

Listed company name: Golf Digest Online Inc. (URL: <https://www.golfdigest.co.jp>)

Stock code: 3319 (TSE Prime)

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Notification of Posting of Non-operating Expenses and Revisions of Financial Forecasts

Considering the recent business conditions, we revised the financial forecasts from the forecasts previously announced on September 22, 2022.

(1) Revisions of Financial Forecasts for FY2022

Million Yen

	Sales	Operating Profit	Ordinary Profit	Net Income attributable to owners of parent	Basic earnings per share(yen)
Previous forecast (A)	46,500	1,590	1,090	1,280	68.28
Revised forecast (B)	46,090	1,189	-175	339	18.61
Difference (B - A)	-409	-400	-1,265	-940	-
Ratio (%)	-0.9	-25.2	-	-73.5	-
(Reference) FY2021 Actual (Jan. 1, 2021 - Dec. 31, 2021)	39,594	1,706	1,715	1,035	56.68

(2) Reasons and Revision

Operating profit is expected to be below the previous forecast mainly due to the increases in personnel and other SG&A expenses in the United States. In addition, the application of ASC842 "Leases" from the end of the FY2022 and the completion of PPA in the SkyTrak business had an impact.

Ordinary profit and net income attributable to owners of the parent are expected to be lower than previously forecast due to foreign exchange losses resulting from sharp fluctuations in foreign exchange rates, as described below.

(3) Posting of Non-operating expenses (foreign exchange loss)

GDO Sports, Inc. ("GDOS", headquartered in California, USA), a wholly owned subsidiary of the Company in the United States, to increase its equity interest in GolfTEC Enterprises, LLC. At that time, in order to avoid the risk of further depreciation of the yen, we entered into a forward exchange contract in October 2022 to determine the amount of payment in yen and the impact of the decrease in net assets. However, the exchange rate at the time of the investment at the end of November 2022 was significantly higher than at the end of October 2022, resulting in a foreign exchange loss of 5,600 million Yen.

In addition, in connection with the acquisition of the SkyTrak business in August 2022, the Company provided a

foreign currency loan to GDOS, and the Company expects to record a foreign exchange loss of 2,500 million Yen on the translation of this foreign currency loan at the end of the fiscal year due to fluctuations in foreign exchange rates.

Note: The above-mentioned forecasts are based on information available at this point time, and therefore involve certain risks and uncertainties. As such, actual results may differ materially from those projected outlook.