

September 22, 2022

Listed company name: Golf Digest Online Inc.
 Stock code: 3319 (TSE Prime)
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Notice of Revision to Full-Year Financial Forecast

Golf Digest Online Inc. (the “**Company**”) hereby announces as follows that, at its Board of Directors meeting held on September 22, 2022, the Company determined as follows to revise the full-year financial forecast for FY 2022 (January 1, 2022 to December 31, 2022) previously announced on February 15, 2022.

(1) Details of revision

Revision of consolidated financial forecast for FY 2022 (January 1, 2022 to December 31, 2022)

(amounts in yen)

	Net sales	Operating profit	Ordinary profit	Net profit attributable to owners of parent	Basic earnings per share
Previously announced forecast (A) (announced February 15, 2022)	43,900 million	2,100 million	2,100 million	1,900 million	103.98
Revised forecast (B)	46,500 million	1,590 million	1,090 million	1,280 million	68.28
Amount of change (B – A)	2,600 million	(510 million)	(1,010 million)	(620 million)	(35.70)
Percentage of change (%)	5.9	(24.3)	(48.1)	(32.6)	(34.3)
(Reference) Results for previous fiscal year FY 2021	39,594 million	1,706 million	1,715 million	1,035 million	56.68

(2) Reasons for revision

At its Board of Directors meeting held on August 10, 2022, the Company resolved that

GOLFTEC ST LLC, whose head office is located in Colorado, USA, and who is a subsidiary of GolfTEC Enterprises, LLC, which is a US subsidiary of the Company and whose head office is also located in Colorado, USA (“US GOLFTEC”), would execute an asset purchase agreement with SkyTrak LLC (whose head office is located in North Carolina, USA), SportTrak LLC (whose head office is also located in North Carolina, USA), and SkyHawke Technologies, LLC (whose head office is located in Mississippi, USA) (the “**Asset Purchase**”) (the assets to be purchased through the Asset Purchase, the “**SkyTrak Business**”), and that the Company would borrow funds in connection with the Asset Purchase (the “**Borrowing**”), and on August 26, 2022 the Company implemented the Borrowing and then on August 31, 2022 implemented the Asset Purchase.

For details of the Asset Purchase and the Borrowing, please see the timely disclosure “Notice regarding Asset Purchase by Consolidated Subsidiary and Borrowing of Funds” dated August 10, 2022.

After examining the impacts of the Asset Purchase and the Borrowing on the financial forecast, the Company determined to reflect the profit and loss of the SkyTrak Business from September 1, 2022 in the consolidated financial statements of the Company for FY 2022, so the Company has revised the FY 2022 full-year consolidated financial forecast figures as well as reflecting expenses required for the Asset Purchase and interests payments, etc. for the Borrowing. Because matters such as the allocation of the acquisition price for the Asset Purchase have not been completed, tentative figures have been used for calculating items such as goodwill amortization.

Further, at its Board of Directors meeting held on September 22, 2022, the Company resolved that (i) GDO Sports, Inc., which is a 100.0% subsidiary of the Company in the US (whose head office is located in California, USA; “GDOS”) will acquire from GTE Step1 HoldCo LLC (whose head office is located in Colorado, USA) a 37.0% equity interest in US GOLFTEC and make US GOLFTEC a 97.0% subsidiary of GDOS (the “**Additional Equity Interest Acquisition**”) and that (ii) the Company will execute an investment agreement (the “**Investment Agreement**”) with Fivestar Mezzanine No.2 Investment Limited Partnership (the “**Scheduled Allottee**”), pursuant to which the Company will issue to the Scheduled Allottee by way of third-party allotment on November 25, 2022 Class A Preferred Shares with an aggregate value of 6,000,000,000 yen (the “**Capital Increase by Third-Party Allotment**”).

For details of the Additional Equity Interest Acquisition and the Capital Increase by Third-Party Allotment, please see the timely disclosure “Notice regarding Additional Acquisition of Equity Interest in Consolidated Subsidiary, Issuance of Class A Preferred Shares by way of Third-party Allotment, and Amendment of Articles of Incorporation, and Reduction in Amounts of Stated Capital and Capital Reserve” dated today.

As US GOLFTEC is a consolidated subsidiary of the Company, its profit and loss are already reflected in the consolidated financial statements of the Company for FY 2022, but because expenses will arise incidental to the Additional Equity Interest Acquisition, the Company has revised the FY 2022 full-year consolidated financial forecast figures as well as reflecting matters such as impacts from the implementation of the capital increase by third-party allotment.

The Capital Increase by Third-Party Allotment is subject to the condition that shareholder approval is obtained at the Extraordinary Shareholders Meeting for resolutions pertaining to the Capital Increase by Third-Party Allotment and amendments to the Articles of Incorporation for the purpose of newly establishing Class A Preferred Shares, and the Additional Equity Interest Acquisition is subject to the condition that the Capital Increase by Third-Party Allotment is implemented and the loan the purpose of use of funds of which is the Additional Equity Interest Acquisition is drawn down.

In addition to the foregoing, the revision to the FY 2022 full-year financial forecast this time

also includes revisions based on recent financial performance trends.

Caution: Financial forecasts are determined by the Company based on presently available information. Forecasts inherently involve various uncertainties, and actual results may differ from these forecast figures.