



# 2025/ INTERIM REPORT 26

HONMA GOLF LIMITED

本間高爾夫有限公司

(Incorporated in the Cayman Islands with Limited Liability)

Stock Code: 6858





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# Corporate Information

## Board of Directors

### Executive Directors

Mr. Liu Jianguo (劉建國) (*Chairman and President*)  
Mr. Ito Yasuki (伊藤康樹)  
Mr. Zuo Jun (左軍)  
Mr. Liu Hongli (劉宏立)

### Non-executive Directors

Mr. Yang Xiaoping (楊小平)  
Mr. Soopakij Chearavanont (謝吉人)

### Independent Non-executive Directors

Mr. Lu Pochin Christopher (盧伯卿)  
Mr. Wang Jianguo (汪建國)  
Mr. Xu Hui (徐輝)  
Ms. Tian Qing (田青)

### Audit Committee

Mr. Lu Pochin Christopher (盧伯卿) (*Chairman*)  
Mr. Wang Jianguo (汪建國)  
Mr. Xu Hui (徐輝)

### Remuneration Committee

Mr. Wang Jianguo (汪建國) (*Chairman*)  
Mr. Xu Hui (徐輝)  
Mr. Zuo Jun (左軍)

### Nomination Committee

Mr. Liu Jianguo (劉建國) (*Chairman*)  
Mr. Wang Jianguo (汪建國)  
Mr. Lu Pochin Christopher (盧伯卿)  
Ms. Tian Qing (田青)<sup>(1)</sup>

### Company Secretary

Ms. Sham Ying Man (岑影文)

Note:

(1) Appointed as a member of the nomination committee of the Company with effect from 26 June 2025

## Authorized Representatives

Mr. Zuo Jun (左軍)  
Ms. Sham Ying Man (岑影文)

## Auditor

Ernst & Young  
*Certified Public Accountants*  
*Registered Public Interest Entity Auditor*

## Company's Website

[www.honmagolf.com](http://www.honmagolf.com)

## Stock Code

6858

## Registered Office in Cayman Islands

The offices of Maples Corporate Services Limited  
PO Box 309  
Ugland House  
Grand Cayman KY1-1104  
Cayman Islands

## Headquarters in Japan

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P.O. Box #62, 6-10-1  
Roppongi  
Minatoku  
Tokyo, Japan

### Shanghai Office

31 Floor  
No. 100, Century Ave.  
Pudong New Area  
Shanghai, PRC

### Principal Place of Business in Hong Kong

Room 1910, 19/F  
Lee Garden One  
33 Hysan Avenue  
Causeway Bay, Hong Kong

### Cayman Islands Principal Share Registrar and Transfer Agent

Maples Fund Services (Cayman) Limited  
PO Box 1093, Boundary Hall, Cricket Square  
Grand Cayman, KY1-1102  
Cayman Islands

### Hong Kong Share Registrar

Computershare Hong Kong Investor Services Limited  
Shops 1712-1716, 17/F, Hopewell Centre  
183 Queen's Road East  
Wanchai  
Hong Kong

### Principal Bankers

Mizuho Bank, Ltd., Aoyama Branch  
The Tokyo-Mitsubishi Bank, Limited, Setagaya Branch  
Bank of China Limited, Shanghai Branch,  
Songjiang Sub-Branch  
The Hongkong and Shanghai Banking Corporation Limited



# Management Discussion and Analysis

## Company Profile and Overview

HONMA is one of the most prestigious and iconic brands in the golf industry. Founded in 1959, the Company combines latest innovative technologies with traditional Japanese craftsmanship to provide golfers across the globe with premium, high-tech and high-performance golf clubs, balls, apparels and accessories.

As the only vertically integrated golf company with rich in-house design, development and manufacturing capabilities, extensive retail footprints in Asia and a diverse range of golf clubs and golf-related products, HONMA is perfectly positioned to continuously grow its business in Asia and beyond, benefitting from the return of golfers in mature golf markets such as the U.S. and Japan and from increased participation in new and under-penetrated markets such as Korea and China.

The Company will celebrate its 68th anniversary in 2026. In the past couple of years, HONMA has actively and continuously undertaken brand and marketing campaigns with the ultimate goal to re-define the HONMA brand as a dynamic, relevant and premium golf lifestyle brand among today's golfers. The Group maintained a team of young professional players from Asia whom are considered rising stars or upcoming challengers by the golf industry. The Company also had extensive collaborations with coaches and key opinion leaders in the main Asian markets and made significant investments into its retail distribution network and digital capabilities in Japan and China so as to unify and elevate consumer experiences and purchase journey for its loyal consumers as well as the younger golfing communities.

## Key Operating Results

Since early 2023, the global golf industry has seen downward adjustments in both number of rounds played and purchase interest of golfers at different stages and across different markets. These developments echoed the management's decision to strengthen and streamline its product offering around two consumer segments, namely super-premium and premium-performance consumer segments. The super-premium segment is a consumer segment that HONMA has maintained a leading and strong market position for decades through the development and sales of clubs that combine Japanese asthetic beauty with compromising features. The premium-performance consumer segment is dominated by avid golfers, which is the largest segment in terms of participation so far and has enjoyed the strongest growth momentum for years. To increase HONMA's penetration into both segments, the Group streamlined its product strategy by enriching its TOUR WORLD club portfolio offering to include a performance enhancement series and by renewing its legacy BERES club family with a modern and sophisticated design and development approach to appeal to today's golfers.

These consumer-centric product strategy and development efforts will continue to enhance HONMA's brand and product awareness and participation of younger and more avid golfers.

# Management Discussion and Analysis

## Highlights of Major Achievements

For the six months ended 30 September 2025, the Company has continued implementing its long-term business strategies while carefully protecting its financial strength and cash flow. Among others, the Company has pursued and focused on the following strategic initiatives which the Company believes will continue to bring satisfactory business advancements and results in the future.

- ***Re-defining the HONMA brand.*** The Company initiated various programs to improve its global brand positioning and communication with target consumers. To re-define the HONMA brand as a dynamic, relevant and premium golf lifestyle brand among internet-savvy younger golfers, the Company has made constant efforts to elevate its global website and social media platforms with regular and relevant visual and content updates to continuously promote its brand and product awareness and to appeal to younger golfers. The rapid uptick in HONMA's digital communications on both earned and paid media has resulted in continued improvements in the organic traffic, conversion and other digital engagement matrixes such as bounce rate, time on site, etc.

To create an end-to-end digital ecosystem around the re-defined brand and golfers in the super-premium and premium-performance segments, the Company implemented customer relationship management ("CRM") systems in multiple markets and added advanced e-commerce capabilities and consumer-centric custom tools thereon, with a view to provide consumers with the ultimate 360-degree brand experience, to strengthen HONMA's direct-to-consumer communication and to eventually increase sales both online and offline.

- ***Focusing on club products that best represent Japanese craftsmanship and world standard innovative technology in pursuit of players in super-premium and premium-performance segments.*** HONMA remains committed to applying cutting-edge technologies and artisan-style Japanese craftsmanship to the design, development and manufacturing of a comprehensive range of exquisitely crafted and performance-driven golf clubs. HONMA applied several of its revolutionary proprietary technologies to the design and development of its latest BERES and TOUR WORLD products, designed for affluent and avid golfers. Following the launch of BERES 09 in early 2024, the Group continuously penetrated into the super-premium and premium-performance consumer segments, especially in Asia. Revenue from BERES golf clubs continued to account for more than 50% of HONMA's total golf club sales and close to 40% of HONMA's total sales, reconfirming HONMA's strong brand equity and its ability to withstand economic challenges since HONMA went into the golf business in 1959.

### Highlights of Major Achievements (continued)

- **Accelerating growth in golf balls business and relaunching apparel business to create a comprehensive range of golf products for golfers in the super-premium and premium-performance segments.** Unlike its peers, HONMA continues to derive most of its revenue from the sales and distribution of golf clubs. For the six months ended 30 September 2025, golf clubs generated 69.0% of the Group's total revenue. In addition, considering the continued and stable contribution in revenue from golf balls over the past years, the Company further prioritized its product development resources and launched golf balls with its own patent in order to meet the HONMA brand positioning and play preferences of its consumers.

HONMA re-launched its apparel business in 2019. As of now, the apparel collection comprises of a professional and a fashion athletic line, catering to the distinctive requirements of golfers in China, both on-course and off-course. The six months ended 30 September 2025 featured mostly HONMA's 2025 Spring/Summer collections.

- **Reprioritising HONMA's growth strategies in North America and Europe while improving both markets' financial standing.** North America and Europe continued to enjoy the largest golfer demographics but with varied market conditions. For the six months ended 30 September 2025, the Group continued to reprioritise its distribution strategy in North America and Europe by focusing on a smaller but premier group of accounts that are most capable to represent HONMA's tradition and pursue in the super-premium and premium-performance consumer segments. At the same time, the Group continued optimising its organisational set up and cost base in both markets to properly anchor their near to mid-term growth amidst social, economic and financial uncertainties.

Following such strategic adjustment, in North America, the Group opened 14 points of sales ("POS") in the six months ended 30 September 2025, hence increasing its total POSs there to 384 by 30 September 2025. During the same period, in Europe, the Group maintained a stable network with no new openings or closures, keeping a modest POS network of 136 locations.

Despite the shift, the Company continued to make investments into its digital communication and e-commerce activities in both markets to create an important brand touchpoint for consumers researching and searching for HONMA products, local retailers or fitting experience. Various digital marketing efforts have been implemented to drive website traffic and target potential shoppers through re-targeting efforts in social media and search engine marketing. For the six months ended 30 September 2025, the Company had seen continued increase in site visits. The strong performance evidences HONMA's brand equity and consumer interest in the North American market.



# Management Discussion and Analysis

## Highlights of Major Achievements (continued)

- **360-degree brand experience built into new retail space and environments.** The Company retained leading design and marketing agencies to renovate its retail space in order to provide ultimate brand experience and customizable consumer journey in major markets. The Company consistently applied the new retail visual identity, design concept and consumer experience elements using advanced technology. The Company also upgraded multiple shop-in-shops in the U.S., Japan and China using the same design concept to ultimately present the same consumer space and experience in all of its major markets.
- **Customer events.** Customer events have always been key to the continued enhancement of HONMA's brand, product awareness and consumer mindshare. During the six months ended 30 September 2025, HONMA hosted 1,716 customer days across its main markets, most of which were held on golf courses with dedicated fitters.
- **Sponsoring TEAM HONMA players.** As at 30 September 2025, TEAM HONMA consisted of nine professional golf players. TEAM HONMA player Shina Kanazawa claimed victory at Sony Japan Women's Professional Championship in September 2025. The Company believes TEAM HONMA's image, endorsement and continued success on professional golf tournaments will continue to help drive its sales growth, especially in Japan. The Company will continue to scout and solicit additional and younger players in Asia with visible social media following to anchor brand redefinition and to better appeal to younger and avid golfers.

## Product Design and Development

HONMA utilizes the latest innovative technologies and traditional Japanese craftsmanship to provide golfers across the globe with aesthetically beautiful, technology-based and performance-driven golf clubs. The Group uses cutting-edge proprietary technology to design and manufacture golf clubs primarily for consumers in the super-premium and premium-performance segments who want to hit effortless shots and drive the golf balls further.

HONMA currently offers golf clubs under two major product families: BERES and TOUR WORLD, each targeting specific consumer segments. The Group leverages its innovative research methods and development capabilities to manage the product life cycle, continually generate customer interest, ensure product offerings remain up to date with the latest market trends and meet the preferences of target customers.



# Management Discussion and Analysis

## Product Design and Development (continued)

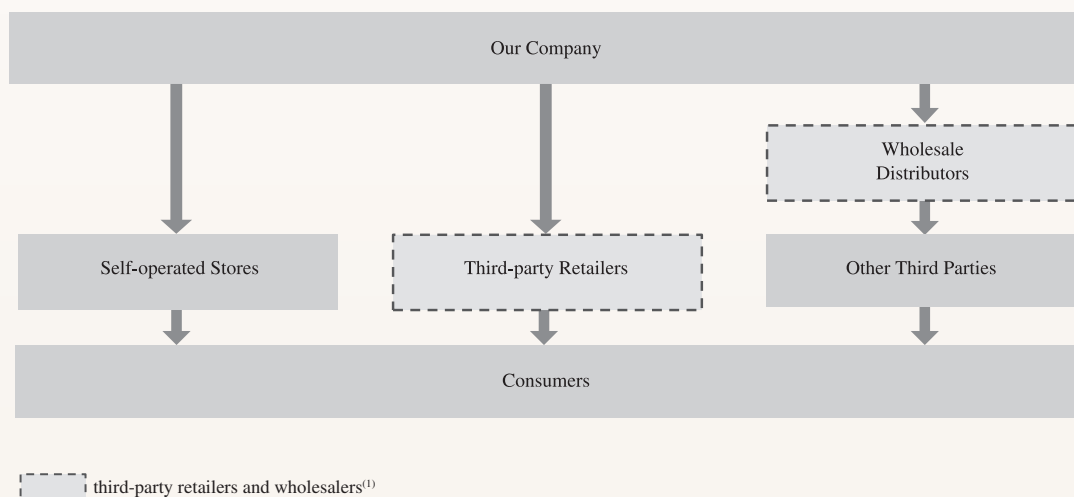
Based on extensive market research, HONMA categorises the market into nine key segments according to the importance golfers place on price, design and performance, which are correlated with their respective levels of affluence and enthusiasm towards golf, as illustrated in the chart below:

1	High Price Low Enthusiasm	Design & Price	2	High Price Middle Enthusiasm	Primarily Design	3	High Price High Enthusiasm	Design & Performance
4	Middle Price Low Enthusiasm	Performance & Price	5	Middle Price Middle Enthusiasm	Performance & Design	6	Middle Price High Enthusiasm	Primarily Performance
7	Low Price Low Enthusiasm	Primarily Price	8	Low Price Middle Enthusiasm	Price & Design	9	Low Price High Enthusiasm	Price & Performance

BERES golf clubs target consumers in Segment 2 or the so-called super-premium segment, which is the Company's traditional customer base and comprises affluent consumers willing to pay a premium price for golf clubs that offer excellent performance yet distinctively different from other golf clubs. TOUR WORLD golf clubs was first launched in 2011, target consumers in Segment 6 or the so-called premium-performance segment, which comprises golf enthusiasts who place a higher emphasis on performance. In the 2019 financial year, HONMA made the decision to enrich its TOUR WORLD club family to include a performance enhancement series hence creating stronger focus on the younger and avid golfers. Since then, BERES and TOUR WORLD have been the two main club products for HONMA across all of its markets.

## Sales and Distribution Network

The Company's sales and distribution network consists of HONMA-branded self-operated stores as well as third-party distributors which included retailers and wholesalers. The following diagram illustrates the structure of the Group's sales and distribution network:



Note:

(1) The Group's distributors consist of (a) third-party retailers and (b) wholesale distributors that on-sell the Group's products to other third parties.

## Management Discussion and Analysis

### Sales and Distribution Network (continued)

HONMA operates the largest number of self-operated stores among major golf companies. Self-operated stores provide consumers with a 360-degree experience with the HONMA brand and its products. As at 30 September 2025, the Group had 91 HONMA-branded self-operated stores, all of which were located in Asia. The Group aims to continuously upgrade the design, visual display and consumer experience of its self-operated stores to project one consistent brand image and consumer experience. The table below sets forth the number of self-operated stores opened and closed during the six months ended 30 September 2025:

	For the six months ended 30 September 2025			
	Period start	Opened	Closed	Period end
Japan	30	–	–	30
China (including Hong Kong and Macau)	46	–	4	42
Rest of Asia	18	1	–	19
<b>Total</b>	<u>94</u>	<u>1</u>	<u>4</u>	<u>91</u>

To better serve avid golf enthusiasts, certain HONMA-branded self-operated stores offer fitting centers equipped with high-speed cameras and launch monitors to capture players' swing data. As at 30 September 2025, the Group had five fitting centers, including one in Japan, three in China and one in Korea.

As at 30 September 2025, the Group had approximately 3,584 POSs. The Group's POSs consist of (a) POS of third-party retailers ("**Retailers**") and (b) POS of wholesale distributors ("**Wholesale Distributors**") that on-sell the Group's products to other third parties and consumers. Retailers include, among others, sports megastores, which are large retailers of sports goods. As at 30 September 2025, the Group's products were sold at 1,289 POSs of sports megastores.

In Japan, the Group mainly sells products to Retailers, including nation-wide sports chain stores such as Xebio and Golf 5. Outside Japan, the Group sells products to both Retailers and Wholesale Distributors.

The Group manages its sales and distribution network on a country-by-country basis to cater for each country's specific retail landscape and consumer demographics. The makeup of its sales and distribution network varies across regions depending on local retail landscape and its go-to-market strategy in that particular region, reflecting on the purchase behaviours of target consumers. To optimise its sales and distribution network, the Group is constantly evaluating its existing channels and exploring new channels.



## Management Discussion and Analysis

### Sales and Distribution Network (continued)

#### Updating E-commerce Capabilities and Creating One Digital Ecosystem

The Group has constantly upgraded its website and relaunched its social media platforms in various countries. These efforts aimed to create one consistent and vibrant communication platform and brand image across all markets. The rapid expansion of digital communications generated a month-on-month double-digit growth in the organic traffic, conversion and other digital brand engagement matrixes such as bounce rate, time on site, etc.

The Company also revamped its CRM systems in key markets such as Japan, China and the U.S., and upgraded its e-commerce capabilities to provide consumers with the ultimate 360-degree brand experience and to eventually increase online sales.

#### Manufacturing Processes

HONMA utilizes the latest innovative technologies and traditional Japanese craftsmanship to provide golfers across the globe with aesthetically beautiful and high-tech performance-driven golf clubs. The Company is the only major golf products company that utilizes professional handcrafted techniques together with significant in-house manufacturing capabilities. The Group conducts all key manufacturing processes for golf clubs at its campus located in Sakata, Yamagata prefecture of Japan (the "**Sakata Campus**"), while outsourcing non-core processes to its well-respected suppliers. This combination of in-house and outsourced manufacturing processes enables the Group to control core technical know-how and intellectual property and ensure the quality of products while controlling production costs.

Located on an approximately 163,000 square metres of land, the Sakata Campus is staffed with 147 craftsmen, 30 of whom are master craftsmen with approximately 34 years of experience on average. The craftsmen's dedication to product quality enables the Group to maintain the iconic and premium status of the HONMA brand. The Group continually invests in its Sakata Campus to optimise manufacturing processes and to expand its manufacturing capacity in line with sales growth.

# Management Discussion and Analysis

## Employees

As at 30 September 2025, the Group had 680 employees worldwide, a majority of whom were based in Japan.

To ensure the long-term future of HONMA, the Group hires people who identify with its core values and the Group helps its employees grow by offering on job training and career progressions within HONMA. For sales personnel in self-operated stores, the Group offers a number of training programs, including an internal golf club fitter certification program. Moreover, the Group has implemented a rigorous apprenticeship program at the Sakata Campus which was instrumental to the retention and continued nurturing of craftsmen in Sakata.

The Group offers competitive remuneration packages, including, among others, salaries, performance-based cash bonus and share-based compensation. The Group reviews its remuneration scheme regularly to ensure its consistency with market practice. Employee benefit expenses amounted to JPY2,401.0 million for the six months ended 30 September 2025.

The Group adopted its restricted share unit ("RSU") scheme in 2015 and post-IPO share option scheme in 2016 to incentivize its directors, management and eligible employees.

## Brand Marketing

Since 1959, HONMA has committed to maintaining the traditional methods and arts used by Japanese craftsmen to make the finest golf clubs in the world. To fully capture HONMA's unique opportunities in super-premium and premium-performance consumer segments, the Group brought a series of actions that helped re-define and transform the HONMA brand in an age of explosive technological innovation.

HONMA has been perceived as the symbol for luxury and was closely associated with super-rich Asians in consumer sentiments. Extensive marketing efforts have been launched to transform this perception into a modern, premium performance focus, rooted in HONMA's unique craftsmanship and superior technology. The launch of GS series and TW767 series, both of which under the TOUR WORLD club family, have generated great media buzz and consumer purchase intent for HONMA among the younger and more avid golfers.





## Management Discussion and Analysis

### Outlook

#### Business Outlook

The current financial year continues to present operating challenges and business uncertainties for HONMA due to global economic uncertainty and geopolitical tensions that loomed over some of its markets.

For this year and the years ahead, the Group will continue executing its long-term growth strategy to build a world-leading golf lifestyle company leveraging HONMA's brand legacy, its expanding distribution network and innovative technologies and traditional Japanese craftsmanship.

The Group intends to continue pursuing the following:

- ***Sustainably improve and transform HONMA brand value into customer loyalty.*** Multiple branding and marketing strategies have been executed to reinforce HONMA's brand heritage and its core brand values of premium craftsmanship and performance, allowing HONMA to fully capture its unique opportunities to lead in both super-premium and premium-performance segments. Since a key part of the Group's future growth strategy lies with continuous enhancement of brand awareness and loyalty, HONMA will continue upgrading its offline and online retail experiences based on the updated HONMA brand image, retail and visual guidelines. In Asia, HONMA opened a number of brand experience stores in recent years to present HONMA's new brand experience and customizable consumer journey to consumers in HONMA's home markets, followed by similar store openings in China, Korea, Taiwan, the U.S. and Europe. All these stores will become the centrepiece of HONMA's new consumer touchpoints and hubs and will continuously generate traffic to HONMA's extensive shop-in-shop at third-party retailers, golf courses and its online e-commerce platforms.
- ***Continuously increase the Group's market share in home markets by maintaining its leading position in the super-premium segment while making solid inroads into the fast-growing premium-performance segment.*** Increasing market share in HONMA's home markets, namely Japan, Korea and China, which will be an increasingly important part of the Group's future growth strategy. While the Group already has a strong presence in its home markets, it believes that there is still significant room to increase its market shares in these markets, especially in the premium-performance segment. The Group intends to achieve this by continuously enriching its TOUR WORLD product family, leveraging HONMA's improved tour presence as well as key opinion leaders and influencers network. At the same time, the Group will continuously nurture and foster stronger partnerships with its retail partners while intensifying investments in sales point product promotions that are relevant to these consumer segments.

# Management Discussion and Analysis

## Outlook (continued)

### Business Outlook (continued)

- **Anchoring sustainable growth in North America and Europe based on the updated product and distribution strategy.** North America and Europe accounts for more than 50% of the global golf market. During the six months ended 30 September 2025, HONMA continued to shift its focus on a smaller but premier group of accounts in both markets while continuously implementing its unique direct-to-consumer communication and sales strategy. The said direct-to-consumer communication and distribution approach overlays with HONMA's existing wholesales points of sale and various digital platforms, hence allowing HONMA to effectively increase its brand and product awareness while owning the entire consumer experience and purchase journey.

Furthermore, the decision to differentiate the TOUR WORLD product offering between tour inspired better players and golfers who look for performance enhancements will provide great support to HONMA's growth strategy in North America, where the market has continued to rebound with the number of golfers increasingly skewed towards premium-performance products.

- **Nurturing complementary non-club product lines to provide customers with a complete golf lifestyle experience.** Since 2019, HONMA has actively expanded its apparel business in China, leveraging the rich industry networks and know-how of its strategic partner while promoting HONMA as a "golf lifestyle brand". To support HONMA's apparel growth ambition, the Group has created in-house design, development and sales teams in China and in addition, built a network of quality retail footprints encompassing different channels and addressing consumers of different profiles.
- **Continue product innovation and development to cater for latest market trends.** The Group devotes significant resources to new product development to ensure that its product offerings remain up to date with the latest market trends, all with close link with its manufacturing facilities in Sakata, Japan. The Group's research and development expenses amounted to JPY150.7 million and JPY179.4 million for the six months ended 30 September 2024 and 2025, respectively. The research and development team of HONMA thrives to incorporate innovations in ergonomics and material sciences in its designs and collaborates closely with professional golf players to optimise product performance.



## Management Discussion and Analysis

### Outlook (continued)

#### Industry Outlook

The golf industry will continue to face multiple challenges in the six months ending 31 March 2026. These challenges include intensified competition within the golf industry due to oversupply in some parts of the world, continued supply chain challenges as a result of labour shortage and increase of raw material price, and global economic and political uncertainties.

For the six months ended 30 September 2025, the golf industry experienced intense competition as retailers struggled with inventories and sluggish consumer demand. The Company expects the overall golf industry to rapidly adapt itself to these challenges with short term negative impacts.

The Group also believes that the six months ending 31 March 2026 will be a crucial period for it to deliver its business strategies amidst global economic and political uncertainties. The Group is confident in its ability to mitigate the adverse impacts of such uncertainties and will seize every possible opportunity to preserve cash, to optimise its operational efficiencies in order to foster a solid foundation for the mid- and long-term development with respect to its brand, products, distribution channel, employees and supply chain. The Group endeavours to promote sustainable business development and strives to create long-term value for all of its shareholders.

The Group will stay alert to the developments of all external challenges. The Group will also continue reviewing its existing business strategies from time to time and take necessary actions to mitigate business risks while safeguarding the health and safety of its employees and teams.

# Management Discussion and Analysis

## Financial Review

The following table is a summary of the Group's consolidated statement of profit or loss with line items in absolute amounts and as percentages of the Group's total revenue for the periods indicated, together with the change (expressed in percentages) from the six months ended 30 September 2024 to the six months ended 30 September 2025:

Six months ended 30 September					
	2025		2024		Period- to-period change
	JPY	%	JPY	%	%
(In thousands, except for percentages and per share data)					
Consolidated statement of profit or loss (unaudited)					
Revenue	7,867,518	100.0	9,814,533	100.0	(19.8)
Cost of sales	(3,657,632)	(46.5)	(4,615,267)	(47.0)	(20.7)
Gross profit	4,209,886	53.5	5,199,266	53.0	(19.0)
Other income and gains	296,872	3.8	56,889	0.6	421.8
Selling and distribution expenses	(4,720,495)	(60.0)	(4,643,379)	(47.3)	1.7
Administrative expenses	(895,241)	(11.4)	(823,309)	(8.4)	8.7
Reversal of impairment losses on financial assets	89,615	1.1	19,978	0.2	348.6
Other expenses	(80,361)	(1.0)	(1,317,251)	(13.4)	(93.9)
Finance costs	(134,189)	(1.7)	(111,713)	(1.1)	20.1
Finance income	7,515	0.1	7,608	0.1	(1.2)
Loss before tax	(1,226,398)	(15.6)	(1,611,911)	(16.4)	(23.9)
Income tax (expense)/credit	(1,171,924)	(14.9)	766,344	7.8	(252.9)
Net loss	(2,398,322)	(30.5)	(845,567)	(8.6)	183.6
Loss per share attributable to ordinary equity holders of the parent:					
Basic and diluted					
– For loss for the period (JPY)	(3.96)		(1.40)		182.9
Non-IFRS financial measure					
Operating loss <sup>(1)</sup>	(1,442,909)	(18.3)	(351,549)	(3.6)	310.4
Net operating (loss)/profit <sup>(2)</sup>	(2,584,510)	(32.9)	213,504	2.2	(1,310.5)





# Management Discussion and Analysis

## Financial Review (continued)

Notes:

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

## Revenue

The Group's total revenue decreased by 19.8% from JPY9,814.5 million for the six months ended 30 September 2024 to JPY7,867.5 million for the six months ended 30 September 2025.

## Constant Currency Revenue

On a constant currency basis, the Group's total revenue decreased by 18.1% from the six months ended 30 September 2024 to the six months ended 30 September 2025. For the purpose of calculating constant currency revenue, the Group has used the average exchange rate of the six months ended 30 September 2024 to translate sales recorded during the six months ended 30 September 2025, to the extent that the original currency for such sales is not in Japanese yen.

Constant currency revenue is used to supplement measures that were prepared in accordance with IFRS. It is however not a measure of financial performance under IFRS and should not be considered as an alternative to measures presented in accordance with IFRS.

# Management Discussion and Analysis

## Financial Review (continued)

### Revenue (continued)

#### Revenue by Product Groups

The Group offers golfers a complete golf lifestyle experience through an extensive portfolio of HONMA-branded golf clubs, golf balls, bags, apparels and other accessories. The following table shows revenue by product groups in absolute amounts and as percentages of the Group's total revenue for the periods indicated:

	For the six months ended 30 September				Period-to-period change	
	2025		2024		on as reported basis	on constant currency basis <sup>(1)</sup>
	JPY	%	JPY	%	%	%
	(In thousands, except for percentages)					
Golf clubs	5,449,521	69.3	6,673,752	68.0	(18.3)	(16.7)
Golf balls	737,624	9.4	910,033	9.3	(18.9)	(17.8)
Apparels	1,118,239	14.2	1,340,602	13.7	(16.6)	(13.8)
Accessories and other related <sup>(2)</sup>	562,134	7.1	890,146	9.1	(36.8)	(35.4)
<b>Total</b>	<b>7,867,518</b>	<b>100.0</b>	<b>9,814,533</b>	<b>100.0</b>	<b>(19.8)</b>	<b>(18.1)</b>

Notes:

(1) For further information, see "— Constant Currency Revenue".

(2) Include golf bags, golf club head covers, footwear, gloves, headwear and other golf-related accessories.

Revenue from golf clubs decreased by 18.3% from JPY6,673.8 million for the six months ended 30 September 2024 to JPY5,449.5 million for the six months ended 30 September 2025 mainly due to a sharp decline of golf clubs sales in Japan of 35.0%. Korea and China (including Hong Kong and Macau) showed a robust growth of 115.3% and 4.6%, respectively. On a constant currency basis, revenue from golf clubs decreased by 16.7% during the same period.

Revenue from golf balls dropped by 18.9% from JPY910.0 million for the six months ended 30 September 2024 to JPY737.6 million for the six months ended 30 September 2025 as golf balls sales in Japan went down by 26.6%, mainly due to intensified market competition following upward retail price adjustment to cope with Japanese yen depreciation over the past few years. On the other hand, sales from China (including Hong Kong and Macau) showed a rock-solid growth of 57.5% following launch of a multipack series that arose consumer interests. On a constant currency basis, revenue from golf balls decreased by 17.8% during the same period.

# Management Discussion and Analysis

## Financial Review (continued)

### Revenue (continued)

#### Revenue by Product Groups (continued)

Revenue from apparels decreased by 16.6% from JPY1,340.6 million for the six months ended 30 September 2024 to JPY1,118.2 million for the six months ended 30 September 2025, mainly due to weak consumer sentiments and dissatisfactory retail performance in China. On a constant currency basis, revenue from apparels decreased by 13.8% during the same period.

Revenue from accessories and other related products decreased by 36.8% from JPY890.1 million for the six months ended 30 September 2024 to JPY562.1 million for the six months ended 30 September 2025. On a constant currency basis, revenue from accessories and other related products decreased by 35.4% during the same period.

#### Revenue by Geography

The Group's products are sold in approximately 50 countries worldwide, primarily in Asia and also across North America, Europe and other regions. The following table sets forth revenue from regions by absolute amounts and as percentages of total revenue for the periods indicated:

	For the six months ended 30 September				Period-to-period change	
	2025		2024		on as	on constant
					reported	currency
	JPY	%	JPY	%	basis	basis <sup>(1)</sup>
<i>(In thousands, except for percentages)</i>						
Japan	2,781,999	35.4	4,156,839	42.4	(33.1)	(33.1)
Korea	962,567	12.2	686,837	7.0	40.1	44.9
China (including Hong Kong and Macau)	2,987,587	38.0	3,122,951	31.8	(4.3)	(0.4)
North America	235,212	3.0	413,800	4.2	(43.2)	(41.0)
Europe	112,794	1.4	261,392	2.7	(56.8)	(57.9)
Rest of the world	787,359	10.0	1,172,714	11.9	(32.9)	(32.4)
<b>Total</b>	<b>7,867,518</b>	<b>100.0</b>	<b>9,814,533</b>	<b>100.0</b>	<b>(19.8)</b>	<b>(18.1)</b>

Note:

(1) For further information, see "— Constant Currency Revenue".

## Financial Review (continued)

### Revenue (continued)

#### Revenue by Geography (continued)

Revenue from Japan decreased by 33.1% from JPY4,156.8 million for the six months ended 30 September 2024 to JPY2,782.0 million for the six months ended 30 September 2025. Japan experienced decline in both retail and wholesales by 23.7% and 46.3% respectively as the Group reshuffled its distribution strategy in Japan with greater focus on high-profit self-operated channels while gradually reducing loss-making and low-efficiency wholesale channels.

Revenue from Korea reported a solid expansion of 40.1% from JPY686.8 million for the six months ended 30 September 2024 to JPY962.6 million for the six months ended 30 September 2025, following renewal of the Group's distributor arrangement in Korea and thanks to continued success with HONMA's direct-to-consumer businesses in Korea. On a constant currency basis, revenue from Korea increased by 44.9% during the same period.

Revenue from China (including Hong Kong and Macau) experienced a marginal decline of 4.3% from JPY3,123.0 million for the six months ended 30 September 2024 to JPY2,987.6 million for the six months ended 30 September 2025 as overall economy and retail market sentiment in China continued to experience downward pressure. On a constant currency basis, revenue from China (including Hong Kong and Macau) decreased by 0.4% during the same period.

Revenue from North America decreased by 43.2% from JPY413.8 million for the six months ended 30 September 2024 to JPY235.2 million for the six months ended 30 September 2025, mainly due to negative impacts from product phaseouts. On a constant currency basis, revenue from North America decreased by 41.0% during the same period.

Revenue from Europe decreased by 56.8% from JPY261.4 million for the six months ended 30 September 2024 to JPY112.8 million for the six months ended 30 September 2025. On a constant currency basis, revenue from Europe decreased by 57.9% during the same period.

Revenue from other regions decreased by 32.9% from JPY1,172.7 million for the six months ended 30 September 2024 to JPY787.4 million for the six months ended 30 September 2025, mainly due to negative impacts from product phaseouts. On a constant currency basis, revenue from other regions decreased by 32.4% during the same period.

Revenue from the Group's home markets, namely Japan, Korea and China (including Hong Kong and Macau) accounted for 85.6% of the Group's total revenue for the six months ended 30 September 2025.



# Management Discussion and Analysis

## Financial Review (continued)

### Revenue (continued)

#### Revenue by Sales and Distribution Channels

The Group has an extensive sales and distribution network that allows the Group to address a broad customer base in its target markets. The Group's sales and distribution network consists of HONMA-branded self-operated stores as well as POSs owned and managed by third-party retailers and wholesalers. The Group's third-party retailer and wholesaler partners include (a) Retailers, including various national and regional sports megastores, and (b) Wholesale Distributors that on-sell the Group's products to other third-party retailers and consumers. The following table sets forth revenue from self-operated stores and POSs in absolute amounts and as percentages of total revenue for the periods indicated:

	For the six months ended 30 September				Period-to-period change	
	2025		2024		on as	on constant
					reported	currency
	JPY	%	JPY	%	basis	basis <sup>(1)</sup>
<i>(In thousands, except for percentages)</i>						
Self-operated stores	4,676,159	59.4	5,507,823	56.1	(15.1)	(13.4)
Third-party retailers and wholesalers	3,191,359	40.6	4,306,710	43.9	(25.9)	(24.2)
<b>Total</b>	<b>7,867,518</b>	<b>100.0</b>	<b>9,814,533</b>	<b>100.0</b>	<b>(19.8)</b>	<b>(18.1)</b>

Note:

(1) For further information, see "— Constant Currency Revenue".

Revenue from self-operated stores decreased by 15.1% from JPY5,507.8 million for the six months ended 30 September 2024 to JPY4,676.2 million for the six months ended 30 September 2025. Such decline was mainly due to retail sales decrease in Japan by 23.7% but Korea's retail sales rose by 63.2% during the same period thanks to flagship store opening and continued retail operation improvements. On a constant currency basis, revenue from other regions decreased by 7.2% during the same period.

Revenue from sales to third-party retailers and wholesalers decreased by 25.9% from JPY4,306.7 million for the six months ended 30 September 2024 to JPY3,191.4 million for the six months ended 30 September 2025. Such decrease was primarily due to wholesales revenue decrease in Japan, as a result of economy slowdown and channel reshuffle. Sales to third-party retailers and wholesalers in Korea expanded by 41.5% following the renewal of the Group's distribution agreement. On a constant currency basis, revenue from third-party retailers and wholesalers decreased by 24.2% during the same period.

# Management Discussion and Analysis

## Financial Review (continued)

### Cost of Sales

Cost of sales decreased by 20.7% from JPY4,615.3 million for the six months ended 30 September 2024 to JPY3,657.6 million for the same period in 2025. The table below sets forth a breakdown of the key components of cost of sales, each expressed in absolute amounts and as percentages of the total cost of sales during the periods indicated:

	For the six months ended 30 September			
	2025		2024	
	JPY	%	JPY	%
<i>(In thousands, except for percentages)</i>				
Raw materials	1,609,454	44.0	1,918,093	41.6
Employee benefits	389,302	10.6	368,468	8.0
Manufacturing overhead <sup>(1)</sup>	205,454	5.6	207,607	4.5
Finished goods purchased from suppliers	1,453,422	39.7	2,121,099	46.0
<b>Total</b>	<b>3,657,632</b>	<b>100.0</b>	<b>4,615,267</b>	<b>100.0</b>

Note:

(1) Includes depreciation and amortisation of property, plant and equipment, other manufacturing overhead and cost of services rendered.

# Management Discussion and Analysis

## Financial Review (continued)

### Gross Profit and Gross Profit Margin

Gross profit decreased by 19.0% from JPY5,199.3 million for the six months ended 30 September 2024 to JPY4,209.9 million for the same period in 2025. Gross profit margin increased from 53.0% for the six months ended 30 September 2024 to 53.5% for the same period in 2025, mainly due to better price managements in Korea and China (including Hong Kong and Macau).

### Gross Profit and Gross Profit Margin by Product Groups

The following table sets forth a breakdown of gross profit and gross profit margin by product groups for the periods indicated:

	For the six months ended 30 September			
	2025		2024	
	JPY	%	JPY	%
	<i>(In thousands, except for percentages)</i>			
Golf clubs	3,134,274	57.5	4,028,687	60.4
Golf balls	233,691	31.7	252,992	27.8
Apparels	620,715	55.5	767,915	57.3
Accessories and other related <sup>(1)</sup>	221,206	39.4	149,672	16.8
<b>Total</b>	<b>4,209,886</b>	<b>53.5</b>	<b>5,199,265</b>	<b>53.0</b>

Note:

(1) Include golf bags, golf club head covers, footwear, gloves, headwear and other golf-related accessories.

Gross profit for golf clubs decreased by 22.2% from JPY4,028.7 million for the six months ended 30 September 2024 to JPY3,134.3 million for the same period in 2025. Gross profit margin for golf clubs decreased from 60.4% for the six months ended 30 September 2024 to 57.5% for the same period in 2025, primarily due to sales and gross margin decline in Japan while the remainder markets showed a decent gross margin increase of 13.7%.

Gross profit for golf balls decreased by 7.6% from JPY253.0 million for the six months ended 30 September 2024 to JPY233.7 million for the same period in 2025. Gross profit margin for golf balls increased from 27.8% for the six months ended 30 September 2024 to 31.7% for the same period in 2025, primarily due to positive gross margin improvements in Korea and Japan.

Gross profit for apparels decreased by 19.2% from JPY767.9 million for the six months ended 30 September 2024 to JPY620.7 million for the same period in 2025. Gross profit margin for apparels decreased from 57.3% for the six months ended 30 September 2024 to 55.5% for the same period in 2025, primarily due to continued retail challenges faced in China.

# Management Discussion and Analysis

## Financial Review (continued)

### Gross Profit and Gross Profit Margin (continued)

#### Gross Profit and Gross Profit Margin by Product Groups (continued)

Gross profit for accessories and other related products increased by 47.8% from JPY149.7 million for the six months ended 30 September 2024 to JPY221.2 million for the same period in 2025. Gross profit margin for accessories and other related products increased from 16.8% for the six months ended 30 September 2024 to 39.4% for the same period in 2025, primarily because of improved product offerings and greater sales contribution from retail channels.

### Other Income and Gains

Other income and gains increased from JPY56.9 million for the six months ended 30 September 2024 to JPY296.9 million for the same period in 2025, primarily due to increased foreign exchange gains.

### Selling and Distribution Expenses

Selling and distribution expenses increased from JPY4,643.4 million for the six months ended 30 September 2024 to JPY4,720.5 million for the same period in 2025. Selling and distribution expenses as a percentage of revenue increased from 47.3% for the six months ended 30 September 2024 to 60.0% for the same period in 2025. The following table sets forth a breakdown of selling and distribution expenses by absolute amounts and percentages of total selling and distribution expenses for the periods indicated:

	For the six months ended 30 September			
	2025		2024	
	JPY	%	JPY	%
<i>(In thousands, except for percentages)</i>				
Employee benefits	1,664,164	35.3	1,594,532	34.3
Advertising and promotion expenses	1,112,406	23.6	976,192	21.0
Depreciation of right-of-use assets	644,900	13.7	686,436	14.8
Rental and other related fees	307,968	6.5	324,807	7.0
Others <sup>(1)</sup>	991,057	21.0	1,061,412	22.9
<b>Total</b>	<b>4,720,495</b>	<b>100.0</b>	<b>4,643,379</b>	<b>100.0</b>

Note:

(1) Include distribution costs, depreciation and amortisation of certain tangible and intangible assets, travel expenses, consumables and other expenses.





# Management Discussion and Analysis

## Financial Review (continued)

### Administrative Expenses

Administrative expenses remained relatively stable at JPY823.3 million for the six months ended 30 September 2024 and JPY895.2 million for the same period in 2025.

### Reversal of Impairment Losses on Financial Assets

Reversal of impairment of property, plant and equipment increased from JPY20.0 million for the six months ended 30 September 2024 to JPY89.6 million for the same period in 2025, due to impairment of retail leasehold improvements.

### Other Expenses

Other expenses decreased by 93.9% from JPY1,317.3 million for the six months ended 30 September 2024 to JPY80.4 million for the same period in 2025, primarily due to material decrease in foreign exchange loss.

### Finance Costs

Finance costs increased by 20.1% from JPY111.7 million for the six months ended 30 September 2024 to JPY134.2 million for the same period in 2025, primarily due to increased borrowing costs.

### Finance Income

Finance income remained relatively stable at JPY7.6 million for the six months ended 30 September 2024 and JPY7.5 million for the same period in 2025.

### Loss before Tax

As a result of the foregoing, loss before tax for the six months ended 30 September 2025 was JPY1,226.4 million.

### Income Tax (Expense)/Credit

Income tax expense stood at of JPY1,171.9 million for the six months ended 30 September 2025, compared to income tax credit of JPY766.3 million for the same period in 2024, mainly due to a deferred tax asset reduction of JPY904.9 million. The Group's effective tax rate increased from negative 47.5% for the six months ended 30 September 2024 to positive 95.6% for the same period in 2025.

### Net Loss

As a result of the foregoing, net loss for the six months ended 30 September 2025 was JPY2,398.3 million. Net loss margin for the six months ended 30 September 2025 was 30.5%.

# Management Discussion and Analysis

## Financial Review *(continued)*

### Non-IFRS Financial Measures

In addition to the IFRS measures in its consolidated financial statements, the Group also uses the non-IFRS financial measures of operating loss and net operating (loss)/profit to evaluate its operating performance. The Group believes that such non-IFRS measures provide useful information to investors in understanding and evaluating its consolidated results of operations in the same manner as its management and in comparing financial results across accounting periods on a like-for-like basis.

The use of operating loss and net operating (loss)/profit has material limitations as analytical tools, as operating loss does not include all items that have impacted profit before tax, the nearest IFRS performance measure, and net operating (loss)/profit does not include all items that have impacted net loss, the nearest IFRS performance measure.

### Operating Loss

The Group derives operating loss from loss before tax by (i) subtracting other income and gains and (ii) adding other expenses. Operating loss eliminates the effect of other income and gains and other expenses, which are primarily related to non-recurring events. The following table reconciles operating loss to loss before tax for the periods indicated:

	For the six months ended 30 September	
	2025	2024
	<i>(In JPY thousands)</i>	
Loss before tax	<b>(1,226,398)</b>	(1,611,911)
Adjustment for:		
Other income and gains	<b>(296,872)</b>	(56,889)
Other expenses	<b>80,361</b>	1,317,251
Operating loss	<b><u>(1,442,909)</u></b>	<u>(351,549)</u>

# Management Discussion and Analysis

## Financial Review (continued)

### Non-IFRS Financial Measures (continued)

#### Net Operating (Loss)/Profit

The Group derives net operating (loss)/profit from net loss by (i) subtracting other income and gains, (ii) adding other expenses, and (iii) adding impact on tax related to items (i) and (ii) above. Net operating (loss)/profit eliminates the effect of other income and gains and other expenses, which are primarily related to non-recurring events. The following table reconciles net operating (loss)/profit to net loss for the periods indicated:

	For the six months ended 30 September	
	2025	2024
	(In JPY thousands)	
Net loss	(2,398,322)	(845,567)
Adjustment for:		
Other income and gains	(296,872)	(56,889)
Other expenses	80,361	1,317,251
Impact on tax	30,323	(201,291)
Net operating (loss)/profit	(2,584,510)	213,504

#### Working Capital Management

	For the twelve months ended	
	30 September	31 March
	2025	2025
Inventories turnover days <sup>(1)</sup>	331	315
Trade and bills receivables turnover days <sup>(2)</sup>	34	66
Trade and bills payables turnover days <sup>(3)</sup>	45	39

Notes:

- (1) Inventories turnover days are calculated using the average of opening balance and closing balance of inventories for a twelve-month period divided by cost of sales for the relevant twelve-month period and multiplied by 365 days.
- (2) Trade and bills receivables turnover days are calculated using the average of opening balance and closing balance of trade and bills receivables for a twelve-month period divided by revenue for the relevant twelve-month period and multiplied by 365 days.
- (3) Trade and bills payables turnover days are calculated using the average of opening balance and closing balance of trade and bills payables for a twelve-month period divided by cost of sales for the relevant twelve-month period and multiplied by 365 days.

# Management Discussion and Analysis

## Financial Review (continued)

### Working Capital Management (continued)

Inventories turnover days increased by 16 days from 315 days for the twelve months ended 31 March 2025 to 331 days for the twelve months ended 30 September 2025, primarily due to an increase in inventory.

Trade and bills receivables turnovers days decreased by 32 days from 66 days for the twelve months ended 31 March 2025 to 34 days for the twelve months ended 30 September 2025, primarily due to trade receivables reducing by 53.0% as compared to the six months ended 30 September 2024.

Trade and bills payables turnover days increased by six days from 39 days for the twelve months ended 31 March 2025 to 45 days for the twelve months ended 30 September 2025, primarily due to higher purchase which resulted in higher payables.

### Inventories

The following table sets forth the balance of the Group's inventories as at the dates indicated:

	As at 30 September 2025	As at 31 March 2025
	(In JPY thousands)	
Raw materials	2,135,967	1,545,016
Work in progress	102,437	795,947
Finished goods	7,046,875	6,408,205
Less: provision	(2,214,027)	(1,865,754)
<b>Total</b>	<b>7,071,252</b>	<b>6,883,414</b>

# Management Discussion and Analysis

## Financial Review (continued)

### Inventories (continued)

The following table sets forth aging analysis of the Group's inventories as at the dates indicated:

	As at 30 September 2025	As at 31 March 2025
<i>(In JPY thousands)</i>		
Within 1 year	2,602,035	1,764,519
1 year to 2 years	2,906,222	2,621,517
2 to 3 years	634,922	994,152
3 to 4 years	926,592	1,503,226
Over 4 years	1,480	0
<b>Total</b>	<b>7,071,252</b>	<b>6,883,414</b>

The Group prepares its inventory aging analysis with reference to product launch date, instead of capitalisation date. For example, inventories reported as aged between two to three years in the table above represent inventories relating to products that were launched two to three years before the relevant balance sheet date. Such inventories may have been produced and/or procured and hence capitalised more recently than as shown in the said aging analysis.

The Group adopted this approach of inventory aging analysis because it allows the Group to implement a more effective inventory management process relative to each product's life cycle. The Group typically launches new club, ball and accessory products every 24 months and carries its previous older generation for another 12 months.

# Management Discussion and Analysis

## Financial Review (continued)

### Liquidity and Capital Resources

During the six months ended 30 September 2025, the Group financed its operations primarily through cash from operations, net proceeds received from the global offering and proceeds from bank loans. The Group intends to finance its expansion and business operations by internal resources and through organic and sustainable growth, bank borrowings, as well as the net proceeds received from the global offering.

As at 30 September 2025, the Group had JPY18,243.3 million in cash and cash equivalents, which were primarily held in Renminbi, Japanese yen and U.S. dollar. The Group's cash and cash equivalents primarily consist of cash on hand and demand deposits.

A substantial portion of the Group's operation is based in Japan, and a substantial portion of the Group's revenue and expenditures are denominated and settled in Japanese yen. As a result, the Group's currency risk is limited, and the Group did not use any derivative contracts to hedge against such risk as at 30 September 2025.

### Indebtedness

As at 30 September 2025, the Group's interest-bearing bank borrowings amounted to JPY6,176.5 million, mainly of which were denominated in Japanese yen and carry interest at variable rates. All of such borrowings were unsecured and most of them were payable within one year. The effective interest rate for the balance of the Group's interest-bearing bank borrowings as at 30 September 2025 ranged from 0.17% to 3.08%.

### Gearing Ratio

The Group's gearing ratio is calculated by dividing (i) the sum of interest-bearing bank borrowings and lease liabilities by (ii) total equity. As at 30 September 2025, the Group's gearing ratio was 33.6% (as at 31 March 2025, the Group's gearing ratio was 31.9%).





## Management Discussion and Analysis

### Financial Review (continued)

#### Capital Expenditures

The Group's capital expenditures for the six months ended 30 September 2025 amounted to JPY190.6 million, which was used primarily to purchase plant machinery and equipment, office equipment and leasehold improvement. In the six months ended 30 September 2025, the Group financed its capital expenditures primarily with cash generated from operations.

#### Contingent Liabilities

As at 30 September 2025, the Group did not have any significant contingent liabilities.

#### Funding and Treasury Policy

The Group adopts a stable, conservative approach on its funding and treasury policy, aiming to maintain an optimal financial position, the most economical finance costs and minimal financial risks. The Group regularly reviews its funding requirements to maintain adequate financial resources in order to support its current business operations as well as its future investments and expansion plans.

#### Charge on Assets

The pledged deposits of the Group remained stable at JPY6.0 million as at 31 March 2025 and 30 September 2025.

#### Material Acquisitions or Disposals and Future Plans for Major Investment

During the six months ended 30 September 2025, the Group did not conduct any material investments, acquisitions or disposals. In addition, save for the expansion plans as disclosed in the sections headed "Business" and "Future Plans and Use of Proceeds" in the prospectus of the Company dated 23 September 2016 (the "**Prospectus**"), the Group has no specific plan for major investment or acquisition for major capital assets or other businesses. However, the Group will continue to identify new opportunities for business development.

# Management Discussion and Analysis

## Financial Review (continued)

### Use of Proceeds from the Global Offering

The Company was listed on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 6 October 2016. The net proceeds from the Company’s global offering amounted to JPY16,798.0 million, which are intended to be applied in compliance with the intended use of proceeds as set out in the section headed “Net Proceeds from the Global Offering” in the Company’s Announcement of Offer Price and Allotment Results dated 5 October 2016.

The following table sets forth the status of the use of proceeds from the global offering<sup>(1)</sup>:

Intended use of proceeds	Percentage of intended use of proceeds	Intended use of proceeds from the global offering	Percentage of used amount as at 30 September 2025	Percentage of unused balance as at 30 September 2025	Percentage of amount used during the six months ended 30 September 2025	Expected timeframe for utilizing the unused net proceeds <sup>(2)</sup>
	(%)	(in JPY millions)	(%)	(%)	(%)	
Potential strategic acquisitions	29.4	4,939	–	29.4	–	— <sup>(3)</sup>
Sales and marketing activities in North America and Europe	15.1	2,536	15.1	–	–	N/A
Sales and marketing activities in home markets of Japan, Korea and China (including Hong Kong and Macau)	15.1	2,536	15.1	–	–	N/A
Capital expenditures	13.0	2,184	13.0	–	–	N/A
Repayment of interest-bearing bank borrowings	17.3	2,906	17.1	0.2 <sup>(4)</sup>	–	N/A <sup>(4)</sup>
Providing funding for working capital and other general corporate purposes	10.1	1,697	10.1	–	–	N/A
<b>Total</b>	<b>100.0</b>	<b>16,798</b>	<b>70.4</b>	<b>29.6</b>	<b>–</b>	



# Management Discussion and Analysis

## Financial Review (continued)

### Use of Proceeds from the Global Offering (continued)

Notes:

- (1) The figures in the table are approximate figures.
- (2) The expected timeframe for utilizing the remaining proceeds is based on the best estimation of the future market conditions made by the Group. It will be subject to change based on the current and future development of market conditions.
- (3) As at the date of this interim report, the Group had not identified, committed to or entered into negotiations with any acquisition targets for its use of net proceeds from the global offering; hence it has no specific expected timeframe for fully utilizing such proceeds. The Group will continue to prudently evaluate potential acquisition targets within the golf products industry based on, among other factors, their brand recognition, geographic footprint, distribution network, product offerings and financial condition, with a goal of identifying potential acquisition targets that best fit its growth strategies.
- (4) As at the date of this interim report, the Group has repaid the interest-bearing bank borrowings intended to be repaid through the proceeds from the global offering in full. The difference between the intended use of proceeds from the global offering and the actual repayment was due to the changes in foreign exchange rates. For the remaining unused net proceeds, the Group plans to use for general corporate purpose. As at the date of this interim report, the Group has not used the remaining 0.2% of the unused balance and will evaluate suitable usage based on its business needs.

As at 30 September 2025, the unused balance of the proceeds from the global offering of approximately JPY4,969.8 million are currently deposited with creditworthy banks with no recent history of default.

### Events after the Reporting Period

There is no material subsequent event undertaken by the Group after 30 September 2025.

### Exchange Rate Conversion

Unless otherwise specified, amounts denominated in USD have been translated, for the purpose of illustration only, into JPY at the exchange rate of USD1.00: JPY146.07. No representation is made that any amount in USD and JPY could have been or could be converted at the above rates or at any other rates or at all.

## Other Information

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures

As at 30 September 2025, the interests and short positions of the directors (the "Directors") and the chief executive of the Company in the shares of the Company (the "Shares"), underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix C3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") or as the Company is aware were as follows:

#### Interests in the Company

Name of Director/ Chief Executive	Capacity/Nature of interest	Number of Shares or underlying Shares interested <sup>(1)</sup>	Approximate percentage of interest <sup>(5)</sup>
Mr. Liu Jianguo <sup>(2)</sup>	Founder and the sole beneficiary of a trust/Interest of controlled corporation	234,227,100 (L)	
	Beneficial owner	285,675 (L)	
		234,512,775 (L)	38.72%
Mr. Ito Yasuki <sup>(3)</sup>	Beneficial owner	108,856 (L)	0.02%
Mr. Zuo Jun <sup>(4)</sup>	Beneficial owner	254,020 (L)	0.04%

Notes:

- (1) The letter "L" denotes the person's long position in such Shares or underlying Shares.
- (2) Vistra Trust (Hong Kong) Limited ("Vistra Trust") is the trustee of the trust established by Mr. Liu Jianguo who is also the sole beneficiary of the trust. Vistra Trust holds the entire issued share capital of Dazzling Coast Limited ("Dazzling"), which in turn holds the entire share capital of Prize Ray Limited ("Prize Ray"), which holds the entire share capital of Kouunn Holdings Limited, which beneficially owned 234,227,100 Shares. As Mr. Liu Jianguo is the founder and the sole beneficiary of the trust as well as the sole director of Kouunn Holdings Limited, by virtue of the SFO, Mr. Liu Jianguo is deemed to be interested in the Shares held by Kouunn Holdings Limited. Mr. Liu Jianguo was also interested in 285,675 restricted share units ("RSUs") granted to him under the RSU Scheme (as defined below) entitling him to receive 285,675 Shares upon vesting.
- (3) Mr. Ito Yasuki directly held 108,856 Shares.
- (4) Mr. Zuo Jun directly held 254,020 Shares.
- (5) The calculation is based on the total number of 605,642,500 Shares in issue as at 30 September 2025.

## Other Information

### Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures (continued)

Save as disclosed above, as at 30 September 2025, none of the Directors or the chief executive of the Company had any interests or short positions in any of the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

### Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares

As at 30 September 2025, the following persons (other than the Directors and the chief executive of the Company) had interests or short positions in the Shares or underlying Shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO or as the Company is aware:

Name	Nature of interest	Number of Shares or underlying Shares Interested <sup>(1)</sup>	Approximate percentage of interest <sup>(8)</sup>
Kouunn Holdings Limited <sup>(2)(4)(5)</sup>	Beneficial owner	234,227,100 (L)	38.67%
Dazzling Coast Limited <sup>(4)</sup>	Interest of controlled corporation	234,227,100 (L)	38.67%
Prize Ray Limited <sup>(4)</sup>	Interest of controlled corporation	234,227,100 (L)	38.67%
Vistra Trust (Hong Kong) Limited ("Vistra Trust") <sup>(4)</sup>	Trustee	234,227,100 (L)	38.67%
Ms. Huang Wenhuan (黃文歡) <sup>(3)</sup>	Interest of spouse	234,512,775 (L)	38.72%
Gold Genius Development Limited <sup>(2)(5)</sup>	Person having a security interest in Shares	47,000,000 (L)	7.76%
Splendid Steed Investments Limited <sup>(5)</sup>	Interest of controlled corporation	47,000,000 (L)	7.76%
Mr. Ma Jianrong <sup>(5)</sup>	Interest of controlled corporation	47,000,000 (L)	7.76%
Charoen Pokphand Group Company Limited <sup>(6)</sup>	Interest of controlled corporation	181,296,500 (L)	29.93%

### Substantial Shareholders' and Other Persons' Interests and Short Positions in Shares and Underlying Shares (continued)

Notes:

- (1) The letter "L" denotes the person's long position in such Shares or underlying Shares.
- (2) 47,000,000 Shares held by Kouunn Holdings Limited were pledged in favour of Gold Genius Development Limited.
- (3) Ms. Huang Wenhuan (黃文歡) is the wife of Mr. Liu Jianguo and, by virtue of the SFO, is deemed to be interested in the Shares and the underlying Shares in which Mr. Liu Jianguo was interested.
- (4) Vistra Trust is the trustee of the trust established by Mr. Liu Jianguo who is also the sole beneficiary of the trust. Vistra Trust holds the entire issued share capital of Dazzling which in turn holds the entire share capital of Prize Ray which holds the entire share capital of Kouunn Holdings Limited, which beneficially owned 234,227,100 Shares. By virtue of the SFO, Mr. Liu Jianguo, Vistra Trust, Dazzling and Prize Ray are deemed to be interested in the same parcel of Shares held by Kouunn Holdings Limited.
- (5) Mr. Ma Jianrong holds the entire issued share capital of Splendid Steed Investments Limited, which in turn holds the entire share capital of Gold Genius Development Limited, which had a security interest in 47,000,000 Shares pledged by Kouunn Holdings Limited in its favour. By virtue of the SFO, Mr. Ma Jianrong and Splendid Steed Investments Limited are deemed to be interested in the same parcel of Shares in which Gold Genius Development Limited had a security interest.
- (6) These Shares were held by Chia Tai Primrose Holdings Limited (正大平樂控股有限公司) which was 100% controlled by Chia Tai Giant Far Limited (正大鉅發有限公司) ("CTGF"). CTGF was 100% controlled by CT Bright Group Company Limited (正大光明集團有限公司) ("CTBG"). CTBG was 100% controlled by CPG Overseas Company Limited which was in turn 100% controlled by Charoen Pokphand Group Company Limited.
- (7) The calculation is based on the total number of 605,642,500 Shares in issue as at 30 September 2025.



### Restricted Share Unit Scheme and Post-IPO Share Option Scheme

#### Restricted Share Unit Scheme

On 20 October 2015, the Restricted Share Unit Scheme (the “**RSU Scheme**”) was approved and adopted by the then shareholders of the Company. The purpose of the RSU Scheme is to incentivize Directors, senior management and employees of the Group (the “**RSU Eligible Persons**”) for their contribution to the Group, to attract, motivate and retain skilled and experienced personnel to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company. The Board selects the RSU Eligible Persons to receive RSUs under the RSU Scheme at its discretion. The RSU Scheme will be valid and effective for a period of ten (10) years from the date of the first grant of the RSUs, being 20 October 2015. As at 30 September 2025, the remaining life of the RSU Scheme is approximately one (1) month. The maximum number of RSUs that may be granted under the RSU Scheme in aggregate (excluding RSUs that have lapsed or been cancelled in accordance with the rules of the RSU Scheme) shall be such number of Shares held or to be held by the trustee for the RSU Scheme for the purpose of the RSU Scheme from time to time. There is no maximum entitlement for each RSU Eligible Person and no scheme mandate in respect of share grant under the rules of the RSU Scheme. Further details of the principal terms of the RSU Scheme are set out in the Prospectus.

The Company has appointed The Core Trust Company Limited (the “**RSU Trustee**”) as the trustee to assist in the administration of the RSU Scheme. All the Shares underlying the RSUs granted and to be granted under the RSU Scheme will be transferred, allotted or issued to the RSU Trustee and/or Taisai Holdings Ltd. (the “**RSU Nominee**”), a company indirectly wholly-owned by the RSU Trustee.

As at 1 April 2025 and 30 September 2025, the number of RSUs available for grant under the RSU Scheme was 5,232,410 and 5,461,145, respectively. As at 30 September 2025, RSUs in respect of a total of 18,333,312 underlying Shares were granted under the RSU Scheme for the benefit of RSU Eligible Persons pursuant to the RSU Scheme, and RSUs in respect of 6,470,270 underlying Shares (representing approximately 1.1% of the total issued Shares of the Company as at the date of this interim report) were held by the RSU Nominee.

## Restricted Share Unit Scheme and Post-IPO Share Option Scheme (continued)

### Restricted Share Unit Scheme (continued)

Details of the RSUs granted under the RSU Scheme at the beginning and end of, and movements in the RSUs during, the six months ended 30 September 2025 are set out below:

Name of grantee of RSU	Position(s) held with the Group	Number of Shares represented by RSUs at 1 April 2025	Date of grant period	Vesting period	Granted during the period	Vested/ exercised during the period	Cancelled during the period	Lapsed during the period	Number of Shares represented by RSUs at 30 September 2025
<b>Director of the Company</b>									
Mr. Liu Jianguo	Chairman of the Board, President and Executive Director	285,675	3 November 2015	Note (3)	-	-	-	-	285,675
<b>Sub-total</b>		285,675			-	-	-	-	285,675

## Other Information

### Restricted Share Unit Scheme and Post-IPO Share Option Scheme (continued)

#### Restricted Share Unit Scheme (continued)

Name of grantee of RSU	Position(s) held with the Group	Number of Shares represented by RSUs at 1 April 2025	Date of grant	Vesting period	Granted during the period	Vested/ exercised during the period	Cancelled during the period	Lapsed during the period	Number of Shares represented by RSUs at 30 September 2025
<b>Employees in aggregate</b>									
<b>Senior management of the Company, and directors and other executive managers of the subsidiaries of the Company (excluding those who are also Directors of the Company)</b>									
One senior management of the Company and one other executive manager of a subsidiary of the Company		381,030	3 November 2015	Note (3)	–	–	–	–	381,030
		94,770	31 May 2016	Note (3)	–	–	–	–	94,770
<b>Other employees of the Group</b>									
55 other employees of the Group		438,165	3 November 2015	Note (3)	–	–	190,515	–	247,650
		38,220	31 May 2016	Note (3)	–	–	38,220	–	–
<b>Sub-total</b>		<u>962,185</u>			<u>–</u>	<u>–</u>	<u>228,735</u>	<u>–</u>	<u>723,450</u>
<b>Total</b>		<u>1,237,860</u>			<u>–</u>	<u>–</u>	<u>228,735</u>	<u>–</u>	<u>1,009,125</u>

### Restricted Share Unit Scheme and Post-IPO Share Option Scheme (continued)

#### Restricted Share Unit Scheme (continued)

Notes:

- (1) No exercise price or purchase price is required for the exercise or vesting of the RSUs granted to the participants under the RSU Scheme as referred to in the above.
- (2) The participants shall serve the exercise notice within three (3) months after receiving the vesting notice.
- (3) Subject to the vesting conditions, the RSUs granted to the participants during the years ended 31 March 2016 and 2017 under the RSU Scheme shall be vested in accordance with the vesting schedule as follows:
  - (i) as to 40% on the date on which the shares of the Company are listed on the Stock Exchange;
  - (ii) as to 30% on 30 April 2018 or the date on which the Company publishes its annual results for the year ended 31 March 2018 (whichever is earlier); and
  - (iii) as to 30% on 2 November 2026.

### Restricted Share Unit Scheme and Post-IPO Share Option Scheme (continued)

#### Post-IPO Share Option Scheme

On 18 September 2016, the post-IPO share option scheme (the "**Post-IPO Share Option Scheme**") was approved and adopted by the then shareholders of the Company. The purpose of the Post-IPO Share Option Scheme is to provide incentives and/or rewards to directors or employees of the Group who in the sole discretion of the Board have contributed or will contribute to the Group (the "**Eligible Persons**") for their contribution to, and continuing efforts to promote the interests of, the Group.

Subject to the terms of the Post-IPO Share Option Scheme, the Board shall be entitled at any time within the period of ten (10) years after the adoption date, being 18 September 2016 to 17 September 2026, to grant options to any Eligible Person as the Board in its absolute discretion selects. As at 30 September 2025, the remaining life of the Post-IPO Share Option Scheme is approximately one (1) year. No offer shall be made and no option shall be granted to any participant in the Post-IPO Share Option Scheme (the "**Participant**") in circumstances prohibited by the Listing Rules at a time when the Participant would or might be prohibited from dealing in the Shares by the Listing Rules or by any applicable rules, regulations or laws. In particular, no options may be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or other interim period; and (ii) the deadline for the Company to publish its annual or interim results announcement under the Listing Rules; and ending on the date of actual publication of such results announcement.

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Post-IPO Share Option Scheme and all other share option schemes existing at such time of the Company shall not in aggregate exceed 60,905,000 Shares (representing 10% of the total number of Shares in issue as at the Listing Date, the "**Scheme Mandate Limit**"), which represents approximately 10.06% of the total number of Shares in issue as at the date of this interim report. The Company may renew the Scheme Mandate Limit at any time subject to prior shareholders' approval but in any event, the total number of Shares which may be issued upon exercise of all options and awards to be granted under the Post-IPO Share Option Scheme and any other share option schemes/share award schemes of the Company under the limit as refreshed must not exceed 10% of the Shares in issue as at the date of approval of the renewal of the Scheme Mandate Limit.

### Restricted Share Unit Scheme and Post-IPO Share Option Scheme (continued)

#### Post-IPO Share Option Scheme (continued)

As at 1 April 2025 and 30 September 2025, the number of options available for grant under the Post-IPO Share Option Scheme was 60,905,000 and 60,905,000, respectively.

The maximum number of Shares issued and to be issued upon exercise of the options granted and to be granted to any Eligible Person under the Post-IPO Share Option Scheme and any other share option schemes of the Company (including exercised, cancelled and outstanding options) in any 12-month period shall not at the time of grant exceed 1% of the Shares in issue, unless otherwise separately approved by shareholders in general meeting with such Eligible Person and his associates abstaining from voting.

An offer made to the Participant is open for acceptance by the Participant for a period of 28 days from the date of the offer made. Participants shall accept the offer by returning the duly signed duplicate letter clearly stating the number of Shares in respect of which the offer is accepted, with payment of HK\$1.00 as consideration for the acceptance of an option granted to them.

Subject to the terms of grant of any option, an option may be exercised by the grantee of the option at any time during the option period and in accordance with the vesting schedule and other terms specified in the offer. No option may be vested more than ten (10) years after the date of grant. Subject to earlier terminations by the Company in general meetings or by the Board, the Post-IPO Share Option Scheme shall be valid and effective for a period of ten (10) years commencing from the adoption date.

The exercise price shall be a price determined by the Board and notified to an Eligible Person but in any event shall be at least the higher of:

- the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets on the date of grant of the option, which must be a business day;
- the average of the closing price of the Shares as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and
- the nominal value of a Share on the date of grant.





## Other Information

### Restricted Share Unit Scheme and Post-IPO Share Option Scheme (continued)

#### Post-IPO Share Option Scheme (continued)

Further details of the principal terms of the Post-IPO Share Option Scheme are set out in the Prospectus.

During the period from 18 September 2016 to 30 September 2025, no option had been granted or agreed to be granted by the Company pursuant to the Post-IPO Share Option Scheme.

### Purchase, Sale or Redemption of Listed Securities

During the six months ended 30 September 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company (including any sale of treasury shares (as defined under the Listing Rules)). As at 30 September 2025, there were no treasury shares (as defined under the Listing Rules) held by the Company.

### Interim Dividend

The Board resolved not to declare any interim dividend for the six months ended 30 September 2025.

### Compliance with the Corporate Governance Code

The Company's corporate governance practices are based on the principles and code provisions as set out in Part 2 of the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Listing Rules. Throughout the six months ended 30 September 2025, the Company has complied with all applicable code provisions as set out in the CG Code, save for the deviations from code provisions C.2.1 and C.5.1 of the CG Code.

Code provision C.2.1 of the CG Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. The positions of the chairman and president of the Company are both held by Mr. Liu Jianguo. With the assistance of Mr. Ito Yasuki and Mr. Zuo Jun, the respective presidents of Japan operations and China operations overseeing the Group's business in Japan and China, the Board believes that this arrangement would allow for effective and efficient planning and implementation of business decisions and strategies under the strong and consistent leadership and should be beneficial to the management and development of the Group's business.

Code provision C.5.1 of the CG Code requires the holding of regular Board meetings for at least four times a year at approximately quarterly intervals. Throughout the six months ended 30 September 2025, the Board held one regular meeting to approve the annual results for the year ended 31 March 2025. The Company has not held regular quarterly Board meetings as the Company does not announce its results quarterly.

The Board will continue to review and monitor the practices of the Company for the purpose of complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

### Model Code for Securities Transactions by Directors

The Company has adopted the Model Code as set out in Appendix C3 to the Listing Rules as its own code of conduct regarding directors' securities transactions.

Having made specific enquiry of all Directors, all of them have confirmed that they have complied with the Model Code and the Company's own code of conduct regarding directors' securities transactions throughout the six months ended 30 September 2025.

### Audit Committee

The Company established the audit committee (the "**Audit Committee**") with written terms of reference in compliance with the CG Code. As at the date of this interim report, the Audit Committee comprises three independent non-executive Directors, namely Mr. Lu Pochin Christopher, Mr. Wang Jianguo and Mr. Xu Hui. Mr. Lu Pochin Christopher is the chairman of the Audit Committee.

The Audit Committee has reviewed and discussed the unaudited interim results for the six months ended 30 September 2025 and this interim report.

### Change in Directors' Biographical Details Under Rule 13.51B(1) of the Listing Rules

There has been no change in Directors' biographical details which are required to be disclosed pursuant to rule 13.51B(1) of the Listing Rules since the disclosure of Directors' biographical details in the annual report for the year ended 31 March 2025.

### Use of Proceeds from the Global Offering

The Company was listed on the Stock Exchange on 6 October 2016. The net proceeds from the Company's global offering amounted to JPY16,798.0 million, which are intended to be applied in compliance with the intended use of proceeds as set out in the section headed "Net Proceeds from the Global Offering" in the Company's Announcement of Offer Price and Allotment Results dated 5 October 2016. Up to 30 September 2025, the Company utilised approximately 70.4%, or JPY11,825.8 million, of the net proceeds from the global offering. For details on the percentage of used amount and unused balance of each intended use of proceeds as at 30 September 2025, see the section headed "Management Discussion and Analysis — Financial Review — Use of Proceeds from the Global Offering" in this interim report.

As at 30 September 2025, the unused balance of the proceeds from the global offering of approximately JPY4,969.8 million are currently deposited with creditworthy banks with no recent history of default. In the rest of 2025 and the upcoming years, the Group will continue to utilise the net proceeds from the global offering for purposes consistent with those set out in the section headed "Net Proceeds from the Global Offering" in the Company's Announcement of Offer Price and Allotment Results dated 5 October 2016.

# Report on Review of Interim Condensed Consolidated Financial Statements



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## To the board of directors of Honma Golf Limited

(Incorporated in Cayman Islands with limited liability)

## Introduction

We have reviewed the interim financial information set out on pages 47 to 80 which comprises the condensed consolidated statement of financial position of Honma Golf Limited (the "Company") and its subsidiaries (the "Group") as at 30 September 2025 and the related condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the six-month period then ended, and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and International Accounting Standard 34 "*Interim Financial Reporting*" ("IAS 34") as issued by the International Accounting Standards Board. The directors of the Company are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34. Our responsibility is to express a conclusion on this interim financial information based on our review. Our report is made solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

## Scope of Review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* as issued by the Hong Kong Institute of Certified Public Accountants. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



# Report on Review of Interim Condensed Consolidated Financial Statements

## Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial information is not prepared, in all material respects, in accordance with IAS 34.

*Ernst & Young*

Certified Public Accountants

Hong Kong

28 November 2025

# Interim Condensed Consolidated Statement of Profit or Loss

For the six months ended 30 September 2025

FOR THE SIX MONTHS ENDED			
30 SEPTEMBER			
	Notes	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>Revenue</b>	4	<b>7,867,518</b>	9,814,533
Cost of sales		<u>(3,657,632)</u>	<u>(4,615,267)</u>
<b>Gross profit</b>		<b>4,209,886</b>	5,199,266
Other income and gains	4	<b>296,872</b>	56,889
Selling and distribution expenses		<b>(4,720,495)</b>	(4,643,379)
Administrative expenses		<b>(895,241)</b>	(823,309)
Reversal of impairment losses on financial assets		<b>89,615</b>	19,978
Other expenses	4	<b>(80,361)</b>	(1,317,251)
Finance costs	5	<b>(134,189)</b>	(111,713)
Finance income		<u><b>7,515</b></u>	<u>7,608</u>
<b>LOSS BEFORE TAX</b>	6	<u><b>(1,226,398)</b></u>	<u>(1,611,911)</u>
Income tax (expense)/credit	7	<u><b>(1,171,924)</b></u>	<u>766,344</u>
<b>LOSS FOR THE PERIOD</b>		<u><u><b>(2,398,322)</b></u></u>	<u><u>(845,567)</u></u>
<b>Attributable to:</b>			
Owners of the parent		<b>(2,398,372)</b>	(845,628)
Non-controlling interests		<u><b>50</b></u>	<u>61</u>
		<u><u><b>(2,398,322)</b></u></u>	<u><u>(845,567)</u></u>
<b>LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT:</b>			
Basic and diluted			
– For loss for the period (JPY)		<u><u><b>(3.96)</b></u></u>	<u><u>(1.40)</u></u>

# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2025

		FOR THE SIX MONTHS ENDED	
		30 SEPTEMBER	
	Notes	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>LOSS FOR THE PERIOD</b>		<b>(2,398,322)</b>	<b>(845,567)</b>
<b>OTHER COMPREHENSIVE LOSS</b>			
Other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(40,509)	327,867
Net other comprehensive (loss)/income that may be reclassified to profit or loss in subsequent periods		(40,509)	327,867
Other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent periods:			
Defined benefit plans:			
Remeasurement gains/(loss)	17	161,022	(10,937)
Income tax effect		(47,090)	3,349
		<b>113,932</b>	<b>(7,588)</b>
Equity investments designated at fair value through other comprehensive income/(loss):			
Changes in fair value		5,770	(4,454)
Income tax effect		(1,790)	2,475
		<b>3,980</b>	<b>(1,979)</b>



# Interim Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 September 2025

		FOR THE SIX MONTHS ENDED	
		30 SEPTEMBER	
	Notes	2025	2024
		(Unaudited) (JPY'000)	(Unaudited) (JPY'000)
Net other comprehensive income/(loss) that will not be reclassified to profit or loss in subsequent Periods		117,912	(9,567)
<b>OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX</b>		77,403	318,300
<b>TOTAL COMPREHENSIVE LOSS FOR THE PERIOD</b>		<b>(2,320,919)</b>	<b>(527,267)</b>
Attributable to:			
Owners of the parent		(2,320,969)	(527,328)
Non-controlling interests		50	61
		<b>(2,320,919)</b>	<b>(527,267)</b>

# Interim Condensed Consolidated Statement of Financial Position

30 September 2025

	Notes	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Unaudited) (JPY'000)
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	10	2,118,003	2,343,083
Right-of-use assets		2,266,202	2,188,057
Freehold land	11	1,940,789	1,940,789
Intangible assets		86,724	98,827
Finance lease receivables		53,308	92,794
Other non-current assets		913,953	848,188
Net employee defined benefit assets	17	629,690	399,575
Deferred tax assets		1,439,958	2,408,278
		<hr/>	<hr/>
Total non-current assets		9,448,627	10,319,591
		<hr/>	<hr/>
<b>CURRENT ASSETS</b>			
Inventories	12	7,071,252	6,883,414
Trade and bills receivables	13	1,783,678	3,738,052
Prepayments, deposits and other receivables		1,911,742	1,616,610
Tax recoverable		—	27,907
Due from a related party	20(c)	118,496	89,787
Finance lease receivables		78,729	77,556
Pledged deposits	14	5,959	5,957
Cash and cash equivalents	14	18,243,292	17,350,026
		<hr/>	<hr/>
Total current assets		29,213,148	29,789,309
		<hr/>	<hr/>
<b>CURRENT LIABILITIES</b>			
Trade and bills payables	15	1,705,319	1,067,488
Other payables and accruals		2,607,361	2,101,745
Interest-bearing bank borrowings	16	5,724,720	6,024,720
Lease liabilities		1,096,208	1,181,395
Income tax payable		330,650	278,781
		<hr/>	<hr/>
Total current liabilities		11,464,258	10,654,129
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		17,748,890	19,135,180
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		27,197,517	29,454,771
		<hr/>	<hr/>

# Interim Condensed Consolidated Statement of Financial Position

30 September 2025

	Notes	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Unaudited) (JPY'000)
<b>NON-CURRENT LIABILITIES</b>			
Interest-bearing bank borrowings	16	451,740	494,100
Lease liabilities		1,244,835	1,138,421
Deferred tax liabilities		8,326	10,063
Other non-current liabilities		133,398	132,050
		<hr/>	<hr/>
Total non-current liabilities		1,838,299	1,774,634
		<hr/>	<hr/>
<b>Net assets</b>		<b>25,359,218</b>	<b>27,680,137</b>
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Share capital	18	153	153
Reserves		25,404,411	27,725,380
		<hr/>	<hr/>
		25,404,564	27,725,533
Non-controlling interests		(45,346)	(45,396)
		<hr/>	<hr/>
<b>Total equity</b>		<b>25,359,218</b>	<b>27,680,137</b>
		<hr/>	<hr/>

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

	Attribute to owners of the parent								
	Equity-settled					Non-controlling			
	Share capital	Surplus reserve	Exchange translation reserve	share-based payment reserve	Fair value reserve	Share Premium	Retained profits	Total	interests
	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)
Note 18	*	*	*	*	*	*	*		
At 1 April 2025	153	1,060,017	(1,103,835)	466,546	13,812	16,584,008	10,704,832	27,725,533	(45,396)
Loss for the period	-	-	-	-	-	-	(2,398,372)	(2,398,372)	50
Other comprehensive income for the period:									
Exchange differences on translation of foreign operations	-	-	(40,509)	-	-	-	-	(40,509)	-
Remeasurement gains on defined benefit plans	-	-	-	-	-	-	113,932	113,932	-
Gain on equity instruments at fair value through other comprehensive income, net of tax	-	-	-	-	3,980	-	-	3,980	-
Total comprehensive loss for the period	-	-	(40,509)	-	3,980	-	(2,284,440)	(2,320,969)	50
At 30 September 2025 (unaudited)	153	1,060,017	(1,144,344)	466,546	17,792	16,584,008	8,420,392	25,404,564	(45,346)

# Interim Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 September 2025

	Attribute to owners of the parent									
	Equity-settled								Non-	
	Share	Surplus	Exchange	share-based	Fair value	Share	Retained	Total	controlling	
	capital	reserve	translation	payment	reserve	Premium	profits		interests	Total equity
	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)	(JPY'000)
	Note 18	*	*	*	*	*	*			
At 1 April 2024	153	1,060,017	(1,256,173)	466,546	10,920	16,584,008	11,852,364	28,717,835	(45,455)	28,672,380
Loss for the period	—	—	—	—	—	—	(845,628)	(845,628)	61	(845,567)
Other comprehensive income for the period:										
Exchange differences on translation of foreign operations	—	—	327,867	—	—	—	—	327,867	—	327,867
Remeasurement gains on defined benefit plans	—	—	—	—	—	—	(7,588)	(7,588)	—	(7,588)
Loss on equity instruments at fair value through other comprehensive income, net of tax	—	—	—	—	(1,979)	—	—	(1,979)	—	(1,979)
Total comprehensive loss for the period	—	—	327,867	—	(1,979)	—	(853,216)	(527,328)	61	(527,267)
Dividends declared	—	—	—	—	—	—	(908,464)	(908,464)	—	(908,464)
At 30 September 2024 (unaudited)	153	1,060,017	(928,306)	466,546	8,941	16,584,008	10,090,684	27,282,043	(45,394)	27,236,649

\* These reserve accounts comprise the consolidated reserves of JPY25,404,411,000 as at 30 September 2025 (30 September 2024: JPY27,281,890,000) in the interim condensed consolidated statement of financial position.

# Interim Condensed Consolidated Statement of Cash Flows

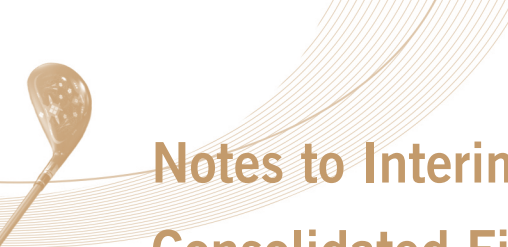
For the six months ended 30 September 2025

		FOR THE SIX MONTHS ENDED	
		30 SEPTEMBER	
	Notes	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before tax		(1,226,398)	(1,611,911)
Adjustments for:			
Provision for impairment of property, plant and equipment	6	61,883	23,221
Provision for impairment of right-of-use assets	6	11,070	—
Write-down of inventories to net realizable value	6	701,119	586,260
Reversal of impairment of trade receivables	6	(89,615)	(19,978)
Net losses on disposal of items of property, plant and equipment and intangible assets	6	2,770	26,157
Net gain on disposal of right-of-use assets	6	(3,195)	(6,823)
Depreciation of property, plant and equipment	6	339,474	291,950
Depreciation of right-of-use assets	6	644,900	686,436
Amortisation of intangible assets	6	21,283	26,788
Defined benefit plan expenses	17	19,180	26,106
Foreign exchange (gains)/losses		(261,740)	1,064,954
Finance costs	5	134,189	111,713
Finance income		(7,515)	(7,608)
		<b>347,405</b>	<b>1,197,265</b>
(Increase)/decrease in inventories		(888,957)	458,232
Decrease in trade and bills receivables		2,043,989	2,185,588
(Increase)/decrease in prepayments, deposits and other receivables		(295,890)	1,374,605
(Increase)/decrease in pledged deposits		(2)	16,264
(Increase)/decrease in an amount due from a related party		(28,709)	1,470
(Increase)/decrease in other non-current assets		(61,785)	92,737
Increase/(decrease) in trade and bills payables		637,831	(566,664)
Increase/(decrease) in other payables and accruals		521,997	(199,418)
Increase/(decrease) in other non-current liabilities		5,652	(41,775)
Payment of the defined benefit obligation		(88,273)	(116,115)
<b>Cash generated from operations</b>		<b>2,193,258</b>	<b>4,402,189</b>
Interest received		7,515	7,608
Interest paid		(134,189)	(111,713)
Income tax paid		(143,648)	(273,698)
<b>Net cash flows generated from operating activities</b>		<b>1,922,936</b>	<b>4,024,386</b>

# Interim Condensed Consolidated Statement of Cash Flows

For the six months ended 30 September 2025

		FOR THE SIX MONTHS ENDED	
		30 SEPTEMBER	
	Notes	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchases of items of property, plant and equipment and intangible assets		(190,609)	(440,367)
Proceeds from disposal of items of property, plant and equipment and intangible assets		—	585
Decrease in finance lease receivables		38,196	53,623
<b>Net cash flows used in investing activities</b>		<b>(152,413)</b>	<b>(386,159)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from bank borrowings		33,840,000	35,382,360
Repayment of bank borrowings		(34,182,360)	(36,132,360)
Principal portion of lease payments		(713,497)	(783,944)
<b>Net cash flows used in financing activities</b>		<b>(1,055,857)</b>	<b>(1,533,944)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents at beginning of period		17,350,026	16,617,120
Effect of foreign exchange rate changes, net		178,600	(666,848)
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	14	<b>18,243,292</b>	<b>18,054,555</b>
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	14	<b>18,243,292</b>	<b>18,054,555</b>



# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 1. CORPORATE INFORMATION

The Company is an exempted company with limited liability incorporated in the Cayman Islands on 7 October 2013. The registered office address of the Company is at the offices of Maples Corporate Services Limited, PO Box 309, Ugland House, Grand Cayman KY1-1104, Cayman Islands. Shares of the Company were listed (the "Listing") on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 6 October 2016 (the "Listing Date").

The Company is an investment holding company. The Company's subsidiaries were principally engaged in the manufacture and sales of golf related products.

## 2.1 BASIS OF PREPARATION

The interim condensed financial information for the six months ended 30 September 2025 has been prepared in accordance with IAS 34 *Interim Financial Reporting*. The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2025.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amended IFRS Accounting Standard for the first time for the current period's financial information.

Amendments to IAS 21

*Lack of Exchangeability*

The nature and impact of the amended IFRS Accounting Standard that are applicable to the Group are described below:

Amendments to IAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.



# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 3. OPERATING INFORMATION

For management purposes, the Group is organised into business units based on their products and has only one reportable operating segment: the manufacture and sales of golf related products and rendering of services relating to such products. Management monitors the operating results of its business units as a whole for the purpose of making decisions about resources allocation and performance assessment. Accordingly, no operating segment information is presented.

Revenues are attributed to geographic areas based on the location of customers as follows:

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
China (including Hong Kong and Macau)	2,987,587	3,122,951
Japan	2,781,999	4,156,839
Korea	962,567	686,837
Rest of the world	787,359	1,172,714
North America	235,212	413,800
Europe	112,794	261,392
Total	<u>7,867,518</u>	<u>9,814,533</u>

### Information about major customers

No revenue amounting to 10% or more of the Group's revenue was derived from sales to a single customer for the six months ended 30 September 2025 (2024: Nil).

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 4. REVENUE, OTHER INCOME AND GAINS, OTHER EXPENSES

An analysis of revenue, other income and gains and other expenses is as follows:

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>Revenue</b>		
Sale of goods	7,836,920	9,783,259
Rendering of services	30,598	31,274
Total	<u>7,867,518</u>	<u>9,814,533</u>
<b>Other income and gains</b>		
Foreign exchange income, net	268,405	—
Government grants	689	16,222
Gain on disposal of right-of-use assets, net	3,195	6,823
Others	24,583	33,844
Total	<u>296,872</u>	<u>56,889</u>

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 4. REVENUE, OTHER INCOME AND GAINS, OTHER EXPENSES (continued)

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>Other expenses</b>		
Provision for impairment of property, plant and equipment	61,883	23,221
Provision for impairment of right-of-use assets	11,070	–
Net losses on disposal of items of property, plant and equipment and intangible assets	2,770	26,157
Foreign exchange losses, net	–	1,263,956
Others	4,638	3,917
	<hr/>	<hr/>
Total	<b>80,361</b>	<b>1,317,251</b>

The disaggregation of the Group's revenue from contracts with customers, including the sale of goods and rendering of services above, for the six months ended 30 September 2025 and 2024, respectively are as follows:

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>Types of goods or services</b>		
Sale of golf related products	7,836,920	9,783,259
Rendering of services relating to golf related products	30,598	31,274
	<hr/>	<hr/>
Total	<b>7,867,518</b>	<b>9,814,533</b>
	<hr/>	<hr/>
<b>Timing of revenue recognition</b>		
Goods transferred at a point in time	7,836,920	9,783,259
Services transferred over time	30,598	31,274
	<hr/>	<hr/>
Total	<b>7,867,518</b>	<b>9,814,533</b>

The disaggregation of the Group's revenue based on the geographical region for the six months ended 30 September 2025 is included in note 3.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 5. FINANCE COSTS

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
Interest on bank borrowings	104,286	81,255
Interest on lease liabilities	29,903	30,458
Total	<b>134,189</b>	<b>111,713</b>

## 6. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

		For the six months ended 30 September	
	Notes	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
Cost of inventories sold		3,642,632	4,599,912
Cost of service provided		15,000	15,355
Depreciation of property, plant and equipment	10	339,474	291,950
Depreciation of right-of-use assets		644,900	686,436
Amortisation of intangible assets		21,283	26,788
Research and development costs		179,447	150,745
Provision for impairment of property, plant and equipment		61,883	23,221
Provision for impairment of right-of-use assets		11,070	—
Reversal of impairment of trade receivables		(89,615)	(19,978)
Lease payments not included in the measurement of lease liabilities		102,036	111,115
Employee benefit expense:			
Wages and salaries		1,836,394	1,775,439
Pension and social security costs		200,194	196,421
Defined benefit plan expenses	17	19,180	26,106
Employee benefits		212,536	198,958
Other benefits		132,694	142,669
		<b>2,400,998</b>	<b>2,339,593</b>
Foreign exchange (gains)/losses, net		(268,405)	1,263,956
Write-down of inventories to net realisable value		701,119	586,260
Net losses on disposal of items of property, plant and equipment and intangible assets		2,770	26,157
Net gain on disposal of right-of-use assets		(3,195)	(6,823)

# Notes to Interim Condensed Consolidated Financial Information

*For the six months ended 30 September 2025*

## 7. INCOME TAX

The Group is subject to income tax on an entity basis on profit arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands ("BVI"), the Group is not subject to any income tax in the Cayman Islands and BVI.

The subsidiaries incorporated in Hong Kong are subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the six months ended 30 September 2025 (six months ended 30 September 2024: 16.5%).

Pursuant to the rules and regulations of Japan, the subsidiary incorporated in Japan is subject mainly to corporate tax, inhabitant tax and enterprise tax, and the aggregate effective statutory tax rates for these taxes were 30.62% for the six months ended 30 September 2025 (six months ended 30 September 2024: 30.62%).

The provision for the PRC corporate income tax is based on the statutory rate of 25% for the assessable profits of the Group's PRC subsidiary as determined in accordance with the PRC Corporate Income Tax Law which was approved and became effective on 1 January 2008.

During the six months ended 30 September 2025, the Company's subsidiary incorporated and operating in the United States is subject to a federal corporation income tax rate of 21% (six months ended 30 September 2024: 21%), as well as state tax at 8.84% (six months ended 30 September 2024: 8.84%).

The subsidiaries incorporated in Taiwan and Thailand are subject to income tax at the rates of 20% and 20% on the assessable profits (six months ended 30 September 2024: 20% and 20%), respectively.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 7. INCOME TAX (continued)

During the six months ended 30 September 2025, the Company's subsidiary incorporated and operating in Switzerland was subject to federal corporation income tax at a rate of 8.5% (six months ended 30 September 2024: 8.5%), as well as cantonal and communal taxes at rates ranging 2% to 5% (six months ended 30 September 2024: 2% to 5%).

The major components of income tax expense/(credit) of the Group are as follows:

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
Current		
Charge for the period	235,060	286,567
Overprovision in prior periods	(29)	—
Deferred	936,893	(1,052,911)
Total	<u>1,171,924</u>	<u>(766,344)</u>

## 8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculations of the basic earnings per share amounts is based on the profit for the period attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares in issue during the period.

No adjustment has been made to the basic earnings per share amounts presented for the six months ended 30 September 2025 and 2024 in respect of a dilution as the Group had no potentially ordinary shares in issue during those periods.

The following reflects the income and the share data used in the basic earnings per share computation:

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
<b>Loss</b>		
Loss attributable to ordinary equity holders of the parent, used in the basic earnings per share calculation	<u>(2,398,372)</u>	<u>(845,628)</u>

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 8. LOSS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

(continued)

	Number of shares For the six months ended 30 September	
	2025 (‘000)	2024 (‘000)
<b>Shares</b>		
Weighted average number of ordinary shares outstanding during the period used in the basic earnings per share calculation	<u>605,643</u>	<u>605,643</u>

## 9. DIVIDENDS

	For the six months ended 30 September	
	2025 (Unaudited) (JPY’000)	2024 (Unaudited) (JPY’000)
Interim declared – Nil (2024: JPY1.50) per ordinary share	<u>–</u>	<u>908,464</u>

The directors did not declare any interim dividend for the six months ended 30 September 2025.

On 24 November 2024, the board of directors declared the payment of an interim dividend of JPY1.50 per ordinary share totaling approximately JPY908,464,000 for the six months ended 30 September 2024.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 10. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2025, the Group acquired items of property, plant and equipment with a cost of JPY165,851,000 (six months ended 30 September 2024: JPY425,306,000). Depreciation for items of property, plant and equipment was JPY339,474,000 during the period (six months ended 30 September 2024: JPY291,950,000). Assets with a net book value of JPY2,770,000 were disposed of by the Group during the six months ended 30 September 2025 (six months ended 30 September 2024: JPY22,185,000), resulting in a net loss on disposal of JPY2,770,000 (six months ended 30 September 2024: JPY22,185,000).

An impairment of JPY61,883,000 (2024: JPY23,221,000) has been provided for certain loss-making shops during the six months ended 30 September 2025 with recoverable amount of nil. The recoverable amounts of these shops have been determined based on a value in use calculation using cash flow projections based on financial budgets covering a period over the remaining useful lives of the relevant assets.

## 11. FREEHOLD LAND

The carrying amounts of the Group's freehold land is JPY1,940,789,000 as at 30 September 2025 and 31 March 2025. The freehold land, which is located in Japan, is owned by Honma Golf Co., Ltd., a limited liability company incorporated under the laws of Japan.

## 12. INVENTORIES

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Raw materials	2,135,967	1,545,016
Work in progress	102,437	795,947
Finished goods	7,046,875	6,408,205
Subtotal	9,285,279	8,749,168
Less: provision	(2,214,027)	(1,865,754)
Net carrying amount	7,071,252	6,883,414



# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 13. TRADE AND BILLS RECEIVABLES

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Trade receivables	2,022,448	3,981,044
Bills receivable	27,858	117,738
Subtotal	2,050,306	4,098,782
Less: provision	(266,628)	(360,730)
Net carrying amount	1,783,678	3,738,052

The Group's trading terms with its customers are mainly on credit. The credit period is ranging from 30 to 120 days. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by management. In view of the aforementioned and the fact that the Group's trade receivables relate to a large number of diversified customers, there is no significant concentration of credit risk. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Within 1 month	1,556,694	3,468,029
1 to 3 months	169,802	133,558
3 to 12 months	12,830	14,365
Over 1 year	16,494	4,362
Total	1,755,820	3,620,314

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 14. CASH AND CASH EQUIVALENTS

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Cash and bank balances	18,243,292	17,350,026
Time deposits	5,959	5,957
Subtotal	18,249,251	17,355,983
Less: Restricted cash	(5,959)	(5,957)
Cash and cash equivalents	18,243,292	17,350,026

## 15. TRADE AND BILLS PAYABLES

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Trade payables	1,705,319	1,067,488

An ageing analysis of the trade and bills payables of the Group as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Within 3 months	1,705,319	1,067,488

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 16. INTEREST-BEARING BANK BORROWINGS

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Current		
Bank loans – unsecured	5,724,720	6,024,720
Non-Current		
Bank loans – unsecured	451,740	494,100
Total	6,176,460	6,518,820
Analysed into:		
Bank loans repayable:		
Within one year	5,724,720	6,024,720
In the second year	84,720	63,540
In the third to fifth years, inclusive	254,160	254,160
Beyond five years	112,860	176,400
Total	6,176,460	6,518,820

The Group's bank borrowings bore effective interest rates as follows:

	30 September 2025 (Unaudited)	31 March 2025 (Audited)
Effective interest rates	0.17% to 3.08%	0.17% to 3.08%

As at 30 September 2025 and 31 March 2025, there were no properties pledged to secure bank borrowings granted to the Group.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 17. EMPLOYEE DEFINED BENEFIT PLANS

Net employee defined benefit liability:

	<b>30 September 2025 (Unaudited) (JPY'000)</b>	31 March 2025 (Audited) (JPY'000)
Retirement benefit plans	<b>629,690</b>	399,575

The Group operates funded defined benefit plan for all its qualified employees in Japan and Taiwan and the majority of the plan is operated in Japan.

Under the plans, the employees are entitled to a guaranteed fixed retirement benefits on attainment of retirement age of 60.

The Group's defined benefit plan are post-employment benefit plans, which require contributions to be made to a separately administered fund. The plans have the legal form of a foundation and they are administrated by independent trustees with the assets held separately from those of the Group. The trustees are responsible for the determination of the investment strategy of the plan.

The trustees review the level of funding in the plan by the end of each reporting period. Such a review includes the asset-liability matching strategy and investment risk management policy. This includes employing the use of annuities and longevity swaps to manage the risks. The trustees decide the contributions based on the results of the annual review.

The plans are exposed to interest rate risk, the risk of changes in the life expectancy for pensioners and equity market risk.

Honma Japan partly shifted its retirement benefit plans from defined benefit corporate pension plans to defined contribution pension plans in January 2017.

The most recent actuarial valuations of the plan assets and the present value of the defined benefit obligations have been carried out by Mizuho Trust & Banking Co., Ltd. and Professional Actuary Management Consulting Co., Ltd. which are members of the actuarial societies of Japan and Taiwan, respectively, using the projected unit credit actuarial valuation method.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 17. EMPLOYEE DEFINED BENEFIT PLANS (continued)

The total expenses recognised in the interim condensed consolidated statement of profit or loss in respect of the plans are as follows:

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
Current service cost	22,372	26,666
Interest cost	(3,192)	(560)
Net benefit expenses	<u>19,180</u>	<u>26,106</u>
Recognised in cost of sales	6,656	9,059
Recognised in selling and distribution costs	8,480	11,542
Recognised in administrative expenses	<u>4,044</u>	<u>5,505</u>
Total	<u>19,180</u>	<u>26,106</u>

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 17. EMPLOYEE DEFINED BENEFIT PLANS (continued)

The following tables summarise the components of net benefit expenses recognized in the interim condensed consolidated statement of profit or loss and the funded status and amounts recognized in the interim condensed consolidated statement of financial position for the plans:

Changes for the six months ended 30 September 2025 in the defined benefit obligation and fair value of plan assets:

	1 April 2025 (JPY'000)	Service cost (JPY'000)	Net interest (JPY'000)	Sub-total included in profit or loss (JPY'000)	Benefits paid (JPY'000)	Return on plan assets (JPY'000)	Experience adjustments (JPY'000)	Actuarial changes arising from changes in financial assumptions (JPY'000)	Sub-total included in other comprehensive income (JPY'000)	Contributions by employer (JPY'000)	30 September 2025 (JPY'000)
Defined benefit obligation	1,534,497	22,372	11,400	33,772	(149,485)	-	-	(11,513)	(11,513)	-	1,407,271
Fair value of plan assets	(1,934,072)	-	(14,592)	(14,592)	61,653	(149,509)	-	-	(149,509)	(441)	(2,036,961)
Benefit assets	(399,575)	22,372	(3,192)	19,180	(87,832)	(149,509)	-	(11,513)	(161,022)	(441)	(629,690)

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 17. EMPLOYEE DEFINED BENEFIT PLANS (continued)

Changes for the six months ended 30 September 2024 in the defined benefit obligation and fair value of plan assets:

	1 April 2024 (JPY'000)	Service cost (JPY'000)	Net interest (JPY'000)	Sub-total included in profit or loss (JPY'000)	Benefits paid (JPY'000)	Return on plan assets (JPY'000)	Experience adjustments (JPY'000)	Actuarial changes arising from changes in financial assumptions (JPY'000)	Sub-total included in other comprehensive income (JPY'000)	Contributions by employer (JPY'000)	30 September 2024 (JPY'000)
Defined benefit obligation	1,984,896	26,666	7,124	33,790	(190,652)	-	-	(16,553)	(16,553)	-	1,812,081
Fair value of plan assets	(2,130,402)	-	(7,684)	(7,684)	73,694	27,490	-	-	27,490	243	(2,036,659)
Benefit assets	(145,506)	26,666	(560)	26,106	(116,359)	27,490	-	(16,553)	10,937	243	(224,578)

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 17. EMPLOYEE DEFINED BENEFIT PLANS (continued)

The major categories of the fair value of the total plan assets are as follows:

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Stocks	1,118,782	988,069
Bonds	751,312	743,248
General account of life insurance companies	149,506	149,216
Others	17,361	53,539

The principal actuarial assumptions used in determining the defined benefit obligations for the retirement benefit plans are shown below:

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
<b>Method of allocating projected retirement benefits</b>	<b>Projected unit credit method</b>	<b>Projected unit credit method</b>
Discount rate	1.64%	1.53%
Salary increase rate (age-based, on average)	—	—
Turnover rate (age-based, on average)	—	—
Mortality (Mortality Table published by Ministry of Health, Labour and Welfare dated on)	26 March 2015	26 March 2015



# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 17. EMPLOYEE DEFINED BENEFIT PLANS (continued)

A quantitative sensitivity analysis for the significant assumption is shown below:

Assumption	Change in assumption	Increase/(decrease) in defined benefit obligations	
		30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Discount rate	Increase by 0.5%	(54,952)	(37,960)
	Decrease by 0.5%	54,952	37,960

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the defined benefit obligations as a result of reasonable changes in key assumptions occurring at the end of the reporting period. The sensitivity analysis is based on a change in a significant assumptions, keeping all other assumption constant. The sensitivity analysis may not be representative of an actual change in the defined benefit obligations as it is unlikely that changes in assumptions would occur in isolation of one another.

The average durations of the defined benefit plan obligation as at 30 September 2025 is 3.9 years (31 March 2025: 4.4 years).

The actuarial valuation showed that the market value of plan assets was JPY2,036,961,000 as at 30 September 2025 (31 March 2025: JPY1,934,072,000), and represented 145% (31 March 2025: 126%) of the defined benefit obligation that had accrued to qualifying employees. The sufficiency of JPY629,690,000 as at 30 September 2025 (31 March 2025: JPY 399,575,000) is expected to be cleared over the remaining service period.

## 18. SHARE CAPITAL

Issued capital in USD (As at 30 September 2025 and as at 31 March 2025:

20,000,000,000 authorised shares of USD0.0000025 each,

605,642,500 ordinary shares in issue)

Equivalent to JPY

30 September 2025 (Unaudited)	31 March 2025 (Audited)
1,514	1,514
153,000	153,000

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 19. CAPITAL COMMITMENTS

At the end of the reporting period, the Group did not have any significant contractual commitments (31 March 2025: Nil).

## 20. RELATED PARTY TRANSACTIONS AND BALANCES

### (a) Name and relationship

Related party	Relationships
Shanghai POVOS Enterprise (Group) Co., Ltd.	Company controlled by the shareholder

### (b) Related party transactions

In addition to the transactions and balances disclosed elsewhere in the interim condensed consolidated financial information, the Group had the following material transactions with related party during the period:

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
Rental expense charged by a related party Shanghai POVOS Enterprise (Group) Co., Ltd.	<u>29,128</u>	<u>28,308</u>

### (c) Balances with related party

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Due from a related party Shanghai POVOS Enterprise (Group) Co., Ltd.	<u>118,496</u>	<u>89,787</u>

Rental deposits included in due from a related party were interest-free and unsecured and had no fixed repayment terms.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 20. RELATED PARTY TRANSACTIONS AND BALANCES (continued)

### (d) Compensation of key management personnel of the Group

	For the six months ended 30 September	
	2025 (Unaudited) (JPY'000)	2024 (Unaudited) (JPY'000)
Short-term employee benefits	78,286	80,944
Pension scheme contributions	5,648	5,864
Total compensation paid to key management personnel	83,934	86,808

## 21. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

### Financial assets – debt instruments at amortised cost

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Trade and bills receivables	1,755,820	3,620,314
Pledged deposits	5,959	5,957
Cash and cash equivalents	18,243,292	17,350,026
Financial assets included in prepayments, deposits and other receivables	163,961	174,997
Finance lease receivables	132,037	170,350
Other non-current assets	783,822	785,824
Total	21,084,891	22,107,468

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 21. FINANCIAL INSTRUMENTS BY CATEGORY (continued)

### Financial assets – debt instruments at fair value through other comprehensive income

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Trade and bills receivables	<u>27,858</u>	<u>117,738</u>

### Financial assets – equity instruments at fair value through other comprehensive income

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Equity instruments at fair value through other comprehensive income	<u>32,173</u>	<u>26,514</u>

### Financial liabilities – at amortised cost

	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Trade and bills payables	1,705,319	1,067,488
Interest-bearing bank borrowings	6,176,460	6,518,820
Financial liabilities included in other payables and accruals	845,577	877,181
Financial liabilities included in other non-current liabilities	<u>9,124</u>	<u>9,123</u>
Total	<u>8,736,480</u>	<u>8,472,612</u>

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

The carrying amounts and fair values of the Group's financial instruments, other than those with carrying amounts that reasonably approximate to fair values, are as follows:

	Carrying amounts		Fair values	
	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)	30 September 2025 (Unaudited) (JPY'000)	31 March 2025 (Audited) (JPY'000)
Financial liabilities				
Interest-bearing bank borrowings	<u>6,176,460</u>	<u>6,518,820</u>	<u>6,128,924</u>	<u>6,471,999</u>

Financial assets and liabilities not presented at their fair value on the interim condensed consolidated statements of financial position mainly represent cash and cash equivalents, pledged deposits, trade receivables, financial assets included in prepayments, deposits and other receivables, trade and bills payables, current portion of interest-bearing bank borrowings and financial liabilities included in other payables and accruals, their fair values are approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of rental deposits paid as lessee included in other non-current assets and rental deposits received as lessor included in other non-current liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The fair values have been assessed to be approximate to their carrying amounts.



## Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

### 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

The Group has estimated the fair value of bills receivables by using a discounted cash flow valuation model based on the market interest rates of instruments with similar terms and risks.

The fair values of unlisted equity investments have been estimated using a market-based valuation technique based on assumptions that are not supported by observable market prices or rates. The directors believe that the estimated fair values which are recorded in the interim condensed consolidated statements of financial position, and the related changes in fair values, which are recorded in other comprehensive income, are reasonable, and that they were the most appropriate values at the end of each of the reporting periods.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The corporate finance team reports directly to the chief financial officer and the board of directors. At each reporting date, the corporate finance team analyzes the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the vice president responsible for finance. The valuation process and results are discussed with the audit committee twice a year for interim and annual financial reporting.

The fair value of the non-current portion of interest-bearing bank borrowings has been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The differences between the carrying amounts and fair values of those financial liabilities are not significant.

# Notes to Interim Condensed Consolidated Financial Information

For the six months ended 30 September 2025

## 22. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (continued)

### Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments.

### Assets measured at fair value:

#### As at 30 September 2025

	Level 1 (Unaudited) (JPY'000)	Level 2 (Unaudited) (JPY'000)	Level 3 (Unaudited) (JPY'000)	Total (Unaudited) (JPY'000)
Equity instruments at fair value through other comprehensive income	32,073	–	100	32,173
Bills receivable	–	27,858	–	27,858
Total	<u>32,073</u>	<u>27,858</u>	<u>100</u>	<u>60,031</u>

#### As at 31 March 2025

	Level 1 (Unaudited) (JPY'000)	Level 2 (Unaudited) (JPY'000)	Level 3 (Unaudited) (JPY'000)	Total (Unaudited) (JPY'000)
Equity instruments at fair value through other comprehensive income	26,414	–	100	26,514
Bills receivable	–	117,738	–	117,738
Total	<u>26,414</u>	<u>117,738</u>	<u>100</u>	<u>144,252</u>

The Group did not have any financial liability measured at fair value as at 30 September 2025 (31 March 2025: Nil).

During the six months ended 30 September 2025, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (six months ended 30 September 2024: Nil).



# Notes to Interim Condensed Consolidated Financial Information

*For the six months ended 30 September 2025*

## 23. EVENT AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Group after 30 September 2025.

## 24. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorized for issue by the board of directors on 28 November 2025.





HONMA GOLF LIMITED

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