

Golf Digest Online Inc.

Results Briefing Material for the First Quarter Ended March 31, 2025

(Summary ver.)

May 15, 2025

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Net Sales

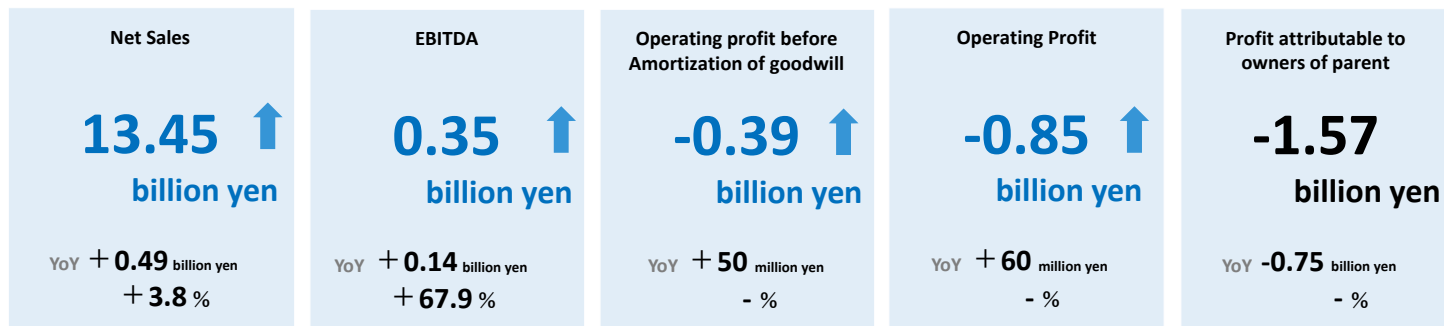
- ▶ Both domestic and overseas segments continued to grow year over year. Growth was driven particularly by domestic golf equipment sales and the overseas golf launch monitor business. Improved performance since last Q4 is shown in the results.

Profitability

- ▶ Although profit margins fell in overseas due to higher costs from inflation, strong profit growth in the domestic business helped increase overall EBITDA and operating profit.
- ▶ Amortization of goodwill and intangibles in the overseas segment was ¥455M, with a ¥25M increase from forex impact.
- ▶ The average exchange rate during the period rose ¥3.94 YoY, while the year-end rate dropped ¥8.64, resulting in a ¥551M forex loss. Interest expenses on borrowings totaled ¥187M.

B/S

- ▶ Net assets fell due to the current net loss. We aim to restore financial stability by improving profitability, reviewing accounting standards, and exploring capital options.



※ Year-end exchange rate
Average rates during the fiscal period

December 31, 2024 : 1\$=¥158.17、
2024 : 1\$=¥148.62、

March 31, 2025 : 1\$=¥149.53
2025 : 1\$=¥152.56

Overall

- ▶ Sales continued to grow year over year, driven by continual growth in golf equipment sales since Q2 of the prior year and a recovery in the golf course business beginning in Q4 of the prior year.
- ▶ Sales growth, improved gross margin, and continued control of SG&A expenses contributed to a ¥267 million year-over-year increase in operating profit

Equipment

- ▶ Sales strategies, inventory optimization measures, and other initiatives led to continued sales growth since Q2 of the prior year. Gross margin also improved, contributing to overall revenue growth in the domestic segment.

Course

- ▶ Despite the impact of adverse weather, promotional efforts helped maintain customer traffic at prior-year levels, and enhancements to our services have continued to show progress since Q4 of the prior year.

Driving Ranges

- ▶ Despite market headwinds in the driving range business and intensifying competition, Toptracer Range installations continued to grow steadily.

Overall

- ▶ While accounting revenue from golf lessons declined year over year, strong growth in launch monitor sales offset the decrease, resulting in overall revenue remaining in line with the prior year.
- ▶ Cash sales from golf lessons increased 1.7%, supported by a recovery in sales to existing customers.
- ▶ While continuing to invest in service development, including the GOLFTEC ANYWHERE concept, we will focus on cost control, efficiency, and introducing new and existing services to drive revenue improvement.

GOLFTEC

- ▶ Golf lesson revenue saw a slight decline, while club fitting and e-commerce sales remained flat.
- ▶ Digital marketing efforts accelerated but new customer acquisition remained challenging. Growth from existing customers drove cash sales higher year over year, despite limited store openings.
- ▶ We aim to drive new customer acquisition through continued digital marketing efforts, the introduction of new services, and improvements in UI/UX.

SKYTRAK

- ▶ While launch monitor sales struggled year over year, home studio equipment and software businesses grew, resulting in overall growth of 5.7%.
- ▶ Despite ongoing hardware price competition, bundled sales with home studio equipment remained strong
- ▶ While hardware price competition remained intense, strong performance in home studio bundle sales helped overall results

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