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(Securities Code: 8114)

May 31, 2018

To Our Shareholders:

NOTICE OF THE 61ST ANNUAL GENERAL MEETING OF SHAREHOLDERS

You are cordially invited to attend the 61st Annual General Meeting of Shareholders of DESCENTE LTD. (the "Company") to be held as described below.

If you are unable to attend the meeting in person, you may exercise your voting rights in writing (by mail). Please review the attached Reference Documents for the Annual General Meeting of Shareholders and exercise your voting rights by 5:30 p.m. on Wednesday, June 20, 2018.

1. Date and Time: Thursday, June 21, 2018, at 10:00 a.m.

2. Place: Descente Osaka Office, Hall B1 floor, 1-11-3 Dogashiba, Tennoji-ku, Osaka

3. Meeting Agenda:

Matters to be reported:

1. Operations Report, Consolidated Financial Statements for the 61st Business Term (from April 1, 2017, to March 31, 2018)
2. Audit Report concerning Consolidated Financial Statements by the Accounting Auditor and the Audit Board

Matters to be resolved:

Proposal 1: Appropriation of Surplus

Proposal 2: Election of Ten Directors

Reference Documents for the Annual General Meeting of Shareholders

Proposals and References

Proposal 1: Appropriation of Surplus

Considering the Company's performance for the fiscal year ended March 31, 2018 and future business development, the year-end dividend for the fiscal year ended March 31, 2018, is proposed to be as following.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

¥23 per share of common stock of the Company

Total amount of dividends: ¥1,733,574,308

(3) Effective date of dividends from surplus

Friday, June 22, 2018

Proposal 2: Election of Ten Directors

The terms of office of all of the ten current directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of 10 directors is proposed.

The candidates for directors are as indicated below.

No.	Name (Date of birth)	Positions and responsibilities at the Company, and significant concurrent positions	Number of shares of the Company held
1	Ichiro Nakamura (August 5, 1955)	<p>April 2014 Senior Managing Executive Officer of ITOCHU Corporation, Chief Executive Officer of Latin America and Chief Executive Officer & President of Itochu Brazil S.A</p> <p>April 2016 Advisor of ITOCHU Corporation (to present)</p> <p>June 2016 Director, Chairman (to present)</p>	5,000
	Reasons for nomination as a candidate for Director	<p>Mr. Nakamura has abundant international business experience and knowledge accumulated as the Senior Managing Executive Officer at the general trading company, ITOCHU Corporation. Since 2016, as the Chairman, he has been making appropriate decisions on the management of the entire Descente group as well as supervision of the business of other Directors. We consider that he realizes put management philosophy and his global perspectives will be able to carry out advanced proposals and management oversight for its management. For that reasons, we nominate him for the position of Director.</p>	

2	Masatoshi Ishimoto (March 30, 1962)	June 2008 Director of the Board June 2013 President and Representative Director (to present) September 2016 Director of the Board of Descente Japan Ltd. (to present)	932,135
	Reasons for nomination as a candidate for Director	Since 2013, Mr. Ishimoto has implemented a variety of changes, including the establishment of the global headquarters, the development of business in China, mainly by the joint ventures and as President and Representative Director of the Company. He has made approximate decisions on important business execution, such as strengthening our global business and overseeing the execution of duties of other Directors. We consider that he will carry out further global business strategies of our group and realize our management philosophy and the foundation spirit. For that reasons, we nominate him for the position of Director.	
3	Yoshikazu Tanaka (March 11, 1957)	June 2007 Director of the Board April 2017 Director, Senior Managing Executive Officer CPO le coq sportif, arena & Munsingwear Brand Management, Hong Kong Office, R&D Center (to present)	35,800
	Reasons for nomination as a candidate for Director	Mr. Tanaka has extensive experience and insight for marketing and manufacturing. In addition to that he has made appropriate decisions on important business execution as Senior Managing Executive Officer and Chief Product Officer. We consider that he will fulfil believes that he will fulfill our management philosophy and will continue our brand business strategy. For that reasons, we nominate him for the position of Director.	
4	Hisashi Mitsui (October 12, 1954)	June 2008 Director of the Board April 2017 Director, Managing Executive Officer President and CEO, Descente Japan Ltd. (to present)	33,000
	Reasons for nomination as a candidate for Director	Mr. Mitsui has extensive experience and insight as responsible for the domestic sales division, and has made appropriate decisions on important business execution and supervising the execution of duties as a Director, Managing Executive Officer, President and CEO of Descente Japan Ltd. such as making significant improvements in the profitability of the Japanese business. We consider that he will fulfil our management philosophy and implement a further business strategy in Japan. For that reason, we nominate him for the position of Director.	
5	Hitoshi Haneda	June 2000 Director of the Board	16,300

	(May 21, 1955)	April 2017 Director, Managing Executive Officer CSO Global Planning, Operations & Business Development (to present)	
	Reasons for nomination as a candidate for Director	Mr. Haneda has extensive experience and insight as director of overseas business and overseas subsidiaries, and has been appropriately conducting a decision on important business execution matters, such as the promotion of important business execution, and promotion of global management as CSO. We consider that he will fulfill our management philosophy and will able to formulate strategies for the entire Group and carry out its global business strategy. For that reasons, we nominate him for the position of Director.	
6	Kenichi Tsujimoto (December 30, 1955)	June 2001 Director of the Board April 2017 Director, Managing Executive Officer CFO Administration Director, Managing Executive Director, Descente Japan Ltd. Administration (to present)	20,400
	Reasons for nomination as a candidate for Director	Mr. Tsujimoto has extensive experience and insight as a head of the Human Resources and General Affairs and Accounting Department, and has made appropriate decisions on important business matters and supervising the execution of duties, such as supervising the general staff of the management department. We consider that he will fulfill our management philosophy and will able to carry out its global business strategy and support the promotion. For that reasons, we nominate him for the position of Director.	
7	Hoon-Do Kim (October 1, 1968)	June 2014 Director of the Board (to present) January 2010 President and CEO, DESCENTE KOREA LTD. (to present) January 2015 President and CEO, DESCENTE GLOBAL RETAIL LTD. (to present) April 2017 Director, Managing Executive Officer DESCENTE Brand Management (to present)	1,000
	Reasons for nomination as a candidate for Director	Mr. Kim has extensive experience and insight as responsible for the business in South Korea, and has made appropriate decisions on important business matters and supervising the execution of duties, such as becoming a driving force for the expansion of the global business of the Company as a Director,	

		Managing Executive Officer and president of DESCENTE KOREA LTD. We consider that he will realize our management philosophy and will be able to fulfill our global business strategy especially in Korea. For that reasons, we nominate him for the position of Director.	
8	Motonari Shimizu (February 3, 1964)	June 2016 Director of the Board (to present) (significant concurrent position) April 2018 Executive Officer, Chief Operating Officer, Apparel Division (to present)	-
	Reasons for nomination as a candidate for Director	Mr. Shimizu has extensive experience in China and insight of textile and fashion apparel gained from general trading company. Since 2016, he has been making appropriate decisions on the importance of management of the entire Group and supervising the execution of duties. We consider that he will fulfill our management philosophy and will able to propose and supervise our Company's management based on its expertise and global perspective. For that reasons, we nominate him for the position of Director.	
9	Masako li (February 8, 1963)	June 2013 Outside Director of the Board (to present) (significant concurrent position) April 2005 Professor Graduate School of Economics, School of International and Public Policy (to present)	-
	Reasons for nomination as a candidate for Outside Director	Ms. li has been making appropriate decisions on management and supervising the execution of duties by directors from a wide range of experience and knowledge as a university professor. In addition to that she has abundant experience as her position of the Executive Committee of the Japan Broadcasting Corporation, the member of the Tax Commission, Cabinet Office, and a member of the Science Council of Japan. We consider that she can continuously provide the proper supervision and advice to the Company's management. For that reasons, we nominate her for the position of Outside Director.	
10	Ungyong Shu (October 19, 1962)	June 2017 Outside Director of the Board (to present) (significant concurrent position) November 2013 President and Chief Executive Officer of Core Value Management Company, Limited (to present) June 2015 Director, The Dai-ichi Life Insurance Company, Limited (to present)	-

	Reasons for nomination as a candidate for Outside Director	Mr. Shu has abundant experience and high insights as the management of the financial institution. Based on his objective, he has made appropriate decisions on management from neutral and global perspective. We consider that he can continuously provide appropriate supervision and advice to the Company's management. For that reasons, we nominate him for the position of Outside Director.
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(notes)

1. Masako li's name on the family register is Masako Kassai.
2. Ms. Masako li and Mr. Ungyong Shu are the candidates for independent outside directors of the Board.
3. The following items are related to candidates for the independent outside directors.

(1) Term of office as an independent outside director

Ms. Masako li : 5 years at the conclusion of this meeting

Mr. Ungyong Shu: 1 year at the conclusion of this meeting.

(2) Summary of the Limited Liability Contract

The Company has concluded a liability limitation contract with Ms. Masako li and Mr. Ungyong Shu in accordance with Article 427, Paragraph 1 of the Japanese Companies Act. The maximum amount of liability under the aforementioned contract shall be the amount prescribed in above law. If the two are reappointed, we will continue the limited liability agreement with them.

- (3) Both Ms. Masako li and Mr. Ungyong Shu are to be appointed as an independent officer as defined by the Tokyo Stock Exchange. If both are reappointed, we will continue to designate them as independent directors.

Masatoshi Ishimoto

President

DESCENTE LTD.

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