

Summary of Consolidated Financial Statements For the Second Quarter Ended June 30, 2021 (Japan GAAP)

August 13, 2021

Name of the Company: ASICS Corporation

Listing Exchanges: Tokyo

Code No.: 7936

URL: <https://corp.asics.com/en/>

President and COO, Representative Director: Yasuhito Hirota

Date of filing Securities Report by quarter: August 16, 2021

Date of scheduled payment of dividends: September 8, 2021

Quarterly Results Supplemental Materials: Yes

Quarterly Results Presentation Meeting: Yes (For institutional investors and analysts in Japan)

(Amounts less than one million yen are truncated)

1. Consolidated results for the second quarter ended June 30, 2021 (January 1, 2021 – June 30, 2021)

(1) Consolidated business results (Accumulated)

(The percentages indicate the rates of increase or decrease compared with the corresponding period of the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	MY	%	MY	%	MY	%	MY	%
2nd quarter ended June 30, 2021	209,478	42.6	23,993	–	24,770	–	12,350	–
2nd quarter ended June 30, 2020	146,897	(21.5)	(3,873)	–	(5,982)	–	(6,266)	–

(Note) Comprehensive income: 2nd quarter ended June 30, 2021: ¥ 23,177 million (– %)

2nd quarter ended June 30, 2020: ¥ (9,583) million (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
2nd quarter ended June 30, 2021	67.50	67.43
2nd quarter ended June 30, 2020	(34.29)	–

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	MY	MY	%
As of June 30, 2021	354,865	145,882	41.0
As of December 31, 2020	333,180	126,763	37.9

(Reference) Shareholders' equity: June 30, 2021: ¥ 145,405 million December 31, 2020: ¥ 126,221 million

2. Dividends

(Record date)	Cash dividend per share				
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of year	Annual
	Yen	Yen	Yen	Yen	Yen
FY ended December 31, 2020	–	0.00	–	24.00	24.00
FY ending December 31, 2021	–	12.00			
FY ending December 31, 2021 (Projected)			–	12.00	24.00

(Note) Changes in projected dividends: No

3. Forecast of consolidated business results for the fiscal year ending December 31, 2021 (January 1, 2021 – December 31, 2021)

(The full-year percentages indicate the rates of increase or decrease compared with the previous fiscal year)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	MY	%	MY	%	MY	%	MY	%	Yen
Full-year	395,000	20.1	14,500	–	13,500	–	2,500	–	13.66

(Note) Changes in forecast of consolidated business results: Yes

For details regarding the revision of the consolidated business results forecast, please refer to “Notice Concerning the Revision of the Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2021 and the Recording of Extraordinary Losses” announced on August 13, 2021.

※ Notes

- (1) Changes in significant subsidiaries during the fiscal year (changes in specified subsidiaries that caused changes in the scope of consolidation): None
- (2) Adopting accounting treatment simplified or specialized for quarterly consolidation: Yes
- (3) Changes in accounting policy, changes in accounting estimates, and changes in presentation due to revisions
 - ① Changes in accounting policy to conform to revisions in accounting standards and others: Adopted: None
 - ② Changes in accounting policy adopted otherwise than in①: None
 - ③ Changes in accounting estimates: None
 - ④ Changes in presentation due to revisions: None
- (4) Number of shares (of common stock) issued and outstanding
 - ① Number of shares outstanding (including treasury shares) at fiscal end:

June 30, 2021	189,870,559 shares	December 31, 2020	189,870,559 shares
---------------	--------------------	-------------------	--------------------
 - ② Number of treasury shares at fiscal end:

June 30, 2021	6,831,969 shares	December 31, 2020	6,827,657 shares
---------------	------------------	-------------------	------------------
 - ③ Average number of shares during the term:

2nd quarter ended June 30, 2021	182,973,120 shares	2nd quarter ended June 30, 2020	182,763,533 shares
---------------------------------	--------------------	---------------------------------	--------------------

* Summary of Consolidated Financial Statements is not subjected to quarterly review

* Explanation of appropriate use of business performance forecasts; other special items

(Notes to the description about future, other)

The performance forecasts above are estimated based on information available as of the date hereof. This may cause actual results to differ from stated projections due to changing business conditions or other factors. Please refer to page 7, "(3) Explanation on forecast for consolidated business results and others" for the forecast of consolidated business results.

(How to access supplemental materials on quarterly business results)

The Company is scheduled to hold presentation meeting on business results for institutional investors and analysts on Monday, August 16, 2021. We plan to post the supplemental materials used in the meeting on the Company's website (https://corp.asics.com/en/investor_relations/library/financial_summary) on Friday, August 13, 2021.

1. Qualitative information for consolidated business results

(1) Explanation on business results

Major initiatives during the second quarter ended June 30, 2021

Due to the novel coronavirus disease (COVID-19), ASICS Group (“the Group”) continued to face a challenging situation, such as cancellation or scale-down of various competitions and temporary closures of own retail stores. However, Net sales and Operating income increased significantly due to the strong sales in Performance Running primarily in North America, Europe and Greater China.

The Group supported the Tokyo 2020 Olympic and Paralympic Games as a Tokyo 2020 Gold Partner in the category “Sporting Goods”.

◇ Digital

E-commerce sales increased worldwide by 49% in Japan, 19% in North America, 57% in Europe, and 36% in consolidated level.

In Japan, the Group organized the “ASICS Premium Running Program,” which provides a variety of running experiences for improvement of runners’ performance.

Casio Computer Co., Ltd. (“Casio”) and the Group launched the Runmetrix, a personal coaching service for runners, from March. Runmetrix app will offer personal coaching via a handset app and a motion sensor to match the goals and levels of individual runners, from beginner level through experienced runners by leveraging the Casio’s strength with developing wearable devices and its sensing technology knowhow, as well as on ASICS’ sports engineering expertise and data.

◇ Performance Running

Net sales in Performance Running increased by over 50%.

The Group launched METASPEED Sky and METASPEED Edge, new racing shoes that each scientifically designed with a distinct type of stride and cadence(*) running styles for elite athletes in March and June, respectively. Protect the feet and body from injury that ASICS has always provided, designed to offer high level performance and energy efficiency to allow runners to go for longer and faster.

Many athletes recorded over 90 personal bests wearing either METASPEED Sky or METASPEED Edge in Japan and overseas.

*Long distance running styles are split into the two type. Runners take a longer stride once they start increasing their speed, called stride-type, and runners increase both cadence and stride as they run faster, called cadence-type.

Furthermore, through research, the Group recognized that increasing running speed comes down to the equation of “stride length × cadence,” and that it is important to lengthen stride for stride-type runners and to both lengthen stride and increase cadence for cadence-type runners.

◇ Onitsuka Tiger

Net sales in Onitsuka Tiger increased by 34%.

In February, the Group participated in Milano Fashion Week for the first time, and unveiled our Fall/Winter 2021 collection. The Group gradually expand the scope of our brand activities in Europe, mainly at London and Milan.

In addition, the Group opened the first THE ONITSUKA store in China in the Wangfujing area of Beijing in January, our first flagship store on the West Coast of the United States in Beverly Hills, California, in March, and our largest flagship store at Regent Street in London, one of the world's famous shopping street, in May.

◇ **Status in Key Regions**

Net sales and operating income increased in key regions. Net sales increased by 51% in North America, 56% in Europe and 51% in Greater China compared to the last year.

This was the result of strong Performance Running sales in each region.

◇ **Sustainability**

The Group has been identified as a global leader for engaging with its suppliers on climate change, being awarded a position on the Supplier Engagement Leaderboard two years in a row, by global environmental impact non-profit CDP.

◇ **ROA Tree Management**

The Group implemented initiatives to maximize ROA, which is one of the Financial Index of the Mid-term Plan 2023.

First, the Group held study sessions to put the ideas into practice so that measures to improve ROA spread throughout the Company.

The Group strengthened Selling, General and Administrative expenses control by cost owners in order to enhance profits. Selling, General and Administrative expenses ratio declined by approximately 12% (51% to 39%) year on year.

From the perspective of capital efficiency, the cash conversion cycle reduced by 79 days (244 days to 165 days) year on year as a result of continuous control and reduce on inventories.

1) Net sales

Despite the effects of COVID-19, net sales increased 42.6% to ¥209,478 million due to strong sales in all regions, mainly driven by the Performance Running category and the Onitsuka Tiger category.

2) Gross profit

Gross profit increased 49.4% to ¥105,448 million due to the impact of the increase in net sales described above.

3) Operating income

Operating income was ¥23,993 million due to an improvement in the gross profit ratio, as well as due to the increase in net sales described above.

4) Ordinary income

Ordinary income was ¥24,770 million due to the above.

5) Profit attributable to owners of parent

Profit attributable to owners of parent was ¥12,350 million due to the impact of the increase in net sales and profit described above.

Business results by category were as follows.

For the results for the six months ended June 30, 2021, for the further deepening of category management, we have defined expenses managed by categories and newly calculated “category profit” together with the actual results for the six months ended June 30, 2020.

(Millions of yen)

Category	Net sales			Category profit		
	FY2021	FY2020	Increase	FY2021	FY2020	Increase
	Jan 1 to June 30	Jan 1 to June 30	(Decrease)	Jan 1 to June 30	Jan 1 to June 30	(Decrease)
Performance Running	108,594	70,431	38,163	26,234	9,879	16,354
Core Performance Sports	23,428	16,227	7,201	4,532	905	3,626
Sports Style	17,127	12,567	4,559	2,967	315	2,651
Apparel and Equipment	16,702	12,796	3,906	219	(2,344)	2,564
Onitsuka Tiger	21,007	15,682	5,324	4,064	2,052	2,011

1) Performance Running

Net sales increased 54.2% to ¥108,594 million due to strong sales mainly in the Japan, North America, Europe, Greater China and Oceania regions. Category profit increased significantly 165.5% to ¥26,234 million due to an improvement in the gross profit ratio, as well as due to the increase in net sales described above.

2) Core Performance Sports

Net sales increased 44.4% to ¥23,428 million due to strong sales in the Japan, North America and Europe regions. Category profit increased significantly 400.4% to ¥4,532 million due to an improvement in the gross profit ratio, as well as due to the increase in net sales described above.

3) Sports Style

Net sales increased 36.3% to ¥17,127 million due to strong sales in the North America and Europe regions. Category profit increased significantly 839.6% to ¥2,967 million due to an improvement in the gross profit ratio, as well as due to the increase in net sales described above.

4) Apparel and Equipment

Net sales increased 30.5% to ¥16,702 million. Category profit returned profitable to ¥219 million due to an improvement in the gross profit ratio and a reduction in Selling, General and Administrative expenses.

5) Onitsuka Tiger

Net sales increased 34.0% to ¥21,007 million due to strong sales in the Greater China regions. Category profit increased significantly 98.0% to ¥4,064 million due to the increase in net sales described above.

Business results by reportable segments were as follows.

1) Japan region

Net sales increased 23.0% to ¥57,795 million due to strong sales of the Performance Running category and Core Performance Sports category.

Segment income returned profitable to ¥3,484 million due to a reduction in Selling, General and Administrative expenses as well as due to the increase in net sales described above.

2) North America region

Net sales increased 50.6% to ¥42,797 million due to strong sales in all categories led by the Performance Running category.

Segment income returned profitable to ¥1,944 million due to an improvement in the gross profit ratio as well as due to the increase in net sales described above.

3) Europe region

Net sales increased 55.9% to ¥57,833 million due to strong sales in all categories led by the Performance Running category.

Segment income increased significantly approximate 10 times to ¥9,167 million due to an improvement in the gross profit ratio as well as due to the increase in net sales described above.

4) Greater China region

Net sales increased 51.1% to ¥27,990 million due to strong sales of the Performance Running category and Onitsuka Tiger category.

Segment income increased significantly 188.1% to ¥6,147 million due to the impact of the increase in net sales described above and an improvement in the gross profit ratio of products for wholesale and retail.

5) Oceania region

Net sales increased 53.0% to ¥13,135 million due to strong sales of the Performance Running category and Sports Style category.

Segment income increased 87.3% to ¥2,035 million mainly due to an improvement in the gross profit ratio of products for retail.

6) Southeast and South Asia regions

Net sales increased 26.6% to ¥4,636 million due to strong sales of the Performance Running category.

Segment income returned profitable to ¥182 million due to an improvement in the gross profit ratio as well as due to the increase in net sales described above.

7) Other regions

Net sales increased 31.3% to ¥15,742 million due to strong sales of the Performance Running category.

Segment income returned profitable to ¥634 million due to the increase in net sales described above.

(2) Explanation on financial position

As for the consolidated financial position as of June 30, 2021, total assets increased 6.5% from the end of the previous fiscal year to ¥354,865 million, total liabilities increased 1.2% from the end of the previous fiscal year to ¥208,983 million and net assets increased 15.1% from the end of the previous fiscal year to ¥145,882 million.

1) Current assets

Current assets increased 8.6% to ¥256,184 million mainly due to an increase in notes and accounts receivable-trade.

2) Non-current assets

Non-current assets increased 1.3% to ¥98,680 million mainly due to increases in software etc.

3) Current liabilities

Current assets increased 5.5% to ¥107,050 million mainly due to an increase in notes and account payable-trade.

4) Non-current liabilities

Non-current liabilities decreased 2.8% to ¥101,933 million mainly due to a decrease in other non-current liabilities.

5) Net assets

Net assets increased 15.1% to ¥145,882 million due to an increase in retained earnings.

As for cash flows as of June 30, 2021, cash and cash equivalents (hereinafter, “cash”) decreased ¥8,411 million from the end of the previous fiscal year to ¥72,063 million.

The respective cash flow positions and main factors behind the changes are as follows.

1) Cash flows from operating activities

Net cash provided by operating activities were ¥9,801 million, an increase of ¥18,914 million compared with the same period in the previous fiscal year.

Major sources of cash were ¥19,072 million from profit before income taxes and ¥6,807 million from depreciation and amortization, while major uses of cash were ¥17,638 million for an increase in notes and accounts receivable-trade, ¥3,842 million for an increase in inventories, and ¥2,141 million for income taxes paid.

2) Cash flows from investing activities

Net cash used in investing activities were ¥5,125 million, a decrease of ¥55 million compared with the same period in the previous fiscal year.

Major uses of cash were ¥3,147 million for purchases of intangible assets and ¥1,612 million for purchases of property, plant and equipment.

3) Cash flows from financing activities

Net cash used in financing activities were ¥14,820 million, an increase of ¥45,598 million compared with the same period in the previous fiscal year.

Major uses of cash were ¥6,148 million for net decrease in short-term bank loans, ¥4,388 million for cash dividends paid, and ¥4,265 million for repayment of lease obligations.

(3) Explanation on forecast for consolidated business results and others

On May 13, 2021, the consolidated business results forecast for the fiscal year ending December 31, 2021 (January 1, 2021 - December 31, 2021) was announced in a range. However, the Company has announced a new consolidated business results forecast since it has become possible to calculate it based on available information currently. For details, please refer to “Notice Concerning the Revision of the Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2021 and the Recording of Extraordinary Losses” announced on August 13, 2021.

(4) Information about risks related to COVID-19

The Company’s economic activity continues to be affected by the global spread of COVID-19, which includes temporary closures and reduced business hours of the Group’s own retail stores and commercial facilities in Japan and overseas, a decrease in customers because of people refraining from going out, and the cancellation and postponing of events.

It is difficult to estimate the final impact of COVID-19 as when the pandemic will end continues to be uncertain. If the COVID-19 pandemic is prolonged in the future, there is a risk that the Company’s financial position and business results may be affected.

Consolidated Balance Sheet

2. Consolidated Financial Statements and Notes

(1) Consolidated Balance Sheet

ASICS Corporation and Consolidated Subsidiaries
As of June 30, 2021 and December 31, 2020

ASSETS	Millions of yen	
	June 30, 2021	December 31, 2020
Current assets:		
Cash and deposits	¥ 73,204	¥ 81,469
Notes and accounts receivable :		
Trade	71,680	50,898
Less allowance for doubtful receivables	(2,064)	(1,924)
Inventories	95,887	88,123
Other current assets	17,476	17,245
Total current assets	256,184	235,812
 Property, plant and equipment:		
Land	5,805	5,804
Buildings and structures	36,636	36,111
Machinery, equipment and vehicles	5,388	4,925
Tools, furniture and fixtures	30,028	30,478
Leased assets	7,382	7,088
Construction in progress	439	179
Less accumulated depreciation	(55,876)	(55,235)
Property, plant and equipment, net	29,805	29,352
 Intangible assets:		
Goodwill	2,567	2,462
Software	7,560	6,316
Right of use asset	24,245	25,091
Other intangible assets	10,267	9,353
Total intangible assets	44,641	43,223
 Investments and other assets:		
Investments in securities:		
Investments in unconsolidated subsidiaries and affiliates	156	156
Other	9,942	9,014
Long-term loans receivable	44	49
Deferred income taxes	6,277	8,683
Other assets	8,537	7,587
Less allowance for doubtful receivables	(725)	(699)
Total investments and other assets	24,233	24,792
 Total assets	¥ 354,865	¥ 333,180

* There are some amount of difference between these consolidated financial statements and annual report due to the different treatment of rounding.

Consolidated Balance Sheet

LIABILITIES AND NET ASSETS	Millions of yen	
	June 30, 2021	December 31, 2020
Current liabilities:		
Short-term bank loans	¥ 74	¥ 6,204
Current portion of long-term debt	27,775	27,903
Notes and accounts payable:		
Trade	37,227	33,002
Accrued income taxes	4,089	893
Accrued expenses	22,249	19,197
Provision for sales returns	316	285
Provision for employees' bonuses	593	300
Asset retirement obligations	68	68
Other current liabilities	14,654	13,659
Total current liabilities	107,050	101,516
Long-term liabilities:		
Long-term debt	87,962	88,891
Liabilities for retirement benefits	7,070	6,967
Asset retirement obligations	1,343	1,261
Deferred income taxes	700	664
Other long-term liabilities	4,856	7,116
Total long-term liabilities	101,933	104,901
Net assets:		
Shareholders' equity :		
Common stock:	23,972	23,972
Capital surplus	15,570	15,481
Retained earnings	115,350	107,392
Less treasury share, at cost	(10,020)	(10,344)
Total shareholders' equity	144,872	136,501
Accumulated other comprehensive income:		
Unrealized holding gain on securities	1,827	1,340
Unrealized deferred gain (loss) on hedges	442	(3,395)
Translation adjustments	(1,442)	(7,911)
Retirement benefits liability adjustments	(294)	(314)
Total accumulated other comprehensive income	532	(10,280)
Stock acquisition rights	319	398
Non-controlling interests	156	143
Total net assets	145,882	126,763
 Total liabilities and net assets	¥ 354,865	¥ 333,180

Consolidated Income Statement

(2) Consolidated Income Statement and Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries
The second quarter ended June 30, 2021 and 2020

	Millions of yen	
	The Second Quarter Ended June 30, 2021	The Second Quarter Ended June 30, 2020
Net sales	¥ 209,478	¥ 146,897
Cost of sales	104,030	76,314
Gross profit	105,448	70,583
Selling, general and administrative expenses *1	81,454	74,456
Operating income (loss)	23,993	(3,873)
Other income (expenses):		
Interest and dividend income	255	319
Interest expense	(820)	(760)
Exchange gain (loss), net	696	(1,902)
Related expense of restricted stock remuneration	(179)	(84)
Gain on sales of investments in securities, net	16	1
Loss on sales or disposal of property, plant and equipment and other, net	(101)	(205)
Loss on valuation of investments in securities	(27)	(28)
Loss on impairment of property, plant and equipment	(34)	—
Extra retirement payments *2	(88)	(588)
Loss on temporary closing of stores *3	(5,292)	(2,505)
Loss on the cancellation of lease contracts	(170)	—
Subsidy income	590	286
Other, net	234	32
Profit (loss) before income taxes	19,072	(9,308)
Income taxes:		
Current	6,721	1,011
Refunded *4	—	(4,057)
Profit (loss)	6,721	(3,045)
Profit (loss)	12,350	(6,263)
Profit (loss) attributable to:		
Non-controlling interests	(0)	3
Owners of parent	¥ 12,350	¥ (6,266)

Consolidated Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries
The second quarter ended June 30, 2021 and 2020

	Millions of yen	
	The Second Quarter Ended June 30, 2021	The Second Quarter Ended June 30, 2020
Profit (loss)	¥ 12,350	¥ (6,263)
Other comprehensive income (loss) :		
Unrealized holding gain (loss) on securities	486	(1,069)
Unrealized deferred gain on hedges	3,837	666
Translation adjustments	6,482	(2,950)
Retirement benefits liability adjustments	19	32
Total other comprehensive income(loss), net	10,826	(3,319)
Comprehensive income (loss)	¥ 23,177	¥ (9,583)
Comprehensive income (loss) attributable to:		
Owners of parent	¥ 23,163	¥ (9,581)
Non-controlling interests	13	(1)

Consolidated Statement of Cash Flows

(3) Consolidated Statement of Cash Flows

ASICS Corporation and Consolidated Subsidiaries
The second quarter ended June 30, 2021 and 2020

	Millions of yen	
	The Second Quarter Ended June 30, 2021	The Second Quarter Ended June 30, 2020
Operating activities:		
Profit (loss) before income taxes	¥ 19,072	¥ (9,308)
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:		
Depreciation and amortization	6,807	6,732
Loss on impairment of property, plant and equipment	34	—
Amortization of goodwill	145	135
Increase in allowance for doubtful receivables	55	697
Increase in liabilities for retirement benefits, net	120	156
Increase (decrease) in provision for employees' bonuses	275	(325)
Loss on impairment of investments in securities	27	28
Gain on sales of investments in securities, net	(16)	(1)
Interest and dividend income	(255)	(319)
Interest expense	820	753
Exchange (gain) loss, net	(78)	10
Loss on sales or disposal of property, plant and equipment and other, net	101	205
Other, net	134	(635)
(Increase) decrease in operating assets:		
Notes and accounts receivable-trade	(17,638)	11,200
Inventories	(3,842)	(16,364)
Other operating assets	951	(1,244)
Increase (decrease) in operating liabilities:		
Notes and accounts payable-trade	1,575	1,404
Accrued consumption taxes	1,919	1,060
Other operating liabilities	2,294	(2,031)
Subtotal	12,503	(7,845)
Interest and dividends received	245	314
Interest paid	(806)	(739)
Business restructuring expenses paid	—	(39)
Income taxes paid	(2,141)	(802)
Net cash provided by operating activities	9,801	(9,113)
Investing activities:		
Decrease in time deposits	(67)	(0)
Proceeds from withdrawal of time deposits	—	230
Purchases of property, plant and equipment	(1,612)	(1,626)
Payments for disposal of property, plant and equipment	(19)	(199)
Proceeds from sales of property, plant and equipment	77	32
Purchases of intangible assets	(3,147)	(2,920)
Proceeds from sales of intangible assets	42	86
Purchases of investments in securities	(416)	(547)
Proceeds from sales and redemption of investments in securities	70	7
Proceeds from distribution of investment in partnerships	143	—
Net increase in short-term loans receivable included in other current assets	1	(0)
Long-term loans receivable made	(7)	(8)
Collection of long-term loans receivable	11	9
Other, net	(202)	(248)
Net cash used in investing activities	(5,125)	(5,181)
Financing activities:		
Net (decrease) increase in short-term bank loans	(6,148)	35,176
Proceeds from long-term loans	—	2,500
Repayment of long-term loans	(15)	(117)
Purchases of treasury share	(2)	(0)
Proceeds from sales of treasury share	—	0
Repayment of lease obligations	(4,265)	(3,491)
Cash dividends paid to shareholders of the Company	(4,388)	(3,289)
Dividends paid to non-controlling interests	(0)	(0)
Net cash used in financing activities	(14,820)	30,777
Effect of exchange rate changes on cash and cash equivalents	1,734	(1,095)
Net (decrease) increase in cash and cash equivalents	(8,411)	15,386
Cash and cash equivalents as of January 1, 2021 and 2020	80,474	37,985
Cash and cash equivalents as of June 30, 2021 and 2020	¥ 72,063	¥ 53,371

(4) Notes for Consolidated Financial Statements
(Consolidated Balance Sheet)

The Company has an overdraft agreement with the bank to finance working capital efficiently.
The balance of unused loan commitments as of June 30, 2021 under this agreement is as follows.

	Millions of yen	
	As of June 30, 2021	As of December 31, 2020
Overdraft maximum amount	¥194,500	¥194,500
Balance of used loans	-	5,000
Unused balance	¥194,500	¥189,500

(Consolidated Income Statement)

*1 The material expenses in Selling, General and Administrative expenses are as follows:

The Company has received subsidies related to COVID-19, which are directly deducted from selling, general and administrative expenses in the amount of ¥211 million and ¥348 million for the 2nd quarter ended June 30, 2021 and 2020 respectively.

	Millions of yen	
	2021 (from January 1 to June 30, 2021)	2020 (from January 1 to June 30, 2020)
Packing and transportation	¥8,446	¥6,830
Advertising	12,697	14,286
Commission fee	12,295	9,874
Provision for bad debt	50	839
Salaries and wages	20,155	17,415
Provision for bonus	901	298
Retirement benefit	522	521
Rent	5,753	4,556
Depreciation and amortization	6,255	5,953

*2 Extra retirement payments

2020 (from January 1 to June 30, 2020)

This is a special severance payment associated with the rationalization of management of European subsidiaries.

2021 (from January 1 to June 30, 2021)

This is a special severance payment associated with the rationalization of management of European subsidiaries.

*3 Loss on temporary closing of stores

2020 (from January 1 to June 30, 2020)

We have been temporarily closing some own retail stores in Japan, North America, Europe, etc., due to requests of governments and local governments regarding the infection (COVID-19), and as a measure against the spread of infections. Fixed costs (personnel expenses, depreciation and amortization, etc.) of own retail stores incurred during the closure period are recorded in extraordinary losses as losses resulting from temporary store closures.

The Company has received subsidy related to COVID-19 and deducted ¥151 million directly from the extraordinary losses described above.

2021 (from January 1 to June 30, 2021)

Due to the COVID-19, part of the stores originally planned could not be opened. As a result, fixed costs (personnel expenses, depreciation and amortization, etc.) of own retail stores incurred during the closure period and loss on furniture and fixtures and inventories that cannot be transferred to other stores were recorded as loss on temporary closing of stores in extraordinary losses.

The Company has received subsidy related to COVID-19 and deducted ¥150 million directly from the extraordinary losses described above.

*4 Refund of income taxes

2020 (from January 1 to June 30, 2020)

This is the amount of tax refunds recorded by U.S. subsidiaries based on the CARES Act established in the U.S.

2021 (from January 1 to June 30, 2021)

Not applicable.

(Segment Information)

1) Outline of Reportable Segments

Reportable segments of the Group are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive Meeting of the Company to make decisions on the allocation of management resources and assess performance.

The Company is mainly engaged in business management activities and product development as the global headquarters.

The Group is primarily engaged in the manufacture and sales of sporting goods. ASICS Japan Corporation and other subsidiaries in Japan are responsible for Japan. ASICS America Corporation is responsible for North America; ASICS Europe B.V. for Europe, Middle East, and Africa; ASICS China Trading Co., Ltd. for Greater China; ASICS Oceania PTY., Ltd. for Oceania; and ASICS Asia PTE., Ltd. for SouthEast and South Asia.

2) Net Sales and Segment Income/Loss of Reportable Segment

	Millions of yen										
	2021 (from January 1 to June 30, 2021)	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Net sales:											
Sales to customers	¥45,360	¥42,784	¥57,821	¥27,989	¥13,135	¥4,636	¥15,712	¥207,440	¥2,037	¥209,478	
Intersegment	12,434	13	11	0	-	-	30	12,491	(12,491)	-	
Total sales	57,795	42,797	57,833	27,990	13,135	4,636	15,742	219,932	(10,453)	209,478	
Segment income	¥3,484	¥1,944	¥9,167	¥6,147	¥2,035	¥182	¥634	¥23,596	¥396	¥23,993	

	Millions of yen									
	2020 (from January 1 to June 30, 2020)	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments
Net sales:										
Sales to customers	¥37,753	¥28,397	¥37,083	¥18,525	¥8,587	¥3,663	¥11,879	¥145,890	¥1,007	¥146,897
Intersegment	9,251	16	10	-	-	-	113	9,392	(9,392)	-
Total sales	47,004	28,414	37,094	18,525	8,587	3,663	11,993	155,282	(8,385)	146,897
Segment income (loss)	¥(1,509)	¥(2,134)	¥737	¥2,133	¥1,087	¥(71)	¥(317)	¥(74)	¥(3,798)	¥(3,875)

3. Supplemental Information

(1) Net Sales per Regions

	Millions of yen					
	2021 (from January 1 to June 30, 2021)	Japan	North America	Europe	Greater China	Others
Net sales	¥46,431	¥43,641	¥59,054	¥28,135	¥32,215	¥209,478

	Millions of yen					
	2020 (from January 1 to June 30, 2020)	Japan	North America	Europe	Greater China	Others
Net sales	¥37,838	¥29,263	¥38,444	¥18,607	¥22,744	¥146,897

(2) Foreign Currency Exchange Rates

	USD	EUR	RMB	AUD	SGD
2nd quarter ended June 30, 2021	¥107.65	¥129.91	¥16.63	¥82.71	¥80.83
2nd quarter ended June 30, 2020	¥108.27	¥119.78	¥15.38	¥71.94	¥77.75
Increase or (Decrease)	¥(0.62)	¥10.13	¥1.25	¥10.77	¥3.08
Ratio (%)	(0.6)	+8.5	+8.1	+15.0	+4.0

(3) Net Sales and Segment Income Ratio

	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others
Net Sales	(Local Currency)	-	+50.5	+43.8	+40.5	+33.0	+24.2
Vs 2nd quarter ended June 30, 2020 (%)	(Yen)	+23.0	+50.6	+55.9	+51.1	+53.0	+26.6
Segment income	(Local Currency)	-	-	-	+167.3	+62.9	-
Vs 2nd quarter ended June 30, 2020 (%)	(Yen)	-	-	-	+188.1	+87.3	-
Segment Income Ratio (%)		6.0	4.5	15.9	22.0	15.5	3.9