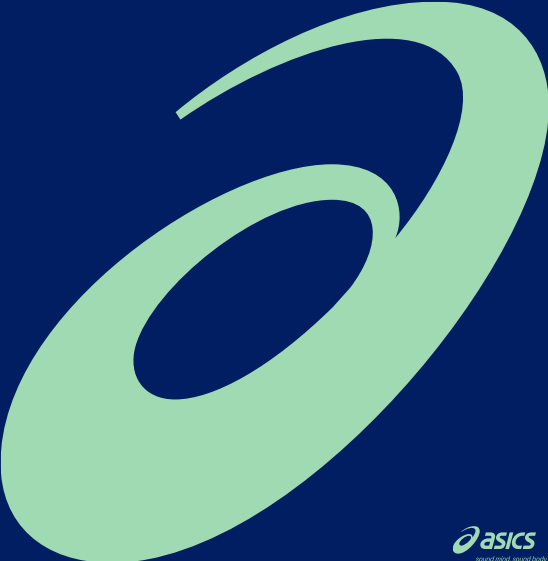


The 8th Investment Day
Theme: Growth Strategy in India and ASIA

June 6th in 2023

ASICS Corporation



AGENDA

1

1. Opening speech
 - President CEO and COO, representative director Yasuhito Hirota
2. ASICS's footwear production situation
 - Footwear Production Division, senior general manager Shinji Matsuda
3. Business in India
 - Managing director in ASICS India Private Limited Rajat Khurana
 - Senior Director in ASICS India Private Limited Kavita Goyal
4. Q&A



Opening speech



Hello everyone, I am Hirota in ASICS.

We appreciate your time joining our 8th Investment Day.

Just like our last Investment Day in 2022, we are broadcasting this event on the internet as well as physically gathering together at one site.

We would like to share our message clearly to everyone including the analysts, investors, and news media.

I hope you all will have a good time.

Today's main theme is our growth strategy in India and Asia.

As I shared in our last earnings call on May 10th, we are seeing a rapid growth in India and other southeast and south Asian countries.

We are trying to develop new profit drivers in these regions.

In last January, I visited India and had a discussion about our growth strategy with the local management members.

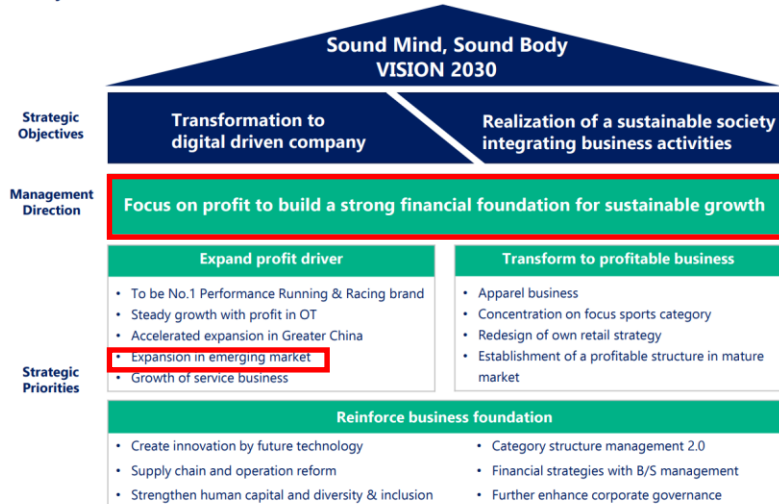
I also joined Mumbai marathon, and got in touch with many local runners.

Also, I visited Indonesia in last May and saw the factories there.

I physically experienced the potential of growth in both markets.

This time in our Investment Day, as my opening speech, I would like to share our growth strategy in the emerging market.

Key Direction of Mid-Term Plan 2023



Our growth strategy in the emerging market is included in our key direction of mid-term plan 2023.

“Focus on profit build a strong financial foundation for sustainable growth”

“Expansion in emerging market”

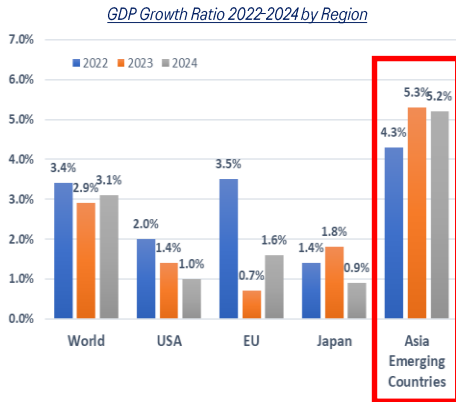
These two parts are closely related to our growth strategy in the emerging market.

EMERGING MARKETS WITH GROWING ECONOMIES

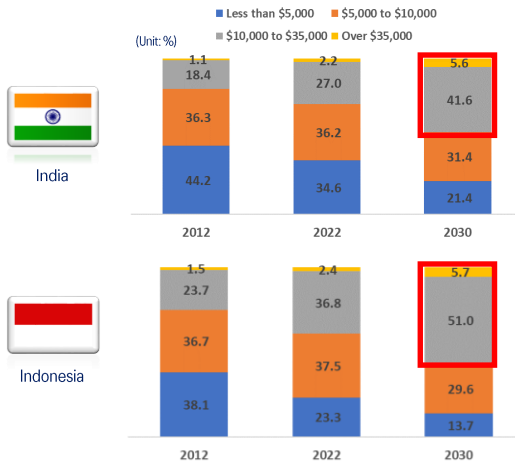
4

Rising demands with growing economies and expanding middle & upper groups

■ GDP expected to continue growing



■ Expansion of groups with a disposal income of 10,000USD and more



Source: (Left) IMF World Economic Outlook January 2023, (Right) Euromonitor

The left figure shows fast economic growth in the emerging market.

As emphasized with a red rectangle, an economic growth of more than 5% is expected in the emerging countries in Asia.

This means that we can expect further economic growth in the emerging market.

The right figure shows the ratio of groups with a disposal income of 10,000 USD (ten thousands US dollars) and more.

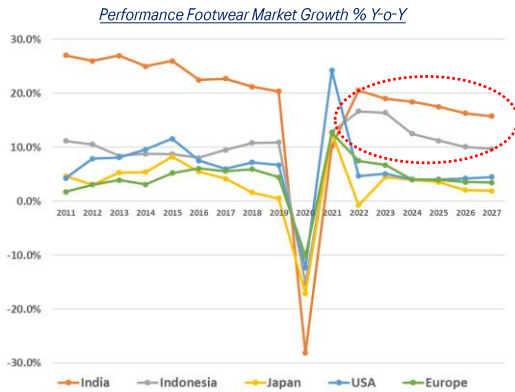
Especially in India, this groups was only 29% in 2022.

But, in 2030, we are expecting to have almost 50% and this will create bigger demands.

EMERGING MARKETS WITH GROWING SPORTS MARKET

Rising demands for sporting goods with growing desire for improving fitness & overall QOL

■ **Growing sporting goods industries in the emerging countries**



Source: Euromonitor / Performance Footwear Market Data
Europe including UK, France, Germany, Italy, Spain, Sweden, Netherlands and Russia

■ **Actively hosting international events in the emerging countries**

Major international events

- 2022: FIFA World Cup: Qatar
- 2023 FIBA World Cup: Philippines, Japan and Indonesia
- AFC Asian Cup: Qatar in 2023, and Saudi Arabia in 2027
- Asian Games: Qatar in 20230, and Saudi Arabia in 2034
- Asian Winter Games: Saudi Arabia in 2029
- Formula 1 GP : Bahrain, Qatar, Saudi Arabia and UAE

Major marathon events

Event	Approx. participants
● TATA Mumbai Marathon* (India)	59,000
● Dubai Marathon (UAE)	30,000
● Riyadh Marathon (Saudi Arabia)	15,000
● Pocari Sweat Run* (Indonesia)	30,000
● Bali Marathon (Indonesia)	13,000

*Sponsored by ASICS



Next I would like to talk about sports industry in the emerging market.

The orange line in the left graph shows a growth in India.

In India, more than 10% of growth is expected, and a fast growth is also forecasted in Indonesia.

As shown in the right hand, major international events are coming back, and this will accelerate the growth in sports market in the emerging countries.

In this situation, ASICS would like "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".

This is part of VISION 2030.

Focused Emerging Markets: India, Indonesia and Middle East

- **Steadily growing economies with expansion of middle to upper classes**
- **Demographic bonus in India & Indonesia and young population in Middle East**
- **Growing awareness of sports and fitness due to COVID-19 and government policies**
- **Actively hosting major international events**



As described, emerging markets is expected to sustainably continue to grow and enhance consumer's buying power, which lead to an expansion of the sports market. Considering expected economic growth, population increase, younger average age and hosting more global sporting events, ASICS has been focusing on India, Indonesia and Middle East as next growth drivers for our future business. We believe these focused markets is very crucial and an important piece for ASICS to grow further as a global premium sporting brand.

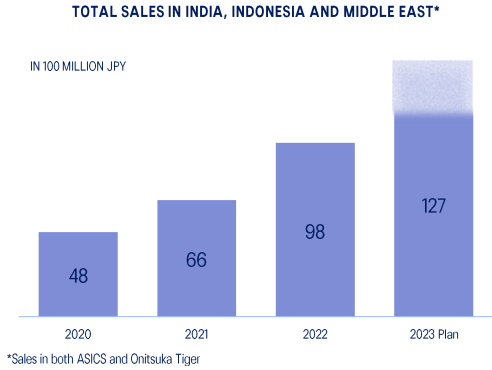
ASICS'S BUSINESS IN FOCUSED MARKETS(1/4)

7

■ *Entities directly managed by ASICS headquarters (AHQ) for fast decision-making and execution*



■ *Steady growth and acceleration with the local entities*



Next we would like to talk about our situation in the focused markets.

We consider India, Indonesia, and Middle East to be the focused market and opened our entities there.

Also, for the fast decision making and execution, we have each entity directly managed by ASICS headquarters.

The local entities and the headquarters are closely working together for a fast growth.

Although there was an impact of COVID-19, we are expecting 12.7 billion JPY sales in 2023.

This is almost a tripled sales volume compared to 4.8 billion JPY sales in 2020.

■ Expanding ASICS stores as customer touchpoints and "Brand center"

Expansion of ASICS Stores



Premium products with running services



Numbers of ASICS Stores

	2020	2023
India	58	105
Indonesia	5	25
Middle East	2	8

*Numbers at year-end
 **All stores are operated by local partners, and sales are under wholesale



To bring the same brand image we have built in the other countries, we are actively expanding ASICS Stores.

Numbers of ASICS stores were 65 in 2020, but we will have 138 stores at the end of this year.

As well as developing sales channel, we are expanding customer touchpoints and offering running service & premium customer experience.

These activity will help us to promote premium products at our ASICS stores.

■ Local grassroots activities to create sport/running culture and communities

Example #1) Running activities with ASICS Running Club



Example #2) Tennis lessons for better skill and shoe choice



Also, we are actively having local grassroots activities.

The left pictures are running activities with ASICS Running club. We call this type of activities "Running enlightenment"

The right pictures are our tennis lessons for better skills and shoe choices.

With these local activations, ASICS has been leading to create running and sporting culture and communities in order to deliver enjoyable moments to local consumers.

We continue these local grassroots activities moving forward to be positioned as a true performance sports brand in the focused emerging markets.

- Strategically opening Onitsuka Tiger Store at premium mall and high street in the major cities
- Building the premium position with premium products (such as NIPPON MADE) just like other matured countries



Numbers of OT Stores

	2020	2023
India	6	11
Indonesia	6	9

*Numbers at year-end
**All stores are operated by local partners, and sales are under wholesale



In addition to ASICS, I would like to talk about Onitsuka Tiger. Onitsuka Tiger is a very popular brand especially in Southeast Asia. We are also actively expanding Onitsuka Tiger stores especially in the premium malls in the major cities. Compared to 2020, we are opening 5 more stores in India and we will have 11 stores in total. In Indonesia, we are opening 3 stores and we will have 9 stores in total. Just like ASICS, with high-valued products and valuable experience, we are building a premium brand position for Onitsuka Tiger.

FOCUSED MARKETS FOR SUSTAINABLE GROWTHS

① **Fast Sales Growth** : 10 billion JPY sales in each focused market

② **High Profitability** : 10% or higher operating income

③ **Branding** : Seamless brand image aligned with the global direction

■ **Premium Brand**

To improve brand awareness



■ **Premium Experience**

To expand consumer touchpoints



■ **Digitalization**

To expand E-commerce and CRM



Moving forward, we have three future goals in the emerging market.

First, we are aiming at more than 10 billion JPY sales in each area as soon as possible, and India is our first target country to achieve this growth.

Second, we will make highly profitable business.

Third, as local entities and headquarters are closely working together to be aligned with the global direction, we will offer premium customer experience with digitalization.

Next part is “ASICS’s footwear production situation” and live voice explanation about “Business in India” by ASICS India’s managements.

Thank you for your attention.

ASICS'S FOOTWEAR PRODUCTION SITUATION



This is MATSUDA in charge of Footwear Production Division. From here, I will explain ASICS's Footwear Production situation.

STRATEGY OF PRODUCTION BASIS

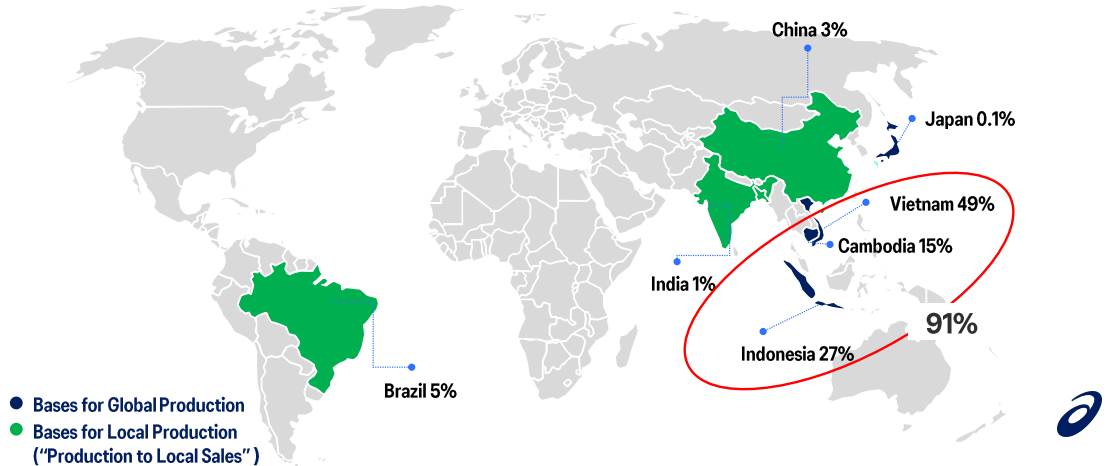
13

*Share of each country in the total production quantity of each brand : ASICS, Onitsuka Tiger, and Haglöfs (2022 actual)

Competitiveness and Risk Responsiveness

Except for a domestic factory (Sanin ASICS), production is out-sourced to external partners (OEM)

Production bases for global products are located in Southeast Asia: Vietnam, Indonesia, and Cambodia (91% of total production) Brazil, China, and India have its own production bases for local sales (9% of total production).



At first, I would like to explain whole picture about the production situation across the world.

Basically, ASICS does not run our own factory and outsourced to OEM factory partners. Across the factories, we can divide them into two types from large point of view.

One is described in Dark Blue color plus Red circle on the map, which are located around South East Asia, who are mainly producing and exporting the Global items to entire ASICS overseas Subsidiaries.

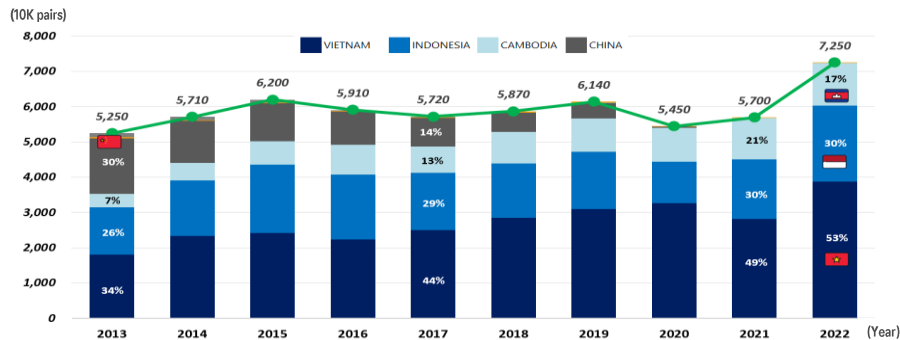
South East Asia's production share shows 49% in Vietnam, 27% in Indonesia and 15% in Cambodia, which shows 91% of Total volume.

The other one is described in Green color, which are located in Brazil/China/India where we have our subsidiary. This means Local Production for Local sales.

I will touch on later but we have our own factory in Japan even it has small quantity.

TREND OF PRODUCTION QUANTITY IN MAJOR PRODUCTION COUNTRIES

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- ✓ The production basement had been shifted from China to Vietnam and other countries due to rising labor costs.
- ✓ Since the shift has largely been completed, production in China was changed to focus on Local sales from May 2020.
- ✓ In anticipation of rising labor costs and labor shortages in Vietnam, we took an action to set a new production base in the Central Java (Indonesia) in 2021, following Jakarta, where we have already had a production base.

Next is about these 10 year's historical Production quantity trend for Export in major production countries.

The beginning of the decade of 2010, China production occupied 30% share, however, gradually labor cost had arisen, so the production basement had shifted into Vietnam, Indonesia.

The production shift had done, so China production was changed to focus on production to local sales from May, 2020.

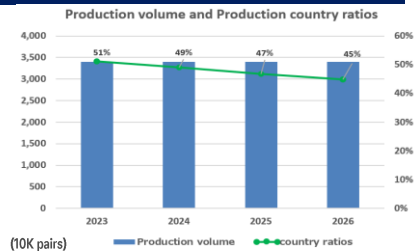
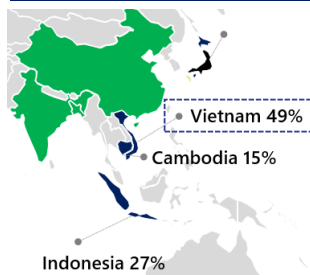
Year 2020, Under COVID-19 Expansion circumstances, the demand for production from North America and Europe was heavily down. On the other hand, Year 2021, There was Lock-down restriction in Vietnam due to COVID-19 Expansion, so Year 2021's production numbers were not dramatically increased.

However, under those severe circumstances, with considering the labor cost increase risk and labor shortage in Vietnam, we took an action in Indonesia to set Central Java production next to Jakarta basement production. This contributed the enhancement of production supply for Mid/Long term point of view.

GLOBAL PRODUCTS PRODUCTION BASEMENT : VIETNAM

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The world's largest production base for sports shoes: Establishment of a stable supply chain with long-term external partners.



- ✓ Outsourcing our production to external partners in Ho Chi Minh City area in the south (7 factories) and Hanoi area in the north (3 factories), producing the largest share; 49% of the total production quantity.
- ✓ High engineering skill; producing top models in all categories: P.RUN, CPS, SPS, and OT.
- ✓ Benefit from a Free Trade Agreement with the EU (Duty 0% on exports to the EU).
- ✓ Based on the ASEAN Trade Agreement, materials and the parts transaction to neighboring production bases (Indonesia and Cambodia) does not require the duty, ensuring price competitiveness through a strong supply chain based on triangle-cooperation.
- ✓ The total production quantity in the ASEAN region occupies 91% of our total.

※Production of a top model "METASPEED" (Vietnam)

Hereby, I will explain each country's situation.

The first one is the most important production country, Vietnam.

In Northern and Southern part of Vietnam, we are dealing OEM partners and the production quantity reach approx 50%.

Vietnam factories are maintaining high engineering skill, so various category's top model are produced in Vietnam.

For example, METASPEED which is the top model of Performance Running category are produced in one of Vietnam OEM factory.

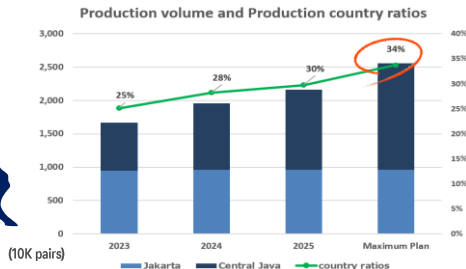
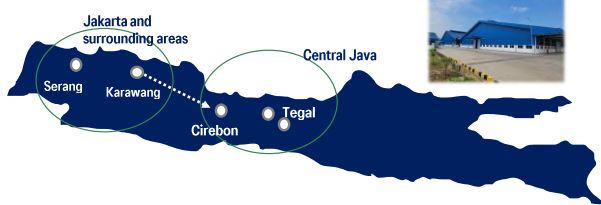
Vietnam also has another strong point for Footwear production, which Vietnam has Free Trade Agreement with EU, which brings duty free merit to our European subsidiary.

In addition, across ASEAN countries Trade agreement, the material and the parts transaction does not require the duty, so Vietnam/Indonesai/Cambodia's Triangle production can build up strong supply chain network.

GLOBAL PRODUCTS PRODUCTION BASEMENT : INDONESIA

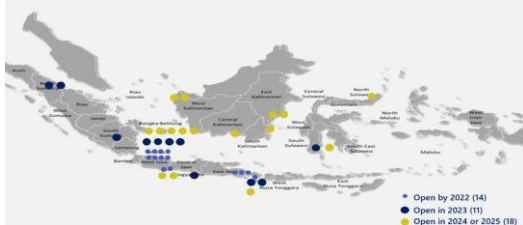
Started a new production base from 2021 in the Central Java, which has cost advantages and plenty of labor resource.

*Location of factories



Expansion of mono-brand stores* by local sales company

INDONESIA MAP MONOBRAND STORES PLAN



*Mono-brand stores: Franchise-operated stores that sell only ASICS brands.

- ✓ Expanded to the Central Java region in 2021 as our second production base in Indonesia, following Jakarta, where labor costs are rising.
- ✓ Plans to expand annual production in the Central Java region to 16 million pairs (actual in 2022: 3.3 million pairs).
- ✓ Respond to the needs of the Indonesian domestic market, which is developing due to economic growth.
- ✓ Support the future growth plans of local sales companies from the production side.



Next country is about Indonesia.

In Indonesia, mainly producing for North America order.

As already touched on, with considering the labor cost increase and labor shortage in Vietnam, we are enhancing the production shift from Vietnam to Indonesia. From Year 2021, we started Central Java production next to Jakarta basement production. Central Java area has labor cost advantage and also plenty of labor resource supply.

Indonesian government set import quota, so to try to import the Global line-up items from other countries face strict limitation if exceeded the quota. So we are implementing Indonesian local production & supply to ASICS Indonesia sales scheme, which brings cost competitiveness and can contribute ASICS Indonesia sales growth.

"PRODUCTION TO LOCAL SALES" SCHEME : BRAZIL

Increasing the ratio of local production: short transportation lead time and a flexible production system
Response to Brazil's policy of protecting domestic industry.

*Location of factories

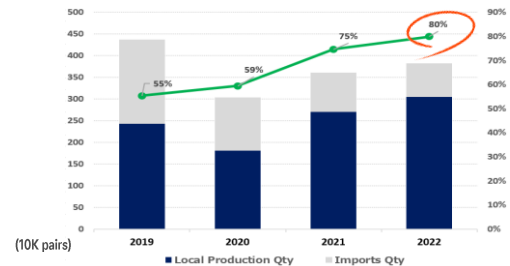


*Examples of locally developed products for local sales



Collaboration model with Ayrton Senna To be launched in July 2023

*Brazil: Changes in Local Production Quantity and its Ratio



- ✓ 2008: Local production started for domestic sales in Brazil.
- ✓ 2013: New Anti-Dumping measurement was implemented.
- ✓ 2022: Local production ratio temporarily reached 80%, due to the Covid-19 related issues at global production bases, especially in Vietnam.
- ✓ 2022: Exports to South American countries started.



Following 3 pages, will touch on "Local Production to Local Sales scheme" which are executing in Brazil/China/India.

At first, about Brazil.

In general ASICS's trade condition, ASICS subsidiary pays the product cost to OEM production factory through US Dollars when do import to the country.

In this Brazil case, the currency Brazilian Real has been showing unstable fluctuations against US Dollars, so the import from overseas has been facing the risk for business continuation.

Under this circumstances, Brazilian local production had started from year 2008.

Year 2013, Brazilian government implemented New Anti-Dumping measurement to protect domestic shoe production industry, since then Brazilian local production's importance has been increasing.

We are proceeding local development and local production which well receive by Brazilian customers.

Year 2022, the import quantity from overseas were heavily decreased due to Year 2021 Lock-Down in Vietnam, so local production reached to 80% share.

Also year 2022, Brazil production started to export to Peru, Uruguay, Paraguay, Ecuador.

We are also proceeding automated production process as much as possible due to labor cost condition in Brazil.

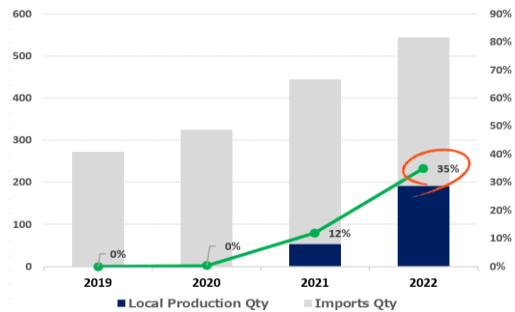
And also executing Brazilian factory member's business trip to Vietnam factory to exchange and learn ASICS Global Quality Control standard skill to be up-dated.

Response to differentiated & speedy consumer needs and a changing external environment.

* Example of CPC Production



*China: Changes in Local Production Quantity and its Ratio



- ✓ Shorten the lead time for China original products (CPC products) by conducting from planning to development in China.
- ✓ Addressing logistics and customs clearance costs at risk of price increases and mitigating the impact of logistics stagnation from the Southeast Asia region, as was the case during the Covid-19 expansion.
- ✓ Compose the product lineup with global products imported from Southeast Asia and CPC products which is relatively reasonable.



Next is about China.

Global products production in China for exporting to subsidiaries were finished in Year 2020, however, China local production has been executing and increasing for China local Sales, mainly Sports Style category.

ASICS established China Production Center(CPC) as part of Local entity to aim at differentiated & speedy consumer needs in China, and this CPC has been playing the role of product planning/development/production management through China local production factories.

We can receive this China local production merit, which we can take proactive plan to manage distribution cost and customs cost with gradually increasing and also Through stable products procurement to react for supply chain disruption risk management which was faced in Vietnam/South East Asia, year 2021.

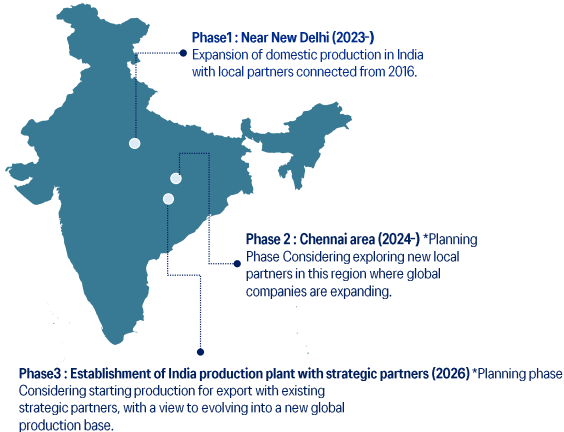
ASICS China will expand the sales opportunity into cities in inland China with maximizing to utilizing CPC products.

"PRODUCTION TO LOCAL SALES" SCHEME : INDIA

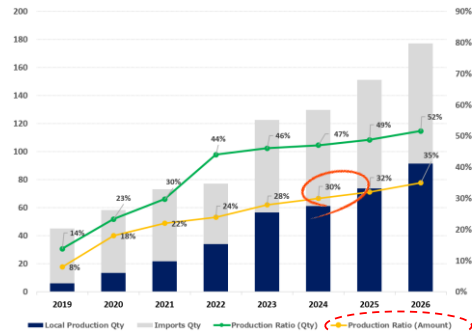
19

Current: Expand local production and support the future growth of local sales companies.
Future: Explore the possibility of becoming a new export base.

* Map of India



*India: Changes in Local Production Quantity and Ratio



According to local laws, foreign companies are not allowed to operate directly managed stores or their own e-commerce sites in India unless the local production ratio in value terms exceeds 30%.



Last one is about India.

In next session, ASICS India representatives will explain Indian Business's current situation and future expansion plan.

From Indian local production point of view, as Production Division, we will proceed and expand Local production to support Indian business which is the most aggressive growth driver in ASICS group.

The reason behind of expansion local production is Indian government set 30% value amount by local production procurement rule to open direct own store and own EC site against foreign companies.

Continuously, we will keep watching Indian government direction about "MAKE IN INDIA" policy and will expand local production.

We are also planning to export from India to overseas market in future.

DOMESTIC PRODUCTION: SANIN ASICS

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Respond to inbound demand from tourists visiting Japan, especially from Asia with its remarkable economic growth.



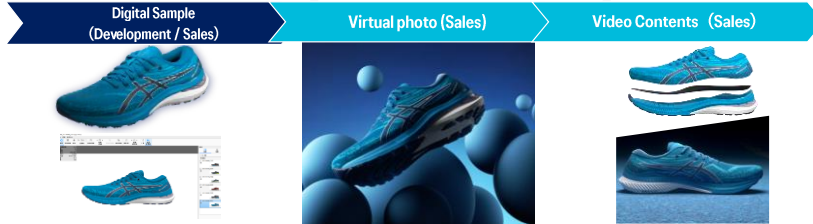
On this page, I will touch on San-In ASICS Industry which is ASICS's only one factory owned.

San-In ASICS Industry locates Sakai-Minato, Yonago City, Tottori Prefecture. As photos shown, mainly producing business walking shoes such as RUNWALK, Pedala. In addition to walking shoes, also producing Onitsuka Tiger brand shoes which have been very popular across overseas, especially in China and South East Asia. Not only contributing to Japanese domestic sales, and also exporting to overseas subsidiary mainly in Asia to sell Onitsuka Tiger shoes.

San-In ASICS has been maintaining high engineering skill and will continuously contribute through production of high price zone walking shoes with natural leather and expand Onitsuka Tiger shoes production which strong "In-Bound" demand are increasing after COVID-19.

[Digitalization of Shoes Data]

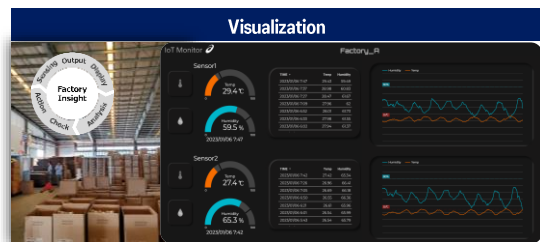
Plans to accelerate digitization and propose a variety of 3D content in the future to expand business using digital technology.



[Smart Factory]



Proceed robot automation in shoe production.



Build a flexible production system that can adapt a change.

Following two pages, will explain two topics from ASICS Mid-Term plan 2023, "Digitalization" and "Sustainability" with production point of view.

First, about "Digitalization".

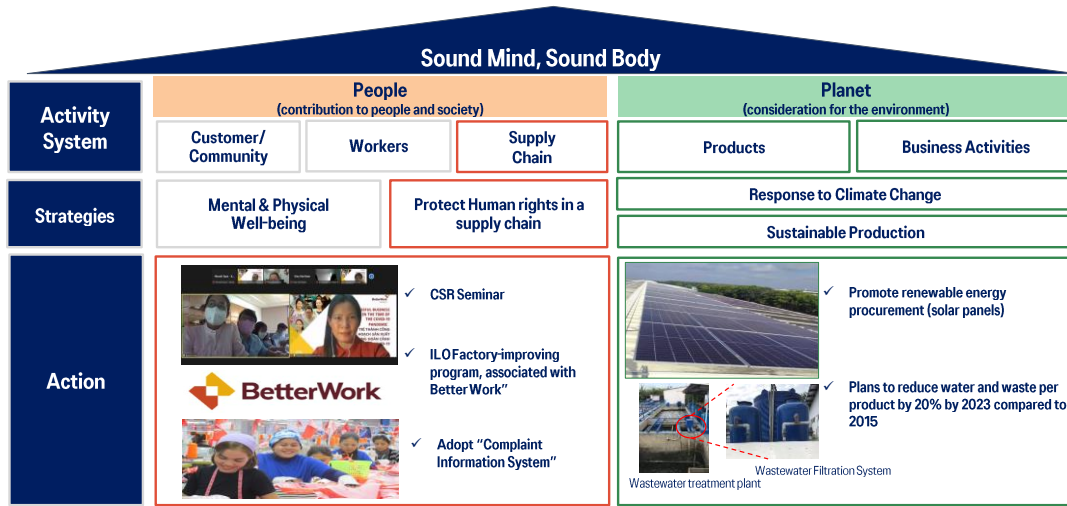
ASICS is proceeding and accelerating the digitalization of shoes data.

During facing COVID-19 restrictions, we could proceed the Work From Home initiative with using digital sample, so it leads to prompt discussion or treatment with our accounts and also internal sales conference to modify color coordination on digital sample and so on. And also these digital shoe data can explain feature/function which can not be visible from outside, so we will expand the utilization of digital data.

At production site, with tagging with OEM factory, we are proceeding the automated process such as using robots mainly for bonding section.

And also challenging a kind of IoT program, to set temperature & humidity sensor to monitor the factory unit condition.

Solving priority social issues
 People (contribution to people and society) and Planet (consideration for the environment)



Lastly, I will talk about our sustainability approach in our supply chain.

ASICS Sustainability framework consists of two pillars, People and Planet, under the big umbrella of Sound Mind, Sound Body. We position sustainability as a core strategy for the Footwear sourcing.

In the people pillar, It is our fundamental responsibility to respect human rights in our supply chain.

As a major global sporting brand, we have a significant influence for the supplier factories, and respecting the human rights and securing safe and healthy working environment for the workers in those factories are our fundamental interest.

We continuously monitor the social sustainability performance of our supply chain partners against ASICS standards. ASICS set the CSR requirement reflecting ILO's international labor standard. We work closely with factories to make improvements, and provide annual CSR trainings for the factory managers for them to implement sustainability in their strategy and actions.

We also encourage our supplier factories to join ILO's Better Work program which conducts audits and improvement plan follow-ups.

Through these collaboration, our supplier factories mostly meet our standards.

In the planet pillar,

Environmental sustainability is our priority to enable people for generations to have Sound Mind Sound Body on a sound earth to play sports.

We promote CO2 reductions through our value chain and circular approach, and ask supplier factories to share our commitment.

We have green procurement policy and promoting factories to source electricity from renewable energy.

More supplier factories are starting to build on-site solar panels in Vietnam and Indonesia.

To improve resource efficiency, we also target to reduce water and waste by 20% in 2023 vs 2015 in our supply chain.

Thanks for your attention.

As a very last, as Footwear Production Division, we will continue to take Global Production strategy through the best balance among Vietnam/Indonesia/Cambodia and will also support our growth driver subsidiaries such as Brazil/China/India/Indonesia through local production.

Thank you very much for your warm listening.

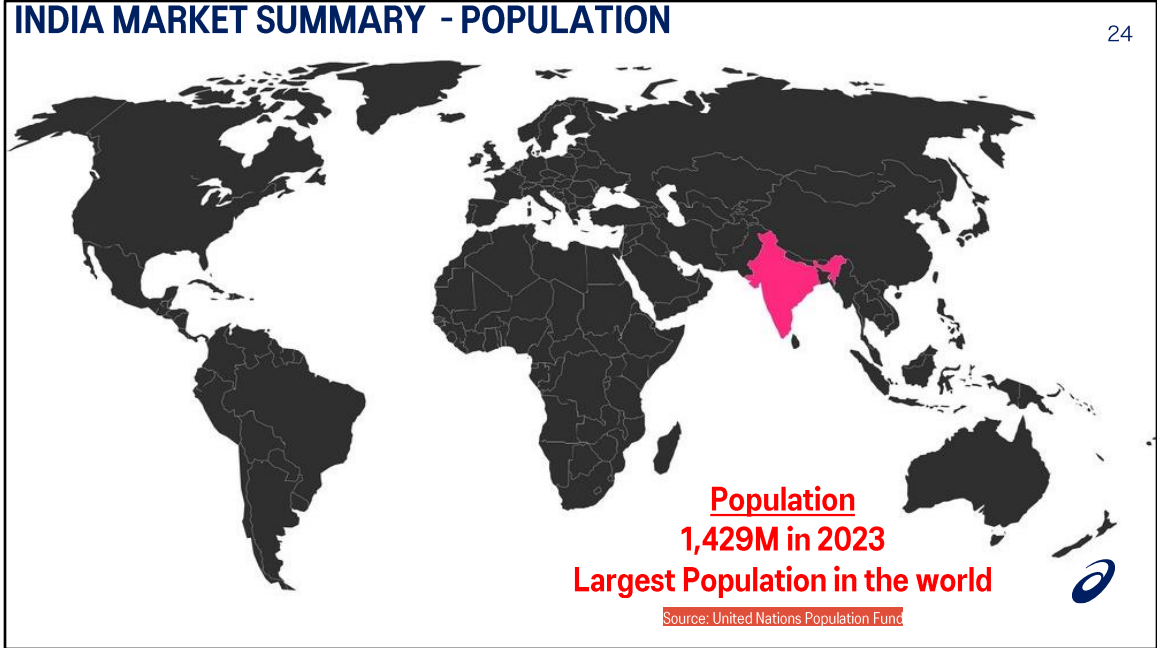
BUSINESS IN INDIA



This is Rajat Khurana and I am the Managing Director of ASICS India. From here, I would like to explain about ASICS's business in India.

INDIA MARKET SUMMARY - POPULATION

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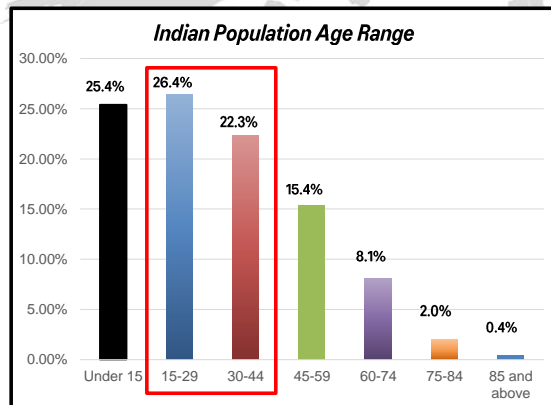


India is the largest population in the world.

On the 19th April 2023, according to the UN's report -India's population has reached 1.429 billion people, surpassing the number of people in mainland China which is at 1.425 billion.

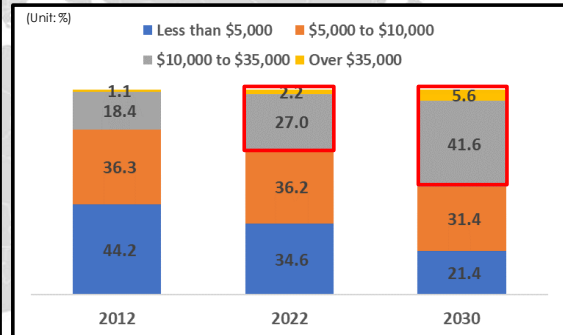
INDIA MARKET SUMMARY - AGE BREAKDOWN AND HOUSEHOLD INCOME

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Source: Britanica Encyclopaedia & Morgan Stanley Report

Expansion of groups with a disposal income of 10,000USD and more



Source: Euromonitor

Median age of India's population is 28.4 years old meaning half of the population which is 1.429 billion is younger than 28.4 years old.

This group of young Indians have some unique characteristics. This generation of young Indians will be the largest consumer.

As per data from Euromonitor :

India's overall consumption will get boost due to increase in per capita income.

Percentage of the income group as classified rich class whose annual income is more than \$35,000 will increase from 2.2% in 2022 to 5.6% in 2030.

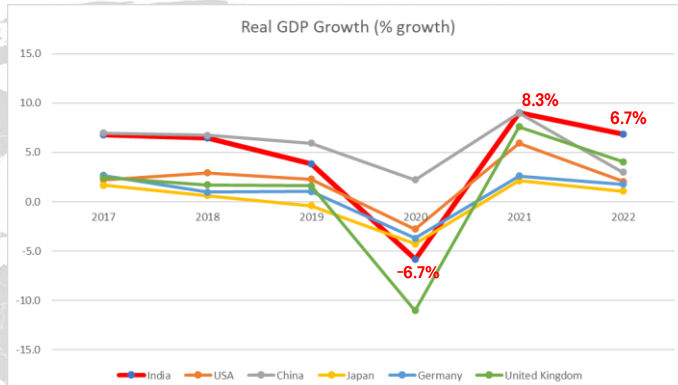
Percentage of the income group as classified middle class whose annual income is between \$10,000-\$35,000 will increase from 27.0% in 2022 to 41.6% by 2030.

These expanding high income class will have higher disposable income.

In coming years, this makes India's new middle class and expanding rich class our hugely important target consumer, which will count more than 300 million households by 2030 according to an estimation.

INDIA MARKET SUMMARY - GDP GROWTH RELATIVE TO OTHER COUNTRIES

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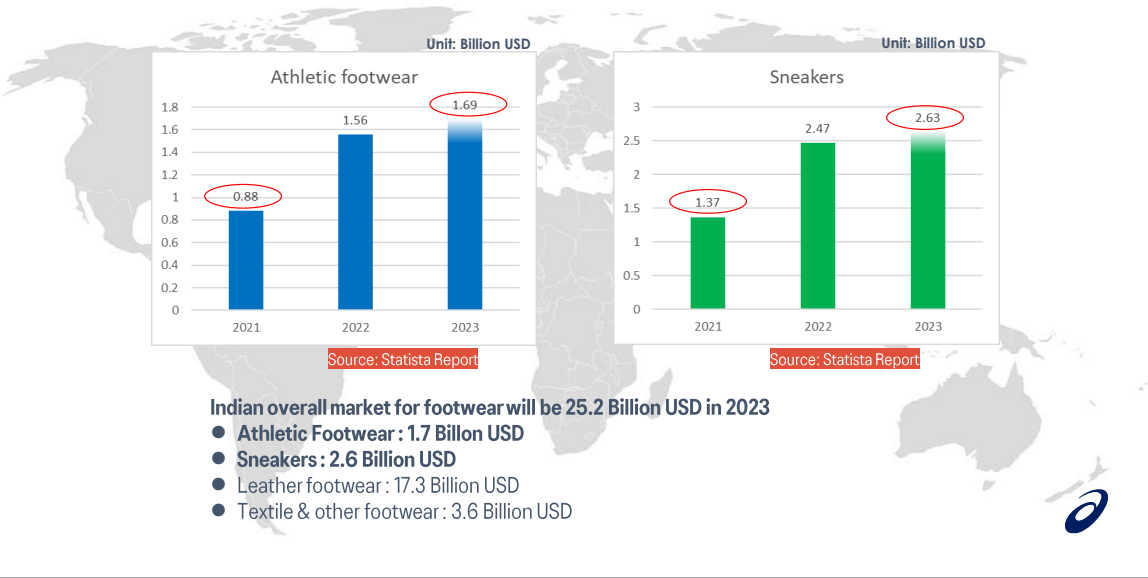
Source: Euromonitor International

India is one of the fastest growing economy in the world and will have a GDP growth rate of 6.5% in FY 2023-24



Indian economy is one of the world's fastest growing economy. It grew by 8.3% in 2021, although it contracted by 6.7% in 2020 when the pandemic struck the country. India may post the fastest GDP growth rate in ASIA pacific region for the year ended on March 2023 which was at 6.7%. As per data from Euromonitor International, Indian GDP is now projected to 6.5% for the year ending on March 2024.

INDIA MARKET SUMMARY - FOOTWEAR MARKET



Indian overall market for footwear will be 25.2 billion USD in 2023.

Graph on the left side shows a market size of athletic footwear, which will have grown 1.69 billion USD in 2023 more than doubled from 0.88 of 2021.

India's athletic footwear market is experiencing a surge in demand driven by the country's growing health consciousness and fitness culture.

Graph on the right side shows a market size of sneakers, which will have grown 2.63 billion USD in 2023 almost more than doubled from 1.37 of 2021.

Sneaker culture is rapidly growing in India, with more young population consumers seeking out unique designs with modern global trends.



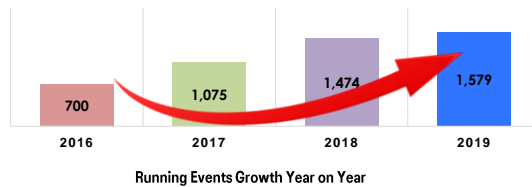
RUNNING BOOM IN INDIA

INDIA RUNNING MOMENTUM - RUNNING EVENTS

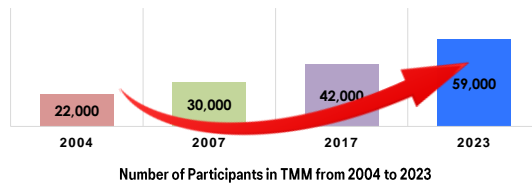
RUNNING – INDIA'S FASTEST GROWING SPORT & ASICS ASSOCIATION WITH TMM

RUNNING – INDIA'S FASTEST GROWING SPORT

Source: Procam Report



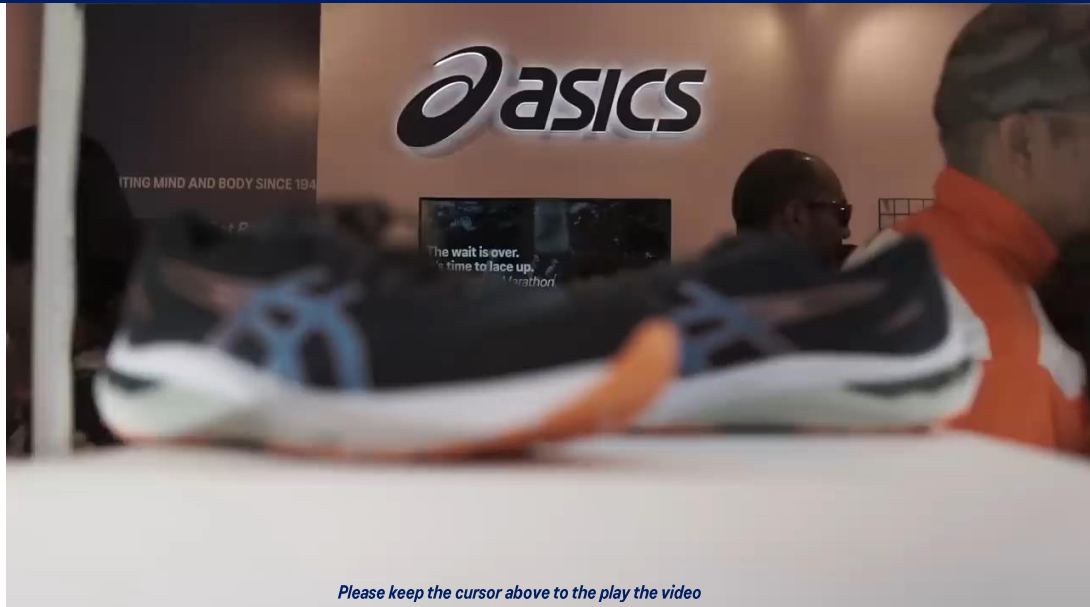
ASICS ASSOCIATION WITH INDIA'S BIGGEST RUNNING EVENT – TATA MUMBAI MARATHON (TMM)



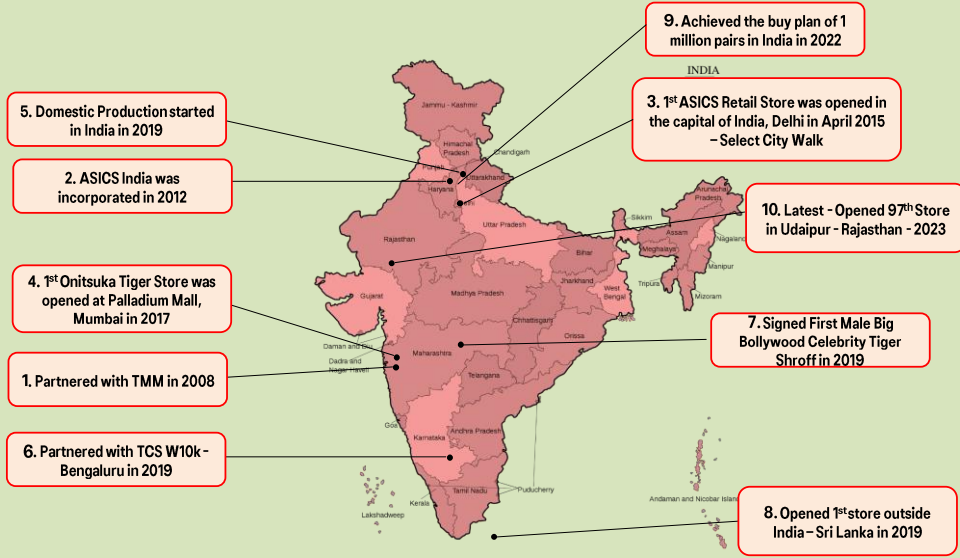
World Athletics Gold Label approved Race

Increasing health consciousness and the widespread adoption of running as an effective form of exercise in India are among the key factors driving the market growth. Running as a sport has grown tremendously and is not only spread across Tier1 cities like Mumbai but its penetration can be seen in Tier2, 3 & 4 cities as well in India. According to a research, it has been observed that the running events have been growing with a CAGR of 37%. There were approx. 700 running events that used to get organized in India in 2016. Now that those had reached to around 1,600 events in 2019. Amongst all the running events in India, Tata Mumbai Marathon is the biggest running event in the country which is becoming aspiration for all the runners and can be seen from the fact of number of participants increasing year on year. ASICS has been partnering with the event for last 15 years now and the journey has been transformational. This is one of the top 10 marathons in the world and with Gold Label approved by World athletics.

ASICS IN TATA MUMBAI MARATHON 2023



ASICS INDIA STRATEGY – HISTORY



By Dec 2023, we have plans to take the store count to 105 ASICS and 11 Onitsuka Tiger retail stores pan India to cater to the larger audience.

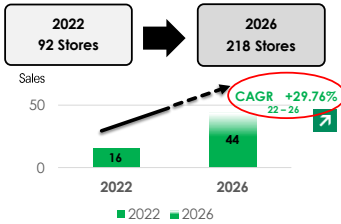
We would like to take you through our journey in India to highlight the key important milestones of ASICS India since its inception.

ASICS INDIA STRATEGY – OVERVIEW OF SALES CHANNEL

PARTNER MONO BRAND STORE (WS)



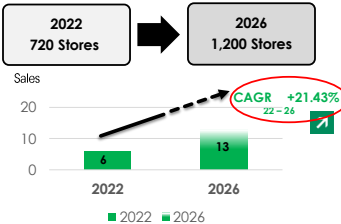
40.8% Contribution in Business in 2022



MULTI BRAND STORE (WS)



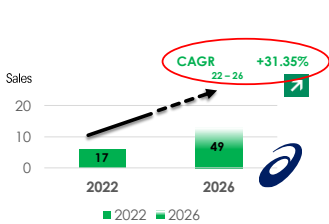
15.6% Contribution in Business in 2022



ONLINE (WS)



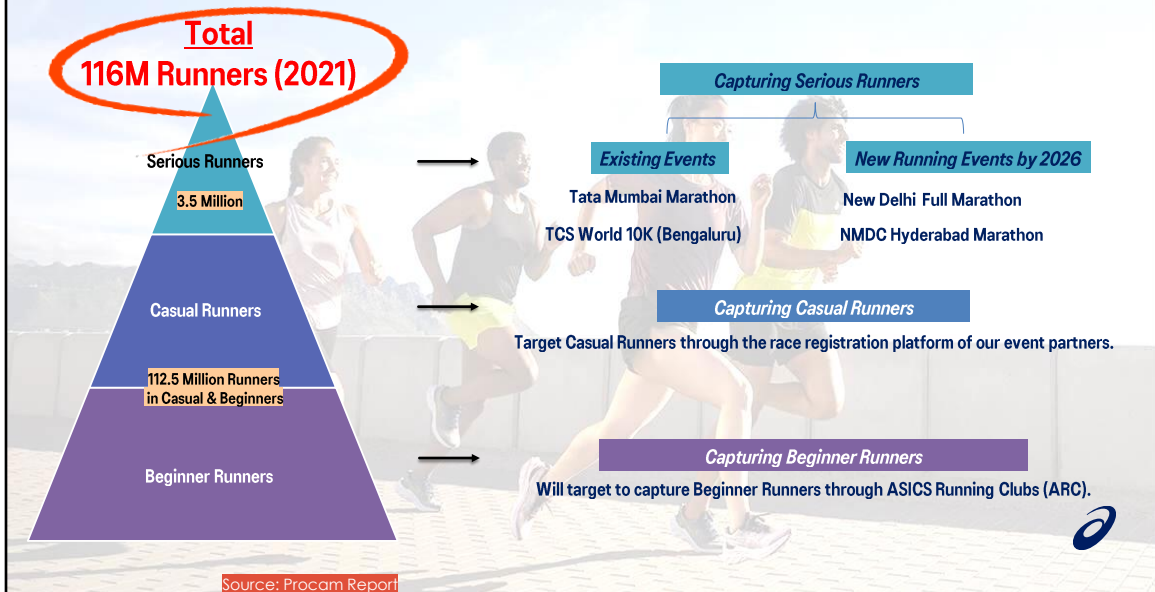
43.6% Contribution in Business in 2022



We are a multi-channel brand: we have partner mono brand stores, regional distributors who supply to multi brand stores, wholesale e-com where we invoice online sellers like amazon and Walmart of India. Our brand presence in the market is extremely compelling. And of late, ecommerce is growing extremely fast.

ASICS INDIA STRATEGY – 3 LAYER APPROACH TO TARGET RUNNER

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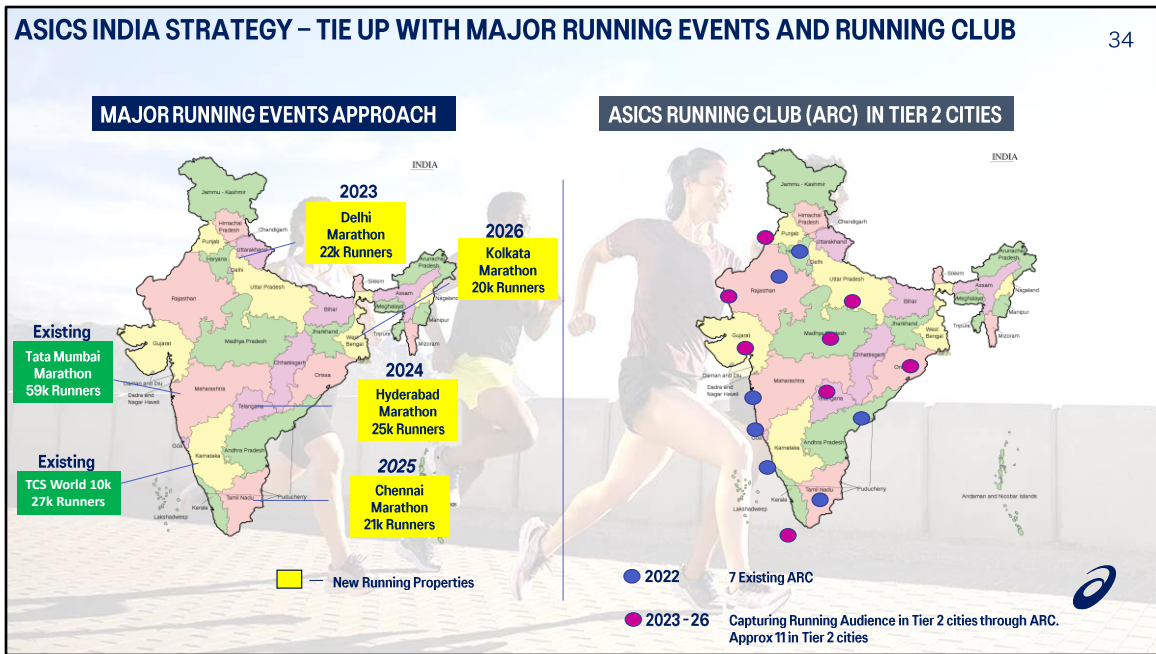


Total number of runners are 116 million in India in 2021, which is almost the same as the population of Japan.

The target market for ASICS is typically sports enthusiasts, amateur athletes and professional athletes, who train or participate in sports on a regular basis. The brand also appeals to those who view sport and fitness as part of their lifestyle and self-image. We understand our “core consumers,” the athletes who wants to perform at the highest level of the sports. We saw them as being at the top of a pyramid, with weekend jogs in the middle of the pyramid, and everybody else who wears athletic shoes at the bottom.

But this is an oversimplification. Sure, it’s important not only to get the top of the pyramid but also to speak to the people all the way down.

There were 112.5 million runners in India which belong to Beginner Runners / Casual Runners.



We will talk about major running events approach for Serious Runners in the left side and running club approach for Casual Runners / Beginner Runners in the right side. Running will be the focus for the brand and we will take top to bottom approach in this targeting Serious Runners through major events like Tata Mumbai Marathon & TCS World 10k – Bangalore i.e. West & Southern part of India. To acquire another region in North, we will eye on becoming the partner of another big running event in Delhi/ Gurgaon in 2023 . We will also pick other regions as well in India i.e South-West (Hyderabad) in 2024 followed by Chennai and Kolkata in 2025 & 2026 respectively . Casual Runners/ Beginner Runners - We will target these consumers with ASICS Running Clubs in Tier 1 & Tier 2 cities connecting the ASICS stores. Various events will happen in those cities. Moving from 7 ASICS Running Clubs today, we will target to launch around 18 ASICS Running Clubs in India by 2026.




ASICS INDIA STRATEGY – BRAND MARKETING

FAMOUS SPORTS ATHLETES

Bollywood Celebrity Promotion






Prasidh Krishna
Cricket

 249 K
 47 K
 159 K



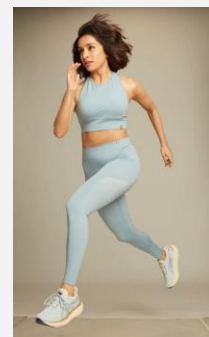
Rohan Bopanna
Tennis

 31K
 30K
 362K



Joshna Chinnapa
Squash

 25 K
 12K
 125K



Shraddha Kapoor
Bollywood Celeb

 80.2M
 41M
 14.4M



We will talk about brand marketing in this slide.

India is big on following their sports & Bollywood icons and takes serious interest in activities and performances by these celebrities. In fact, it has been said that India treats cricket as a religion in the country.

We would be using Bollywood celebrities in both male & female celebrities in creating local brand campaigns with them to reach out to the larger audience.

We have recently identified a female celebrity i.e. Shraddha Kapoor and roped her with ASICS India. She has got maximum followers on her social media handles. Her Instagram followers are 80.2 million, which is maximum by any other female celebrity.

ASICS INDIA STRATEGY – LOCAL PRODUCTION

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1. To win competition in Middle Premium & Entry market
2. Shorter lead time compared with global production
3. Reach 30% local production against all purchasing goods to operate own EC & own brand store

➔ “Generate higher GPM by protecting the import duty and depreciation of currency”



Next, local production.

Objective of local production is to win competition in entry model market especially in online, multi brand stores where larger width of product is being offered by competitors. Not only to maximize the sales but also higher profitability.

We saw big thrust in local production which helped us to increase width of product offering. Contribution of local production in 2021 was 24.5% as against 20% in 2020 and with supply chain constraints in 2022 we have increased to 25% in 2022 and 29% in 2023. Overall, its strategy is to focus on our targeted consumer and then pursue each campaign with the full power of digital. A combination of global strength and local execution has accelerated our momentum in this country in the year 2022 and also for year ahead.

ASICS INDIA STRATEGY – CO-CREATION WITH START-UPS

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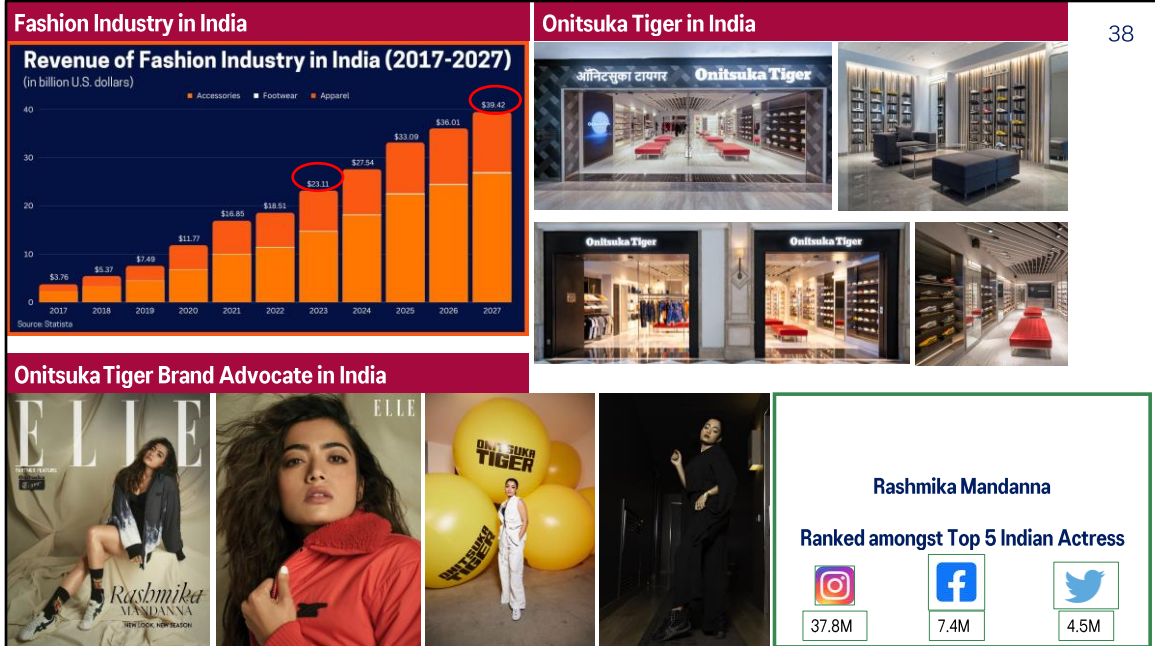


ASICS has built a lot of networks with startups globally through the programs held over the past 5 years.

For the purpose of accelerating business development in developing countries, we'd like to hold the next program in India.

India is one of the fastest-growing major economies in the world and its trend continues next 10 years.

ASICS will hold the first Innovation Pitch event in India in early next year to create future business.



We will talk about Onitsuka Tiger in this slide.

Revenue in the fashion segment for India is projected to reach US\$23.11bn in 2023.

Revenue is expected to show an CAGR of 14.28%, resulting in a projected market volume of US\$39.42bn by 2027.

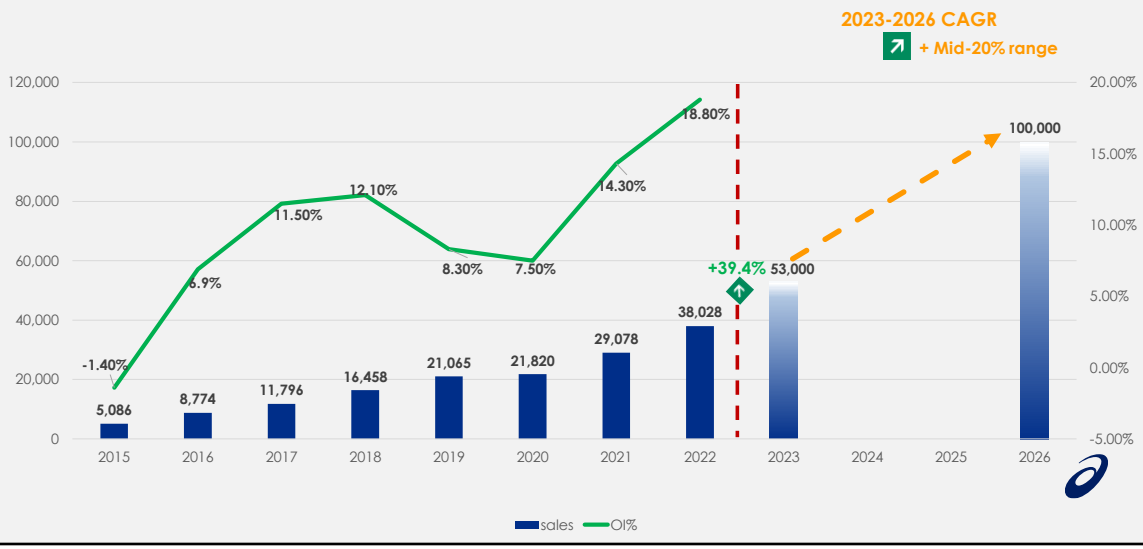
In alignment with HQ direction, Onitsuka Tiger India has repositioned as one of the premium fashion brands in India. This was done not only by opening stores in high fashion malls and prime locations but also changing customers perception from being a sneaker brand to a head-to-toe fashion brand. Last year we opened 5,500 square feet store making this store 2nd largest in Southeast Asia.

Onitsuka Tiger India announced Rashmika Mandanna as their local brand advocate for 2023. She enjoys a huge fanbase across the nation and has been bestowed with the title, 'National Crush of India'. Rashmika's reach within the Indian market is incredible, with a massive 37.8 million following on Instagram.

ASICS INDIA FINANCIAL GROWTH TARGET

Numbers are mentioned in Thousands USD

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In this slide, we will talk about financials of ASICS India.

In the first year of our operations, we achieved top line revenues of \$5 million, marking the beginning of our journey in this dynamic market.

By 2019, we achieved a turnover of \$21million, reflecting a substantial growth of our operations.

Despite the challenges posed by the global pandemic in 2020, we managed to maintain a turnover of \$22 million.

I am pleased to share that in 2023, our turnover will surge to \$53 million, illustrating our continued expansion and success.

Going forward we have set ambitious targets, aiming for a significant turnover milestone of \$100 million by 2026.

These outstanding sales projections are a testament to our unwavering dedication to our core strategies and the remarkable progress we have achieved thus far. With a periodical calculation of compound annual growth rate (CAGR), we have witnessed remarkable growth rates, including a CAGR of 39.4% from 2022 to 2023, and Mid-20% range from 2023 to 2026. On the top of this we have also witnessed positive operating from the initial periods and reached to an impressive highest OI% of 18.8% so far in the year 2022.

ASICS INDIA – OUR WAY FORWARD

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BRAND



PRODUCT



**CONSUMER
CENTRICITY**



ORGANISATION



To successfully execute our strategy, we will continue to fuel the brand heat ; demonstrate our product strength to our consumers with latest innovative products, focus continues to be consumer, significantly invest into our people and the digital transformation of the company as we take action to navigate short term risks while expanding long term strategy and benefits.

Thank you very much for your attention.