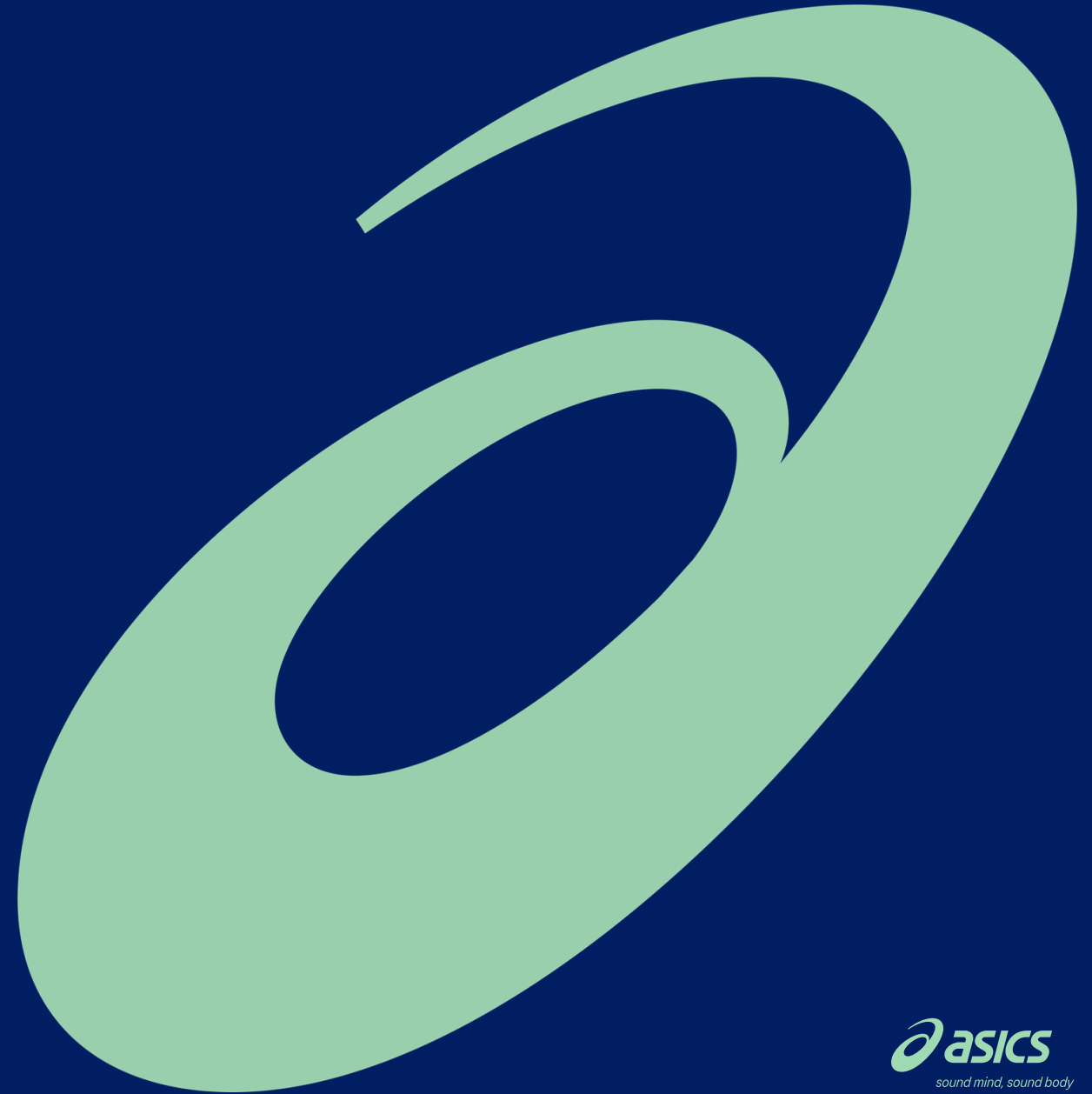


**CONSOLIDATED  
FINANCIAL SUMMARY  
FOR THE FISCAL  
THIRD QUARTER ENDED  
SEPTEMBER 30, 2021**

**ASICS CORPORATION  
NOVEMBER 5, 2021**



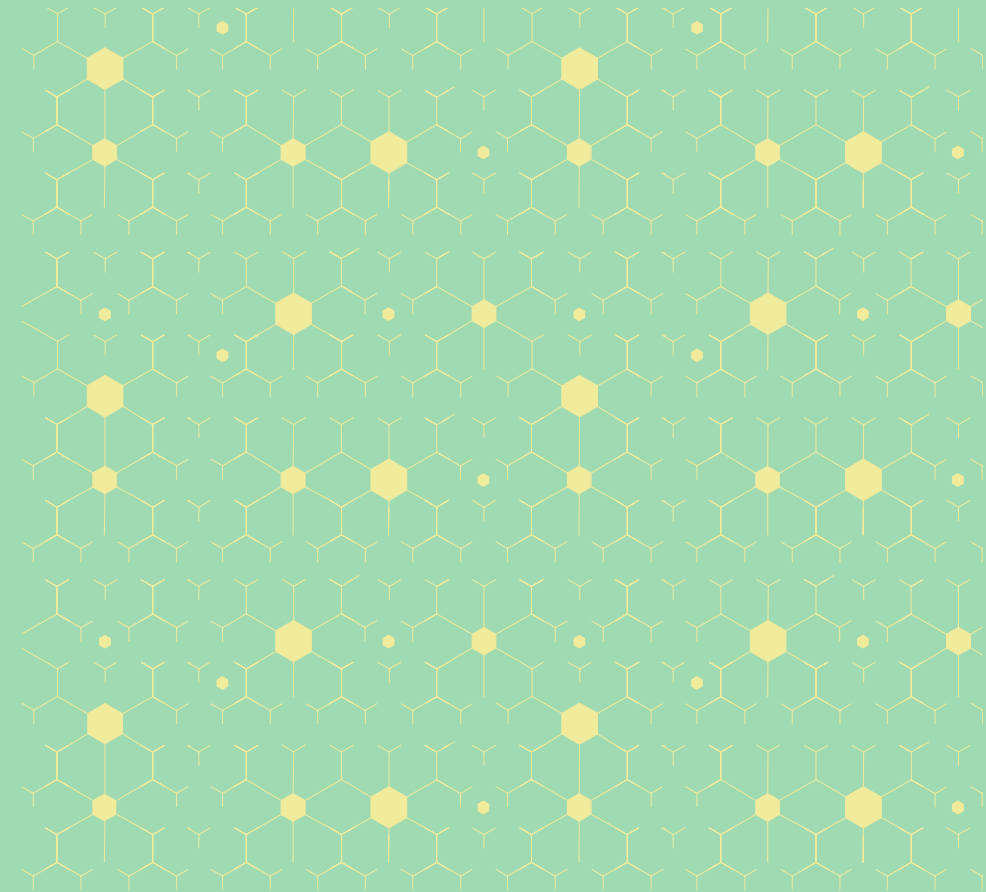
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## DISCLAIMER

### Cautionary Statement with Respect to DISCLAIMER Forward-Looking Statements

Statements made in this presentation with respect to our current plans, forecasts, strategies, beliefs and other statements that are not historical facts are forward-looking statements about future performance. These forward-looking statements are based on management's assumptions and beliefs in light of the information currently available to it. Therefore, please refrain from relying solely on these earnings forecasts. Please note that actual results may differ significantly from these forecasts due to various risks and uncertainties. Risks and uncertainties that could affect actual results include, but are not limited to, the economic situation surrounding our business, various competitive pressures, related laws and regulations, and fluctuations in exchange rates. However, factors that could affect business performance are not limited to the above.



# KEY POINTS OF CONSOLIDATED RESULTS FOR FY2021 Q3

- ✓ Sales and operating income increased significantly.  
Sales for Q3 exceeded 300.0 billion yen for the first time in four years.
- ✓ Sales increased in all regions. Especially North America, Europe, Greater China and Oceania increased significantly and all of the regions grew by more than +30% compared to last year.  
Operating income increased significantly in Japan, North America, Europe and Greater China compared to last year.  
Japan and North America turned profitable.
- ✓ Operating income increased significantly and exceeded 30.0 billion yen for the first time in six years.  
Achieved a record-high operating income.
- ✓ Since our leading category P.Run received positive product feedback, its sales increased in all regions.  
Category profit exceeded 40.0 billion yen, approximately two times higher compared to last year.
- ✓ OT sales increased driven by Greater China and increased in all channels.
- ✓ E-commerce sales increased by more than +30% compared to last year.
- ✓ In terms of categories and regions, P.Run, North America and Europe have performed better than the previous forecast.  
The forecast of operating income, ordinary income, and net income revised upward to strengthen S.G.& A. expenses control.
- ✓ METASPEED usage rate by top athletes improved in Japan and overseas races.



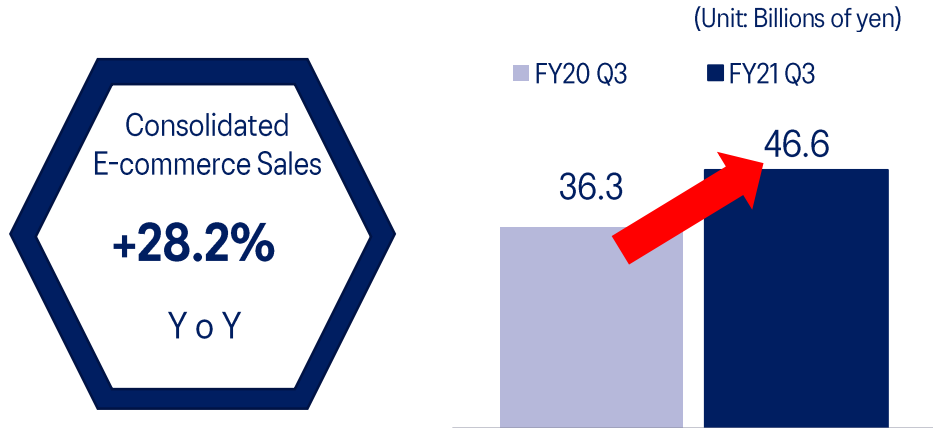
# IMPACT OF THE SPREAD OF COVID-19 INFECTIONS

Production	✓ The operation of some factories in Vietnam were suspended due to the spread of infections.
Own retail stores	✓ North America, Europe, and China: Operating at all stores (some are short-time operations). ✓ Japan: Operating at almost all stores (some are short-time operations). However, the Tokyo 2020 Paralympic Games were held without spectators. ✓ Southeast Asia: Operating at almost all stores (some are short-time operations). ✓ Oceania: Temporary suspension of operations at some stores.
Sale	✓ Maintained strong performance mainly in P.Run due to heightened health-consciousness. ✓ E-commerce sales for Q3 increased by about +30% YoY.
Latest update	✓ As expected, the factories resumed operations in October. In the future, the operation ratio will be increased in stages within the year, and it is expected to return to normal operation next year.

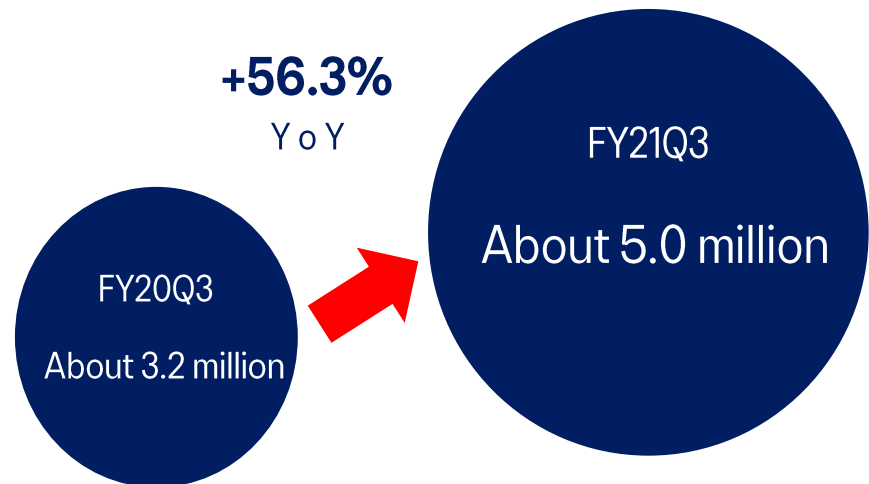


# DIGITAL ACTIVITIES

- ✓ Utilize such as Runkeeper and Race Roster resulted in increasing E-commerce sales by about +30%.
- ✓ Started the second phase of activities with CASIO while providing new digital services related to running and walking.



## OneASICS membership



## <Digital services>

### Walkmetrix



- ✓ Expansion of our running knowledge to walking.
- ✓ Initiatives with CASIO, which is cooperating in running, started Walkmetrix on October 1st as the second stage.
- ✓ A smartphone app that offers personalization programs centered on fast walking and evaluations of "walking posture".



Activities measurement screen



Form score screen



Speed, heart rate, and route



# SUSTAINABILITY INITIATIVES




Contribute to enabling sound mind, sound body for people all over the world , and to provide them with sustainable environment where they can play sports.

## <Basic Policies>

- ① Respect human rights in the supply chain
- ② CO2 reduction targets for 2030  
(At business sites and supply chain)

**BUSINESS AMBITION FOR 1.5°C**   **OUR ONLY FUTURE**

63% reduction (From 2015)

People	Planet	External Recognition etc.
<ul style="list-style-type: none"> <li>✓ At the Tokyo 2020 Paralympic Games Supporting the refugee team. Offers official sportswear, shoes, etc.</li> </ul>  <p><small>ASICS is a JOC/JPC Gold Partner (sporting goods) for the Tokyo 2020 Olympic and Paralympic Games.</small></p>	<ul style="list-style-type: none"> <li>✓ Introducing our efforts for the construction of a recycling-oriented business model with ASICS EXPERIENCE TOKYO, a future-oriented experience facility aimed at by VISION2030.</li> <li>✓ Launched products using recycled materials derived from textiles. We also launched a sustainable shoe in collaboration with Andres Iniesta.</li> </ul>  	<ul style="list-style-type: none"> <li>✓ Toyo Keizai ranked 26th in Japan's leading SDGs500 company ranking and 1st in the industry-specific category (Other Products).</li> <li>✓ Signed a letter calling on the G20 to strengthen their national climate change targets and policies toward COP26.</li> <li>✓ Awarded a position on the Supplier Engagement Leaderboard two years in a row and assessed as the top 7% of organizations by CDP.</li> <li>✓ For the first time among Japanese general business companies, contracted a sustainability-linked derivatives in August. Explore new financing related to sustainability further.</li> </ul>

# FY2021 FORECAST

(Unit: Billions of yen)	Previous Forecast	Latest Forecast	Ratio of change	FY20 Actual	Y o Y ratio
Net sales	395.0	<b>395.0</b>	-	328.7	+20.1%
Operating income	14.5	<b>20.0</b>	<b>+37.9%</b>	-3.9	-
Operating income ratio	3.7%	<b>5.1%</b>	<b>+1.4ppt</b>	-1.2%	+6.3ppt
Ordinary income	13.5	<b>19.0</b>	<b>+40.7%</b>	-6.9	-
Profit attributable to owners of parent					
Net income	2.5	<b>4.0</b>	<b>+60.0%</b>	-16.1	-

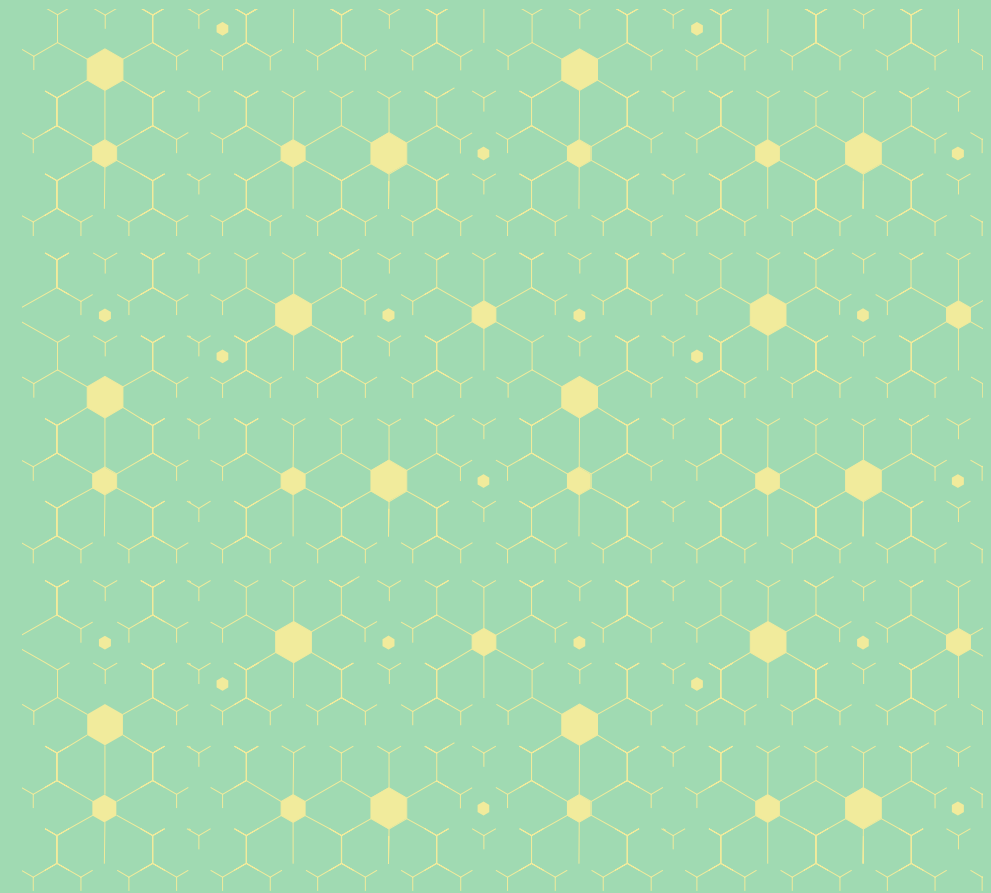
Dividends	Interim	End of year	Full year
Previous Forecast	12.0 yen	12.0 yen	24.0 yen
Latest Forecast	12.0 yen	12.0 yen	24.0 yen

Exchange Rate	USD	EUR	RMB
Previous Forecast	105.00 yen	125.00 yen	16.00 yen
Latest Forecast	108.00 yen	128.00 yen	16.50 yen

- ✓ In terms of categories and regions, P.Run, North America and Europe have performed better than the previous forecast.
- ✓ The forecast of operating income, ordinary income, and net income revised upward to strengthen S.G.& A. expenses control.

# 1. CONSOLIDATED RESULTS

- ✓ Overview of FY2021 Q3 Financial Results
- ✓ Consolidated Financial Results Highlights
- ✓ Progress in Reducing S.G.& A. Expenses at the Q3





# OVERVIEW OF FY2021 Q3 FINANCIAL RESULTS

## Net sales

YoY: +74.0 billion, +29.8% (On a currency neutral basis +60.6 billion, +24.4%)

- ◆ Sales increased significantly. Sales for Q3 exceeded 300.0 billion yen for the first time in four years.
  - ✓ Sales of P.Run which is our leading category increased by +38.0% compare to last year. Increased in all regions.
  - ✓ Sales increased in all regions. Especially North America, Europe, Greater China and Oceania increased significantly.
  - ✓ E-commerce sales increased by +28.2% compared to last year.

## Operating income

YoY: +32.5 billion, +991.2% (On a currency neutral basis +30.4 billion, +927.4%)

- ◆ Operating income increased significantly and exceeded 30.0 billion yen for the first time in six years.
  - Achieved a record-high Operating income.
  - ✓ Gross profit ratio was 50.1% (+3.3ppt) due to sales measures focused on profitability.
  - ✓ Despite an increase in S.G.& A. expenses due to a significant increase in sales, S.G.& A. expenses ratio decreased 45.5% to 39.0%.

## Net income

YoY: +22.4 billion (On a currency neutral basis +20.9 billion)

- ✓ Recorded 6.1 billion yen in loss on temporary closing of stores since the store originally planned could not be opened due to COVID-19.



# CONSOLIDATED FINANCIAL RESULTS HIGHLIGHTS

9

(Unit: Billions of yen)

	2020 Actual (FY20 Q3) Results	2021 Actual (FY21 Q3) Results	vs LY Upper: Y o Y Lower: Y o Y ratio
Net sales	248.2	<b>322.2</b>	+74.0 +29.8%
Gross profit	116.1	<b>161.2</b>	+45.1 +38.9%
Gross profit ratio	46.8%	<b>50.1%</b>	+3.3ppt
S.G.& A. expenses	112.9	<b>125.5</b>	+12.6 +11.2%
S.G.& A. expenses ratio	45.5%	<b>39.0%</b>	-6.5ppt
Personnel expenses	37.0	<b>42.3</b>	+5.3 +14.2%
Advertising expenses	20.1	<b>20.7</b>	+0.6 +3.2%
Advertising expenses ratio	8.1%	<b>6.5%</b>	-1.6ppt
Rent expenses	7.7	<b>8.7</b>	+1.0 +13.4%
Depreciation and amortization	9.1	<b>9.5</b>	+0.4 +4.3%
Other expenses	39.0	<b>44.3</b>	+5.3 +13.6%
Operating income	3.2	<b>35.7</b>	+32.5 +991.2%
Operating income ratio	1.3%	<b>11.1%</b>	+9.8ppt
Ordinary income	0.2	<b>35.6</b>	+35.4 +13,629.1%
Extraordinary gain/loss	-3.5	<b>-6.5</b>	-3.0
Profit attributable to owners of parent	-3.4	<b>19.0</b>	+22.4

	FY20 Q3	FY21 Q3	Y o Y	Y o Y ratio
Overseas sales	190.1	252.9	+62.8	+33.0%
Overseas sales ratio	76.6%	78.5%	-	+1.9ppt

Foreign exchange impact	+13.4
Consolidated sales on a currency neutral basis	+60.6 +24.4%

<Reference: Average exchange rate (yen)>

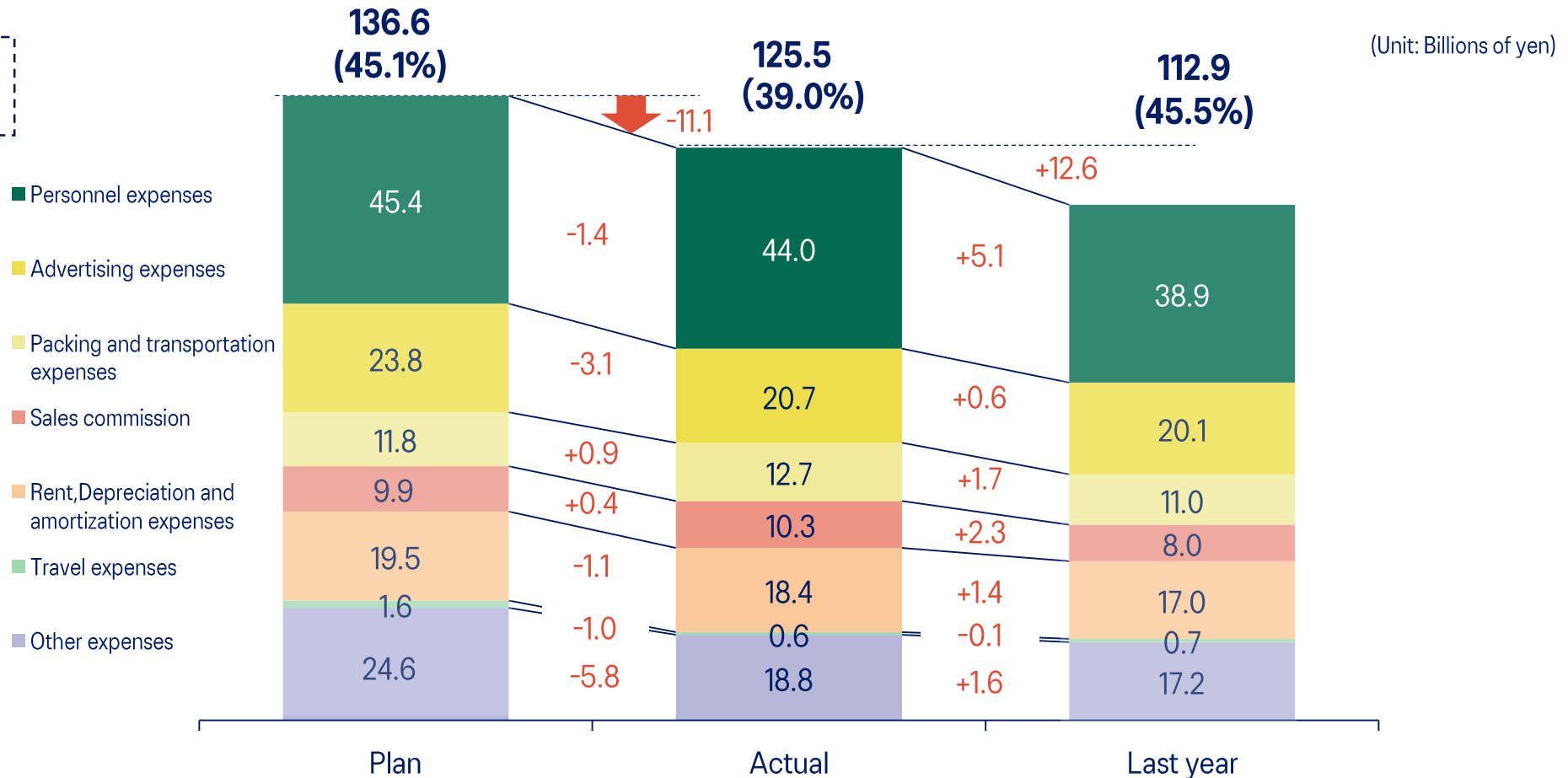
	Q3 (Jan - Sep)	
	FY20	FY21
USD	107.33	108.48
EUR	121.22	129.90
RMB	15.35	16.77



# PROGRESS IN REDUCING S.G.& A. EXPENSES AT THE Q3

- ✓ Reduced by 11.1 billion yen from the initial plan due to the reduction of personnel (-1.4) and advertising expenses (-3.1) while packing and transportation expenses and sales commission increased along with the E-commerce growth.
- ✓ Increased by 12.6 billion yen from last year due to the reopening of own retail stores such as personnel expenses (+5.1) and rent, depreciation and amortization expenses (+1.4), the increase in E-commerce sales-related expenses such as packing and transportation expenses (+1.7) and sales commission (+2.3).
- ✓ S.G.& A. ratio improved compared to both the plan and last year.

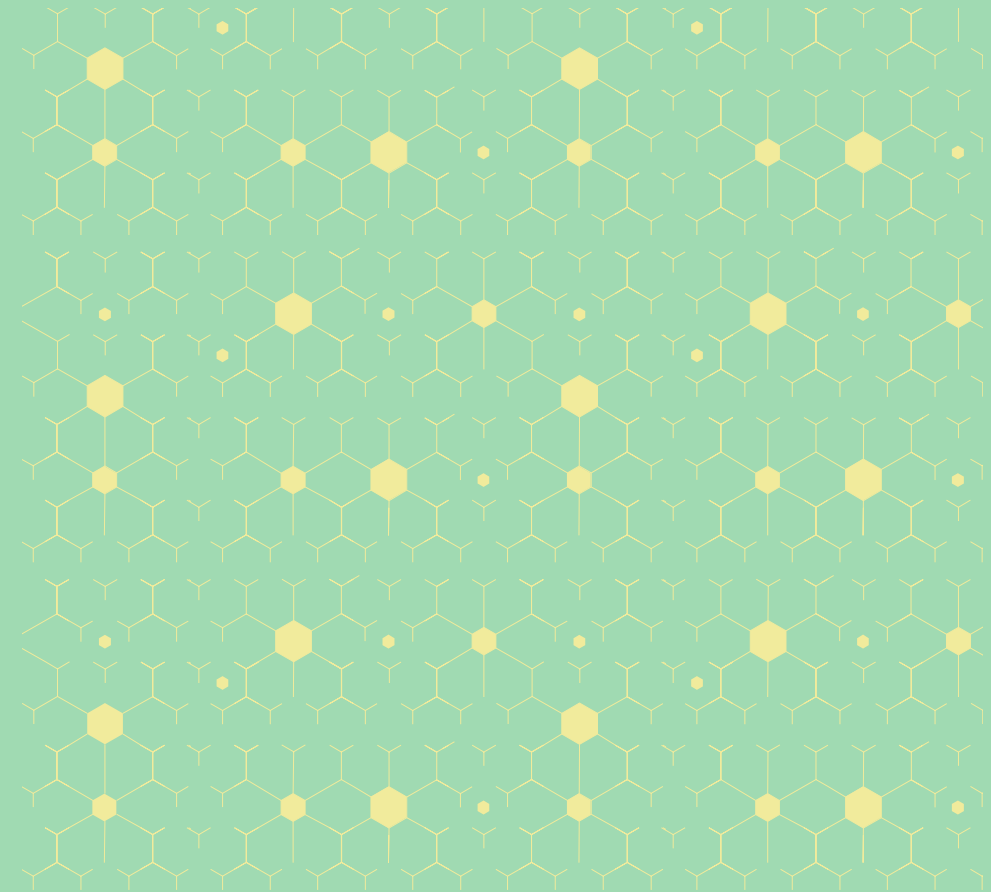
Upper: Amount  
Lower: (Ratio)



※ Some costs have been reclassified to research and development expenses for disclosure. Therefore, the amounts do not match the slides in the Consolidated Financial Results Highlights.

## 2. CONSOLIDATED BUSINESS RESULTS BY CATEGORY

- ✓ Consolidated Net Sales by Category
- ✓ Financial Results by Category



# CONSOLIDATED NET SALES BY CATEGORY

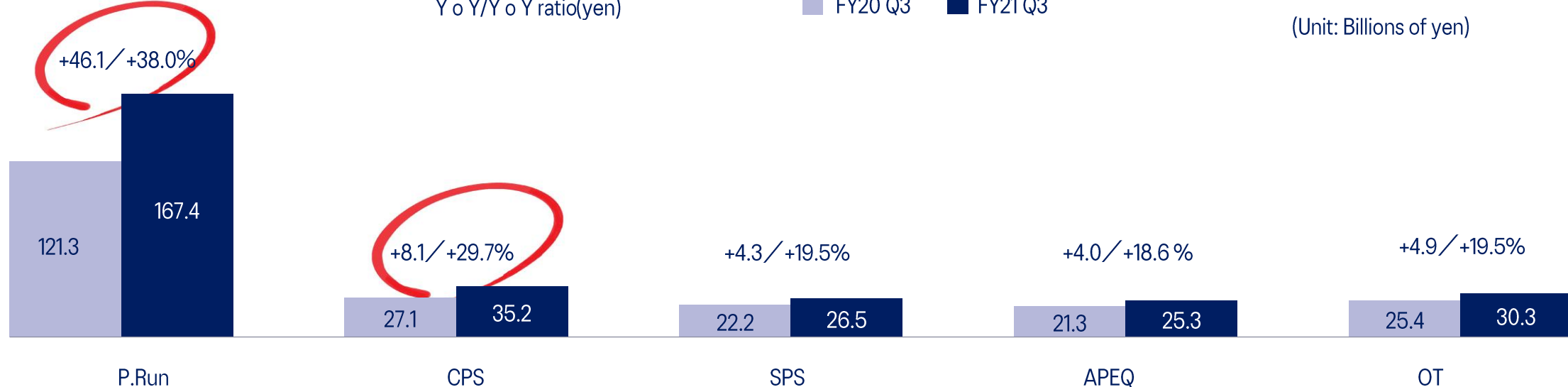
- ✓ All of the categories increased.
- ✓ P.Run increased in key regions. Double-digit growth in Japan, North America, Europe and Greater China. Positive compared to FY19 Q3 .
- ✓ OT increased mainly in Greater China and in all channels.

## < Net sales >

Y o Y / Y o Y ratio(yen)

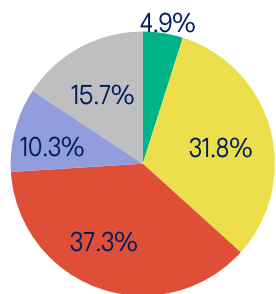
■ FY20 Q3 ■ FY21 Q3

(Unit: Billions of yen)

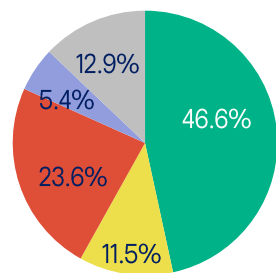


## < Net Sales by Category >

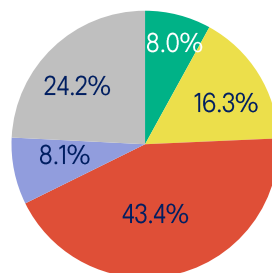
■ Japan ■ North America ■ Europe ■ Greater China ■ Others



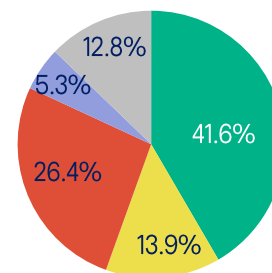
P.Run



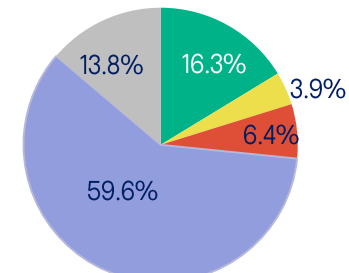
CPS



SPS



APEQ



OT

※Numerical values exclude the impact of temporary events.

# CATEGORY PROFIT CHART

(Unit: Billions of yen)

	P.Run	CPS	SPS	APEQ	OT	Others	TTL
<b>Net sales</b>	167.4 (+46.1)	35.2 (+8.1)	26.5 (+4.3)	25.3 (+4.0)	30.3 (+4.9)	37.5 (+6.6)	322.2 (+74.0)
<b>Category profit</b>	40.0 (+19.7)	6.6 (+4.0)	4.7 (+3.1)	-0.0 (+3.2)	5.3 (+1.5)		
<b>Corporate expense</b> (Non related to category)							20.5 (+1.6)
<b>Consolidated Operating income</b>							35.7 (+32.5)

Figures in parentheses are year-on-year changes.

- ✓ Double-digit growth in all categories. Especially P.Run increased in key regions.
- ✓ Category profit in total increased due to strong sales in P.Run, despite a slight loss in APEQ.
- ✓ Corporate expense was 20.5 billion yen, consist of personnel expenses, rent and depreciation, commission fee, and computer expenses.



# PERFORMANCE RUNNING (P.RUN)



NOVABLAST 2

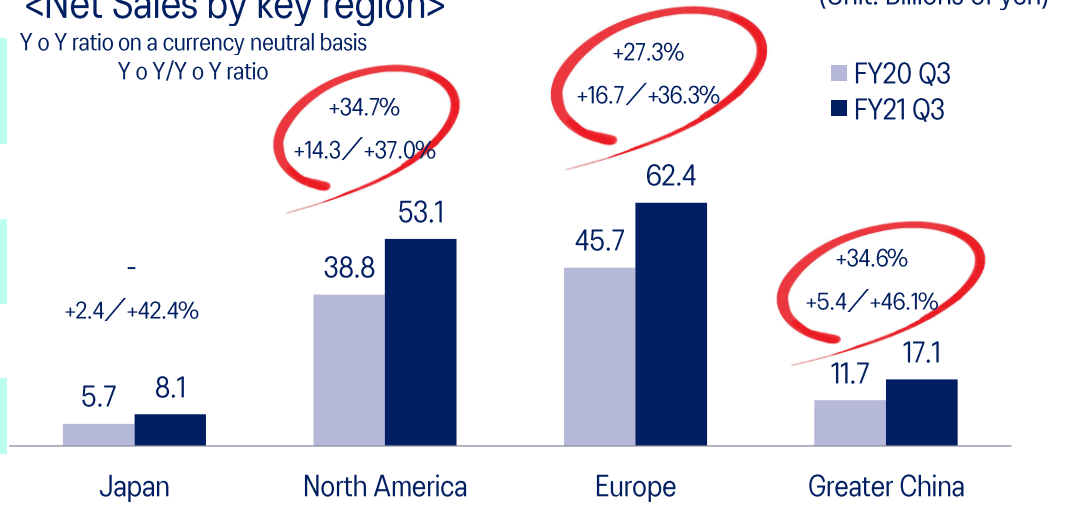
<Q3 results>

	FY20 Q3	FY21 Q3	vs LY	
			Y o Y	Y o Y ratio
Net sales	121.3	<b>167.4</b>	+46.1	+38.0%
On a currency neutral basis		<b>159.9</b>	+38.6	+31.8%
Category profit	20.3	<b>40.0</b>	+19.7	+97.1%
Category profit ratio	16.8%	<b>23.9%</b>	-	+7.1ppt

※Numerical values exclude the impact of temporary events.

<Net Sales by key region>

Y o Y ratio on a currency neutral basis  
Y o Y / Y o Y ratio



## Net sales

- ◆ Increased in key regions. Double-digit growth in Japan, North America, Europe, Greater China and Oceania. Positive compared to the plan and FY19 Q3.
- ◆ Greater China grew by 23.6% in Q3. Succeeded with the product-strategy by the China headquarter and captured the domestic demand.
- ◆ Launched NOVABLAST2 and expanded to triple sales of BLAST series for young runners, maintaining high gross profit ratio.

## Category profit

- ◆ Category profit increased significantly due to the increase in sales and reductions in S.G.& A. expenses ratio, despite expanding marketing and digital investments.
- ◆ Gross profit ratio rose to 48.3% (+2.7ppt) due to increase in E-commerce sales and focusing on the high gross profit products.

## Action plan

- ◆ Marathon season has come and athletes wearing METASPEED performed well globally. Won top three at the major marathon in Paris and Chicago.
- ◆ Hold the ASICS World Ekiden 2021 in November. Acquire One ASICS members by creating touch points with runners using digital content.
- ◆ Promote development for both sustainability and functionality. GEL-KAYANO™ LITE 2's upper consists of recycled materials, more than 60%-recycled polyester.

# CORE PERFORMANCE SPORTS (CPS)



Tennis shoes  
COURT FF NOVAK

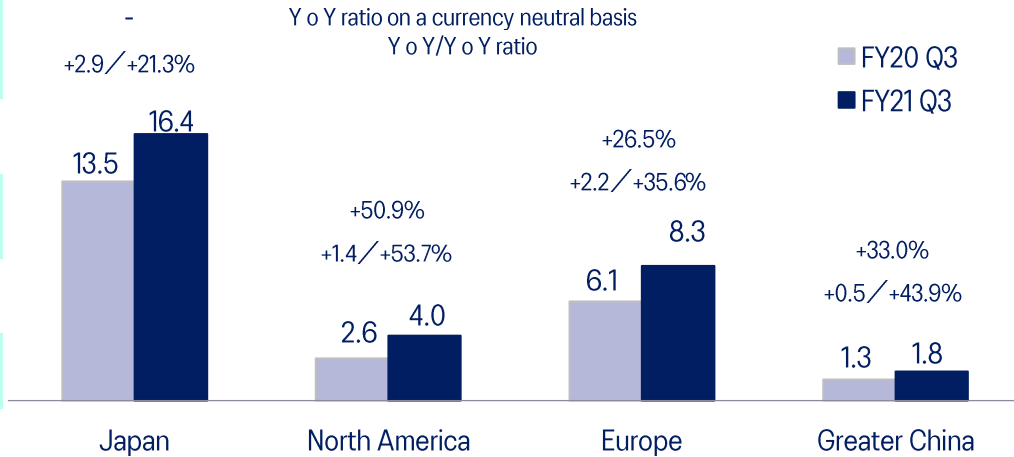
## <Q3 results>

	FY20 Q3	FY21 Q3	vs LY	
			Y o Y	Y o Y ratio
Net sales	27.1	<b>35.2</b>	+8.1	+29.7%
On a currency neutral basis		<b>34.1</b>	+7.0	+25.9%
Category profit	2.6	<b>6.6</b>	+4.0	+146.1%
Category profit ratio	9.9%	<b>18.8%</b>	-	+8.9ppt

※Numerical values exclude the impact of temporary events.

## <Net Sales by key region>

(Unit: Billions of yen)



## Net sales

- ◆ Double-digit increased in key regions. Positive compared to the plan and FY19 Q3.
- ◆ Japan performed well due to the resumption of various sports events in addition to the growth of working shoes.
- ◆ North America and Europe increased led tennis shoes and Indoor shoes.

## Category profit

- ◆ Category profit significantly increased due to increase in sales in key regions and improvement of gross profit ratio.
- ◆ Gross profit ratio rose to 46.2% (+3.3ppt) due to improvement in key regions.

## Action plan

- ◆ Conduct the digital PR using contract players along with the momentum of various tennis tournaments.
- ◆ Continue to promote grass-roots activities such as trial shoes, in major sports categories focusing on tennis.





# SPORTS STYLE (SPS)



GEL-QUANTUM LEVITRACK x KIKO KOSTADINOV

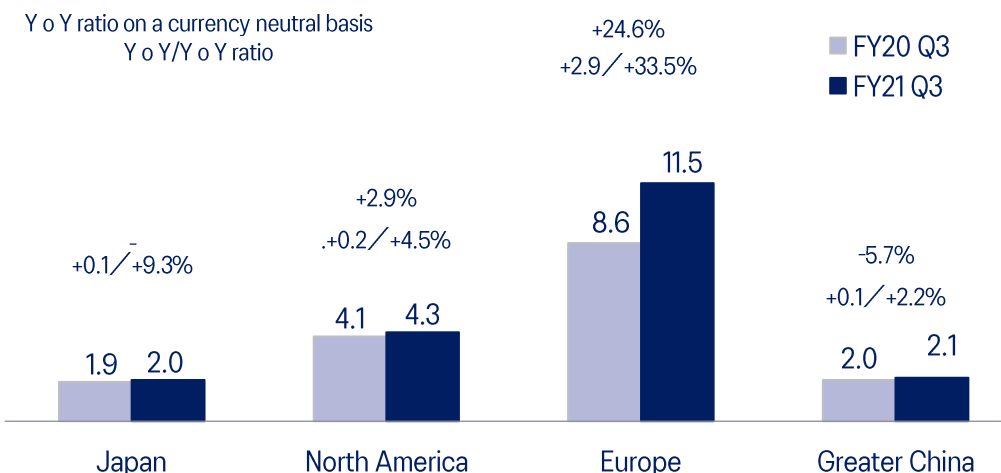
## <Q3 results>

	FY20 Q3	FY21 Q3	vs LY	
			Y o Y	Y o Y ratio
Net sales	22.2	<b>26.5</b>	+4.3	+19.5%
On a currency neutral basis		<b>25.1</b>	+2.9	+13.3%
Category profit	1.6	<b>4.7</b>	+3.1	+192.2%
Category profit ratio	7.3%	<b>17.8%</b>	-	+10.5ppt

※Numerical values exclude the impact of temporary events.

## <Net Sales by key region>

(Unit: Billions of yen)



## Net sales

- ◆ Increased in key regions. Double-digit growth in Japan, Europe, and Oceania. Positive compared to the plan and FY19 Q3.
- ◆ Increased in all channels. Strong wholesale due to sales measures in collaboration with key accounts.

## Category profit

- ◆ Category profit significantly increased due to increase in sales in key regions and improvement of gross profit ratio.
- ◆ Gross profit ratio rose to 47.9% (+4.9ppt) due to improvement in North America and Europe.

## Action plan

- ◆ Develop street fashion lover's segments and Gen-Z utilizing social media in collaboration with influential U.S. partners in street fashion.
- ◆ Accelerate brand awareness by conducting a campaign globally to get better understanding for ASICS SportStyle.



# APPAREL AND EQUIPMENT (APEQ)



LITE-SHOW

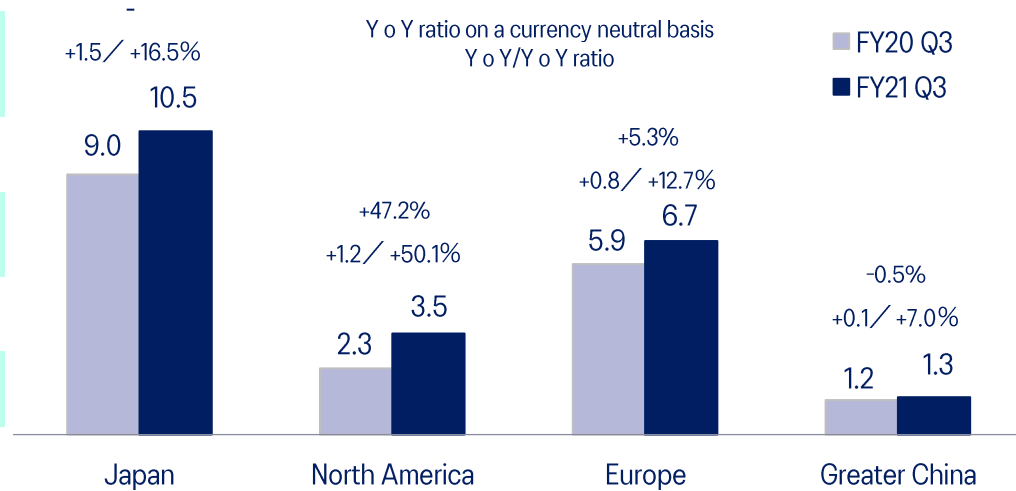
## <Q3 results>

	FY20 Q3	FY21 Q3	vs LY	
			Y o Y	Y o Y ratio
Net sales	21.3	<b>25.3</b>	+4.0	+18.6%
On a currency neutral basis		<b>24.4</b>	+3.1	+14.8%
Category profit	-3.2	<b>-0.0</b>	+3.2	-
Category profit ratio	-15.2%	<b>-0.3%</b>	-	+14.9ppt

※Numerical values exclude the impact of temporary events.

## <Net Sales by key region>

(Unit: Billions of yen)



## Net sales

- ◆ Increased in key regions. Double-digit growth in Japan, North America, and Europe.
- ◆ Increased in all channels.

## Category profit

- ◆ Improved significantly overall to turn profitable in regions other than North America.
- ◆ Gross profit ratio rose to 42.1% (+5.4ppt) due to improvement in key regions and Oceania.

## Action plan

- ◆ Accelerate the implementation of strategies aimed at early establishing a profitable constitution such as concentrating management resources on running and training and continuously reforming the structure of low-profit business trades.
- ◆ Launch the global product line of ACTIBREEZE at upcoming Tokyo Marathon and expand it in the global market.
- ◆ Deploy the sustainable product line of YOZAKURA for womens using recycled polyester in running and training.



# ONITSUKA TIGER (OT)

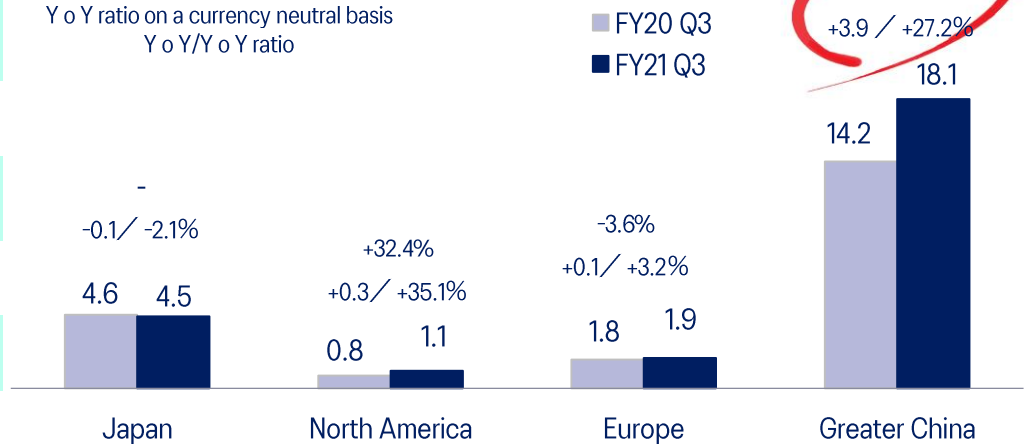


Cinderella Collaboration model

## <Q3 results>

	FY20 Q3	FY21 Q3	vs LY	
			Y o Y	Y o Y ratio
Net sales	25.4	<b>30.3</b>	+4.9	+19.5%
On a currency neutral basis		<b>28.5</b>	+3.1	+12.2%
Category profit	3.8	<b>5.3</b>	+1.5	+38.5%
Category profit ratio	15.3%	<b>17.7%</b>	-	+2.4ppt

## <Net Sales by key region>



## Net sales

- ◆ Increased in total led by Greater China and Southeast Asia. Increased in all channels as well.
- ◆ Sales to domestic customers in Japan increased.

## Category profit

- ◆ Gross profit ratio rose to 60.6% (+0.7ppt) due to an increase in the sales of channel mix effect from DTC and a restructuring of the wholesale business.
- ◆ Category profit increased despite investments to enhance brand value, such as the launch of a collaborative model with the movie Cinderella and presentation in the Milan Fashion Week.

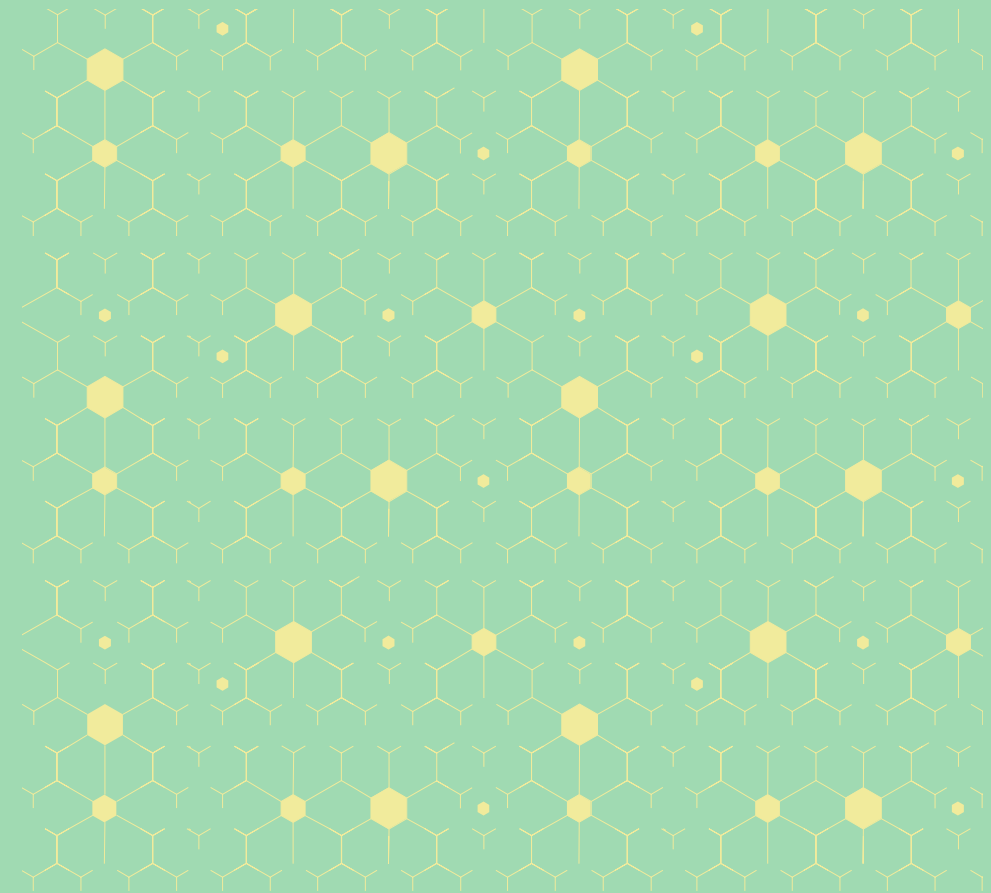
## Action plan

- ◆ Open large sized stores in Kuala Lumpur (Malaysia) and Chengdu (China) to compensate for inbound sales in Japan.
- ◆ Expand E-commerce sales in China by launching exclusive products in China and strengthening advertising investments.
- ◆ Continue to launch products using recycled materials and sponsor events with an awareness of diverse society.



# 3. CONSOLIDATED BUSINESS RESULTS BY REGION

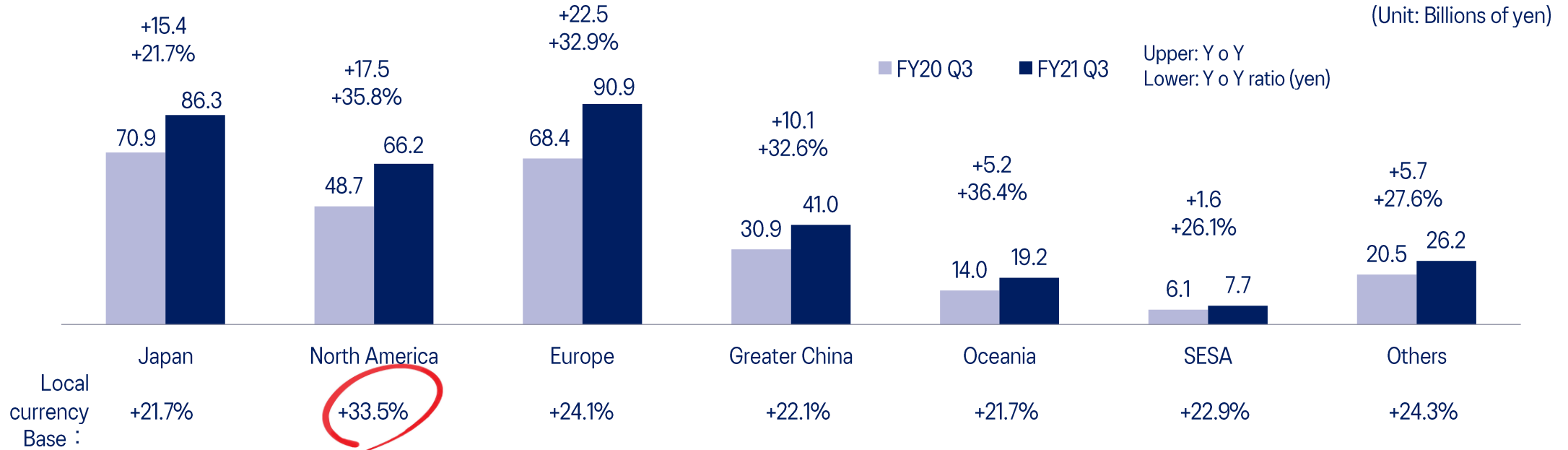
- ✓ Consolidated Net Sales by Region
- ✓ Consolidated Operating income Breakdown by Region
- ✓ Net Sales by Channel
- ✓ Net Sales by Month and Quarter



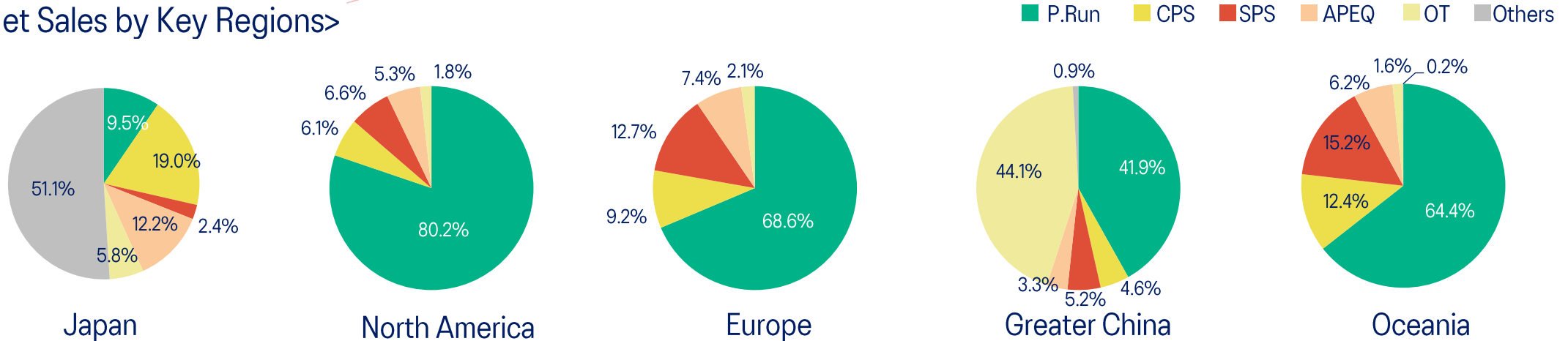
# CONSOLIDATED NET SALES BY REGION

- ✓ Sales increased significantly in all key regions.
- ✓ Sales of North America, Europe, Greater China and Oceania increased compared to FY19.

## <Net sales>

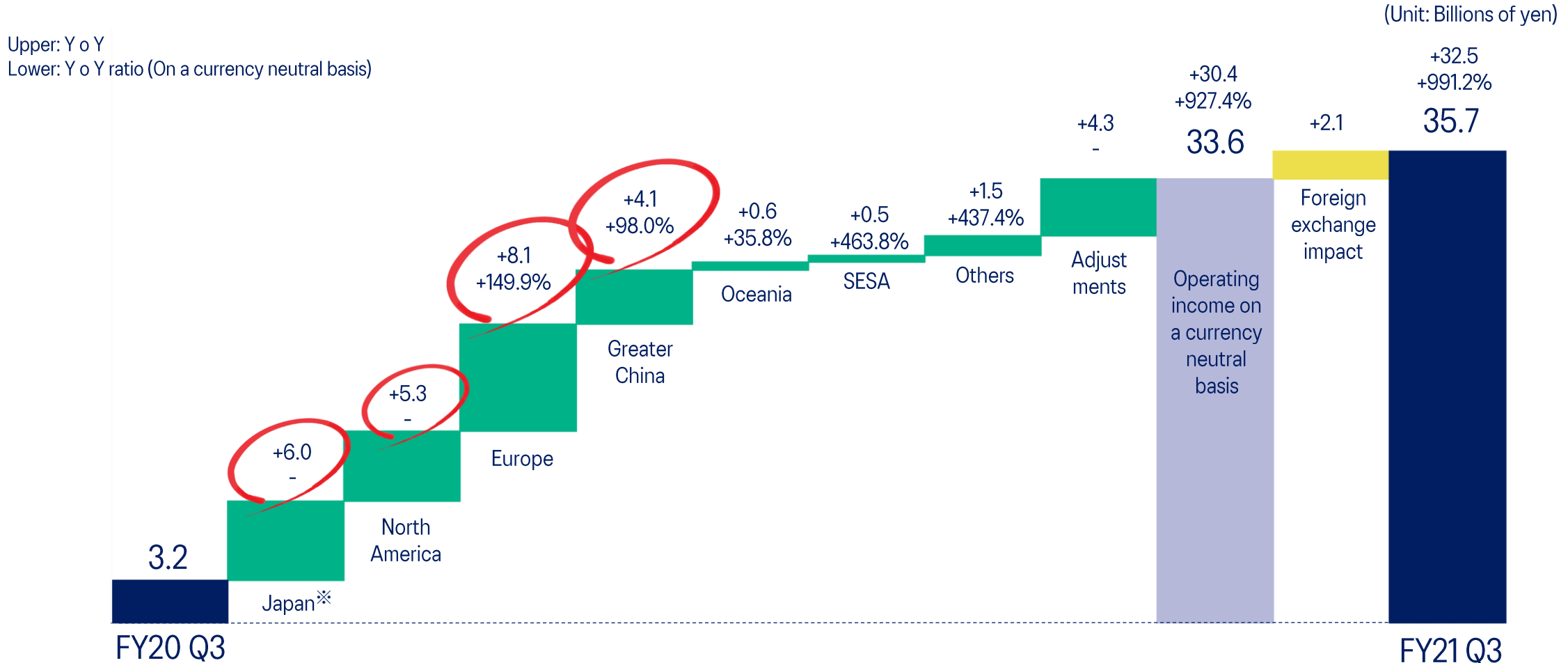


## <Net Sales by Key Regions>



# CONSOLIDATED OPERATING INCOME BREAKDOWN BY REGION

- ✓ Operating income increased in all regions due to increase in sales and improvement of gross profit ratio. Especially Japan, North America, Europe and Greater China increased significantly compared to last year.
- ✓ North America turned profitable for the first time in 12 quarters at Q1. Q3 also remained in profitable.
- ✓ Operating income also increased in North America, Europe, Greater China and Oceania compared to FY19 .

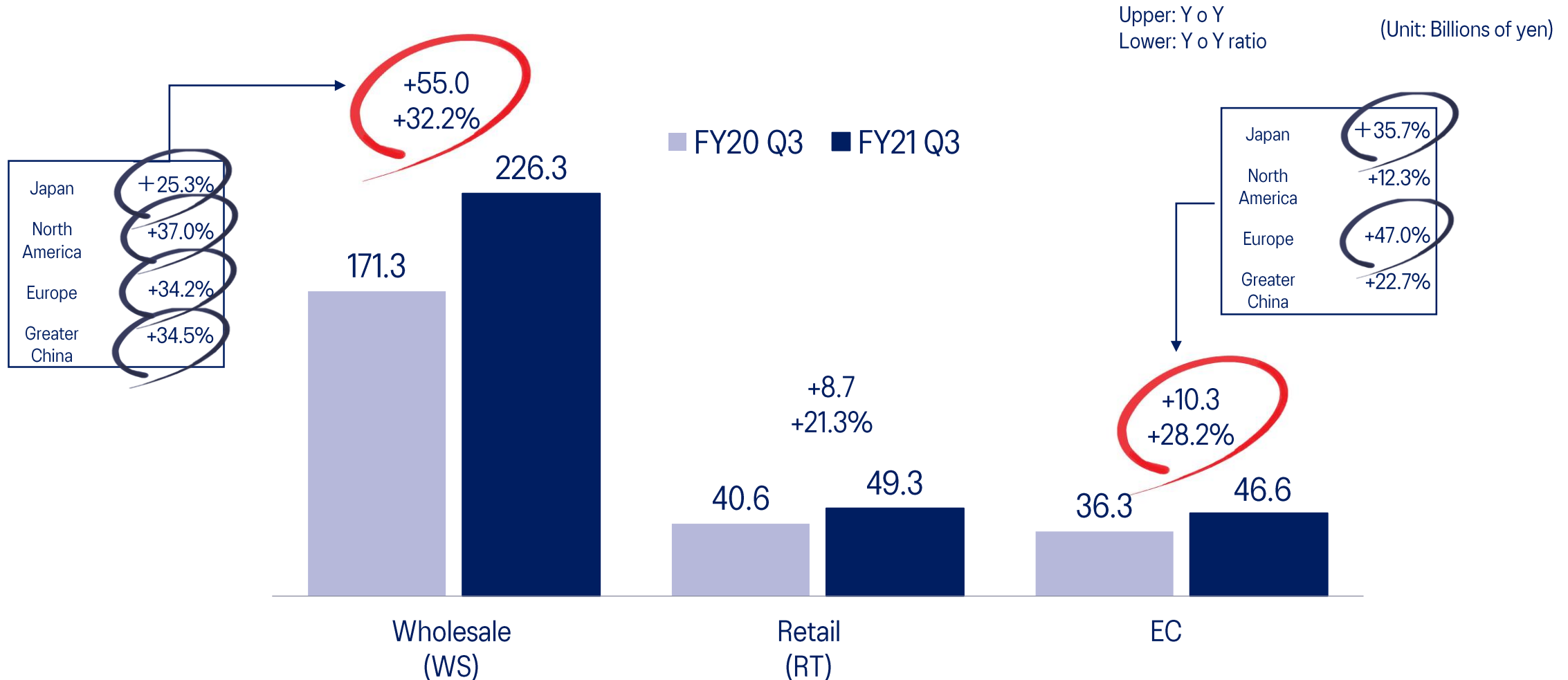


\* Including sales from Japan to overseas (mainly overseas subsidiaries).



# NET SALES BY CHANNEL

✓ Wholesale and E-commerce sales in all regions increased by double-digits. Especially in Europe, both wholesale and E-commerce sales grew more than +30%.



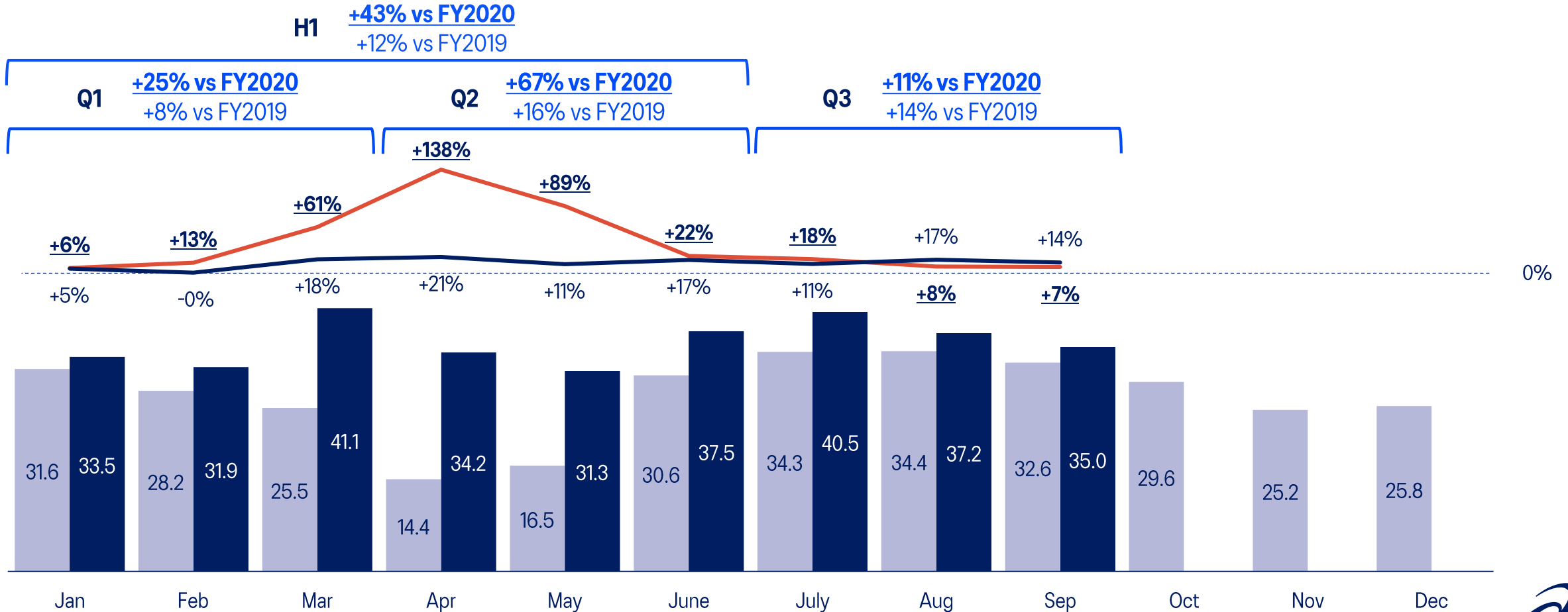
※ Own E-commerce sites and marketplaces are included in EC, and wholesale E-retailers are included in wholesale.



# NET SALES BY MONTH AND QUARTER

■ FY20      ■ FY21      (Unit: Billions of yen)  
— FY20%      — FY19%  
 ※FY20% represented by the underline.

- ✓ High sales growth in Q2 YTD due to the significant sales drop caused by COVID-19 in last year.
- ✓ Further increased by +11% in Q3 compared to significantly recovered FY20 Q3. Increased by +14% compared to FY19.

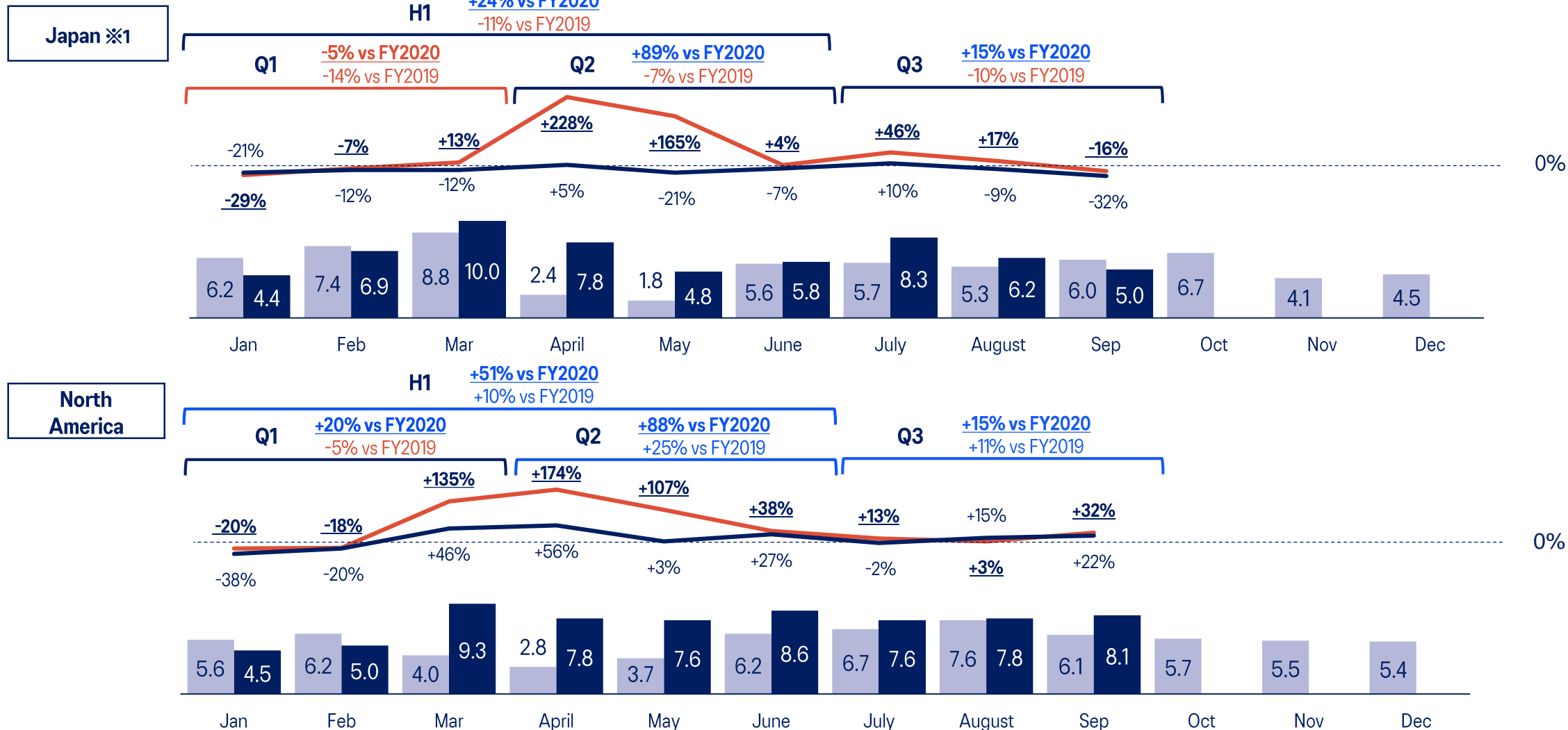




# NET SALES BY MONTH AND QUARTER IN FOUR KEY REGIONS

■ FY20      ■ FY21      (Unit: Billions of yen)  
— FY20%      — FY19%  
 ※FY20% represented by the underline.

- ✓ Japan: Continuing from Q2, increased by +15% in Q3 compared to last year.
- ✓ North America: Increased by +15% in Q3 with recovery from March despite port delay.



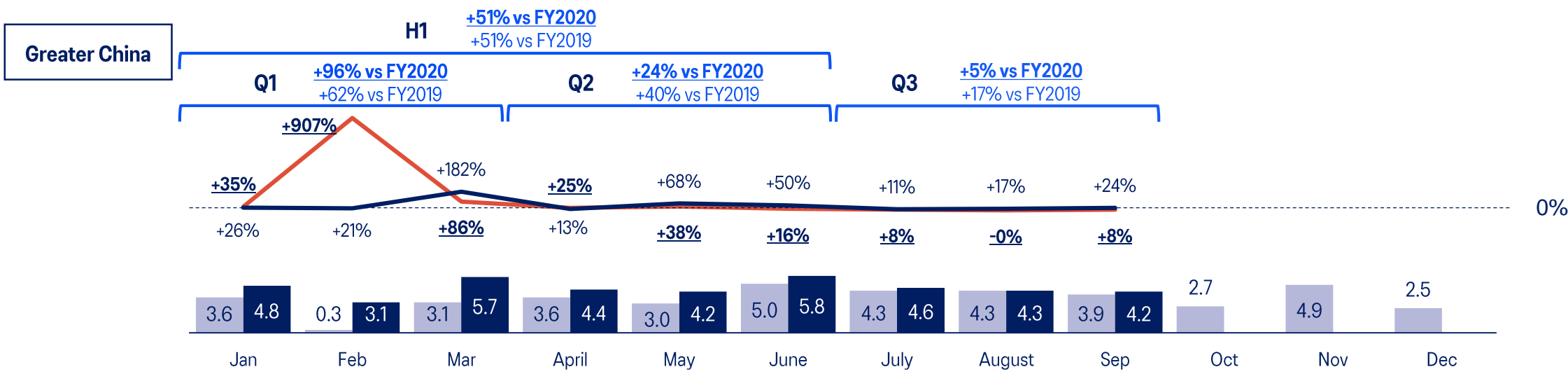
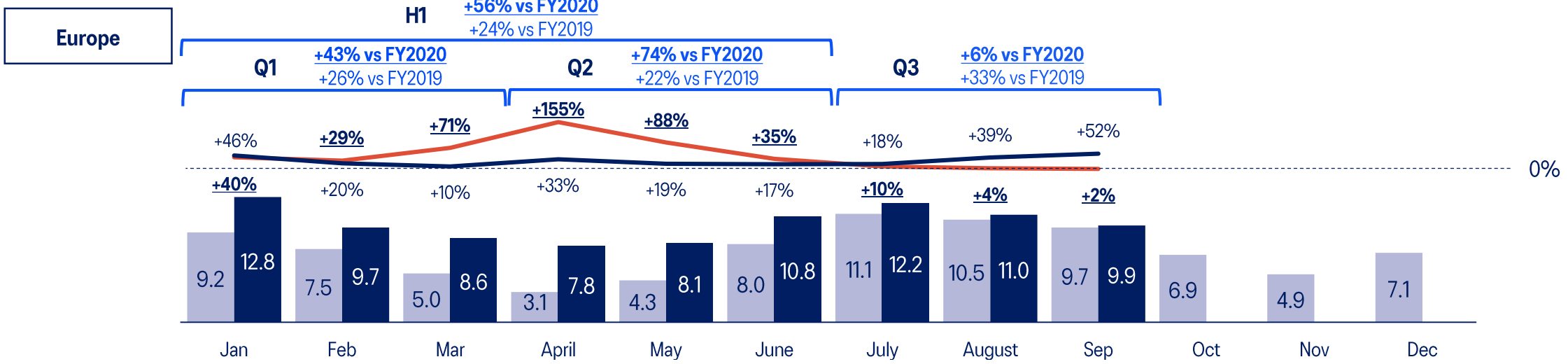
※1 Sales in Japan excluding ASICS Trading.      ※2 Including intersegment sales. FY19 in North America included some intersegment sales to South America.



# NET SALES BY MONTH AND QUARTER IN FOUR KEY REGIONS

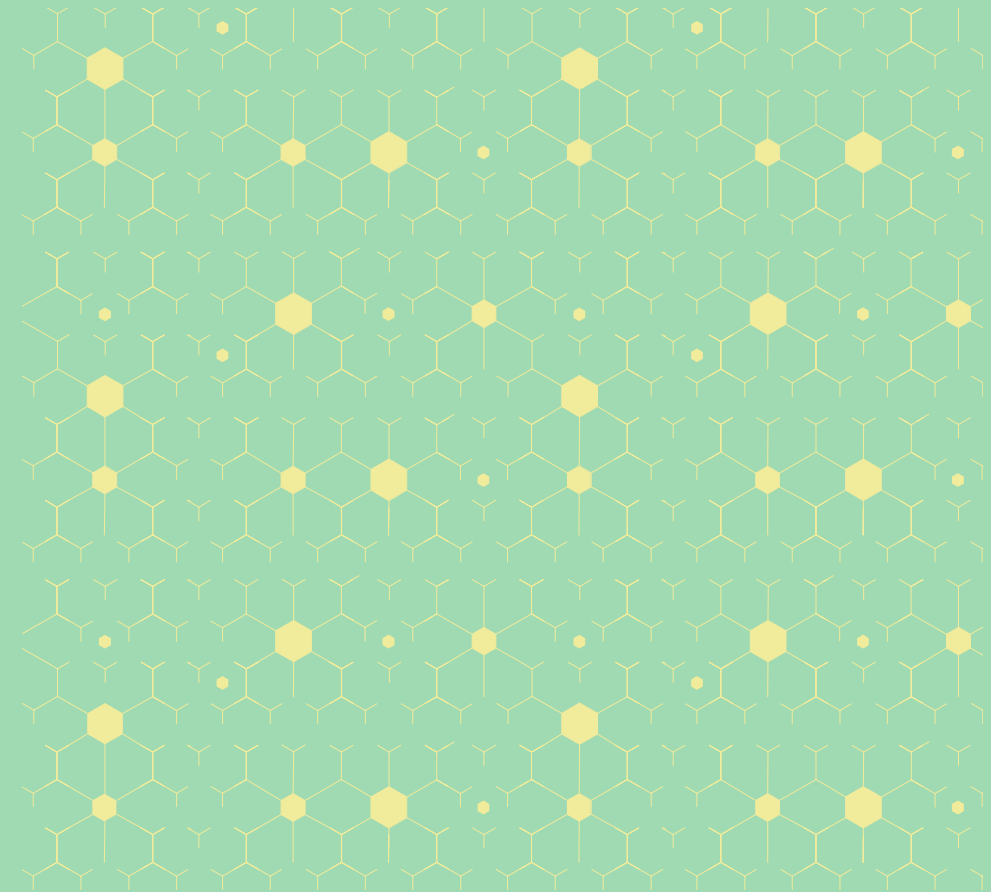
■ FY20      ■ FY21      (Unit: Billions of yen)  
— FY20%      — FY19%  
 ※FY20% represented by the underline.

- ✓ Europe: Strong sales continued from the beginning of the year, increase compared to last year and FY19.
- ✓ Greater China: Increased by +5% and +17% compared to the same period (Q3) in both last year and FY19 respectively.



# 4. CONSOLIDATED FINANCIAL POSITION

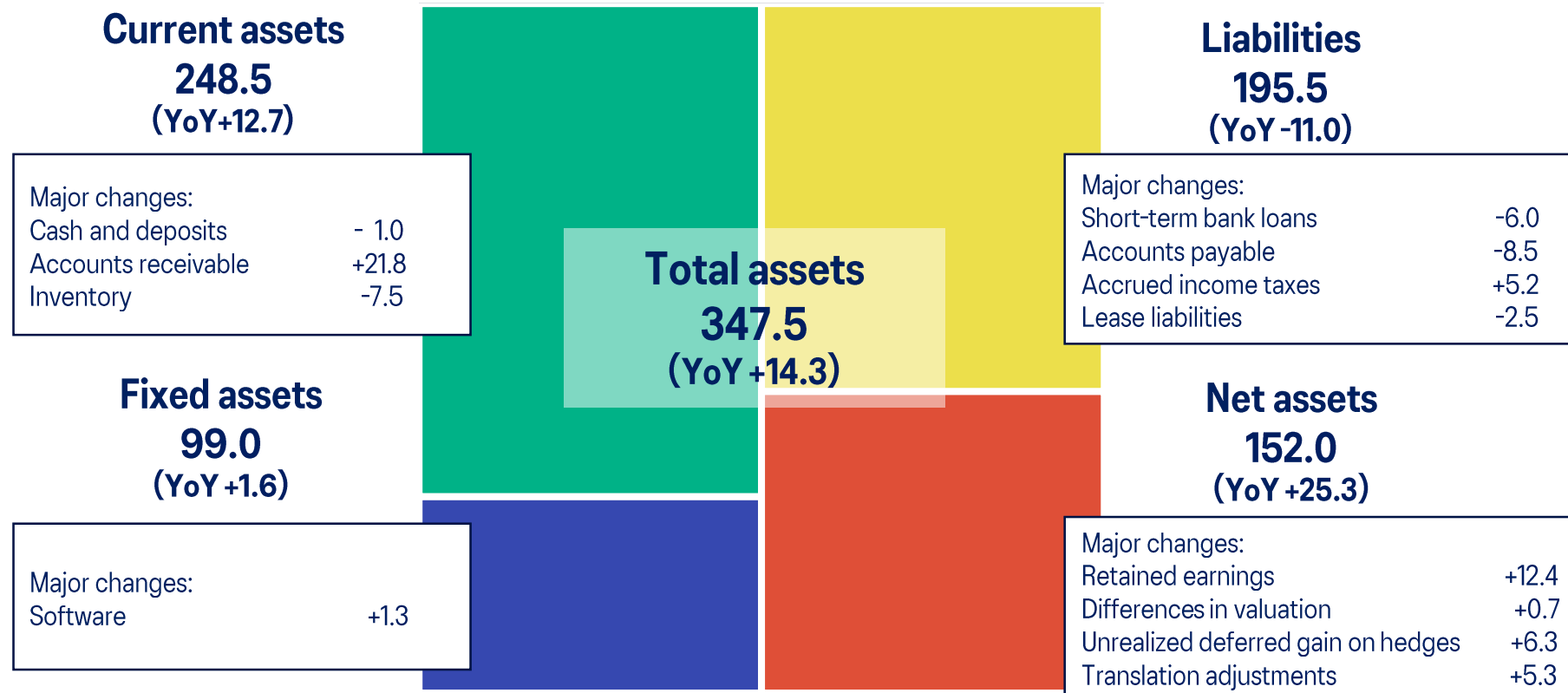
- ✓ Consolidated Balance Sheets
- ✓ Breakdown of ROA Tree for FY2021 Q3



# CONSOLIDATED BALANCE SHEET

- ✓ Accounts receivable increased due to an increase in sales. On the other hand, inventory reduced.
- ✓ Net assets increased due in part to the rise in net income. Shareholder's equity ratio improved by more than 5ppt from the end of last year.

(Unit: Billions of yen)

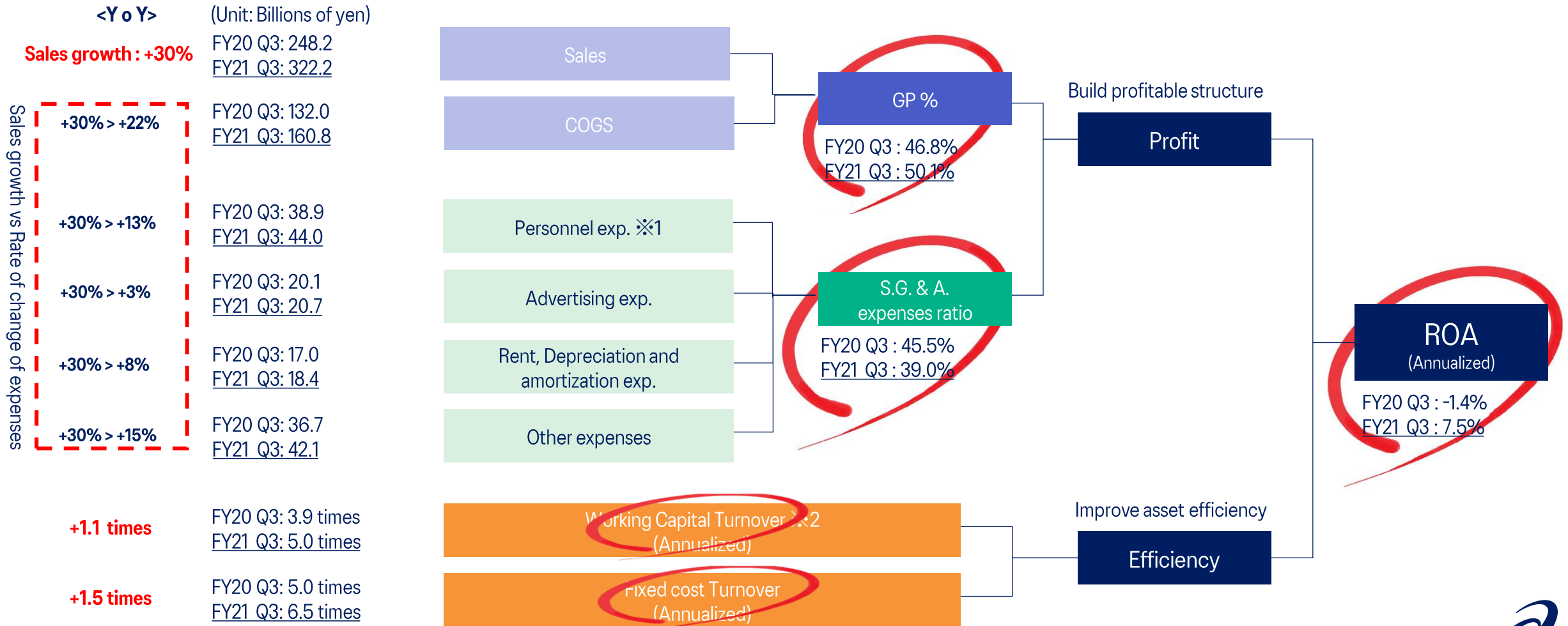


Shareholders' equity ratio :43.6%  
( Last year : 37.9%)



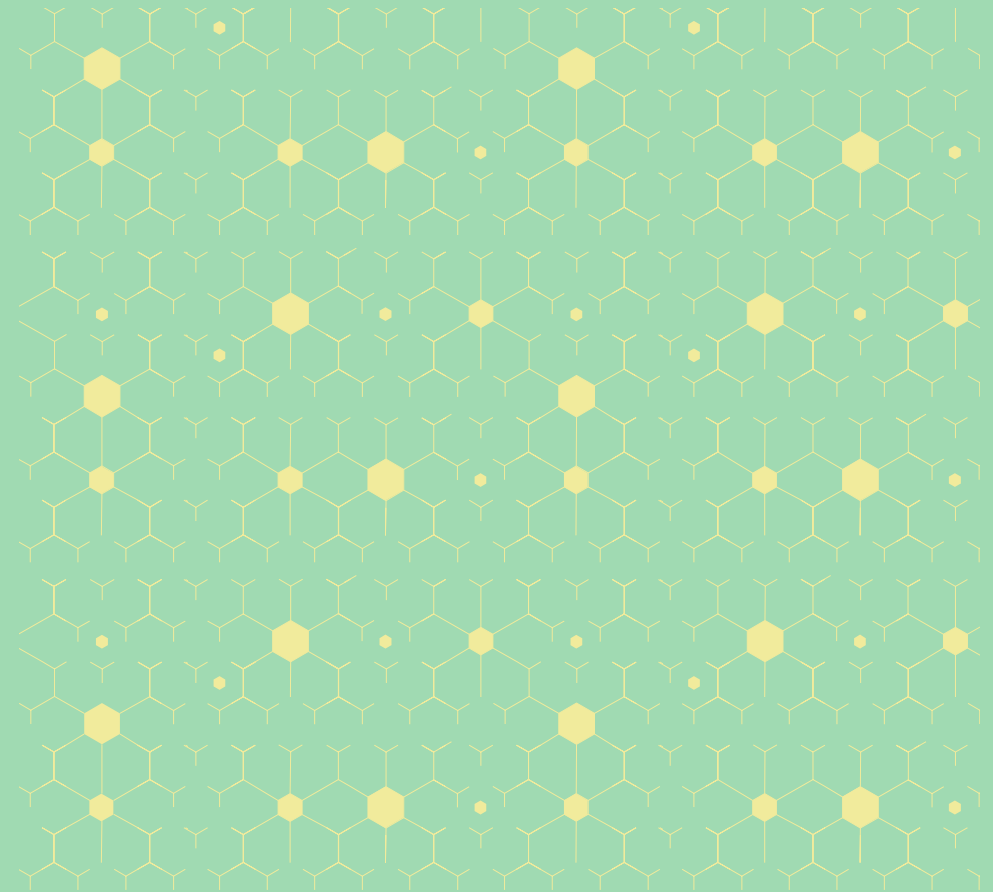
# BREAKDOWN OF ROA TREE FOR FY2021 Q3

✓ Improved in gross profit ratio, S.G. & A. expenses ratio, and asset turnover through profitability-focused sales measures and cost-control measures. Rates of increase of COGS and S.G. & A. expenses have been controlled to be less than Sales growth rate, which was +30%.



※1 Some costs have been reclassified to research and development expenses for disclosure. Therefore, the amounts do not match the slides in the Consolidated Financial Results Highlights.  
 ※2 Working capital turnover is shown instead of current assets turnover because working capital turnover is set as an internal target.

# 5. CONSOLIDATED FORECAST



# FY2021 FORECAST \*REPEATED

(Unit: Billions of yen)	Previous Forecast	Latest Forecast	Ratio of change	FY20 Actual	Y o Y ratio
Net sales	395.0	<b>395.0</b>	-	328.7	+20.1%
Operating income	14.5	<b>20.0</b>	<b>+37.9%</b>	-3.9	-
Operating income ratio	3.7%	<b>5.1%</b>	<b>+1.4ppt</b>	-1.2%	+6.3ppt
Ordinary income	13.5	<b>19.0</b>	<b>+40.7%</b>	-6.9	-
Profit attributable to owners of parent					
Net income	2.5	<b>4.0</b>	<b>+60.0%</b>	-16.1	-

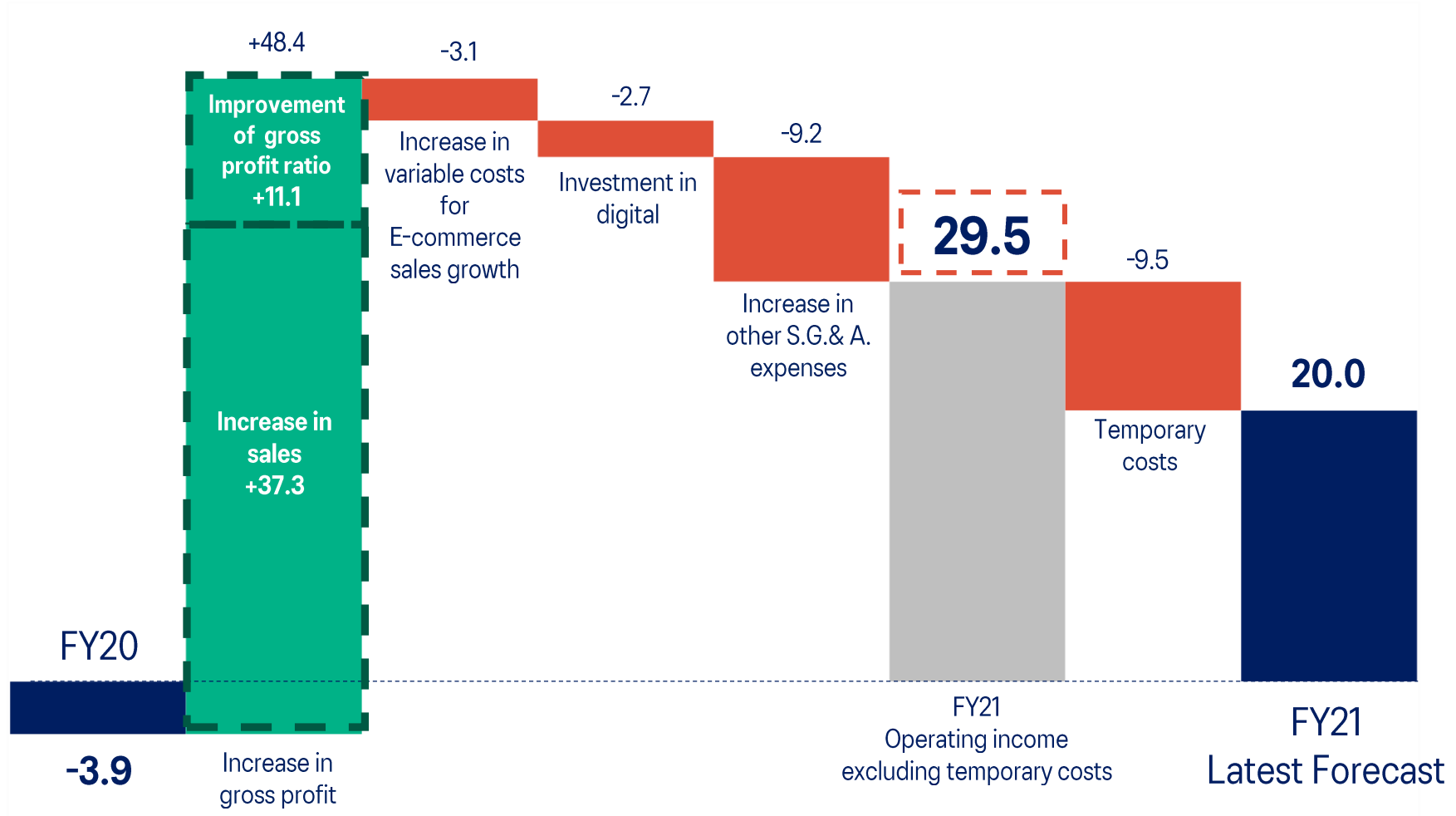
Dividends	Interim	End of year	Full year
Previous Forecast	12.0 yen	12.0 yen	24.0 yen
Latest Forecast	12.0 yen	12.0 yen	24.0 yen

Exchange Rate	USD	EUR	RMB
Previous Forecast	105.00 yen	125.00 yen	16.00 yen
Latest Forecast	108.00 yen	128.00 yen	16.50 yen

- ✓ In terms of categories and regions, P.Run, North America and Europe have performed better than the previous forecast.
- ✓ The forecast of operating income, ordinary income, and net income revised upward to strengthen S.G.& A. expenses control.

# CONSOLIDATED OPERATING INCOME FORECAST BREAKDOWN BY ELEMENT

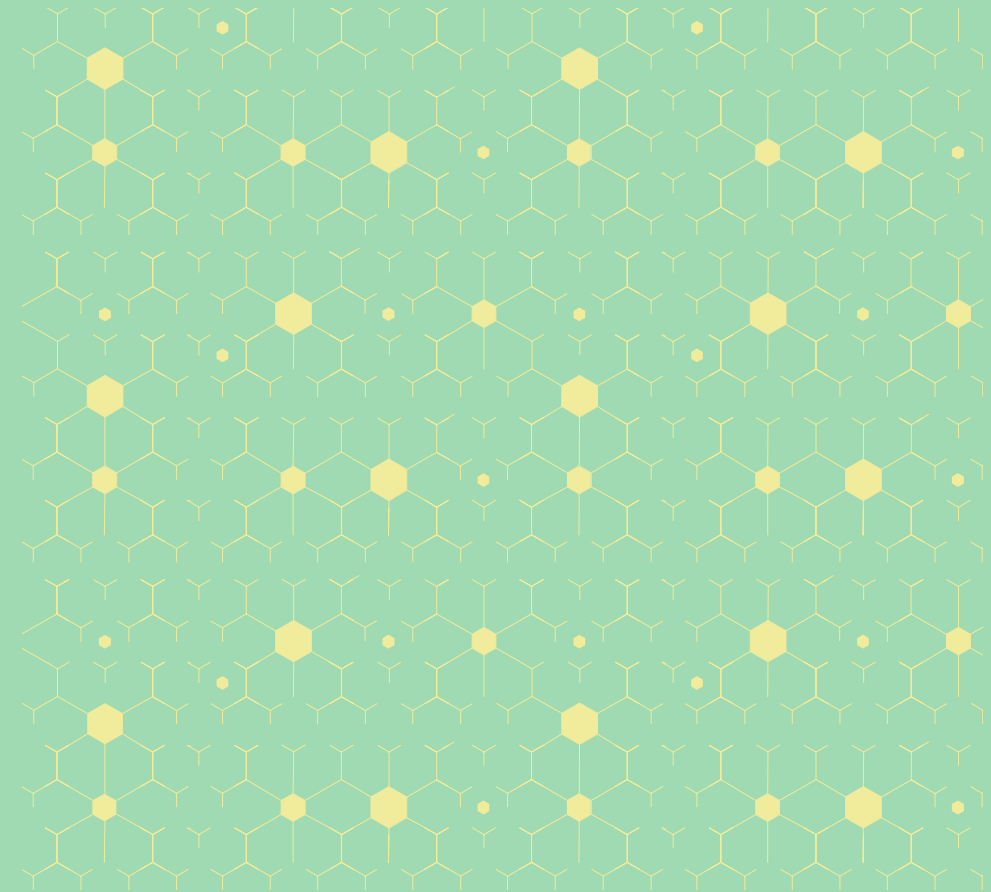
(Unit: Billions of yen)





# 6. APPENDIX

- ✓ Consolidated Forecast
- ✓ Enhance the Category Based Management
- ✓ Concept of Category Profit
- ✓ IR Calendar



# CONSOLIDATED NET SALES FORECAST BY CATEGORY

(Unit: Billions of yen)	Previous Forecast	Latest Forecast	Ratio of change	FY20 Actual	Latest Forecast vs FY20 Actual
P.Run	195.0	<b>202.0</b>	<b>+4%</b>	160.1	+26%
CPS	40.0	<b>40.0</b>	-	33.5	+19%
SPS	32.5	<b>32.5</b>	-	29.6	+10%
APEQ	34.0	<b>34.0</b>	-	29.6	+15%
OT	42.0	<b>38.0</b>	<b>-10%</b>	33.9	+12%

# CONSOLIDATED CATEGORY PROFIT FORECAST

(Unit: Billions of yen)	Previous Forecast	Latest Forecast	Ratio of change	FY20 Actual	Latest Forecast vs FY20 Actual
P.Run	37.0	<b>42.0</b>	<b>+14%</b>	24.9	+69%
CPS	3.5	<b>3.5</b>	-	1.4	+148%
SPS	4.0	<b>4.0</b>	-	2.0	+95%
APEQ	-1.0	<b>-1.0</b>	-	-5.3	-
OT	6.5	<b>4.5</b>	<b>-31%</b>	3.7	+23%

# CONSOLIDATED NET SALES FORECAST BY REGION

(Unit: Billions of yen)	Previous Forecast	<b>Latest Forecast</b>	<b>Ratio of change</b>	FY20 Actual	Latest Forecast vs FY20 Actual	Y o Y ratio on a currency neutral basis
Japan	110.0	<b>106.0</b>	<b>-4%</b>	94.3	+12%	-
North America	82.0	<b>85.0</b>	<b>+4%</b>	65.3	+30%	+28%
Europe	102.0	<b>103.0</b>	<b>+1%</b>	87.3	+18%	+12%
Greater China	49.0	<b>50.0</b>	<b>+2%</b>	41.1	+22%	+15%
Oceania	23.5	<b>24.0</b>	<b>+2%</b>	19.9	+20%	+8%
SESA	11.0	<b>10.0</b>	<b>-9%</b>	8.5	+17%	+17%

# CONSOLIDATED OPERATING INCOME FORECAST BY REGION

(Unit: Billions of yen)	Previous Forecast	Latest Forecast	Ratio of change	FY20 Actual	Latest Forecast vs FY20 Actual
Japan	0.5	<b>0.0</b>	-	-3.7	-
North America	0.5	<b>0.5</b>	-	-4.5	-
Europe	8.0	<b>11.0</b>	<b>+38%</b>	4.5	+141%
Greater China	8.0	<b>8.0</b>	-	4.3	+86%
Oceania	3.0	<b>3.0</b>	-	2.7	+11%
SESA	0.5	<b>0.5</b>	-	0.1	+229%

# ENHANCE THE CATEGORY BASED MANAGEMENT

\*CONSOLIDATED FINANCIAL SUMMARY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

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## The issues

- ✓ The category based management system was introduced in 2019, which enhanced cooperation between the headquarter and sales companies and improved persistence to profitability.
- ✓ However, operating income of each category included costs such as back office expenses, which can not be managed easily by category.
- ✓ In addition, some expenses, such as own retail store's costs, were allocated to each category by using sales and COGS, which did not fit reality appropriately.



## Category profit

- ✓ Define "Category costs" and "Corporate expense" and manage these cost strictly. Corporate expenses are not identifiable to the category such as office rent fee.
- ✓ Aim for further improvement of manageable profit (category profit).
- ✓ Optimize the cost allocation. Some expenses are allocated by the number of headcount of each category.
- ✓ Set cost owners for main cost items and promote global cross-sectional management.

# CONCEPT OF CATEGORY PROFIT

\*CONSOLIDATED FINANCIAL SUMMARY FOR THE FISCAL YEAR ENDED DECEMBER 31, 2020

- ✓ Identifiable costs in the category are treated as direct costs.
- ✓ Each category bears marketing costs appropriately based on the nature of each activity.
- ✓ Corporate expenses are not allocated and managed separately.

(Image of Cost Allocation)

	P.RUN	CPS	SPS	APEQ	OT	Others	TTL
Sales	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×
GP	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×
Marketing	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×
Planning and development (Products)	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×	× × ×
Front office (other than direct to category)	Appropriate allocation of wholesale, retail, and E-commerce channels expenses.						× × ×
Category profit	× × ×	× × ×	× × ×	× × ×	× × ×		
Corporate expense (Non related to category)							× × ×
Consolidated Operating income							× × ×

## IR activities in FY2021 for Institutional Investors, Analyst and Media

FY2021 Q3 Financial Results	November 5	15:00 15:30	Announcement of financial statements Conference call
Investment day	November 17	15:00-16:00	Theme: Digital Strategy
FY2021 Financial Results	February 10, 2022 February 14, 2022	15:00 15:00	Announcement of financial statements Investor meeting





