

## Summary of Consolidated Financial Statements For the Fiscal Year Ended December 31, 2022 (Japan GAAP)

February 10, 2023

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 the ordinary general shareholders' meeting: March 24, 2023

Date of scheduled payment of dividends: March 27, 2023

Date of filing Securities Report: March 27, 2023

Financial Results Supplemental Materials: Yes

Financial 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 fiscal year ended December 31, 2022 (January 1, 2022– December 31, 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	%
FY ended December 31, 2022	484,601	19.9	34,002	54.9	30,913	39.5	19,887	111.5
FY ended December 31, 2021	404,082	22.9	21,945	–	22,166	–	9,402	–

(Note) Comprehensive income: FY ended December 31, 2022: ¥ 33,225 million (27.6 %)

FY ended December 31, 2021: ¥ 26,033 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, 2022	108.60	108.51	12.6	8.0	7.0
FY ended December 31, 2021	51.38	51.33	6.9	6.5	5.4

(Reference) Equity in earnings of affiliates: FY ended December 31, 2022: – million

FY ended December 31, 2021: – 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 current consolidated fiscal year.

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

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	MY	MY	%	Yen
As of December 31, 2022	425,067	172,729	40.1	931.45
As of December 31, 2021	345,773	146,537	42.2	798.08

(Reference) Shareholders' equity: December 31, 2022: ¥ 170,614 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 current consolidated fiscal year.

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

## (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, 2022	(21,427)	(14,481)	2,314	65,804
FY ended December 31, 2021	49,146	(10,167)	(25,968)	95,275

## 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, 2021	–	12.00	–	12.00	24.00	4,392	46.7	3.2
FY ended December 31, 2022	–	16.00	–	24.00	40.00	7,326	36.8	4.6
FY ending December 31, 2023 (Projected)	–	22.00	–	22.00	44.00		40.3	

## 3. Forecast of consolidated business results for the fiscal year ending December 31, 2023 (January 1, 2023– December 31, 2023)

(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	510,000	5.2	37,000	8.8	32,000	3.5	20,000	0.6	109.22

## ※ 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: Yes
  - ② Changes in accounting policy adopted otherwise than in ①: 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, 2022	189,870,559 shares	December 31, 2021	189,870,559 shares
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  - ② Number of treasury shares at fiscal end:

December 31, 2022	6,700,633 shares	December 31, 2021	6,829,533 shares
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  - ③ Average number of shares during the term:

FY ended December 31, 2022	183,119,804 shares	FY ended December 31, 2021	183,004,752 shares
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(Reference) Summary of non-consolidated business results

Non-consolidated results for the fiscal year ended December 31, 2022 (January 1, 2022– December 31, 2022)

(1) Non-consolidated business results (Accumulated)

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

	Operating revenue		Operating income		Ordinary income		Net income	
	MY	%	MY	%	MY	%	MY	%
FY ended December 31, 2022	31,564	15.7	722	–	18,140	189.3	6,914	(1.5)
FY ended December 31, 2021	27,275	17.1	(3,965)	–	6,271	155.4	7,020	647.7

	Net income per share	Diluted net income per share
	Yen	Yen
FY ended December 31, 2022	37.76	37.73
FY ended December 31, 2021	38.36	38.32

(2) Non-consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio	Net assets per share
	MY	MY	%	Yen
As of December 31, 2022	164,932	45,489	27.4	246.73
As of December 31, 2021	153,066	42,408	27.5	229.98

(Reference) Shareholders' equity: December 31, 2022: ¥ 45,193 million      December 31, 2021: ¥ 42,095 million

\* Summary of Consolidated Financial Statements is not subjected 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 10, "(4) Forecast for the fiscal year ending December 31, 2023" for the forecast of consolidated business results.

(How to access supplemental materials on quarterly business results)

The Company is scheduled to hold conference call on business results for press on Friday, February 10, 2023 and for investors on Monday, February 13, 2023. 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 Friday, February 10, 2023.

## 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 December 31, 2022.

Effective from the fiscal year ended December 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 fiscal ended December 31, 2022**

Although there has been concerns about the various effects of the novel coronavirus disease (COVID-19) in the fiscal year ended December 31, 2022, efforts to normalize socioeconomic activities are underway in many parts of the world. Under these circumstances, net sales for the fiscal year ended December 31, 2022 grew significantly by 19.9% from the previous fiscal year to ¥484.6 billion with double digit growth in all regions, and increased by 9.6% even after excluding the effects of foreign exchange, reaching a record high. 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, the gross profit ratio was 49.7%, up from the previous fiscal year. Operating income also increased significantly from the previous fiscal year by 54.9% to ¥34.0 billion reaching a record high, and we achieved our operating income target of ¥25.0 billion set in the Mid-term Plan 2023 ahead of schedule. Still there is 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 35.3% from the previous fiscal year to ¥86.3 billion. The number of OneASICS members increased by 35% from the previous fiscal year to 7.3 million. In terms of realizing “To be No.1 Performance Running & Racing brand” which is one of the strategic priorities in the 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 November, we made njuko SAS (hereafter referred to as “njuko”), which offers one of the largest race registration platforms in Europe with over 3.3 million annual registrations, a subsidiary. njuko has been used as a platform for many of most prestigious events in France, the UK, Germany, and other European countries.

This completes the acquisition of a top-tier race registration company in each of the key regions of Japan, North America, Europe, and Oceania. In 2023, ASICS expects to have more than 12 million race registrations worldwide, making it the No. 1 race registration company by global market share.

By further expanding the running ecosystem, we aim to achieve sales of ¥100.0 billion in EC as early as possible and sales of ¥10.0 billion by 2026 in running services such as race registration business and running apps.

#### ◇ **Greater China Region**

Net sales increased significantly by 18.7% from the previous fiscal year to ¥62.4 billion. Shanghai and other areas were affected by COVID-19 related restrictions due to the spread of COVID-19 from March through May. The spread of COVID-19 also continued in Beijing, Guangzhou, and other areas, through October and November. The consumption environment was

extremely severe throughout the year, due to factors such as people refraining from going out in major cities in December. Despite such circumstances, the various locality-oriented strategies led by the China Division established in 2019 have been successful. Net sales grew significantly in Performance Running by 34.5% (18.2% on a currency neutral basis), Core Performance Sports by 58.5% (39.7% on a currency neutral basis), and Sport Style by 40.7% (23.8% on a currency neutral basis). In addition, Performance Running net sales grew by 137.3% , growth of about 2.0 times, compared to 2019.

#### ◇ Performance Running

① Net sales increased by 24.0% from the previous fiscal year to ¥258.2 billion. Net sales in each region grew significantly, more than 20% in Europe, more than 30% in Greater China and Oceania, and more than 50% in Southeast and South Asia regions, from the previous fiscal year. In the fourth quarter of the fiscal year ended December 31, 2022, net sales grew by approximately 50%.

② The METASPEED series of running shoes for top athletes continues to make great strides. Our share in each of the year-end and New Year's relay races, "Ekiden", increased year on year. We are working to continue expanding our share of the running shoe market in each region, and aim "To be No.1 Performance Running & Racing brand."

#### ◇ Onitsuka Tiger

① Net sales grew by 11.6% from the previous fiscal year to ¥43.0 billion. Net sales decreased in the Greater China region, which was affected by COVID-19 related restrictions. However, net sales increased by 35.8% in Japan, where inbound sales are recovering and, furthermore, more than doubled in the Southeast and South Asia regions. In the fourth quarter of the fiscal year ended December 31, 2022, net sales grew by approximately 37%.

② Onitsuka Tiger has announced the launch of the MEXICO 66 CACTFUL sneaker, a new version of the brand's signature MEXICO 66 shoe model using a cactus-derived material more than 20% in the upper for the first time.

By using Mexican cactus fibers and other materials as the raw material, we have realized a design that utilizes its lightweight features. Other environmentally friendly materials are also used, such as shoelaces made from recycled materials.

#### ◇ Sustainability

① The Group has been selected for the eighth time as a component company of the Dow Jones Sustainability Asia/Pacific Index. The Dow Jones Sustainability Indices (DJSI) is a series of globally-recognized Socially Responsible Investment (SRI) indices. The DJSI is jointly determined by S&P Dow Jones Indices (US) and ESG assessment company SAM (Switzerland). The DJSI evaluates the sustainability of company business practices from three perspectives—economic, environmental, and social—and only firms that are rated as leading their respective industries become component companies. ASICS was ranked in the top 5% of the global assessed companies in the industry.

② ASICS received an overall rating of "A-" again in the index published by CDP, an international non-governmental organization, which evaluates corporate climate change measures. The results of the CDP evaluation are set in the performance targets of the Sustainability-Linked Bond, and are an important indicator for the financing aspect. We will continue to enhance the

disclosure of non-financial information.

◇ **ROA Tree Management**

ROA was 5.2%, achieving the 4.0% target set in the Mid-term Plan 2023 ahead of schedule.

The Cash Conversion Cycle (CCC) deteriorated by 55 days, from 134 days to 189 days compared to the previous fiscal year, and by 3 days, from 186 days compared to the end of the last quarter due to lower-than-normal inventory balance in the previous year because of production disruptions, as well as a strategic inventory buildup to meet current increase in demand and a push up due to foreign exchange effects.

ROA calculation as follow (Annualized)

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

◇ **Abolition of Anti-Takeover Measures**

In light of the improvement of the corporate value by formulating and implementing “Medium Term Management Plan 2023” and the recent trend of prevention policy, ASICS has announced that we passed a resolution at the Board of Directors Meeting to abolish “Policy toward Large-Scale Purchase of Shares of the Company” at its expiration as of the conclusion of the 69th Ordinary Meeting of Shareholders scheduled to be held in March 2023.

ASICS continues to aim for sustainable growth of the Company and its subsidiaries and affiliates and long-term continuous improvement of corporate value by building firm relations of trust with our stakeholders including our shareholders, customers, the society, and our employees under the founding philosophy “ASICS SPIRIT.”

1) Net sales

Net sales increased 19.9% to ¥484,601 million due to the foreign exchange effects and strong sales in all categories.

2) Gross profit

Gross profit increased 20.4% to ¥240,706 million due to the impact of the increase in net sales described above.

3) Operating income

Operating income increased 54.9% to ¥34,002 million mainly due to the impact of the increase in net sales described above.

4) Ordinary income

Ordinary income increased 39.5% to ¥30,913 million mainly due to the impact of the increase in net sales and profit described above.

5) Profit attributable to owners of parent

Profit attributable to owners of parent increased significantly 111.5% to ¥19,887 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 fiscal year ended December 31, 2022 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	FY2021	Increase	FY2022	FY2021	Increase
	Jan 1 to Dec 31	Jan 1 to Dec 31	(Decrease)	Jan 1 to Dec 31	Jan 1 to Dec 31	(Decrease)
Performance Running	258,272	208,268	50,004	49,181	42,634	6,546
Core Performance Sports	54,155	41,332	12,822	9,489	5,028	4,461
Sports Style	43,466	33,252	10,213	6,425	4,310	2,114
Apparel and Equipment	35,278	34,115	1,162	(1,645)	(175)	(1,469)
Onitsuka Tiger	43,011	38,545	4,465	7,399	4,963	2,436

#### 1) Performance Running

Net sales increased 24.0% to ¥258,272 million due to the strong sales in all regions other than Japan region. Category profit increased 15.4% to ¥49,181 million due to the impact of the increase in net sales described above and foreign exchange effects.

#### 2) Core Performance Sports

Net sales increased 31.0% to ¥54,155 million due to the strong sales in all regions. Category profit increased 88.7% to ¥9,489 million due to the impact of the increase in net sales described above and foreign exchange effects.

#### 3) Sports Style

Net sales increased 30.7% to ¥43,466 million due to the strong sales in all regions. Category profit increased 49.1% to ¥6,425 million due to the impact of the increase in net sales described above and foreign exchange effects.

#### 4) Apparel and Equipment

Net sales increased 3.4% to ¥35,278 million due to the foreign exchange effects. Category loss amounted to ¥1,645 million mainly due to the increase in Selling, General and Administrative expenses.

#### 5) Onitsuka Tiger

Net sales increased 11.6% to ¥43,011 million due to the strong sales in Japan and 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 49.1% to ¥7,399 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 12.3% to ¥123,402 million due to strong sales of the Core Performance Sports category and Onitsuka Tiger category.

Segment income increased significantly 406.6% to ¥6,046 million mainly due to the impact of the increase in net sales described above.

2) North America region

Net sales increased 22.2% to ¥105,331 million due to the foreign exchange effects as well as due to the strong sales of the Performance Running category and Core Performance Sports category.

Segment income decreased 96.9% to ¥26 million mainly due to the increase in Selling, General and Administrative expenses resulting from higher E-commerce sales.

3) Europe region

Net sales increased 22.0% to ¥130,099 million due to strong sales of the Performance Running category and Sports Style category.

Segment income increased 3.4% to ¥11,254 million due to the impact of the increase in net sales described above and foreign exchange effects.

4) Greater China region

Net sales increased 18.7% to ¥62,411 million due to the strong sales of the Performance Running category and Sports Style category.

Segment income increased 10.1% to ¥10,067 million mainly due to the impact of the increase in net sales described above and foreign exchange effects.

5) Oceania region

Net sales increased 34.5% to ¥33,292 million due to the strong sales in all categories.

Segment income increased 55.7% to ¥5,211 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 69.2% to ¥18,448 million due to the strong sales in all categories.

Segment income increased significantly 209.5% to ¥2,984 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 24.2% to ¥43,630 million due to strong sales of the Performance Running category and Sports Style category.

Segment income increased significantly 102.9% to ¥3,646 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, 2022, total assets increased 22.9% from the end of the previous fiscal year to ¥425,067 million, total liabilities increased 26.7% from the end of the previous fiscal year to ¥252,337 million and total net assets increased 17.9% from the end of the previous fiscal year to ¥172,729 million.

### 1) Current assets

Current assets increased 21.8% to ¥296,122 million mainly due to an increase in inventories.

### 2) Non-current assets

Non-current assets increased 25.6% to ¥128,944 million mainly due to an increase in right of use assets.

### 3) Current liabilities

Current liabilities increased 71.8% to ¥150,632 million mainly due to an increase in short-term bank loans.

### 4) Non-current liabilities

Non-current liabilities decreased 8.8% to ¥101,704 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 17.9% to ¥172,729 million due to an increase in retained earnings.

## **(3) Overview of cash flows**

As for cash flows as of December 31, 2022, cash and cash equivalents (hereinafter, “cash”) decreased ¥29,471 million from the end of the previous fiscal year to ¥65,804 million.

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

### 1) Cash flows from operating activities

Net cash used in operating activities was ¥21,427 million, an increase of ¥70,573 million compared with the previous fiscal year.

Major uses of cash were ¥47,764 million for an increase in inventories, ¥14,684 million for an increase in notes and accounts receivable-trade, and ¥11,356 million for income taxes paid.

### 2) Cash flows from investing activities

Net cash used in investing activities was ¥14,481 million, an increase of ¥4,314 million compared with the previous fiscal year. Major uses of cash were ¥8,030 million for purchases of intangible assets and ¥3,253 million for purchases of property, plant and equipment.

### 3) Cash flows from financing activities

Net cash provided by financing activities was ¥2,314 million, an increase of ¥28,283 million compared with previous fiscal year.

Major sources of cash were ¥16,800 million for net increase in short-term bank loans, while major uses of cash were ¥9,137 million for the repayment of lease obligations and ¥5,126 million for cash dividends paid.

#### (4) Forecast for the fiscal year ending December 31, 2023

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

We achieved each numerical target ahead of schedule in the fiscal year ending December 2022, due to increased sales in all regions, despite the effects of foreign exchange and higher logistics costs. We anticipate plan an increase both in sales and operating income while growing in Core Performance Sports and Sports Styles, as well as Performance Running.

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

	Full-year consolidated business results (Billions of yen)		
	FY2022 (Actual)	FY2023 (Projected)	Percentage (%)
Net sales	484.6	510.0	5.2%
Operating income	34.0	37.0	8.8%
Operating income ratio (%)	7.0%	7.3%	0.3ppt
Ordinary income	30.9	32.0	3.5%
Profit attributable to owners of parent	19.8	20.0	0.6%

Forecast of consolidated net sales by category for the fiscal year ending December 31, 2023 is as follows.

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

	Consolidated net sales (Billions of yen)		
	FY2022 (Actual)	FY2023 (Projected)	Percentage (%)
Performance Running	258.2	273.0	5.7%
Core Performance Sports	54.1	61.0	12.6%
Sports Style	43.4	48.0	10.4%
Apparel and Equipment	35.2	35.0	(0.8)%
Onitsuka Tiger	43.0	47.0	9.3%

Forecast of consolidated net sales by region for the fiscal year ending December 31, 2023 is as follows.

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

	Consolidated net sales (Billions of yen)		
	FY2022 (Actual)	FY2023 (Projected)	Percentage (%)
Japan region	123.4	119.0	(3.6)%
North America region	105.3	108.0	2.5%
Europe region	130.0	133.0	2.2%
Greater China region	62.4	68.0	9.0%
Oceania region	33.2	38.5	15.6%
Southeast and South Asia regions	18.4	23.0	24.7%
Other regions	43.6	46.0	5.4%
Adjustments	(32.0)	(25.5)	—
Total	484.6	510.0	5.2%

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, 2022 and the fiscal year ending December 31, 2023**

The Company recognizes the return of profits to our shareholders as one of the management's top priorities. We will also consider profit distribution plans to achieve the policy of a total return ratio of 50% or higher during the period of the medium-term management plan, as set forth in the Mid-term Plan 2023.

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 year-end dividend for the fiscal year ended December 31, 2022 was initially expected to be 16.00 yen per share. However, due to the record-high sales and operating income, as well as the achievement of the medium-term management plan ahead of schedule, the Company expects to increase the year-end dividend by ¥8.00 to ¥24.00 per share.

The Company expects to pay dividends of ¥40.00 per share (of which, ¥16.00 per share is from the interim dividend) for the fiscal year ended December 31, 2022.

The Company expects to pay record-high dividends of ¥44.00 per share (of which, ¥22.00 per share is from the interim dividend) for the fiscal year ending December 31, 2023.

## Consolidated Balance Sheet

### 2. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

ASICS Corporation and Consolidated Subsidiaries  
December 31, 2022 and 2021

ASSETS	Millions of yen	
	2022	2021
<b>Current assets:</b>		
Cash and deposits	¥ 67,383	¥ 96,298
Notes and accounts receivable:		
Trade	70,692	50,135
Less allowance for doubtful receivables	(2,895)	(2,471)
Inventories	135,582	80,047
Other current assets	25,358	19,123
Total current assets	296,122	243,133
<b>Property, plant and equipment:</b>		
Land	5,877	5,747
Buildings and structures	36,392	36,056
Machinery, equipment and vehicles	5,441	5,267
Tools, furniture and fixtures	34,067	30,201
Leased assets	2,010	7,443
Construction in progress	519	675
Less accumulated depreciation	(59,067)	(58,000)
Property, plant and equipment, net	25,240	27,391
<b>Intangible assets:</b>		
Goodwill	7,144	2,856
Software	19,624	8,422
Right of use assets	35,582	23,960
Other intangible assets	7,816	11,604
Total intangible assets	70,167	46,843
<b>Investments and other assets:</b>		
Investments in securities:		
Investments in unconsolidated subsidiaries and affiliates	166	156
Other	11,743	10,129
Long-term loans receivable	35	41
Deferred income taxes	11,700	8,509
Other assets	11,139	10,758
Less allowance for doubtful receivables	(1,247)	(1,189)
Total investments and other assets	33,536	28,404
Total assets	¥ 425,067	¥ 345,773

## Consolidated Balance Sheet

<b>LIABILITIES AND NET ASSETS</b>	Millions of yen	
	2022	2021
<b>Current liabilities:</b>		
Short-term bank loans	¥ 22,000	¥ 5,200
Current portion of long-term debt	26,974	8,173
Notes and accounts payable:		
Trade	44,670	30,459
Accrued income taxes	2,531	4,328
Accrued expenses	27,580	25,500
Provision for sales returns	—	277
Provision for employees' bonuses	727	460
Asset retirement obligations	61	73
Other current liabilities	26,086	13,225
Total current liabilities	150,632	87,699
<b>Long-term liabilities:</b>		
Long-term debt	90,825	97,100
Liabilities for retirement benefits	3,789	7,330
Asset retirement obligations	1,823	1,544
Deferred income taxes	2,325	1,471
Other long-term liabilities	2,940	4,089
Total long-term liabilities	101,704	111,536
<b>Net assets:</b>		
Shareholders' equity:		
Common stock:	23,972	23,972
Capital surplus	15,655	15,571
Retained earnings	121,266	110,205
Less treasury share, at cost	(9,834)	(10,018)
Total shareholders' equity	151,060	139,731
Accumulated other comprehensive income:		
Unrealized holding gain on securities	3,073	1,830
Unrealized deferred gain on hedges	6,153	4,923
Translation adjustments	11,245	(193)
Retirement benefits liability adjustments	(917)	(211)
Total accumulated other comprehensive income	19,554	6,349
Stock acquisition rights	295	313
Non-controlling interests	1,819	143
Total net assets	172,729	146,537
 Total liabilities and net assets	¥ 425,067	¥ 345,773

## Consolidated Income Statement

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

ASICS Corporation and Consolidated Subsidiaries  
Year ended December 31, 2022 and 2021

	Millions of yen	
	2022	2021
<b>Net sales</b>	¥ 484,601	¥ 404,082
<b>Cost of sales</b>	243,894	204,204
Gross profit	240,706	199,878
<b>Selling, general and administrative expenses *1</b>	206,704	177,932
Operating income	34,002	21,945
<b>Other income (expenses):</b>		
Interest and dividend income	1,642	614
Gain on forgiveness of debts	551	—
Interest expense	(2,662)	(1,723)
Exchange gain (loss), net	(2,581)	398
Related expense of restricted stock remuneration	—	(179)
Loss on overseas business	(754)	—
Gain(loss) on sales of investments in securities, net	(2)	61
Gain(loss) on sales or disposal of property, plant and equipment and other, net	244	(158)
Loss on valuation of investments in securities	(299)	(129)
Loss on impairment *2	(1,827)	(1,996)
Extra retirement payments *3	—	(107)
Loss on temporary closing of stores *4	(192)	(5,541)
Loss on the cancellation of lease contracts *5	(132)	(172)
Subsidy income	879	606
Gain on refund of PIS/COFINS for prior year	—	618
Other, net	(163)	(114)
	(5,299)	(7,824)
<b>Profit before income taxes</b>	28,703	14,120
<b>Income taxes:</b>		
Current	11,418	6,748
Deferred	(2,725)	(2,007)
	8,693	4,740
<b>Profit</b>	20,009	9,380
<b>Profit (loss) attributable to:</b>		
Non-controlling interests	122	(22)
Owners of parent	¥ 19,887	¥ 9,402

## Consolidated Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries  
Year ended December 31, 2022 and 2021

	Millions of yen			
	2022		2021	
<b>Profit</b>	¥	20,009	¥	9,380
<b>Other comprehensive income:</b>				
Unrealized holding gain on securities		1,242		489
Unrealized deferred gain on hedges		1,230		8,318
Translation adjustments		11,449		7,741
Retirement benefits liability adjustments		(706)		103
Total other comprehensive income, net		13,215		16,653
<b>Comprehensive income</b>	¥	33,225	¥	26,033
Comprehensive income attributable to:				
Owners of parent	¥	33,092	¥	26,031
Non-controlling interests		133		1

## Consolidated Statement of Changes in Net Assets

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

ASICS Corporation and Consolidated Subsidiaries

Year ended December 31, 2022 and 2021

Millions of yen												
	Number of issued shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury share, at cost	Unrealized holding gain on securities	Unrealized deferred gain (loss) on hedges	Translation adjustments	Retirement benefits liability adjustments	Stock acquisition rights	Non-controlling interests	Total net assets
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
Balance at January 1, 2022	189,870,559	¥ 23,972	¥ 15,571	¥ 110,205	¥ (10,018)	¥ 1,830	¥ 4,923	¥ (193)	¥ (211)	¥ 313	¥ 143	¥ 146,537
Cumulative effects of changes in accounting policies	—	—	—	(3,699)	—	—	—	—	—	—	—	(3,699)
Restated balance	189,870,559	23,972	15,571	106,506	(10,018)	1,830	4,923	(193)	(211)	313	143	142,838
Dividends	—	—	—	(5,127)	—	—	—	—	—	—	—	(5,127)
Profit attributable to owners of parent	—	—	—	19,887	—	—	—	—	—	—	—	19,887
Purchases of treasury share	—	—	—	—	(4)	—	—	—	—	—	—	(4)
Sales of treasury share	—	—	84	—	187	—	—	—	—	—	—	272
Other changes	—	—	—	—	—	1,242	1,230	11,438	(706)	(17)	1,675	14,863
<b>Balance at December 31, 2022</b>	<b>189,870,559</b>	<b>¥ 23,972</b>	<b>¥ 15,655</b>	<b>¥ 121,266</b>	<b>¥ (9,834)</b>	<b>¥ 3,073</b>	<b>¥ 6,153</b>	<b>¥ 11,245</b>	<b>¥ (917)</b>	<b>¥ 295</b>	<b>¥ 1,819</b>	<b>¥ 172,729</b>



## Consolidated Statement of Cash Flows

### (4) Consolidated Statement of Cash Flows

ASICS Corporation and Consolidated Subsidiaries  
Year ended December 31, 2022 and 2021

	Millions of yen	
	2022	2021
<b>Operating activities:</b>		
Profit before income taxes	¥ 28,703	¥ 14,120
Adjustments to reconcile profit before income taxes to net cash provided by operating activities:		
Depreciation and amortization	16,000	14,051
Loss on impairment	1,827	1,996
Amortization of goodwill	417	296
Increase in allowance for doubtful receivables	171	911
Increase (decrease) in liabilities for retirement benefits, net	(4,621)	398
Increase in provision for employees' bonuses	60	136
Loss on impairment of investments in securities	299	129
Gain on sales of investments in securities, net	2	(61)
Interest and dividend income	(1,642)	(614)
Interest expense	2,662	1,723
Exchange (gain), net	(2)	(126)
Loss on sales or disposal of property, plant and equipment and other, net	(244)	158
Other, net	(1,524)	(822)
(Increase) decrease in operating assets:		
Notes and accounts receivable-trade	(14,684)	3,878
Inventories	(47,764)	12,943
Other operating assets	(1,571)	3,282
Increase (decrease) in operating liabilities:		
Notes and accounts payable-trade	9,338	(4,759)
Accrued consumption taxes	(862)	579
Other operating liabilities	4,441	5,458
Subtotal	(8,991)	53,680
Interest and dividends received	1,426	380
Interest paid	(2,505)	(1,712)
Income taxes paid	(11,356)	(3,202)
Net cash provided by (used in) operating activities	(21,427)	49,146
<b>Investing activities:</b>		
Increase in time deposits	(1,270)	(71)
Proceeds from withdrawal of time deposits	825	170
Purchases of property, plant and equipment	(3,253)	(3,251)
Payments for disposal of property, plant and equipment	(191)	(54)
Proceeds from sales of property, plant and equipment	1,231	365
Purchases of intangible assets	(8,030)	(6,322)
Proceeds from sales of intangible assets	2	18
Purchases of investments in securities	(251)	(800)
Proceeds from sales and redemption of investments in securities	24	233
Proceeds from distribution of investment in partnerships	124	180
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(2,511)	(208)
Net (increase) decrease in short-term loans receivable included in other current assets	(4)	(2)
Long-term loans receivable made	(7)	(6)
Collection of long-term loans receivable	13	15
Other, net	(1,182)	(433)
Net cash (used in) investing activities	(14,481)	(10,167)
<b>Financing activities:</b>		
Net (decrease) in short-term bank loans	16,800	(1,027)
Repayment of long-term loans	(216)	(15)
Proceeds from issuance of bonds	—	9,954
Redemption of bonds	—	(20,000)
Purchases of treasury share	(4)	(6)
Proceeds from sales of treasury share	0	0
Repayment of lease obligations	(9,137)	(8,285)
Cash dividends paid to shareholders of the Company	(5,126)	(6,589)
Dividends paid to non-controlling interests	—	(0)
Net cash (used in) financing activities	2,314	(25,968)
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>4,123</b>	<b>1,792</b>
<b>Net (decrease) in cash and cash equivalents</b>	<b>(29,471)</b>	<b>14,801</b>
<b>Cash and cash equivalents as of January 1, 2022 and 2021</b>	<b>95,275</b>	<b>80,474</b>
<b>Cash and cash equivalents as of December 31, 2022 and 2021</b>	<b>¥ 65,804</b>	<b>¥ 95,275</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, 2022 under this agreement is as follows.

	Millions of yen	
	As of December 31, 2022	As of December 31, 2021
Overdraft maximum amount	¥204,500	¥204,500
Balance of used loans	22,000	5,200
Unused balance	¥182,500	¥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 ¥125 million and ¥411 million for the year ended December 31, 2022 and 2021 respectively.

	Millions of yen	
	2022 (from January 1 to December 31, 2022)	2021 (from January 1 to December 31, 2021)
Packing and transportation	¥21,241	¥16,664
Advertising	33,973	31,583
Commission fee	33,131	27,047
Provision for bad debt	223	526
Salaries and wages	47,325	40,563
Provision for bonus	980	1,408
Retirement benefit	1,137	1,042
Rent	11,533	11,439
Depreciation and amortization	15,499	13,201

\*2 Loss on impairment

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

2022 (from January 1 to December 31, 2022)

The breakdown of loss on impairment is as follows.

	(Millions of yen)
Loss on impairment on retail store assets, etc.	308
Other	1,519
Total	¥1,827

\*3 Extra retirement payments

2021 (from January 1 to December 31, 2021)

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

2022 (from January 1 to December 31, 2022)

Not applicable.

\*4 Loss on temporary closing of stores

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 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 ¥194 million directly from the extraordinary losses described above.

2022 (from January 1 to December 31, 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.

\*5 Loss on the cancellation of lease contracts

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.

2022 (from January 1 to December 31, 2022)

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

(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										
2022 (from January 1 to December 31, 2022)	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Net sales:										
Sales to customers	¥83,786	¥105,331	¥130,062	¥62,387	¥33,290	¥18,448	¥43,617	¥476,925	¥7,675	¥484,601
Intersegment	39,615	-	36	23	1	0	12	39,690	(39,690)	-
Total sales	123,402	105,331	130,099	62,411	33,292	18,448	43,630	516,615	(32,014)	484,601
Segment income (loss)	¥6,046	¥26	¥11,254	¥10,067	¥5,211	¥2,984	¥3,646	¥39,238	¥(5,236)	¥34,002
Segment assets	¥86,430	¥86,116	¥107,429	¥45,893	¥28,603	¥15,809	¥39,441	¥409,725	¥15,341	¥425,067
Other items										
Depreciation expenses	¥690	¥1,153	¥4,696	¥2,526	¥1,236	¥1,055	¥1,088	¥12,448	¥3,551	¥16,000
Increases in Tangible and Intangible fixed assets	¥619	¥369	¥906	¥290	¥495	¥379	¥406	¥3,467	¥7,103	¥10,570

Millions of yen										
2021 (from January 1 to December 31, 2021)	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

## 3. Supplemental Information

## (1) Net Sales per Regions

Millions of yen						
2022 (from January 1 to December 31, 2022)	Japan	North America	Europe	Greater China	Others	Consolidated
Net sales	¥88,404	¥108,138	¥136,049	¥62,570	¥89,438	¥484,601

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

## (2) Property, plant and equipment per Regions

Millions of yen					
December 31, 2022	Japan	North America	Europe	Others	Consolidated
Property, plant and equipment	¥16,798	¥2,556	¥2,690	¥3,194	¥25,240

Millions of yen					
December 31, 2021	Japan	North America	Europe	Others	Consolidated
Property, plant and equipment	¥16,889	¥4,957	¥2,539	¥3,004	¥27,391

## (3) Information about impairment loss of non-current assets by Reportable Segment

Millions of yen										
2022 (from January 1 to December 31, 2022)	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Impairment loss	¥41	-	¥354	¥91	-	-	¥175	¥663	¥1,164	¥1,827

Millions of yen										
2021 (from January 1 to December 31, 2021)	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Impairment loss	¥116	¥122	¥1,534	¥85	-	-	¥18	¥1,877	¥119	¥1,996

## (4) Information about amortization and unamortized balance of goodwill by Reportable Segment

Millions of yen										
2022 (from January 1 to December 31, 2022)	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Amortization during period	-	-	-	-	-	-	-	-	¥417	¥417
Balance at end of period	-	-	-	-	-	-	-	-	¥7,144	¥7,144

Millions of yen										
2021 (from January 1 to December 31, 2021)	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	Total	Adjustments	Consolidated
Amortization during period	-	-	-	-	-	-	-	-	¥296	¥296
Balance at end of period	-	-	-	-	-	-	-	-	¥2,856	¥2,856

(5) Information about gain on negative goodwill by Reportable Segment

2021 (from January 1 to December 31, 2021)

Not applicable.

2022 (from January 1 to December 31, 2022)

Not applicable.

(6) Foreign Currency Exchange Rates

	USD	EUR	RMB	AUD	SGD
<b>Fiscal year ended December 31, 2022</b>	<b>¥130.54</b>	<b>¥137.76</b>	<b>¥19.38</b>	<b>¥90.52</b>	<b>¥94.73</b>
Fiscal year ended December 31, 2021	¥109.78	¥130.06	¥17.03	¥82.40	¥81.80
Increase or (Decrease)	¥20.76	¥7.70	¥2.35	¥8.12	¥12.93
Ratio (%)	18.9	5.9	13.8	9.9	15.8

(7) Net Sales and Segment Income Ratio

	Japan	North America	Europe	Greater China	Oceania	SouthEast and South Asia	Others	
Net Sales	(Local Currency)	-	3.1	15.0	4.2	22.4	49.9	11.4
Vs Fiscal year ended December 31, 2021 (%)	(Yen)	12.3	22.2	22.0	18.7	34.5	69.2	24.2
Segment income	(Local Currency)	-	(80.2)	(2.8)	(3.4)	41.6	171.9	76.4
Vs Fiscal year ended December 31, 2021 (%)	(Yen)	406.6	(96.9)	3.4	10.1	55.7	209.5	102.9
<b>Segment Income Ratio (%)</b>		<b>4.9</b>	<b>0.0</b>	<b>8.7</b>	<b>16.1</b>	<b>15.7</b>	<b>16.2</b>	<b>8.4</b>