ reduction and our partnership with ILO Better Work, show that we are taking steps in this direction. We have a role to play in creating a more sustainable world and we are committed to help lead the way.

CREATING PRODUCTS AND SERVICES

- Define new product sustainability criteria for Apparel & Footwear products by end 2016.¹
- 5% Absolute CO₂ Emissions Reduction from Direct Operations (Scope 1 & 2, 2015 Baseline).
- 98% waste recovered or recycled at our Direct Operations.²
- Establish global ASICS Environmental Management System (including ISO 14001 at all key locations).

PARTNERING WITH SUPPLIERS AND WORKERS

- All Tier 1 Supplier Factories to meet ASICS C-Level or above.
- All Tier 1 Strategic Partner Factories to meet ASICS B-Level or above, and self-report via Higg Index Facility Social Module
- Tier 1 ASICS A- and B-Level Factories trained in self governance on CSR in combination with ASICS and/or third-party verification (e.g. via implementation of Higg Index or other industry collaborations).
- All Nominated Tier 2 suppliers meet ASICS C-Level or above.
- 90% of all Nominated Tier 2 suppliers improve their SAC Higg Index Facility Environment Score compared to baseline.
- 10% Reduction of CO₂, Water, Waste impact per item produced by Tier 1 Footwear.³
- 90% Tier 1 Strategic Partner Factories improve their SAC Higg Index Facility Environment Score compared to baseline.

INVESTING IN PEOPLE AND COMMUNITIES

- Establish global ASICS HR systems and work environment.
- Ratio of Females in Senior management positions within ASICS Headquarters and ASICS Japan Corporation >10%.
- Female managers appointed in all business divisions of ASICS Headquarters and ASICS Japan Corporation.
- Alignment on all global community engagement activities by end 2016.

¹ Aligned with the SAC Higg Index Product Module

² Sites that are able to measure and report their waste

³ 2015 baseline

2015 TARGETS AND PROGRESS

The 2015 fiscal year was the last year of our 2011-2015 Strategic ASICS Growth Plan. During this period, ASICS prioritized three sustainability areas:

- 1. Reducing environmental impact throughout the value chain*
- 2. Improving chemicals management in our supply chain*
- 3. Improving labor practices in our supply chain*

These targets are now concluded and we have a new set of strategic targets for 2016-2020 that will form the basis of our future sustainability reports (see page 8).

Category	FY2015 Target	Progress	Read more
Products	<ul style="list-style-type: none"> Sequentially introduce industrial environmental indicators. Adopt global evaluation standards. 	<ul style="list-style-type: none"> Supported the Sustainable Apparel Coalition (SAC) to further develop the Higg Index Product Module. Alignment of ASICS internal sustainability assessments methodology with Higg Index direction. Status: Achieved	16
	<ul style="list-style-type: none"> Increase sales ratio of eco-friendly products to 35%. 	Achieved 38.8% of sales ratio for the Japanese market. Status: Achieved (FY2013)	
	<ul style="list-style-type: none"> Continually strengthen management of chemical substances. 	Continued to strengthen ASICS chemical management guidelines and internal product and material management system. Supported development of the AFIRM Restricted Substances List (RSL) to facilitate industry and brand alignment. Status: Achieved	18
Materials	<ul style="list-style-type: none"> Use eco-friendly materials. 	Incorporated recycled materials in 42 items. Status: Achieved	17
	<ul style="list-style-type: none"> Conduct Research and Development (R&D) of industry-leading sustainable materials. 	Seven sustainability-oriented material and manufacturing research projects are running in FY2015 at ASICS Institute of Sport Science Status: Achieved	17

2015 TARGETS AND PROGRESS

Category	FY2015 Target	Progress	Read more
Manufacturing	<ul style="list-style-type: none"> Reduce CO₂ emissions, water consumption and solid waste emissions at direct trading factories by 10% per pair of shoes (compared to 2009 baseline).¹ 	<p>Applied sustainable design practices to products manufactured in 2015 and supported supplier activities to reduce environmental impacts. Reduced CO₂ emissions by 43%, water consumption by 50% and solid waste emissions by 17% for every pair of shoes manufactured (compared to 2009 baseline levels).</p> <p>Status: Achieved</p>	33
	<ul style="list-style-type: none"> Promote use of eco-friendly water-based adhesives in at least 60% of total production.¹ 	<p>Used in 25.5% of total production. (42.2% of production in factories where it has been introduced).</p> <p>Status: Not Achieved</p>	19
	<ul style="list-style-type: none"> Conduct R&D of industry-leading sustainable manufacturing processes. 	<p>Seven sustainability-oriented material and manufacturing research projects are running in FY2015 at ASICS Institute of Sport Science.</p> <p>Status: Achieved</p>	17
	<ul style="list-style-type: none"> Formalize CSR screening and ensure compliance to ASICS standards for newly contracted Tier 1 suppliers. 	<ul style="list-style-type: none"> Full CSR compliance screening was conducted to verify new supplier CSR standards compliance as part of new supplier selection process. All new suppliers were trained on ASICS CSR & Sustainability standards and policies as part of onboarding process. <p>Status: Achieved</p>	30, 34
	<ul style="list-style-type: none"> Achieve ASICS CSR standard at all Tier 1 suppliers. 	<ul style="list-style-type: none"> 100% Tier 1 suppliers were audited in 2015. 93% of Tier 1 suppliers met level C or above in 2015 (remaining 7% of factories audited late 2015, which have resolved their corrective actions to achieve Level C by end of Q1 2016). 139 compliance assessments were conducted at factories by internal ASICS CSR team, independent third-party auditors and partner organizations such as ILO Better Work. 100% of ASICS suppliers in Cambodia participating in Better Factories Cambodia program (mandatory basis). Strategic suppliers in Vietnam and Indonesia engaged ILO Better Work (voluntary basis). <p>Status: Achieved</p>	30

¹ Scope is our footwear business

2015 TARGETS AND PROGRESS

Category	FY2015 Target	Progress	Read more
Packaging and transportation	<ul style="list-style-type: none"> Reduce weight of packaging and use recycled materials. 	<ul style="list-style-type: none"> Continued use of recycled content and optimal box sizing for footwear collections. Continued recycling and reuse of transportation packaging in distribution centers. Introduced Give Back Box for ASICS E-Commerce USA. Status: Partly Achieved	20, 25
	<ul style="list-style-type: none"> Reduce CO₂ emissions by consolidating distribution bases. 	<ul style="list-style-type: none"> Central USA distribution center awarded the ENERGY STAR® certification. Merge of Central European Distribution Centers and American Distribution Centers into consolidated locations. Started ISO 14001 implementation across European distribution centers. Status: Partly Achieved	24
	<ul style="list-style-type: none"> Increase capacity usage of product transport containers to at least 85% (for shipments within Japan).¹ 	<ul style="list-style-type: none"> 82% achieved in 2015. Status: Largely Achieved	
Company Operations	<ul style="list-style-type: none"> Reduce CO₂ emissions by 10% at business locations.¹ 	<ul style="list-style-type: none"> 3% increase in CO₂ emissions in 2015, compared to 2011 baseline. Emissions per revenue decreased by 21% compared to 2011 baseline. In 2015, the reduction achievement by consolidation of our European distribution centers and the divestment of our Japanese distribution centers were offset by continued business growth and expanded operations globally. Status: Partly Achieved	21

¹ Scope is ASICS' direct operations, excluding retail

EXTERNAL RECOGNITION

In 2015, we were awarded a number of honors and other forms of external recognition for our sustainability efforts and our role as a corporate citizen. This recognition came from customers, suppliers, investors and academics, among others. This page gives a summary of some of these honors.

Dow Jones Sustainability World Index

In 2015, ASICS was included for the first time in the Asia/Pacific Index of the Dow Jones Sustainability Indices (DJSI).

The Dow Jones Sustainability World Index was launched in 1999 as the first global sustainability benchmark for investors who integrate sustainability considerations into their portfolios. The indices provide an effective engagement platform for companies who want to adopt sustainable best practices.¹

The Sustainability Yearbook

During the year we were also proud to be included in the 2016 edition of The Sustainability Yearbook, published by the international investment company RobecoSAM. The Yearbook is the world's most comprehensive publication on corporate sustainability.

Health and Productivity Stock Selection

Also in 2015, we were included in the Health and Productivity Stock Selection, which is jointly selected by the Japanese Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange. This is in recognition of ASICS' efforts in protecting and promoting the health of its employees and others affected by its business activities.

MSCI Global Sustainability Index

As of June 1st 2015, ASICS Corporation is a constituent of the MSCI Global Sustainability Index series.

MSCI Inc is a leading provider of global benchmark indices, with more than 500 equity and fixed income environmental, social, and governance (ESG) indices. Their global sustainability indexes target the highest ESG-rated companies making up 50% of the adjusted market capitalization in each sector of the underlying index.

Channel NewsAsia Sustainability Ranking

In 2015, ASICS Corporation was included in the Channel NewsAsia Sustainability Ranking, entering at number 55.

The ranking identifies leading firms in corporate sustainability across 11 key Asian economies. It focuses on Asian companies that are publicly listed on major indices. The index lists the Top 100 companies with the highest sustainability performance. Territories covered are China, Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan, Thailand and (with ASICS' entry) Japan.

Carbon Disclosure Project

The Carbon Disclosure Project (CDP) is an internationally recognized organization that assesses corporate action on climate change. Scores assess the level of disclosure of carbon emissions measurement techniques, and are plotted over a 100-point normalized scale. Companies with the highest disclosure scores are listed in the global or regional Carbon Disclosure Leadership Index. In 2015, ASICS achieved a disclosure score of 94% and a performance level of C.

¹ <http://www.sustainability-indices.com/>

A full-page photograph of two female athletes in a starting crouch on a wooden floor. The athlete in the foreground is wearing a maroon Asics singlet and bright pink leggings, with a pink headband. The athlete in the background is wearing an orange singlet and maroon leggings. The background is a bright, slightly out-of-focus indoor space.

**CREATING
PRODUCTS
AND SERVICES**

**WE ARE
INSPIRED**

Corporate Philosophy
*Provide valuable products
and services through sport
to all our customers*

CREATING PRODUCTS AND SERVICES

OUR APPROACH

Our aim is to make the best products and services in our industry. We want to support healthy lifestyles by helping our customers enjoy sport and improve their sporting performance. We also want to develop products in a way that minimizes negative environmental and social impacts at every stage of their life cycle, including design, production processes and business operations.

We achieve these two goals through scientific research, and by integrating sustainability principles as basic considerations at each stage of product design and development. In this way we aim to create a sustainable value chain that encompasses not just our products, services and manufacturing processes, but also the activities and lifestyles of our customers.

Progress

- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> • ASICS conducted the first product social life cycle analysis (S-LCA) scan in our industry.
> Go to Page 16 | <ul style="list-style-type: none"> • We continued to support the creation of the SAC Product Higg Index. In 2015 we were involved in testing the Design and Development Module.
> Go to Page 16 | <ul style="list-style-type: none"> • We produced over 148,000 event apparel items containing sustainable materials for a total of six leading running events in Europe and Japan.
> Go to Page 16 | <ul style="list-style-type: none"> • We supported the creation of the AFIRM Restricted Substances List (RSL), a best practice tool to support improved industry chemical management. We have now adopted the AFIRM RSL and are one of the first brands to do so.
> Go to Page 18 |
| <ul style="list-style-type: none"> • We provided consumers who shop online in the US an easy way to donate unwanted household items to society via 'Give Back Box'.
> Go to Page 20 | <ul style="list-style-type: none"> • We received the Good Design Award for our Tryus activity centers in Japan, and helped 1,742 elderly people to improve their health and quality of life.
> Go to Page 20 | <ul style="list-style-type: none"> • 21% reduction in CO₂ emissions intensity per unit of revenue since 2011.
> Go to Page 21 | <ul style="list-style-type: none"> • We committed to set a 'Science-Based Target' for CO₂ reduction to support the global objective to limit temperature increase to 2°C degrees celsius compared to pre-industrial levels. Our 2020 strategy reflects this commitment.
> Go to Page 23 |

"I'm happy with the good effect of the training. My body has got accustomed to moving again and my responsiveness is also getting better."

User of Tryus Facility, ASICS Corporation Japan

14,529m³

REDUCED WATER CONSUMPTION COMPARED TO 2011.

CREATING PRODUCTS AND SERVICES

PRODUCT DESIGN AND INNOVATION

To improve the sustainability performance of our products, we approach their design from a life cycle perspective. For us, this means continuously investigating the environmental and social impacts of our products at each stage of their life cycle, and using the findings to inform a better, considered design and development approach. We support the development of industry tools and aligned approaches to solving sustainability challenges through various industrial and multi-stakeholder partnerships, such as the Sustainable Apparel Coalition (SAC) and AFIRM Group.

LIFE CYCLE ASSESSMENTS – AN ONGOING APPROACH

At ASICS, research is the starting point for sustainable product development. We use Life Cycle Assessments (LCAs) to understand environmental impacts across the product value chain and identify priority areas for improvement.

In 2011, our first product LCA looked at the ASICS GEL-KAYANO 17 and focused on carbon footprint reduction. We followed that research with LCAs of three sports apparel items in 2013, looking at a broader range of environmental impact categories.

The sports apparel LCAs demonstrated that the greatest environmental impacts associated with these products are linked to fabric manufacturing processes, and that apparel manufacturers also have an important part to play in reducing these impacts. In 2015, to better understand these impacts from the perspective of specific suppliers, we decided to extend this project with a deep dive focusing on suppliers in Taiwan and Indonesia. The deep dive also aimed to build awareness at supplier level about their role and influence on product environmental footprint.

The objectives were to update the LCA with supplier-specific data, to investigate how much variation exists in manufacturing environmental impact between suppliers of product and fabrics, and to use that knowledge to develop tools to support suppliers on their sustainability journey.

The findings showed significant variation between specific supplier data and LCA generic data available via global databases. This means that a true measure of the environmental impact of these items can only be calculated through product LCAs that use specific supplier data. Scaling up this process to cover a wide range of our products will be a challenge, but we will continue to explore ways of doing this in the long-term future.

As part of this deep-dive phase, we also tested a Sustainability Maturity Assessment tool with the suppliers to look into the differences in the maturity of businesses' environmental programmes in the supply chain. The results showed a higher level of maturity at fabric supplier level, and lower level at garment supplier level, perhaps linked to the risks associated with manufacturing. We will work in future years to improve our garment suppliers' ability to manage environmental impacts and so reduce their contribution to the product life cycle impact.

VALUE CHAIN



CREATING PRODUCTS AND SERVICES

UNDERSTANDING OUR SOCIAL IMPACTS

The scale and complexity of our supply chain can make it a challenge to fully understand the social impacts of making our products. To get a clearer picture of the risks involved and improve our management practices, we carried out a social LCA scan of our GEL-KAYANO 21 running shoe in 2015.

Social LCA is a relatively new and rapidly developing discipline with international best-practice guidelines but lacking the detailed protocols associated with environmental LCAs. Our social LCA scan of the GEL-KAYANO 21 was the first of its kind in our industry. The areas covered by the assessment included auditing topics such as labor conditions, as well as broader community issues like governance, human rights and infrastructure.

The assessment showed that 50% of the GEL-KAYANO 21's social risk is associated with the shoe's manufacture. Another 21% of the accumulated risk is linked to the production of plastics in the chemical sector in China, and 7% with coal mining in China. Coal is used for the production of heat as well as electricity for the manufacturing process and for processes further up the supply chain.

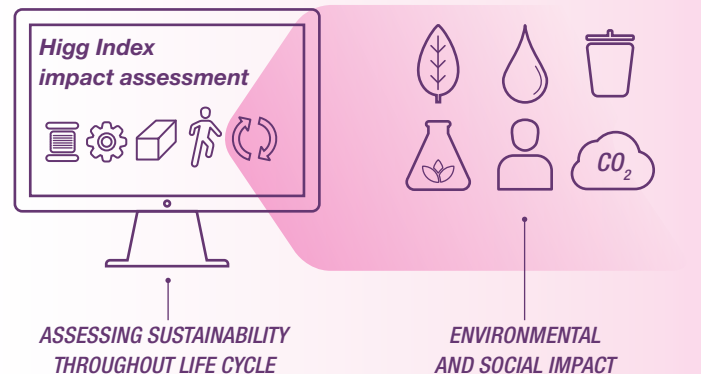
These results confirmed the importance of prioritizing product manufacture when managing social risks in our supply chain. However, it also highlights the need for careful consideration of supplier practices and locations when selecting new suppliers, in order to address social risks outside a supplier's direct control.

DEVELOPING AND IMPLEMENTING THE HIGG INDEX

Developed by the Sustainable Apparel Coalition (SAC), the Higg Index consists of various modules that allow for sustainability assessments to be carried out on a product, facilities or brand level. As a founding member of SAC, we have been closely involved in developing the product level Higg Index Module, and we are planning to fully replace our own Eco Pan Mark Index with the Higg Index by 2018.

In 2015, we continued working to develop and implement internal product sustainability assessment in alignment with the Higg Index. This included providing input and feedback to finalize the first version of the Higg Index Product Design and Development Module (DDM). Our footwear designers and developers were involved in a pressure test phase in 2015 that allowed the SAC to get the DDM module ready for larger-scale piloting among its membership base in 2016.

HIGG INDEX APPROACH



GEL-KAYANO 21 SOCIAL LCA



CREATING PRODUCTS AND SERVICES

METARUN: REDUCING WEIGHT, ENHANCING DURABILITY

In 2015, we launched the MetaRun, a new high-performance running shoe. The MetaRun shoe is built using the latest ASICS-exclusive technologies, including sustainable design innovations that improves its performance by reducing its weight, while also enhancing durability.

The MetaRun uses Flytefoam, a new type of midsole material that is 30% lighter than the foam used for the GEL-KAYANO 21, and 8% more durable. The shoe is also designed in a way that ensures a more efficient use of material during manufacture, further minimizing its environmental impact.

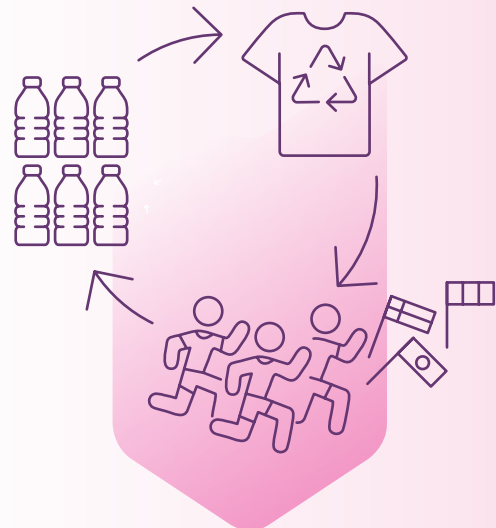
METARUN



SHIFTING TO RECYCLED POLYESTER

Applying recycled polyester instead of conventional fabric is one example of how we drive sustainability in our apparel and footwear collections. We not only use recycled polyester fabric for inline collections but also for items distributed at ASICS-sponsored running events. In 2015, this included souvenir and official volunteer shirts for the Barcelona, Frankfurt, Stockholm and Paris marathons – a total of 148,000 items. In addition, we continued to trial our use of 30% bio-based polyester fabric in Japan for selected event items for the Kobe and Tokyo marathons.

SHIFTING TO RECYCLED POLYESTER



100% RECYCLED POLYESTER T-SHIRTS DISTRIBUTED
AT FOUR ASICS-SPONSORED RUNNING EVENTS

7

RESEARCH PROJECTS AT THE ASICS INSTITUTE OF SPORT SCIENCE EVOLVED AROUND MATERIAL WASTE REDUCTION, SUSTAINABLE MANUFACTURING TECHNOLOGIES, AND MATERIAL DEVELOPMENT IN 2015.

CREATING PRODUCTS AND SERVICES

CHEMICAL SAFETY

ASICS complies with laws and regulations related to the chemical safety of products, the environment, and people in each country or district in which we do business. We carry out preventative chemical safety inspections at our suppliers' facilities as part of our manufacturing process, as well as a variety of chemical safety tests on our products before they reach their delivery address.

The ASICS Guideline for the Control and Use of Chemicals clearly defines the responsibilities of ASICS and its suppliers regarding the control and use of chemicals associated with our product design and manufacturing processes. The guideline ensures legal compliance and is aligned with industry best practice in chemical management. All suppliers must comply with the requirements of the guideline when manufacturing ASICS products.

The recently updated guideline integrates for the first time the AFIRM Restricted Substances List (AFIRM RSL), which defines strict limits for the use of chemical substances based on risk assessment and industry best practice. The AFIRM RSL also specifies the sample preparation and test methods that should be used when checking compliance.

AFIRM: ALIGNING WITH INDUSTRY STANDARDS FOR CHEMICAL MANAGEMENT

ASICS is a member of the Apparel and Footwear International RSL Management (AFIRM) Group. Through our involvement with AFIRM, we contribute to building and sharing knowledge about chemical management best practice, and supporting activities that help suppliers efficiently manage their risks and compliance regarding restricted chemical substances.

In 2015, ASICS was involved in the creation of the first AFIRM Restricted Substances List (RSL). This is a tool suppliers can use to establish chemical management knowledge and processes, build base compliance with AFIRM member chemical restrictions, and provide a common base for analytical testing.

The AFIRM RSL is a strong statement in support of the alignment of industry standards for product chemical management and improving compliance efficiency reducing the burden on our suppliers. ASICS actively supports this direction, and in early 2016 we adopted the AFIRM RSL as a critical component of the ASICS Guideline for the Control and Use of Chemicals.



CREATING PRODUCTS AND SERVICES

MANAGING SAFETY AND QUALITY

Ensuring the quality and safety of our products is a responsibility we take very seriously at ASICS. We have a quality assurance and management system in place throughout our operations. This is planned and developed jointly with other management functions, and based on internationally recognized quality management principles such as the Japanese Industrial Standards (JIS). We are dedicated to the continuous improvement of this system to ensure our products and services continue to meet the requirements of our customers.

We communicate our quality principles and objectives to all staff, and make sure they are always available. Training is an integral part of our quality assurance and management system. As well as training our own employees, we also train and certify staff within our suppliers' facilities.

We carry out product liability inspections that cover product safety, the application of quality improvement measures, and descriptions on product labels and promotional materials.

As part of a product's manufacturing process, we conduct random inspections at our suppliers' facilities. We also subject our products to a variety of tests during each stage of the development process, including planning, design, manufacturing and shipment. These range from durability and colorfastness tests, to advanced chemical analyses.

Product recalls

	2011	2012	2013	2014	2015
Total number of product recalls because of non-compliance with regulations, voluntary codes concerning product and service quality, information or labeling.	5	6	5	1	6

Data from 2011, 2012 and 2013 tracked as per Japanese fiscal year (April 1st till March 31st the next year). Data on 2014 tracked from April 1st till December 31st 2014. 2015 data is based on calendar year.

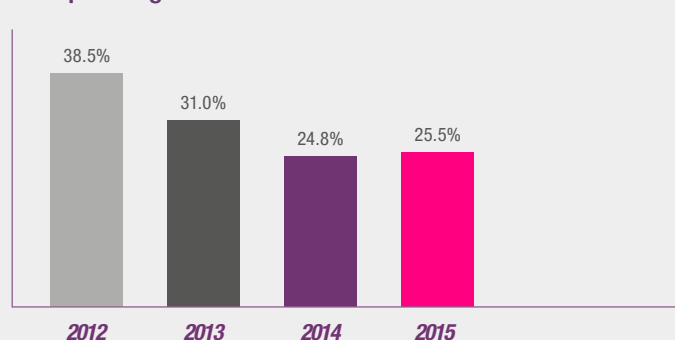
WATER-BASED ADHESIVES IN FOOTWEAR MANUFACTURE

Adhesives are a critical ingredient in the performance footwear manufacturing process. For example, they are needed to bond the upper part of the shoe, its midsole and its outsole. However, the use of these adhesives can also have a negative impact on health of employees and the environment if it is not managed properly in the workplace.

Adhesives used in footwear manufacturing are often solvent based. To reduce emissions of volatile organic compounds (VOCs) during the manufacture of our products by our suppliers, we set a target to use water-based adhesives for 60% of footwear production volume by 2015. Unfortunately we have not been able to make good progress in achieving this target. The strong growth of our business required the support of new suppliers with factories that often did not have the expertise and specific manufacturing lines to implement water-based adhesive use for our products, while maintaining our high-quality standards.

We have reflected on these challenges and will set a new target for water-based adhesives in 2017.

Footwear production volume
incorporating water-based adhesives



CREATING PRODUCTS AND SERVICES

ENABLING HEALTHY, MORE SUSTAINABLE LIFESTYLES

Promoting health and wellbeing through sport has always been a vital part of what we stand for as a company. From sponsoring international competitions and national education campaigns to local grass-roots events, we support a wide range of initiatives that encourage participation in sports and contribute to a health-conscious society.

IMPROVING LIFE FOR OLDER PEOPLE

In Japan, we've been applying our knowledge of sports science to improving the health and quality of life of the country's aging population, through our Tryus activity centers for elderly people.

ASICS launched its first Tryus center in Nishinomiya in 2014. Featuring an advanced activity center designed to improve motor skills, this facility was the first of its kind, and an entirely new commercial service for the ASICS Group in Japan. Since then, we have opened four more facilities throughout Japan. Our five Tryus centers now employ 40 full-time members of staff, and in 2015 they provided services to 1,742 elderly people.

In 2015, Tryus received the Japanese Ministry of International Trade and Industry's prestigious Good Design Award, which recognizes design innovation that has played a significant part in enriching people's lives.



HELPING CONSUMERS CLOSE THE LOOP AND GIVE BACK TO SOCIETY

In 2015, we partnered with Give Back Box to help consumers give packaging a second life while making giving part of the shopping experience. Through the partnership, our online US customers can donate clothes, shoes and other unwanted household items free of charge to community charity Goodwill, using the same boxes in which they received their ASICS purchases. The charity then sells on these items to raise funds for community services, including jobs placement and skills training.

In this way, the scheme helps customers make a difference in their local communities by supporting disadvantaged people, while reducing environmental impact by keeping our packing and our customers' unwanted possessions out of landfill sites.

1. Unpack your merchandise. Fill with clothing and household items you no longer need.



2. Print out the shipping label and attach to the box.



3. Ship your donations directly to Goodwill via UPS FREE of charge.



2,852

USERS OF OUR TRYUS FACILITIES SINCE OPENING IN 2014.

CREATING PRODUCTS AND SERVICES

REDUCING OUR ENVIRONMENTAL IMPACTS

As well as integrating sustainability design considerations into the products we offer to consumers, we are also committed to reducing the environmental impacts of our direct ASICS operations. This includes our offices, distribution centers and our retail stores.

MANAGING OUR ENVIRONMENTAL PERFORMANCE

Within the ASICS Group, our environmental sustainability performance is monitored and managed under the umbrella of our Global Environmental Policy. In addition, selected key business locations also have environmental management systems (EMS) certified in accordance with ISO 14001.

Every ASICS location has to comply with our group-wide Environmental Policy and additional management requirements including regular reporting of environmental performance to ASICS Headquarters, feeding environmental KPIs into our global data management system and aligning local sustainability efforts with the ASICS global strategy. At all of our locations we strive to continuously improve our environmental performance, using the plan-do-check-act (PDCA) cycle.

We have been implementing environmental management systems since 2000. Currently, 18% of ASICS employees are working at locations certified under the ISO 14001 system. In 2015, we implemented an ISO 14001 EMS at our UK distribution center and this approach will be followed in 2016 by the largest European ASICS distribution center in Germany. As part of our 2020 sustainability strategy we will expand ISO 14001 certified management systems to include key global offices and distribution centers.

Local efforts focus on energy, water or waste management, depending on which issues are most relevant for the location. For example, energy use and waste management are priority issues for our distribution centers due to their large working areas and unpacking of deliveries and repacking of orders, but water use at these locations is relatively minor.

21%

**REDUCTION IN CO₂ EMISSIONS INTENSITY
PER UNIT OF REVENUE SINCE 2011.**

ENERGY EFFICIENCY AND CARBON EMISSIONS

We have been measuring direct energy use and taking steps to improve energy efficiency and reduce CO₂ emissions from our global business operations since 2011.

Our 2015 CO₂ reduction target was to decrease our total direct emissions by 10%, excluding retail operations. This proved to be an ambitious target, and we achieved a 3% increase in CO₂ emissions. This was due to a combination of business expansion and divestment alongside energy-efficiency projects.

Comparing our total emissions to our business revenue shows that we were still able to improve our efficiency. ASICS has reduced its CO₂ emissions intensity per unit revenue by 21% since 2011.

Reduction of absolute emissions remains an important priority for us. We have reflected on the challenges that we faced in reaching our CO₂ reduction target towards 2015, and are implementing a stronger program for the 2016-2020 period.

We conducted a number of specific energy-efficiency projects in 2015. Our ASICS America Corporation office relocated to a site incorporating more energy-efficient systems, as did our Sales Subsidiary Office in France. Examples of energy-efficient measures in new locations are motion sensor controlled lighting, location specific insulation and solar panels.

In addition, the ASICS Europe Group kicked off a centralized energy procurement review to support preferential selection of energy from renewable resources. We expect to see the benefits of this project in 2016.

Alongside these specific 2015 projects, we continue to promote daily energy saving activities to our employees, and to investigate the potential of future energy saving and CO₂ reducing projects.

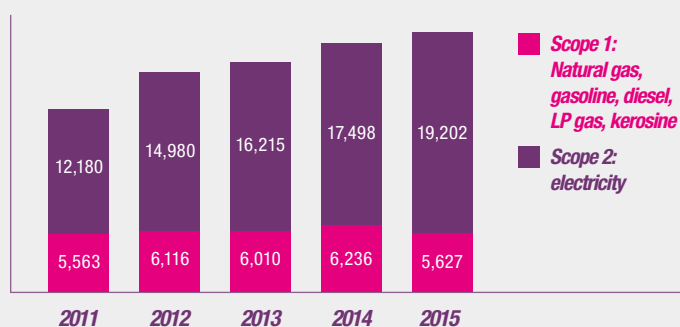
KPI: CO₂ Direct Operations – Intensity per unit revenue

	2011	2012	2013	2014	2015
CO ₂ Intensity per unit revenue	0.072	0.080	0.068	0.066	0.056
% Change compared to baseline		12%	-6%	-7%	-21%

Calculated as CO₂ total emissions in tonnes per million Yen of total sales revenue

CREATING PRODUCTS AND SERVICES

CO₂ Emissions from our locations/direct operations (tonnes) including retail operations

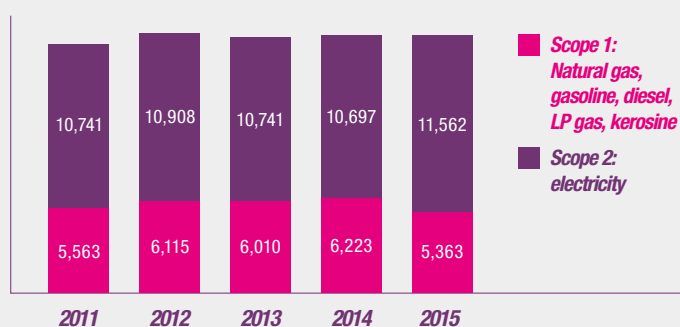


Data applies to ASICS Group locations including offices, retail locations, distribution centers and wholly owned factories globally. Company/lease car impacts are also included.

Figures for Group companies in Japan are calculated according to factors 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 other than Japan are calculated with an emissions factor provided by the GHG Protocol. The following formula is used when the amount of energy consumption for CO₂ emissions is not available for any sites: (energy consumptions per square meter estimated for each type of site) X (area of site) X (CO₂ emission factor).

The 2011, 2012, 2013 and 2014 data are restated due to updated data and improved estimations. The 2015 emissions data are verified by Deloitte Tohmatsu Evaluation Certification Organization CO., LTD.

CO₂ Emissions from our locations/direct operations (tonnes) excluding retail operations



Data applies to ASICS Group locations including offices, distribution centers and wholly owned factories globally excluding owned retail locations. Company/lease car impacts are included.

SCIENCE BASED TARGETS COMMITMENT

The Science Based Targets Initiative aims to encourage companies to pursue bolder carbon targets by helping them determine how much they must aim to cut emissions by to help prevent the worst impacts of climate change. Emissions reductions targets are considered science-based if they are aligned with the level of decarbonization required to keep global temperature increase below 2°C, compared with pre-industrial temperatures¹. ASICS committed to setting science based targets for CO₂ emissions reduction prior to the 2015 Paris Climate Conference (COP21).

We have learnt from our product LCA work that significant CO₂ emissions exist outside the direct operations of companies like ourselves. Only a broad-based and value-chain approach to CO₂ reduction can help society to reach the goal of COP21, and ASICS intends to work with its suppliers and other stakeholders to get there.

To determine the 2020 CO₂ reduction targets for our direct operations, we applied the Sector Decarbonization Approach (SDA), an open-source methodology that helps companies in different sectors set emissions targets in line with a 2°C decarbonization scenario. We have set our 2020 targets in alignment with SDA and commit to continue to do so in future. We have also set a new CO₂ reduction target for our key Scope 3 emissions. Knowing that the biggest hotspot within Scope 3 for ASICS is footwear manufacturing, our future targets focus in particular on this aspect. In 2015, we continued to work in particular with our footwear product suppliers to improve energy efficiency and support switching the transition to more renewable energy sources.

For more about our work to reduce carbon emissions in our supply chain, see page 33.

¹ As described in the Assessment Report of the Intergovernmental Panel on Climate Change (IPCC)

This report is an updated version as of June 10 2016 due to data corrections.

CREATING PRODUCTS AND SERVICES

SCOPE 3 CO₂ (INCLUDING LOGISTICS, PRODUCT MANUFACTURE, END-OF-LIFE MANAGEMENT)

Our previous product LCA work highlights that much of the CO₂ impact related to our products occurs during manufacture, and additionally for apparel products, when they are being used (due to washing). Transportation of products from the factories to market is also a relevant part of the CO₂ impact. ASICS' sustainability strategy

therefore also targets the CO₂ emissions related to these activities that are not within our direct control. We measure our indirect (Scope 3) CO₂ emissions across global operations in order to assess the impact of changes in business operations. In 2015, we continued to work in particular with our footwear product suppliers to improve energy efficiency and support switching the transition to more renewable energy sources. These activities are explained more in Section 2 on page 33.

Scope 3 CO₂ Emissions 2015:

Scope 3 Category	CO ₂ tonnes	%	Scope
1. Purchased goods and services	273,014	76.9	Global footwear manufacturing CO ₂ data (Tier 1) and ASICS Group companies in Japan purchases of apparel, equipment, marketing and sales. (Calculation method ¹)
2. Capital goods	6,117	1.7	ASICS Group companies in Japan.
3. Fuel-and-energy-related activities	1,650	0.5	ASICS Group companies.
4. Upstream transportation and distribution	52,702	14.8	Category 4 includes air and sea freight of footwear related logistics only, rail and road freight of 'port to DC' in Europe, US and Japan, and road freight of 'DC to customers' in Japan.
5. Waste generated in operations	226	0.1	ASICS Group companies.
6. Business travel	4,738	1.3	ASICS Group companies.
7. Employee commuting	795	0.2	ASICS Group companies in Japan.
8. Upstream leased assets	–	–	Not assessed.
9. Downstream transportation and distribution	–	–	Not assessed.
10. Processing of sold products	–	–	Not assessed.
11. Use of sold products	–	–	Not assessed.
12. End-of-life treatment of sold products	15,665	4.4	ASICS Group companies in Japan.
13. Downstream leased assets	–	–	Not assessed.
14. Franchises	10	0.0	ASICS Group companies in Japan.
15. Investments	–	–	Not assessed.
Total	354,917	100	

The Category 1 (Purchased goods and services) CO₂ emissions data of Scope 3 are verified by Deloitte Tohmatsu Evaluation Certification Organization CO., LTD.

¹ Calculation method of Category 1

Footwear: [(energy consumptions at footwear Tier1 suppliers) X (percentage of ASICS production at footwear Tier1 suppliers) X (emission factor of each energy type)] + Apparel, equipment, marketing and sales: [(price of purchased goods and services) X (emission factor of each purchased goods and services ²)]

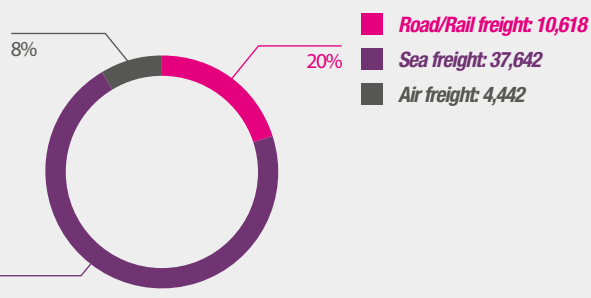
² [5] Inter-industry relations table based emission factors of Emission factors database for greenhouse gas emissions accounting throughout the supply chain (ver.2.2 as of March, 2015) published by Japanese Ministry of the Environment

CREATING PRODUCTS AND SERVICES

LOGISTICS

Since 2013 we have worked hard to make our distribution network more efficient and to maximize the use of energy efficient transportation modes like sea and rail. In 2015, our central European Distribution Center became fully operational, and now functions as a hub for product shipments destined for many European markets. This central distribution center replaces multiple smaller locations. In addition, we divested our Japanese distribution centers to a specialist third-party distribution management company, Marubeni Logistics Corporation (MLOGI). We expect this change to deliver a more efficient operation and delivery system within Japan.

2015 CO₂ from transportation (tonnes)

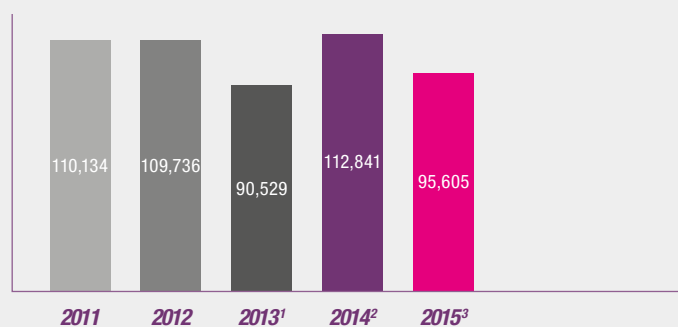


Road and rail freight include data of 'port to DC' in US, Europe and Japan, and 'DC to customers' in Japan.
Sea freight and air freight are data of footwear business. The emissions factors provided by the GHG Protocol are used.

REDUCING WATER CONSUMPTION

In 2015, we continued our efforts to reduce water consumption at ASICS Group locations through initiatives that raise employee awareness. We also consider using water-efficient or waterless equipment in offices and distribution centers or when renovating or moving to new buildings. In 2015, we achieved a 13% reduction in total water use compared to our 2011 baseline. Although water use at our direct operations is not currently a strategic priority and is generally related to staff numbers, our performance during 2013-2015 shows that staff training on efficient water use and quick identification of water leaks at key locations is still relevant. Specific water leaks at our locations during this period were the main cause for the variation in total water use and these have now been addressed.

Water use in m³



¹ 26 sites

² 27 sites

³ 25 sites

CREATING PRODUCTS AND SERVICES

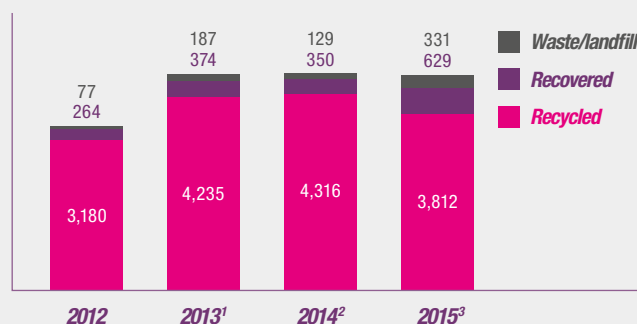
WASTE AND RESOURCE EFFICIENCY

We remain committed to reducing the amount of waste we produce and preventing it from being sent to landfill. Recycling of waste types, such as cardboard, paper and plastics, is required for all of our main office and distribution sites. In addition, some of our distribution centers also reuse transport packaging and prevent it becoming waste. Where recycling is not an option at certain sites we prefer incineration with energy recovery over landfill.

During the period 2011-2015 our priority has been on increasing the scope of reporting on waste so we can understand our global footprint, while maintaining a high recycling rate. During this time, some locations set individual targets related to recycling rates and reduction in total waste. For example, in 2015, our EMEA regional headoffice in Hoofddorp, the Netherlands upgraded their waste bins to make it easier for staff to segregate waste into recyclable components, and just as importantly to increase staff awareness of the circular economy. Their efforts to recycle waste were related to ASICS' increasing use of recycled materials in our products, in particular our use of recycled polyester from PET bottles in many apparel products.

Waste recycling and recovery (tonnes)

In 2015 ASICS diverted 93% of its waste from landfill



¹ Data applies to 19 companies in ASICS Group

² Data applies to 16 companies in ASICS Group

³ Data applies to 17 companies in ASICS Group

CREATING PRODUCTS AND SERVICES

ENVIRONMENTAL ACCOUNTING

Since 2010 we have calculated the investment in environmental preservation at our two key corporate locations in Japan. We introduced Environmental Accounting in order to reflect the cost-effectiveness of the investment in management decision-making. In 2015 we improved the accounting system by including

estimations of the cost savings related to energy-saving projects for the first time. In the future we will take additional steps to report with Environmental Accounting and to support our long-term ambition of integrated reporting.

Cost Category	Key Activity and Outcome	2015		
		Investment	Cost	Estimated Annual Savings
1 Business area		75,672	65,208	3,459
Pollution prevention	Inspection, testing and analysis.	0	20,716	0
Global environmental conservation	Introduction of energy-efficient equipment and vehicles.	75,672	26,962	0
Resource circulation	Use of recycled materials, introduction of energy-efficient equipment.	0	17,530	3,459
2 Upstream/downstream	Green procurement, etc.	0	22,818	0
3 Administration	Implementation of ISO 14001, etc.	0	21,724	0
4 R&D	Eco-friendly product development, etc.	16,724	106,324	0
5 Social activity	Support of local environment, donations, etc.	0	391	0
6 Environmental remediation	Remediation of pollution from civil engineering projects, etc.	0	0	0
7 Other		0	0	0
Total		92,396	216,465	3,459



**PARTNERING
WITH SUPPLIERS
AND WORKERS**

**WE ARE
CONNECTED**

Corporate Philosophy

*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.*

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

PARTNERING WITH SUPPLIERS AND WORKERS

OUR APPROACH

ASICS depends on a global supply chain that includes material suppliers and the factories where our products are made. Upholding fair business practices and improving labor conditions across our supply chain are responsibilities we take very seriously. In order to raise and safeguard standards, we are committed to working in close partnerships with our suppliers and their workers.

We conduct our corporate activities on the basis of clear codes of conduct that are based on internationally recognized standards and conventions. We seek to work only with business partners who share our commitment to sustainability and fair labor practices.

Progress

- | | | | |
|--|--|---|---|
| <ul style="list-style-type: none"> Audited 132 of our contracted Tier 1 suppliers.
> Go to Page 30 | <ul style="list-style-type: none"> Training and capacity building provided to 205 participants from 105 suppliers in China, Vietnam and Indonesia.
> Go to Page 34 | <ul style="list-style-type: none"> All ASICS factories in Cambodia collaborated with third-party inspections of building construction safety.
> Go to Page 31 | <ul style="list-style-type: none"> Our entire Tier 1 supply base manufacturing apparel, accessories and footwear for the ASICS Group is under a supply chain management program.
> Go to Page 29 |
| <ul style="list-style-type: none"> 93% of our Tier 1 suppliers rated level C and above on ASICS' supplier rating scale.
> Go to Page 30 | <ul style="list-style-type: none"> Achieved 43% reduction in CO₂ emissions per pair of footwear at Tier 1 Factories, 50% in water use and 13% waste reduction (2009 baseline).
> Go to Page 33 | <ul style="list-style-type: none"> Partnered with Japanese NGO and Japanese Government Institute on conducting energy-efficiency audits at two supplier factories in Vietnam and Cambodia.
> Go to Page 33 | |

93%

OF OUR PRIORITY TIER 1 SUPPLIERS RATED LEVEL C
AND ABOVE ON ASICS' SUPPLIER RATING SCALE IN 2015.

"All the foreign speakers who attended the conference in Tokyo were highly impressed by ASICS work (in protecting human rights). ASICS is in a position to make a valuable contribution, offering both leading supply-chain experience and an Asian perspective ahead of the Tokyo 2020 Games."

*Institute of Human Rights and Business
2015 Business and Human Rights Conference in Tokyo, Japan*

PARTNERING WITH SUPPLIERS AND WORKERS

MANAGING OUR SUPPLY CHAIN

We are aware of the influential role we play at ASICS in our large and complex supply chain. We take this responsibility very seriously.

We have a rigorous Supply Chain Management Program designed to maintain and improve standards in our supply chain.

COMPLIANCE AND COMMITMENT

Our supply chain management program is based on the principle of compliance when needed, commitment where possible. This means that, as a minimum, our suppliers must comply with our own codes and policies as well as all relevant local and international regulations. But where possible, we encourage our suppliers to move beyond compliance and commit to continually raising standards through training and capacity building, in ongoing, open partnership with ASICS, labor organizations and other industry stakeholders.

The program consists of four building blocks: Monitoring and Risk Management; Governance and Transparency; Training and Capacity Building; and Stakeholder Engagement.

INFLUENCE AND RESPONSIBILITIES

Our supply chain is large and complex. More than 200 direct, Tier 1 suppliers in 23 countries provide us with the facilities, expertise and other resources that allow us to bring the best products to our customers. Many of our Tier 1 suppliers themselves have an extensive supply chain, connecting the ASICS Group indirectly with many more operations and businesses worldwide.

At ASICS, we are aware of the influential role we play in our supply chain, and we recognize that this role and responsibility extends even to the areas where we have no direct relationship. Through our partnership approach, we aim to help improve standards not just among our direct suppliers, but in all areas where our business has influence.

Compliance



Monitoring and Risk Management

- Country Risk Evaluation
- Supplier Assessment Tools
- Audit Follow Up/Corrective Action Plan (CAP)
- Supplier Monitoring
- Issue and Crisis Management



Governance and Transparency

- Supplier Contracts and Agreements
- Supplier Standards, Guidelines and Manuals
- Corporate Codes/Policies
- Data Management and Systems
- Internal/External Communication

Commitment



Training and Capacity Building

- Supplier Training
- Collaboration around efficiency and productivity
- Business Integration



Stakeholder Engagement

- Industry Collaboration (SAC, WFSGI, Better Work)
- Open and constructive stakeholder dialogue (unions, NGOs, Media)
- Global (public) Sustainability Report

PARTNERING WITH SUPPLIERS AND WORKERS

MONITORING OUR SUPPLY CHAIN

When we select any new footwear, apparel or accessories supplier, we assess their social and environmental sustainability performance against ASICS standards before engaging in a business relationship.

Once a formal business relationship is established with a supplier, we continuously monitor sustainability performance and periodically assess supplier facilities. We conduct three types of assessments within the ASICS supply chain; internal, commissioned, and partner audits. In addition, suppliers and/or their subcontractors can demonstrate compliance levels through self-assessments. Information from these feed into our other assessment forms and risk analysis. Self-assessments increase supplier awareness of supply chain issues and ASICS standards.

Internal audits

ASICS compliance auditors conduct on-site inspections, verify documentation and interview supplier management. They provide detailed explanations of ASICS policies, identify issues and plan corrective actions through discussions with management.

Commissioned audits

We consign this type of audit to specialized, accredited third-party monitors. These are independent auditors well versed in local laws, regulations, culture and languages. They can gather information that is otherwise difficult to obtain through an internal audit, e.g. through worker interviews in local language.

Partner audits

These are audits conducted with ASICS suppliers as part of our collaboration with multi-stakeholder initiatives. Partner audits between 2007-2012 were conducted by the Fair Labor Association (FLA). In 2013, two assessments of ASICS suppliers were conducted by Better Factories Cambodia (BFC). ASICS has been an official partner of ILO Better Work since January 2014.

Self-assessment

We also ask suppliers to demonstrate their compliance levels by carrying out self-assessments. In future, we will link supplier self-assessments to commitment-based self management using industry collaborative tools such as the SAC Higg Index, in combination with external validation of data.

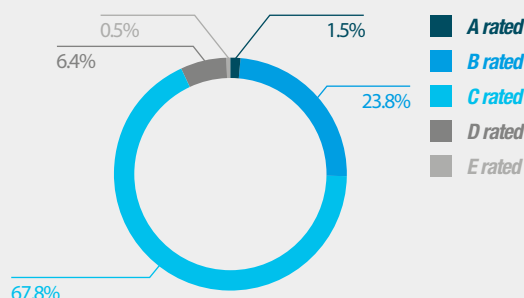
Year	Internal ASICS Audit	Commissioned Audits	Partner Audits	Total
2007	31	27	11	69
2008	34	36	8	78
2009	10	23	10	43
2010	32	22	8	62
2011	41	10	8	59
2012	36	13	7	56
2013	52	37	2	89 (+2)
2014	93	34	5	132
2015	80	52	7	139

AUDIT CRITERIA AND SUPPLIER RATINGS

Our assessments and audits use 17 criteria to evaluate our Tier 1 suppliers' sustainability performance. Each criteria is scored on a five-point scale, from 1 (below standard) to 5 (best practice). Audit criteria covering forced labor, child labor, abuse and harassment, wages, discrimination and hours of work are defined as zero tolerance criteria, and we act strongly in cases of non-compliance within these areas.

We award each supplier an overall rating from A to E, based on its performance against the 17 criteria. The graphic below shows how our suppliers rated in 2015.

Supplier ratings 2015



132

FACTORY AUDITS CONDUCTED BY ASICS
(INTERNAL AUDITS 80, COMMISSIONED AUDITS 52).

PARTNERING WITH SUPPLIERS AND WORKERS

RESPONDING TO NON-COMPLIANCE

When our assessments find issues of non-compliance, we categorize them according to the severity of the violation and the level of risk to workers. In a number of areas (child labor and juvenile workers, forced labor, abuse and harassment, discrimination, hours of work and wages) we operate a zero tolerance policy. We can impose sanctions of varying severity depending on the category of the non-compliance. These range from terminating the business relationship in the case of serious and persistent violations, to reviews of future orders, third-party investigations and formal warnings.

When minor non-compliance issues are identified, we begin a remediation period (within three months) during which the relevant supplier is expected to take corrective measures. When necessary, ASICS' staff or partners help this remediation process by, for example, providing training and resources.

RISK MANAGEMENT

Our system for evaluating our supply base is benchmarked with the industry's best practices and instruments. The indices give us quantitative understanding of risks to workers, compliance subjects and trends at the individual facility level, as well as overall trends. Using this evaluation system, we can quickly decide if a factory needs support to raise its standards, or if there is a larger industry-wide issue that requires collaboration with other brands or local organizations.

In 2013, we were shocked and saddened when the ceiling of a loading dock at one of our supplier factories in Cambodia collapsed, causing two workers to lose their lives and a number of their colleagues to be injured. Since this tragic incident, we require our suppliers in Cambodia to subscribe to the ILO Better Factories Cambodia (BFC) program, in order to ensure safe and ethical working conditions as well as to provide local guidance on sustainability improvements and independent assessment of progress. In addition, we stipulate that third-party building inspections should be conducted at all factories.

By the end of 2015, building inspections at all of our supplier factories in Cambodia were being carried out by local authorization consultants approved by both BFC and the Cambodian government. All inspections met legal requirements, and the results were verified by industry and construction engineer experts.

EXPANDING OUR AUDIT SCOPE

Over the past two years, we have been expanding our audit scope to encompass Tier 2 facilities as well as our direct Tier 1 suppliers.

In 2015, our global apparel, equipment and accessories division nominated 20 Tier 2 factories to be included in our compliance self-assessment evaluations. This represents about 60% of our Tier 2 supply volume.

The results of the self-assessments showed that 80% of the nominated Tier 2 suppliers met ASICS' basic compliance levels. For some specific subjects such as wages compliance, 90% achieved this level. In addition, 77% of assessed Tier 2 factories have established their own systems to monitor and maintain compliance to labor and environmental standards.

Also within our footwear supply chain we have been expanding our audit scope based on non-compliance risk evaluation to include facilities performing upper stitching, midsole manufacturing and outsole manufacturing where these processes are not performed in the Tier 1 facility themselves (authorized subcontracting).

We have set a target for all nominated Tier 2 suppliers to meet level C or above by 2020, based on assessments carried out by ASICS or independent third parties.

80%

NOMINATED TIER 2 SUPPLIERS MET
BASIC COMPLIANCE LEVELS IN 2015.

100%

NOMINATED TIER 2 SUPPLIERS TO
MEET LEVEL C OR ABOVE BY 2020.

PARTNERING WITH SUPPLIERS AND WORKERS

COORDINATING OUR EFFORTS

Along with our global CSR and sustainability staff, other departments and ASICS Group divisions play a vital role in making sure our operations are safe, ethical and sustainable.

For example, those divisions responsible for coordinating production and sourcing in our main production regions make a major contribution to building our supplier insight and improving the performance of our manufacturing partners. Because these teams work closely with our supplier partners, they are ideally positioned to help with monitoring, raising issues, and identifying opportunities and training requirements.

To make sure our supply chain management work is as coordinated and effective as possible, we carry out regular cross-divisional training and awareness-raising sessions around supplier engagement and assessment. Sharing information in this way allows us to form joint action plans, mitigate challenges, improve future performance and make better business decisions regarding our suppliers.



Joint supplier compliance audits in Vietnam and strategic alignment meeting of CSR Supply Chain Management staff of Asia, USA and Europe

POLICIES AND GUIDELINES

We conduct our corporate activities on the basis of clear codes of conduct that follow internationally recognized standards and conventions.

All of our material suppliers or manufacturing and assembly business partners must comply with our Code of Conduct and our Policy of Engagement. We also have a separate Environmental Policy that covers issues related to environmental management, and highlights how this is connected to human health and safety.

Clear policies and guidelines help us structure our approach to creating a fair and safe supply chain within the different entities of the ASICS Group, and our relationships with our business partners.

For more on our policies visit our website <http://corp.asics.com/en/csr/our-approach/governance-and-policies>

INTEGRATING INDUSTRY STANDARDS

As well as working to continuously improve the performance of our supply base, we also aim to integrate best-practice industry standards throughout our supply chain through various industrial and multi-stakeholder partnerships.

From late 2014 until mid-2015, ASICS' key suppliers took part in the Sustainable Apparel Coalitions (SAC) facility module survey, which included an online environmental and social assessment module. Thirty-two of our priority factories completed the survey. Of these, 60% achieved an acceptable level of compliance on the environmental module, and 85% achieved an acceptable level on the social module.

These results show that our supply chain is making good progress towards self-governance.

For more on our industry partnerships, see page 35.

PARTNERING WITH SUPPLIERS AND WORKERS

MANAGING MANUFACTURING ENVIRONMENTAL IMPACTS

We seek to source from suppliers that share our commitment to operating in an environmentally responsible manner.

Because we outsource the manufacturing of apparel, footwear and accessories, a considerable part of our overall environmental impacts exist in our supply chain. Our product LCA research shows us that the largest environmental impacts for footwear relate to manufacturing processes, whereas for apparel the impacts are shared between fabric and garment manufacturing processes as well as consumers (see also page 15). We recognize we have a responsibility to use our influence within our supply chain to help reduce these impacts.

ENVIRONMENTAL IMPACT AT DIRECT FOOTWEAR FACTORIES

Between 2011 and 2015 we worked closely with our footwear suppliers to improve the efficiency of our product design so that manufacturing environmental impacts could be reduced. We also encourage our suppliers to implement best-practice environmental management systems. Together with our Tier 1 suppliers we achieved a 43% reduction in CO₂ per pair of shoes in 2015, compared to a 2009 baseline. In addition, reductions of 50% for water use and 17% for waste per pair of shoes were achieved.

	Unit	2009	2012	2013	2014	2015
CO ₂ emission	kg/pair	4.49	3.61	3.07	2.38	2.57
Water	m ³ /pair	0.1	0.11	0.06	0.05	0.05
Waste	kg/pair	0.23	0.16	0.16	0.16	0.19
Recycled waste	tonnes	1,263	1,425	1,670	2,538	2,072

The data in this table is based on 25 factories in China, Vietnam, Indonesia, Cambodia and Thailand, which together produce over 95% of all our footwear.

43%

TOGETHER WITH OUR TIER 1 SUPPLIERS WE ACHIEVED A 43% REDUCTION IN CO₂ PER PAIR OF SHOES IN 2015.

We remain committed to support our suppliers to measure their key environmental indicators and to further reduce their impacts, thereby also reducing the environmental footprint of ASICS products. At present we track the environmental impacts related to footwear manufacture, however we intend to extend this approach to include our global apparel business in the near future. In addition, we intend to work more closely with our suppliers to implement a 'kaizen' continuous improvement approach to environmental management.

WORKING IN PARTNERSHIP WITH SUPPLIERS

One barrier to improving energy efficiency in the supply chain is the lack of knowledge and skills necessary to implement effective energy management systems and upgrade equipment. To address this knowledge gap, in 2015 we kicked off a Joint Crediting Mechanism (JSM) project in conjunction with governmental and NGO partners to identify the best options for reducing CO₂, and improving energy efficiency and energy supply at two supplier manufacturing sites located in Cambodia and Vietnam.

We are working on the project in partnership with My Climate Japan Co. Ltd, and with the support of the Japanese Ministry of Economy, Trade and Industry (METI).

The first phase of the project involved conducting energy audits at the sites. These audits identified 36 potential cost-effective energy-efficiency measures that, if implemented, will deliver a total reduction of 464 tonnes of CO₂ per year. We presented the findings to the suppliers, and are now discussing their implementation commitments. We are also using the findings to support other suppliers to reduce their manufacturing CO₂ emissions and improve energy efficiency.

The project also highlighted the challenges that suppliers in less developed countries face to implement energy-efficiency improvements. There is often limited knowledge at site level, which was evident from the many improvement opportunities the audits identified. Training and awareness building could help to improve this by giving suppliers more tools to improve. Sites have difficulty allocating budget for energy-efficiency activities even when the return on investment is favorable and often need customer and/or government support to implement them.

"PV appreciates the opportunity to run ASICS Energy Saving Project which greatly helps us to evaluate the whole production processes, reduce the waste, improve the working environment, and enable PV to focus on Green effort. PV now is targeting to execute and expand the project improvements, and to keep moving positively. We all owe so much to the Green World."

Pou Yuen Vietnam Company Limited (PV)
Functional Department Director
Joyce Chen

PARTNERING WITH SUPPLIERS AND WORKERS

TRAINING AND CAPACITY BUILDING

In order for our suppliers' facilities to continuously improve labor and environmental conditions over time, they must be aware of best practice and able to implement structured management systems.

We believe that training and capacity building is vital for helping them do this. We carry out training in collaboration and consultation with independent stakeholder partners such as ILO Better Work.

Training helps suppliers avoid future compliance issues and builds better communication between workers and employers. This ultimately improves both the wellbeing of staff, and the suppliers' quality and productivity.

Our supplier assessments and rating system identifies training needs in the different regions where our products are manufactured. In 2015, ASICS provided three capacity building sessions for suppliers.

ASICS also partnered with ILO Better Factories Cambodia to provide 22 training sessions to suppliers in Cambodia. The training covered a wide range of subjects including supervisor skills, fire safety, compensation and benefits, social compliance, and the rights and responsibilities of workers and unions.



"Our awareness of the supply chain responsibility increased a lot for everybody at the factory. Especially the understanding and awareness for CSR from management to our employees has developed through ASICS' factory audits, supplier training and guidance."

Factory manager, Teijin Frontier, Vietnam

Shanghai, China

- Fire Safety
- Electrical and Machine Safety
- Chemical Safety

99 59

participants suppliers
attended

Ho Chi Minh City, Vietnam

- Fire Safety
- Electrical and Machine Safety
- Chemical Safety

66 33

participants suppliers
attended

Jakarta, Indonesia

- Worker rights
- Industrial Relations
- Grievance Mechanism

40 13

participants suppliers
attended

PARTNERING WITH SUPPLIERS AND WORKERS

OUR PARTNERS

To help progressively improve working conditions and raise supply chain standards throughout our industry, ASICS engages and partners with a wide range of NGOs and other industry stakeholders. By working in partnership with these organizations and contributing to an open debate, we play an active part in shaping the future of our industry. Our main NGO partners are listed here, along with examples of our work with them.

NGOs	Interactions
Caux Round Table (CRT)	CRT is a global network of business leaders working to realize a fair, free and transparent society through sustainable and socially responsible business. In 2015, CRT invited ASICS to share our approach to promoting ethical supply chain practice at an event in Tokyo.
ILO Better Work Program/Better Factories Cambodia	Better Work (BW) and Better Factories Cambodia (BFC) deliver a range of training programs and advisory services to workers and factory managers. These organizations are part of a unique partnership between the International Labour Organization (ILO), and the International Finance Corporation (IFC), which builds on the respective strengths of these organizations. We are BW's only Japanese partner. Through the partnership, BW, BFC and ASICS collaborate to promote continuous improvement in our supplier factories in Cambodia, Vietnam and Indonesia. This work includes improving working conditions, promoting occupational health and safety, and preventing child labor.
Institute of Human Rights and Business (IHRB)	The IHRB works to shape policy, advance practice and strengthen accountability to ensure that businesses uphold human rights and do not contribute to human rights abuses. In 2015, we showcased our work in safeguarding human rights, including its grievance mechanism practices, at IHRB conferences in Tokyo and Switzerland.
Oxfam	Working with Oxfam, we communicated and tracked Freedom Of Association (FOA) protocol practices in Indonesia. ASICS has been a signatory of the FOA protocol since 2011. We respect and uphold the right to freedom of association and collective bargaining in our supply chain where unions are in the workforce. We stimulate an open and effective communication between supplier managers and union representatives to ensure workers' demands are heard.
Sustainable Apparel Coalition (SAC)	As founder member of SAC, we have been closely involved in the organization's efforts to align industry sustainability standards at a global level. We are committed to incorporating the Higg Index into our processes in order to improve both product performance and stakeholder communication from a sustainability perspective. In 2015, our activities included SAC Manufacturer Summit in Hong Kong and SAC member submit in Osaka. Also in 2015, ASICS was assigned as member of working group on the SAC Social/Labor Convergence Project to help develop tools and improve stakeholder engagement in order to align supply chain standards.
Wilton Park Meeting in Switzerland	During this industry event in 2015, ASICS shared best practice around how we manage supply chain risk, as well as how we promote good communication within our supply chain to strengthen our grievance mechanism.
The World Federation of The Sporting Goods Industry (WFSGI)	The WFSGI is the authoritative global body for the sporting goods industry. As a golden member of WFSGI, our business is fully aligned with the organization's diverse range of standards, which cover issues such as environmental consideration, social engagement and governance.
Verité	Human rights abuse among migrant workers has become a key area of global supply chain concern. In 2015, ASICS joined more than 30 other brands to discuss issues around global migration and migrant workers' rights at an event hosted by Verité in Tokyo. Topics discussed included recruitment transparency, forced labor, working conditions and workers' awareness of their rights when overseas.

A photograph of two men, one white and one Black, hanging from a pull-up bar in a gym. They are both looking upwards. The man on the left is wearing a blue t-shirt and black shorts. The man on the right is wearing a blue tank top. A large window is in the background, letting in natural light. A yellow and green graphic overlay is in the top left corner.

**INVESTING IN
PEOPLE AND
COMMUNITIES**

**WE ARE
ONE**

Corporate Philosophy

Fulfill our social responsibility and help improve conditions for communities around the world. Maintain a spirit of freedom, fairness and discipline, respectful of all individuals.

INVESTING IN PEOPLE AND COMMUNITIES

OUR APPROACH

In keeping with the ideals of our founder, we want to have a positive influence on individuals and society. For ASICS, this means supporting our people and contributing to the communities in which we operate.

We listen to our colleagues and strive to provide a working environment that meets their needs and helps them realize their potential.

As a sporting goods company, we aim to contribute to the creation of a fair and clean world in which our customers can enjoy sports. As a global company, we not only serve our customers, we respect and show consideration to everyone around us, and the planet itself. We support our communities through donations, charitable work and social investment.

Progress

- Globally aligned performance management and employee development through the implementation of SuccessFactors.
[>Go to Page 38](#)
- Strengthening our organization and to prepare for future growth.
[> Go to Page 38](#)
- Investing \$688,161 in community contributions and further donations in kind of \$481,238.
[> Go to Page 40](#)

7,263

NUMBER OF EMPLOYEES WORLDWIDE

It was a great day! The kids were enthusiastic, as were the volunteers. The organization was good. Furthermore it was a good chance to get to know your colleagues.

Employee ASICS Europe B.V. on volunteering activity at a sports event in Amsterdam for children from deprived areas

INVESTING IN PEOPLE AND COMMUNITIES

INVESTING IN OUR PEOPLE

Our people are our most valuable asset. We aim to inspire our colleagues through our corporate culture, so that personal development and corporate growth go hand in hand. Through our various Human Resources programs, we are creating a working environment that encourages diversity and respect for all, while enabling each employee to demonstrate individuality and creativity.

ALIGNING OUR HR OPERATIONS GLOBALLY

During 2015, we continued a global roll out of SAP SuccessFactors, a new cloud-based software system for human resources management.

The SAP SuccessFactors system is a human capital management application suite that supports a range of vital HR functions, including onboarding, performance management, recruiting, learning and development, succession planning, talent management and analytics.

SuccessFactors will enable us to improve business strategy alignment, team execution, and people performance. By enabling our HR operations to be more aligned globally, we can increase our efficiency and improve transparency between management and employees on key factors such as goals, competencies and skills development.

PERSONAL DEVELOPMENT TRAINING

Training is an important part of our personnel and organizational development strategy. To support development and promote competitiveness, we run training programs that cover employees at different levels across each department and function.

Our regional offices work closely together within a global competency structure that ensures global consistency within our organization while incorporating local needs and differences. Training programs cover a range of governance subjects including anti-harassment and diversity, new employee orientation, and health and safety, as well as management capacity building and skills development tailored to the specific needs of each of our global operations.

LIVING OUR VALUES

'A sound mind in a sound body' is more than the phrase behind our brand name. It's a basic principle that we aim to uphold in every aspect of our operations, including the working environment we provide for our employees.

Our aim is to create a working environment that helps and encourages our employees to lead healthy lifestyles. This goes beyond the ergonomics of workplace areas and pleasant, light offices. Many of our global offices have changing rooms, showers and a gym area. Employees take part in activities such as boot camp classes, yoga or team sports, and employee committees regularly organize sports or social events that allow our employees to have fun and socialize with colleagues outside the work environment.

We provide healthy food options in our canteens. At some locations, canteens also offer free fresh fruit. In some of our regions, a company contribution to sports club membership or classes form part of our secondary benefits.

INVESTING IN PEOPLE AND COMMUNITIES

STRENGTHENING OUR BUSINESS THROUGH ORGANIZATIONAL RESTRUCTURING

To ensure the sustainable growth of the ASICS Group under the ASICS Growth Plan 2015 and beyond, we have conducted a number of structural reforms in parts of our organization.

One example of this was the restructuring of our business in Japan. ASICS Japan Corporation merged with its subsidiary ASICS Sales Corporation to accelerate and improve decision-making and business processes and work towards a lean organization structure.

Through this structural reform, 339 staff members left our company, with some on agreed early retirement schemes. For the other former staff members we supported them to find new positions outside of our organization. To date, 60% have been able to do so. Our Japanese distribution center division was divested in 2015, and staff employed by this division have transferred to Marubeni Corporation, the new proprietor.

In 2015, we also announced plans to optimize our global operations and accelerate business growth by restructuring our organization and appointing new leaders through our Center of Excellence initiative.

The Center of Excellence initiative strengthens our global business by bringing in top talent to lead our global categories from the most influential regional markets by category.

In September 2015, we established our Global Lifestyle Division to lead global marketing for lifestyle brands such as Onitsuka Tiger and ASICS Tiger.

Strengthening our footwear and apparel business is another key part of our business growth strategy. Another organizational change in 2015 involved our Global Footwear Product Merchandising Division to incorporate design activities. Integrating product design, development and manufacturing functions will boost the development of competitive products.

In some instances the restructuring offered staff opportunities to relocate to new global areas. We supported staff to relocate so that they could combine personal interests and career development, and to make sure the right people could take on roles in our various Centers of Excellence.

STRENGTH THROUGH DIVERSITY

ASICS is a team of 7,263 people working all over the world. Because we believe that diversity is essential for innovation, we do everything we can to encourage a diverse workforce and working environment. We want all voices to be heard and everyone to have the opportunity to succeed.

Within ASICS Corporation Japan especially, diversity is an important focus area of the Human Resources Division in collaboration with a specific diversity project team.

Activities in 2015 consisted of:

- Inter-group talent exchange programs and English language training.
- Training for non-Japanese mid-hire employees on corporate culture.
- Women leadership training provided by Japan Federation of Economic Organizations (Keidanren).
- Internal career design training for future female talents and role model session for female leaders.

Currently the percentage of women in senior positions (manager level and higher) at ASICS Headquarters (AHQ) and ASICS Corporation Japan (ACJ) together is 6.7%. It is our goal towards 2020 to raise this to at least 10% and have female leaders represented in all business divisions at AHQ and ACJ.

INVESTING IN PEOPLE AND COMMUNITIES

COMMUNITY INVOLVEMENT

We aim to contribute to society and be a positive influence on the communities in which we operate. We do this through financial contributions and donations in kind, as well as community activities such as volunteering, disaster relief, and promoting active, healthy and sustainable lifestyles.

Our company operates in different communities around the world, each with different needs. Our community support activities reflect these differences. In 2015, our contributions to society also included a wide range of activities close to home, in the communities around our local offices and in developing countries.

In our fiscal year 2015, our community contributions added up to more than \$688,161 in financial contributions, with a further \$481,238 of donations in kind (such as footwear, apparel, sports accessories or equipment).

The following pages detail some of our key collaborations and activities in 2015.

EMPLOYEE VOLUNTEERING



Colleagues from our office locations worldwide regularly take part in volunteering activities to support their local communities. Activities include coaching or organizing sports activities for children from disadvantaged backgrounds, humanitarian relief with food banks, volunteering at events of cancer research funds and cleaning the environment in protected nature areas.

DISASTER RELIEF

Disaster relief has always been a key part of our community involvement activities worldwide. Following the devastating earthquakes in Nepal in 2015, we coordinated our first global donation campaign for employees in all regions to support the survivors.

All employee donations were matched and doubled by the ASICS Group. The money raised by the campaign was donated to Save the Children's Nepal earthquake appeal.

\$688,161

IN FINANCIAL CONTRIBUTIONS.

\$481,238

OF DONATIONS IN KIND (SUCH AS FOOTWEAR, APPAREL, SPORTS ACCESSORIES OR EQUIPMENT).

INVESTING IN PEOPLE AND COMMUNITIES

GIRLS ON THE RUN

In 2015, ASICS America Corporation became an official sponsor of Girls on the Run, a US non-profit organization that inspires girls nationwide to be healthy, happy and confident through running. Through the partnership, ASICS America will provide affordable footwear, volunteer opportunities and health and fitness programming to the members of Girls on the Run's 225 councils across the country.

To further its commitment, ASICS America engages its team of elite athletes to support Girls on the Run activities, and organizes meet-and-greets with local councils.



A BRIGHT TOMORROW THROUGH SPORT

Since April 2011, ASICS has been running A Bright Tomorrow Through Sport, a support program for young people who were affected in the Great East Japan Earthquake and the wider community of the Tohoku region.

The goal of the program is to promote the sound development of minds and bodies through sports, and to give children inspiration and hope for a brighter future. It has four main pillars:

- **Product donations:** We provide eligible young people with sporting goods until they reach the age of 19.
- **Visits by athletes:** ASICS athlete ambassadors visit children in the affected regions and hold sports clinics.
- **Invitation to Kobe:** Kobe is home to ASICS, and one of the areas most affected by the earthquake. Through the program, we invite children from all affected regions to visit the reconstructed city, where they can tour the ASICS Sports Museum and the ASICS Institute of Sport Science.
- **Supporting health and exercise:** ASICS employees hold events in the affected regions to promote exercise and improve public health.



INVESTING IN PEOPLE AND COMMUNITIES

ADOPT A SCHOOL

In 2015, ASICS EMEA became a sponsor of the Tag Rugby® Association's Adopt-a-School program to support disadvantaged primary school children in the country.

Tag Rugby is a non-contact form of rugby where a tackle is made by pulling a ribbon off the belt of the opponent with the ball. Through their Adopt-a-School program, the Tag Rugby® Association aims to provide children in disadvantaged communities with the opportunity to learn a new sport, have fun, and find a positive outlet for their energy.

Through the partnership, we sponsored five primary schools, providing sports kit and coaching sessions for 1,872 children.



1,872

DISADVANTAGED CHILDREN IN SOUTH AFRICA
RECEIVED FUNDED COACHING.

SYMPANY

ASICS EMEA also contributes to a sustainable future for local communities through its ongoing partnership with the charitable organization Sympany.

Sympany collects our aging inventory (footwear, apparel and accessories that are no longer desired by our customers or our retail outlets) and redistributes them to raise funds for charities such as the Red Cross, along with many projects supporting sustainability, self-reliance and education in developing countries.

Sympany is expanding its operations, and the organization now sets up and supports various initiatives to incorporate recycled textiles in garment production. Our collaboration ensures our aging inventory does not go to waste, and has a positive impact on the communities around us.

(TRANSLATION)

Independent Practitioner's Assurance Report

June 10, 2016

Mr. Motoi Oyama
President and CEO
ASICS Corporation

Hiroshi Inanaga
Chief Executive Officer
Deloitte Tohmatsu Evaluation and Certification Organization Co., Ltd.
3-3-1, Marunouchi, Chiyoda-ku, Tokyo

We have undertaken a limited assurance engagement of the CO₂ emissions information for the year ended December 31, 2015, stated in "CO₂ emissions from our locations/direct operations including retail operations" (Scope 1 and 2) and the CO₂ emissions information under Category 1 "Purchased goods and services" (Scope 3, Category 1) stated in "Scope 3 CO₂ Emissions 2015" as presented in the *Sustainability Report 2015* (the "Report") prepared and posted by ASICS Corporation (the "Company") on its website (collectively referred to as "CO₂ Emissions Information").

The Company's Responsibility

The Company is responsible for the preparation of the CO₂ Emissions Information in accordance with the calculation and reporting standard adopted by the Company (indicated with the CO₂ Emissions Information included in the Report). CO₂ emissions information quantification is subject to inherent uncertainty for reasons such as incomplete scientific knowledge used to determine emission factors and numerical data.

Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We apply International Standard on Quality Control 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*, and accordingly maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the CO₂ Emissions Information based on the procedures we have performed and the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements ("ISAE") 3000, *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*, issued by the International Auditing and Assurance Standards Board ("IAASB"), ISAE3410, *Assurance Engagements on Greenhouse Gas Statements*, issued by the IAASB, and the *Practical Guideline for the Assurance of Sustainability Information*, issued by the Japanese Association of Assurance Organizations for Sustainability Information.

The procedures we performed were based on our professional judgment and included inquiries, observation of processes performed, inspection of documents, analytical procedures, evaluating the appropriateness of quantification methods and reporting policies, and agreeing or reconciling with underlying records. These procedures also included the following:

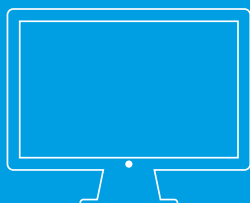
- Evaluating whether the Company's methods for estimates are appropriate and had been consistently applied. However, our procedures did not include testing the data on which the estimates are based or reperforming the estimates.
- Undertaking site visits to assess the completeness of the data, data collection methods, source data and relevant assumptions applicable to the sites.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Limited Assurance Conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Company's CO₂ Emissions Information is not prepared, in all material respects, in accordance with the calculation and reporting standard adopted by the Company.

The above represents a translation, for convenience only, of the original Independent Practitioner's Assurance report issued in the Japanese language.



Find out more

You can find out more about ASICS
and our approach to sustainability –
read previous reports and download
our GRI index on our corporate website

VISIT CORP.ASICS.COM/EN