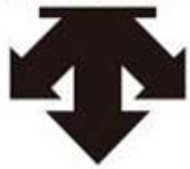


DESCENTE



Design for Sports

Financial Report

FY ending March 31. 2016

Disclaimer: The contents of this plan and the future expected earnings forecast described in this document are based on information currently available and therefore contain an element of uncertainty and potential risk. Please be advised there is a possibility that actual results may be affected by a number of factors and may differ materially from what is described.

Exchange Rates Used

	Mar/'15	Mar/'16	Mar/'17
USD	107.72	121.22	109.00
100KRW	10.13	10.70	9.50
CNY	17.26	19.19	16.50
HKD	13.74	15.61	14.00
SGD	83.85	87.88	80.00
GBP	-	185.10	155.00

- "%“ percentages are calculated on actual numbers.

1. FY ending March 31, 2016

① Summary

② Market-specific and item-specific reviews

③ Review of Brands

2. Objectives and plan for the FY ending March 31, 2017

Improved profitability in Japan and growth in Asia, spearheaded by Korea, has resulted in increased turnover and income. Every financial item is a historic high.

(Unit; JPY Million)

	'Mar/'16	'Mar/'15		'Mar/'16		'Mar/'16 3 Year
	performance	performance	Year-on-year	announced plan	VS plan	
Net sales	135,778	123,128	110.3%	138,000	98.4%	120,000
OP income	10,376	9,136	113.6%	10,500	98.8%	8,000
(%)	7.6%	7.4%		7.6%		6.7%
Ordinary income	11,053	9,543	115.8%	11,000	100.5%	-
(%)	8.1%	7.8%		8.0%		-
Profit attributable to owners of parent	7,870	6,563	119.9%	7,600	103.6%	5,000
(%)	5.8%	5.3%		5.5%		4.2%

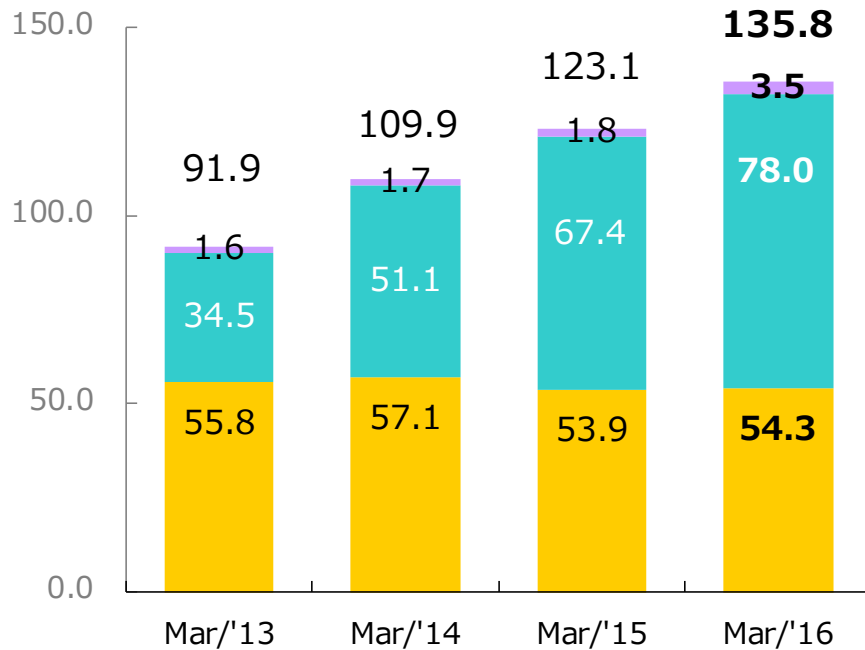
Net Sales Transition(consolidated)



Design for Sports

Japan : "Descente" , "le coq sportif" were strong.

International : In Korea, "Descente" was strong. In Asia, including China and Hong Kong, "le coq sportif" was steady. In EU/USA, "Inov-8" sales contributed.



Overseas Ratio	Mar/'13	Mar/'14	Mar/'15	Mar/'16
	39%	48%	56%	60%

(Unit; JPY Billion) Domestic ASIA EU/USA

(vs last year)
+12.7 billion (110%)

Domestic +0.4b(101%)
athletic brands ▲0.1 b
golf brands +0.4 b
outdoor brands +0.1 b

Overseas +12.3b(118%)
Korea + 9.6 b
China (including HK) + 0.8 b
Other Asian Countries and Areas + 0.2 b
EU/USA + 1.7 b

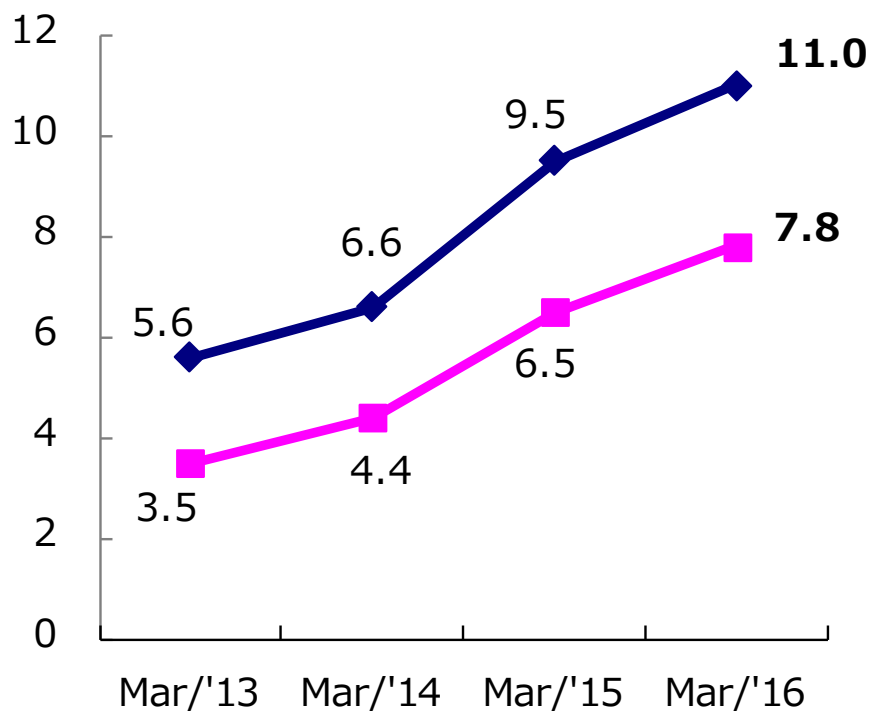
athletic brands +9.4 b
golf brands +1.4 b
outdoor brands +1.5 b

Income Transition(consolidated)



Design for Sports

Each major market, Japan, Korea, China(including Hong Kong) increased profits.



◆ Ordinary income
■ Profit attributable to owners of parent

(Unit; JPY Billion)

	Current period	Prev. period	Change
Operating income	10.3	9.1	1.2
Non-operating income	0.9	0.6	0.3
Non-operating expenses	0.2	0.2	0.0
Ordinary income	11.0	9.5	1.5
Extraordinary income	0.1	0	0.1
Extraordinary loss	-	0.3	-0.3
Total income taxes	3.3	2.7	0.6
Profit attributable to owners of parent	7.8	6.5	1.3

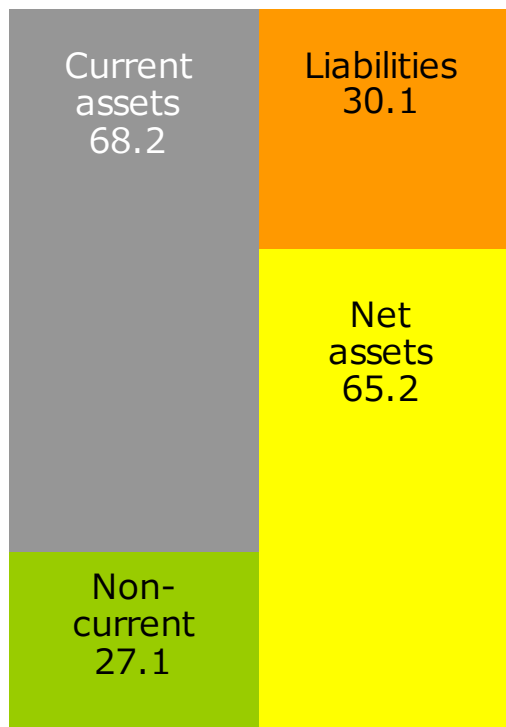
Balance Sheets Transition(consolidated)



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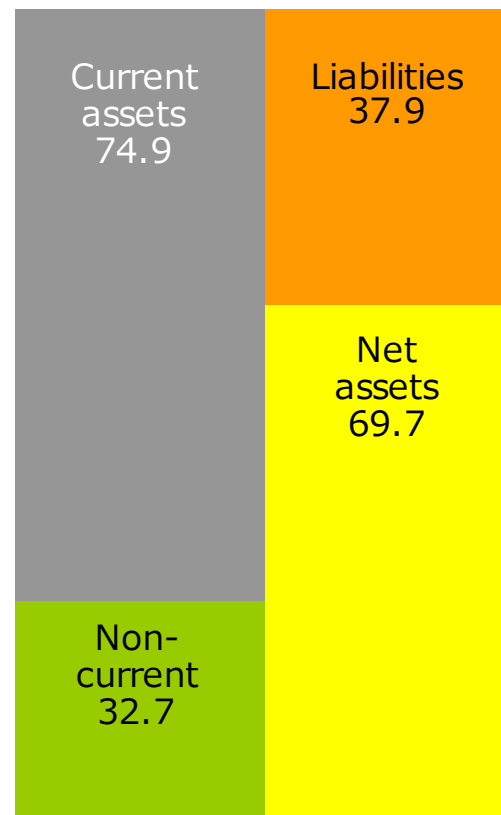
【Mar/'15】

【Mar/'16】



Total assets
95.3

Equity ratio 68.4%



Total assets
107.6

Equity ratio 64.8%

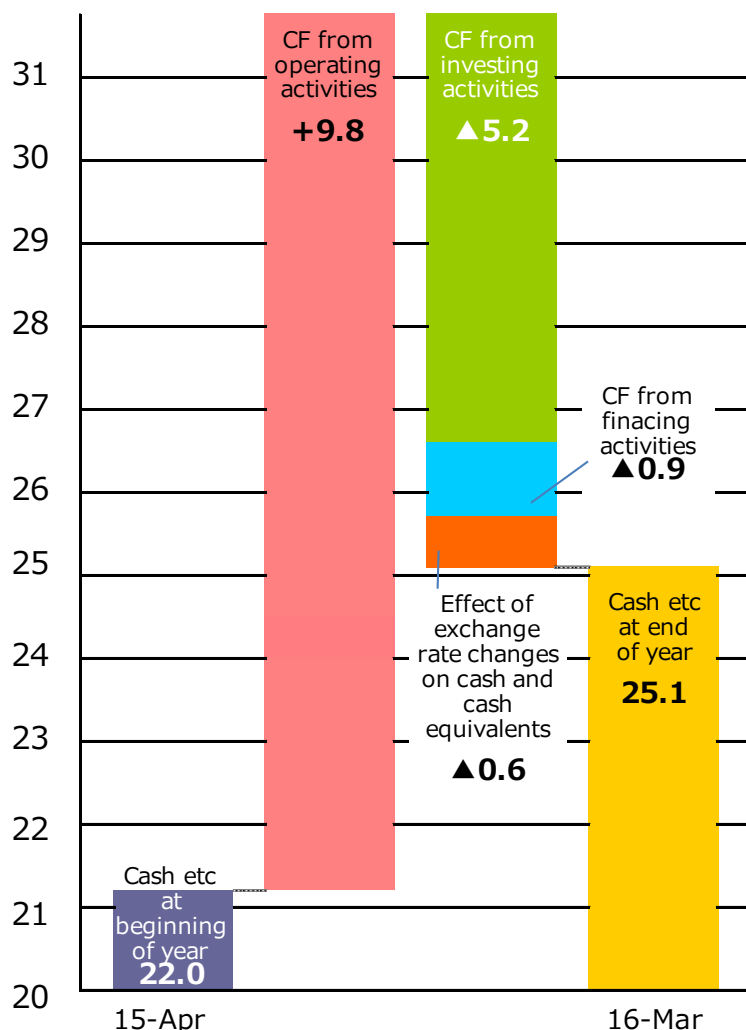
(Unit; JPY Billion)

Increase in current assets due to increase in cash and inventory.
Fixed assets increase due to acquisition of Inov-8.

Cash flow(consolidated)



Design for Sports



CF from operating activities(+9.8b)

Income before income taxes and minority interests	+11.2b
Depreciation and amortization	+2.6b
Increase in trade notes and receivables	+0.7b
Increase in inventories	▲2.9b
Decrease in trade notes and accounts payable	+1.7b
Income taxes paid	▲2.9b
Etc	▲0.6b

CF from investing activities (▲5.2b)

Fixed assets	▲3.0b
Etc	▲2.2b

CF from financing activities (▲0.9b)

Dividend	▲1.1b
Etc	+0.2b

(Unit; JPY Billion)



1. FY ending March 31, 2016

① Summary

② **Market-specific and item-specific reviews**

③ Review of Brands

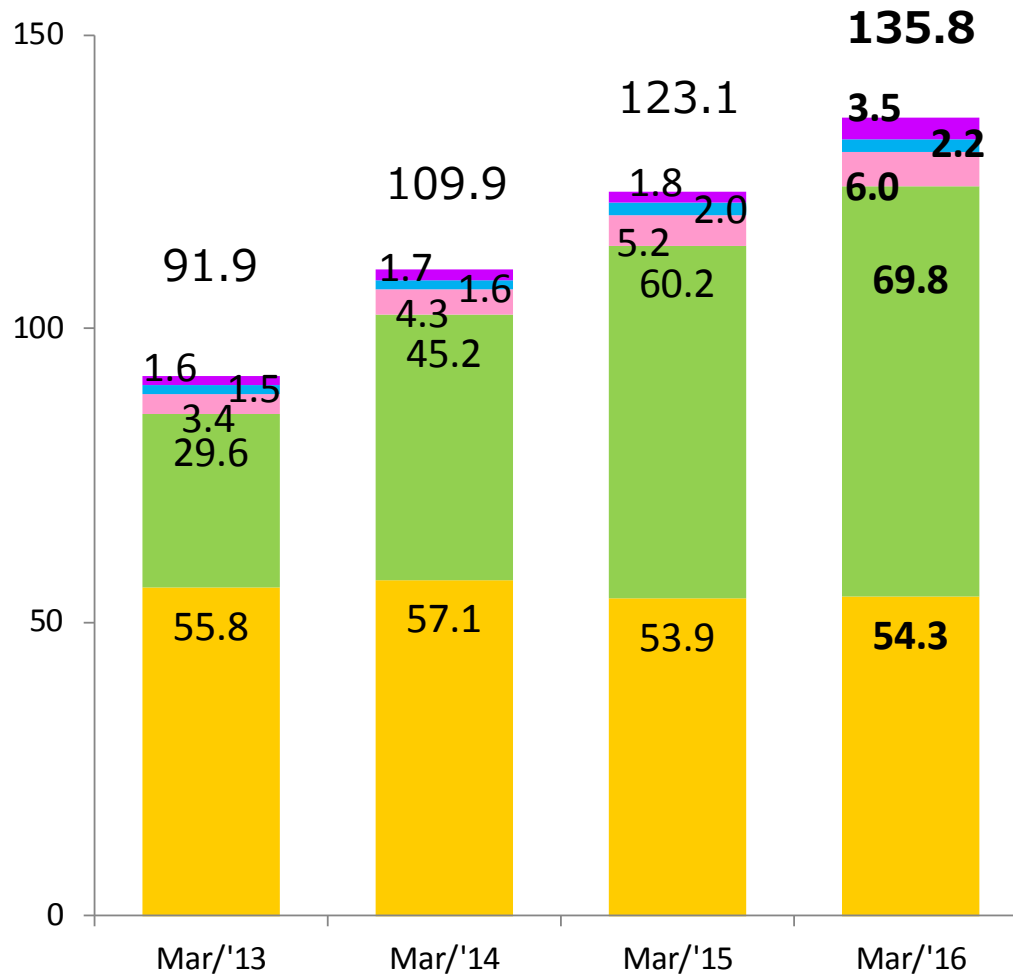
2. Objectives and plan for the FY ending March 31, 2017

Net Sales Transition per MARKET (consolidated)



Design for Sports

Increased turnover in all markets.



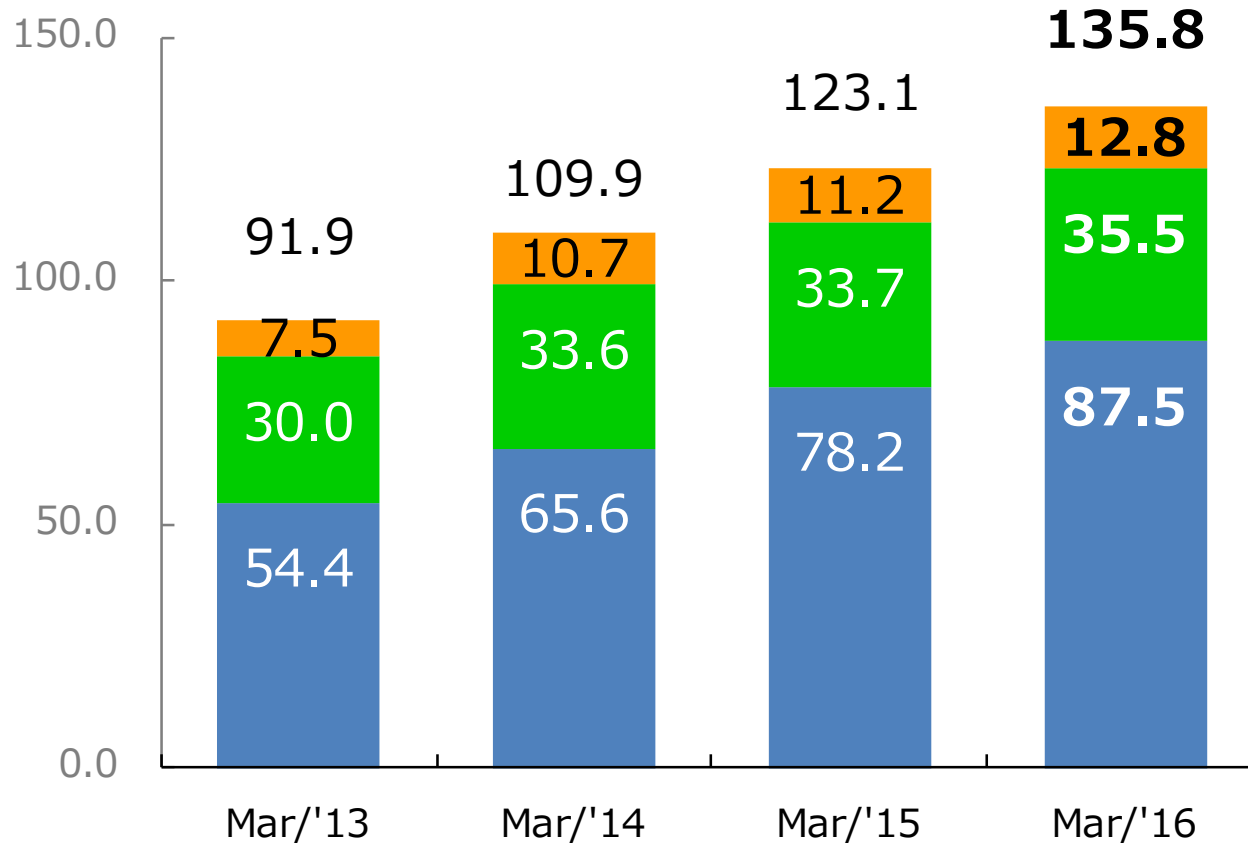
(Unit; JPY Billion)

■ Japan
 ■ Korea
 ■ China (including HK)
 ■ Other Asian Countries and Areas
 ■ EU/USA

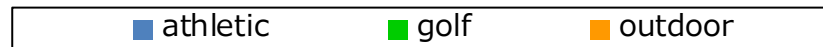
Net Sales Transition per ITEM(consolidated)



Design for Sports



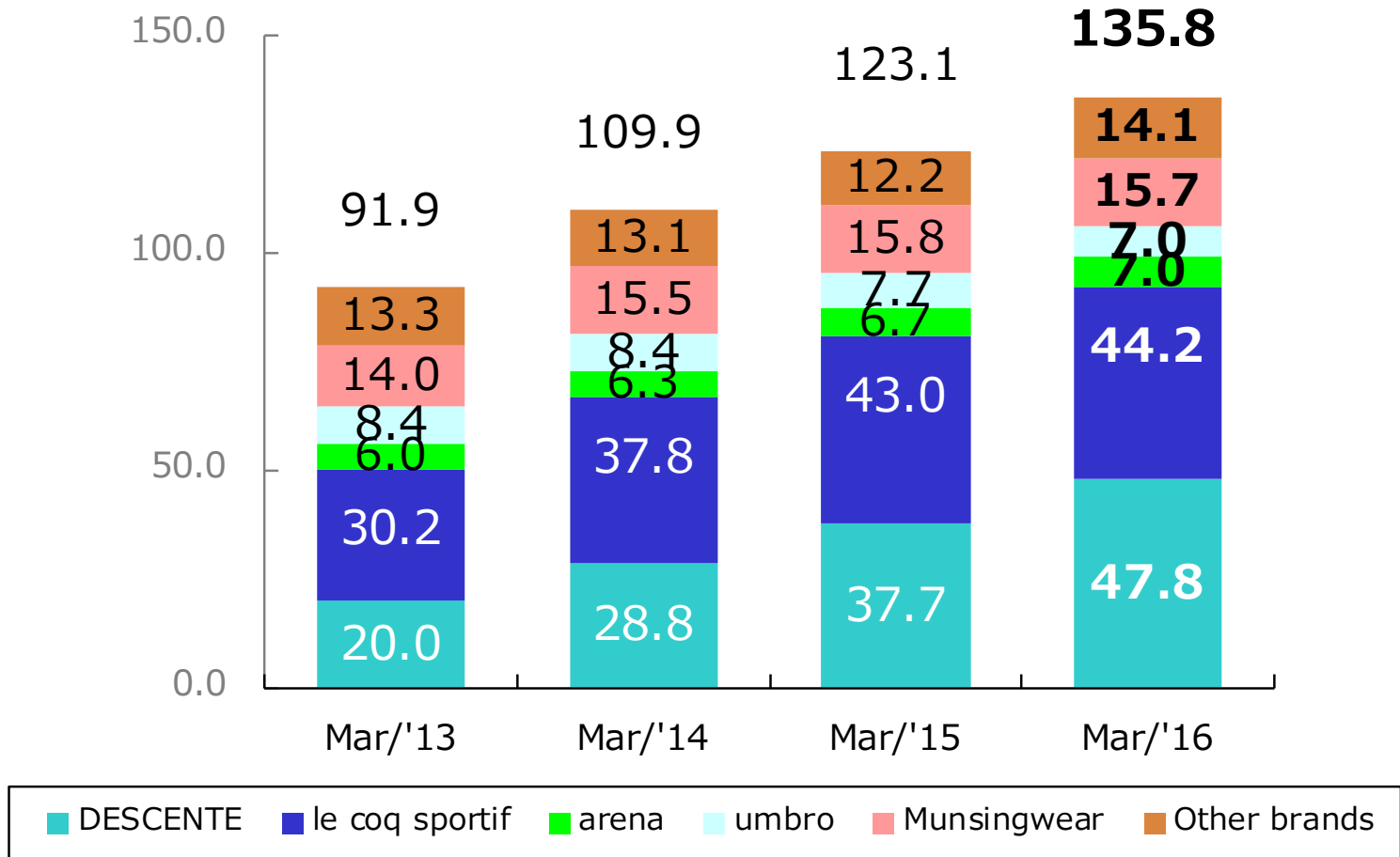
(Unit; JPY Billion)



Net Sales Transition per BRAND (consolidated)



Design for Sports



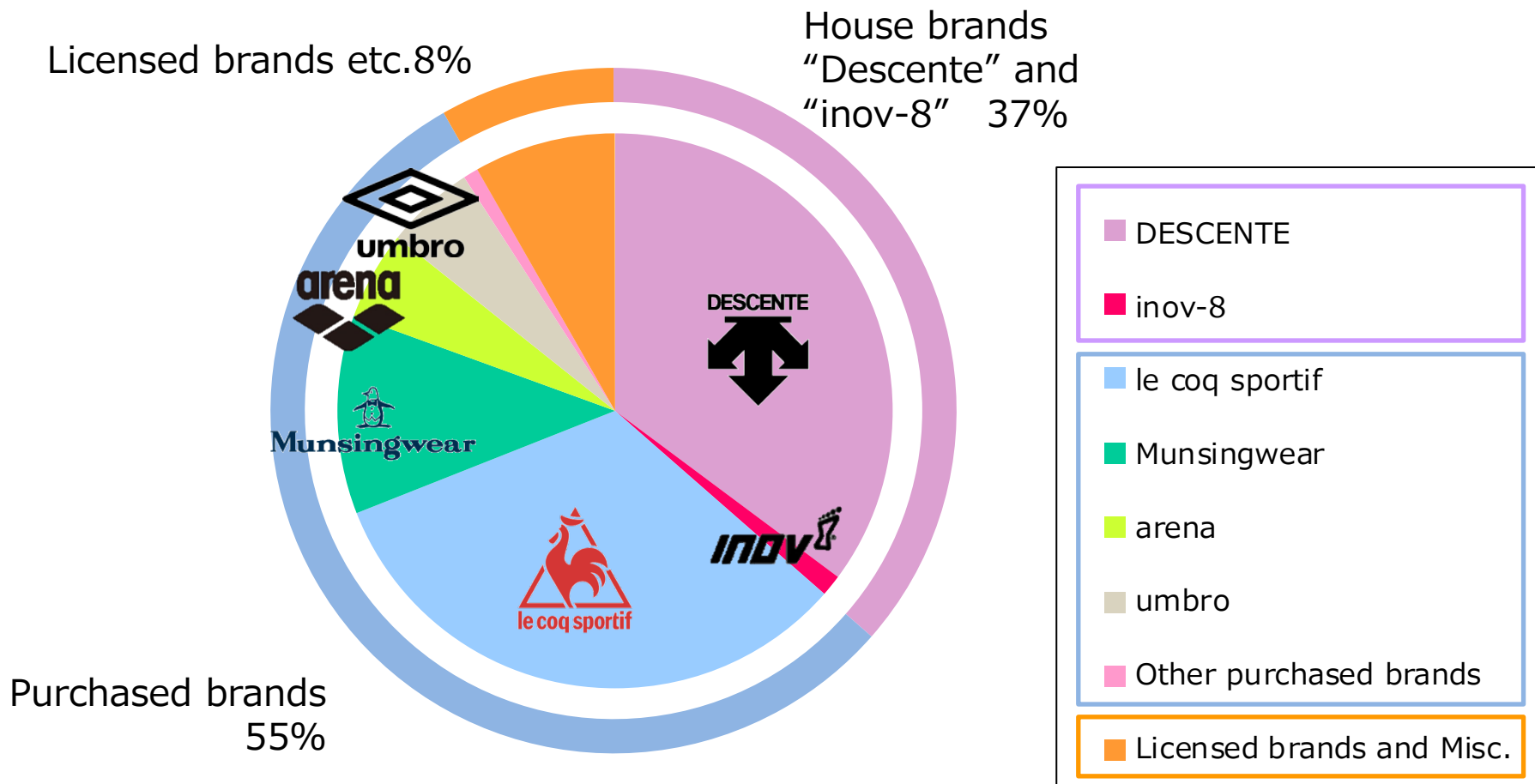
(Unit; JPY Billion)

Consolidated Sales by Brand and Ownership Structure (consolidated)



Design for Sports

More than 90% of turnover is in house or purchased brands.



1. FY ending March 31, 2016

① Summary

② Market-specific and item-specific reviews

③ **Review of Brands**

2. Objectives and plan for the FY ending March 31, 2017



DESCENTE (athletic)

Trusted by top athletes and teams for its emphasis on technical excellence. Planned acceleration of retail store openings both in Japan and internationally.



DESCENTE (golf)

Launched in Spring/Summer 2015 in Japan and Korea, and Autumn/Winter 2015 in the UK.



arena

Dedicated to producing the most technically advanced racewear and instilled the brand image of the swim brand for every level of player from professional to junior.



umbro

Offers a wide range of products for every level of player to gain the value as football oriented brand. Launched in Korea.



le coq sportif (athletic)

Sportswear with a fashion-forward look. Enhanced distribution of cycling wear in Asian countries.



le coq sportif (golf)

In 2015 celebrated 20th anniversary of the launch of the golf category. Excellent performance from contracted pro golfers.



Munsingwear

High quality items especially those “made in Japan” have been popular.



Enhanced PR activity with top athletes’ images.

1. FY ending March 31, 2016

① Summary

② Market-specific and item-specific reviews

③ Review of Brands

2. Objectives and Plan for the FY ending March 31, 2016

Turnover and profits are expected to grow in each market, but the projected results will be comparable to the previous year due to the strong yen.

(Unit; JPY Million)

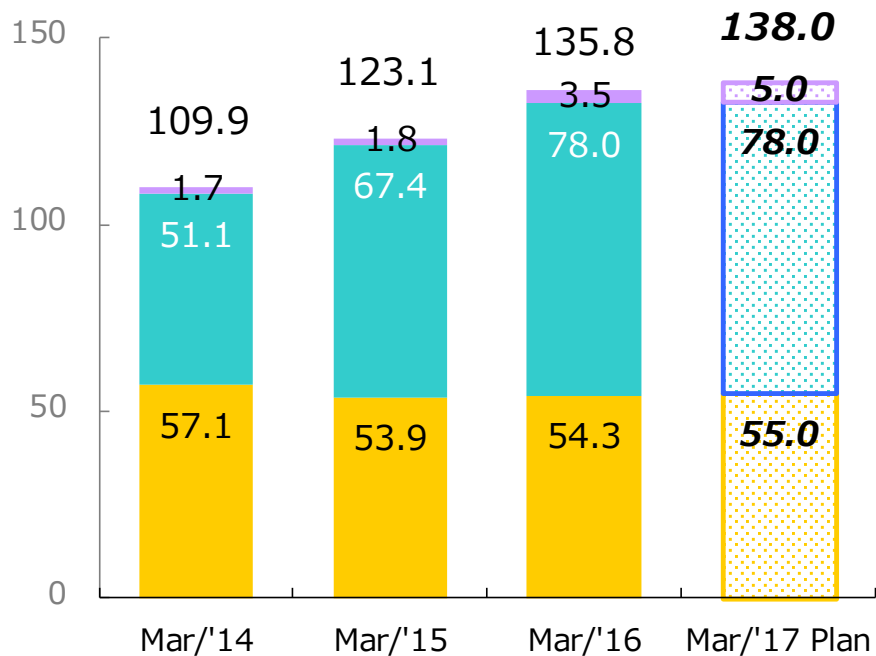
	Mar/'15	Mar/'16	Mar/'17	
			Plan	previous year
Net sales	123,128	135,778	138,000	101.6%
OP income	9,136	10,376	10,400	100.2%
(rete)	7.4%	7.6%	7.5%	
Ordinary income	9,543	11,053	10,500	95.0%
(rete)	7.8%	8.1%	7.6%	
Profit attributable to owners of parent	6,563	7,870	7,500	95.3%
(rete)	5.3%	5.8%	5.4%	
Net income per share	87.12	104.47	99.55	



Design for Sports

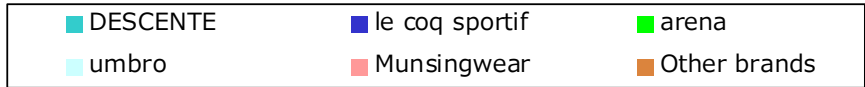
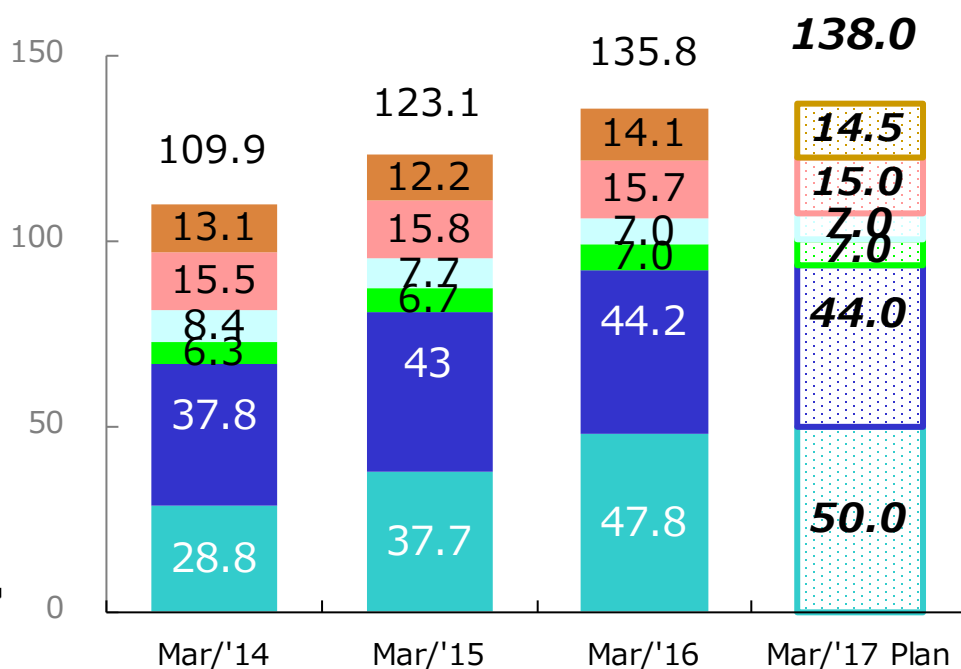
Brand and Market specific Sales (Consolidated)

Projected year-on-year increase of 2% to 138 billion for the FY ending March 17. Overseas ratio projected to remain at 60% of total turnover.



Overseas Ratio	48%	56%	60%	60%
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(Unit; JPY Billion)



(Unit; JPY Billion)

Dividends Transition(Consolidated)



Design for Sports

An annual dividend JPY17 is planned for 2017.

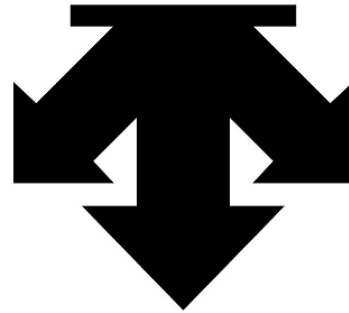
<Unit; JPY Million>

	Mar/'14	Mar/'15	Mar/'16	Mar/'17 Plan
Dividends	753	1,130	1,280	1,280
Amount/share	JPY10.0	JPY15.0	JPY17.0	JPY 17.0
Profit attributable to owners of parent (Consolidated)	4,470	6,563	7,870	7,500
Payout ratio	16.9%	17.2%	16.3%	17.1%

Additional focus will be on strengthening the corporate structure from a long-term and comprehensive perspective, earning the ability to invest in future growth areas by enhancing reserves , and implementing a stable dividend.



DESCENTE



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