

This is an English translation of the original Japanese-language press release dated April 26, 2019 and is provided for reference purposes only.

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April 26, 2019

Company Name: DESCENTE LTD.
Representative Name: President and Representative Director:
Masatoshi Ishimoto
(Code Number: 8114 First Section of Tokyo Stock Exchange)
Contact: Director, Managing Executive Officer:
Kenichi Tsujimoto
(TEL: 06-6774-0365)

Notice of Business Suspension of Specified Subsidiary Company

DESCENTE LTD. (the “Company”) hereby announces that the Board of Directors’ meeting held on April 26, 2019 resolved to suspend the operations of DESCENTE NORTH AMERICA INC. (DNA), a subsidiary of the Company.

1. Reasons for the Business Suspension

DNA has continued to operate principally in the sale of skiwear, but its performance remains sluggish. The Company decided to suspend its business by around the end of fiscal year 2020 because it reached to the conclusion that a fundamental restructuring is needed for redevelopment of its brand strategy in North America and Canada.

2. Outline of the Subsidiary Company

(1) Name	DESCENTE NORTH AMERICA INC.
(2) Address	British Columbia, Canada
(3) Title and Name of the Representative	Takeshi Sugiura; President and CEO
(4) Business Profile	Sales of ‘Descente’ brand skiwear
(5) Capital Stock	CAD 9,348,000 (Approximately 847 JPY million)
(6) Date of Establishment	August 1, 1982
(7) Major Shareholders and Shareholding Ratio	the Company: 100%

(8) Relationship between the Company and the Subsidiary	Capital Relationship	A wholly owned subsidiary of the Company
	Personal Relationship	3 employees from the Company serve concurrently as directors of the subsidiary.
	Business Relationship	None
	Related Party Status	A consolidated subsidiary and a related party of the Company

(9) Operating Results and Financial Position over the last three years			
Accounting period	FY ended January 2017	FY ended January 2018	FY ended January 2019
Net Assets	USD 4,106,000 (467 JPY million)	USD 3,027,000 (329 JPY million)	USD 1,801,000 (196 JPY million)
Total Assets	USD 10,680,000 (1,215 JPY million)	USD 11,703,000 (1,272 JPY million)	USD 12,702,000 (1,384 JPY million)
Net Sales	USD 9,101,000 (990 JPY million)	USD 10,282,000 (1,147 JPY million)	USD 12,141,000 (1,339 JPY million)
Operating Income	ΔUSD 1,562,000 (Δ 170 JPY million)	ΔUSD 1,046,000 (Δ 116 JPY million)	ΔUSD 1,040,000 (Δ 114 JPY million)
Ordinary Profit	ΔUSD 1,774,000 (Δ 193 JPY million)	ΔUSD 1,118,000 (Δ 124 JPY million)	ΔUSD 1,129,000 (Δ 124 JPY million)
Net Income	ΔUSD 1,774,000 (Δ 193 JPY million)	ΔUSD 1,118,000 (Δ 124 JPY million)	ΔUSD 1,129,000 (Δ 124 JPY million)

3. Schedule of Business Suspension

April 26, 2019: Resolution to be approved by the Board of Director' meeting of the Company

Operations will be suspended as soon as necessary procedures are completed in accordance with local laws and regulations.

4. Future Outlook

The impact of the business suspension of the subsidiary on consolidated results is currently being calculated and will be disclosed as soon as it is determined.

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