



2024/2025 ANNUAL RESULTS

HONMA GOLF LIMITED (6858.HK)

Jun. 2025



ONE OF THE MOST PRESTIGIOUS AND ICONIC BRANDS IN THE GOLF INDUSTRY

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01
HONMA



#1 PREMIUM GOLF BRAND FOUNDED IN JAPAN IN 1959
68 YEARS OF DEDICATIONS TOWARDS QUALITY AND CRAFTSMANSHIP
THE ONLY VERTICALLY INTEGRATED GOLF COMPANY IN THE WORLD



IN-HOUSE R&D AND CLUB MANUFACTURING

- 164 R&D personnel and skilled craftsmen operating out of 163,000 m² of manufacturing base in Sakata, Japan
- Advanced and sophisticated design and manufacturing capacity, housed under one roof



COMPREHENSIVE CLUB AND NON-CLUB PRODUCT PORTFOLIO

- Diversified range of premium golf products
- Club portfolio focusing on super-premium and premium-performance consumer segments
- Comprehensive range of non-club products including balls, apparels and accessories



EXTENSIVE DTC + DISTRIBUTION NETWORK

- Presence in over 50 countries
- Unique omni channel, 94 self-operated stores overlaid with 3,617 third party POSs
- Fast growing E-commerce business in China, Japan, Korea and the US



02 PERFORMANCE OVERVIEW

In FY2025, the golf industry witnessed increased market competition and adjustments in both participation and purchase intent resulting from economic instability and slowdowns in certain parts of the world.

Against these unfavorable market conditions, HONMA re-strategised its distribution channel to drive profitable sales and achieved positive improvements in gross margin and net operating cashflow , reconfirming HONMA's brand equity and resilience.

KEY FINANCIALS	Full Year Ended 31 Mar 2025	Change vs Full Year Ended 31 Mar 2024
Net Sales	JPY 21,672 MM / USD 142.9 MM ⁽¹⁾	-17.4% (constant currency: -18.9%)
Gross Profit Margin	54.4%	+3.2pp
EBITDA - EBITDA Margin	JPY 1,551 MM / USD 10.2 MM ⁽¹⁾ 17.1%	-78.7% -10.7pp
Net Profit - Net Profit Margin	JPY -264 MM / USD -1.7 MM ⁽¹⁾ -1.2%	-105.7% -19.6pp
Reported Earnings Per Share	JPY -0.44 / -0.02 HKD ⁽³⁾	-105.5%
Net Operating Cash Flow	JPY 5,497 MM / 36.2 USD MM ⁽¹⁾	+1.5%
Net Cash Position	JPY MM 10,831 / USD 73.0 MM ⁽²⁾	+12.5%
Proposed Dividend	N/A	

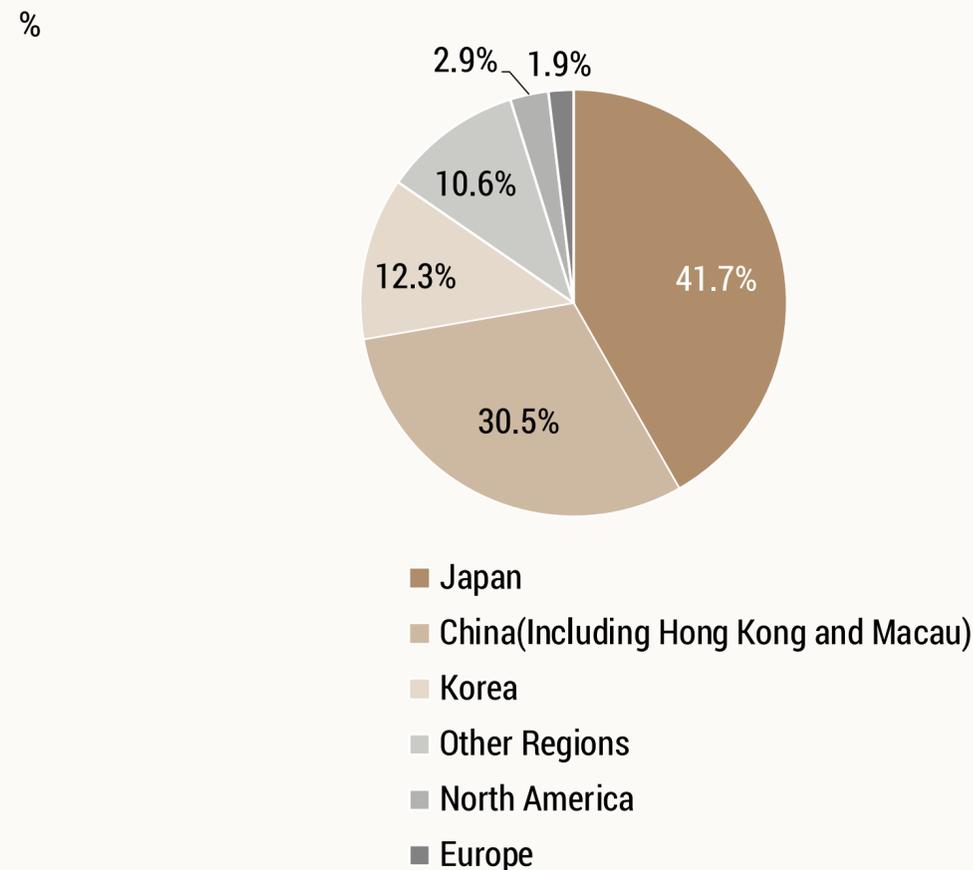
Note (1) Exchange rate: 1 USD = 151.65 JPY (2) Exchange rate: 1 USD = 148.45 JPY (3) Exchange rate: 1 HKD = 19.46 JPY

PERFORMANCE OVERVIEW *BY MARKET*

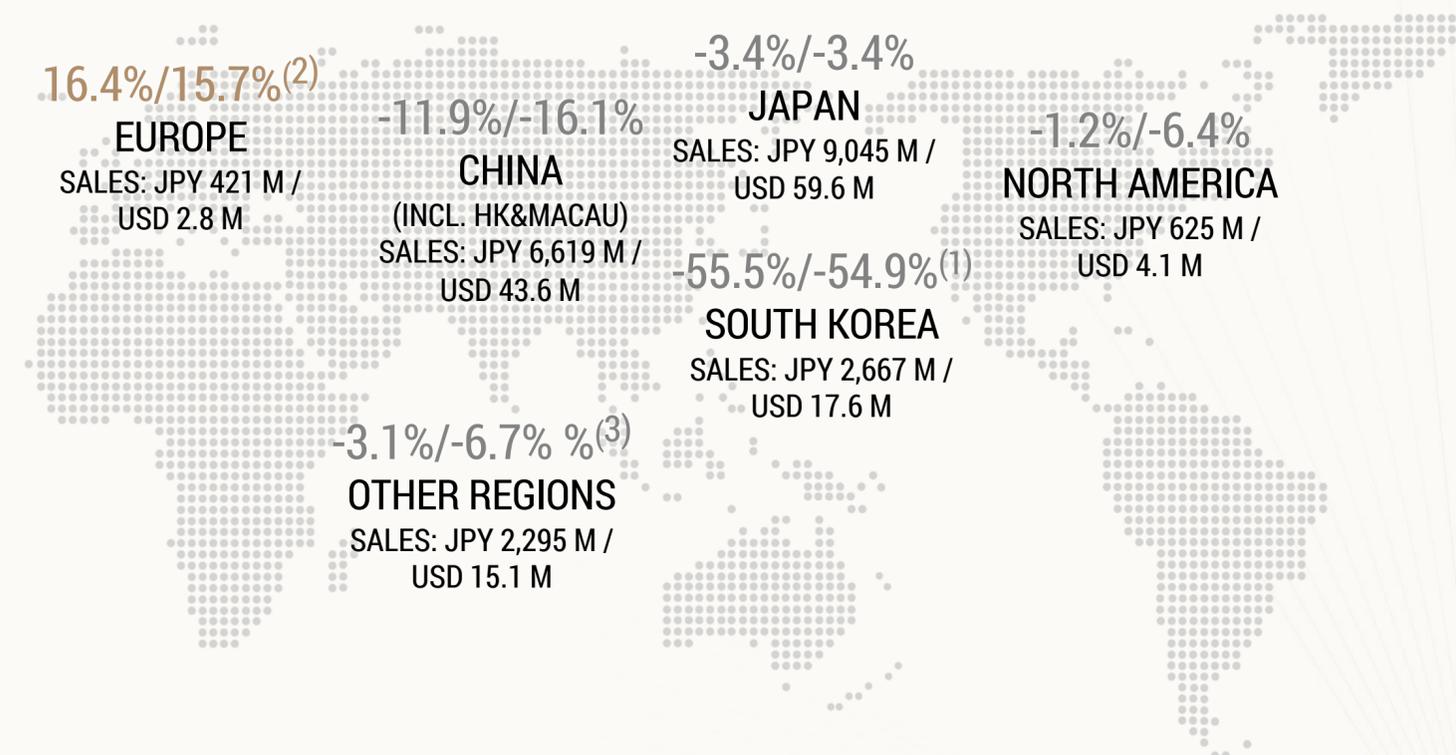
FY25 NET SALES: JPY 21,672 MM / USD 142.9 MM, -17.4% YOY (COMPARABLE -18.9%)

- Both Japan and Korea showed sales decline, mainly attributable to planned channel optimization with a view to focus on larger and more relevant retailers in both countries. This has led to temporary sales declines from distributors and wholesalers yet profitability and cashflow improved.
- China experienced a similar decline of 11.9% as the overall economy and retail market sentiment continued to experience downward pressure.

NET SALES MIX BY MARKET



NET SALES GROWTH BY MARKET(nominal/comparable)



Note (1) Revenue from Korea recorded a decline of 55.5%, however, partially reversing the trend observed in the first half of the year. The Group took a conscious decision to review its distribution network in the first half of the year amidst major industry reshuffle, but sales did recover in the second half.

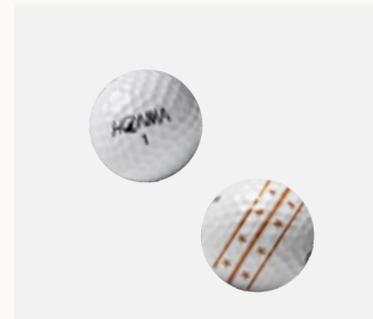
Note (2) Revenue from Europe increased by 16.4%. Such increase reconfirmed the Group's decision to change its distribution model in Europe to drive profitable sales growth.

Note (3) Sales from Other Regions dropped by 3.1%, mainly due to unfavourable local currency depreciation against U.S. dollar and weakened purchasing interest and power.

PERFORMANCE OVERVIEW *BY PRODUCT CATEGORY*

FY25 NET SALES: JPY 21,672 MM / USD 142.9 MM, -17.4% YOY (COMPARABLE -18.9%)

- Revenue from Tour World (TW) golf club rose by **59.2%**, thanks to the successful launching of TW767. Revenue from BeZeal golf club and putters increased **20.0%** and **44.3%**, respectively, reconfirming HONMA's strong brand equity and its ability to withstand economic challenges.
- Apparel sales slightly decreased by **0.7%** while gross profit margin increased **9.9PP** to **53.4%** despite weak consumer sentiments in China and reduction in total number of stores.
- Sales from golf balls dropped by **31.2%** because of upward price adjustment in the face of continued currency pressure in Japan. Ball revenue went up by **39.1%** in Korea yet unable to mitigate the drop in Japan.



GOLF CLUBS

NET SALES -17.5% TO JPY 15,067 MILLION / 99.4 USD MM
GROSS MARGIN -0.9PP TO 59.4%

- Club sales from Japan, Europe and Taiwan grew by **20.7%**, **12.3%** and **10.7%** respectively, yet unable to mitigate the decline in Korea and mainland China of **60.4%** and **24.4%**, respectively.

APPARELS

NET SALES -0.7% TO JPY 3,136 MILLION / 20.7 USD MM
GROSS MARGIN +9.9PP TO 53.4%

- Apparel sales in mainland China went up by **6.4%** in spite of weakened consumer sentiments and reduction in total number of stores.

GOLF BALLS

NET SALES -31.2% TO JPY 2,021 MILLION / 13.3 USD MM
GROSS MARGIN +4.0PP TO 27.4%

- Ball sales under pressure resulting from upward retail price adjustment to cope with Japanese Yen depreciation in Japan. Gross margin expanded by **4.0PP**.

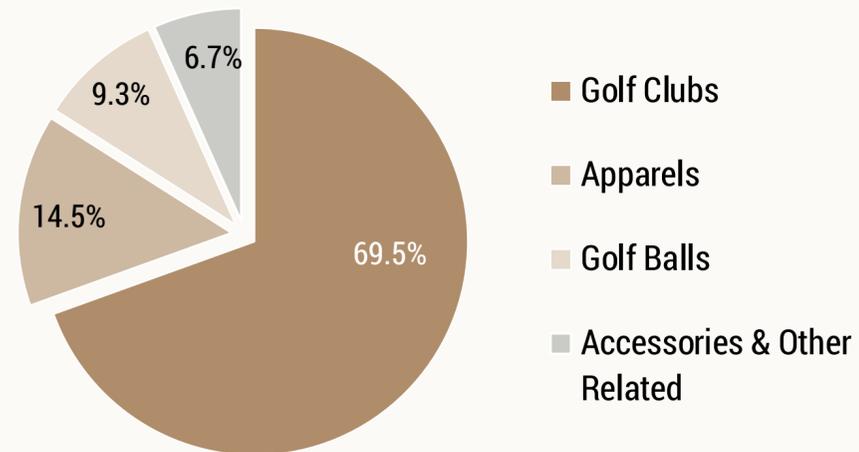
ACCESSORIES

NET SALES -22.7% TO JPY 1,448 MILLION / 9.5 USD MM
GROSS MARGIN +22.7PP TO 42.3%

- The decline was primarily caused by Japan who recorded a decline of **50.2%** following a shift of its product positioning from mass to premium. The rest of the markets showed a decent increase of **6.0%**, led by Korea and China who recorded a growth of **32.0%** and **14.7%** respectively. Gross margin almost doubled.

NET SALES MIX BY PRODUCT CATEGORIES

%

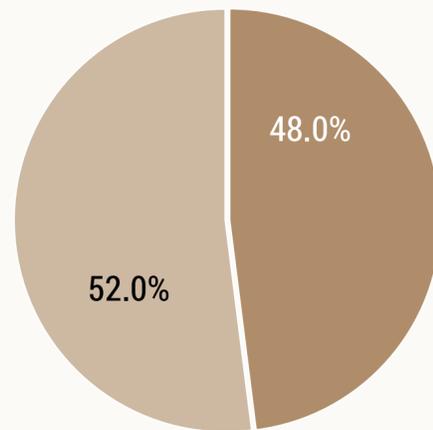


PERFORMANCE OVERVIEW *BY CHANNEL*

FY25 NET SALES: JPY 21,672 MM / USD 142.9 MM, -17.4% YOY (COMPARABLE -18.9%)

NET SALES MIX BY CHANNEL

%



- Distributors
- DTC Channels

DIRECT-TO-CONSUMER CHANNELS

NET SALES +2.8% TO 11,263 JPY MILLION / 68.6 USD MM

GROSS MARGIN +7.9PP TO 64.8%

94
SELF-OPERATED STORES

- Sales from Mainland China +11.0%
- Gross Margin +18.6pp and +26.2pp in Japan and Korea, respectively
- Continued optimization of design, merchandising and consumer experience

E-COMMERCE

- Operating in China, Japan and the US
- Ecommerce sales sales +6.3%: China +6.9%, Taiwan +76.2%, Japan +10.1%

3rd PARTY RETAILERS AND WHOLSALERS

NET SALES -31.8% TO JPY 10,409 MILLION / USD 68.6 MM

GROSS MARGIN -4.1PP TO 43.1%

3,617
3RD PARTY POSs

- Wholesales revenue mainly decreased in Korea and China (including Hong Kong and Macau) by 57.1% and 51.6%, respectively, as a result of economy slowdowns and channel review in Korea.



03 BUSINESS HIGHLIGHTS

HONMA GROWTH STRATEGY: SINGLE BRAND, MULTI-CATEGORIES & ASIA-FOCUSED

THE GROUP STRATEGICALLY FOCUSES ON THE DEVELOPMENT OF ITS HOME MARKETS IN ASIA AND THE MARKETING OF ITS EXQUISITE PRODUCT OFFERINGS TARGETING SUPER-PREMIUM AND PREMIUM-PERFORMANCE SEGMENTS.

THE THREE PILLARS OF HONMA'S GROWTH STRATEGY

PRODUCT

GOLF CLUBS

- Combined top-notch Japanese craftsmanship with world standard innovative technologies
- Strengthened focus on super-premium and premium-performance segments
- Enriched premium-performance products targeting golfers with 8-20 handicaps
- Unique product offerings designed for social media savvy female golfers

NON-CLUB PRODUCTS

- Steady advancement of ball and accessory businesses in premium consumer segments
- Nurturing apparel business in the fast growing home markets, aiming both golfers, as well as a wider spectrum of active and outdoor-inspired populations

CHANNEL

- Continuously upgrading HONMA's retail presence with primer locations, new retail visual identity, design concept and consumer experience elements
- Further penetration into premium-performance segment by adding quality retailers and POSs
- Continue investing into the brand's digital ecosystem and HONMA's private sphere, following fundamental change in consumer behavior and business environment post COVID-19



BRANDING AND CONSUMER ENGAGEMENT

- Re-defining HONMA brand as a dynamic, relevant and premium golf lifestyle brand among younger and internet-savvy golfers.
- Offering 360 degree HONMA brand experience across all consumer touch points both offline and online, pursuing golfers in super-premium and premium-performance segments
- Rejuvenated TEAM HONMA with younger and uprising athletes, coaches and influencers to create a unique community culture
- Enhanced CRM system to better understand consumers and nurture loyalty
- Focused marketing and PR activities across all markets

PRODUCT: EXQUISITE PORTFOLIO COMBINING JAPANESE CRAFTSMANSHIP WITH INNOVATIVE TECHNOLOGY

FOCUSING ON *SUPER-PREMIUM* AND *PREMIUM-PERFORMANCE* CONSUMER SEGMENTS

SUPER-PREMIUM

BERES

BERES 7S
Launched in Nov 2024



BERES 09
Launched in Feb 2024



CATERING TO AFFLUENT GOLFERS

PREMIUM-PERFORMANCE

T// WORLD

TW767
Launched in Nov 2024



TW757
Launched in Mar 2022



*CATERING TO SERIOUS GOLFERS
HANDICAP 0-12*

OTHER CLUB PRODUCTS

PUTTERS, COUNTRY SPECIFIC MODELS,
SPECIAL EDITIONS

MECHANIC Putters
Launched in Nov 2024



*CATERING TO GOLF
ENTHUSIASTS*

BeZEAL 3
Launched in Feb 2024



*CATERING TO GOLFERS
HANDICAP 20-25*

PRODUCT: UNIQUE CLUB PORTFOLIO REPRESENTING JAPANESE CRAFTSMANSHIP AND INNOVATIVE TECHNOLOGY

FOCUSING ON SUPER-PREMIUM AND PREMIUM-PERFORMANCE CONSUMER SEGMENTS

- Club sales grew robustly by **20.7%** in Japan for the year ended 31 March 2025.
- TW767 was activated in November 2024 and received positive market feedback. Tour World (TW) sales increased **59.2%**.
- Overall club gross margin **-0.9 pp** to **59.4%**, due to negative country mix. Japan's gross margin strengthened by **+1.6pp** thanks to channel optimization efforts.

2024/2025 ANNUAL RESULTS

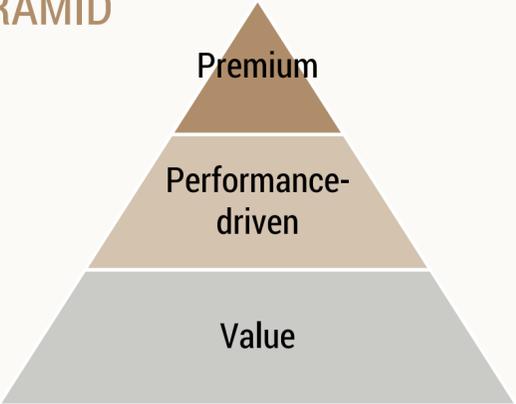
	BERES	TOUR WORLD	OTHERS
PRODUCT LAUNCH	 <ul style="list-style-type: none"> • BERES 7 STAR released in Nov. 2024 	 <ul style="list-style-type: none"> • 2-proned product approach designed for avid golfers with single and double handicaps respectively • Tour World 767 released in Nov. 2024 	 <ul style="list-style-type: none"> • Country specific models, special editions and putters • Fuji putter and new collection of SAKATA LAB PUTTERS released in Nov. 2024
SALES PERFORMANCE	<ul style="list-style-type: none"> • 59.0% of club sales • Sales -10.8%, mainly due to adjustments in Korea. Revenue from BERES golf clubs rose by 3.0% in Japan and by 24.9% in Taiwan 	<ul style="list-style-type: none"> • 18.1% of club sales • Sales +59.2%, mainly due to successful launching of TW767 in all markets 	<ul style="list-style-type: none"> • 22.9% of club sales • Putters sales +44.3%, sales from BeZEAL 3 +20.0% • All-time favorite to consumers who are looking for extinguished and exquisite cosmetics

PRODUCT: CONTINUED PIVOTING SALES GROWTH IN GOLF BALLS

UPWARD RETAIL PRICE ADJUSTMENT TO FURTHER STRENGTHEN BALL'S PRODUCT PYRAMID

- Golf ball sales declined by 31.2% due to a sharp decline in Japan -37.2%, following fierce market competition and upward retail price adjustment to cope with Japanese yen depreciation over the past few years. Golf ball sales from Korea +39.1% yet unable to mitigate the drop in Japan.
- Gross margin increased by 4.0PP to 27.4% albeit continued pressure from raw material price increase and unfavourable currency movements.

PRODUCT PYRAMID



D1, 2-LAYER BALL

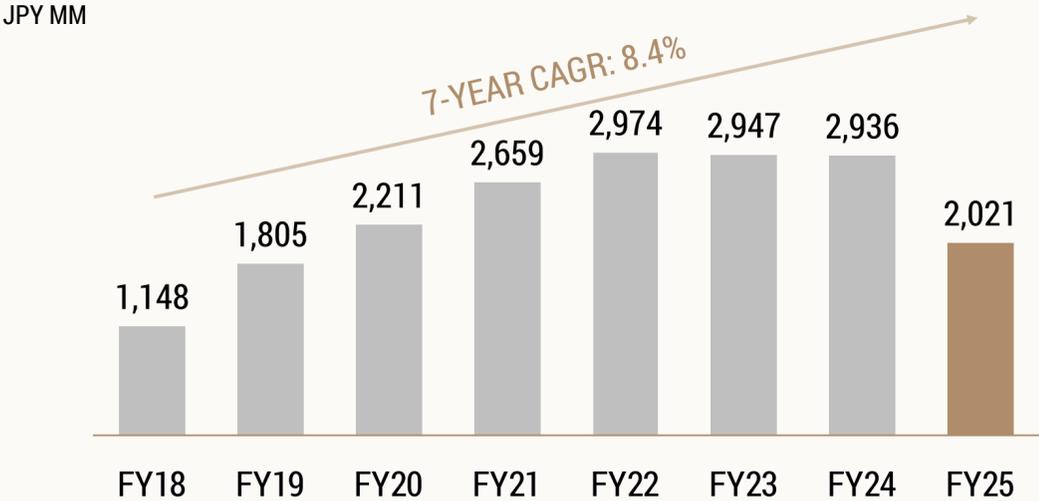


TW-K1, 3-LAYER BALL

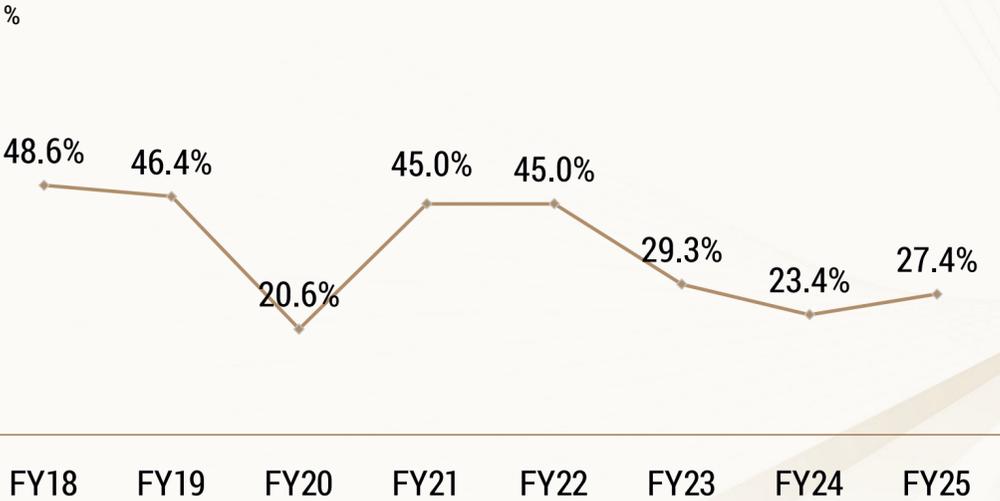


BERES 5 STAR, 6-LAYER BALL

TOTAL GOLF BALL SALES



GOLF BALL GROSS PROFIT MARGIN



PRODUCT: NURTURING APPAREL BUSINESS TO BUILD A LEADING GOLF LIFESTYLE BRAND

APPAREL COLLECTION CATERING TO GOLFERS ' ON-COURSE AND OFF-COURSE REQUIREMENTS

APPAREL SALES -0.7% YOY TO JPY 3,136 MILLION, GROSS MARGIN +9.9 pp TO 53.4%

- Despite total reduction in number of stores, sales from mainland China +6.4% and sales from SEA +194.1%, thanks to product portfolio improvements
- Streamlined portfolio catering to the distinctive requirements of golfers and outdoor enthusiasts in Asia, both on-course and off-course
- Quality retail footprints with optimized store operation, merchandise planning and upgraded display
- Continued investment into digital marketing and E-commerce capabilities on the back of one digital eco-system



PROFESSIONAL GOLF LINE

Tour-inspired professional golf wear featuring high-tech functional fabrics and 3D synchronized cutting



PROFESSIONAL GOLF WEAR

CHANNEL: 360-DEGREE BRAND EXPERIENCE BUILT INTO NEW RETAIL SPACE AND ENVIRONMENTS

DIRECT-TO-CONSUMER CHANNELS

ACT AS BRAND EXPERIENCE HUBS ACROSS ALL MARKETS

- Sales from self-operated stores +2.8% to JPY 11,263 million
- DTC revenue from mainland China +11.0%
- 94 self-owned stores, net decrease by 1; newly opened 4 stores, all of which are in Asia



THIRD-PARTY RETAILERS AND WHOLESALERS

FOCUS ON A SMALLER BUT PREMIER GROUP OF ACCOUNTS AND CONTINUED TO DRIVE PENETRATION

- Sales from third-party retailers and wholesalers -31.8%
- Number of POSs declined by 96 to 3,617, esp. in Korea, with the number of third-party POSs decreased by 67
- Sales declined primarily due to Japan, Korea, and China (including HK and Macau), mainly due to continued distribution footprint optimization



CHANNEL: FURTHER EXPANDING DIGITAL ECO-SYSTEM AND PRIVATE SPHERE TO BOOST CONSUMER LOYALTY

FUELED BY UP-TO-DATE CONTENT MARKETING ON SOCIAL MEDIA AND CRM PLATFORMS

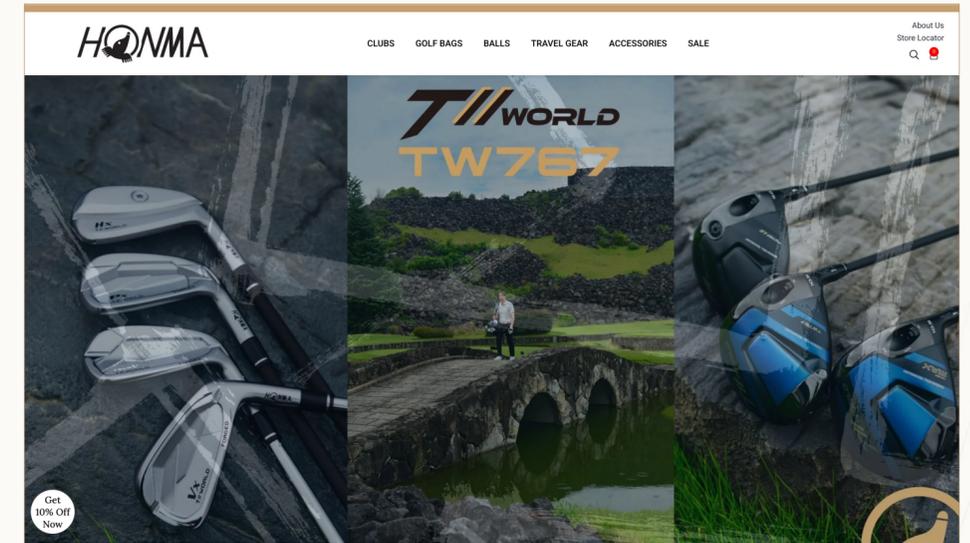
E-COMMERCE SALES GREW BY **6.3%**
 JAPAN **+10.1%**, CHINA **+6.9%**, TAIWAN **+76.2%**
 DRIVEN BY ACCELERATED INVESTMENT IN DIGITAL
 MARKETING WITH A FULL-CHANNEL APPROACH

- E-commerce platforms in major markets
 - China: Tmall, JD, Wechat Store, Douyin, and DU, newly opened the RED
 - Japan & US: self-operated E-commerce site
- Actively pursuing an E-commerce growth strategy on open and private platforms
 - Dedicated E-commerce team and marketing resources
 - Social media campaigns generating traffic to online stores
 - Search engine optimization and in store visual updates
 - Full channel CRM system to upgrade loyalty program and improve consumer experiences
 - Livestream sales campaign to attract internet-savvy consumers in China

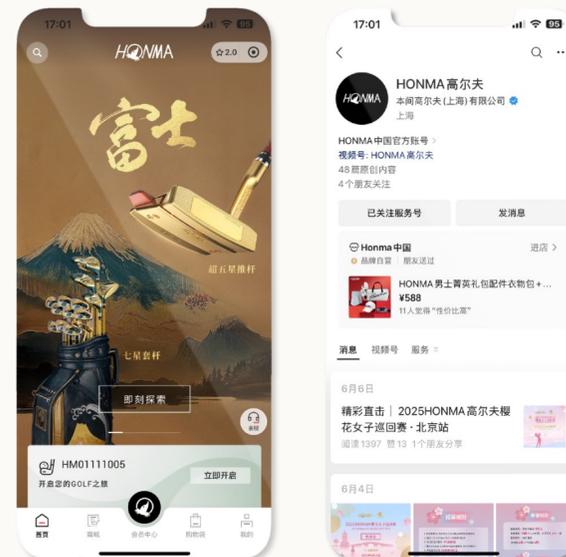
T-MALL FLAGSHIP STORE



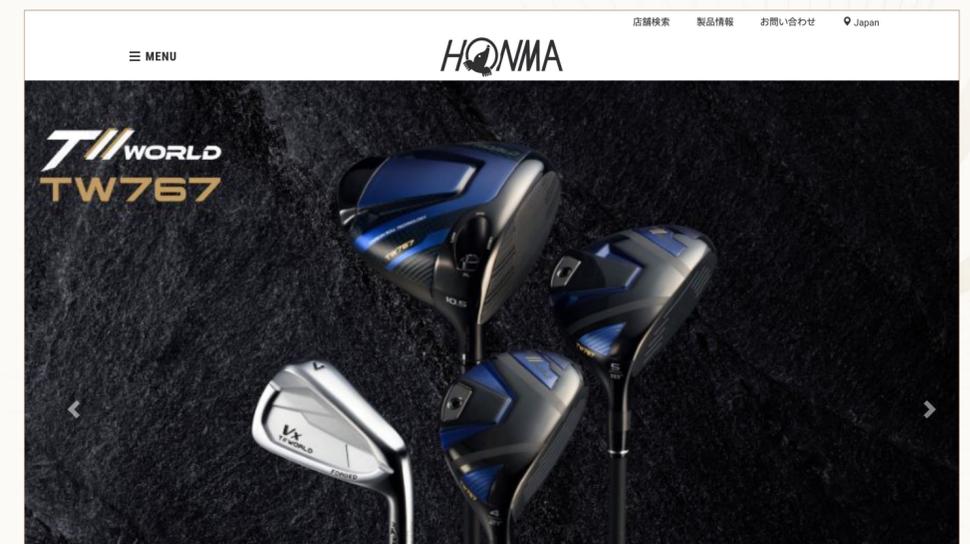
US E-COMMERCE SITE



WECHAT OFFICIAL ACCOUNT & STORE



JAPAN E-COMMERCE SITE

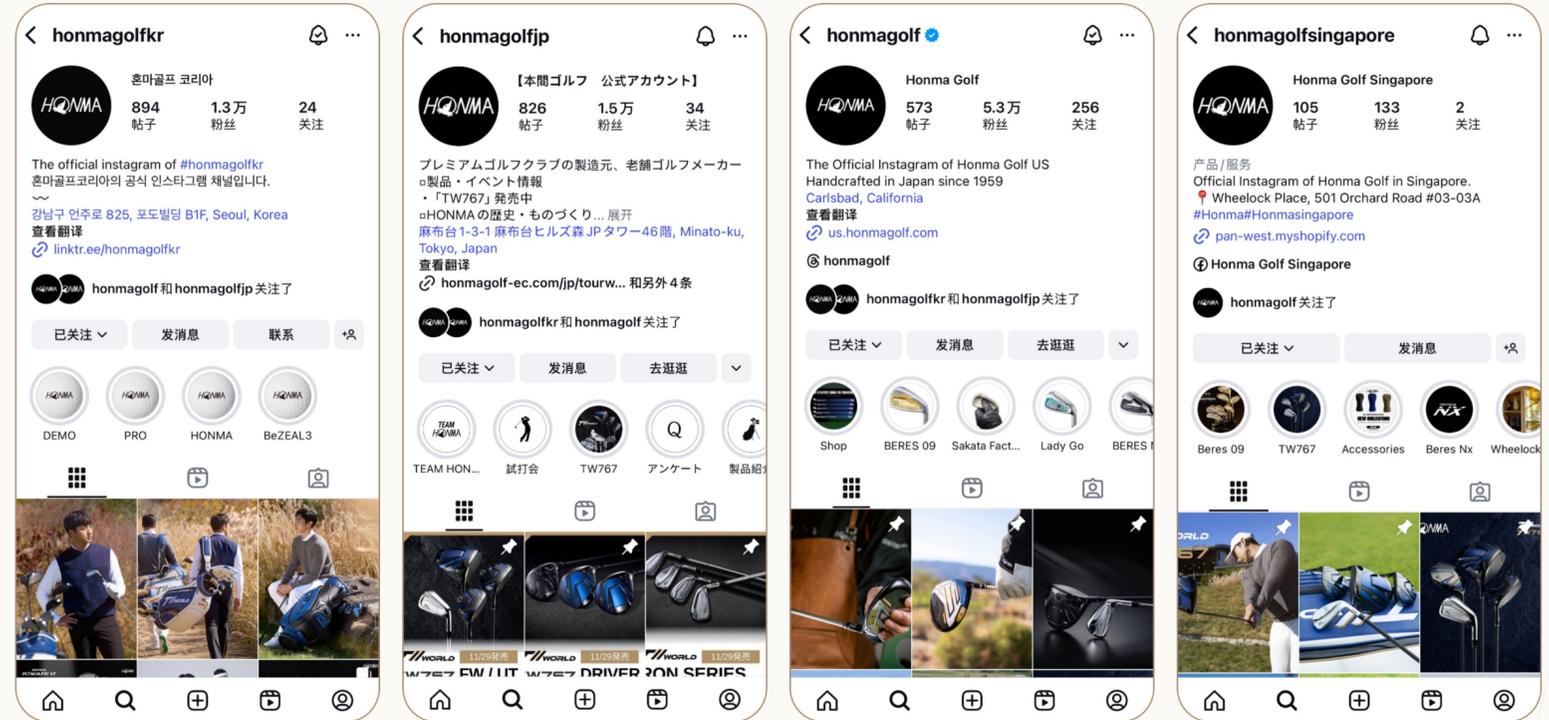


MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

DIGITALIZED CONTENT MARKETING THROUGH RELAUNCHED GLOBAL WEBSITE & SOCIAL MEDIA PLATFORMS RELEVANT TO EACH MARKET

- Frequently updating digital marketing content on HONMA's global website as well as social platforms, such as Instagram, Facebook, Wechat, Red, Weibo, etc
- Content collaboration with pros, influencers and celebrities on various digital platforms
 - To convey **consistent brand image** and enhance brand awareness across all markets
 - To recruit and engage with **younger and internet-savvy consumer**
 - To **generate traffic** from digital platform to offline retail stores
 - To own the entire **consumer experience** and data



DIGITAL MARKETING

MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

CUSTOMER EVENTS

3,655 EVENTS, 59,611 PARTICIPANTS

NO. OF EVENTS +2.6%, NO. OF PARTICIPANTS PER EVENT +9.2%

- Customer events are important customer touch points for HONMA
- These events were mainly held on golf courses with dedicated fitters
- Brand experience integrating and retail activities targeting consumers in super-premium and premium-performance segments
- Key to the continued enhancement of HONMA's brand and product awareness and consumer engagements



CUSTOMER EVENTS



MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

SPONSORING 9 PROFESSIONAL PLAYERS PLUS A WIDE NETWORK OF HONMA BRAND AMBASSADORS AND COACHES

- Renewed endorsement strategy to recruit younger and uprising athletes in Asia with visible social media followings, so as to address and engage with the performance-driven audience.



TEAM HONMA



TEAM HONMA IN MARKETING AND CUSTOMER ACTIVITIES

MARKETING: RE-DEFINING HONMA AS A DYNAMIC, RELEVANT AND PREMIUM GOLF LIFESTYLE BRAND

CONTINUOUSLY DRIVE BRAND AWARENESS ACROSS ALL MARKETS

OTHER BRAND PR & MEDIA EXPOSURE

- Actively reinforcing HONMA's brand image through continued media exposure and collaboration with brand ambassadors and social celebrities.



MEDIA EXPOSURE

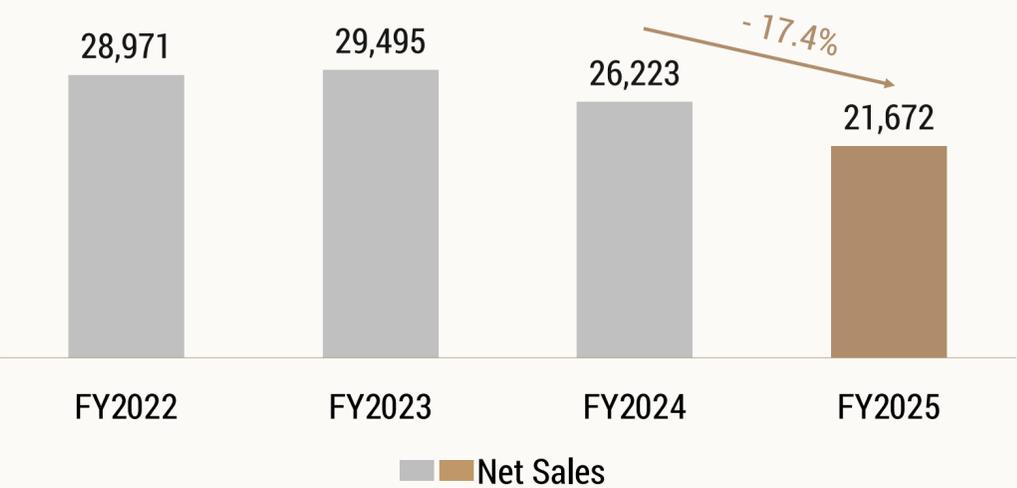


04
FINANCIAL
REVIEW

SHORT-TERM SALES FLUCTUATIONS BROUGHT BY DISTRIBUTIONS RESHUFFLE IN MAIN MARKETS

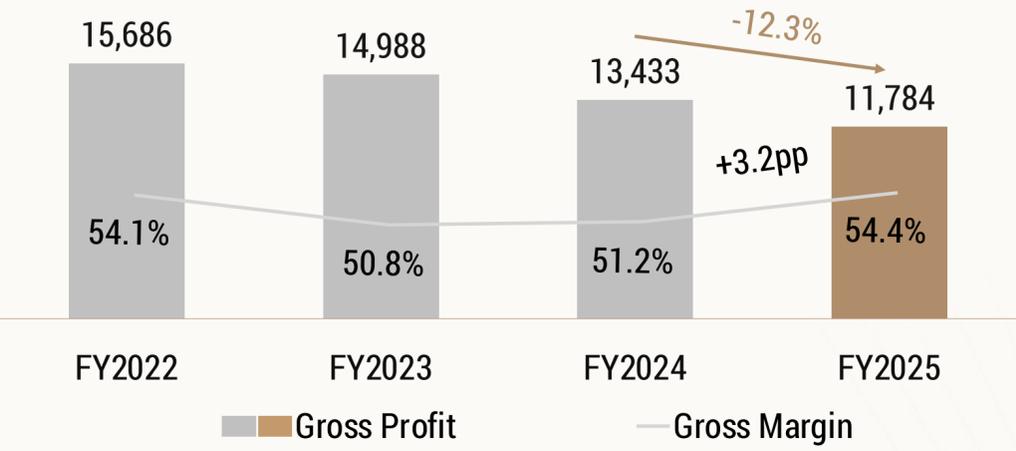
NET SALES

JPY MM



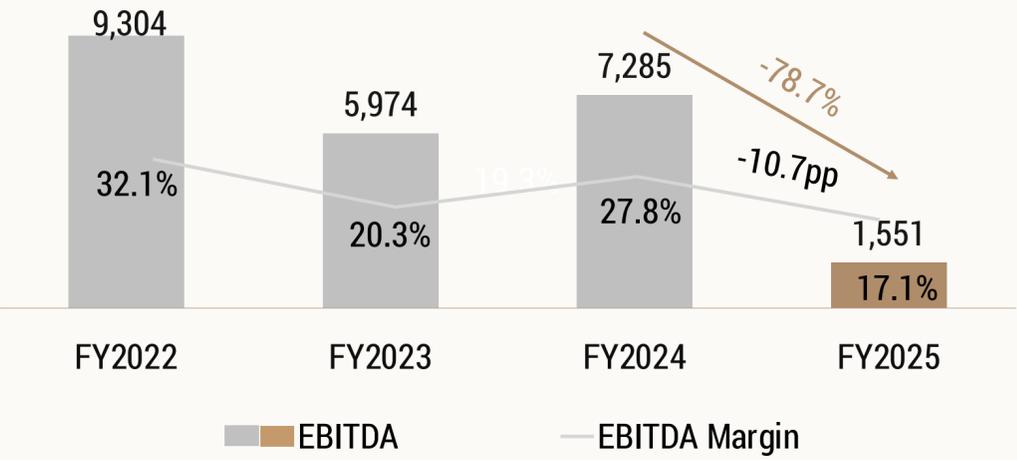
GROSS PROFIT & GROSS MARGIN

JPY MM



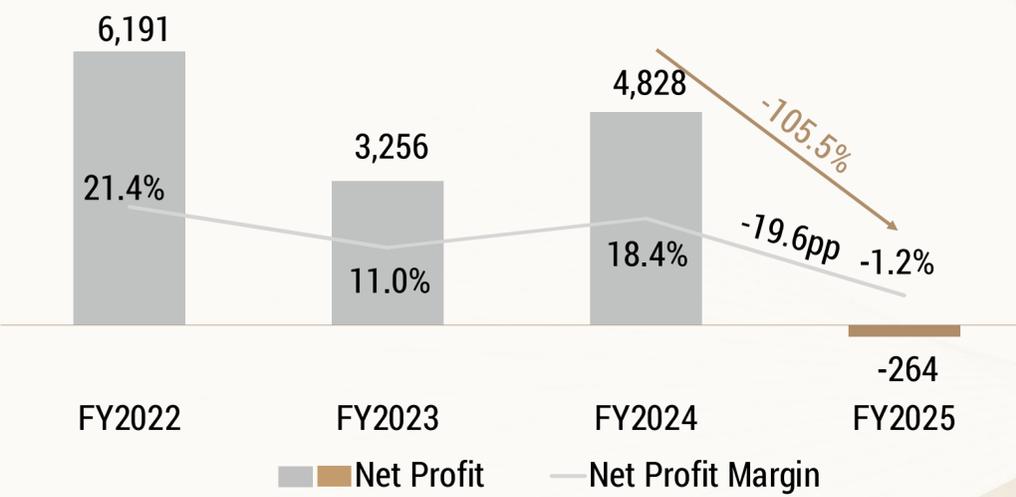
EBITDA

JPY MM



NET PROFIT

JPY MM



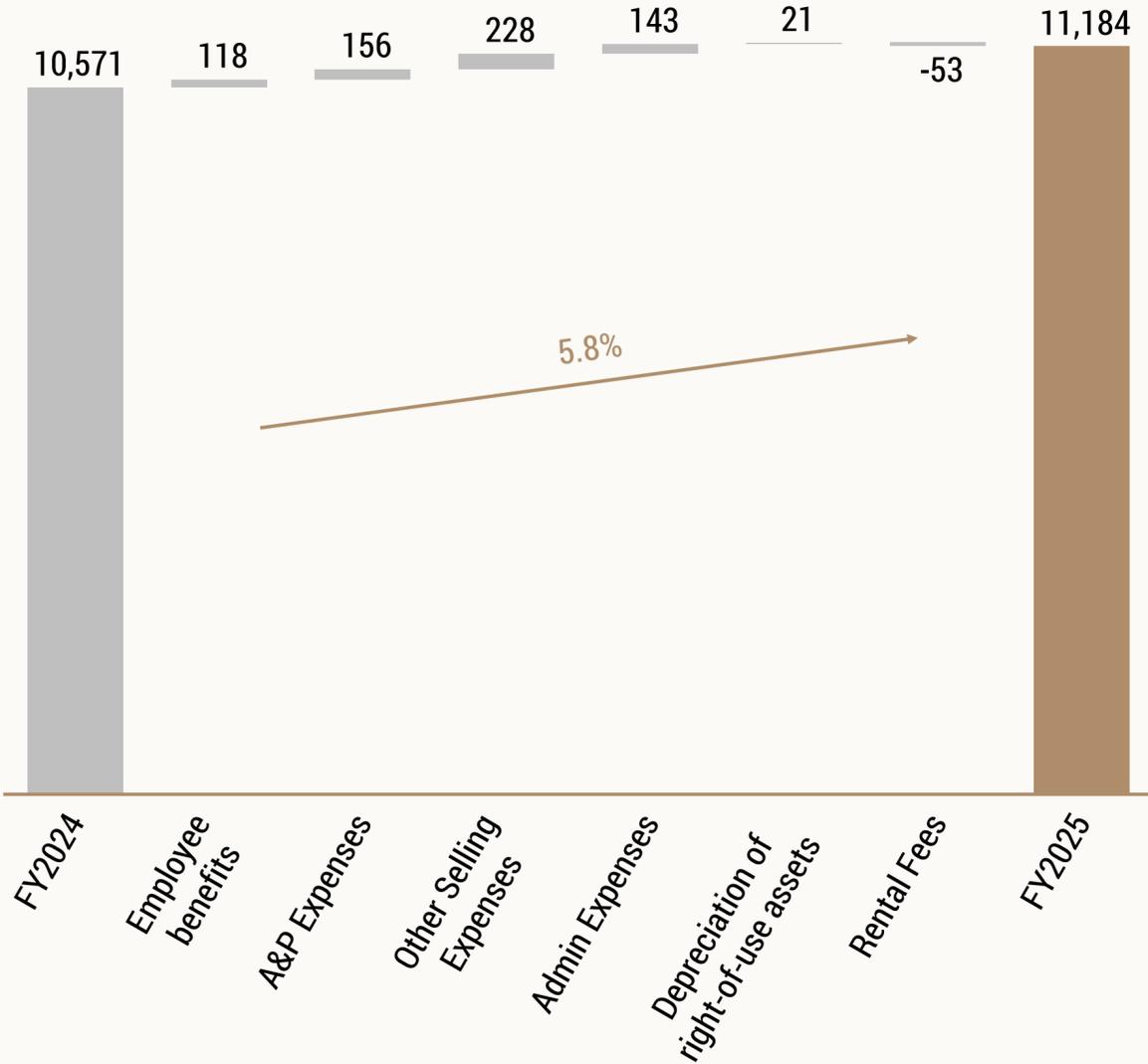
2024/2025 ANNUAL RESULTS

CONTINUED OPEX OPTIMIZATION TO RESOURCE TO WIN

TO ENHANCE AS WELL AS TO MITIGATE NEGATIVE IMPACT FROM GLOBAL ECONOMIC UNCERTAINTY

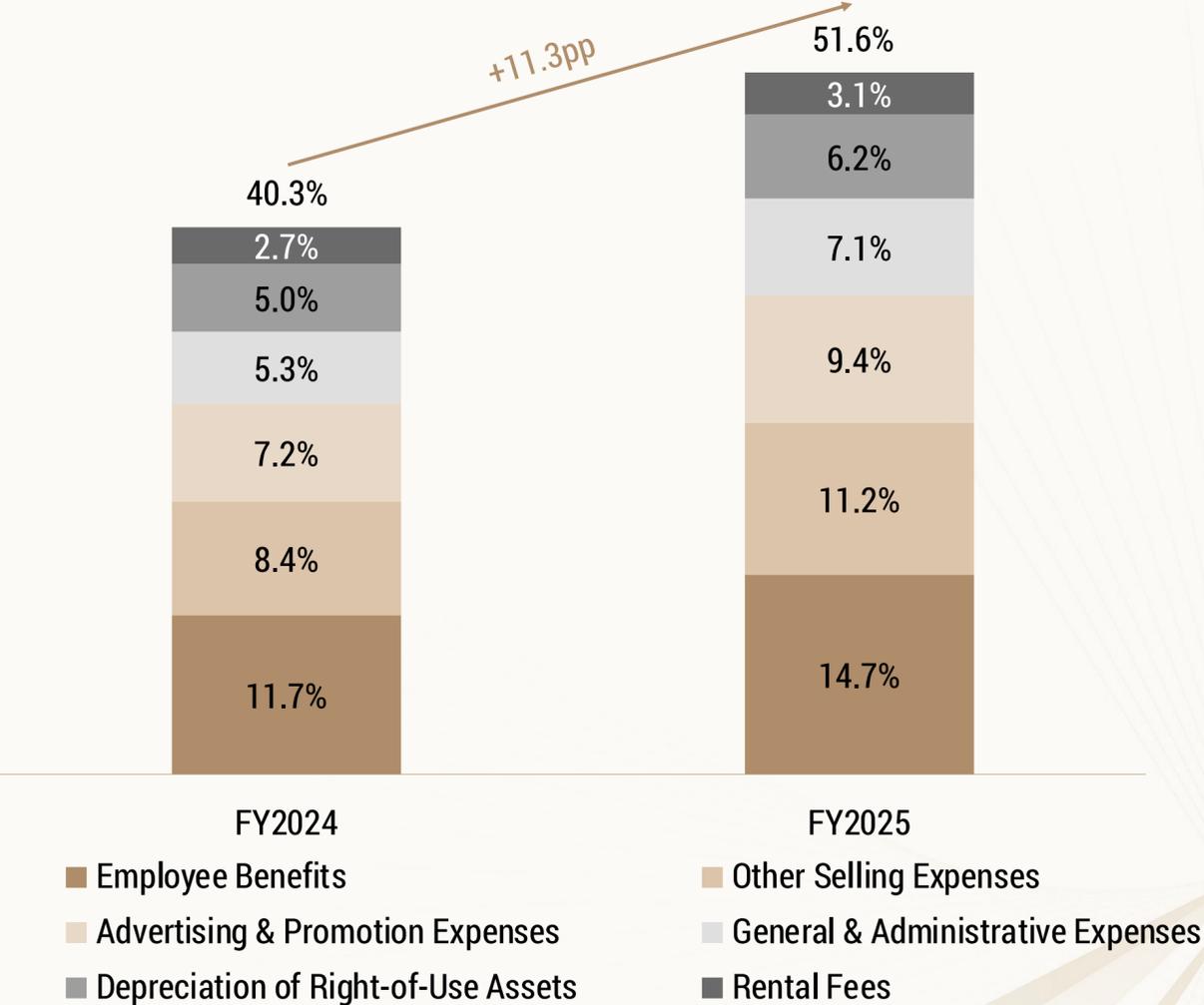
SG&A EXPENSES BRIDGE

JPY MM



SG&A EXPENSES BREAKDOWN

AS % OF SALES

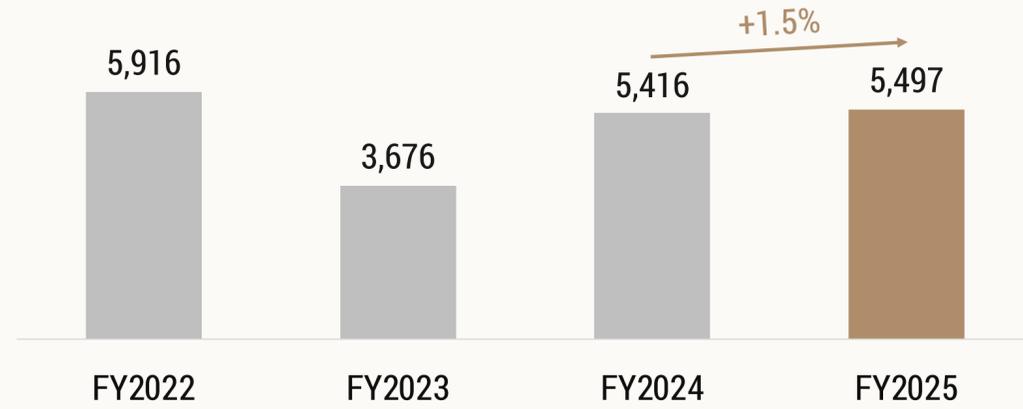


2024/2025 ANNUAL RESULTS

HEALTHY BALANCE SHEET AND STRONG OPERATING CASHFLOW

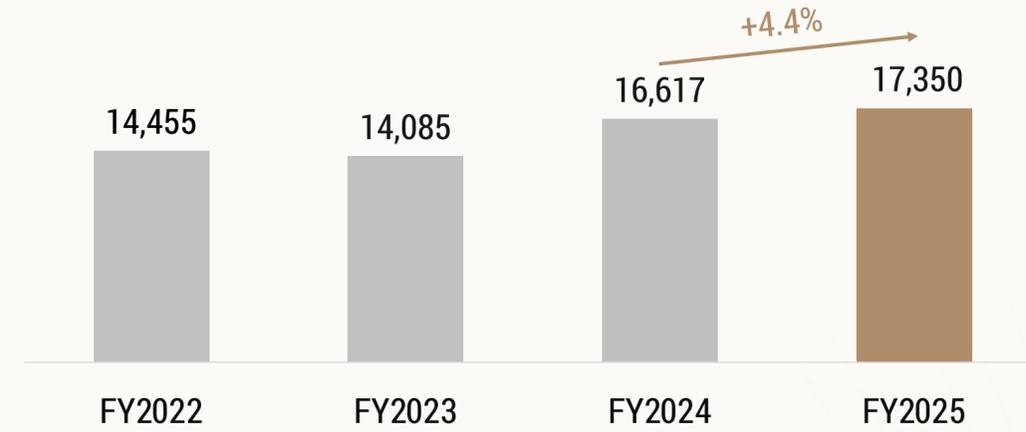
NET OPERATING CASH FLOW

JPY MM



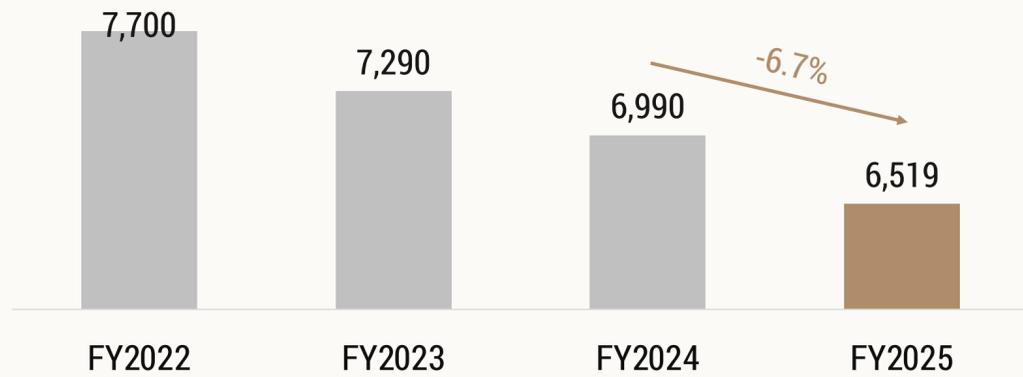
CASH and CASH EQUIVALENTS

JPY MM



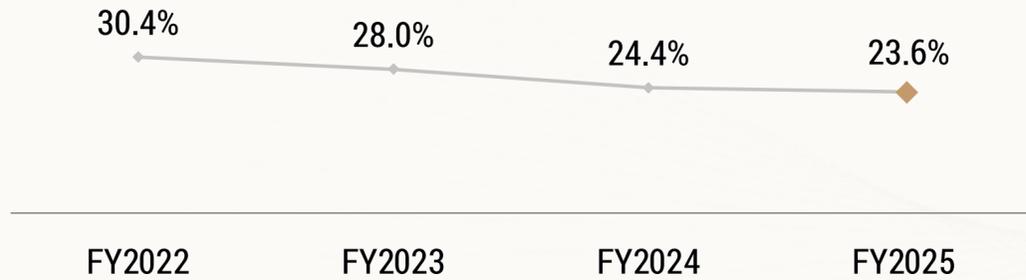
INTEREST-BEARING LIABILITIES

JPY MM



INTEREST-BEARING LIABILITIES / TOTAL EQUITY

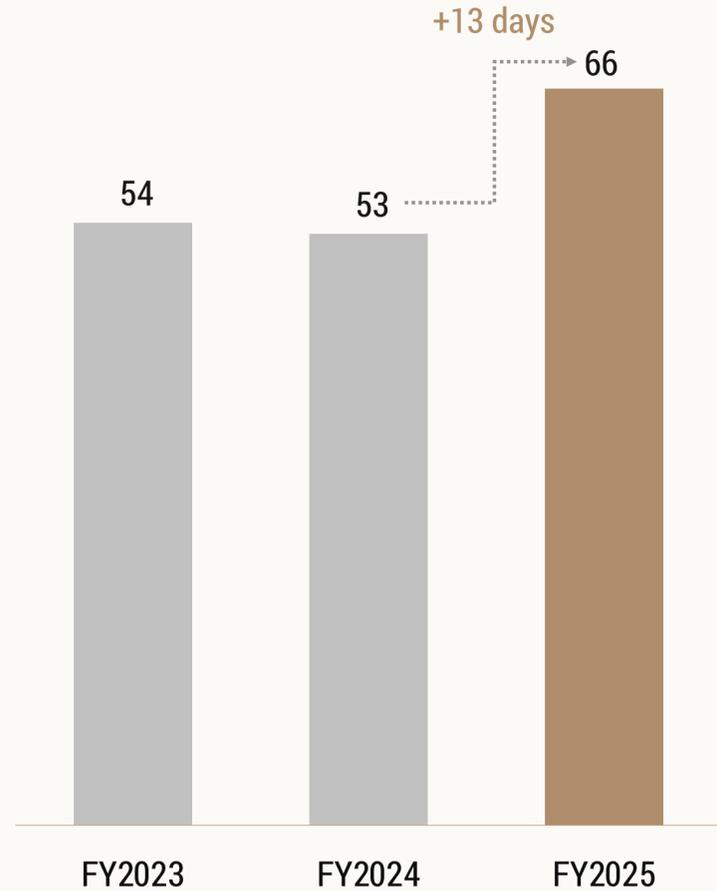
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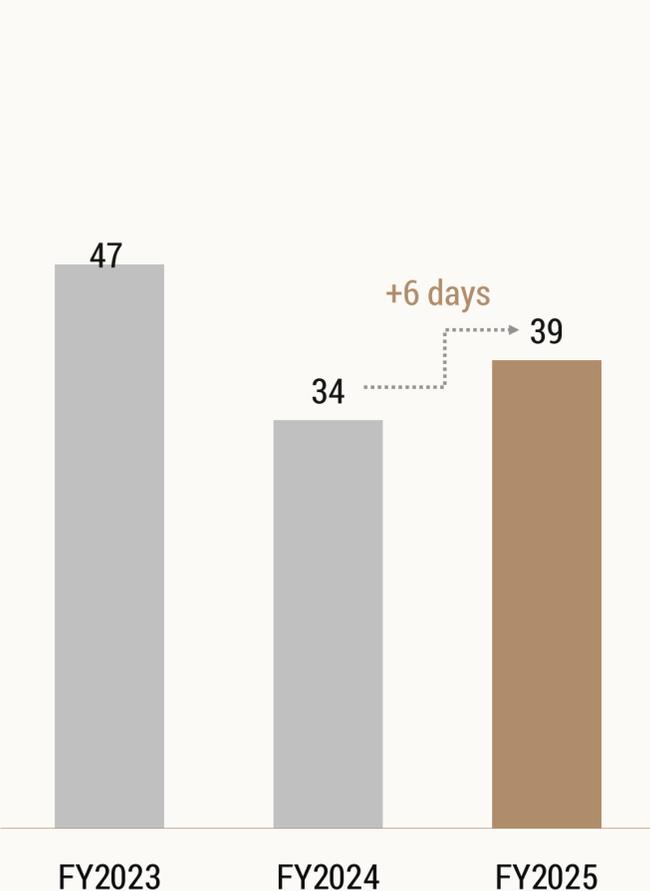
CONTINUOUSLY IMPROVING WORKING CAPITAL EFFICIENCY

2024/2025 ANNUAL RESULTS

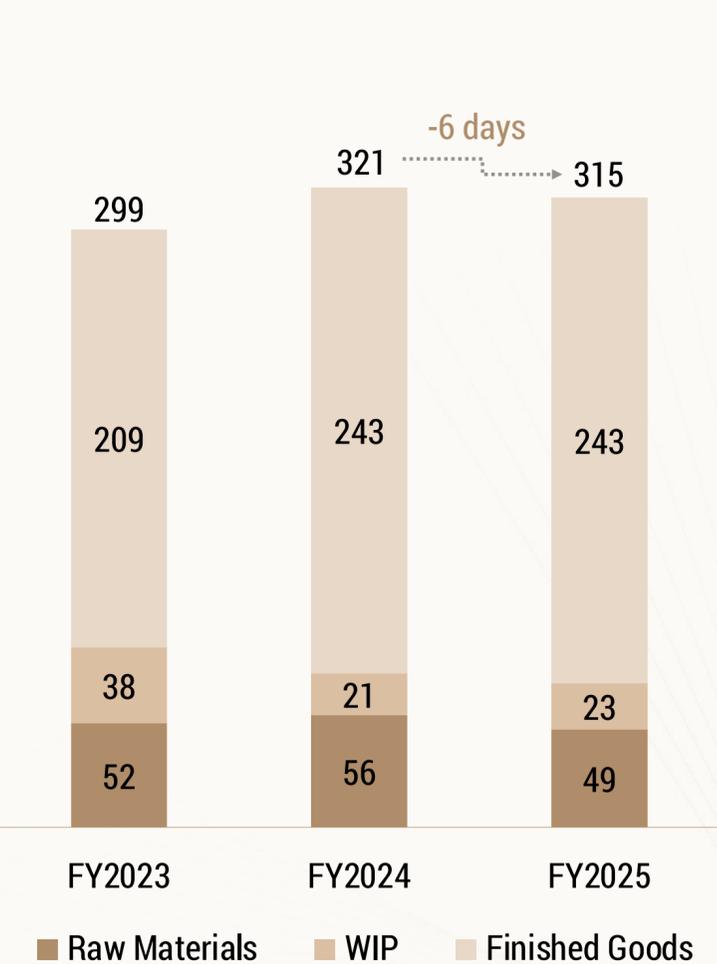
RECEIVABLES TURNOVER DAYS ⁽¹⁾
DAYS



PAYABLES TURNOVER DAYS ⁽¹⁾
DAYS



INVENTORY TURNOVER DAYS ⁽¹⁾
DAYS



Note

(1) Turnover days are calculated using the average of the opening and closing balance of the relevant periods



Noblesse

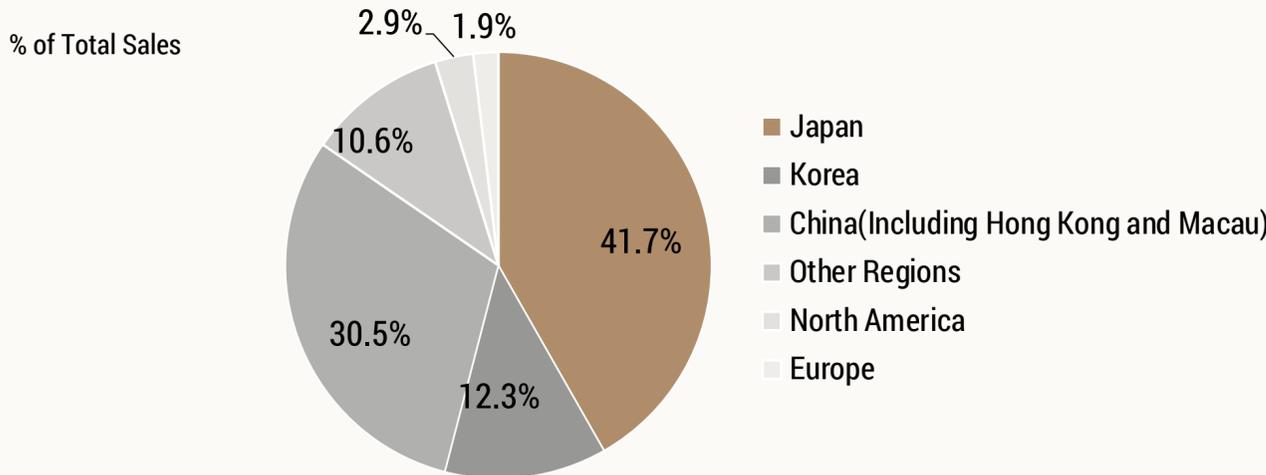
05 APPENDIX

BUSINESS REVIEW BY MARKET

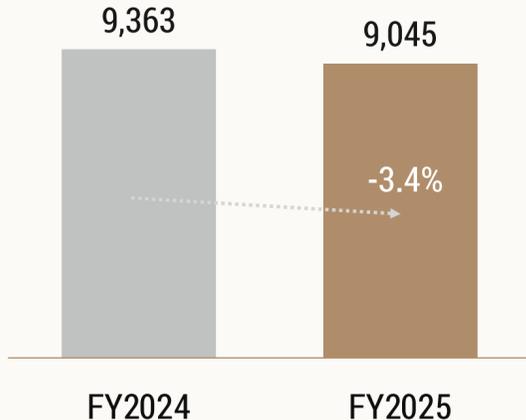
HOME MARKET JAPAN



STEADY AND QUALITY GROWTH IN MULTIPLE PRODUCT CATEGORIES FOLLOWING FURTHER MARKET REOPENING



NET SALES
JPY MM



MARKET

- 2nd largest golf equipment market in the world
- Total golf product market size approximates to **USD 1.7 billion** in 2021 ⁽¹⁾
- **2,200** golf facilities, representing half of the total facilities in Asia ⁽¹⁾
- In 2022, **8.1 million** 9 & 18 hole golfers (know as on-course golf players), around **6.4%** of total population in Japan ⁽²⁾

FY25 PERFORMANCE HIGHLIGHT

NET SALES -3.4% GROSS PROFIT MARGIN +10.8PP

- Golf club sales **+20.7%** , with sales of TW **+138.4%** and putters **+34.7%**, benefitting from new products launch.
- Gross profit margin of self operated stores **+18.6PP**.

Note

(1) Source: 2021 Yano’s White Paper on Golf Industry, Japan
 (2) Source: The R&A Global Golf Participation Report 2023

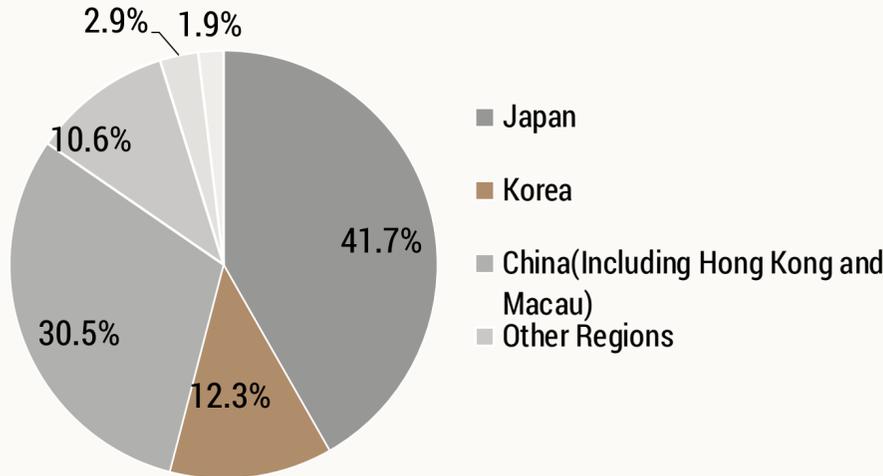
BUSINESS REVIEW BY MARKET

HOME MARKET *KOREA*

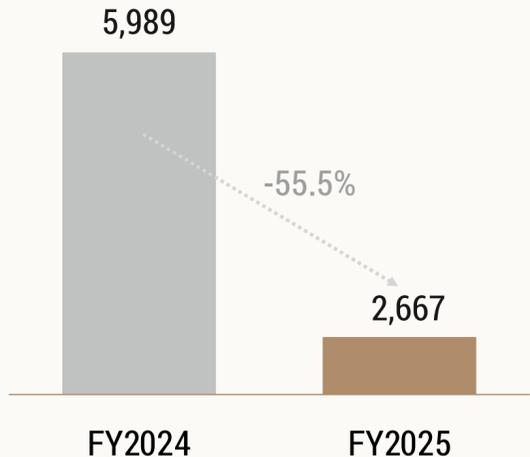


ONGOING CHANNEL OPTIMIZATION FOR BETTER PREPARATION ON PREMIUM-PERFORMANCE SEGMENT EXPANSION

% of Total Sales



NET SALES
JPY MM



MARKET

- Fast growing and under-penetrated market
- 3rd largest golf market in the world with **USD 3.9 billion** golf apparel sales and **USD 1.1 billion** golf equipment sales in 2022. In addition, Korean golfers **spend more per capita** on their golf equipment and apparel than any other country. ⁽¹⁾
- In 2022, **5.4 million** of 9&18 hole golfers (know as on-course golf players), around **10.4%** of total population in Korea ⁽²⁾

FY25 PERFORMANCE HIGHLIGHT

NET SALES -55.5%, GROSS PROFIT MARGIN -2.8PP

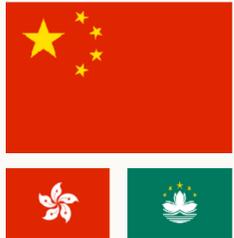
- Sales decrease was mainly due to the optimization of distribution network, with POSs decreasing by 67, resulting in a temporary decline in sales, esp. from wholesales.
- Balls and Accessories **achieved high double-digit growth**, benefitting from successful new products launch in early 2024 and distribution adjustment.

Note

(1) Source : Golf Datatech & Yano Research, 2023 World Golf Report
 (2) Source: The R&A Global Golf Participation Report 2023

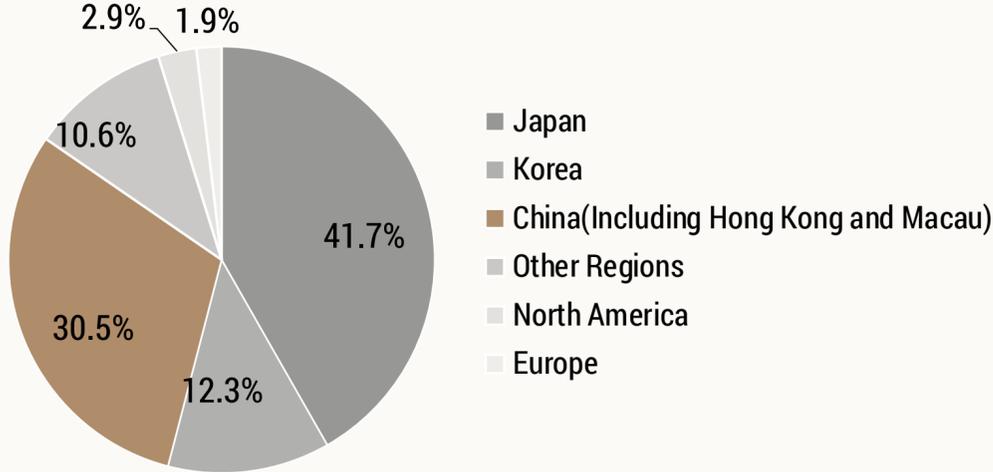
BUSINESS REVIEW BY MARKET

HOME MARKET CHINA (INCL. HK & MACAU)

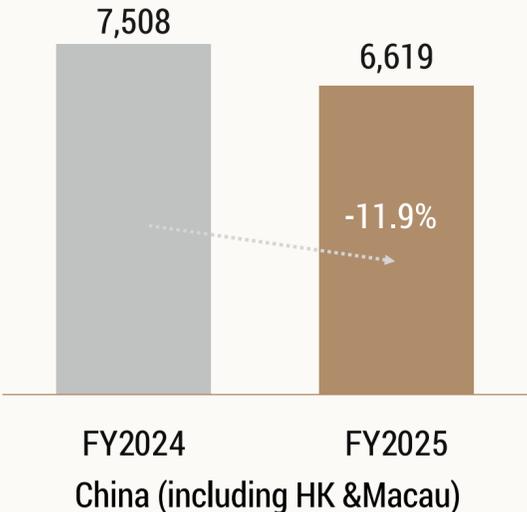


MEANINGFUL APPAREL AND E-COMMERCE GROWTH ALBEIT WEAKENED CONSUMER SENTIMENT

% of Total Sales



NET SALES
JPY MM



MARKET

- Dynamic market with an exciting uptrend in outdoor sports
- Emerging and fast growing golf industry
- 478 golf courses, expanding indoor facilities, around 1 million core golf population⁽¹⁾
- Solid and growing demand in active wear and fashion-athletic apparel

FY25 PERFORMANCE HIGHLIGHT

NET SALES -11.9% GROSS PROFIT MARGIN -1.0PP

- Golf club sales -24.4% under the economic slowdown and weakened consumer sentiment
- Sales from self-operated stores +11.0% (mainland China). 'Flagship Store Plan' – iconic stores set up as brand showroom at prime locations in the first tier cities with upgraded visual display
- Apparel sales +6.4% (mainland China)

Note
(1) Source : Forward Golf White Paper Report 2020

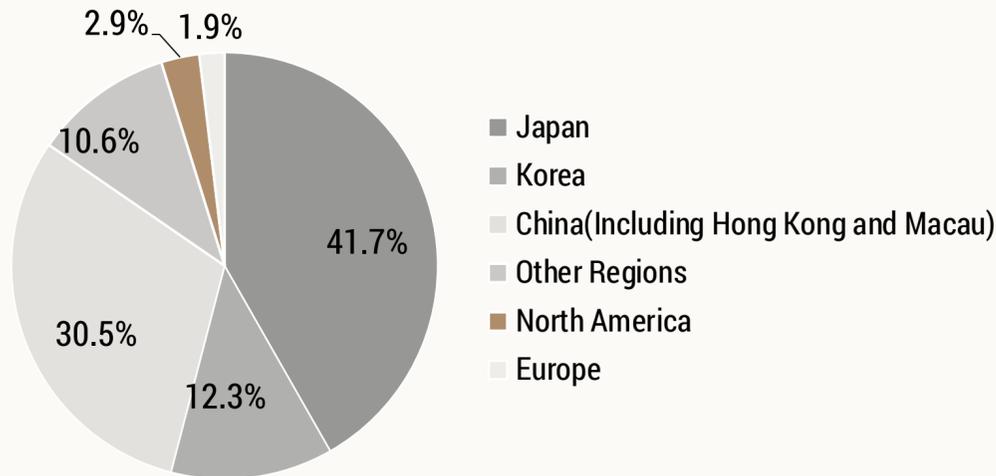
BUSINESS REVIEW BY MARKET

NEW MARKET NORTH AMERICA

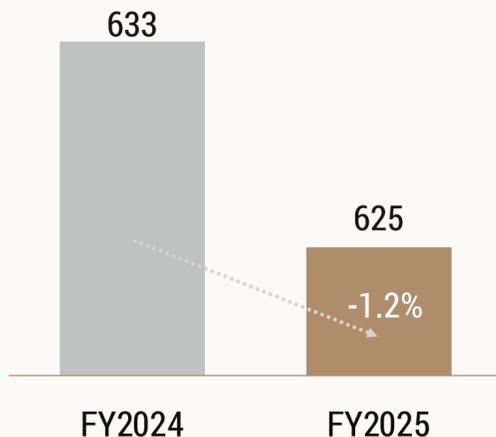


BUILDING A UNIQUE DIRECT-TO-CUSTOMER DISTRIBUTION MODEL TO CAPTURE SUPER-PREMIUM AND PREMIUM-PERFORMANCE SEGMENT

% of Total Sales



NET SALES
JPY MM



MARKET

- Largest golf market in the world with **USD 7.7 billion** golf retail sales, accounting for **38.6%** of the global golf economy, and **USD 5.3 billion** golf equipment sales in 2022 ⁽¹⁾
- **25 million** on-course golf participants and **27.9 million** off-course participants (driving ranges, Topgolf venues, indoor simulators, golf in-school programs, etc.) in 2022 ⁽²⁾

FY25 PERFORMANCE HIGHLIGHT

NET SALES -1.2% GROSS PROFIT MARGIN -10.4PP

- POS **+26** to **370** in total

Note

(1) Source : Golf Datatech & Yano Research, 2023 World Golf Report
 (2) National Golf Foundation (2017-2022). Golf Participation in the U.S., 2023 edition. Jupiter. FL

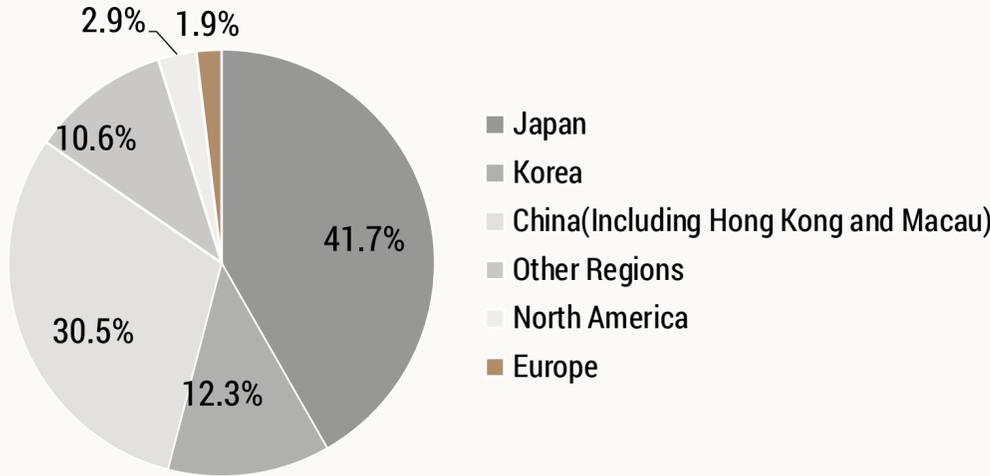
BUSINESS REVIEW BY MARKET

NEW MARKET *EUROPE*

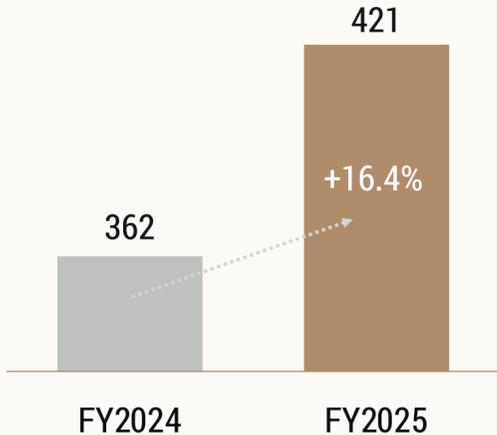


IMPROVED SALES AND PROFIT MARGIN FOLLOWING CHANNEL ADJUSTMENT

% of Total Sales



NET SALES JPY MM



MARKET

- Mature but fragmented golf market
- England, Austria, Germany, France and Sweden in total accounts for around **12%** of the world's golf equipment sales, which approximates to **USD 1 billion** ⁽¹⁾

FY25 PERFORMANCE HIGHLIGHT

NET SALES +16.4% GROSS PROFIT MARGIN -4.4PP

- POS **+7** to **136** in total
- Sales increase due to recovery from distribution adjustment in previous years
- Number of POS came back to a well-shaped 136 with a smaller but premier group of retail partners to pursue both sturdy growth and profitability in the region

Note

(1) Source : KGPA, Korea Golf Association 2017

CONSOLIDATED P&L

	For the twelve months ended 31 March				Period-to-period Change
	2025	2024			
	JPY	%	JPY	%	
<i>(In thousands, except for percentages and per share data)</i>					
Consolidated Statement of Profit or Loss					
Revenue	21,672,142	100.0	26,222,857	100.0	-17.4
Cost of sales	-9,888,057	-45.6	-12,790,169	-48.8	-22.7
Gross profit	11,784,085	54.4	13,432,688	51.2	-12.3
Other income and gains	107,367	0.5	2,673,958	10.2	-96.0
Selling and distribution expenses	-9,650,939	-44.5	-9,180,750	-35.0	5.1
Administrative expenses	-1,532,961	-7.1	-1,389,752	-5.3	10.3
Reversal of impairment losses on financial assets	-213,132	1.0	23,330	0.1	-1,013.6
Other (expenses)/income, net	-1,230,554	-5.7	-227,851	-0.9	440.1
Finance costs	-224,430	-1.0	-190,436	-0.7	17.9
Finance income	22,633	0.1	11,128	less than 0.1%	103.4
Profit before tax	-937,931	-4.3	5,152,315	19.6	-118.2
Income tax credit/expense	673,757	3.1	-324,187	-1.2	-307.8
Net profit	-264,174	-1.2	4,828,128	18.4	-105.5
Earnings per share attributable to ordinary equity holders of the parent					
Basic and diluted	-0.44		7.97		-105.5
Non-IFRS Financial Measures					
Operating (loss)/profit(1)	185,256	0.9	2,706,208	10.3	-93.2
Net operating profit(2)	618,294	2.9	2,726,336	10.4	-77.3

Note

- (1) Operating (loss)/profit is derived from (loss)/profit before tax by (i) subtracting other income and gains and (ii) adding other expenses. For a reconciliation of operating (loss)/profit to (loss)/profit before tax, see "Management Discussion and Analysis – Financial Review – Non-IFRS Financial Measures – Operating (Loss)/Profit".
- (2) Net operating profit is derived from net (loss)/profit by (i) subtracting other income and gains, (ii) adding other expenses and (iii) adding impact on tax related to items (i) and (ii) above. For a reconciliation of net operating profit to net (loss)/profit, see "Management Discussion and Analysis – Financial Review – Non-IFRS Financial Measures – Net Operating Profit".

CONSOLIDATED BALANCE SHEET

	Financial Position as at	
	2025.3.31	2024.3.31
	JPY	JPY
	<i>(In thousands, except for percentages and per share data)</i>	
Consolidated Statement of Financial Position		
Assets		
Non-current assets	10,319,591	8,894,695
Current assets	29,789,309	33,650,502
Total Assets	40,108,900	42,545,197
Liabilities		
Non-current Liabilities	1,774,634	2,190,133
Current Liabilities	10,654,129	11,682,684
Total Liabilities	12,428,763	13,872,817
Net current assets	19,135,180	21,967,818
Total assets less current liabilities	29,454,771	30,862,513
Net Assets	27,680,137	28,672,380
Total Equity	27,680,137	28,672,380

CONSOLIDATED CASH FLOWS

	For the twelve months ended 31 March	
	2025	2024
	JPY	JPY
	<i>(In thousands, except for percentages and per share data)</i>	
Cash and cash equivalents at the beginning of year	16,617,120	14,084,742
Net cash flows generated from operating activities	5,496,641	5,416,118
Net cash (used in) investing activities	-1,451,400	-583,388
Net cash flows (used in) financing activities	-2,890,409	-3,563,984
Net increase in cash and cash equivalents	1,154,832	1,268,746
Net effect of foreign exchange rate changes	-421,926	1,263,597
Cash and cash equivalents at the end of year	17,350,026	16,617,120



HONMA

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