



2. Revision of full-year consolidated earnings forecast for the fiscal year ending March 31, 2020

(April 1, 2019 - March 31, 2020)

	Net Sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
	Yen in million	Yen in million	Yen in million	Yen in million	Yen
Previous forecast (A) (As of May 13, 2019)	144,000	8,000	8,200	5,300	70.29
Current forecast (B) (As of November 6, 2019)	130,800	1,100	1,200	700	9.28
Changes in amount (B-A)	(13,200)	(6,900)	(7,000)	(4,600)	
Changes in percent (%)	(9.2)	(86.3)	(85.4)	(86.8)	
(References) Result of the previous fiscal year (Year ended March 31, 2019)	142,443	7,935	8,458	3,944	52.31

●Reasons for the Consolidated Earnings Forecasts Revision

(1) Consolidated Cumulative 2nd Quarter

Sales exceeded the previous forecast mainly due to better sales performance at DESCENTE JAPAN LTD. and DESCENTE KOREA LTD. Operating income, ordinary income and quarterly profit attributable to owners of parent also exceeded the previous forecast, primarily due to reductions in SG & A expenses of the Company, DESCENTE JAPAN LTD. and DESCENTE KOREA LTD.

(2) Consolidated Full-year

Sales are expected to be significantly lower than the previous forecast, mainly due to the poor performance of DESCENTE KOREA LTD. in the second half (from July to December) and the inability to foresee improvements in the important winter season business. A review and shedding of SG & A expenses, including reductions in advertising and sales promotion expenses, failed to cover a decline in gross profit that resulted from a significant decline in net sales, as a result, operating income, ordinary income, and profit attributable to owners of parent are also expected to fall short of the projections announced in the previous fiscal year.

3. Difference between individual non-consolidated forecast and actual results of 2Q of the fiscal year ending March 31, 2020 (Accumulate) (April 1, 2019 - September 30, 2019)

	Net Sales	Ordinary income	Quarterly net profit	Quarterly net income per Share
	Yen in million	Yen in million	Yen in million	Yen
Previous forecast (A) (As of May 13, 2019)	5,900	500	400	5.31
Current forecast (B) (As of November 6, 2019)	6,264	1,125	848	11.25
Changes in amount (B-A)	364	625	448	
Changes in percent (%)	6.2	125.0	112.0	
(References) 2Q of the previous year (2Q of the financial year ended March, 2019)	5,873	1,568	1,204	15.97

4. Revised individual non-consolidated earnings forecast for the fiscal year ending March, 2020 (April 1, 2019 - March 31, 2020)

	Net Sales	Ordinary income	Net income	Net income per Share
	Yen in million	Yen in million	Yen in million	Yen
Previous forecast (A) (As of May 13, 2019)	11,000	3,100	2,400	31.83
Current forecast (B) (As of November 6, 2019)	10,100	1,300	200	2.65
Changes in amount (B-A)	(900)	(1,800)	(2,200)	
Changes in percent (%)	(8.2)	(58.1)	(91.7)	
(References) Result of previous fiscal year (Year ended March 2019)	10,990	5,529	955	12.68

●Reasons for the Individual Non-consolidated Earnings Forecasts Revision

(1) Individual Non-consolidated Cumulative 2nd Quarter

Sales were higher than the previous forecast due to sales of products scheduled for the second half of the year ahead of schedule in the first half. In addition to an increase in gross profit resulted in an increase in net sales, a decrease in SG & A expenses, including advertising and sales promotion expenses, caused ordinary income and net income to exceed the previous forecast.

(2) Individual Non-consolidated Full-year

Sales are expected to be substantially lower than the previous forecast due mainly to the poor performance of DESCENTE KOREA LTD. in the second half. As a result, ordinary income and net income are expected to be lower.

5. Revision of Dividend Forecast for the year ending March 31, 2020 (April 1, 2019 - March 31, 2020)

	Annual dividend		
	End of the second quarter	End of period	Total
Previous forecast	-	22.0	22.0
Revised forecast	-	3.0	3.0
Performance in the previous fiscal year (Year ended March, 2019)	-	26.0	26.0

●Reason for the Dividend Forecast Revision

The company strives to secure internal reserves to ensure future business development and the strengthening of its management structure, and to return profits to shareholders in an appropriate manner, aiming for stable dividends while taking into account business results and the dividend payout ratio. The year-end dividend for the fiscal year ending March, 2020 has been revised to 3 yen, a decrease of 19 yen from the previous forecast of 22 yen per 1 share. The payment of year-end dividends is scheduled to be resolved at the company's Board of Directors meeting to be held in May 2020.

(Note)

The above forecasts are based on information currently available. Actual results may differ depending on various factors in the future.