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Notice Concerning Resolution to Approve Share Consolidation, Abolishment of Provisions regarding Number of Shares Constituting One Unit, and Partial Amendment to Articles of Incorporation

DESCENTE LTD. (the “**Company**”) hereby announces as follows that, as announced in its press release titled “Notice Concerning the Extraordinary Shareholders’ Meeting for Share Consolidation, Abolishment of Provision on Share Units, and Partial Amendment of Articles of Incorporation” dated November 29, 2024 (the “**Press Release**”), the Company submitted to a extraordinary shareholders’ meeting held today (the “**Extraordinary Shareholders’ Meeting**”) proposals regarding a share consolidation, abolishment of the provisions regarding the number of shares constituting one unit, and partial amendment to the Articles of Incorporation, and all of the proposals were approved as proposed.

Consequently, the common shares of the Company (the “**Company Shares**”) will come to fall under the delisting criteria provided for in the Securities Listing Regulations of the Tokyo Stock Exchange, Inc. (the “**TSE**”). As a result, after the Company Shares are designated as “stocks to be delisted” during the period from December 25, 2024 to January 23, 2025, they will be delisted as of January 24, 2025. Please note that after delisting, the Company Shares will no longer be traded on the Prime Market of the TSE.

1. Proposal 1 (Share Consolidation)

At the Extraordinary Shareholders’ Meeting, the Company obtained the approval of the shareholders regarding the share consolidation (the “**Share Consolidation**”) as detailed below. The details of the Share Consolidation are as described in the Press Release.

A. Class of shares subject to consolidation

Common Shares

B. Consolidation ratio

The Company will consolidate 11,998,587 shares of the Company Shares into one share.

C. Number of shares by which the total number of issued shares will be reduced

75,550,666 Shares

(Note): As the Company resolved at the meeting of its board of directors held on November 29, 2024 to cancel 1,373,504 treasury shares (the number of shares includes 1,357,654 shares of treasury stock owned by the Company as of November 18, 2024, plus 15,850 Company Shares granted as stock compensation to executive officers who do not concurrently serve as directors (excluding outside directors) of the Company and directors of the Company's subsidiaries, which are scheduled to be acquired without consideration on January 27, 2025) on January 27, 2025, the above "Reduction in total number of outstanding shares" is indicated based on the total number of outstanding shares after such cancellation.

D. Total number of issued shares before the consolidation takes effect

75,550,672 Shares

(Note): As the Company resolved at the meeting of its board of directors held on November 29, 2024 to cancel 1,373,504 treasury shares (the number of shares includes 1,357,654 shares of treasury stock owned by the Company as of November 18, 2024, plus 15,850 Company Shares granted as stock compensation to executive officers who do not concurrently serve as directors (excluding outside directors) of the Company and directors of the Company's subsidiaries, which are scheduled to be acquired without consideration on January 27, 2025) on January 27, 2025, the above "Total number of outstanding shares prior to Share Consolidation taking effect" is indicated based on the total number of outstanding shares after such cancellation.

E. Total number of issued shares after the consolidation takes effect

6 Shares

F. Total number of authorized shares as of the effective date

24 Shares

G. Method of processing fractional shares less than one share and amount of cash expected to be delivered to shareholders through such processing

- (i) Whether the Company intends to proceed pursuant to the provision of Article 235, Paragraph 1 of the Companies Act, or Article 234, Paragraph 2 as applied mutatis mutandis pursuant to Article 235, Paragraph 2 of the Companies Act, and the reason therefor;

It is planned that, through the Share Consolidation, the shares held by shareholders other than BS Investment Corporation (Head office: located at Minato-ku, Tokyo; Representative Director: Takayoshi Tsuji) (the "**Tender Offeror**") will become fractional shares less than one share.

With respect to fractional shares less than one share resulting from the Share Consolidation, shares equal to the total number of such fractional shares (any fractions of the total number will be rounded down; the same applies hereinafter) will be sold in accordance with the procedures prescribed in Article 235 of the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter) and other relevant laws and regulations, and the proceeds obtained through such sale will be delivered to the Company's shareholders in proportion to their fractional shares. With respect to such sale, in view of the fact that the Share Consolidation is to be carried out as part of a series of transactions aimed at making the Tender Offeror the sole shareholder of the Company and privatizing the Company Shares which keeps only the Tender Offeror as the shareholder of the Company, and that the Company Shares will be delisted as of January 24, 2025 and will become non-marketable shares, and based on the fact that it is unlikely that a new buyer will appear through an auction process and the fact that it will not be necessary for the Company to increase the number of treasury shares, it is therefore planned that the Company Shares equal to the total number of such fractional shares will be sold to the Tender Offeror with the permission of the court pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act applied mutatis mutandis under Article 235, Paragraph 2 of the Companies Act.

If the above permission of the court is obtained as planned, the sale price in such case is planned to be set at a price that makes it possible for cash in the amount obtained by multiplying the number of Company Shares held by the shareholder by JPY 4,350, which is the same amount as the purchase price per share of the Company Shares in the tender offer for the Company Shares conducted by the Tender Offeror for a period of 20 business days from October 1, 2024 to October 29, 2024 (the "**Tender Offer**")., to be delivered to each shareholder recorded in the Company's final shareholders' register as of January 27, 2025, which is the day immediately preceding the effective date of the Share Consolidation. However, the amount of cash that will be actually delivered to the shareholders may not be the same as the above amount such as when the Company is unable to obtain the permission of the court or it is necessary to make adjustments for fractions in the calculation.

- (ii) The name of the person who is likely to become the purchaser of the shares pertaining to the sale

BS Investment Corporation

- (iii) The manner by which a person who is expected to purchase the shares pertaining to the sale secures funds for payment of the purchase price pertaining to the sale, and the adequacy of such method

The Tender Offeror will cover the funds for the acquisition of the Company Shares equivalent to the total amount of fractional shares less than one share resulting from the Share Consolidation through loans to be made by ITOCHU Treasury Corporation ("ITOCHU Treasury"). Accordingly, the Company has confirmed the method of the Tender Offeror to secure funds by confirming the loan certificate dated September 30, 2024 regarding the loans to be made by ITOCHU Treasury, which was submitted by the Tender Offeror as an attachment to the Tender Offer Registration Statement regarding the Tender Offer. In addition, according to the Tender Offeror, no event has occurred that might hinder the Tender Offeror's payment of the sale price for the Company Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation, such as an event that would cause significant changes in the financial condition of the Tender

Offeror after the commencement of the Tender Offer, and the Tender Offeror is not aware of any possibility of such an event occurring in the future.

As described above, the Company has determined that the method of securing funds for the payment of the sale price for the Company Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation by the Tender Offeror is appropriate.

- (iv) The timing of the sale and the prospect of the timing of the delivery of proceeds from the sale to the shareholders

The Company intends to petition the court for permission to sell the Company Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation and have the Tender Offeror purchase the relevant Company Shares by around late-February 2025 after the Share Consolidation takes effect pursuant to the provisions of Article 234, Paragraph 2 of the Companies Act applied mutatis mutandis under Paragraph 2 of Article 235 of the Companies Act. The timing of obtaining such permission may vary depending on the circumstances of the court, but the Company expects to sell the Company Shares to the Tender Offeror by late-March 2025 with the permission of the court, and after making the necessary preparations to deliver the proceeds obtained through such sale to the Company's shareholders, the Company expects to deliver the proceeds to the shareholders from early-May 2025 to early-June 2025.

In consideration of the period required for the series of procedures relating to the sale from the effective date of the Share Consolidation, the Company believes that at each timing as mentioned above, the Company Shares equivalent to the total number of fractional shares less than one share resulting from the Share Consolidation will be sold and the proceeds obtained through such sale will be delivered to the Company's shareholders.

2. Proposal 2 (Partial Amendment to the Articles of Incorporation)

At the Extraordinary Shareholders' Meeting, the Company obtained the approval of the shareholders regarding the partial amendment to the Articles of Incorporation of the Company as detailed below. The details of such amendment are as described in the Press Release.

The partial amendment to the Articles of Incorporation will become effective on January 28, 2025, on the condition that the Share Consolidation takes effect.

- A. If the Agenda Item 1 (Share Consolidation) is approved as proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, in accordance with Article 182, Paragraph 2 of the Companies Act, the total number of authorized shares of the Company Shares will be reduced to 24 shares. To clarify this point, subject to the Share Consolidation taking effect, Article 6 (Total Number of Authorized Shares) of the current Articles of Incorporation will be amended.
- B. If the Agenda Item 1 (Share Consolidation) is approved as proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, the Company's total number of outstanding shares will be 6 share, and it will no longer be necessary to specify the number of shares in a share unit. Subject to the Share Consolidation taking effect, in order to abolish the provision that currently makes 100 shares the share unit for the Company Shares, the entire text of Article 8 (Number of Shares in Share Unit), Article 9 (Request for Making an Additional Purchase for Shares Less Than One Share Unit) and

Article 10 (Rights of Holders of Shares Less Than One Share Unit) of the current Articles of Incorporation, will be deleted entirely. In conjunction with these amendments, the article numbering for the remaining articles will be adjusted accordingly.

- C. If the Agenda Item 1 (Share Consolidation) is approved as proposed at the Extraordinary Shareholders' Meeting and the Share Consolidation takes effect, then in the case where the Company Shares are delisted, the Tender Offeror becomes the sole person holding 1 share or more of the Company, and processing of fractional shares after the Share Consolidation is completed, the Tender Offeror will be the sole shareholder of the Company. Therefore, the provisions regarding the record date for the annual general shareholders' meeting and the provisions regarding the measures for electronic provision of materials for a shareholders' meeting will become unnecessary. Accordingly, the Company will delete the entire text of Article 13 (Record Date) and Article 16 (Measures for Electronic Provision, etc.) of the current Articles of Incorporation, and adjust the numbering of the affected articles in connection with these amendments, subject to the condition that the Share Consolidation takes effect.

3. Schedule of the Share Consolidation

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| Date of the Extraordinary Shareholders' Meeting | Wednesday, December 25, 2024 (Today) |
| Date of designation as stocks to be delisted | Wednesday, December 25, 2024 |
| Last trading date of the Company Shares | Thursday, January 23, 2025 (scheduled) |
| Delisting date of the Company Shares | Friday, January 24, 2025 (scheduled) |
| Effective date of the Share Consolidation | Tuesday, January 28, 2025 (scheduled) |

End