



Summary of Consolidated Financial Statements **for the Second Quarter Ended June 30, 2016** **(Japan GAAP)**

August 5, 2016

Name of the Company: ASICS Corporation

Listing Exchanges: Tokyo

Code No.: 7936

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

President and CEO, Representative Director: Motoi Oyama

Date of filing Securities Report by quarter: August 10, 2016

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, 2016 (January 1, 2016– June 30, 2016)

(1) Consolidated business results (Accumulated)

(The 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	
	MY	%	MY	%	MY	%	MY	%
2nd quarter ended June 30, 2016	210,681	(5.0)	19,392	(8.8)	17,201	(13.6)	11,849	(18.4)
2nd quarter ended June 30, 2015	221,658	–	21,269	–	19,899	–	14,527	–

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

2nd quarter ended June 30, 2015: ¥ 14,695 million (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
2nd quarter ended June 30, 2016	62.43	58.96
2nd quarter ended June 30, 2015	76.53	72.30

(Note) Effective the fiscal year ended December 31, 2014, the Group changed its fiscal year end from March 31 to December 31. In accordance with this change, rates of year-on-year increase or decrease have not been disclosed for the second quarter of the fiscal year ended December 31, 2015 because the settlement period of second quarter of the fiscal year ended December 31, 2014 was different for the Company and those consolidated subsidiaries whose fiscal year end was on March 31 before the change in fiscal year end.

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	MY	MY	%
As of June 30, 2016	296,104	175,131	58.8
As of December 31, 2015	343,467	199,883	57.8

(Reference) Shareholders' equity: June 30, 2016: ¥ 174,061 million December 31, 2015: ¥ 198,364 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, 2015	—	—	—	23.50	23.50
FY ending December 31, 2016	—	—			
FY ending December 31, 2016 (Projected)			—	23.50	23.50

(Note) Changes in projected dividends: None

3. Forecast of consolidated business results for the fiscal year ending December 31, 2016 (January 1, 2016 – December 31, 2016)

(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	403,000	(6.0)	23,000	(16.2)	20,000	(11.2)	13,500	31.9	71.12

(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: Yes
 - ② Changes in accounting policy adopted otherwise than in①: Yes
 - 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, 2016	199,962,991 shares	December 31, 2015	199,962,991 shares
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 - ② Number of treasury shares at fiscal end:

June 30, 2016	10,144,204 shares	December 31, 2015	10,143,572 shares
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 - ③ Average number of shares during the term:

2nd quarter ended June 30, 2016	189,819,100 shares
2nd quarter ended June 30, 2015	189,821,506 shares

* Implementation status of quarterly review procedures

This quarterly financial results report is not subject to quarterly review procedures by independent auditors under Japan's Financial Instruments and Exchange Law. At the time of release of this report, such quarterly review procedures under the Financial Instruments and Exchange Law have not been completed.

* 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 5, 2016.

(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 9, 2016. We plan to post the materials used in the meeting on the Company's website (<http://corp.asics.com/en/>) immediately after the meeting.

Qualitative information for consolidated business results

(1) Explanation on business results

In the second quarter ended June 30, 2016, 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”) began initiatives toward further advancing its business on a global scale on the basis of the newly announced Five-Year Strategic Plan, “ASICS Growth Plan (AGP) 2020”.

In the running category, the Group strove to heighten the value of the ASICS brand. As well as launching GEL-NIMBUS 18, the high-function running shoes, the Group also launched fuzeX running shoes, which combine functionality and design, for fun runners who have made running a part of their lifestyle and enjoy running.

The Group also sponsored marathon events held in different parts of the world, including Tokyo, and hosted ASICS BEAT THE SUN 2016, a trail running event that was held on a course around Mont Blanc, the highest mountain in Europe.

In the training category, the Group strove to expand the consumer base. As well as launching fuzeX TR, the versatile training shoes with lightweight cushioning, the Group held fitness events targeted at active women in the U.S. and Brazil.

In the core performance sports category, the Group continued striving to heighten the value of the ASICS brand. The Group entered into an official supporter agreement with the Fédération Internationale de Volleyball (FIVB) for the five year period from 2016. In the tennis category, the Group launched GEL-SOLUTION SPEED 3, the high-function tennis shoes, and sponsored the Rio Open as part of its marketing activities.

In the lifestyle category, the Group strove to heighten brand awareness and the value of its brands, ASICS Tiger and Onitsuka Tiger. For the ASICS Tiger brand, in addition to holding “ASICS Tiger Evolution Moment”, an event to commemorate the first anniversary of its re-launch, in Shibuya, Japan, the Group globally launched products that are collaborations with well-known brands. For the Onitsuka Tiger brand, the Group held a media event in New York to celebrate 50 years of the Onitsuka Tiger stripes.

On the sales front, the Group strove to strengthen connection with consumers and realize sales expansion through broadening of its own retail stores. The number of own retail stores of the ASICS Group brands was 909 stores worldwide. In Japan, a new-concept training category space was created in ASICS brand own retail stores.

Furthermore, in addition to efforts to expand our business in new consumer segments such as women and young people, and aiming to accelerate direct communication with consumers, the Group acquired FitnessKeeper, Inc. (U.S.), which operates globally the fitness tracking application “Runkeeper”.

In other activities, the Group established local subsidiaries in Dubai and Bangkok, aiming to strengthen sales and brands in the Middle East region and Thailand.

In the domestic business, as part of the Group's aims to strengthen sales and improve profitability by speeding up decision making processes, ASICS Japan Corporation merged with its subsidiary ASICS Sales Corporation. In March, the Group entered into a basic agreement with Waseda University regarding a partnership, with goals such as contributing to the community and society through promotion of sports as well as heightening the value of its brand. The Group has also entered into a comprehensive business tie-up with Culture Convenience Club Co., Ltd., aiming to conduct marketing activities with a focus on direct communication with consumers.

As the Tokyo 2020 Olympic and Paralympic Games and JOC/JPC Gold Partner (Sporting Goods), the Group unveiled official sportswear, shoes and other accessories to Japan Olympic and Paralympic teams of representative athletes at the Rio 2016 Olympic and Paralympic Games. To commemorate the decision on the Tokyo 2020 Olympic and Paralympic Games' emblems, the Group also launched the Tokyo 2020 OFFICIAL LICENSED PRODUCT T-shirt.

In addition, as part of a continuous support program for the Great Eastern Japan Earthquake, "A Bright Tomorrow Through Sport", the Group held "Tohoku Reconstruction Forum in Tokyo - Looking at these last five years and to the future", aiming to make a connection between the Tohoku and Tokyo regions through sports, and broaden the support base for restoration.

Being acclaimed for its corporate activities, ASICS was ranked 17th in Interbrand's "Japan's Best Global Brands 2016", achieving its highest rank ever.

Furthermore, ASICS was selected for the first time as a component company in the FTSE4Good Global Index, a world's leading indicator of the socially responsible investment.

In the second quarter ended June 30, 2016, consolidated net sales decreased 5.0% to ¥210,681 million. Domestic net sales decreased 0.8% to ¥56,173 million, mainly due to weak sales of sportswear and equipment, despite strong sales of running shoes, Onitsuka Tiger shoes, and ASICS Tiger shoes. Overseas sales decreased 6.4% to ¥154,507 million, due to weak sales in the U.S. and the effect of the foreign exchange rates caused by the strong yen, despite strong sales of running shoes and ASICS Tiger shoes centered on the Europe area and the East Asia area.

Gross profit decreased 3.1% to ¥93,899 million due partly to the effect of the foreign exchange rates. Selling, general and administrative expenses decreased 1.5% to ¥74,507 million mainly due to a decrease in advertising expenses and the effect of foreign exchange rates. As a result, operating income decreased 8.8% to ¥19,392 million. Ordinary income decreased 13.6% to ¥17,201 million mainly due to an increase in exchange loss. Profit attributable to owners of parent decreased 18.4% to ¥11,849 million.

Business results by reportable segment were as follows.

① Japan area

As part of structural reforms to the domestic business, the Group promoted minimizing and withdrawing the lower profitable products and a lean organization structure. As a result, sales decreased 3.4% to ¥65,786 million, and segment income increased 68.5% to ¥5,198 million.

② America area

Sales decreased 17.3% (a decrease of 11.8% using the previous fiscal year's foreign exchange rate)

to ¥59,290 million, due to the effect of changes in the retail market and intensifying competition in the U.S., in addition to the effect of foreign exchange rates. Segment income decreased 84.4% (a decrease of 83.4% using the previous fiscal year's foreign exchange rate) to ¥717 million, mainly due to the impact of lower gross profit margin reflecting the weaker Brazilian real etc. and a recording of allowance for doubtful receivables, despite efforts to reduce advertising expenses and other expenses.

③ Europe area

Sales decreased 1.8% (an increase of 6.3% using the previous fiscal year's foreign exchange rate) to ¥55,759 million, due to the effect of foreign exchange rates, despite the steady sales of running shoes. In contrast, segment income increased 12.7% (an increase of 21.9% using the previous fiscal year's foreign exchange rate) to ¥5,988 million mainly due to an improved gross profit margin.

④ Oceania/SouthEast and South Asia area

Sales increased 12.5% (an increase of 26.7% using the previous fiscal year's foreign exchange rate) to ¥12,516 million, due to the continuing strong sales of running shoes. Segment income increased 16.6% (an increase of 31.6% using the previous fiscal year's foreign exchange rate) to ¥2,233 million due to the effect of increased sales.

⑤ East Asia area

Sales increased 9.8% (an increase of 24.1% using the previous fiscal year's foreign exchange rate) to ¥22,658 million, due to the continuing strong sales of running shoes, Onitsuka Tiger shoes, and others, particularly at the subsidiary in China. Moreover, segment income increased 44.9% (an increase of 63.2% using the previous fiscal year's foreign exchange rate) to ¥4,014 million.

⑥ Other business

Sales decreased 18.5% (a decrease of 12.6% using the previous fiscal year's foreign exchange rate) to ¥4,146 million, due to some weaker performances such as outdoor wear under the HAGLÖFS brand and the effect of foreign exchange rates, despite strong sales of outdoor shoes under the HAGLÖFS brand. Segment loss was ¥517 million.

(2) Explanation on financial position

As for consolidated financial position as of June 30, 2016, total assets decreased 13.8% from the end of the previous fiscal year to ¥296,104 million, total liabilities decreased 15.7% from the end of the previous fiscal year to ¥120,973 million and net assets decreased 12.4% from the end of the previous fiscal year to ¥175,131 million.

Current assets decreased 17.7% to ¥214,640 million, mainly reflecting decreases in cash and deposits and inventories, despite an increase in notes and accounts receivable-trade.

Non-current assets decreased 1.4% to ¥81,463 million, due to a decrease in investments and other assets mainly resulting from a decrease in long-term derivative assets, despite an increase in goodwill associated with the Company's acquisition of all shares of FitnessKeeper, Inc.

Current liabilities decreased 24.3% to ¥63,032 million. This mainly reflected a decrease in other current liabilities owing to a repayment of bonds with maturities of a year or less and decreases in notes and accounts payable-trade and short-term bank loans.

Non-current liabilities decreased 3.9% to ¥57,940 million mainly due to a decrease in deferred tax liabilities.

Shareholders' equity rose 4.2% to ¥181,575 million due to an increase in retained earnings.

Accumulated other comprehensive loss was ¥7,513 million mainly due to decreases in translation adjustments and unrealized deferred gain on hedges.

As for cash flows as of June 30, 2016, cash and cash equivalents (hereinafter, "cash") decreased ¥16,863 million from the end of the previous fiscal year to ¥29,151 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 ¥14,244 million, an increase of ¥8,793 million compared with the same period of the previous year.

Major sources of cash were ¥17,141 million from profit before income taxes, ¥4,113 million from a decrease in inventories, and ¥3,993 million from depreciation and amortization, while major use of cash was ¥10,592 million for an increase in notes and accounts receivable-trade.

(Net cash used in investing activities)

Net cash used in investing activities was ¥8,207 million, an increase of ¥2,238 million compared with the same period of the previous year.

The major source of cash was ¥5,800 million from proceeds from withdrawal of time deposits, while major uses of cash were ¥9,700 million for the Company's acquisition of all shares of FitnessKeeper, Inc., ¥2,050 million for purchases of intangible assets, and ¥2,038 million for purchases of property, plant and equipment.

(Net cash used in financing activities)

Net cash used in financing activities was ¥21,225 million, an increase of ¥16,337 million compared with the same period of the previous year.

The major uses of cash were ¥11,000 million for redemption of bonds, ¥4,451 million for cash dividends paid, ¥2,429 million for repayment of long-term loans, and ¥2,336 million for a net decrease in short-term bank loans.

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

There is no change in forecast for consolidated business results announced on June 17, 2016.

SEGMENT INFORMATION

ASICS Corporation and Consolidated Subsidiaries

From January 1 to June 30, 2016 and From January 1 to June 30, 2015

Millions of yen									
				Oceania /SouthEast and South Asia area	East Asia area	Other business	Total	Adjustments	Consolidated
2016 (from January 1 to June 30, 2016)	Japan area	America area	Europe area						
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

Millions of yen									
				Oceania /SouthEast and South Asia area	East Asia area	Other business	Total	Adjustments	Consolidated
2015 (from January 1 to June 30, 2015)	Japan area	America area	Europe area						
Net sales:									
Sales to customers	¥56,331	¥71,665	¥56,756	¥11,118	¥20,587	¥5,085	¥221,543	¥114	¥221,658
Intersegment	11,797	0	4	11	52	3	11,869	(11,869)	-
Total sales	68,128	71,665	56,760	11,129	20,639	5,089	233,413	(11,754)	221,658
Operating income (loss)	¥3,085	¥4,610	¥5,313	¥1,914	¥2,770	¥(492)	¥17,201	¥4,067	¥21,269

On December 31, 2015, ASICS Korea Corporation conducted an absorption-type merger with HAGLÖFS Korea Corporation, and on January 1, 2016, ASICS Japan Corporation conducted an absorption-type merger with HAGLÖFS Japan. As a result of the aforementioned reorganizations, for the Japan area and the East Asia area, outdoor products of the HAGLÖFS brand are purchased from the Company's subsidiary HAGLÖFS AB and sold in the respective areas from the first quarter ended March 31, 2016. It is practically difficult to prepare the reportable segments of the second quarter ended June 30, 2015 and the second quarter ended June 30, 2016 with periods and similar conditions that enable comparability between the two. Moreover, considering the level of materiality of the information, the aforementioned information is not disclosed.

Foreign Currency Exchange Rates

	USD	EUR	AUD	RMB	KRW	SEK
2nd quarter ended June 30, 2016	¥113.05	¥125.36	¥82.98	¥17.22	¥0.0959	¥13.54
2nd quarter ended June 30, 2015	¥120.50	¥135.65	¥94.23	¥19.36	¥0.1096	¥14.53
Increase or (Decrease)	¥(7.45)	¥(10.29)	¥(11.25)	¥(2.14)	¥(0.0137)	¥(0.99)
Ratio (%)	(6.2)	(7.6)	(11.9)	(11.1)	(12.5)	(6.8)

Net Sales, Operating Income Ratio

		Japan area	America area	Europe area	Oceania /SouthEast and South Asia area	East Asia area	Other business
Net Sales	(Currency Neutral)	-	(11.8)	+6.3	+26.7	+24.1	(12.6)
Vs 2nd quarter ended June 30, 2015 (%)	(Yen)	(3.4)	(17.3)	(1.8)	+12.5	+9.8	(18.5)
Operating Income	(Currency Neutral)	-	(83.4)	+21.9	+31.6	+63.2	-
Vs 2nd quarter ended June 30, 2015 (%)	(Yen)	+68.5	(84.4)	+12.7	+16.6	+44.9	-
Operating Income Ratio (%)		7.9	1.2	10.7	17.8	17.7	(12.5)