

This is an English translation of the original Japanese-language press release dated February 8, 2019 and is provided for reference purposes only.

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In the event of any discrepancy between this translation and the Japanese original, the Japanese original shall prevail.



Design for Sports

## **NEWSRELEASE**

February 8, 2019

Notice of Receipt of Statement from The Company Union on  
"Tender Offer of the Common Shares of Descente Ltd. by BS Investment Corporation"

Today Descente Ltd. announced that it received from the Central Executive Committee of the All Descente Union a statement regarding BS Investment Corporation's tender offer of the Common Shares of Descente Ltd. as outlined in the attached sheet.

February 8, 2019

Statement on "Tender Offer by ITOCHU Corporation"

All Descente Union  
Central Executive Committee

A tender offer for shares in Descente Ltd. (the "Company") was recently announced by a wholly-owned subsidiary of ITOCHU Corporation ("ITOCHU"). For those of us who have been hoping for a peaceful solution through constructive consultations since last year, it is extremely regrettable that this situation has arisen.

We, the Central Executive Committee of the All Descente Union, have made progress by sharing current management policies and building reliable labor-management relations with management. This tender offer without prior consultation by ITOCHU threatens this important foundation for labor and management, and we would like to express that the Central Executive Committee of the All Descente Union does not accept this offer.

Our Company has a strong sense of belonging to the company, an unwavering commitment to manufacturing, a spirit of nurturing the brand carefully from medium- and long-term perspectives, and a relationship of trust with important customers, all of which we have built over the past 80 years or so. We believe that these are the sources of Our Company's corporate value.

All of our employees value "Spirit of DESCENTE"; "Creation, Challenge, Integrity and Harmony" in their daily work. The union also operates based on the following 3 principles: "self-government and mutual aid" "organizational power" and "independence". We are taking on the challenge of further growth while valuing the present labor-management relations based on this philosophy. We believe that this tender offer is not in the same direction and we cannot support it.

ITOCHU's proposal states that "We will maintain their uniqueness so that they can continue to make the most of their capabilities.". However, we are concerned that measures will be decided based solely on economic rationality, and that the ability to develop brands and improve planning and development from a medium- to long-term perspective, which is the source of corporate value, will be impaired, and the fair sourcing function and the ability to operate independently will be disabled.

Furthermore, although ITOCHU has proposed measures for the management policy after the Tender Offer, in most cases ITOCHU will be involved in the implementation of measures that have already been initiated by us, and as a result, we are concerned that we will lose our cost competitiveness and become unable to provide high value-added products to our customers at reasonable prices. In addition, we believe that these measures cannot be implemented without increasing the ownership ratio of the Company shares.

Under these circumstances, if ITOCHU were to acquire management rights in the Company, we must be concerned that our current rewarding corporate culture would be threatened, that the relationship of trust between labor and management, which supports Our Company's values, would be lost, and that as a result, our working environment, including employment and working conditions, would be seriously affected.

In light of the above, we, the Central Executive Committee of the All Descente Union, express our position that we are not prepared to accept the tender offer, which may cause great anxiety in creating a rewarding working environment for our employees and may have a serious impact on the relationship of trust between labor and management, employment and working conditions that support the Company's value. At the same time, we strongly hope that the management of both companies will not be hostile, but will lead to a peaceful solution through constructive discussions.