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(Securities Code: 8114)

June 2, 2016

**To Our Shareholders:**

## **NOTICE OF THE 59TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 59th 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 22, 2016.

**1. Date and Time:** Thursday, June 23, 2016, 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 59th Business Term (from April 1, 2015, to March 31, 2016)
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 Nine Directors

**Proposal 3:** Election of Two Auditors

# Reference Documents for the Annual General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

In light of the Company's performance for the fiscal year ended March 31, 2016 and considering the future business development plans, the year-end dividend for the fiscal year ended March 31, 2016, is proposed to be as follows.

(1) Type of dividend property

Cash

(2) Allocation of dividend property and total amount thereof

¥17 per share of common stock of the Company

Total amount of dividends: ¥1,280,736,565

(3) Effective date of dividends from surplus

Friday, June 24, 2016

### Proposal 2: Election of Nine Directors

The terms of office of all of the nine current directors will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of nine 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)	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 April 2016 Advisor of ITOCHU Corporation (to present)	-
2	Masatoshi Ishimoto (March 30, 1962)	June 2008 Director of the Board June 2013 President and Representative Director of the Board (to present)	925,335
3	Yoshikazu Tanaka (March 11, 1957)	June 2007 Director of the Board April 2016 Senior Managing Director Global Business Unit / Descente Brand Management (to present)	27,700

4	Hisashi Mitsui (October 12, 1954)	June 2008 Director of the Board April 2015 Managing Director Japan Business Unit / Tokyo Office Manager (to present)	24,100
5	Hitoshi Haneda (May 21, 1955)	June 2000 Director of the Board April 2015 Director, General Manager Global Strategy (to present)	14,800
6	Kenichi Tsujimoto (December 30, 1955)	June 2001 Director of the Board April 2014 Director, Logistics and Administration (to present)	13,000
*7	Motonari Shimizu (February 3, 1964)	(significant concurrent position) April 2016 Chief Operating Officer, Apparel Division 2 of ITOCHU Corporation (to present)	-
8	Kim Hoon-Do (October 1, 1968)	June 2014 Director of the Board (to present) (significant concurrent position) January 2010 President and Representative Director of the Board of DESCENTE KOREA LTD. (to present) January 2015 President and Representative Director of the Board of DESCENTE GLOBAL RETAIL LTD. (to present)	1,000
9	Masako Ii (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)	-

1. \* new candidates.

2. Ms. Masako Ii is the candidate for independent outside director of the Board.

3. Reason for selection of the candidate for independent outside director

Ms. Masako Ii has considerable insights and abundant experience. Based on her objective and neutral perspective, we believe her advice in relation to management judgment will be beneficial for the company.

She has served as an outside director of the Company since June 2013.

4. Liability limitation contract with the outside directors

The Company has entered into a liability limitation contract with Ms. Masako Ii in accordance with Article 427, Paragraph 1 of the Japanese Companies Act. If her reelection is approved, the Company intends to renew the liability limitation contract.

- The maximum amount of liability under the aforementioned contract shall be the amount prescribed in Article 427, Paragraph 1 of the Japanese Companies Act.

5. Ms. Masako Ii is to be appointed as an independent officer as defined by the Tokyo Stock Exchange.

### Proposal 3: Election of Two Auditors

The terms of office of two of the current auditors, Mr. Masatoshi Yasugi and Seiji Higaki will expire at the conclusion of this Annual General Meeting of Shareholders. Accordingly, the election of two auditors is proposed.

The candidates for auditors 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	Seiji Higaki (April 30, 1950)	April 2004 Auditor of the Board (to president) (significant concurrent position) Partner of Kamakura and Higaki Law Firm (to present)	-
*2	Katsumi Ohta (July 10, 1953)	April 1977 Joined Osaka Regional Taxation Bureau (significant concurrent position) August 2014 Certified tax account (to present)	-

1. \* new candidates.

2. Mr. Seiji Higaki and Katsumi Ohta are the candidates for independent outside auditors of the Board.

3. Reason for selection of the candidate for independent outside auditor

Mr. Seiji Higaki has had no experience in management of business in a company but he has insights and abundant experience as a lawyer. Based on his knowledge and experience, we believe he has efficiently managed the auditor's work for the company. He will have served as an outside auditor of the Company for 12 years at the conclusion of the Annual General Meeting of Shareholders.

4. Reason for selection of the candidate for independent outside auditor

Mr. Katsumi Ohta has had no experience in management of a company but he is a certified tax accountant and also has insights regarding finances and accounting. Based on his expertise, we believe he will efficiently manage the auditor's work for the company.

5. Liability limitation contract with the outside auditors

The Company has entered into a liability limitation contract with Mr. Seiji Higaki in accordance with Article 427, Paragraph 1 of the Japanese Companies Act. If his reelection is approved, the Company intends to renew the liability limitation contract.

- The maximum amount of liability under the aforementioned contract shall be the amount prescribed in Article 427, Paragraph 1 of the Japanese Companies Act.

6. Liability limitation contract with the outside directors

The Company will enter into a liability limitation contract with Mr. Katsumi Ohta in accordance with Article 427, Paragraph 1 of the Japanese Companies Act. If his election is approved, the Company intends to renew the liability limitation contract.

- The maximum amount of liability under the aforementioned contract shall be the amount prescribed in Article

427, Paragraph 1 of the Japanese Companies Act

7. Mr. Seiji Higaki is to be appointed as an independent officer as defined by the Tokyo Stock Exchange.

8. Mr. Katsumi Ohta qualifies as an independent officer as defined by the Tokyo Stock Exchange and the Company will be to appoint him as an independent officer.

Masatoshi Ishimoto

President

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