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May 14, 2021

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 Shuichi Koseki  
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### Notice of the Gap between Forecast and Actual Results for the Fiscal Year 2021

We hereby explain the gap between our consolidated and non-consolidated financial result for the fiscal year ended March 2021 (April 1, 2020 to March 31, 2021), which has been announced today, and the previous forecast as follows.

#### 1. The gaps between Actual and Forecast for the Consolidated Result of Fiscal Year 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous Forecast (A) (As of February 5, 2021)	Yen in millions 96,000	Yen in millions Δ2,000	Yen in millions Δ1,200	Yen in millions 5,000	Yen 66.27
Actual Result (B)	96,862	Δ1,806	Δ584	5,039	66.80
Changes in amount (B-A)	862	194	616	39	
Rate of Change (%)	0.9	—	—	0.8	
(Reference) Previous FY Result (FY ended March 2020)	124,561	379	456	Δ2,481	Δ32.90

●Reason for the Gap

Net sales and operating income exceeded the previous forecast due to a more robust recovery than expected, despite the outlook for continued sluggishness in domestic sales from February 2021 onward due to the re-expansion of the COVID-19.

Ordinary income exceeded the previous forecast because equity in earnings of unconsolidated subsidiaries and affiliates exceeded expectations due to the strong performance of Descente China Holding Limited, our joint venture in China. Net income attributable to owners of the parent was about the same as the previously announced forecast due to an increase in income taxes-deferred and other factors, despite the above factors.

2. The gap between the Actual and Forecast for the Non-Consolidated Result of Fiscal Year 2021 (April 1, 2020 to March 31, 2021)

	Net sales	Ordinary income	Net income	Net income per share
	Yen in millions	Yen in millions	Yen in millions	Yen
Previous Forecast (A) (As of July 15, 2020)	8,400	500	△2,700	△35.80
Actual Result (B)	8,987	1,015	△829	△11.00
Change in amount (B-A)	587	515	1,871	
Rate of Change (%)	7.0	103.1	—	
(Reference) Previous FY results (FY ended March 2020)	10,540	1,882	430	5.71

●Reason for the Gap

Net sales and ordinary income exceeded the previously announced forecasts as a result of stronger-than-expected performance in the overseas product sales business.

Net income significantly exceeded the previously announced forecast due to the aforementioned factors and the reversal of unrealized losses on stocks of subsidiaries and affiliates.

In the non-consolidated results for the second quarter of the fiscal year ended March 31, 2021, we recorded a loss of 1,081 million yen on the valuation of DESCENTE GLOBAL RETAIL LTD., one of our subsidiaries. As of the end of the fiscal year, we determined that the actual value of the stock recovered and revised the loss on the stock.

The aforementioned loss on valuation of shares of subsidiaries and affiliates is recorded and reversed only in the non-consolidated financial statements, and is eliminated in the consolidated financial statements.

Therefore, there is no impact on consolidated result.

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