

March 10, 2025

Dear Shareholders,

Name of the Company:	ASICS Corporation
Chairman and CEO, Representative Director:	Yasuhiro Hirota
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Stock Code Number:	7936
Listing Exchanges:	Tokyo, Prime

**ASICS' opinion on Institutional Shareholders Services, Inc.'s recommendation to vote  
against the proposal 7 of the 71st general meeting of shareholders**

ASICS Corporation (hereinafter referred to as "ASICS" or "we") has learned that Institutional Shareholders Services, Inc. (hereinafter referred to as "ISS"), a proxy advisory firm, had recommended ASICS shareholders to vote against our proposal 7, titled "Disposing treasury shares through third-party allotment for the purpose of supporting the activities of ASICS Foundation (hereinafter referred to as the "Foundation")," which is scheduled to be presented at the 71st Annual General Meeting of Shareholders to be held on March 28 of this year.

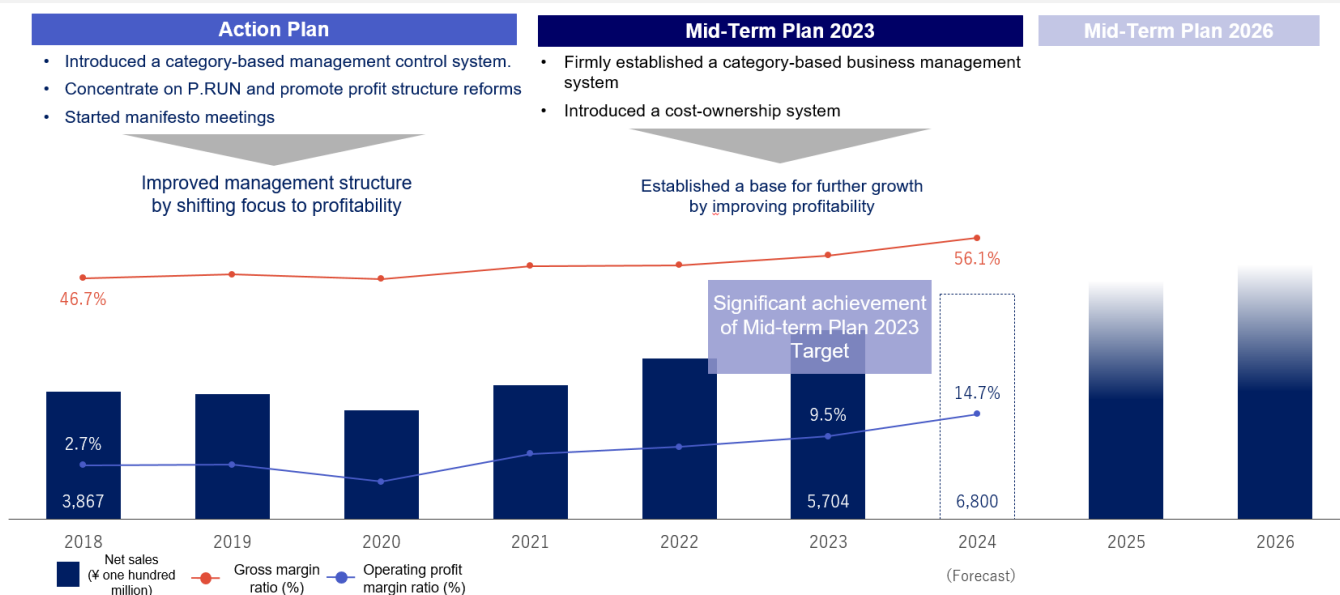
ASICS decided to submit this proposal to the Annual General Meeting of Shareholders for approval after gaining understandings from many of our shareholders, majority of who are institutional shareholders, through numerous and thorough dialogues.

Despite ASICS provided ISS with detailed explanations regarding ASICS' intentions to establish the Foundation, including its background and considerations for the capital markets, we have not been able to obtain ISS's understanding regarding this agenda item, and we have learned that the ISS report lists reasons that suggest a predetermined conclusion to recommend to vote against. Furthermore, the report indicates that ASICS' past achievements (such as performance improvements through management reforms since 2018 and initiatives contributing to enhanced corporate governance) should not be taken into account in assessing this agenda item, raising questions about ISS's rigid stance in its judgment. In light of above circumstances, ASICS strongly expresses its regret regarding the content of the ISS report.

ASICS would like to convey accurate information to our shareholders as follows and once again seek your understanding and support for this agenda item, which is essential for realizing the long-term enhancement of corporate value through ASICS' ongoing initiatives and the activities of the Foundation. ASICS respectfully requests that all of our institutional shareholders appropriately exercise your voting rights not based solely on the ISS's recommendations, but in accordance with the proper implantation of the Stewardship Code and fulfillment of fiduciary responsibilities.

## Growth in Performance due to Management Reforms Started from 2018

Performance recovered due to a shift to a category-based management structure and improved product mix, channel mix, and region mix.



## <Introduction>

ASICS was founded with the desire to support the healthy growth of individuals both physically and mentally through sports and to contribute to the society. This desire has been carried on in our corporate philosophy of “Anima Sana In Corpore Sano. (a sound mind in a sound body)” and is the Foundation of all our business activities. In order to realize “the world where people all over the world will be involved in exercise and sports throughout their life and stay mentally and physically healthy,” as pictured in “VISION2030” and developed as the desirable ASICS in 2030, we believe that it is our mission to contribute to mental and physical health of more people by solving social issues relating to exercise and sports, not just to contribute to mental and physical health of people through our business of providing products and services, and it is with such belief that we decided to incorporate the Foundation in April 2025.

The Foundation will provide grants to organizations that provide support through exercise and sports to young people, individuals with disabilities, women, and others in social or economic hardships, and for the time being, such provision of grants are planned to direct to regions and countries where ASICS has overseas business operations and production bases (including Vietnam, Indonesia, and India), as well as in Japan. Through the activities of the Foundation, which shares the vision of ASICS, we hope to enhance the corporate value of the ASICS Group resulting from creating a society in which more people can enjoy exercise and sports and become healthier both mentally and physically.

As mentioned above, the establishment of the Foundation is a dream and mission for ASICS, and is the very reason for our existence.

In addition, ASICS has been working to improve its performance through management reforms since 2018 and has made efforts to enhance corporate governance, striving to increase corporate value. The decision to establish the Foundation is based on the recognition of these achievements and efforts in the capital market, and we express our strong regret regarding ISS's comment suggesting that these achievements and efforts should not be considered when making a decision on this proposal.

## Establishment of ASICS Foundation

**The presence of both the Company and the Foundation  
enables us to deliver mental and physical health to a  
greater number of people.**

**We would like to realize ASICS' new value creation system  
together with you.**



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#### <ASICS' view on ISS's reasons for recommending to vote against the proposal>

##### [ISS Comment]

✓If share repurchases and the allocation of treasury shares are viewed holistically, the net effect appears to be a reduction of 0.5 million shares outstanding. While that appears shareholder friendly at a glance, shareholders were not given opportunities beforehand to express its opinion via vote concerning the allocation of treasury shares to the foundation.

✓treasury shares to be allocated to the foundation are fully appropriated from the market via share repurchases. That means 7 million shares (0.98 percent of shares outstanding) change hand from general shareholders, who may tender its shares to a hostile tender offer, to the foundation.

shareholders won't be able to be fully assured that the proposed scheme won't function as a takeover defense.

##### [ASICS view]

ASICS has a policy of more than 50% shareholder return in its Mid-Term Plan 2026, and the share buybacks referred to in the ISS' comment were made based on this policy.

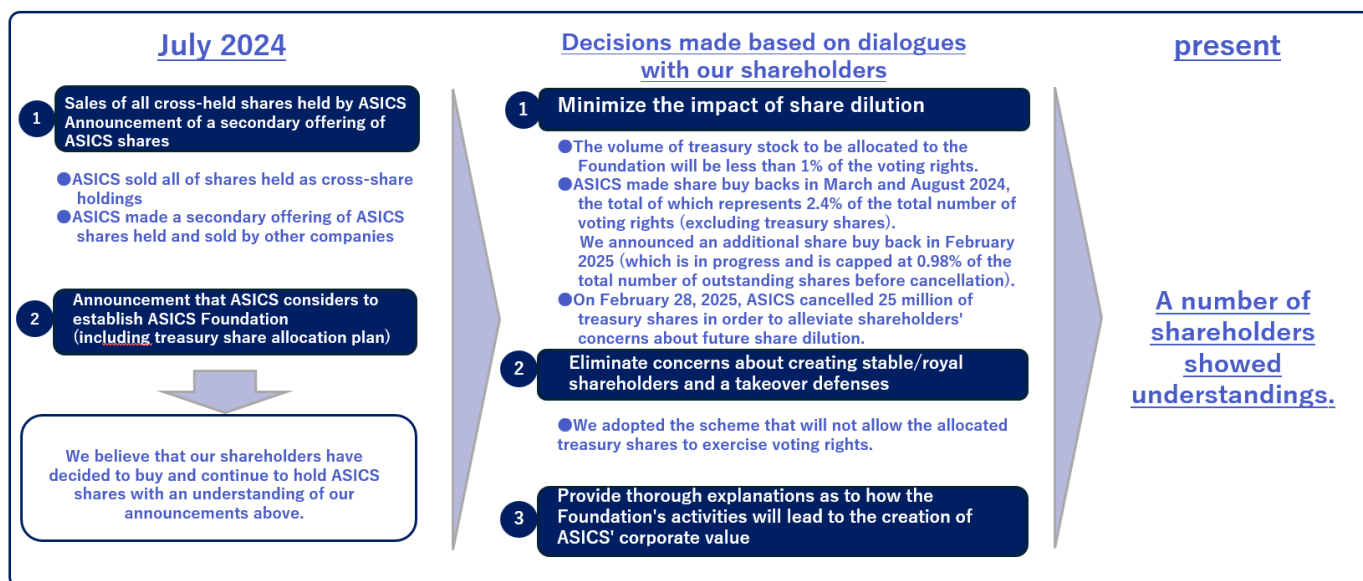
In July 2024, ASICS announced its intention to sell all cross holding shares and the secondary offering of ASICS shares held as cross holding and sold by other companies. At the same time, ASICS announced its intention to consider to establish the Foundation and the purpose of the proposal 7 of the Annual General Meeting of Shareholders. Since then, we had a number of dialogues with our institutional shareholders regarding the establishment of the Foundation.

Based on such dialogues with institutional shareholders (including over 100 institutional investors),

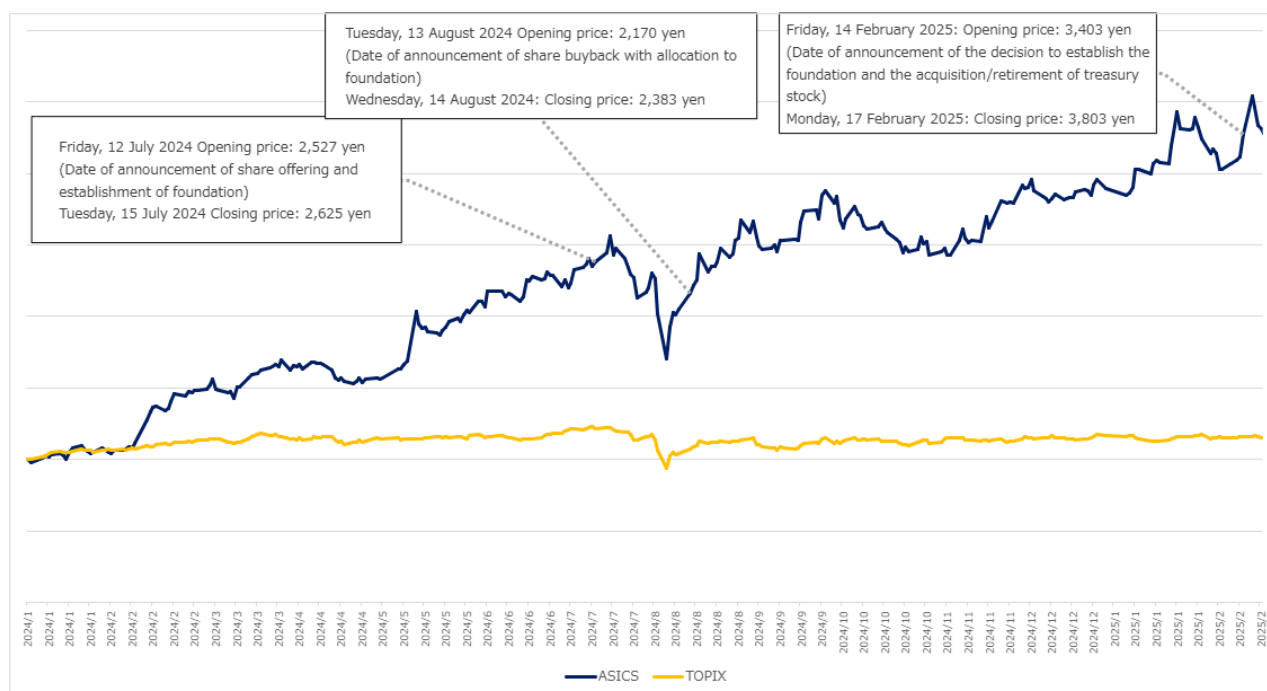
ASICS decided that (1) the volume of treasury stock to allocate (will be placed in a trust) to the Foundation will be within approximately 0.98% of total voting rights in order to minimize the impact of share dilution. In addition, ASICS made share buybacks in March and August 2024 (the total of which represents 2.4% of the total number of voting rights) and in February 2025 (which is in progress and is capped at 0.98% of the total number of outstanding shares before cancellation). On February 28, 2025, ASICS cancelled 25 million of treasury shares in order to alleviate shareholders' concerns about future share dilution.(this represents 3.29% of outstanding shares before cancellation). (2) Moreover, in order to eliminate Shareholders' concerns about this allocation of shares serving as creating a royal shareholder or a takeover defense measure, ASICS applied a scheme which will not allow all the treasury shares allocated to the Foundation to exercise any voting rights. Furthermore, the Foundation will not be positioned to serve as a take over defense as the majority of the Foundation board members will consist of independent individuals from outside of the Foundation. Even if it serves as a take over defense, as mentioned in (1) above, the scale of the allocation of treasury shares to the Foundation is limited to approximately 0.98% of the total voting rights, and this will not sufficiently function as a takeover defense measure. (3) Further, ASICS provided thorough explanation on our belief that the Foundation's activities will lead to the creation of corporate value and posted it on the ASICS website.

As mentioned above, we had thorough dialogues with institutional shareholders, and many of them showed understanding. ISS comments that shareholders were not given opportunities beforehand to express its opinion via vote concerning the allocation of treasury shares to the Foundation, however, this proposal in the upcoming Annual General Meeting of shareholders is what we need to seek shareholders' approval via vote under the Japanese Corporate Law. As repeatedly mentioned, ASICS voluntarily disclosed this plan beforehand and had been having thorough dialogues with our shareholders. Therefore, it is regrettable that ISS comments that shareholders are not given opportunities beforehand to express its opinion, not to mention that this was not required to vote beforehand under the Corporate Law. Please note that ASICS share price before and after our announcement in July 2024, August 2024, and February 2025 showed an increase respectively, and we understand that this showed and reflected understandings of our plan from the capital market.

ASICS expresses deep regret over ISS's recommendation to vote against the proposal despite our thorough explanations on our view, efforts and the background of our plan.



## Share price changes before and after each announcement date.



## [ISS comment]

The expected funding of JPY 150 million per year (dividends from 7 million shares) appears marginal (less than 0.1 percent of SG&A). Generally speaking, dividends are paid from net profit after expenses and taxes are deducted, so relying on dividend stream would not appear ideal if the company looks for stability and sustainability.

## [ASICS view]

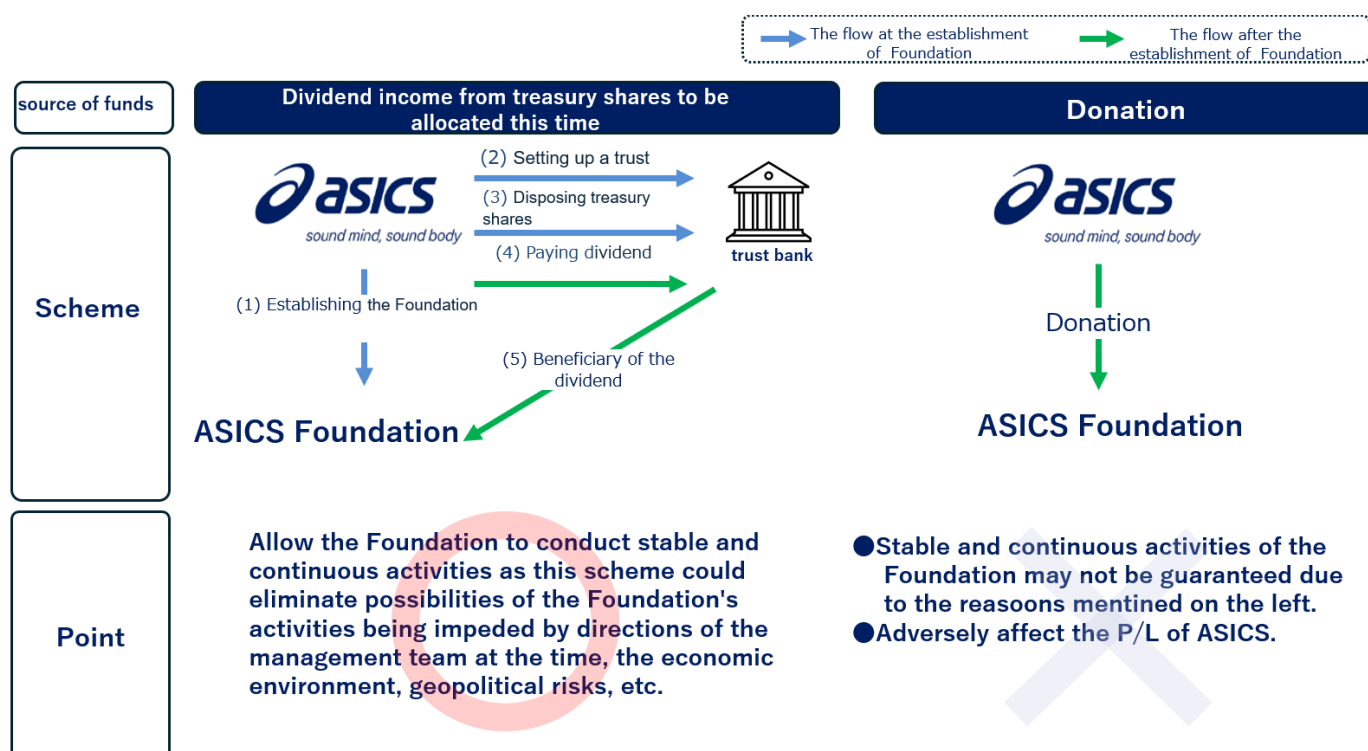
As ISS points out, the Foundation's operating funds of approximately 150 million yen per year, is marginal within ASICS' SG&A. However, in order for ASICS to operate as an organization that "pursues profitability," ASICS believes it is crucial to establish a system that enables the Foundation to continue its activities as an organization engaged in social contribution, regardless of the amount of funds for the Foundation's activities, in any future environment.

If the Foundation was funded with cash donations from ASICS, the funding could be influenced by the directions of the management at any given time, economic conditions, geopolitical risks, and other factors, potentially would hinder the Foundation's activities. Therefore, from the stability and sustainability perspectives, we believe allocating treasury shares to the Foundation (place in a trust) will be ideal so that the Foundation is allowed to utilize the dividend income generated from these treasury shares as its operating funds.

Furthermore, ASICS recognizes the return of profits to shareholders as one of its top priorities and has established a policy in the Mid-Term Plan 2026 to implement a profit distribution plan based on a consolidated total return ratio of over 50% and the continuation of progressive dividends.

When an increase in dividends is realized resulting from the expansion of the company's scale and performance growth, in addition to direct returns to our shareholders, the Foundation would be able to expand its activities with increased operating funds. We believe this will further enhance ASICS' corporate value and also benefit shareholders in the medium to long term.

Additionally, with ASICS' desire to make the Foundation's activities a long lasting "culture" of the ASICS Group, we believe that funding the Foundation with annual dividend income for its operating funds is the best option for a sustainable social engagement. Going forward, ASICS plans to conduct its donation activities through the Foundation.



#### [ISS comment

If the JPY 150 million annual funding could increase market capitalization by JPY 200 billion in five years (representing 8 percent of the current market capitalization of JPY 2393 billion), why the company cannot do so now in its normal operating activities leveraging its current resource at hand.

#### [ASICS view

ASICS is a profit company to pursue profitability, and the social contribution activities undertaken for its business operations, as well as the human resources allocated to them, could be limited. Therefore, we believe that ASICS will not be able to put efforts and fulfill all the activities envisioned for the Foundation. Furthermore, if ASICS were to implement social contribution activities, it would be influenced by the directions of the management at any given time, economic conditions, geopolitical risks, and other factors, which could negatively impact the stability and continuity of those Foundation's activities.

For the purpose of carrying out social contribution activities in a stable and continuous manner, it is crucial and more effective to establish the Foundation as a separate organization, distinguishing between ASICS as an organization that "pursues profitability" and the Foundation as an organization that "engages in social contribution activities."

Moreover, ASICS has been conducting its business activities as an organization that "pursues profitability" and has achieved results through the management reform since 2018, gaining high recognition from the capital market. We believe that the Foundation activities will lead to further enhancement of ASICS' corporate value and growth, and will ultimately result in greater returns to our shareholders.





Reference: Related materials can be found at

- (1) Medium-Term Management Plan 2026:

[Medium-Term Management Plan 2026 | ASICS Corporation Corporate Website](#)

- (2) Notice of General Meeting of Shareholders:

[General Meeting of Shareholders | ASICS Corporation Corporate Website](#)

[Hope on Establishment of ASICS Foundation～Supplementary Materials for Proposal 7 of the 71st \(FY2024\) Ordinary General Meeting of Shareholders ～](#)

- (3) Timely disclosure material dated July 12, 2024:

[Notice Concerning Consideration of Establishment of a General Incorporated Foundation](#)

[Notice Concerning Secondary Offering of Shares](#)

- (4) Timely disclosure document dated August 13, 2024:

[Notice Concerning Decision on Matters relating to Repurchase of Treasury Shares \(Based on the Articles of Association pursuant to Article 459-1-1 of the Companies Act of Japan\)](#)

- (5) Timely disclosure material dated February 14, 2025:

[ASICS to Incorporate a General Incorporated Foundation ASICS Foundation -Notice regarding Disposal of Treasury Shares through Third-party Allotment for the Purpose of Supporting the Activities of the Foundation-](#)

[Notice Concerning Decision on Matters relating to Repurchase of Treasury Shares \(Repurchase of Treasury Shares Based on the Articles of Association pursuant to Article 459-1-1 of the Companies Act of Japan\)](#)

[Notice Concerning Cancellation of Treasury Shares \(Cancellation of Treasury Shares Based on the Articles of Association pursuant to Article 178 of the Companies Act of Japan\)](#)

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