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Consolidated Financial Results for the Six Months Ended June 30, 2025 [Japanese GAAP]

August 13, 2025

Company name:	Golf Digest Online Inc.	
Listing:	Tokyo Stock Exchange	
Securities code:	3319	
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Scheduled date to file semi-annual securities report:	August 14, 2025	
Scheduled date to commence dividend payments:	-	
Preparation of supplementary material on financial results:	None	
Holding of financial results briefing:	None	

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated Financial Results for the Six Months Ended June 30, 2025 (January 1, 2025 to June 30, 2025)

(1) Consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended June 30, 2025	27,920	0.0	1,406	15.1	(960)	-	(2,253)	-	(2,262)	-
June 30, 2024	27,918	10.2	1,222	(26.9)	(1,104)	-	(480)	-	(1,040)	-

(Note) Comprehensive income: Six months ended June 30, 2025: ¥ (1,907) million [-%]
Six months ended June 30, 2024: ¥ (1,187) million [-%]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended June 30, 2025	(137.87)	-
June 30, 2024	(68.64)	-

(Note) EBITDA=Ordinary profit + Depreciation + Amortization of goodwill + Amortization of long-term prepaid expenses.

(Note) Diluted earnings per share is not shown because net loss per share was recorded, although there are residual shares.

(2) Consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio	Net assets per share
	Millions of yen	Millions of yen	%	Yen
As of June 30, 2025	42,780	(1,900)	(4.5)	(497.16)
December 31, 2024	47,152	(3)	(0.0)	(378.75)

(Reference) Equity: As of June 30, 2025: ¥ (1,921) million
As of December 31, 2024: ¥ (13) million

(Note) The "Net assets per share" is calculated by deducting the amount to be paid in for Class A preferred shares, which have different rights from those of common shares, and the amount of preferred dividend from the total net assets.

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending December 31, 2025	-	0.00			
Fiscal year ending December 31, 2025 (Forecast)			-	0.00	0.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) For information on the status of dividends on class shares (unlisted) with different relationship of interest from the common shares, see “Cash dividends on class shares” below.

3. Consolidated Financial Results Forecast for the Fiscal Year Ending December 31, 2025 (January 1, 2025 to December 31, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		EBITDA		Operating profit		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full year	-	-	-	-	-	-	-	-	-	-	-

(Note) Revision to the financial results forecast announced most recently: None

(Note) As stated in the “Notice Regarding the Implementation of MBO and Recommendation to Tender Shares” disclosed on May 15, 2025, our common shares are scheduled to be delisted as a result of the tender offer for our common shares and stock acquisition rights by TGT Holdings, Inc. and the subsequent series of procedures. Accordingly, we have not disclosed the consolidated earnings forecast for the fiscal year ending December 31, 2025.

Cash dividends on class shares

The following provides a breakdown of the dividends per share related to class shares (Class A preferred shares) with different relationship of interest from the common shares.

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended December 31, 2024	-	-	-	0.00	0.00
Fiscal year ending December 31, 2025	-				
Fiscal year ending December 31, 2025 (Forecast)		-	-	-	-

(Note) Class A preferred shares were issued on November 25, 2022.

(Note) The dividend forecast for the fiscal year ending December 31, 2025 is undecided at this time.

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1. Qualitative Information on First Quarter Consolidated Results

(1) Overview of Operating Results

During the first six months ended June 30, 2025 (January 1, 2025 to June 30, 2025), the Japanese economy was supported by firm corporate earnings and a recovery in inbound demand, but GDP growth remained flat due to consumers' tendency to cut back on spending in the face of sharply rising prices. Meanwhile, the U.S. economy remained firm overall, supported by a robust job market, despite a slowdown in consumption and the effects of high interest rates. However, the outlook remains uncertain given geopolitical risks and the direction of monetary policies in various countries.

In the environment surrounding the Internet, markets such as e-commerce and Internet-related services continued to expand.

Meanwhile, digital technologies, notable examples of which are those for IoT and AI, continued to evolve, advancing digitization in numerous fields. The same applies to the golf market. Reflecting the progress in digital technologies and changes in lifestyles, golfer demand and playing styles are becoming more diverse and changing daily.

In this environment, the GDO Group offered greater playing comfort and pleasure to golfers as a group of IT service providers specializing in golf, with overwhelming information content and the capacity to provide specialized golf services as its strengths.

As a result, the GDO Group recorded net sales of 27,920 million yen (up 0.0% year on year) during the first six months of the fiscal year under review (January 1, 2025 to June 30, 2025). In terms of profit, EBITDA increased 15.1% year on year to 1,406 million yen due to the increase in sales and profit, especially in the domestic segment, while the operating loss amounted to 960 million yen (compared with an operating loss of 1,104 million yen in the same period last year) due to amortization of goodwill and other factors. Meanwhile, a foreign exchange loss of 890 million yen was recorded due to the stronger yen, resulting in an ordinary loss of 2,253 million yen (compared with an ordinary loss of 480 million yen in the same period of the previous year), and a loss attributable to owners of the parent of 2,262 million yen (compared with a loss attributable to owners of parent of 1,040 million yen in the same period of the previous year).

The results in each main segment are as follows.

Domestic segment

During the first six months of the fiscal year under review, the domestic segment recorded net sales of 14,272 million yen (up 2.4% year on year). Segment profit was 846 million yen (up 58.8% year-on-year), mainly due to an increase in gross profit in line with sales growth and the success of ongoing control of over selling, general and administrative expenses.

Overseas segment

During the first six months of the fiscal year under review, net sales in the Overseas segment were 13,648 million yen (down 2.3% from the same period of the previous year). This was mainly due to the fact that although leading indicators of GOLFTEC business sales showed improvement, this progress is not expected to manifest as sales until the second half of the year, more than offsetting steady growth in the ballistic measuring device business. Segment loss amounted to 1,807 million yen (compared with a segment loss of 1,637 million yen in the same period of the previous year) due to an increase in the number of coaches and upfront costs for business expansion in the GOLFTEC business, along with amortization of goodwill.

(2) Overview of Financial Position

i. Assets, Liabilities and Net Assets

Looking at the financial position at the end of the first six months under review, total assets stood at 42,780 million yen, down 4,372 million yen from the end of the previous fiscal year. Liabilities totaled 44,681 million yen at the end of the first period, a decrease of 2,474 million yen from the end of the previous fiscal year. Total net assets as of the same date decreased by 1,897 million yen from the end of the previous fiscal year, to negative 1,900 million yen.

Regarding assets, property, plant and equipment decreased 2,401 million yen, while intangible assets declined 2,023 million yen. As for liabilities, short-term loans payable increased 247 million yen, while lease liabilities (long-term) decreased 1,389 million yen and long-term borrowings decreased 1,039 million yen. Retained earnings decreased by 2,262 million yen.

ii. Cash flows

Cash and cash equivalents (hereinafter "cash") as of June 30, 2025 decreased by 28 million yen from the end of the previous fiscal year, to 2,155 million yen.

The status of each of the cash flow segments and contributing factors in the first six months of the fiscal year under review is as follows:

(Cash Flows from Operating Activities)

Cash flows from operating activities during the first six months under review resulted in cash inflow of 1,066 million yen (compared with a cash inflow of 455 million during the same period of the previous year). This was mainly due to loss before income taxes of 2,288 million yen, while non-cash items included depreciation of 1,758 million yen, goodwill amortization of 608 million yen, and foreign exchange losses unrelated to operating activities of 793 million yen.

(Cash Flows from Investing Activities)

Cash flows from investing activities during the first six months under review resulted in a cash outflow of 809 million yen (compared with a cash outflow of 1,498 million yen during the same period of the previous year). This was primarily due to cash outflows of 213 million yen for the purchase of property, plant and equipment, and 611 million yen for the purchase of intangible assets.

(Cash Flows from Financing Activities)

Cash flows from financing activities during the first six months under review resulted in cash outflow of 305 million yen (contrasted with a cash inflow of 302 million yen during the same period of the previous year). This was attributable to a net increase of 452 million yen in short-term borrowings, which was less than the repayment of long-term borrowings of 757 million yen.

(3) Overview of Consolidated Earning Forecast

As stated in the “Notice Regarding the Implementation of MBO and Recommendation to Tender Shares” disclosed on May 15, 2025, our common shares are scheduled to be delisted as a result of the tender offer for our common shares and stock acquisition rights by TGT Holdings, Inc. and the subsequent series of procedures. Accordingly, we have not disclosed the consolidated earnings forecast for the fiscal year ending December 31, 2025.

Semi-annual Consolidated Financial Statements and Primary Notes
Semi-annual Consolidated Balance Sheet

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	2,183,135	2,155,052
Accounts receivable - trade	4,219,530	3,470,137
Merchandise	6,154,128	6,750,656
Work in process	202	8,653
Supplies	245,031	189,953
Other	2,210,807	2,437,202
Allowance for doubtful accounts	(5,088)	(958)
Total current assets	15,007,747	15,010,697
Non-current assets		
Property, plant and equipment		
Buildings and structures	9,896,234	9,339,350
Tools, furniture and fixtures	4,597,178	4,633,766
Right of use assets	9,112,651	7,809,050
Other	409,904	78,922
Accumulated depreciation	(7,489,705)	(7,736,601)
Total property, plant and equipment	16,526,263	14,124,488
Intangible assets		
Goodwill	7,720,298	6,475,285
Other	6,908,958	6,130,774
Total intangible assets	14,629,256	12,606,059
Investments and other assets		
Other	996,622	1,046,118
Allowance for doubtful accounts	(6,974)	(6,974)
Total investments and other assets	989,648	1,039,143
Total non-current assets	32,145,168	27,769,692
Total assets	47,152,915	42,780,390

(Thousands of yen)

	As of December 31, 2024	As of June 30, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	3,485,862	3,811,899
Short-term borrowings	9,188,962	9,436,779
Current portion of long-term borrowings	1,545,671	1,502,951
Income taxes payable	563,556	62,427
Contract liabilities	6,721,683	6,773,866
Provision for bonuses	-	40,008
Provision for point card certificates	36,141	34,186
Provision for shareholder benefit program	45,786	15,964
Other	5,293,225	5,138,715
Total current liabilities	26,880,888	26,816,798
Non-current liabilities		
Long-term borrowings	10,583,279	9,543,443
Lease liabilities	9,161,767	7,771,887
Provision for retirement benefits for directors (and other officers)	-	6,006
Provision for share awards for directors (and other officers)	53,826	68,295
Asset retirement obligations	375,943	377,520
Other	100,245	97,418
Total non-current liabilities	20,275,062	17,864,570
Total liabilities	47,155,951	44,681,369
Net assets		
Shareholders' equity		
Share capital	1,458,953	1,458,953
Capital surplus	229,977	229,977
Retained earnings	(1,865,507)	(4,127,641)
Treasury shares	(77,517)	(77,517)
Total shareholders' equity	(254,093)	(2,516,227)
Accumulated other comprehensive income		
Foreign currency translation adjustment	240,166	594,406
Total accumulated other comprehensive income	240,166	594,406
Share acquisition rights	10,892	20,842
Total net assets	(3,035)	(1,900,978)
Total liabilities and net assets	47,152,915	42,780,390

Semi-annual Consolidated Statements of Income and Comprehensive Income

Semi-annual Consolidated Statement of Income

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Net sales	27,918,580	27,920,447
Cost of sales	18,939,784	19,068,334
Gross profit	8,978,796	8,852,112
Selling, general and administrative expenses	10,083,249	9,812,731
Operating loss	(1,104,452)	(960,618)
Non-operating income		
Interest income	18	564
Foreign exchange gains	954,138	-
Fiduciary obligation income	-	32,230
Other	22,512	31,207
Total non-operating income	976,670	64,002
Non-operating expenses		
Interest expenses	347,286	358,623
Foreign exchange losses	-	890,708
Other	5,819	107,671
Total non-operating expenses	353,105	1,357,002
Ordinary loss	(480,888)	(2,253,618)
Extraordinary income		
Gain on sale of non-current assets	34,959	13,813
Gain on differences between the asset retirement obligation balance and the actual retirement costs	8,873	3,260
Total extraordinary income	43,832	17,073
Extraordinary losses		
Loss on retirement of non-current assets	14,273	13,964
Loss on litigation	86,534	6,622
Extra retirement payments	42,810	31,198
Other	4,226	-
Total extraordinary losses	147,844	51,785
Loss before income taxes	(584,900)	(2,288,330)
Income taxes - current	485,359	21,628
Income taxes - deferred	(29,545)	(47,824)
Total income taxes	455,813	(26,196)
Loss	(1,040,713)	(2,262,133)
Loss attributable to owners of parent	(1,040,713)	(2,262,133)

Semi-annual Consolidated Statement of Comprehensive Income

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Loss	(1,040,713)	(2,262,133)
Other comprehensive income		
Foreign currency translation adjustment	(146,354)	354,240
Total other comprehensive income	(146,354)	354,240
Comprehensive income	(1,187,068)	(1,907,893)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	(1,187,068)	(1,907,893)

Semi-annual Consolidated Statement of Cash Flows

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from operating activities		
Loss before income taxes	(584,900)	(2,288,330)
Depreciation	1,701,946	1,758,569
Amortization of goodwill	624,251	608,107
Increase (decrease) in provision for point card certificates	8,413	(1,954)
Increase (decrease) in allowance for doubtful accounts	(3,496)	(3,810)
Increase (decrease) in provision for bonuses	40,008	40,008
Increase (decrease) in provision for retirement benefits for directors (and other officers)	6,006	6,006
Increase (decrease) in provision for shareholder benefit program	2,079	(29,822)
Increase (decrease) in provision for share awards for directors (and other officers)	4,886	14,468
Interest and dividend income	(18)	(564)
Interest expenses	347,286	358,623
Foreign exchange losses (gains)	(907,053)	793,352
Loss on litigation	86,534	6,622
Extra retirement payments	42,810	31,198
Financing expenses	998	998
Loss on retirement of non-current assets	14,273	13,964
Decrease (increase) in trade receivables	(184,448)	647,772
Decrease (increase) in inventories	218,523	(756,386)
Increase (decrease) in trade payables	565,050	474,835
Increase (decrease) in contract liabilities	77,880	563,899
Decrease (increase) in other assets	(322,772)	(388,183)
Increase (decrease) in other liabilities	(505,489)	185,916
Other, net	18,619	(21,886)
Subtotal	1,251,389	2,013,404
Interest and dividends received	18	564
Interest paid	(342,287)	(403,968)
Payments for loss on litigation	(52,323)	(6,622)
Extra retirement payments	(42,810)	(31,198)
Income taxes paid	(358,626)	(505,529)
Net cash provided by (used in) operating activities	455,360	1,066,649

(Thousands of yen)

	For the six months ended June 30, 2024	For the six months ended June 30, 2025
Cash flows from investing activities		
Purchase of property, plant and equipment	(714,023)	(213,227)
Purchase of intangible assets	(807,165)	(611,668)
Proceeds from refund of leasehold deposits	-	2,150
Payments of leasehold deposits	(3,808)	-
Other, net	26,526	13,395
Net cash provided by (used in) investing activities	(1,498,471)	(809,350)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,067,034	452,744
Repayments of long-term borrowings	(763,339)	(757,363)
Payments for financing expenses	(998)	(998)
Dividends paid	(152)	(25)
Net cash provided by (used in) financing activities	302,544	(305,643)
Effect of exchange rate change on cash and cash equivalents	36,190	20,259
Net increase (decrease) in cash and cash equivalents	(704,376)	(28,083)
Cash and cash equivalents at beginning of period	2,793,940	2,183,135
Cash and cash equivalents at end of period	2,089,564	2,155,052

(4) Notes to Condensed Consolidated Financial Statements

(Segment Information, etc.)

(Segment information)

1.Information on net sales and amount of profit or loss by each reported segment

Previous consolidated cumulative second quarter (From January 1, 2024 to June. 30 2024)

(Thousands of yen)

	Reported segment			Adjustment (Note) 1	Amount booked in the consolidated financial statements (Note) 2
	Domestic	Overseas	Total		
Net sales					
Net sales to external customers	13,943,508	13,975,072	27,918,580	—	27,918,580
Internal sales or transferred amount between segments	—	117,238	117,238	(117,238)	—
Total	13,943,508	14,092,310	28,035,819	(117,238)	27,918,580
Segment profit or loss	533,184	(1,637,637)	(1,104,452)	—	(1,104,452)

Note:

1. Adjustments to segment sales are eliminations between segments
2. Segment profit or loss (-) are consistent with operating profit in the consolidated Statements of Income.

Consolidated cumulative second quarter (From January 1, 2025 to June. 30, 2025)

(Thousands of yen)

	Reported segment			Adjustment (Note) 1	Amount booked in the consolidated financial statements (Note) 2
	Domestic	Overseas	Total		
Net sales					
Net sales to external customers	14,272,404	13,648,043	27,920,447	—	27,920,447
Internal sales or transferred amount between segments	—	56,274	56,274	(56,274)	—
Total	14,272,404	13,704,317	27,976,721	(56,274)	27,920,447
Segment profit or loss	846,650	(1,807,268)	(960,618)	—	(960,618)

Note:

1. Adjustments to segment sales are eliminations between segments.
2. Segment profit or loss (-) are consistent with operating profit in the consolidated Statements of Income.

(Significant Changes in Shareholders' Equity)

None

(Going Concern Assumption)

Not applicable.

3. Other

Important Matters Related to Going Concern Assumption

In the previous consolidated fiscal year, the Group recorded a loss attributable to owners of the parent of 1,698 million yen, resulting in an excess of liabilities of 3 million yen. As a result, the Group breached some of the financial covenants stipulated in the loan agreements the Company has with several financial institutions and the preferred stock investment agreements it has with shareholders holding Class A preferred stock. In the first quarter of the fiscal year ending December 31, 2025, the Group also reported a net loss attributable to owners of the parent of 1,575 million yen and an excess of liabilities of 1,354 million yen. As a result, the Group recognizes that events or circumstances have arisen that cast significant doubt on its going concern assumption, and made disclosures to this effect under "Important Matters Related to Going Concern Assumption" and "Notes on the Going Concern Assumption" in the first quarter financial results.

However, as stated in the "Notice Regarding Elimination of the Going Concern Note" released on July 4, 2025, the tender offer (the "Tender Offer") by TGT Holdings, Inc. for the common shares and share acquisition rights of the Company was successfully completed. As a result, with regard to the aforementioned loan agreements and preferred stock investment agreements that were in breach of financial covenants, the Company obtained consent through discussions with the relevant financial institutions and shareholders holding Series A preferred shares not to exercise their rights arising from the loss of benefit of time until the end of December 2025. Although certain conditions that could give rise to material doubt about the going concern assumption still exist, the Company has determined that the successful completion of the Tender Offer has eliminated any material uncertainty regarding the going concern assumption, and accordingly, the Company has decided to eliminate the "Notes on the Going Concern Assumption."