

Golf Digest Online Inc.

Results Briefing Material for the Second Quarter Ended June 30, 2024

August 8, 2024

GDO 

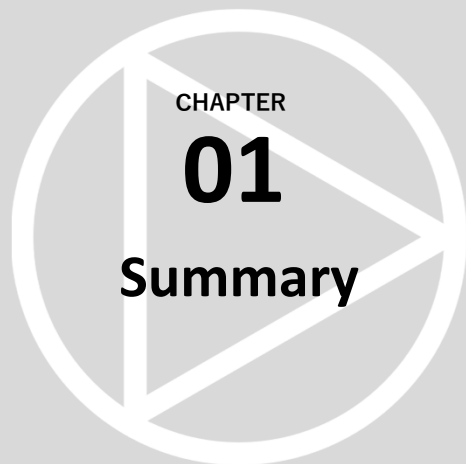
 **PLAY YOUR LIFE**

- ▶ **This results briefing may contain forecasts for the GDO Group’s future business results. Readers are cautioned that actual business results may differ from these forecasts due to a variety of elements, including latent risks and uncertainties. For more information on factors that may impact our business results, please refer to the Business Risks section in our Securities Report. However, please note that elements that may impact our business results are not limited to those included in the Business Risks section.**
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INDEX

Results for the Second Quarter Ended June 30, 2024

- 1. Summary**
- 2. Consolidated Performance**
- 3. Domestic Performance**
- 4. Overseas Performance**
- 5. Other financial data**



- ▶ Sales were driven by growth in the overseas segment, with the weak yen also contributing. The domestic segment showed a gradual recovery, remaining flat despite a challenging environment.
- ▶ The amortization of goodwill and intangible assets in the overseas segment amounted to 940 million yen.
- ▶ The average exchange rate rose from 1 USD = 134.98 JPY in the first half of the previous year to 1 USD = 152.35 JPY in the current period (+17.37 yen). The end-of-period rate increased from 1 USD = 141.82 JPY to 1 USD = 161.14 JPY (+19.32 yen), widening the negative impact on operating profit. However, a foreign exchange gain of 9.5 billion yen was recorded.
- ▶ For a standalone basis, taxable income turned positive, resulting in corporate taxes of 445 million yen.

Net Sales 	EBITDA	Operating profit before amortization of goodwill	Operating Profit	Profit attributable to owners of parent
27.91 billion yen	1.22 billion yen	-0.16 billion yen	-1.10 billion yen	-1.04 billion yen
YoY +2.58 billion yen +10.2 %	YoY -0.44 billion yen -26.9 %	YoY -7.8 billion yen -125.9 %	YoY -8.6 billion yen - %	YoY -13.1 billion yen -474.7 %

Consolidated

Overseas
segment

Overall

- ▶ Both the GOLFTEC business and the Golf Launch Monitor (SkyTrak) continue to grow.
- ▶ Promoting the development of services that combine both GOLFTEC and SkyTrak businesses (GOLFTEC ANYWHERE concept).
- ▶ The weak yen has heightened exchange rate impacts on sales and expenses, leading to increased operating losses due to upfront costs.

Golftec

- ▶ The swing measures technology owned by GOLFTEC has been adopted by CBS for broadcasting 8 men's golf tours.
- ▶ The high coach turnover rate has been improved; the number of coaches is now sufficient for future growth.
- ▶ For accounting basis, labor costs have increased ahead of revenue recognition.
- ▶ In 2024, a flagship store was opened in Manhattan, NY, and began operating a new business model. Aggressive expansion plans are set for 2025 and beyond.
- ▶ Existing stores are still recovering due to U.S. consumer trends and rising prices.

SkyTrak

- ▶ Since starting in 2022, the initiative has shown a smooth launch. Focusing on software development and launching new services to increase subscription revenue.
- ▶ Sales outside the U.S. are being strengthened, aiming for early contributions to performance.

Summary

Domestic
Segment

Overall

- ▶ Compared to the latter half of 2023, GDO is showing signs of recovery.
- ▶ While repeat from existing customers remains strong, acquiring new customers is challenging.

Equipment

- ▶ Profit margins are improving, and shipping cost revisions has also been progressively completed.
- ▶ Improvement in inventory quality and balance optimization is progressing.

Course

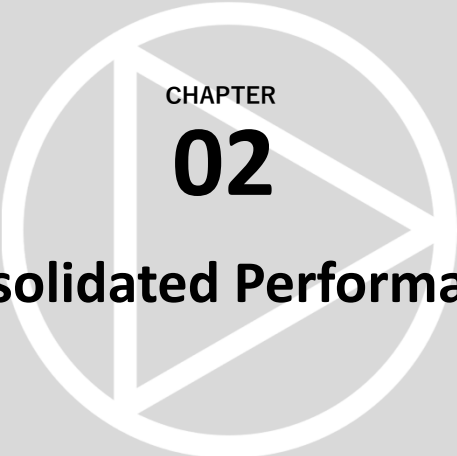
- ▶ Although there were struggles in the latter half of 2023, the number of customers has been recovering since 2024.
- ▶ System development for the reservation business is progressing smoothly, aiming to achieve regrowth in near future.

Driving
Ranges

- ▶ Expanded the number of Toptracer Range installations. New services will be introduced sequentially starting from the second half of the year.

Others

- ▶ The media business (advertising sector) is struggling.
- ▶ There has been a decline in overall media exposure for golf in the domestic market.



CHAPTER
02

Consolidated Performance

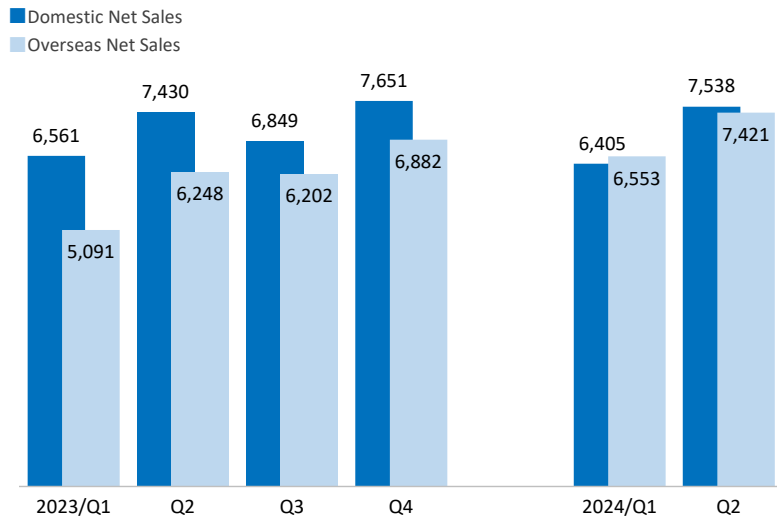
Consolidated P/L Overview

(Millions of yen)	1H/2023	1H/2024	Increase/decrease amount	Increase/decrease percentage
Net sales	25,332	27,918	+ 2,586	+ 10.2 %
(Domestic)	13,992	13,943	- 48	- 0.3 %
(Overseas)	11,339	13,975	+ 2,635	+ 23.2 %
Gross profit	8,710	8,978	+ 268	+ 3.1 %
SG&A	8,950	10,083	+ 1,133	+ 12.7 %
EBITDA	1,671	1,222	- 449	- 26.9 %
(Domestic)	937	876	- 61	- 6.5 %
(Overseas)	734	346	- 387	- 52.8 %
Operating profit before amortization of goodwill	624	-161	- 785	- 125.9 %
Operating profit	-239	-1,104	- 864	— %
(Domestic)	625	533	- 91	- 14.7 %
(Overseas)	-864	-1,637	- 772	— %
Ordinary profit	258	-480	- 739	- 285.7 %
Net income	277	-1,040	- 1,318	- 474.7 %

Overseas segment growth led to double-digit year-over-year growth in consolidated sales.

- ▶ Domestic segment, despite reduced market demand and weather factors, retail performance improved in Q2, leading to a recovery matching the previous year for the first half.
- ▶ Overseas segment, growth in the launch monitor business drove a 23.2% year-over-year growth, benefited from the weak yen.

Net Sales by Segment (Quarterly) (millions of yen)



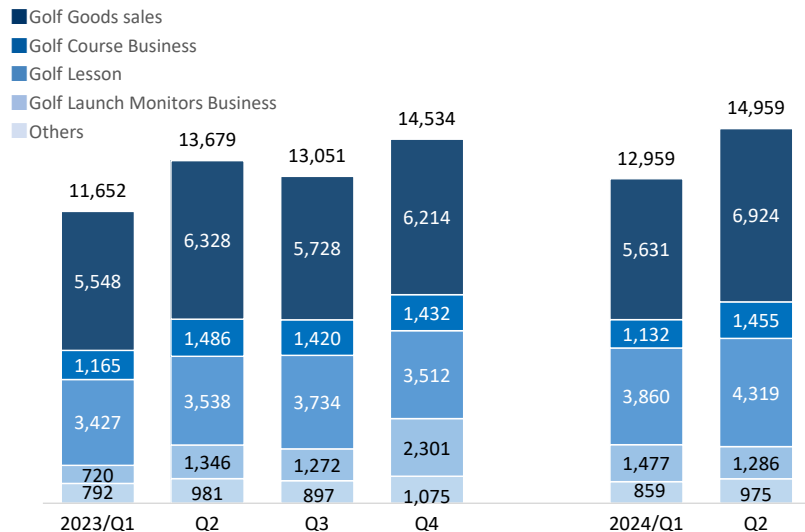
YoY (Millions of yen)

	2023/H1	2024/H1	YoY	
Consolidated Net Sales	25,332	27,918	+ 2,586	+ 10.2%
Domestic	13,992	13,943	- 48	- 0.3%
Overseas	11,339	13,975	+ 2,635	+ 23.2%

Growth was driven primarily by services in the Overseas Segment

- ▶ Golf lessons saw an increase in cash sales and benefited from the weaker yen. Launch monitors continued to grow.
- ▶ Among 'Others', domestic driving ranges saw an increase of 81 million yen.

Net Sales by Service (Quarterly) (Millions of yen)



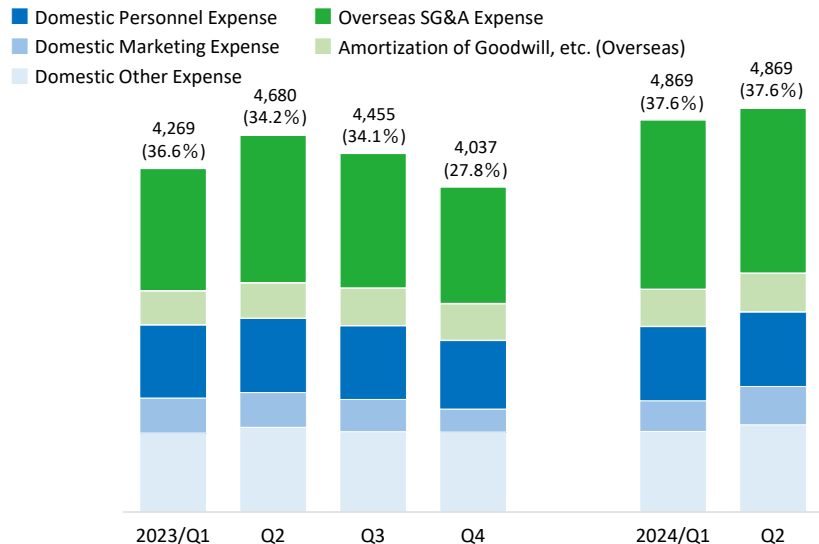
YoY (Millions of yen)

	2023/H1	2024/H1	YoY	
Consolidated Net Sales	25,332	27,918	+ 2,586	+ 10.2%
■ Golf Goods Sales	11,876	12,555	+ 679	+ 5.7%
■ Golf Course Business	2,651	2,587	- 64	- 2.4%
■ Golf Lessons	6,965	8,179	+ 1,214	+ 17.4%
■ Golf Launch Monitors Business	2,067	2,764	+ 697	+ 33.7%
■ Others	1,771	1,831	+ 60	+ 3.4%

SG&A are being controlled in line with environmental changes.

- ▶ **Domestic:** Labor and marketing costs continue to be controlled. In "Others", the golf course business is updating and modernizing existing systems, leading to an 11.6% year-over-year increase in IT and equipment investment costs, although other costs are being controlled.
- ▶ **Overseas:** Costs increased by 11.4% due to the weaker yen. Additional factors include rising prices, active marketing activities, software development, increased operational costs due to a rise in the number of stores, and an increase in headquarters staff to support business expansion.

SG&A expenses (per quarter) (Millions of yen/SG&A margin: %)



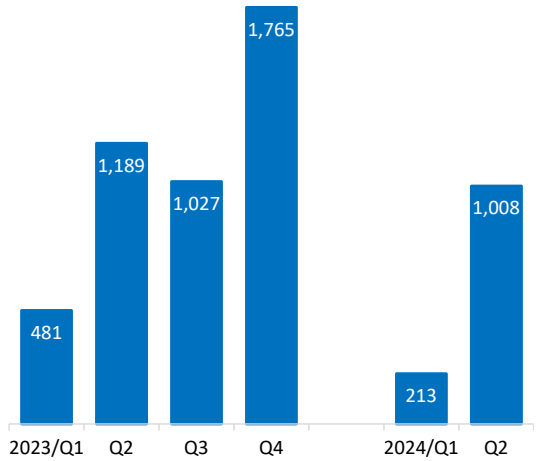
	YoY (Millions of yen)		YoY	
	2023/H1	2024/H1		
Consolidated SG&A Expenses (As a ratio of net sales)	8,950 (29.6%)	10,083 (36.1%)	+ 1,133 ※	+ 12.7% (+0.8p)

※The impact of exchange rate fluctuations amounted to 603 million of yen.

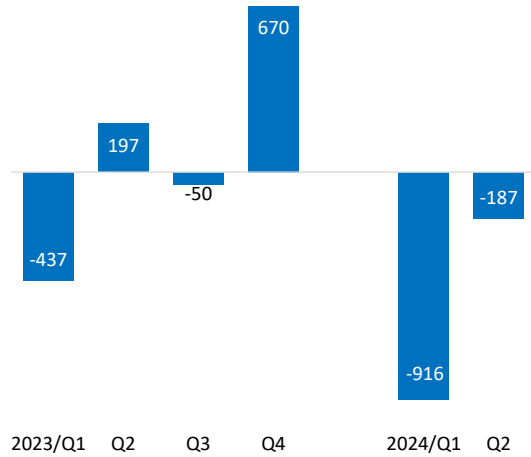
Overseas SG&A Expense	YoY	+ 34.9%
Amortization of Goodwill, etc. (Overseas)	YoY	+ 9.2%
Domestic Personnel Expense	YoY	+ 0.9%
Domestic Marketing Expense	YoY	- 0.8%
Domestic Other Expense	YoY	+ 2.4%

(Reference) Consolid. EBITDA & Operating Profit

EBITDA (Millions of yen)



Operating Profit (Millions of yen)



YoY (Millions of yen)

	2023/H1	2024/H1	YoY	
EBITDA	1,671	1,222	- 449	- 26.9%
Operating Profit	-239	-1,104	- 864	- %

Foreign exchange gains and interest payments on syndicated loans occurred. Profits and forex gains in the domestic segment increased taxable income, leading to Income Taxes.

(Millions of yen)	1H/2023	1H/2024	Increase/decrease amount
Operating profit	-239	-1,104	- 864
Foreign exchange gains	542	954	+ 411
Subsidy income	239	—	- 239
Other	15	22	+ 6
Interest expenses	296	347	+ 50
Other	2	5	+ 3
Ordinary profit	258	-480	- 739
Other	12	43	+ 31
Extraordinary loss	0	147	+ 147
Total income taxes	-6	455	+ 461
Net income	277	-1,040	- 1,318



CHAPTER
03
Domestic Performance

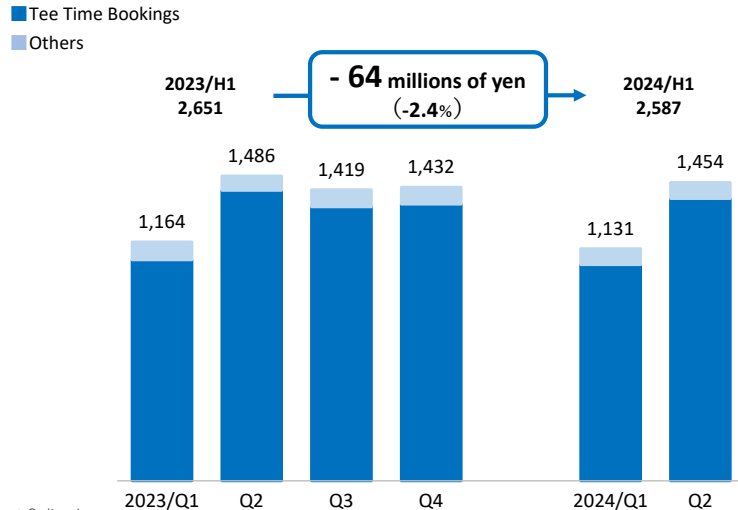
- ▶ Repeat business from existing customers are steady, but acquiring new customers is challenging.
- ▶ Non-financial indicators have improved since March. In Q2, gross profit margin in equipment business increased, but overall gross profit fell due to weak sales in high-margin businesses.
- ▶ Despite controlling SG&A, increased IT and equipment costs reduced EBITDA and operating profit year-on-year.

(Millions of yen)	2023/H1	2024/H1	Increase/decrease amount	Increase/decrease percentage
Net sales	13,992	13,943	- 48	- 0.3%
Golf Equipment Sales	9,436	9,439	+ 2	+ 0.0%
Golf Course Business	2,651	2,587	- 64	- 2.4%
Golf Driving Ranges	725	852	+ 127	+ 17.5%
Others	1,178	1,063	- 114	- 9.7%
EBITDA	937	876	- 61	- 6.5%
Operating profit	625	533	- 91	- 14.7%

By strengthening 'HOT PRICE', GDO's original service, progress is on track.

- ▶ Despite the tough market conditions, customer numbers have bottomed out after a decline since last year's second half. Recovery to the level of Q2 of the previous year was achieved through promoting "Early Bookings" and "Capturing Demand of Golf Competition".
- ▶ Continuing to enhance 'HOT PRICE', GDO's unique pre-payment service.
- ▶ System upgrades were implemented to improve website usability.

Golf Course Business Net Sales (Quarterly) (Millions of yen)



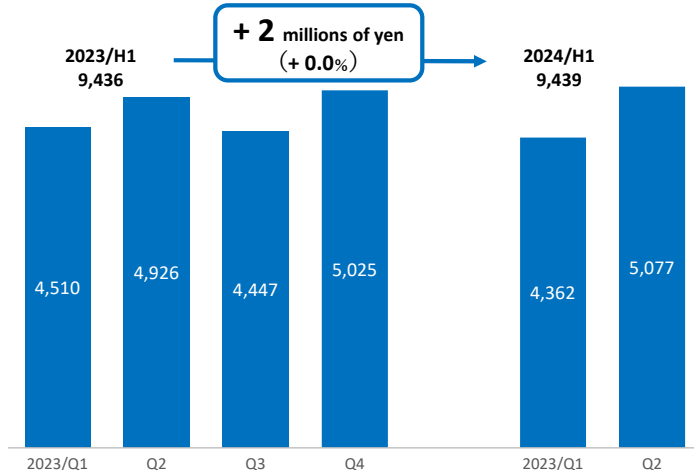
■ Tee Time Bookings YoY - **2.6%**

HOT PRICE
Number of tickets sold YoY **Approx. 3.5** times

Despite a tough business environment, original services and used products are performing well.

- ▶ Despite a weak market, sales rebounded from a 3.3% decline in Q1 to a 3.5% increase in Q2, maintaining year-on-year levels for the first half
- ▶ Original services like 'TRY SHOT', 'Trade-in Discounts', and "Used Products Services" continue to perform well. Q2 promotions and special-price product sourcing also proved successful.
- ▶ Gross profit margin has been recovering since late March, and shipping costs were adjusted due to rising logistics expenses.

Golf Equipment Sales Net Sales (Millions of yen)



Online net sales of used equipment

YoY + **34%**



Number of users of trade-in discount services

YoY + **17%**



Number of uses of the golf equipment subscription service TRY SHOT

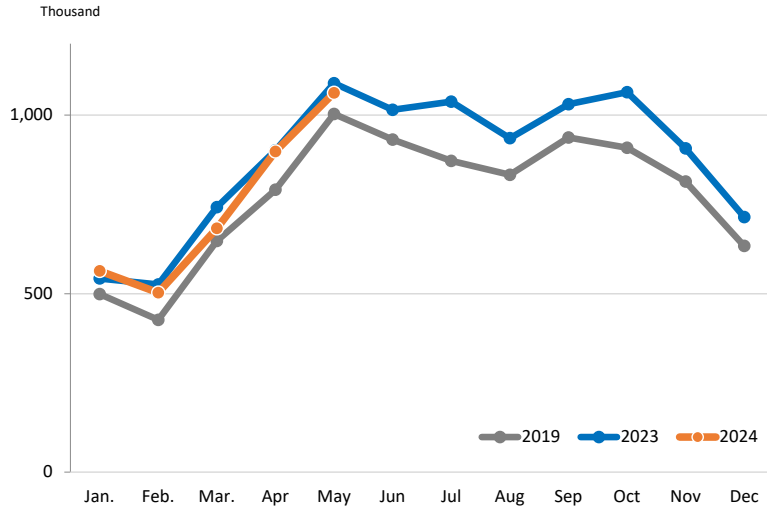
YoY + **9%**



Golf course visitor numbers

From 8 prefectures data

[Source: Specific Industry Trends Survey by Japanese Ministry of Economy, Trade and Industry]

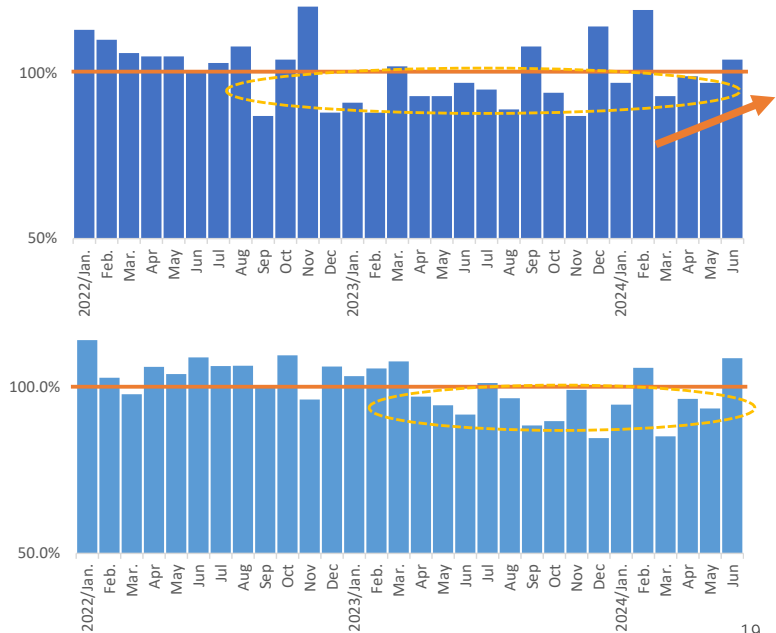


Golf retail sales market

Year-on-year comparison

(Top: Golf equipment / Bottom: Golf apparel)

[Source: GFK Japan 「Monthly Report」]

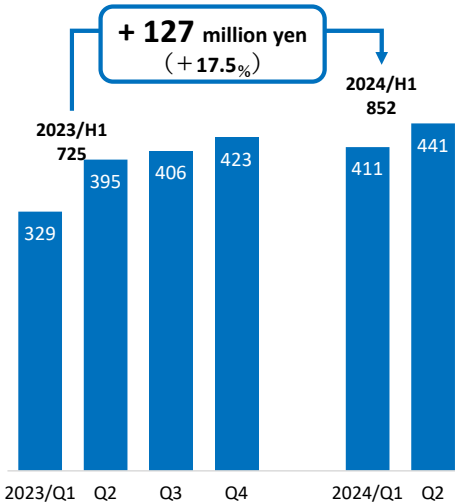


Domestic Segment | Golf Driving Ranges (Toptracer)

The number of facilities, driving range slots, and user numbers has all increased.

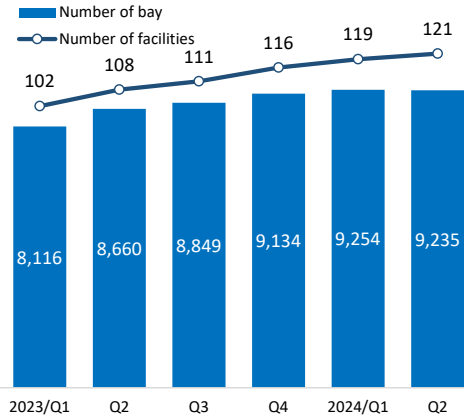
- ▶ In the first half, 7 new facilities and 227 driving range slots were introduced. Currently, 5 facilities and 139 slots have been ordered.
- ▶ Toptracer users increased by 22% year-on-year.
- ▶ In the second half of the year, new services will be introduced sequentially to further enhance the appeal of driving ranges.

Golf Driving Ranges Net Sales (Millions of yen)



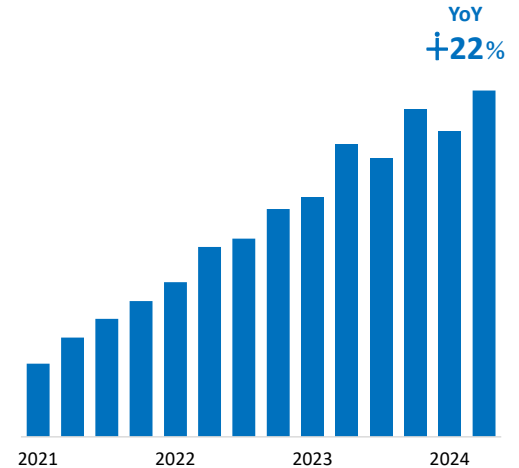
Number of installation facilities/bays

Fixed-Fee Sales Corresponding to Number of Bays



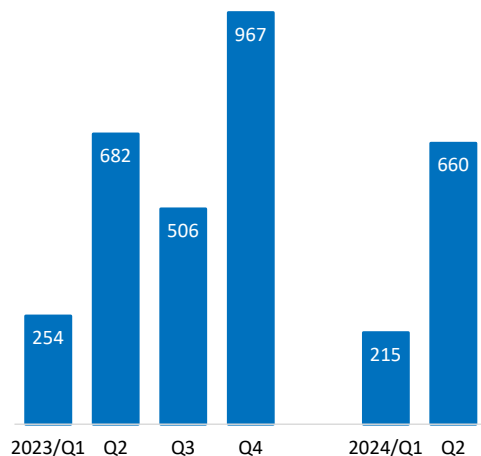
Number of Users

Pay-Per-Use sales corresponding to number of users

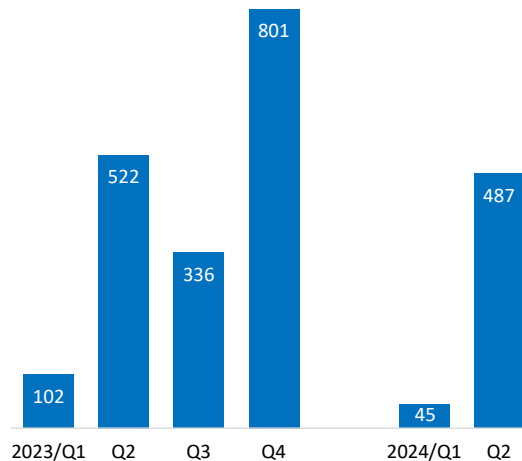


Despite continued control of SG&A, increased IT costs have negatively impacted EBITDA and operating profit year-on-year.

EBITDA (Quarterly) (Millions of yen)



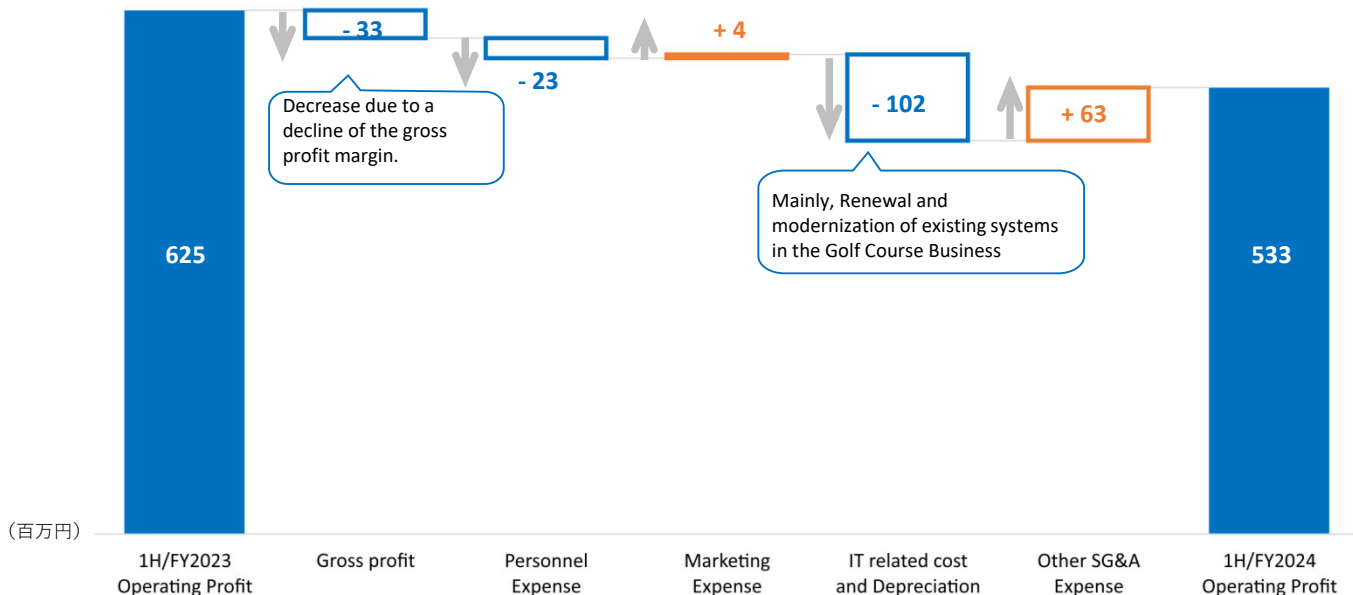
Operating Profit (Quarterly) (Millions of yen)



YoY (Millions of yen)

	2023/H1	2024/H1	YoY	
EBITDA	937	876	- 61	- 6.5%
Operating Profit	625	533	- 91	- 14.7%

Despite continued control of SG&A, increased IT costs have led to a year-on-year decline in operating profit.



10th anniversary since launch
 Downloaded over 3.2 million times
 (as of March 2024)

- ▶ Addition of group function ("golf partner") in December 2023
- Expansion of touch-points with new golfers.

■ A 10-year-long History

2014

GDOスコアアプリリリース

東京の街なかの場所でも
 簡単にスコア管理アプリ
 「GDOスコアアプリ」の提供を開始。



2015

コンペ機能

複数のスコアを登録でき、
 順位をリアルタイムで確認できる
 コンペ機能搭載の「コンペ
 Leader Board」も提供開始。



2018

オンラインコンペ

全国のゴルフコースと対戦！
 コレが史上最大規模の
 オンラインコンペ開催！



2019

GDOnavi(β)

ゴルフ場の森から生まれた
 GDOナビで機能の追加！



2020

コースマップ機能正式リリース

お楽しみゴルフをステップ
 するだけで、最大10種類の
 コースマップで楽しめるように
 しました。



2021

現在位置・グリーン・
 旗の位置がわかる
 旗の位置もわかる
 旗の位置もわかるように
 しました。



2022

ショット位置から
 グリーン位置までの
 距離をリアルタイムで
 計算できるようになりました。



2023

スコアアプリのホーム画面が
 より見やすくなりました。



2024

グループ機能リリース

いつもの仲間とのラウンドが
 より楽しく楽しく再開できる
 ようになりました。



2024

そしてこれから...

今後もお客様のご要望やフィードバックを
 聞きながら開発を進めます。
 引き続きよろしくお願いいたします。



TOTAL DATA
 2014 - 2024



全ユーザー
 平均スコア

100.9

100切りまで
 もう少しだ!!

年間平均
 ラウンド数

12.48回

1か月に1回のペースで
 ゴルフに行っているんだね!
 ゴルフ好きな人が
 多くてうれしいな!

総スコア登録枚数

5,300
 万枚

たくさんスコア登録
 してくれてありがとう!

ゴルフ好きが
 多い県TOP5

- 1 北海道
- 2 高知県
- 3 群馬県
- 4 石川県
- 5 栃木県

1人当たりの年間平均
 スコア登録枚数が多い
 都道府県TOP5だって!
 1位北海道は意外だなー!!

APP DOWNLOAD



Proof of Concept (PoC) for Golfer Services using generative AI will be initiated soon

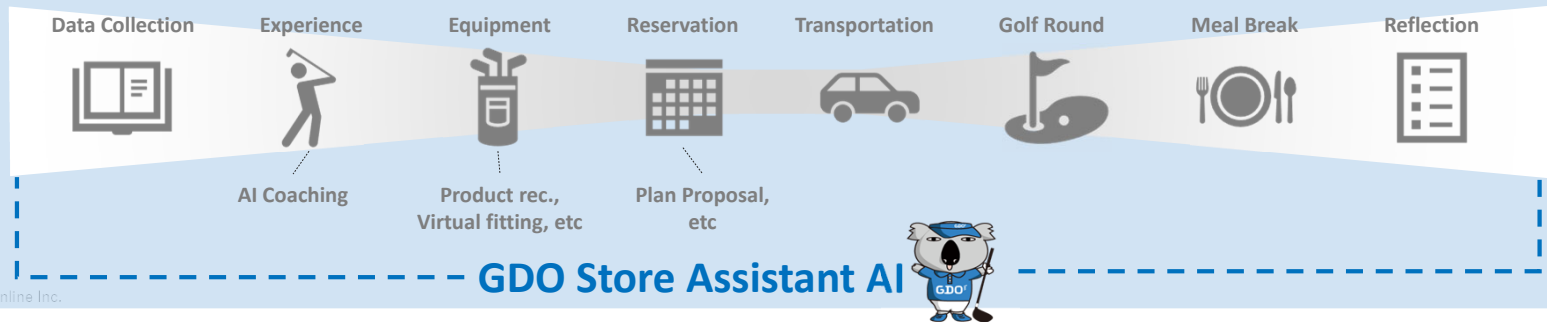
~"GDO-AI Lab", AI joint R&D project with Dentsu Digital Inc. ~



Potential of
Golf & AI

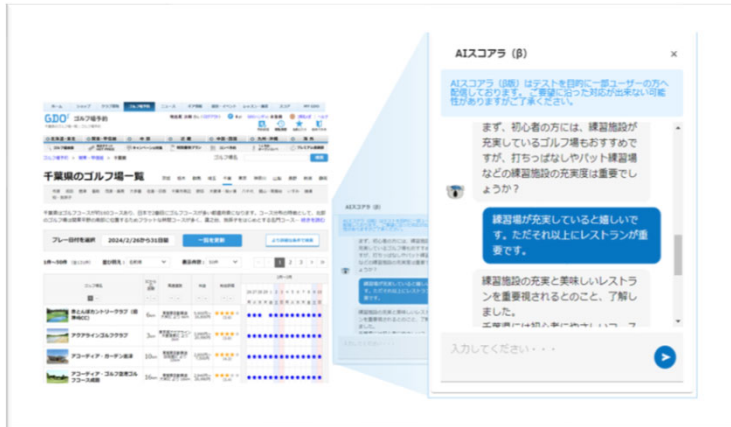
- ▶ Launch of generative AI-related R&D activities based on GDO's massive golfer database.
- ▶ Aiming to deliver new experiences across multiple golfer touchpoints and to establish a unique golf-focused marketing ecosystem.

AI Concierge supports each individual with all golf-related experience



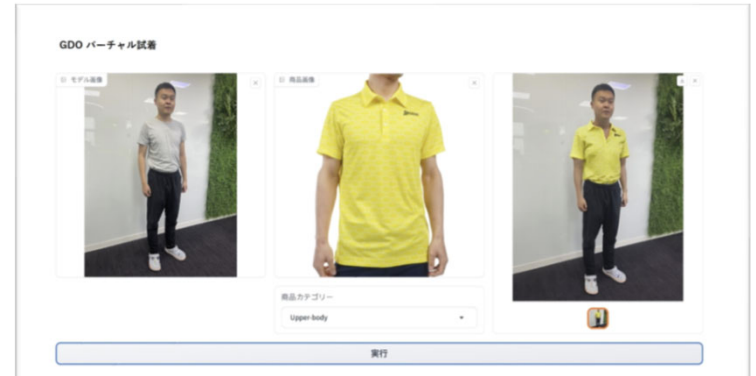
Through conversational AI, recommendations on purchases and reservations will be provided to customers, by utilizing their behaviors, browsing data, and reviews that are not associated with personal information.

Test implementation of conversational AI on a golf course reservation site

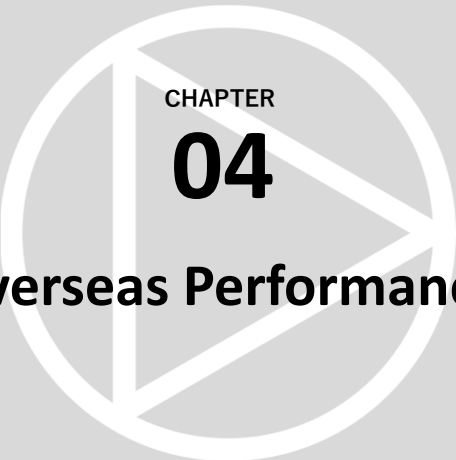


Based on the vast amount of golf course reviews accumulated by GDO, the conversational AI 'GDO Store Assistant Chat' acts as a personalized concierge, offering specific reservation slots to users.

Test implementation of virtual fitting on an e-commerce site



Generative AI analyzes detailed product data, allowing users to easily see how items look when worn. In the future, features such as trying on items with past purchases, outfit coordination suggestions, and recommendations for similar items will be added.



CHAPTER
04
Overseas Performance

Net sales grew from Golf Launch Monitors and Golf Lessons. However, operating loss widened and EBITDA decreased due to increased SG&A for further growth of the business.

- ▶ Golf Launch Monitors (SkyTrak) and Golf Lessons have shown consistent growth compared to 2023. Synergy between Golftec and SkyTrak has continued to drive the business growth.
- ▶ Operating profit and EBITDA declined due to higher SG&A expenses from rent, labor, and executive hiring. New centers will take at least two years to fully generate revenue, causing delays in revenue generation. Adequate staffing of existing centers and hiring experienced executives are crucial to achieve maximum sales and further growth.

(Million USD) / (Accounting Basis)	1H/2023	1H/2024	Increase/decrease amount	Increase/decrease percentage
Net sales	84.0	91.7	+ 7.7	+ 9.2%
Golf Lessons	47.9	50.7	+ 2.7	+ 5.7%
Club Fitting Equipment Sales	18.0	20.4	+ 2.3	+ 12.9%
Golf Launch Monitors	15.3	18.7	+ 3.4	+ 22.6%
Other	2.6	1.8	- 0.7	- 30.1%
EBITDA	5.4	2.2	- 3.1	- 58.2%
Operating profit before amortization of goodwill	0.0	-4.5	-4.5	— %
Amortization of goodwill, etc	6.3	6.1	-0.2	-3.3%
Operating Loss	-6.4	-10.7	- 4.3	— %

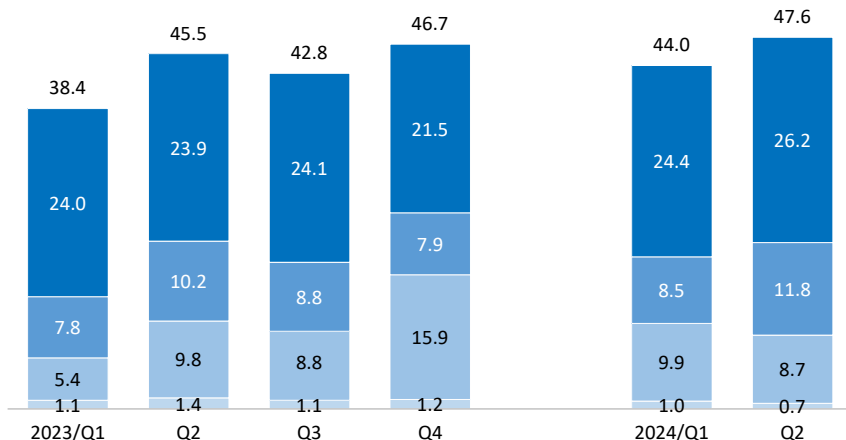
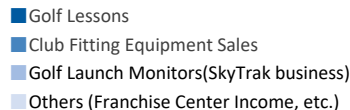
(Millions of yen) / (Accounting Basis)	1H/2023	1H/2024	Increase/decrease amount	Increase/decrease percentage
Net sales	11,339	13,975	+ 2,635	+ 23.2%
Golf Lessons	6,477	7,727	+ 1,250	+ 19.3%
Club Fitting Equipment Sales	2,439	3,115	+ 676	+ 27.7%
Golf Launch Monitors	2,067	2,859	+ 792	+ 38.4%
Other	355	271	- 84	- 23.7%
EBITDA	734	346	- 387	- 52.8%
Operating profit before amortization of goodwill	-1	-694	- 693	— %
Amortization of goodwill, etc	863	942	+ 79	+ 9.2%
Operating profit	-864	-1,637	- 772	— %

Average rates during the fiscal periods : 2023H1 \$1USD=¥134.98
2024H1 \$1USD=¥152.35

Golf Launch Monitors and Golf Lessons are major factors of strong net sales growth.

- ▶ Net sales of Golf Launch Monitors (SkyTrak business) continued to grow constantly, with 22.6% growth compared to previous year.
- ▶ Net sales of Golf lessons, the largest portion of our business, showed continual growth of 5.7% compared to previous year.

U.S.GOLFTEC Net Sales (Million USD)/ (Accounting Basis)

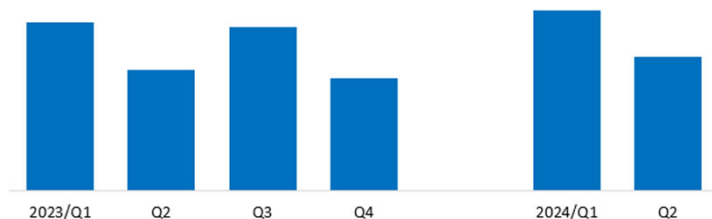


(Millions USD)	23/H1	24/H1	YoY	
U.S. GOLFTEC Net Sales	84.0	91.7	+7.7	+9.2%
Golf Lessons	47.9	50.7	+2.7	+5.7%
Club Fitting Equipment Sales	18.0	20.4	+2.3	+12.9%
Golf Launch Monitors	15.3	18.7	+3.4	+22.6%
Others (Franchise Center Income, etc...)	2.6	1.8	-0.7	-30.1%

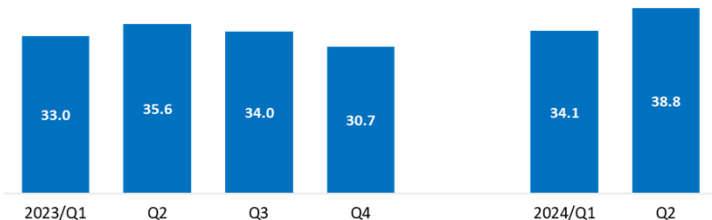
Cash Sales, generated mainly from Golf Lesson Business, shows a continual recovery from previous year, mainly due to an improvement in turnover ratio and opening more centers.

- A shortage of coaches caused direct opportunity miss in revenue. In 2023, the shortage of coaches occurred due to higher-than-expected turnover ratio. In 2024, a gradual improvement has been made and a positive impact on cash sales was observed, resulting \$4.1M increase in cash compared to previous year.

Cash Sales at corporate centers (Million USD)



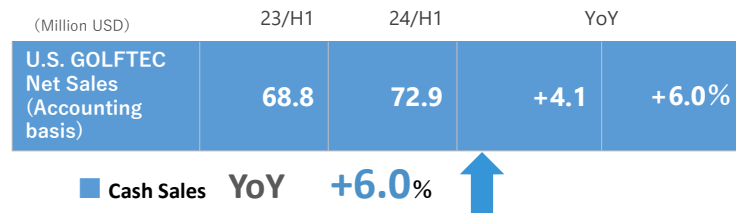
Quarterly Net Sales (Accounting Basis) (Million USD)



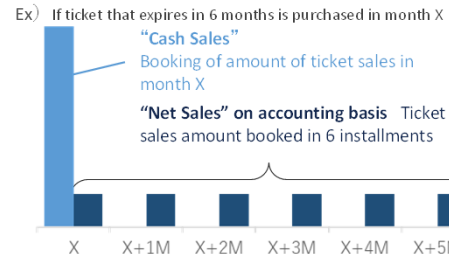
Deferred revenue by U.S. GOLFTEC

2023/Q1	39.6	32.8	37.0	33.3	2024/Q1	41.7	34.2
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※Cash Sales and deferred revenue do not include launch monitors sales



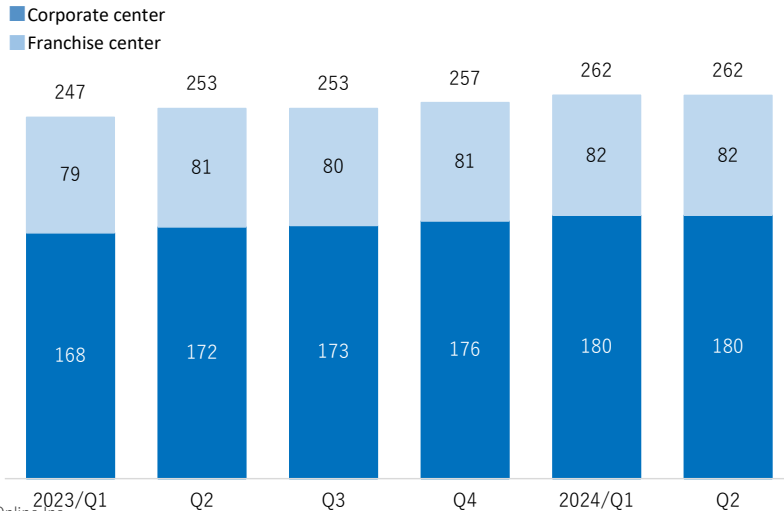
Relation of Cash Sales Quarterly Net Sales (Accounting basis)



As planned, the pace of opening new centers was deliberately reduced to enhance profitability and to strategically prepare for accelerated openings in the coming year.

- ▶ As part of our strategy, profitability improvement is prioritized by
 1. Improving turnover ratio of coaches from 20.9% in previous year to 18.6% in current year.
 2. A new service model has been tested in several centers to prepare for accelerated new center openings in coming year.
 3. Holding off on opening new centers in the second half of this year

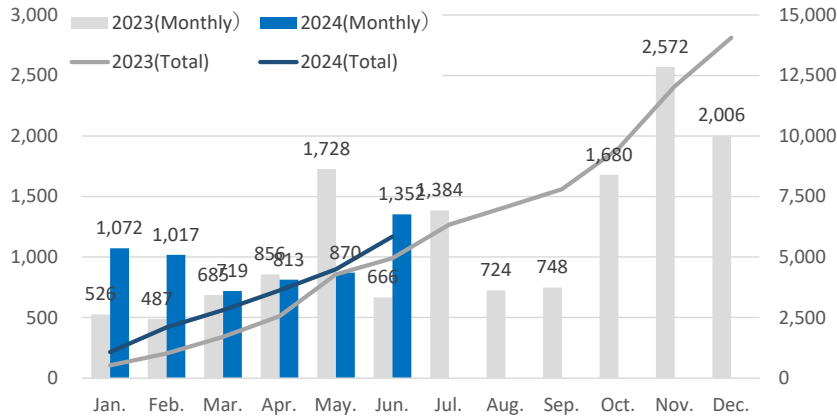
Number of Centers



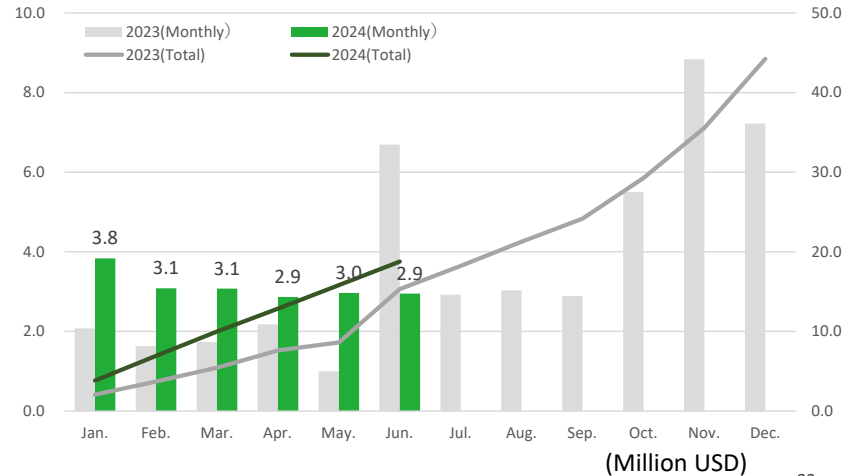
Overall total units sold of golf launch monitors and net sales are higher than previous year.

- ▶ Both sold units and new sales in current year were higher than previous year.
- ▶ Addition to current transactional business model, subscription model is launched to unlock a great potential of SkyTrak business.

“SkyTrak” and “SkyTrak+” monthly sold units

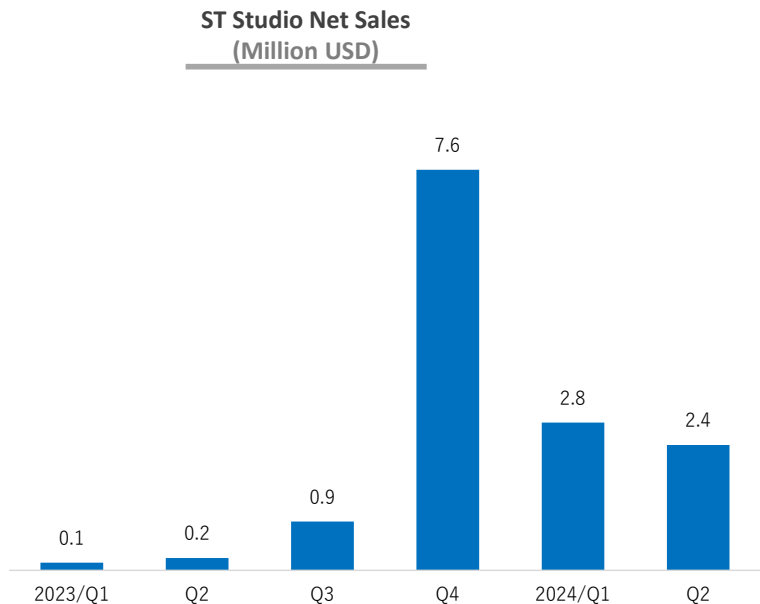


SkyTrak business monthly net sales



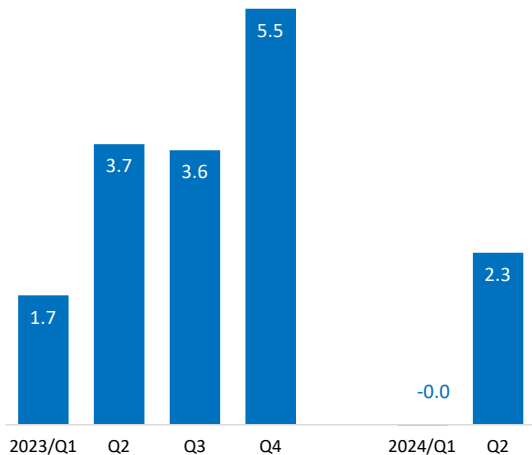
Net Sales of ST Studio continued to grow compared to prior year

- ST Studio, bundled sales of Golf Launch Monitor accessories (Nets, Mats, Projectors, Cases, etc) continued to grow solidly compared to previous year.

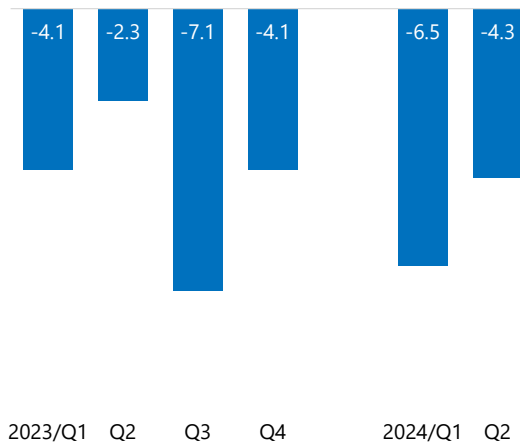


- ▶ EBITDA and Operating profit both decreased due to increased in SG&A, mainly hiring more coaches by improving turnover ratio, opening more centers, and hiring more executives.

Change in EBITDA (Quarterly)
(Million USD)



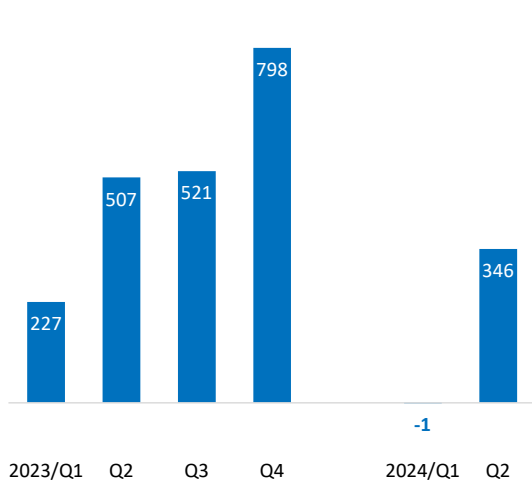
Change in Operating Profit/Loss (Quarterly)
(Million USD)



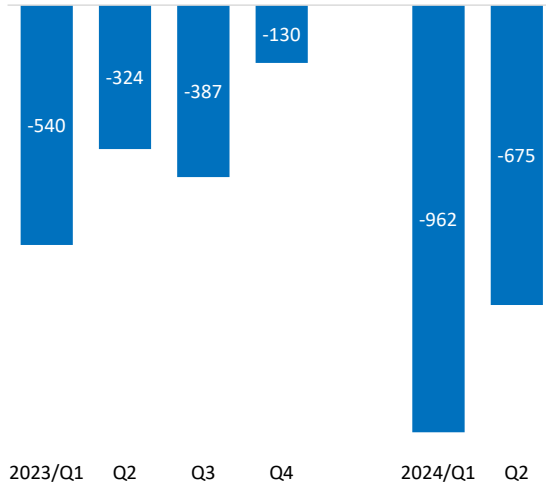
YoY (Million USD)

	2023/H1	2024/H1	YoY	
EBITDA	5.4	2.2	- 3.1	- 58.2%
Operating Profit/Loss	-6.4	-10.7	- 4.3	- %

Change in EBITDA (Quarterly)
(Millions of yen)



Change in Operating Profit/Loss (Quarterly)
(Millions of yen)

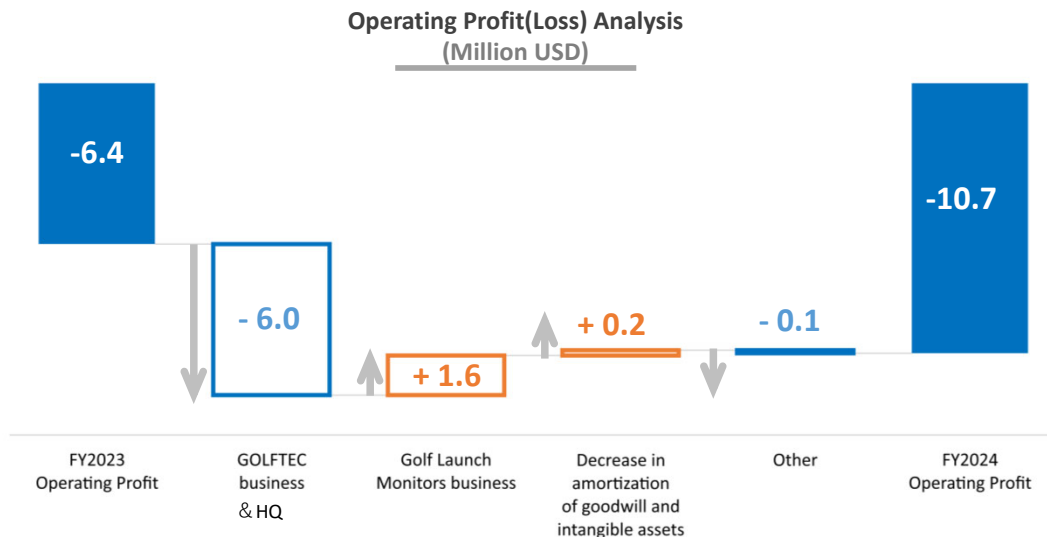


YoY (Millions of yen)

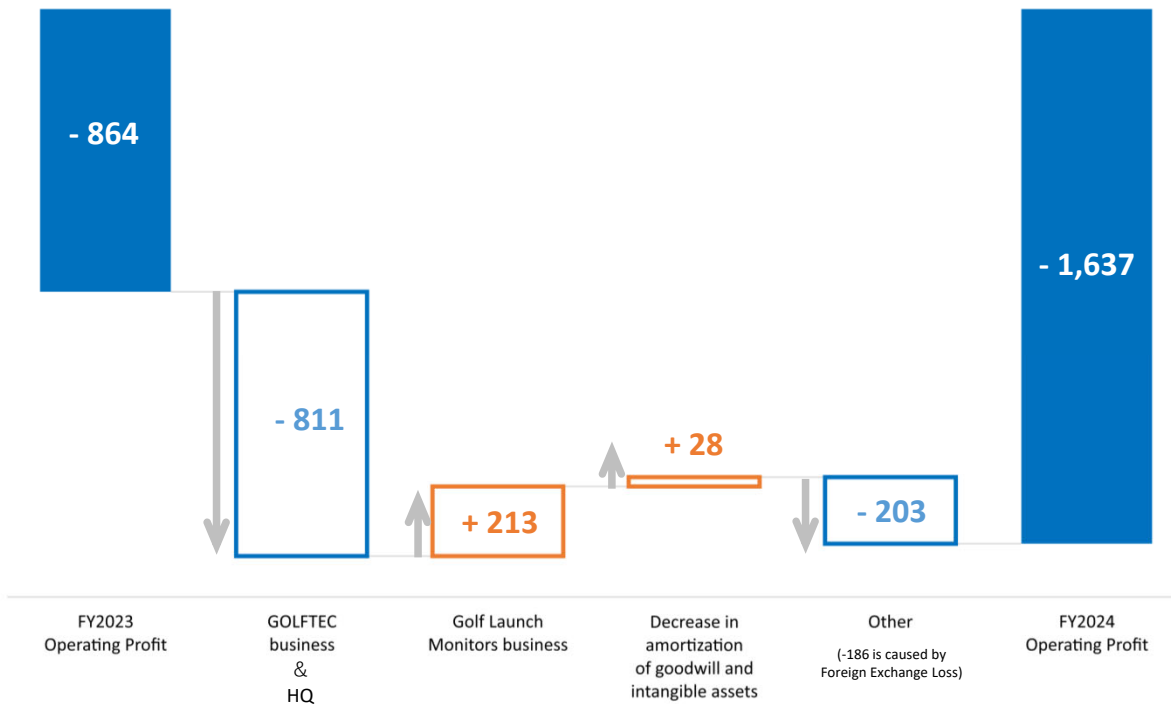
	2023/H1	2024/H1	YoY	
EBITDA	734	346	- 387	- 52.8%
Operating Profit/Loss	-864	-1,637	- 772	- %

Operating loss got widened compared to previous year due to higher expense.

- ▶ In Golftec, due to increase in the number of coaches, higher wages, and overall cost increase caused by inflation, larger operating loss occurred in 2024 H1.
- ▶ Growth of Golf Launch Monitors (SkyTrak business), continues to contribute operating profit to the company, due to strong sales of “SkyTrak+” and ST Studio.



Operating Profit(Loss) Analysis
(Millions of yen)

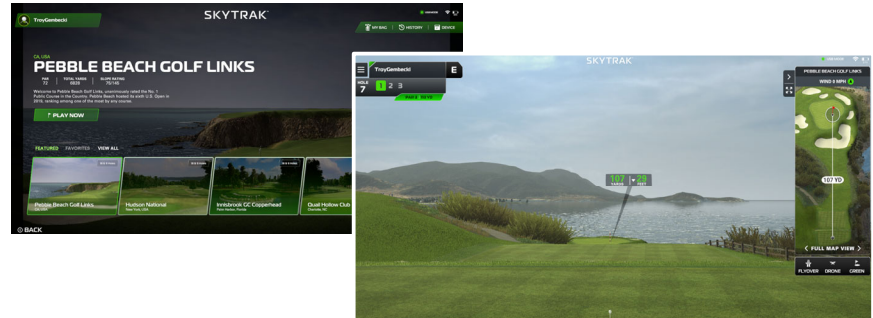


Release Dedicated Software for SkyTrak (ver. 5.0), with New Features

- ▶ Software Update to World's #1 Launch Monitor Allows Golfers to Play Iconic Courses and Practice on Specialized Driving Ranges

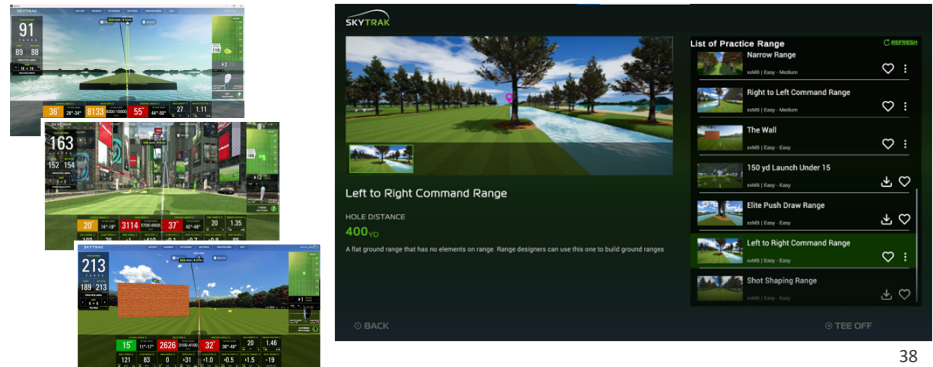
Course Play Overview

- 30 Courses including Pebble Beach
- Available in Bay for various patterns of Lesson and Practice Sessions
- Play a round or skip to any hole
- More features will be added



Simulation Software Subscriptions

- New Revenue Stream for Company
- Available for \$220 per year
- **Next:** Simulation Software with Integrated GOLFTEC Instruction



Golftec to provide Official Instruction to UNDERRATED Golf Tour.

- ▶ GOLFTEC will be on site at all UNDERRATED tour events, including Curry Cup sponsored by NBA Star, Steph Curry, to provide young golfers with state-of-the-art swing analysis using its revolutionary OptiMotion technology.



UNDERRATED Golf Tour

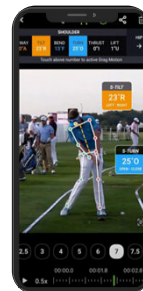
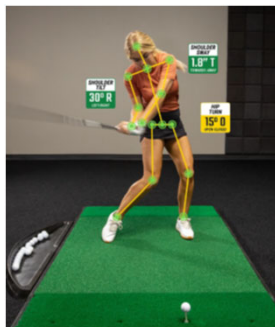
- United States Tour
- Europe Tour
- Curry Cup

UNDERRATED Golf

Underrated Golf aims to diversify the predominantly white male sport of golf by offering special programs for young, overlooked golfers and connecting them with companies.

Source: @GOLFTEC Press Releases [click here](#)

© Golf Digest Online Inc.



OptiMotion

Measures golf swing in 3D by custom-built, high-speed, single HD camera

First Standalone GOLFTEC Center in Manhattan opened in April

- ▶ Grand opening celebration of GOLFTEC Midtown Manhattan took place on April 17 and April 18

- The 1st Golftec Center opened in Manhattan, New York
- Flagship center with a new design, a studio combined with SkyTrak showroom
- Some of existing centers will be redesigned based on Manhattan flagship center
- Nearly 100 guests, including medias, association-related, and financial institutions, visited GOLFTEC Manhattan during two days of events



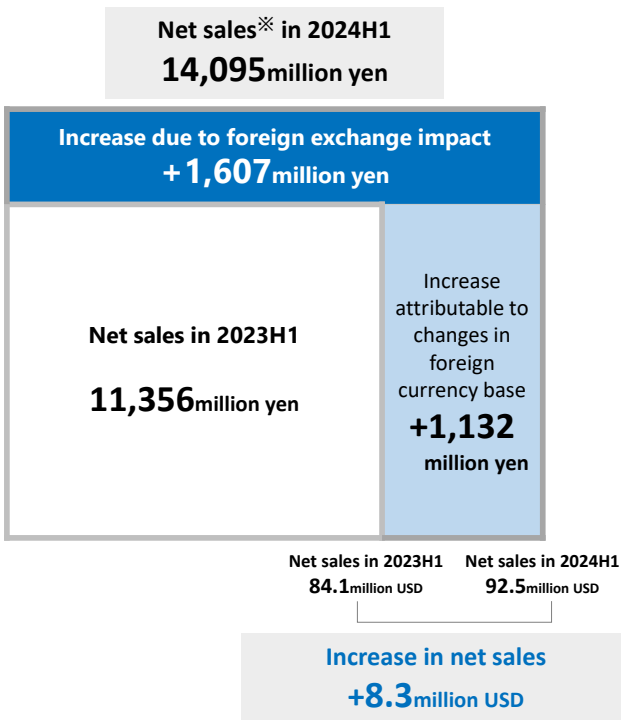
U.S.GOLFTEC

Analysis of net sales[※] increase/decrease

Average exchange rate during the period (per \$USD)

2024/H1
¥ 152.35

2023/H1
¥134.98



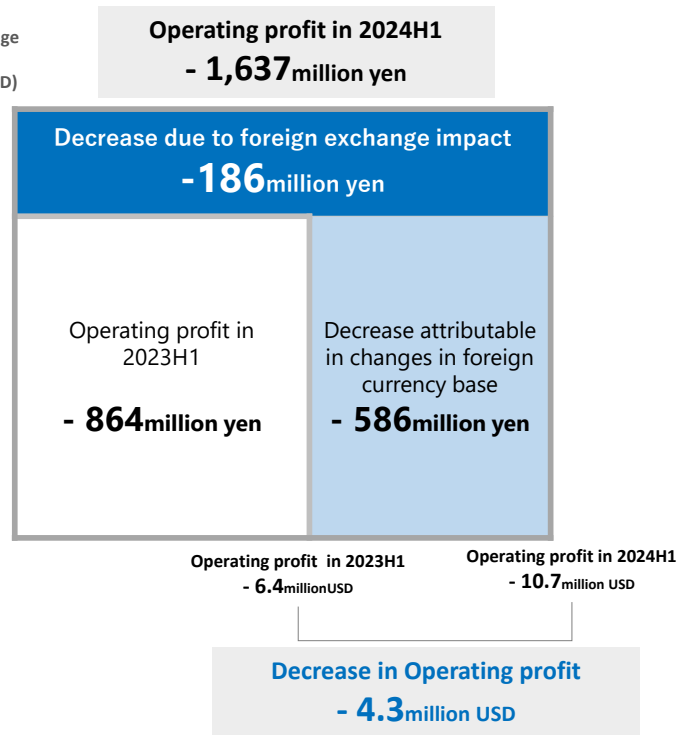
Overseas segment

Analysis of operating profit increase/decrease

Average exchange rate during the period (per \$USD)

2024H1
¥ 152.35

2023/H1
¥134.98



*Net sales do not include inter-subsidiary transactions and differ from the figures on p.●.



CHAPTER
05
Other financial data

Consolidated B/S

- ▶ Due to the rise in the year-end exchange rate, the balances of all asset and liability items have increased.
- ▶ Short-term borrowings temporarily increased due to business seasonality and the weaker yen.
- ▶ Increased tangible fixed assets due to new openings at GOLFTEC in the U.S. and expansion of domestic golf practice facilities.
- ▶ Success in acquiring cash sales has led to an increase in contract liabilities (prepayments).

(Millions of yen)	End of Dec.2023	(Composition ratio)	End of Jun.2024	(YoY)	(Composition ratio)
Current Assets	14,772	32%	15,001	+ 229	31%
Cash deposits	2,793		2,089	- 704	
Accounts receivable	3,520		3,851	+ 331	
Merchandise	6,060		6,080	+ 20	
Other current assets	2,399		2,981	+ 582	
Non-Current Assets	31,927	68%	34,110	+ 2,182	69%
Tangible assets	16,173		17,326	+ 1,153	
Intangible asset	14,707		15,709	+ 1,001	
(Goodwill)	(8,084)		(8,525)	(+ 441)	
Investments and other assets	1,047		1,073	+ 26	
Total Assets	46,700	100%	49,112	+ 2,411	100%

	End of Dec.2022	(Compositi on ratio)	End of Jun.2024	(YoY)	(Composition ratio)
Current Liabilities	22,961	49%	26,481	+ 3,519	54%
Accounts payable	2,620		3,344	+ 724	
Interest-bearing liabilities	8,264		9,742	+ 1,476	
Unearned revenue	6,068		6,883	+ 815	
Other Current liabilities	6,009		6,512	+ 504	
Non-Current Liabilities	22,006	47%	22,023	+ 16	45%
Long term borrowings	11,723		11,425	- 298	
Other non-current liabilities	10,283		10,598	+ 314	
Total Liabilities	44,967	96%	48,504	+ 3,536	99%
Total Equity	1,732	4%	608	- 1,124	1%
Shareholders' equity	1,323		344	- 978	
Valuation and translation adjustments	407		260	- 146	
Share acquisition rights	2		2	+ 0	
Total Liabilities & Equity	46,700	100%	49,112	+ 2,411	100%

IT Investment, Capital Investment, and Other Investments were conducted per below

Overseas segment

7.4 million \$USD
(1,130 million yen)

U.S. GOLFTEC

- ▶ 4 new company-owned stores opened based on contracts signed in the previous fiscal year (inclu. Flagship center in Manhattan, NY.)
- ▶ Repairs and improvements in store facilities

Golf Launch Monitors business

- ▶ Software development

Domestic segment

418 million yen

- ▶ System investments related to Golf Course Business
- ▶ Related to Toptracer Range facilities
- ▶ ERP System Upgrade

Consolidated P/L Overview (Quarterly)

(Millions of yen)	2023							2024			2024 Forecast	
	Q1	Q2	H1	Q3	Q4	H2	通期	Q1	Q2	H1	FY	
Net Sales	11,652	13,679	25,332	13,051	14,534	27,586	52,918	12,959	14,959	27,918	57,500	
Domestic	6,561	7,430	13,992	6,849	7,651	14,500	28,493	6,405	7,538	13,943	30,000	
Overseas	5,091	6,248	11,339	6,202	6,882	13,085	24,424	6,553	7,421	13,975	27,500	
EBITDA	481	1,189	1,671	1,027	1,765	2,793	4,465	213	1,008	1,222	5,150	
Domestic	254	682	937	506	967	1,474	2,411	215	660	876	2,550	
Overseas	227	506	734	521	798	1,319	2,053	-1	347	346	2,600	
Operating income before amortization of goodwill, etc.	-14	638	624	416	1,128	1,545	2,169	-456	295	-161	2,513	
Domestic	102	522	625	336	801	1,137	1,762	45	487	533	1,800	
Overseas	-117	116	-1	80	327	407	406	-502	-192	-694	713	
Goodwill and Amortization of intangible assets (Overseas)	GOLFTEC	188	195	383	206	191	397	781	191	201	392	722
	Golf Launch Monitors Business	234	245	480	261	266	527	1,007	268	281	549	990
Operating profit	-437	197	-239	-50	670	620	380	-916	-187	-1,104	800	
Domestic	102	522	625	336	801	1,137	1,762	45	487	533	1,800	
Overseas	-540	-324	-864	-387	-130	-517	-1,382	-962	-675	-1,637	-1,000	

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