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February 25, 2022

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Notice of Receipt of Dividends from Consolidated Subsidiary and Revision of Non-Consolidated Earnings Forecast for the Fiscal Year Ending March 2022

DESCENTE LTD. (hereinafter “the Company”) plan to receive dividends from surplus from DESCENTE KOREA LTD, our consolidated subsidiary. This will have an impact on non-consolidated results, and the Company hereby announce as follows.

In addition, the Company will revise the non-consolidated earnings forecast for the fiscal year ending March 2022, which was announced on November 5, 2021.

1. Cash Dividend

(1) Overview of Dividends

Company Name	Dividend amount	Resolution date (planned)	Date of receipt (planned)
DESCENTE KOREA LTD.	24,273 million KRW (Approx. 2,347 million yen)	March 30, 2022	March 31, 2022

(2) Effect on Earnings

Upon receipt of such dividends, the Company expects to record dividend income of approximately 2,347 million yen as a non-operating income in the non-consolidated financial statements for the fiscal year ending March 31, 2022.

Since dividends are from consolidated subsidiaries, there is no impact on consolidated results for the fiscal year ending March 31, 2022.

2. Revision of Earnings Forecasts

(1) Revision of non-consolidated earnings forecasts for the fiscal year ending March 31, 2022

(April 1, 2021 to March 31, 2022)

	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 November 5, 2021)	9,200	700	1,700	22.54
Outlook as revised this time (B) (As of February 25, 2022)	10,500	3,500	4,400	58.30
Change in amount (B-A)	1,300	2,800	2,700	
Rate of Change (%)	14.1	400.0	158.8	
(Reference) Previous Result (FY Ended March 31, 2021)	8,987	1,015	Δ829	Δ11.00

(2)Reason for the Revision

Net sales are expected to exceed the previous forecast due to strong overseas product sales of “DESCENTE” brand and other products, as well as increased royalties from DESCENTE JAPAN LTD. as business in Japan recovers.

Ordinary income is expected to exceed the previous forecast due to the planned receipt of dividends from DESCENTE KOREA LTD. mentioned above as well as from HONG KONG DESCENTE TRADING, LTD. and SHANGHAI DESCENTE COMMERCIAL CO., LTD.. The Company expects all of our overseas consolidated subsidiaries to turn profitable as a result of our efforts to improve management.

Net income is expected to exceed the previous forecast due to an increase in ordinary income.

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

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