



*sound mind, sound body*





# ASICS Integrated Report 2022

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## Positioning of the Integrated Report

Financial information	Integrated Report	Non-financial information
	Publication of material information related to medium and long term value creation	
<ul style="list-style-type: none"> <li>Securities Report</li> <li>Summary of Consolidated Financial Statements</li> <li>Investor Relations (website) <a href="https://corp.asics.com/en/investor_relations">https://corp.asics.com/en/investor_relations</a></li> </ul>		<ul style="list-style-type: none"> <li>Sustainability Report</li> <li>Sustainability (website) <a href="https://corp.asics.com/en/csr">https://corp.asics.com/en/csr</a></li> </ul>

## Editorial Policy

To remain a Company trusted by shareholders and all other stakeholders, ASICS publishes this integrated report presenting a systematic summary of efforts to resolve social issues through business activities and enhance corporate value from both financial and non-financial perspectives. In compiling this report, we referred to the International Integrated Reporting Framework recommended by the IFRS Foundation as well as the Ministry of Economy, Trade and Industry Guidance for Collaborative Value Creation. Based on the ASICS SPIRIT founding philosophy, we aim to convey the ASICS business model and value creation story up to realizing our vision of creating high-quality lifestyles through intellectual sports technologies.

Environment  
Social  
Governance

価値協創  
ガイダンス

## Special Note Regarding Forward-Looking Statements

Information contained in this report includes forward-looking statements regarding future projections. It includes risks and unknown factors based on ASICS determinations at the time the report was created. Please be aware of the potential for actual results to differ from future projections due to a variety of constantly changing factors.



## Founding Philosophy

**“ANIMA SANA IN CORPORE SANO”**

The history of ASICS began over 70 years ago with a decision by founder Kihachiro Onitsuka to enter the sports business and contribute to nurturing Japan's youth, who were still struggling after WWII, based on the Latin phrase “Anima Sana in Corpore Sano,” which translates as “a sound mind in a sound body.”

He believed that to overcome high hurdles from the start would enable the Company to more easily overcome subsequent hurdles. He decided to take on the challenge of developing shoes for basketball, the most difficult type of shoe to design at the time. Critical to the development process is the concept of “human-centric science,” whereby the bodies and movements of athletes are observed and the data incorporated into product development. This is the unchanging spirit that has been passed down from the time of our founding to the present day.

## The ASICS Philosophy

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

## Vision

**Create Quality Lifestyle  
Through Intelligent Sport  
Technology**

## Values

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

# ASICS SPIRIT



## 1960 The release of Magic Runner, protecting athletes' feet through science

In 1960, when runners in Japan were using rubber-soled tabi sock-like footwear designed for exercise, the Magic Runner, a revolutionary shoe that defied the conventional wisdom, was developed. ASICS took a scientific approach toward preventing the foot blisters suffered by runners. The company developed a mechanism to harness the running action to circulate air through the shoe to allow heat from friction to escape. Magic Runner shoes were even worn at international events and developed into a long-running product that has been adored for many years.



## 1977 The birth of ASICS Corporation as a general sporting goods company

Onitsuka Co., Ltd., GTO Co., Ltd. and JELENK Co., Ltd. merged as equals to form ASICS Corporation as a general sporting goods company. The origin of the company name, ASICS, derives from the initial letters of "ANIMA SANA IN CORPORE SANO," a phrase penned by the ancient Roman satirist Juvenal. It means "(If you pray to God, you should pray for) a sound mind in a sound body." With this phrase as its founding philosophy and the company name, the corporate purpose is still being preserved.



## 1990 Completion of the ASICS Institute of Sport Science, exploring the science of the mind and body

The ASICS Institute of Sport Science (in Kobe-shi) embodies the founding spirit, human-centric science. Created to conduct scientific analysis and research on not only the physical aspects but also the balance between the mind and body, this institute is rare even by global standards. Housing an all-weather athletic track and experimental and research equipment, the institute conducts research into human characteristics, materials, structures, analytical evaluation methods and production technologies, thus playing a core role in the development of products, including cutting-edge products for elite athletes.



## 2022 Creation of the world's No. 1 race registration platform

Toward the goal of building a running ecosystem, ASICS acquired race registration companies in many regions of the world, starting with the acquisition of Runkeeper in the United States in 2016. The company then acquired Race Roster in North America in 2019 and Register Now, the leading race registration company in Australia and New Zealand, in 2021. In 2022, the ASICS Group affiliated with R-bies, which has the largest share of the race registration market in Japan, and with njuko from France, which has the largest share of the European market, establishing the No. 1 race registration platform in the world.

R-bies

njuko

# ASICS HISTORY





## ASICS IN THE FUTURE

# VISION 2030

Under our founding philosophy, “Anima Sana in Corpore Sano (a sound mind in a sound body),” we have been operating our business with a focus on products for performance athletes who strive to improve their performance.

However, the population of people aged 60 and above is forecasted to grow rapidly worldwide, which has led to growing concern over how to stay healthy longer. In addition, health is defined nowadays to include not only physical but also mental health.

We aim to creating a world in which we can all live healthfully both mentally and physically, maintaining involvement with exercise and sports over our entire lifetime, to realize our founding philosophy amid the rapid change in the social environment. For this purpose, we have formulated VISION 2030 which sets out how we see ourselves in 2030.

## Sound Mind, Sound Body





# VISION 2030

What's ASICS

Value Creation Strategies

Foundations of Value Creation

Corporate Governance

Data Section

## Personalized products

Based on diversification of customers' tastes and values, highly personalized products are offered to our customers and help them achieve mental and physical health



Product

## Optimal environment and network with peers

We will provide facilities, systems, and opportunities to start and continue sports anywhere and anytime



Facility+Community



Analysis+Diagnosis

## Coaching based on personal data

Based on data with privacy protected, we will carry out analytical diagnosis by providing exercise programs that suit each customer

## Business Domain

Toward 2030, ASICS will expand our business in three domains, that are, Facilities & Communities and Analysis & Diagnosis in addition to Products, in an effort to enable people all over to live mentally and physically healthful lives.



# VISION 2030

What's ASICS

Value Creation Strategies

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Data Section



**Digital**

## Common Themes

We have set Digital, Personal, and Sustainable as themes that are common to all of the business domains. We will develop and provide personalized products and services for each individual, by using digital technologies that are evolving and by employing sustainable, environmentally friendly methods. Through these three themes, we aim to maximize the value we provide to customers by growing each business domain independently while creating synergy through the interaction of each business domain.



**Sustainable**



**Personal**





## ASICS IN THE FUTURE

# ASICS DESIGN PHILOSOPHY

Starting from the launch of GEL-NIMBUS 25, we will introduce the ASICS Design Philosophy as our new design guidelines.

Previously, these guidelines were applied to certain upper models of shoes as an Impact Guidance System (IGS). Moving forward, we will apply the ASICS Design Philosophy, which we have redefined as guidelines to apply to all shoes in the performance running and core performance sports categories.

### Four principles of the guidelines (See the figure at right)

Among these principles, consumers nowadays are attracted to foot comfort and attach the greatest importance to this element in purchasing sporting goods. We pay attention to this point. We will apply the design guidelines to secure the competitive advantage of ASICS products and enhance communications further, so as to provide superior products that not only improve athletes' performance but also provide the optimal comfort both physically and mentally.



#### Science

Insights obtained through a human-centric scientific approach and laboratory tests (biomechanics, physiology, material engineering, affective engineering)

#### User Testing

Insights obtained from performance evaluations, user tests conducted by wearing the products to find how they feel (athletes, consumers, influencers), and Voice of Customer (VoC)

#### Science

#### 2

#### 1 User Testing

#### 3 Innovation

#### 4 Sustainability

#### Sustainability

Simultaneously achieving a reduction of CO<sub>2</sub> emissions, a shift to a more sustainable process, and high functionality and quality, aiming to preserve a healthy global environment that enables people to participate in sports comfortably





# Value Creation Process

## Sound Mind, Sound Body





## ASICS At a Glance

ASICS has developed into a sports brand that has established a solid position in the global sports market by manufacturing and marketing sports shoes, sportswear and sporting goods for all lovers of sport.

The highly functional performance of shoes created in conjunction with performance athletes incorporated into running shoes optimized for average sports enthusiasts make ASICS running shoes the favorite of many amateur marathon runners around the world.



### ASICS business results and other achievements

Net sales

**484.6** billion yen

Total assets

**425.0** billion yen

Total employees

**8,886** people



### Towards building a running ecosystem

Number of race registration business operators in the Group

**4** companies

Number of people who registered for races in 2022 using ASICS services

**7.45** million people

Number of monthly active members of the running app

**2.83** million people



### Going all-in on digital strategy!

E-commerce net sales

**86.3** billion yen

Digital human resources

**700** people

OneASICS members

**7.3** million people (as of the end of December 2022)



### Contributing to a sustainable society

Rate of CO<sub>2</sub> reductions through our business activities

**22%** (comparison with 2015)

Percentage of new 2022 running shoes products which use recycled materials as the main materials

**90%**

Providing financial assistance and sporting goods to the community

**820,000** dollars

### External Evaluations

Results of initiatives aimed at solving social and environmental issues through our business





# ASICS Category Net Sales by Category

## Onitsuka Tiger (OT)

Net sales **43.0** billion yen **11.6%** increase year on year

Shoes once used for competitions have been reproduced as a premium lifestyle brand for those who demand a sophisticated style comprising fashionable shoes, apparel and accessories.



ACROMOUNT KNIT

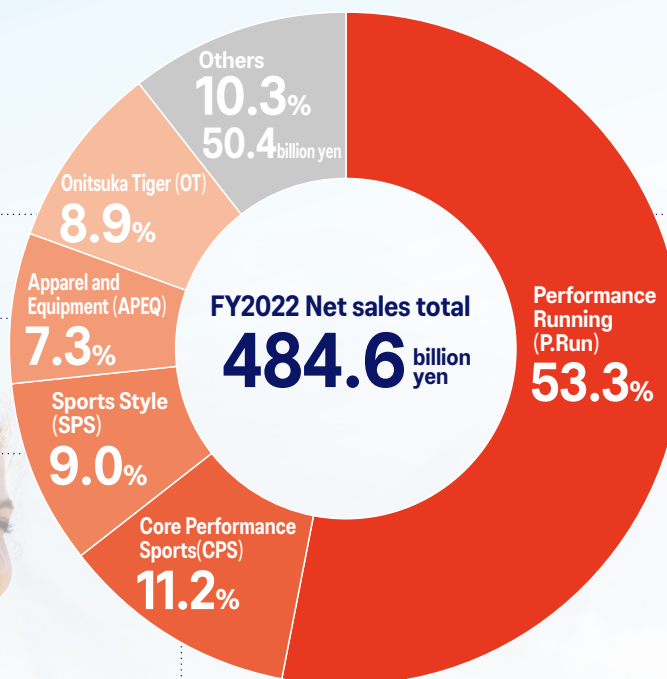
## Apparel and Equipment (APEQ)

Net sales **35.2** billion yen **3.4%** increase year on year



AIM TRAINING JACKET

We offer highly functional running wear, training apparel, uniforms for other competitions, apparel for sports and various types of equipment.



## Sports Style (SPS)

Net sales **43.4** billion yen **30.7%** increase year on year

ASICS develops well-designed shoes combining world-class sports technologies with a range of styles that match various needs so everyone can lead an active daily life.



EX89 (A model based on GEL-EXTREME that was released in 1989)

## Performance Running (P.Run)

Net sales **258.2** billion yen **24.0%** increase year on year

ASICS offers running shoes that provide excellent fit and comfort to all runners, realizing running efficiency and safety so runners can feel and perform better in any running experience.



METASPEED Sky+



GEL-NIMBUS 25

## Core Performance Sports (CPS)

Net sales **54.1** billion yen **31.0%** increase year on year

We develop shoes for athletics, tennis, volleyball and other competitive sports offering excellent functionality enabling athletes to display high performance.



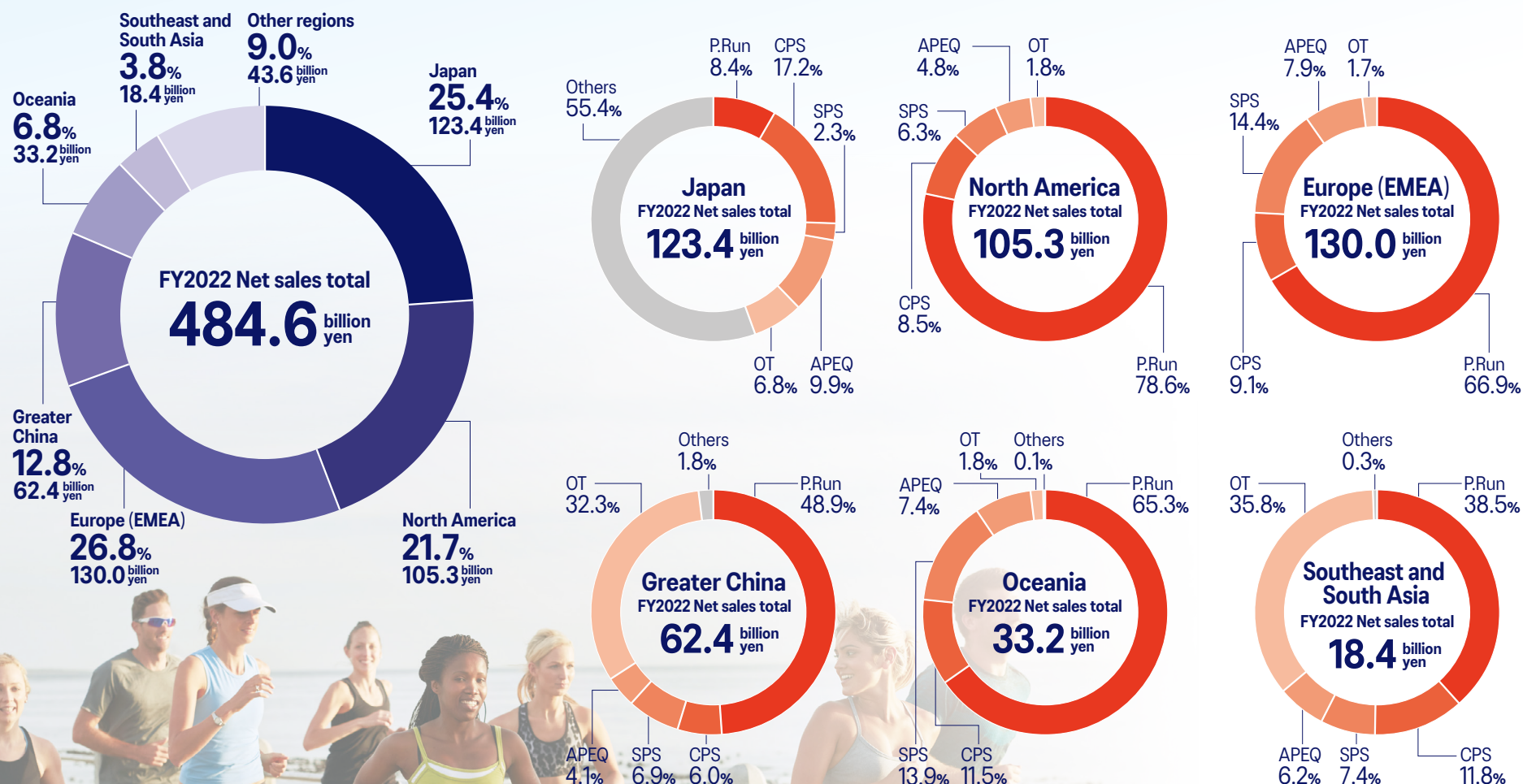
DS LIGHT X-FLY PRO  
(A model worn by Takehiro Tomiyasu, a member of Japan's national football team)



# ASICS Segment Net Sales by Region

ASICS is expanding worldwide through 74 subsidiaries. We are working to expand P.Run in Japan, further enhance our presence in Europe and the United States to become No. 1 in the running market, and pursuing the greater growth of earnings from P.Run throughout the fast-growing Greater China region.

■ P.Run: Performance Running ■ CPS: Core Performance Sports ■ SPS: Sports Style  
■ APEQ: Apparel and Equipment ■ OT: Onitsuka Tiger ■ Others



\*Regional sales include inter-segment internal sales or transfers



# Message from the CEO

**With a following wind, we will  
continue to achieve  
breakthroughs, aiming to enable  
anyone to continue to live in good  
physical and mental health over  
the course of their lives.**

Yasuhito Hirota President, CEO and COO, Representative Director  
ASICS Corporation





## In the Current Business Environment, We Have a Following Wind

Regardless of the era, people have an unwavering desire to stay healthy. People's growing health awareness, which was triggered by the COVID-19 pandemic, is a following wind for ASICS as a company operating business focused on exercise and sports which are essential for leading a healthy life. I myself feel refreshed when exercising. Every time I get that feeling, I am reminded of the greatness of the power of sports. In addition, the relationships and happiness made possible by playing sports with friends are invaluable. Due to the easing of COVID-19 restrictions, we are finally allowed to watch sports in stadiums and cheer loudly. I believe that many people now understand the appeal of watching, cheering, supporting and playing sports.

## VISION 2030 Incorporating Our Founding Philosophy

In 2020, we created VISION 2030, a long-term vision for 2030, a decade into the future. It was formulated mainly by the young employees who will play core roles in ASICS in 2030. The thoughts of our founder, Kihachiro Onitsuka, are surely reflected in one of the vision's goals, ensuring a world in which each and every one of us can engage in exercise and sports throughout our lives and continue to live in good health, both mentally and physically. He founded ASICS with a desire to enable young people to develop soundly through sports at a time when Japanese society was struggling in the aftermath of World War II. The founding philosophy, "ANIMA SANA IN CORPORE SANO (a Latin phrase for 'a sound mind in a sound body') is the origin of ASICS. It is also the name of the company.

In Japan, a country known for the longevity of its people, there is now an approx. ten-year gap between the physical life expectancy and the healthy life expectancy for both men and women. Initiatives for achieving the Vision also lead to a longer healthy life expectancy.

## Toward a Future Where Anyone Can Continue to Live In Good Physical and Mental Health over the Course of Their Lives

To achieve the Vision, we will focus our efforts on three business domains in the medium term.

The focus of our business has been products, including shoes and apparel. Going forward, we will also focus our efforts on the provision of programs and services which will help people improve their health by increasing the effect of exercise more safely and effectively based on analyses and diagnoses using digital technologies while creating sports facilities and communities. We aim to achieve an operating income ratio of 10% while increasing net sales in the three business



domains of Products, Facilities & Communities, and Analysis & Diagnosis to the same level.

On the other hand, a peaceful, stable society is necessary for there to be an environment where people can play sports. ASICS recognizes geopolitical risks, including the Russian invasion of Ukraine that began last year, and an unstable economic environment to be risks.

## Breakthroughs Achieved in 2022

In the integrated report published last year, I positioned 2022 as a breakthrough year and vowed to achieve significant growth as a result of all our efforts to date. Now, 2022 is over and I am very happy to show you that we are a company that has achieved major breakthroughs.

In 2022, the business environment was affected by the COVID-19 pandemic, with the number of infected people remaining large even though the pandemic subsided. A typical example of this was the lockdown in China. In this environment, we achieved the numerical targets set in Mid-Term Plan 2023 a year earlier. Net sales grew by double digits in all regions, to a record high of 484.6 billion yen. Operating income also reached a record high of 34.0 billion yen (with an operating income ratio of 7.0%), both far exceeding the targets in the Mid-Term Plan. We have also achieved various other KPI targets in the Mid-Term Plan released the previous year, including the ratio of e-commerce net sales to overall net sales, the number of OneASICS members and the female manager ratio.

## These Breakthroughs Were Achieved by Mobilizing the Capabilities of All Employees Globally

With a profit-oriented mission, all of the employees shared and understood each measure globally and worked on them together uncompromisingly, moving in the same direction,





focused on the two axes of digital technologies and sustainability. This produced quantifiable results. They changed their thinking, shifting from a sales-oriented approach to a profit-oriented one while sales subsidiaries responded to the transition to a category-based structure. These and other understandable struggles were experienced by the people working on-site. I feel sure that the efforts accelerated in this way supported the breakthroughs achieved in 2022 and form the foundation for the breakthrough that will be achieved in and after 2023.

### 2022 breakthroughs ❶ Evolution of the Running Ecosystem

Race registration is a key point in the process of building a running ecosystem, through which we are able to comprehensively support runners, including the provision of shoes and other products, time measurement services, training programs, and supporting race participation. Starting in 2019, we acquired race registration companies in North America and Australia. In 2022, we affiliated with race registration companies in Japan and Europe who became new members of the ASICS Group. This enabled us to connect with approx. 12 million runners. We will attract them to OneASICS, thus expanding the reach of our products and services. In addition, the acquisition of race registration companies, which provide services digitally, has led to the enhancement of the digital human resources of the ASICS Group.

### 2022 breakthroughs ❷ World Athletics Championships Oregon 22

In the World Athletics Championships held in 2022 in Oregon, the United States, which is a key region for ASICS, athletes wearing METASPEED series performed brilliantly. Thus, a certain degree of achievement was seen in the Chojo Project (C Project) designed to recapture a leading market share in the area of top athletes. In addition, we took the Oregon 22 as an opportunity to deploy promotional vehicles all across the United States to enable non-professional runners to see and use ASICS products. This strongly increased the appeal of the ASICS brand to consumers. We will continue this kind of initiatives.

## Message from the CEO

### 2022 breakthroughs ❸ The Lightest CO<sub>2</sub> Sneaker\*

On the product front, we developed and announced GEL-LYTE III CM 1.95, The lightest CO<sub>2</sub> sneaker throughout the product lifecycle were limited to 1.95 kg CO<sub>2</sub>e. The CO<sub>2</sub> emitted by a typical shoe is believed to be 8 to 12 kg CO<sub>2</sub>e. For this product, we developed technologies by identifying measures to reduce emissions throughout the product lifecycle, including material procurement, manufacturing, transportation, use and disposal. We also made it comfortable to wear and applied uncompromising standards in the functional aspects, as is expected of ASICS. This product is scheduled to be released in the autumn of 2023. We will use the knowledge we have obtained this time for our future products.

\*Based on available industry data for life cycle CO<sub>2</sub>e emissions as of Sep. 2022.

### Room for Growth Is *Konna Mon Janai* (Far More than This)

I feel that the room for growth to be achieved in and after 2023 is *Konna Mon Janai* (far more than this). *Konna Mon Janai* (far more than this) is the catchphrase for METASPEED, which also achieved a breakthrough in the Ekiden relay races held in the beginning of this year. I feel certain that by addressing the issues recognized in 2022, the year when we achieved the best performance ever, we can continue to set new records in and after 2023.

One of the issues that we had yet to address in 2022 is in the apparel business. We will restore the profitability of this business in 2023. Target regions are North America and Japan. In the US, net sales grew significantly, but not with profit. We will increase profit by narrowing down the apparel products we provide, closing unprofitable directly operated stores, ensuring that we attach importance to profit in our sales channels, and strengthening e-commerce. In Japan, we will also narrow down the apparel products we provide and position tennis, football, and basketball as our sports of focus. In addition, we will also dedicate efforts to work shoes, sales of which are strong in recent years. We will reinforce our profit structure through these initiatives.

### Emerging Countries Will Be a Growth Driver in the Medium and Long Term

One of the key drivers of our future growth is emerging countries. In the city of Mumbai, India, which I visited at the beginning of this year, I was surprised to see the streets already filled with runners in the morning. India, where one of ASICS' shoes production factories is located, has a big advantage in that local production for local consumption is possible. We aim to achieve net sales of 10.0 billion yen as soon as possible in this growth market where the population is



increasing remarkably and the economy is growing. In Southeast Asia, we will focus our efforts on Indonesia and Vietnam, where the average age is low and economic growth continues, in addition to our existing markets of Singapore, Thailand, and Malaysia. South American markets, such as Brazil, Chile and Columbia, and the Middle East market, where the growth of the exercising population is mainly occurring in Saudi Arabia, are also attractive. We will expand our business, which we have been operating mainly in North America, Europe, Japan, Greater China, and Australia, even more broadly to other countries in the world.

## Performance Running Drives Other Categories of Business

Regarding our business categories, we will enhance the presence of performance running, where we have a full lineup in various aspects, including types of runners and price ranges. In Greater China, ASICS continued to grow during the COVID-19 pandemic thanks to the communication of its brand image, "Choose ASICS if you run or do exercise." The brand's enhanced presence in the realm of performance running positively impacts other categories of business. Further, in addition to the existing business categories, we will continue to take on challenges in Para Sports, urban sports, and e-sports as three areas that we established after the end of the Tokyo Olympics and Paralympics as areas where we want to establish a legacy.

## Human Capital and Intellectual Capital Support Brand Value

Regarding intangible assets, it is important that we surely protect the brand and increase its value. This is supported by human capital and intellectual capital. It is said that business is people. Improving the environment to attract many highly talented human resources to ASICS and enable them to work leveraging diverse work styles is also a duty I have as a top management. We would like to collect human resources to ensure that ASICS stays an organization where human resources can grow. In addition, ASICS operates its business with a focus on innovation, so we are fully aware of intellectual property. We will acquire patents and rights while proceeding with projects, and intellectual properties are among the arrows in our quiver.

## The Environment, Human Rights, and Sustainable Procurement are Central to Management

It is not possible to play sports on a scorching planet. Therefore, we will accelerate initiatives to address climate change by positioning the protection of the environment of a planet where playing sports is possible as an important task that is vital to the survival of ASICS. ASICS advances initiatives by sharing a specific roadmap toward the achievement of net-zero emissions

from its entire supply chain by 2050. Once a year, I visit production factories, which have an extremely important place in the supply chain, to check their actual conditions in person. We will take initiatives to protect the human rights of workers and improve their work environment, such as streamlining production through mechanization, while also establishing systems and operations that prevent child labor, excessive work hours, and other problems. In addition, to protect the global environment, we will accelerate the shift of our production factories to renewable energy.

We will indicate CO<sub>2</sub> emissions on the products, starting from the 30th anniversary model of a long-selling product from ASICS (GEL-KAYANO), which we will launch this year. We will also advance initiatives regarding the disposal of products, to enable customers to know the CO<sub>2</sub> emissions throughout the product lifecycle and also to consider environmental issues together with them.

With regard to governance, we have abolished anti-takeover measures, reflecting the improvement of our corporate value through the formulation and execution of Mid-Term Plan 2023 and the recent trend of prevention policy.

## Afterword

Let me repeat that we aim to ensure a world in which each and every one of us can engage in exercise and sports throughout our lives and continue to live in good health, both mentally and physically. We would like to expand our business by valuing the feeling of excitement that sports enable and maintain our relationships with our stakeholders that make the growth of ASICS a pleasure. To our shareholders, we have promised to increase shareholder returns to an exciting level, targeting a total return ratio of at least 50%. We cannot be what we intend to be like without moving hand-in-hand with our stakeholders. We will keep moving forward to achieve our vision. Please look forward to the future of ASICS.







## Special Feature 1

President's Talk with an Expert

## The Financial and Non-Financial Value Expected of ASICS

In May 2023, ASICS CEO Hirota sat down for a talk with Kunio Ito, Director of Hitotsubashi CFO Education and Research Center, discussing mainly themes of the financial and non-financial value of ASICS.

With a report issued in August 2014 by the Ministry of Economy, Trade and Industry summarizing the role of dialogue between companies and investors commonly referred to as the Ito Report,

Mr. Ito spread awareness of the importance of return on equity (ROE) in the Japanese business community.

In 2020 with the Ito Report: HR Edition and in 2022 with the Ito Report: SX Edition, he has stressed the importance of human capital and sustainable transformation (SX) practices.

**Yasuhito Hirota**

President, CEO and COO,  
Representative Director



**Kunio Ito**

Director of Hitotsubashi CFO  
Education and Research Center



### Business Management with the Cost of Capital in Mind

**Ito** The market capitalization of ASICS has expanded, and its PBR has grown to over four times.\*1

**Hirota** Our share price has been rising steadily after bottoming out during the COVID-19 pandemic in 2020, and personally, I hope we can aim to be a company with a trillion-yen market cap in the not-too-distant future. Professor Ito, in your Ito Report you said that Japanese companies should maintain an ROE of at least 8%. What was your thinking behind that?

**Ito** I sensed there were two crises brewing. First, since the share prices of Japanese companies had been stagnant for a quarter-century, investors who look at individual stocks as value investments were pressuring companies to manage from a short-term perspective. Secondly ROE, which investors emphasize as an indicator of earning power, was extremely low compared with Western companies. At the time, overseas investors had pegged the cost of capital at Japanese firms at an average of 7.2%, so I advocated for an ROE of 8% to communicate that companies should aim for an ROE that exceeded the cost of capital.

**Hirota** It's extremely important that management doesn't devolve into looking at the short-term perspective. ASICS defined where it wants to be in 2030 in VISION 2030. We backcasted from that vision to consider what we need to do now. This vision was mainly created by young employees who will be playing a core role of the company in 2030.

**Ito** That is an excellent practice, not only in how it fosters a sense of ownership among junior employees, but also in how it incorporates an awareness of the issues faced from their

perspective. I notice that since you became CEO, you have started to manage profit and loss on a per-category basis.

**Hirota** Correct. 80% of ASICS' sales come from overseas, and I recognized the sense of distance felt between head office and our sales subsidiaries in Japan and overseas was an issue. That's why we developed a structure that allows for global discussion on a per-category basis. As a result, head office can quickly grasp what is needed in the field, both in Japan and overseas, and two-way communication has increased.

**Ito** I see.

**Hirota** P/L indicators are of course important, but we have also incorporated the indicators of capital efficiency that you have recommended. Since ROE includes management-side policies such as how we are utilizing our financial leverage, we have also introduced ROA approaches on the field side. Each month we check cash flow movements such as inventory, accounts receivable and accounts payable for each category.

**Ito** It looks like you are practicing business management with the cost of capital in mind.

\*1 As of April 19, 2023

### HR Strategy Coordinated with Management Strategy

**Ito** If I recall, ASICS has been selected as a DX stock.\*2

**Hirota** Correct. We are working to transform into a business model that utilizes digital technologies to provide one-stop services. At the heart of that is our race registration companies.



As a result of acquiring these companies in the US, Australia, Japan and Europe to date, we've developed quite broad coverage of the race events taking place around the world.

**Ito** I advocate the importance of an HR strategy that is coordinated with management strategy. Japanese companies have traditionally had a culture that values people, but to develop a solid HR strategy, they must look carefully at each person's skills, specialties and experience and match those qualities with management strategy. How is ASICS working to match the promotion of digitalization with its HR strategy?

**Hirota** Under the CDO and CIO, ASICS employs 700 digitally-literate human resources globally, working out of ASICS Digital in Boston, with IT infrastructure headquartered in Amsterdam. It is relatively easier to hire digitally-literate employees in Boston and Amsterdam than in Japan, and in terms of language, we feel that English is a better fit with digital technology than Japanese. We have also incorporated digitally-literate employees through the acquisition of race registration companies. I think the current structure is working very efficiently toward our goal of connecting runners and sports enthusiasts around the world.

**Ito** It's refreshing to learn that you maintain sites in Boston and Amsterdam. And I think it is rare for a Japanese company to secure digitally-literate human resources to this extent.

**Hirota** Another thing I think is distinct about our human resources is that as a basic rule we hire local talent from that country or region to manage each sales subsidiary. We've adopted this approach because although the specifications of many of our products are generally standardized globally, the culture, as well as consumer preferences and favorite sports varies by country and region.

\*2 In June 2022, ASICS was selected among Digital Transformation Stocks 2022 under a program jointly operated by the Ministry of Economy, Trade and Industry and the Tokyo Stock Exchange.

## Cultivating a Brand of Important Intangible Assets

**Ito** It is hard to know ASICS' strengths and what differentiates it from the competition without putting on its shoes?

**Hirota** We ultimately want people to put on our shoes, but we properly explain about the functionality before that happens. Having top athletes wear our products also plays a part in messaging. There is also device worn around the waist that ASICS jointly developed with Casio Computer Co., Ltd. to visualize differences in running style and shoes.

**Ito** I see that you are also a runner. How does the top person at ASICS personally running impact the execution of business?

**Hirota** Having first-hand experience with running, in my case taking up marathons at the age of 50, is the starting point of building a running ecosystem. By looking at other runners while running

outside, I can understand trends with competing products, and personally it's also a good change of pace mentally. I can also give personal feedback to the development team by testing out our own products at the sample stage.

**Ito** That must also create a sense of unity with the development team. What is your approach to product pricing?

**Hirota** It's important to set a price that is consistent with the functionality. We make running shoes that are safe and functional, and which satisfy the various needs of runners while controlling for the risks associated with physical activity, but in addition to the expertise that does into the development and production of those shoes, the data we have analyzed and accumulated throughout those processes is another strength of ASICS.

**Ito** With everyone having differently shaped feet and different running styles, if you can convey to customers that ASICS is a company that is designed for each individual, the image they will get each time they hear "ASICS" will be something wonderful. Putting the brand front and center also increases employee loyalty and leads to customer value. If you achieve that, you don't need to discount your products.

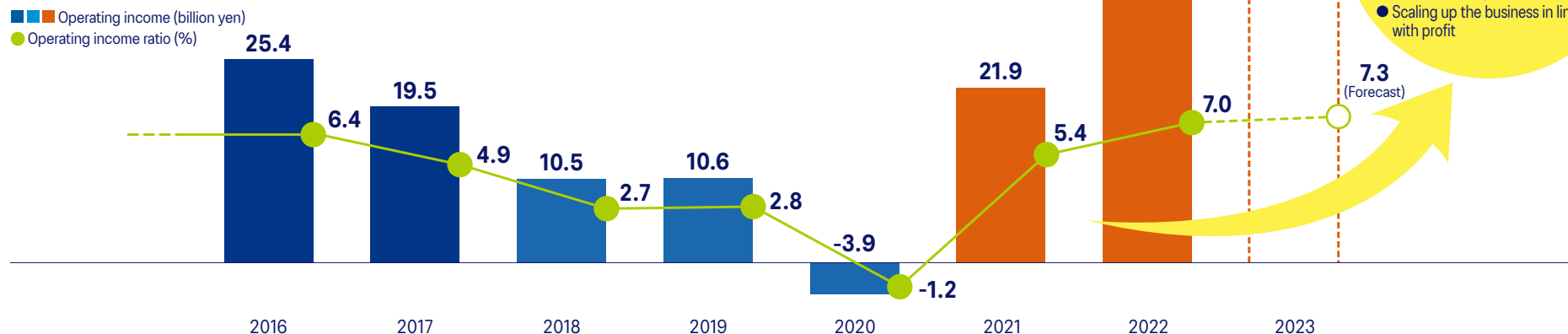
**Hirota** Indeed. We want to raise the value of the brand so that when people hear "ASICS," not only in the context of our products but also our services and the company itself, they have the image of a "care giver" that is designed for each individual.





# Previous Mid-Term Plans and Achievements

## Achievements



## Achieving VISION 2030

- Providing value that enables all to live healthfully both mentally and physically, maintaining involvement with exercise and sports over our entire lifetime.
- Further contributing to lowering the impact on the global environment
- Scaling up the business in line with profit

## AGP<sup>\*1</sup> 2020 (2016-2020)

Contributing to society through the realization of our vision combining sports and lifestyle

	Pre-Revision AGP 2020 Targets	FY2016	FY2017
Net sales	750.0 billion yen or higher	399.1 billion yen	400.1 billion yen
Operating income ratio	10% or higher	6.4%	4.9%
ROE	15% or higher	7.8%	6.5%

### Summary

Sales continued to expand until 2015, when we were targeting customer base expansion and a CAGR of 12%, but our inability to respond to changes in the marketplace caused sales to slump. Further, we made several long-term investments assuming the proactive opening of new directly operated stores and growth in sales, but our inability to control SG&A caused profitability to decline.

### Issues

Issues include a focus of management resources to improve profitability in areas where sales growth is expected, increasing awareness of profitability among all ASICS employees and improving efficiency in all business processes.

## Revised AGP 2020 (2018-2020)

Transitioning to a focus on profitability, and achieving sustainable growth

	Revised AGP 2020 Targets	FY2018	FY2019	FY2020
Net sales	500.0 billion yen or higher	386.6 billion yen	378.0 billion yen	328.7 billion yen
Operating income ratio	7% or higher	2.7%	2.8%	-1.2%
ROE	10% or higher	-11.2%	4.5%	-11.6%

### Summary

Introduced a category structure management system, and set Performance Running, China and digital as priority areas for focusing management resources. Despite efforts to improve profitability, the impact of COVID-19 led to substantially missed targets.

### Issues

Issues include the need to respond flexibly to the external environment, including the societal and other changes accelerated by COVID-19, while executing strategy aimed at establishing an ongoing profit structure.

## Mid-Term Plan 2023 (2021-2023)

Focus on profit to build a strong financial foundation for sustainable growth

- Strategic Objectives**
- Transformation to digital driven company
  - Realization of a sustainable society integrating business activities

Strategic priorities	Priority initiatives	Foundations of the strategies
Reinforce business foundation Expand profit drivers Transform to profitable business ▶ p.19	Marketing strategy ▶ p.24 Digital strategy ▶ p.26	Initiatives to enhance intellectual capital ▶ p.28 Initiatives to enhance human capital ▶ p.30

Financial targets	FY2022 (results)	FY2023 (targets)
Operating income	34.0 billion yen	25.0 billion yen
Operating income ratio	7.0%	6.0% or higher
ROA	5.2%	4.0%

Non-financial targets	FY2022 (results)	FY2023 (targets)
EC growth	3.1 times <sup>*2</sup>	Three times higher (compared to FY2019)
OneASICS members	7.3 million people	Five million or more people (three times higher compared to FY2019)
CO <sub>2</sub> emission per product	10.8% reduction	Approximate 15% reduction (compared to FY2015)
Female manager ratio	38.3%	35.0% (global overall)

<sup>\*1</sup> AGP: ASICS Growth Plan

<sup>\*2</sup> Including running services (services such as race registration and operation)



# Message from the Officer in Charge of Finance

## We Have Achieved the Mid-Term Plan Ahead of Schedule Through Category-Based Business Management. Next, We Will Accelerate Improvements in Management Quality as a Digitally-Driven Organization.

Koji Hayashi  
Executive Officer, Senior General  
Manager, Accounting and  
Finance Division  
(In charge of Corporate Strategy)



### Looking Back on ASICS Performance in Fiscal 2022

In the consolidated financial results for the fiscal year ended December 31, 2022, ASICS achieved record-high operating profit of 34.0 billion yen with an operating income margin of 7.0%, achieving Mid-Term Plan 2023, which we have been pursuing on the way to VISION 2030. Net sales grew by double-digit in all regions to a record high, while ROA was 5.2%.

In response to these results, we increased the year-end dividend to 24.0 yen per share, making the dividends of surplus funds for the fiscal year ended December 31, 2022 a record-high 40.0 yen per share for the full year. ASICS' recent efforts to improve its corporate value have also been recognized by capital markets, and we have decided to abolish anti-takeover measures.

On a per-category basis, net sales in Performance Running increased across all regions and ended up 24.0% year on year. Net sales in Core Performance Sports rose 31.0% year on year, driven by results in North America, where we boast a leading market share in Tennis, as well as Europe and elsewhere. Net sales for Onitsuka Tiger improved 35.8% year on year in Japan, reflecting that inbound sales on a recovery track, and also more than doubled in Southeast and South Asia. Category-wide, the improvement was 11.6% year on year.

One of the factors that enabled ASICS to produce these positive results is improved business management. More specifically, in addition to adopting a category-based business management structure and building a digital-driven management structure, the practical implementation of cross-category activities (cost owner system and Cash Flow Committee, for example) also played a part. I would like to give a behind-the-scenes look at the initiatives and systems we have in place in the field, something we don't usually have an opportunity to talk about, and also share our outlook for fiscal 2023.

### Clarifying Where the Responsibility for Revenue Lies with a Category-Based Management Structure

ASICS did away with its approach of "I make products, and you sell products" (having production and sales departments operate independently), and in 2019 shifted to what it calls Category Management, a system that delegates responsibility for everything over functions from planning, production and sales of products to the top management in charge of each

category. Then in 2021, this was further refined into Category Management 2.0.

However, when this category-based business management structure was introduced, some in the company were skeptical, wondering whether ASICS could truly make it work. Moreover, since the people tasked with making the products and those responsible for selling them were divided in the field, when business results were poor you would hear conversations suggesting "our products must be bad" on one hand, and "we must be marketing our products poorly" on the other.

We faced various challenges, but by having top management in each category take responsibility for revenue and inventory and clarifying the roles of headquarters and the sales subsidiaries, we managed to bring both camps closer together.

It was very difficult for team members when we decided to introduce this system, but the effect of adopting categories as cross functional business unit was greater than expected.

Additionally, while we had not been confident that the Apparel and Equipment category had been profitable before, the Category Management revealed in greater detail that the category was losing money at a considerable level. I think this clarified that we needed to make drastic changes to the way we do things.

### Overview of Category Profit

(Cost Allocation Image)	P.Run	CPS	SPS	APEQ	OT	Others	Total
Net Sales							
Gross Profit							
Marketing							
Planning and Development (products)							
Front Office (other than direct to category)	Appropriate allocation of wholesale, retail, and E-commerce (EC) channels expenses						
Category Profit							
Corporate Expense (non related to category)							
Consolidated Operating Income							

- Costs specified as being in a category are considered to be direct costs within that category
- Marketing expenses are borne by each category for every activity
- Corporate expense is unallocated and managed separately



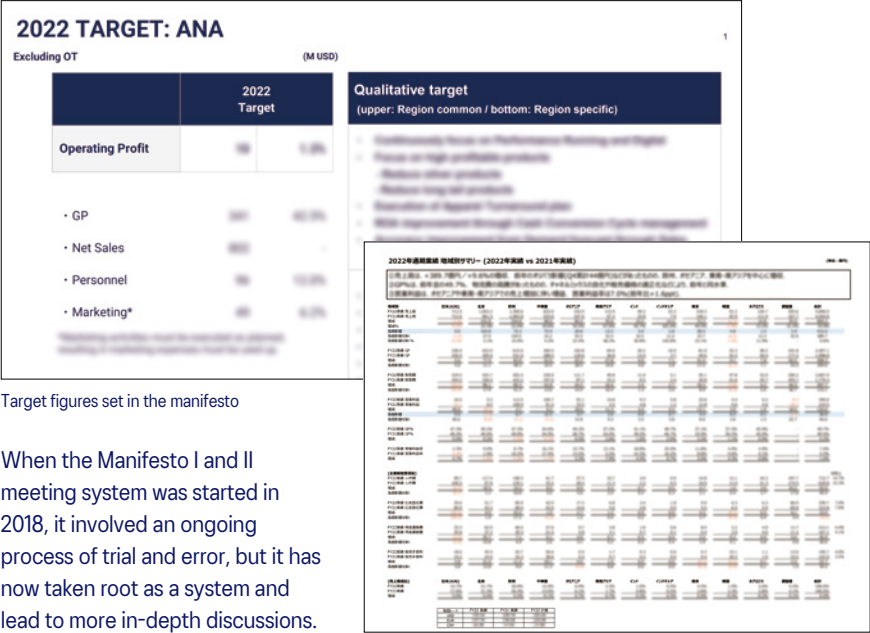
Improving Management Quality (Manifesto Meetings, SAP Introduction, Digital-Driven Approaches)

ASICS operates phase I and II “manifesto meetings” that are responsible for formulating plans and checking on their progress.

For example, to create our plans for fiscal 2023, in November 2022 CEO Hirota held more than 40 in-person 1-on-1 meetings with staff. These meetings covered broad ground including each category, region and back office sections, and correspond to Manifesto I. Manifesto II meetings are scheduled for June 2023, and are designed to check progress of the plans formulated at the Manifesto I stage and verify recent changes to the environment. These meetings will lead on to the drafting of plans for 2024 and beyond.

With either of these manifesto sessions, the people involved are exhausted afterwards. When the series of Manifesto I processes are complete, notifications are issued stating qualitative and quantitative targets. These bear the stamp of the CEO, his way of saying, “this is your goal, be sure to achieve it,” and ensuring that the goals are received with the strictness they deserve.

Manifesto materials and analysis materials (excerpts)



Target figures set in the manifesto

When the Manifesto I and II meeting system was started in 2018, it involved an ongoing process of trial and error, but it has now taken root as a system and lead to more in-depth discussions. Since Manifesto I and II meetings

Internal analysis materials aggregated by category, region, and channel

are also an opportunity to announce the most recent results, participants can also be clearly graded as passing or failing base on those results, such as indicating that “you get a × (non-achievement) and she gets a ✓ (achievement).”

In 2022, ASICS completed the introduction of new SAP-based mission-critical systems in key regions, making it possible to check daily sales (including per category and per channel) and profits for each category. This mechanism is referred to internally as a “dashboard,” and has led to more refined internal management on a daily basis.

SAP Dashboard (Excerpt)



Dashboard screen showing consolidated net sales for major regions, YoY comparisons and comparisons with forecasts

Incidentally, the SAP introduction was handled by our internal infrastructure team, which is based in Amsterdam in the Netherlands. Meanwhile, the EC team is based in Boston. In this way, ASICS’ IT teams are globalized, and if you include the race registration subsidiaries we have acquired in Japan, North America, Europe and Australia, around 700 IT professionals are driving success around the world.

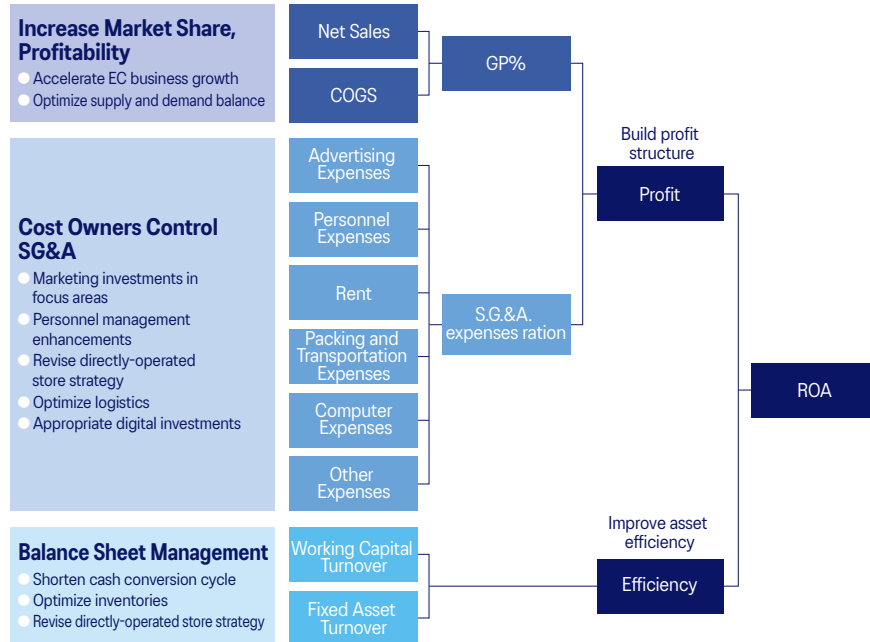
ROA Tree Management and the Cash Flow Committee

In fiscal 2022 we also practiced activities with ROA tree management in mind. While total assets have increased due to factors such as the depreciation of the yen, by increasing year-end net income in excess of that, we improved ROA to 5.2%, up from 2.8% a year earlier.



# Message from the Officer in Charge of Finance

## Maximizing ROA with ROA Tree Management



Note: Since working capital is set as an internal target, the working capital turnover rate is shown instead of the current asset turnover rate.

For example, the cost owner system has taken root. This is a system that designates executive officers as responsible for each cost item at a global level for the purpose of controlling SG&A expenses.

Additionally the Cash Flow Committee, which plays a central role in efforts to improve working capital (cash conversion cycle), is made up of a wide range of participants, including representatives from each category and members from corporate planning, production management, accounting and finance, and regional strategy management. Based on detailed analyses, the committee shares information about recent developments and future countermeasures. The committee speaks regularly with all members in attendance, with the information discussed translating into concrete action.

## Materials showing progress on SG&A expense control

2022年11月度 販管費増減 (計画比 単月)

(単位: 億円)	実績	計画	増減	増減率	前年同月比	前年同月比増減	前年同月比増減率	前年同月比増減率(%)
人件費	88.4	90.8	-2.4	-2.7%	101.5	-13.1	-12.9%	-12.9%
広告宣伝費	30.4	30.4	0.0	0.0%	40.4	-10.0	-24.7%	-24.7%
賃借料・減価償却費	20.0	20.0	0.0	0.0%	20.0	0.0	0.0%	0.0%
製造原価	10.0	10.0	0.0	0.0%	10.0	0.0	0.0%	0.0%
販売手数料	10.0	10.0	0.0	0.0%	10.0	0.0	0.0%	0.0%
支払手数料	1.0	1.0	0.0	0.0%	1.0	0.0	0.0%	0.0%
コンピュータ費	1.0	1.0	0.0	0.0%	1.0	0.0	0.0%	0.0%
旅行交通費	1.0	1.0	0.0	0.0%	1.0	0.0	0.0%	0.0%
その他	1.0	1.0	0.0	0.0%	1.0	0.0	0.0%	0.0%
合計	141.8	143.2	-1.4	-1.0%	154.9	-13.1	-8.5%	-8.5%

## Scene from a Cash Flow Committee meeting and example of materials



The Cash Flow Committee began by raising awareness inside the company about rudimentary information such as why cash generation is important, but we believe that the gradual increase in awareness of inventory control and profitability has led to the record-high profits we have seen recently.

As we have switched to a system of engaging in extensive discussion while maintaining an awareness of management indicators such as P/L on a per-category basis, nowadays discussions aimed at optimizing inventory have become commonplace.

## Message to Investors

I hope to make fiscal 2023 a year in which we bring various issues to a successful conclusion in the lead up to the next mid-term plan. For example, we recognize that low profitability in Japan and the US, and losses in the Apparel and Equipment category are serious issues. We will steadily address these challenges in parallel with efforts to achieve net sales of 510.0 billion yen, operating income of 37.0 billion yen and an operating income margin of 7.3% for fiscal 2023.

We aspire to create number-one products and carve out a running market share of at least 25% in major countries and regions. We will take steps in 2023 to achieve these goals. And, although you will see the details in the next mid-term plan to be announced later, ASICS will strive to become a company capable of steadily achieving double-digit operating income margins by 2026.

As the situation surrounding the COVID-19 pandemic has begun to settle down, we hope to gradually resume face-to-face communication with investors. Return to investors is also one of our top management priorities. We would like to continue discussions through the process for formulating the next mid-term plan to make the return "exciting."

Last but not least, to meet your expectations of ASICS, we will maintain the momentum we built up in 2022, and strive to establish a stable financial base that will lay the foundations for further growth.



## Dialogue with Capital Markets

**Kawano** It was February 2019 when we first met. My first impression of you was that you were candid, and I got a sense of your passion and seriousness. You were confident that if you could implement CEO Hirota's reforms, ASICS would achieve change, if I recall. At the time, ASICS hadn't adopted the current category-based structure.\*<sup>1</sup>

\*1 The category-based structure had started in fiscal 2019, but it hadn't been disclosed publicly until the announcement of the results for the first quarter in May 2019.

**Hayashi** You told me what the capital markets were thinking. I got a sense that we

around 2019 that left an impression on me. When ASICS came out with numbers showing healthy year-on-year growth in 2020 during the COVID-19 pandemic, the capital markets were unresponsive, but I remember thinking that maybe the channel revision and digital strategy prescriptions were starting to have an effect.

**Hayashi** When Yasuhiro Hirota took over as president in January 2018, he spend six months clarifying the issues facing the company.\*<sup>2</sup> Then from 2018 to 2019, we worked on tackling those issues. Personally, looking back on that with the benefit of hindsight, in the first year of 2018 was a tumultuous year, and I was trying my best just to keep up with President Hirota.

### Special Feature 2

## The Officer in Charge of Finance Talks with a Sell-side Analyst

As part of its IR activities, ASICS values communication with analysts, who act as intermediaries with capital markets. This time the talk was about the past and future of ASICS, and took place with Mr. Kawano, who has been speaking with Mr. Hayashi for over four years.

Mr. Kawano belonged to an American football club for many years, where he played as the quarterback. While Mr. Hayashi doesn't have any playing experience, he is a huge fan of the NFL (the professional American football league in the US), and is one of those core supporters who is always looking for free time to watch an NFL game.

To start off, the pair talked about the Super Bowl (NFL Championship Final) which had just taken place.

Both agreed that in sports such as American football and in corporate management, the roles played by a leader are crucial.

**Koji Hayashi**

Executive Officer, Senior General Manager,  
Accounting and Finance Division  
(In charge of Corporate Strategy)

**Sho Kawano**

Managing Director Global Investment Research  
Goldman Sachs Japan Co., Ltd.

needed to listen to that and reflect it in our management. After that, you provided a lot of insight. I'm really grateful for how you frankly pointed out those things on behalf of the market. For example, in our financial results for the fiscal year ended December 2019, when we missed our forecast for operating income, you really scolded us. This was an opportunity that let us think long and hard about the need to stick to the guidance we had given. That should have come naturally, but still...

**Kawano** "To put it bluntly, considering the current situation, we have no choice but revert back to our strengths once more." Those were the words you spoke repeatedly

At the same time, I think he was looking at things from a much bigger picture. On the New Year's greeting card I received from him on January 1, 2019, he had written "we've laid the groundwork." Personally, my reaction was blunted, like, "oh, I see, we've laid the groundwork," but I think President Hirota thought that we would be making improvements from that point on. I can't be sure without asking him though...

\*2 For the management issues that faced ASICS and the action to be taken, please refer to the "ASICS Action Plan" that was disclosed in August 2018.  
[https://assets.asics.com/page\\_types/3791/files/2018%E5%B9%B412%E6%9C%88%E6%9C%9F%E7%AC%AC2%E5%9B%9B%E5%8D%8A%E6%9C%9F%E4%B8%AD%E6%9C%9F%E7%B5%8C%E5%96%B6%E8%A8%88%E7%94%BB%E3%80%CE%E3%82%A2%E3%82%AF%E3%82%B7%E3%83%A7%E3%83%B3%E3%83%97%E3%83%A9%E3%83%B3%E3%80%8D%E7%AD%96%E5%AE%9A%E3%81%AB%E3%81%A4%E3%81%84%E3%81%A6\\_original.pdf?1581039709&ga=2.207334867.1507415128.1684712235-1879575166.1667389523](https://assets.asics.com/page_types/3791/files/2018%E5%B9%B412%E6%9C%88%E6%9C%9F%E7%AC%AC2%E5%9B%9B%E5%8D%8A%E6%9C%9F%E4%B8%AD%E6%9C%9F%E7%B5%8C%E5%96%B6%E8%A8%88%E7%94%BB%E3%80%CE%E3%82%A2%E3%82%AF%E3%82%B7%E3%83%A7%E3%83%B3%E3%83%97%E3%83%A9%E3%83%B3%E3%80%8D%E7%AD%96%E5%AE%9A%E3%81%AB%E3%81%A4%E3%81%84%E3%81%A6_original.pdf?1581039709&ga=2.207334867.1507415128.1684712235-1879575166.1667389523)

## Digital Strategy

**Kawano** There were acquisitions of Race Roster, R-bies and njuko. With the selection of acquisition targets, execution, and the post-merger integrations going on, what difficulties did you face in your capacity as the officer in charge of finance?

**Hayashi** We had found a way to link race participation with various things, something other companies were not doing. We refer to this as the “running ecosystem” at ASICS. By acquiring race registration companies, we were able to acquire touch points with runners. The idea was to turn these touch points into OneASICS memberships, and expand our e-commerce sales as well. You need to look at everything a runner does in the lead up to a race as a single flow of events, and run with the idea of expanding that ecosystem that includes daily training, diet, supplements, and the travel and insurance to compete in a race. R-bies, which we acquired in 2022, has an overwhelming market share in Japan for race registration, and njuko is a similar company based in France. Around 3 million people register for races each year through these two companies, and in 2023, we expect the number of people who take part in running through the race registration companies owned by ASICS to top 12 million.

The question is how can we monetize from this base and link it with discontinuous growth in the future? I think it is important to get even closer to runners, although we have to consider the protection of their personal information at the same time.

**Kawano** This has a good chance of working precisely because ASICS is a company that specializes in running. And that would especially show the effects of owning companies responsible for the race registrations of various events. I expect that would be good from a marketing efficiency perspective.

**Hayashi** I think there are a lot of race organizers and runners who are happy to see our support at various events. Our plan is to propose ASICS’ new products and services to many of these people.

## Setting Sights on an Operating Margin of 10%

**Kawano** The demands of the capital markets are constantly evolving, with new demands emerging one after the other. To work towards one of those demands, which is an operating margin of 10%, it’s necessary to make improvements to the product mix in highly profitable China and other Asian markets, and to raise profit markets with digital

strategy. The performance running market is smaller than the athleisure market, but you have to try to increase your share within that market. That raises the questions of how much room for growth is there and what scale can the business expand to in emerging countries including China? Those are the kinds of questions the capital markets constantly throw at you, aren’t they?

**Hayashi** Yes, and that’s connected with discussion about our next Mid-term Plan. In addition to the product mix you pointed out, I think we can still make improvements through progress with the mix of channels, countries and regions as well. In particular, I think there is still a lot of growth potential in Southeast and South Asia, which will become increasingly wealthy and health-conscious going forward. India, which I visited the other day, has a population that it’s over ten times that of Japan, so there is huge potential. According to some data, runners alone make up 100 million people there! So that we don’t miss out on any opportunities, we will try to gain access to major markets such as these.

And in the future, I think there will be discussions about leverage ASICS’ strengths to target the masses as well.

It will be important to not only make gains in performance running, but to lay deeper foundations in terms of sports style in regions where performance running is strong.

**Kawano** A capital market is a professional world that comes out with high demands. On the other hand, ASICS has its own internal logic and circumstances. As the officer in charge of finance, you straddle that boundary. It must be hard in many ways.

**Hayashi** Personally I’ve learned a lot by talking face to face with analysts and investors such as yourself. I have over 500 such meetings a year. I am exposed to a diverse range of views. But the basic tone is that “ASICS can do much more!”

We also hold the Investment Day twice a year for analysts, investors and the media to learn more about what makes ASICS good.\*3 I think the Investment Day is also a good opportunity to spread the expectations of people outside the company internally. I am focusing on making people inside the company aware of what the capital markets expect of us. At ASICS, each month a “Monthly IR” report is shared with senior management, and this summarizes the state of our share price, analyst reports, the details of meetings with investors, and so on. I hope that going forward, we will continue to receive these strong demands and suggestions, and achieve growth so that we can respond to them and be recognized by the capital markets.

\*3 Materials from the Investment Day held in November 2022  
[https://assets.asics.com/system/media\\_libraries/2014/file.pdf?\\_ga=2.92802333.1844109217.1682904780-1675986537.1670477856](https://assets.asics.com/system/media_libraries/2014/file.pdf?_ga=2.92802333.1844109217.1682904780-1675986537.1670477856)





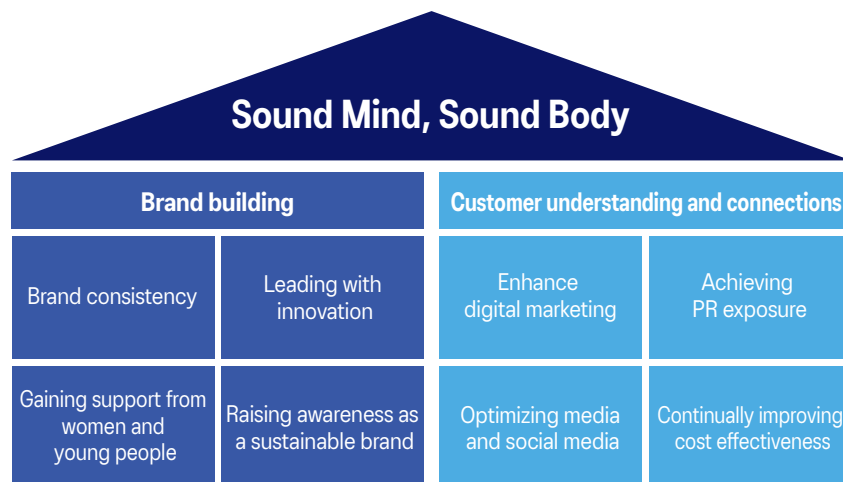
# Marketing Strategy

This is an introduction to ASICS strategic marketing initiatives to strengthen and expand customer contact points by cutting across the three strategic priorities established in Mid-Term Plan 2023.

## Strategic Perspective and Overview

As we gradually begin to see signs of the end of the COVID-19 pandemic that started in early 2020, sports events that had been cancelled or held virtually are being held in-person again, including the World Athletics Championships Oregon 22, the Los Angeles Marathon, the Paris Marathon, the Tokyo Marathon, and other marathon events. Interest in health among people whose lifestyles were greatly altered by the pandemic expanded to include not just physical aspects but also mental health and stress. We continued to communicate that moving the body could bring about mental and physical health with a message of "Sound Mind, Sound Body." We launched product campaigns in 2022 based on "Sound Mind, Sound Body" with a #Live Uplifted theme. Following "Upliftford" that was held in Redford, England in 2022, we implemented this initiative in Imabari, Ehime in Japan in 2022, allowing residents to experience firsthand how moving your body can lift your mind. We also utilized athletes as much as possible in our sports marketing activities, developing our marketing strategy from both a "brand building" and "customer understanding and connections" perspective.

### Strategic perspective and overview



## Winning in the Realm of Performance Running!!

To attain the top position in performance running, we have first launched the Chojo ("Summit") Project to regain market share among the highly-influential speed runner demographic and continue to work to win over athletes who will run in shoes that are packed with innovations from ASICS. As a result, we are seeing a recovery in ASICS' share of runners in marathons and relay races held across the globe. We also enhanced our product characteristic explanations with e-commerce as a purchase contact point and increased customer engagement by strengthening our cooperative framework with running accounts. We also continue to target fitness runners who run less than three times a month, a group that accounts for around 25% of customers. Roughly 60% of this group are women, and it is also a segment that includes many young runners. In addition to providing them with shoes incorporating optimum innovations, we will target this group more broadly in functional and emotional ways. We will also utilize the Runkeeper running app and continue to promote optimization to its online aspects as an opportunity for engagement.

### C project overview

**Making running synonymous with ASICS!**  
**No.1 market share in Japan, the US and Europe**

#### Gaining new speed runners

- METASPEED
- ATHLETE
- YOUTH+DIGITAL
- DTC/STORE SERVICE



### C PROJECT Summit Project



Fitness runners  
Young runners



## Marketing Strategy

### Sports Marketing Strategy

In sports marketing, we continue to secure contracts with world-renowned athletes and enter into partnerships with World Athletics. We steadily continued to enter into contracts with top athletes in 2023, enhancing our diversity and inclusion as we did in 2022. We will also take steps to enhance the presence of the ASICS brand and increase engagement with our partners by utilizing our partnerships, which we secured with athletes, at major events including the World Athletics Championships Budapest 23 to be held in August 2023. At the World Athletics Championships Oregon 22 held in 2022, we launched a campaign to travel across the entire US as a marketing strategy to effectively increase brand awareness in the host country. Progressing our digital transformation is also essential for sports marketing. We introduced Race Roster for sponsored marathon races in 2022, and we will further expand the running ecosystem network by rolling out our entry platform for further popularization on a global scale.

#### Top athletes and international athletic federations World Athletics in contract with ASICS



#### TOPICS

### The World Athletics Championships Oregon 22

We increased our presence in the North American market by developing a large scale promotional campaign ahead of the World Athletics Championships Oregon 22 held in July 2022. Starting with the unveiling of the METASPEED+ series at the META: Time: Trials, a race approved by the World Athletics and held in Spain in late April, we traveled across North America with our Uplift Tour starting in June. We launched this promotional campaign with a unified green color palette, involving top runners as well as ordinary local runners, and it left a deep impression in the minds of many people.





## Digital Strategy

ASICS has declared the shift to digital driven company as the strategy goal of Mid-Term Plan 2023.  
A digital strategy will create new customer experience and lead to the further reinforcement of our business foundation.

### Positioning of Strategy and Promotion Structure

Digital technologies serve as the foundation for providing various services while ASICS strives to achieve the goal set in VISION 2030 by ensuring that “each and every one of us can engage in exercise and sports throughout our lives and continue to live in good health, both mentally and physically.” In the Mid-Term Plan we declared “transformation into a digital-driven company” as a strategic objective, and have accelerated efforts to incorporate digital technologies including investment on a companywide scale.

To become a digital-driven company across the board, we have reinforced the structure for promoting the running ecosystem and the digital strategy under the CDO/CIO and increased the number of professional staff members to more than 700, which is 1.5 times more than last year. We have expanded the race registration business globally by acquiring Race Roster, Register Now, njuko, and R-bies. ASICS Digital in Boston, USA, ASICS Technology in the Netherlands, and divisions in Japan that drive the supply chain and Digital Business are advancing our digital and IT strategies in close cooperation with the Institute of Sport Science.

The percentage of e-commerce sales has continued to rise, from 4% in 2018 to approx. 18% in 2022. It has also helped improve gross margins overall. Going forward we will continue to strengthen our efforts in the digital realm, aiming to achieve a D2C ratio of 50% by 2026, including sales at directly operated stores.

#### Global team promoting digital strategy



### Three Pillars of the Digital Strategy

We are advancing the comprehensive digital strategy which has three pillars: Digital Business, Digital Marketing and Digital Supply Chain.

Digital Business is key to the running ecosystem, where we provide a unified global digital platform to enable runners to train and participate in races and to support their recovery. We are increasing touchpoints with runners digitally through attractive services in our efforts to gain new customers and provide new value to existing customers.

With Digital Marketing, we will fully utilize the platform mentioned above to deliver optimum messages to each customer when it is needed, through the OneASICS free membership service. Through personalization we will achieve more effective communication, with the aim of improving the return on our marketing investment.

With Digital Supply Chain, we will promote the standardization of business operations by unifying ERP, e-commerce and master data globally. This will reduce system and operating costs while visualizing management.

#### Management based on digital technologies





## Digital Strategy

### Running Ecosystem Strategy Developing the No. 1 Race Registration Service in the World

The running ecosystem plays a core role in the enhancement of digital services to maximize customer value. Participation in a marathon begins with race registration. You also need to purchase shoes and running gear, train daily, arrange travel to the course, and make other preparations. We have built a circulatory system to be a one-stop solution that enables users to do all of these cumbersome procedures, in an effort to increase the number of ASICS fans.

We have been expanding this running ecosystem based on OneASICS, a free membership service, and by acquiring running app Runkeeper, Race Roster, a race registration platform in North America, and Register Now, the leading race registration platform in Australia and New Zealand. In 2022, R-bies, which operates "RUNNET" and app "TATTA" has the No. 1 share in race registration in Japan, and "njuko", which has the No.1 share in Europe has been added to the running ecosystem. Through this, we aim to establish the No.1 race registration platform in the world. We have also launched a new initiative using Web3, the next-generation distributed internet, and non-fungible tokens (NFTs), to further expand the running ecosystem.

#### D2C channels for the creation of a running ecosystem



Providing optimized services to increase profits from digital services and the D2C channels ahead of them

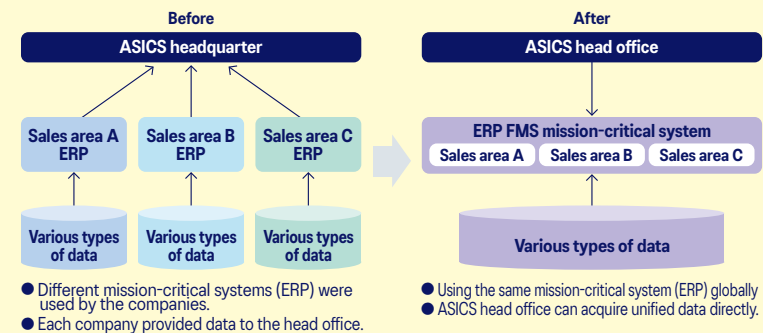
### TOPICS Strengthening Infrastructure by Utilizing the Digital Supply Chain (Outline of the initiative digitalizing the supply chain)

ASICS has been advancing the Global One Instance, an initiative to integrate local companies and sales companies in countries around the world under a single system. Previously, different mission critical systems (ERP) were used in different regions, which means that reporting formats were not unified. Therefore, it was impossible to compare channels, profits, cost settings and other matters using the same standards, which was an issue.

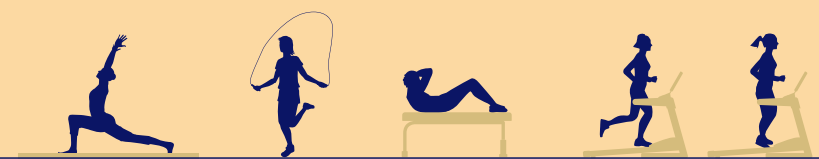
With Global One Instance, we aimed to provide a single global chart for displaying and determining profit and costs in the supply chain based on one set of standards. It was a challenging initiative, including adjustments that were made based on a correct understanding of how the accounting standards that are applied in the different regions differ from the standards applied by ASICS in its consolidated financial settlements.

At present, under a unified system, the cost of sales, profit, cost allocation and other details of each purchase, channel and product can be confirmed promptly and easily, which has resulted in the increased speed, quality and accuracy of the reporting of each local company and sales company. This has further strengthened global governance.

#### Difference before and after the introduction of Global One Instance







## Initiatives to Enhance Intellectual Capital

To enhance its corporate value, ASICS utilizes intellectual property strategically and practices IP management that integrates intellectual property and management.

### Basic Approach and Policies

As stated in the ASICS Vision, Create Quality Lifestyle Through Intelligent Sport Technology, technology is the foundation of our competitiveness, and we use state-of-the-art technologies in our business to provide products and services that enable people in the world to live happily in good health.

In VISION 2030 in the ASICS Mid-Term Plan 2023, we set a policy of promoting business under the three themes, digital, personal and sustainable. As a part of this policy, we are firmly linking innovation to intellectual property strategy. We are practicing IP management that reflects our strategic acquisition and use of intellectual property as a part of our management strategy to increase our corporate value, through activities such as the proposal of strategies to secure competitive advantages in business using the IP landscape.\* Additionally, we believe that the ASICS brand is our greatest intellectual property. We will continue to aim to strengthen our intellectual property strategy based on the understanding that practicing IP management will contribute strategically to the protection of the brand, the improvement of its value and eventually, the increase of our corporate value.

In 2020, to promote IP management, we established the Intellectual Property Strategy Committee, an advisory body directly controlled by the CEO that is composed of senior managers from all across the company. This committee is functioning effectively as a meeting body that reviews ASICS' intellectual property strategy and discusses its future vision, current issues and future direction.

\*IP landscape: A method of comprehensively analyzing the intellectual properties of the company and other companies and the market to obtain information that can be used in our management strategy

### Strategies for the Creation of an Intellectual Property Portfolio

We are working to build and expand our intellectual property portfolio focusing on the three themes of VISION 2030. Under the theme, digital, we will develop technologies for building a running ecosystem to strengthen intellectual property support. Under the personal theme, we have applied for and acquired patents and design rights related to personalized shoes using ASICS' foot measurement technologies and expertise in the creation of shoes based on the measurement results. We will continue to expand our intellectual property portfolio in this area. Concerning the sustainable theme, we will build a portfolio that responds to the circular economy. For all of the

themes, we will also proactively consider the so-called open-close strategy of making ideas open for the creation of new markets while protecting technologies to secure large profits.

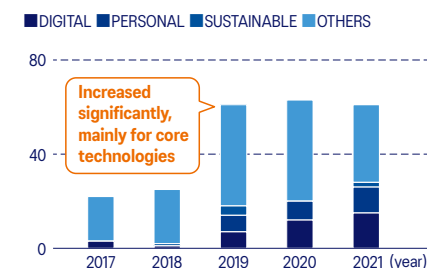
At ASICS, overseas sales are approx. 80% of total net sales. We are reinforcing our framework for supporting intellectual property, including an intellectual property strategy with an awareness of the global market, the creation of our portfolio and the employment of globally competitive human resources. In addition, we are also committed to the acquisition of intellectual property rights, including patents and also design and trademark rights, in line with the legal system in each country.

### Established Patent Portfolio

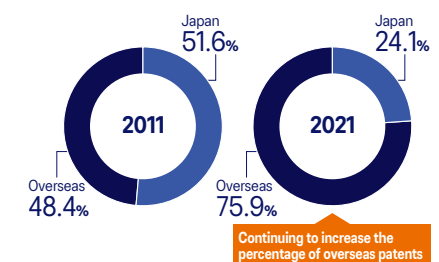
ASICS introduced a company-wide intellectual property strategy in 2019 and has been working to quickly acquire a wide range of rights related to core technologies, including technologies in the digital, personal, and sustainable areas. We have since been proactively investing in intellectual property, and the number of patent applications we have filed has increased significantly. Regarding the digital and personal areas, we are steadily building a patent portfolio. Moving forward, we will also focus even more effort on the sustainable area to increase the percentage of our portfolio that is these core technologies.

Comparing our domestic and overseas patent applications, overseas patent applications have increased to more than 75%. Ten years ago, this was below 50%. We will continue to apply for patents overseas to support the global business.

#### Number of patent applications



#### Percentage of patent applications in Japan and overseas





## Initiatives to Enhance Intellectual Capital

### Intellectual Property Strategy and Examples of the Use of These Properties

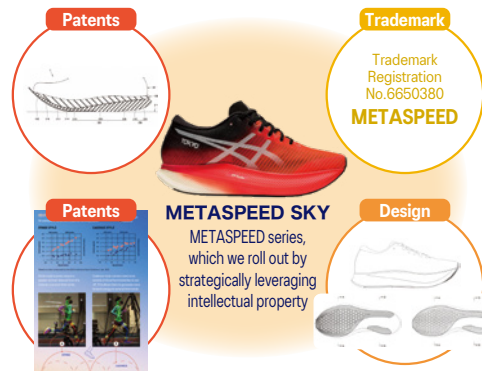
ASICS also strategically uses intellectual properties related to performance running, its mainstay business. The C Project directly controlled by the president is aimed at recapturing the leading position in the area of top athletes. It involves members of the intellectual property department. The METASPEED series, which was developed by this project, is protected by a mix of intellectual property rights including patent, design, and trademark rights. In addition, as a result of the revision of the Design Act, building interiors are also protected under this law. Therefore we have acquired design rights for the interior and display racks of our ASICS Harajuku Flagship store at the time of its renovation.

We will continue to consider intellectual property strategies for the new products and services to be developed leveraging innovation from diverse perspectives.

#### Patents and designs that symbolize our recent achievements



Lasts for making personalized shoes, which are shoes designed to fit the foot shape and tastes of the individual user leveraging our foot measurement technologies

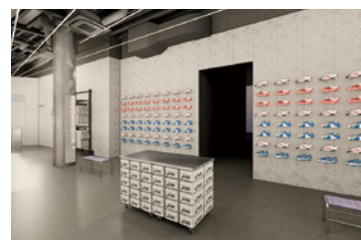


Runner type identification



ASICS STEPNOTE for predicting the growth of a child's feet

ASICS Harajuku Flagship, which acquired design patents for its interior and display racks



### TOPICS

## Initiatives to Address Counterfeit Products

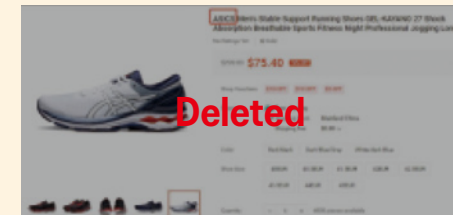
ASICS proactively addresses counterfeit products in countries around the world, aiming to prevent the infringement of its intellectual property rights.

#### Case 1

##### Detection of E-commerce Sites Selling Counterfeit Goods

We take countermeasures such as taking down the e-commerce sites selling counterfeit goods, a rapidly growing problem worldwide.

Note: images are for illustrative purposes only.



#### Case 2

##### Large-scale raid action against counterfeit goods in China

In China, where damage from counterfeit goods is most frequent, we conducted a large-scale raid action against counterfeit shoe manufacturers in cooperation with the relevant authorities in Putian, Fujian province, which is said to be a large counterfeit shoe manufacturing hub.



#### Case 3

##### Providing customs training in countries around the world

We cooperate with our local agents to provide training for customs people in each country to enable them to detect counterfeit products, including online training.



#### Case 4

##### Lobbying to strengthen relationships with authorities concerned

We visit relevant ministries and agencies in each country and talk with the people in charge, calling for cooperation to address the problem of counterfeit products.





## Initiatives to Enhance Human Capital

ASICS has set “Reinforcing its business foundation” as one of its strategic priorities in the Mid-Term Plan 2023. This section introduces the initiatives related to strengthening human capital that ASICS is undertaking to promote this.

### Approach to Strategy Formulation and Policy

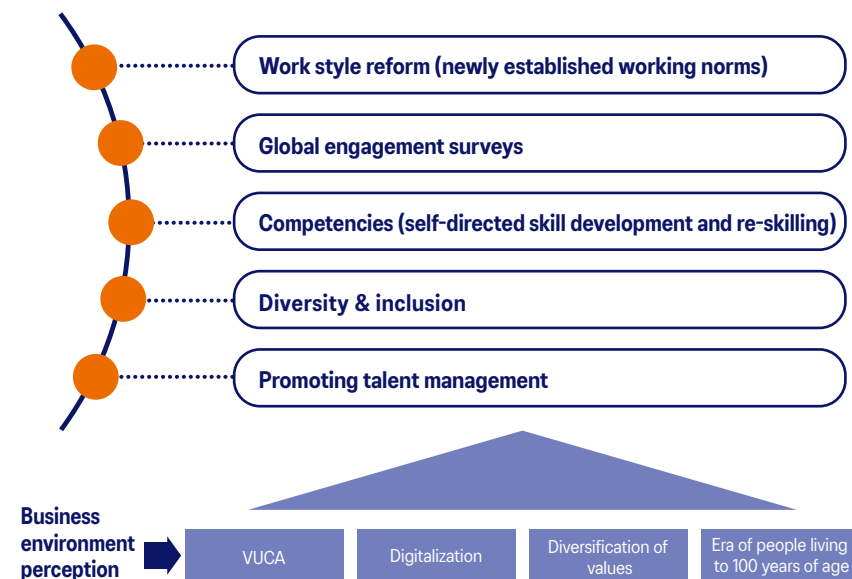
ASICS aims to foster a corporate culture that raises employee motivation and enables both individual and company growth. With this in mind, through various programs we will create an environment that embraces employees’ diversity, and enables them to respect one another and unleash their individuality and creativity. Specifically, based on Mid-Term Plan 2023, we will promote the following three strategies.



### 1 Realize “Sound Mind, Sound Body” through employees

At ASICS, we place an emphasis on each employee embodying the concept of Sound Mind, Sound Body, our brand slogan drawn from our founding philosophy: “Anima Sana In Corpore Sano.” The human capital ecosystem is the mechanism for achieving this. This ecosystem is made up of the follow five initiatives. Of these, talent management plays a central role. Aligning information related to the hiring and development of human resources with the overall global system allow us to quickly understand the situation and leads to effective personnel management services. With talent management as the driving force, we will strengthen the human capital ecosystem by aligning work style reform, global engagement surveys, competency, and diversity and inclusion measures.

#### The Five Initiatives of the Human Capital Ecosystem





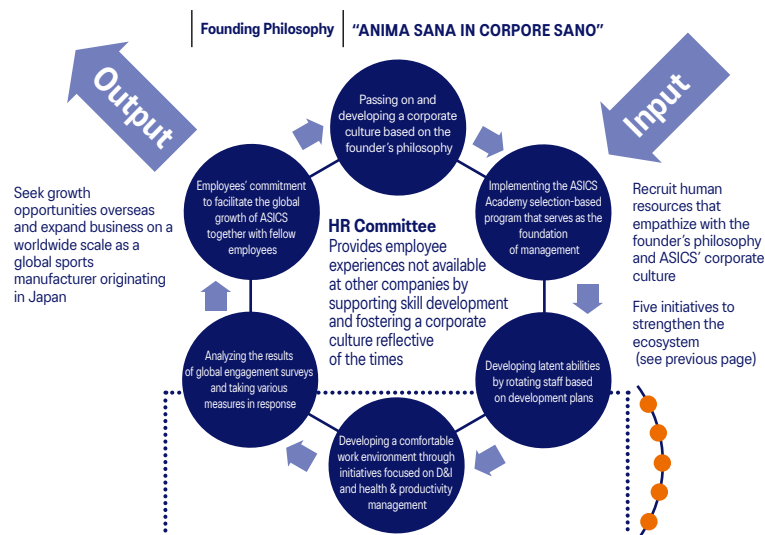
## Initiatives to Enhance Human Capital

### 2 Develop Talent That Will Lead the Business Globally

In talent management, we have established global, cross-sectional systems of hiring, development, placement, evaluation, and skill development that take individual career paths into consideration. This also includes the promotion of succession plans.

In concrete terms, the HR Committee that was launched in 2021 has worked to implement the ASICS Academy (a selection-based program that develops next-generation leaders), develop latent abilities through planned rotations, develop a comfortable work environment (promoting both diversity and inclusion as well as health and productivity management), implement global engagement surveys for employees, analyze the results, and implement measures based on the results. The results show a trend towards improvement (79% response rate and score of 66 for July 2022 survey -> 84% response rate and score of 68 for April 2023 survey). To further accelerate human resource development, we are creating concrete development plans and are promoting employees to challenging posts both in Japan and abroad. Through these actions, we are developing a development and growth culture across the entire company.

#### Talent Management Overview



### 3 Diversity & Inclusion

#### VISION One Team, Stronger Together

Since our founding, we have worked to promote our business activities, aiming to embody the idea of "Sound Mind, Sound Body" which represents our philosophy of "Anima Sana in Corpore Sano."

A team of people with varied values and ideas is essential to embodying this founding philosophy.

Now more than ever, we need human resources who can see the world from all angles and can expand and deepen our positive impact on society.

We are committed to accepting and utilizing differences in race, ethnicity, gender, age, religion, disability, sexual orientation, and gender identity. As a team that respects and enhances diversity, we will bring about better lifestyles for people through creating innovation.

#### Basic Policies

By promoting diversity & inclusion in which employees accept and embrace one another's differences, the ASICS Group works to not only offer better products and services to customers and their diversifying needs, but also to establish systems and develop human resources so that each employee can fully harness their abilities, aiming to utilize diversity for sustainable growth.

#### Ratio of females in managerial positions

##### Target

35%  
(FY2023, global overall)

##### Results

38%  
(as of the end of December 2022)






**Special Feature 3**
**One Team, Stronger Together**

# D&I Driven Globally

In order to promote diversity and inclusion (D&I) on a global scale, ASICS has established a system to approach global targets and regional issues under the strong commitment of management, led by the Global D&I Steering Committee. Additionally, the company has created a Group-wide approach across all regions that is engaged in D&I activities.

## Promotion Structure

ASICS has come together globally to promote D&I. The company created our D&I Vision in 2020 and founded the Global D&I Steering Committee to make decisions on formulating Group-wide D&I strategies, policies, processes and communication. Subsequently, a Global D&I Working Group was established to provide cross-regional support to the Committee and to develop implementation plans based on the global strategy. Regional D&I representatives and D&I councils have been established in order to better understand the needs and priorities of the employees that are then translated into action plans as part of a robust group-wide D&I promotion system.

In addition to implementing concrete action under management's strong commitment to reaching our global D&I targets, the company has incorporated a system allowing a bottom-up approach to address the D&I issues affecting each region. The regional D&I representatives regularly communicate on a global level to both understand global strategy and initiatives and to share their regional status.

## D&I Promotion Structure



## Let's Start by Hearing President Hirota's Thoughts on D&I.

**President Hirota** The ASICS Group aims to "create a world in which we can all live healthfully both mentally and physically, maintaining involvement with exercise and sports over our entire lifetime," as stated in VISION 2030. Diversity and inclusion will play a key factor in achieving this world. We have set our global D&I vision as "One Team, Stronger Together." Having people with a variety of values share and discuss their opinions in addition to understanding the ever-changing market and consumer leads to the realization of new perspectives, the creation of new creative ideas, and the revitalization of innovation.

recognize and employ one another's differences in a work environment that is psychologically safe. I also believe it is important to establish structures and develop talent for each employee to be able to fully display their personal abilities.

## How Do You View and Promote D&I in Each of Your Regions?

**Katja** ASICS Europe Group spans over 20 countries, and the employees working at the regional headquarters in the Netherlands are citizens of 46 countries. This is surely one of the most diverse regions in the Group. Consumer needs in this region are also diverse. We are aware of the importance of diversity among personnel in offering innovative solutions and services to meet these needs.

**Amy** Indeed. At ASICS North America, we are promoting initiatives to produce more innovative

# To Effectively Promote D&I Across Regions

Roundtable discussions with the President and the Global D&I Working Group

Conversations on the D&I measures promoted in each region were held with President Hirota and the Global D&I Working Group. We take a look at the conversations here.

And I believe that this will truly contribute to realizing better lifestyles for people. I have been looking forward to hearing about the state of specific initiatives from various regions today. Pleased to see you.

**Everyone** Thank you.

**President Hirota** As a group, we promote diversity among human resources in all regions, and as a more inclusive company, we strive to allow employees to demonstrate their abilities. Even within our Mid-Term Plan, we are implementing a global approach by establishing global focus areas and various targets. To utilize our diversity for sustainable growth, employees must

solutions, understanding that it is important for our employees, with their diverse experiences, to mutually recognize and utilize one another's differences. The concept of D&I has existed in North America for some time, and its importance is generally recognized. At North America, we established a D&I Committee made up of members from various departments with the goal of strengthening continued D&I.

**Steve** Compared to Europe and the US, diversity in terms of nationality is limited at ASICS Greater China Group, as it is in other Asian countries. Within Greater China, employees formed a D&I Council, who are working with HR to enhance our D&I.

**President Hirota** So, in each region, the importance of D&I is understood. Even with social issues that arise from pandemics, climate change, the emergence of new technology, conflicts, or other phenomenon, I see great meaning in promoting D&I initiatives.



Vice President, Human Resources, ASICS Europe Group  
Katja Meeuwssen-Nass



Talent Planning & Development, Human Resources, ASICS North America  
Amy Miller



Human Resources Director, ASICS Greater China Group  
Steve Zhu



President, CEO and COO, Representative Director,  
Yasuhito Hirota



## What Specific Initiatives Are Being Taken to Promote D&I?

**Steve** President Hirota just now mentioned the pandemic. Greater China has emphasized close, regular contact with employees regarding issues brought about by COVID-19. This is because it is important to create a workplace where every employee wants to do their best while feeling a sense of belonging. We are working to improve our communication while being creative so that we can share a variety of topics with every employee, from company business strategies to employee birthdays. This includes holding company-wide meetings, distributing newsletters, and utilizing online contribution tools.

**Amy** At North America, we are developing D&I programs throughout the year in collaboration with global initiatives from both a top-down and a bottom-up approach. In our monthly S.O.U.N.D. (Speakers Opening Up New Discussions) series, we invite panelists and host a venue for discussions on themes of great interest in the region, including racial equality. We also host a series of D&I runs throughout the year for employees to participate in either by running or walking, with one example being the Pride Run held this summer.

**President Hirota** It is encouraging that even at North America, where your understanding of D&I is relatively advanced, you are implementing various initiatives towards a common goal. By gathering employees with diverse experiences and thoughts, I believe we can create the optimal solutions in business. How about with Europe?

**Katja** At Europe, our D&I Council is also providing training support to create an even more inclusive work environment while cooperating with the global headquarters. As part of this, we signed the 'SER Diversity in Business' charter, which aims to promote D&I in the workplace. Over 300 countries in the Netherlands and over 10,000 companies across Europe have signed this charter.

**President Hirota** Looking outside the company is an important step in advancing initiatives. To transform a business sustainably, it is necessary to always be aware of the full picture of society and to understand our position in it.

## Tell Me about the Challenges in Promoting D&I and Any Measures Taken to Solve Them.

**Katja** While we have been successful with D&I, we are aware that there is still room for further improvement. For example, we have steadily improved the female manager ratio to the current rate of more than 40%, but we are aiming to reach 50%. We are currently developing specific targets and action plans to increase the ratio of females in senior management positions in particular. We also hold training on unconscious bias for managers in particular with the goal of creating a more inclusive workplace environment.

**Steve** At AGC, we also consider gender diversity important within management, but different from other regions, there are currently more female managers than male managers in China, with a female manager ratio of more than 65%. We believe it is important to hire diverse human resources and to implement various initiatives such as continuing to support employees after joining the company with mentoring programs, etc.

**Amy** Since employees at ANA have a relatively high understanding of D&I, one of the next challenges is creating initiatives that continue to engage and educate employees. We believe that encouraging a wide range of employees to participate in the dialogue around D&I will increase mutual realizations and learning and lead to the creation of new, diverse ideas.

**President Hirota** Yes, I think so, too. When we learn about the characteristics, challenges, and initiatives of each region like we have now, you really get a sense for the fact that we work in a truly global company. For example, I realized the need for initiatives that meet the circumstances of each region to achieve D&I rather than uniform initiatives across the Group after learning that increasing the rate of men at AGC is a challenge in gender equality. I am encouraged by the serious action taken so that every one of our diverse employees is treated with fairness, has a sense of belonging, and is supported with consistent processes and systems with the common goal of promoting D&I. Thank you for today.

**Everyone** Thank you!

## D&I Council/A Bottom-up Approach by a Group of Employees



ASICS Indonesia

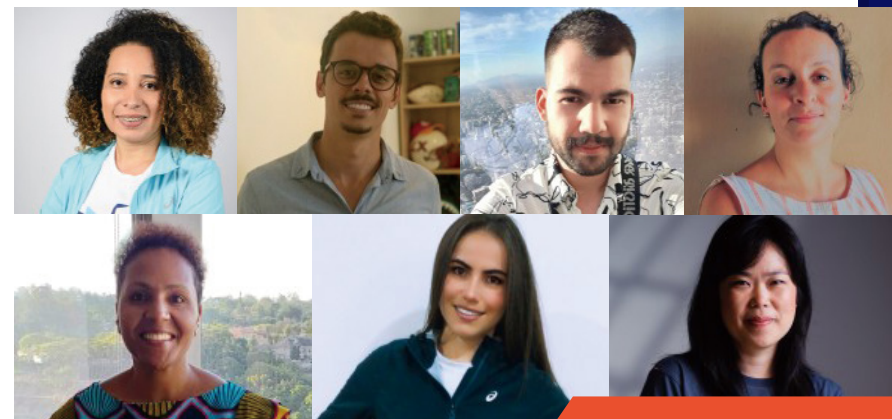
### Aiming to Reach a Female Manager Ratio of 30% And Further Expand Our Diversity

ASICS Indonesia is one of the smallest and newest sales companies in the Group. To grow our business through utilizing the great potential of the economically booming Indonesian market, it is important for employees working here to be highly motivated and fully demonstrate their own diverse skills.

In Indonesian society, the gender gap between men and women in the workforce is still wide, and there is a tendency to consider women's role in society to be at home rather than to work. At Indonesia, with relatively young employees, we are aware of the issue of our low female manager ratio of 12%. After consulting with global headquarters, we launched D&I initiatives by holding a career development workshop for all Indonesia employees.

At the workshop, the Senior General Manager of Sustainability at global headquarters shared the experiences she had and the challenges she faced during her career as a working mother, and she also offered advice on how to overcome challenges. After the workshop, employees created individual career development plans and spoke with their superiors about career development based on those plans.

We also plan to hold inclusive leadership training for all managers in 2023. By establishing a workplace environment where employees can fully demonstrate their abilities, we will enhance the foundation supporting continuous growth in our organization. We are also aiming to reach a female manager ratio of 30% by the end of 2023.



ASICS Latin America Group

### Inclusive Employment and Enhanced Support for Employees with Disabilities

An organization with diverse employees can develop innovative ideas easier, a great strength in offering products and services. ASICS Latin America Group is focused on employee diversity, working to increase gender and racial diversity. As a result, gender and racial diversity is increasing, and we have grown to be an organization where each individual can utilize his or her individuality more easily. However, we have run into some challenges. Even though we support para-athletes through sports activities as the ASICS Group, we do not have any employees with disabilities. So, we have started initiatives focused on hiring diverse employees that include persons with disabilities and internal support for employees with disabilities. We first focused on the hiring process and made improvements to create a more inclusive system that accepts people from a broader range of society. As a result, we welcomed the first Latin America employees with disabilities in 2022.

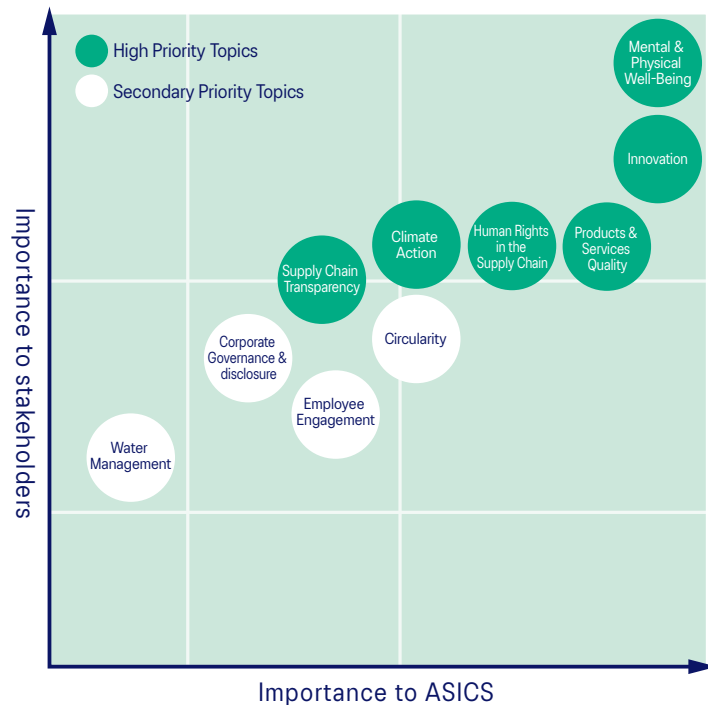
This was the first step. As we move forward with inclusive hiring to allow diverse employees to fully demonstrate their skills and ability at Latin America, we also plan to hold training for managers so that they can fully support all employees, including those with disabilities. We will also establish specific numerical targets for the next Mid-Term Plan 2026 and will continue to promote D&I initiatives.



# Identifying Materiality (Material Topics) Through Dialogue with Stakeholders

ASICS identifies materiality (material topics) based on the perspectives of their importance to stakeholders and importance to our corporate strategy. Interviews and surveys were conducted targeting approximately 500 people comprising external stakeholders such as consumers, business partners, suppliers, investors, NGOs and industrial organizations, as well as internal stakeholders including ASICS senior management and employees. The results of these efforts have been repeatedly discussed internally while incorporating third-party opinions from outside experts. In extracting themes, we also referred to the GRI Standards, which are an international guideline for sustainability reporting. Finally, the Sustainability Committee deliberated over the topics, deciding on ten material topics and their order of priority, subject to annual review.

For details, please refer to pp.10-13 of the Sustainability Report.  
[https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?\\_ga=2.245076608.423395233.1687761036-2108300836.1686292305](https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?_ga=2.245076608.423395233.1687761036-2108300836.1686292305)



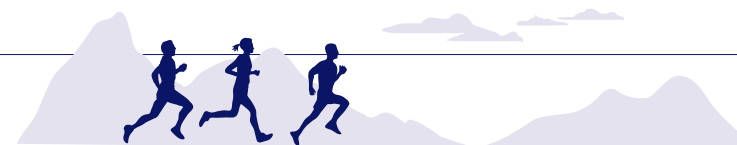
Stakeholders	Engagement Principles	Materiality (Material Topics)	Channels for Dialogue
<b>Consumers</b>	We aim to provide products and services that add value for our consumers and contribute to a healthy society.	<ul style="list-style-type: none"> <li>Mental and physical well-being</li> <li>Innovation</li> <li>Product and Services quality</li> <li>Climate action</li> </ul>	<ul style="list-style-type: none"> <li>Communications at stores</li> <li>Communications on social media</li> <li>Customer service office</li> </ul>
<b>Shareholders and Investors</b>	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.	<ul style="list-style-type: none"> <li>Innovation</li> <li>Product and Services quality</li> <li>Climate action</li> <li>Human rights in the supply chain</li> <li>Corporate governance and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>General meeting of shareholders</li> <li>Responses to Environment, Social and Governance (ESG) surveys and inquiries</li> <li>Financial results briefings</li> <li>IR meetings</li> </ul>
<b>Employees</b>	We believe in treating one another with respect and dignity. We strive toward a corporate culture of discipline, creativity and ambition where personal development and corporate growth go hand in hand.	<ul style="list-style-type: none"> <li>Mental and physical well-being</li> <li>Employee engagement</li> <li>Climate action</li> </ul>	<ul style="list-style-type: none"> <li>Employee engagement surveys</li> <li>Training</li> </ul>
<b>Business Partners</b>	We are partnering with our customers, suppliers and other business partners in our value chain. Sustainability improvements depend on collaboration and commitment from all. We engage our business partners to share and solve social and environmental issues together.	<ul style="list-style-type: none"> <li>Innovation</li> <li>Product and Services quality</li> <li>Human rights in the supply chain</li> <li>Climate action</li> <li>Circularity</li> <li>Water management</li> </ul>	<ol style="list-style-type: none"> <li>Factories and suppliers               <ul style="list-style-type: none"> <li>Hold regular meetings</li> <li>Conduct audits and trainings</li> </ul> </li> <li>Sales customers               <ul style="list-style-type: none"> <li>Hold exhibitions</li> </ul> </li> <li>Business collaborations partners               <ul style="list-style-type: none"> <li>Joint research and development</li> </ul> </li> </ol>
<b>Communities</b>	While we encourage sports participation, promote health and contribute to a healthy society, we aim to fulfill our social responsibility and help improve conditions for communities around the world.	<ul style="list-style-type: none"> <li>Mental and physical well-being</li> <li>Climate action</li> </ul>	<ul style="list-style-type: none"> <li>Volunteering by employees</li> <li>Collaboration with NPOs and other organizations</li> <li>Community support through donations</li> </ul>
<b>Government</b>	All our corporate operations comply with relevant laws and regulations. We adopt processes, systems and structures to support appropriate and efficient operations and decision-making.	<ul style="list-style-type: none"> <li>Climate action</li> <li>Human Rights in the supply chain</li> <li>Corporate governance and disclosure</li> </ul>	<ul style="list-style-type: none"> <li>Hold meetings to exchange opinions</li> </ul>

## Foundations of Value Creation — Sustainability —

# Materiality (Material Topics) for Business Strategy, Risks and Opportunities

Materiality (material topics) has an impact on ASICS' medium and long term corporate value.

To appropriately deal with these items that impact sustainability in the medium and long term, ASICS has identified risks and opportunities (opportunities for co-creation with stakeholders) and stepped up related initiatives.



For details, please refer to pp.10-13 of the Sustainability Report.  
 ▶ [https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?\\_ga=2.245076608.423395233.1687761036-2108300836.1686292305](https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?_ga=2.245076608.423395233.1687761036-2108300836.1686292305)

Materiality (Material Topics)	Risks of Not Taking Action	Opportunities for Co-creation with Stakeholders	Related KPIs
<b>Mental &amp; Physical Well-Being</b> ▶ Sustainability Report p.17	Reduced competitive advantage and deterioration of reputation by not realizing the founding philosophy of "sound mind in a sound body" through products and services	Consumers Research and development of innovative products and services based on consumer data Business partners Joint research and development of products and services Communities Solving local issues and enhancing trust in the ASICS brand as a result by deepening ties with the community	● Number of OneASICS members: At least 5 million people in 2023 (At least 3 times larger than in 2019)
<b>Innovation</b> ▶ Sustainability Report p.38	Loss of competitive advantage from failure to respond to market needs and tackle social issues	Consumers Creation of innovative products and services based on expectations and needs Employees Accelerating innovation by utilizing a diverse range of human resources	—
<b>Products &amp; Services Quality</b> ▶ Sustainability Report p.43	Monetary damages and impact on corporate image due to the occurrence of safety issues, and deterioration of the corporate and brand image due to non-compliance with Service Quality chemical regulations	Employees / Consumers / Business partners Creation of innovation by pursuing safety and functionality simultaneously	—
<b>Human Rights in the Supply Chain</b> ▶ Sustainability Report p.23	Non-compliance with labor standards in the supply chain	Business partners Strengthening ties and enhancing value chain sustainability and resilience	● Percentage of Tier 1 supplier factories above ASICS standard: 100%
<b>Climate Action</b> ▶ Sustainability Report p.36	Risk of reduced sales as a result of supply disruptions associated with natural disasters in the supply chain, and deterioration of corporate image due to delays in responding	All stakeholders Creating value for all stakeholders by preserving environments that allow sports to be played Employees / Consumers / Business partners Creation of innovation by pursuing reducing environmental impact and functionality at the same time	● CO <sub>2</sub> emission reduction rate in direct operations (2015 baseline): 63% in 2030 ● CO <sub>2</sub> emission reduction rate in the supply chain (2015 baseline): 63% in 2030 ● Percentage of electricity from renewable sources in direct operations: 100% in 2030
<b>Circularity</b> ▶ Sustainability Report p.37	Impact on sales due to sharply rising raw material prices due to the failure to utilize resources efficiently or passing on costs to product pricing, and damage to corporate image from initiatives and other action not having been properly implemented		● Recycled materials ratio of polyester materials for shoes and sportswear: 100% in 2030
<b>Management of Water Resources</b> ▶ Sustainability Report p.46			● Water consumption reduction percentage per pair of shoes at footwear Tier 1 factories (2015 baseline): 20% in 2023
<b>Employee Engagement</b> ▶ Sustainability Report p.30	Reduced performance or job turnover due to deteriorating employee motivation, impact on the hiring of next-generation human resources, and subsequent labor shortages, etc.	Employees Acceleration of innovation through diverse values, creation of a resilient organization featuring job satisfaction	● Diversity & Inclusion: Percentage of women in management positions 35% in 2023
<b>Corporate Governance &amp; Disclosure</b> Corporate Governance Report <a href="https://assets.asics.com/system/media/_libraries/3613/file.pdf?_ga=2.168603240.816347871.1688344136-169707197.1680654041&amp;gac=1.48434834.1688099784.EAlaIQobChMlv5HT_vHiLwVf9hMAh2utALjEAAAYASAAEgJAE_D_BwE">https://assets.asics.com/system/media/_libraries/3613/file.pdf?_ga=2.168603240.816347871.1688344136-169707197.1680654041&amp;gac=1.48434834.1688099784.EAlaIQobChMlv5HT_vHiLwVf9hMAh2utALjEAAAYASAAEgJAE_D_BwE</a>	Impact on management sustainability and finances due to violations of laws, regulations or compliance requirements	Shareholders and investors Enhanced value creation capabilities through improvements to dialogue and ESG assessments Business partners Strengthening ties to enhance value chain sustainability and resilience	—
<b>Supply Chain Transparency</b> ▶ Sustainability Report p.11			—



## Foundations of Value Creation — Sustainability —

# Climate Action

ASICS is pursuing initiatives to protect the global environment through all of its business activities.

## Why is ASICS Focused on Climate Action?

Sports are closely related to climate change. To achieve a sound mind and sound body throughout people's lifetimes and among future generations, we need a sound earth. In order to achieve a sound earth, ASICS regards climate action as high priority topic.

We aim to reduce greenhouse gas emissions by 63% at our offices and in the supply chain by 2030 and achieve net-zero by 2050. We are the first sporting goods manufacturer to be certified by the Science Based Target (SBT) initiative.

## Shifting to a Circular Business Model for Entire Value Chain

We are continuing our transition from a one-way business model of make, use and throw away to a circular business model in our entire value chain. Instead of business growth reliant solely on higher product sales, we will offer and expand value through the running of virtual communities and marathon events and services for running analysis and diagnosis utilizing data accumulated from manufacturing. Using digital technologies, we will provide products and services tailored to each individual, minimizing resource use and extending product life.

In terms of products, we developed the lightest CO<sub>2</sub> sneaker,\* GEL-LYTE III CM 1.95. We are focusing on circularity, with over 90% of our new performance running shoe products using recycled materials in main upper since 2021, for example.

With our main suppliers and as a requirement for trade, we are calling for the implementation of renewable energy and the establishment of emissions goals to limit global warming to 1.5°C. We understand and support their current status and



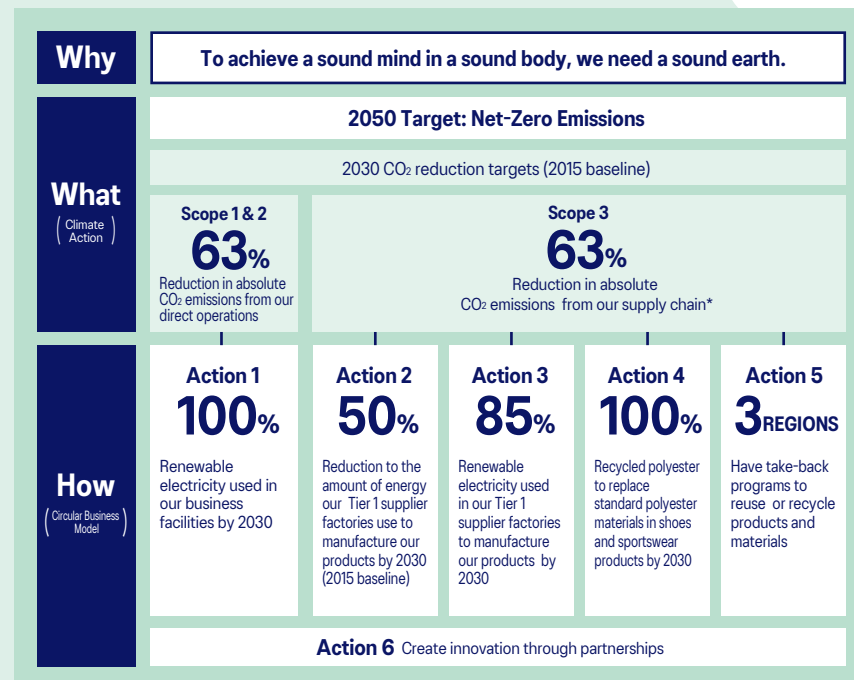
For details, please refer to p.36 of the Sustainability Report.  
▶ [https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?\\_ga=2.245076608.423395233.1687761036-2108300836.1686292305](https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?_ga=2.245076608.423395233.1687761036-2108300836.1686292305)

challenges through ongoing dialogue, and we are working with our suppliers to transition to a circular business model across the entire value chain.

\*Based on available industry data for life cycle CO<sub>2</sub>e emissions as of Sep. 2022.

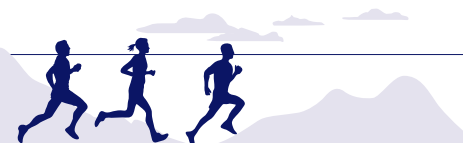


## ASICS Planet Framework



\*Target scope is 'purchased goods and services' and 'end-of-life treatment of sold products'.

# Information Disclosure Based on TCFD Recommendations



## Scenario Analysis

We are the world's first sporting goods manufacturer to support the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD), and we are actively promoting the disclosure of information based on TCFD.

We have identified risks and opportunities based on scenario analysis and have analyzed their impacts and response measures. This is then reflected in our business strategy.

	Risk	Business Impacts	Financial impacts/ year	Response Measures
Transition Risks	Fluctuations in raw material prices	Rise in procurement costs for petroleum-derived materials	4.3 billion yen (2050, 4°C )	<ul style="list-style-type: none"> <li>Establish targets and roadmaps of material with controlled financial impact</li> <li>Strengthen partnerships with suppliers</li> </ul>
	Introduction of product labeling regulations	Increase in system implementation and personnel expenses in response to regulations	Under calculation	<ul style="list-style-type: none"> <li>Understand regulations early and secure the necessary resources</li> </ul>
Physical Risks	Reduction in time for sports through rising temperatures	Decrease in sales as frequency of product replacement decreases through reduction in sports opportunities (time)	2.4 billion yen (2050, 4°C )	<ul style="list-style-type: none"> <li>Expansion of products that can adapt to rising temperatures</li> <li>Rollout of adaptable services even if there is a reduction in opportunities for playing sports outside</li> </ul>
	Supply chain shutdown through intensified typhoons and floods	Loss of sales opportunities due to a shutdown from flooding of outsourced manufacturing plants	0.7 billion yen	<ul style="list-style-type: none"> <li>A sourcing strategy that recognizes outsourced manufacturing plants in regions with a high risk of natural disasters</li> </ul>

## Details

## Opportunities

### Expansion of the customer base

- Increasing engagement of new consumer segments through active climate initiatives

### Creation of innovation through development and expansion of decarbonized products and services

- Creating innovation through the pursuit of sustainability and functionality
- Developing products and materials with low CO<sub>2</sub> emissions
- Identifying and formulating value creation (new business domains) with low CO<sub>2</sub> emissions

### Rollout of products and services that respond to rising temperatures

- Applying knowledge of ergonomic research and digitalization and offering solutions to allow sports to be enjoyed in comfort in any environment

### Utilization of sustainable finance

- Implementing efficient fundraising through actively utilizing green bonds etc. by increasing the performance and transparency of corporate sustainability



## Foundations of Value Creation — Sustainability —

# Respecting Human Rights Throughout the Supply Chain

We view respecting human rights as an important corporate responsibility in our engagement in activities around the world.

For details, please refer to p.23 of the Sustainability Report.  
▶ [https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?\\_ga=2.245076608.423395233.1687761036-2108300836.1686292305](https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?_ga=2.245076608.423395233.1687761036-2108300836.1686292305)



## Basic Approach

ASICS' business is supported by a global supply chain that includes outsourced production factories. Working on business and human rights with an aim to ensure Sound Mind, Sound Body for the people working at such sites is one of ASICS' priority tasks in practicing sustainable management. We also operate a supply chain management program consistent with core international standards, including those of the International Labour Organization (ILO). This enables us to confirm and evaluate the situations of all of our suppliers, including outsourced production factories, and strive to improve the work environment, work conditions and other elements based on our confirmation and evaluation of the situation.

## Human Rights Policy

An important responsibility of any corporation is supply-chain-wide efforts to respect the basic human rights of the people working for the company and working in its supply chains, and also of the people in the countries and regions affected by ASICS' business to ensure their good physical and mental health and their safety throughout its business activities. Based on this belief, we formulated ASICS Human Rights Policy in June 2022 and established the Human Rights Committee as an organization subordinate to the Risk Management Committee, thus establishing a governance system for issues related to human rights. In this policy, we established three priority areas: healthy workplace and sound mind/sound body of employees, the human rights of workers in the supply chain, and the human rights of customers.

The Human Rights Committee plays roles including the provision of advice and recommendations to ASICS regarding global human rights issues, the supervision of the status of the implementation of human rights due diligence and the evaluation of the effectiveness of the implementation of plans related to human rights.

## Responsible Purchasing Practices

The purchasing practices of a brand can affect the human rights or labor conditions of the people working in the supply chain. Therefore, our operating divisions and sustainability division cooperate in the implementation of responsible purchasing practices to ensure transactions with suppliers are fair and equitable in planning and forecasting, sample development, price negotiations, procurement and order placement, payment and other operations. As a result, we have been maintaining stable transactions with major outsourced production factories for an average of more than 15 years.

## TOPICS

## Initiative at an Outsourced Production Factory in Vietnam

When we start business with an outsourced production factory, we explain the ASICS policy and the importance of observing CSR standards to the factory manager and gain their understanding.

A new supplier's factory in Vietnam tended to prioritize production plans over the management of work hours. This had made long work hours an issue of the factory. ASICS proposed a method of managing work hours to improve the factory's work environment before the production of products was started. Since then, we check the work situation in the factory every month while maintaining a relationship of close coordination with the factory.

At other outsourced production factories as well, there are cases where improvements have yet to be made even when a manager is aware of the problem. As part of the responsibilities of a brand placing orders, we strive to ensure responsible procurement through actions such as observing payment deadlines and not forcing suppliers to meet impossible deadlines. At the same time, as a partner company of Better Work, a program operated by the International Labour Organization (ILO) and the International Finance Corporation (IFC) to promote decent work (humane work that provides job satisfaction), we support the improvement of factories by talking with both the factories and Better Work.

In addition, jointly with the Better Work program, we hold a CSR seminar every year for the managers of outsourced production factories supporting the promotion of the factories' autonomous sustainability management.



# Working to Strengthen the Board of Directors and Achieve Sound Operation

The Chairman of the Board, the Chair of the Nomination and Compensation Committee, and an Audit Committee member explain our initiatives for the future.



Chairman and Director  
Motoi Oyama

## Engaging in Lively and Constructive Discussions Generated by a Diverse Culture Leads to Enhanced Corporate Value

In 2020, ASICS transitioned to a company with an Audit and Supervisory Committee, aiming to clearly separate management oversight and execution and speed up decision making. The Board of Directors consists of nine directors, including six outside directors, of which two are women. Their areas of expertise are wide-ranging, encompassing corporate management, financial accounting, law, sports business, and global business experience. As chairman of this richly diverse board, I see my role as contributing to the enhancement of ASICS' corporate value by facilitating lively discussions.

The ASICS Board of Directors has established a framework that classifies agenda items into matters for resolution, priority discussion items, and matters to be reported, ensuring that important issues related to management are debated in a timely manner and without omission. Outside directors are briefed in advance of the Board of Directors meeting, and on the day itself, the supervisory side and the executive side meet face to face. Depending on the agenda, the executive side may include the executive officer in charge, as well as the managing executive officer, in order to ensure that discussions proceed in a smooth and focused manner. Outside directors speak proactively from the perspective of their expertise and engage in constructive discussions, and the Board of Directors has been evaluated as satisfactorily fulfilling its supervisory function.

In FY2022, in light of the evaluation of the effectiveness of the Board of Directors in the previous year, we sought to ensure the effective operation of the Board of Directors, taking into consideration priority discussion items, exchanges of opinions between outside directors and executive officers, and enhancement of the IR/SR activities report. In addition to the digital strategy centered on OneASICS, which is a key theme of our (REF) Mid-Term Plan 2023, as well as regional strategies in China, US, Europe, and Japan, marketing strategies leveraging the Oregon World Athletics Championships, intellectual property strategies, and risk management, a focus of our discussions has been IR with the aim of incorporating shareholders' perspectives into our management practices. Going forward, we will further strengthen exchanges of opinions between outside directors, executive officers, and prospective next-generation leaders. We will also provide progress reports on these priority discussion items with the aim of ensuring the effectiveness of the Board of Directors and improving Board functioning.



Outside Director (Chair of the Nomination and Compensation Committee)

Hitoshi Kashiwaki

## Efforts to Enhance Diversity at Management Level

The Nomination and Compensation Committee is engaging in ongoing discussions to foster the development of management personnel from a medium-term perspective. As well as organizing academies and various training programs, we have actively leveraged transfers to challenging positions, such as those requiring experience in multiple positions and experience in highly results-oriented positions. As a result, we have made steady progress in developing human resources. The basic selection criteria for candidates seeking appointment to the Board of Directors and for Executive Officers is outstanding performance in their respective areas of responsibility, placing particular emphasis on qualities such as leadership and communication skills. However, in order to foster the next generation of leaders, we recognize the need to further enhance management diversity through the appointment of overseas human resources and strategic transfers. We are considering incorporating two key indicators into the evaluated items for the remuneration of directors. One is the time frame for advancing business reforms aligned with medium and long term strategies together with their achievement status. The second is the implementation of sustainability management.

## Helping to Reinforce the Management Foundation in Response to the Business Environment through Audits

In FY2022, we continued to strengthen cooperation among our three-way audits. This enabled us to focus on conducting audits to assess the achievement status in respect of strengthening the management foundation, which is a strategic priority outlined in the Mid-Term Plan 2023. Further, it enabled us to focus on auditing the status of building and operating internal control systems in light of operational changes and the impact of remote work in certain operations. To sustain ASICS' global management strengths amid the growing worldwide impact of changes in the external environment, it is important for us to update our business and mechanisms that help strengthen our management foundation in a manner appropriate for the development of our business and changes in the business environment. In our audit activities, we were mindful of the need to strengthen key management control systems, while endeavoring to engage in lively exchanges of opinions based on an understanding of the actual situation in the field and the recognition of the issues being encountered on the ground. We are also strengthening cooperation with the Internal Audit Department and accounting auditors. This includes the sharing of quantitative and qualitative information within a relationship based on transparency and an appropriate level of tension.



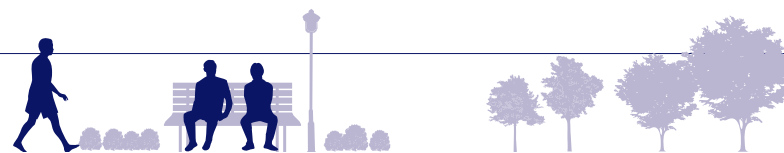
Outside Director (Audit and Supervisory Committee Member)

Miwa Suto





# Basic Approach



► For details, please see the Corporate Governance Report. [https://corp.asics.com/en/investor\\_relations/management\\_policy/corporate\\_governance](https://corp.asics.com/en/investor_relations/management_policy/corporate_governance)

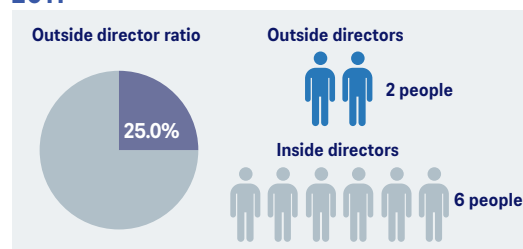
By building strong relationships of trust with shareholders, customers, society, employees and other stakeholders based on the founding ASICS SPIRIT, we will achieve sustainable growth for the ASICS Group and aim to improve corporate value continually into the future. Additionally, under the common Group value of “Sound Mind, Sound Body” which epitomizes the founding spirit of ASICS, we aim to contribute to a sustainable society by continuing to provide attractive and sustainable products and services that are friendly to the global environment and delight customers. With this in mind, ASICS will develop

corporate governance that is sound and highly transparent while enhancing management oversight and auditing functions, enhance internal control, and make every effort to continually ensure thorough compliance and improve the transparency of management. The policy for dealing with large-scale purchases of the shares of ASICS (anti-takeover measures) was abolished at its expiration as of the conclusion of the 69th Ordinary General Meeting of Shareholders held on March 24, 2023.

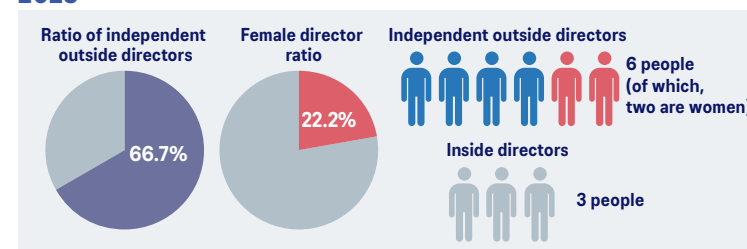
## Corporate Governance Enhancements

	Up to 2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022 and onward
Separation of Management Supervision and Execution	Introduced executive officer system (2010)									Transitioned to a company with an Audit and Supervisory Committee (2020)		
Outside Directors	Introduced outside director system (2011)			Established standards for independent outside directors and independent outside corporate auditors (2014)				Formulated policy making at least one-third of directors independent outside directors (2018)		Formulated policy making the majority of directors independent outside directors (2020)		
Advisory Committee						Established Nomination and Compensation Committee (2016)			Changed to independent outside director as Chairman (2019)			
Board of Directors Management						Launched efficacy evaluations (2016)						
Officer Compensation	Introduced performance-linked compensation (2008)		Revised director compensation (2013) Introduced Share Remuneration-Type Share Options (2013)						Introduced restricted share compensation (2019)			
Basic Policies						Formulated Basic Policy on Corporate Governance (2016)						

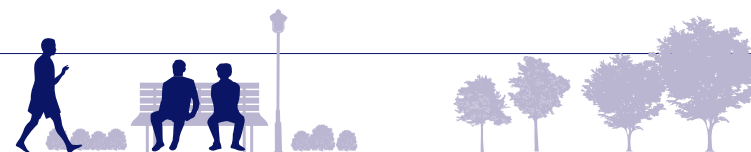
2011



2023



# Corporate Governance System

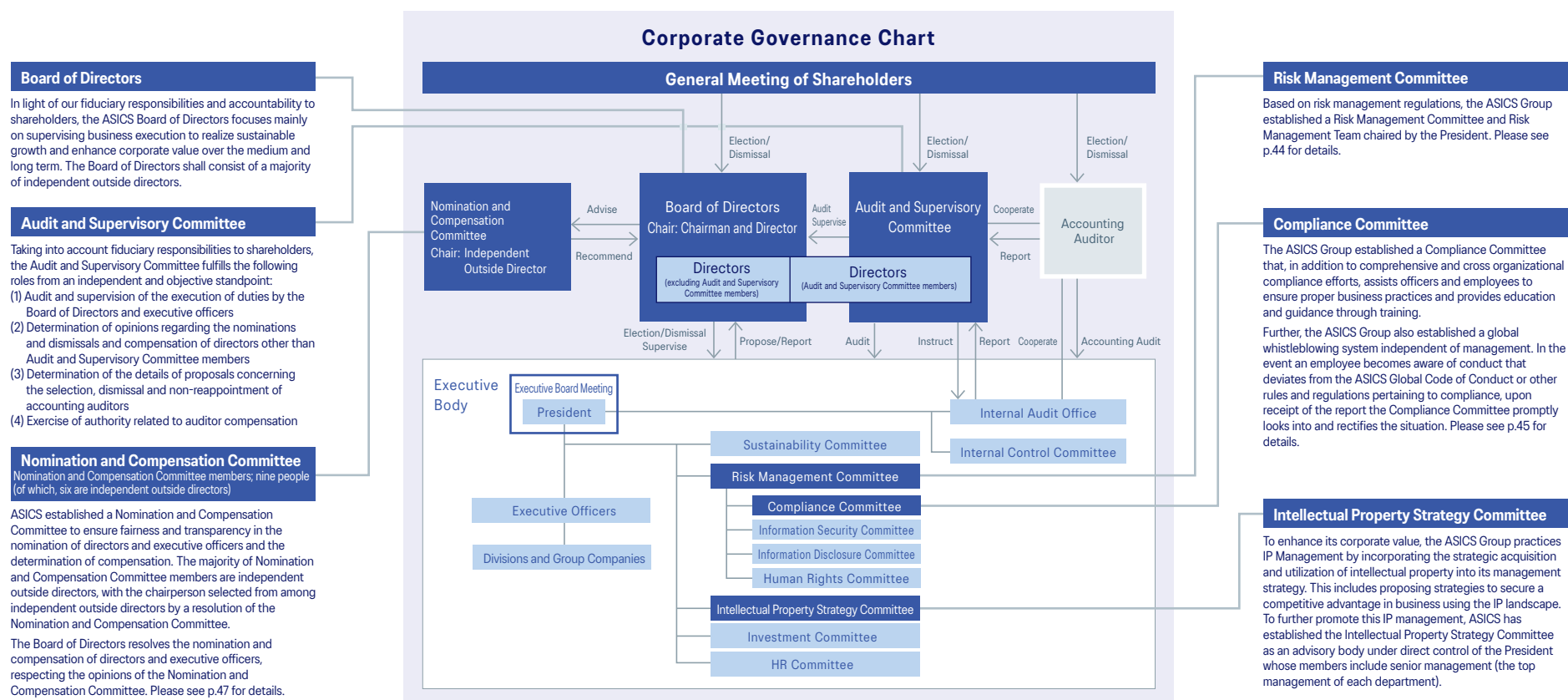


In March, 2020, ASICS transitioned to a company with an Audit and Supervisory Committee to clarify the separation between management supervision and execution, and speed up decision-making. By making the majority of directors outside directors, we have increased management's sense of urgency and strengthened the supervisory function of the Board of Directors. As a result, we are striving to enhance corporate value over the medium and long term through effective corporate governance.

The Board of Directors consists of nine members, with six independent outside directors

constituting the majority. Further, to clarify the management responsibilities of each director and create a management system able to quickly respond to changes in the business environment, the term of office for directors (excluding Audit and Supervisory Committee members) is one year, while the term of office for directors who are Audit and Supervisory Committee members is two years.

The Audit and Supervisory Committee shall consist of three members, the majority of whom are independent outside directors (2 people) to further enhance audit and supervisory functions.

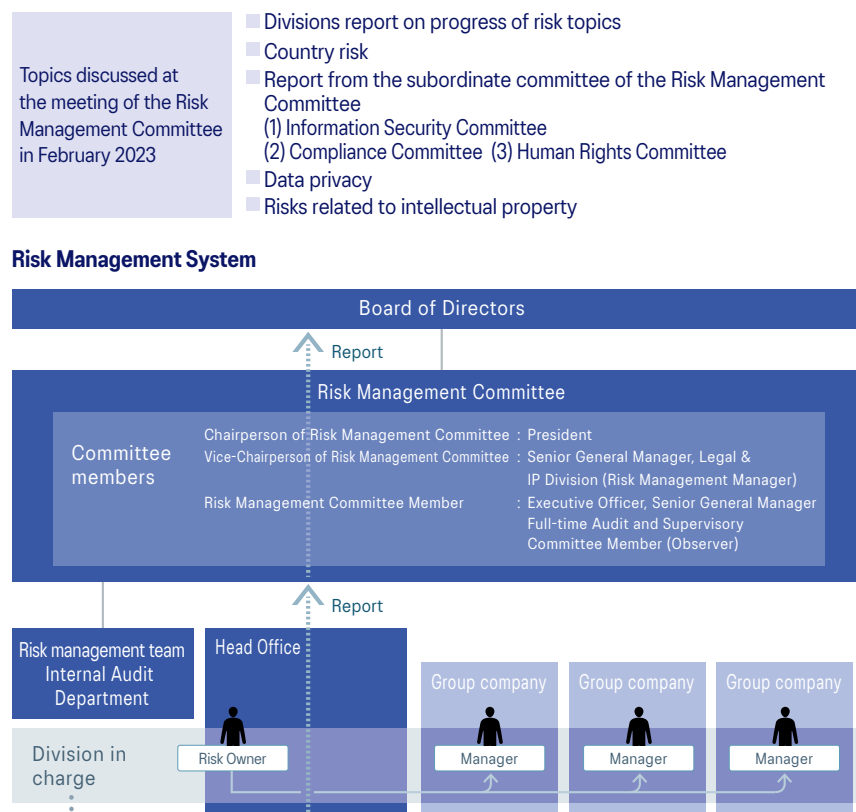




# Risk Management

## Risk Management System

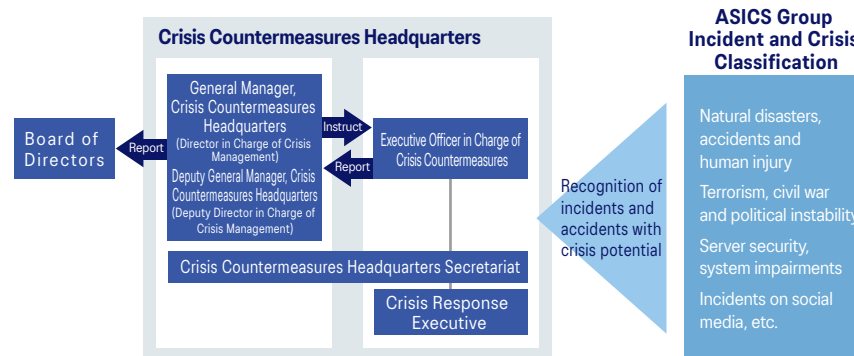
To avoid crises and minimize losses when crises occur, the Risk Management Committee identifies risks requiring responses prioritized in accordance with business strategies, determines the Division in charge, and comprehensively manages risks. These activities are also reported to the Board of Directors twice annually. Risk Owners selected from each Division lead mitigation efforts pertaining to the risks in their remit and manage the progress of these efforts. The Risk Management Team works with the Internal Audit Department to monitor overall risk management and ensure its efficacy and appropriateness.



## Crisis Management System

The ASICS Group appointed a Director in Charge of Crisis Management based on the Crisis Management Policy. When the Director in Charge of Crisis Management becomes aware of a potential or actual crisis, a report is promptly submitted to the Chairman and President via methods and channels stipulated in the aforementioned Rules, which also call for the establishment of a Crisis Response Headquarters in response to the severity of the crisis. Further, the Director in Charge of Crisis Management determines crisis countermeasure policies and communications strategies, oversees external negotiations and disclosure, and directs the implementation of countermeasures and improvement efforts.

### Crisis Management System

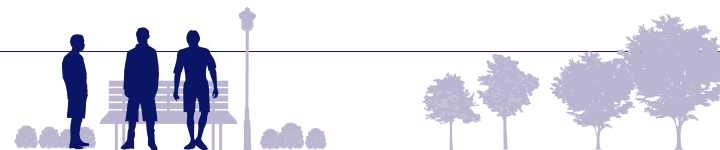


## Responding to major risks

The Risk Management Committee mitigates companywide risks, avoids crisis or minimizes damage when crises occur by periodically analyzing and assessing risks associated with management strategy and taking risk response measures.

Please see below for major risks and response measures.  
 Securities Report p.15  
[https://assets.asics.com/system/libraries/1346/%e7%ac%ac69%e6%9c%9f%e6%9c%89%e4%be%a1%e8%a8%bc%e5%88%b8%e5%a0%b1%e5%91%8a%e6%9b%b8%ef%bc%882022.11%ef%bd%9e2022.12.31%ef%bc%89.pdf?\\_ga=2.190735083.1948779567.1682563599-1243207686.1657619269](https://assets.asics.com/system/libraries/1346/%e7%ac%ac69%e6%9c%9f%e6%9c%89%e4%be%a1%e8%a8%bc%e5%88%b8%e5%a0%b1%e5%91%8a%e6%9b%b8%ef%bc%882022.11%ef%bd%9e2022.12.31%ef%bc%89.pdf?_ga=2.190735083.1948779567.1682563599-1243207686.1657619269)

# Compliance



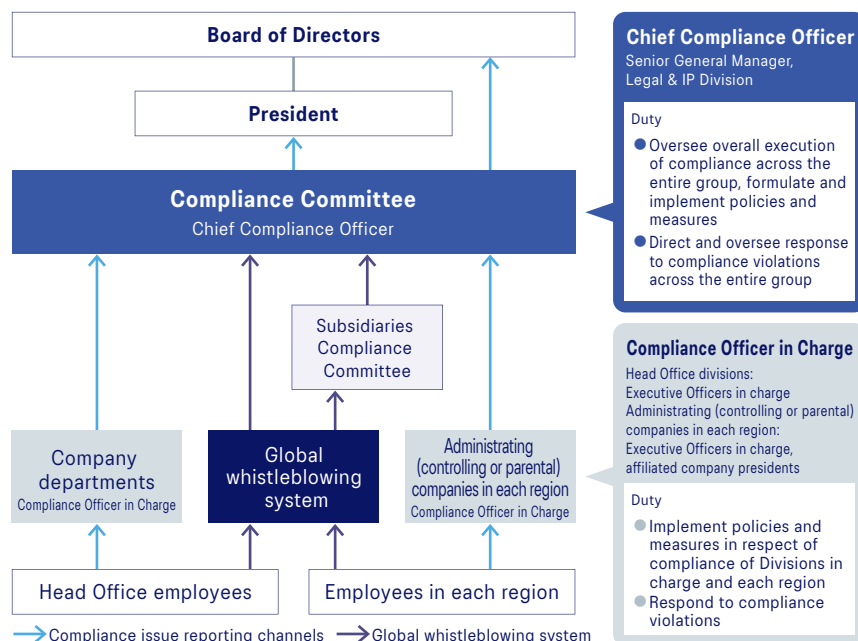
## Global compliance system

ASICS has established a Compliance Committee and appointed a Compliance Officer in Charge to practice compliance management. The President is ultimately responsible for Compliance-oriented management of the Group. In the event an employee or other individual becomes aware of a compliance issue or suspects that a compliance issue has occurred, a report is submitted to the Compliance Officer in Charge following the Reporting Line.

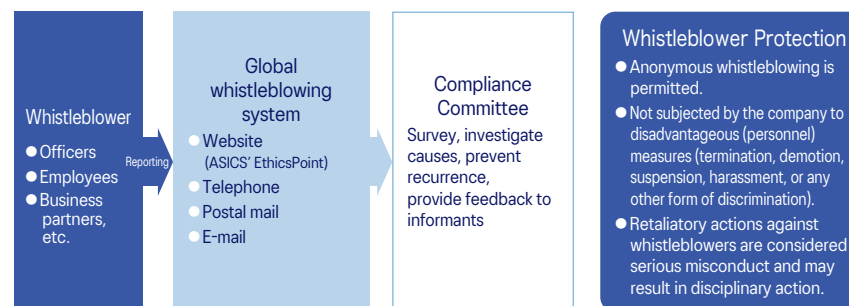
Depending on its severity, the compliance issue may be reported to the Chief Compliance Officer or the President and Board of Directors.

In addition to the aforementioned reporting channels, compliance issues can also be reported through the global whistleblowing system.

### Compliance structure



## Global whistleblowing system



## Number of reports to global whistleblower system

2019	2020	2021	2022
61 cases	45 cases	35 cases	49 cases

## e-learning and group training

The following training sessions have been conducted for officers and employees in order to eliminate compliance violations in the ASICS Group. We will continue to conduct training in order to communicate what constitutes non-compliance and the actions that need to be taken.

### e-learning (2017 and onward) Target: All Group companies

- Code of Conduct
- Anti-Bribery
- Data privacy
- Confidential information
- Whistleblowing
- Social media
- Workplace Harassment
- Conflicts of Interest
- Gift-Giving and Entertainment
- Insider trading



### Group training (conducted in each region)

- Harassment counselor training (for counselors)
- Competition law training
- Code of Conduct training for new employees
- Compliance training for sales representatives
- Whistleblower training
- Compliance training in respect of marketing, sales, etc.





# Evaluating the Specializations, Experience, and Effectiveness of the Board of Directors

## Director and Executive Officer Specialization and Experience

The ASICS Group promotes diversity and inclusion globally with the aim of realizing truly better lifestyles for people through the respect and elevation of diversity.

In terms of sustainable corporate growth, ensuring diversity, even among Board of Directors and Executive Board Meeting members, will lead to better management decisions. The specializations and experience of directors and executive officers with roles are as follows.

### Directors

Name	Position	Specialization and Experience				
		Corporate management	Financial accounting	Law	International affairs	Sports business
Motoi Oyama	Chairman and Director	●	●		●	●
Yasuhito Hirota	President, CEO and COO, Representative Director	●			●	●
Hitoshi Kashiwaki	Outside Director	●	●			
Kazuo Sumi	Outside Director	●				
Makiko Yamamoto	Outside Director			●	●	
Mitsuru Murai	Outside Director	●			●	●
Noriatsu Yoshimi	Director (Audit and Supervisory Committee Member)		●		●	●
Miwa Suto	Outside Director (Audit and Supervisory Committee Member)		●			●
Yasushi Yokoi	Outside Director (Audit and Supervisory Committee Member)		●			

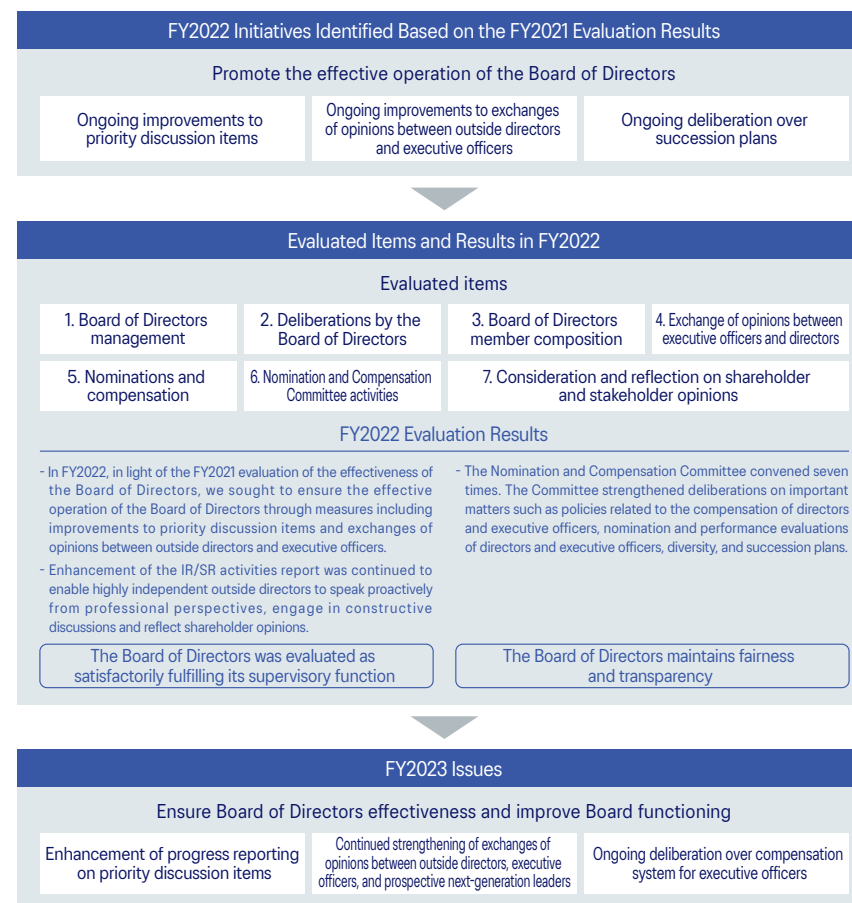
### Executive Officers with Roles

Name	Position	Specialization and Experience				
		Products	Marketing and sales	Digital	International affairs	Sports business
Tsuyoshi Nishiwaki	Managing Executive Officer	●			●	●
Shinji Senda	Managing Executive Officer	●			●	●
Ryoji Shoda	Managing Executive Officer	●	●			●
Mitsuyuki Tominaga	Managing Executive Officer			●	●	●
Koichiro Kodama	Managing Executive Officer		●		●	●
Tomoko Koda	Managing Executive Officer		●			●

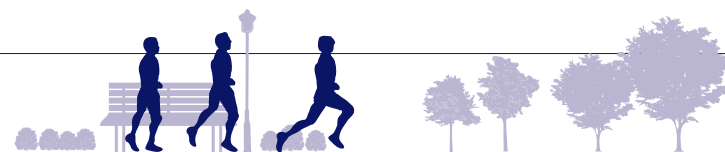


## Evaluating the Effectiveness of the Board of Directors

To further improve the effectiveness and functioning of the Board of Directors, ASICS provides directors with surveys (self-evaluations) to analyze and evaluate the effectiveness of the Board of Directors. Survey results are reported to the Board of Directors for in-depth discussion as points for improvement in the upcoming fiscal year, forming a PDCA cycle.



# Officer Compensation



## Basic Policy Regarding Director (excluding Non-executive Directors) and Executive Officer Compensation

To establish a compensation system that incentivizes sustainable growth and enhanced corporate value, the Board of Directors discusses the details of individual compensation under a basic policy of fairness and transparency in resolutions respecting the opinions of the Nomination and Compensation Committee.

Compensation comprises basic compensation, performance-linked bonuses and restricted share compensation, with the overall level of compensation set appropriately with consideration for market standards. The proportion of performance-linked bonuses and restricted share compensation increases with higher degrees of contribution to performance in accordance with role and responsibilities. Compensation details are as follows.

## Executive Officer Compensation (assuming 100% target achievement)

	Basic Compensation	Performance-Linked Bonuses	Restricted Share Compensation
President, CEO and COO	41%	35%	24%
Managing Executive Officer	49%	32%	19%
Executive Officers	59%	26%	15%

### Basic compensation (single year)

Determined on basis of compensation ranges set for each grade, with consideration for market prices and inflation.

### Performance-linked bonus (single year)

Purpose	To provide an incentive for promoting the achievement of annual and mid-term plans.
Overview	<ul style="list-style-type: none"> <li>Quantitative evaluation: Individual performance indicators (operating income ratio, net sales)</li> <li>Qualitative evaluation: Rate of achievement for individual targets</li> </ul> <p>Note: Performance-linked bonuses are withheld if the quantitative target achievement rate is below standards set by the Board of Directors.</p>

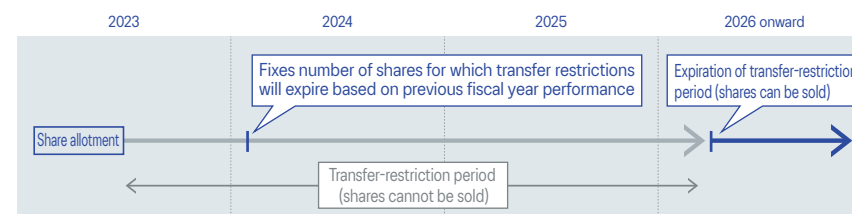
### Restricted share compensation (medium and long term)

Purpose	To provide an incentive for sharing profits with shareholders, driving sustainable growth and enhancing corporate value.
Overview	<ul style="list-style-type: none"> <li>Provided in accordance with the degree to which performance targets (operating income ratio, net sales, ROA) are achieved.</li> <li>Share allotments capped at performance target upper limit (150%) cannot be transferred during a three-year transfer-restriction period.</li> <li>The degree to which single-year performance targets are achieved will determine the number of shares that can actually be acquired after the transfer-restriction period expires.</li> </ul> <p>Note: If the target achievement rate falls below a certain level, the company will acquire all shares.</p>

## Restricted Share Compensation

Restricted share compensation is a stock-based compensation with a transfer-restriction period (three years for ASICS) during which allotted shares cannot be transferred. As this is incentive compensation intended to promote medium and long term performance improvements and higher share prices, ASICS expects officers receiving restricted share compensation will be motivated to strive for medium and long term performance improvements.

### Overview from Share Allotment to Expiration of Transfer-Restriction Period



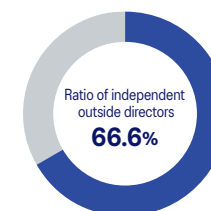
## Nomination and Compensation Committee Composition and Activities Status

The Nomination and Compensation Committee composition and 2022 activities status are as follows.

The chairperson is selected from among independent outside directors by a resolution of the Nomination and Compensation Committee.

### Member composition

<b>Independent outside directors 6 people</b>	<b>Inside directors 3 people</b>
Hitoshi Kashiwaki (Chairperson)	Chairman and Director Motoi Oyama
Kazuo Sumi	President, CEO and COO, Representative Director Yasuhito Hirota
Makiko Yamamoto	Director Noriatsu Yoshimi
Mitsuru Murai	
Miwa Suto	
Yasushi Yokoi	

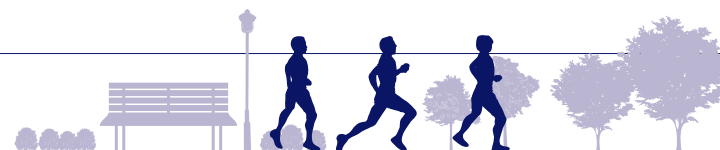


### 2022 activities status

- Meetings: 7 times
- Major deliberation themes
  - Director and executive officer FY2021 performance evaluations and performance-linked bonuses
  - Director and executive officer candidate nominations
  - Succession plan review
  - Director and executive officer FY2022 targets
  - Review of the compensation system for directors and executive officers



# Directors and Executive Officers (as of April 1, 2023)



## Directors



**Motoi Oyama**  
Chairman and Director

ASICS shareholdings

175,169 shares

Board of Directors  
meeting attendance

14/14(100%)

April 1974 Joined Nissho Iwai Corporation (currently Sojitz Corporation) (Retired December 1981)  
January 1982 Joined the Company  
January 1997 General Manager of Walking Department, Footwear Division  
July 2001 President and Chief Operating Officer of ASICS Europe B.V.  
June 2004 Director, Senior General Manager of Marketing Division of the Company President and Chief Operating Officer of ASICS Europe B.V.  
April 2005 Director in charge of Overseas, Senior General Manager of Marketing Division, General Manager of Marketing Department of the Company Chairman & CEO of ASICS Europe B.V.  
July 2006 Managing Director in charge of Overseas Affairs, Senior General Manager of Marketing Division of the Company Chairman & CEO of ASICS Europe B.V.  
August 2007 Managing Director in charge of Overseas and Corporate Strategy Department, Senior General Manager of Marketing Division of the Company Chairman & CEO of ASICS Europe B.V.  
April 2008 President and Representative Director of the Company  
April 2011 President and CEO, Representative Director  
March 2017 Chairman, President and CEO, Representative Director  
March 2018 Chairman and CEO, Representative Director  
March 2022 Chairman and Director (present)

**Important concurrent positions outside the Company**  
Chairperson of the Association of Japan Sporting Goods Industries (JASPO)



**Yasuhito Hirota**  
President, CEO and COO,  
Representative Director

ASICS shareholdings

82,556 shares

Board of Directors  
meeting attendance

14/14(100%)

April 1980 Joined Mitsubishi Corporation  
April 2010 Senior Vice President, General Manager of Corporate Administration Department  
April 2011 Senior Vice President, Senior Assistant to Corporate Functional Officer (Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources, General Manager of Corporate Administration Department)  
April 2014 Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources  
June 2014 Representative Director, Member of the Board, Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources  
April 2016 Representative Director, Member of the Board, Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources, Chief Compliance Officer  
April 2017 Representative Director, Member of the Board, Executive Vice President, Corporate Functional Officer, Geography Strategy for Japan, General Manager of Kansai Branch (Retired January 2018)  
January 2018 Advisor of the Company  
March 2018 President and COO, Representative Director  
March 2022 President, CEO and COO, Representative Director (present)



**Hitoshi Kashiwaki**  
Outside Director

ASICS shareholdings

10,529 shares

Board of Directors  
meeting attendance

14/14(100%)

April 1981 Joined Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.)  
April 1994 General Manager of Finance Department of Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)  
June 1997 Board Director  
June 2001 Board Director and Managing Corporate Executive Officer  
April 2003 Representative Director and Managing Corporate Executive Officer (COO)  
June 2003 President, COO and Representative Director  
April 2004 President, CEO and Representative Director  
April 2012 Board Director (Retired June 2014)  
December 2012 Outside Director, Member of the Board of Suntory Beverage & Food Limited (Retired March 2015)  
August 2015 Advisor of the Company  
March 2016 Outside Director of the Company (present)  
May 2016 Outside Director of Matsuya Co., Ltd. (present)  
June 2018 Outside Director of Tokyo Broadcasting System Holdings, Inc. (currently TBS Holdings Co., Ltd.) (present)  
June 2019 Board Member of Japan Volleyball Association (Retired June 2021)  
February 2021 Outside Director of Kewpie Corporation (present)

**Important concurrent positions outside the Company**  
Outside Director of Matsuya Co., Ltd.  
Outside Director of TBS Holdings, Inc.  
Outside Director of Kewpie Corporation



**Kazuo Sumi**  
Outside Director

ASICS shareholdings

8,722 shares

Board of Directors  
meeting attendance

12/14 (85.7%)

April 1973 Joined Hankyu Corporation  
June 2000 Director, General Manager of Railway Business Division  
April 2002 Director, General Manager of Railway Business Division and General Manager of Control Division  
June 2002 Managing Director, in charge of Railway Business Division and Control Division  
June 2003 President and Representative Director  
April 2005 President and Representative Director of Hankyu Holdings, Inc.  
October 2006 President and Representative Director of Hankyu Hanshin Holdings, Inc.  
October 2007 Director of H2O RETAILING CORPORATION (present)  
March 2014 Chairman and Representative Director of Hankyu Corporation  
June 2017 Chairman and Representative Director, Group CEO of Hankyu Hanshin Holdings, Inc. (present)  
March 2018 Outside Director of the Company (present)  
May 2019 Director of TOHO CO., LTD. (present)  
April 2020 Director of TOKYO RAKUTENCHI Co., Ltd. (present)

**Important concurrent positions outside the Company**  
Chairman and Representative Director, Group CEO of Hankyu Hanshin Holdings, Inc.  
Director of H2O RETAILING CORPORATION  
Director of TOHO CO., LTD.  
Director of TOKYO RAKUTENCHI Co., Ltd.



**Makiko Yamamoto**  
Outside Director

ASICS shareholdings

1,588 shares

Board of Directors  
meeting attendance

14/14 (100%)

July 1995 Joined TMI Associates  
October 2000 Registered as attorney at law  
September 2005 Simmons & Simmons LLP (London)  
September 2006 TMI Associates  
February 2012 Registered as Solicitor of England and Wales  
June 2012 Simmons & Simmons LLP (London)  
September 2014 TMI Associates  
January 2016 Partner of TMI Associates (present)  
June 2016 External Auditor of Starzen Co., Ltd. (Retired June 2020)  
June 2018 Outside Director of SIGMAXYZ Inc. (currently SIGMAXYZ Holdings Inc.) (present)  
June 2019 Outside Director (Audit & Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd. (present)  
February 2020 TMI Partners LPC (Attorney at Law) (present)  
March 2020 Outside Director of the Company (present)  
September 2021 Outside Auditor of SUSMED, Inc. (present)

**Important concurrent positions outside the Company**  
Attorney at Law (TMI Partners LPC)  
Outside Director of SIGMAXYZ Holdings Inc.  
Outside Director (Audit & Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd.  
Outside Auditor of SUSMED, Inc.



**Mitsuru Murai**  
Outside Director

ASICS shareholdings

0 shares

April 1983 Joined Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.)  
April 2000 Executive Officer in charge of Human Resources of Japan Recruit Center Co., Ltd. (Retired September 2012)  
March 2004 Representative Director and President of Recruit Abic Inc. (currently Recruit Co., Ltd.) (Retired April 2011)  
July 2008 Director (part-time) of Japan Professional Football League (J.LEAGUE)  
April 2011 Executive Officer in charge of Asia of Recruit Co., Ltd. (Retired September 2012) President and Director of RGF Hong Kong Limited  
April 2013 Chairman of RGF Hong Kong Limited (Retired October 2013)  
January 2014 Chairman of Japan Professional Football League (Retired March 2022)  
March 2020 Honorary Member of Japan Professional Football League (present)  
March 2020 Adviser of Japan Professional Football League (present)  
April 2022 Representative Director and CEO of ONGAISHI Holdings Co., Ltd. (present)  
June 2022 Outside Director of PIA Corporation (present)  
June 2022 Outside Director (Audit & Supervisory Committee Member) of WOWOW Inc. (present)  
January 2023 Vice-Chairman of Nippon Badminton Association (present)  
March 2023 Outside Director of the Company (present)

**Important concurrent positions outside the Company**  
Outside Director of PIA Corporation  
Outside Director (Audit & Supervisory Committee Member) of WOWOW Inc.  
Vice-Chairman of Nippon Badminton Association

## Directors and Executive Officers (as of April 1, 2023)



### Directors



**Noriatsu Yoshimi**  
Director  
(Audit and Supervisory  
Committee Member)

ASICS shareholdings

10,976 shares

Board of Directors  
meeting attendance

14/14 (100%)

Audit and Supervisory  
Committee meeting attendance

19/19 (100%)

April 1983 Joined the Company  
December 2005 Deputy General Manager, Jiang Su ASICS Co., Ltd.  
October 2008 Deputy General Manager of Jiang Su ASICS Co., Ltd., Deputy General Manager of ASICS Shanghai Trading Co., Ltd.  
April 2010 General Manager of Internal Audit Office of the Company  
January 2020 Assistant to General Manager of Internal Audit Office of the Company  
March 2020 Director (Full-time Audit and Supervisory Committee Member) of the Company (present)



**Miwa Suto**  
Outside Director  
(Audit and Supervisory  
Committee Member)

ASICS shareholdings

642 shares

Board of Directors  
meeting attendance

14/14 (100%)

Audit and Supervisory  
Committee meeting attendance

19/19 (100%)

April 1988 Joined Hakuodo Inc. (Retired April 1990)  
October 1991 Joined Arthur Andersen (currently KPMG AZSA LLC) (Retired August 1996)  
April 1995 Registered as certified public accountant  
October 1996 Joined Schroder PTV Partners KK (currently MKS Partners Limited) (Retired October 1997)  
November 1997 Joined Bain & Company  
January 2001 Partner of Bain & Company (Retired March 2006)  
April 2006 Established Planet Plan Co., Ltd., Representative Director (present)  
April 2008 Project Professor of Graduate School of Media and Governance of Keio University (Retired March 2018)  
May 2012 Outside Director of ZIGEXN Co., Ltd. (Retired June 2021)  
June 2016 Outside Director (Audit and Supervisory Committee Member) of A.D. Works Co., Ltd. (Retired June 2020)  
June 2017 Board Member of Japan Volleyball Association (present)  
March 2018 Outside Audit & Supervisory Board Member of the Company (Retired March 2020)  
April 2019 Project Professor of Graduate School of Media and Governance of Keio University (present)  
March 2020 Outside Director (Audit and Supervisory Committee Member) of the Company (present)  
June 2021 Outside Director of KATITAS Co., Ltd. (present)  
June 2021 Board Member of Japanese Olympic Committee (present)  
March 2023 Outside Director of KOSÉ Corporation (present)

#### Important concurrent positions outside the Company

Certified public accountant  
Representative Director of Planet Plan Co., Ltd.  
Board Member of Japan Volleyball Association  
Outside Director of KATITAS Co., Ltd.  
Board Member of Japanese Olympic Committee  
Outside Director of KOSÉ Corporation



**Yasushi Yokoi**  
Outside Director  
(Audit and Supervisory  
Committee members)

ASICS shareholdings

2,255 shares

Board of Directors  
meeting attendance

13/14 (92.9%)

Audit and Supervisory  
Committee meeting attendance

19/19 (100%)

November 1978 Joined Shinwa Audit Corporation (currently KPMG AZSA LLC)  
March 1982 Registered as certified public accountant  
May 2001 Representative Partner, Asahi & Co. (currently KPMG AZSA LLC)  
July 2005 Director of Kansai Area Office of KPMG AZSA & Co. (currently KPMG AZSA LLC)  
July 2007 Director of National Public Sector of KPMG AZSA & Co. (currently KPMG AZSA LLC)  
July 2008 Director of KPMG AZSA LLC  
July 2010 Director of General Manager of Osaka 2nd Business Division, KPMG AZSA LLC  
July 2012 Senior Executive Board Member in charge of Diversity and General Manager of Nagoya Office, KPMG AZSA LLC  
July 2017 Senior Executive Board Member of Head of Diversity and Head of Tokai Area, KPMG AZSA LLC (Retired June 2019)  
July 2019 Established Yasushi Yokoi Certified Public Accountant Office  
March 2020 Outside Director (Audit and Supervisory Committee Member), of the Company (present)  
June 2021 Outside Audit & Supervisory Board Member of Iwatani Corporation (present)

#### Important concurrent positions outside the Company

Certified Public Accountant (Yasushi Yokoi Certified Accountant Office)  
Outside Audit & Supervisory Board Member of Iwatani Corporation

### Executive Officers

**Yasuhito Hirota**  
President, CEO and COO, Representative Director

**Tsuyoshi Nishiwaki**  
Managing Executive Officer, Senior Managing Director, China Division  
In charge: China Division

**Shinji Senda**  
Managing Executive Officer  
In charge: Institute of Sport Science, Performance Running Footwear Division, CPS Footwear Division, Sportstyle Division, Apparel and Equipment Division, Footwear Production Division, Kids Products Department, UNOHA STUDIO, Circular Economy Promotion Department

**Ryoji Shoda**  
Managing Executive Officer, Head of Onitsuka Tiger Company  
In charge: Onitsuka Tiger Company, Walking Division

**Mitsuyuki Tominaga**  
Managing Executive Officer, Senior General Manager, Digital Division, CDO and CIO  
In charge: Digital Division, Digital Subsidiaries

**Koichiro Kodama**  
Managing Executive Officer  
In charge: Crisis Management, Geography Strategy Division, Business Promotion Division, Public Relations Department, Retail Promotion Department, Sales subsidiaries, ASICS Trading Co., Ltd., NISHI Athletic Goods Co., Ltd., Haglöfs

**Tomoko Koda**  
Managing Executive Officer  
In charge: Marketing Division, Sports Marketing Division, Marketing Operations Department

**Norio Takaoka**  
Executive Officer  
Senior General Manager, Performance Running Footwear Division

**Manabu Kuramoto**  
Executive Officer  
Senior General Manager, Core Performance Sports Footwear Division

**Atsushi Takatsuki**  
Executive Officer  
Senior General Manager, Apparel and Equipment Division

**Go Suzuki**  
Executive Officer  
Senior General Manager, Sportstyle Division

**Kenichi Harano**  
Executive Officer  
Senior General Manager, Institute of Sport Science

**Takaaki Kondo**  
Executive Officer  
Senior General Manager, Marketing Division

**Yotaro Taguchi**  
Executive Officer  
Senior General Manager, Geography Strategy Division

**Masaaki Koizumi**  
Executive Officer  
Senior General Manager, Business Promotion Division

**Koji Hayashi**  
Executive Officer  
Senior General Manager, Accounting and Finance Division and Director in charge of Corporate Strategy

**Akihiko Sadaka**  
Executive Officer  
Senior General Manager, Human Resources and General Affairs Division and Director in charge of Corporate Executive Office, and in charge of ASICS Sports Complex Corporation and ASICS Sports Facilities Corporation

**Takeshi Horikomi**  
Executive Officer  
Senior General Manager, Legal & IP Division, Deputy Director in charge of Risk Management, and Director in charge of Sustainability Division

**Junji Kobayashi**  
Executive Officer  
President and Representative Director, ASICS Trading Co., Ltd. and Senior General Manager, Walking Division

**Carsten Unbehaun**  
Executive Officer  
CEO, ASICS Europe B.V.

**Richard Sullivan**  
Executive Officer  
President & CEO, ASICS America Corporation



# Financial Summary

(Million yen)	2013/3	2014/3	2014/12	2015/12	2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12
<b>Financial Data</b>											
Net sales	260,199	329,465	354,052	428,496	399,107	400,158	386,662	378,051	328,784	404,083	<b>484,601</b>
Overseas Net Sales Ratio	63.9%	69.5%	80.5%	76.4%	74.6%	74.7%	74.0%	73.5%	76.7%	78.7%	<b>81.8%</b>
Operating Income	18,663	26,516	30,467	27,449	25,473	19,571	10,516	10,634	- 3,954	21,946	<b>34,002</b>
Ordinary Income	20,526	26,999	34,302	22,533	23,408	21,738	8,763	10,101	- 6,923	22,166	<b>30,913</b>
Profit Attributable to Owners of Parent	13,773	16,108	22,286	10,238	15,567	12,970	- 20,328	7,097	- 16,126	9,403	<b>19,887</b>
Capital Expenditures	4,781	10,252	9,270	10,578	9,910	12,663	8,000	10,795	8,404	9,415	<b>10,570</b>
Depreciation (after excluding R&D Expenses from 2018 onward)	4,904	6,034	6,288	7,819	8,354	9,363	9,589	12,582	12,568	13,201	<b>15,499</b>
R&D Expenses	772	804	2,120	3,195	3,677	4,430	4,501	4,530	4,642	4,911	<b>6,085</b>
Cash Flows from Operating Activities	14,296	6,393	10,720	18,301	37,971	37,137	11,049	14,792	19,331	49,146	<b>-21,427</b>
Cash Flows from Investing Activities	- 8,056	- 13,735	- 9,845	- 8,707	- 14,046	- 13,789	- 5,467	- 12,186	- 9,634	-10,168	<b>-14,481</b>
Free Cash Flow	6,240	- 7,342	875	9,594	23,925	23,348	5,582	2,606	9,697	38,978	<b>-35,909</b>
Total Dividends	2,275	3,227	4,461	4,461	4,461	4,461	4,529	5,555	4,393	4,392	<b>7,326</b>
Net Assets	138,078	159,567	201,941	199,883	201,207	201,302	166,829	152,323	126,764	146,538	<b>172,729</b>
Total Assets	244,725	317,528	355,837	343,468	342,812	348,232	304,461	316,115	333,181	345,774	<b>425,067</b>
Interest-Bearing Debt	39,374	73,664	75,003	68,486	67,908	61,689	57,388	80,599	122,999	110,474	<b>139,799</b>
<b>Per Share Data</b>											
Net Income per Share (yen)	72.65	84.96	117.40	53.93	82.01	68.33	- 107.59	37.91	- 88.17	51.38	<b>108.60</b>
Net Assets per Share	685.10	834.68	1,058.94	1,045.02	1,053.28	1,051.45	873.43	830.40	689.57	798.08	<b>931.45</b>
Annual Dividend per Share	12.00	17.00	23.50	23.50	23.50	23.50	24.00	30.00	24.00	24.00	<b>40.00</b>
<b>Main Indexes</b>											
Operating Income Ratio	7.2%	8.0%	8.6%	6.4%	6.4%	4.9%	2.7%	2.8%	- 1.2%	5.4%	<b>7.0%</b>
Return on Equity	11.6%	11.2%	12.4%	5.1%	7.8%	6.5%	- 11.2%	4.5%	- 11.6%	6.9%	<b>12.6%</b>
Return on Assets	6.0%	5.7%	6.6%	2.9%	4.5%	3.8%	- 6.2%	2.3%	- 5.0%	2.8%	<b>5.2%</b>
Shareholders' Equity Ratio	53.1%	49.9%	56.5%	57.8%	58.3%	57.3%	54.1%	48.0%	37.9%	42.2%	<b>40.1%</b>
Dividend Payout Ratio (consolidated)	16.5%	20.0%	20.0%	43.6%	28.7%	34.4%	—	79.1%	—	46.7%	<b>36.8%</b>
Total Shareholder Return	—	—	—	—	—	—	79.6%	104.1%	114.6%	147.7%	<b>170.2%</b>
TOPIX, Including Dividend	—	—	—	—	—	—	84.0%	99.2%	106.6%	120.2%	<b>117.2%</b>
Price Earnings Ratio (times)	21.7	23.9	24.7	46.8	28.5	26.3	—	47.9	—	49.6	<b>26.8</b>
Net Asset Dividend Rate (consolidated)	1.9%	2.2%	2.5%	2.2%	2.2%	2.2%	2.5%	3.5%	3.2%	3.2%	<b>4.6%</b>
<b>Other Indexes</b>											
Number of Subsidiaries	51	53	51	49	54	57	54	59	62	66	<b>74</b>
Number of Consolidated Employees (persons)	5,937	6,585	7,484	7,263	7,864	8,586	8,823	9,039	8,904	8,861	<b>8,886</b>
Consolidated Sales EC Ratio	—	—	—	—	2.2%	2.4%	4.1%	7.4%	15.7%	15.8%	<b>17.8%</b>

Note: The fiscal period ended December 31, 2014 was a transitional year. This period was nine months (April to December 2014) for ASICS Corporation and its consolidated subsidiaries in Japan. The period was 12 months (January to December 2014) for consolidated subsidiaries overseas.

# Non-Financial Summary

Please check our Sustainability Report for details.  
[https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?\\_ga=2.245076608.423395233.1687761036-2108300836.1686292305](https://assets.asics.com/system/libraries/1577/ASICS%20sustainability%20report%202022.pdf?_ga=2.245076608.423395233.1687761036-2108300836.1686292305)

		2016/12	2017/12	2018/12	2019/12	2020/12	2021/12	2022/12
Environment								
CO <sub>2</sub> Emissions								
Scope 1+2 CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )		28,076	25,444	24,905	25,988	23,134	22,471	24,066 <sup>*1</sup>
Scope 3 CO <sub>2</sub> Emissions (t-CO <sub>2</sub> )		772,195	758,262	755,436	769,504	589,390	684,313	818,549
CO <sub>2</sub> Emission Reduction Rate in Direct Operations (%) (2015 baseline)		9.0	17.5	19.3	15.8	25.0	28.0	22.0 <sup>*1</sup>
CO <sub>2</sub> Emission Reduction Rate in the Supply Chain (%) (2015 baseline) <sup>*2</sup>		9.7	12.4	10.3	9.8	30.8	19.7	3.1
Percentage of Electricity from Renewable Sources in Direct Operations (%)		7.1	14.6	20.6	19.3	21.5	23.0	26.7
Scope 1+2 CO <sub>2</sub> Emission Intensity (per million yen of sales) (t-CO <sub>2</sub> )		0.070	0.064	0.064	0.069	0.070	0.055	0.050
Raw Materials, Waste								
Recycled Materials Ratio of Polyester Materials for Shoes and Sportswear (%)		—	—	—	—	19.5	over 30	over 30
Amount of Landfill Waste per Pair of Shoes at Footwear Tier 1 Factories (kg/pair)		0.032	0.031	0.033	0.032	0.019	0.008	0.022
Water								
Water Consumption per Pair of Shoes at Footwear Tier 1 Factories (m <sup>3</sup> /pair)		0.030	0.030	0.028	0.031	0.027	0.024	0.020
Social								
Mental & Physical Well-Being	Number of OneASICS Members (ten thousands)	10	32	72	200	394	580	730
	Amount of Community Contributions and Donations in Kind (US\$)	1,995,217	774,138	550,541	502,195	673,262	409,897	820,444
Our People	Number of Employees (persons)	7,864	8,586	8,823	9,039	8,904	8,861	8,886
	Ratio of Females in Manager and Senior Positions (%) <sup>*3</sup>	8.0	12.0	9.4	10.6	10.9	33.7	38.3
Supply Chain	Percentage of Tier 1 Supplier Factories above ASICS Standard (%)	88	88	91	95	98	100	99
	Number of Participants in Training for Suppliers (persons)	198	103	89	103	over 100	over 100	approx. 30
	Number of Factory Audits	122	113	93	116	52	34	36
External ESG rating								
Dow Jones Sustainability Asia/Pacific Index		selection	selection	selection	selection	selection	selection	selection
CDP Climate Change		B	B	B	B	A-	B	A-
CDP Supplier Engagement Leaderboard		-	-	-	selection	selection	selection	selection
KnowTheChain (score)		-	-	41	-	-	49	-

\*1 We have received a third-party assurance in the Sustainability Report 2022. For details, please refer to the Sustainability Report 2022.

\*2 The scope of coverage is "purchased goods and services" and "end-of-life treatment of sold products"

\*3 Scope of coverage is ASICS Corporation and ASICS Japan Corporation from 2015 to 2018, ASICS Corporation from 2019 to 2020, and ASICS Group from 2021 onwards



# Corporate and Stock Information (as of December 31, 2022)

## Company Overview

<b>Company Name</b>	ASICS Corporation
<b>Established</b>	September 1, 1949
<b>Head Office</b>	1-1, Minatojima-Nakamachi 7-chome, Chuo-ku, Kobe, 650-8555, Japan TEL: +81-(0)50-1745-2248 FAX: +81-(0)78-303-2241
<b>Institute of Sports Science</b>	2-1, Takatsukadai 6-chome, Nishi-ku, Kobe, 651-2271, Japan
<b>Shibuya Office</b>	MFPR SHIBUYA, 1-2-5, Shibuya, Shibuya-ku, Tokyo, 150-0002, Japan
<b>Representatives</b>	Yasuhito Hirota President, CEO and COO, Representative Director
<b>Principal Business</b>	Manufacture and sales of sporting goods
<b>Paid-in Capital</b>	23,972 million yen
<b>Employees</b>	8,886 (consolidated)
<b>Affiliated Companies</b>	Japan: 13 companies Overseas: 61 companies (North America, Europe, Greater China region, Oceania, Southeast and South Asia and other regions)

## Major Consolidated Subsidiaries

ASICS Japan Corporation	ASICS Brasil Ltda.
ASICS Trading Co., Ltd.	Race Roster North America Corporation
ASICS America Corporation	HAGLÖFS AB
ASICS Europe B.V.	SANIN ASICS Industry Corporation
ASICS China Trading Co., Ltd.	ASICS Apparel Industry Corporation
ASICS Oceania PTY. LTD.	
ASICS Asia PTE. LTD	

## Stock Information

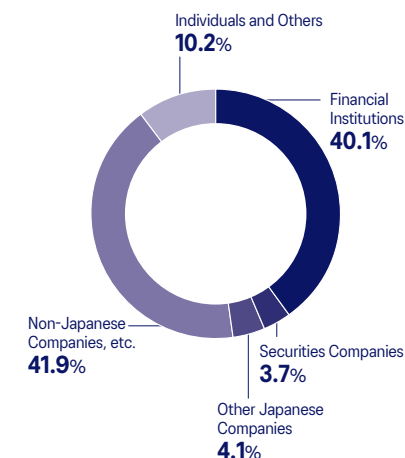
<b>Total Number of Shares Authorized</b>	790,000,000 shares
<b>Total Number of Shares Issued</b>	189,870,559 shares (including 6,700,633 shares of treasury stock)
<b>Number of Shareholders</b>	30,465 people
<b>Listed Stock Exchange</b>	Prime Market, Tokyo Stock Exchange (Securities Code 7936)

### Principal Shareholders

Name	Shareholdings (thousands of shares)	Ownership (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	26,518	14.48
Custody Bank of Japan, Ltd. (Trust Account)	14,714	8.03
MUFG Bank, Ltd.	7,858	4.29
Sumitomo Mitsui Banking Corporation	6,607	3.61
Nippon Life Insurance Company	5,679	3.10
JP MORGAN CHASE BANK 385632	3,686	2.01
THE BANK OF NEW YORK MELLON 140044	3,384	1.85
STATE STREET BANK AND TRUST COMPANY 505025	3,036	1.66
The Minato Bank, Ltd.	2,658	1.45
SMBC Nikko Securities Inc.	2,576	1.41

Notes: 1. The shareholding ratio calculation excludes treasury stock.  
2. The Company holds 6,700,000 shares of treasury stock, which is excluded from Principal Shareholders (above).

### Stock Distribution by Ownership



## Shareholder Memo

<b>Fiscal Year</b>	January 1 to December 31
<b>Record Date</b>	Interim dividend: June 30 Year-end dividend: December 31
<b>General Meeting of Shareholders</b>	Mid-March annually
<b>Public Notice Method</b>	Digital public notices are posted at the following URL: <a href="https://corp.asics.com/jp/investor_relations/library/electronic_public_notice">https://corp.asics.com/jp/investor_relations/library/electronic_public_notice</a> (Public notices will be issued electronically on our corporate website [ENGLISH URL]. If it is not possible to post a notice electronically due to an accident or other reason, notices will be published in the Nihon Keizai Shimbun newspaper.)
<b>Number of Shares Constituting One Unit</b>	100 shares
<b>Shareholder Registry Administrator and Special Account Administrative Institution</b>	Mitsubishi UFJ Trust and Banking Corporation
<b>Mitsubishi UFJ Trust and Banking Corporation</b>	Osaka Stock Transfer Agent Dept. 3-6-3 Fushimi-cho, Chuo-ku, Osaka-shi, Osaka 541-8502 Japan TEL: 0120-094-777 (toll free within Japan)

1. Shareholders can receive payment of unpaid dividends at Mitsubishi UFJ Trust and Banking Corporation Head Office and branch locations.  
2. Regarding procedures for shares recorded in special accounts, shareholders should submit inquiries or requests to the Special Account Administrative Institution.  
3. For changes of address, purchase requests and other procedures, shareholders should contact the securities company that manages their account.

## Certification by the Officer in Charge and Editorial Note

### Publishing the ASICS Integrated Report 2022

In publishing the third ASICS Integrated Report, we have compiled a comprehensive overview of important information pertaining to the creation of medium and long term corporate value, edited in a straightforward manner so as to be accessible to everyone.

ASICS will steadily implement the value creation process incorporated in this report and endeavor to achieve sustainable growth. We aim to realize Sound Mind, Sound Body together with all stakeholders!

ASICS IR team led discussions regarding editorial policies and report contents through cooperation with related departments. As Senior General Manager of the Accounting and Finance Division, I declare the publication process appropriate and the content herein to be accurate.

Going forward, ASICS will continue to prioritize dialogues with stakeholders as we aim to further enhance information disclosure and deepen communication with all our stakeholders.

Koji Hayashi  
Executive Officer, Senior General Manager,  
Accounting and Finance Division

### Editorial Note

Thank you very much for reading the ASICS Integrated Report 2022!

This year, the third year of the publication of the Integrated Report, we have prepared special features that include discussions with Kunio Ito, Director of Hitotsubashi CFO Education and Research Center, and Sho Kawano of Goldman Sachs Japan Co., Ltd., one of the analysts who has been covering ASICS for the longest time. We hope that you were able to read about ASICS' business management, management reforms, and human resources strategy with a realistic sense of ownership.

We hope this report will serve as a starting point for dialogue with stakeholders and will facilitate mutual understanding in greater depth.

Going forward, we will continue to actively seek out dialogue with stakeholders along with timely and appropriate disclosures, and hope that a more in-depth dialogue will enable a greater understanding of ASICS' financial and non-financial value. Accordingly, we welcome frank feedback and requests regarding this report.

ASICS Integrated Report 2022 Editorial Committee  
Inquiries regarding the Integrated Report: [ahq-org-ir-t@asics.com](mailto:ahq-org-ir-t@asics.com)

### ASICS Integrated Report 2022 Project Member

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