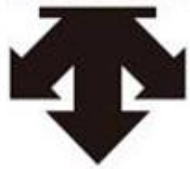


DESCENTE



Design for Sports

Financial Report

FY ending March 31. 2014

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/'13	Mar/'14	Mar/'15
US \$	81.34	98.95	104.00
KRW100	7.15	8.98	9.50
RMB	12.73	15.97	17.00
HK \$	10.33	12.64	13.50

- "%“ percentages are calculated on actual numbers.

1. FY ending March 31, 2014

① Summary

② Item-specific and area-specific reviews

2. Objectives and plan for the FY ending March 31, 2015

FY ending March 31,2014



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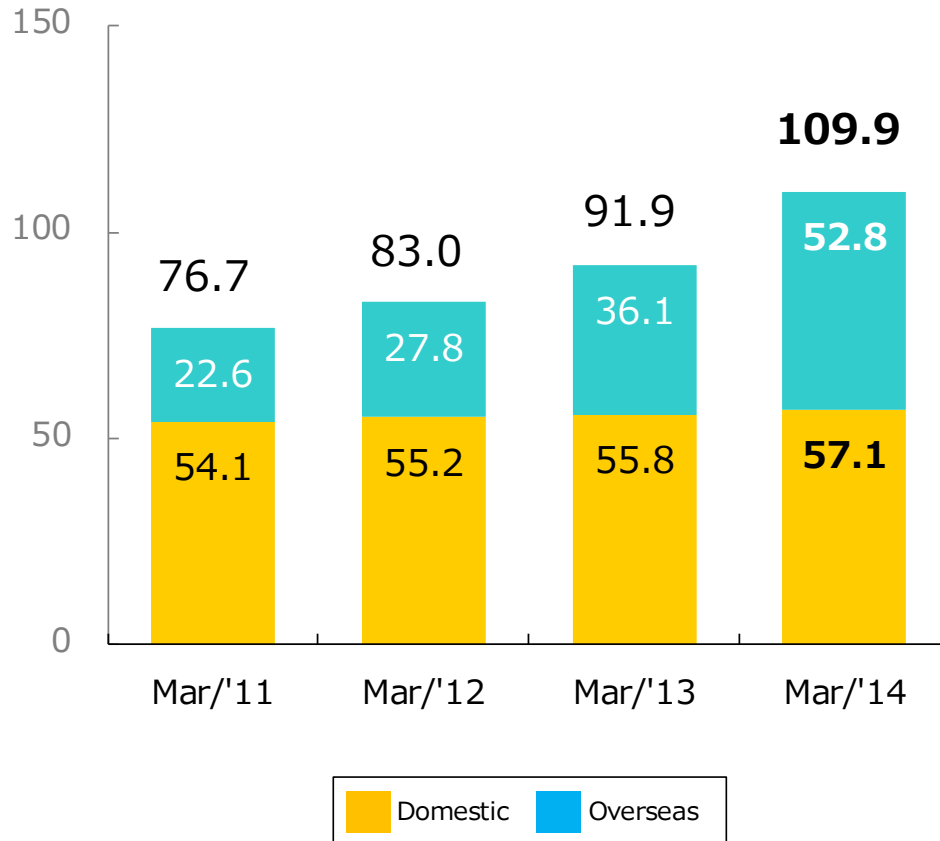
(Unit; JPY Million)

	'Mar/'14	'Mar/'13		'Mar/'14	
	performance	performance	Year-on-year	announced plan	VS plan
Net sales	109,944	91,932	119.6%	104,000	105.7%
OP income	6,271	5,419	115.7%	6,000	104.5%
(%)	5.7%	5.9%		5.8%	
Ordinary income	6,643	5,639	117.8%	6,100	108.9%
(%)	6.0%	6.1%		5.9%	
NET income	4,470	3,561	125.5%	4,000	111.8%
(%)	4.1%	3.9%		3.8%	

Net Sales Transition(consolidated)



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(Unit; JPY Billion)

**(vs last year)
+18.0 billion (120%)**

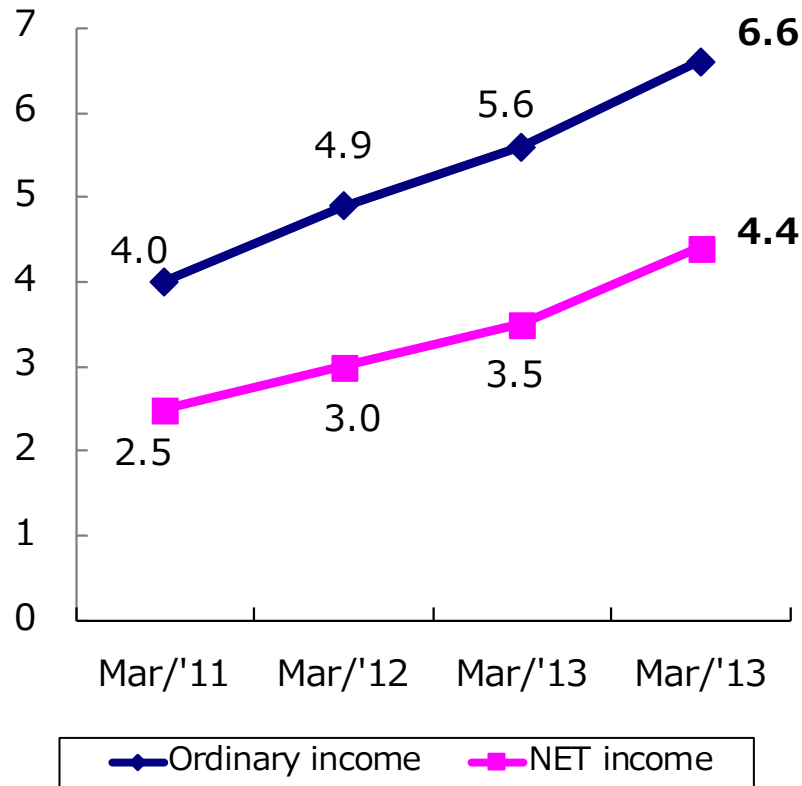
Domestic +1.3b(103%)
athletic brands +0.2 b
golf brands +0.6 b
outdoor brands +0.5 b

Overseas +16.7b(146%)
athletic brands +11.0 b
golf brands +3.0 b
outdoor brands +2.7 b

Income Transition(consolidated)



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(Unit; JPY Billion)

(Unit; JPY Billion)

	Current period	Prev. period	Change
Operating income	6.2	5.4	0.8
Non-operating income	0.5	0.3	0.2
Non-operating expenses	0.1	0.1	0.0
Ordinary income	6.6	5.6	1.0
Extraordinary income	–	0.1	▲ 0.1
Extraordinary loss	–	0.2	▲ 0.2
Total income taxes	2.2	2.0	0.2
NET income	4.4	3.5	0.9

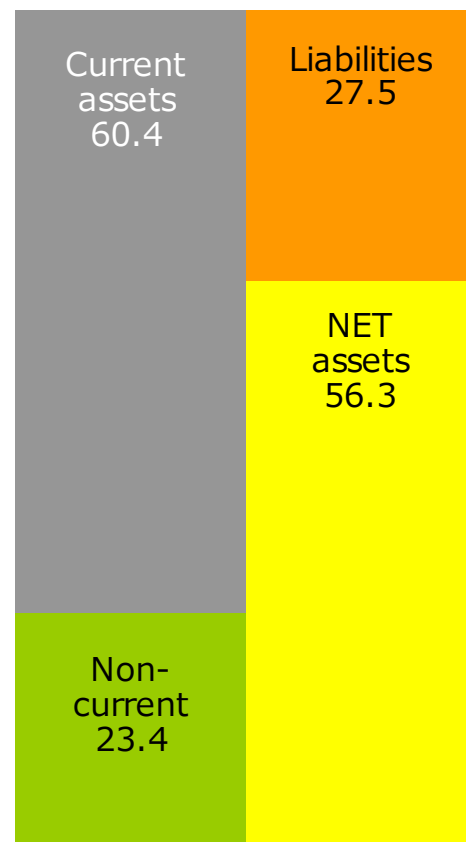
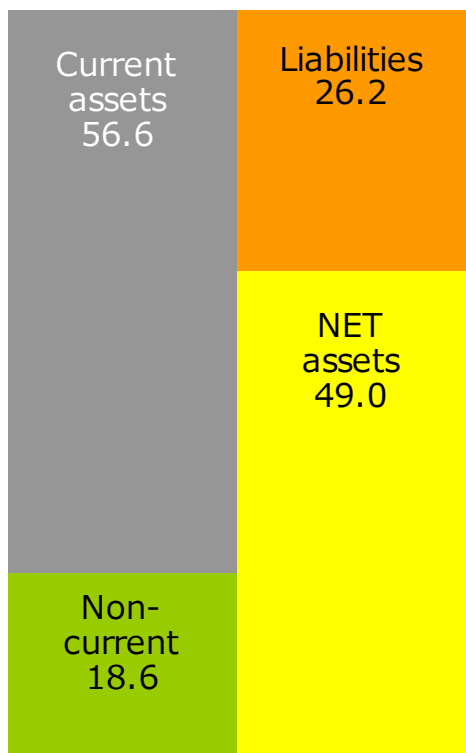
Balance Sheets Transition(consolidated)



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Mar/'13

Mar/'14



Total assets
75.2

Total assets
83.8

(Unit; JPY Billion)

Ratio of net worth 65.1%

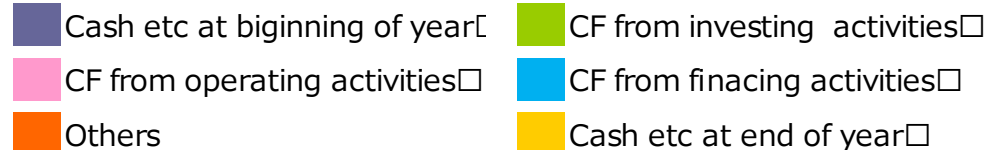
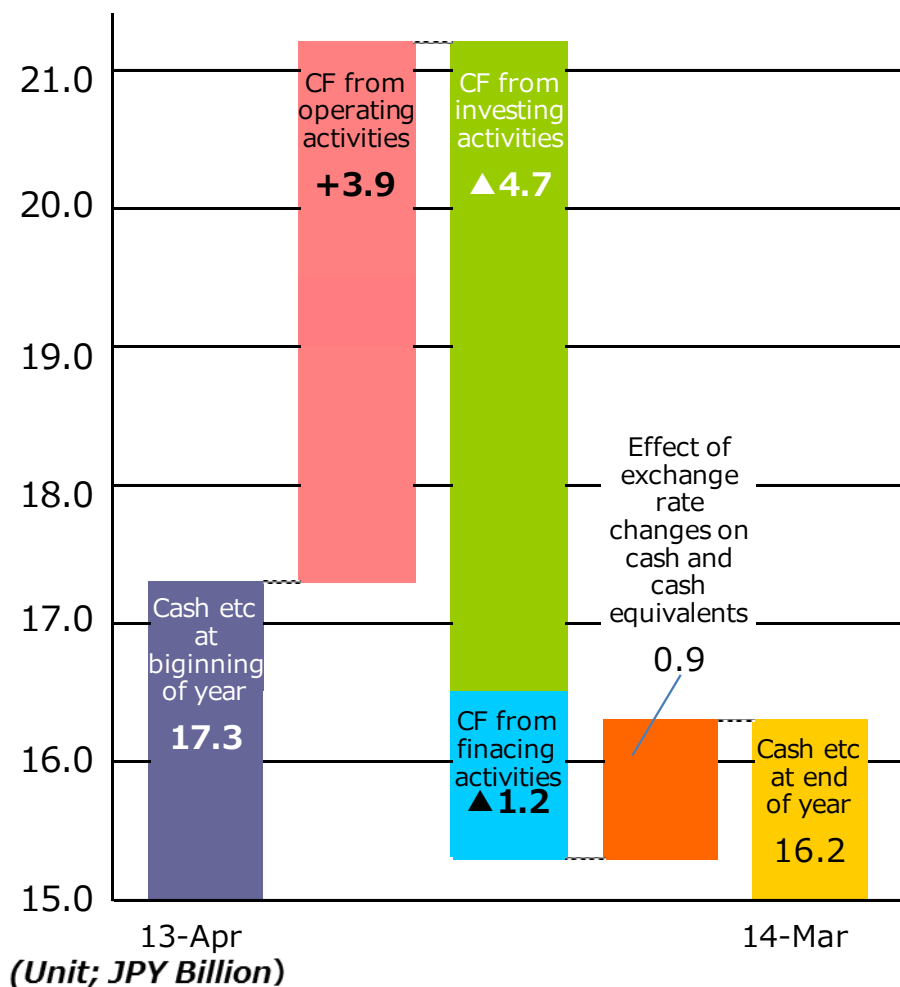
Ratio of net worth 67.2%

* Increase in assets due mainly to purchases of a warehouse in Korea, offices in Hong Kong and the "UMBRO" trademarks in Korea.

Cash flow(consolidated)



Design for Sports



CF from operating activities(+3.9)

Income before income taxes and minority interests	+6.6b
Depreciation and amortization	+1.7b
Increase in trade notes and receivables	▲2.1b
Increase in inventories	▲0.3b
Decrease in trade notes and accounts payable	▲0.4b
Income taxes paid	▲1.9b
Etc	+0.3b

CF from investing activities (▲4.7)

Fixed assets	▲4.8b
Etc	+0.1b

CF from financing activities (▲1.2)

Proceeds from long-term loans payable	+1.0b
Repayment of long-term loans payable	▲1.5b
Dividend	▲0.6b
Etc	▲0.1b

Effect of exchange rate changes on cash and cash equivalents +0.9b

1. FY ending March 31, 2014

① Summary

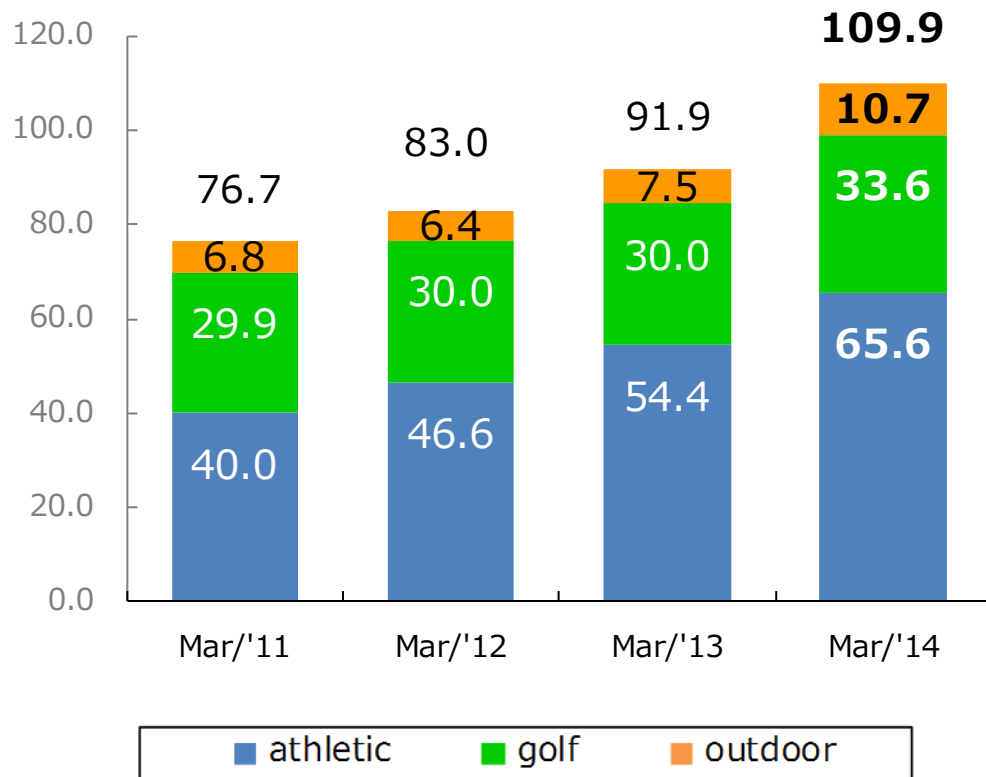
② **Item-specific and area-specific reviews**

2. Objectives and plan for the
FY ending March 31, 2015

Net Sales Transition per ITEM (consolidated)



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vs last year
+18.0b (120%)

athletic	+11.2b	(121%)
golf	+3.6b	(112%)
outdoor	+3.2b	(141%)

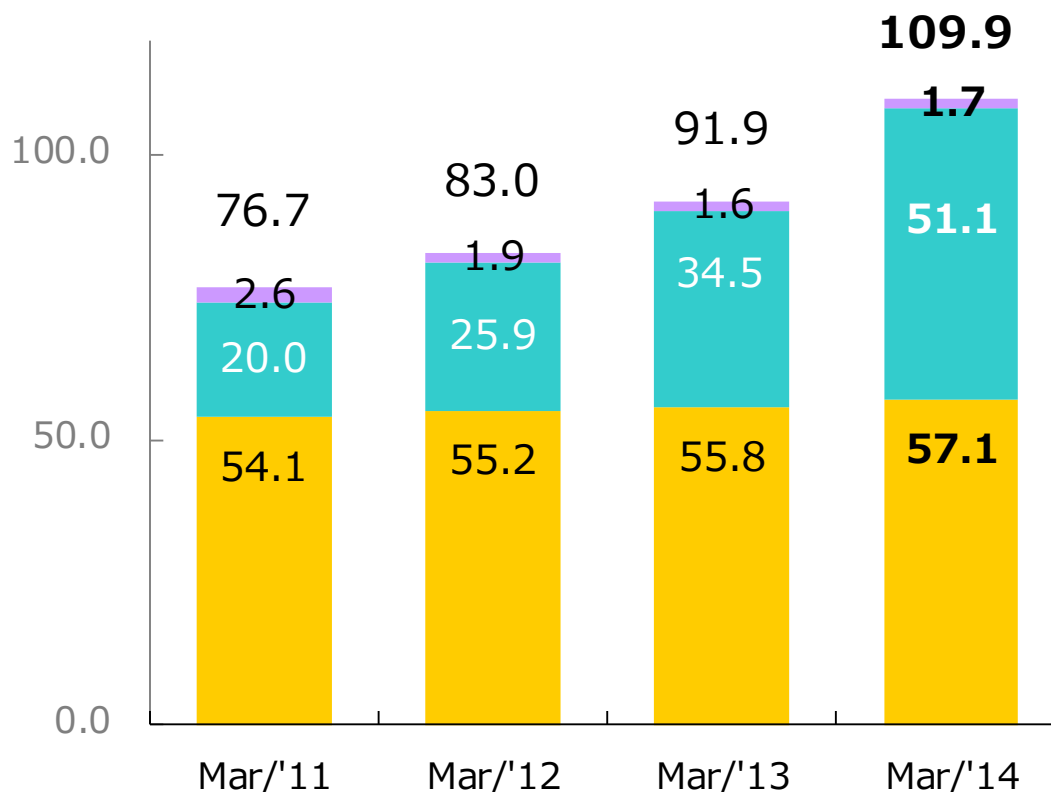
(Unit; JPY Billion)

Net Sales Transition per AREA (consolidated)



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Domestic sales increased by +1.3 billion (103%). Asian sales increased by +16.6 billion (148%). Overseas sales increased by 9 points to 48% of total turnover.



Overseas Ratio	Mar/'11	Mar/'12	Mar/'13	Mar/'14
	30%	34%	39%	48%

(Unit; JPY Billion)

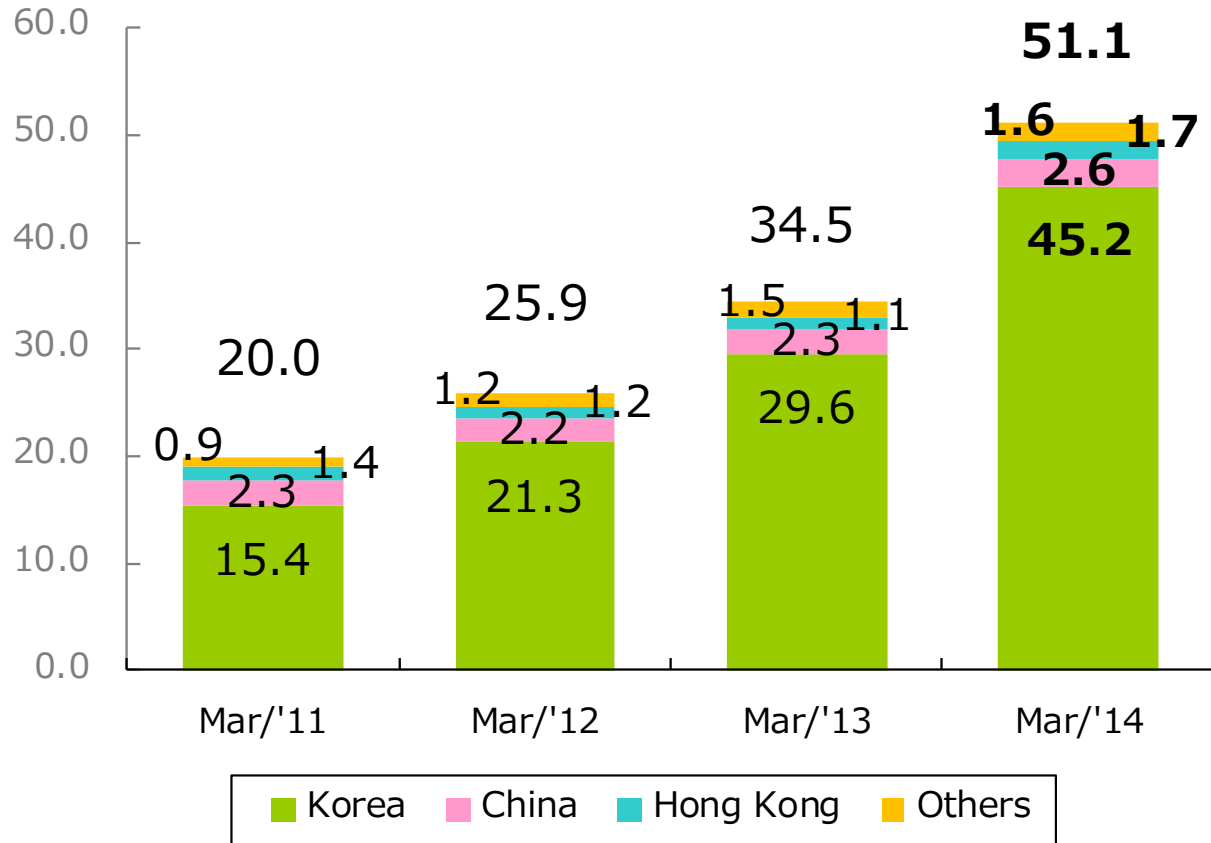


Net Sales Transition per in Asia (excl. Japan)



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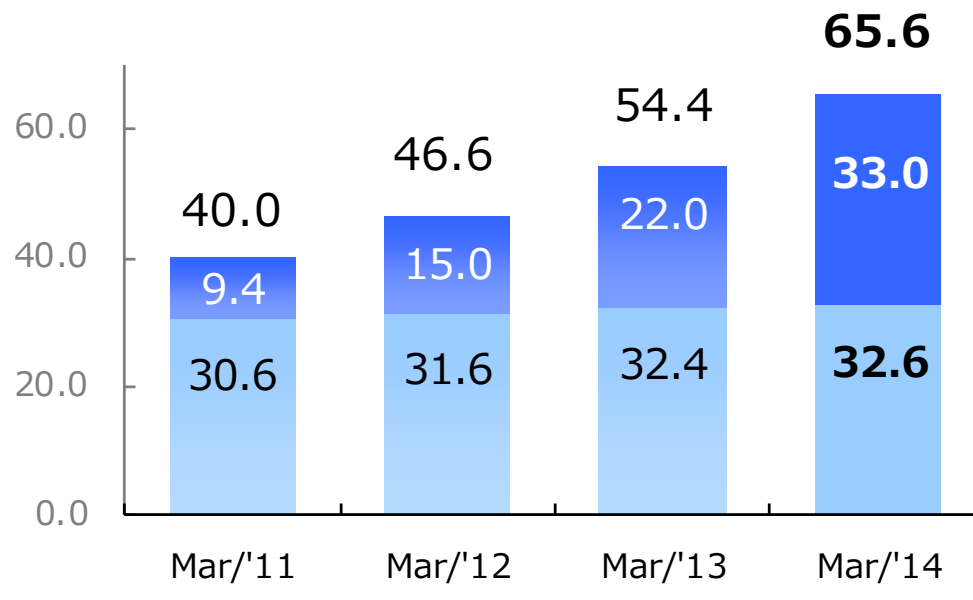
Turnover in Asia has seen a significant year-on-year increase of +16.6 billion (148%). In Korea in particular, aided by a favorable exchange rate, year-on-year growth in turnover was +15.6 billion (152%)



(Unit; JPY Billion)

**An increase of +11.2b (121%) to 65.6b
(Japan +0.2b(101%)/Overseas +11.0b(150%))**

- In Japan sales of "le coq sportif" have been robust. "DESCENTE" and "arena" brands have been consistent and "UMBRO" sales have been flat.
- Overseas "DESCENTE", "le coq sportif" and "arena" sales have been robust.

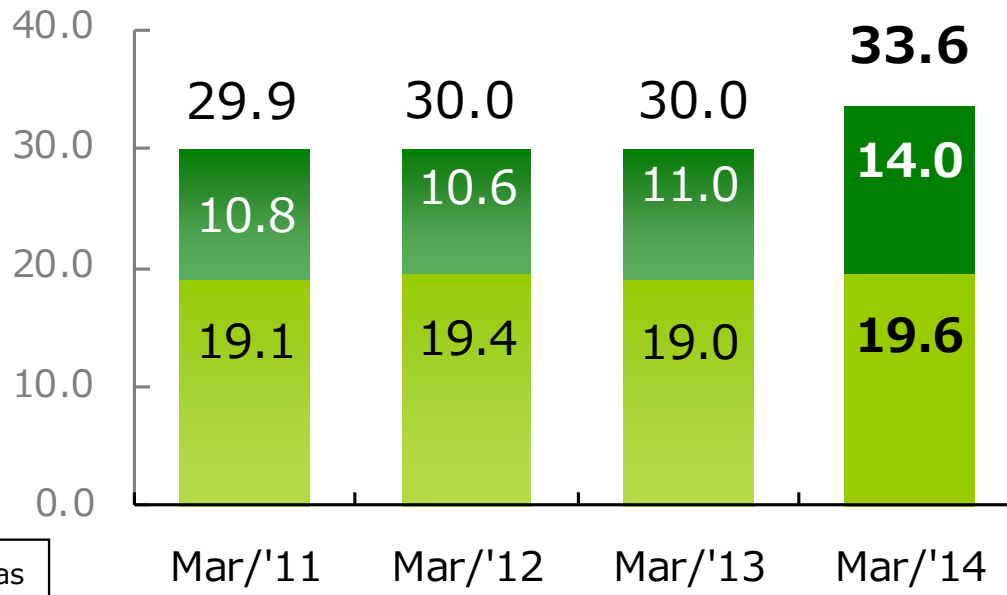


Japan Overseas

(Unit; JPY Billion)

**An increase of +3.6b(112%) to 33.6b
(Japan +0.6b(104%)/Overseas +3.0b(127%))**

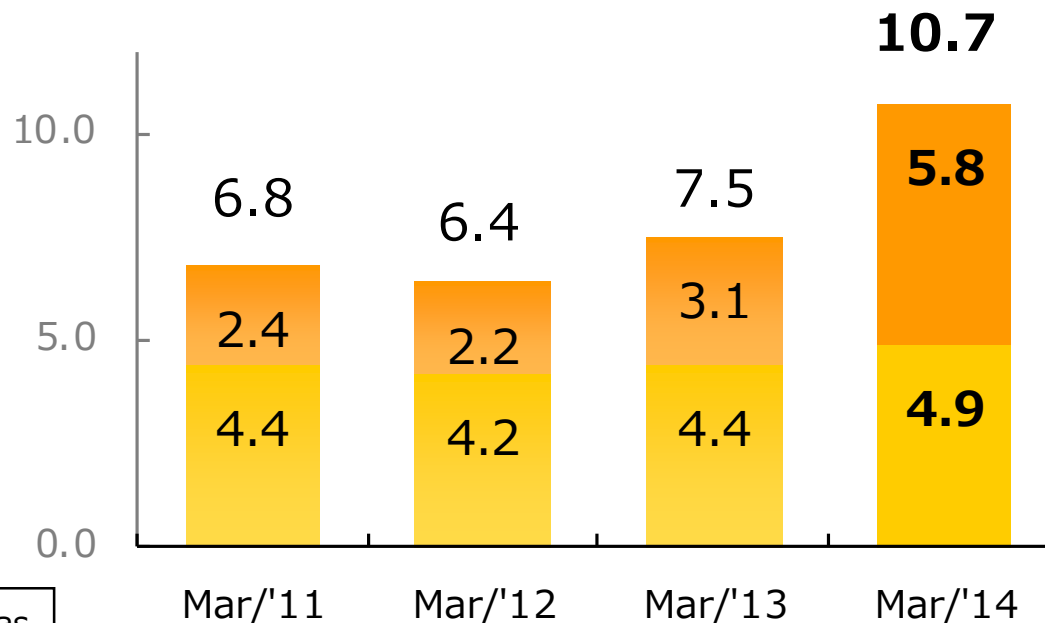
- In Japan “LANVIN SPORT” sales have met expectations and sales in “Calvin Klein golf” have been robust. Sales in “Munsingwear” and “le coq sportif golf” have been consistent.
- In Asian markets both “Munsingwear” and “le coq sportif” sales have been robust.



(Unit; JPY Billion)

**An increase of +3.2b(141%)to 10.7b
(Japan +0.5b(111%)/Overseas +2.7b (185%))**

- In Japan “Marmot” sales have been robust.
- The “DESCENTE” brand has seen significant sales growth in Korea however North America sales have been flat.



Japan Overseas

(Unit; JPY Billion)

1. FY ending March 31, 2014

① Summary

② Item-specific and area-specific reviews

2. Objectives and plan for the FY ending March 31, 2015

Further Expansion of Overseas Operations

- A new branch office in Hong Kong to focus on brand marketing in SE Asia.
- The opening of a liaison office in Europe.
- The creation of a DESCENTE global business team.
- Implementation of global branding.

Further Expansion of Overseas Operations

- A new branch office in Hong Kong to focus on brand marketing in SE Asia.

To enable better marketing in Asia of “le coq sportif” (athletics) and “arena” where we are the brand owner in Asia.

Further Expansion of Overseas Operations

- The opening of a liaison office in Europe.

To prepare for the expansion of the “DESCENTE” brand in Europe.

Further Expansion of Overseas Operations

- The creation of a DESCENTE global business team.

A new Japan – Korea joint project team set up to take advantage of Descente Korea's retailing expertise. This team will aim to transfer this know how to other regions.

Further Expansion of Overseas Operations

- Implementation of global branding.

To enhance brand value by leveraging a unified global image with other brandholders, licensors and licensees.

Restructuring of Domestic Operations

- Improved inventory management.
- Application of segment-focused marketing.
- Implementing value adding initiatives.
- Strengthening retail operations.

Restructuring of Domestic Operations

- Improved inventory management.

Reduce inventories of past season product and develop production system to ensure the right product is in stock at the right time.

Restructuring of Domestic Operations

- Application of segment-focused marketing.

Develop unique product and special promotional activities for teams and individual athletes in various sports including baseball, soccer, swimming, volleyball and wintersports.

Restructuring of Domestic Operations

- Implementing value adding initiatives.

Work in collaboration with well known designers and other enterprises and with “select shops” to offer new products and appeal to new customers.

Restructuring of Domestic Operations

- Strengthening retail operations.

In addition to our own branded shops we will expand the concept of “shop in shops” within general and sports retailers.

Business Plan Mar/'15(consolidated)



Design for Sports

(Unit; JPY million)

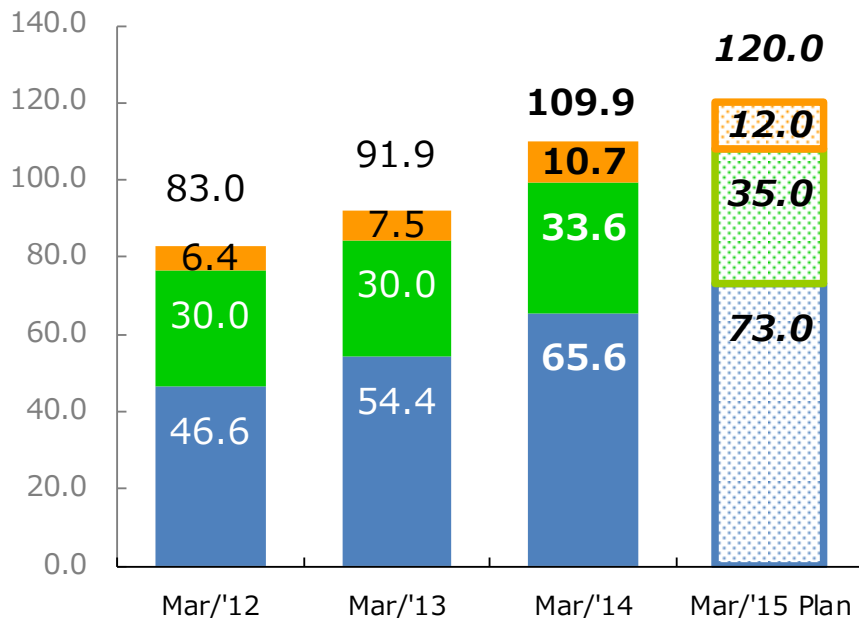
	Mar/'13	Mar/'14	Mar/'15		Mar/'16 3 year
			Plan	previous year	
Net sales	91,932	109,944	120,000	109.1%	120,000
OP income	5,419	6,271	7,000	111.6%	8,000
(rete)	5.9%	5.7%	5.8%		6.7%
Ordinary income	5,639	6,643	7,200	108.4%	-
(rete)	6.1%	6.0%	6.0%		-
NET income	3,561	4,470	4,800	107.4%	5,000
(rete)	3.9%	4.1%	4.0%		4.2%
NET income per share	47.27	59.33	63.71		-

Item- specific and area-specific Sales(Consolidated)



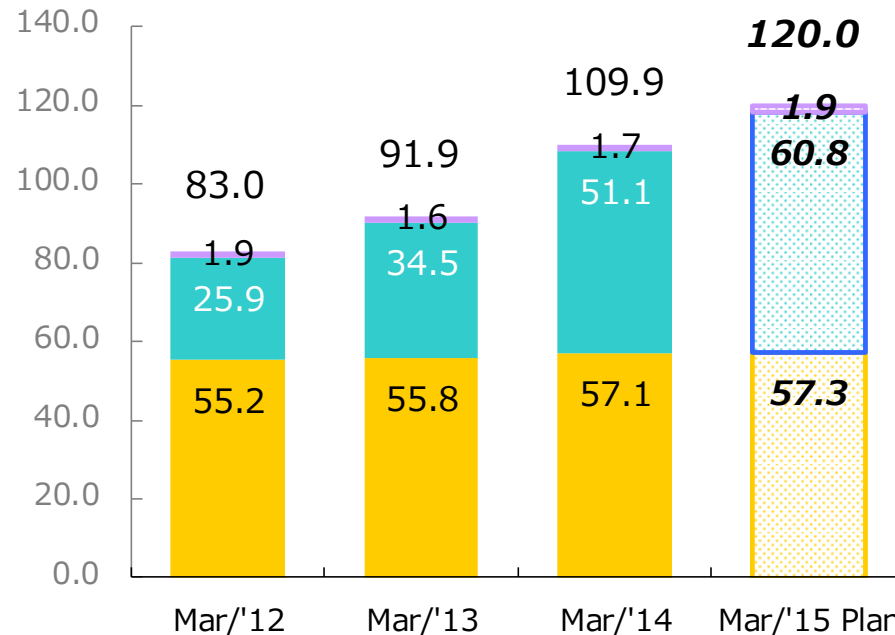
Design for Sports

There is projected growth in all market segments with a planned year-on-year increase of +101 billion (109%) to 120 billion for the FY ending March 15. Sales in Asia and Europe projected to grow to more than 50% of total turnover.



■ athletic ■ golf ■ outdoor

(Unit; JPY Billion)



Overseas Ratio	34%	39%	48%	52%
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(Unit; JPY Billion)

■ Domestic ■ ASIA ■ EU/USA

Dividends Transition(Consolidated)

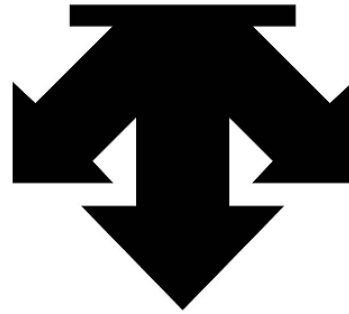


Design for Sports

(Unit; JPY million)

	Mar/'12	Mar/'13	Mar/'14	Mar/'15 Plan
Dividends	602	602	753	753
Amount/share	<i>JPY 8.0</i>	<i>JPY 8.0</i>	<i>JPY10.0</i>	<i>JPY 10.0</i>
Net income(Consolidated)	3,045	3,561	4,470	4,800
Payout ratio	<i>19.8%</i>	<i>16.9%</i>	<i>16.9%</i>	<i>15.7%</i>

DESCENTE



Design for Sports