



Summary of Consolidated Financial Statements **for the Second Quarter Ended June 30, 2017** **(Japan GAAP)**

August 4, 2017

Name of the Company: ASICS Corporation

Listing Exchanges: Tokyo

Code No.: 7936

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

Chairman, President and CEO, Representative Director: Motoi Oyama

Date of filing Securities Report by quarter: August 9, 2017

Date of scheduled payment of dividends: –

Quarterly Results Supplemental Materials: Yes

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

(Amounts less than one million yen are truncated)

1. Consolidated results for the second quarter ended June 30, 2017 (January 1, 2017– June 30, 2017)

(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, 2017	203,735	(3.3)	16,075	(17.1)	18,069	5.0	11,687	(1.4)
2nd quarter ended June 30, 2016	210,681	(5.0)	19,392	(8.8)	17,201	(13.6)	11,849	(18.4)

(Note) Comprehensive income: 2nd quarter ended June 30, 2017: ¥ 1,246 million (– %)

2nd quarter ended June 30, 2016: ¥ (19,758) million (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
2nd quarter ended June 30, 2017	61.57	58.10
2nd quarter ended June 30, 2016	62.43	58.96

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	MY	MY	%
As of June 30, 2017	332,243	198,066	59.2
As of December 31, 2016	342,812	201,207	58.3

(Reference) Shareholders' equity: June 30, 2017: ¥ 196,551 million December 31, 2016: ¥ 199,936 million

2. Dividends

	Cash dividend per share				
(Record date)	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, 2016	—	—	—	23.50	23.50
FY ending December 31, 2017	—	—			
FY ending December 31, 2017 (Projected)			—	23.50	23.50

(Note) Changes in projected dividends: None

3. Forecast of consolidated business results for the fiscal year ending December 31, 2017 (January 1, 2017 – December 31, 2017)

(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	420,000	5.2	22,000	(13.6)	21,000	(10.3)	13,000	(16.5)	68.48

(Note) Changes in forecast of consolidated business results: None

※ Notes

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

June 30, 2017	199,962,991 shares	December 31, 2016	199,962,991 shares
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 - ② Number of treasury shares at fiscal end:

June 30, 2017	10,140,354 shares	December 31, 2016	10,139,476 shares
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 - ③ Average number of shares during the term:

2nd quarter ended June 30, 2017	189,823,115 shares		
2nd quarter ended June 30, 2016	189,819,100 shares		

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

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

(Notes to the description about future, other)

The performance forecasts above are estimated based on information available as of the date hereof. This may cause actual results to differ from stated projections due to changing business conditions or other factors.

(How to access supplemental materials on quarterly business results)

We plan to post the supplemental materials on quarterly business results on Company's website (<http://corp.asics.com/en/>) on Friday August 4, 2017.

(How to access materials on the details of presentation meeting on business results)

The Company is scheduled to hold presentation meeting on business results for institutional investors and analysts on Tuesday, August 8, 2017. We plan to post the materials used in the meeting on the Company's website (<http://corp.asics.com/en/>) at the same time on the meeting.

Qualitative information for consolidated business results

(1) Explanation on business results

In the second quarter ended June 30, 2017, despite a slowing trend in the United States, business was steady in the sporting goods industry on the back of a high level of interest in sports owing to rising health consciousness, as well as an increase in everyday use of sporting goods.

Under these conditions, the ASICS Group (“the Group”) expanded its consumer base and improved the value of its brands on a global scale through the launch of high value added products etc. that meet consumers’ changing tastes on the basis of the Five-Year Strategic Plan, “ASICS Growth Plan (AGP) 2020”.

In own retail store business, the Group aimed to expand its consumer base and increase sales by developing its own new concept retail stores that are well-lit and have a sense of spaciousness. ASICS Store Tokyo, the Group’s first own retail store specialized for running that opened in 2007, was renovated and reopened with an expanded lineup of products not just in the running category but also in the training category as an own retail store offering a new experience for a wide range of runners and consumers who exercise for fitness. In addition, the Group opened ASICS WOMEN GINZA, its first own retail store dedicated to women in Tokyo. Furthermore, the Group renovated its own retail stores in Amsterdam and London, and opened its own retail store with a new concept in Brisbane, Australia, making efforts to expand its brand presence in each region and increasing the number of own retail stores of the ASICS Group brands to 852 worldwide.

In the running category that is the Group’s core business, the Group launched the high-function running shoes GEL-KAYANO 24 with an improved fit around the heels, which uses ASICS’ original midsole material, FlyteFoam, for both excellent cushioning and light weight. In addition, the Group sponsored marathon events held in Tokyo, Paris and Stockholm, etc. In commemoration of the launch of running shoes for fun runners, the Group held an immersive experience event, The Big Chase, where fun runners invited from all over the world enjoyed running while taking on challenges set up at places of interest in the city of Los Angeles.

In the training category, the Group aimed to improve the value of its brand through a premium collection for active young people. Under the concept of valuing simple and minimalist designs associated with traditional Japanese aesthetics, following the launch of the JYUNI White Collection, a series of sports apparel that combines sophisticated designs and high functionality, the Group also launched the JYUNI Black Collection worldwide.

In the core performance sports category, to heighten brand awareness and trust in its products throughout the world, the Group launched the high-function tennis shoes COURT FF that use FlyteFoam, followed by the high-function volleyball shoes VOLLEY ELITE FF which use the same material. Also the Group concluded an official partnership agreement with the International Association of Athletics Federations (IAAF), and supported the IAAF World Cross Country Championship in March as well as the subsequent 2017 IAAF World Relays in April.

In the lifestyle category, the Group strove to heighten awareness of its two brands among a wide range of consumers. For the ASICS Tiger brand, the Group launched a new product, GEL-KAYANO TRAINER KNIT, shoes made from knit material, and developed a global campaign through video contents, events, etc. In addition, the Group worked on increasing the brand penetration of ASICS Tiger in the Asian region by opening its own retail stores in Seoul and

Shanghai. For the Onitsuka Tiger brand, the Group opened a pop-up store in the SoHo area in New York, and held a brand event. The brand also launched shoes created using traditional Japanese techniques and appealed its craftsmanship.

In the domestic business, the Group identified with the philosophy of “Contributing to the development of the baseball industry and the sports industry, as well as the sports culture in Japan” upheld by the Japan national baseball team SAMURAI JAPAN, and agreed the conclusion of partner contract with NPB Enterprise, Inc. to be a SAMURAI JAPAN Diamond Partner. In addition, based on the concept of encouraging a lifestyle revolving around sports, the Group opened ASICS CONNECTION TOKYO, a new facility that includes cafes and fitness studios, in Sumida City, Tokyo.

Also, the Group constructed a new factory building and rebuilt existing buildings of SANIN ASICS Industry Corporation, which is a high value added shoes production location that capitalizes on the characteristics of products made in Japan.

In addition, with the aim of promoting diversity internally and enhancing female employees’ awareness of their career, career design programs for female employees were carried out, with the scope of their target audience extended to younger employees. The Group was certified as an excellent company that promotes the success of women in the workplace and awarded “*Eruboshi*” (the highest level) by the Minister of Health, Labour and Welfare.

In the second quarter ended June 30, 2017, consolidated net sales decreased 3.3% (a decrease of 2.4% using the previous fiscal year’s foreign exchange rate) to ¥203,735 million. Domestic net sales decreased 3.4% to ¥54,263 million mainly due to weak sales of sportswear, despite strong sales of running shoes. Overseas sales decreased 3.3% (a decrease of 2.1% using the previous fiscal year’s foreign exchange rate) to ¥149,472 million due to weak sales in the European and American regions as well as the effect of the strong yen, despite strong sales of running shoes and Onitsuka Tiger shoes in the Oceania/Southeast and South Asian regions as well as the East Asian region.

Gross profit increased 0.7% to ¥94,545 million mainly due to an improved cost of sales ratio. Selling, general and administrative expenses increased 5.3% to ¥78,469 million due to increased costs in line with the expansion of own retail stores and increased costs related to the rollout of various digital strategies. As a result, operating income decreased 17.1% to ¥16,075 million. Ordinary income increased 5.0% to ¥18,069 million due to foreign exchange gains recorded in the second quarter ended June 30, 2017 compared to foreign exchange losses posted in the corresponding period of the previous fiscal year. Profit attributable to owners of parent decreased 1.4% to ¥11,687 million.

Business results by reportable segments were as follows.

① Japanese region

Sales decreased 2.9% to ¥63,874 million, due to weak sales of sportswear, despite strong sales of running shoes. Segment income decreased 14.1% to ¥4,463 million, due to the effect of declined sales, despite an improved cost of sales ratio.

② American region

Sales decreased 6.1% (a decrease of 5.9% using the previous fiscal year’s foreign exchange rate) to ¥55,656 million, due to weak sales in the U.S. Segment income increased 394.9% (an increase of

396.2% using the previous fiscal year's foreign exchange rate) to ¥3,548 million mainly due to an improved cost of sales ratio, expenses being pushed to the second half of the fiscal year, and the recording of allowance for doubtful receivables in the corresponding period of the previous fiscal year.

③ European region

Sales decreased 10.0% (a decrease of 7.7% using the previous fiscal year's foreign exchange rate) to ¥50,177 million, due to the effect of changes in the retail market and intensifying competition, in addition to the effect of foreign exchange rates. Segment income decreased 40.0% (a decrease of 38.4% using the previous fiscal year's foreign exchange rate) to ¥3,595 million mainly due to the effect of declined sales.

④ Oceania/Southeast and South Asian regions

Sales increased 15.5% (an increase of 13.7% using the previous fiscal year's foreign exchange rate) to ¥14,454 million, due to the strong sales of running shoes and Onitsuka Tiger shoes. Segment income increased 6.7% (an increase of 4.9% using the previous fiscal year's foreign exchange rate) to ¥2,383 million.

⑤ East Asian region

Sales increased 10.8% (an increase of 12.4% using the previous fiscal year's foreign exchange rate) to ¥25,098 million, due to the continuing strong sales of running shoes and Onitsuka Tiger shoes, particularly at the subsidiary in China. Segment income increased 5.1% (an increase of 8.9% using the previous fiscal year's foreign exchange rate) to ¥4,217 million.

⑥ Other business

Sales decreased 8.2% (a decrease of 2.3% using the previous fiscal year's foreign exchange rate) to ¥3,807 million, due to weak sales of outdoor shoes under the HAGLÖFS brand and the effect of foreign exchange rates. Segment loss was ¥430 million.

(2) Explanation on financial position

As for consolidated financial position as of June 30, 2017, total assets decreased 3.1% from the end of the previous fiscal year to ¥332,243 million, total liabilities decreased 5.2% from the end of the previous fiscal year to ¥134,176 million and net assets decreased 1.6% from the end of the previous fiscal year to ¥198,066 million.

Current assets decreased 3.0% to ¥243,538 million, due to decreases in cash and deposits, inventories and other assets resulting from decreases short-term derivative assets, despite an increase in securities, and notes and accounts receivable-trade.

Non-current assets decreased 3.2% to ¥88,704 million, due mainly to a decrease in investments and other assets resulting from a decrease in long-term derivative assets.

Current liabilities decreased 3.1% to ¥65,911 million, due mainly to a decrease of notes and accounts payable-trade.

Non-current liabilities decreased 7.2% to ¥68,265 million. This mainly reflected decreases in long-term loans led by the transfer of bank loans due within a year or less from non-current liabilities to current liabilities, and deferred tax liabilities.

Shareholders' equity rose 3.9% to ¥192,560 million due to an increase in retained earnings.

Accumulated other comprehensive income decreased 72.7% to ¥3,991 million mainly due to decreases in unrealized deferred gain on hedges.

As for cash flows as of June 30, 2017, cash and cash equivalents (hereinafter, "cash") decreased ¥13,376 million from the end of the previous fiscal year to ¥50,262 million.

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

(Net cash provided by operating activities)

Net cash provided by operating activities was ¥8,235 million, a decrease of ¥6,009 million compared with the same period of the previous fiscal year.

Major sources of cash were ¥18,166 million from profit before income taxes, and ¥4,418 million from depreciation and amortization, while the major uses of cash were ¥5,418 million for an increase in notes and accounts receivable-trade, ¥4,232 million for income taxes paid and ¥4,197 million for a decrease in notes and accounts payable-trade.

(Net cash used in investing activities)

Net cash used in investing activities was ¥17,224 million, an increase of ¥9,016 million compared with the same period of the previous fiscal year.

The major uses of cash were ¥9,344 million for a net increase in securities and ¥4,378 million for purchases of property, plant and equipment.

(Net cash used in financing activities)

Net cash used in financing activities was ¥5,838 million, a decrease of ¥15,387 million compared with the same period of the previous fiscal year.

Major uses of cash were ¥4,453 million for cash dividends paid and ¥1,550 million for repayment of long-term loans.

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

Regarding the forecast for the full year, there is no change in forecast for consolidated business results announced on February 13, 2017.

SEGMENT INFORMATION

ASICS Corporation and Consolidated Subsidiaries

From January 1 to June 30, 2017 and From January 1 to June 30, 2016

Millions of yen									
	Japanese region	American region	European region	Oceanian /SouthEast and South Asian regions	East Asian region	Other business	Total	Adjustments	Consolidated
2017 (from January 1 to June 30, 2017)									
Net sales:									
Sales to customers	¥54,263	¥55,652	¥50,112	¥14,454	¥25,076	¥3,685	¥203,244	¥491	¥203,735
Intersegment	9,610	4	64	-	21	122	9,823	(9,823)	-
Total sales	63,874	55,656	50,177	14,454	25,098	3,807	213,068	(9,332)	203,735
Operating income (loss)	¥4,463	¥3,548	¥3,595	¥2,383	¥4,217	¥(430)	¥17,779	¥(1,703)	¥16,075

Millions of yen									
	Japanese region	American region	European region	Oceanian /SouthEast and South Asian regions	East Asian region	Other business	Total	Adjustments	Consolidated
2016 (from January 1 to June 30, 2016)									
Net sales:									
Sales to customers	¥56,194	¥59,278	¥55,755	¥12,515	¥22,657	¥3,958	¥210,359	¥321	¥210,681
Intersegment	9,592	12	3	0	0	188	9,797	(9,797)	-
Total sales	65,786	59,290	55,759	12,516	22,658	4,146	220,157	(9,475)	210,681
Operating income (loss)	¥5,198	¥717	¥5,988	¥2,233	¥4,014	¥(517)	¥17,634	¥1,757	¥19,392

Foreign Currency Exchange Rates

	USD	EUR	AUD	RMB	KRW	SEK
2nd quarter ended June 30, 2017	¥112.75	¥122.26	¥84.98	¥16.42	¥0.0984	¥12.73
2nd quarter ended June 30, 2016	¥113.05	¥125.36	¥82.98	¥17.22	¥0.0959	¥13.54
Increase or (Decrease)	¥(0.30)	¥(3.10)	¥2.00	¥(0.80)	¥0.0025	¥(0.81)
Ratio (%)	(0.3)	(2.5)	+2.4	(4.6)	+2.6	(6.0)

Net Sales, Operating Income Ratio

	Japanese region	American region	European region	Oceanian /SouthEast and South Asian regions	East Asian region	Other business
Net Sales	(Local Currency)	-	(5.9)	(7.7)	+13.7	+12.4
Vs 2nd quarter ended June 30, 2016 (%)	(Yen)	(2.9)	(6.1)	(10.0)	+15.5	+10.8
Operating income	(Local Currency)	-	+396.2	(38.4)	+4.9	+8.9
Vs 2nd quarter ended June 30, 2016 (%)	(Yen)	(14.1)	+394.9	(40.0)	+6.7	+5.1
Operating Income Ratio (%)		7.0	6.4	7.2	16.5	16.8