

Summary of Consolidated Financial Statements For the Third Quarter Ended September 30, 2022 (Japan GAAP)

November 11, 2022

Name of the Company: ASICS Corporation

Listing Exchanges: Tokyo

Code No.: 7936

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

President, CEO and COO, Representative Director: Yasuhito Hirota

Date of filing Securities Report by quarter: November 14, 2022

Date of scheduled payment of dividends: –

Quarterly Results Supplemental Materials: Yes

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

(Amounts less than one million yen are truncated)

1. Consolidated results for the third quarter ended September 30, 2022 (January 1, 2022– September 30, 2022)

(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	%
3rd quarter ended September 30, 2022	363,068	12.7	36,051	0.7	34,219	(4.1)	23,245	21.9
3rd quarter ended September 30, 2021	322,207	29.8	35,785	991.2	35,681	–	19,073	–

(Note) Comprehensive income: 3rd quarter ended September 30, 2022: ¥ 56,192 million (78.3 %)

3rd quarter ended September 30, 2021: ¥ 31,516 million (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
3rd quarter ended September 30, 2022	126.95	126.84
3rd quarter ended September 30, 2021	104.23	104.12

Note: ASICS Corporation has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the first quarter of the current consolidated fiscal year.

The figures for the first nine month of the fiscal year ending December 31, 2022 are the figures after the application of the accounting standards.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	MY	MY	%
As of September 30, 2022	444,912	197,973	44.2
As of December 31, 2021	345,773	146,537	42.2

(Reference) Shareholders' equity: September 30, 2022: ¥ 196,838 million December 31, 2021: ¥ 146,080 million

Note: ASICS Corporation has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. effective from the beginning of the first quarter of the current consolidated fiscal year.

The figures for the first nine month of the fiscal year ending December 31, 2022 are the figures after the application of the accounting standards.

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, 2021	–	12.00	–	12.00	24.00
FY ending December 31, 2022	–	16.00	–		
FY ending December 31, 2022 (Projected)				16.00	32.00

(Note) Changes in projected dividends: None

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
	MY	%	MY	%	MY	%	MY	%	Yen
Full-year	480,000	18.8	34,000	54.9	32,000	44.4	21,000	123.3	114.69

(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, 2022” announced on November 11, 2022.

※ 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: Yes
 - 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:

September 30, 2022	189,870,559 shares	December 31, 2021	189,870,559 shares
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 - ② Number of treasury shares at fiscal end:

September 30, 2022	6,701,395 shares	December 31, 2021	6,829,533 shares
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 - ③ Average number of shares during the term:

3rd quarter ended September 30, 2022	183,104,838 shares	3rd quarter ended September 30, 2021	182,993,785 shares
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* Summary of Consolidated Financial Statements is not subjected to quarterly review 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, "(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, analysts and press on Friday, November 11, 2022. We plan to post the materials used in the meeting on the Company's website (https://corp.asics.com/en/investor_relations/library/financial_summary) on Friday, November 11, 2022.

1. Qualitative information for consolidated business results

(1) Explanation on business results

Forward-looking statements in the text are our estimation as of the end of the third quarter ended September 30, 2022.

Effective from the first quarter ended March 31, 2022, the Company has adopted the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and others.

Major initiatives during the nine months ended September 30, 2022

Although there are concerns about the various effects of the novel coronavirus disease (COVID-19) this quarter, efforts to normalize socioeconomic activities are underway in many parts of the world. Under these circumstances net sales of the nine months ended September 30, 2022 of ASICS grew significantly, by 12.7% from the same period of the previous fiscal year, and increased by 3.5% even after excluding the effects of foreign exchange. Despite deteriorating foreign exchange rates in purchasing goods and higher logistics costs in North America and Europe, mainly due to improving the sales channel mix and optimizing selling prices, we were able to keep the gross profit ratio at the same level as the same period of the previous fiscal year. Still there has been confusion over the situation in Russia and Ukraine. However, the scale of ASICS Russia and Ukraine operations are small and the impact on business performance has been minimal.

◇ Digital

① Worldwide EC sales grew by 25.4% from the same period of the previous fiscal year to ¥58.4 billion. The number of OneASICS members increased by 34% from the same period of the previous fiscal year to 6.7 million. In terms of realizing “To be No.1 Performance Running & Racing brand” which is one of the strategic priorities in Mid-Term plan 2023, we continue to grow the number of OneASICS members and to accelerate in building of the running ecosystem by increasing the number of touch points with runners.

② In August, ASICS Group (“the Group”) welcomed R-bies CO., LTD. as a new member. R-bies CO., LTD. operates one of the largest portal sites for runners in Japan (RUNNET), with more than 3.5 million registered users, and provides high-quality race management and measurement. In addition to inducing the more than 3.5 million registered users of RUNNET to become OneASICS members, we will increase touchpoints with runners through mutual connections between RUNNET and ASICS products and services, with the aim of further strengthening the “running ecosystem” being promoted by the Company.

◇ Performance Running

① Net sales recorded double-digits year-on-year growth. Growth was particularly significant in the Greater China and Oceania, where it exceeded 30%, and in the Southeast and South Asia, where it reached 56.0%. Net sales in the nine months ended September 30, 2022 grew 25.8% year on year, and despite the impact of COVID-19 related restrictions, the Greater China grew by 51.4%.

② From July 15 to 24, the World Athletics Championships Oregon 22, of which ASICS was an official sponsor, was held in Eugene, Oregon, the United States. In the women’s marathon held at the Championships, U.S. team members Sara Hall and Emma Bates finished in fifth and

seventh place respectively, wearing ASICS METASPEED™ + series running shoes. We held a variety of running events in partnership with running specialty stores. In addition, we held the first event of its kind in the world, in which approximately 2,000 citizen runners shared a start and finish with some of the world's top track and field athletes.

③ Since introducing a category-based business management system in 2019, we have improved profitability. Gross profit ratio in Performance Running category has improved to 48.4% of the nine months ended September 30, 2022 from 44.2% of the same period of 2019. In expectation of a normalization of economic activities after the easing of COVID-19 countermeasures, running events have resumed around the world. It was under such circumstances that this year we again released updates to “GEL-KAYANO,” which has been a much-loved series for over a quarter of a century. Seizing the opportunity of becoming part of the Group by R-bies CO., LTD., we will accelerate in building of the running ecosystem in Japan in addition to the running ecosystem built in North America and Australia. We will provide details at the Investment Day scheduled to be held on November 22.

◇ Onitsuka Tiger

① Net sales grew, with Southeast and South Asia more than doubling year on year and Japan also performing well. On the other hand, due to the impact of COVID-19 related restrictions in Shanghai and other areas, Greater China recorded lower revenue, which in turn led to lower net sales on a currency neutral basis. However, the trend in the third quarter was one of recovery, with Japan growing 32.0% year on year and Greater China up 16.6%.

② In September, the Spring/Summer 2023 collection was presented at Milan Fashion Week. The theme of the collection this year was “Japanese minimalism.” Through a subtractive approach to art that combined novel forms with tradition while paring away everything non-essential, it represented the acme of beauty. This was the fourth time in total that we have participated since the Fall/Winter 2021. It was also the second physical show to be held after that of February 2022.

◇ Sustainability

① In accordance with the United Nations “Guiding Principles on Business and Human Rights,” the OECD “Guidelines for Multinational Enterprises,” and the International Labour Organization (ILO) “Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy (MNE Declaration),” we have formulated the ASICS Human Rights Policy, and made it available on the corporate website.

② ASICS has developed the GEL-LYTE™ III CM 1.95, which has the lowest CO2e emissions across its life cycle of any sneakers currently available on the market. Through series of reduction initiatives, such as developing a new carbon negative foam, we reduced emissions by more than 70% from the average for an ASICS sneaker, controlling it to no more than 1.95 kg. At this point in time, this has the lowest CO2e emissions across its life cycle of any sneakers currently available on the market. This new initiative is a milestone in ASICS' long-term ambition of achieving net-zero emissions as a business by 2050. Going forward, we will continue our efforts to maintain a healthy global environment in which people can exercise safely across future generations, and also engage in business activities that take into account a society and environment in which people can achieve physical and mental health, such as by enjoying emotional fulfilment through sports.

◇ ROA Tree Management

ROA is one of the Financial Index of the Mid-term Plan 2023, and despite the effects of foreign exchange and higher logistics costs, we succeeded in maintaining gross profit ratio at previous-year levels as a result of improving the sales channel mix and other initiatives. Although total assets have increased partly due to the effects of foreign exchange including weak Japanese Yen and others, increases in profit attributable to owners of parent led to ROA improved by 0.3 percentage points year on year, from 7.5% to 7.8%.

The Cash Conversion Cycle (CCC) deteriorated by 29 days, from 157 days to 186 days compared to the same period of the previous year, and by 52 days, from 134 days compared to the end of the previous fiscal year due to an increase in accounts receivable with steady sales and inventories related to the normalization of production.

ROA calculation as follow (Annualized)

$$\frac{\text{Profit attributable to owners of parent for the third quarter ended September 30, 2022}}{(\text{Total assets for the fiscal year ended December 31, 2021} + \text{Total assets for the third quarter ended September 30, 2022}) \div 2} \times \frac{4}{3}$$

1) Net sales

Net sales increased 12.7% to ¥363,068 million due to the foreign exchange effects and strong sales in all categories.

2) Gross profit

Gross profit increased 12.5% to ¥181,509 million due to the impact of the increase in net sales described above.

3) Operating income

Operating income increased 0.7% to ¥36,051 million mainly due to the impact of the increase in net sales described above.

4) Ordinary income

Despite the impact of the increase in net sales and profit described above, ordinary income decreased 4.1% to ¥34,219 million mainly due to the impact of the increase in foreign exchange loss.

5) Profit attributable to owners of parent

Profit attributable to owners of parent increased 21.9% to ¥23,245 million due to recording in extraordinary losses caused by the impact of COVID-19 in previous fiscal year.

Business results by category were as follows.

The results for the third quarter ended September 30, 2021 have been reclassified to reflect changes of the aggregation method for some categories that were made in the first quarter ended March 31, 2022.

(Millions of yen)

Category	Net sales			Category profit		
	FY2022 Jan 1 to Sep 30	FY2021 Jan 1 to Sep 30	Increase (Decrease)	FY2022 Jan 1 to Sep 30	FY2021 Jan 1 to Sep 30	Increase (Decrease)
Performance Running	197,270	167,426	29,844	43,910	40,060	3,850
Core Performance Sports	40,998	35,269	5,728	8,266	6,637	1,628
Sports Style	31,443	26,561	4,881	5,345	4,722	622
Apparel and Equipment	26,623	25,375	1,248	(578)	(67)	(510)
Onitsuka Tiger	31,868	30,386	1,482	6,411	5,450	961

1) Performance Running

Net sales increased 17.8% to ¥197,270 million due to the strong sales in all regions other than Japan region. Category profit increased 9.6% to ¥43,910 million due to the impact of the increase in net sales described above and foreign exchange effects.

2) Core Performance Sports

Net sales increased 16.2% to ¥40,998 million due to the strong sales in all regions other than Japan region. Category profit increased 24.5% to ¥8,266 million due to the impact of the increase in net sales described above and foreign exchange effects.

3) Sports Style

Net sales increased 18.4% to ¥31,443 million due to the strong sales in all regions other than Japan region. Category profit increased 13.2% to ¥5,345 million due to the impact of the increase in net sales described above and foreign exchange effects.

4) Apparel and Equipment

Net sales increased 4.9% to ¥26,623 million due to the foreign exchange effects. Category loss amounted to ¥578 million mainly due to the increase in Selling, General and Administrative expenses.

5) Onitsuka Tiger

Net sales increased 4.9% to ¥31,868 million due to the strong sales in Southeast and South Asia regions, despite the decrease in sales in the Greater China region impact of COVID-19 related restrictions in Shanghai and other areas. Category profit increased 17.6% to ¥6,411 million due to the impact of the increase in net sales described above and an improvement of the gross profit ratio.

Business results by reportable segments were as follows.

1) Japan region

Net sales increased 3.2% to ¥89,154 million due to the ongoing recovery from the impact of the production disruptions caused by shutdown of some factories.

Segment income decreased 2.1% to ¥4,316 million mainly due to a deterioration in the gross profit ratio.

2) North America region

Net sales increased 14.2% to ¥75,656 million due to the foreign exchange effects.

Segment income decreased 48.0% to ¥1,429 million mainly due to the increase in advertising expenses.

3) Europe region

Net sales increased 12.7% to ¥102,479 million due to the foreign exchange effects as well as due to the strong sales in almost all categories.

Segment income decreased 13.8% to ¥12,566 million due to a deterioration in the gross profit ratio and the increase in advertising expenses.

4) Greater China region

Net sales increased 16.1% to ¥47,649 million due to the strong sales of Performance Running and foreign exchange effects, despite weak sales of Onitsuka Tiger category.

Segment income increased 16.3% to ¥10,678 million mainly due to the impact of the increase in net sales described above.

5) Oceania region

Net sales increased 29.2% to ¥24,841 million due to the strong sales in almost all categories.

Segment income increased 43.5% to ¥4,198 million due to an improvement in the gross profit ratio, as well as due to the impact of the increase in net sales described above.

6) Southeast and South Asia regions

Net sales increased 79.2% to ¥13,895 million due to the strong sales in all categories.

Segment income increased significantly 274.7% to ¥2,724 million due to an improvement in the gross profit ratio, as well as due to the impact of the increase in net sales described above.

7) Other regions

Net sales increased 27.4% to ¥33,424 million due to the strong sales in all categories except Apparel and Equipment category.

Segment income increased 63.0% to ¥3,005 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 September 30, 2022, total assets increased 28.7% from the end of the previous fiscal year to ¥444,912 million, total liabilities increased 23.9% from the end of the previous fiscal year to ¥246,938 million and total net assets increased 35.1% from the end of the previous fiscal year to ¥197,973 million.

1) Current assets

Current assets increased 32.1% to ¥321,229 million mainly due to an increase in inventories.

2) Non-current assets

Non-current assets increased 20.5% to ¥123,683 million mainly due to an increase in software.

3) Current liabilities

Current liabilities increased 66.9% to ¥146,345 million mainly due to an increase in notes and accounts payable-trade.

4) Non-current liabilities

Non-current liabilities decreased 9.8% to ¥100,593 million mainly driven by reclassification of bonds payable from non-current liabilities to current liabilities due to redemption date within one year.

5) Net assets

Net assets increased 35.1% to ¥197,973 million mainly due to an increase in retained earnings.

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

The Company has revised the forecast of consolidated business results for the fiscal year ending December 31, 2022 (January 1, 2022 – December 31, 2022). For details, please refer to “Notice Concerning the Revision of the Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2022” announced on November 11, 2022.

(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 some own retail stores and commercial facilities in Japan and overseas, 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
As of September 30, 2022 and December 31, 2021

ASSETS	Millions of yen	
	September 30, 2022	December 31, 2021
Current assets:		
Cash and deposits	¥ 70,979	¥ 96,298
Notes and accounts receivable:		
Trade	86,999	50,135
Less allowance for doubtful receivables	(3,081)	(2,471)
Inventories	125,092	80,047
Other current assets	41,240	19,123
Total current assets	321,229	243,133
Property, plant and equipment:		
Land	6,047	5,747
Buildings and structures	38,346	36,056
Machinery, equipment and vehicles	5,558	5,267
Tools, furniture and fixtures	35,515	30,201
Leased assets	8,801	7,443
Construction in progress	332	675
Less accumulated depreciation	(65,228)	(58,000)
Property, plant and equipment, net	29,374	27,391
Intangible assets:		
Goodwill	6,852	2,856
Software	19,968	8,422
Right of use assets	23,986	23,960
Other intangible assets	4,415	11,604
Total intangible assets	55,223	46,843
Investments and other assets:		
Investments in securities:		
Investments in unconsolidated subsidiaries and affiliates	166	156
Other	11,178	10,129
Long-term loans receivable	36	41
Deferred income taxes	8,040	8,509
Other assets	20,979	10,758
Less allowance for doubtful receivables	(1,315)	(1,189)
Total investments and other assets	39,085	28,404
Total assets	¥ 444,912	¥ 345,773

Consolidated Balance Sheet

LIABILITIES AND NET ASSETS	Millions of yen	
	September 30, 2022	December 31, 2021
Current liabilities:		
Short-term bank loans	¥ 14,000	¥ 5,200
Current portion of long-term debt	23,414	8,173
Notes and accounts payable:		
Trade	45,969	30,459
Accrued income taxes	6,118	4,328
Accrued expenses	27,188	25,500
Provision for sales returns	—	277
Provision for employees' bonuses	2,281	460
Asset retirement obligations	19	73
Other current liabilities	27,352	13,225
Total current liabilities	146,345	87,699
Long-term liabilities:		
Long-term debt	82,547	97,100
Liabilities for retirement benefits	7,515	7,330
Asset retirement obligations	1,810	1,544
Deferred income taxes	4,839	1,471
Other long-term liabilities	3,880	4,089
Total long-term liabilities	100,593	111,536
Net assets:		
Shareholders' equity:		
Common stock:	23,972	23,972
Capital surplus	15,655	15,571
Retained earnings	127,647	110,205
Less treasury share, at cost	(9,835)	(10,018)
Total shareholders' equity	157,439	139,731
Accumulated other comprehensive income:		
Unrealized holding gain on securities	2,633	1,830
Unrealized deferred gain on hedges	20,097	4,923
Translation adjustments	16,834	(193)
Retirement benefits liability adjustments	(167)	(211)
Total accumulated other comprehensive income	39,398	6,349
Stock acquisition rights	297	313
Non-controlling interests	838	143
Total net assets	197,973	146,537
 Total liabilities and net assets	¥ 444,912	¥ 345,773

Consolidated Income Statement

(2) Consolidated Income Statement and Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries
The third quarter ended September 30, 2022 and 2021

	Millions of yen	
	The Third Quarter Ended September 30, 2022	The Third Quarter Ended September 30, 2021
Net sales	¥ 363,068	¥ 322,207
Cost of sales	181,559	160,931
Gross profit	181,509	161,276
Selling, general and administrative expenses *1	145,457	125,490
Operating income	36,051	35,785
Other income (expenses):		
Interest and dividend income	785	352
Interest expense	(1,734)	(1,248)
Exchange gain (loss), net	(1,387)	177
Related expense of restricted stock remuneration	—	(179)
Gain on sales of investments in securities, net	1	35
Loss on sales or disposal of property, plant and equipment and other, net	(167)	(137)
Loss on valuation of investments in securities	(151)	(27)
Loss on impairment of property, plant and equipment	—	(34)
Extra retirement payments *2	—	(64)
Loss on temporary closing of stores *3	(164)	(6,134)
Loss on the cancellation of lease contracts	(157)	(164)
Subsidy income	871	595
Other, net	(367)	198
	(2,471)	(6,631)
Profit before income taxes	33,580	29,154
Income taxes:		
Current	10,452	10,112
	10,452	10,112
Profit	23,127	19,041
Profit (loss) attributable to:		
Non-controlling interests	(118)	(31)
Owners of parent	¥ 23,245	¥ 19,073

Consolidated Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries
The third quarter ended September 30, 2022 and 2021

	Millions of yen	
	The Third Quarter Ended September 30, 2022	The Third Quarter Ended September 30, 2021
Profit	¥ 23,127	¥ 19,041
Other comprehensive income:		
Unrealized holding gain on securities	803	722
Unrealized deferred gain on hedges	15,174	6,396
Translation adjustments	17,043	5,326
Retirement benefits liability adjustments	43	29
Total other comprehensive income, net	33,064	12,474
Comprehensive income	¥ 56,192	¥ 31,516
Comprehensive income attributable to:		
Owners of parent	¥ 56,294	¥ 31,533
Non-controlling interests	(102)	(16)

(3) 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 September 30, 2022 under this agreement is as follows.

	Millions of yen	
	As of September 30, 2022	As of December 31, 2021
Overdraft maximum amount	¥204,500	¥204,500
Balance of used loans	14,000	5,200
Unused balance	¥190,500	¥199,300

(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 ¥300 million and ¥113 million for the 3rd quarter ended September 30, 2021 and 2022 respectively.

	Millions of yen	
	2022 (from January 1 to September 30, 2022)	2021 (from January 1 to September 30, 2021)
Packing and transportation	¥14,792	¥12,733
Advertising	22,339	20,786
Commission fee	22,354	19,080
Provision for bad debt	94	(20)
Salaries and wages	34,713	30,666
Provision for bonus	2,482	1,959
Retirement benefit	785	789
Rent	9,114	8,743
Depreciation and amortization	11,289	9,561

*2 Extra retirement payments

2021 (from January 1 to September 30, 2021)

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

2022 (from January 1 to September 30, 2022)

Not applicable.

*3 Loss on temporary closing of stores

2021 (from January 1 to September 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 ¥190 million directly from the extraordinary losses described above.

2022 (from January 1 to September 30, 2022)

Due to the impact of the temporary closure of some stores in the Greater China region in response to government requests addressing COVID-19, fixed costs (personnel expenses, depreciation and amortization, etc.) of closed stores were recorded as loss on temporary closing of stores in extraordinary losses.

(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									
	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
2022 (from January 1 to September 30, 2022)										
Net sales:										
Sales to customers	¥60,820	¥75,656	¥102,455	¥47,625	¥24,841	¥13,895	¥33,413	¥358,707	¥4,361	¥363,068
Intersegment	28,333	-	24	23	0	-	10	28,393	(28,393)	-
Total sales	89,154	75,656	102,479	47,649	24,841	13,895	33,424	387,100	(24,031)	363,068
Segment income (loss)	¥4,316	¥1,429	¥12,566	¥10,678	¥4,198	¥2,724	¥3,005	¥38,918	¥(2,866)	¥36,051

	Millions of yen									
	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
2021 (from January 1 to September 30, 2021)										
Net sales:										
Sales to customers	¥67,432	¥66,240	¥90,942	¥41,046	¥19,232	¥7,753	¥26,191	¥318,838	¥3,368	¥322,207
Intersegment	18,923	26	17	0	-	-	37	19,006	(19,006)	-
Total sales	86,356	66,267	90,959	41,046	19,232	7,753	26,229	337,845	(15,637)	322,207
Segment income (loss)	¥4,407	¥2,748	¥14,576	¥9,181	¥2,925	¥726	¥1,843	¥36,409	¥(623)	¥35,785

3) Information about impairment loss of non-current assets or goodwill by reportable segment

2022 (from January 1 to September 30, 2022)

(Material change in goodwill amount)

In the third quarter ended September 30, 2022, R-bies CO., LTD. was included in the scope of consolidation as a result of the acquisition of shares on August 31, 2022.

An increase in goodwill of ¥3,916 million was recognized in Other regions by this event.

The amount of goodwill is calculated on a provisional basis due to incompleteness of purchase price allocation as of September 30, 2022.

3. Supplemental Information

(1) Net Sales per Regions

	Millions of yen					
	Japan	North America	Europe	Greater China	Others	Consolidated
2022 (from January 1 to September 30, 2022)						
Net sales	¥62,942	¥77,910	¥106,041	¥47,758	¥68,415	¥363,068

	Millions of yen					
	Japan	North America	Europe	Greater China	Others	Consolidated
2021 (from January 1 to September 30, 2021)						
Net sales	¥69,264	¥67,635	¥94,021	¥41,257	¥50,027	¥322,207

(2) Foreign Currency Exchange Rates

	USD	EUR	RMB	AUD	SGD
3rd quarter ended September 30, 2022	¥127.94	¥136.00	¥19.31	¥89.99	¥92.80
3rd quarter ended September 30, 2021	¥108.48	¥129.90	¥16.77	¥82.06	¥81.06
Increase or (Decrease)	¥19.46	¥6.10	¥2.54	¥7.93	¥11.74
Ratio (%)	17.9	4.7	15.1	9.7	14.5

(3) Net Sales and Segment Income Ratio

		Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others
		Net Sales	(Local Currency)	-	(2.9)	7.3	0.9	17.8
Vs 3rd quarter ended September 30, 2021 (%)	(Yen)	3.2	14.2	12.7	16.1	29.2	79.2	27.4
Segment income	(Local Currency)	-	(52.3)	(18.1)	1.0	30.9	231.4	41.7
Vs 3rd quarter ended September 30, 2021 (%)	(Yen)	(2.1)	(48.0)	(13.8)	16.3	43.5	274.7	63.0
Segment Income Ratio (%)		4.8	1.9	12.3	22.4	16.9	19.6	9.0