



Annual Report 2011

Year Ended March 31, 2011

Financial Highlights

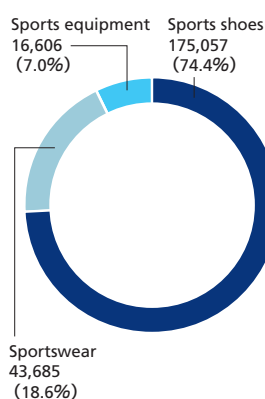
ASICS Corporation and Consolidated Subsidiaries
Years ended March 31

(Millions of yen)

	2006	2007	2008	2009	2010	2011
For the year:						
Net sales	¥171,036	¥194,515	¥226,174	¥241,944	¥224,395	¥235,349
Sports shoes	112,742	135,248	167,193	177,869	165,808	175,057
Sportswear	41,199	42,672	41,590	46,602	42,576	43,685
Sports equipment	17,095	16,595	17,391	17,472	16,010	16,606
Cost of sales	98,578	110,051	127,133	138,901	130,169	132,226
Selling, general and administrative expenses	56,014	64,216	75,647	80,415	76,643	81,549
Operating income	16,444	20,248	23,394	22,628	17,582	21,574
Income before income taxes and minority interests	17,367	23,998	21,671	19,735	18,309	18,496
Net income	13,806	13,878	13,095	13,085	8,326	11,046
At year-end:						
Total net assets	¥ 74,899	¥ 93,165	¥110,141	¥ 98,263	¥109,664	¥106,369
Total assets	140,615	154,959	186,065	174,922	184,774	200,790
Per share of common stock (in yen):						
Net income	¥ 69.02	¥ 69.72	¥ 65.82	¥ 67.23	¥ 43.90	¥ 58.26
Cash dividends	6.00	8.00	10.00	10.00	10.00	10.00
Total net assets	375.79	450.78	500.83	467.90	525.58	524.91
Ratios:						
Operating income ratio (%)	9.6	10.4	10.3	9.4	7.8	9.2
Return on assets (ROA) (%)	10.5	9.4	7.7	7.2	4.6	5.7
Shareholders' equity ratio (%)	53.3	57.9	53.5	50.7	53.9	49.6

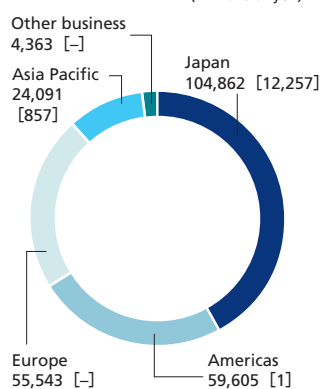
Net Sales by Product

(Millions of yen)



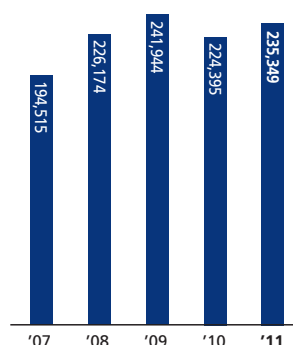
Net Sales by Reportable Segment

(Millions of yen)



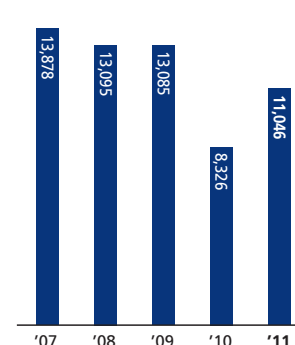
Net Sales

(Millions of yen)



Net Income

(Millions of yen)



Notes: 1. Net Sales by Reportable Segment figures include the intersegment sales. The intersegment amount indicates in [].

2. All the figures have been rounded off to the nearest millions of yen.

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Under our new five-year strategic plan, AGP 2015, we are aiming to accelerate global business expansion to achieve sustained growth and increase company value.

Achieved Growth in Sales and Profit Supported by Expansion in the Global Running Market

In fiscal 2011, ended March 31, 2011, ASICS reported consolidated net sales of ¥235.3 billion, operating income of ¥21.6 billion, and net income of ¥11.0 billion, with sales and profits rising year on year. We achieved growth on a local currency basis in the Americas, Europe, and the Asia-Pacific region, supported by rising interest in marathons and running in general, as people became more health conscious. However, conditions remained difficult in Japan, owing to continued deflation. This weighed on the Group's consolidated results. There was only a limited impact on the Group from the Great Tohoku-Kanto Earthquake.

A Strategy Tailored to the Specific Needs of Markets Worldwide

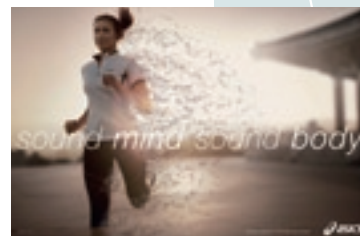
Customers recognized the high quality of our products, which skillfully combine outstanding performance with attractive designs, and this supported our strong results. In key markets such as the Americas, Europe, and Australia, ASICS products were the top choice of running shoes for people taking part in city marathons. We are building on this brand recognition with a globally unified brand image campaign, launched in 2008, and active support for marathons worldwide. The success of these efforts is spreading to high-growth emerging economies, such as India and Southeast Asian countries, where we are generating strong sales after making a concerted move into those markets.

Our goal is to reinforce ASICS' position as the top brand in the running market. To do this, we will continue to create high-quality products that stand out in the market in terms of performance. At the same time, we will also offer runners around the world ASICS' courteous customer service we cultivated in Japan, where we use specialist equipment to ensure customers purchase the shoes best suited to their running style.



Motoi Oyama
President and CEO, Representative Director

Globally unified brand advertisements in 2011





Tokyo Marathon 2011

©TOKYO MARATHON



Paris Marathon



Mumbai Marathon

We also plan to move into emerging markets which are steeped in culture and tradition but which are also seeing a sharp rise in the running population. These markets include Southeast Asian countries, Eastern European countries bordering Russia, and nations around the Mediterranean. We are reinforcing our manufacturing framework in response to this increase in demand.

In Japan, we plan to expand our network of directly managed stores that communicate the ASICS world view. We will also actively introduce ASICS products sold outside of Japan that put greater emphasis on aesthetic appeal. Our products are already well supported by experienced runners, but we also plan to target the expanding women's market and the beginner's market.

The market for walking shoes, like that for running shoes, is expanding as people become more health conscious. In addition to launching specialist walking shoes developed using thorough analysis of walking movement, we have opened a new *Hojinkan* shop selling walking products in Ginza, Tokyo, a key information district for new trends. Based on these and other initiatives, we are aiming to become the leading manufacturer and retailer of walking shoes.

Creating a Seamless Organization that Transcends Borders and Languages

Under our new five-year plan launched in fiscal 2011, the ASICS Growth Plan (AGP) 2015, we plan to strengthen the functions of our global headquarters in Japan. In parallel, we will reorganize our operating structure into five geographic areas—Japan, the Americas, Europe / Middle East / Africa, Oceania / Southeast Asia / South Asia and East Asia. This will allow us to respond better to the specific needs of customers in each region.

We also plan to push ahead with reforms to the management platform, such as changes to decision-making processes and the management framework, to support ASICS' growth as a global company. We intend to rebuild the management framework by bringing in new managers from outside the Group who have extensive experience of local sports markets in each region. We also set up the ASICS Business Leader School in April 2011 to create a steady stream of global business people from our own ranks who will support the future growth of the Group.



TARTHERGALE 2

Our aim is to create a seamless organization that transcends borders and languages so that ASICS acts as a single integrated group as it moves into overseas markets.

Channeling Resources into Markets and Business Fields Where We Can Leverage Our Strengths

In Japan, we have to closely monitor the impact of the earthquake and weak consumer sentiment. However, the running population is growing rapidly in emerging economies in Asia, Eastern Europe, and Northern Africa. This is in addition to the advanced economies in Europe and North America that have supported ASICS' expansion to date. We also see strong growth potential in many markets that we have yet to develop. In these markets, we plan to develop clear strategies to reinforce our position as the world's No. 1 company in the running business.

In parallel, we will target the leading share in the sports market by targeting the large markets for sports like cricket and lacrosse and by stepping up initiatives in athletic sports, where we can leverage our competitive advantages.

Under AGP 2015, we are targeting consolidated net sales of ¥400 billion. To achieve this target, we will channel management resources into regions and business categories where we can leverage the strengths we have cultivated, work toward delivering sustained growth and boosting company value.

I ask for the support and understanding of shareholders as we take the necessary steps to accomplish these goals.

June 2011

President and CEO, Representative Director

Motoi Oyama



FABRE FIRST MS II



W'S T-Shirts



GEL-BLUR 33
(On sale in the U.S.)



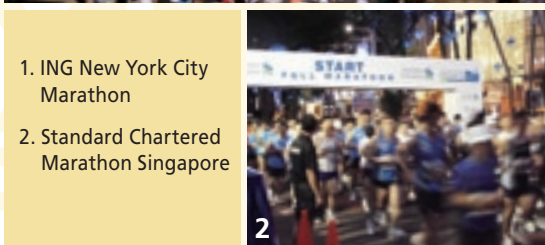
BC WALKER 325

ASICS' Running Business Expands Its Global Reach

ASICS STORE AMSTERDAM, our sixth flagship store, opened in the Netherlands in January 2011. Our other flagship stores are in Tokyo (Ginza and Harajuku), London, New York, and Taipei. The store offers a wide range of running products and is our first directly managed store overseas. ASICS STORE AMSTERDAM also includes an ASICS running lab, which has specialist equipment to measure customers' all-round running ability. Like other ASICS stores, our Amsterdam store has ASICS Foot ID, which combines a 3-D foot scanning system and a gait analysis system that analyzes the form and movement of customers' feet while running. This allows us to suggest the shoe best-suited to their individual running styles. The store also provides a full range of services to support runners, including changing rooms and showers for registered members.



ASICS STORE AMSTERDAM



- 1. ING New York City Marathon
- 2. Standard Chartered Marathon Singapore

Ongoing Support for Running Events Worldwide

ASICS sponsors a range of domestic and international running events, including the Tokyo Marathon, ING New York City Marathon, Paris Marathon, Gold Coast Airport Marathon, and Standard Chartered Mumbai Marathon. In addition, we are now focusing on sponsoring events in Asia, where marathon events are growing and the popularity of running is on the rise. Starting from 2010, ASICS became the official apparel sponsor of the Standard Chartered Marathon Singapore. Also, we became the title sponsor of the Stockholm Marathon, run in May 2011.

Through these and other major events, we plan to support and contribute to the development of running worldwide and enhance communication between runners from different countries. In doing so, we will create products better suited to their needs and boost the value of the ASICS brand.

Selected as One of Japan's Best Global Brands for the Third Year Running in 2011

ASICS was selected as one of Japan's leading global brands. In Japan's Best Global Brands 2011, compiled by global brand consultancy Interbrand Corporation, ASICS was in the top 30 for the third year running and ranked 22nd for the second consecutive year. According to the report, ASICS' brand value increased 12% year on year, "thanks to its popular running shoes, as well as its reinvigorated promotions of European apparel products that brilliantly communicate the brand philosophy."

We intend to continue working to boost brand value so that the ASICS brand is selected for inclusion in Interbrand's 100 Best Global Brands, a ranking of the top global brands.

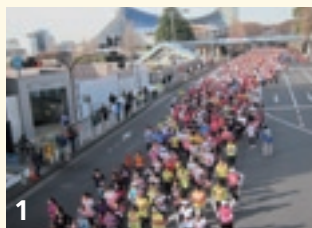


Enhancing Communication with Female Runners

We ran a range of events and PR activities as part of efforts to reinforce our support for female runners and beginners, who have different needs to other runners.

In February 2011, we set up a temporary showroom called ASICS Shining Base for one week in a prime location along Aoyama-dori, an important shopping street in Minami Aoyama, Tokyo. This “pop-up showroom” was opened to coincide with the Tokyo Marathon 2011 in February 2011, for which ASICS was the official sponsor, and the Shibuya Omotesando Women’s Run, an event held in March exclusively for female runners.

The showroom was made from two large trailer homes and featured a promotional area. This was used to display our latest running and fitness apparel and shoes. Also, in conjunction with a cosmetics company, it was used to provide makeup and advice for women while taking part in sports. Advice on nutrition and night running around the streets of Aoyama was also available. In addition to the showroom, we strengthened promotional activities with



1. Shibuya Omotesando Women’s Run
2. ASICS Shining Base



marketing strategies aimed at women, including displays at ASICS product retailers and product initiatives.

In order to further enhance communication with runners, we plan to develop products and services in tune with the latest market trends.

Sustained Support for Children Orphaned by the Great Tohoku-Kanto Earthquake

We have decided to launch a new program, “A Bright Tomorrow Through Sport,” which will provide ongoing support to children orphaned by the Great Tohoku-Kanto Earthquake. The program is designed to aid their healthy mental and physical development through sports. Children who have lost their parents in the disaster will receive ASICS sporting goods such as clothing and shoes until they are 19. Children affected by the disaster will also be invited to the ASICS SPORTS MUSEUM, the ASICS Research Institute of Sport Science and other facilities to help them recover from the earthquake by experiencing the fun of sports and by seeing how Kobe has recovered from the Great Hanshin-Awaji Earthquake in January 1995. We also plan to send ASICS employees with physical training qualifications to disaster-affected areas to provide health guidance through exercise.

When the Kobe Headquarters of ASICS was hit by that earthquake, we received warm support from people throughout Japan. Because of that experience, we decided it was our duty to provide sustained support to help Japan recover from this latest major disaster, with our efforts specifically aimed at the healthy development of children, who will play such a key role in Japan’s future.

SportivITÀ

Management's Discussion & Analysis

Overview

In fiscal 2011, ended March 31, 2011, while the global economy recovered as a whole, conditions remained difficult due to factors such as persistently high unemployment rates and concerns that economies such as those of Europe and North America could take a turn for the worse. Although the Japanese economy picked up steadily owing to a recovery in corporate earnings and a pickup in capital investment, the effects of deflation, employment uncertainty, and other factors remained, and difficult conditions continued. Additionally, the future is unpredictable due to the effects of the Great Tohoku-Kanto Earthquake, which occurred in Japan on March 11, 2011.

In the sporting goods industry, interests in sports remained at a high level owing to rising health consciousness, but consumers continued to keep tight control on spending, and business conditions remained challenging.

Under these conditions, the ASICS Group took actions to continue expanding its core running business. This included steps to strengthen the Group's product lineup by introducing high-performance running shoes such as GEL-Kayano® 17 and GEL-Nimbus® 12, while making efforts to enhance the lineup of women's running apparel among other measures. In addition, striving for further business growth on a global scale, the Company made HAGLÖFS HOLDING AB headquartered in Sweden, and its subsidiaries, into consolidated subsidiaries, and worked to expand its outdoor business.

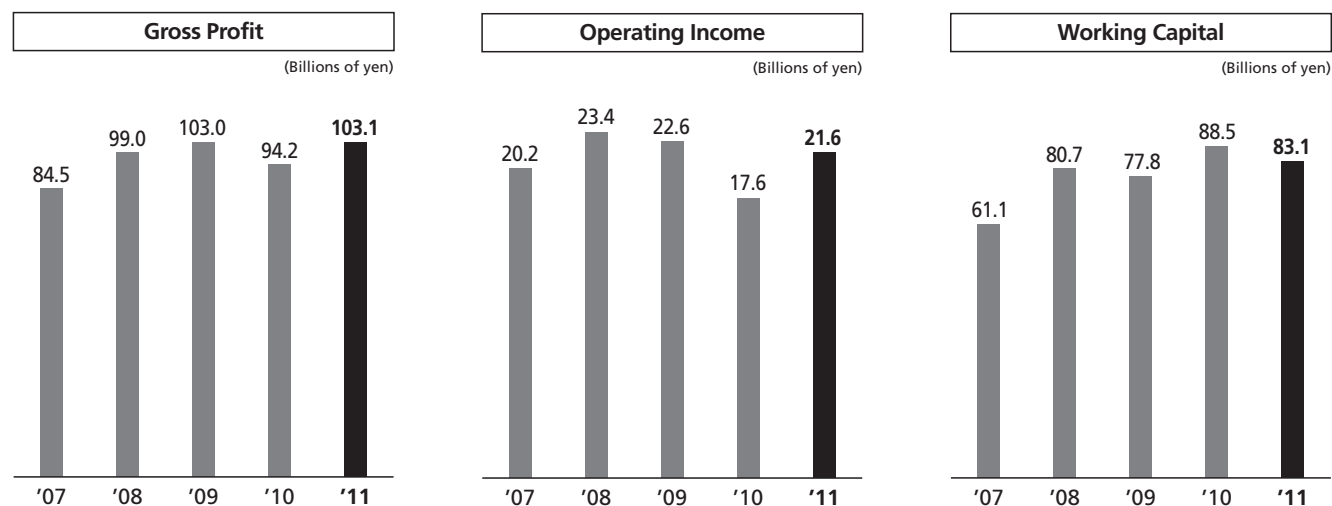
In marketing activities, the ASICS Group supplied its products to the Japanese teams at the XVI Asian Games 2010 held in China and the Seventh Asian Winter Games held in Kazakhstan in order to enhance its corporate image and ASICS brand recognition. Furthermore, the ASICS Group was an official sponsor of major marathons in various countries such as the Tokyo Marathon 2011, ING New York City Marathon,

Paris Marathon, Gold Coast Airport Marathon, and 2011 Seoul International Marathon, providing information and services to all participating runners. In addition, the Group continued its globally unified brand image campaign incorporating its corporate slogan, "sound mind, sound body." As a result, the ASICS Group achieved a top 30 ranking for the third straight year in Interbrand's "Japan's Best Global Brands 2011," a brand value ranking of brands from Japan.

On the sales front, the ASICS Group strengthened its sales network such as by respectively opening "ASICS Flagship Store Amsterdam" in the Netherlands and "Onitsuka Tiger Madrid" in Spain, and made its Canadian distributor into a consolidated subsidiary in order to further expand sales in the North American region. Furthermore, the ASICS Group announced the launch of a continuous support program, "A Bright Tomorrow Through Sport," in which the ASICS Group will donate sporting goods to the children who have lost their parents in the Great Tohoku-Kanto Earthquake as well as dispatch professional athletes to the affected regions.

Performance Analysis

In fiscal 2011, consolidated net sales increased 4.9% to ¥235,349 million. Domestic net sales declined 5.6% to ¥88,041 million mainly due to weak sales of sportstyle shoes and athletic wear. Overseas sales increased 12.4% to ¥147,308 million, thanks to strong sales of running shoes in Europe, the Americas and Australia. Gross profit rose 9.4% to ¥103,123 million mainly due to improvements of the cost of sales ratio overseas. Selling, general and administrative expenses increased 6.4% to ¥81,549 million. This was mainly the result of recording amortization expenses for intangible fixed assets accrued after revaluation of assets and liabilities to their fair values, in addition to an increase in advertising expenses and amortization of goodwill



arising from business combination. However, operating income rose 22.7% to ¥21,574 million. Net income for fiscal 2011 rose 32.7% to ¥11,046 million due to the absence of accrual of the prior-year income taxes which was recorded in the previous fiscal year.

Segment Information

Performance by reportable segment was as follows:

In Japan, net sales decreased 1.9% to ¥104,862 million mainly due to weak sales of sportstyle shoes and athletic wear. Segment operating income increased 8.6% to ¥5,076 million due to efforts to reduce selling, general and administrative expenses.

In the Americas, net sales increased 12.4% (an increase of 19.8% using the previous fiscal year's foreign exchange rate) to ¥59,605 million thanks to brisk sales of running shoes. Segment operating income increased 52.2% (an increase of 62.3% using the previous fiscal year's foreign exchange rate) to ¥4,699 million.

In Europe, net sales increased 0.3% (an increase of 12.3% using the previous fiscal year's foreign exchange rate) to ¥55,543 million thanks to brisk sales of running shoes. Segment operating income increased 8.0% (an increase of 21.0% using the previous fiscal year's foreign exchange rate) to ¥8,552 million.

In the Asia-Pacific region, net sales increased 21.5% to ¥24,091 million thanks to strong sales in South Korea and Australia. Segment operating income increased 79.7% to ¥3,484 million.

The Other business segment reported net sales of ¥4,363 million and segment operating income of ¥150 million due to the acquisition and consolidation of HAGLÖFS HOLDING AB as a subsidiary.

Financial Condition

As of the end of fiscal 2011, total assets were ¥200,790 million, up 8.7%, total liabilities were ¥94,421 million, up 25.7%, and net assets were ¥106,369 million, down 3.0%.

Cash Flows

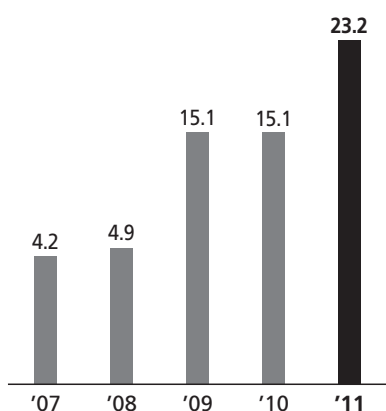
Cash and cash equivalents as of March 31, 2011 totaled ¥25,478 million, a decrease of ¥8,299 million from the end of the previous fiscal year.

Net cash provided by operating activities declined ¥7,429 million to ¥9,553 million. Major sources of cash were income before income taxes and minority interests of ¥18,496 million and depreciation and amortization of ¥4,149 million. Major uses of cash were an increase in inventories of ¥9,499 million and income taxes paid of ¥6,604 million.

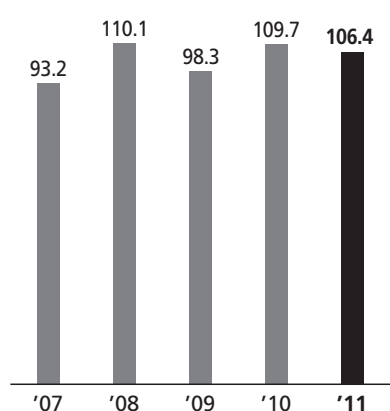
Net cash used in investing activities increased ¥22,453 million to ¥25,151 million. Major sources of cash were proceeds of ¥564 million from sales and redemption of investments in securities, while major uses of cash were ¥14,808 million for the acquisition of subsidiary shares related to a change in the scope of consolidation (excluding cash and cash equivalents at the acquired company), ¥4,705 million for purchases of property, plant and equipment, ¥3,905 million for the acquisition of shares in a subsidiary, and ¥1,646 million for transfers to time deposits.

Net cash provided by financing activities totaled ¥10,549 million, versus net cash used of ¥4,919 million in the previous fiscal year. Major sources of cash were a net increase in short-term bank loans of ¥5,593 million, proceeds of ¥4,885 million from issuance of bonds, and proceeds of ¥3,640 million from long-term loans. Major uses of cash were ¥1,896 million for cash dividends paid to the Company's shareholders, and ¥1,036 million for the repayment of long-term loans.

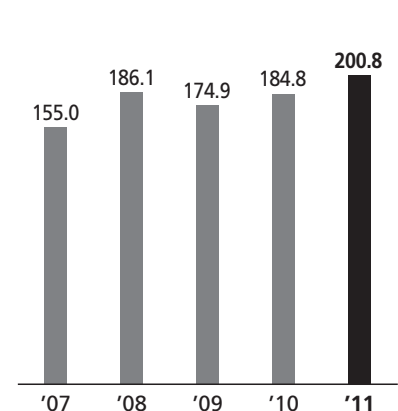
Long-Term Debt
(Billions of yen)



Total Net Assets
(Billions of yen)



Total Assets
(Billions of yen)



Consolidated Balance Sheets

ASICS Corporation and Consolidated Subsidiaries
March 31, 2011 and 2010

ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Current assets:			
Cash and deposits (Notes 4 and 15).....	¥ 26,446	¥ 33,436	\$ 318,627
Short-term investments (Notes 4 and 5).....	2,767	3,130	33,337
Notes and accounts receivable (Note 4):			
Trade	55,059	56,745	663,361
Less allowance for doubtful receivables	(2,065)	(2,193)	(24,880)
Inventories (Note 6)	43,725	35,773	526,807
Deferred income taxes (Note 16)	4,779	4,460	57,578
Other current assets	5,918	4,636	71,303
Total current assets.....	136,629	135,987	1,646,133
Property, plant and equipment (Note 14):			
Land.....	10,352	10,375	124,723
Buildings and structures.....	31,613	28,427	380,880
Machinery, equipment and vehicles	4,509	4,107	54,325
Tools, furniture and fixtures	9,276	8,618	111,759
Leased assets.....	1,539	1,001	18,542
Construction in progress.....	1,204	2,318	14,506
Less accumulated depreciation	(30,528)	(29,388)	(367,807)
Property, plant and equipment, net	27,965	25,458	336,928
Intangible assets:			
Goodwill	5,949	1,579	71,675
Other intangible assets	13,254	4,428	159,686
Total intangible assets	19,203	6,007	231,361
Investments and other assets:			
Investments in securities:			
Unconsolidated subsidiaries and affiliates (Note 4).....	216	111	2,602
Other (Notes 4 and 5)	6,435	6,912	77,530
Long-term loans receivable	360	632	4,337
Deferred income taxes (Note 16)	1,759	1,299	21,193
Other assets (Note 14).....	9,732	9,844	117,254
Less allowance for doubtful receivables	(1,509)	(1,476)	(18,181)
Total investments and other assets	16,993	17,322	204,735
Total assets.....	¥200,790	¥184,774	\$2,419,157

LIABILITIES AND NET ASSETS	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Current liabilities:			
Short-term bank loans (Notes 4 and 7)	¥ 13,532	¥ 8,180	\$ 163,036
Current portion of long-term debt and lease obligations (Notes 4 and 7)	885	1,370	10,663
Notes and accounts payable (Note 4):			
Trade	21,114	20,883	254,386
Construction	7	9	84
Accrued income taxes (Note 16)	1,747	1,590	21,048
Accrued expenses.....	7,738	6,886	93,229
Allowance for sales returns.....	620	708	7,470
Allowance for bonuses	1,804	1,471	21,735
Deferred income taxes (Note 16)	101	1	1,217
Asset retirement obligations (Note 20).....	24	—	289
Other current liabilities	5,951	6,376	71,699
Total current liabilities.....	53,523	47,474	644,856
Long-term liabilities:			
Long-term debt and lease obligations (Notes 4 and 7)	23,206	15,118	279,590
Accrued retirement benefits for employees (Note 8).....	7,881	7,628	94,952
Deferred income taxes (Note 16)	3,548	980	42,747
Asset retirement obligations (Note 20).....	515	—	6,205
Other long-term liabilities	5,748	3,910	69,253
Total long-term liabilities	40,898	27,636	492,747
Net assets:			
Shareholders' equity (Note 12):			
Common stock:			
Authorized shares—790,000,000 shares at March 31, 2011 and 2010			
Issued shares —199,962,991 shares at March 31, 2011 and 2010	23,972	23,972	288,819
Capital surplus.....	17,182	17,182	207,012
Retained earnings (Note 22)	78,964	71,658	951,373
Less treasury stock, at cost			
(10,359,131 shares at March 31, 2011 and 10,331,996 shares at March 31, 2010).....	(7,806)	(7,780)	(94,048)
Total shareholders' equity.....	112,312	105,032	1,353,156
Accumulated other comprehensive income (loss):			
Unrealized holding gain on securities (Note 5)	955	1,286	11,506
Unrealized deferred gain (loss) on hedges (Note 10).....	113	(233)	1,361
Revaluation reserve for assets of foreign subsidiaries (Note 13).....	472	565	5,687
Translation adjustments.....	(14,328)	(6,984)	(172,626)
Total accumulated other comprehensive loss.....	(12,788)	(5,366)	(154,072)
Minority interests.....	6,845	9,998	82,470
Total net assets	106,369	109,664	1,281,554
Total liabilities and net assets.....	¥200,790	¥184,774	\$2,419,157

See accompanying notes to consolidated financial statements.

Consolidated Statements of Income

ASICS Corporation and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Net sales	¥235,349	¥224,395	\$2,835,530
Cost of sales	132,226	130,170	1,593,084
Gross profit	103,123	94,225	1,242,446
Selling, general and administrative expenses (Note 11).....	81,549	76,643	982,518
Operating income.....	21,574	17,582	259,928
Other income (expenses):			
Interest income.....	406	439	4,892
Dividend income.....	180	620	2,169
Interest expense	(463)	(481)	(5,578)
Exchange loss	(2,729)	(655)	(32,880)
Gain on sales of investments in securities (Note 5)	2	45	24
Gain on redemption of investments in securities	—	333	—
Reversal of allowance for doubtful receivables	—	119	—
Loss on sales or disposal of property, plant and equipment and other, net.....	(201)	(74)	(2,422)
Loss on sales of investments in securities (Note 5).....	(0)	(19)	(0)
Loss on revaluation of investments in securities (Note 5)	(11)	(182)	(133)
Loss on redemption of investments in securities.....	(130)	(27)	(1,566)
Loss on write-down of golf club membership	—	(34)	—
Loss on impairment of fixed assets (Note 14)	(88)	(81)	(1,060)
Loss on adjustment for adoption of accounting standard for asset retirement obligations.....	(377)	—	(4,542)
Loss on valuation of investment in an affiliate.....	(61)	—	(735)
Loss on disaster	(106)	—	(1,277)
Other, net.....	500	724	6,023
	(3,078)	727	(37,085)
Income before income taxes and minority interests	18,496	18,309	222,843
Income taxes (Note 16):			
Current	7,481	6,123	90,132
Prior years	—	1,937	—
Deferred.....	(710)	1,066	(8,554)
	6,771	9,126	81,578
Income before minority interests	11,725	9,183	141,265
Minority interests	679	857	8,181
Net income	¥11,046	¥ 8,326	\$133,084

See accompanying notes to consolidated financial statements.

Consolidated Statement of Comprehensive Income

ASICS Corporation and Consolidated Subsidiaries
Years ended March 31, 2011

	Millions of yen	Thousands of U.S. dollars (Note 1)
	2011	2011
Income before minority interests	¥11,725	\$141,265
Other comprehensive income (loss):		
Unrealized holding loss on securities	(336)	(4,048)
Unrealized deferred gain on hedges	319	3,843
Revaluation reserve for assets of foreign subsidiaries.....	(93)	(1,120)
Translation adjustments	(7,416)	(89,350)
Total other comprehensive loss, net.....	(7,526)	(90,675)
Comprehensive income	¥ 4,199	\$ 50,590
Total comprehensive income attributable to:		
Shareholders of ASICS Corporation	¥3,625	\$43,675
Minority shareholders of consolidated subsidiaries	574	6,915

See accompanying notes to consolidated financial statements.

Consolidated Statements of Changes in Net Assets

ASICS Corporation and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen										
	Number of issued shares of common stock	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized holding gain on securities	Unrealized deferred (loss) gain on hedges	Revaluation reserve for assets of foreign subsidiaries	Translation adjustments	Minority interests	Total net assets
Balance at March 31, 2009...	199,962,991	¥23,972	¥17,182	¥64,937	¥(7,749)	¥529	¥(82)	¥—	¥(10,042)	¥9,516	¥98,263
Dividends.....	—	—	—	(1,896)	—	—	—	—	—	—	(1,896)
Changes in scope of consolidation.....	—	—	—	245	—	—	—	611	—	—	856
Reversal of revaluation reserve for assets of foreign subsidiaries ..	—	—	—	46	—	—	—	(46)	—	—	—
Net income	—	—	—	8,326	—	—	—	—	—	—	8,326
Purchases of treasury stock.....	—	—	—	—	(32)	—	—	—	—	—	(32)
Sales of treasury stock.....	—	—	0	—	1	—	—	—	—	—	1
Other changes.....	—	—	—	—	—	757	(151)	—	3,058	482	4,146
Balance at March 31, 2010 ...	199,962,991	23,972	17,182	71,658	(7,780)	1,286	(233)	565	(6,984)	9,998	109,664
Dividends.....	—	—	—	(1,896)	—	—	—	—	—	—	(1,896)
Reversal of revaluation reserve for assets of foreign subsidiaries ...	—	—	—	93	—	—	—	(93)	—	—	—
Purchases of shares of consolidated subsidiaries	—	—	—	(1,937)	—	—	—	—	—	(2,838)	(4,775)
Net income	—	—	—	11,046	—	—	—	—	—	—	11,046
Purchases of treasury stock.....	—	—	—	—	(26)	—	—	—	—	—	(26)
Sales of treasury stock.....	—	—	0	—	0	—	—	—	—	—	—
Other changes.....	—	—	—	—	—	(331)	346	—	(7,344)	(315)	(7,644)
Balance at March 31, 2011...	199,962,991	¥23,972	¥17,182	¥78,964	¥(7,806)	¥955	¥113	¥472	¥(14,328)	¥6,845	¥106,369

	Thousands of U.S. dollars (Note 1)										
	Common stock	Capital surplus	Retained earnings	Treasury stock, at cost	Unrealized holding gain on securities	Unrealized deferred (loss) gain on hedges	Revaluation reserve for assets of foreign subsidiaries	Translation adjustments	Minority interests	Total net assets	
Balance at March 31, 2010	\$288,819	\$207,012	\$863,349	\$(93,735)	\$15,494	\$(2,807)	\$6,807	\$(84,145)	\$120,458	\$1,321,252	
Dividends.....	—	—	(22,843)	—	—	—	—	—	—	(22,843)	
Reversal of revaluation reserve for assets of foreign subsidiaries	—	—	1,120	—	—	—	(1,120)	—	—	—	
Purchases of shares of consolidated subsidiaries	—	—	(23,337)	—	—	—	—	—	(34,193)	(57,530)	
Net income	—	—	133,084	—	—	—	—	—	—	133,084	
Purchases of treasury stock.....	—	—	—	(313)	—	—	—	—	—	(313)	
Sales of treasury stock.....	—	0	—	0	—	—	—	—	—	—	
Other changes.....	—	—	—	—	(3,988)	4,168	—	(88,481)	(3,795)	(92,096)	
Balance at March 31, 2011	\$288,819	\$207,012	\$951,373	\$(94,048)	\$11,506	\$1,361	\$5,687	\$(172,626)	\$82,470	\$1,281,554	

See accompanying notes to consolidated financial statements.

Consolidated Statements of Cash Flows

ASICS Corporation and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

	Millions of yen		Thousands of U.S. dollars (Note 1)
	2011	2010	2011
Operating activities:			
Income before income taxes and minority interests.....	¥ 18,496	¥ 18,309	\$ 222,843
Adjustments to reconcile income before income taxes and minority interests to net cash provided by operating activities:			
Depreciation and amortization	4,149	3,285	49,988
Amortization of goodwill	543	273	6,542
Increase in allowance for doubtful receivables	87	582	1,048
Increase in accrued retirement benefits for employees	459	501	5,530
Loss on revaluation of investments in securities	11	182	133
Gain on sales of investments in securities, net	(2)	(26)	(24)
Loss (gain) on redemption of investments in securities, net.....	130	(306)	1,566
Interest and dividend income	(586)	(1,059)	(7,061)
Interest expense	463	481	5,578
Foreign exchange loss, net	1,153	122	13,892
Loss on sales or disposal of property, plant and equipment and other, net.....	201	74	2,422
Other, net	2,429	(135)	29,265
(Increase) decrease in operating assets:			
Notes and accounts receivable.....	81	292	976
Inventories.....	(9,499)	6,333	(114,446)
Other operating assets.....	(1,834)	1,832	(22,096)
Increase (decrease) in operating liabilities:			
Notes and accounts payable	924	(1,688)	11,133
Accrued consumption taxes.....	100	157	1,205
Other operating liabilities.....	(1,260)	(831)	(15,181)
Subtotal	16,045	28,378	193,313
Interest and dividends received	569	1,026	6,855
Interest paid	(457)	(479)	(5,506)
Income taxes paid	(6,604)	(11,943)	(79,566)
Net cash provided by operating activities.....	9,553	16,982	115,096
Investing activities:			
Purchases of time deposits included in short-term investments	(1,646)	(200)	(19,831)
Proceeds from time deposits withdrawn	—	965	—
Purchases of property, plant and equipment	(4,705)	(3,010)	(56,687)
Payments for retirement of property, plant and equipment	(75)	—	(904)
Proceeds from sales of property, plant and equipment.....	115	73	1,386
Purchases of intangible assets.....	(756)	(338)	(9,108)
Net decrease (increase) in securities included in short-term investments	162	(978)	1,952
Purchases of investments in securities.....	(77)	(1,094)	(928)
Proceeds from sales and redemption of investments in securities	564	3,526	6,795
Purchase of investment in subsidiaries	(3,905)	(196)	(47,048)
Payment for acquisition of shares of consolidated subsidiaries resulting in initial consolidation (Note 15)	(14,808)	(2,021)	(178,410)
Net (increase) decrease in short-term loans receivable included in other current assets..	(50)	14	(602)
Long-term loans receivable made	(48)	(34)	(578)
Collection of long-term loans receivable	55	96	663
Other, net	23	499	276
Net cash used in investing activities	(25,151)	(2,698)	(303,024)
Financing activities:			
Net increase (decrease) in short-term bank loans	5,593	(2,009)	67,385
Proceeds from long-term loans	3,640	1,131	43,855
Repayment of long-term loans	(1,036)	(1,348)	(12,482)
Proceeds from issuance of bonds.....	4,885	—	58,855
Purchases of treasury stock.....	(26)	(32)	(313)
Proceeds from sales of treasury stock.....	0	1	0
Proceeds from stock issuance to minority shareholders	—	4	—
Payments under lease obligations	(352)	(343)	(4,241)
Cash dividends paid to the Company's shareholders	(1,896)	(1,903)	(22,843)
Cash dividends paid to minority shareholders of consolidated subsidiaries	(259)	(420)	(3,120)
Net cash provided by (used in) financing activities	10,549	(4,919)	127,096
Effect of exchange rate changes on cash and cash equivalents	(3,250)	1,837	(39,156)
Net (decrease) increase in cash and cash equivalents.....	(8,299)	11,202	(99,988)
Cash and cash equivalents at beginning of year.....	33,777	22,575	406,952
Cash and cash equivalents at end of year (Note 15).....	¥ 25,478	¥ 33,777	\$ 306,964

See accompanying notes to consolidated financial statements.

Notes to Consolidated Financial Statements

ASICS Corporation and Consolidated Subsidiaries
Years ended March 31, 2011 and 2010

1 Basis of Preparation

The accompanying consolidated financial statements of ASICS Corporation (the "Company") and consolidated subsidiaries are prepared on the basis of accounting principles generally accepted in Japan, which are different in certain respects as to the application and disclosure requirements of International Financial Reporting Standards, and are compiled from the consolidated financial statements prepared by the Company as required by the Financial Instruments and Exchange Act of Japan.

Certain reclassifications of previously reported amounts have been made to the consolidated financial statements for the year ended March 31, 2010 to conform them to the 2011 presentation. Such reclassifications had no effect on consolidated net assets and net income.

The U.S. dollar amounts in the accompanying consolidated financial statements have been translated from yen amounts solely for convenience and, as a matter of arithmetic computation only, at ¥83=U.S.\$1.00, the approximate rate of exchange prevailing on March 31, 2011. This translation should not be construed as a representation that yen amounts have been, could have been, or could in the future be, converted into U.S. dollars at the above or any other rate.

2 Summary of Significant Accounting Policies

(a) Principles of consolidation

The accompanying consolidated financial statements include the accounts of the Company and significant companies which it controls directly or indirectly. All assets and liabilities of the consolidated subsidiaries are revalued on acquisition, if applicable. All significant intercompany transactions and accounts have been eliminated in consolidation. The overseas consolidated subsidiaries are consolidated on the basis of fiscal years ending December 31, a date which differs from the balance sheet date of the Company. As a result, adjustments have been made for any significant intercompany transactions which took place during the period between the year end of these overseas consolidated subsidiaries and the year end of the Company.

Certain subsidiaries were excluded from the scope of consolidation because the effect of their sales, net income or loss, total assets and retained earnings on the accompanying consolidated financial statements was immaterial.

(b) Foreign currency translation

All monetary assets and liabilities denominated in foreign currencies are translated into yen at the rates of exchange in effect at the balance sheet date and gain or loss on each translation is credited or charged to income. Revenue and expense items arising from transactions denominated in foreign currencies are generally translated into yen at the rates in effect at the respective transaction dates. Foreign exchange gain or loss is credited or charged to income in the period in which the gain or loss is recognized for financial reporting purposes.

The financial statements of the overseas consolidated subsidiaries are translated into yen at the rates of exchange in effect at the balance sheet date, except that the components of net assets excluding minority interests are translated at their historical exchange rates.

(c) Cash and cash equivalents

For the purposes of the consolidated statements of cash flows, cash and cash equivalents consist of cash on hand, deposits with banks withdrawable on demand, and short-term investments which are readily convertible into cash subject to an insignificant risk of any change in their value and which were purchased with an original maturity of three months or less.

(d) Securities

Marketable securities classified as other securities are carried at fair value with any changes in unrealized holding gain or loss, net of the applicable income taxes, reported as a separate component of net assets. Cost of securities sold is determined by the moving-average method. Non-marketable equity securities classified as other securities are stated at cost determined by the moving-average method. Non-marketable debt securities classified as other securities are stated at net amortized cost.

(e) Inventories

Inventories are principally stated at the lower of cost or net realizable value, cost being determined by the first-in, first-out method.

(f) Property, plant and equipment (except for leased assets under finance leases)

The Company and its domestic consolidated subsidiaries compute depreciation of property, plant and equipment by the declining-balance method over the estimated useful lives of the respective assets, except that the straight-line method is applied to buildings (other than structures attached to the buildings) acquired on or subsequent to April 1, 1998.

Overseas consolidated subsidiaries compute depreciation of property, plant and equipment by the straight-line method over the estimated useful lives of the respective assets.

Significant renewals and additions are capitalized at cost. Maintenance and repairs are charged to income as incurred.

The principal estimated useful lives used for calculating depreciation are as follows:

Buildings and structures	3 to 50 years
Machinery, equipment and vehicles	2 to 17 years
Tools, furniture and fixtures	2 to 20 years

(g) Goodwill and negative goodwill

Goodwill is amortized by the straight-line method over periods of no more than 20 years. Negative goodwill recognized on or before March 31, 2010 is amortized over a period of 5 years, unless it is immaterial.

(h) Allowance for doubtful receivables

The Company and its domestic consolidated subsidiaries provide an allowance for doubtful receivables at an amount calculated based on their historical experience of bad debts on ordinary receivables plus an additional estimate of probable specific bad debts from customers experiencing financial difficulties.

The overseas consolidated subsidiaries provide an allowance for doubtful receivables at an amount calculated based on probable specific bad debts from their customers.

(i) Allowance for sales returns

Allowance for sales returns is provided at an amount calculated based on their historical experience of sales returns.

(j) Allowance for bonuses

Allowance for bonuses is provided at an expected payment amount of the bonuses to employees attributable to the fiscal year.

(k) Retirement benefits for employees

Accrued retirement benefits for employees are provided principally at an amount calculated based on the retirement benefit obligation and the fair value of the pension plan assets as adjusted for unrecognized actuarial gain or loss. The retirement benefit obligation is attributed to each period by the straight-line method over the estimated remaining years of service of the eligible employees.

Net retirement benefit obligation at transition is amortized by the straight-line method over a period of 15 years.

Past service cost is amortized by the straight-line method over a period within the estimated average remaining years of service of the eligible employees. Such amortization is deducted from retirement benefit expenses.

Actuarial gain or loss is amortized in the year following the year in which the gain or loss is recognized principally by the straight-line method over a period which falls within the estimated average remaining years of service of the eligible employees. Certain consolidated subsidiaries recognize actuarial gain or loss when incurred.

(l) Leases

Finance leases other than those that are deemed to transfer the ownership of the leased assets to the lessees, are depreciated by the straight-line method over the lease term with a nil residual value.

However, the Company and its domestic consolidated subsidiaries account for finance lease transactions that do not transfer the ownership of the leased property to the lessees in the same manner as operating leases if the initial transactions were entered into on or before March 31, 2008.

(m) Research and development costs and intangible assets (except for leased assets under finance leases)

Research and development costs are charged to income as incurred. Expenditures relating to computer software developed for internal use are charged to income as incurred, except if the software is expected to contribute to the generation of future income or to cost savings. Such expenditures are capitalized as assets and amortized by the straight-line method over their respective estimated useful lives, generally a period of 5 years.

The Company has also recorded intangible assets such as sales rights, customer base and brand as a result of revaluation of assets and liabilities of acquired companies at fair value because of business combination. Such intangible assets are amortized by the straight-line method over periods of 1 to 24 years.

(n) Income taxes

Deferred income taxes are provided for temporary differences between the balances of assets and liabilities reported for financial purposes and the corresponding balances for tax reporting purposes.

(o) Derivatives and hedging activities

Derivatives positions are carried at fair value with any changes in unrealized gain or loss charged or credited to income, except for those which meet the criteria for deferral hedge accounting under which unrealized gain or loss is deferred as a component of net assets. Receivables and payables hedged by qualified forward foreign exchange contracts and currency options are translated at the corresponding foreign exchange contract rates. Interest-rate swaps which meet certain conditions are accounted for as if the interest rates applied to the swaps had originally applied to the underlying debt.

(p) Distribution of retained earnings

Under the Corporation Law of Japan (the "Law"), the distribution of retained earnings with respect to a given financial period is made by resolution of the shareholders at a general meeting held subsequent to the close of the financial period. The accounts for that period do not, therefore, reflect such distributions. Refer to Note 22.

(q) Bond issuance costs

Bond issuance costs are charged to income as incurred.

3 Changes in Method of Accounting

Effective the year ended March 31, 2011, the Company and its consolidated subsidiaries have adopted "Accounting Standard for Asset Retirement Obligations" (Accounting Standards Board of Japan (ASBJ) Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligations" (ASBJ Guidance No. 21 issued on March 31, 2008). The effect of the adoption of this accounting standard on operating results for the year ended March 31, 2011 was immaterial.

Effective the year ended March 31, 2011, the Company and its consolidated subsidiaries have adopted "Accounting Standard for Business Combinations" (ASBJ Statement No. 21 issued on December 26, 2008), "Accounting Standard for Consolidated Financial Statements" (ASBJ Statement No. 22 issued on December 26, 2008), "Partial Amendments to Accounting Standard for Research and Development Costs" (ASBJ Statement No. 23 issued on December 26, 2008), "Revised Accounting Standard for Business Divestitures" (ASBJ Statement No. 7 Revised 2008), "Accounting Standard for Equity Method of Accounting for Investments" (ASBJ Statement No. 16 Revised 2008), and "Revised Guidance on Accounting Standard for Business Combinations and Business Divestitures" (ASBJ Guidance No. 10 Revised 2008).

Effective the year ended March 31, 2011, the Company and its consolidated subsidiaries have adopted "Accounting Standard for Presentation of Comprehensive Income" (ASBJ Statement No. 25 issued on June 30, 2010). As a result, "Valuation and translation adjustments" and "Total of valuation and translation adjustments," which had been disclosed as components of net assets in the consolidated balance sheets in prior years, have been presented as "Accumulated Other Comprehensive Income (loss)" and "Total accumulated other comprehensive income (loss)," respectively.

Effective the year ended March 31, 2011, the Company adopted "Accounting Standard for Disclosures about Segments of an Enterprise and Related Information" (ASBJ Statement No. 17, March 27, 2009) and "Guidance on the Accounting Standard for Disclosures about Segments of and Enterprise and Related information" (ASBJ Guidance No. 20, March 21, 2008).

Effective the year ended March 31, 2010, the Company and its domestic consolidated subsidiaries have adopted "Partial Amendments to Accounting Standard for Retirement Benefits (Part 3)" (ASBJ Statement No. 19 issued on July 31, 2008). The effect of the adoption of this accounting standard on operating results for the year ended March 31, 2010 was immaterial.

Effective the year ended March 31, 2010, the Company and its consolidated subsidiaries have adopted "Accounting Standard for Financial Instruments" (ASBJ Statement No. 10 issued on March 10, 2008) and (Implementation) "Guidance on Disclosures about Fair Value of Financial Instruments" (ASBJ Guidance No. 19 issued on March 10, 2008).

Effective the year ended March 31, 2010, the Company has adopted "Accounting Standard for Disclosures about Fair Value of Investment and Rental Property" (ASBJ Statement No. 20 issued on November 28, 2008) and "Guidance on Accounting Standard for Disclosure about Fair Value of Investment and Rental Property" (ASBJ Guidance No. 23 issued on November 28, 2008). However, the related disclosures have been omitted because the fair value of investment and rental property as of March 31, 2011 and 2010 were immaterial.

(a) Status of financial instruments

In consideration of plans for capital investment, the Company and its consolidated subsidiaries (collectively the "Group") raise funds by bank borrowings and bond issuances. The Group manages temporary fund surpluses principally through liquid financial assets. Furthermore, the Group raises short-term capital through bank borrowings. The Group uses derivatives for the purpose of reducing risk and does not enter into derivatives for speculative purposes.

Trade receivables, notes and accounts receivable, are exposed to credit risk in relation to customers. In addition, the Group is exposed to foreign currency exchange risk arising from trade receivables denominated in foreign currencies, and forward foreign currency exchange contracts are arranged to reduce the risk.

Marketable securities and investment securities are exposed to market risk. Those securities are mainly composed of the shares of common stock of other companies with which the Group has business relationships.

Substantially all trade payables, trade notes and accounts payable, have payment due dates within 4 months. Although a portion of payables are exposed to foreign currency exchange risk arising from those payables denominated in foreign currencies, forward foreign currency exchange contracts are arranged to reduce the risk.

Loans and bonds are taken out principally for the purpose of conducting business activities and making capital investments. The repayment dates of the long-term debt extend up to 7 years from the balance sheet date. Although a portion of the debt is exposed to interest rate fluctuation risk, the Group undertakes interest-rate swap transactions as a hedging instrument.

Regarding derivatives, the Group enters into forward foreign currency exchange contracts to reduce the foreign currency exchange risk mainly on the payables denominated in foreign currencies resulting from importing products within the actual demand for foreign currency exchange. The Group also enters into interest-rate swap transactions to reduce future fluctuation risk deriving from interest rates of long-term loans and bonds. Refer to "(o) Derivatives and hedging activities" in Note 2, "Summary of Significant Accounting Policies" for the hedging instruments and hedged items, hedge policy, and so on with regard to hedge accounting.

Regarding trade receivables, each related division monitors the credit worthiness of their main customers periodically, and monitors due dates and outstanding balances by customer. In addition, the Group is making efforts to identify at an early stage and mitigate risks of bad debt from customers who have financial difficulties.

In accordance with internal policies "Policies of Administrative Authority," the Group only acquires debt securities held for investment purposes with high credit ratings. Accordingly, the Group believes that the credit risk deriving from such debt securities is immaterial.

The Group also believes that the credit risk of derivatives is insignificant as the Group enters into derivative transactions only with international financial institutions with sound credit profiles.

In conducting derivative transactions, the division in charge of each derivative transaction follows the internal policies "Policies on Derivative Transactions" and "Policies of Administrative Authority," which set forth delegation of authority and segregation of duties related to derivative transactions. The Accounting and Financing Department conducts and manages derivative transactions and segregates duties of execution and management of transactions to separate personnel and management who are each responsible for transactions, positions and operations. Transaction data and other information are regularly reported to the executive board meeting by responsible executive director.

For short-term investments and investments in securities, the Group periodically reviews the fair value of such financial instruments and the financial position of the issuers. In addition, the Group continuously evaluates whether or not security investments should be maintained, taking into account their fair value and relationships with the issuers.

Certain consolidated subsidiaries that enter into derivative transactions or buy/sell marketable securities and investment securities also follow internal policies and base transactions are overseen and reviewed by management departments of these subsidiaries.

Based on a report from each division, the Group prepares and updates its cash flow plans on a timely basis and maintains solvency to manage liquidity risk.

The fair value of financial instruments is based on their quoted market price, if available. When there is no quoted market price available, fair value is reasonably estimated. Since various assumptions and factors are reflected in estimating the fair value, different assumptions and factors could result in a different fair value.

(b) Estimated Fair Value of Financial Instruments

Carrying value, estimated fair value and the difference between them for financial instruments on the consolidated balance sheets as of March 31, 2011 and 2010 are shown in the following table. The table does not include financial instruments for which it is extremely difficult to determine the fair value.

	Millions of yen					
	2011			2010		
	Carrying value	Estimated fair value	Difference	Carrying value	Estimated fair value	Difference
Assets:						
Cash and deposits	¥26,446	¥ 26,446	¥ —	¥33,436	¥33,436	¥—
Notes and accounts receivable...	55,059			56,745		
Less allowance for doubtful receivables(*1).....	(2,065)			(2,193)		
	52,994	52,994	—	54,552	54,552	—
Short-term investments and investments in securities:						
Other investment securities ...	9,030	9,030	—	9,864	9,864	—
Total assets	¥88,470	¥ 88,470	¥ —	¥97,852	¥97,852	¥—
Liabilities:						
Notes and accounts payable	¥21,144	¥ 21,114	¥ —	¥20,883	¥20,883	¥—
Short-term bank loans	14,090	14,090	—	9,238	9,238	—
Long-term debt:						
Bonds.....	16,000	16,120	120	11,000	11,047	47
Long-term loans	6,426	6,402	(24)	3,451	3,456	5
Total liabilities	¥57,630	¥ 57,726	¥ 96	¥44,572	¥44,624	¥52
Derivative transactions(*2)	¥(3,816)	¥ (3,816)	¥ —	¥(2,699)	¥(2,699)	¥—

	Thousands of U.S. dollars		
	2011		
	Carrying value	Estimated fair value	Difference
Assets:			
Cash and deposits	\$ 318,627	\$ 318,627	\$ —
Notes and accounts receivable...	663,361		
Less allowance for doubtful receivables(*1).....	(24,880)		
	638,481	638,481	—
Short-term investments and investments in securities:			
Other investment securities ...	108,795	108,795	—
Total assets	\$1,065,903	\$1,065,903	\$ —
Liabilities:			
Notes and accounts payable	\$ 254,386	\$ 254,386	\$ —
Short-term bank loans	169,758	169,758	—
Long-term debt:			
Bonds.....	192,771	194,217	1,446
Long-term loans	77,422	77,133	(289)
Total liabilities	\$ 694,337	\$ 695,494	\$1,157
Derivative transactions(*2)	\$ (45,976)	\$ (45,976)	\$ —

Notes: (*1) Net amount of allowance for doubtful receivables is related to notes and accounts receivable.

(*2) The value of assets and liabilities arising from derivatives is a net value, and the amount in parentheses represents liability position.

Since cash and deposits, and notes and accounts receivable are settled in a short period of time, their carrying value approximates the fair value.

The fair value of equity securities are based on quoted market prices. The fair value of debt securities is based on either quoted market prices or the prices provided by the financial institutions making markets in these securities.

Since notes and accounts payable, and short-term bank loans are settled in a short period of time, their carrying value approximates the fair value.

The fair value of bonds are based on the present value of the total of principal and interest discounted by the interest rate determined taking into account the remaining period for each bond and the current credit risk.

The fair value of long-term loans based on the present value of the total of principal and interest discounted by the interest rate to be applied if incremental borrowings were entered into.

The carrying value of other securities without determinable market value at March 31, 2011 and 2010 is presented as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Unlisted equity securities.....	¥388	¥289	\$4,675

The redemption schedule for monetary claims and investments by maturity date at March 31, 2011 and 2010 are as follows:

	Millions of yen							
	2011				2010			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	¥26,446	¥ —	¥ —	¥ —	¥33,436	¥ —	¥ —	¥ —
Notes and accounts receivable	55,059	—	—	—	56,745	—	—	—
Corporate bonds:								
Corporate bonds.....	582	100	90	—	—	150	141	—
Other.....	—	—	—	—	1,395	—	—	—
Other.....	—	—	—	100	—	—	—	100
	¥82,087	¥100	¥90	¥100	¥91,576	¥150	¥141	¥100

	Thousands of U.S. dollars			
	2011			
	Due in one year or less	Due after one year through five years	Due after five years through ten years	Due after ten years
Cash and deposits	\$318,627	\$ —	\$ —	\$ —
Notes and accounts receivable	663,361	—	—	—
Corporate bonds:				
Corporate bonds.....	7,012	1,205	1,084	—
Other.....	—	—	—	—
Other.....	—	—	—	1,205
	\$989,000	\$1,205	\$1,084	\$1,205

5 Short-Term Investments and Investments in Securities

Information regarding other securities with determinable market value at March 31, 2011 and 2010 is summarized as follows:

	Millions of yen						Thousands of U.S. dollars		
	2011			2010			2011		
	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)	Carrying value	Acquisition cost	Unrealized gain (loss)
Securities whose carrying value exceeds their acquisition costs:									
Equity securities	¥4,297	¥2,768	¥1,529	¥4,615	¥2,750	¥1,865	\$51,771	\$33,349	\$18,422
Corporate bonds.....	1,198	1,164	34	1,602	1,538	64	14,434	14,024	410
Other	616	428	188	631	433	198	7,421	5,157	2,264
Subtotal.....	6,111	4,360	1,751	6,848	4,721	2,127	73,626	52,530	21,096
Securities whose carrying value does not exceed their acquisition costs:									
Equity securities	917	1,110	(193)	937	1,069	(132)	11,048	13,373	(2,325)
Corporate bonds.....	339	368	(29)	465	480	(15)	4,084	4,434	(350)
Other	1,663	1,738	(75)	1,614	1,674	(60)	20,037	20,940	(903)
Subtotal.....	2,919	3,216	(297)	3,016	3,223	(207)	35,169	38,747	(3,578)
Total.....	¥9,030	¥7,576	¥1,454	¥9,864	¥7,944	¥1,920	\$108,795	\$91,277	\$17,518

The total amounts of gain and loss on sales of other securities included in short-term investments and investments in securities for the years ended March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Total sales	¥113	¥451	\$1,361
Gain on sales	2	47	24
Loss on sales.....	0	21	0

The Company recorded an impairment loss of ¥11 million (\$133 thousand) and ¥182 million on investments in securities classified as other securities for the years ended March 31, 2011 and 2010, respectively.

An impairment loss is recorded when the market value of a security falls by 30% or more from its acquisition cost.

6 Inventories

The following is a summary of inventories at March 31, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Finished products.....	¥42,373	¥34,431	\$510,518
Work in process.....	307	305	3,699
Raw materials and supplies.....	1,045	1,037	12,590
	¥43,725	¥35,773	\$526,807

7 Short-Term Bank Loans, Long-Term Debt and Lease Obligations

The average annual interest rates on short-term bank loans is 1.1% at March 31, 2011 and 2010.

Long-term debt and lease obligations at March 31, 2011 and 2010 consisted of the following:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
1.35% yen unsecured bonds, due 2016.....	¥ 5,000	¥ 5,000	\$ 60,241
1.32% yen unsecured bonds, due 2016.....	3,000	3,000	36,145
1.45% yen unsecured bonds, due 2016.....	3,000	3,000	36,145
0.85% yen unsecured bonds, due 2017.....	2,000	—	24,096
0.94% yen unsecured bonds, due 2017.....	1,500	—	18,072
0.91% yen unsecured bonds, due 2017.....	1,500	—	18,072
Unsecured loans primarily from banks, due 2011 – 2017 at interest rates ranging from 0.5% to 3.1%.....	6,984	4,509	84,145
Finance lease obligations.....	1,107	979	13,337
	24,091	16,488	290,253
Current portion of long-term debt	(885)	(1,370)	(10,663)
	¥23,206	¥15,118	\$279,590

The aggregate annual maturities of long-term debt and lease obligations subsequent to March 31, 2011 are summarized as follows:

Years ending March 31,	Millions of yen	Thousands of U.S. dollars
2012.....	¥ 885	\$ 10,663
2013.....	2,610	31,446
2014.....	2,332	28,096
2015.....	286	3,446
2016.....	561	6,759
2017 and thereafter.....	17,417	209,843
	¥24,091	\$290,253

8 Retirement Benefits

The Company and its domestic consolidated subsidiaries have defined benefit pension plans, i.e., welfare pension fund plans (“WPFs”), tax-qualified pension plans and lump-sum payment plans, covering substantially all employees who are entitled to lump-sum or annuity payments, the amounts of which are determined by reference to each retiree’s position and basic salary at termination, as well as length of service and certain other factors. Certain domestic consolidated subsidiaries have adopted the smaller enterprise retirement allowance mutual aid plan and multi-employer pension plan.

The following table sets forth the funded and accrued status of the defined retirement benefit plans of the Company and its domestic consolidated subsidiaries at March 31, 2011 and 2010:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Retirement benefit obligation.....	¥ (17,339)	¥(17,091)	\$(208,904)
Plan assets at fair value	7,385	7,177	88,976
Unfunded retirement benefit obligation	(9,954)	(9,914)	(119,928)
Unrecognized net retirement benefit at transition	878	1,083	10,578
Unrecognized actuarial loss	2,419	2,608	29,145
Prepaid retirement benefits	(1,224)	(1,405)	(14,747)
Accrued retirement benefits.....	¥ (7,881)	¥ (7,628)	\$ (94,952)

As permitted under the accounting standard for retirement benefits, domestic consolidated subsidiaries calculate their retirement benefit obligation principally by simplified methods.

The components of retirement benefit expenses for the years ended March 31, 2011 and 2010 are outlined as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Service cost.....	¥ 967	¥ 922	\$11,651
Interest cost	278	274	3,349
Expected return on plan assets.....	(124)	(99)	(1,494)
Amortization of net retirement benefit obligation at transition	127	127	1,530
Recognized net actuarial loss	473	544	5,699
Other	35	32	422
Retirement benefit expenses	¥1,756	¥1,800	\$21,157

The retirement benefit expenses of domestic consolidated subsidiaries have been calculated by simplified methods and are included in service cost in the above table.

For the year ended March 31, 2011, “Other” in the above table consisted of payments to defined contribution pension plans and the smaller enterprise retirement allowance mutual aid plan, and additional termination benefits to employees. For the year ended March 31, 2010, “Other” consisted of payments to defined contribution pension plans and the smaller enterprise retirement allowance mutual aid plan.

The assumptions used in accounting for the retirement benefit plans for the years ended March 31, 2011 and 2010 are as follows:

	2011	2010
Discount rates	1.5–2.0%	1.5–2.0%
Expected rate of return on plan assets	2.0%	2.0%

9 Leases

The Company and its consolidated subsidiaries lease machinery, equipment and vehicles, tools, furniture and fixtures, and intangible assets. The following *pro forma* amounts represent the acquisition costs (including the interest portion), accumulated depreciation and net book value of the leased assets at March 31, 2011 and 2010, whose initial transaction date was before the adoption of the revised accounting standard related to lease transactions. The amounts would have been reflected in the accompanying consolidated balance sheets if finance lease accounting had been applied to the finance leases currently accounted for as operating leases:

	Millions of yen								Thousands of U.S. dollars			
	2011				2010				2011			
	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value	Acquisition costs	Accumulated depreciation	Accumulated impairment loss	Net book value
Machinery, equipment and vehicles ...	¥ 66	¥ 57	¥—	¥ 9	¥ 70	¥ 51	¥—	¥ 19	\$ 795	\$ 687	\$—	\$ 108
Tools, furniture and fixtures	876	715	—	161	1,133	765	99	269	10,554	8,614	—	1,940
Other intangible assets.....	472	392	—	80	513	333	—	180	5,687	4,723	—	964
Total.....	¥1,414	¥1,164	¥—	¥250	¥1,716	¥1,149	¥99	¥468	\$17,036	\$14,024	\$—	\$3,012

Lease payments relating to finance leases accounted for as operating leases, the corresponding depreciation computed by the straight-line method for the respective lease periods assuming a nil residual value, and reversal of and recognized loss on impairment of finance leases accounted for as operating leases for the years ended March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Lease payments	¥304	¥517	\$3,663
Reversal of loss on impairment of finance leases	64	69	771
Depreciation	304	517	3,663
Recognized loss on impairment of finance leases	1	64	12

Future minimum lease payments (including the interest portion thereon) subsequent to March 31, 2011 under finance leases other than those which transfer the ownership of the leased assets to the Company and its consolidated subsidiaries as of March 31, 2011 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
Due within one year.....	¥188	\$2,265
Due after one year	62	747
Total	¥250	\$3,012

10 Derivatives and Hedging Activities

The outstanding currency-related derivatives positions not designated as hedging instruments at March 31, 2011 and 2010 are as follows:

Currency-related transactions

		Millions of yen							
		2011				2010			
Classification	Transaction	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Unrealized gain (loss)	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Unrealized gain (loss)
Over-the-counter transactions	Currency options:								
	Selling:								
	USD	¥ 8,348	¥ 6,443	¥(1,566)	¥(1,110)	¥10,784	¥ 8,348	¥(1,304)	¥ (725)
	EUR	4,739	474	(364)	(114)	1,142	—	(39)	53
	Buying:								
	USD	3,787	2,900	33	(247)	4,961	3,787	146	(232)
	EUR	3,317	474	123	(118)	1,142	—	78	(8)
	Currency swaps:								
	USD	11,102	11,102	(1,901)	(1,901)	10,829	10,829	(1,139)	(1,139)
	Forward foreign exchange contract:								
	Selling:								
	USD	10	—	(0)	(0)	—	—	—	—
	Buying:								
	USD	4,218	392	(288)	(288)	2,413	913	(122)	(122)
	Total	¥35,521	¥21,785	¥(3,963)	¥(3,778)	¥31,271	¥23,877	¥(2,380)	¥(2,173)

		Thousands of U.S. dollars			
		2011			
Classification	Transaction	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Unrealized gain (loss)
Over-the-counter transactions	Currency options:				
	Selling:				
	USD	\$110,578	\$ 77,627	\$(18,867)	\$(13,373)
	EUR	57,096	5,711	(4,386)	(1,373)
	Buying:				
	USD	45,627	34,940	398	(2,976)
	EUR	39,964	5,711	1,482	(1,422)
	Currency swaps:				
	USD	133,759	133,759	(22,904)	(22,904)
	Forward foreign exchange contract:				
	Selling:				
	USD	121	—	(0)	(0)
	Buying:				
	USD	50,819	4,722	(3,470)	(3,470)
	Total	\$427,964	\$262,470	\$(47,747)	\$(45,518)

Fair value is based on the prices obtained from financial institutions.

The outstanding interest-related derivative positions not designated as hedging instruments at March 31, 2011 and 2010 are as follows:

		Millions of yen							
		2011				2010			
Classification	Transaction	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Unrealized loss	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Unrealized loss
Over-the-counter transaction	Interest rate option: Selling floor	¥1,500	¥1,500	¥(16)	¥(16)	¥1,500	¥1,500	¥(19)	¥(19)

		Thousands of U.S. dollars			
		2011			
Classification	Transaction	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Unrealized loss
Over-the-counter transaction	Interest rate option: Selling floor	\$18,072	\$18,072	\$(193)	\$(193)

Fair value is based on the prices obtained from financial institutions.

The outstanding currency-related derivatives positions designated as hedging instruments at March 31, 2011 and 2010 are as follows:

		Millions of yen						
		2011			2010			
Method of hedge accounting	Transaction and major hedged items	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	
	Currency options:							
	Selling:							
	USD Accounts payable (Forecasted transaction)	¥ 611	¥ —	¥(105)	¥ 1,647	¥ 611	¥ (31)	
	Buying:							
	USD Accounts payable (Forecasted transaction)	611	—	27	1,647	611	217	
Deferral hedge accounting	Forward foreign exchange contract:							
	Selling:							
	USD Accounts receivable (Forecasted transaction)	34	—	(0)	427	—	(10)	
	EUR Accounts receivable (Forecasted transaction)	789	—	32	—	—	—	
	Buying:							
	USD Accounts payable (Forecasted transaction)	52,713	24,342	210	32,935	13,959	(476)	
Allocation method for forward foreign exchange contract	Forward foreign exchange contract:							
	Buying:							
	USD Accounts payable	192	—	—	173	—	—	
	Total	¥54,950	¥24,342	¥ 164	¥36,829	¥15,181	¥(300)	

		Thousands of U.S. dollars		
		2011		
Method of hedge accounting	Transaction and major hedged items	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value
	Currency options:			
	Selling:			
	USD Accounts payable (Forecasted transaction)	\$ 7,361	\$ —	\$(1,265)
	Buying:			
	USD Accounts payable (Forecasted transaction)	7,361	—	325
Deferral hedge accounting	Forward foreign exchange contract:			
	Selling:			
	USD Accounts receivable (Forecasted transaction)	410	—	(0)
	EUR Accounts receivable (Forecasted transaction)	9,506	—	386
	Buying:			
	USD Accounts payable (Forecasted transaction)	635,097	293,277	2,530
Allocation method for forward foreign exchange contract	Forward foreign exchange contract:			
	Buying:			
	USD Accounts payable	2,313	—	—
	Total	\$662,048	\$293,277	\$ 1,976

The fair value of forward foreign exchange contracts that qualify for deferral hedge accounting is included in accounts payable. Fair value is based on the prices obtained from financial institutions.

The open interest-related derivatives positions designated as hedging instruments at March 31, 2011 and 2010 are as follows:

		Millions of yen					
		2011			2010		
Method of hedge accounting	Transaction and major hedged item	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value
Swap rates applied to underlying debt	Interest-rate swaps:						
	Pay fixed /						
	Receive floating Long-term debt	¥480	¥240	¥—	¥720	¥540	¥—

		Thousands of U.S. dollars		
		2011		
Method of hedge accounting	Transaction and major hedged item	Contract value (notional principal amount)	Portion in excess of 1 year in contract value	Estimated fair value
Swap rates applied to underlying debt	Interest-rate swaps:			
	Pay fixed /			
	Receive floating Long-term debt	\$5,783	\$2,892	\$—

The fair value of interest-rate swaps that qualify for special treatment is included in long-term debt.

11 Research and Development Costs

Research and development costs included in selling, general and administrative expenses for the years ended March 31, 2011 and 2010 amounted to ¥779 million (\$9,386 thousand) and ¥783 million, respectively.

12 Shareholders' Equity

The Corporation Law of Japan (the "Law") provides that an amount equal to 10% of the amount to be disbursed as distributions of capital surplus (other than the capital reserve) and retained earnings (other than the legal reserve) be transferred to the capital reserve and the legal reserve, respectively, until the sum of the capital reserve and the legal reserve equals 25% of the capital stock account. Such distributions can be made at any time by resolution of the shareholders, or by the Board of Directors if certain conditions are met.

The Company's legal reserve included in retained earnings is nil at March 31, 2011 and 2010.

Movements in common stock and treasury stock for the years ended March 31, 2011 and 2010 are summarized as follows:

	Number of Shares			March 31, 2011
	March 31, 2010	Increase	Decrease	
Shares issued:				
Common Stock	199,962,991	—	—	199,962,991
Treasury stock:				
Common Stock	10,331,996	27,227	92	10,359,131

	Number of Shares			March 31, 2010
	March 31, 2009	Increase	Decrease	
Shares issued:				
Common Stock	199,962,991	—	—	199,962,991
Treasury stock:				
Common Stock	10,293,321	39,610	935	10,331,996

The increases in treasury stock were due to purchases of shares of less than one voting right and the decreases in treasury stock were due to sales of shares at requests of shareholders who own less than one voting unit for the years ended March 31, 2011 and 2010.

13 Revaluation Reserve for Assets of Foreign Subsidiaries

A revaluation reserve for assets of foreign subsidiaries has been recorded in accordance with ASBJ PITF No. 18 "Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements" because the Company's consolidated overseas subsidiary additionally acquired a certain number of shares of ASICS Scandinavia AS, during the year ended March 31, 2010. This subsidiary's revaluation reserve was recorded in accordance with the former International Financial Reporting Standards ("IFRS") 3 "Business Combinations" which had been effective the year ended March 31, 2010.

14 Loss on Impairment of Fixed Assets

The Company and its consolidated subsidiaries basically group their assets by retail store. The assets are grouped by cash-generating units (except for idle property, which is grouped individually) and these are defined as the smallest identifiable groups of assets generating cash inflows.

The Company and its consolidated subsidiaries have written down the assets and asset groups whose operating income has been continuously negative to their respective net recoverable value, and recorded related losses on impairment of fixed assets.

The recoverable value of the assets (of groups of assets) are measured based on their respective estimated selling value determined by the Company and its consolidated subsidiaries. Book value of leased assets are computed based on future minimum lease payments.

Use	Location	Classification	Thousands of U.S. dollars	
			Millions of yen 2011	2011
Retail stores	6 Retail stores (Tohoku 1 store, Kanto 2 stores, Kansai 3 stores)	Leased assets	¥52	\$ 627
		Other assets	6	72
Other			30	361
Total			¥88	\$1,060

Use	Location	Classification	Millions of yen	
			2010	
Retail stores	15 Retail stores (Hokkaido and Chubu 2 stores respectively, Kansai and Kyushu 3 stores respectively, Kanto 4 stores and, Shikoku 1 store)	Building and structures	¥ 5	
		Tools, furniture and fixtures	3	
		Leased assets	73	
Total			¥81	

15 Supplemental Information on the Consolidated Statements of Cash Flows

Reconciliation of cash and cash equivalents and cash and deposits

The balances of cash and deposits reflected in the accompanying consolidated balance sheets were reconciled to the balances of cash and cash equivalents as presented in the accompanying consolidated statements of cash flows at March 31, 2011 and 2010 as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Cash and deposits.....	¥26,446	¥33,436	\$318,627
Money Management Fund, included in short-term investments.....	767	382	9,241
Time deposits with original maturities in excess of three months, included in cash and deposits.....	(1,735)	(41)	(20,904)
Cash and cash equivalents.....	¥25,478	¥33,777	\$306,964

Details of assets and liabilities of initially consolidated subsidiaries obtained through shares acquisition.

Effective the year ended March 31, 2011 the Company initially consolidated Haglofs Holding AB and its 7 consolidated subsidiaries. Assets acquired and liabilities assumed of these subsidiaries at the date of commencement of consolidation and the related cost of the acquired shares and payments for the acquisition of the shares are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Current assets.....	¥ 3,151	\$ 37,964
Fixed assets.....	8,790	105,904
Current liabilities.....	(1,403)	(16,904)
Non-current liabilities.....	(2,788)	(33,591)
Goodwill (Note).....	4,310	51,928
Acquisition cost of shares of consolidated subsidiaries.....	12,060	145,301
Cash and cash equivalents.....	(315)	(3,795)
Exchange loss.....	211	2,542
Payment for acquisition of shares of consolidated subsidiaries resulting in initial consolidation.....	¥11,956	\$144,048

(Note) Goodwill amount included that recorded at the company acquired.

Effective the year ended March 31, 2011 the Company initially consolidated ASICS Canada Corporation and its consolidated subsidiaries. Assets acquired and liabilities assumed of these subsidiaries at the date of commencement of consolidation and the related cost of the acquired shares and payments for the acquisition of the shares are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Current assets.....	¥ 2,424	\$ 29,205
Fixed assets.....	1,109	13,361
Current liabilities.....	(1,358)	(16,362)
Non-current liabilities.....	(311)	(3,747)
Goodwill.....	988	11,904
Acquisition cost of shares of consolidated subsidiaries.....	2,852	34,361
Cash and cash equivalents.....	—	—
Payment for acquisition of shares of consolidated subsidiaries resulting in initial consolidation.....	¥ 2,852	\$ 34,361

During the year ended March 31, 2010, the Company acquired a certain number of shares of ASICS Skandinavia AS, including 3 subsidiaries. Assets acquired and liabilities assumed of this subsidiary at the date of commencement of consolidation and the related cost of the acquired shares and payments for the acquisition of the shares are summarized as follows:

	Millions of yen
	2010
Current assets.....	¥ 3,454
Fixed assets.....	2,933
Current liabilities.....	(2,494)
Non-current liabilities.....	(870)
Goodwill.....	1,286
Revaluation reserve for assets of foreign subsidiaries.....	(611)
Interests in these subsidiaries before purchase of shares.....	(295)
Cost of nearly acquired shares.....	3,403
Cash and cash equivalents.....	(1,382)
Payment for acquisition of shares of consolidated subsidiaries resulting in initial consolidation.....	¥ 2,021

Information as to significant non-cash flow transaction

The Company and its consolidated subsidiaries recorded new leased assets and lease obligations under finance leases of ¥489 million (\$5,892 thousand) and ¥513 million (\$6,181 thousand), respectively, during the year ended March 31, 2011.

Assets and liabilities in relation to asset retirement obligations which were recorded for the year ended March 31, 2011 were ¥531 million (\$6,398 thousand) and ¥553 million (\$6,663 thousand), respectively.

16 Income Taxes

Income taxes applicable to the Company and its domestic consolidated subsidiaries consist of corporation, inhabitants' and enterprise taxes. The statutory tax rate in Japan for the years ended March 31, 2011 and 2010 is, in the aggregate, approximately 40.6%. The effective tax rate reflected in the accompanying consolidated statements of income for the years ended March 31, 2011 and 2010 differed from the above statutory tax rate for the following reasons:

	2011	2010
Statutory tax rate:.....	40.6%	40.6%
Permanently non-deductible expenses.....	1.7	1.5
Permanently non-taxable income.....	(0.1)	(0.1)
Changes in valuation allowance.....	4.9	5.3
Tax rate differences at overseas consolidated subsidiaries.....	(10.8)	(8.3)
Penalty taxes based on rehabilitation disposal of transfer pricing legislation.....	—	10.6
Other.....	0.3	0.2
Effective tax rates.....	36.6%	49.8%

Deferred income taxes reflect the net tax effect of the temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and the corresponding amounts for income tax purposes. The significant components of the deferred tax assets and liabilities of the Company and consolidated subsidiaries at March 31, 2011 and 2010 are summarized as follows:

	Millions of yen		Thousands of U.S. dollars
	2011	2010	2011
Deferred tax assets:			
Inventories.....	¥ 2,968	¥ 2,680	\$ 35,759
Allowance for doubtful receivables.....	983	853	11,843
Allowance for bonuses.....	700	653	8,434
Accrued retirement benefits for employees.....	2,650	2,507	31,928
Tax loss carryforwards.....	841	1,008	10,133
Other.....	2,778	2,525	33,469
Gross deferred tax assets.....	10,920	10,226	131,566
Less valuation allowance.....	(3,047)	(2,982)	(36,711)
Total deferred tax assets.....	7,873	7,244	94,855
Deferred tax liabilities:			
Unrealized holding gain on securities.....	403	520	4,855
Valuation difference of consolidated subsidiaries.....	3,086	—	37,181
Other.....	1,495	1,946	18,012
Total deferred tax liabilities.....	4,984	2,466	60,048
Net deferred tax assets.....	¥ 2,889	¥ 4,778	\$ 34,807

Prior years income tax recorded in the year ended March 31, 2010 is primarily related to a tax assessment for transfer pricing taxation on royalties from an overseas subsidiary during a period of 4 years from the year ended March 31, 2005.

(Supplementary information)

On September 30, 2009, the Company received a notice of tax assessment to correct prior taxation amounts from the Osaka Regional Taxation Bureau ("ORTB") with regard to transfer pricing taxation and paid additional income taxes in October 2009. However, the Company disagreed with such tax assessment and, on November 26, 2009, filed an opposition notice with the ORTB.

On March 31, 2010, the Company filed a request with the National Tax Agency of Japan for mutual discussion with Australia in order to avoid double taxation and implemented an Advance Pricing Agreement for the coming fiscal year.

17 Amounts per Share

Amounts per share at March 31, 2011 and 2010 and for the years then ended are as follows:

	Yen		U.S. dollars
	2011	2010	2011
Net assets.....	¥524.91	¥525.58	\$6.32
Net income:			
Basic.....	58.26	43.90	0.70
Cash dividends applicable to the year.....	10.00	10.00	0.12

The amounts per share of net assets have been computed based on the number of shares of common stock outstanding at the year end. Basic net income per share has been computed based on the net income available for distribution to shareholders of common stock and the weighted-average number of shares of common stock outstanding during the year. Diluted net income per share has not been presented because there were no potentially dilutive shares at March 31, 2011 and 2010.

Cash dividends per share represent the cash dividends proposed by the Board of Directors as applicable to the respective fiscal years.

18 Comprehensive Income

The following tables present other comprehensive income and total comprehensive income attributable to shareholders of the Company and minority shareholders of consolidated subsidiaries for the year ended March 31, 2010:

	Millions of yen
	2010
Other comprehensive income (loss):	
Net unrealized holding gain on securities.....	¥ 753
Unrealized deferred loss on hedges	(123)
Revaluation reserve for assets of foreign subsidiaries.....	565
Translation adjustments.....	3,103
	¥4,298

	Millions of yen
	2010
Total comprehensive income attributable to:	
Shareholders of the Company	¥12,556
Minority shareholders of consolidated subsidiaries.....	926
	¥13,482

19 Business Combination

1. Business combination by acquisition—Acquisition of shares in Haglofs Holding AB

(1) Trade name and business description of acquired company, primary purpose for business combination, date of business combination, legal form of business combination, trade name after business combination, ratio of voting right acquired, main reason to determine the acquiring company

① Trade name and business description of acquired company

Trade name of the acquired company: Haglofs Holding AB

Business description of acquired company: Manufacture and sales of outdoor products

② Primary purpose for business combination

Primary purpose for business combination is to develop synergy effects by comprehensively utilizing management resources, techniques, know-how, manufacturing locations, sales network of acquired company and to improve corporate value.

③ Date of business combination

August 20, 2010

④ Legal form of business combination

Acquisition of shares

- ⑤ Trade name after business combination
Haglofs Holding AB
- ⑥ Ratio of voting rights acquired
Ratio before acquisition: 0%
Ratio after acquisition: 100%
- ⑦ Basis of determination of acquiring company
The Company became the acquiring company because the Company acquired 100% of the shares of Haglofs Holding AB in exchange of cash.

- (2) The operation period of the acquired company for the consolidated financial statements
The period from July 1, 2010 to December 31, 2010

- (3) The cost of the acquired company and other details

		Millions of yen	Thousands of U.S. dollars
Cost of acquisition	Fair value of shares in Haglofs Holding AB on the date of business combination	¥11,837	\$142,614
Transaction cost	Advisory fee, etc.	222	2,675
Total cost		¥12,059	\$145,289

- (4) The amount of the assets acquired and liabilities assumed, their primary details, the amount of goodwill incurred, the reason for goodwill incurred, the method and period of amortization

- ① The amount of the assets acquired and liabilities assumed and details

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Current assets.....	¥ 3,151	\$ 37,964
Fixed assets.....	8,790	105,904
Goodwill.....	2,316	27,903
Asset total	¥14,257	\$171,771
Current liabilities.....	¥ 1,403	\$ 16,904
Non-current liabilities.....	2,788	33,590
Liabilities total.....	¥ 4,191	\$ 50,494

- ② The amount of goodwill incurred
¥1,994 million (\$24,025 thousand)

The total goodwill amount was ¥4,310 million (\$51,928 thousand) including that recognized at the acquired company.

- ③ The reason for goodwill incurred

Because the amount of net assets at fair value exceeded over that of acquisition cost at the business combination, such difference was recognized as goodwill.

- ④ The method and amortization period

Amortization for 20 years by the straight line basis

- (5) The effect on the consolidated statement of income assuming that business combination was completed at the beginning of the year ended March 31, 2011

Disclosure was omitted because of immateriality.

2. Business combination by acquisition—Acquisition of shares in Agence Québec Plus Ltée

(1) Trade name and business description of acquired company, primary purpose for business combination, date of business combination, legal form of business combination, trade name after business combination, ratio of voting right acquired, main reason to determine the acquiring company

① Trade name and business description of acquired company

Trade name of the acquired company: Agence Québec Plus Ltée

Business description of acquired company: Sales of sporting goods

② Primary purpose for business combination

Primary purpose for business combination was to utilizing management resources, know-how, sales network of acquired company to strengthen sales in North America.

③ Date of business combination

August 31, 2010

④ Legal form of business combination

Acquisition of shares

⑤ Trade name after business combination

Agence Québec Plus Ltée

Agence Québec Plus Ltée changed its name to ASICS Canada Corporation on October 27, 2010.

⑥ Ratio of voting rights acquired

Ratio before acquisition: 0%

Ratio after acquisition: 100%

⑦ Acquisition method

ASICS America Corporation, a consolidated subsidiary of the Company, became the acquiring company by acquiring 100% of shares of Agence Québec Plus Ltée in exchange of cash.

(2) The operation period of acquired company for the consolidated financial statements

The period from September 1, 2010 to December 31, 2010

(3) The cost of the acquired company and other details

		Millions of yen	Thousands of U.S. dollars
Cost of acquisition	Fair value of shares in Agence Québec Plus Ltée on business combination	¥2,852	\$34,361
Total cost		¥2,852	\$34,361

(4) The amount of the assets acquired and liabilities assumed, their primary details, the amount of goodwill incurred, the reason for goodwill incurred, the method and period of amortization

① The amount of the assets acquired and liabilities assumed and their primary details

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Current assets.....	¥2,424	\$29,205
Non-current assets.....	1,109	13,361
Asset total.....	¥3,533	\$42,566
Current liabilities.....	¥1,358	\$16,361
Non-current liabilities.....	311	3,747
Liabilities total.....	¥1,669	\$20,108

- ② The amount of goodwill incurred
The total goodwill amount was ¥988 million (\$11,904 thousand).
 - ③ The reason for goodwill incurred
Because the amount of net assets at fair value exceeded over that of acquisition cost at the business combination, such difference was recognized as goodwill.
 - ④ The method and amortization period
Amortization for 5 years and 7 month by the straight line basis
- (5) The effect on the consolidated statement of income assuming that business combination was completed at the beginning of the year ended March 31, 2011
Disclosure was omitted because of immateriality.

3. Transaction under common control—Acquisition of additional shares in ASICS Italia S.p.A.

- (1) Trade name and business description of acquired company, date of business combination, legal form of business combination, trade name after business combination, transaction summary including its purpose
- ① Trade name and business description of acquired company
Trade name of the acquired company: ASICS Italia S.p.A.
Business description of acquired company: Sales of sporting goods
 - ② Date of business combination
March 21, 2011
 - ③ Legal form of business combination
Acquisition of shares (additional acquisition)
 - ④ Trade name after business combination
ASICS Italia S.p.A.
 - ⑤ Transaction summary including its purpose
The additional shares were acquired to ensure the flexibility and efficiency of the consolidation management
- (2) The summary of accounting treatment applied
The additional acquisition of shares in ASICS Italia S.p.A. by ASICS Europe B.V. was accounted for in accordance with International Financial Reporting Standards (“IFRS”) 3 “Business Combinations” based on ASBJ PITF No. 18 “Practical Solution on Unification of Accounting Policies Applied to Foreign Subsidiaries for Consolidated Financial Statements.”
- (3) Additional acquisition of subsidiary's shares
The amount of additional shares: ¥4,775 million (\$57,530 thousand).
The difference between net assets in corresponding to the additional shares and additional investment amount was accounted for as a component of retained earnings in accordance with IFRS 3.

- (a) Outline of asset retirement obligations
The Company and its consolidated subsidiaries reasonably estimate the cost of restoration liabilities based on property lease agreements of certain domestic offices and retail stores and recognized them as asset retirement obligations. The Company and its consolidated subsidiaries also reasonably estimated the disposal costs which were determined under the “Ordinance on Prevention of Asbestos Hazards” and “Act on Promotion of Proper Treatment of PCB Waste” and recognized them as asset retirement obligations. The Company and its consolidated subsidiaries reasonably estimate restoration cost of certain overseas offices at the time of vacating the leased property and recognized it as asset retirement obligations.

(b) Calculation method for asset retirement obligations

Asset retirement obligations for the restoration liabilities based on the property lease agreements of certain domestic offices and retail stores were calculated on the estimated useful life of 5 years from their acquisition and discount rates from 0.275% to 0.597%. Asset retirement obligations for the disposal costs which were determined by "Ordinance on Prevention of Asbestos Hazards" and "Act on Promotion of Proper Treatment of PCB Waste" were calculated on the estimated useful life of 2 to 35 years from their acquisition and discount rates from 0.156% to 2.301%. Asset retirement obligations for the restoration costs of certain overseas offices at the time of vacating the leased property were calculated on the estimated useful life of 10 years from their acquisition and discount rates from 5.5%.

(c) Changes in the balance of asset retirement obligations during the year end March 31, 2011 are summarized as follows:

	Millions of yen	Thousands of U.S. dollars
	2011	2011
Beginning balance at April 1, 2010	¥473	\$5,699
Increase due to acquisition of fixed assets	102	1,229
Adjustment due to passage of time.....	3	36
Decrease due to fulfillment of asset retirement obligations.....	(39)	(470)
Balance at March 31, 2011	¥539	\$6,494

Beginning balance is the effect of adoption of "Accounting Standard for Asset Retirement Obligations" (ASBJ Statement No. 18 issued on March 31, 2008) and "Guidance on Accounting Standard for Asset Retirement Obligation" (ASBJ Guidance No. 21 issued on March 31, 2008).

21 Segment Information

(a) Segment Information for the year ended March 31, 2011

1. Outline of reportable segments

Reportable segments of the Company and its consolidated subsidiaries (the "Group") are components for which discrete financial information is available and whose operating results are regularly reviewed by the Executive meeting to make decisions on the allocation of management resources and assess performance.

The Group is primarily engaged in the manufacture and sales of sporting goods. The Company is responsible for Japan, and ASICS America Corporation, ASICS Europe B.V. and other local subsidiaries are responsible for relevant areas of America, Europe, Middle East and Africa and Asia Pacific, respectively. Local legal entities are independent management units and they set overall management strategy for their businesses and conduct separate business activities.

Up to first quarter ended June 30, 2010, reportable segments had been classified into 4 segments: the "Japan," the "America," the "Europe" and the "Asia Pacific." Effective for the second quarter ended September 30, 2010, the Group has changed its segmentation to 5 segments: the "Japan," the "America," the "Europe," the "Asia Pacific" and "Other business." This change has been made with corresponding to the acquisition of Haglofs Holding AB.

The "Japan," the "America," the "Europe" and the "Asia Pacific" primarily manufacture and sale sporting goods and "Other business" manufactures and sales outdoor products under the "HAGLOFS" brand.

2. Calculation method used for sales, gain or loss, assets, liabilities, and other items on each reportable segment

Accounting policies of the reportable business segments are almost the same as those noted in the "Note 2. Summary of Significant Accounting Policies."

The amount of income on reportable segments is based on operating income. Intersegment sales and transfers between segments are based on market price.

3. Information on net sales, gain or loss, assets, liabilities, and other items by each reporting segment
Reporting segment information for the year ended March 31, 2011 is as follows:

Millions of yen								
2011								
	Japan	America	Europe	Asia Pacific	Other business	Total	Adjustments	Consolidated
Net sales:								
Sales to customers	¥ 92,605	¥59,604	¥55,543	¥23,234	¥ 4,363	¥235,349	¥ —	¥235,349
Intersegment	12,257	1	—	857	—	13,115	(13,115)	—
Total sales.....	¥104,862	¥59,605	¥55,543	¥24,091	¥ 4,363	¥248,464	¥(13,115)	¥235,349
Segment operating								
income.....	¥ 5,076	¥ 4,699	¥ 8,552	¥ 3,484	¥ 150	¥ 21,961	¥ (387)	¥ 21,574
Segment assets	¥100,247	¥33,689	¥37,120	¥17,355	¥17,029	¥205,440	¥ (4,650)	¥200,790
Other items								
Depreciation expenses	¥ 2,172	¥ 458	¥ 834	¥ 315	¥ 370	¥ 4,149	¥ —	¥ 4,149
Increases in tangible and intangible fixed assets	¥ 3,487	¥ 2,727	¥ 908	¥ 617	¥ 9,064	¥ 16,803	¥ —	¥ 16,803

Thousands of U.S. dollars								
2011								
	Japan	America	Europe	Asia Pacific	Other business	Total	Adjustments	Consolidated
Net sales:								
Sales to customers	\$1,115,723	\$718,121	\$669,192	\$279,928	\$ 52,566	\$2,835,530	\$ —	\$2,835,530
Intersegment	147,675	12	—	10,325	—	158,012	(158,012)	—
Total sales.....	\$1,263,398	\$718,133	\$669,192	\$290,253	\$ 52,566	\$2,993,542	\$(158,012)	\$2,835,530
Segment operating								
income.....	\$ 61,157	\$ 56,614	\$103,036	\$ 41,976	\$ 1,807	\$ 264,590	\$ (4,662)	\$ 259,928
Segment assets	\$1,207,795	\$405,892	\$447,229	\$209,096	\$205,169	\$2,475,181	\$ (56,024)	\$2,419,157
Other items								
Depreciation expenses	\$ 26,169	\$ 5,518	\$ 10,048	\$ 3,795	\$ 4,458	\$ 49,988	\$ —	\$ 49,988
Increases in tangible and intangible fixed assets	\$ 42,012	\$ 32,855	\$ 10,940	\$ 7,434	\$109,205	\$ 202,446	\$ —	\$ 202,446

Under the new segmentation policy applied by the Company, segment information for the year ended March 31, 2010 would have been presented as follows:

Millions of yen								
2010								
	Japan	America	Europe	Asia Pacific	Other business	Total	Adjustments	Consolidated
Net sales:								
Sales to customers	¥ 97,002	¥53,036	¥55,388	¥18,969	¥—	¥224,395	¥ —	¥224,395
Intersegment	9,837	3	1	861	—	10,702	(10,702)	—
Total sales.....	¥106,839	¥53,039	¥55,389	¥19,830	¥—	¥235,097	¥(10,702)	¥224,395
Operating income	¥ 4,673	¥ 3,087	¥ 7,917	¥ 1,938	¥—	¥ 17,615	¥ (33)	¥ 17,582
Segment assets	¥105,542	¥24,329	¥42,702	¥15,703	¥—	¥188,276	¥ (3,502)	¥184,774
Other items								
Depreciation expenses	¥ 2,020	¥ 315	¥ 767	¥ 183	¥—	¥ 3,285	¥ —	¥ 3,285
Increases in tangible and intangible fixed assets	¥ 3,425	¥ 180	¥ 3,134	¥ 227	¥—	¥ 6,966	¥ —	¥ 6,966

Notes 1. (1) Adjustments on segment operating income are eliminations of transactions in intersegment transactions.

(2) Adjustments on segment assets are eliminations of receivables and payables in intersegment debtors and creditors.

2. Segment operating income is reconciled to operating income on the consolidated statements of income.

The Company and its consolidated subsidiaries are primarily engaged in the manufacture and sales of sporting goods in Japan and overseas. As it was determined that product similarity, nature, manufacturing, market and so on are uniform, the disclosure of business segments information has been omitted.

Net sales by geographical segment for the year ended March 31, 2011 are summarized as follows:

	Millions of yen				
	2011				
	Japan	America	Europe	Other	Total
Net sales	¥88,041	¥59,605	¥58,859	¥28,844	¥235,349

	Thousands of U.S. dollar				
	2011				
	Japan	America	Europe	Other	Total
Net sales	\$1,060,735	\$718,132	\$709,145	\$347,518	\$2,835,530

Note: Net sales have been based on customer locations and classified as country and territory.

Property, plant and equipment by geographical segment as of March 31, 2011 are summarized as follows:

	Millions of yen		
	2011		
	Japan	Other	Total
Property, plant and equipment.....	¥23,303	¥4,662	¥27,965

	Thousands of U.S. dollar		
	2011		
	Japan	Other	Total
Property, plant and equipment.....	\$280,759	\$56,169	\$336,928

As there are no customers accounting for 10% or more of consolidated sales to customers, the disclosure of information on major customers has been omitted.

Impairment loss on fixed assets by reporting segment for the year ended March 31, 2011 is summarized as follows:

	Millions of yen							
	2011							
	Japan	America	Europe	Asia Pacific	Other business	Total	Adjustments	Consolidated
Impairment loss	¥88	¥—	¥—	¥—	¥—	¥88	¥—	¥88

	Thousands of U.S. dollar							
	2011							
	Japan	America	Europe	Asia Pacific	Other business	Total	Adjustments	Consolidated
Impairment loss	\$1,060	\$—	\$—	\$—	\$—	\$1,060	\$—	\$1,060

Amortization of goodwill for the year ended March 31, 2011 and remaining balance of goodwill as of March 31, 2011 by reporting segment are summarized as follows:

Millions of yen								
2011								
	Japan	America	Europe	Asia Pacific	Other business	Total	Adjustments	Consolidated
Amortization.....	¥181	¥ 60	¥221	¥—	¥ 102	¥ 564	¥—	¥ 564
Remaining balance.....	271	950	717	—	4,011	5,949	—	5,949

Thousands of U.S. dollar								
2011								
	Japan	America	Europe	Asia Pacific	Other business	Total	Adjustments	Consolidated
Amortization.....	\$2,181	\$ 723	\$2,662	\$—	\$ 1,229	\$ 6,795	\$—	\$ 6,795
Remaining balance.....	3,265	11,446	8,639	—	48,325	71,675	—	71,675

(b) Segment Information for the year ended March 31, 2010

Under the former segmentation policy applied by the Company up to the year ended March 31, 2010, segment information for the year ended March 31, 2010 was as follows:

1. Business Segments

The Company and its consolidated subsidiaries were primarily engaged in the manufacture and sales of sporting goods in Japan and overseas. As most of the consolidated net sales were related to sports and leisure-related products, the disclosure of business segment information was omitted.

2. Geographical Segments

The domestic and overseas operations of the Group for the years ended March 31, 2010 were summarized as follows:

Millions of yen								
2010								
	Japan	America	Europe	Other areas	Total	Eliminations and corporate	Consolidated	
Net sales:								
Sales to customers.....	¥ 97,002	¥53,036	¥55,388	¥18,969	¥224,395	¥ —	¥224,395	
Intersegment	9,837	3	1	861	10,702	(10,702)	—	
Net sales	106,839	53,039	55,389	19,830	235,097	(10,702)	224,395	
Operating expenses	102,166	49,952	47,472	17,892	217,482	(10,669)	206,813	
Operating income	¥ 4,673	¥ 3,087	¥ 7,917	¥ 1,938	¥ 17,615	¥ (33)	¥ 17,582	
Total assets	¥105,542	¥24,329	¥42,702	¥15,703	¥188,276	¥ (3,502)	¥184,774	

Countries and regions are categorized based on closeness of locations. "America" includes the United States of America and others, Europe includes the Netherlands, Italy, Germany, the United Kingdom, France and others, and "Other areas" includes Australia, Korea, China, Taiwan and others.

3. Overseas Sales

Overseas sales, which included export sales of the Company and its domestic consolidated subsidiaries and sales (other than exports to Japan) of the overseas consolidated subsidiaries, for the years ended March 31, 2010 were summarized as follows:

	Millions of yen
	2010
Overseas sales:	
America.....	¥ 53,036
Europe	54,841
Other areas	23,226
Total	¥131,103
Consolidated net sales	¥224,395
Overseas sales as a percentage of consolidated sales:	
America.....	23.6%
Europe	24.4
Other areas	10.4
Total	58.4%

Countries and regions are categorized based on closeness of locations. "America" includes the United States of America and others, Europe includes the Netherlands, Italy, Germany, the United Kingdom, France and others, and "Other areas" includes Australia, Korea, China, Taiwan and others.

22 Subsequent Event

The following distribution of retained earnings of the Company, which has not been reflected in the accompanying consolidated financial statements for the year ended March 31, 2011, was approved at a meeting of the shareholders of the Company held on June 24, 2011:

	Millions of yen	Thousands of U.S. dollars
Cash dividends (¥10.00=U.S.\$0.12 per share).....	¥1,896	\$22,843

The Board of Directors
ASICS Corporation

We have audited the accompanying consolidated balance sheets of ASICS Corporation and consolidated subsidiaries as of March 31, 2011 and 2010, and the related consolidated statements of income, changes in net assets and cash flows for the years then ended, and consolidated statement of comprehensive income for the year ended March 31, 2011, all expressed in yen. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of ASICS Corporation and consolidated subsidiaries at March 31, 2011 and 2010, and the consolidated results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in Japan.

The U.S. dollar amounts in the accompanying consolidated financial statements with respect to the year ended March 31, 2011 are presented solely for convenience. Our audit also included the translation of yen amounts into U.S. dollar amounts and, in our opinion, such translation has been made on the basis described in Note 1.

Ernst & Young Shinjimon LLC

Osaka, Japan
June 24, 2011

Corporate Information

(As of March 31, 2011)

Corporate Data

Corporate Name: ASICS Corporation
Founded: September 1, 1949
Paid-in Capital: ¥23,972 million
Principal Business: Manufacture and sales of sports goods
Head Office: 1-1, Minatojima-Nakamachi 7-chome,
Chuo-ku, Kobe 650-8555, Japan
Tel: +81-78-303-2231
Fax: +81-78-303-2241
Number of Employees: 5,604 (consolidated basis)

Branch Offices

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Tokyo 130-8585, Japan
Tel: +81-3-3624-2240

KANSAI OFFICE

3-28, Shioe 1-chome, Amagasaki-shi,
Hyogo 661-8577, Japan
Tel: +81-6-6496-5111

Board of Directors and Corporate Auditors (As of June 24, 2011)

Chairman and Director:	Kiyomi Wada
President and CEO, Representative Director:	Motoi Oyama
Directors and Managing Executive Officers:	Toshiro Ikezaki Toshiyuki Sano
Directors and Executive Officers:	Kazuhito Matsuo Kousuke Hashimoto
External Directors:	Kenji Kajiwara Mineya Hamaoka
Executive Officers:	Arata Ikeda Tadashi Inoue Katsumi Kato Koji Hieda Masao Hijikata Hiroshi Hiramoto Itaru Yamane Hiroshi Watanabe
Standing Corporate Auditors:	Tetsuo Kurosaki Shuichi Nishino
External Standing Corporate Auditor:	Hideaki Tanaka
External Corporate Auditors:	Kazunori Yamagami Hideaki Mihara

Major Consolidated Subsidiaries

- ASICS Hokkaido Sales Corp.
- ASICS Tohoku Sales Corp.
- ASICS Kanetsu Sales Corp.
- ASICS Chu-Shikoku Sales Corp.
- ASICS Kyushu Sales Corp.
- ASICS Sports Sales Corp.
- ASICS Chubu Sales Corp.
- ASICS Sports Being Corp.
- ASICS America Corporation
- ASICS Europe B.V.
- ASICS Deutschland GmbH
- ASICS France S.A.S
- ASICS UK Ltd.
- ASICS Italia S.p.A.
- ASICS Oceania PTY. LTD.
- ASICS China Trading Co., Ltd.
- ASICS Taiwan Corporation
- ASICS Sports Corporation
- Sanin ASICS Industry Corp.
- ASICS Apparel Industry Corp.
- ASICS Trading Co., Ltd.
- ASICS Physical Distribution Corp.
- HAGLÖFS HOLDING AB

Shareholder Information

Common Stock:	Authorized—790,000,000 shares
	Issued— 199,962,991 shares (including treasury stock of 10,359,131 shares)
Number of Shareholders:	11,944

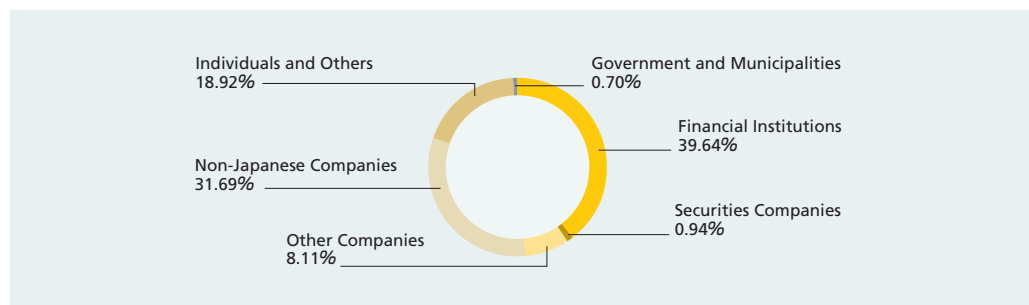
Principal Shareholders:

Name	Shareholdings (Thousands)	Ownership* (%)
Japan Trustee Services Bank, Ltd. (Trust Account)	12,332	6.5
The Master Trust Bank of Japan, Ltd. (Trust Account)	10,163	5.4
The Bank of Tokyo-Mitsubishi UFJ, Ltd.	7,858	4.1
Sumitomo Mitsui Banking Corporation	6,607	3.5
Nippon Life Insurance Company	6,309	3.3
Mizuho Corporate Bank, Ltd.	5,568	2.9
The Minato Bank, Ltd.	4,208	2.2
State Street Bank and Trust Company	3,770	2.0
Mellon Bank, N.A. as Agent for its Client Mellon Omnibus US Pension	3,494	1.8
Japan Trustee Services Bank, Ltd. (Trust Account 9)	3,282	1.7

*Ownership ratios were calculated by deducting shares of treasury stock.

Breakdown of Shareholders:

Number of Shareholders





ASICS Corporation

HEAD OFFICE

1-1, Minatojima-Nakamachi 7-chome,
Chuo-ku, Kobe 650-8555, Japan

<http://www.asics.com/>