

This is English Translation of original Japanese-language press release dated May 22,2020 and is provided for reference purpose only.

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May 22nd, 2020

Company name: DESCENTE LTD.
Representativename: President and Representative Director:
Shuichi Koseki,
(Code: 8114. First Section of Tokyo Stock Exchange)
Contact: Director, Managing Executive Officer:
Akira Tsuchihashi
(TEL: 06-6774-0365)

Notice of Dissolution and Liquidation of Specified Subsidiary Company

DESCENTE LTD. (the “Company”) hereby announces that the Board of Directors’ meeting held on the 22nd of May has resolved the dissolution and liquidation of DESCENTE ATHLETIC AMERICAS INC. (hereinafter referred to as “DAA”, a consolidated subsidiary of our company, as follows.

1.Reasons for dissolution and liquidation

As announced by our company in the "Notice of Liquidation and Suspension of Business of Specified Subsidiary Company" dated February 6, 2020, we believe it is necessary to break out of the deficit structure and, therefore, we’ve resolved to dissolve and liquidate Descente Athletica Americas, which was established with the main purpose of planning, developing and selling products that would meet local demand in to order to expand its athletic wear business and develop its golf wear business in North America.

2.Outline of the Subsidiary Company to be Dissolved and Liquidated

(1)	Name	DESCENTE ATHLETIC AMERICAS INC.		
(2)	Address	Georgia, the USA		
(3)	Title and Name of the Representative	President, Mr. Fritz Taylor		
(4)	Business Profile	Sales of DESCENTE brand athletic and golf wear		
(5)	Capital Stock	USD 10 million (Approximately JPY 1,099 million)		
(6)	Date of Establishment	March,2018		
(7)	Major Shareholders and Shareholding Ratio	the Company:50%,DESCENTE GLOBAL RETAIL LTD.:50% (DESCENTE GLOBAL RETAIL LTD. is a wholly-owned subsidiary of the Company.)		
(8)	Relationship between the Company and the Subsidiary	Capital Relationship	A wholly owned subsidiary of the Company	
		Personal Relationship	1 employee from the Company serve concurrently as directors of the subsidiary	
		Business Relationship	None	
(9) Operating Results and Financial Position over the last three years (USD in thousand)				
Accounting Period	FY ended January, 2017	FY ended January 2018	FY ended January 2019	
Net Assets	—	USD 4,685K (JPY 511 million)	USD 498K (JPY 54 million)	
Total Assets	—	USD 5,043K (JPY 559 million)	USD 1,361K (JPY 149 million)	
Net Sales	—	USD 72K (JPY 8 million)	USD 493K (JPY 53 million)	
Operating Income	—	USD △3,314K (JPY △368 million)	USD △4,459K (JPY △487 million)	
Ordinary Profit	—	USD △3,314K (JPY △368 million)	USD △4,661K (JPY △509 million)	
Net Income	—	USD △3,314 (JPY △368 million)	USD △6,186K (JPY △675 million)	

3.Schedule of dissolution and liquidation

Upon completion of the necessary procedures in accordance with local laws and regulations, the registration cancellation will be completed.

4. Outlook

The dissolution and liquidation of the subsidiary will not have a material impact on our company's consolidated results for the year ending in March 2021. We will promptly disclose any information that should be reported in the future.

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