



Summary of Consolidated Financial Statements **for the First Quarter Ended March 31, 2017** **(Japan GAAP)**

May 9, 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: May 15, 2017

Date of scheduled payment of dividends: –

Quarterly Results Supplemental Materials: Yes

Quarterly Results Presentation Meeting: No

(Amounts less than one million yen are truncated)

1. Consolidated results for the first quarter ended March 31, 2017 (January 1, 2017– March 31, 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	%
1st quarter ended March 31, 2017	113,052	(4.0)	13,237	(14.1)	14,031	7.1	9,362	0.4
1st quarter ended March 31, 2016	117,769	0.3	15,410	0.2	13,104	7.7	9,328	9.5

(Note) Comprehensive income: 1st quarter ended March 31, 2017: ¥ 1,341 million (– %)

1st quarter ended March 31, 2016: ¥ (5,338) million (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
1st quarter ended March 31, 2017	49.32	46.57
1st quarter ended March 31, 2016	49.15	46.43

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	MY	MY	%
As of March 31, 2017	337,608	198,121	58.3
As of December 31, 2016	342,812	201,207	58.3

(Reference) Shareholders' equity: March 31, 2017: ¥ 196,694 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
FY ended December 31, 2016	Yen —	Yen —	Yen —	Yen 23.50	Yen 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; the mid-term percentages are comparisons with the interim period of 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
Fiscal first half	210,000	(0.3)	14,000	(27.8)	13,500	(21.5)	9,000	(24.1)	47.41
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:

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

March 31, 2017	10,139,780 shares	December 31, 2016	10,139,476 shares
----------------	-------------------	-------------------	-------------------
 - ③ Average number of shares during the term:

1st quarter ended March 31, 2017	189,823,370 shares	1st quarter ended March 31, 2016	189,819,302 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 Tuesday May 9, 2017.

Qualitative information for consolidated business results

(1) Explanation on business results

In the first quarter ended March 31, 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 and 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 own retail store offering new experience for a wide range of runners and consumers who focus on exercise for fitness. At the same time, the Group also renovated its own retail store in Taiwan and opened its new concept own retail store in Singapore. In addition, the Group opened ASICS WOMEN GINZA, its first own retail store dedicated for women in Tokyo. Currently, the number of own retail stores of the ASICS Group brands is 844 worldwide.

In the running category that is the Group’s core business, the Group added new colors of DynaFlyte, which uses ASICS’ original midsole material, FlyteFoam, for both excellent cushioning and light weight and has gained strong support from the previous year. The Group also launched two types of high-function running shoes, NOOSA FF and GEL-DS TRAINER22, which use FlyteFoam. In addition, the Group sponsored marathon events held in different parts of the world, including Tokyo. 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 design that is associated with the Japanese traditional sense of beauty, the Group launched JYUNI White Collection, which is a series of sports apparel that combines sophisticated design and high functionality.

In the core performance sports category, the Group executed an official partnership agreement with the International Association of Athletics Federations (IAAF) to heighten brand awareness and trust in its products throughout the world. Also the Group supported IAAF World Cross Country Championship in March.

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. For the Onitsuka Tiger brand, the Group introduced a collaboration collection with famous designers.

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. The Group was certified as an excellent company that promotes success of women in the workplace and awarded "Eruboshi" (the highest level) by the Minister of Health, Labour and Welfare.

In the first quarter ended March 31, 2017, consolidated net sales decreased 4.0% (a decrease of 1.3% using the previous fiscal year's foreign exchange rate) to ¥113,052 million. Domestic net sales decreased 3.6% to ¥30,804 million mainly due to weak sales of sportswear, despite steady sales of running shoes. Overseas sales decreased 4.2% (a decrease of 0.4% using the previous fiscal year's foreign exchange rate) to ¥82,247 million due to weak sales in European region as well as the effect of the strong yen, despite strong sales of running shoes in East Asia and steady sales in Oceania/Southeast and South Asian regions. Onitsuka Tiger shoes also performed favorably, mainly in Oceania/Southeast and South Asia and East Asia.

Gross profit decreased 1.3% to ¥51,524 million due partly to the effect of the foreign exchange rates despite an improved cost of sales ratio. Selling, general and administrative expenses increased 4.1% to ¥38,286 million due to increased costs related to rollout of the various digital strategies. As a result, operating income decreased 14.1% to ¥13,237 million. Ordinary income increased 7.1% to ¥14,031 million due to foreign exchange gains recorded in the first quarter ended March 31, 2017 compared to foreign exchange losses posted in the corresponding period of the previous fiscal year. Profit attributable to owners of parent increased 0.4% to ¥9,362 million.

Business results by reportable segments were as follows.

① Japanese region

While sales decreased 2.6% to ¥35,396 million, segment income increased 1.3% to ¥3,622 million driven by continuous efforts to improve profitability.

② American region

Sales decreased 5.3% (a decrease of 3.1% using the previous fiscal year's foreign exchange rate) to ¥29,857 million, due to weak sales in the U.S. despite strong sales in Brazil. Segment income increased 141.1% (an increase of 146.7% using the previous fiscal year's foreign exchange rate) to ¥2,574 million mainly due to an improved cost of sales ratio.

③ European region

Sales decreased 12.9% (a decrease of 7.5% using the previous fiscal year's foreign exchange rate) to ¥27,699 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 43.0% (a decrease of 39.4% using the previous fiscal year's foreign exchange rate) to ¥2,302 million mainly due to the effect of declined sales.

④ Oceanian/Southeast and South Asian regions

Sales increased 11.3% (an increase of 11.5% using the previous fiscal year's foreign exchange rate) to ¥8,068 million, due to continuing steady sales of running shoes and the strong sales of Onitsuka Tiger shoes. Segment income increased 3.6% (an increase of 3.7% using the previous fiscal year's foreign exchange rate) to ¥1,564 million due to the effect of increased sales, despite increased cost of purchase arising from fluctuation of exchange rates.

⑤ East Asian region

Sales increased 13.1% (an increase of 17.6% using the previous fiscal year's foreign exchange rate) to ¥13,888 million, due to the continuing strong sales of running shoes and Onitsuka Tiger shoes, particularly at the subsidiary in China. Segment income increased 1.5% (an increase of 7.5% using the previous fiscal year's foreign exchange rate) to ¥2,603 million due to the effect of increased sales.

⑥ Other business

Sales decreased 13.1% (a decrease of 4.8% using the previous fiscal year's foreign exchange rate) to ¥2,647 million, due to weak sales of outdoor shoes under the HAGLÖFS brand and the effect of foreign exchange rates. Segment income was ¥69 million.

(2) Explanation on financial position

As for consolidated financial position as of March 31, 2017, total assets decreased 1.5% from the end of the previous fiscal year to ¥337,608 million, total liabilities decreased 1.5% from the end of the previous fiscal year to ¥139,487 million and net assets decreased 1.5% from the end of the previous fiscal year to ¥198,121 million.

Current assets decreased 0.9% to ¥248,812 million, due to decreases in cash and deposits as well as inventories, despite an increase in notes and accounts receivable-trade.

Non-current assets decreased 3.1% to ¥88,796 million, due mainly to a decrease in investments and other assets resulting from a decrease in long-term derivative assets.

Current liabilities increased 3.8% to ¥70,646 million. This mainly reflected an increase in short-term bank loans due to the transfer of bank loans due within a year or less from non-current liabilities to current liabilities, despite a decrease of notes and accounts payable-trade.

Non-current liabilities decreased 6.4% to ¥68,840 million, due mainly to decreases in the long-term loans as described above and deferred tax liabilities.

Shareholders' equity rose 2.6% to ¥190,226 million due to an increase in retained earnings.

Accumulated other comprehensive income decreased 55.8% to ¥6,467 million mainly due to decreases in unrealized deferred gain on hedges and translation adjustments.

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

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 March 31, 2017 and From January 1 to March 31, 2016

Millions of yen									
2017 (from January 1 to March 31, 2017)	Japanese region	American region	European region	Oceanian /SouthEast and South Asian regions	East Asian region	Other business	Total	Adjustments	Consolidated
Net sales:									
Sales to customers	¥30,801	¥29,856	¥27,649	¥8,068	¥13,888	¥2,559	¥112,823	¥228	¥113,052
Intersegment	4,595	1	49	-	0	87	4,734	(4,734)	-
Total sales	35,396	29,857	27,699	8,068	13,888	2,647	117,557	(4,505)	113,052
Operating income (loss)	¥3,622	¥2,574	¥2,302	¥1,564	¥2,603	¥69	¥12,737	¥500	¥13,237

Millions of yen									
2016 (from January 1 to March 31, 2016)	Japanese region	American region	European region	Oceanian /SouthEast and South Asian regions	East Asian region	Other business	Total	Adjustments	Consolidated
Net sales:									
Sales to customers	¥31,963	¥31,543	¥31,799	¥7,250	¥12,281	¥2,882	¥117,721	¥47	¥117,769
Intersegment	4,365	-	0	0	0	162	4,530	(4,530)	-
Total sales	36,328	31,543	31,800	7,251	12,282	3,045	122,251	(4,482)	117,769
Operating income (loss)	¥3,576	¥1,067	¥4,036	¥1,509	¥2,563	¥(47)	¥12,707	¥2,703	¥15,410

Foreign Currency Exchange Rates

	USD	EUR	AUD	RMB	KRW	SEK
1st quarter ended March 31, 2017	¥113.75	¥120.78	¥85.63	¥16.51	¥0.0984	¥12.66
1st quarter ended March 31, 2016	¥116.44	¥128.31	¥84.84	¥17.77	¥0.0978	¥13.87
Increase or (Decrease)	¥(2.69)	¥(7.53)	¥0.79	¥(1.26)	¥0.0006	¥(1.21)
Ratio (%)	(2.3)	(5.9)	+0.9	(7.1)	+0.6	(8.7)

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)	-	(3.1)	(7.5)	+11.5	+17.6
Vs 1st quarter ended March 31, 2016 (%)	(Yen)	(2.6)	(5.3)	(12.9)	+11.3	+13.1
Operating income	(Local Currency)	-	+146.7	(39.4)	+3.7	+7.5
Vs 1st quarter ended March 31, 2016 (%)	(Yen)	+1.3	+141.1	(43.0)	+3.6	+1.5
Operating Income Ratio (%)		10.2	8.6	8.3	19.4	18.7