



Consolidated Financial Summary For the First Quarter of Fiscal Year Ending March 31, 2019

August 1, 2018

DESCENTE LTD.

(TSE 1st Section:8114)

Definitions of the Terms and Rules for Numerical Description



Design for Sports

Definitions of Terms

By Segment: Classified according to country and area of the location of the company.

Example: Net sales from DESCENTE LTD. to Distributor in Spain is counted in Japan segment

By Area: Classified according to country and area of the location of the customer.

Example: Net sales from DESCENTE LTD. to Distributor in Spain is counted in Europe/Americas area.

*Group internal sales is eliminated in neither of these cases. (Not counted)

Rules for Numerical Description

The number is truncated and the percentage is rounded off.



1. 1st Quarter of FY Ending March 31, 2019

① Summary

② Review by Brand

2. Objectives and Plan for FY Ending March, 2019

Result for 1st Quarter of FY ending March 31, 2018 (Consolidated)



1. 1st Quarter of FY Ending March 31, 2019 ①Summary

Due to steady performance of Japan and China, sales increased in YoY and achieved double-digit increase of profits on a consolidated basis.

Design for Sports

(Unit: JPY million)	FY2018	FY2017		FY2018	
	1st Quarter performance	1st Quarter performance	Year-on-year	Full Year Guidance	Progression
Net sales	30,776	30,180	102.0%	148,000	20.8%
Operating income	1,116	982	113.6%	9,600	11.6%
(%)	3.6%	3.3%		6.5%	
Ordinary income	1,196	1,068	112.0%	10,000	12.0%
(%)	3.9%	3.5%		6.8%	
Profit attributable to owners of parent	975	764	127.6%	6,500	15.0%
(%)	3.2%	2.5%		4.4%	

Net Sales Transition by Area (Consolidated)

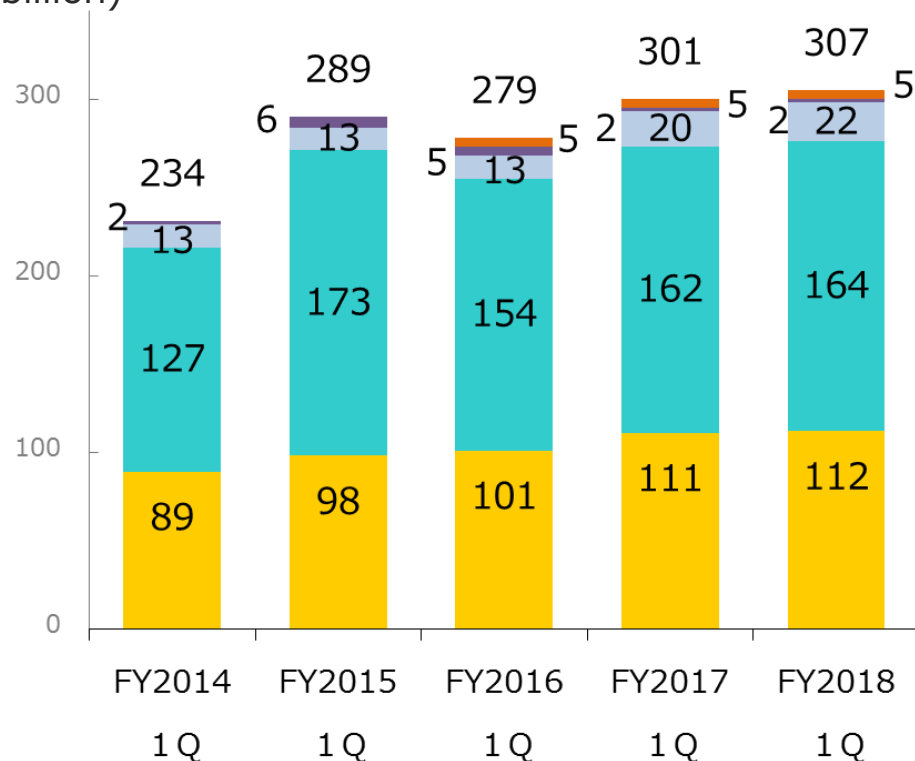


1. 1st Quarter of FY Ending March 31, 2019 ①Summary

Design for Sports

Sales increased in Japan led by le coq sportif brand and in Korea/China led by DESCENTE brand.

(Unit: JPY 0.1 billion)



Overseas Ratio	FY2014	FY2015	FY2016	FY2017	FY2018
	61%	66%	63%	63%	63%

- Japan
- Korea
- China (incl. Hong Kong/Taiwan)
- Other Asian Countries
- Europe/Americas

YoY +0.59billion(102%)

- Japan +0.16billion
- Korea +0.26billion
- China(Incl. Hong Kong/Taiwan) +0.24billion
- Other Asian Countries ▲0.02billion
- Europe/Americas ▲0.04billion

Note: FY2018=FY ending March 31, 2019

Net Sales by Item (Consolidated)



Design for Sports

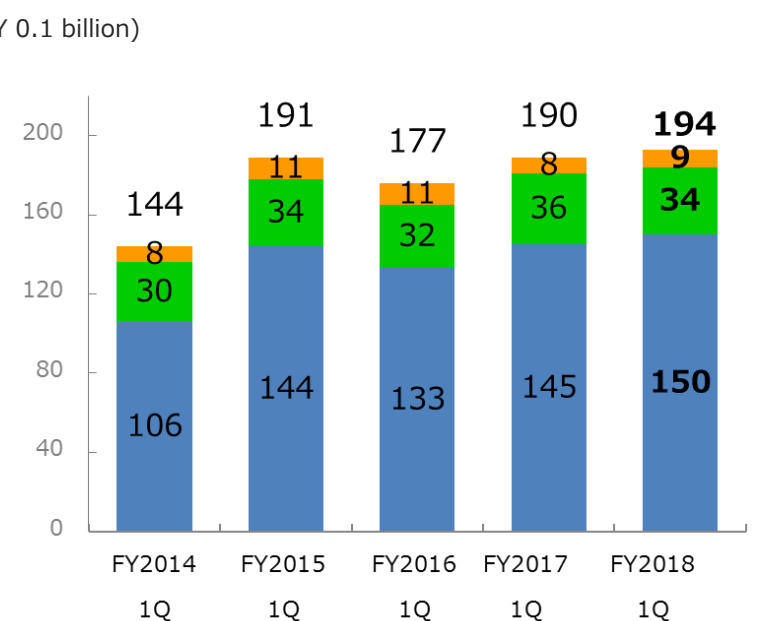
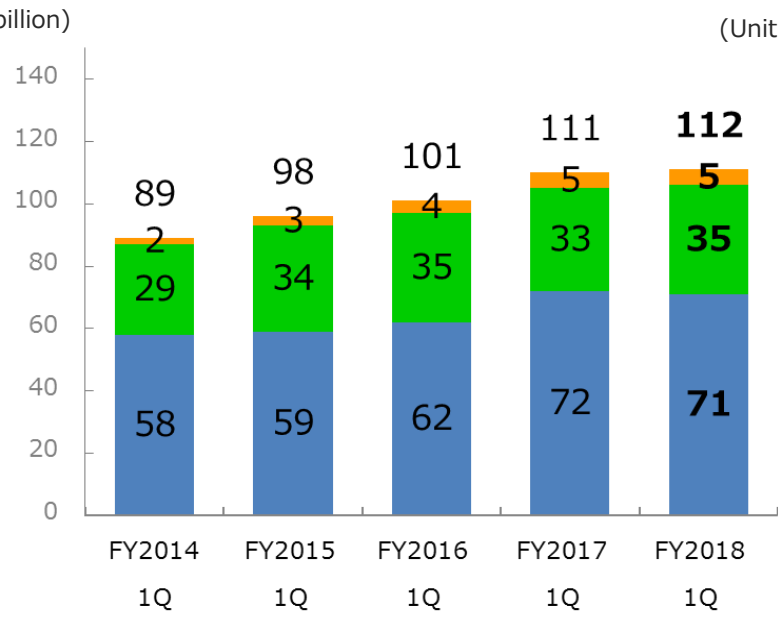
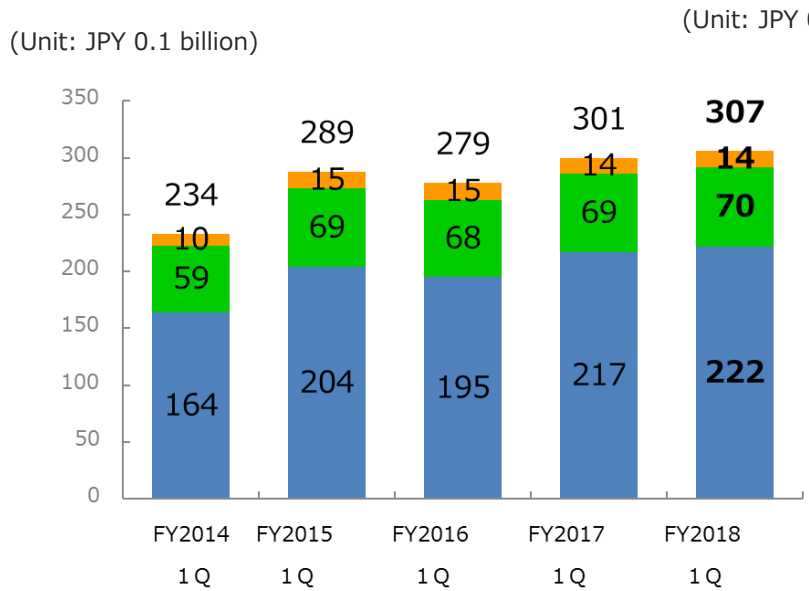
1. 1st Quarter of FY Ending March 31, 2019 ①Summary

Sales in golf category increased in Japan. Sales in athletic category increased in overseas such as DESCENTE and umbro brand etc. in Korea.

Consolidated

Japan

Overseas



Note: FY2018=FY ending March 31, 2019

Income Transition (Consolidated)

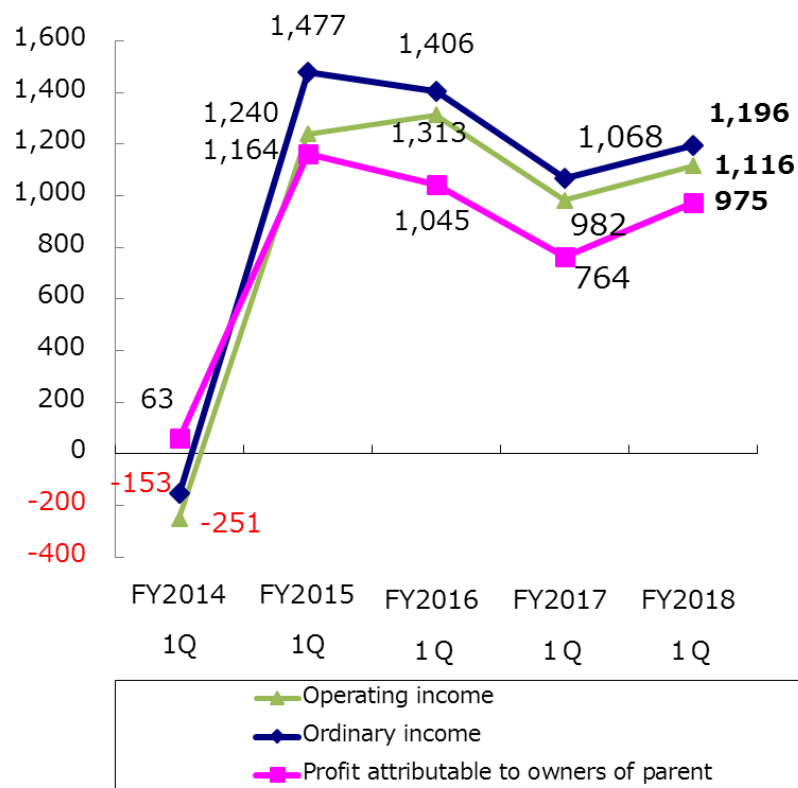


1. 1st Quarter of FY Ending March 31, 2019 ①Summary

Design for Sports

Ordinary profit and net income increased in YoY for the first time in three years due to improved performance in Japan and China.

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

(Unit: JPY million)	FY2018 1 Q	FY2017 1 Q	Change
Operating income	1,116	982	134
Non-operating income	180	147	33
Non-operating expenses	100	62	38
Ordinary income	1,196	1,068	128
Extraordinary income	0	0	0
Extraordinary loss	0	0	0
Total income taxes	220	304	▲ 84
Profit attributable to owners of parent	975	764	211

Balance Sheets Transition (Consolidated)



1. 1st Quarter of FY Ending March 31, 2019 ①Summary

Design for Sports

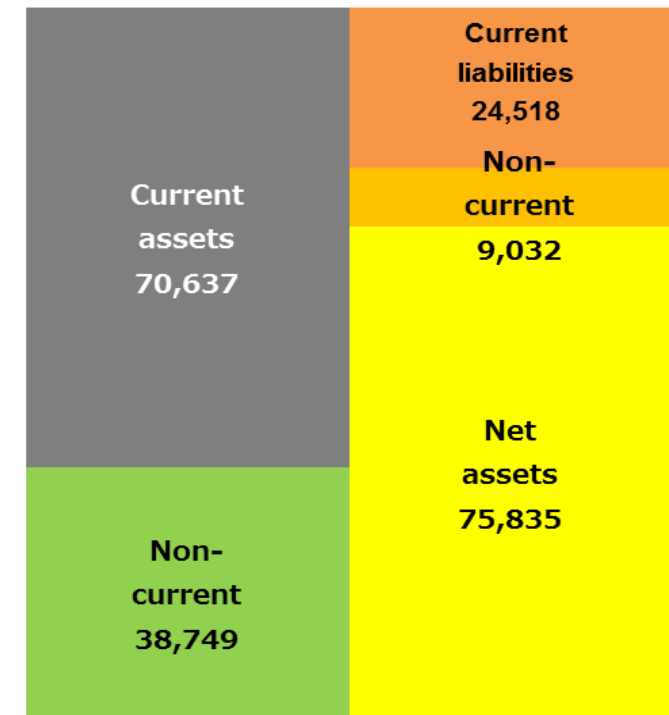
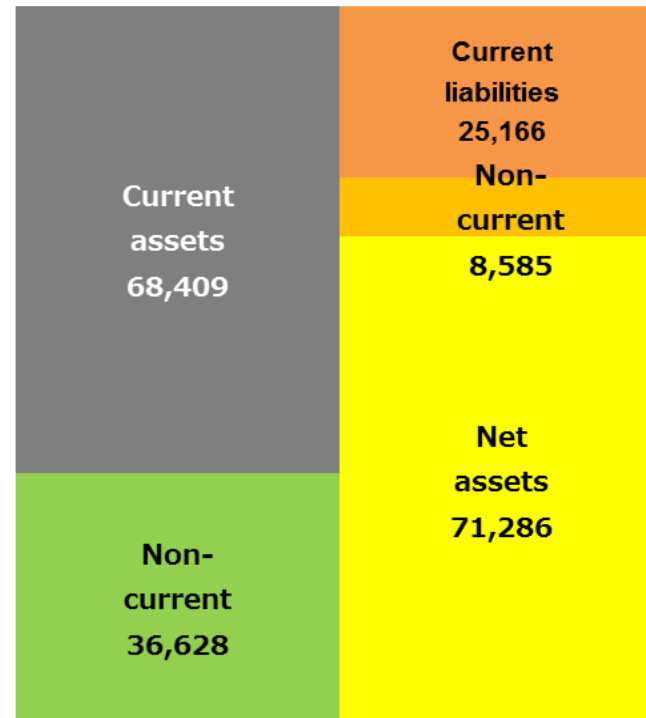
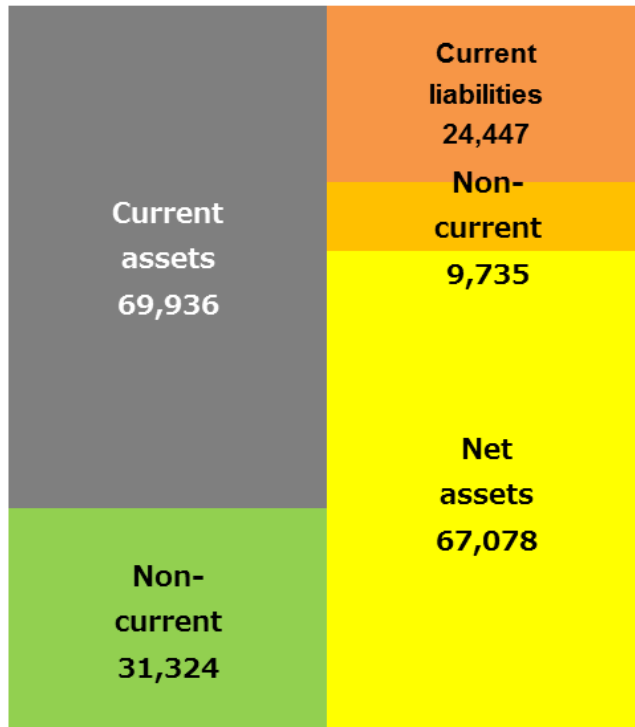
Total assets increased by 4.3 billion yen due to increased in fixed assets by investment for R&D centers in Japan and Korea etc. (+3.9 billion).

(Unit: JPY million)

2016/6/30

2017/6/30

2018/6/30



Total assets	101,261
Equity ratio	66.2%

Total assets	105,038
Equity ratio	67.9%

Total assets	109,386
Equity ratio	69.3%



1. 1st Quarter of FY Ending March 31, 2019

① Summary

② **Review by Brand**

2. Objectives and Plan for FY Ending March, 2019

Net Sales Transition by Brand (Consolidated)

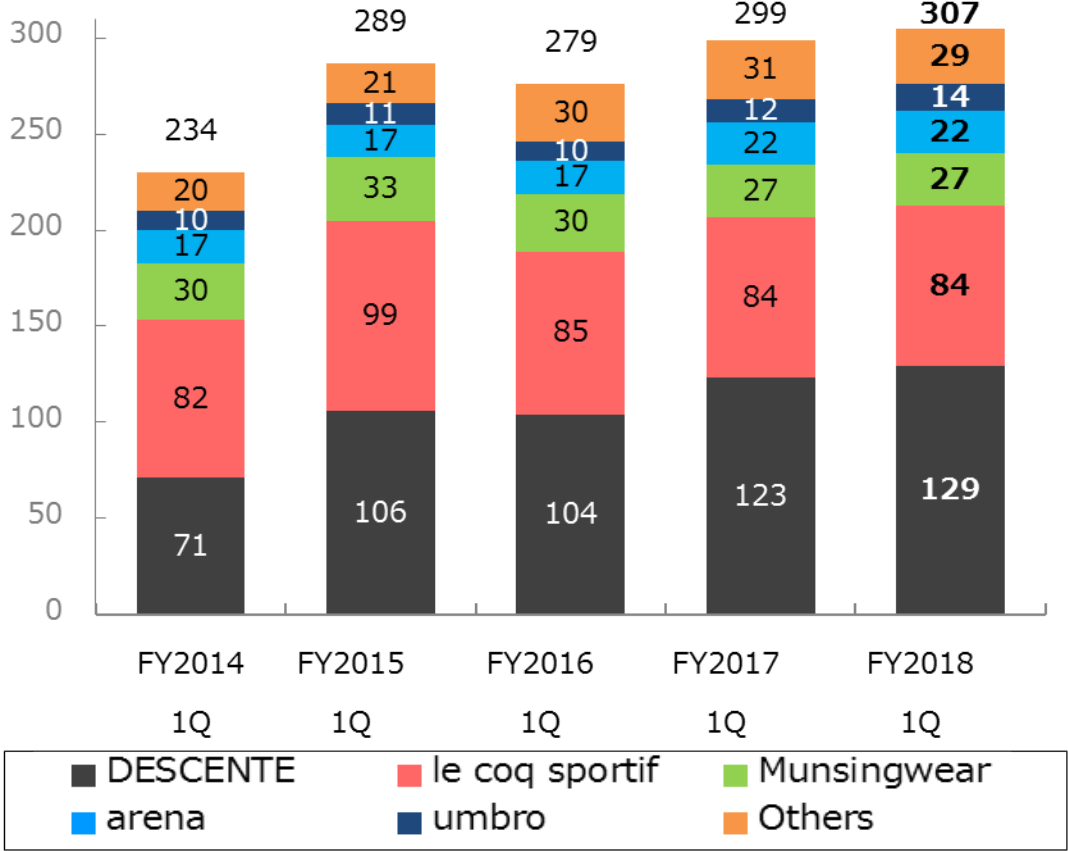
1. 1st Quarter of FY Ending March 31, 2019 ②Review by Brand



Design for Sports

Sales of DESCENTE brand increased in Japan, Korea, and China.

(Unit: JPY 0.1 billion)



Note: FY2018=FY ending March 31, 2019

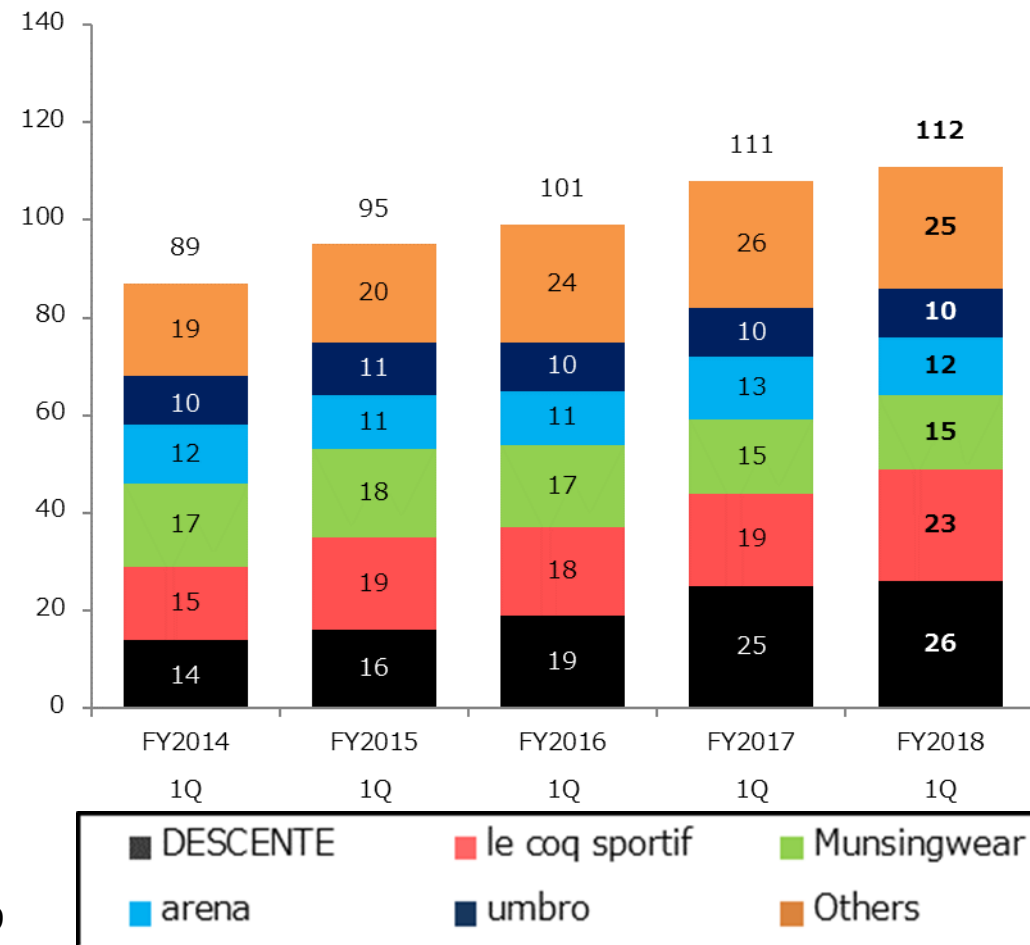


Net Sales Transition by Brand (Japan)

1. 1st Quarter of FY Ending March 31, 2019 ②Review by Brand

Le coq sportif brand is strong in both athletic and golf categories.

(Unit: JPY 0.1 billion)



Note: FY2018=FY ending March 31, 2019

Net Sales Transition by Brand (Korea)

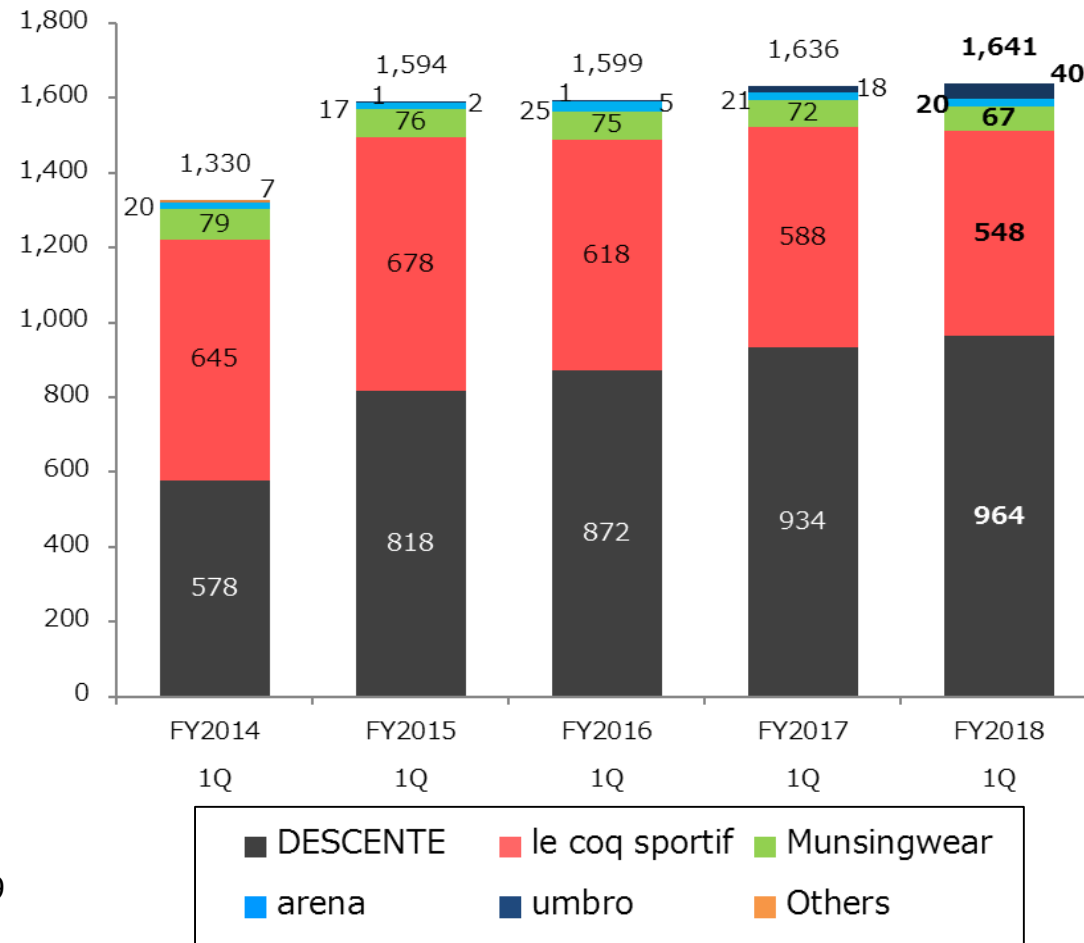
1. 1st Quarter of FY Ending March 31, 2019 ②Review by Brand



Design for Sports

**DESCENTE brand has continued to increase sales, and umbro brand is growing rapidly.
Le coq sportif has struggled in golf category.**

(Unit: KRW 0.1 billion)



Note: FY2018=FY ending March 31, 2019

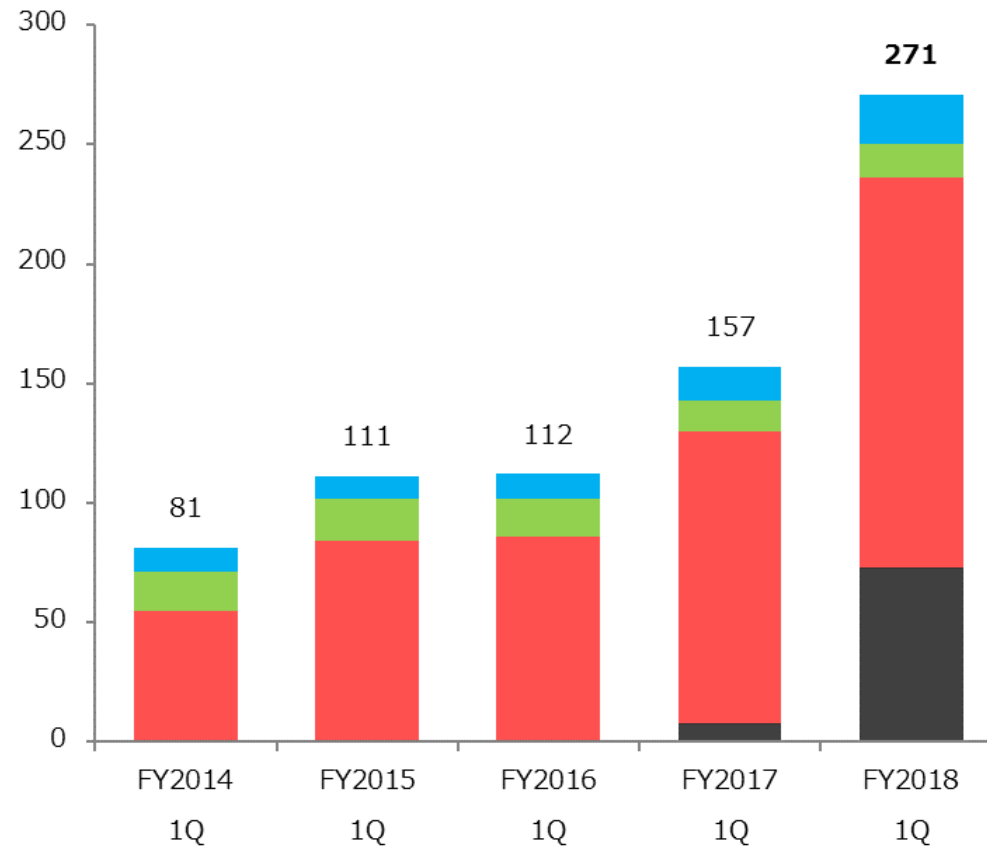
Combined JV Sales* Transition (China excl. Hong Kong and Taiwan)



1. 1st Quarter of FY Ending March 31, 2019 @Review by Brand

All 4 brands, mainly DESCENTE brand, increased sales.

(Unit: CNY million)



Note: FY2018=FY ending March 31, 2019

*: Including sales of equity-method affiliates, and exclude sales of consolidated group companies to equity-method affiliates.





1. 1st Quarter of FY Ending March 31, 2019

① Summary

② Review by Brand

2. Objectives and Plan for FY Ending March, 2019

Objectives and Plan for the FY ending March 31, 2019 (Consolidated)



Design for Sports

2. Objectives and Plan for FY Ending March, 2019

Aim to increase consolidated net sales by 5% YoY to a record high. Net income is expected to increase by 13% from the previous year.

(Unit: JPY million)	FY2016	FY2017	FY2018	
			Guidance	YoY
Net sales	131,543	141,124	148,000	105%
Operating income	8,418	9,596	9,600	100%
(%)	6.4%	6.8%	6.5%	
Ordinary income	8,631	9,698	10,000	103%
(%)	6.6%	6.9%	6.8%	
Profit attributable to owners of parent	5,650	5,771	6,500	113%
(%)	4.3%	4.1%	4.4%	

Predicted rate : USD112.60、100KRW10.40、CNY17.10、HKD14.30、SGD84.00、GBP152.00

Plans for the FY ending March 31, 2019 by Brand (Consolidated)

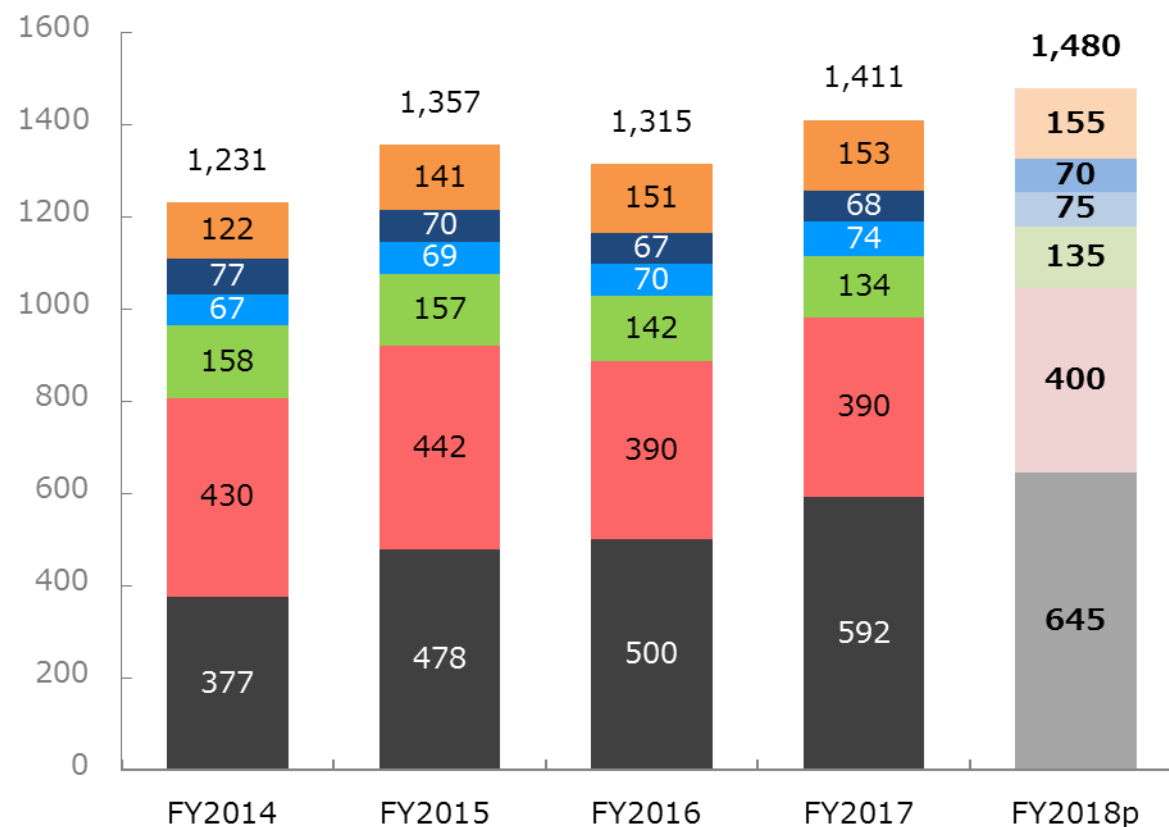


2. Objectives and Plan for FY Ending March, 2019

Design for Sports

Aim for increase of sales especially by DESCENTE brand.

(Unit: JPY 0.1 billion)



■ DESCENTE ■ le coq sportif ■ Munsingwear ■ arena ■ umbro ■ Others

Plans for the FY ending March 31, 2019 by Segment (Consolidated)

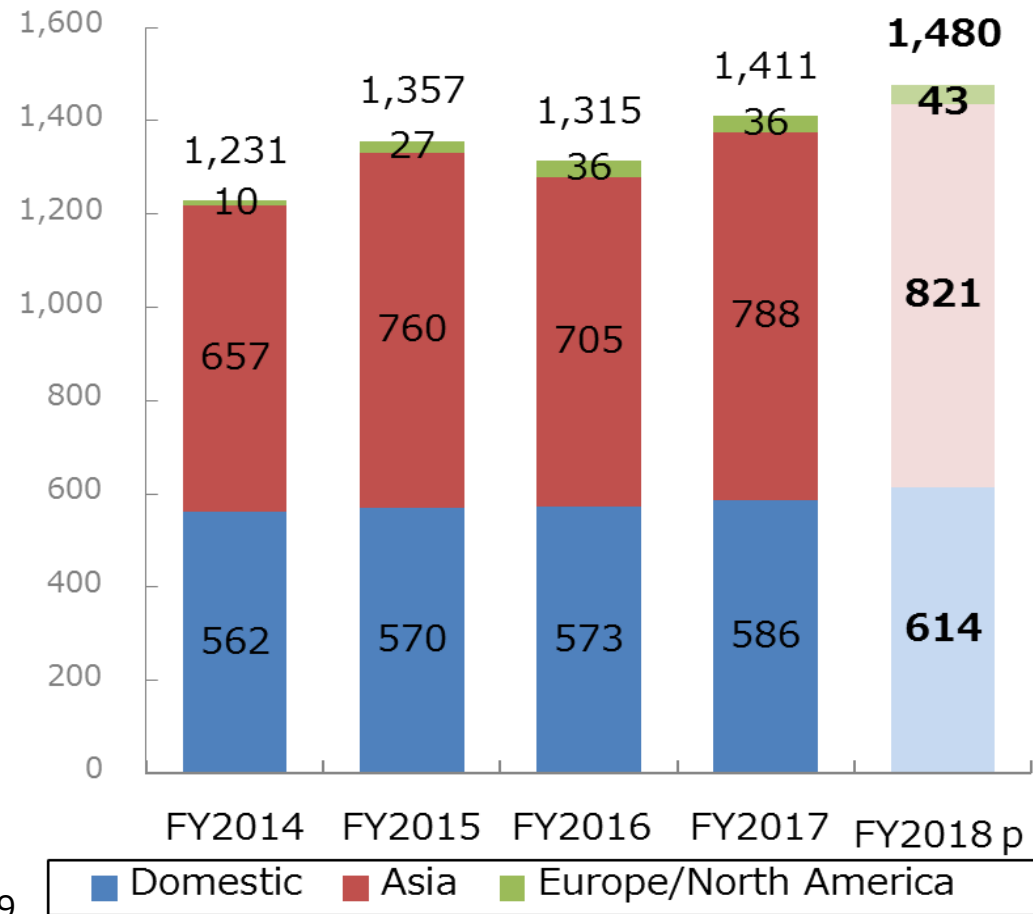


2. Objectives and Plan for FY Ending March, 2019

Sales planned to increase in all segments.

Design for Sports

(Unit: JPY 0.1 billion)



Note: FY2018=FY ending March 31, 2019

Dividends and Payout Ratio



2. Objectives and Plan for FY Ending March, 2019

Design for Sports

Annual dividends of FY 2018: JPY 23.0
Annual dividends of FY 2019 (Plan): JPY 26.0

(Unit: JPY Million)	FY2014	FY2015	FY2016	FY2017	FY2018 Plan
Dividends	1,130	1,280	1,732	1,733	1,959
Amount/share	JPY15.0	JPY17.0	JPY23.0	JPY23.0	JPY26.0
Profit attributable to owners of parent (Consolidated)	6,563	7,870	5,650	5,771	6,500
Payout ratio	17.2%	16.3%	30.7%	30.0%	30.1%

Taking into consideration the performance and payout ratio, we will properly return profits to our shareholders to secure internal reserves necessary for future business development and strengthening of our management structure while aiming for stable dividends.

Note: FY2018=FY ending March 31, 2019



**First Quarter of Fiscal Year
Ending March 31, 2019
Reference material**

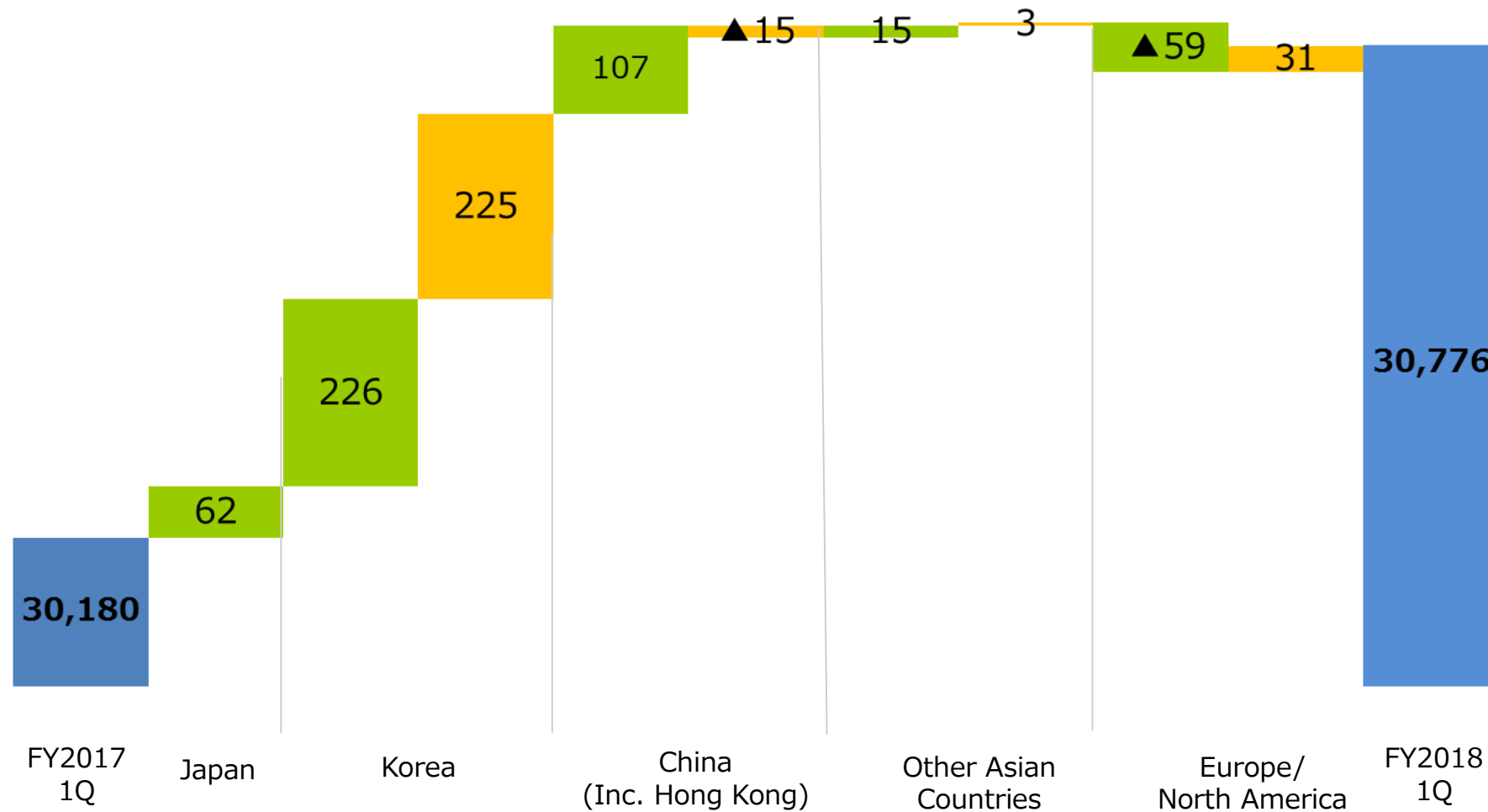
**(Transition of Quarterly Sales and
Operating Income by Segment)**

Net Sales Fluctuations by Segment (YoY)

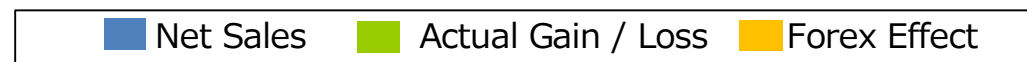


Design for Sports

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

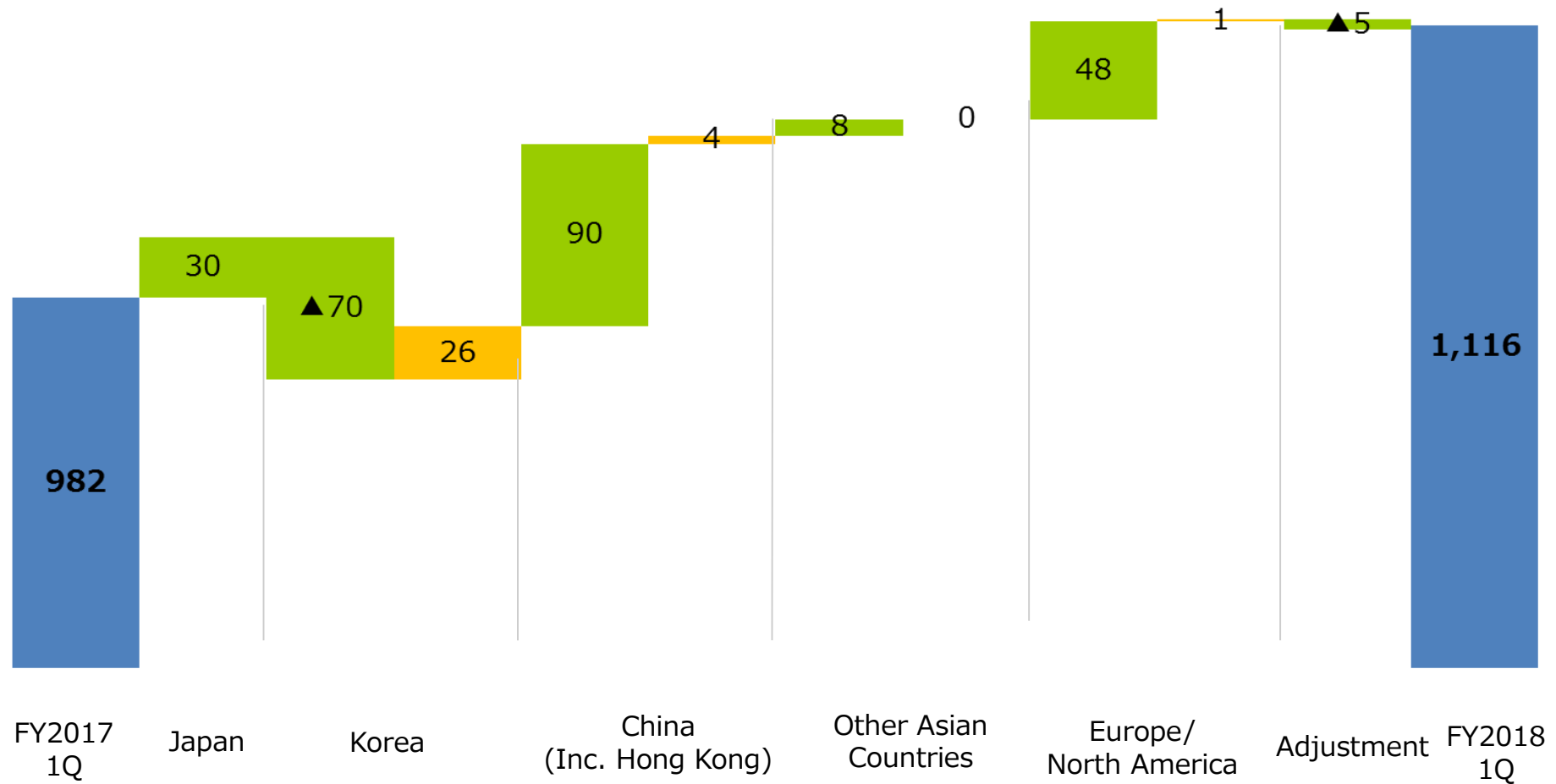


Operating Income Fluctuation by Segment (YoY)

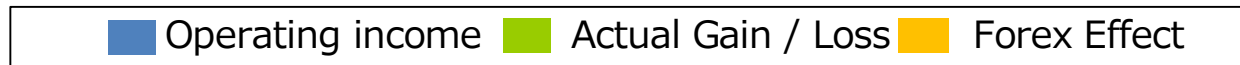


Design for Sports

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

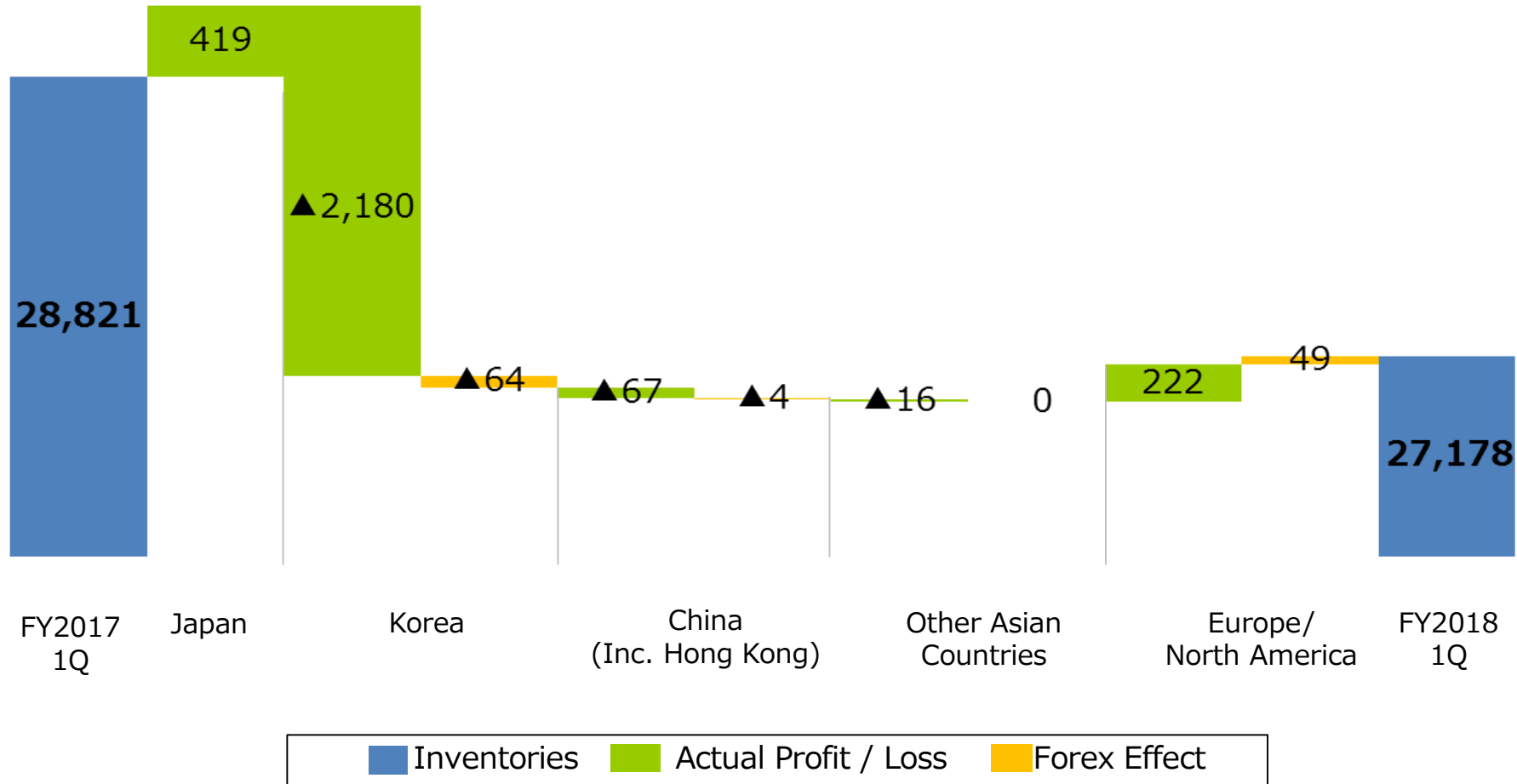


Inventory Fluctuation by Segment (YoY)



Design for Sports

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

Net Sales and Operating Income Transition by Segment (Japan)



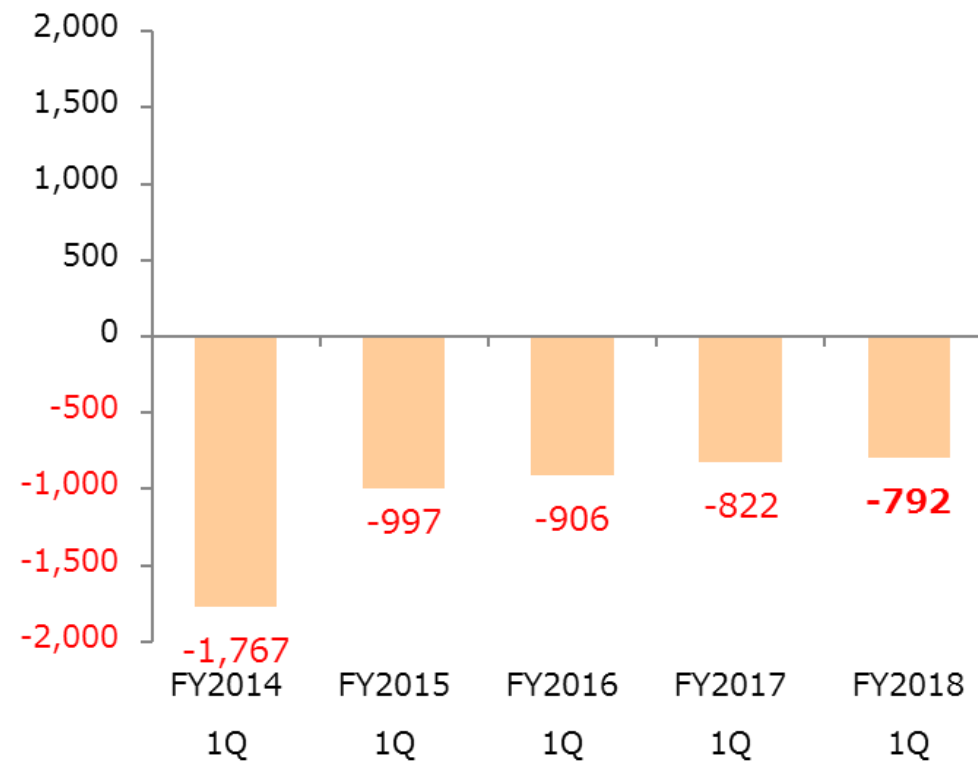
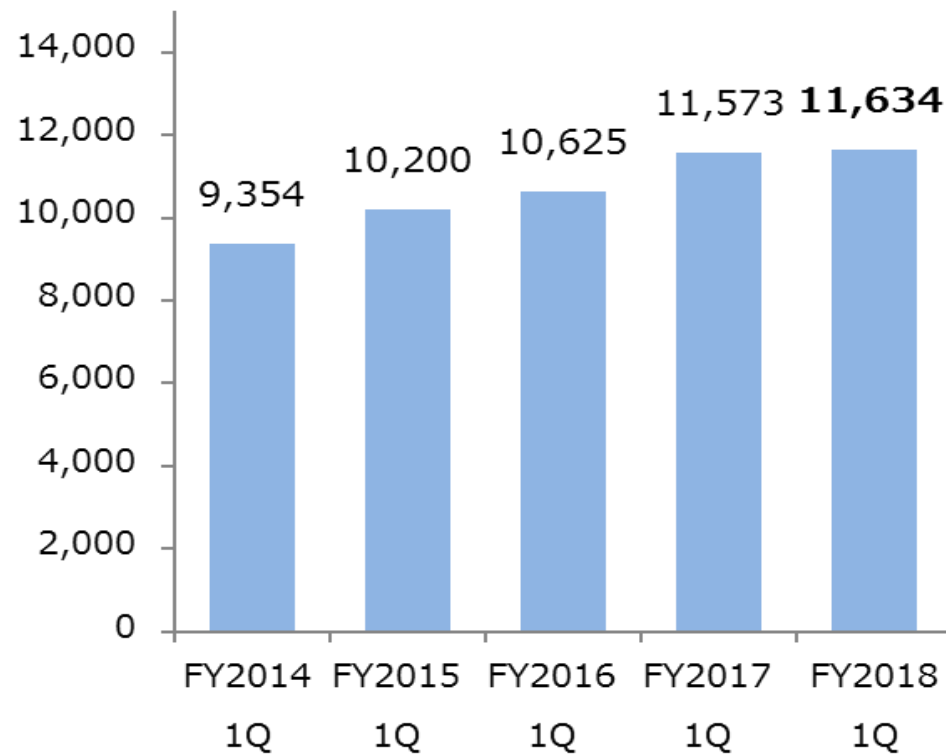
Design for Sports

Net Sales

Operating Income

(Unit: JPY million)

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

Net Sales and Operating Income Transition by Segment (Asia)



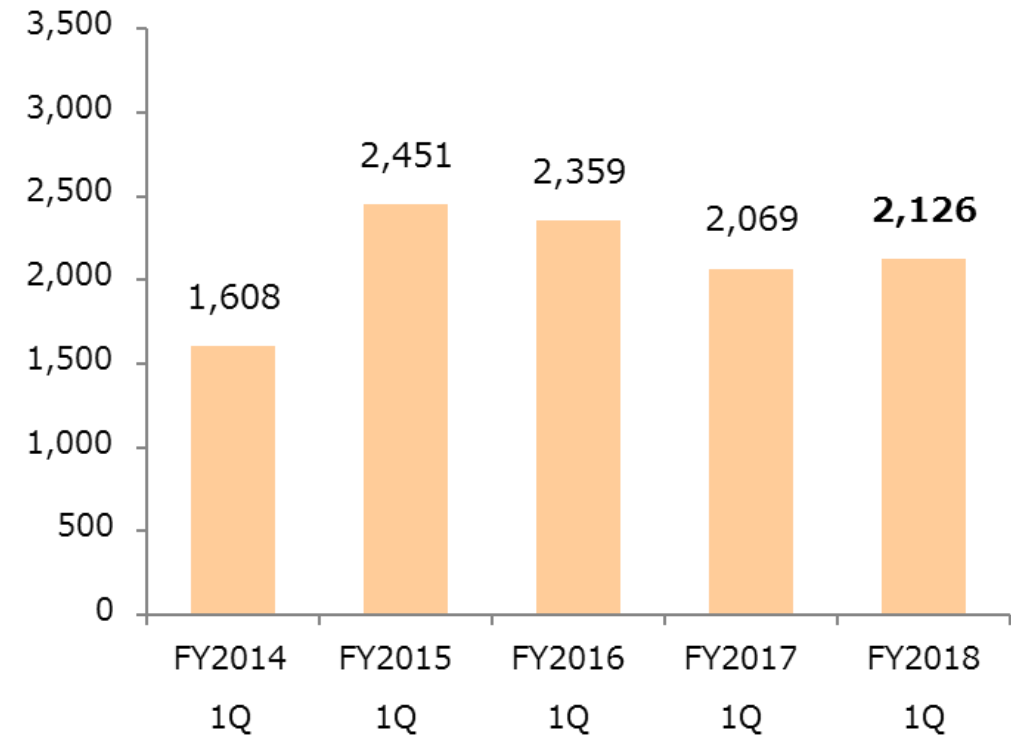
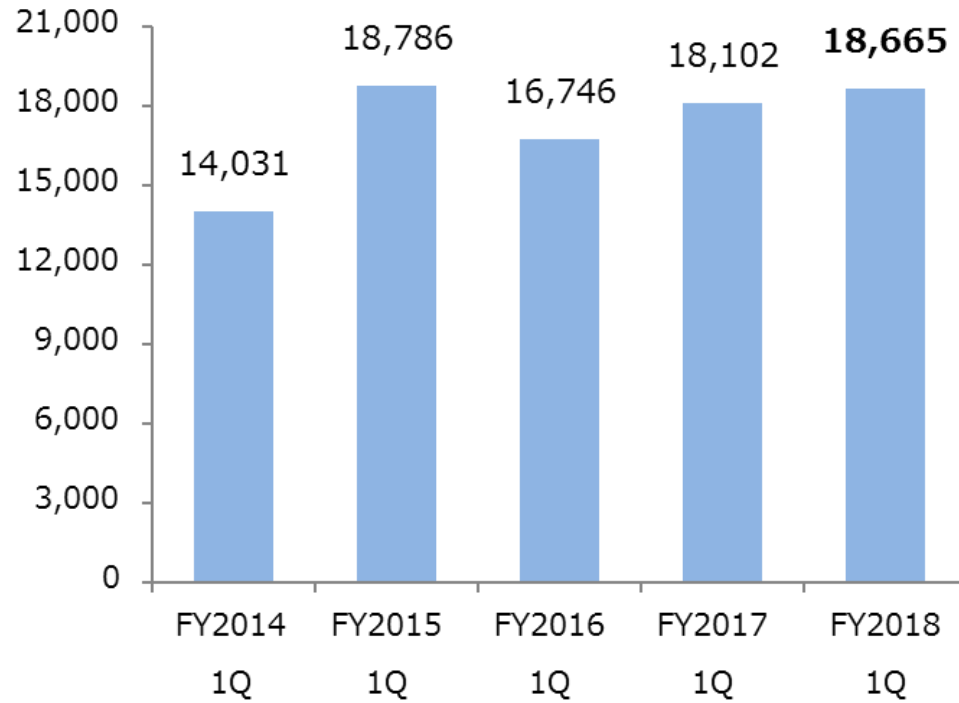
Design for Sports

Net Sales

Operating Income

(Unit: JPY million)

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

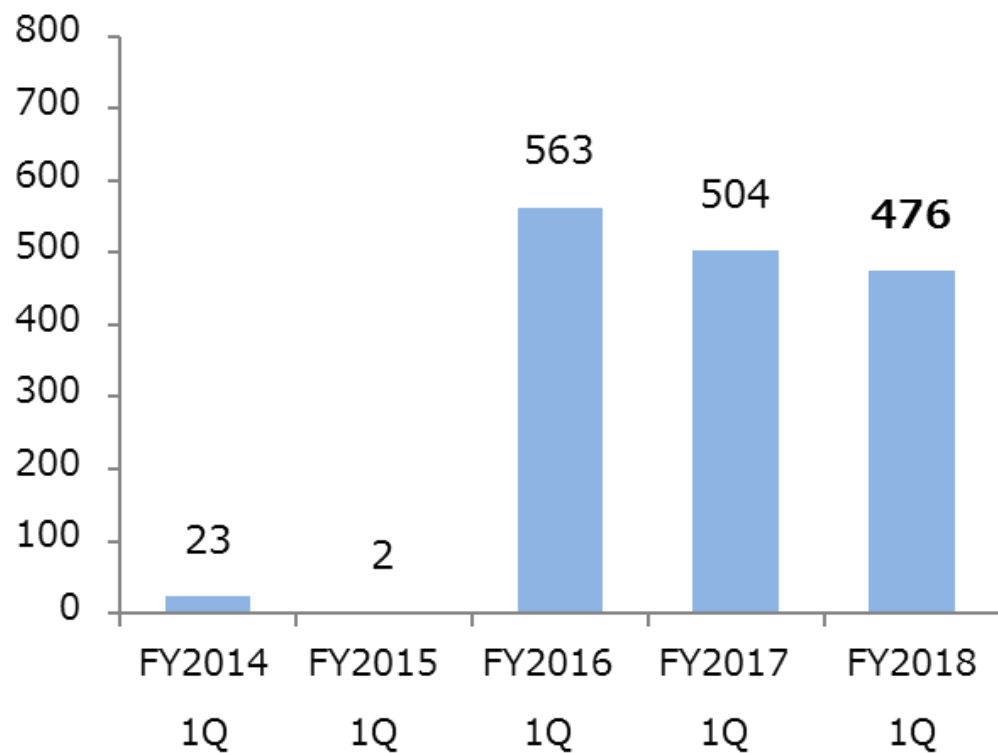
Net Sales and Operating Income Transition by Segment (Europe/Americas)



Design for Sports

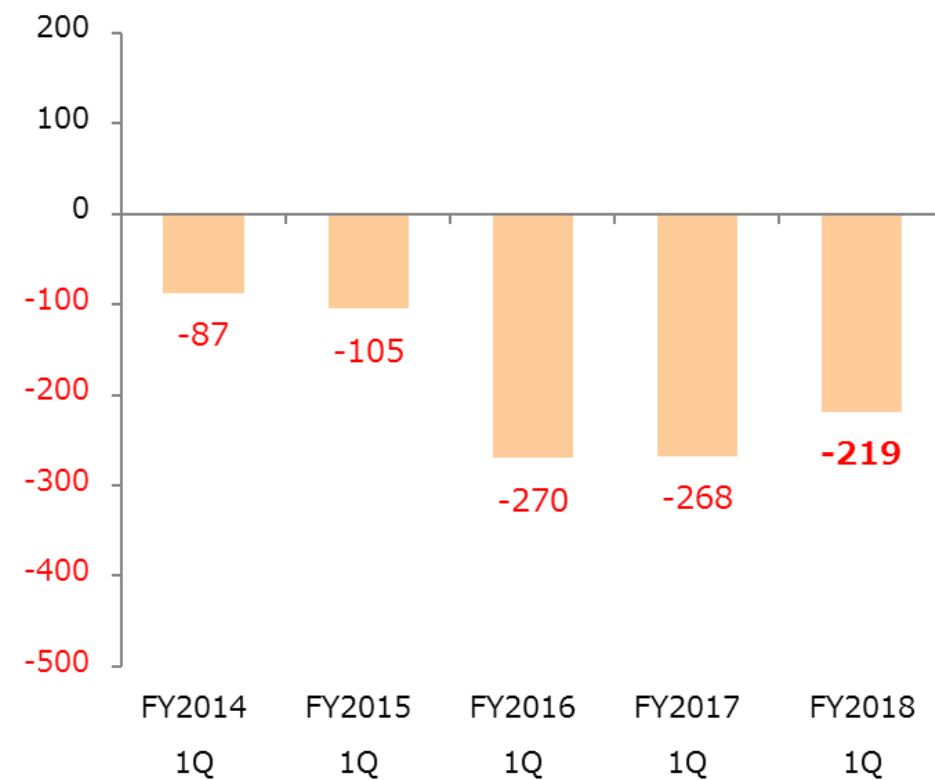
Net Sales

(Unit: JPY million)



Operating Income

(Unit: JPY million)

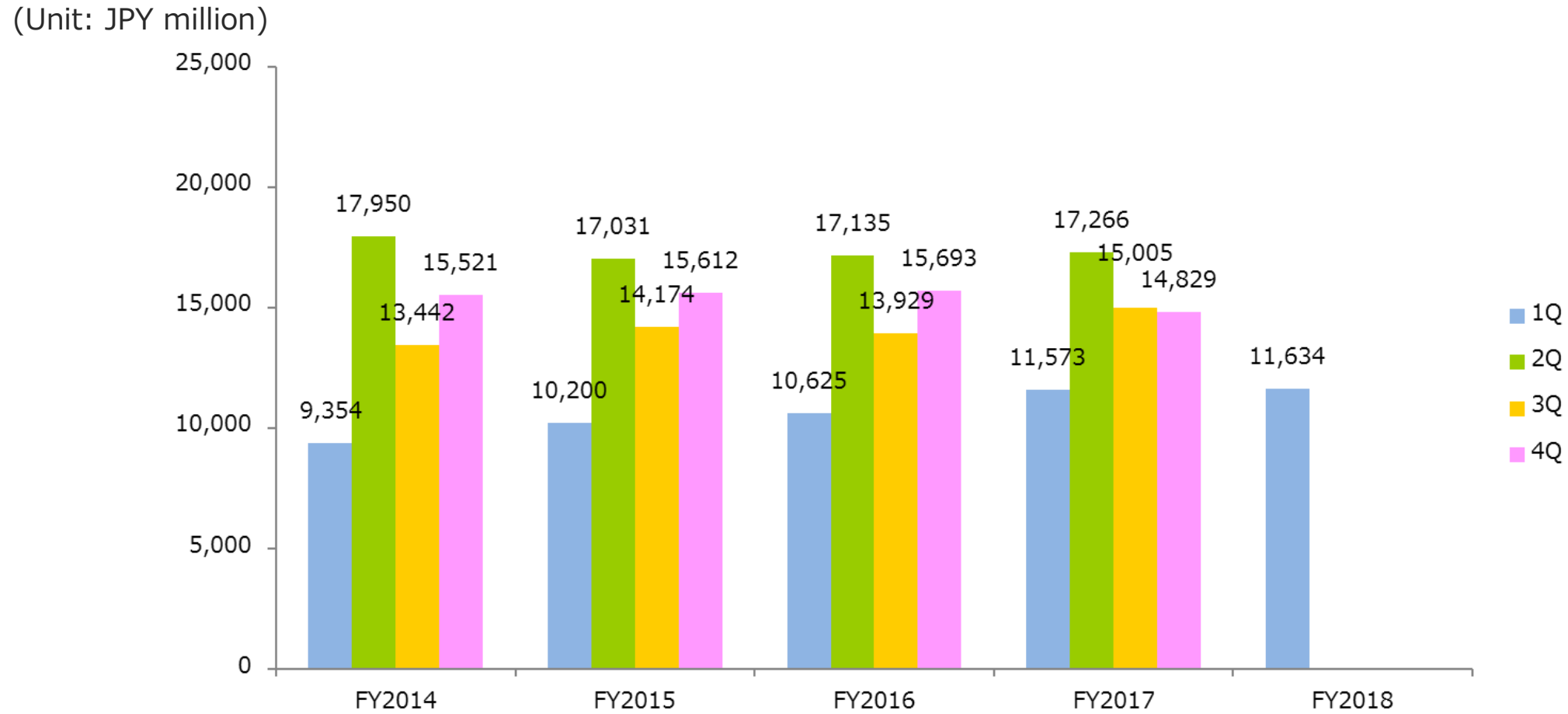


Note: FY2018=FY ending March 31, 2019

Quarterly Sales Transition by Segment (Japan)



Design for Sports



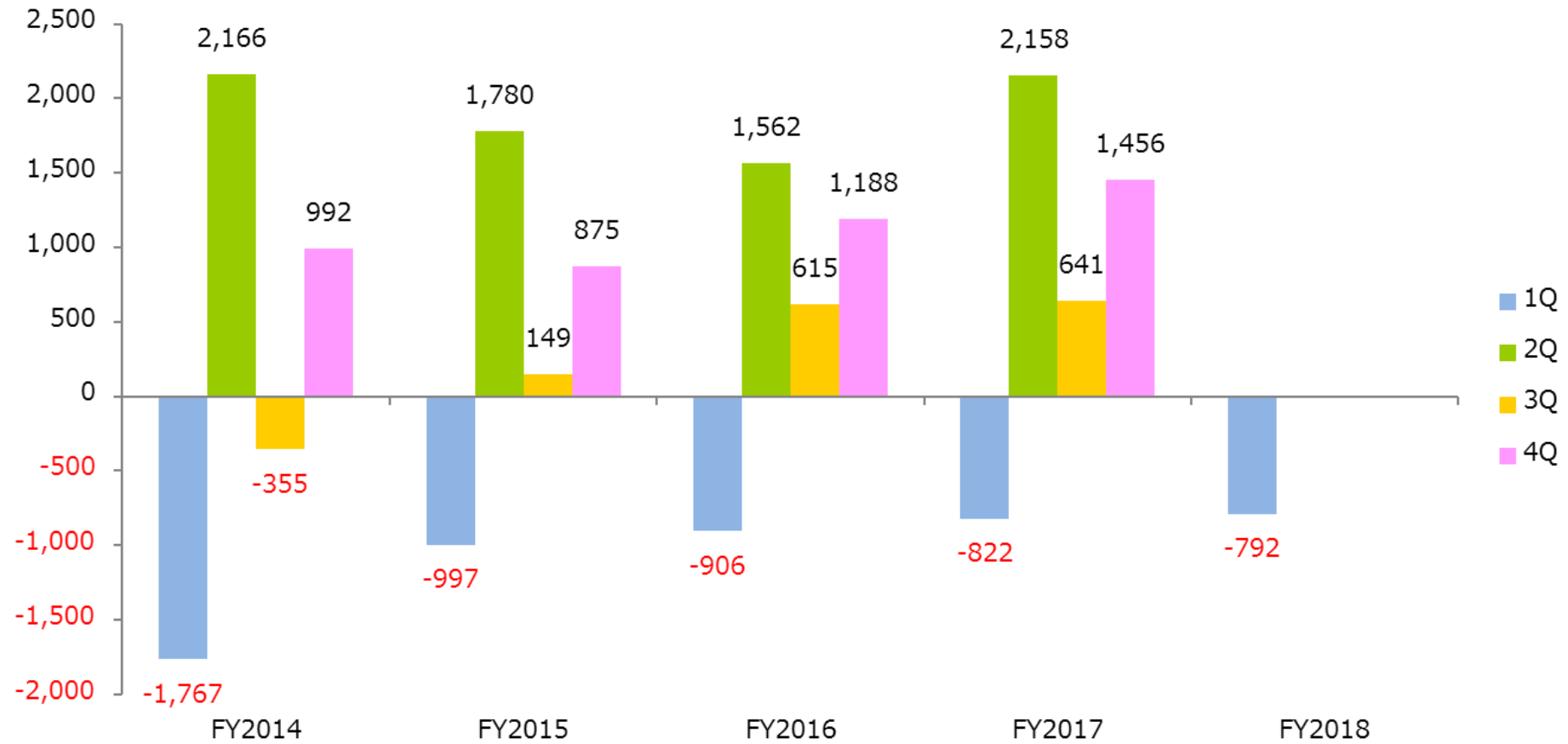
Note: FY2018=FY ending March 31, 2019

Quarterly Operating Income Transition by Segment (Japan)



Design for Sports

(Unit: JPY million)



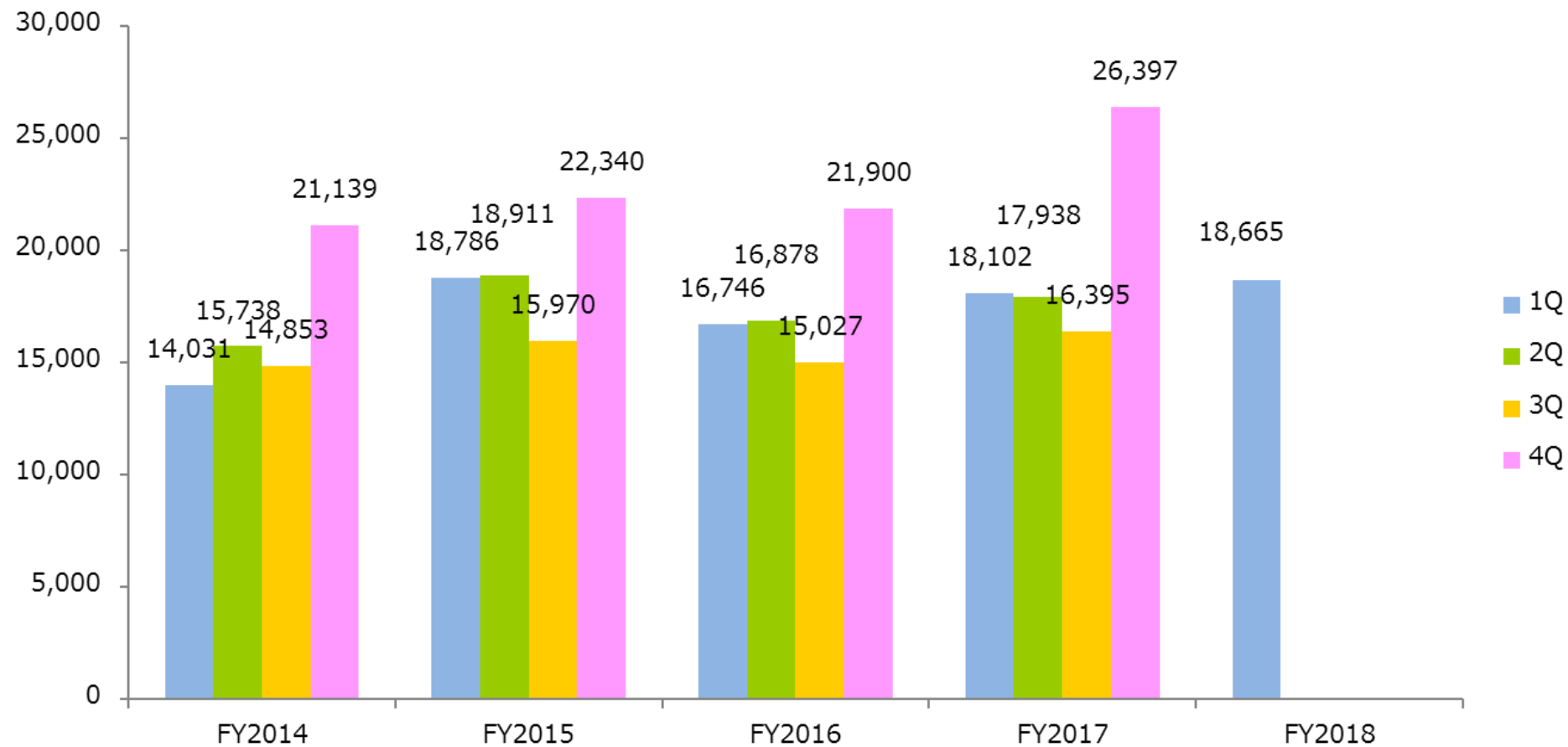
Note: FY2018=FY ending March 31, 2019

Quarterly Sales Transition by Segment (Asia)



Design for Sports

(Unit: JPY million)



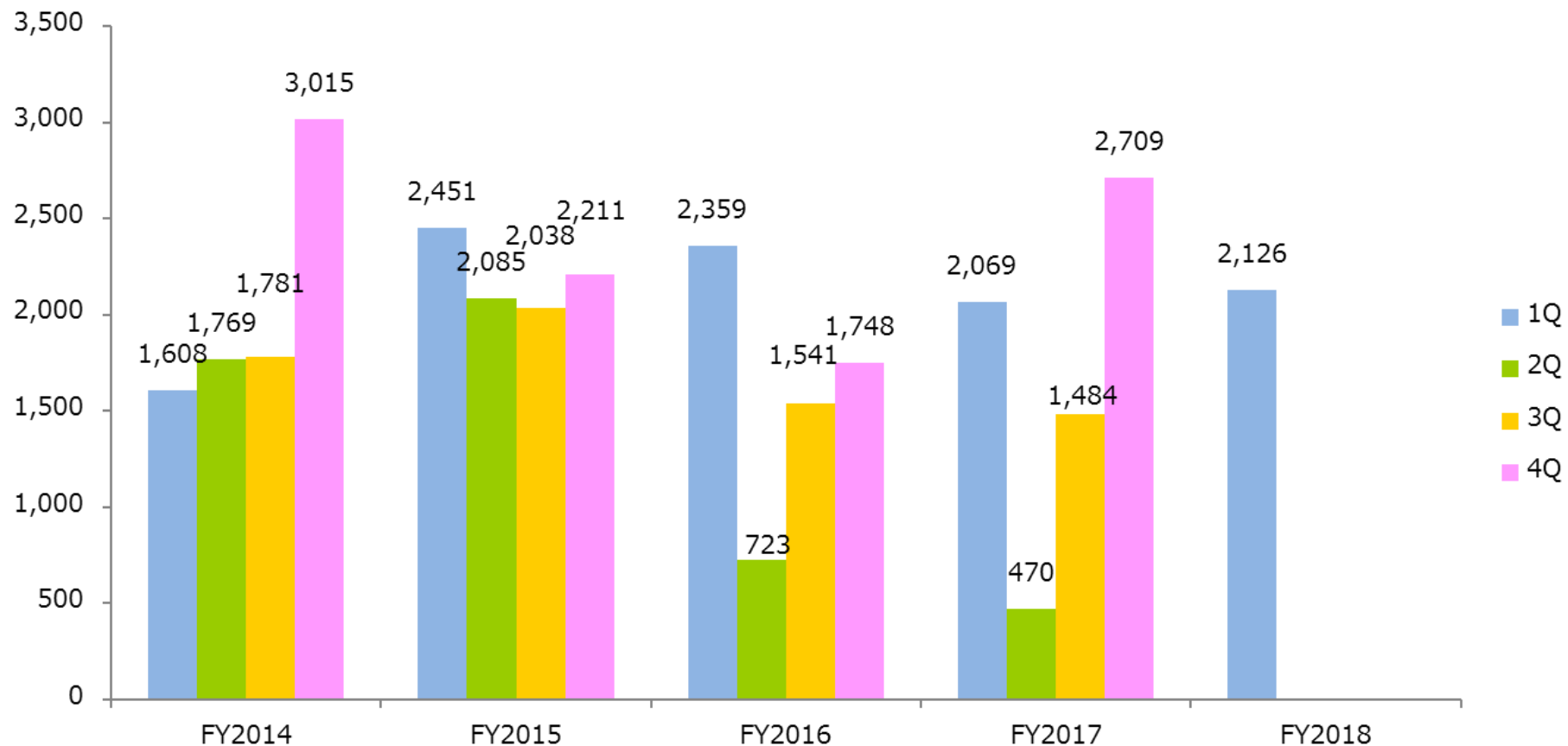
Note: FY2018=FY ending March 31, 2019

Quarterly Operating Income Transition by Segment (Asia)



Design for Sports

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

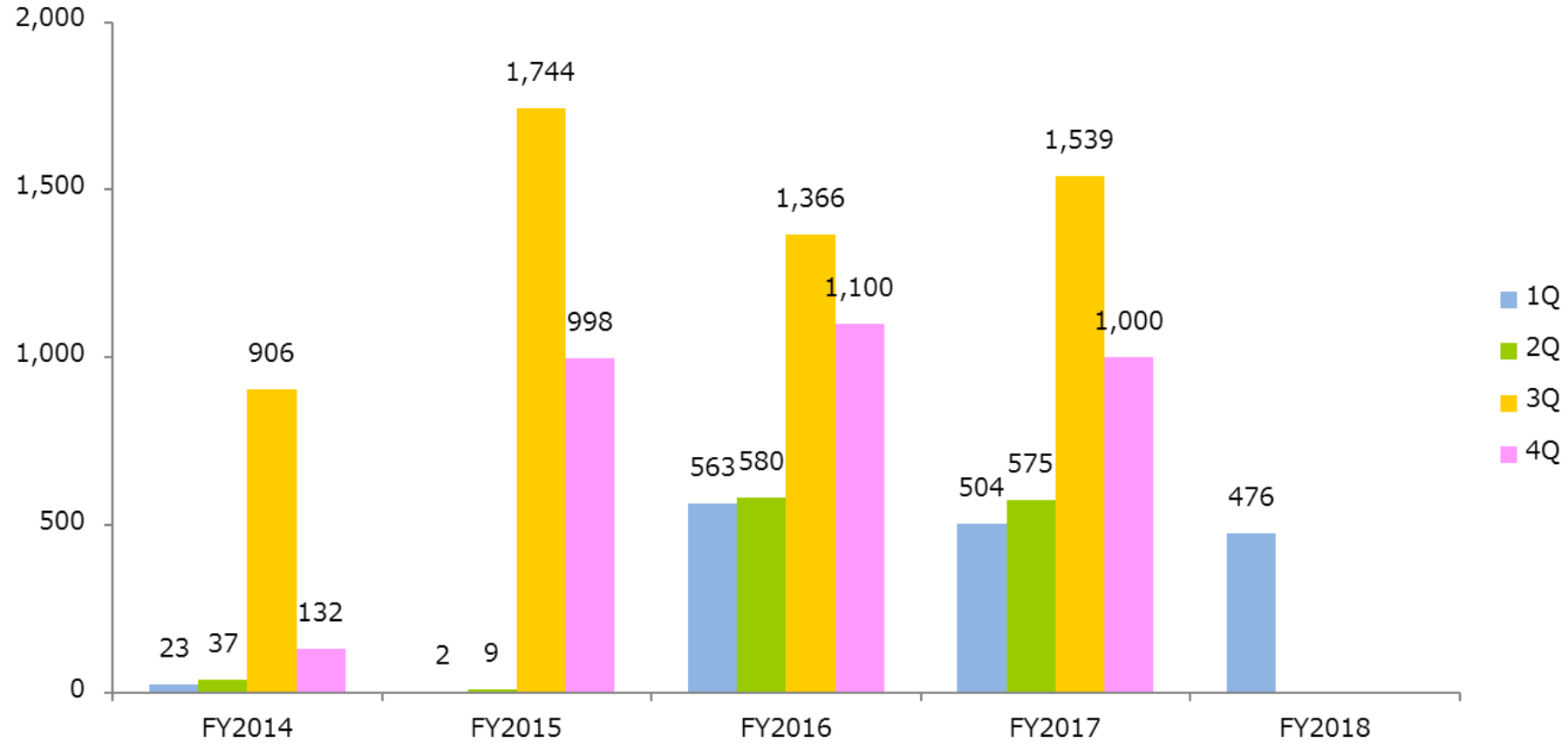
Quarterly Sales Transition by Segment (Europe/North America)



Design for Sports

*Taking in Inov-8 since Third Quarter of FY ending March 31, 2016

(Unit: JPY million)



Note: FY2018=FY ending March 31, 2019

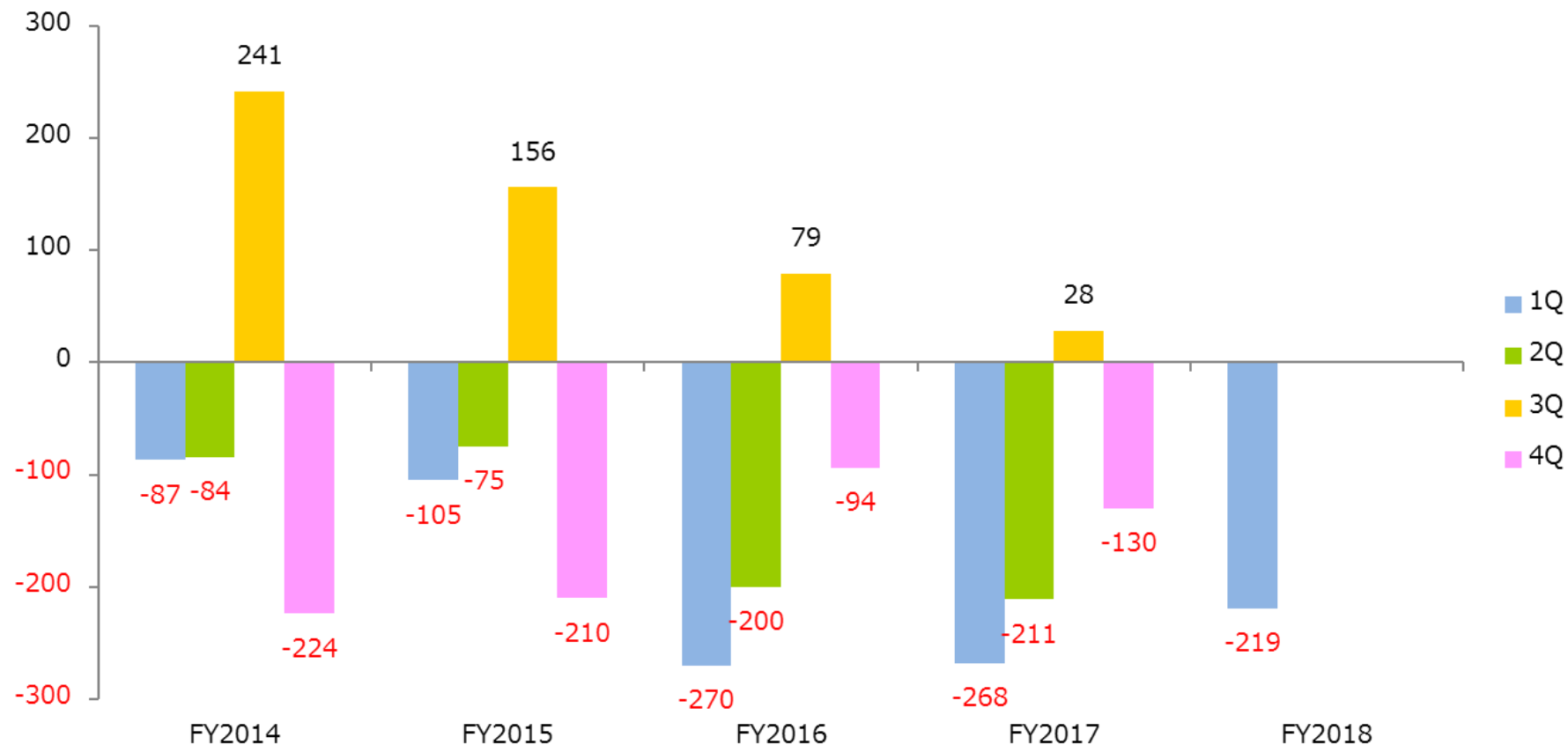
Quarterly Operating Income Transition by Segment (Europe/North America)



Design for Sports

*Taking in Inov-8 since Third Quarter of FY ending March 31, 2016

(Unit: JPY million)



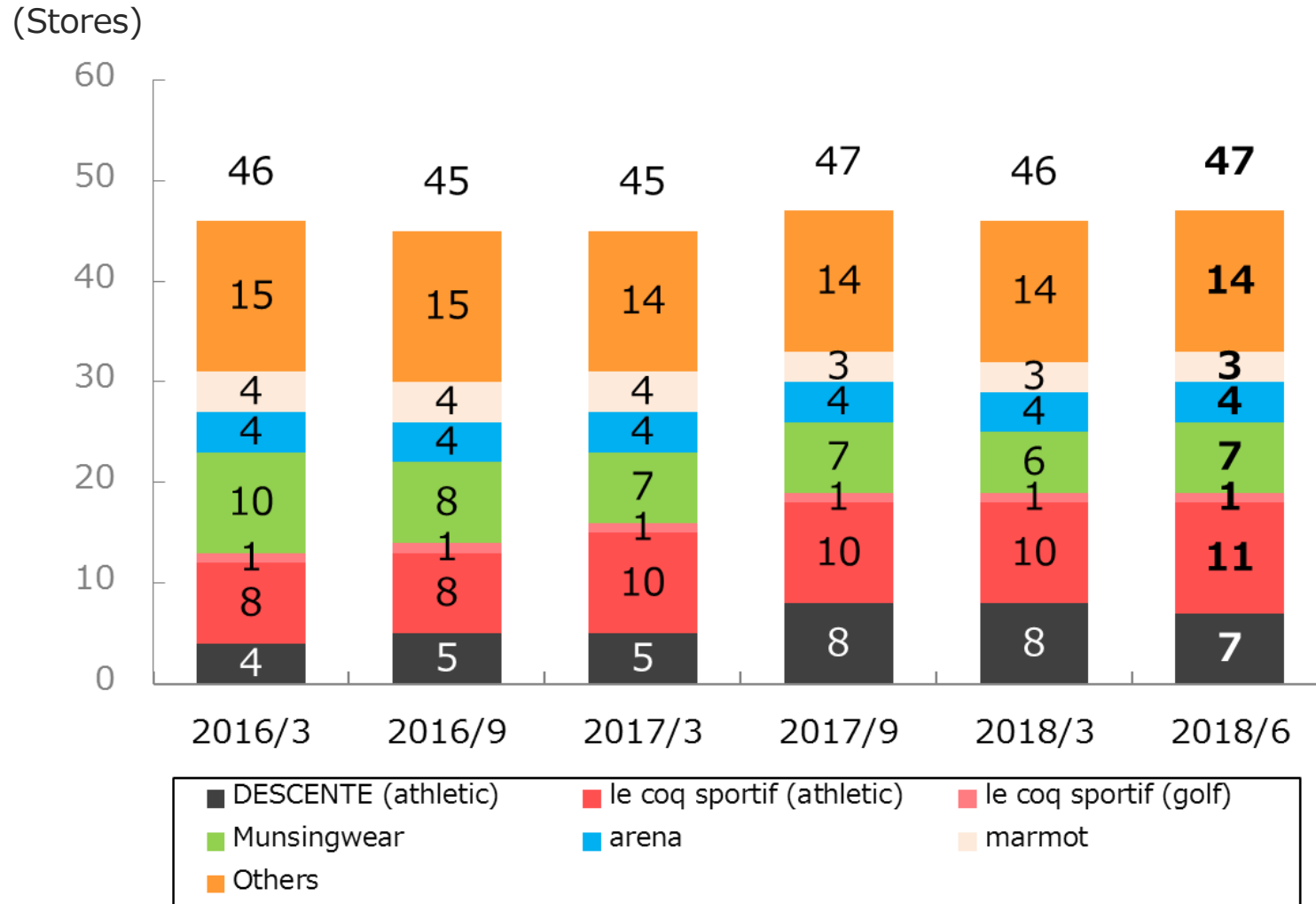
Note: FY2018=FY ending March 31, 2019

Number of Stores Transition in Japan (Retail)



Design for Sports

*Including outlets

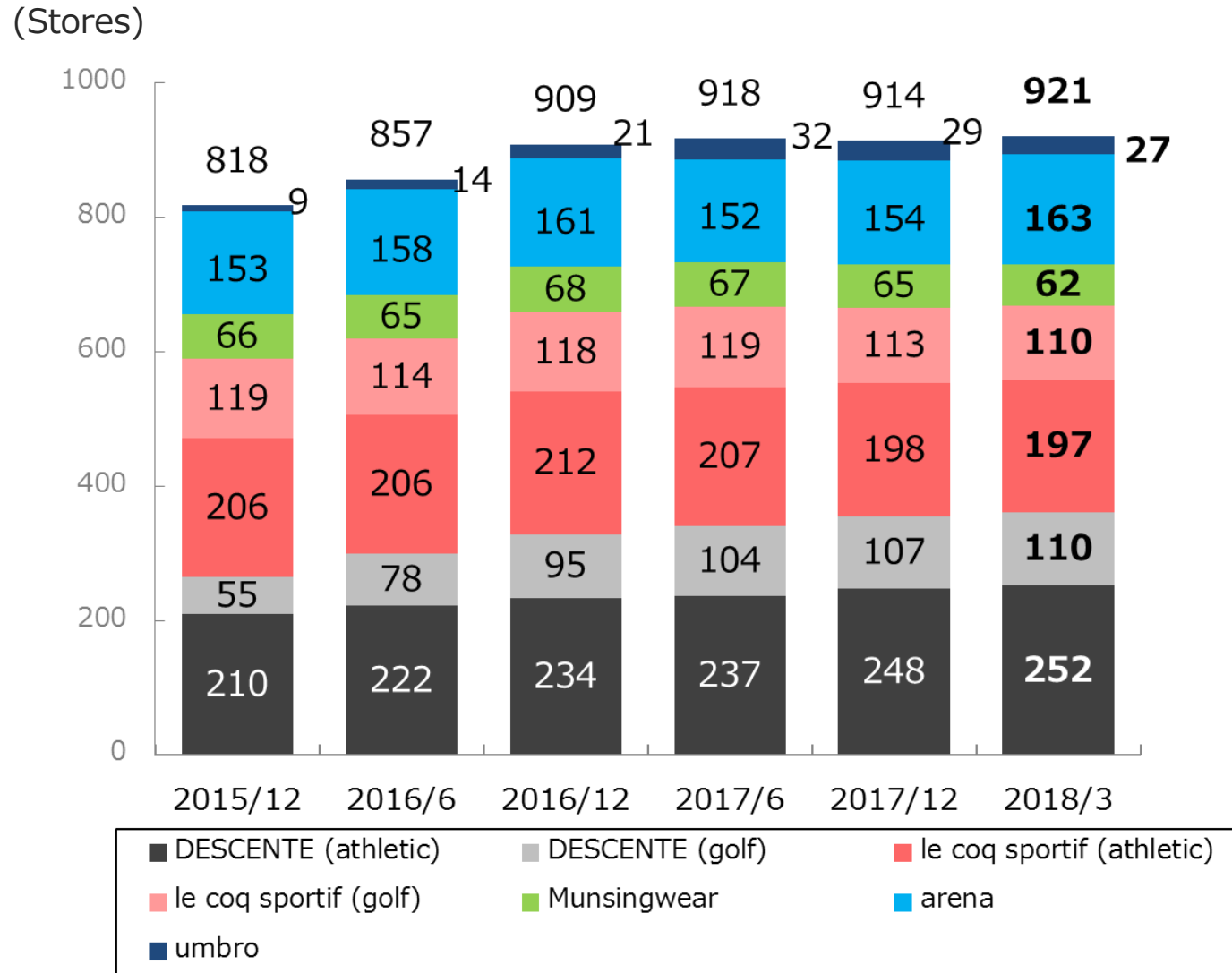


Number of Stores Transition in Korea



Design for Sports

*Including stores of commercial agents and outlets



Sales by Brand in Korea (YoY)



Design for Sports

*Excluding stores of commercial agents and outlets

FY2018		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1Q	2Q	2Q YTD	3Q	3Q YTD	4Q	4Q YTD
Existing stores	DESCENTE (Athletic)	-13.1%	0.3%	4.7%	-10.7%	-4.2%	-0.1%							-2.6%	-5.5%	-4.0%				
	le coq sportif (Athletic)	-11.6%	11.1%	7.5%	-5.5%	-0.9%	10.6%							2.7%	0.6%	1.7%				
	umbro	187.6%	136.2%	84.0%	122.1%	159.7%	107.4%							125.4%	132.0%	129.0%				
	DESCENTE (Golf)	-7.8%	9.5%	2.7%	-3.1%	2.3%	12.2%							1.9%	3.3%	2.8%				
	le coq sportif (Golf)	-22.3%	-23.9%	-23.9%	-27.0%	-23.3%	-15.8%							-23.5%	-22.7%	-23.0%				
	Munsingwear	-7.7%	-6.4%	-1.2%	-11.6%	-8.9%	-10.6%							-4.2%	-10.4%	-8.1%				
	Total	-11.5%	3.1%	2.6%	-9.7%	-3.7%	2.0%							-1.6%	-4.3%	-3.0%				
All stores	DESCENTE (Athletic)	-5.2%	9.1%	14.6%	-0.9%	7.2%	11.0%							6.2%	5.3%	5.7%				
	le coq sportif (Athletic)	-7.9%	16.1%	12.2%	0.1%	5.2%	17.9%							7.2%	6.8%	7.0%				
	umbro	300.0%	238.2%	139.4%	174.1%	230.7%	170.4%							209.0%	193.9%	200.9%				
	DESCENTE (Golf)	6.0%	27.9%	16.3%	11.5%	17.7%	9.9%							16.8%	13.2%	14.4%				
	le coq sportif (Golf)	-19.8%	-21.4%	-22.0%	-24.7%	-20.6%	-13.1%							-21.3%	-20.1%	-20.6%				
	Munsingwear	-7.1%	-5.7%	-0.4%	-10.9%	-8.2%	-9.8%							-3.5%	-9.6%	-7.4%				
	Total	-4.5%	11.4%	10.7%	-1.4%	5.8%	9.9%							6.3%	4.3%	5.2%				
FY2017		Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	1Q	2Q	2Q YTD	3Q	3Q YTD	4Q	4Q YTD
Existing stores	DESCENTE (Athletic)	-2.5%	-13.1%	-9.9%	-5.7%	-12.4%	-15.8%	-14.3%	-11.4%	5.2%	8.3%	15.2%	-2.0%	-8.9%	-11.1%	-10.0%	-6.5%	-9.0%	8.0%	-3.3%
	le coq sportif (Athletic)	-1.9%	-20.1%	-13.5%	-12.9%	-14.7%	-13.5%	-9.7%	-7.8%	2.5%	25.7%	31.2%	-5.3%	-12.8%	-13.8%	-13.3%	-4.8%	-10.9%	18.3%	-2.8%
	umbro	35.2%	97.9%	97.9%	43.9%	46.5%	57.8%	110.0%	37.0%	100.0%	93.6%	186.3%	79.5%	76.7%	48.3%	58.7%	85.0%	70.4%	121.2%	96.6%
	DESCENTE (Golf)	7.4%	-6.4%	9.3%	5.8%	-4.1%	4.1%	-6.6%	-0.7%	12.1%	-0.7%	17.8%	-4.1%	5.0%	1.7%	2.8%	2.6%	2.7%	5.2%	3.6%
	le coq sportif (Golf)	0.5%	-8.8%	-7.9%	-8.4%	-11.1%	-7.0%	-17.4%	-17.7%	-17.6%	-23.7%	-4.0%	-17.8%	-6.1%	-9.0%	-7.9%	-17.5%	-10.9%	-15.5%	-12.3%
	Munsingwear	-10.1%	-14.7%	-9.3%	-10.1%	-11.0%	1.0%	-0.9%	-5.7%	14.8%	-3.0%	22.7%	10.3%	-11.0%	-7.6%	-8.9%	3.8%	-5.3%	9.0%	-1.4%
	Total	-2.1%	-14.7%	-9.3%	-7.2%	-12.0%	-11.7%	-11.9%	-9.9%	3.7%	7.4%	18.9%	-2.8%	-9.3%	-10.2%	-9.8%	-5.6%	-8.5%	8.9%	-3.1%
All stores	DESCENTE (Athletic)	9.3%	-3.5%	-1.4%	2.3%	-5.5%	-10.2%	-8.3%	-3.5%	13.6%	17.1%	23.5%	7.2%	1.0%	-4.2%	-1.6%	0.9%	-0.9%	16.7%	4.9%
	le coq sportif (Athletic)	8.2%	-13.9%	-7.4%	-7.9%	-9.0%	-9.1%	-5.8%	-2.8%	7.2%	32.6%	36.9%	-2.5%	-5.6%	-8.6%	-7.1%	-0.3%	-5.2%	23.4%	2.8%
	umbro	264.8%	486.3%	330.4%	229.4%	273.2%	272.6%	410.8%	177.9%	196.4%	196.9%	341.0%	147.4%	351.0%	255.7%	293.6%	231.8%	265.4%	227.2%	246.0%
	DESCENTE (Golf)	82.9%	48.0%	45.4%	41.3%	29.0%	37.6%	29.0%	24.3%	36.1%	21.3%	41.4%	10.2%	53.2%	35.7%	41.3%	30.6%	37.2%	26.2%	33.5%
	le coq sportif (Golf)	5.4%	-4.9%	-3.1%	-2.8%	-4.7%	-0.8%	-12.1%	-11.9%	-12.5%	-18.9%	2.0%	-14.3%	-1.6%	-2.9%	-2.4%	-12.2%	-5.5%	-10.7%	-7.0%
	Munsingwear	-6.7%	-11.2%	-5.4%	-6.4%	-7.9%	2.2%	0.7%	-3.9%	16.1%	-2.0%	24.1%	10.8%	-7.3%	-4.8%	-5.7%	5.3%	-2.6%	10.1%	0.8%
	Total	10.5%	-5.0%	0.2%	1.9%	-3.3%	-4.1%	-3.8%	-1.1%	12.5%	16.7%	28.2%	5.1%	1.2%	-1.7%	-0.3%	3.0%	0.6%	17.8%	6.0%

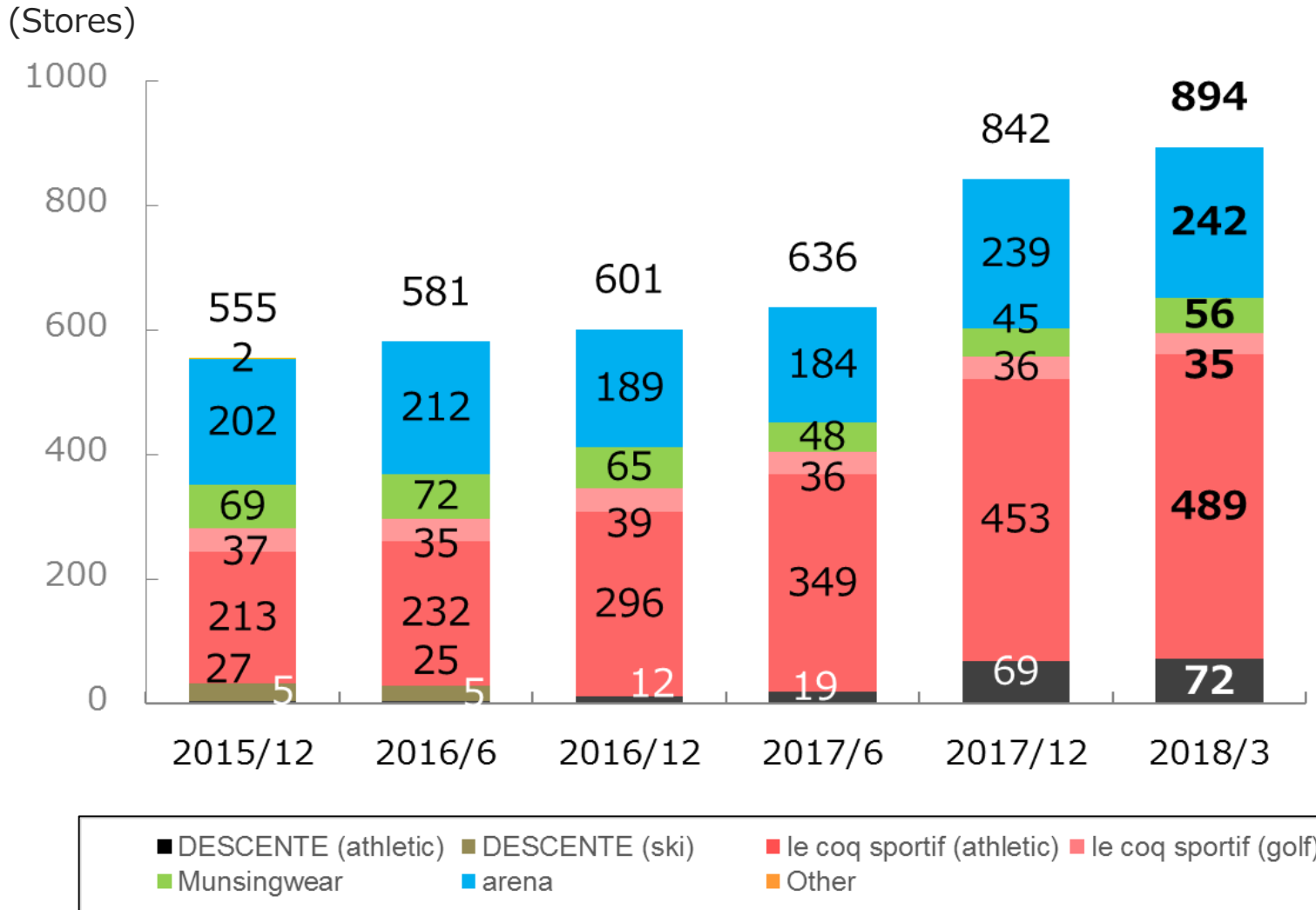
Note: FY2018=FY ending March 31, 2019

Numbers of Stores in China (inc. Hong Kong)



Design for Sports

*Including stores of commercial agents and outlets








Note: Changed store counting method from December, 2016

Affiliated Companies in China: Summary



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Company Name	SHANGHAI DESCENTE COMMERCIAL CO., LTD.	LE COQ SPORTIF (NINGBO) CO., LTD	DESCENTE (CHINA) CO., LTD	ARENA(SHANGHAI) INDUSTRIAL CO.,LTD	HONG KONG DESCENTE TRADING, LTD
Location	Shanghai, China	Ningbo, China	Shanghai, China	Shanghai, China	Hong Kong
Incorporated	August, 2005	February, 2004	April, 2016	December, 2016	August, 2005
Fiscal Year	December	December	December	December	December
Relations	Consolidated subsidiary	Affiliated Companies Accounted for under the Equity Method	Affiliated Companies Accounted for under the Equity Method	Affiliated Companies Accounted for under the Equity Method	Consolidated subsidiary
Investment Ratio	100%	40%	30%	30%	100%
Other Investors/ Investment Ratio		ShanShan group 50% Itochu group 10%	ANTA group 60% Itochu group 10%	Symphony Holdings Limited 70%	
Brands					
Business	Munsingwear: product planning, development, production, elling Arena: product planning, development, production	product planning, development, production, and sellinng	product planning, development, production, and sellinng	Selling	Selling
Royalty	Pay rayalty to DESCENTE LTD.	Pay rayalty to DESCENTE LTD.	Pay royalty to DESCENTE GLOBAL RETAIL LTD.	NO royalty payment (Buy all products from SHANGHAI DESCENTE COMMERCIAL CO., LTD.)	Pay royalty to DESCENTE LTD.
Segment	Asia(China)	Not included	Not included	Not included	Asia(China)
Area	Asia(China)	Not included	Not included	Not included	Asia (China, South-eastern Asia)



Exchange Rates Used

		USD	100KRW	CNY	HKD	SGD	GBP
FY2018	4Q YTD Plan	112.60	10.40	17.10	14.30	84.00	152.00
	1Q YTD	107.60	10.04	17.03	13.72	81.67	150.68
FY2017	4Q YTD	111.59	10.00	16.63	14.37	81.47	145.34
	3Q YTD	111.70	9.88	16.47	14.35	80.77	143.62
	2Q YTD	111.51	9.89	16.37	14.41	80.22	142.26
	1Q YTD	111.95	9.91	16.43	14.53	80.13	140.73
FY2016	4Q YTD	108.82	9.41	16.38	14.10	79.04	147.28
	3Q YTD	107.02	9.39	16.46	14.01	79.29	150.70
	2Q YTD	109.02	9.46	16.98	14.39	81.14	158.89
	1Q YTD	112.00	9.63	17.57	14.89	82.83	164.26
FY2015	4Q YTD	121.22	10.70	19.19	15.61	87.88	185.10
	3Q YTD	121.16	10.75	19.32	15.60	88.44	187.33
	2Q YTD	121.44	10.98	19.36	15.55	89.30	-
	1Q YTD	119.47	10.85	19.09	15.38	87.56	-
FY2014	4Q YTD	107.72	10.13	17.26	13.74	83.85	-
	3Q YTD	103.97	9.94	16.73	13.32	82.07	-
	2Q YTD	102.20	9.80	16.56	13.19	81.16	-
	1Q YTD	102.47	9.60	16.78	13.22	81.00	-
FY2013	4Q YTD	98.95	8.98	15.97	12.64	77.99	-
	3Q YTD	97.41	8.75	15.69	12.46	76.85	-
	2Q YTD	97.04	8.66	15.53	12.36	76.61	-
	1Q YTD	94.81	8.48	14.90	11.93	74.06	-

Disclaimer: The contents of the business plan and the future objectives 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.

1Q YTD = First 3 months of FY

2Q YTD = First 6 months of FY

3Q YTD = First 9 months of FY

4Q YTD = Full FY

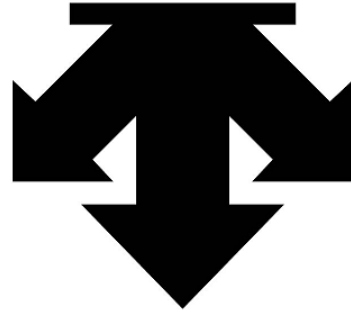
Note: FY2018 = FY ending March 31, 2019

DESCENTE



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