



Management Policy for the Future

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Summary of FY2021 (1st year of “D-Summit 2023”)

1. Establishment of Earning Base – Japan, South Korea and China

- Achieved black in operating income and ordinary income in 3 segments
 - ✓ Japan : Achieved ¥2.4B of operating income from product sales.
Exceeded Korea business for the first time in 11 years.
 - ✓ South Korea : On recovery trend from the impact of COVID-19 and boycotts of Japanese products.
 - ✓ China : Expanding business as planned.

2. Consolidated Net Income of ¥6.2B was 3rd Largest Income in our History

- Earning forecast for FY2022: Net income of ¥7.0B

3. Resumed Dividends (¥25 / per share)

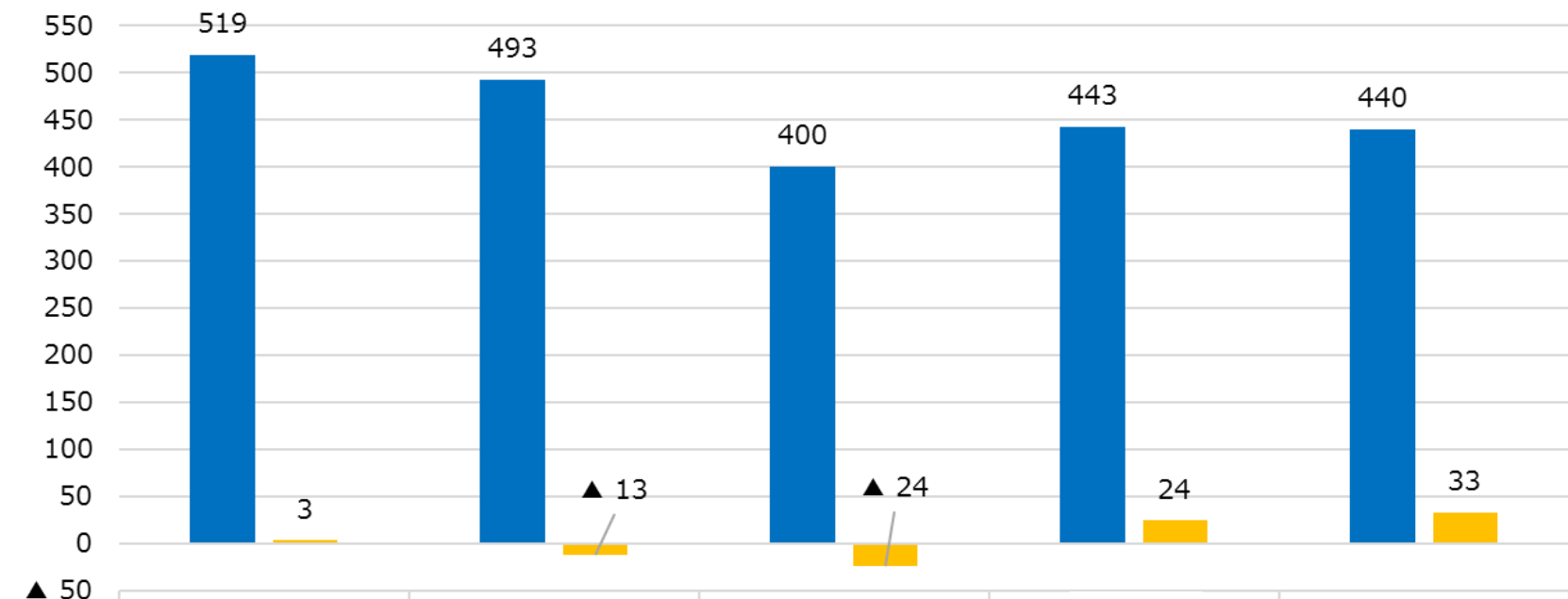
- Dividend forecast for FY2022: ¥28 / per share

○ Improve Profitability of Japan Business

1. Focus on Profit, not Sales

◎ Operating Income **¥2.1B increase since FY2018**
 (Achieve ¥2.4B in FY2021)

(0.1 Billion Yen) **Net Sales (Product) and Operating Income of Japan Business**



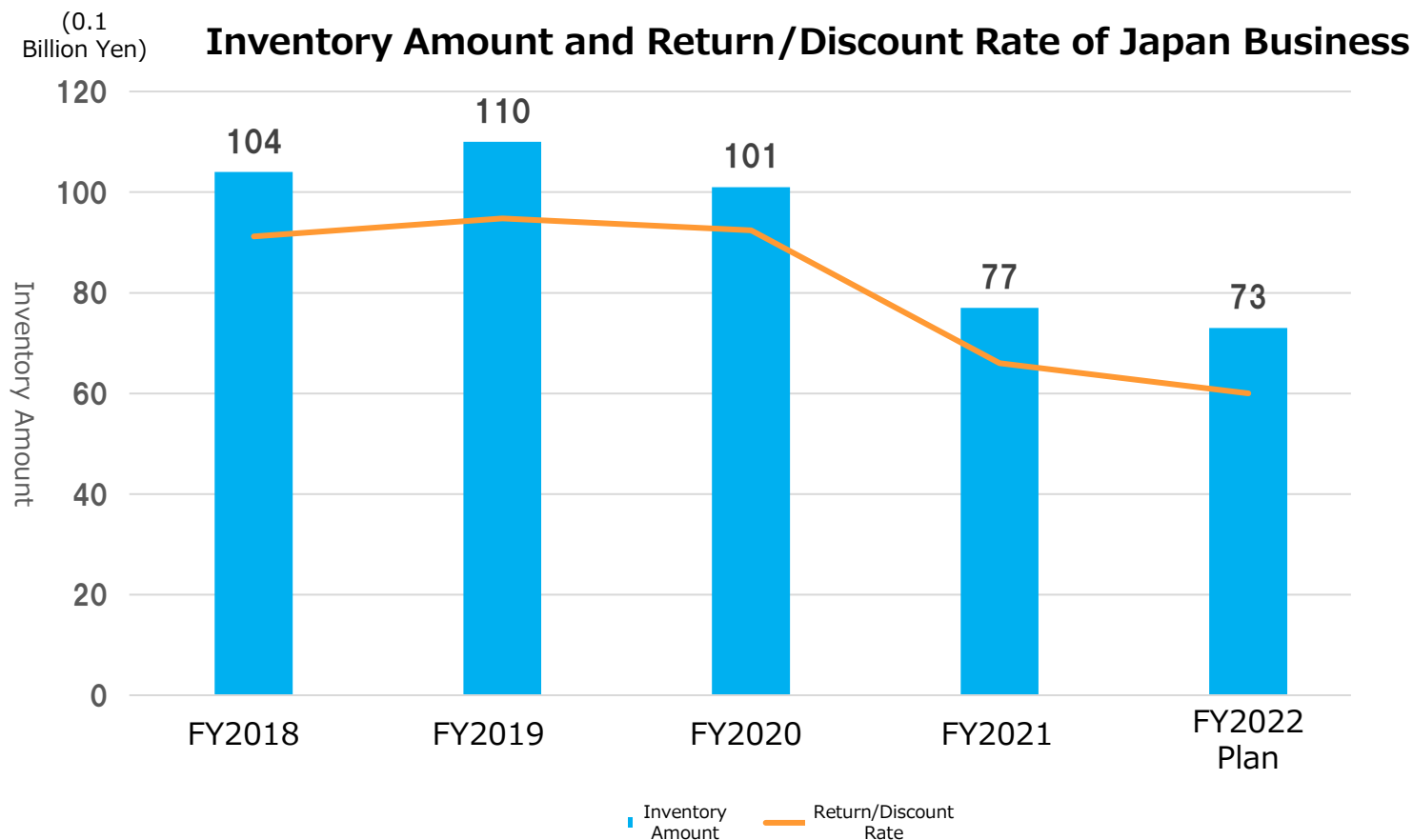
	FY2018	FY2019	FY2020	FY2021	FY2022 Plan
Net Sales (Product)	519	493	400	443	440
Operating Income	3	▲ 13	▲ 24	24	33

OImprove Profitability of Japan Business

2. Control of Production/Inventory Amount (Improvements since FY2018)

◎ Inventory Amount 26% ↓

◎ Return/Discount Rate 4% ↓

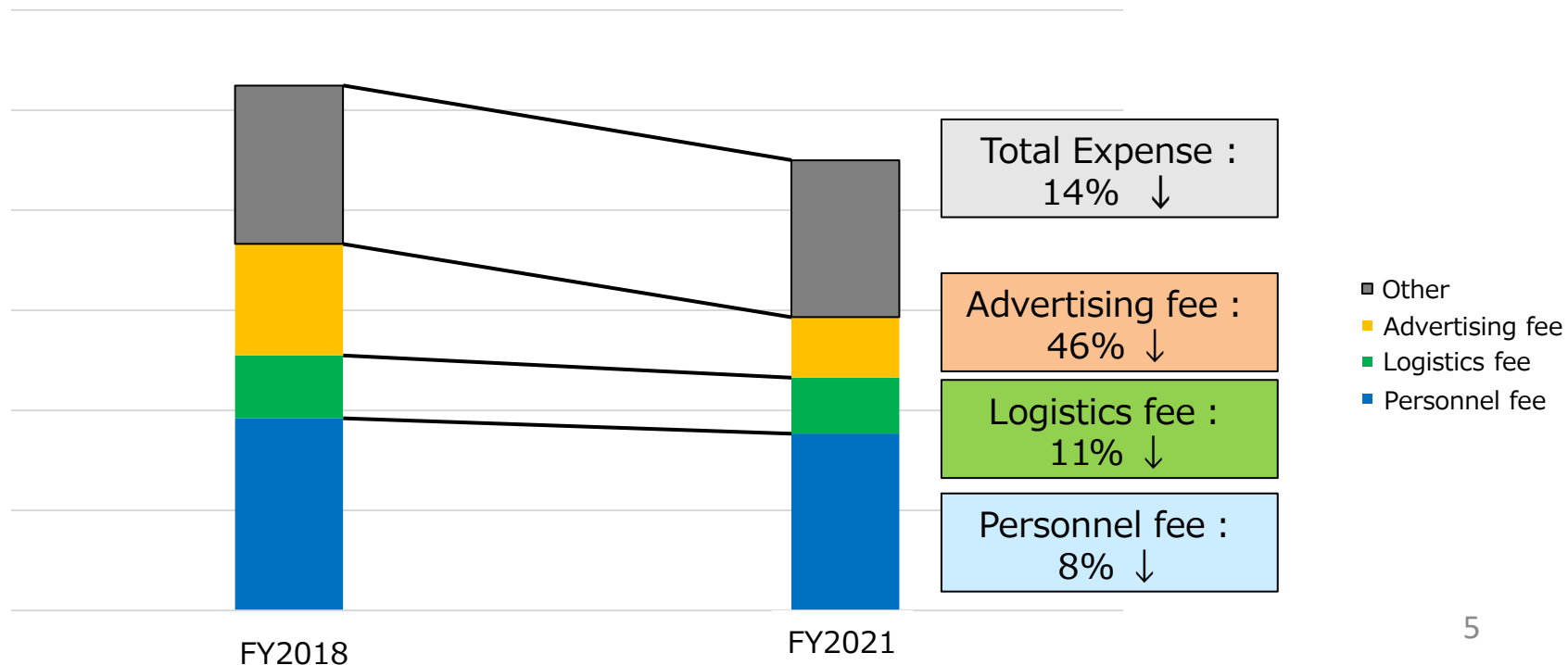


OImprove Profitability of Japan Business

3. Control of Expenses (Improvements since FY2018)

◎ Total Expense	14% ↓
• Advertising fee	46% ↓
• Logistics fee	11% ↓
• Personnel fee	8% ↓

Advertising, Logistics, Personnel fee of Japan Business



OImprove Profitability of Japan Business

4. Improving Working Environment of Own Domestic Factory

- ◎ Implementing wage increase (6%) and investments on facility
- ◎ Hired 8 new employees in 2021 and 12 new employees in 2022

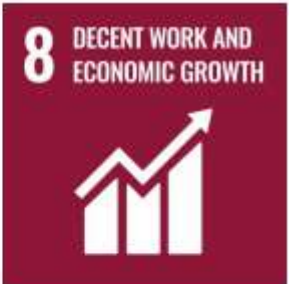
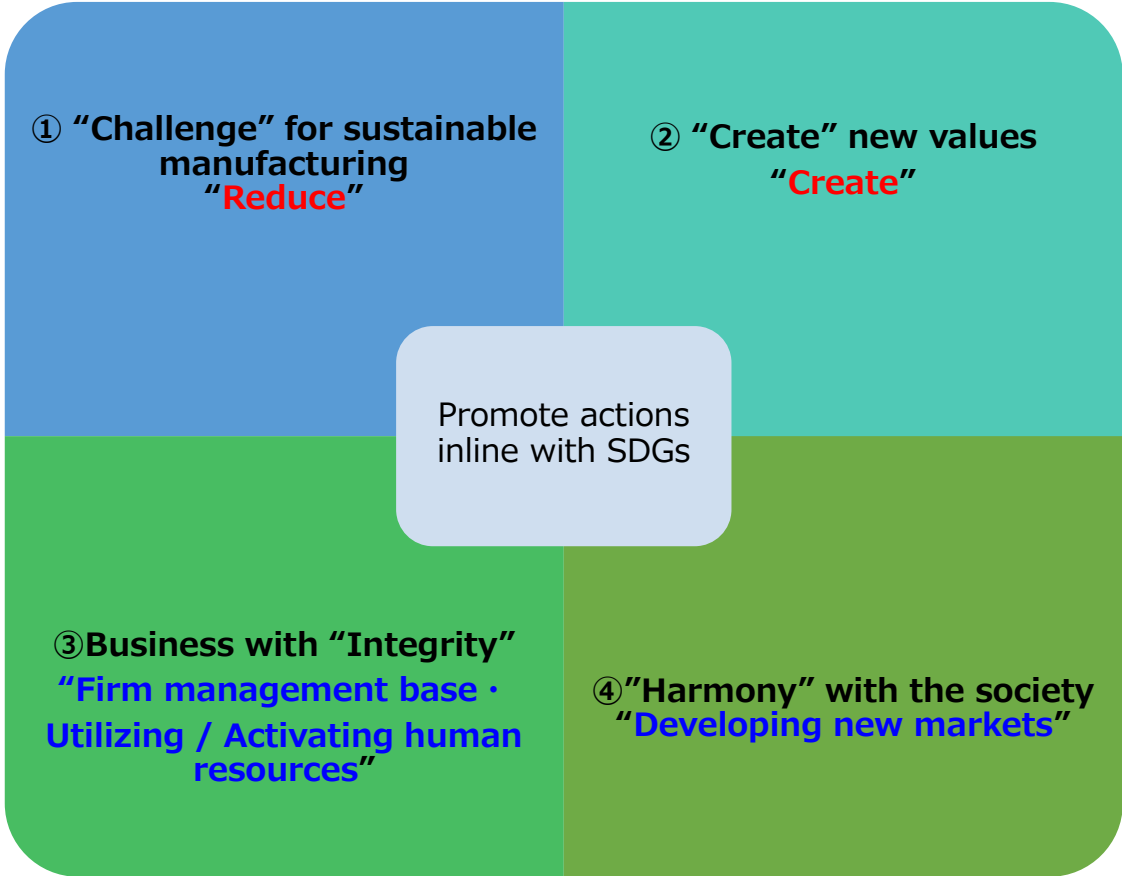


4 domestic factories actively hire local employee
Promote manufacturing that leads to regional revitalization

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Key Strategies for “D-Summit 2023”

✓ Manufacturing capabilities to solve materiality



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Initiatives on Sustainability (ESG)



RE: DESCENTE BUILD developed by "DECSNTE"
Upcycled products at DESCENTE APPARELL

New Office in Osaka
(transferred December 2021)

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Design for Sports

Enhance our manufacturing capabilities

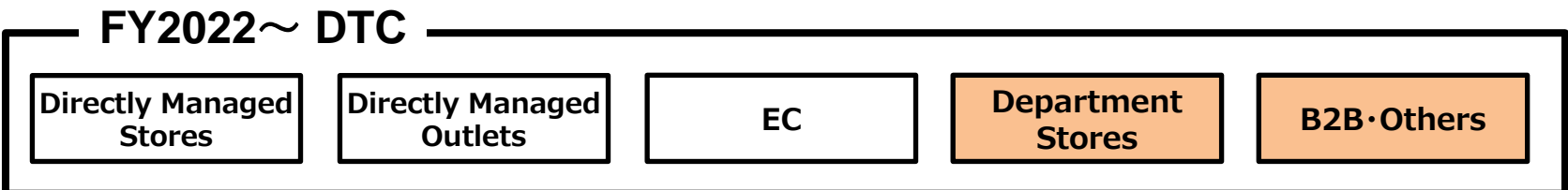
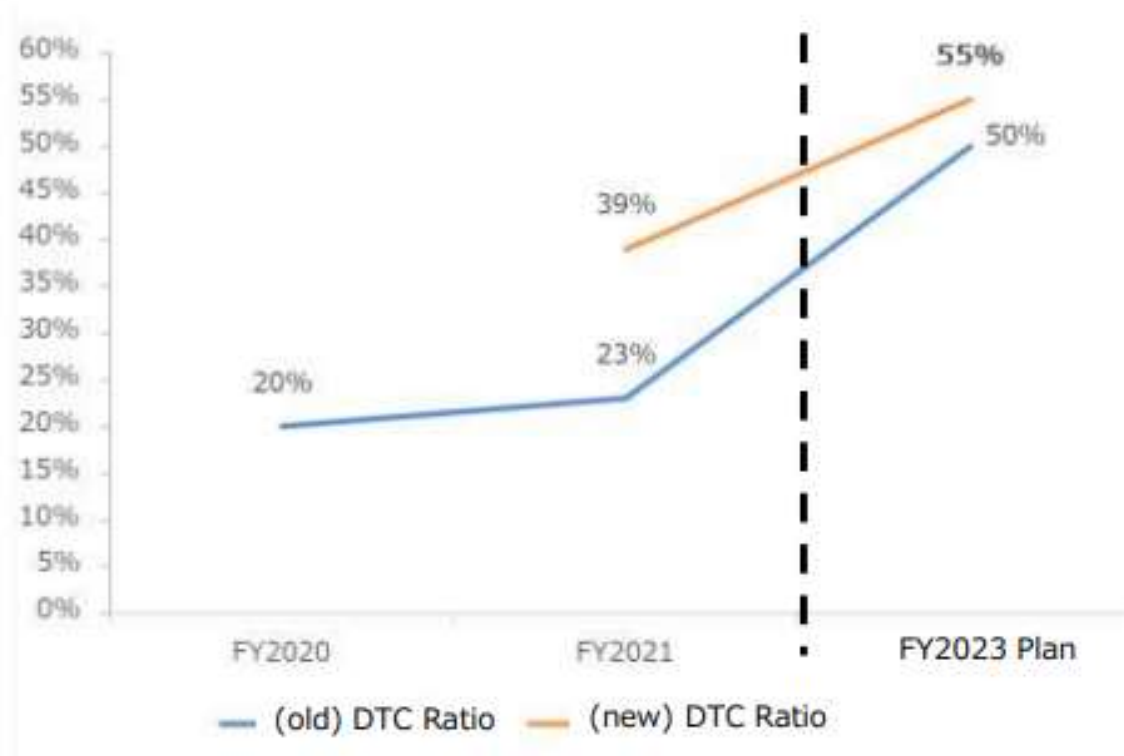


Including “ALPINE”, the highest-end model of MIZUSAWA DOWN (photo left),
Supplied products developed at DISC OSAKA and our own factory to the Japanese national
team and overseas national teams



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Japan Business:
Further improvements on earnings due to the expansion of DTC



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Implement Strategies by Regions in South Korea and China



(South Korea)

Development of shoes utilizing DISC BUSAN
Enhancing marketing activities to acquire new customers

(China)

Continue to expand “DESCENTE” brand
Attempt to expand other brand business