

## Summary of Consolidated Financial Statements For the Second Quarter Ended June 30, 2023 (Japan GAAP)

August 8, 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 filing Securities Report by quarter: August 8, 2023

Date of scheduled payment of dividend: September 7, 2023

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 second quarter ended June 30, 2023 (January 1, 2023– June 30, 2023)

(1) Consolidated business results (Accumulated)

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

|                                 | Net sales |      | Operating income |        | Ordinary income |        | Profit attributable to owners of parent |      |
|---------------------------------|-----------|------|------------------|--------|-----------------|--------|---|------|
|                                 | MY        | %    | MY               | %      | MY              | %      | MY                                      | %    |
| 2nd quarter ended June 30, 2023 | 290,079   | 28.9 | 33,610           | 75.4   | 33,818          | 78.2   | 24,796                                  | 82.8 |
| 2nd quarter ended June 30, 2022 | 225,080   | 7.4  | 19,166           | (20.1) | 18,979          | (23.4) | 13,562                                  | 9.8  |

(Note) Comprehensive income 2nd quarter ended June 30, 2023: ¥ 42,466 million (0.9 %)

2nd quarter ended June 30, 2022: ¥ 42,107 million (81.7 %)

|                                 | Net income per share | Diluted net income per share |
|---------------------------------|----------------------|------------------------------|
|                                 | Yen                  | Yen                          |
| 2nd quarter ended June 30, 2023 | 135.36               | 135.25                       |
| 2nd quarter ended June 30, 2022 | 74.08                | 74.02                        |

(2) Consolidated financial position

|                         | Total assets | Net assets | Shareholders' equity ratio |
|-------------------------|--------------|------------|----------------------------|
|                         | MY           | MY         | %                          |
| As of June 30, 2023     | 457,965      | 210,927    | 45.6                       |
| As of December 31, 2022 | 425,067      | 172,729    | 40.1                       |

(Reference) Shareholders' equity June 30, 2023: ¥ 208,841 million December 31, 2022: ¥ 170,614 million

2. Dividend

| (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, 2022             | –                       | 16.00              | –                  | 24.00       | 40.00  |
| FY ended December 31, 2023             | –                       | 25.00              |                    |             |        |
| FY ending December 31, 2023 (Forecast) |                         |                    | –                  | 30.00       | 55.00  |

(Note) Changes in dividend forecast: Yes

For details regarding the revision of dividend forecast, please refer to “Notice Concerning the Revision of the Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2023, and Dividend of Surplus and Revision of Dividend Forecast (Increased Dividend)” announced on August 8, 2023.

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 | 550,000   | 13.5 | 46,000           | 35.3 | 42,000          | 35.9 | 25,000                                  | 25.7 | 136.47               |

(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, 2023, and Dividend of Surplus and Revision of Dividend Forecast (Increased Dividend)” announced on August 8, 2023.

※ 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:
 

|                   |                    |
|-------------------|--------------------|
| June 30, 2023     | 189,870,559 shares |
| December 31, 2022 | 189,870,559 shares |
  - ② Number of treasury shares at fiscal end:
 

|                   |                  |
|-------------------|------------------|
| June 30, 2023     | 6,636,802 shares |
| December 31, 2022 | 6,700,633 shares |
  - ③ Average number of shares during the term:
 

|                                 |                    |
|---------------------------------|--------------------|
| 2nd quarter ended June 30, 2023 | 183,186,797 shares |
| 2nd quarter ended June 30, 2022 | 183,077,178 shares |

\* 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 10, "(4) 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 conference call on business results for press on Tuesday, August 8, 2023 and for investors on Wednesday, August 9, 2023. 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](https://corp.asics.com/en/investor_relations/library/financial_summary)) on Tuesday, August 8, 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 the second quarter ended June 30, 2023.

#### Major initiatives during the second quarter ended June 30, 2023

The normalization of social and economic activities has continued to progress with in-person sporting events having truly reopened since the beginning of the year and people were able to move freely for the first time in several years.

Net sales were ¥290.0 billion recording the highest ever for the six months ended June 30 and increased year on year in all regions and categories. By region, net sales for ASICS JAPAN Corp. in Japan region capturing inbound demand as well as enjoying rapid growth of Core Performance Sports category due to the normalization of supply chain increased by 41.8%, net sales in the Greater China region responding flexibly to its re-open demand as well as continuous implementing local oriented strategy increased by 39.6% and net sales of Onitsuka Tiger were higher than the previous year since February. Net sales in the Southeast and South Asia regions increased by 66.9%, reflecting significant sales increase in India and Malaysia, demonstrating the highest growth rates among all regions.

Despite deteriorating foreign exchange rates in purchasing goods, the gross margin improved by 1.5 points year on year to 51.0% demonstrating our success with reviewing product mix, optimizing selling prices and so on.

Operating income was ¥33.6 billion, the highest ever for the six months ended June 30, increased by 75.4% year on year. As a result of lowering Selling, General and Administrative expenses ratio due to controlling Selling, General and Administrative expenses as well as effects of sales increase, operating income ratio improved to 11.6% from 8.5% of the same period of the previous fiscal year.

Profit attributable to owners of parent was ¥24.7 billion, also the highest ever for the six months ended June 30.

Based on the progress of strong performance during the six months ended June 30, 2023, we have opted to upwardly revise our annual consolidated business results forecast. In addition, considering the historical high cash flows from operating activities during the period, we have amended the dividend of end of 1st half of the fiscal year ended December 31, 2023 to 25 yen per share and will plan to amend the dividend of end of year for the fiscal year ended December 31, 2023, to 30 yen per share, estimating record high.

(the annual dividend for the fiscal year ended December 31, 2023 will be 55 yen per share).

#### ◇ Digital

① With the continued increase in OneASICS members (increasing by 33.9% year on year to around 8.3 million members), EC sales grew by 36.3% year on year to ¥49.6 billion. EC sales have shown steady growth accompanied by an increasing number of OneASICS members. We will continue promoting efforts to gain more direct touchpoints with runners as well as more OneASICS members for further expanding the running ecosystem.

② ASICS has been selected as one of the “Noteworthy DX Companies 2023” in the “Digital Transformation Stocks (DX Stocks)” in a joint program by Japan’s Ministry of Economy, Trade and Industry (METI) and the Tokyo Stock Exchange (TSE). “DX Stocks” is a program that METI and TSE select companies among companies listed on the Tokyo Stock Exchange that have established internal mechanisms to promote DX that will lead to increased corporate value and have demonstrated outstanding achievements in the use of digital technology. ASICS was selected as a DX Stock this year upon having been recognized for “expanding customer touchpoints and improving customer experience value through the running ecosystem” and for “creating new business models enlisting digital services such as NFTs\*.”

\*NFT: Non-Fungible Token: Digital data with a non-falsifiable certificate of authenticity or ownership.

#### ◇ **Category**

##### • **Performance Running**

① Net sales increased by 19.9% year on year to ¥147.8 billion, reflecting sales growth in all regions. This increase is mainly due to the success in enhancing promotion of “GEL-NIMBUS 25” in Japan region, North America region, Europe region and Oceania region.

② From its “GEL-KAYANO” series of high-performance running shoes that represent the ASICS brand, the Company launched its latest model “GEL-KAYANO 30” running shoes that combine stability and comfort with emphasis on changes in running form caused by the fatigue throughout the entire run from start to finish. Available since 1993, the “GEL-KAYANO” series features high-performance models designed for long-distance running and has been much-loved by runners over three decades.

Meanwhile, “GEL-KAYANO 30” became the first ASICS product ever to display information on greenhouse gas emissions (carbon footprint) across the product lifecycle (materials procurement, manufacturing, shipping, use, and disposal). Such transparent disclosure of a product’s environmental impact serves as part of ASICS’ initiatives toward achieving net-zero emissions from its business by 2050. Going forward, ASICS plans to successively disclose information on greenhouse gas emissions.

##### • **Core Performance Sports**

① Net sales increased by 71.9% year on year, reflecting double digits growth in all regions year on year, rising to ¥40.4 billion driven by mainly tennis shoes which have appealed with its unique way.

② The Company launched its latest “METASPEED SP” short-distance track spikes combining highly responsive rebound and forward propulsion for 100 meter and 200 meter events. This model is equipped with a carbon plate extending from the toe area of the upper midsole (the intermediate cushioning material between the upper and the outsole) to the heel section.

Track and field athlete Fred Kerley, who won the 100m gold medal at the 2022 World Athletics Championships in Oregon, the United States of America, also emerged victorious at the Seiko Golden Grand Prix 2023 Yokohama held on May 21, 2023, setting a new competition record of 9.88 seconds wearing the “METASPEED SP”. Going forward, ASICS will continue to furnish support to athletes in part by providing products incorporating ASICS technology.

### • Onitsuka Tiger

Net sales increased by 44.1% year on year to ¥28.2 billion, reflecting contribution by Japan region where captured steady recovery of sales for inbound tourists. Moreover, net sales were also strong and revenue growth rate was more than that of the first quarter in Greater China region.

### ◇ ROA Tree Management

ROA was 11.2%. Total assets, a component of ROA, increased from the end of the previous fiscal year, partly due to an increase by fluctuations in foreign exchange rates, while gross margin improved year on year, mainly due to a shift to high gross profit products and optimization of selling prices.

The Cash Conversion Cycle (CCC) deteriorated only by 5 days from 174 days to 179 days year on year and improved by 10 days from 189 days compared to the end of the previous fiscal year due to shorter inventory turnover period in spite of an increase in accounts receivable reflecting strong sales.

ROA calculation as follow (Annualized)

$$\frac{\text{Profit attributable to owners of parent for the second quarter ended June 30, 2023}}{(\text{Total assets for the fiscal year ended December 31, 2022} + \text{Total assets for the second quarter ended June 30, 2023}) \div 2} \times 2$$

### ◇ Integrated Report

We have released “ASICS Integrated Report 2022” for our investors and other stakeholders. This marks the third year that we have published the Integrated Report. In preparing the latest Integrated Report, we have compiled a comprehensive overview of important information pertaining to ASICS’ creation of medium and long term corporate value, edited in a straightforward manner. Moreover, the report features multiple interviews that we hope will enable readers to gain a firsthand sense of ASICS’ business management, management reforms, and human resources strategy. The report also discloses details on administration of global engagement survey to employees and results associated with the survey. We will continue to further enhance the disclosure of non-financial information.

### ◇ Para athletics

ASICS engages in initiatives to help realize a healthy and sustainable inclusive society through para athletics. It accordingly established the Para Sports Planning Department in January 2022, tasked with drawing up and implementing strategies for its para athletic business.

Such initiatives have entailed our signing of an official partnership agreement with Japan Para Athletics (JPA) in May 2023. As part of the agreement, we will provide shoes, apparel, and accessories to the Japanese national team and staff members participating in competitions and other events designated by JPA.

Furthermore, we became the Platinum Sponsor in the sporting goods category for Kobe 2024 World Para Athletics Championships to be held in Kobe City, Hyogo Prefecture in May 2024.

We also entered into an athlete advisor agreement with marathon runner Misato Michishita (affiliated with Mitsui Sumitomo Insurance Company, Limited). In addition to excelling as a top athlete, she also takes an active role in conducting lectures and other engagements on themes that include development of para athletics and continual pursuit of challenges alongside fellow athletes. Going forward, we will help give rise to an inclusive society through the sport of running, as we provide Ms. Michishita with products that incorporate her feedback and otherwise support her efforts toward even greater achievements.

◇ **Sponsorship of the World Athletics Athlete Refugee Team**

ASICS has become an official sponsor of the World Athletics Refugee Team (ART), comprising refugee athletes who had fled violence, conflict and injustice at home. Members of the team have been participating in competitions since the 2016 Olympic Games in Rio de Janeiro as members of the International Olympic Committee (IOC) Refugee Olympic Team.

Under the sponsorship agreement, which extends for three years, from June 2023 through to June 2026, ASICS will supply the Athlete Refugee Team with competition kits and footwear, and will provide access to ASICS training facilities around the world.

Going forward, we will engage in a wide range of activities in seeking to achieve “create a life style that everyone is satisfied mentally and physically through exercises and sports throughout their life”, which is the theme of ASICS’ long-term vision “VISION 2030”.

1) Net sales

Net sales increased 28.9% to ¥290,079 million due to the strong sales in all categories, as well as due to the fluctuation in exchange rate.

2) Gross profit

Gross profit increased 32.7% to ¥147,995 million due to the impact of the increase in net sales described above.

3) Operating income

Operating income increased 75.4% to ¥33,610 million due to the impact of the increase in net sales described above.

4) Ordinary income

Ordinary income increased 78.2% to ¥33,818 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 82.8% to ¥24,796 million mainly due to the impact of the increase in net sales and profit described above.

Business results by category were as follows.

(Millions of yen)

| Category                | Net sales                  |                            |                        | Category profit            |                            |                        |
|-------------------------|----------------------------|----------------------------|------------------------|----------------------------|----------------------------|------------------------|
|                         | FY2023<br>Jan 1 to June 30 | FY2022<br>Jan 1 to June 30 | Increase<br>(Decrease) | FY2023<br>Jan 1 to June 30 | FY2022<br>Jan 1 to June 30 | Increase<br>(Decrease) |
| Performance Running     | 147,839                    | 123,284                    | 24,555                 | 29,275                     | 25,995                     | 3,279                  |
| Core Performance Sports | 40,430                     | 23,520                     | 16,910                 | 8,700                      | 4,026                      | 4,674                  |
| SportStyle              | 28,077                     | 18,532                     | 9,544                  | 5,421                      | 3,143                      | 2,277                  |
| Apparel and Equipment   | 18,075                     | 17,161                     | 914                    | 1,319                      | 26                         | 1,293                  |
| Onitsuka Tiger          | 28,297                     | 19,641                     | 8,656                  | 7,826                      | 3,622                      | 4,203                  |

1) Performance Running

Net sales increased 19.9% to ¥147,839 million due to the strong sales in all regions.

Category profit increased 12.6% to ¥29,275 million mainly due to the impact of the increase in net sales described above.

2) Core Performance Sports

Net sales increased 71.9% to ¥40,430 million due to the strong sales in all regions.

Category profit increased significantly 116.1% to ¥8,700 million due to the impact of the increase in net sales described above.

3) SportStyle

Net sales increased 51.5% to ¥28,077 million due to the strong sales in all regions.

Category profit increased 72.5% to ¥5,421 million due to the impact of the increase in net sales described above.

4) Apparel and Equipment

Net sales increased 5.3% to ¥18,075 million due to the strong sales in Japan region and Greater China region.

Category profit increased significantly to ¥1,319 million mainly due to an improvement in gross margin, as well as due to the impact of the increase in net sales described above.

5) Onitsuka Tiger

Net sales increased 44.1% to ¥28,297 million due to the strong sales in all regions.

Category profit increased significantly 116.0% to ¥7,826 million mainly due to the impact of the increase in net sales described above.

Business results by reportable segments were as follows.

1) Japan region

Net sales increased 22.3% to ¥69,111 million due to the strong sales in all categories.

Segment income increased significantly 159.6% to ¥8,010 million mainly due to an improvement in gross margin, as well as due to the impact of the increase in net sales described above.

2) North America region

Net sales increased 17.4% to ¥55,921 million due to the strong sales of the Performance Running category and Core Performance Sports category.

Segment income amounted ¥505 million mainly due to an improvement in gross margin, as well as due to the impact of the increase in net sales described above.

3) Europe region

Net sales increased 24.4% to ¥78,379 million due to the strong sales in all categories.

Segment income increased 11.3% to ¥7,953 million mainly due to the impact of the increase in net sales described above.

4) Greater China region

Net sales increased 39.6% to ¥40,413 million due to the strong sales in all categories.

Segment income increased 42.4% to ¥8,490 million mainly due to the impact of the increase in net sales described above.

5) Oceania region

Net sales increased 22.3% to ¥18,883 million due to the strong sales in all categories.

Segment income increased 6.6% to ¥3,139 million mainly due to the impact of the increase in net sales described above.

6) Southeast and South Asia regions

Net sales increased 66.9% to ¥13,443 million due to the strong sales in all categories.

Segment income increased significantly 107.6% to ¥2,970 million mainly due to an improvement in gross margin, as well as due to the impact of the increase in net sales described above.

7) Other regions

Net sales increased 19.3% to ¥24,209 million due to the strong sales of the Performance Running category and Core Performance Sports category.

Segment income increased 84.6% to ¥2,661 million mainly due to an improvement in gross margin, as well as 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 June 30, 2023, total assets increased 7.7% from the end of the previous fiscal year to ¥457,965 million, total liabilities decreased 2.1% from the end of the previous fiscal year to ¥247,038 million and total net assets increased 22.1% from the end of the previous fiscal year to ¥210,927 million.

### 1) Current assets

Current assets increased 8.2% to ¥320,545 million mainly due to an increase in notes and accounts receivable-trade.

### 2) Non-current assets

Non-current assets increased 6.6% to ¥137,420 million mainly due to an increase in software.

### 3) Current liabilities

Current liabilities increased 10.0% to ¥165,708 million mainly driven by reclassification of bonds payable from non-current liabilities to current liabilities due to redemption date within one year.

### 4) Non-current liabilities

Non-current liabilities decreased 20.0% to ¥81,330 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 22.1% to ¥210,927 million mainly due to an increase in retained earnings.

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

As for cash flows as of June 30, 2023, cash and cash equivalents (hereinafter, “cash”) increased ¥3,560 million from the end of the previous fiscal year to ¥69,364 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 ¥29,348 million, an increase of ¥46,167 million compared with the previous fiscal year.

Major sources of cash were ¥33,399 million from profit before income taxes, ¥8,721 million from depreciation and amortization and ¥5,997 million for a decrease in inventories, while major uses of cash were ¥9,312 million for an increase in notes and accounts receivable-trade, ¥6,201 million for a decrease in notes and accounts payable-trade, and ¥4,351 million for income taxes paid.

### 2) Cash flows from investing activities

Net cash used in investing activities was ¥5,344 million, a decrease of ¥494 million compared with the previous fiscal year.

Major uses of cash were ¥4,514 million for purchases of intangible assets and ¥1,674 million for purchases of property, plant and equipment.

### 3) Cash flows from financing activities

Net cash used in financing activities was ¥22,825 million, an increase of ¥10,287 million compared with the previous fiscal year.

Major uses of cash were ¥11,000 million for net decrease in short-term bank loans, ¥7,057 million for the repayment of lease obligations and ¥4,393 million for cash dividend paid.

**(4) Explanation on forecast for consolidated business results and others**

The Company has revised the forecast of consolidated business results and dividend forecast for the fiscal year ending December 31, 2023 (January 1, 2023—December 31, 2023). For details, please refer to “Notice Concerning the Revision of the Consolidated Business Results Forecast for the Fiscal Year Ending December 31, 2023, and Dividend of Surplus and Revision of Dividend Forecast (Increased Dividend)” announced on August 8, 2023.

## Consolidated Balance Sheet

### 2. Consolidated Financial Statements and Notes

#### (1) Consolidated Balance Sheet

ASICS Corporation and Consolidated Subsidiaries  
As of June 30, 2023 and December 31, 2022

| ASSETS  | Millions of yen |                   |
|---|-----------------|-------------------|
|   | June 30, 2023   | December 31, 2022 |
| <b>Current assets:</b>                                    |                 |                   |
| Cash and deposits   | ¥ 70,316        | ¥ 67,383          |
| Notes and accounts receivable:                            |                 |                   |
| Trade   | 87,278          | 70,692            |
| Less allowance for doubtful receivables                   | (3,249)         | (2,895)           |
| Inventories   | 140,836         | 135,582           |
| Other current assets                                      | 25,363          | 25,358            |
| Total current assets                                      | 320,545         | 296,122           |
| <br><b>Property, plant and equipment:</b>                 |                 |                   |
| Land  | 5,900           | 5,877             |
| Buildings and structures                                  | 37,507          | 36,392            |
| Machinery, equipment and vehicles                         | 5,964           | 5,441             |
| Tools, furniture and fixtures                             | 37,848          | 34,067            |
| Leased assets   | 1,636           | 2,010             |
| Construction in progress                                  | 1,333           | 519               |
| Less accumulated depreciation                             | (64,025)        | (59,067)          |
| Property, plant and equipment, net                        | 26,165          | 25,240            |
| <br><b>Intangible assets:</b>                             |                 |                   |
| Goodwill  | 7,340           | 7,144             |
| Software  | 22,704          | 19,624            |
| Right of use assets                                       | 38,307          | 35,582            |
| Other intangible assets                                   | 8,224           | 7,816             |
| Total intangible assets                                   | 76,577          | 70,167            |
| <br><b>Investments and other assets:</b>                  |                 |                   |
| Investments in securities:                                |                 |                   |
| Investments in unconsolidated subsidiaries and affiliates | 168             | 166               |
| Other   | 14,166          | 11,743            |
| Long-term loans receivable                                | 43              | 35                |
| Deferred income taxes                                     | 9,685           | 11,700            |
| Other assets  | 11,924          | 11,139            |
| Less allowance for doubtful receivables                   | (1,309)         | (1,247)           |
| Total investments and other assets                        | 34,677          | 33,536            |
| <br>Total assets  | ¥ 457,965       | ¥ 425,067         |

## Consolidated Balance Sheet

| <b>LIABILITIES AND NET ASSETS</b>            | Millions of yen |                   |
|--|-----------------|-------------------|
|  | June 30, 2023   | December 31, 2022 |
| <b>Current liabilities:</b>                  |                 |                   |
| Short-term bank loans                        | ¥ 11,000        | ¥ 22,000          |
| Current portion of long-term debt            | 48,318          | 26,974            |
| Notes and accounts payable:                  |                 |                   |
| Trade  | 44,396          | 44,670            |
| Accrued income taxes                         | 5,089           | 2,531             |
| Accrued expenses                             | 24,382          | 27,580            |
| Provision for employees' bonuses             | 1,553           | 727               |
| Other current liabilities                    | 30,968          | 26,148            |
| Total current liabilities                    | 165,708         | 150,632           |
| <b>Long-term liabilities:</b>                |                 |                   |
| Long-term debt                               | 71,471          | 90,825            |
| Liabilities for retirement benefits          | 3,788           | 3,789             |
| Deferred income taxes                        | 1,642           | 2,325             |
| Other long-term liabilities                  | 4,428           | 4,763             |
| Total long-term liabilities                  | 81,330          | 101,704           |
| <b>Net assets:</b>                           |                 |                   |
| Shareholders' equity:                        |                 |                   |
| Common stock:                                | 23,972          | 23,972            |
| Capital surplus                              | 15,833          | 15,655            |
| Retained earnings                            | 141,666         | 121,266           |
| Less treasury share, at cost                 | (9,718)         | (9,834)           |
| Total shareholders' equity                   | 171,754         | 151,060           |
| Accumulated other comprehensive income:      |                 |                   |
| Unrealized holding gain on securities        | 4,714           | 3,073             |
| Unrealized deferred gain on hedges           | 7,469           | 6,153             |
| Translation adjustments                      | 25,770          | 11,245            |
| Retirement benefits liability adjustments    | (866)           | (917)             |
| Total accumulated other comprehensive income | 37,087          | 19,554            |
| Stock acquisition rights                     | 278             | 295               |
| Non-controlling interests                    | 1,807           | 1,819             |
| Total net assets                             | 210,927         | 172,729           |
| Total liabilities and net assets             | ¥ 457,965       | ¥ 425,067         |

## Consolidated Income Statement

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

ASICS Corporation and Consolidated Subsidiaries  
The Second quarter ended June 30, 2023 and 2022

|   | Millions of yen                           |   |
|---|---|---|
|   | The Second Quarter Ended<br>June 30, 2023 | The Second Quarter Ended<br>June 30, 2022 |
| <b>Net sales</b>  | ¥ 290,079                                 | ¥ 225,080                                 |
| <b>Cost of sales</b>  | 142,083                                   | 113,594                                   |
| Gross profit  | 147,995                                   | 111,486                                   |
| <b>Selling, general and administrative expenses *1</b>                    | 114,385                                   | 92,319                                    |
| Operating income  | 33,610                                    | 19,166                                    |
| <b>Other income (expenses):</b>   |   |   |
| Interest and dividend income  | 1,455                                     | 461                                       |
| Interest expense  | (2,244)                                   | (997)                                     |
| Exchange gain (loss), net   | 614                                       | (1,173)                                   |
| Gain on sales of investments in securities, net                           | 0   | 1   |
| Loss on sales or disposal of property, plant and equipment and other, net | (6)                                       | (114)                                     |
| Loss on valuation of investments in securities                            | (90)                                      | (52)                                      |
| Loss on impairment  | (60)                                      | —   |
| Loss on temporary closing of stores*2                                     | —   | (155)                                     |
| Loss on the cancellation of lease contracts                               | (262)                                     | (156)                                     |
| Subsidy income  | 819                                       | 857                                       |
| Other, net  | (437)                                     | 666                                       |
|   | (211)                                     | (664)                                     |
| <b>Profit before income taxes</b>   | 33,399                                    | 18,501                                    |
| <b>Income taxes:</b>  |   |   |
| Current   | 8,473                                     | 4,964                                     |
|   | 8,473                                     | 4,964                                     |
| <b>Profit</b>   | 24,925                                    | 13,537                                    |
| <b>Profit (loss) attributable to:</b>                                     |   |   |
| Non-controlling interests   | 129                                       | (24)                                      |
| Owners of parent  | ¥ 24,796                                  | ¥ 13,562                                  |

## Consolidated Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries  
The Second quarter ended June 30, 2023 and 2022

|   | Millions of yen |   |   |   |
|---|-----------------|---|---|---|
|   | ¥               | The Second Quarter Ended<br>June 30, 2023 | ¥ | The Second Quarter Ended<br>June 30, 2022 |
| <b>Profit</b>                             | ¥               | 24,925                                    | ¥ | 13,537                                    |
| <b>Other comprehensive income:</b>        |                 |   |   |   |
| Unrealized holding gain on securities     |                 | 1,641                                     |   | 458                                       |
| Unrealized deferred gain on hedges        |                 | 1,316                                     |   | 10,844                                    |
| Translation adjustments                   |                 | 14,531                                    |   | 17,251                                    |
| Retirement benefits liability adjustments |                 | 50  |   | 15  |
| Total other comprehensive income, net     |                 | 17,540                                    |   | 28,569                                    |
| <b>Comprehensive income</b>               | ¥               | 42,466                                    | ¥ | 42,107                                    |
| Comprehensive income attributable to:     |                 |   |   |   |
| Owners of parent                          | ¥               | 42,329                                    | ¥ | 42,110                                    |
| Non-controlling interests                 |                 | 136                                       |   | (3)                                       |

## Consolidated Statement of Cash Flows

### (3) Consolidated Statement of Cash Flows

ASICS Corporation and Consolidated Subsidiaries  
The Second quarter ended June 30, 2023 and 2022

|   | Millions of yen                           |   |
|---|---|---|
|   | The Second Quarter Ended<br>June 30, 2023 | The Second Quarter Ended<br>June 30, 2022 |
| <b>Operating activities:</b>  |   |   |
| Profit before income taxes  | ¥ 33,399                                  | ¥ 18,501                                  |
| Adjustments to reconcile profit before income taxes to net cash provided by operating activities: |   |   |
| Depreciation and amortization   | 8,721                                     | 7,319                                     |
| Loss on impairment  | 60  | —   |
| Amortization of goodwill  | 322                                       | 181                                       |
| Increase in allowance for doubtful receivables  | 87  | 180                                       |
| Increase in liabilities for retirement benefits, net  | 65  | 103                                       |
| Increase in provision for employees' bonuses  | 772                                       | 658                                       |
| Loss on impairment of investments in securities   | 90  | 52  |
| Gain on sales of investments in securities, net   | (0)                                       | (1)                                       |
| Interest and dividend income  | (1,455)                                   | (461)                                     |
| Interest expense  | 2,244                                     | 997                                       |
| Exchange (gain), net  | (104)                                     | (178)                                     |
| Loss on sales or disposal of property, plant and equipment and other, net                         | 6   | 114                                       |
| Other, net  | 1,533                                     | (356)                                     |
| (Increase) decrease in operating assets:  |   |   |
| Notes and accounts receivable-trade   | (9,312)                                   | (18,188)                                  |
| Inventories   | 5,997                                     | (21,018)                                  |
| Other operating assets  | 961                                       | (340)                                     |
| Increase (decrease) in operating liabilities:   |   |   |
| Notes and accounts payable-trade  | (6,201)                                   | 6,495                                     |
| Accrued consumption taxes   | 1,941                                     | 1,048                                     |
| Other operating liabilities   | (4,541)                                   | (2,795)                                   |
| Subtotal  | 34,588                                    | (7,689)                                   |
| Interest and dividend received  | 1,301                                     | 377                                       |
| Interest paid   | (2,189)                                   | (961)                                     |
| Income taxes paid   | (4,351)                                   | (8,546)                                   |
| Net cash provided by (used in) operating activities   | 29,348                                    | (16,819)                                  |
| <b>Investing activities:</b>  |   |   |
| Increase in time deposits   | (0)                                       | (1,209)                                   |
| Proceeds from withdrawal of time deposits   | 732                                       | 380                                       |
| Purchases of property, plant and equipment  | (1,674)                                   | (1,271)                                   |
| Payments for disposal of property, plant and equipment  | (39)                                      | (140)                                     |
| Proceeds from sales of property, plant and equipment  | 51  | 6   |
| Purchases of intangible assets  | (4,514)                                   | (3,703)                                   |
| Purchases of investments in securities  | (176)                                     | (31)                                      |
| Proceeds from sales and redemption of investments in securities                                   | 0   | 7   |
| Proceeds from distribution of investment in partnerships  | —   | 11  |
| Net (increase) decrease in short-term loans receivable included in other current assets           | 4   | (1)                                       |
| Long-term loans receivable made   | (0)                                       | (8)                                       |
| Collection of long-term loans receivable  | 4   | 10  |
| Other, net  | 267                                       | 110                                       |
| Net cash (used in) investing activities   | (5,344)                                   | (5,838)                                   |
| <b>Financing activities:</b>  |   |   |
| Net (decrease) in short-term bank loans   | (11,000)                                  | (5,200)                                   |
| Repayment of long-term loans  | (222)                                     | —   |
| Purchases of treasury share   | (2)                                       | (1)                                       |
| Proceeds from sales of treasury share   | 0   | 0   |
| Repayment of lease obligations  | (7,057)                                   | (5,144)                                   |
| Cash dividend paid to shareholders of the Company   | (4,393)                                   | (2,191)                                   |
| Dividend paid to non-controlling interests  | (149)                                     | —   |
| Net cash (used in) financing activities   | (22,825)                                  | (12,537)                                  |
| <b>Effect of exchange rate changes on cash and cash equivalents</b>                               | 2,381                                     | 4,580                                     |
| <b>Net (decrease) in cash and cash equivalents</b>  | 3,560                                     | (30,615)                                  |
| <b>Cash and cash equivalents as of January 1, 2023 and 2022</b>                                   | 65,804                                    | 95,275                                    |
| <b>Cash and cash equivalents as of June 30, 2023 and 2022</b>                                     | ¥ 69,364                                  | ¥ 64,660                                  |

#### (4) Notes for Consolidated Financial Statements

(Consolidated Balance Sheet)

The Company has an overdraft agreement with the bank to finance working capital efficiently.  
The balance of unused loan commitments as of June 30, 2023 under this agreement is as follows.

|                          | Millions of yen     |                         |
|--------------------------|---------------------|-------------------------|
|                          | As of June 30, 2023 | As of December 31, 2022 |
| Overdraft maximum amount | ¥205,500            | ¥204,500                |
| Balance of used loans    | 11,000              | 22,000                  |
| Unused balance           | ¥194,500            | ¥182,500                |

(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 ¥89 million for the 2nd quarter ended June 30, 2022.

|                               | Millions of yen                           |   |
|-------------------------------|---|---|
|                               | 2023<br>(from January 1 to June 30, 2023) | 2022<br>(from January 1 to June 30, 2022) |
| Packing and transportation    | ¥12,913                                   | ¥9,240                                    |
| Advertising                   | 19,259                                    | 13,666                                    |
| Commission fee                | 17,940                                    | 14,563                                    |
| Provision for bad debt        | 201                                       | (2)                                       |
| Salaries and wages            | 25,322                                    | 22,555                                    |
| Provision for bonus           | 1,742                                     | 1,381                                     |
| Retirement benefit            | 570                                       | 524                                       |
| Rent                          | 6,279                                     | 5,968                                     |
| Depreciation and amortization | 8,505                                     | 7,281                                     |

\*2 Loss on temporary closing of stores

2022 (from January 1 to June 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.

2023 (from January 1 to June 30, 2023)

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

| 2023 (from January 1 to June 30, 2023) | Millions of yen |               |         |               |         |                          |         |          | Adjustments | Consolidated |
|--|-----------------|---------------|---------|---------------|---------|--------------------------|---------|----------|-------------|--------------|
|  | Japan           | North America | Europe  | Greater China | Oceania | Southeast and South Asia | Others  | Total    |             |              |
| Net sales:                             |                 |               |         |               |         |                          |         |          |             |              |
| Sales to customers                     | ¥52,446         | ¥55,921       | ¥78,363 | ¥40,280       | ¥18,883 | ¥13,442                  | ¥24,208 | ¥283,546 | ¥6,532      | ¥290,079     |
| Intersegment                           | 16,664          | -             | 15      | 132           | -       | 1                        | 0       | 16,815   | (16,815)    | -            |
| Total sales                            | 69,111          | 55,921        | 78,379  | 40,413        | 18,883  | 13,443                   | 24,209  | 300,362  | (10,283)    | 290,079      |
| Segment income (loss)                  | ¥8,010          | ¥505          | ¥7,953  | ¥8,490        | ¥3,139  | ¥2,970                   | ¥2,661  | ¥33,732  | ¥(121)      | ¥33,610      |

| 2022 (from January 1 to June 30, 2022) | Millions of yen |               |         |               |         |                          |         |          | Adjustments | Consolidated |
|--|-----------------|---------------|---------|---------------|---------|--------------------------|---------|----------|-------------|--------------|
|  | Japan           | North America | Europe  | Greater China | Oceania | Southeast and South Asia | Others  | Total    |             |              |
| Net sales:                             |                 |               |         |               |         |                          |         |          |             |              |
| Sales to customers                     | ¥38,881         | ¥47,631       | ¥63,014 | ¥28,938       | ¥15,444 | ¥8,056                   | ¥20,277 | ¥222,243 | ¥2,837      | ¥225,080     |
| Intersegment                           | 17,622          | -             | 16      | 7             | 0       | -                        | 8       | 17,655   | (17,655)    | -            |
| Total sales                            | 56,503          | 47,631        | 63,030  | 28,945        | 15,444  | 8,056                    | 20,286  | 239,899  | (14,818)    | 225,080      |
| Segment income (loss)                  | ¥3,086          | ¥(562)        | ¥7,148  | ¥5,962        | ¥2,944  | ¥1,430                   | ¥1,442  | ¥21,452  | ¥(2,285)    | ¥19,166      |

3. Supplemental Information

(1) Net Sales per Regions

|  | Millions of yen |               |         |               |         | Consolidated |
|--|-----------------|---------------|---------|---------------|---------|--------------|
|  | Japan           | North America | Europe  | Greater China | Others  |              |
| Net sales                              |                 |               |         |               |         |              |
| 2023 (from January 1 to June 30, 2023) | ¥56,985         | ¥57,640       | ¥78,854 | ¥40,340       | ¥56,258 | ¥290,079     |
| 2022 (from January 1 to June 30, 2022) | ¥40,260         | ¥49,080       | ¥65,239 | ¥28,988       | ¥41,512 | ¥225,080     |

(2) Foreign Currency Exchange Rates

|                                 | USD     | EUR     | RMB    | AUD    | SGD     |
|---------------------------------|---------|---------|--------|--------|---------|
| 2nd quarter ended June 30, 2023 | ¥135.98 | ¥147.19 | ¥19.54 | ¥91.39 | ¥101.55 |
| 2nd quarter ended June 30, 2022 | ¥123.29 | ¥134.80 | ¥19.00 | ¥88.23 | ¥90.22  |
| Increase or (Decrease)          | ¥12.69  | ¥12.39  | ¥0.54  | ¥3.16  | ¥11.33  |
| Ratio (%)                       | 10.3    | 9.2     | 2.8    | 3.6    | 12.6    |

(3) Net Sales and Segment Income Ratio

|  | (Local Currency) | North America | Greater China | Southeast and South Asia | Others |      |       |      |
|--|------------------|---------------|---------------|--------------------------|--------|------|-------|------|
|  |                  | Japan         | Europe        | Oceania                  |        |      |       |      |
| Net Sales                              | -                | 6.7           | 13.8          | 35.0                     | 18.0   | 55.9 | 11.9  |      |
| Vs 2nd quarter ended June 30, 2022 (%) | (Yen)            | 22.3          | 17.4          | 24.4                     | 39.6   | 22.3 | 66.9  | 19.3 |
| Segment income                         | (Local Currency) | -             | -             | 1.6                      | 37.7   | 3.0  | 93.1  | 69.2 |
| Vs 2nd quarter ended June 30, 2022 (%) | (Yen)            | 159.6         | -             | 11.3                     | 42.4   | 6.6  | 107.6 | 84.6 |
| Segment Income Ratio (%)               |                  | 11.6          | 0.9           | 10.1                     | 21.0   | 16.6 | 22.1  | 11.0 |