

## Summary of Consolidated Financial Statements For the Fiscal Year Ended December 31, 2021 (Japan GAAP)

February 10, 2022

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 the ordinary general shareholders' meeting: March 25, 2022

Date of scheduled payment of dividends: March 28, 2022

Date of filing Securities Report: March 28, 2022

Financial Results Supplemental Materials: Yes

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

(Amounts less than one million yen are truncated)

1. Consolidated results for the fiscal year ended December 31, 2021 (January 1, 2021 – December 31, 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	%
FY ended December 31, 2021	404,082	22.9	21,945	–	22,166	–	9,402	–
FY ended December 31, 2020	328,784	(13.0)	(3,953)	–	(6,923)	–	(16,126)	–

(Note) Comprehensive income: FY ended December 31, 2021: ¥ 26,033 million (–)

FY ended December 31, 2020: ¥ (22,648) million (–)

	Net income per share	Diluted net income per share	Ratio of net income to shareholders' equity	Ratio of ordinary income to total assets	Ratio of operating income to net sales
	Yen	Yen	%	%	%
FY ended December 31, 2021	51.38	51.33	6.9	6.5	5.4
FY ended December 31, 2020	(88.17)	–	(11.6)	(2.1)	(1.2)

(Reference) Equity in earnings of affiliates: FY ended December 31, 2021: – million

FY ended December 31, 2020: – million

(Note) Diluted net income per share has not been disclosed for the fiscal year ended December 31, 2020 because of diluted net loss per share for this fiscal year.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	MY	MY	%	Yen
As of December 31, 2021	345,773	146,537	42.2	798.08
As of December 31, 2020	333,180	126,763	37.9	689.57

(Reference) Shareholders' equity: December 31, 2021: ¥ 146,080 million

December 31, 2020: ¥ 126,221 million

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of year
	MY	MY	MY	MY
FY ended December 31, 2021	49,146	(10,167)	(25,968)	95,275
FY ended December 31, 2020	19,330	(9,634)	31,336	80,474

## 2. Dividends

(Record date)	Cash dividend per share					Total dividend amount (Annual)	Dividend payout ratio (Consolidated)	Ratio of dividends to net assets (Consolidated)
	End of 1st quarter	End of 2nd quarter	End of 3rd quarter	End of year	Annual			
	Yen	Yen	Yen	Yen	Yen	MY	%	%
FY ended December 31, 2020	–	0.00	–	24.00	24.00	4,393	–	3.2
FY ended December 31, 2021	–	12.00	–	12.00	24.00	4,392	46.7	3.2
FY ending December 31, 2022 (Projected)	–	16.00	–	16.00	32.00		43.4	

## 3. Forecast of consolidated business results for the fiscal year ending December 31, 2022 (January 1, 2022 – December 31, 2022)

(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
Full-year	MY	%	MY	%	MY	%	MY	%	Yen
	420,000	3.9	23,000	4.8	22,500	1.5	13,500	43.6	73.77

### ※ Notes

- (1) Changes in significant subsidiaries during the fiscal year (changes in specified subsidiaries that caused changes in the scope of consolidation): None
- (2) 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
- (3) Number of shares (of common stock) issued and outstanding
  - ① Number of shares outstanding (including treasury shares) at fiscal end:

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

December 31, 2021	6,829,533 shares	December 31, 2020	6,827,657 shares
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  - ③ Average number of shares during the term:

FY ended December 31, 2021	183,004,752 shares	FY ended December 31, 2020	182,888,311 shares
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\* This financial results report is not subject to auditing procedures by independent auditors

### \* 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 8, "(4) Forecast for the fiscal year ending December 31, 2022" for the forecast of consolidated business results.

(How to access supplemental materials on the fiscal year ended business results)

The Company is scheduled to hold conference call on business results for institutional investors on Monday, February 14, 2022. We plan to post the supplemental materials use in the meeting on the Company's website ([https://corp.asics.com/en/investor\\_relations/library/financial\\_summary](https://corp.asics.com/en/investor_relations/library/financial_summary)) on Thursday, February 10, 2022.

## **1. The overview of Business Results**

### **(1) The overview of business results for the fiscal year ended December 31, 2021 (January 1, 2021-December 31, 2021)**

#### **Major initiatives during the fiscal year ended December 31, 2021**

Due to the novel coronavirus disease (COVID-19), ASICS Group (“the Group”) continued to face challenging situations, such as cancellation or scale-down of various competitions and temporary closures of some own retail stores. With the expansion of COVID-19, production at our plant in southern Vietnam was temporarily halted, but the Group have worked to minimize the impact on sales in 2021 by securing supply systems in each region and effectively utilizing inventory on hand. There was also an increase in ocean freight costs due to the global shortage of containers.

Net sales and operating income increased significantly from the previous fiscal year, mainly due to the strong performance of Performance Running in all regions. Net sales exceeded 400.0 billion yen in sales for the first time in four years.

#### **◇ Digital**

Worldwide EC sales grew by 23% from the previous year. As a result, the EC sales ratio was 16%. In terms of digital, the Group took the following actions this fiscal year.

##### **(1) Providing running programs**

In April, the Group launched the ASICS Premium Running Program in Japan, a new service that offers a variety of running experiences to improve the performance of ordinary runners. In November, the Group launched the ASICS Running Program, which offers a total of three courses (Entry Course, Step Up Course and Speed Course) for runners from those who want to make running a habit to those who want to break their own records.

##### **(2) ASICS World Ekiden 2021 (ASICS World Ekiden 2021)**

In November, the Group held a virtual Ekiden race, "ASICS World Ekiden 2021". This was a new type of running event that connects all team members in online using a “digital tasuki”, the narrow band of fabric used in traditional Japanese Ekidens, and many people took part in the event as last year. This event provides an opportunity to enjoy running with people from all over the world.

##### **(3) Conducting NFT auctions**

The Group ASICS sold its first footwear, the ASICS SUNRISE RED™ NFT COLLECTION, through digital auctions starting in July 2021.

The "SUNRISE RED™ NFT COLLECTION " is ASICS' first NFT for shoes. All ASICS SUNRISE RED™ NFT COLLECTION owners will receive digital 3D models and textures of their NFT shoes to use in animation projects and other applications, including the Metaverse. The Group is strengthening the digital marketing field, and will actively propose new ways to enjoy sports and lifestyles using digital technology.

\*NFT: Non-Fungible Token: A non-falsifiable certificate of authenticity or ownership.

#### ◇ **Performance Running**

Net sales in Performance Running grew by over 30% with significant increases in sales in all regions.

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. Many athletes recorded over 194 personal bests wearing these shoes in Japan and overseas as of the end of December.

\*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 14%.

The Group participated in Milano Fashion Week for the first time in February, and unveil our Spring/Summer 2022 collection in September. 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, and the Group opened our flagship store in Kuala Lumpur, Malaysia in November.

#### ◇ **Status in Key Regions**

Net sales and operating income increased in key regions due to the result of strong Performance Running sales in each region. Net sales increased by 16% in Japan, 32% in North America, 22% in Europe and 28% in Greater China compared to the last year.

#### ◇ **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 three years in a row, by global environmental impact non-profit CDP.

Also, the Group has been selected for the seventh time as a component company of the Dow Jones Sustainability Asia/Pacific Index. The Dow Jones Sustainability Indices (DJSI) are a series of globally-recognized Socially Responsible Investment (SRI) indices.

In December, ASICS issued a Sustainability-Linked Bond, which is the first scheme in Japan (according to our research) to purchase emission credits based on the achievement of sustainability performance targets.

The Group will continue to promote sustainability-conscious initiatives in all aspects of our business, and strive to make further contributions toward the realization of a sustainable society.

#### ◇ **ROA Tree Management**

The Group have implemented measures to maximize ROA, one of the target indicators of the Mid-term plan 2023, and ROA increased by about 8% from -5.0% to 2.8%.

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 4% (48% to 44%) year on year.

From the perspective of capital efficiency, the cash conversion cycle reduced by 38 days (172 days to 134 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 22.9% to ¥404,082 million due to strong sales in all regions, mainly driven by the Performance Running category and the Core Performance Sports category.

2) Gross profit

Gross profit increased 30.8% to ¥199,878 million due to the impact of the increase in net sales described above.

3) Operating income

Operating income was ¥21,945 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 ¥22,166 million due to the above.

5) Profit attributable to owners of parent

Profit attributable to owners of parent was ¥9,402 million due to the impact of the increase in net sales and profit described above.

Business results by category were as follows.

The net sales results for the fiscal year ended December 31, 2020 have been reclassified to reflect changes of the aggregation method for some categories that were made in the first quarter ended March 31, 2021.

For the results for the fiscal year ended December 31, 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 fiscal year ended December 31, 2020.

(Millions of yen)

Category	Net sales			Category profit		
	FY2021 Jan 1 to Dec 31	FY2020 Jan 1 to Dec 31	Increase (Decrease)	FY2021 Jan 1 to Dec 31	FY2020 Jan 1 to Dec 31	Increase (Decrease)
Performance Running	208,268	159,033	49,235	42,634	24,903	17,731
Core Performance Sports	41,332	33,540	7,792	5,004	1,388	3,615
Sports Style	33,252	29,570	3,682	4,310	2,051	2,258
Apparel and Equipment	34,115	29,790	4,324	(175)	(5,381)	5,206
Onitsuka Tiger	38,545	33,935	4,610	4,868	3,616	1,251

1) Performance Running

Net sales increased 31.0% to ¥208,268 million due to strong sales in all regions. Category profit increased 71.2% to ¥42,634 million due to an improvement of the gross profit ratio, as well as due to the increase in net sales described above.

## 2) Core Performance Sports

Net sales increased 23.2% to ¥41,332 million due to strong sales in all regions. Category profit increased significantly 260.5% to ¥5,004 million due to an improvement of the gross profit ratio, as well as due to the increase in net sales described above.

## 3) Sports Style

Net sales increased 12.5% to ¥33,252 million due to strong sales in the Europe, Greater China and Oceania regions. Category profit increased significantly 110.1% to ¥4,310 million due to an improvement of the gross profit ratio, as well as due to the increase in net sales described above.

## 4) Apparel and Equipment

Net sales increased 14.5% to ¥34,115 million due to strong sales in the Japan, North America and Europe regions. Category loss was ¥175 million, a significant reduction in loss compared to the previous fiscal year, due to an improvement of the gross profit ratio.

## 5) Onitsuka Tiger

Net sales increased 13.6% to ¥38,545 million due to strong sales in the Greater China and Southeast and South Asia regions. Category profit increased 34.6% to ¥4,868 million due to an improvement of the gross profit ratio, as well as due to the increase in net sales described above.

Business results by reportable segments were as follows.

### 1) Japan region

Net sales increased 16.4% to ¥109,911 million due to strong sales of the Performance Running category and Core Performance Sports category.

Segment income returned profitable to ¥1,193 million, due to an improvement of the selling, general and administrative expenses ratio, as well as due to the increase in net sales described above.

### 2) North America region

Net sales increased 31.8% to ¥86,176 million due to strong sales of the Performance Running category and Core Performance Sports category.

Segment income returned profitable to ¥848 million, due to an improvement of the gross profit ratio, as well as due to the increase in net sales described above.

### 3) Europe region

Net sales increased 22.1% to ¥106,604 million due to strong sales of the Performance Running category, Core Performance Sports category and Sports Style category.

Segment income increased significantly 138.2% to ¥10,889 million due to an improvement of the gross profit ratio, as well as due to the increase in net sales described above.

### 4) Greater China region

Net sales increased 27.9% to ¥52,593 million due to strong sales of the Performance Running category and Onitsuka Tiger category.

Segment income increased significantly 112.5% to ¥9,147 million due to the impact of the increase in net sales described above and an improvement of the gross profit ratio of products for wholesale and retail.

5) Oceania region

Net sales increased 24.2% to ¥24,756 million due to strong sales of the Performance Running category and Sports Style category.

Segment income increased 23.6% to ¥3,347 million mainly due to the impact of the increase in net sales described above.

6) Southeast and South Asia regions

Net sales increased 27.5% to ¥10,903 million due to strong sales of the Performance Running category and Onitsuka Tiger category.

Segment income increased significantly 533.7% to ¥964 million due to the impact of the increase in net sales described above.

7) Other regions

Net sales increased 24.3% to ¥35,133 million due to strong sales of the Performance Running category and Core Performance Sports category.

Segment income increased significantly 284.3% to ¥1,797 million mainly due to the impact of the increase in net sales described above.

**(2) Explanation on financial position**

As for the consolidated financial position as of December 31, 2021, total assets increased 3.8% from the end of the previous fiscal year to ¥345,773 million, total liabilities decreased 3.5% from the end of the previous fiscal year to ¥199,235 million and net assets increased 15.6% from the end of the previous fiscal year to ¥146,537 million.

1) Current assets

Current assets increased 3.1% to ¥243,133 million mainly due to an increase in cash and deposits.

2) Non-current assets

Non-current assets increased 5.4% to ¥102,640 million mainly due to an increase in software.

3) Current liabilities

Non-current liabilities decreased 13.6% to ¥87,699 million mainly due to a decrease in current portion of bonds payable.

4) Non-current liabilities

Non-current liabilities increased 6.3% to ¥111,536 million mainly due to an increase in bonds.

5) Net assets

Net assets increased 15.6% to ¥146,537 million due to an increase in unrealized deferred gains or losses on hedges.

### (3) Overview of cash flows

As for cash flows as of December 31, 2021, cash and cash equivalents (hereinafter, “cash”) increased ¥14,801 million from the end of the previous fiscal year to ¥95,275 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 was ¥49,146 million, an increase of ¥29,815 million compared with the previous fiscal year.

Major sources of cash were ¥14,120 million from profit before income taxes and ¥14,501 million from a depreciation, while major uses of cash were ¥3,202 million for income taxes paid.

#### 2) Cash flows from investing activities

Net cash used in investing activities was ¥10,167 million, an increase of ¥533 million compared with the previous fiscal year. Major uses of cash were ¥6,322 million for purchases of intangible assets and ¥3,251 million for purchases of property, plant and equipment.

#### 3) Cash flows from financing activities

Net cash used in financing activities was ¥25,968 million, an increase of ¥57,305 million compared with previous fiscal year.

Major uses of cash were ¥20,000 million for redemption of bonds, ¥8,285 million for the repayment of lease obligations and ¥6,589 million for cash dividends paid.

### (4) Forecast for the fiscal year ending December 31, 2022

In February 2021, the Group launched, “VISION 2030”, in which the target for fiscal year end December 31, 2023 is, “Consolidated operating income: 25.0 billion yen”, “Consolidated operating margin ratio: more than 6.0%” and “ROA:4.0%”.

For the fiscal year ending December 2022, production disruptions will remain during Q1 period and logistics costs are expected to increase. In such environment, we anticipate plan an increase both in sales and operating income while continuing aggressive investment in marketing.

We retain the current Mid-Term Plan 2023 without any change and will update it at the time we disclose the consolidated Financial Results for the Fiscal Year Ended December 31, 2022.

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

	Full-year consolidated business results (Billions of yen)		
	FY2021 (Actual)	FY2022 (Projected)	Percentage (%)
Net sales	404.0	420.0	3.9%
Operating income	21.9	23.0	4.8%
Operating income ratio (%)	5.4%	5.5%	0.1ppt
Ordinary income	22.1	22.5	1.5%
Profit attributable to owners of parent	9.4	13.5	43.6%



Forecast of consolidated net sales by category for the fiscal year ending December 31, 2021 is as follows.

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

	Consolidated net sales (Billions of yen)		
	FY2021 (Actual)	FY2022 (Projected)	Percentage (%)
Performance Running	208.2	223.0	7.1%
Core Performance Sports	41.3	41.5	0.4%
Sports Style	33.2	34.5	3.8%
Apparel and Equipment	34.1	34.5	1.1%
Onitsuka Tiger	38.5	44.5	15.4%

Forecast of consolidated net sales by region for the fiscal year ending December 31, 2021 is as follows.

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

	Consolidated net sales (Billions of yen)		
	FY2021 (Actual)	FY2022 (Projected)	Percentage (%)
Japan region	109.9	108.0	(1.7)%
North America region	86.1	87.0	1.0%
Europe region	106.6	117.0	9.8%
Greater China region	52.5	61.0	16.0%
Oceania region	24.7	23.0	(7.1)%
Southeast and South Asia regions	10.9	13.0	19.2%
Other regions	35.1	37.0	5.3%
Adjustments	(21.9)	(26.0)	18.2%
Total	404.0	420.0	3.9%

Please see the Company's following website for details regarding the forecast of consolidated business results: ([https://corp.asics.com/en/investor\\_relations/library/financial\\_summary](https://corp.asics.com/en/investor_relations/library/financial_summary)).

**(5) Basic policy for distribution of profits and dividends for the fiscal year ended December 31, 2021 and the fiscal year ending December 31, 2022**

The Company recognizes the return of profits to our shareholders as one of the management's top priorities.

The Company's basic policy for the dividends from the surplus is to pay dividends twice a year in the form of interim dividends (record date of June 30) and year-end dividends.

The Company expects to pay dividends of ¥24.00 per share (of which, ¥12.00 per share is from the interim dividend) for the fiscal year ended December 31, 2021.

The Company expects to pay record-high dividends of ¥32.00 per share (of which, ¥16.00 per share is from the interim dividend) for the fiscal year ending December 31, 2022.

**(6) 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 reduced business hours of the Group's some own retail stores and commercial facilities, a decrease in customers because of people refraining from going out.

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 impact continued, 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  
December 31, 2021 and 2020

ASSETS	Millions of yen	
	2021	2020
<b>Current assets:</b>		
Cash and deposits	¥ 96,298	¥ 81,469
Notes and accounts receivable :		
Trade	50,135	50,898
Less allowance for doubtful receivables	(2,471)	(1,924)
Inventories	80,047	88,123
Other current assets	19,123	17,245
Total current assets	243,133	235,812
<b>Property, plant and equipment:</b>		
Land	5,747	5,804
Buildings and structures	36,056	36,111
Machinery, equipment and vehicles	5,267	4,925
Tools, furniture and fixtures	30,201	30,478
Leased assets	7,443	7,088
Construction in progress	675	179
Less accumulated depreciation	(58,000)	(55,235)
Property, plant and equipment, net	27,391	29,352
<b>Intangible assets:</b>		
Goodwill	2,856	2,462
Software	8,422	6,316
Right of use asset	23,960	25,091
Other intangible assets	11,604	9,353
Total intangible assets	46,843	43,223
<b>Investments and other assets:</b>		
Investments in securities:		
Investments in unconsolidated subsidiaries and affiliates	156	156
Other	10,129	9,014
Long-term loans receivable	41	49
Deferred income taxes	8,509	8,683
Other assets	10,758	7,587
Less allowance for doubtful receivables	(1,189)	(699)
Total investments and other assets	28,404	24,792
Total assets	¥ 345,773	¥ 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	
	2021	2020
<b>Current liabilities:</b>		
Short-term bank loans	¥ 5,200	¥ 6,204
Current portion of long-term debt	8,173	7,903
Notes and accounts payable:		
Trade	30,459	33,002
Accrued income taxes	4,328	893
Accrued expenses	25,500	19,197
Provision for sales returns	277	285
Provision for employees' bonuses	460	300
Asset retirement obligations	73	68
Other current liabilities	13,225	33,659
Total current liabilities	87,699	101,516
<b>Long-term liabilities:</b>		
Long-term debt	97,100	88,891
Liabilities for retirement benefits	7,330	6,967
Asset retirement obligations	1,544	1,261
Deferred income taxes	1,471	664
Other long-term liabilities	4,089	7,116
Total long-term liabilities	111,536	104,901
<b>Net assets:</b>		
Shareholders' equity :		
Common stock:	23,972	23,972
Capital surplus	15,571	15,481
Retained earnings	110,205	107,392
Less treasury share, at cost	(10,018)	(10,344)
Total shareholders' equity	139,731	136,501
Accumulated other comprehensive income:		
Unrealized holding gain on securities	1,830	1,340
Unrealized deferred gain (loss) on hedges	4,923	(3,395)
Translation adjustments	(193)	(7,911)
Retirement benefits liability adjustments	(211)	(314)
Total accumulated other comprehensive income	6,349	(10,280)
Stock acquisition rights	313	398
Non-controlling interests	143	143
Total net assets	146,537	126,763
 Total liabilities and net assets	¥ 345,773	¥ 333,180

## Consolidated Income Statement

### (2) Consolidated Income Statement and Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries  
Year ended December 31, 2021

	Millions of yen	
	2021	2020
<b>Net sales</b>	¥ <b>404,082</b>	¥ 328,784
<b>Cost of sales</b>	<b>204,204</b>	175,925
Gross profit	<b>199,878</b>	152,858
<b>Selling, general and administrative expenses *1</b>	<b>177,932</b>	156,811
Operating income (loss)	<b>21,945</b>	(3,953)
<b>Other income (expenses):</b>		
Interest and dividend income	614	597
Interest expense	(1,723)	(1,700)
Exchange gain (loss), net	398	(1,626)
Related expense of restricted stock remuneration	(179)	(84)
Gain on sales of investments in securities, net	61	72
Loss on sales or disposal of property, plant and equipment and other, net	(158)	(363)
Loss on valuation of investments in securities	(129)	(244)
Loss on impairment of property, plant and equipment *2	(1,996)	(3,587)
Extra retirement payments *3	(107)	(584)
Loss on temporary closing of stores *4	(5,541)	(2,605)
Loss on the cancellation of lease contracts *5	(172)	(1,824)
Subsidy income	606	318
Gain on refund of PIS/COFINS for prior year	618	—
Other, net	(114)	(474)
<b>Profit (loss) before income taxes</b>	<b>14,120</b>	(16,060)
<b>Income taxes:</b>		
Current	6,748	4,005
Refunded *6	—	(4,300)
Deferred	(2,007)	360
<b>Profit (loss)</b>	<b>9,380</b>	(16,125)
<b>Profit (loss) attributable to:</b>		
Non-controlling interests	(22)	0
Owners of parent	¥ <b>9,402</b>	¥ (16,126)

## Consolidated Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries  
Year ended December 31, 2021

	Millions of yen			
		2021		2020
<b>Profit (loss)</b>	¥	9,380	¥	(16,125)
<b>Other comprehensive income (loss) :</b>				
Unrealized holding gain (loss) on securities		489		(713)
Unrealized deferred gain (loss) on hedges		8,318		(6,833)
Translation adjustments		7,741		1,032
Retirement benefits liability adjustments		103		(8)
Total other comprehensive income (loss), net		16,653		(6,522)
<b>Comprehensive income (loss)</b>	¥	26,033	¥	(22,648)
Comprehensive income (loss) attributable to:				
Owners of parent	¥	26,031	¥	(22,651)
Non-controlling interests		1		2

## Consolidated Statement of Changes in Net Assets

### (3) Consolidated Statement of Changes in Net Assets

ASICS Corporation and Consolidated Subsidiaries

Year ended December 31, 2021

Millions of yen												
	Number of issued shares of	Common	Capital	Retained	Treasury share,	Unrealized holding gain on	Unrealized deferred gain (loss)	Translation	Retirement benefits liability	Stock acquisition	Non-controlling	Total
Balance at January 1, 2020	189,870,559	23,972	15,481	126,967	(10,959)	2,054	3,438	(8,941)	(306)	475	141	152,323
Transfer to capital surplus from retained earnings	—	—	160	(160)	—	—	—	—	—	—	—	—
Dividends	—	—	—	(3,288)	—	—	—	—	—	—	—	(3,288)
Profit attributable to owners of parent	—	—	—	(16,126)	—	—	—	—	—	—	—	(16,126)
Purchases of treasury share	—	—	—	—	(1)	—	—	—	—	—	—	(1)
Sales of treasury share	—	—	(160)	—	616	—	—	—	—	—	—	456
Other changes	—	—	—	—	—	(713)	(6,833)	1,029	(8)	(76)	1	(6,600)
Balance at January 1, 2021	189,870,559	¥ 23,972	¥ 15,481	¥ 107,392	¥ (10,344)	¥ 1,340	¥ (3,395)	¥ (7,911)	¥ (314)	¥ 398	¥ 143	¥ 126,763
Dividends	—	—	—	(6,589)	—	—	—	—	—	—	—	(6,589)
Profit attributable to owners of parent	—	—	—	9,402	—	—	—	—	—	—	—	9,402
Purchases of treasury share	—	—	—	—	(6)	—	—	—	—	—	—	(6)
Sales of treasury share	—	—	89	—	333	—	—	—	—	—	—	422
Other changes	—	—	—	—	—	489	8,318	7,718	103	(85)	0	16,544
<b>Balance at December 31, 2021</b>	<b>189,870,559</b>	<b>¥ 23,972</b>	<b>¥ 15,571</b>	<b>¥ 110,205</b>	<b>¥ (10,018)</b>	<b>¥ 1,830</b>	<b>¥ 4,923</b>	<b>¥ (193)</b>	<b>¥ (211)</b>	<b>¥ 313</b>	<b>¥ 143</b>	<b>¥ 146,537</b>

## Consolidated Statement of Cash Flows

### (4) Consolidated Statement of Cash Flows

ASICS Corporation and Consolidated Subsidiaries  
Year ended December 31, 2021

	Millions of yen	
	2021	2020
<b>Operating activities:</b>		
Profit (loss) before income taxes	¥ 14,120	¥ (16,060)
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:		
Depreciation and amortization	14,051	13,713
Loss on impairment of property, plant and equipment	1,996	3,587
Amortization of goodwill	296	269
Increase in allowance for doubtful receivables	911	475
Increase in liabilities for retirement benefits, net	398	401
Increase (decrease) in provision for employees' bonuses	136	(212)
Loss on impairment of investments in securities	129	244
Gain on sales of investments in securities, net	(61)	(72)
Interest and dividend income	(614)	(597)
Interest expense	1,723	1,700
Exchange (gain), net	(126)	(10)
Loss on sales or disposal of property, plant and equipment and other, net	158	363
Other, net	(822)	261
(Increase) decrease in operating assets:		
Notes and accounts receivable-trade	3,878	12,312
Inventories	12,943	4,235
Other operating assets	3,282	746
Increase (decrease) in operating liabilities:		
Notes and accounts payable-trade	(4,759)	2,421
Accrued consumption taxes	579	(1,050)
Other operating liabilities	5,458	1,896
Subtotal	53,680	24,627
Interest and dividends received	380	607
Interest paid	(1,712)	(1,665)
Business restructuring expenses paid	—	(677)
Income taxes refunded	—	697
Income taxes paid	(3,202)	(4,258)
Net cash provided by operating activities	49,146	19,330
<b>Investing activities:</b>		
Increase in time deposits	(71)	(2)
Proceeds from withdrawal of time deposits	170	231
Purchases of property, plant and equipment	(3,251)	(3,768)
Payments for disposal of property, plant and equipment	(54)	(295)
Proceeds from sales of property, plant and equipment	365	77
Purchases of intangible assets	(6,322)	(5,094)
Proceeds from sales of intangible assets	18	98
Purchases of investments in securities	(800)	(611)
Proceeds from sales and redemption of investments in securities	233	183
Proceeds from distribution of investment in partnerships	180	—
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(208)	—
Net increase (decrease) in short-term loans receivable included in other current assets	(2)	6
Long-term loans receivable made	(6)	(8)
Collection of long-term loans receivable	15	9
Other, net	(433)	(460)
Net cash used in investing activities	(10,167)	(9,634)
<b>Financing activities:</b>		
Net (decrease) increase in short-term bank loans	(1,027)	33
Proceeds from long-term loans	—	2,500
Repayment of long-term loans	(15)	(134)
Proceeds from issuance of bonds	9,954	39,834
Redemption of bonds	(20,000)	—
Purchases of treasury share	(6)	(1)
Proceeds from sales of treasury share	0	0
Repayment of lease obligations	(8,285)	(7,599)
Cash dividends paid to shareholders of the Company	(6,589)	(3,294)
Dividends paid to non-controlling interests	(0)	(0)
Net cash used in (provided by) financing activities	(25,968)	31,336
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>1,792</b>	<b>1,456</b>
<b>Net increase in cash and cash equivalents</b>	<b>14,801</b>	<b>42,489</b>
<b>Cash and cash equivalents as of January 1, 2021 and 2020</b>	<b>80,474</b>	<b>37,985</b>
<b>Cash and cash equivalents as of December 31, 2021 and 2020</b>	<b>¥ 95,275</b>	<b>¥ 80,474</b>



(5) 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 December 31, 2021 under this agreement is as follows.

	Millions of yen	
	As of December 31, 2021	As of December 31, 2020
Overdraft maximum amount	¥204,500	¥194,500
Balance of used loans	5,200	5,000
Unused balance	¥199,300	¥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 ¥411 million and ¥1,296 million for the year ended December 31, 2021 and 2020 respectively.

	Millions of yen	
	2021 (from January 1 to December 31, 2021)	2020 (from January 1 to December 31, 2020)
Packing and transportation	¥16,664	¥14,664
Advertising	31,583	29,194
Commission fee	27,047	21,273
Provision for bad debt	526	915
Salaries and wages	40,563	36,551
Provision for bonus	1,408	661
Retirement benefit	1,042	1,042
Rent	11,439	10,822
Depreciation and amortization	13,201	12,568

\*2 Loss on impairment of property, plant and equipment

2020 (from January 1 to December 31, 2020)

The breakdown of loss on impairment is as follows.

	(Millions of yen)
Loss on impairment on retail store assets, etc.	2,587
Loss on impairment on U.S. flagship store	727
Other	272
Total	¥3,587

2021 (from January 1 to December 31, 2021)

The breakdown of loss on impairment is as follows.

	(Millions of yen)
Loss on impairment on retail store assets, etc.	1,877
Other	119
Total	¥1,996

\*3 Extra retirement payments

2020 (from January 1 to December 31, 2020)

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

2021 (from January 1 to December 31, 2021)

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

\*4 Loss on temporary closing of stores

2020 (from January 1 to December 31, 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 ¥469 million directly from the extraordinary losses described above.

2021 (from January 1 to December 31, 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 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 ¥194 million directly from the extraordinary losses described above.

\*5 Loss on the cancellation of lease contracts

2020 (from January 1 to December 31, 2020)

Loss on cancellation fees and other factors incurred due to the closing of the flagship store in the U.S., and removal from the previous office.

2021 (from January 1 to December 31, 2021)

Loss on cancellation fees and other factors incurred due to the closing of the own retail store.

\*6 Refund of income taxes

2020 (from January 1 to December 31, 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 December 31, 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

2021 (from January 1 to December 31, 2021)	Millions of yen									
	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Net sales:										
Sales to customers	¥83,381	¥86,148	¥106,579	¥52,584	¥24,755	¥10,903	¥35,080	¥399,432	¥4,649	¥404,082
Intersegment	26,530	27	24	9	1	-	53	26,646	(26,646)	-
Total sales	109,911	86,176	106,604	52,593	24,756	10,903	35,133	426,079	(21,996)	404,082
Segment income (loss)	¥1,193	¥848	¥10,889	¥9,147	¥3,347	¥964	¥1,797	¥28,187	¥(6,242)	¥21,945
Segment assets	¥74,145	¥61,364	¥97,475	¥39,725	¥24,959	¥10,761	¥27,649	¥336,082	¥9,691	¥345,773
Other items										
Depreciation expenses	¥709	¥1,221	¥4,636	¥2,076	¥1,195	¥879	¥993	¥11,713	¥2,337	¥14,051
Increases in Tangible and Intangible fixed assets	¥313	¥1,004	¥1,253	¥277	¥244	¥219	¥220	¥3,533	¥5,881	¥9,415

2020 (from January 1 to December 31, 2020)	Millions of yen									
	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Net sales:										
Sales to customers	¥75,667	¥65,348	¥87,321	¥41,117	¥19,923	¥8,552	¥27,994	¥325,925	¥2,858	¥328,784
Intersegment	18,730	29	20	1	2	0	265	19,050	(19,050)	-
Total sales	94,398	65,377	87,342	41,118	19,926	8,553	28,260	344,975	(16,191)	328,784
Segment income (loss)	¥(3,791)	¥(4,548)	¥4,572	¥4,305	¥2,707	¥152	¥467	¥3,864	¥(7,818)	¥(3,953)
Segment assets	¥75,862	¥57,702	¥86,933	¥27,881	¥22,619	¥9,718	¥26,935	¥307,652	¥25,527	¥333,180
Other items										
Depreciation expenses	¥1,147	¥1,424	¥4,427	¥1,795	¥813	¥726	¥968	¥11,302	¥2,411	¥13,713
Increases in Tangible and Intangible fixed assets	¥227	¥1,330	¥1,215	¥216	¥267	¥276	¥169	¥3,703	¥4,700	¥8,404

3. Supplemental Information

(1) Net Sales per Regions

2021 (from January 1 to December 31, 2021)	Millions of yen					
	Japan	North America	Europe	Greater China	Others	Consolidated
Net sales	¥85,902	¥88,156	¥112,144	¥52,808	¥65,070	¥404,082

2020 (from January 1 to December 31, 2020)	Millions of yen					
	Japan	North America	Europe	Greater China	Others	Consolidated
Net sales	¥76,758	¥66,997	¥91,519	¥41,279	¥52,229	¥328,784

(2) Foreign Currency Exchange Rates

	USD	EUR	RMB	AUD	SGD
Fiscal year ended December 31, 2021	¥109.78	¥130.06	¥17.03	¥82.40	¥81.80
Fiscal year ended December 31, 2020	¥106.54	¥121.97	¥15.44	¥73.93	¥77.50
Increase	¥3.24	¥8.09	¥1.59	¥8.47	¥4.30
Ratio (%)	+3.0	+6.6	+10.3	+11.5	+5.5

(3) Net Sales and Segment Income Ratio

	(Local Currency)	Millions of yen							
		Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	
Net Sales	-	-	+27.2	+14.5	+16.6	+11.5	+22.6	+20.4	
Vs Fiscal year ended December 31, 2020 (%)	(Yen)	+16.4	+31.8	+22.1	+27.9	+24.2	+27.5	+24.3	
Segment income	(Local Currency)	-	-	+123.5	+93.3	+10.9	+508.3	+283.2	
Vs Fiscal year ended December 31, 2020 (%)	(Yen)	-	-	+138.2	+112.5	+23.6	+533.7	+284.3	
Segment Income Ratio (%)		1.1	1.0	10.2	17.4	13.5	8.8	5.1	