



Summary of Consolidated Financial Statements **for the First Quarter Ended March 31, 2018** **(Japan GAAP)**

May 8, 2018

Name of the Company: ASICS Corporation

Listing Exchanges: Tokyo

Code No.: 7936

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

President and COO, Representative Director: Yasuhito Hirota

Date of filing Securities Report by quarter: May 14, 2018

Date of scheduled payment of dividends: –

Quarterly Results Supplemental Materials: Yes

Quarterly Results Presentation Meeting: Yes (for the press in Japan)

(Amounts less than one million yen are truncated)

1. Consolidated results for the fiscal year ended March 31, 2018 (January 1, 2018– March 31, 2018)

(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, 2018	104,642	(7.4)	8,549	(35.4)	7,414	(47.2)	5,315	(43.2)
1st quarter ended March 31, 2017	113,052	(4.0)	13,237	(14.1)	14,031	7.1	9,362	0.4

(Note) Comprehensive income: 1st quarter ended March 31, 2018: ¥ (6,407) million (– %)

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

	Net income per share	Diluted net income per share
	Yen	Yen
1st quarter ended March 31, 2018	28.06	26.46
1st quarter ended March 31, 2017	49.32	46.57

(2) Consolidated financial position

	Total assets	Net assets	Shareholders' equity ratio
	MY	MY	%
As of March 31, 2018	330,008	188,475	56.5
As of December 31, 2017	348,232	201,302	57.3

(Reference) Shareholders' equity: March 31, 2018: ¥ 186,617 million December 31, 2017: ¥ 199,592 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, 2017	—	—	—	23.50	23.50
FY ending December 31, 2018	—				
FY ending December 31, 2018 (Projected)		12.00	—	12.00	24.00

(Note) Changes in projected dividends: None

3. Forecast of consolidated business results for the fiscal year ending December 31, 2018 (January 1, 2018 – December 31, 2018)

(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	205,000	0.6	7,500	(53.3)	7,500	(58.5)	4,000	(65.8)	21.07
Full-year	425,000	6.2	20,000	2.2	19,500	(10.3)	12,000	(7.5)	63.22

(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, 2018	199,962,991 shares	December 31, 2017	199,962,991 shares
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 - ② Number of treasury shares at fiscal end:

March 31, 2018	11,260,515 shares	December 31, 2017	10,137,292 shares
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 - ③ Average number of shares during the term:

1st quarter ended March 31, 2018	189,455,568 shares		
1st quarter ended March 31, 2017	189,823,370 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 8, 2018.

Qualitative information for consolidated business results

(1) Explanation on business results

In the first quarter ended March 31, 2018, 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”) revised the Five-Year Strategic Plan, “ASICS Growth Plan (AGP) 2020,” in order to establish the foundation of further growth, and designated running shoes in the U.S. market, the Chinese market, and Digital commerce and marketing as those in priority areas.

In the U.S., the Group launched the HyperGEL-KENZEN running shoes featuring HyperGEL, a new midsole offering not only excellent cushioning but also resilience, as well as casual design suitable both for running and daily use. In addition, the Group ran campaigns and held launching events utilizing influencers to enhance the brand value.

In China, the Group ran marketing campaigns for the ASICS brand and the Onitsuka Tiger brand, utilizing influencers, to raise the recognition of each brand.

In the digital space, the Group promoted the introduction of digital marketing tools and strove to expand points of customer contacts and strengthen communication.

In the own retail store business, the Group opened a flagship store for the ASICS Tiger brand in Shibuya, Tokyo. Regarding the Onitsuka Tiger brand, the Group introduced NIPPON MADE custom order, a service enabling customization of shoes with an in-store tablet, at the Onitsuka Tiger Omotesando NIPPON MADE store, and also opened flagship stores in Ginza, Tokyo, and Namba, Osaka. In addition, the Group opened a flagship store in Toronto, Canada. The number of own retail stores of the ASICS Group brands reached 877 worldwide.

Regarding branding, the Group ran marketing campaigns for the ASICS brand utilizing well-known influencers in Japan, the U.S., Europe, China, and various other countries and promoted its brand message, “I MOVE ME”.

Moreover, the Group signed an advisory staff agreement with Shohei Ohtani, a professional baseball player of Los Angeles Angels in MLB. He has been using ASICS products ever since his amateur career, and the Group supported him by offering the products with the ASICS’ technologies which incorporated his opinions.

Furthermore, the Group announced a partnership with Novak Djokovic, a male professional tennis player, and launched the newly developed GEL-RESOLUTION NOVAK tennis shoes that reflect his opinions. In addition, the Group concluded a multi-year global agreement to become a Global Development Partner of The International Triathlon Union. The Group also sponsored marathon events held in different parts of the world, including Tokyo, Barcelona.

As for the activities as a JOC/JPC Gold Partner (Sporting Goods), the Group provided official sportswear for the team of athletes representing Japan for the PyeongChang 2018 Olympic and Paralympic Winter Games.

With the aim of encouraging employees to embrace healthier lifestyles, the Group is committed to health and productivity management. ASICS has been selected as one of the enterprises in the “Health and Productivity Enterprises 2018—White 500”, which are commended by the Ministry of Economy, Trade and Industry and the Nippon Kenko Kaigi as outstanding enterprises engaged in health and productivity management programs.

In the first quarter ended March 31, 2018, consolidated net sales decreased 7.4% (a decrease of 9.4% using the previous fiscal year’s foreign exchange rate) to ¥104,642 million. Domestic net sales decreased 7.1% to ¥28,625 million mainly due to reduction of the lines of sportswear products with low profit margins. Overseas sales decreased 7.6% (a decrease of 10.3% using the previous fiscal year’s foreign exchange rate) to ¥76,016 million mainly due to weak sales in the American region, despite strong sales of running shoes and Onitsuka Tiger shoes in the East Asian region and steady sales of Onitsuka Tiger shoes in the Oceanian/Southeast and South Asian regions.

Gross profit decreased 3.2% to ¥49,854 million mainly due to lower sales despite an improved cost of sales ratio. Selling, general and administrative expenses increased 7.9% to ¥41,305 million due to increased costs in line with the expansion of own retail stores. As a result, operating income decreased 35.4% to ¥8,549 million. Ordinary income decreased 47.2% to ¥7,414 million due to foreign exchange losses recorded in the first quarter ended March 31, 2018 compared to foreign exchange gains posted in the corresponding period of the previous fiscal year. Profit attributable to owners of parent decreased 43.2% to ¥5,315 million.

Business results by reportable segments were as follows.

① Japanese region

Sales decreased 7.0% to ¥32,928 million, due to reduction of the lines of sportswear products with low profit margins. Segment income decreased 52.8% to ¥1,710 million, due to the effect of the decline in sales.

② American region

Sales decreased 26.6% (a decrease of 23.3% using the previous fiscal year’s foreign exchange rate) to ¥21,927 million, due to weak sales in the U.S. Segment income decreased 82.8% (a decrease of 82.0% using the previous fiscal year’s foreign exchange rate) to ¥443 million due to the effect of the decline in sales despite an improved cost of sales ratio.

③ European region

Sales increased 3.7% (a decrease of 5.8% using the previous fiscal year’s foreign exchange rate) to ¥28,730 million, due to steady sales in certain emerging-market countries. Segment income increased 2.4% (a decrease of 7.0% using the previous fiscal year’s foreign exchange rate) to ¥2,358 million mainly due to increased costs in line with the expansion of own retail stores despite an improved cost of sales ratio.

④ Oceanian/Southeast and South Asian regions

Sales decreased 6.3% (a decrease of 7.3% using the previous fiscal year’s foreign exchange rate) to ¥7,560 million, due to weak sales in Australia despite strong sales in Southeast and South Asian regions. Segment income decreased 7.6% (a decrease of 8.5% using the previous fiscal year’s foreign exchange rate) to ¥1,446 million due to the effect of the decline in sales despite an improved cost of sales ratio.

⑤ East Asian region

Sales increased 5.8% (an increase of 2.7% using the previous fiscal year's foreign exchange rate) to ¥14,688 million due to the strong sales of running shoes and Onitsuka Tiger shoes particularly in China despite the weak sales in South Korea. Segment income decreased 25.8% (a decrease of 27.7% using the previous fiscal year's foreign exchange rate) to ¥1,931 million, due to vigorous advertising investment in China and the effect of lower profit in South Korea.

⑥ Other business

Sales increased 12.6% (an increase of 7.2% using the previous fiscal year's foreign exchange rate) to ¥2,981 million, due to steady sales of outdoor wear and other items under the HAGLÖFS brand and the effect of the foreign exchange rate. Segment income was ¥197 million.

(2) Explanation on financial position

As for the consolidated financial position as of March 31, 2018, total assets decreased 5.2% from the end of the previous fiscal year to ¥330,008 million, total liabilities decreased 3.7% from the end of the previous fiscal year to ¥141,533 million and net assets decreased 6.4% from the end of the previous fiscal year to ¥188,475 million.

Current assets decreased 6.0% to ¥240,346 million, due mainly 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 ¥89,662 million, due mainly to a decrease in intangible assets resulting from decreases in goodwill and software.

Current liabilities increased 31.0% to ¥98,127 million, due mainly to the transfer of current portion of bonds with share subscription rights from non-current liabilities to current liabilities, despite decreases in accrued expenses and notes and accounts payable-trade.

Non-current liabilities decreased 39.7% to ¥43,405 million. This mainly reflected a decrease in bonds with share subscription rights due to the transfer mentioned above.

Shareholders' equity decreased 0.6% to ¥192,738 million due to acquisition of treasury shares.

Accumulated other comprehensive income decreased to a loss of ¥6,120 million mainly due to decreases in translation adjustment and unrealized deferred gains or losses on hedges.

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

There is no change in forecast for consolidated business results announced on February 14, 2018.

SEGMENT INFORMATION

ASICS Corporation and Consolidated Subsidiaries

From January 1 to March 31, 2018 and From January 1 to March 31, 2017

Millions of yen									
	Japanese region	American region	European region	Oceanian /SouthEast and South Asian regions	East Asian region	Other business	Total	Adjustments	Consolidated
2018 (from January 1 to March 31, 2018)									
Net sales:									
Sales to customers	¥28,618	¥21,918	¥28,710	¥7,560	¥14,685	¥2,836	¥104,331	¥310	¥104,642
Intersegment	4,309	8	19	-	2	144	4,484	(4,484)	-
Total sales	32,928	21,927	28,730	7,560	14,688	2,981	108,816	(4,174)	104,642
Operating income (loss)	¥1,710	¥443	¥2,358	¥1,446	¥1,931	¥197	¥8,088	¥460	¥8,549

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 March 31, 2017)									
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

Foreign Currency Exchange Rates

	USD	EUR	AUD	RMB	KRW	SEK
1st quarter ended March 31, 2018	¥108.89	¥132.99	¥85.35	¥17.10	¥0.1017	¥13.32
1st quarter ended March 31, 2017	¥113.75	¥120.78	¥85.63	¥16.51	¥0.0984	¥12.66
Increase or (Decrease)	¥(4.86)	¥12.21	¥(0.28)	¥0.59	¥0.0033	¥0.66
Ratio (%)	(4.3)	+10.1	(0.3)	+3.6	+3.4	+5.2

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)	-	(23.3)	(5.8)	(7.3)	+2.7
Vs 1st quarter ended March 31, 2017 (%)	(Yen)	(7.0)	(26.6)	+3.7	(6.3)	+5.8
Operating income	(Local Currency)	-	(82.0)	(7.0)	(8.5)	(27.7)
Vs 1st quarter ended March 31, 2017 (%)	(Yen)	(52.8)	(82.8)	+2.4	(7.6)	(25.8)
Operating Income Ratio (%)		5.2	2.0	8.2	19.1	13.2