

**CONSOLIDATED  
FINANCIAL  
SUMMARY FOR  
THE FISCAL  
SECOND  
QUARTER  
ENDED JUNE  
30, 2018**

ASICS  
Corporation  
Aug 3, 2018



# DISCLAIMER

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## **KEY POINTS OF CONSOLIDATED RESULTS FOR FY2018 Q2**

- ✓ Sales and profit decreased on a consolidation basis. However, operating income achieved our FY2018 Q2 forecast.
- ✓ Sales in Americas significantly decreased. Sales in Japan decreased and sales in EMEA also decreased on a currency neutral basis. Increased sales in East Asia due to strong sales by +20% approximately in China.
- ✓ Sales of Onitsuka Tiger shoes increased by more than 30%.
- ✓ The main factors of decreased operating income; Decreased sales in Americas and Japan, Increase in costs related to retail stores.
- ✓ The ratio of DTC sales to total sales reached to 23% (FY2017 Q2: 19%).

# CONSOLIDATED RESULTS HIGHLIGHTS



(Unit : 100 millions of YEN)

	FY2017 Q2 (FY17 Q2)	FY2018 Q2 (FY18 Q2)	FY2018 Q2 forecast (Published 14 Feb)	vs LY	vs forecast
<b>Net sales</b>	2,037	1,927	2,050	△110 △5.4%	△123 △6.0%
<b>Gross profit</b>	945	926	-	△19 △2.0%	-
Gross profit margin	46.4%	48.1%	-	- +1.7ppt	-
<b>S.G.&amp;A. expenses</b>	784	841	-	+57 +7.3%	-
S.G.&A. expenses ratio	38.5%	43.7%	-	- +5.2ppt	-
<b>Operating income</b>	160	84	75	△76 △47.2%	+9 +13.3%
Operating income margin	7.9%	4.4%	3.7%	- △3.5ppt	- +0.7ppt
<b>Ordinary income</b>	180	64	75	△116 △64.1%	△11 △13.4%
Profit attributable to owners of parent	116	34	40	△82 △70.7%	△6 △14.5%
<b>DTC Sales</b>	405	460	-	+55 +13.6%	-
DTC Sales Ratio	19.9%	23.8%	-	- +3.9ppt	-

	FY17 Q2	FY18 Q2	Upper : Y on Y Lower : Y on Y Ratio
Japan	542	526	△16 △3.1%
Overseas	1,494	1,401	△93 △6.2%
Overseas Ratio	73.4%	72.7%	△0.7ppt

<b>Impact of Exchange rate</b>	+29
<b>Consolidated Net Sales on a currency neutral basis</b>	△139 △6.8%

## Main factors for change Net sales

- (+) Strong sales in East Asia/China
- (+) Strong sales in DTC channel
- (+) Exchange impact
- (-) Decreased sales in Americas / Japan / EMEA

## Operating income

- (-) Decreased sales in Americas/Japan
- (-) Increase in costs related to retail stores

### 【Exchange rate】

	USD	EUR	RMB	AUD
FY17 Q2	112.75YEN	122.26YEN	16.42YEN	84.98YEN
FY18 Q2	109.17YEN	131.27YEN	17.05YEN	83.93YEN

# CONSOLIDATED NET SALES BY SEGMENT

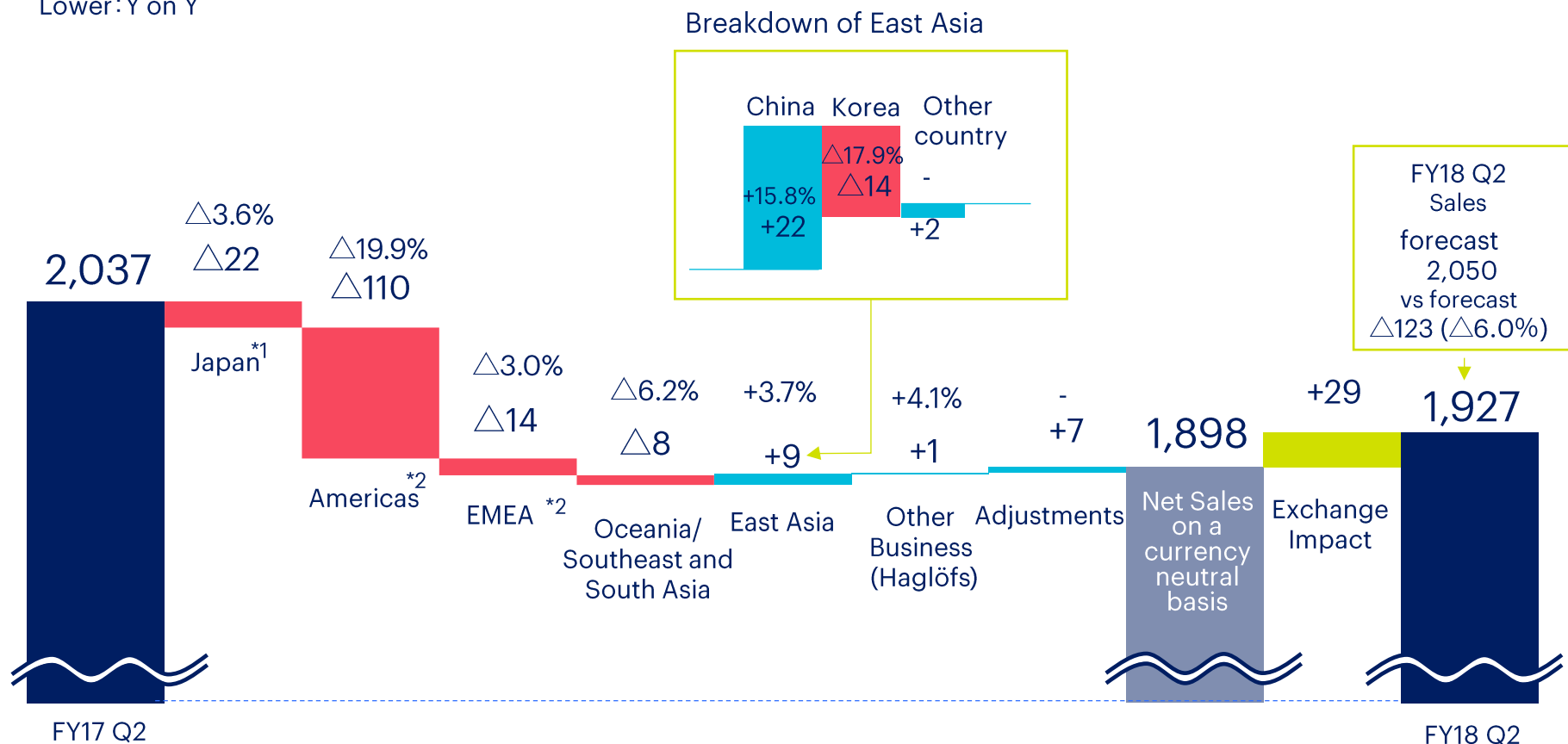


✓ Continued growth in China, but sluggish sales in Americas. Sales decreased on a consolidation basis compared to FY18 Q2 forecast.

(Unit: 100 millions of YEN)

Upper: Y on Y Ratio (local currency basis)

Lower: Y on Y



\*1 Including sales from Japan to overseas (mainly overseas subsidiaries).

\*2 Americas' consolidated figures in USD and EMEA's consolidated figures in EUR are shown as local currency basis.

# CONSOLIDATED OPERATING INCOME BY SEGMENT

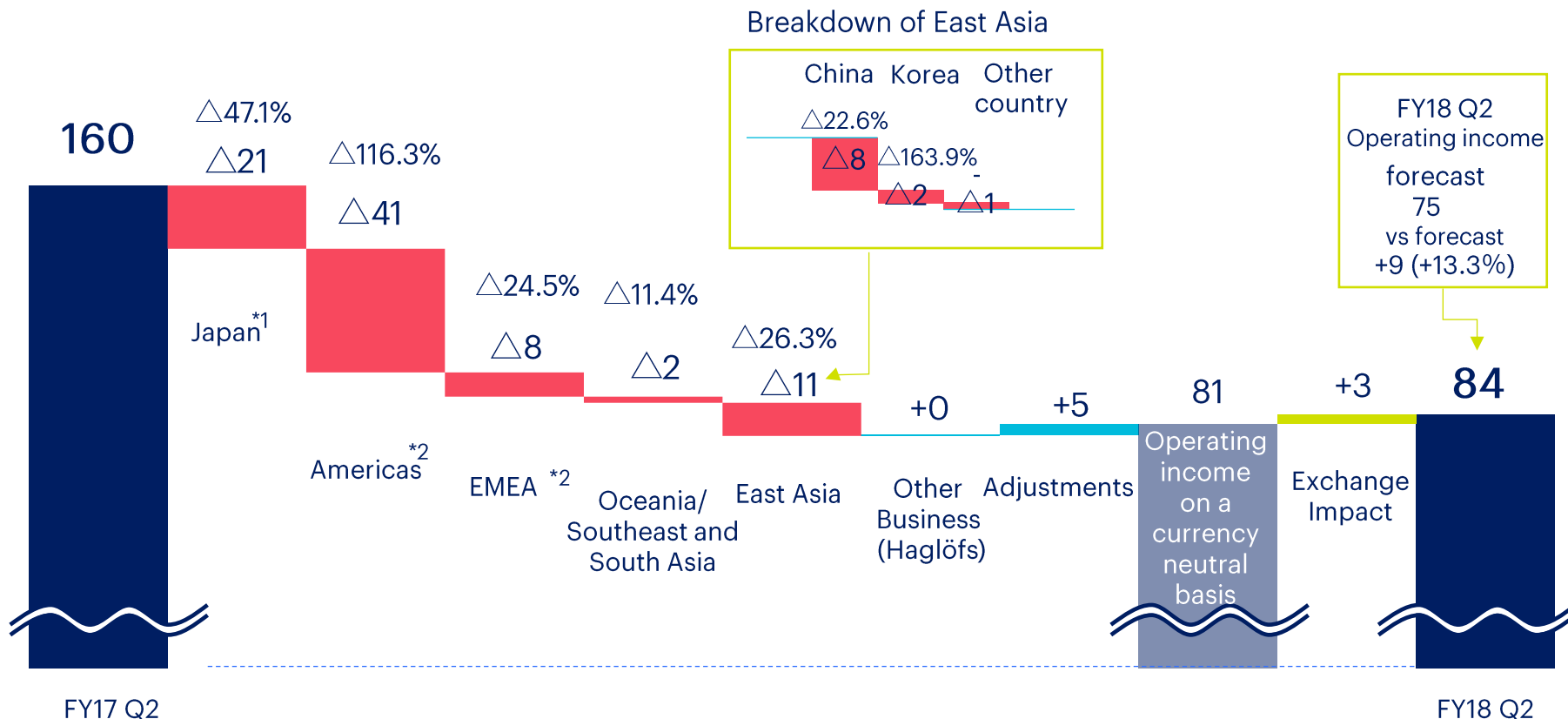


✓ Decreased profit in Americas and Japan. However, consolidated profit increased compared to FY18 Q2 forecast. Profit in China decreased mainly due to increase in advertising expenses.

Upper: Y on Y Ratio (local currency basis)

Lower: Y on Y

(Unit : 100 millions of YEN)



\*1 Including sales from Japan to overseas (mainly overseas subsidiaries).

\*2 Americas' consolidated figures in USD and EMEA's consolidated figures in EUR are shown as local currency basis.

# CONSOLIDATED NET SALES BY CATEGORY



✓ Onitsuka Tiger Shoes led Lifestyle category.



## Running

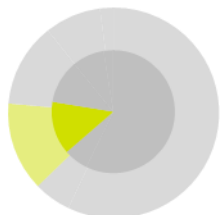
Y to Y comparison

Y on Y  $\triangle 97$   $\triangle 8.3\%$   
 Currency neutral basis  $\triangle 114$   $\triangle 9.8\%$



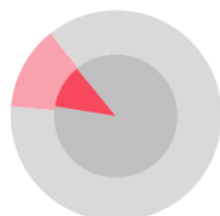
## Training

Y on Y  $\triangle 18$   $\triangle 16.6\%$   
 Currency neutral basis  $\triangle 19$   $\triangle 17.4\%$



## Core Performance Sport (CPS)

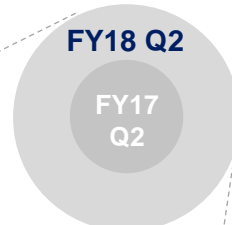
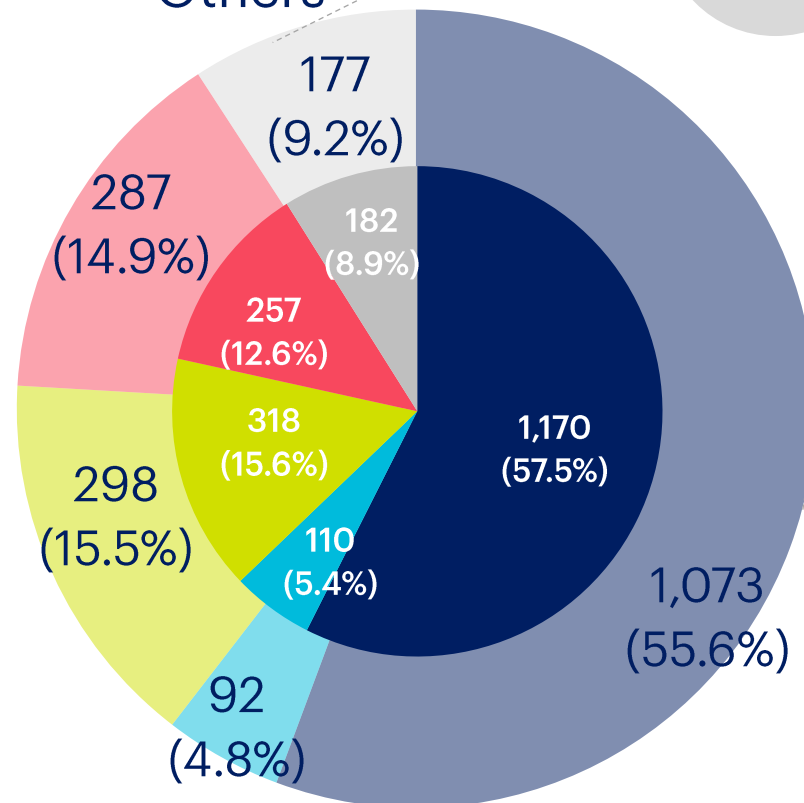
Y on Y  $\triangle 20$   $\triangle 6.3\%$   
 Currency neutral basis  $\triangle 23$   $\triangle 7.4\%$



## Lifestyle

Y on Y  $+29$   $+11.6\%$   
 Currency neutral basis  $+21$   $+8.4\%$

## Components of net sales



	FY17 Q2	FY18 Q2	Y on Y	Upper: Net sales	Lower: (Component Ratio)
Onitsuka Tiger Shoes	160	210	+50	+30.9%	

# CONSOLIDATED NET SALES BY PRODUCT



✓ Decreased sales in Sports Shoes and Wear.

Y to Y comparison

## Components of net sales

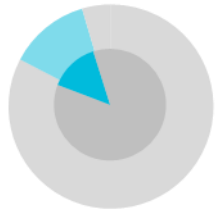
FY18 Q2

FY17 Q2



### Sports Shoes

Y on Y	△92	△5.4%
Currency neutral basis	△117	△6.9%



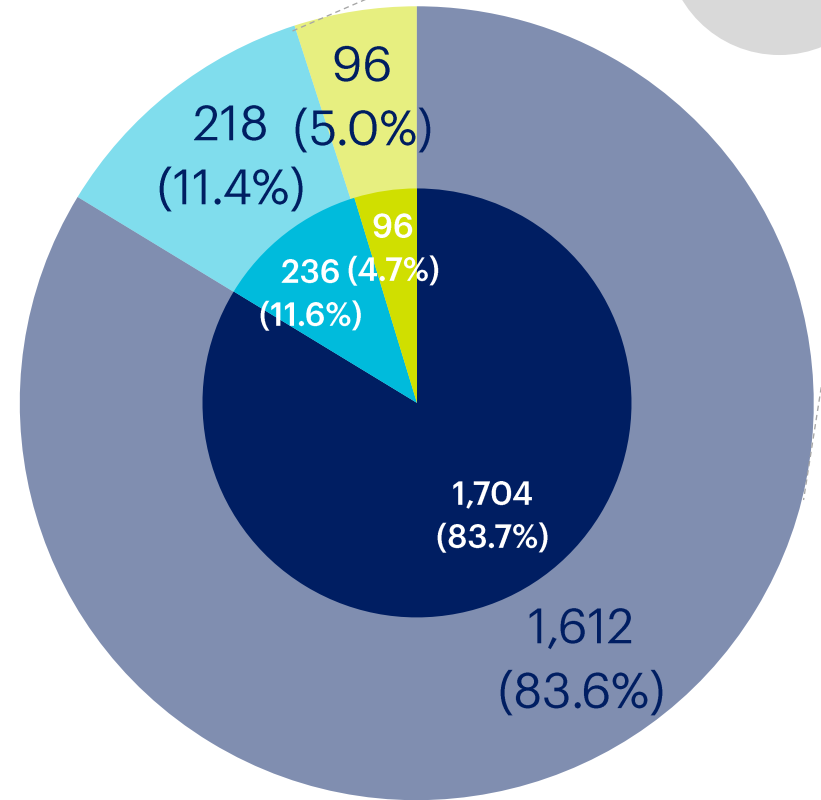
### Sports Wear

Y on Y	△17	△7.5%
Currency neutral basis	△21	△9.0%



### Sports Equipment

Y on Y	+0	+0.4%
Currency neutral basis	+0	+0.1%



Upper: Net sales  
Lower: (Component Ratio)



# JAPAN



(Unit : 100 millions of YEN)	FY17 Q2	FY18 Q2	Y on Y	Y on Y ratio
Net sales	638	<b>615</b>	△23	△3.6%
Operating income	44	<b>23</b>	△21	△47.1%
Operating income margin	7.0%	<b>3.8%</b>	-	△3.2ppt

## Main factors for change Net sales

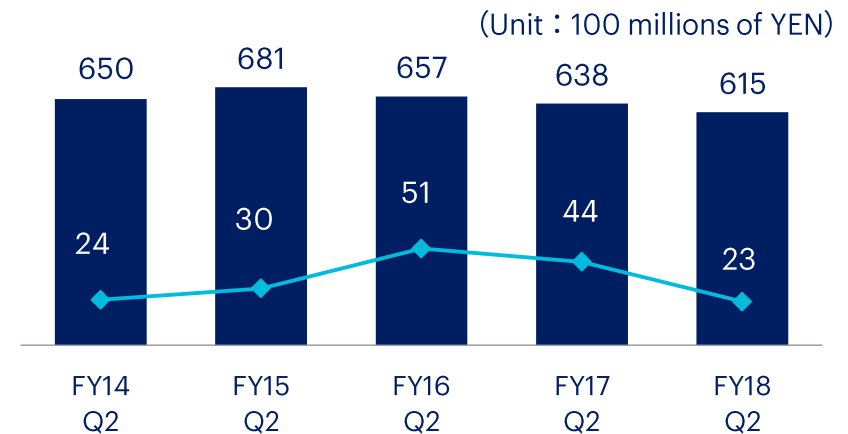
- (+) Strong sales in Onitsuka Tiger shoes & Working shoes
- (-) Sluggish sales in Wear & Running shoes

## Operating income

- (-) Decrease in sales
- (-) Increase in costs related to retail stores
- (-) Increase in advertising expenses

<Net sales by product>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN) (Currency neutral basis)
Sports Shoes	475	463	△12	△2.5%
Sports Wear	103	87	△16	△15.4%
Sports Equipment	59	64	+5	+8.4%
Total	638	615	△23	△3.6%

<Net sales by category>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN) (Currency neutral basis)
Running	70	59	△11	△14.5%
Training	51	48	△3	△6.4%
CPS	174	167	△7	△4.3%
Lifestyle	44	57	+13	+31.2%
Onitsuka Tiger Shoes	38	50	+12	+29.7%
ASICS Tiger Shoes	3	5	+2	+38.0%
Others	298	282	△16	△5.3%
Total	638	615	△23	△3.6%



\* FY14 (FY ended December 31, 2014) was a transitional period for the fiscal year end. Therefore, the consolidated period was nine months (April 1, 2014 to December 31, 2014) for the domestic consolidated subsidiaries.

\* Including sales from Japan to overseas (mainly overseas subsidiaries).

# AMERICAS



(Unit : 100 millions of YEN)	FY17 Q2	FY18 Q2	Y on Y	Y on Y ratio
Net sales	556	431	△125	△22.4%
Operating income	35	△5	△40	△115.8%
Operating income margin	6.4%	△1.3%	-	△7.7ppt

Exchange rate : USD

FY17 Q2	FY18 Q2
112.75YEN	109.17YEN

Exchange rate : USD/BRL

FY17 Q2	FY18 Q2
3.18BRL	3.42BRL

<Net sales by product>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Sports Shoes	521	401	△120	△23.0%	△20.5%
Sports Wear	23	21	△2	△8.6%	△5.6%
Sports Equipment	11	8	△3	△24.3%	△21.8%
Total	556	431	△125	△22.4%	△19.9%

<Net sales by category>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Running	526	410	△116	△22.0%	△19.4%
Training	18	10	△8	△43.9%	△42.1%
CPS	33	24	△9	△25.6%	△23.1%
Lifestyle	20	16	△4	△18.2%	△15.6%
Onitsuka Tiger Shoes	7	7	△0	△1.4%	+1.9%
ASICS Tiger Shoes	11	8	△3	△26.7%	△24.3%
Others	△42	△31	+11	-	-
Total	556	431	△125	△22.4%	△19.9%

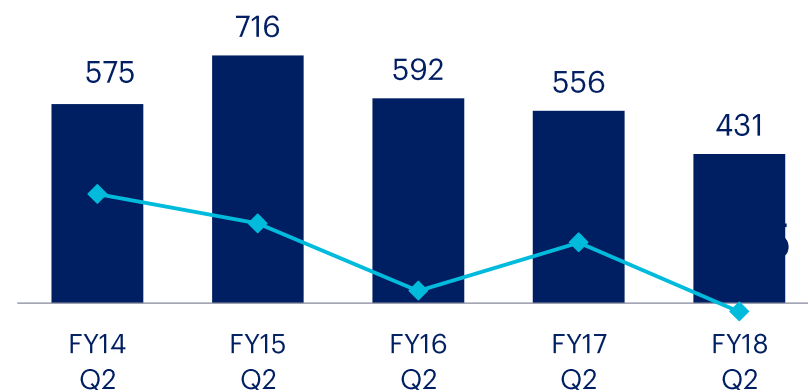
## Main factors for change Net sales

- (-) U.S. External sales △22.2%
- (-) Sluggish sales in Wholesale channel
- (-) Brazil Net sales in BRL △15.5%
- (-) Sluggish sales in Running shoes

## Operating income

- (+) Improvement of cost of sales ratio
- (-) Decrease in sales
- (-) Increase in advertising expenses

(Unit : 100 millions of YEN)



(Unit : 100 millions of YEN)	FY17 Q2	FY18 Q2	Y on Y	Y on Y ratio
Net sales	501	<b>522</b>	+21	+4.2%
Operating income	35	<b>29</b>	△6	△19.0%
Operating income margin	7.2%	<b>5.6%</b>	-	△1.6ppt

Exchange rate : EUR  
 FY17 Q2      FY18 Q2  
 122.26YEN    131.27YEN

<Net sales by product>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Sports Shoes	446	466	+20	+4.5%	△2.7%
Sports Wear	46	47	+1	+1.3%	△5.6%
Sports Equipment	8	9	+1	+3.6%	△3.5%
Total	501	522	+21	+4.2%	△3.0%

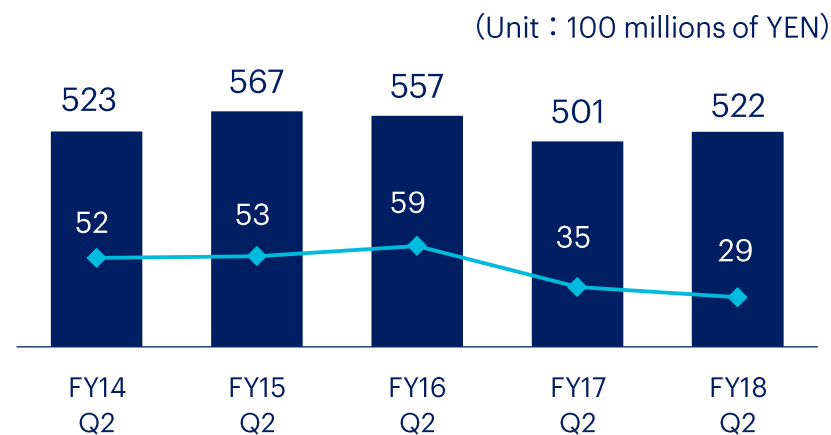
<Net sales by category>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Running	376	405	+29	+7.9%	+0.4%
Training	15	12	△3	△20.0%	△25.5%
CPS	54	57	+3	+6.6%	△0.7%
Lifestyle	70	61	△9	△12.5%	△18.5%
Onitsuka Tiger Shoes	12	18	+6	+51.6%	+41.2%
ASICS Tiger Shoes	57	42	△15	△26.3%	△31.4%
Others	△14	△14	△0	-	-
Total	501	522	+21	+4.2%	△3.0%

## Main factors for change Net sales

- (+) Strong sales in Onitsuka Tiger shoes
- (-) Sluggish sales in ASICS Tiger shoes

## Operating income

- (+) Improvement of cost of sales ratio
- (-) Depreciation of import exchange rate
- (-) Increase in costs related to retail stores
- (-) Decrease in sales



# OCEANIA/SOUTHEAST AND SOUTH ASIA



(Unit : 100 millions of YEN)	FY17 Q2	FY18 Q2	Y on Y	Y on Y ratio
Net sales	144	<b>135</b>	△9	△6.2%
Operating income	23	<b>21</b>	△2	△11.4%
Operating income margin	16.5%	<b>15.6%</b>	-	△0.9ppt

Exchange rate : AUD		Exchange rate : SGD	
FY17 Q2	FY18 Q2	FY17 Q2	FY18 Q2
84.98YEN	83.93YEN	80.29YEN	81.99YEN

<Net sales by product>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Sports Shoes	134	126	△8	△6.4%	△6.2%
Sports Wear	7	7	+0	+2.4%	+3.4%
Sports Equipment	2	1	△1	△21.8%	△24.9%
Total	144	135	△9	△6.2%	△6.0%

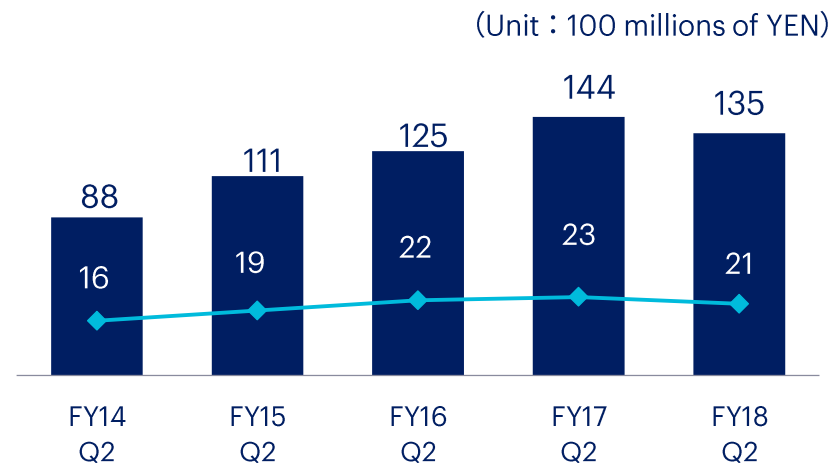
<Net sales by category>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Running	93	87	△6	△6.4%	△5.7%
Training	7	6	△1	△15.9%	△16.0%
CPS	30	27	△3	△10.9%	△10.3%
Lifestyle	24	24	△0	△3.1%	△5.3%
Onitsuka Tiger Shoes	17	19	+2	+14.1%	+11.4%
ASICS Tiger Shoes	7	3	△4	△45.5%	△46.3%
Others	△11	△9	+2	-	-
Total	144	135	△9	△6.2%	△6.0%

## Main factors for change Net sales

- (-) Oceania Net sales in AUD △16.0%
- (-) Sluggish sales in Running & ASICS Tiger shoes
- (+) Southeast and South Asia Net sales in SGD +17.4%
- (+) Strong sales in Running shoes

## Operating income

- (-) Oceania
- (-) Decrease in sales
- (+) Southeast and South Asia
- (+) Increase in sales



# EAST ASIA



(Unit : 100 millions of YEN)	FY17 Q2	FY18 Q2	Y on Y	Y on Y ratio
Net sales	250	<b>267</b>	+17	+6.8%
Operating income	42	<b>32</b>	△10	△24.0%
Operating income margin	16.8%	<b>12.0%</b>	-	△4.8ppt

Exchange rate : RMB

FY17 Q2	FY18 Q2
16.42YEN	17.05YEN

Exchange rate : KRW

FY17 Q2	FY18 Q2
0.0984YEN	0.1011YEN

<Net sales by product>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Sports Shoes	215	237	+22	+10.2%	+7.0%
Sports Wear	30	27	△3	△11.5%	△14.4%
Sports Equipment	4	2	△2	△30.6%	△34.5%
Total	250	267	+17	+6.8%	+3.7%

<Net sales by category>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Running	104	109	+5	+4.6%	+1.7%
Training	17	14	△3	△14.8%	△17.6%
CPS	25	21	△4	△17.1%	△19.5%
Lifestyle	98	127	+29	+30.0%	+26.0%
Onitsuka Tiger Shoes	85	114	+29	+34.9%	+30.7%
ASICS Tiger Shoes	10	8	△2	△18.5%	△21.6%
Others	4	△5	△9	-	-
Total	250	267	+17	+6.8%	+3.7%

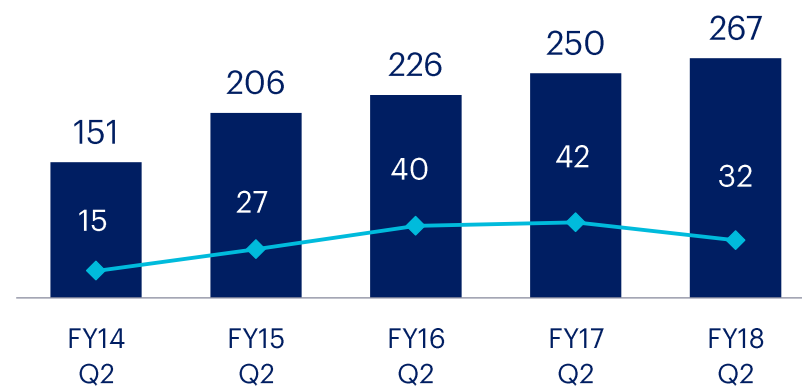
## Main factors for change Net sales

- (+) China Net sales in RMB +15.8%
- (+) Strong sales in Onitsuka Tiger & Running shoes
- (-) Korea Net sales in KRW △17.9%
- (-) Decrease in sales due to restructuring of retail stores

## Operating income

- (-) China
- (+) Increase in sales
- (-) Increase in advertising expenses
- (-) Increase of cost of sales ratio
- (-) Korea
- (-) Decrease in sales

(Unit : 100 millions of YEN)



# OTHER BUSINESS (HAGLÖFS)



(Unit : 100 millions of YEN)	FY17 Q2	FY18 Q2	Y on Y	Y on Y ratio
Net sales	38	<b>40</b>	+2	+5.6%
Operating income*	△4	△3	+1	-
Operating income margin	△11.3%	△9.1%	-	+2.2ppt

## Main factors for change Net sales

(+) Strong sales in Outdoor Wear

## Operating income

(+) Improvement of cost of sales ratio

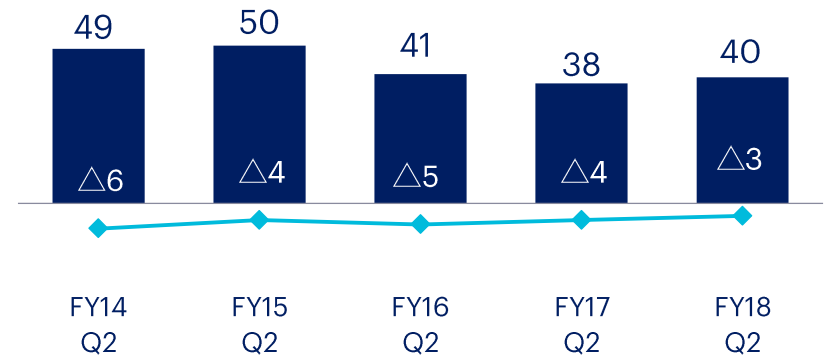
\*Operating income before amortization of goodwill, etc. was in surplus.

Exchange rate : SEK

FY17 Q2	FY18 Q2
12.73YEN	12.92YEN

<Net sales by product>	FY17 Q2	FY18 Q2	Y on Y	Y on Y Ratio (YEN)	Y on Y Ratio (Currency neutral basis)
Outdoor Shoes	6	6	△0	△6.9%	△8.3%
Outdoor Wear	25	28	+3	+11.2%	+9.6%
Outdoor Equipment	5	4	△1	△19.1%	△20.2%
Others	0	0	+0	-	-
Total	38	39	+1	+3.6%	+2.1%

(Unit : 100 millions of YEN)



# CONSOLIDATED FINANCIAL RESULT: FINANCIAL SITUATION



✓ Shareholders' equity ratio is 58.3%. Strong financial base is kept continuously.

- Net Income per Share

## Net Income per Share

FY17 Q2	61.57YEN	
FY18 Q2	18.09YEN	
Y on Y	△43.48YEN	△70.6%

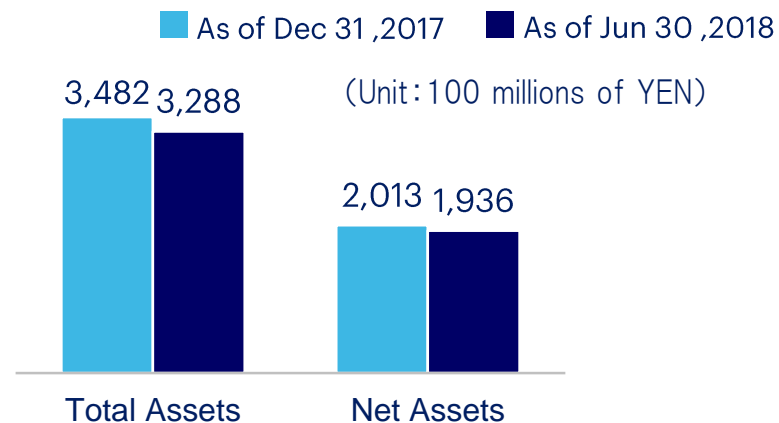
## Diluted net Income per Share

FY17 Q2	58.10YEN	
FY18 Q2	17.02YEN	
Y on Y	△41.08YEN	△70.7%

- Financial Position

## Shareholders' equity ratio

As of December 31 ,2017	57.3%
As of June 30 ,2018	58.3%



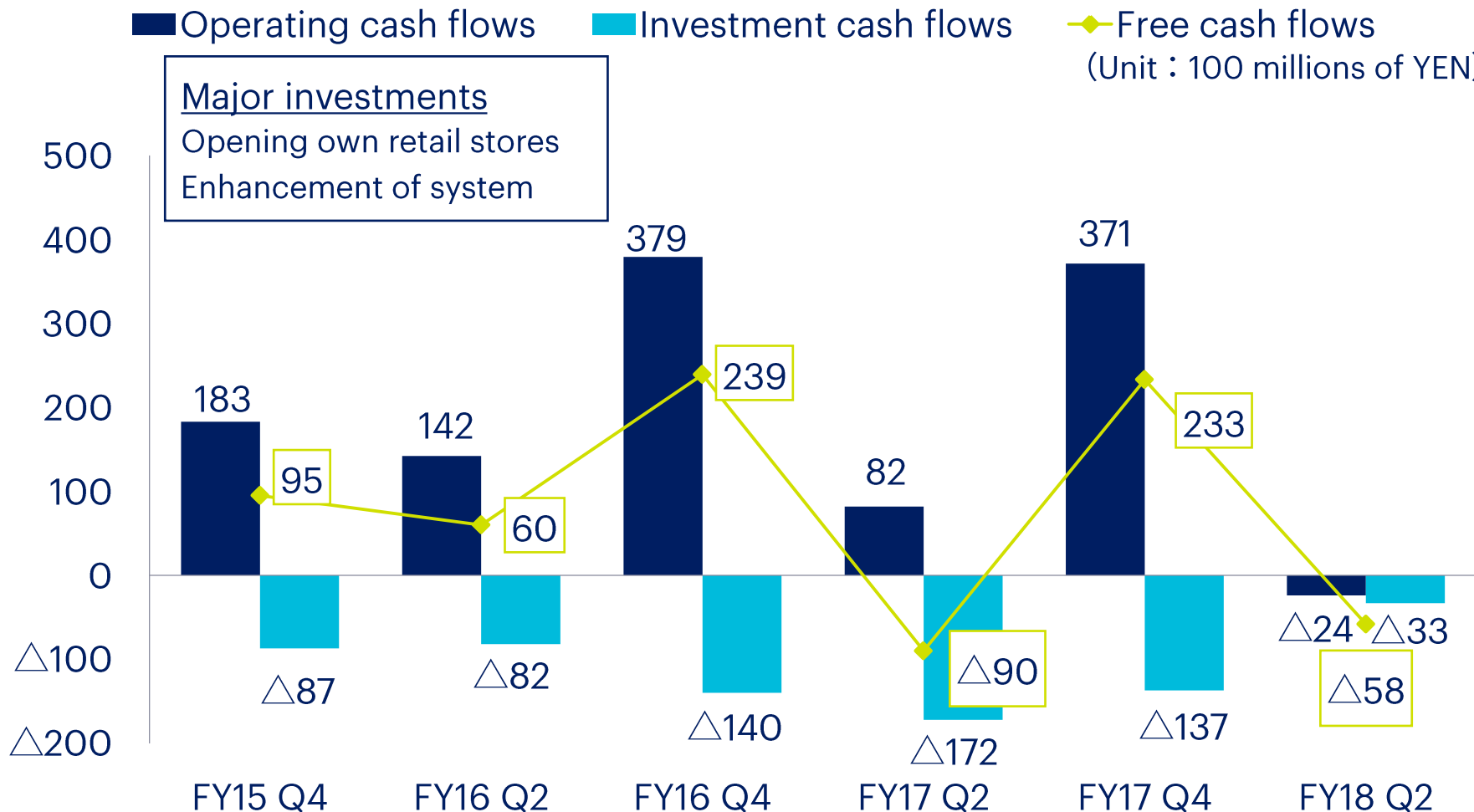
<Compared to End of Previous FY>

Total Assets	Net Assets
△194	△77
△5.6%	△3.8%

# CONSOLIDATED CASH FLOW



- ✓ Negative operating cash flows due to decrease in net income and increased inventories.
- ✓ Decline in free cash flows.





# FY2018 FORECAST OF CONSOLIDATED RESULTS



(Unit : 100 millions of YEN)

The forecast announced in February 14, 2018 remains the same.

	FY2017 (Actual)	FY2018 (Forecast)	Y on Y Ratio
<b>Net sales</b>	4,001	4,250	+6.2%
<b>Operating income</b>	195	200	+2.2%
<b>Operating income margin</b>	4.9%	4.7%	△0.2ppt
<b>Ordinary income</b>	217	195	△10.3%
<b>Net income</b>	129	120	△7.5%

【Dividends】	Interim	Year-end	Annual	【Total return ratio】
FY2017 (Actual)	-	23.5YEN	23.5YEN	49.8%
FY2018 (Forecast)	12.0YEN	12.0YEN	24.0YEN	50.0%

## Net sales

- ✓ Sales increase in all regions other than Americas
- ✓ Increase in consolidated DTC sales by 23% (Increase in all regions)
- ✓ DTC Sales ratio:25% (FY2017:21%)

【Exchange rate】	USD	EUR	RMB	AUD
FY2017 (Actual)	112.39YEN	126.84YEN	16.64YEN	86.06YEN
FY2018 (Forecast)	110.00YEN	135.00YEN	17.20YEN	88.00YEN

## Operating income

- (+) Increase in sales
- (+) Improvement of cost of sales ratio in Japan and Americas
- (-) Depreciation of import exchange rate and others in EMEA