

OUR APPROACH TO MANAGING OPERATIONS CONTINUED

In 2018, we continued to increase our use of renewable energy in Europe and Japan. In Europe, we continued the energy procurement project that started in 2016. The aim is to centralize energy procurement in Europe to save costs as well as switching to renewable electricity contracts for our direct operation locations. In 2018, approximately 8,100 MWh of purchased electricity was from renewable sources; this is more than 60% of total electricity use in EMEA. The energy procurement project and transition to renewable energy for our direct operations will continue in 2019.

In Japan, we purchased the renewable energy certificate of 1.6 MWh generated by biomass, which covered 100% of the electricity used at our office headquarters in 2018.



Renewable energy certificate

We continuously assessed options with the electricity supplier to procure and expand the use of renewable energy for our headquarters and other locations in Japan.

ASICS America Corporation partnered with EnterSolar to install a wholly owned 1 MW (megawatt) rooftop solar panel array at our distribution center in Byhalia, Mississippi in 2017. The largest private solar system in Mississippi, the installation covered around 23% of the site's annual energy needs in 2018, while reducing carbon emissions by nearly 800 tonnes of CO₂ equivalent units per year.

The installation consists of roughly 3,000 solar panels capable of generating up to 1,330 MWh of the Distribution Center's current annual energy needs – equivalent to the power consumed by 126 homes per year.

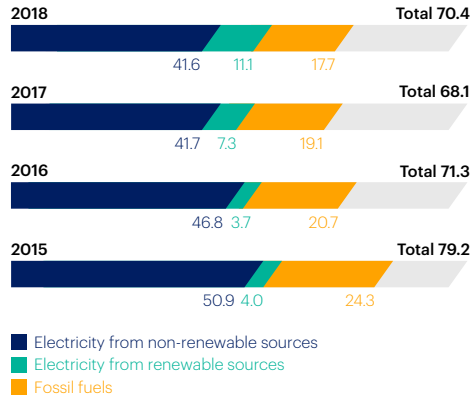


System Installation Drone View of ASICS distribution center in Byhalia, Mississippi

The solar panels used for this project were manufactured by Trina Solar and were specifically selected for their top sustainability ranking over the past five years by the Silicon Valley Toxics Coalition (SVTC). The distribution center is also a LEED Building Operations and Maintenance (O+M) registered project.

Energy volume by type (GWh)

In 2018 the percentage of ASICS' electricity from renewable sources increased to 15.8%.



The data applies to ASICS Group locations including offices, retail locations, distribution centers and wholly owned factories globally. Company/lease car impacts are also included. The following formula is used when the amount of energy consumption is not available for any sites: (energy consumption per square meter estimated for each type of site) X (area of site) X (conversion factor from each unit to GWh). The 2018 total energy volume is verified by Deloitte Tohmatsu Sustainability Co., Ltd.

23%
of the Byhalia site's annual energy needs in 2018 were covered by the largest private solar system in Mississippi

100%
of electricity used at Japan headquarters is generated from renewable sources