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Securities Code: 7936

March 5, 2021

Dear Shareholders,

Yasuhiro Hirota
President and COO, Representative Director

ASICS Corporation

7-1-1, Minatojima-Nakamachi, Chuo-ku, Kobe,
Hyogo

Notice of the 67th Ordinary General Meeting of Shareholders

We would like to inform you that the 67th Ordinary General Meeting of Shareholders of ASICS Corporation (hereinafter, the “Company” or “we”) will be held as described below.

To prevent the spread of infection of the new coronavirus (“COVID-19”), this year, we strongly recommend that you exercise your voting rights by postal voting or electronic voting (via the Internet, etc.) in advance and that you refrain from attending the Meeting if at all possible.

Please examine the “Reference Documents for General Meeting of Shareholders” hereinafter described and exercise your voting rights no later than 5:40 p.m. on Thursday, March 25, 2021 (Japan Standard Time).

Details

1. Date and Time:

Friday, March 26, 2021, at 10:00 a.m. (Doors open at 9:00 a.m.)

2. Place:

Kobe Portopia Hotel, 1F of the South Building, *Ohwada-no-ma* (Room Ohwada)
6-10-1, Minatojima-Nakamachi, Chuo-ku, Kobe, Hyogo

3. Agenda:

Matters to be reported:

1. Report on the Business Report, the Consolidated Financial Statements, and the results of audit on the Consolidated Financial Statements by the Accounting Auditor and the Audit & Supervisory Committee for the 67th fiscal year ended December 31, 2020 (January 1, 2020 - December 31, 2020)
2. Report on the Non-Consolidated Financial Statements for the 67th fiscal year ended December 31, 2020 (January 1, 2020 - December 31, 2020)

Matters to be resolved:

Proposal 1: Appropriation of the Surplus

Proposal 2: Election of five Directors (excluding Directors Who Are Audit & Supervisory Committee Members)

Disclosure via the Internet

- Among the documents to be provided at the time of this Notice of General Meeting of Shareholders, please refer to the following information on the Company website (<https://corp.asics.com/jp/>) on the Internet posted in accordance with the provisions of Article 15 of the Articles of Incorporation and laws and regulations. Please note that the Consolidated Financial Statements audited by the Accounting Auditor and Audit & Supervisory Committee and the Non-Consolidated Financial Statements and the Business Report audited by the Audit & Supervisory Committee are comprised of the documents mentioned in this Notice of General Meeting of Shareholders and the following matters posted at the Company's website.
 - Business Report: Main business domain, main offices and factories, matters concerning the Company's share options, status of the Accounting Auditor, the system to ensure appropriateness of the business, basic policies concerning the control of the Company, and the policy concerning decision on dividends from the surplus.
 - Consolidated Financial Statements: Consolidated Statements of Changes in Net Assets and Notes to Consolidated Financial Statements.
 - Non-Consolidated Financial Statements: Non-Consolidated Statements of Changes in Net Assets and the Notes to the Non-Consolidated Financial Statements.
- Any correction to the Reference Documents for the General Meeting of Shareholders and the Business Reports, the Non-Consolidated Financial Statements, and the Consolidated Financial Statements will be posted on the Company's website (<https://corp.asics.com/jp/>) on the Internet.
- The resolution results of the General Meeting of Shareholders will be posted on the Company's website (<https://corp.asics.com/jp/>) on the Internet after conclusion of the Meeting in lieu of Notice of Resolution in writing.

Measures against COVID-19 Infections

- In order to prevent the spread of COVID-19 infection, we strongly recommend that you exercise your voting rights by postal voting or electronic voting via the Internet, etc. in advance and that you refrain from attending the Meeting if at all possible, this year.
- As the space between seats is expanded at the Meeting site, the number of seats available will be significantly reduced compared to usual years.
- Shareholders attending the Meeting at the Meeting site on the day of the Meeting should wear masks and take other measures to prevent infection of themselves and others around them. Also, please cooperate in measures to prevent infection such as alcohol sterilization and non-contact temperature detection. Those who have a body temperature of 37.5 degrees or higher or who seem to be sick at the temperature check at the entrance to the site may be refused entry based on the opinion of the Company's industrial doctors.
- Operating staff of the Meeting will check their physical condition, including temperature check and PCR tests, and will wear masks at the Meeting site.
- Prior to the Meeting, a video of the Business Report for the 67th fiscal year will be posted at the Company's website, and detailed explanations such as matters to be reported will be omitted in order to shorten the Meeting.
- On the day of the Meeting, there will be no souvenir distribution and "ASICS Sports Museum" tour.
- Depending on the development of the situation, any major changes in the operation of the Meeting will be informed at the Company's website (<https://corp.asics.com/jp/>).

We hope that you understand and cooperate with the above for the sake of security and health of the shareholders and those around them.

Reference Documents for General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Appropriation of the Surplus

Considering the business performance, business environment and financial situation, the Company proposes to pay an ordinary dividend of 24 yen per share for the 67th fiscal year.

As a result, the annual dividend for the 67th fiscal year will be 24 yen per share.

Details of the year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property and total amount thereof

Common stock of the Company	24 yen per share
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Total amount of the dividends	4,393,029,648 yen
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(3) Effective date for the dividends from the surplus

March 29, 2021

Proposal 2: Election of five (5) Directors (excluding Directors Who Are Audit & Supervisory Committee Members)

As the terms of office of all five Directors (excluding Directors who are Audit & Supervisory Committee Members, the same shall apply hereinafter in this proposal) will expire upon conclusion of the Meeting, the Company proposes to elect five Directors. If this proposal is approved, three of the five Directors will be Independent Outside Directors.

In order to ensure fairness and transparency on the nomination of Directors, the Board of Directors consults with the Nominating and Compensation Committee, the majority of which consists of Independent Outside Directors, with respect to the nomination of all of the Director candidates. The resolution concerning the nomination is resolved at the Board of Directors meeting, while respecting the opinions of the Committee.

All three candidates for Outside Directors in this proposal satisfy the “Selection Criteria for Independent Outside Directors” on page 11 to 12 (hereinafter, “Independency Criteria”), and are deemed to be independent. The Company intends to notify the Tokyo Stock Exchange of status of all candidates as Independent Directors.

If this proposal is approved at this General Meeting of Shareholders as originally proposed, the Board of Directors will be composed of eight Directors, the majority (five) of whom will be Independent Outside Directors.

The Audit & Supervisory Committee reviewed this Proposal, however, they raised no specific issues.

The candidates for the Directors are as follows:

No.	Name		Gender	Position and areas of responsibility in the Company	Status of attendance to Board of Directors meeting	Number of years in office as Director
1	Motoi Oyama	Reappointment	Male	Chairman and CEO, Representative Director	13/13 (100%)	16 years and 9 months
2	Yasuhito Hirota	Reappointment	Male	President and COO, Representative Director	13/13 (100%)	3 years
3	Hitoshi Kashiwaki	Reappointment Independent Outside Director Independent Director	Male	Outside Director	13/13 (100%)	5 years
4	Kazuo Sumi	Reappointment Independent Outside Director Independent Director	Male	Outside Director	12/13 (92.3%)	3 years
5	Makiko Yamamoto	Reappointment Independent Outside Director Independent Director	Female	Outside Director	9/9 (100%)	1 year

Note: As Director candidate Ms. Makiko Yamamoto was appointed an Outside Director at the 66th Ordinary General Meeting of Shareholders held on March 27, 2020, her status of attendance to Board of Directors meeting shows the number of meetings held and attended on or after such date of appointment.

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions outside the Company	
1	<div> <div>Inside Director</div> <div>Reappointment</div> </div> <p>Motoi Oyama (February 2, 1951)</p> <ul style="list-style-type: none"> • Number of years in office as Director: 16 years and 9 months • Number of the Company's shares owned: 199,780 • Status of attendance to Board of Directors meeting: 13/13 (100%) 	<p>April 1974 Joined Nissho Iwai Corporation (currently Sojitz Corporation) (Retired in December 1981)</p> <p>January 1982 Joined the Company</p> <p>January 1997 General Manager of Walking Department, Footwear Division</p> <p>July 2001 President and Chief Operating Officer of ASICS Europe B.V.</p> <p>June 2004 Director, Senior General Manager of Marketing Division of the Company President and Chief Operating Officer of ASICS Europe B.V.</p> <p>April 2005 Director in charge of Overseas, Senior General Manager of Marketing Division, General Manager of Marketing Department of the Company Chairman & CEO of ASICS Europe B.V.</p> <p>July 2006 Managing Director in charge of Overseas Affairs, Senior General Manager of Marketing Division of the Company Chairman & CEO of ASICS Europe B.V.</p> <p>August 2007 Managing Director in charge of Overseas and Corporate Strategy Department, Senior General Manager of Marketing Division of the Company Chairman & CEO of ASICS Europe B.V.</p> <p>April 2008 President and Representative Director of the Company</p> <p>April 2011 President and CEO, Representative Director</p> <p>March 2017 Chairman, President and CEO, Representative Director</p> <p>March 2018 Chairman and CEO, Representative Director (present)</p>	<p><Important concurrent positions outside the Company> Chair and CEO of World Federation of the Sporting Goods Industry Chairman of Association of Japan Sporting Goods Industries (JASPO)</p>
	Reason for the nomination as candidate for Director	<p>Since assuming the position of President and Representative Director in April 2008, Mr. Oyama has been promoting structural reforms of the Group and working on strengthening and expanding business operations on a global scale. He has also been working on strengthening corporate governance, as a chairman of the Board of Directors meeting, through the introduction of Outside Directors, the establishment of Nominating and Compensation Committee, and the evaluation of effectiveness of the Board of Directors. Based on these factors, the Company believes he is capable of putting its corporate philosophy into practice and executing business strategy, and thus proposes his re-election as Director.</p>	

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions outside the Company	
2	<div> <div>Inside Director</div> <div>Reappointment</div> </div> <p>Yasuhito Hirota (November 5, 1956)</p> <ul style="list-style-type: none"> • Number of years in office as Director: 3 years • Number of the Company's shares owned: 72,497 • Status of attendance to Board of Directors meeting: 13/13 (100%) 	April 1980 April 2010 April 2011 April 2014 June 2014 April 2016 April 2017 January 2018 March 2018	Joined Mitsubishi Corporation Senior Vice President, General Manager of Corporate Administration Dept. Senior Vice President, Senior Assistant to Corporate Functional Officer, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources, General Manager of Corporate Administration Dept. Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources Representative Director, Member of the Board, Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources Representative Director, Member of the Board, Executive Vice President, Corporate Communications, Corporate Administration, CSR & Environmental Affairs, Legal, Human Resources, Chief Compliance Officer Representative Director, Member of the Board, Executive Vice President, Corporate Functional Officer, Geography Strategy for Japan, General Manager of Kansai Branch (Retired in January 2018) Advisor of the Company President and COO, Representative Director (present)
	Reason for the nomination as candidate for Director	<p>Since assuming the position of President and COO, Representative Director in March 2018, Mr. Hirota has promoted the development of a category-based business management structure, the establishment of China Division and Onitsuka Tiger Company, and the digital strategy.</p> <p>Through transition to a company with audit and supervisory committee in March 2020, he has thoroughly separated supervision and operation of management, and strengthened the supervisory function of the Board of Directors with Outside Directors holding the majority.</p> <p>He has formulated a long-term vision "VISION 2030" and "Medium Term Management Plan 2023," and is promoting management reform.</p> <p>Additionally, through IR activities such as financial results briefing, he has striven to disclose corporate information timely, accurately and fairly from the viewpoint of all stakeholders including shareholders and investors, and engage in constructive dialogue.</p> <p>Based on these factors, the Company believes he is capable of putting its corporate philosophy into practice and executing business strategy, and thus proposes his re-election as Director.</p>	

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions outside the Company	
3	<div> <div>Independent Outside Director</div> <div>Reappointment</div> <div>Independent Director</div> </div> <p>Hitoshi Kashiwaki (September 6, 1957)</p> <ul style="list-style-type: none"> • Number of years in office as Director: 5 years • Number of the Company's shares owned: 8,052 • Status of attendance to Board of Directors meeting: 13/13 (100%) 	<div> <div>April 1981</div> <div>Joined Japan Recruit Center Co., Ltd. (currently Recruit Holdings Co., Ltd.)</div> </div> <div> <div>April 1994</div> <div>General Manager of Finance Department of Recruit Co., Ltd. (currently Recruit Holdings Co., Ltd.)</div> </div> <div> <div>June 1997</div> <div>Board Director</div> </div> <div> <div>June 2001</div> <div>Board Director and Managing Corporate Executive Officer</div> </div> <div> <div>April 2003</div> <div>Representative Director and Managing Corporate Executive Officer (COO)</div> </div> <div> <div>June 2003</div> <div>President, COO, and Representative Director</div> </div> <div> <div>April 2004</div> <div>President, CEO, and Representative Director</div> </div> <div> <div>April 2012</div> <div>Board Director (Retired in June 2014)</div> </div> <div> <div>December 2012</div> <div>Outside Director, Member of the Board of Suntory Beverage & Food Limited (Retired in March 2015)</div> </div> <div> <div>August 2015</div> <div>Advisor of the Company</div> </div> <div> <div>March 2016</div> <div>Outside Director of the Company (present)</div> </div> <div> <div>May 2016</div> <div>Outside Director of Matsuya Co., Ltd. (present)</div> </div> <div> <div>June 2018</div> <div>Outside Director of Tokyo Broadcasting System Holdings, Inc. (currently TBS Holdings Co., Ltd.) (present)</div> </div> <div> <div>June 2019</div> <div>Board Member of Japan Volleyball Association (present)</div> </div> <div> <div>February 2021</div> <div>Outside Director of Kewpie Corporation (expected)</div> </div>	
		<p><Important concurrent positions outside the Company></p> <p>Outside Director of Matsuya Co., Ltd.</p> <p>Outside Director of TBS Holdings, Inc.</p> <p>Board Member of Japan Volleyball Association</p> <p>Outside Director of Kewpie Corporation (expected)</p>	
	Reason for the nomination as candidate for Outside Director	<p>Mr. Kashiwaki has appropriately engaged in decision-making and supervision with respect to management based on his abundant experience and professional perspective as a corporate manager in the information services industry. Also, as a chairman of the Nominating and Compensation Committee, he has striven to manage the active operation of the Committee, and has actively expressed opinions to improve the fairness and transparency of ASICS management.</p> <p>Based on these factors, the Company believes he will continue to appropriately supervise and advise the Board of Directors, and thus proposes his re-election as Outside Director.</p>	
	Matters regarding independence	<p>Because there is no relationship between the Company and Mr. Kashiwaki involving the receipt of cash, etc. other than the payment of compensation for Director, there is no risk of conflict of interest with ordinary shareholders.</p> <p>Although the Group has entered into official supplier contracts, etc. with Japan Volleyball Association, for which he acts as Board Member, for popularization and promotion of volleyball, he is not an executing person of the Association. Moreover, there is no conflict of interest between the Company and the other companies he serves concurrently.</p> <p>Therefore, Mr. Kashiwaki satisfies the Company's Independency Criteria and is deemed to be independent.</p> <p>The Company has notified the Tokyo Stock Exchange of his status as Independent Director. The Company intends to continue this notification if he is reelected.</p>	
	Limited liability contract	<p>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a contract limiting liability for damages provided for in Article 423, paragraph (1) with him. The maximum amount of liability for damages under the contract is the amount stipulated by laws and regulations.</p> <p>If he is reelected, the Company intends to extend this limited liability contract.</p>	

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions outside the Company	
4	<div> <div>Independent Outside Director</div> <div>Reappointment</div> <div>Independent Director</div> </div> <p>Kazuo Sumi (April 19, 1949)</p> <ul style="list-style-type: none"> • Number of years in office as Director: 3 years • Number of the Company's shares owned: 5,580 • Status of attendance to Board of Directors meeting: 12/13 (92.3%) 	<div> <div>April 1973</div> <div>Joined Hankyu Corporation</div> </div> <div> <div>June 2000</div> <div>Director, General Manager of Railway Business Division</div> </div> <div> <div>April 2002</div> <div>Director, General Manager of Railway Business Division and General Manager of Control Division</div> </div> <div> <div>June 2002</div> <div>Managing Director, in charge of Railway Business Division and Control Division</div> </div> <div> <div>June 2003</div> <div>President and Representative Director</div> </div> <div> <div>April 2005</div> <div>President and Representative Director of Hankyu Holdings, Inc.</div> </div> <div> <div>October 2006</div> <div>President and Representative Director of Hankyu Hanshin Holdings, Inc.</div> </div> <div> <div>October 2007</div> <div>Director of H2O RETAILING CORPORATION (present)</div> </div> <div> <div>March 2014</div> <div>Chairman and Representative Director of Hankyu Corporation (present)</div> </div> <div> <div>June 2017</div> <div>Chairman and Representative Director, Group CEO of Hankyu Hanshin Holdings, Inc. (present)</div> </div> <div> <div>March 2018</div> <div>Outside Director of the Company (present)</div> </div> <div> <div>May 2019</div> <div>Director of TOHO CO., LTD. (present)</div> </div> <div> <div>April 2020</div> <div>Director of TOKYO RAKUTENCHI Co., Ltd. (present)</div> </div>	
		<p><Important concurrent positions outside the Company></p> <p>Chairman and Representative Director, Group CEO of Hankyu Hanshin Holdings, Inc.</p> <p>Director of H2O RETAILING CORPORATION</p> <p>Director of TOHO CO., LTD.</p> <p>Director of TOKYO RAKUTENCHI Co., Ltd. (present)</p>	
	Reason for the nomination as candidate for Outside Director	<p>Mr. Sumi has appropriately engaged in decision-making and supervision with respect to management based on his abundant experience and professional perspective as a corporate manager in the passenger railway industry. Also, as a member of the Nominating and Compensation Committee, he has actively expressed opinions to improve the fairness and transparency of the Company's management.</p> <p>Based on these factors, the Company believes he will continue to appropriately supervise and advise the Board of Directors, and thus proposes his re-election as Outside Director.</p>	
	Matters regarding independence	<p>Because there is no relationship between the Company and Mr. Sumi involving the receipt of cash, etc. other than the payment of compensation for Director, there is no risk of conflict of interest with ordinary shareholders.</p> <p>There is no conflict of interest between the Company and the companies he serves concurrently.</p> <p>Therefore, Mr. Sumi satisfies the Company's Independency Criteria and is deemed to be independent.</p> <p>The Company has notified the Tokyo Stock Exchange of his status as Independent Director. The Company intends to continue this notification if he is reelected.</p>	
	Limited liability contract	<p>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a contract limiting liability for damages provided for in Article 423, paragraph (1) with him. The maximum amount of liability for damages under the contract is the amount stipulated by laws and regulations.</p> <p>If he is reelected, the Company intends to extend this limited liability contract.</p>	

No.	Name (Date of birth)	Career summary, positions and areas of responsibility in the Company, and important concurrent positions outside the Company	
5	<div> <div>Independent Outside Director</div> <div>Reappointment</div> <div>Independent Director</div> </div> <p>Makiko Yamamoto (May 29, 1971)</p> <ul style="list-style-type: none"> • Number of years in office as Director: 1 year • Number of the Company's shares owned: 597 • Status of attendance to Board of Directors meeting: 9/9 (100%) 	<div> <div>July 1995</div> <div>Joined TMI Associates</div> </div> <div> <div>October 2000</div> <div>Registered as attorney at law</div> </div> <div> <div>September 2005</div> <div>Simmons & Simmons LLP (London)</div> </div> <div> <div>September 2006</div> <div>TMI Associates</div> </div> <div> <div>February 2012</div> <div>Registered as Solicitor of England and Wales</div> </div> <div> <div>June 2012</div> <div>Simmons & Simmons LLP (London)</div> </div> <div> <div>September 2014</div> <div>TMI Associates</div> </div> <div> <div>January 2016</div> <div>Partner of TMI Associates (present)</div> </div> <div> <div>June 2016</div> <div>External Auditor of Starzen Co., Ltd. (retired in June 2020)</div> </div> <div> <div>April 2018</div> <div>Guest Professor of Musashino University (present)</div> </div> <div> <div>June 2018</div> <div>Outside Director of SIGMAXYZ Inc. (present)</div> </div> <div> <div>June 2019</div> <div>Outside Director (Audit & Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd. (present)</div> </div> <div> <div>March 2020</div> <div>Outside Director of the Company (present)</div> </div>	
		<p><Important concurrent positions outside the Company></p> <p>Attorney at Law (TMI Associates)</p> <p>Outside Director of SIGMAXYZ Inc.</p> <p>Outside Director (Audit & Supervisory Committee Member) of Musashi Seimitsu Industry Co., Ltd.</p>	
	Reason for the nomination as candidate for Outside Director	<p>Ms. Yamamoto has appropriately engaged in decision-making and supervision with respect to management based on her abundant experience and professional perspective related to international and corporate legal affairs as an international attorney at law. Also, as a member of the Nominating and Compensation Committee, she has actively expressed opinions to improve the fairness and transparency of the Company's management.</p> <p>Although she has not been directly involved in the management of a company other than as an outside director, the Company believes she is capable of appropriately fulfilling the duties of an Outside Director given her experience and expertise as referred to above.</p> <p>The Company believes Ms. Yamamoto will appropriately supervise and advise the Board of Directors, and thus proposes her election as Outside Director.</p>	
	Matters regarding independence	<p>Because there is no relationship between the Company and Ms. Yamamoto involving the receipt of cash, etc., there is no risk of conflict of interest with ordinary shareholders.</p> <p>Although the Company separately consigns legal work to other attorneys at law at TMI Associates, at which Ms. Yamamoto serves as Partner, the compensation paid by the Company to TMI Associates amounted to less than 1% of the law office's total compensation, which is the Independency Criteria for judging on independence. Therefore, TMI Associates does not fall in an organization that receives large amounts of money or other financial assets from the Group. Moreover, there is no conflict of interest between the Company and the other companies she serves concurrently.</p> <p>Therefore, Ms. Yamamoto satisfies the Company's Independency Criteria and is deemed to be independent.</p> <p>The Company has notified the Tokyo Stock Exchange of her status as Independent Director. The Company intends to continue this notification if she is reelected.</p>	
	Limited liability contract	<p>Pursuant to the provisions of Article 427, paragraph (1) of the Companies Act, the Company has entered into a contract limiting liability for damages provided for in Article 423, paragraph (1) with her. The maximum amount of liability for damages under the contract is the amount stipulated by laws and regulations.</p> <p>If she is reelected, the Company intends to extend this limited liability contract.</p>	

Notes:

1. There is no conflict of interest between each candidate for Director and the Company.
2. Hitoshi Kashiwaki, Kazuo Sumi and Makiko Yamamoto are candidates for Outside Directors.
3. The name in the family register of Makiko Yamamoto is Makiko Yasukawa.
4. The Company has concluded Director Liability Insurance naming each Director candidate as the insured.

Selection Criteria for Independent Outside Directors

In order to ensure proper corporate governance, the Company prescribes its own unique “Selection Criteria for Independent Outside Directors” concerning the aptitude and independency of Outside Directors. The contents of these provisions are as follows.

Article 1 (Requirements of Outside Directors)

1. The requirements of an Outside Director of the Company are prescribed herein.
2. The requirements of Outside Directors shall be satisfied at the time of election and during the period of office.

Article 2 (Requirements concerning the Aptitude of Outside Directors)

An Outside Director shall possess a proven track record, abundant experience and expertise as a corporate executive, attorney at law, certified public accountant, or an academic, as required to carry out business expansion at a global level while strengthening corporate governance in the Company and its subsidiaries and affiliates (hereinafter, the “Group”) that operate their businesses globally.

Article 3 (Requirements concerning the Independency)

1. In order to secure the Outside Directors’ independency from the Group, each of the following items shall be satisfied.
 - (1) The Outside Director shall have never been an officer or executive officer (hereinafter, “officer”), accounting advisor, or employee of the Group.
 - (2) The Outside Director shall not be and have not been over the past five years;
 - a. (i) A major shareholder of the Group (a shareholder who holds 10% or more of total voting rights, including indirect holding), or an employee, etc. (i.e., executive director or employee who executes business) of an organization that is a major shareholder of the Group
 - (ii) An employee, etc. of an organization for which the Group is a major shareholder
 - b. A main lender of the Group (a lender to whom the Group owes, at the end of respective fiscal year, the amount equivalent to or more than 2% of the value of the Company’s consolidated total assets), or an employee, etc. of a main lender of the Group (if the main lender is a corporate group, then the group shall satisfy this item; the same shall apply hereinafter)
 - c. An employee, etc. of a lead-manager securities company of the Group
 - d. (i) A major business partner of the Group (2% or more of consolidated net sales during one fiscal year) or an employee, etc. of a major business partner
 - (ii) A person for whom the Group is a major business partner or an employee, etc. of an organization for whom the Group is a major business partner
 - e. A person belonging to the auditing firm that is the accounting auditor of the Group
 - f. A person who receives from the Group large amounts of money or other financial assets (10 million yen or more in one fiscal year) as a consultant, accounting specialist or legal expert besides the compensation as an Outside Director, or a person belonging to an organization that receives large amounts of money or other financial assets (1% or more of net sales for one fiscal year of the aforesaid organization) from the Group
 - g. A person who receives a large donation (10 million yen or more in one fiscal year) from the Group or a person belonging to an organization that receives a large donation from the Group
 - h. A person in a reciprocal relationship with the Group concerning the status as officers
 - (3) The Outside Director shall not be a close relative (i.e., spouse or relative within two degrees of kinship) of the following persons.
 - a. A person who is currently or was an officer or important employee of the Group
 - b. A person who falls under any items listed in Sub-paragraph (2), Paragraph 1 of Article 3

(excluding unimportant employees and those who belong to such an organization)

2. Notwithstanding the Paragraph above, if a person is recognized as not having any conflict of interest with ordinary shareholders were the person to become an Outside Director, and unanimously agreed by other Outside Directors who satisfy the requirements stipulated in the Paragraph above, such person may be appointed Outside Director, pursuant to the Companies Act. In this case, such facts and the reasons for appointment shall be stated in the Reference Documents for General Meeting of Shareholders, the Securities Report and other relevant documents.

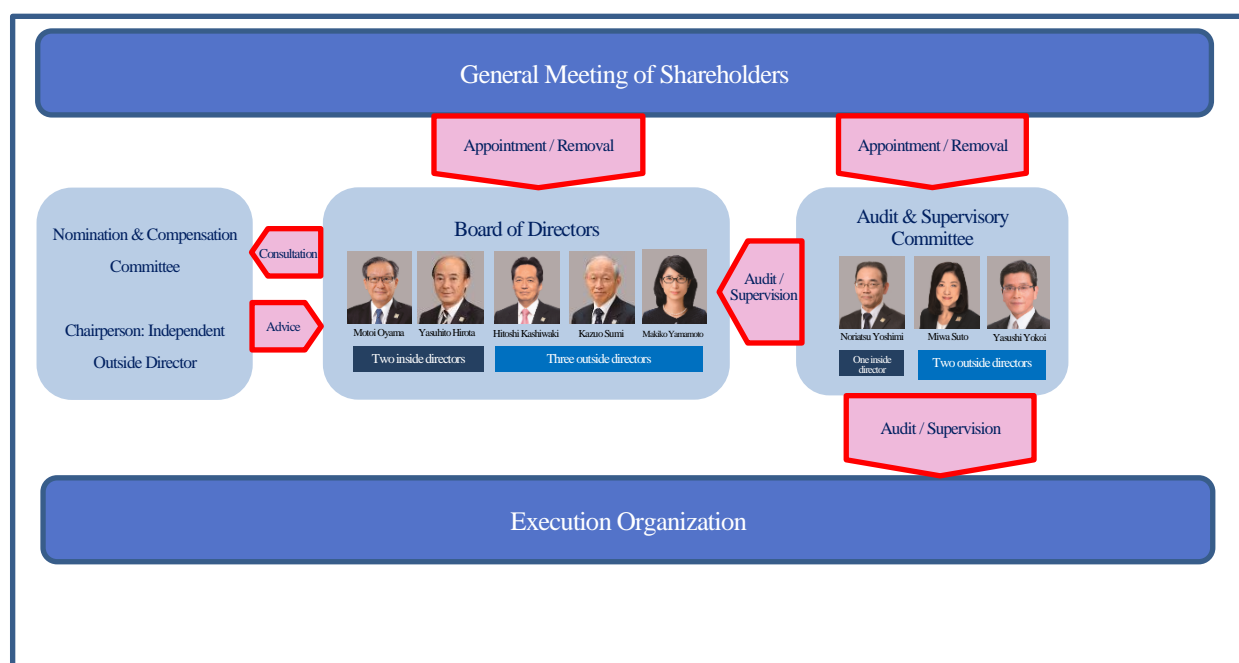
Measures on the Strengthening of Corporate Governance

The Company transitioned to a company with audit and supervisory committee upon approval by the resolution of the 66th Ordinary General Meeting of Shareholders held on March 27, 2020, and is endeavoring to increase corporate value over the medium to long term through strengthening the supervisory function of the Board of Directors with Outside Directors holding the majority, which will increase the vigilance of management leading to effective corporate governance, in addition to clearly separating the supervision and execution functions of management to promote prompt decision making.

In light of the fiduciary duties and accountability to the shareholders, the Company's Board of Directors is engaged in execution of important operations and Independent Outside Directors mainly are supervising the execution of operations in order to realize sustainable growth and increase corporate value over the medium to long term.

The Board of Directors is composed of eight Directors, the majority (five) of whom are Independent Outside Directors. Please note that the term of the office of Directors (excluding Directors who are Audit & Supervisory Committee Members) is one year, and the term of the office of Directors who are Audit & Supervisory Committee Members is two years, in order to clarify the management liability of each Director and to realize the management system that can swiftly respond to the changes in the management environment.

The Company's Audit & Supervisory Committee has the following roles from an independent and objective standpoint, in light of the fiduciary duty to the shareholders. The Audit & Supervisory Committee is composed of three members, with a majority of two Independent Outside Directors to further enhance functions of auditing and supervision.



Diversity on the Board of Directors

The Company believes that ensuring diversity on the Board of Directors will serve better management decisions for the sake of sustainable growth of the Company.

The eight Directors' expertise and experiences are as follows:

	Name	Gender	Position and areas of responsibility	Company Management	Finance/Accounting	Legal	Internationality
1	Motoi Oyama	Male	Representative Director & Chairman, CEO	●	●		●
2	Yasuhito Hirota	Male	Representative Director & President, COO	●			●
3	Hitoshi Kashiwaki	Male	Outside Director	●	●		
4	Kazuo Sumi	Male	Outside Director	●			
5	Makiko Yamamoto	Female	Outside Director			●	●
6	Noriatsu Yoshimi	Male	Director Full-time Audit & Supervisory Committee Member		●		●
7	Miwa Suto	Female	Outside Director Audit & Supervisory Committee Member		●		
8	Yasushi Yokoi	Male	Outside Director Audit & Supervisory Committee Member		●		

*The above list does not show the entire expertise or experiences of the Directors.

Evaluating Effectiveness of the Board of Directors

With the aim of further ensuring the effectiveness and enhancing the functionality of the Board of Directors, the Company implemented questionnaires (self-evaluation) for each Director and Audit & Supervisory Board Member. The results of the analysis and evaluation of the effectiveness of the Board of Directors for the fiscal year ended December 31, 2020 were reported to the Board of Directors, where it was the subject of intensive discussion.

Questionnaire subjects	All Directors
Period evaluated	January to December 2020
Evaluation items	(i) Operation of Board of Directors (ii) Deliberations at Board of Directors meetings (iii) Composition of members of the Board of Directors (iv) Exchange of opinions between Executive Officers and Directors (v) Nomination and compensation (vi) Activities of the Nominating and Compensation Committee (vii) Considering and incorporating the opinions of shareholders and stakeholders
Evaluation results and points to improve going forward	<p>We promoted more efficient operation of the Board of Directors by improving explanations given beforehand and regular reporting with regard to important matters presented at meetings, newly categorizing major issues for discussion, and information sharing from those responsible for each category to Outside Directors.</p> <p>Highly independent Outside Directors actively shared their observations based on their professional perspective to facilitate constructive discussions, in addition to which we strengthened the report of IR and SR activities so as to incorporate the opinions of shareholders. The evaluation concluded that the Board of Directors is adequately fulfilling its supervisory function.</p> <p>The Nominating and Compensation Committee met as appropriate and deliberated important matters such as the nomination of Directors and Executive Officers, evaluation of performance, and changes to the compensation system. The Board of Directors respects these opinions, thus ensuring fairness and transparency.</p> <p>At the same time, it was recognized that progress status reporting on important matters at the Board of Directors, exchange of opinions between Outside Directors and Executive Officers, and deliberations on diversity on the Board of Directors and succession planning should be further strengthened.</p> <p>Going forward, we will work to implement these matters for improvement, ensuring the further effectiveness and enhancing the functionality of the Board of Directors.</p>

Nominating and Compensation Committee

The Company has established a Nominating and Compensation Committee in order to ensure fairness and transparency in relation to the nomination of Directors and Executive Officers, and in relation to determining their compensation. The majority of the members of the Nominating and Compensation Committee are independent Outside Directors, and the Board of Directors respects the opinions of the Nominating and Compensation Committee when it resolves to determine the nomination and compensation of Directors and Executive Officers.

The Committee's chair is appointed from among the Independent Outside Directors by resolution of the Nominating and Compensation Committee.

As of the end of this General Meeting of Shareholders, the composition of the Nominating and Compensation Committee is as follows.

Composition of committee members (expected)

(Independent Outside Directors)

- Hitoshi Kashiwaki (Chair) · Kazuo Sumi
- Makiko Yamamoto · Miwa Suto · Yasushi Yokoi

(Internal Directors)

- Motoi Oyama, Chairman and CEO, Representative Director
- Yasuhito Hirota, President and COO, Representative Director

(Overview of activities in 2020)

Number of meetings held: 5

Major items deliberated

- Performance evaluation and performance-based bonuses for Directors and Executive Officers in the fiscal year ended December 31, 2019
- Setting targets for Directors and Executive Officers in the fiscal year ended December 31, 2020
- Selection of candidates for Director/Executive Officer
- Consideration of compensation system for Directors/Executive Officers
- Consideration of succession planning

Provision of information to Outside Directors

The Company creates opportunities to provide information so that each Director is able to fulfill their roles and responsibilities appropriately. In the case of Outside Directors, in addition to giving explanations beforehand regarding important matters presented at meetings of the Board of Directors, the Company provides opportunities to enable them to understand the unique characteristics of its business, such as by explaining the Company's business strategy, visiting trade exhibitions and the Institute of Sports Science, and attending financial results briefing.

Examples of Outside Director activities in 2020

- Exchanging opinions with the Chairman and President at individual meetings
- Exchanging opinions with those responsible for each category
- Attending financial results presentation meetings for investors
- Observing the 2021 Autumn/Winter Product Exhibition
- Attending the new product release event (online)
- Observing the Sports Science Institute