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August 6, 2021

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 Representative Name: President and Representative Director
 Shuichi Koseki
 (Code: 8114 First Section of the Tokyo Stock Exchange)
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Notice of Revision to Earnings Forecast and Dividend Forecast

DESCENTE LTD. (hereinafter “the Company”) hereby announces that the Company have revised the consolidated earnings forecast and dividend forecast for the fiscal year ending March 31, 2022, which was announced on May 14, 2021, as follows.

1. Revised Consolidated Earnings Forecast

Consolidated Earnings Forecast for the 2Q of the fiscal year ending 31 March, 2022
 (April 1, 2021 to September 30, 2021)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share
Previous forecast (A) (As of May 14, 2021)	Yen in million 50,000	Yen in million 450	Yen in million 900	Yen in million 600	Yen 7.95
Current forecast (B) (As of August 6, 2021)	50,000	1,600	3,100	2,000	26.51
Changes in amount (B-A)	-	1,150	2,200	1,400	
Rate of change (%)	-	255.6	244.4	233.3	
(Reference) Previous 2Q result (2Q of the fiscal year ended March 31, 2021)	42,897	△2,449	△2,077	△1,265	△16.78

Consolidated Earnings Forecast for the fiscal year ending 31 March, 2022
(April 1, 2021 to March 31, 2022)

	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 14, 2021)	103,000	3,100	4,300	3,000	39.76
Current forecast (B) (As of August 6, 2021)	103,000	4,250	6,800	5,000	66.26
Changes in amount (B-A)	—	1,150	2,500	2,000	
Rate of change (%)	—	37.1	58.1	66.7	
(Reference) Previous FY result (FY ended March 31, 2021)	96,862	△1,806	△584	5,039	66.80

● Reasons for Revision of Consolidated Earnings Forecast

With regard to net sales, all segments of Japan, South Korea, and China performed strongly in line with the initial forecasts, and the previous forecasts have been left unchanged. Operating income is expected to exceed the previous forecast due to an improvement in Japan's gross profit margin by curbing sales losses, such as returns and discounts, as well as ongoing progress in reducing fixed costs, such as advertising and sales promotion expenses, and also by increase in gross profit accompanying higher sales at South Korea. Ordinary income and profit attributable to owners of parent are also expected to exceed the previously announced forecasts as profit of entities accounted for using equity method increased, due to a recovery in the performance of our equity method affiliates; LECOQ SPORTIF (NINGBO) CO, LTD., and ARENA (SHANGHAI) INDUSTRIAL CO, LTD., which operates "le coq sportif" and "arena" brands, and also continuing growth of Descente China Holding Limited operating "DESCENTE" brand.

As for the consolidated earnings forecast for the fiscal year ending March 31, 2022, although the impact of the COVID-19 remains uncertain, in addition to incorporating the aforementioned impact up to the second quarter of this fiscal year, is calculated based on the assumption that conditions in the first half of the fiscal year will continue to a certain extent on third quarter and beyond. We will promptly announce any revisions to our earnings forecasts based on future performance trends.

2. Revision of Dividend Forecast for the Fiscal Year ending March 31, 2022

	Actual Dividend (Yen)		
	End of 2Q	End of 4Q	Total
Previous forecast	0.00	12.00	12.00
Current forecast	0.00	20.00	20.00
Previous FY results (FY ended March, 2021)	0.00	0.00	0.00

- Reason for the Revisions of Dividend Forecast

The Company is working to secure internal reserves necessary for the future development of its business and the enhancement of its management structure, while aiming for a stable dividend for its shareholders. As for the dividend for the fiscal year ending March 2022, incorporating the aforementioned revisions on earnings forecast, is revised to “20 yen” per share, 8 yen increase from previous forecast of “12 yen” per share. Actual dividend will be resolved at the board of directors meeting which planned on May 2022.

(Note) The above forecasts are based on information currently available. Accordingly, actual results may differ materially depending on various factors.

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