July 2026

Asics Corporation

TYO: 7936

Current price **¥4,753**

Sector **Consumer Discretionary**

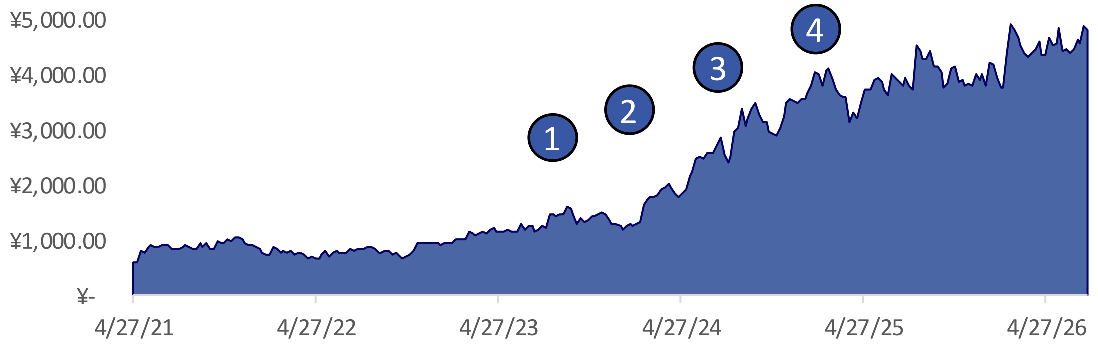
DealLens

Company Overview

BUSINESS DESCRIPTION

ASICS is a global sportswear company founded in 1949 and headquartered in Kobe, Japan. It designs, manufactures, and markets athletic footwear and sports equipment, generating revenue primarily through the sale of performance and lifestyle products via wholesale, retail, and e-commerce channels. The company operates in more than 170 countries and is listed on the Tokyo Stock Exchange (7936).

SHARE PERFORMANCE & KEY EVENTS

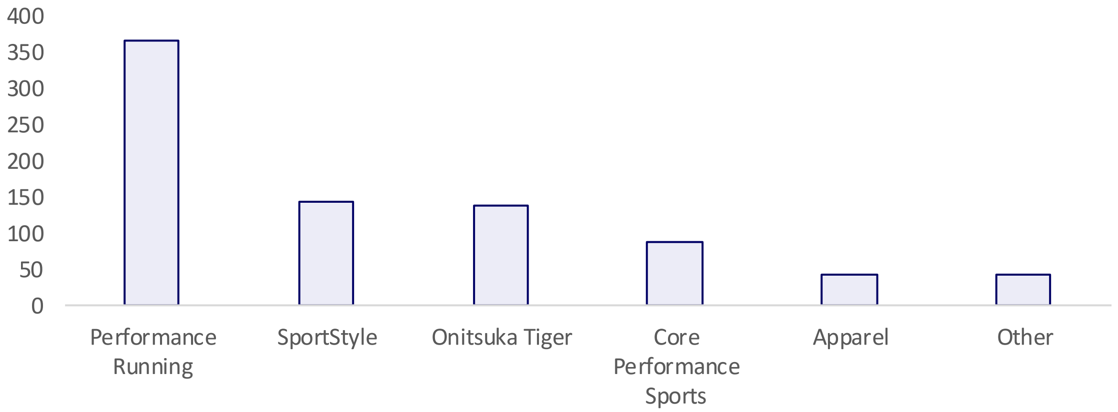


1. Raised FY2023 earnings guidance after strong H1 results	
2. Reported record FY2023 earnings and announced a ¥50bn ($306M) share buyback.	
3. Upgraded FY2024 profit guidance following record Q2 results.	
4. Delivered record FY2024 results and raised FY2025 guidance.	

PRODUCTS & SEGMENTS

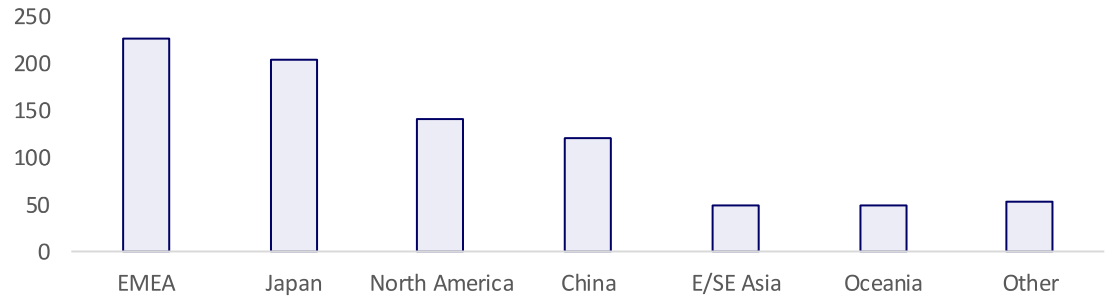
Performance Running	Provides high-performance footwear and equipment specifically designed for various types of runners
Core Performance Sports	Offers technical footwear for competitive sports other than running (tennis, handball…)
SportStyle	Lifestyle products that combine sports technology with fashion to encourage activity in daily life
Apparel	Develops functional sportswear and accessories, following a "head-to-toe" approach for athletes
Onitsuka Tiger	Operates as a premium luxury lifestyle brand that blends heritage designs with contemporary fashion

REVENUE BY INDUSTRY GROUPS (FY25 in Bn of JPY)



Company Overview

REVENUE BY GEOGRAPHY (FY25 in Bn of JPY)



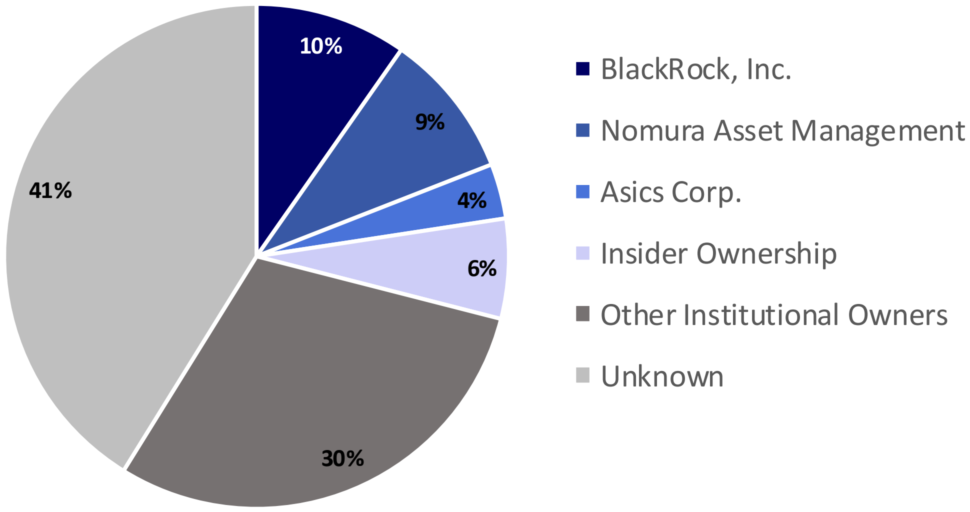
LEADERSHIP

Yasuhito Hirota
Chairman & CEO

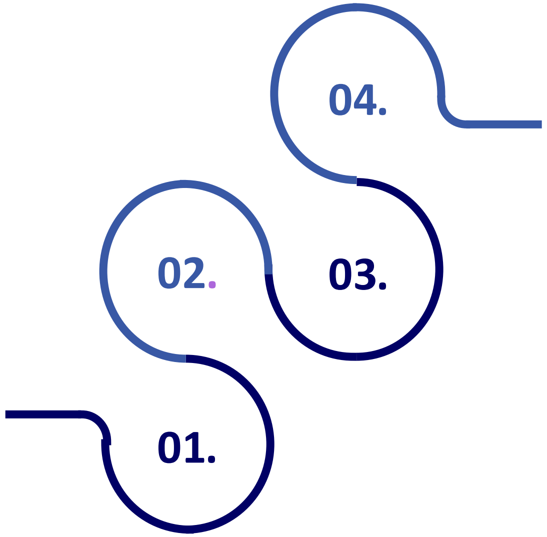
Mitsuyuki Tominaga
President & COO

Shinji Senda
Executive Vice President

OWNERSHIP



MILESTONES



1949 — Company Founded
Founded by Kihachiro Onitsuka in Kobe, Japan, aiming to promote youth health through sports.

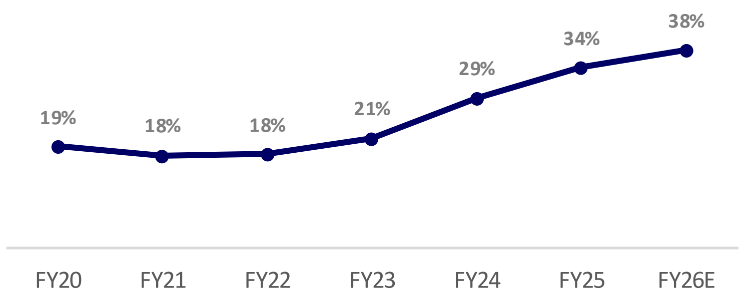
1977 – ASICS Formation
Merged with GTO and JELENK in 1977 to create **ASICS Corporation**.

1980 — Global Expansion
Expanded internationally through the 1980s–2000s, becoming a leading global performance running brand.

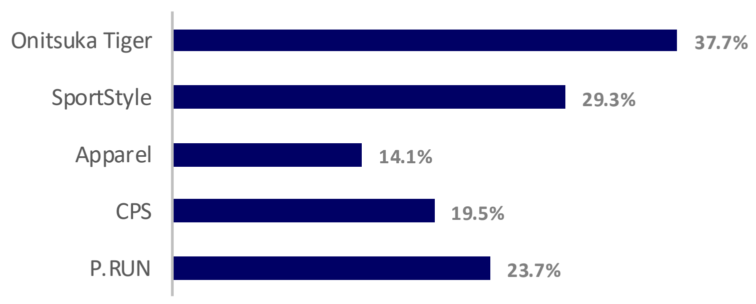
2025 — Record Performance
ASICS achieved record profitability, driven by global leadership in performance running and premium footwear.

Catalysts

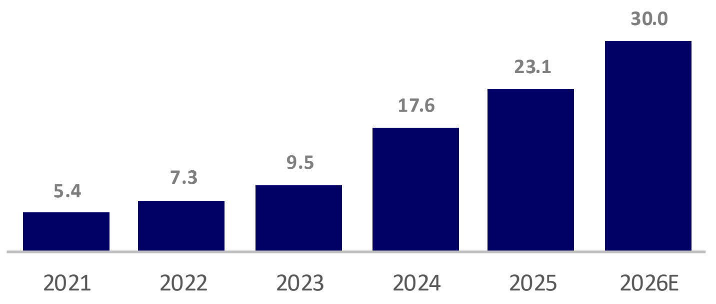
SPORTSTYLE + ONITSUKA TIGER GAINING SHARE



CATEGORY PROFIT MARGIN, FY25



ONEASICS MEMBERS (MILLIONS)



FOUR CATALYSTS FOR THE ROAD AHEAD

37.6%
of FY26 plan sales from SportStyle + Onitsuka Tiger, vs 28.6% in FY24

01 Premium mix shift

- SportStyle (29.3%) and Onitsuka Tiger (37.7%) post the highest category margins in the group, above the 17.6% group average.
- Both categories grew over 40% year on year in FY25 and passed ¥100Bn in sales for the first time. As these categories keep outgrowing P.RUN, mix shift alone lifts group profitability.

US$100M
sales target in each Southeast Asian market under the 2026 "Year of Asia" push

02 Asia and global growth

- FY25 growth: Japan +34.7%, Southeast & South Asia +33.4%, Greater China +19.9%.
- Aichi-Nagoya 2026 and marathon sponsorships are being used to build brand presence across the region.
- Five straight years of revenue and profit growth through FY25, with momentum carrying into 2026.

30M
OneASICS membership target for 2026, vs 23.1M in FY25 and 5.4M in 2021

03 OneASICS ecosystem

- Running ecosystem recently expanded via acquisitions in Thailand and Spain.
- The "Sydney model" lifted average participant spend 62% above the regional average and is being rolled out globally.
- Deepens first-party data and supports direct-to-consumer, already close to 20% of sales.

¥80.5Bn
free cash flow in FY25, funding reinvestment and shareholder returns

04 Capital discipline

- Interest-bearing debt kept falling, down to ¥98.5Bn from ¥132.1Bn a year earlier.
- Progressive dividend policy plus buybacks, with the payout ratio still only around 20%.
- A dedicated task force reporting to the President is shaping capital allocation for the next mid-term plan.

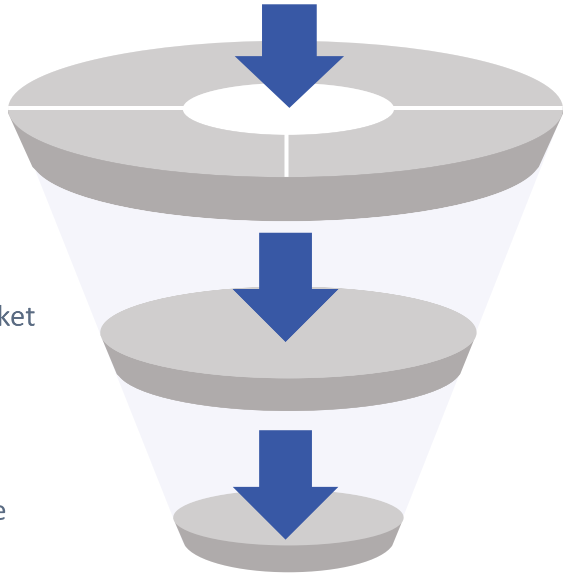
Industry Analysis

MARKET

TAM
Global Sportswear Market
¥95 Tn ($580.64 Bn)

SAM
Global Athletic Footwear Market
¥22 Tn ($134.46 Bn)

SOM
ASICS FY25 Footwear Revenue
¥650 Bn ($4.48 Bn)



PORTER'S FIVE FORCES

Competitive rivalry Although competition is harsh, ASICS differentiates itself through technical innovation and brand value rather than price competition. categories	HIGH
Threat of new entrants Entry barriers exist due to a massive intellectual property portfolio of 1,657 patents and the specialized research capabilities, operational efficiencies have also been created.	MODERATE
Supplier power While ASICS relies on external contract factories, it exerts control through strict sustainability standards (100% Tier 1 compliance) and its Green Procurement Policy	MODERATE
Buyer power No customer accounts for 10% or more of total sales, and the expansion of Direct-to-Consumer (DTC) channels (now over 40% of sales) reduces wholesale dependency	MODERATE
Threat of substitutes ASICS mitigates the shift toward casual fashion by strengthening its SportStyle and Onitsuka Tiger brands, which capture daily lifestyle demand	MODERATE

EVENTS

Dec 2025 – ASICS reached its 2026 strategic financial goals, hitting record sales and profit margins due to consistent growth across all global categories and regions.

2025 – ASICS accelerated its digital strategy by acquiring race registration companies in Spain and Thailand to increase touchpoints with runners.

Jan 2026 – The company opened a dedicated production to blend traditional craftsmanship with advanced technology and solidify Onitsuka Tiger's status as a global luxury brand

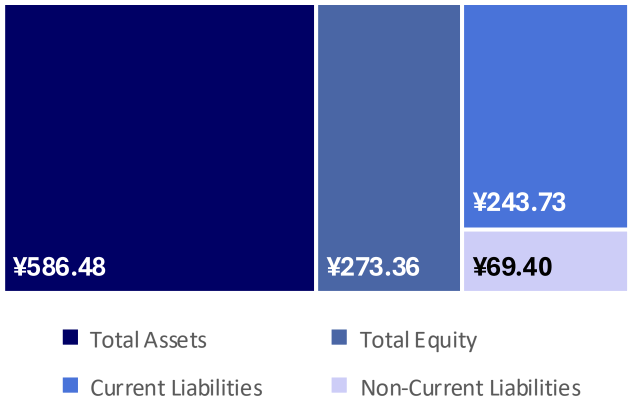
STRUCTURAL DRIVERS

- **Shift in consumer values toward holistic health:** There is a growing global trend of people seeking active lifestyles and a preference for casual "athleisure" fashion.
- **Digitalization and AI-driven personalization:** The industry is being reshaped by unified data platforms and AI that enable personalized customer experiences.
- **Sustainability as a core operational requirement:** Protecting the environment through net-zero goals and circular business models has become essential for long-term industry competitiveness

Investment Thesis

BALANCE SHEET

Overview (FY 25)



Key Ratios (FY 25)

Debt to Equity (D/E): **36.25%**

Debt Ratio: **16.8%**

Total Debt to EBIT: **0.69x**

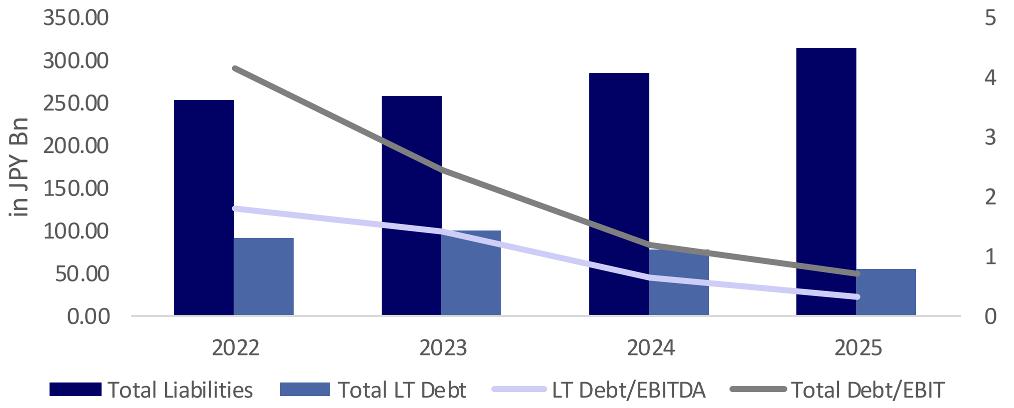
Interest Coverage (TIE): **x28.25**

Days Payable Outstanding: **59.5 days**

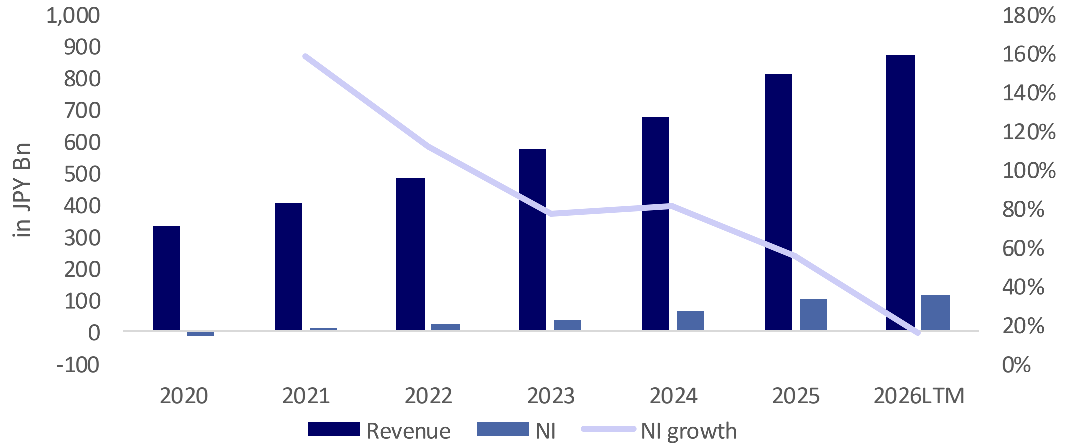
Days Sales Outstanding: **35.14 days**

Days Inventory on hand: **153.97 days**

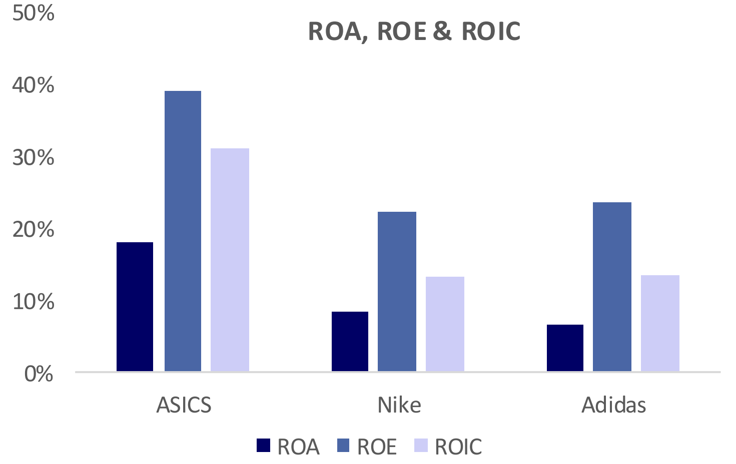
Liabilities & Debt

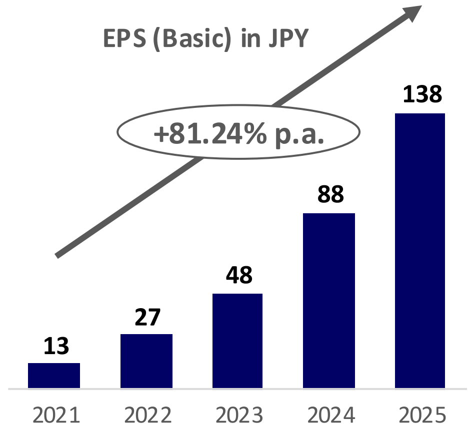


REVENUE & NET INCOME



RETURNS (FY 25)





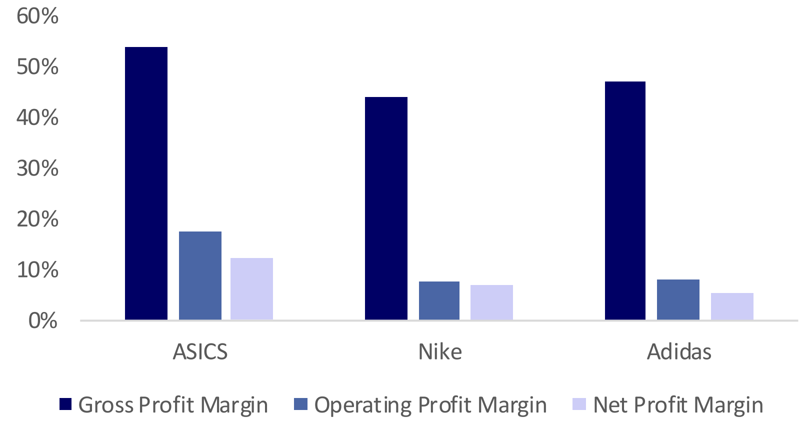
For educational purposes only. Not investment advice.

DealLens

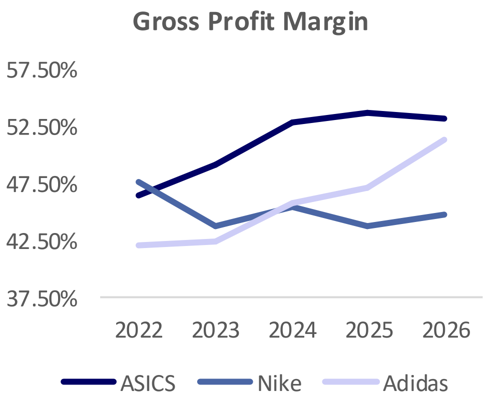
Investment Thesis

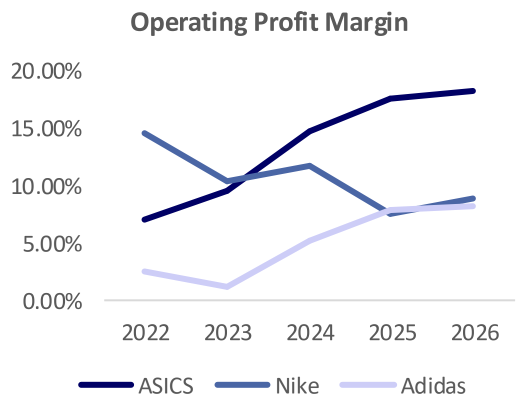
PROFITABILITY

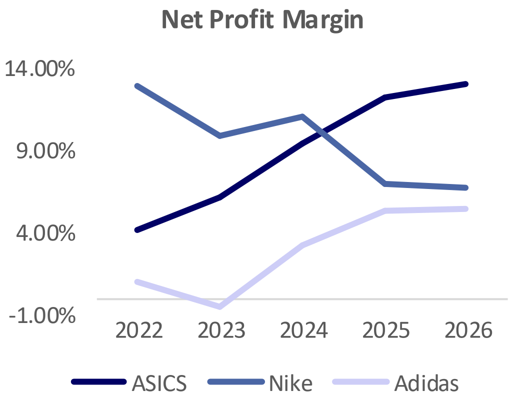
Margins (FY 25)



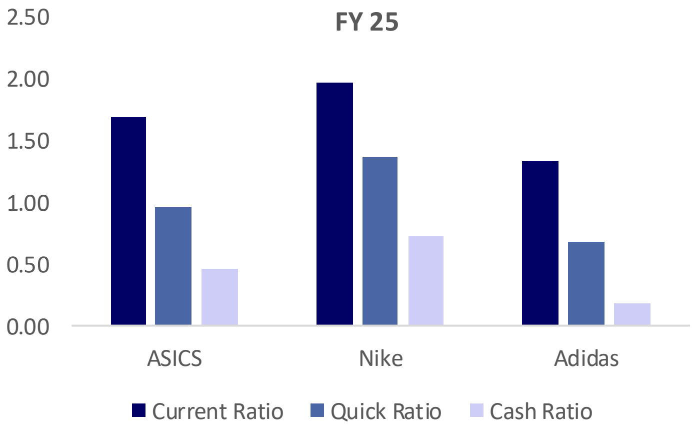
Margins Evolution

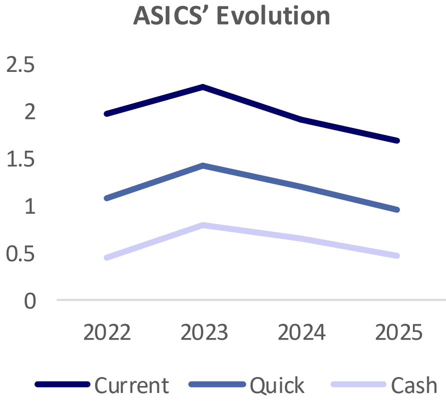






LIQUIDITY





KEY TAKEAWAYS

Returns: FY25 ROE and ROA run far ahead of Nike and Adidas, alongside conservative leverage (net debt/EBIT 0.69x, interest coverage 28.3x). ROIC doubles Nike and Adidas.

Margin leadership: FY25 gross (53.7%), operating (17.6%) and net (12.2%) margins lead the peer set, and the gap has widened while Nike's and Adidas's margins didn't.

Liquidity: The current ratio has drifted down from 2.25x (2023) to 1.68x (2025) as growth absorbs working capital, still above Adidas (1.32x) though below Nike (1.96x).

Compounding growth: Revenue grew from ¥328.9Bn (2020) to ¥810.9Bn (2025) while EPS grew at +81% p.a., helped by long-term debt falling from ¥100.4Bn (2023) to ¥55.0Bn (2025).

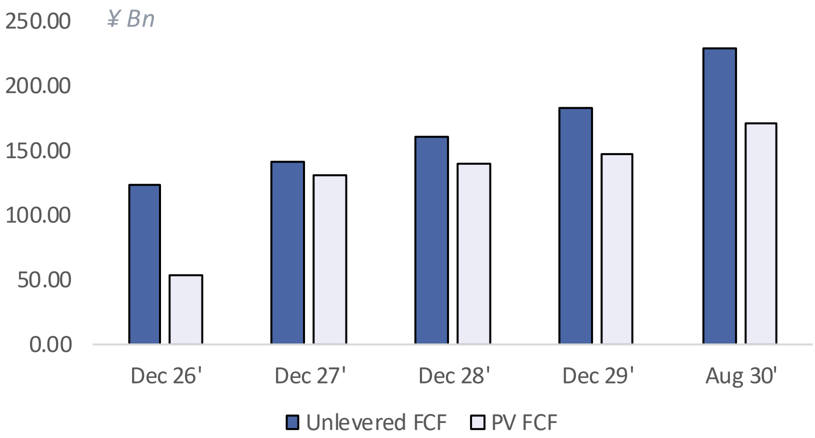
Valuation (DCF)

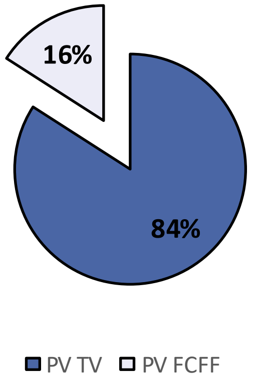
WACC BUILD-UP

Risk-free rate (*10y Japan Bond*)	2.74%
Beta*	1.0000
Equity risk premium*	5.03%
Cost of equity	7.77%
After-tax cost of debt	3.58%
WACC	**7.65%**

(*) FactSet

FREE CASH FLOW PROJECTION





Terminal value **¥4,539Bn**

TV % of equity **84%**

Forecast period **2026–2030**

VALUATION

DCF Output

Enterprise Value	4,036 ($24.66 Bn)
(-) Debt	99
(+) Cash	112.3
Equity Value	4,050 ($24.7 Bn)
FDSO	0.70
Implied Price per Share	**¥ 5,801.97**
Current Price	¥ 4,753
Potential Upside	22.07%

JPY Bn except Implied Price per Share

Sensitivity Analysis

		TGR				
		2.00%	2.25%	2.50%	2.75%	3.00%
WACC	8.15%	¥4,917.98	¥5,096.76	¥5,291.36	¥5,503.98	¥5,737.25
	7.90%	¥5,124.60	¥5,320.53	¥5,534.60	¥5,769.46	¥6,028.29
	7.65%	¥5,349.96	¥5,565.50	**¥5,801.97**	¥6,062.57	¥6,351.20
	7.40%	¥5,596.68	¥5,834.77	¥6,097.16	¥6,387.77	¥6,711.41
	7.15%	¥5,867.87	¥6,132.06	¥6,424.67	¥6,750.53	¥7,115.67

Implied Share Price:

Cons. case (WACC=8.15% & TGR=2%):

¥4,551.46

Base case (WACC=7.65% & TGR=2.5%):

¥5,801.97

Opt. case (WACC=7.15% & TGR=3%):

¥7,705.51

(Assuming also changes in Revenue & EBIT)

For educational purposes only. Not investment advice.

DealLens

Valuation (Trading Comparables)

PEERS

Company Name	Revenue Growth '23-'24	Revenue Growth '24-'25	EBITDA Margin '24	EBITDA Margin '25	Profit Margin '24	Profit Margin '25
Asics	19%	19%	18%	21%	9%	12%
Mizuno	5%	8%	10%	10%	6%	7%
ANTA Sports	20%	12%	28%	28%	14%	20%
Nike	(8%)	1%	9%	11%	12%	7%
Adidas	19%	8%	10%	12%	3%	5%
Under Armour	(4%)	(5%)	6%	5%	(4%)	(10%)
XEBIO Holdings	3%	1%	5%	4%	0%	(0%)
Puma	5%	(10%)	10%	0%	3%	(9%)
On Holdings	42%	36%	14%	17%	10%	7%
Mean	**6%**	**2%**	**11%**	**10%**	**5%**	**3%**
Median	**4%**	**5%**	**10%**	**10%**	**5%**	**6%**

PEER MULTIPLES

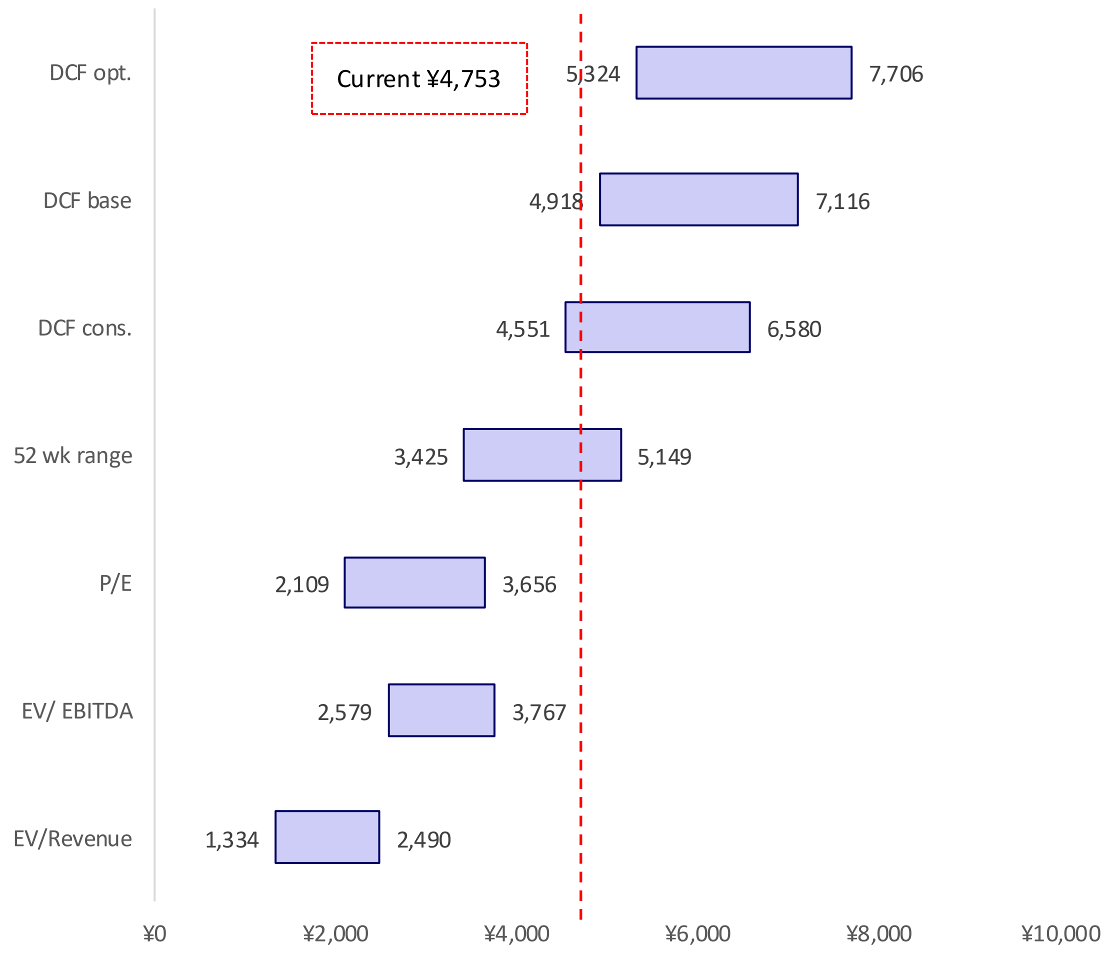
Company Name	EV / Revenue '24	EV / Revenue '25	EV / EBITDA '24	EV / EBITDA '25	P / E '24	P / E '25
Asics	4.9x	4.1x	27.6x	19.9x	53.9x	34.9x
Mizuno	1.1x	1.0x	11.1x	10.0x	18.4x	15.3x
ANTA Sports	2.6x	2.3x	9.4x	8.3x	22.8x	14.1x
Nike	1.5x	1.5x	16.0x	13.7x	12.3x	21.4x
Adidas	1.7x	1.5x	16.2x	12.3x	48.1x	26.5x
Under Armour	0.7x	0.8x	12.2x	16.1x		
On Holdings	4.7x	3.4x	34.4x	20.6x	48.9x	55.5x
Mean	**2.0x**	**1.8x**	**16.5x**	**13.5x**	**30.1x**	**26.6x**
Median	**1.5x**	**1.5x**	**12.2x**	**12.3x**	**20.6x**	**18.3x**

VALUATION

	2025 Trading Multiple			2025 Financial Metric		Implied Enterprise Value		Implied Equity Value			Implied Share Price		
	Revenue	EBITDA	P/E	Revenue	EBITDA	Revenue	EBITDA	Revenue	EBITDA	Net Income	Revenue	EBITDA	Net Income
P25	1.1x	10.6x	15.3x	810,920	168,440	917,996	1,787,479	931,734	1,801,217	1,472,503	¥ 1,334.31	¥ 2,579.47	¥ 2,108.73
Mean	1.8x	13.5x	26.6x	810,920	168,440	1,424,785	2,277,253	1,438,523	2,290,991	2,558,714	¥ 2,060.06	¥ 3,280.86	¥ 3,664.26
Median	1.5x	12.3x	18.3x	810,920	168,440	1,177,265	2,074,792	1,191,003	2,088,530	1,765,891	¥ 1,705.60	¥ 2,990.92	¥ 2,528.88
P75	2.1x	15.5x	26.5x	810,920	168,440	1,724,700	2,616,712	1,738,438	2,630,450	2,552,721	¥ 2,489.56	¥ 3,766.99	¥ 3,655.67

Valuation

IMPLIED VALUATION RANGE



SYNTHESIS

Comps set a lower anchor: Trading multiples imply ¥1,334-3,767, below the ¥4,753 current price, with only the top of the range coming close.

52wk range: Reflects ASICS' growth in the last year rather than a stable anchor.

DCF: ¥4,551-7,706 across, with the base case (WACC 7.65%, TGR 2.5%) at ¥5,802, 22% above the current price.

Thesis: The DCF's upside and the comps' downside point in opposite directions. The case only holds if ASICS keeps compounding margin and mix gains faster than the peer set.

MODEL RISKS

MRP: MRP is sourced from FactSet. If it were to be higher WACC would rise.

TV: The PV of Terminal Value represents roughly 87% of the ¥4,036bn EV. This makes the model highly sensitive to small changes in WACC or TGR. The base case assumes a 2.5% TGR, lowering TGR to 1.5% reduces the implied share price from ¥5,801.97 to ¥ 4,971.46.

NWC: NWC as % of sales is flat-lined at the historical average for FY26-FY30. If NWC grows faster, FCF drops each year and the DCF valuation falls.

Peers limitation: The set blends mature peers (Nike, Adidas) with a high-growth companies such as On Holdings. Under Armour's negative earnings exclude it from the P/E comparison.

DCF limitations: The DCF cannot capture qualitative or event-driven factors.

Risks & Mitigants

	Description	Mitigants
FX & yen strength	About 80% of net sales are generated overseas, so a stronger yen against the dollar, euro or renminbi mechanically shrinks reported yen revenue and profit, even if local-currency sales hold up.	A dedicated global treasury function centralizes cash management and continuously reviews hedging policy as exposure to less liquid EM currencies grows.
SportStyle / OT momentum	SportStyle and Onitsuka Tiger grew over 40% in FY25 and now drive much of the margin story, but both ride fashion cycles that can fade faster than performance running demand.	P.RUN still anchors ~45% of sales, and SportStyle now runs dedicated merchandising and marketing staff across all 12 regional operating companies to spot and react to shifting trends quickly.
Supply chain & tariffs	ASICS manufactures through external contract factories concentrated in a handful of countries, exposing it to tariffs, rising protectionism and geopolitical disruption to sourcing and logistics.	100% of Tier 1 supplier factories meet ASICS' standards, reinforced by 106 factory audits in FY25 and the TrusTrace traceability program, plus closer data integration with production and logistics partners.
Key-person & succession	The current turnaround leans on a small group of executives whose decisions rely on tacit experience. Risk of the knowledge not being passed down as growth continues.	The Nomination and Compensation Committee is building succession plans for key roles, backed by restricted share pay and regular third-party Board reviews.

Executive Summary

BUY — Price target ¥5,802 (+22.07%)

ASICS trades at ¥4,753 despite already delivering record margins. Base-case DCF points to ¥5,802 (+22%), powered by the shift toward SportStyle and Onitsuka Tiger and continued delivery of Mid-Term Plan 2026.

INVESTMENT THESIS

Solid margins

Gross margin of 53.7% and net margin of 12.2% in FY25, with operating margin nearly tripling from 7.0% (2022) to 17.6%.

Clean balance sheet

D/E of 36.3%, total debt/EBIT of 0.69x and interest coverage of 28.3x leave room to keep funding growth and shareholder returns.

Priced for execution

Peer multiples imply ¥1,334-3,767 (below today's price). DCF case only holds if ASICS keeps outgrowing the peer set. Great ROIC compared to peers.

Structural tailwind

SportStyle and Onitsuka Tiger each grew over 40% in FY25 and approach 38% of planned FY26 sales, while OneASICS (23M members, 30M target) extends the growth runway.