

FY23 YEAR END Investor Meeting

ASICS Corporation
February 13, 2024



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Hello, everyone.

I am Yasuhito Hirota, the CEO.

Thank you for participating today despite your busy schedule.

I will explain the key points of the fiscal year ended December 2023.

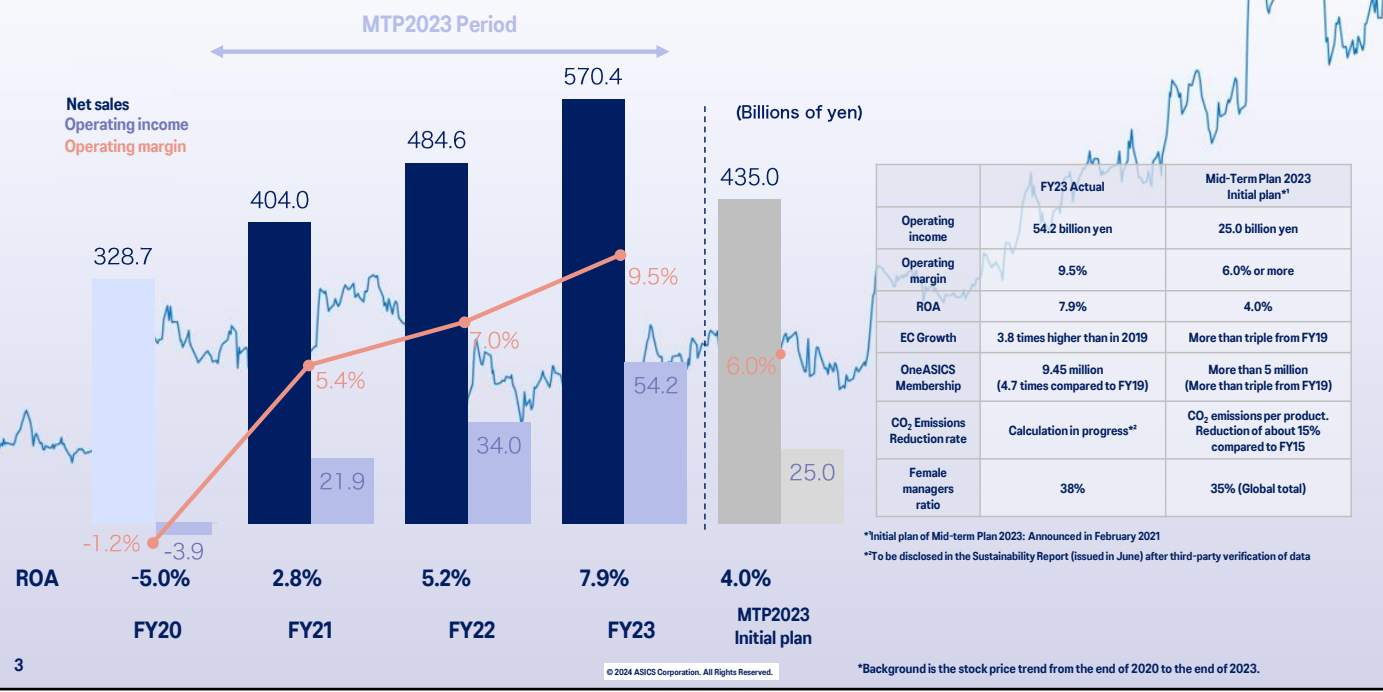
After that, Tominaga, the president and COO, will explain about the fiscal year 2024, and Hayashi, the CFO, will provide more details on the financial statements.

Chairman and CEO, Representative Director Yasuhito Hirota



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SUBSTANTIALLY ACHIEVED THE GOAL OF MTP2023



I would like to review Mid-Term Plan 2023.

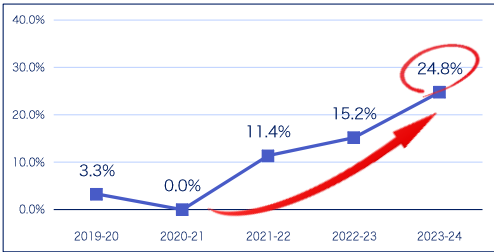
In 2023, the final year of Mid-Term Plan, we significantly exceed initial targets.

In short, "Asics has fully embarked on a growth path and has become capable of further growth in the future."

C-PROJECT PROGRESS

- ✓ Share in major year-end and new year's ekiden events increased.
- ✓ Athletes wearing ASICS shoes on their feet achieved a great feat.

<New Year's College Ekiden>



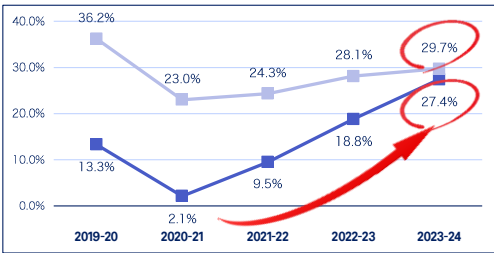
□ Contracted Athletes in Action

Honami Maeda

In Osaka Women's Marathon, finished second with the record of 2 hours 18 minutes 59 seconds.
 New Asian record & New Japanese record.
 Also cleared the MGC Final Challenge qualifying record.
 Japanese record has not been broken for 19 years.



<High School Ekiden at the end of the year> ■ Men ■ Women



Yoshihide Kiryu

Won men's 60m at 2024 World Athletics Indoor Tour Gold with the time of 6.53 seconds.
 Set a new Japanese record.



Both athletes wore ASICS METASPEED series and set new records

Regarding C-Project, we continuously aim to take the No.1 position in running under my leadership.

At various Ekiden events held during the year-end and new year holidays, Asics' share continued to increase.

Congratulations to Honami Maeda and Yoshihide Kiryu for their remarkable achievements in breaking national records with our METASPEED series shoes and spikes.

SHAREHOLDER RETURN AND CAPITAL POLICY

- ✓ Due to strong performance, year-end dividend increased to 40 yen per share and dividend reached a record high of 65 yen per share (44 yen per share in the initial forecast).
- ✓ Established a share buyback limit of up to 15 billion yen in total to achieve the shareholder return targets of “Med-Term Plan 2023”.
- ✓ Simultaneously promote initiatives to optimize consolidated capital levels.

Shareholder Returns in MTP2023

In addition to stable dividends, achieve a total return ratio of more than 50% throughout the term.

	FY21	FY22	FY23	
Annual dividend per share	24 yen	40 yen	65 yen	Total
Total dividends (billions of yen)	4.3	7.3	11.9	23.5
Net income attributable to owners of the parent (billions of yen)	9.4	19.8	35.2	64.4
Total return ratio	45.7%	36.9%	33.8%	36.5%

Initiatives to optimize capital levels through share acquisition

Acquisition of 15 billion yen of treasury stock from following strategic perspectives

- Balance between fixed assets and shareholders' equity in line with ASICS' business model
- Profit accumulation and shareholder return targets during the period of Mid-Term Plan 2026, and capital expenditures for growth during the period of Mid-term plan 2026
- Amount available for distribution at the current financial status



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Next, I will explain our approach to shareholder return and capital policy.

Asics recognizes that returning profit to our shareholders is one of the most important management priorities.

Due to strong operational cash flow and exceeding the consolidated business forecast, we have determined to increase year-end dividend per share from 35 yen to 40 yen. This results in an upward revision of annual dividend from 44 yen to 65 yen, achieving record-high dividend.

Additionally, we have set a share buyback limit of 15 billion yen to achieve our shareholder return target in Mid-Term Plan 2023.

We also aim to optimize consolidated capital level with this buyback.

We aim to achieve a consolidated total return ratio of 50% in Mid-Term Plan 2026, and will flexibly consider additional shareholder returns based on profit distribution, available funds, and investment conditions while continuing our progressive dividend policy.

That concludes my explanation.

Next, Tominaga, the COO will provide further details.

President and COO Mitsuyuki Tominaga



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Global Integrated Enterprise

- ✓ In Mid-Term Plan 2026, ASICS will transform itself into a Global Integrated Enterprise.
- ✓ We will further promote "Digital x Global" and aim for sustainable growth as a unified group.

□ What is Global Intergrated Enterprise?

Build an organic category management system by strengthening cooperation between the head office and regional operating companies

- Regional operating company CEOs are placed directly under the president and hold global management meetings
- Stimulate communication among regional operating companies for overall optimization
- Dynamically utilize human capital, IT platforms, and data worldwide

□ Main Initiatives for 2024

Supply Chain Reform

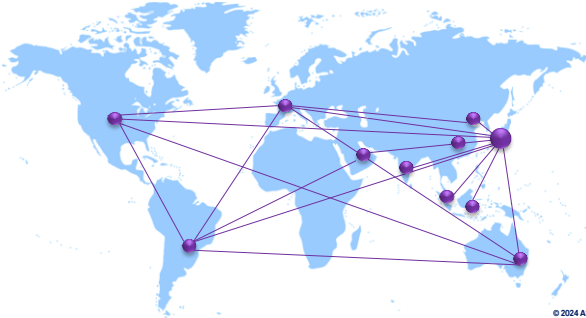
- Strengthen supply-demand management by category based on collaboration between the head office and regional operating companies
- Develop supply chain management by linking rroduction and sales data

Brand and DTC Strategy

- Perform data integration
- Build a global model example for the ecosystem

Human Capital Strategy

- Develop a global common evaluation system
- Develop a global talent management strategy



From here, I will provide an explanation regarding Mid-Term Plan 2026.

The main direction of Mid-Term Plan 2026 is the transformation towards a "Global Integrated Enterprise".

We will strengthen collaboration between the head office, operating companies around the world, and production bases more than ever before.

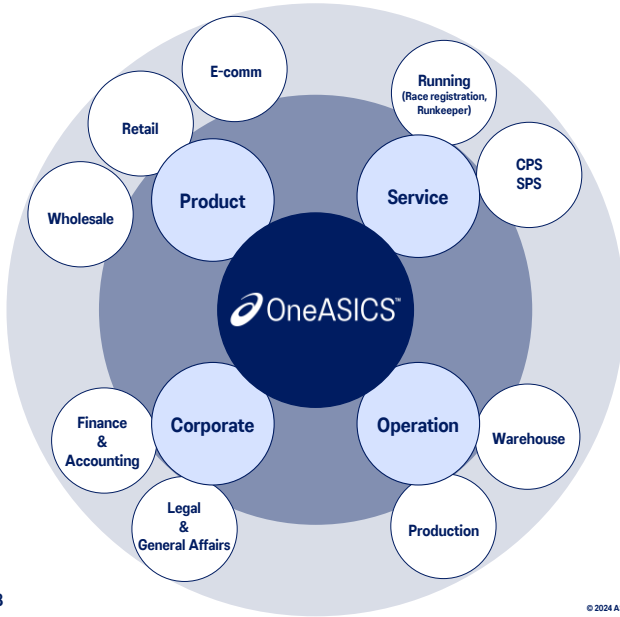
There are three major initiatives for 2024

The first one is supply chain reform, the second one is brand and DTC strategy, and the third one is human capital strategy.

Through these initiatives, we aim to practice "Global x Digital" and achieve sustainable growth.

OneASICS as the starting point

Achieve OneASICS membership of 30 million, LTV improvement, high gross margin × DTC ratio of 40%



1 OneASICS membership expansion

- Promote DTC omni-channel
- Create touchpoints at a company-wide level and expand areas with ecosystem

2 Increase the value of OneASICS membership program

- Establish ASICS's unique loyalty program with various membership levels
- Provide differentiated services such as running privileges, participation in events, and access to limited products through rewards programs

3 Data utilization

- Personalized marketing communications
- Fully utilize data to improve products and services

As part of the efforts to strengthen our brand, we will work together and promote OneASICS business management.

Firstly, we will expand OneASICS membership not only through retail and e-commerce business but also through facilities, OneASICS bonds, and other services. Secondly, we will enhance the value of the entire program by utilizing OneASICS services, participating in events, and utilizing rewards. Thirdly, we will conduct thorough data analysis and work to improve marketing, products, and services.

✓ Accelerate promotion of "Digital x Global" by further strengthening investment in human capital.

Temporary one-time payment to global employees

Following substantial achievement of Mid-Term Plan 2023, temporary one-time payment (approximately 100,000 yen) will be granted for all global employees

Introduce profit-sharing bonus

Decided to introduce profit-sharing bonus* to ensure that all employees regard capital cost as their own matter and that the company returns profits to its employees.

*A system in which, in principle, a portion of profits in excess of capital cost is distributed to all employees.

Main Initiatives for 2024



Introduce restricted stock incentive system

Introduce an incentive program to create opportunities for employees to acquire restricted stock through shareholding association, with the aim of aligning their perspective with the capital market

Other Measures

Raise starting salary for new graduates who will join in FY24 and thereafter
(Ex, graduate school graduates: 290,000 yen / doctoral students: 320,000 yen)
Increase target percentage of performance-linked bonus, etc.

Asics will strengthen investment in human capital.

In order to achieve the strategies in "Mid-Term Plan 2026", we need talents who execute these strategies.

Investment in human capital is an essential strategic investment for mid-to-long term growth and we will establish a system to return profits to employees.

As Hirota explained, 2023 was the final year of "Mid-Term Plan 2023" and it was a year in which we achieved our goal significantly.

As a token of appreciation for the efforts by all global employees to achieve our goals, temporary one-time payment will be granted.

In addition, we will introduce profit-sharing bonus and restricted stock incentive program through employee stock ownership community.

In addition, we plan to raise starting salary for new graduates who will join the company from 2024. By attracting talented human resources and providing environment in which they can grow, we aim to further enhance the corporate value.

CONSOLIDATED BUSINESS FORECAST

- ✓ Sales and all kinds of profits in FY24 are expected to reach record highs despite uncertain external environment with Performance Running as the core business and the favorable performance of SportStyle.
- ✓ By category, Core Performance Sports, SportStyle, and Onitsuka Tiger are expected to show robust performance. By region, Japan, Greater China, and Southeast and South Asia are expected to have steady growth.
- ✓ Excluding the impact of the transferred Haglöfs business, sales are expected to grow +7.0% and net income +27.0% (both excluding currency changes).
- ✓ Annual dividend of surplus is expected to reach a record high of 70 yen based on the business performance and cash flow situation in FY23.

(Billions of yen)	FY23	FY24 Forecast	change %	change % (Excl. currency changes)
Net sales	570.4	590.0	+3.4%	+4.8%
Operating income	54.2	58.0	+7.0%	+8.9%
Operating margin	9.5%	9.8%	+0.3ppt	-
Ordinary income	50.6	53.0	+4.6%	+6.6%
Net income attributable to owners of parent	35.2	36.0	+2.1%	+4.2%

Dividend	Interim	Year-end	Annual
FY23	25.0 yen	40.0 yen	65.0 yen
FY24	35.0 yen	35.0 yen	70.0 yen

Exchange rate	USD	EUR	RMB
FY23	140.45 yen	152.24 yen	19.86 yen
FY24	140.00 yen	150.00 yen	19.50 yen

Next, I will explain the consolidated business forecast for the fiscal year ending in December 2024.

Although we are in uncertain external environment, we expect to reach record high sales of 590 billion yen and operating income of 58 billion yen with Performance Running as the core business and SportStyle with favorable performance.

That concludes my explanation.

Next, Hayashi, the CFO will provide more details on the financial statements.

Managing Executive Officer and CFO Koji Hayashi



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OVERVIEW

Net sales **570.4 billion yen** (FY22: 484.6 billion yen) YoY : +85.8 billion yen +17.7%
 Excl. currency changes : +54.9 billion yen +11.3%

- ◆ Record high. +17.7% YoY (+11.3%, excluding currency changes).
- ✓ AJP showed more than double-digit growth of +26.0% in all categories excluding APEQ.
- ✓ Greater China had sales growth of +24.1% and increased sales in all categories, even in China where economic indicators were weak.
- ✓ India, Malaysia, and Indonesia have played a significant role with sales growth of +46.9%.

Operating income **54.2 billion yen** (FY22: 34.0 billion yen) YoY : +20.2 billion yen +59.4%
 Excl. currency changes : +17.7 billion yen +52.3%

- ◆ Record high. Over+50% YoY.
- ✓ Gross margin improved+2.3ppt to 52.0%. Succeeded in optimizing selling price and improving channel mix despite deterioration in purchase exchange rate.
- ✓ Operating margin increased from 7.0% to 9.5% (+2.5ppt YoY).

Net Income **35.2 billion yen** (FY22: 19.8 billion yen) YoY : +15.4 billion yen +77.4%
 Excl. currency changes : +13.6 billion yen +68.8%

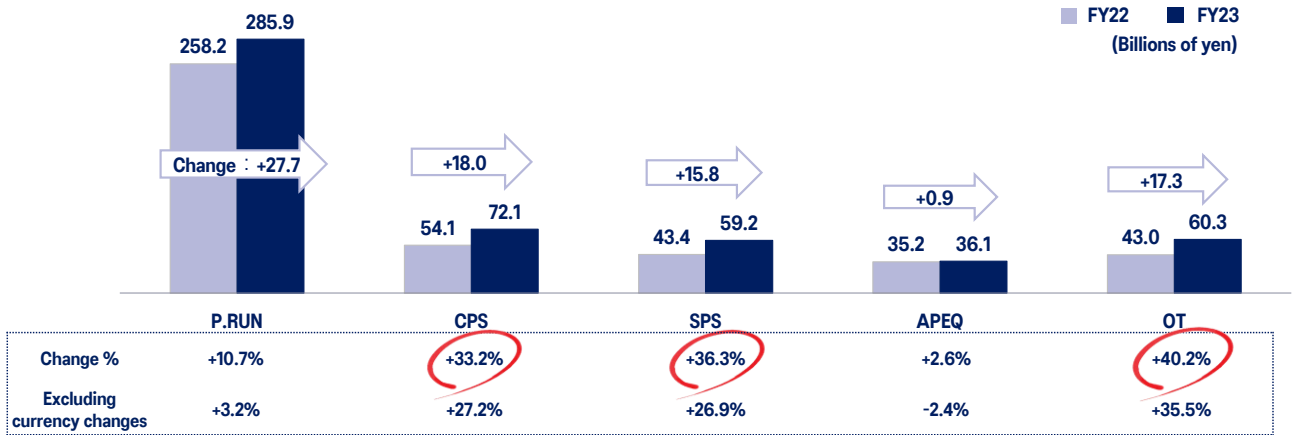
- ◆ Record high. Over +77% YoY.
- ✓ 3.2 billions yen of losses on profit structure improvement in Japan and North America.
- ✓ 6.5 billions yens of gain on sale of shares of subsidiaries and associates resulting from the sale of Haglöfs AB.

This year was the final year of Mid-Term Plan 2023, and both net sales and all kinds of profits reached record highs.

Net sales were 570.4 billion yen. This was 17% growth from the previous year, and 11% growth even excluding currency changes.
Gross margin improved by 2.3 points from the previous year to 52.0%,
In addition to sales increase, SG&A expenses control also contributed to the profit.
Operating income reached 54.2 billion yen and operating margin 9.5%. This was a significant increase from the previous year.
Net income was 35.2 billion yen.

CONSOLIDATED NET SALES BY CATEGORY

- ✓ Sales increased in all categories. Core Performance Sports, SportStyle, and Onitsuka Tiger achieved significant increase of over 30%. Performance Running also achieved a double-digit growth.
- ✓ Performance Running sales increased in all regions. Increased +3.2% YoY excluding currency changes.
- ✓ Core Performance Sports sales showed double-digit growth in all regions with significant increase in tennis, indoor sports, and working.
- ✓ SportStyle sales increased in all regions except South America, with significant growth of over 30% in North America, Europe, Greater China, and South Korea.
- ✓ Onitsuka Tiger sales increased in all regions. Particularly in Japan where sales to inbound tourists had a significant impact, as well as in Europe, Southeast and South Asia, and South Korea where sales grew significantly.



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Here is the consolidated sales by category.

Performance Running showed positive growth in all regions and achieved more than 10% growth. In particular, Japan showed an growth of approximately 25%, China over 30%, and Southeast and South Asia about 50%.

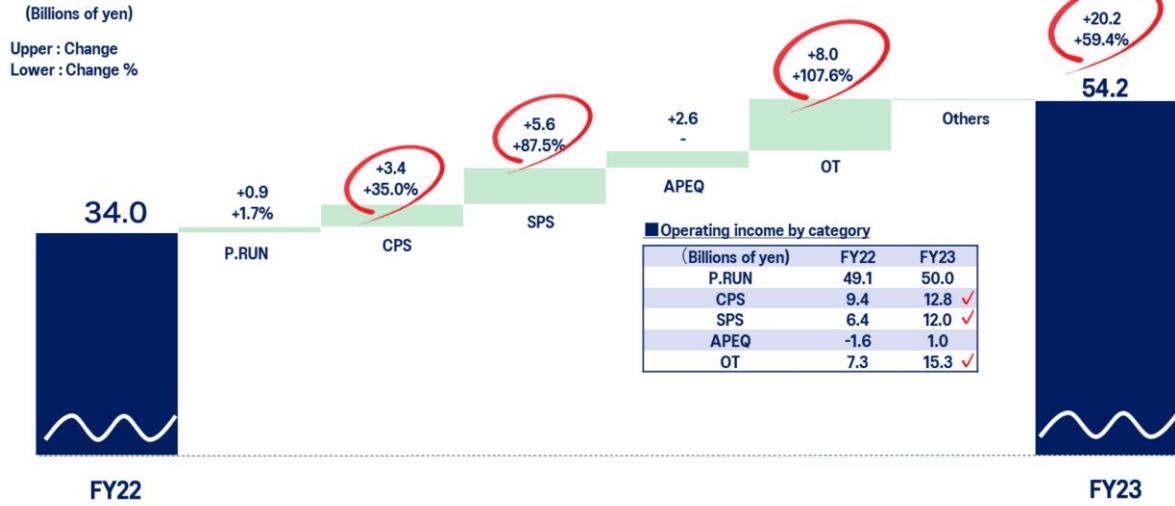
Core Performance sports also saw 33% increase. Particularly, tennis and indoor sports showed robust performance. In addition to these, working shoes in Japan also grew significantly. All regions achieved double-digit growth.

SportStyle showed over 30% growth in North America, and around 50% growth in Europe, Greater China, and Korea.

Onitsuka Tiger saw the biggest growth across all categories and showed sales growth in all regions. Particularly, Japan, Southeast and South Asia, and Korea showed significant growth.

CONSOLIDATED OPERATING INCOME BREAK DOWN (BY CATEGORY)

- ✓ Category profit increased in all categories. Core Performance Sports, SportStyle, and Onitsuka Tiger increased significantly mainly due to sales growth.
- ✓ Apparel & Equipment turned profitable for the first time since category management started.



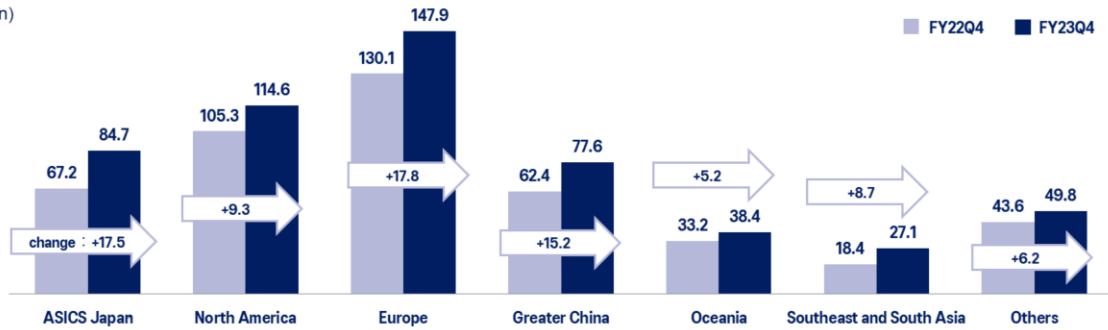
Here is the breakdown of consolidated operating income by category.

All categories showed an increase in profit, mainly with significant growth in Core Performance Sports, SportStyle, and Onitsuka Tiger.

REGIONAL NET SALES

- ✓ Increased in all regions, driven by CPS, SPS and OT growth.
- ✓ ASICS Japan showed remarkable sales growth of over 20% as sales to inbound tourists increased significantly.
- ✓ CPS sales had significant increase of about 20%, mainly driven by working shoes and basketball shoes.
- ✓ In Southeast and South Asia, sales grew over 30% excluding currency changes. In particular, India, Malaysia and Indonesia showed big growth.

(Billions of yen)



Change %	+26.0%	+8.8%	+13.7%	+24.4%	+15.5%	+47.0%	+14.2%
Excluding currency changes	-	+1.0%	+3.0%	+20.8%	+12.0%	+38.8%	+5.9%

*Japan region includes sales of companies that sell products categorized neither as P.RUN, CSP, SPS, APEQ, nor OT. Therefore, considering comparability with other regions, only ASICS Japan sales are displayed in this material (starting from FY22 Q1). Japan region sales are 123.4 billion yen in FY22 Q4 and 135.8 billion yen in FY23 Q4.

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Here is the sales by region.

Asics Japan saw significant growth in sales to inbound tourists.

In Greater China, we have steadily grown every year since the establishment of the China headquarters in 2019. We had strong growth of over 20% in 2023 despite weak economic indicators.

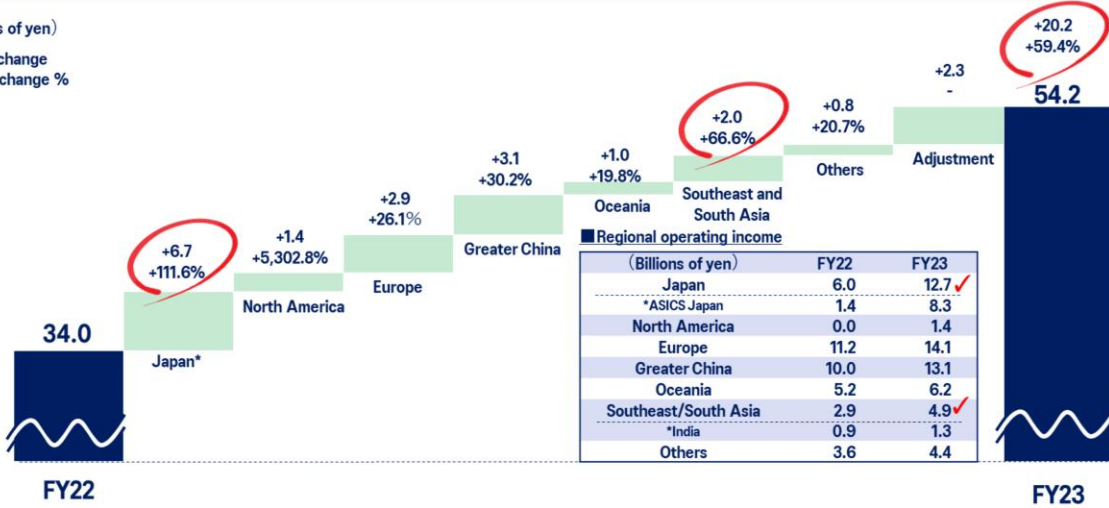
In Southeast and South Asia, which includes India, we continued to maintain high growth with an increase of about 40%.

REGIONAL OPERATING INCOME BREAKDOWN

- ✓ Operating income increased over 50% and reached a record high. Operating margin improved to 9.5% (+2.5ppt YoY).
- ✓ ASICS Japan within Japan region had significant sales growth. As a result, operating income increased from 1.4 billion yen to 8.3 billion yen.
- ✓ Operating income increased over 60% in Southeast and South Asia, where market is rapidly expanding. Operating income in Singapore reached +0.4 billion yen, in Malaysia +0.6 billion yen, and in India +0.4 billion yen.

(Billions of yen)

Upper : change
Lower : change %



*Japan region includes sales of companies that sell products categorized neither as P.RUN, CPS, SPS, APEQ, nor OT.
For comparison, ASICS Japan is displayed as a part of Japan region. Japan region includes companies such as ASICS Japan, ASICS Trading, NISHI Athletic and etc.

Here is the breakdown of consolidated operating income by region.

As you can see, all regions showed increase.

MONTHLY CONSOLIDATED NET SALES

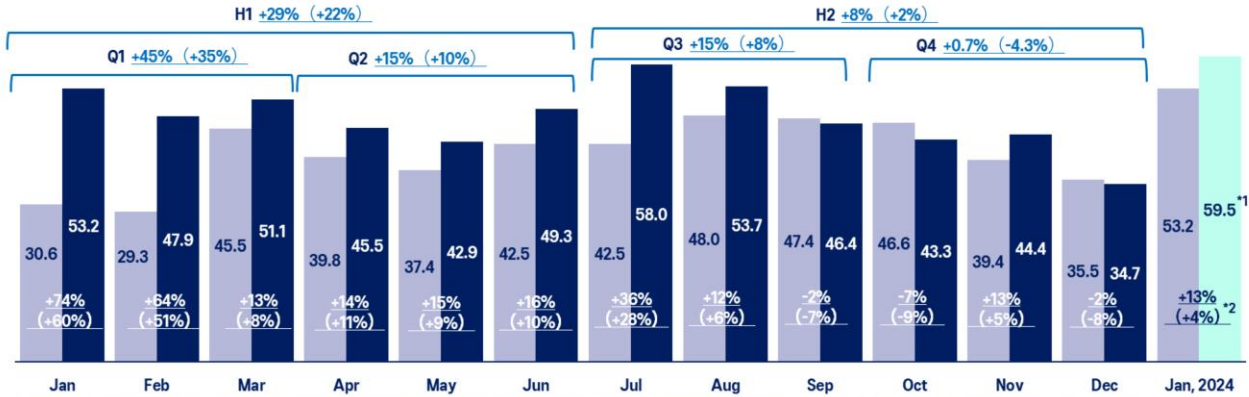
■ FY23 Preliminary sales
 ■ FY22 Change % YoY (excluding currency changes)

- ✓ January sales in FY24 reached a record high of 59.5 billion yen. Increased +13% YoY (+4% excluding currency changes).
- ✓ Significant sales increase especially in Performance Running in North America and Southeast and South Asia, and SportStyle in Greater China.
- ✓ In Europe and Oceania, January sales in FY23 were at a high level due to the recovery from the logistics disruptions in FY22. Therefore, January sales in FY24 decreased YoY.

■ Regional Net Sales in January

	Net sales	change % (Excl. currency changes)		Net sales	change % (Excl. currency changes)
Consolidated	59.5	+4%	Greater China	8.5	+27%
ASICS Japan	5.4	+7%	Oceania	5.2	-18%
North America	10.4	+21%	Southeast and South Asia	3.2	+22%
Europe	19.8	-9%	Others	7.0	+19%

(Billions of yen)



*1 As this year's net sales in Oct are based on preliminary data, they may differ from the actual data. Also, as the impact of COVID-19 and production delay have subsided, we only disclose the consolidated sales data.
 *2 Growth rate is shown excluding sales of Haglöfs AB in FY23 which has been transferred.

Here is the monthly consolidated sales trend.

Preliminary sales for January 2024 reached a record monthly sales of nearly 60.0 billion yen with a 13% increase compared to the previous year.

This significant growth was mainly driven by Performance Running in North America and Southeast and South Asia, as well as SportStyle in Greater China.

On the other hand, Europe and Oceania experienced a decrease compared to the previous year. This is because we had significant sales increase in January 2023 due to improved situations from logistics disruptions.

Please note that the increase rate excludes the previous year's results for transferred Haglöfs AB.

All regions progressed as planned.

CONSOLIDATED BUSINESS FORECAST ※REPEATED

- ✓ Sales and all kinds of profits in FY24 are expected to reach record highs despite uncertain external environment with Performance Running as the core business and the favorable performance of SportStyle.
- ✓ By category, Core Performance Sports, SportStyle, and Onitsuka Tiger are expected to show robust performance. By region, Japan, Greater China, and Southeast and South Asia are expected to have steady growth.
- ✓ Excluding the impact of transferred Haglöfs business, sales are expected to grow +7.0% and net income +27.0% (both excluding currency changes).
- ✓ Annual dividend of surplus is expected to reach a record high of 70 yen based on the business performance and cash flow situation in FY23.

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Operating margin	9.5%	9.8%	+0.3ppt	-
Ordinary income	50.6	53.0	+4.6%	+6.6%
Net income attributable to owners of parent	35.2	36.0	+2.1%	+4.2%

Dividend	Interim	Year-end	Annual
FY23	25.0 yen	40.0 yen	65.0 yen
FY24	35.0 yen	35.0 yen	70.0 yen

Exchange rate	USD	EUR	RMB
FY23	140.45 yen	152.24 yen	19.86 yen
FY24	140.00 yen	150.00 yen	19.50 yen

Here is the consolidated business forecast for the fiscal year ending December 2024.

We assume that the exchange rate is 140 yen to US dollar and 150 yen to Euro.

Sales are expected to reach 590.0 billion yen with a growth of 3.4% growth, and operating income 58.0 billion yen with an increase of 7.0%. As a result, operating margin is expected to be 9.8%.







Excluding the impact of the transferred business in 2023, sales are expected to grow by 7.0%.

We have included the breakdown of 2024 consolidated business forecast by category and region on slide 62 and 63.

Additionally, annual dividend of surplus is planned to reach a record high of 70 yen.

IMPACT OF FOREIGN EXCHANGE RATES ON BUSINESS PERFORMANCE

- ✓ The regional portfolio is diversified in ASICS' business and is affected by the exchange rates of various currencies.
- ✓ Although the appreciation of dollar against other currencies usually deteriorates the exchange rate for purchases at major regional companies, gross margin has improved even under the recent appreciation of U.S. dollar due to sales price controls and an improved channel mix and product mix (Gross margin in FY23: 52.0%, +2.3ppt YoY).

	Impact on currencies received and paid in each country		Comment
	In case of yen depreciation	In case of yen appreciation	
Net sales			Sales in yen fluctuate with the value of yen relative to the currency received from sales.
Cost of sales	 Example of AJP	 Example of AJP	In principle, purchases of goods from contract manufacturing plants are denominated in U.S. dollars.
SG&A expenses			SG&A expenses in yen fluctuate with the yen value of expenses relative to the currency in which they are paid.

Point 1) Sales recording currencies are diversified according to regional portfolios **Point 2)** Purchase foreign exchange rate is diversified hedging most of the scheduled transactions over a three-year period. Short-term fluctuations in foreign exchange rates have little impact on the current period's results.

Sales Area	FY23 Sales Region mix	Major sales Currencies	FY22 Average rate against JPY	FY23 Average rate against JPY	Purchasing Area	Main functional currency	FY22 Average rate against USD	FY23 Average rate against USD
Japan	14.9%	JPY	-	-	Japan	JPY	131.83 yen	141.17 yen
North America	20.1%	USD	131.83 yen	141.17 yen	North America	USD	-	-
Europe	25.9%	EUR	138.37 yen	153.18 yen	Europe	EUR	1.05	1.09
Greater China	13.6%	CNY	19.49 yen	19.92 yen	Greater China	CNY	0.15	0.14
Oceania	6.7%	AUD	91.11 yen	93.64 yen	Oceania	AUD	0.70	0.67
Other	4.8%	-	-	-				

Let me explain briefly the relationship between exchange rates and Asics' business performance.

Sales in each region are denominated in various currencies. When converted into yen, increase in the value of the yen leads to sales decrease, while decrease in the value of yen leads to sales increase.

However, as we procure from shoe production outsourcing in US dollars, if the exchange rate between the functional currency of each regional business company and the US dollar is favorable, for example, if US dollar weakens against yen in AJP, it will improve cost of sales and increase gross margin.

Moreover, we hedge most of our procurement needs for the next three years in each region, so the impact of short-term exchange rate fluctuations is expected to be mitigated.

IR CALENDAR

Main Schedule	
May 10	Announcement of FY24 Q1 financial results Live streaming for institutional investors, analysts, and press
June (TBD)	10th Investment Day Agenda: Core Performance Sports Strategies (Tentative)
August 13	Announcement of FY24 Q2 financial results Financial results briefing for press
August 14	Financial results briefings for institutional investors, analysts, and press
November 8	Announcement of FY24 Q3 financial results Live streaming for institutional investors, analysts, and press
November (TBD)	11th Investment Day Agenda: TBD
February 2025	Announcement of FY24 Q4 financial results Financial results briefing for press Financial results briefings for institutional investors, analysts, and press

Finally, here is our IR calendar for 2024.

The Investment Day we are planning around June will focus on Core Performance Sports, which has also performed well in the current financial results.

That's all from me. Thank you very much.



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