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# DESCENTE



September 26, 2023

Company Name: DESCENTE LTD.  
 Representative: President and Representative Director  
 Shuichi Koseki  
 (Code: 8114 TSE Prime Market)  
 Contact: Senior Managing Executive Officer  
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## Notice of Extraordinary Income Associated with Transfer of Trademark

DESCENTE LTD., (hereinafter the Company”) hereby announces that the meeting of board of directors held today has resolved and decided to transfer the trademark of “le coq sportif” in mainland China (not including Hong Kong, Macau and Taiwan) to our consolidated subsidiary, LE COQ SPORTIF (NINGBO) CO., LTD. (“NLCS”). Accordingly, extraordinary income is expected to be incurred in the non-consolidated financial statements.

### 1.Reason for the transfer of trademark right

With the aim of further expanding our business, we reorganized NLCS as a consolidated subsidiary in the third quarter of the fiscal year ended March 2023 and restructured brand position of “le coq sportif” in China. Since the new management and operation has been stabilized after the business reorganization implemented due to the recapitalization, NLCS has decided to hold the said trademark in order to further accelerate and expand the development of this business in the future.

### 2.Details and transfer amount of the transferred assets

(1) Details of the transferred assets	Trademark of “le coq sportif” in mainland China (not including Hong Kong, Macau and Taiwan)
(2) Transfer price	Approx. 4,900 million yen *1

### 3.Outline of the transferee

(1) Name	LE COQ SPORTIF (NINGBO) CO., LTD.	
(2) Address	19F, Ningbo Center Building, No.288, Jiahui Street, Yinzhou District Ningbo, Zhejiang, 315100	
(3) Job title/name of representative	Chairman: Shinji Ueyama, Chief Executive Officer: He Ping	
(4) Description of businesses	Sales and wholesale of athletic wear and golf wear in China	
(5) Capital stock	RMB 140,930,857.49 (Approx. 2,873 million yen *2)	
(6) Date of incorporation	February 4, 2004	
(7) Major shareholders and shareholding ratio	DESCENTE, LTD.: 75% ITOCHU TEXTILE (China) CO., LTD.: 25%	
(8) Relationship between a listed company and the company concerned	Capital relationship	Consolidated Subsidiary of the Company
	Personnel relationship	1 director and 1 employee of the Company and 1 employee of the Company's subsidiary concurrently serve as NLCS directors.
	Business relationship	Sells the Company’s products
	Applicable status to related party	Consolidated subsidiary and corresponds to an affiliated party

\*1 1RMB = approx. 20.03 yen (exchange rate as of the end of August 2023)

\*2 1RMB = approx. 20.39 yen (exchange rate at the time of recapitalization in October 2022)

#### 4.Settlement method

Cash payments after conclusion of contract

#### 5.Schedule for purchase

(1) Date of the resolution at the board of directors meeting	September 26, 2023
(2) Contract day	September 26, 2023 (planned)
(3) Date of transfer	December 31, 2023 (planned)

#### 6.Expected amount of extraordinary income

As a result of the execution of this trademark transfer, the Company expects gain on the sale of trademark rights of approximately 4,900 million yen in the non-consolidated financial statements for the year ending March 2024.

The gain on the sale of the trademark is eliminated in consolidated financial statements and therefore the impact on consolidated financial statements is immaterial.

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