



Summary of Consolidated Financial Statements for the Third Quarter Ended September 30, 2016 (Japan GAAP)

November 4, 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: November 10, 2016

Date of scheduled payment of dividends: –

Quarterly Results Supplemental Materials: Yes

Quarterly Results Presentation Meeting: None

(Amounts less than one million yen are truncated)

1. Consolidated results for the third quarter ended September 30, 2016 (January 1, 2016– September 30, 2016)

(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	%
3rd quarter ended September 30, 2016	312,520	(7.2)	29,506	(10.8)	26,792	(2.1)	18,684	22.9
3rd quarter ended September 30, 2015	336,807	–	33,074	–	27,356	–	15,201	–

(Note) Comprehensive income: 3rd quarter ended September 30, 2016: ¥ (15,958) million (– %)

3rd quarter ended September 30, 2015: ¥ 6,780 million (– %)

	Net income per share	Diluted net income per share
	Yen	Yen
3rd quarter ended September 30, 2016	98.43	92.96
3rd quarter ended September 30, 2015	80.08	75.63

(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 third quarter of the fiscal year ended December 31, 2015 because the settlement period of third 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 September 30, 2016	292,085	178,963	60.9
As of December 31, 2015	343,467	199,883	57.8

(Reference) Shareholders' equity: September 30, 2016: ¥ 177,816 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 corresponding 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
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:

September 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:

September 30, 2016	10,141,520 shares	December 31, 2015	10,143,572 shares
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 - ③ Average number of shares during the term:

3rd quarter ended September 30, 2016	189,819,490 shares		
3rd quarter ended September 30, 2015	189,821,100 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 November 4, 2016.

Qualitative information for consolidated business results

(1) Explanation on business results

In the third quarter ended September 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. The Group launched DynaFlyte running shoes, which are equipped with FlyteFoam, a midsole material that provides our lightest-ever cushioning. DynaFlyte won the Best Debut award 2016 in the COMPETITOR, an American running magazine. Moreover, the Group also launched fuzeX running shoes, which combine functionality and design, for casual runners who enjoy running as part of their lifestyle. 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 strove 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 addition, the Group supported Japan, the Netherlands and Uruguay Olympic and Paralympic teams of representative athletes (in total 23 teams in all sports) by supplying goods at the Rio 2016 Olympic and Paralympic Games. In the tennis category, the Group launched GEL-SOLUTION SPEED 3, the high-function tennis shoes, and sponsored the China 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, the Group renewed the brand logo and colors to represent a sports lifestyle brand that constantly pursues evolution, and opened its world-first own retail store in Osaka as a base to promote the brand perspective. For the Onitsuka Tiger brand, utilizing the retailing and marketing business methods of the Japanese market, the Group opened a flagship store in Korea.

The ASICS brand strove to strengthen connection with consumers and realize sales expansion through broadening of its own retail stores. With the opening of our flagship store in Shanghai which sells a comprehensive lineup of the ASICS brand’s sporting goods, the number of own retail stores of the ASICS Group brands reached 922 stores worldwide.

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. The group also opened the ASICS Campus Store Waseda, which sells original goods and other items, after entering into a basic agreement with Waseda University regarding a partnership, with goals such as contributing to the community and society through the promotion of sports as well as heightening the values of its brand. The group also opened the ASICS Station Store Shinagawa, a proposal-based own retail, where the store appearance and product lineup will be adjusted in response to Japanese and overseas sporting events. In addition, 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 for the activities as the Tokyo 2020 Olympic and Paralympic Games and JOC/JPC Gold Partner (Sporting Goods), the Group cheered on Japan Olympic and Paralympic team of representative athletes through joint promotion among JOC/JPC 15 Gold Partners with special designed Yamanote line trains in Tokyo.

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 broadened 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 leading indicator for socially responsible investments. The Group was also selected as a component company in the Asia/Pacific Index of Dow Jones Sustainability Indices, another world renowned indicator, for the second consecutive year.

In the third quarter ended September 30, 2016, consolidated net sales decreased 7.2% to ¥312,520 million. Domestic net sales decreased 0.1% to ¥80,206 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 9.4% to ¥232,314 million, due to weak sales in the U.S. and the effect of the strong yen, despite strong sales of running shoes in Oceania/Southeast and South Asia and East Asia, and steady sales in Europe. ASICS Tiger shoes also performed favorably mainly in the European region.

Gross profit decreased 4.5% to ¥139,957 million due partly to the effect of the foreign exchange rates. Selling, general and administrative expenses decreased 2.7% to ¥110,450 million mainly due to a decrease in advertising expenses and the effect of foreign exchange rates. As a result, operating income decreased 10.8% to ¥29,506 million. Ordinary income decreased 2.1% to ¥26,792 million mainly due to a decrease in exchange loss. Profit attributable to owners of parent increased 22.9% to ¥18,684 million mainly due to a temporary loss caused by the structural reforms to the domestic business, which was posted in the corresponding period of the previous fiscal year.

Business results by reportable segments were as follows.

① Japanese region

Net sales decreased 3.6% to ¥93,855 million, due to the decrease in intermediary trade which is conducted internally, despite strong sales of running shoes, Onitsuka Tiger shoes and ASICS Tiger shoes. 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, segment income increased 109.9% to ¥7,393 million.

② American region

Sales decreased 19.2% (a decrease of 11.3% using the previous fiscal year's foreign exchange rate) to ¥87,177 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 71.5% (a decrease of 68.7% using the previous fiscal year's foreign exchange rate) to ¥1,720 million, mainly due to the recording of allowance for doubtful receivables, despite efforts to reduce advertising expenses and other expenses.

③ European region

Sales decreased 6.6% (an increase of 3.7% using the previous fiscal year's foreign exchange rate) to ¥84,957 million, due to the effect of foreign exchange rates, despite continuing steady sales of running shoes and the strong sales of ASICS Tiger shoes. Segment income decreased 0.6% (an increase of 10.4% using the previous fiscal year's foreign exchange rate) to ¥9,750 million mainly due to an improved gross profit margin.

④ Oceanian/Southeast and South Asian regions

Sales increased 10.7% (an increase of 24.9% using the previous fiscal year's foreign exchange rate) to ¥18,309 million, due to the continuing strong sales of running shoes. Segment income increased 11.6% (an increase of 26.1% using the previous fiscal year's foreign exchange rate) to ¥3,170 million due to the effect of increased sales.

⑤ East Asian region

Sales increased 5.2% (an increase of 20.5% using the previous fiscal year's foreign exchange rate) to ¥34,118 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 16.4% (an increase of 33.9% using the previous fiscal year's foreign exchange rate) to ¥6,047 million.

⑥ Other business

Sales decreased 15.1% (a decrease of 6.0% using the previous fiscal year's foreign exchange rate) to ¥7,523 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 ¥157 million.

(2) Explanation on financial position

As for consolidated financial position as of September 30, 2016, total assets decreased 15.0% from the end of the previous fiscal year to ¥292,085 million, total liabilities decreased 21.2% from the end of the previous fiscal year to ¥113,122 million and net assets decreased 10.5% from the end of the previous fiscal year to ¥178,963 million.

Current assets decreased 18.8% to ¥211,814 million, due to decreases in cash and deposits, inventories, as well as in other assets mainly resulting from a decrease in short-term derivative assets, despite an increase in notes and accounts receivable-trade.

Non-current assets decreased 2.8% to ¥80,271 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 27.3% to ¥60,585 million. This 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 12.8% to ¥52,536 million. This is due to the transfer of bonds with maturities of a year or less to current liabilities and a decrease in deferred tax liabilities.

Shareholders' equity rose 8.1% to ¥188,423 million due to an increase in retained earnings.

Accumulated other comprehensive loss was ¥10,607 million mainly due to decreases in translation adjustments and unrealized deferred gain on hedges.

(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 September 30, 2016 and From January 1 to September 30, 2015

Millions of yen									
				Oceanian /SouthEast and South Asian regions	East Asian region	Other business	Total	Adjustments	Consolidated
2016 (from January 1 to September 30, 2016)	Japanese region	American region	European region						
Net sales:									
Sales to customers	¥80,236	¥87,162	¥84,942	¥18,308	¥34,118	¥7,171	¥311,939	¥580	¥312,520
Intersegment	13,618	14	15	1	0	352	14,001	(14,001)	-
Total sales	93,855	87,177	84,957	18,309	34,118	7,523	325,941	(13,420)	312,520
Operating income (loss)	¥7,393	¥1,720	¥9,750	¥3,170	¥6,047	¥(157)	¥27,924	¥1,582	¥29,506

Millions of yen									
				Oceanian /SouthEast and South Asian regions	East Asian region	Other business	Total	Adjustments	Consolidated
2015 (from January 1 to September 30, 2015)	Japanese region	American region	European region						
Net sales:									
Sales to customers	¥79,922	¥107,927	¥90,997	¥16,530	¥32,370	¥8,860	¥336,610	¥197	¥336,807
Intersegment	17,484	0	4	11	61	3	17,565	(17,565)	-
Total sales	97,406	107,927	91,001	16,542	32,432	8,864	354,175	(17,367)	336,807
Operating income (loss)	¥3,522	¥6,044	¥9,808	¥2,840	¥5,196	¥(325)	¥27,086	¥5,987	¥33,074

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 Japanese region and the East Asian region, outdoor products of the HAGLÖFS brand are purchased from the Company's subsidiary HAGLÖFS AB and sold in the respective regions from the first quarter ended March 31, 2016. It is practically difficult to prepare the reportable segments of the third quarter ended September 30, 2015 and the third quarter ended September 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
3rd quarter ended September 30, 2016	¥110.02	¥122.14	¥81.40	¥16.68	¥0.0948	¥13.07
3rd quarter ended September 30, 2015	¥120.87	¥135.61	¥92.08	¥19.32	¥0.1076	¥14.48
Increase or (Decrease)	¥(10.85)	¥(13.47)	¥(10.68)	¥(2.64)	¥(0.0128)	¥(1.41)
Ratio (%)	(9.0)	(9.9)	(11.6)	(13.7)	(11.9)	(9.7)

Net Sales, Operating Income Ratio

				Oceanian /SouthEast and South Asian regions	East Asian region	Other business
	Japanese region	American region	European region			
Net Sales	(Currency Neutral)	-	(11.3)	+3.7	+24.9	+20.5
Vs 3rd quarter ended September 30, 2015 (%)	(Yen)	(3.6)	(19.2)	(6.6)	+10.7	(15.1)
Operating Income	(Currency Neutral)	-	(68.7)	+10.4	+26.1	+33.9
Vs 3rd quarter ended September 30, 2015 (%)	(Yen)	+109.9	(71.5)	(0.6)	+11.6	+16.4
Operating Income Ratio (%)		7.9	2.0	11.5	17.3	17.7