Honma Golf Limited
本間高爾夫有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 6858)

ANNUAL RESULTS ANNOUNCEMENT FOR THE YEAR ENDED 31 MARCH 2025 AND CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

MAJOR DEVELOPMENTS IN THE YEAR ENDED 31 MARCH 2025:

- The Group's total revenue decreased by 17.4% from JPY26,222.9 million for the year ended 31 March 2024 to JPY21,672.1 million (equivalent to USD142.91 million) for the year ended 31 March 2025. Since the beginning of 2023, the golf industry has been facing continued and increased market competitions resulting from weakening consumer confidence as the global economy and certain areas of the world experienced lingering and material economic slowdowns. As a result, the Group's revenue showed different degrees of downward developments during the year ended 31 March 2025. See "Management Discussion and Analysis Overview of the Company, Its Key Business Results and Business Outlook – Financial Review – Revenue".

  - *By geography.* During the year ended 31 March 2025, most of the Group's markets recorded different degree of sales decline versus the same period last year. Revenue from Japan marginally decreased by 3.4% while the Group focused on self-operated channels and gradually closed down loss-making and low-efficiency wholesale accounts and points of sales. Such strategy resulted in a 2.5% decrease in the sales contribution from wholesale business, while retail revenue failed to continue with the momentum observed in the first six months of the year, recording a decline of 4.2% as compared to the same period last year. China (including Hong Kong and Macau) experienced a decline of 11.9%, continuing with the trend from the first half of the year, while China's overall economy and retail sentiment continued to experience slowdowns and downward adjustments. Korea also recorded a sales decline of 55.5%, however narrowing the decline observed in the first six months of the year, following a renewal of the Group's distributor arrangement in Korea and success with its direct-to-consumer businesses.

- *By product.* During the same period, revenue from golf clubs declined by 17.5%, contrary to the trend observed in the first six months, mainly due to Korea. Nonetheless, club sales in Japan, Europe and Taiwan grew by 20.7%, 12.3% and 10.7% respectively. Revenue from golf balls dropped by 31.2% as Japan recorded a year on year sales drop of 37.2% as compared to the year ended 31 March 2024, due to continued market pressure following upward retail price adjustments made to cope with Japanese yen depreciation over the past few years. Revenue from apparels decreased by 0.7% from the same period last year. However, despite weak consumer sentiments in China and reduction in total year number of stores, China's apparel sales rose by 6.4% as compared to last year.

- *By channel.* Self-operated stores continued to exhibit positive momentum, posting a decent increase of 2.8% from the year ended 31 March 2024 albeit difficult retail environments, weaker consumer confidence and reduction in the total number of stores. Retail sales grew by 11.0% and 8.9%, respectively in China and Taiwan, during the same period. Revenue from third-party retailers and wholesalers decreased by 31.8% for the same period, however significantly reversing the negative trend in the first half of the year. As compared to the year ended 31 March 2024, wholesales revenue decreased in Japan, Korea and China (including Hong Kong and Macau) by 2.5%, 57.1% and 51.8% respectively, as a result of economy slowdowns and channel review in Korea.

- Gross profit margin increased by 3.2% for the year ended 31 March 2025 and reached 54.4% as compared to 51.2% for the year ended 31 March 2024, mainly due to a major improvement in the gross margin command of Japan.

- Full year operating profit decreased to JPY185.3 million (equivalent to USD1.2 million), down from JPY2,706.2 million for the year ended 31 March 2024.

- Net operating cash flow remained positive and stood at JPY5,496.6 million (equivalent to USD36.2 million) for the year ended 31 March 2025. Net operating cash flow generated for the year ended 31 March 2024 was JPY5,416.1 million (equivalent to USD37.7 million).

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board is pleased to announce that Ms. Tian Qing, an independent non-executive Director, has been appointed as a member of the Nomination Committee with effect from 26 June 2025.

The board of directors (the "**Board**") of Honma Golf Limited (the "**Company**") is pleased to announce the consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 March 2025. The annual results have been prepared in accordance with the International Financial Reporting Standards (the "**IFRS**"). In addition, the annual results have also been reviewed by the audit committee of the Company (the "**Audit Committee**").

MANAGEMENT DISCUSSION AND ANALYSIS OVERVIEW OF THE COMPANY, ITS KEY BUSINESS RESULTS AND BUSINESS OUTLOOK

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 67th anniversary in 2025. 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 astatic 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.

Highlights of Major Achievements

For the year ended 31 March 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 in Japan rose by 3.0% from the year ended 31 March 2024, reconfirming HONMA's strong brand equity and its ability to withstand economic challenges since HONMA went into the golf business in 1959.

- ***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 year ended 31 March 2025, golf clubs generated 69.5% 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, both catering to the distinctive requirements of golfers in China, both on-course and off-course. The year ended 31 March 2025 featured mostly HONMA's 2024 Autumn/Winter collections and 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 year ended 31 March 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 26 points of sales ("**POS**") during the year ended 31 March 2025, hence increasing its total POSs there to 370 by 31 March 2025. During the same period, in Europe, the Group opened seven new POSs, leading to 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 year ended 31 March 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.

- ***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 year ended 31 March 2025, HONMA hosted 3,655 customer days across its main markets, most of which were held on golf courses with dedicated fitters. Number of attendants rose by 12% as compared to the same period last year.

- ***Sponsoring TEAM HONMA players.*** As at 31 March 2025, TEAM HONMA consisted of nine professional golf players. 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.

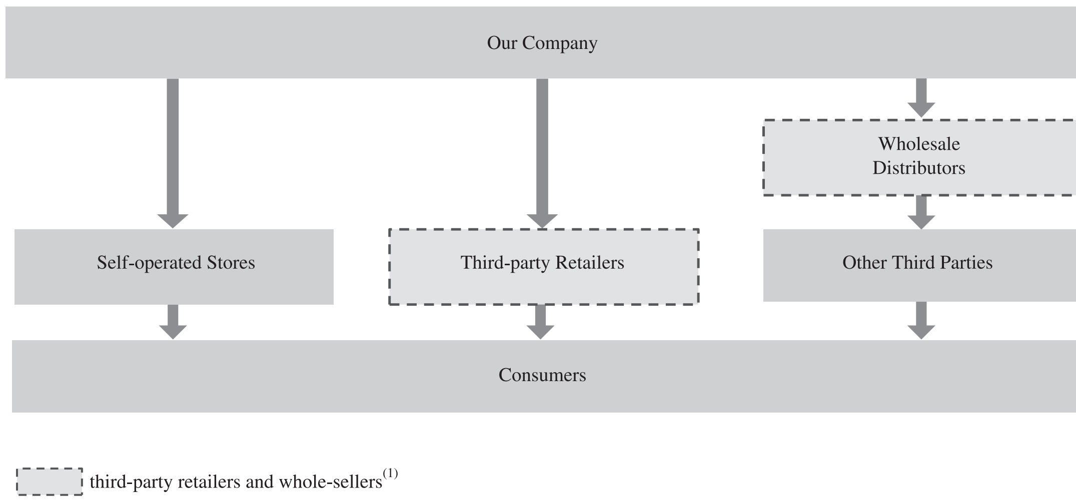
Based on extensive market research, HONMA categorises the market into nine key segments according to the importance golfers place on price, design and performance, which are correlated with their respective levels of affluence and enthusiasm towards golf, as illustrated in the chart below:

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.

HONMA operates one of 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 31 March 2025, the Group had 94 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 year ended 31 March 2025:

	For the year ended 31 March 2025			
	Period start	**Opened**	**Closed**	**Period end**
Japan	29	1	–	30
China (including Hong Kong and Macau)	48	3	5	46
Rest of Asia	18	–	–	18
Total	95	4	5	94

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 31 March 2025, the Group had five fitting centers, including one in Japan, three in China and one in Korea.

As at 31 March 2025, the Group had approximately 3,617 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 31 March 2025, the Group's products were sold at 1,283 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 behaviour of target consumers. To optimise its sales and distribution network, the Group is constantly evaluating its existing channels and exploring new channels.

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, 31 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.

Employees

As at 31 March 2025, the Group had 682 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 JPY4,576.1 million for the year ended 31 March 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.

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.

Nonetheless, 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.

- ***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 year ended 31 March 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 JPY228.9 million and JPY240.4 million for the year ended 31 March 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 optimize product performance.

Industry Outlook

The golf industry will continue to face multiple challenges in the year 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 year ended 31 March 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 year 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 optimize 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.

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 years indicated, together with the change (expressed in percentages) from the year ended 31 March 2024 to the year ended 31 March 2025:

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

* less than 0.1%.

Notes:

(1) Operating profit is derived from (loss)/profit before tax by (i) subtracting other income and gains and (ii) adding other expenses. For a reconciliation of operating profit to (loss)/profit before tax, see "Management Discussion and Analysis Overview of the Company, Its Key Business Results and Business Outlook – Financial Review – Non-IFRS Financial Measures – Operating Profit".

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

Revenue

The Group's total revenue decreased by 17.4% from JPY26,222.9 million for the year ended 31 March 2024 to JPY21,672.1 million for the year ended 31 March 2025.

Constant Currency Revenue

On a constant currency basis, the Group's total revenue decreased by 18.9% from the year ended 31 March 2024 to the year ended 31 March 2025. For the purpose of calculating constant currency revenue, the Group has used the average exchange rate of the year ended 31 March 2024 to translate sales recorded during the year ended 31 March 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.

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 years indicated:

	For the year ended 31 March				Year-on-Year Change	
	2025		2024		**on as reported basis**	**on constant currency basis[1]**
	JPY	*%*	*JPY*	*%*	*%*	*%*
	(In thousands, except for percentages)					
Golf clubs	**15,066,896**	**69.5**	18,256,619	69.6	(17.5)	(18.8)
Golf balls	**2,021,346**	**9.3**	2,936,347	11.2	(31.2)	(31.3)
Apparels	**3,136,258**	**14.5**	3,157,523	12.0	(0.7)	(5.0)
Accessories and other related[2]	**1,447,642**	**6.7**	1,872,368	7.2	(22.7)	(24.2)
Total	**21,672,142**	**100.0**	26,222,857	100.0	(17.4)	(18.9)

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 17.5% from JPY18,256.6 million for the year ended 31 March 2024 to JPY15,066.9 million for the year ended 31 March 2025 mainly due to a decline of the golf clubs sales in Korea and China (including Hong Kong and Macau) of 60.4% and 24.8%, respectively. However, club sales grew robustly by 20.7% in Japan for the year ended 31 March 2025. On a constant currency basis, revenue from golf clubs decreased by 18.8% during the same period.

Revenue from golf balls dropped by 31.2% from JPY2,936.3 million for the year ended 31 March 2024 to JPY 2,021.3 million for the year ended 31 March 2025 as golf balls sales in Japan went down by 37.2%, mainly due to fierce market competition and upward retail price adjustment to cope with Japanese yen depreciation over the past few years. Ball revenue went up by 39.1% in Korea yet unable to mitigate the drop in Japan. On a constant currency basis, revenue from golf balls decreased by 31.3% during the same period.

Revenue from apparels showed a marginal decline of 0.7% from JPY3,157.5 million for the year ended 31 March 2024 to JPY3,136.3 million for the year ended 31 March 2025. In spite of weak consumer sentiments in China and reduction in total number of stores, apparel sales in China grew by 6.4%. On a constant currency basis, revenue from apparels decreased by 5.0% during the same period.

Revenue from accessories and other related products decreased by 22.7% from JPY1,872.4 million for the year ended 31 March 2024 to JPY1,447.6 million for the year ended 31 March 2025. Japan alone recorded a revenue drop of 50.2% while the rest of the markets showed a decent increase of 6.0%, led by Korea and China who recorded a growth of 32.0% and 14.7%, respectively. On a constant currency basis, revenue from accessories and other related products decreased by 24.2% during the same period. Such decrease was primarily caused by constrained sales in Japan to protect margin. Accessory's gross margin rose by 22.7 percentage points for the year ended 31 March 2025.

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 years indicated:

	For the year ended 31 March				**Year-on-Year Change**	
	2025		2024		**on as reported basis**	**on constant currency basis[1]**
	JPY	*%*	*JPY*	*%*	*%*	*%*
	(In thousands, except for percentages)					
Japan	**9,045,405**	**41.7**	9,363,144	35.7	(3.4)	(3.4)
Korea	**2,666,806**	**12.3**	5,988,553	22.8	(55.5)	(54.9)
China (including Hong Kong and Macau)	**6,618,592**	**30.5**	7,508,463	28.6	(11.9)	(16.1)
North America	**625,342**	**2.9**	632,957	2.4	(1.2)	(6.4)
Europe	**420,968**	**1.9**	361,792	1.4	16.4	15.7
Other regions	**2,295,030**	**10.6**	2,367,948	9.0	(3.1)	(6.7)
Total	**21,672,142**	**100.0**	26,222,857	100.0	(17.4)	(18.9)

Note:

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

Revenue from Japan decreased by 3.4% from JPY9,363.1 million for the year ended 31 March 2024 to JPY9,045.4 million for the year ended 31 March 2025. The decrease was primarily attributable to the sales decline of 2.5% in Japan's wholesales revenue and a similar decline of 4.2% in Japan's retail revenue as the Group focused on high-profit self-operated channels.

Revenue from Korea recorded a first time full year decline of 55.5% from JPY5,988.6 million for the year ended 31 March 2024 to JPY2,666.8 million for the year ended 31 March 2025, however partially reversing the trend observed in the first half of the year. The Group took a conscious decision to review its distribution network in the first half of the year amidst major industry reshuffle, but sales did recover in the second half. On a constant currency basis, revenue from Korea decreased by 54.9% during the same period.

Revenue from China (including Hong Kong and Macau) experienced a similar decline of 11.9% from JPY7,508.5 million for the year ended 31 March 2024 to JPY6,618.6 million for the year ended 31 March 2025 as overall economy and retail market sentiment in China continued to experience slowdowns and downward adjustment. On a constant currency basis, revenue from China (including Hong Kong and Macau) decreased by 16.1% during the same period.

Revenue from North America decreased by 1.2% from JPY633.0 million for the year ended 31 March 2024 to JPY625.3 million for the year ended 31 March 2025, mainly due to continued negative impacts from last year's adjustment in distribution network. On a constant currency basis, revenue from North America decreased by 6.4% during the same period.

Revenue from Europe increased by 16.4% from JPY361.8 million for the year ended 31 March 2024 to JPY421.0 million for the year ended 31 March 2025. On a constant currency basis, revenue from Europe increased by 15.7% during the same period. Such increase reconfirmed the Group's decision to change its distribution model in Europe to drive profitable sales growth.

Revenue from other regions decreased by 3.1% from JPY2,367.9 million for the year ended 31 March 2024 to JPY2,295.0 million for the year ended 31 March 2025, mainly due to unfavourable local currency depreciation against U.S. dollar and weakened purchasing interest and power. On a constant currency basis, revenue from other regions decreased by 6.7% during the same period.

Revenue from the Group's home markets, namely Japan, Korea and China (including Hong Kong and Macau) accounted for 84.6% of the Group's total revenue for the year ended 31 March 2025.

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 years indicated:

	For the year ended 31 March				**Year-on-Year Change**	
	2025		2024		**on as reported basis**	**on constant currency basis[1]**
	JPY	*%*	*JPY*	*%*	*%*	*%*
	(In thousands, except for percentages)					
Self-operated stores	**11,263,375**	**52.0**	10,952,237	41.8	2.8	0.2
Third-party retailers and wholesalers	**10,408,767**	**48.0**	15,270,620	58.2	(31.8)	(32.6)
Total	**21,672,142**	**100.0**	26,222,857	100.0	(17.4)	(18.9)

Note:

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

Revenue from self-operated stores increased by 2.8% from JPY10,952.2 million for the year ended 31 March 2024 to JPY11,263.4 million for the year ended 31 March 2025. On a constant currency basis, revenue from self-operated stores increased by 0.2% during the same period. Such increase was mainly due to a robust retail sales performance in China and Taiwan where sales grew by 11.0% and 8.9%, respectively, during the same period.

Revenue from sales to third-party retailers and wholesalers decreased by 31.8% from JPY15,270.6 million for the year ended 31 March 2024 to JPY10,408.8 million for the year ended 31 March 2025. On a constant currency basis, revenue from third-party retailers and wholesalers decreased by 32.6% during the same period. Such decrease was primarily due to wholesales revenue decrease in Japan, Korea and China (including Hong Kong and Macau) as a result of economy slowdown in China and channel optimization decisions in Japan and Korea.

Cost of Sales

Cost of sales decreased by 22.7% from JPY12,790.2 million for the year ended 31 March 2024 to JPY9,888.1 million for the year ended 31 March 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 years indicated:

	For the year ended 31 March			
	2025		2024	
	JPY	***%***	*JPY*	*%*
	(In thousands, except for percentages)			
Raw materials	**4,552,936**	**46.0**	5,263,668	41.2
Employee benefits	**832,674**	**8.4**	1,060,743	8.3
Manufacturing overhead[1]	**511,865**	**5.2**	656,838	5.1
Finished goods purchased from suppliers	**3,990,581**	**40.4**	5,808,920	45.4
Total	**9,888,057**	**100.0**	12,790,169	100.0

Note:

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

Gross Profit and Gross Profit Margin

Gross profit decreased by 12.3% from JPY13,432.7 million for the year ended 31 March 2024 to JPY11,784.1 million for the year ended 31 March 2025 mainly caused by revenue decrease. Gross profit margin increased from 51.2% for the year ended 31 March 2024 to 54.4% for the year ended 31 March 2025.

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 years indicated:

	For the year ended 31 March			
	2025		2024	
	JPY	***%***	*JPY*	*%*
	(In thousands, except for percentages)			
Golf clubs	**8,943,957**	**59.4**	11,005,206	60.3
Golf balls	**554,054**	**27.4**	686,901	23.4
Apparels	**1,673,380**	**53.4**	1,373,520	43.5
Accessories and other related[1]	**612,694**	**42.3**	367,062	19.6
Total	**11,784,085**	**54.4**	13,432,688	51.2

Note:

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

Gross profit for golf clubs decreased by 18.7% from JPY11,005.2 million for the year ended 31 March 2024 to JPY8,944.0 million for the year ended 31 March 2025. Gross profit margin for golf clubs decreased from 60.3% for the year ended 31 March 2024 to 59.4% for the year ended 31 March 2025, primarily due to negative country mix. Gross profit margin of Japan improved by 1.6 percentage points thanks to channel optimisation efforts.

Gross profit for golf balls decreased by 19.3% from JPY686.9 million for the year ended 31 March 2024 to JPY554.1 million for the year ended 31 March 2025. However, gross profit margin for golf balls increased from 23.4% for the year ended 31 March 2024 to 27.4% for the year ended 31 March 2025, primarily due to improved price management efforts albeit continued downward pressure from raw material price increase and unfavourable currency movements.

Gross profit for apparels increased by 21.8% from JPY1,373.5 million for the year ended 31 March 2024 to JPY1,673.4 million for the year ended 31 March 2025. Gross profit margin for apparels increased from 43.5% for the year ended 31 March 2024 to 53.4% for the year ended 31 March 2025, primarily due to improved price management and product sell through at retail point of sales.

Gross profit for accessories and other related products increased by 66.9% from JPY367.1 million for the year ended 31 March 2024 to JPY612.7 million for the year ended 31 March 2025. Gross profit margin for accessories and other related products increased from 19.6% for the year ended 31 March 2024 to 42.3% for the year ended 31 March 2025, primarily due to improved product offerings hence sell through at retail point of sales.

Other Income and Gains

Other income and gains decreased significantly from JPY2,674.0 million for the year ended 31 March 2024 to JPY107.4 million for the year ended 31 March 2025, absent positive foreign exchange revaluation results following an appreciation in the exchange rate between JPY against other currencies.

Selling and Distribution Expenses

Selling and distribution expenses increased from JPY9,180.8 million for the year ended 31 March 2024 to JPY9,650.9 million for the year ended 31 March 2025. Selling and distribution expenses as a percentage of revenue increased from 35.0% for the year ended 31 March 2024 to 44.5% for the year ended 31 March 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 years indicated:

	For the year ended 31 March			
	2025		2024	
	JPY	***%***	*JPY*	*%*
	(In thousands, except for percentages)			
Employee benefits	**3,186,357**	**33.0**	3,068,260	33.4
Advertising and promotion expenses	**2,033,987**	**21.1**	1,877,853	20.5
Depreciation of right-of-use assets	**1,335,902**	**13.8**	1,315,181	14.3
Rental and other related fees	**668,222**	**7.1**	721,086	7.9
Others[(1)]	**2,426,471**	**24.9**	2,198,370	23.9
Total	**9,650,939**	**100.0**	9,180,750	100.0

Note:

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

Administrative Expenses

Administrative expenses showed a similar increase of 10.3% from JPY1,389.8 million for the year ended 31 March 2024 to JPY1,533.0 million for the year ended 31 March 2025, mainly due to increases in administrative personnel cost.

(Provision for)/Reversal of Impairment Losses on Financial Assets

Provision for impairment losses on financial assets stood at JPY213.1 million for the year ended 31 March 2025, as compared to a reversal of JPY23.3 million for the year ended 31 March 2024, primarily due to increase in bad debt provisions.

Other Expenses

Other expenses increased from JPY227.9 million for the year ended 31 March 2024 to JPY1,230.6 million for the year ended 31 March 2025, primarily due to currency exchange loss.

Finance Costs

Finance costs increased from JPY190.4 million for the year ended 31 March 2024 to JPY224.4 million for the year ended 31 March 2025, primarily due to increased borrowing costs in JPY.

Finance Income

Finance income increased from JPY11.1 million for the year ended 31 March 2024 to JPY22.6 million for the year ended 31 March 2025, primarily due to higher average bank deposit balance.

(Loss)/Profit Before Tax

As a result of the foregoing, loss before tax for the year ended 31 March 2025 was JPY937.9 million.

Income Tax Credit/(Expense)

The Company incurred an income tax expense of JPY324.2 million for the year ended 31 March 2024 and recorded tax credit of JPY673.8 million for the year ended 31 March 2025.

Net (Loss)/Profit

As a result of the foregoing, net loss for the year ended 31 March 2025 was JPY264.2 million.

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

Operating Profit

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

	For the year ended 31 March	
	2025	2024
	(In JPY thousands)	
(Loss)/profit before tax	**(937,931)**	5,152,315
Adjustment for:		
Other income and gains	**(107,367)**	(2,673,958)
Other expenses	**1,230,554**	227,851
Operating profit	**185,256**	2,706,208

Net Operating Profit

The Group derives net operating profit from net loss/profit by (i) subtracting other income and gains, (ii) adding other expenses, and (iii) adding impact on tax related to items (i) and (ii) above. Net operating 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 profit to net loss/profit for the years indicated:

	For the year ended 31 March	
	2025	2024
	(In JPY thousands)	
Net (loss)/profit	**(264,174)**	4,828,128
Adjustment for:		
Other income and gains	**(107,367)**	(2,673,958)
Other expenses	**1,230,554**	227,851
Impact on tax	**(240,719)**	344,315
Net operating profit	**618,294**	2,726,336

Working Capital Management

	For the year ended 31 March	
	2025	2024
Inventories turnover days[1]	**315**	321
Trade and bills receivables turnover days[2]	**66**	53
Trade and bills payables turnover days[3]	**39**	34

Notes:

(1) Inventories turnover days are calculated using the average of opening balance and closing balance of inventories for a year divided by cost of sales for the relevant year 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 year divided by revenue for the relevant year 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 year divided by cost of sales for the relevant year and multiplied by 365 days.

Inventories turnover days decreased by six days from 321 days for the year ended 31 March 2024 to 315 days for the year ended 31 March 2025, primarily due to tight inventory control process.

Trade and bills receivables turnovers days increased from 53 days for the year ended 31 March 2024 to 66 days for the year ended 31 March 2025, mainly due to lower sales for the year although receivables decreased compared to last year.

Trade and bills payables turnover days increased by five days from 34 days for the year ended 31 March 2024 to 39 days for the year ended 31 March 2025, primarily due to lower cost of goods sold in the year while payable amount remains stable.

Inventories

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

	As at 31 March 2025	As at 31 March 2024
	(In JPY thousands)	
Raw materials	**1,545,016**	2,692,537
Work in progress	**795,947**	1,285,914
Finished goods	**6,408,205**	9,611,749
Less: provision	**(1,865,754)**	(3,411,094)
Total	**6,883,414**	10,179,106

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

	As at 31 March 2025	As at 31 March 2024
	(In JPY thousands)	
Within 1 year	**1,764,519**	4,126,435
1 year to 2 years	**2,621,517**	1,795,347
2 to 3 years	**994,152**	2,699,420
3 to 4 years	**1,503,226**	1,557,904
Total	**6,883,414**	10,179,106

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.

Liquidity and Capital Resources

During the year ended 31 March 2025, the Group financed its operations primarily through cash from operations, net proceeds received from the global offering and proceeds from revolving working capital 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 31 March 2025, the Group had JPY17,350.0 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 31 March 2025.

Indebtedness

As at 31 March 2025, the Group's interest-bearing bank borrowings amounted to JPY6,518.8 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 31 March 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 31 March 2025, the Group's gearing ratio was 31.9% (as at 31 March 2024, the Group's gearing ratio was 34.1%).

Capital Expenditures

The Group's capital expenditures for the year ended 31 March 2025 amounted to JPY1,560.9 million, which was used primarily to purchase plant machinery and equipment, office equipment and leasehold improvement. In the year ended 31 March 2025, the Group financed its capital expenditures primarily with cash generated from operations.

Contingent Liabilities

As at 31 March 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

Pledged deposits of the Group decreased by 72.9% from JPY22.0 million as at 31 March 2024 to JPY6.0 million as at 31 March 2025, mainly due to releasing of pledged deposits for a litigation in relation to a marketing event dispute.

Material Acquisitions or Disposals and Future Plans for Major Investment

During the year ended 31 March 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 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.

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[1]:

Intended use of proceeds	Percentage of intended use of proceeds	Intended use of proceeds from the global offering	Percentage of used amount as at 31 March 2025	Percentage of unused balance as at 31 March 2025	Percentage of amount used during the year ended 31 March 2025	Expected timeframe for utilizing the remaining unused net proceeds[2]
	(%)	*(In JPY millions)*	*(%)*	*(%)*	*(%)*	
Potential strategic acquisitions	29.4	4,939	–	29.4	–	–[3]
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[4]	–	N/A[4]
Providing funding for working capital and other general corporate purposes	10.1	1,697	10.1	–	–	N/A
Total	100.0	16,798	70.4	29.6	–	

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 announcement, 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 announcement, 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 announcement, 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 31 March 2025, the unused balance of the proceeds from the global offering of approximately JPY4,972.2 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 31 March 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: JPY151.65. 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.

FINANCIAL INFORMATION

The consolidated annual results of the Group for the year ended 31 March 2025 are as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025

		Year ended 31 March	
		2025	2024
	Notes	***JPY'000***	*JPY'000*
REVENUE	*4*	**21,672,142**	26,222,857
Cost of sales		**(9,888,057)**	(12,790,169)
Gross profit		**11,784,085**	13,432,688
Other income and gains	*4*	**107,367**	2,673,958
Selling and distribution expenses		**(9,650,939)**	(9,180,750)
Administrative expenses		**(1,532,961)**	(1,389,752)
(Provision for)/reversal of impairment losses on financial assets		**(213,132)**	23,330
Other expenses, net	*5*	**(1,230,554)**	(227,851)
Finance costs	*6*	**(224,430)**	(190,436)
Finance income	*7*	**22,633**	11,128
(LOSS)/PROFIT BEFORE TAX	*8*	**(937,931)**	5,152,315
Income tax credit/(expense)	*9*	**673,757**	(324,187)
(LOSS)/PROFIT FOR THE YEAR		**(264,174)**	4,828,128
Attributable to:			
Owners of the parent		**(264,233)**	4,828,057
Non-controlling interests		**59**	71
		(264,174)	4,828,128
(Loss)/earnings per share attributable to ordinary equity holders of the parent (expressed in JPY per share)	*11*		
Basic and diluted			
– For (loss)/profit for the year		**(0.44)**	7.97

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
Year ended 31 March 2024

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
(LOSS)/PROFIT FOR THE YEAR	**(264,174)**	4,828,128
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**152,338**	(591,020)
Net other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods	**152,338**	(591,020)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Defined benefit plans:		
Remeasurement gains	**35,553**	357,673
Income tax effect	**(10,389)**	(108,449)
	25,164	249,224
Equity investments designated at fair value through other comprehensive income:		
Changes in fair value	**4,246**	9,423
Income tax effect	**(1,354)**	(2,845)
	2,892	6,578
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**28,056**	255,802
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX	**180,394**	(335,218)
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR	**(83,780)**	4,492,910
Attributable to:		
Owners of the parent	**(83,839)**	4,492,839
Non-controlling interests	**59**	71
	(83,780)	4,492,910

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 March 2025

		At 31 March	
		2025	2024
	Notes	***JPY'000***	*JPY'000*
NON-CURRENT ASSETS			
Property, plant and equipment	*12*	**2,343,083**	1,999,628
Right-of-use assets	*13*	**2,188,057**	2,420,763
Freehold land	*14*	**1,940,789**	1,940,789
Intangible assets		**98,827**	89,907
Finance lease receivables	*15*	**92,794**	173,802
Other non-current assets		**848,188**	787,616
Net employee defined benefit assets	*22*	**399,575**	145,506
Deferred tax assets		**2,408,278**	1,336,684
Total non-current assets		**10,319,591**	8,894,695
CURRENT ASSETS			
Inventories	*16*	**6,883,414**	10,179,106
Trade and bills receivables	*17*	**3,738,052**	4,040,780
Prepayments, deposits and other receivables		**1,616,610**	2,579,699
Tax recoverable		**27,907**	–
Due from a related party		**89,787**	105,212
Finance lease receivables	*15*	**77,556**	106,586
Pledged deposits	*18*	**5,957**	21,999
Cash and cash equivalents	*18*	**17,350,026**	16,617,120
Total current assets		**29,789,309**	33,650,502
CURRENT LIABILITIES			
Trade and bills payables	*19*	**1,067,488**	1,050,444
Other payables and accruals		**2,101,745**	2,596,044
Interest-bearing bank borrowings	*20*	**6,024,720**	6,411,180
Lease liabilities	*21*	**1,181,395**	1,358,166
Income tax payable		**278,781**	266,850
Total current liabilities		**10,654,129**	11,682,684
NET CURRENT ASSETS		**19,135,180**	21,967,818
TOTAL ASSETS LESS CURRENT LIABILITIES		**29,454,771**	30,862,513

		At 31 March	
		2025	2024
	Notes	***JPY'000***	*JPY'000*
NON-CURRENT LIABILITIES			
Interest-bearing bank borrowings	*20*	**494,100**	578,820
Lease liabilities	*21*	**1,138,421**	1,419,304
Deferred tax liabilities		**10,063**	84,327
Other non-current liabilities		**132,050**	107,682
Total non-current liabilities		**1,774,634**	2,190,133
NET ASSETS		**27,680,137**	28,672,380
EQUITY			
Equity attributable to owners of the parent			
Share capital	*23*	**153**	153
Reserves		**27,725,380**	28,717,682
		27,725,533	28,717,835
Non-controlling interests		**(45,396)**	(45,455)
Total equity		**27,680,137**	28,672,380

CONSOLIDATED STATEMENT OF CASH FLOWS
Year ended 31 March 2025

		Year ended 31 March	
		2025	2024
	Notes	***JPY'000***	*JPY'000*
CASH FLOWS FROM OPERATING ACTIVITIES			
(Loss)/profit before tax		**(937,931)**	5,152,315
Adjustments for:			
Provision for impairment of property, plant and equipment	*12*	**17,392**	83,835
Provision for impairment of right-of-use assets	*13*	**–**	85,953
Write-down of inventories to net realisable value	*8*	**1,077,525**	1,387,824
Provision for/(reversal of) impairment of trade receivables	*17*	**213,132**	(38,385)
Impairment of other receivables		**–**	15,055
Net losses on disposal of property, plant and equipment and intangible assets	*8*	**33,630**	36,867
Net losses on disposal of right-of-use assets	*8*	**(11,674)**	4,320
Depreciation of property, plant and equipment	*12*	**874,650**	572,328
Depreciation of right-of-use assets	*13*	**1,335,902**	1,315,181
Amortisation of intangible assets		**54,148**	54,980
Defined benefit plan expenses	*22*	**48,462**	62,066
Foreign exchange losses/(gains)		**679,010**	(1,938,197)
Finance costs	*6*	**224,430**	190,436
Finance income	*7*	**(22,633)**	(11,128)
		3,586,043	6,973,450
Decrease in inventories		**2,218,167**	730,401
Decrease/(increase) in trade and bills receivables		**89,596**	(488,900)
Decrease/(increase) in prepayments, deposits and other receivables		**720,317**	(575,933)
Decrease/(increase) in an amount due from a related party		**15,425**	(72,766)
Withdrawal/(placement) of in pledged deposits		**16,042**	(16,830)
(Increase)/decrease in other non-current assets		**(57,680)**	132,226
Increase/(decrease) in trade and bills payables		**17,044**	(251,720)
Decrease in other payables and accruals		**(299,009)**	(381,678)
Decrease in other non-current liabilities		**(11,555)**	(16,255)
Payment of the defined benefit obligations		**(267,218)**	(199,167)
Contributions in plan assets		**240**	(32)
Cash generated from operating activities		**6,027,412**	5,832,796
Interest received		**22,633**	11,128
Interest paid		**(224,430)**	(190,436)
Income tax paid		**(328,974)**	(237,370)
Net cash flows generated from operating activities		**5,496,641**	5,416,118

		Year ended 31 March	
		2025	2024
	Notes	***JPY'000***	*JPY'000*
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment and intangible assets		**(1,560,867)**	(698,150)
Proceeds from disposal of items of property, plant and equipment and intangible assets		**–**	17,264
Decrease in finance lease receivables		**109,467**	97,498
Net cash flows used in investing activities		**(1,451,400)**	(583,388)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings		**69,543,540**	36,990,000
Repayment of bank borrowings		**(70,014,720)**	(37,290,000)
Principal portion of lease payments	*21*	**(1,510,766)**	(1,412,526)
Dividends paid		**(908,463)**	(1,851,458)
Net cash flows used in financing activities		**(2,890,409)**	(3,563,984)
Net increase in cash and cash equivalents		**1,154,832**	1,268,746
Cash and cash equivalents at the beginning of year		**16,617,120**	14,084,777
Effect of foreign exchange rate changes, net		**(421,926)**	1,263,597
Cash and cash equivalents at the end of year		**17,350,026**	16,617,120
Analysis of balances of cash and cash equivalents			
Cash and cash equivalents as stated in the consolidated statement of financial position		**17,350,026**	16,617,120

1. CORPORATE AND GROUP 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 that of the offices of Maples Corporate Services Limited, which is P.O. 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 are principally engaged in the manufacture and sale of golf related products.

2. CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The Group has adopted the following revised IFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current (the "2020 Amendments")*
Amendments to IAS 1	*Non-current Liabilities with Covenants (the "2022 Amendments")*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*

The adoption of the above revised standards has had no significant financial effect on these financial statements.

3. OPERATING SEGMENT 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 sale of golf related products and the 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 resource allocation and performance assessment. Accordingly, no further operating segment information is presented.

Geographic information

(a) Revenue from external customers

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Japan	**9,045,405**	9,363,144
China (including Hong Kong and Macau)	**6,618,592**	7,508,463
Korea	**2,666,806**	5,988,553
North America	**625,342**	632,957
Europe	**420,967**	361,792
Other regions	**2,295,030**	2,367,948
Total revenue	**21,672,142**	26,222,857

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Japan	**5,666,778**	4,869,911
Other Asia Pacific Area	**920,312**	1,605,617
North America	**46,030**	75,135
Total non-current assets	**6,633,120**	6,550,663

The non-current asset information above is based on the locations of the assets and excludes financial instruments, net employee defined benefit assets and deferred tax assets.

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 year ended 31 March 2025.

Revenue of approximately JPY5,000,224,000 was derived from one major customer for the year ended 31 March 2024.

4. REVENUE, OTHER INCOME AND GAINS

Revenue represents the net invoiced value of goods sold and services rendered, after allowances for returns and trade discounts during the year.

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

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Revenue from contracts with customers		
Sale of goods	**21,604,162**	26,141,370
Rendering of services	**67,980**	81,487
Total revenue	**21,672,142**	26,222,857

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Other income and gains		
Foreign exchange gains, net	**–**	2,507,892
Government grants*	**16,344**	49,354
Gain on disposal of right-of-use assets, net	**11,674**	–
Compensation income	**533**	20,485
Others	**78,816**	96,227
Total other income and gains	**107,367**	2,673,958

* The income-related government grants were mainly financial incentives provided by local government authorities in Japan. There are no unfulfilled conditions or contingencies relating to these grants.

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Types of goods or services		
Sale of golf related products	**21,604,162**	26,141,370
Rendering of services relating to golf related products	**67,980**	81,487
Total	**21,672,142**	26,222,857
Timing of revenue recognition		
Goods transferred at a point in time	**21,604,162**	26,141,370
Services transferred over time	**67,980**	81,487
Total	**21,672,142**	26,222,857

The disaggregation of the Group's revenue based on the geographical region for the year ended 31 March 2025 is included in note 3 to the financial statements.

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period and recognised from performance obligations satisfied in previous periods:

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Sale of golf related products	**605,561**	818,532

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as follows:

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Amounts expected to be recognised as revenue:		
Within one year	**412,510**	605,561

5. OTHER EXPENSES, NET

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Net losses on disposal of property, plant and equipment and intangible assets	**33,630**	36,867
Net loss on disposal of right-of-use assets	**–**	4,320
Provision for impairment of property, plant and equipment	**17,392**	83,835
Provision for impairment of right-of-use assets	**–**	85,953
Foreign exchange loss, net	**1,113,958**	–
Others	**65,574**	16,876
Total	**1,230,554**	227,851

6. FINANCE COSTS

An analysis of the Group's finance costs is as follows:

	Year ended 31 March	
	2025	*2024*
	JPY'000	JPY'000
Interest on bank borrowings	**164,753**	134,725
Interest on lease liabilities	**59,677**	55,711
Total	**224,430**	190,436

7. FINANCE INCOME

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Interest income	**22,633**	11,128
Total	**22,633**	11,128

8. (LOSS)/PROFIT BEFORE TAX

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

		Year ended 31 March	
		2025	2024
	Notes	***JPY'000***	*JPY'000*
Cost of inventories sold		**9,858,297**	12,737,780
Cost of services provided		**29,760**	52,389
Depreciation of property, plant and equipment		**874,650**	572,328
Depreciation of right-of-use assets		**1,335,902**	1,315,181
Amortisation of intangible assets		**54,148**	54,980
Research and development costs		**240,380**	228,851
Provision for impairment of property, plant and equipment		**17,392**	83,835
Provision for impairment of right-of-use assets		**–**	85,953
Provision for/(reversal of) impairment of trade receivables		**213,132**	(38,385)
Impairment of other receivables		**–**	15,055
Lease payments not included in the measurement of lease liabilities		**222,147**	212,361
Auditors' remuneration		**140,880**	130,360
Employee benefit expense (including directors' and chief executive's remuneration)			
Wages and salaries		**3,569,648**	3,487,500
Pension and social security costs*		**343,301**	325,626
Defined benefit plan expenses		**48,462**	62,066
Employee benefits		**412,643**	406,087
Other benefits		**202,034**	210,685
Total		**4,576,088**	4,491,964
Foreign exchange loss/(gains), net		**1,113,958**	(2,507,892)
Write-down of inventories to net realisable value		**1,077,525**	1,387,824
Net losses on disposal of items of property, plant and equipment and intangible assets		**33,630**	36,867
Net (gain)/loss on disposal of right-of-use assets		**(11,674)**	4,320

* There are no forfeited contributions that may be used by the Group as the employer to reduce the existing level of contributions.

9. INCOME TAX

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

The Company and the Company's subsidiary incorporated in the BVI are not subject to corporate income tax ("CIT") as they do not have a place of business (other than a registered office) or carry on any business in the Cayman Islands and BVI.

The subsidiaries of the Company incorporated in Hong Kong were subject to income tax at the rate of 16.5% on the estimated assessable profits arising in Hong Kong during the year (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 effective statutory tax rate for these taxes was 30.62% for the year (2024: 30.62%).

The subsidiary of the Company registered in the Mainland China is subject to PRC enterprise income tax on the taxable income as reported in its PRC statutory accounts adjusted in accordance with relevant PRC income tax laws based on a statutory rate of 25% (2024: 25%).

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

The Company's subsidiary incorporated and operating in the United States was subject to federal corporation income tax at a rate of 21% during the year (2024: 21%), as well as state tax at a rate of approximately 8.84% (2024: 8.84%).

The Company's subsidiary incorporated and operating in Switzerland was subject to federal corporation income tax at a rate of 8.5% during the year (2024: 8.5%), as well as cantonal and communal taxes at rates ranging from 2% to 5% (2024: 2% to 5%).

Tax in the statement of profit or loss represents:

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Current income tax	**539,949**	337,486
Deferred tax	**(1,213,706)**	(13,299)
Total	**(673,757)**	324,187

A reconciliation of the tax expense applicable to (loss)/profit before tax at the statutory rate for Japan to the tax charge at the effective tax rate is as follows:

	Year ended 31 March			
	2025		2024	
	JPY'000	*%*	*JPY'000*	*%*
(Loss) /profit before tax	**(937,931)**		5,152,315	
Tax at the statutory tax rate (30.62% for the year ended 31 March 2025 and 2024)	**(287,194)**	**30.62**	1,577,639	30.62
Different tax rates or tax bases for entities outside Japan	**(255,383)**	**27.23**	(274,280)	(5.32)
Expenses not deductible for tax	**72,012**	**(7.68)**	5,163	0.10
Income not subject to tax	**(35,293)**	**3.76**	(140,778)	(2.73)
Effect of withholding tax on the distributable profits of the Group's subsidiaries in the Mainland China and Japan	**(70,183)**	**7.48**	(37,302)	(0.72)
Impact of unrecognised tax losses and temporary differences	**(97,716)**	**10.42**	(806,255)	(15.65)
Tax (credit)/charge at the Group's effective rate	**(673,757)**	**71.83**	324,187	6.30

10. DIVIDENDS

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Proposed final – Nil (2024: JPY1.50) per ordinary share	**–**	908,464
Interim declared – Nil (2024: JPY1.50) per ordinary share	**–**	908,464

The directors did not declare any interim and final dividend for 2025.

11. (LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of basic loss (2024: earnings) per share is based on the profit attributable to ordinary equity holders of the parent and the weighted average number of ordinary shares outstanding during the year.

No adjustment has been made to the basic earnings per share amounts presented for the years ended 31 March 2025 and 2024 in respect of a dilution as the Group had no dilutive potentially ordinary shares outstanding during the years ended 31 March 2025 and 2024.

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

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
(Loss)/earnings		
(Loss)/profit attributable to ordinary equity holders of the parent	**(264,233)**	4,828,057

	Number of shares	
	2025	2024
	'000	*'000*
Shares		
Weighted average number of ordinary shares outstanding during the year used in the basic earnings per share calculation	**605,643**	605,643

12. PROPERTY, PLANT AND EQUIPMENT

	Building	Machinery	Leasehold improvements	Motor vehicles	Equipment, furniture and fittings	Construction in progress	Total
	JPY'000	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*
31 March 2025							
Cost:							
At 1 April 2024	6,461,817	2,008,131	2,995,753	46,731	1,784,547	214,366	13,511,345
Additions	82,379	16,778	678,560	4,180	510,754	5,295	1,297,946
Transfer from construction in progress	–	11,300	184,006	–	13,438	(208,744)	–
Disposals	(26,152)	(53,742)	(106,614)	(26,166)	(288,502)	–	(501,176)
Exchange realignment	–	(674)	(42,021)	–	(3,328)	(5,622)	(51,645)
At 31 March 2025	6,518,044	1,981,793	3,709,684	24,745	2,016,909	5,295	14,256,470
Accumulated depreciation:							
At 1 April 2024	5,798,277	1,761,312	1,907,830	46,590	1,436,809	–	10,950,818
Depreciation provided during the year	79,424	76,454	335,204	1,090	382,478	–	874,650
Disposals	(21,606)	(53,742)	(65,540)	(26,166)	(278,252)	–	(445,306)
Exchange realignment	–	(649)	(11,993)	–	(1,647)	–	(14,289)
At 31 March 2025	5,856,095	1,783,375	2,165,501	21,514	1,539,388	–	11,365,837
Accumulated impairment:							
At 1 April 2024	93,339	1,697	390,201	–	75,662	–	560,899
Impairment provided during the year	–	–	16,596	–	796	–	17,392
Disposals	–	–	(17,718)	–	(10,044)	–	(27,762)
Exchange realignment	–	–	(2,859)	–	(156)	–	(3,015)
At 31 March 2025	93,339	1,697	386,220	–	66,258	–	547,514
Net book value:							
At 31 March 2025	568,610	196,721	1,157,963	3,231	411,263	5,295	2,343,083

	Building	Machinery	Leasehold improvements	Motor vehicles	Equipment, furniture and fittings	Construction in progress	Total
	JPY'000	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*
31 March 2024							
Cost:							
At 1 April 2023	6,460,678	1,977,008	2,447,579	46,731	1,886,174	4,532	12,822,702
Additions	32,026	46,641	453,610	–	168,777	218,073	919,127
Transfer from construction in progress	3,706	4,533	–	–	–	(8,239)	–
Disposals	(34,593)	(23,625)	(54,059)	–	(285,889)	–	(398,166)
Exchange realignment	–	3,574	148,623	–	15,485	–	167,682
At 31 March 2024	6,461,817	2,008,131	2,995,753	46,731	1,784,547	214,366	13,511,345
Accumulated depreciation:							
At 1 April 2023	5,744,197	1,696,535	1,557,552	45,276	1,553,289	–	10,596,849
Depreciation provided during the year	79,235	84,970	278,120	1,314	128,689	–	572,328
Disposals	(25,155)	(23,625)	(46,217)	–	(256,102)	–	(351,099)
Exchange realignment	–	3,432	118,375	–	10,933	–	132,740
At 31 March 2024	5,798,277	1,761,312	1,907,830	46,590	1,436,809	–	10,950,818
Accumulated impairment:							
At 1 April 2023	93,339	1,697	308,996	–	71,862	–	475,894
Impairment provided during the year	–	–	78,348	–	5,487	–	83,835
Disposals	–	–	–	–	(1,717)	–	(1,717)
Exchange realignment	–	–	2,857	–	30	–	2,887
At 31 March 2024	93,339	1,697	390,201	–	75,662	–	560,899
Net book value:							
At 31 March 2024	570,201	245,122	697,722	141	272,076	214,366	1,999,628

An impairment of JPY19,064,000 (2024: JPY83,835,000) has been provided for certain loss-making shops during the year ended 31 March 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.

13. RIGHT-OF-USE ASSETS

	Shops	**Office properties**	**Motor vehicles**	**Total**
	JPY'000	***JPY'000***	***JPY'000***	***JPY'000***
Carrying amount at 1 April 2024	**2,011,040**	**364,994**	**44,729**	**2,420,763**
Addition	**1,085,575**	**373,738**	**35,645**	**1,494,958**
Depreciation during the year	**(1,182,288)**	**(146,917)**	**(6,697)**	**(1,335,902)**
Revision of a lease term arising from a change in the non-cancellable period of a lease	**(126,303)**	**(247,257)**	**–**	**(373,560)**
Exchange realignment	**(16,855)**	**(1,347)**	**–**	**(18,202)**
Carrying amount at 31 March 2025	**1,771,169**	**343,211**	**73,677**	**2,188,057**

	Shops	Office properties	Motor vehicles	Total
	JPY'000	*JPY'000*	*JPY'000*	*JPY'000*
Carrying amount at 1 April 2023	1,633,034	144,970	34,842	1,812,846
Addition	1,538,758	354,445	19,055	1,912,258
Depreciation during the year	(1,172,044)	(135,337)	(7,800)	(1,315,181)
Revision of a lease term arising from a change in the non-cancellable period of a lease	(15,249)	–	(1,643)	(16,892)
Impairment	(85,953)	–	–	(85,953)
Exchange realignment	112,494	916	275	113,685
Carrying amount at 31 March 2024	2,011,040	364,994	44,729	2,420,763

14. FREEHOLD LAND

The carrying amount of the Group's freehold land is analysed as follows:

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Cost:		
As at 1 April and 31 March	**1,940,789**	1,940,789
Impairment:		
As at 1 April and 31 March	**–**	–
Net book value:		
As at 31 March	**1,940,789**	1,940,789

The freehold land is owned by Honma Japan and is located in Japan.

15. FINANCE LEASE RECEIVABLES

The total future lease payments receivable under finance leases and their present values were as follows:

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Within one year	**77,889**	106,990
After one year but within two years	**80,226**	81,470
After two years but within three years	**13,773**	81,309
After three years but within four years	**–**	13,958
Total minimum finance lease receivables	**171,888**	283,727
Unearned finance income	**(1,538)**	(3,339)
Total net finance lease receivables	**170,350**	280,388
Portion classified as current assets	**(77,556)**	(106,586)
Non-current portion	**92,794**	173,802

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Within one year	**77,556**	106,586
After one year but within two years	**79,252**	80,498
After two years but within three years	**13,542**	79,687
After three years but within four years	**–**	13,617
Total present value of minimum finance lease receivables	**170,350**	280,388

During the year, JPY1,504,000 (2024: JPY1,731,000) was recognised as the finance income of finance lease receivables.

The Group applies a simplified approach in calculating ECLs prescribed by IFRS 9, which permits the use of the lifetime expected losses for lease receivables. All of the finance lease receivables are not past due. To measure the expected credit losses, finance lease receivables have been grouped based on shared credit risk characteristics and the days past due. The determination of expected credit losses has also incorporated forward-looking information. All the finance lease receivables are classified as Stage 1 without any significant increase in credit risk tracked since initial recognition. The expected credit loss rates for finance lease receivables that were not yet past due is minimal.

16. INVENTORIES

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Raw materials	**1,545,016**	2,692,537
Work in progress	**795,947**	1,285,914
Finished goods	**6,408,205**	9,611,749
Subtotal	**8,749,168**	13,590,200
Less: provision	**(1,865,754)**	(3,411,094)
Net carrying amount	**6,883,414**	10,179,106

17. TRADE AND BILLS RECEIVABLES

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Trade receivables	**3,981,044**	3,806,145
Bills receivable	**117,738**	400,836
Subtotal	**4,098,782**	4,206,981
Less: provision	**(360,730)**	(166,201)
Net carrying amount	**3,738,052**	4,040,780

The Group's trading terms with its customers are mainly on credit. The credit period ranges 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 as at the end of the reporting period, based on the invoice date and net of provisions, is as follows:

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Within 1 month	**3,468,029**	3,070,137
1 to 3 months	**133,558**	352,702
3 to 12 months	**14,365**	162,064
Over 1 year	**4,362**	55,041
Total	**3,620,314**	3,639,944

The movements in provision for impairment of trade receivables are as follows:

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Opening balance	**166,201**	204,684
Addition	**226,081**	9,251
Reversal	**(12,949)**	(47,636)
Amount written off as uncollectable	**(18,603)**	(98)
Ending balance	**360,730**	166,201

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2025

	Expected loss rates	Gross carrying amounts	Impairment
		JPY'000	*JPY'000*
Defaulted receivables	**100.00%**	**298,905**	**298,905**
Current and past due within 6 months	**1.23%**	**3,665,432**	**45,151**
6 to 12 months past due	**31.25%**	**48**	**15**
Over 1 year past due	**100.00%**	**16,659**	**16,659**
Total		**3,981,044**	**360,730**

As at 31 March 2024

	Expected loss rates	Gross carrying amounts	Impairment
		JPY'000	*JPY'000*
Current and past due within 6 months	2.21%	3,568,324	78,844
6 to 12 months past due	28.85%	211,473	61,009
Over 1 year past due	100%	26,348	26,348
Total		3,806,145	166,201

Transferred financial assets that are derecognised in their entirety

At 31 March 2025, the Group endorsed certain bills receivable accepted by banks in Japan (the "Derecognised Bills") with a carrying amount in aggregate of JPY478,165,000 (2024: Nil). The Derecognised Bills had a maturity of one month to four months at the end of the reporting period. In accordance with the Law, the holders of the Derecognised Bills may exercise the right of recourse against any, several or all of the persons liable for the Derecognised Bills, including the Group, in disregard of the order of precedence (the "Continuing Involvement"). In the opinion of the directors, the risk of the Group being claimed by the holders of the Derecognised Bills is remote in the absence of a default of the accepted banks. The Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

18. CASH AND CASH EQUIVALENTS

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Cash and bank balances	**17,350,026**	16,617,120
Time deposits	**5,957**	21,999
Subtotal	**17,355,983**	16,639,119
Less: Pledged deposits for litigation	**–**	(15,967)
Others	**(5,957)**	(6,032)
Cash and cash equivalents	**17,350,026**	16,617,120

At the end of the reporting period, the cash and bank balances of the Group denominated in Renminbi ("RMB") amounted to JPY16,649,506,000 (31 March 2024: JPY15,456,261,000). The RMB is not freely convertible into other currencies, however, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, and Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

19. TRADE AND BILLS PAYABLES

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Trade payables	**1,067,488**	1,030,960
Bills payable	**–**	19,484
Total	**1,067,488**	1,050,444

The ageing analysis of trade and bills payables as at 31 March 2025 and 2024 is as follows:

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Within 3 months	**1,067,488**	1,041,251
Over 3 months	**–**	9,193
Total	**1,067,488**	1,050,444

The trade and bills payables are non-interest-bearing and normally settled on terms of two to four months.

20. INTEREST-BEARING BANK BORROWINGS

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Current		
Bank loans – unsecured	**6,024,720**	6,411,180
Non-current		
Bank loans – unsecured	**494,100**	578,820
Total	**6,518,820**	6,990,000
Analysed into:		
Bank loans repayable:		
Within one year	**6,024,720**	6,411,180
In the second year	**63,540**	84,720
In the third to fifth years, inclusive	**254,160**	254,160
Beyond five years	**176,400**	239,940
Total	**6,518,820**	6,990,000

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

	At 31 March	
	2025	2024
Effective interest rates	**0.17% to 3.08%**	0.17% to 3.08%

At 31 March 2025 and 2024, there were no properties pledged to secure bank borrowings granted to the Group.

21. LEASE LIABILITIES

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
At beginning of year	**2,777,470**	2,153,237
Addition	**1,459,035**	1,886,424
Accretion of interest	**59,677**	55,711
Payment	**(1,570,443)**	(1,468,237)
Revision of a lease term arising from a change in the non-cancellable period of a lease	**(385,234)**	(12,572)
Exchange realignment	**(20,689)**	162,907
At end of year	**2,319,816**	2,777,470

Maturity profile of lease liabilities as at 31 March 2025 and 2024 is as follows:

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Within one year	**1,195,052**	1,372,574
In the second year	**726,039**	869,490
In the third to five years, inclusive	**470,584**	621,027
Total undiscounted lease liabilities	**2,391,675**	2,863,091
Discount amount	**(71,859)**	(85,621)
Total present value of lease liabilities	**2,319,816**	2,777,470
Portion classified as current liabilities	**(1,181,395)**	(1,358,166)
Non-current portion	**1,138,421**	1,419,304
Analysed into:		
Lease liabilities:		
Within one year	**1,181,395**	1,358,166
In the second year	**700,483**	835,350
In the third to fifth years, inclusive	**437,938**	583,954
Total	**2,319,816**	2,777,470

22. EMPLOYEE DEFINED BENEFIT PLANS

Net employee defined benefit assets/(liabilities):

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Retirement benefit plans	**399,575**	145,506

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

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

The Group's defined benefit plans 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 plans.

The trustees review the level of funding in the plans 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.

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

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Current service cost	**49,643**	60,173
Interest (income)/cost	**(1,181)**	1,893
Net benefit expenses	**48,462**	62,066
Recognised in cost of sales	**16,817**	21,537
Recognised in selling and distribution expenses	**21,426**	27,441
Recognised in administrative expenses	**10,219**	13,088
Total	**48,462**	62,066

The following tables summarise the components of net benefit expenses recognised in the statement of profit or loss and the funding status and amounts recognised in the statement of financial position for the plans:

Changes for the year ended 31 March 2025 in the defined benefit obligations and fair value of plan assets:

	1 April 2024	**Current service cost**	**Net interest**	**Sub-total included in profit or loss**	**Benefits paid**	**Return on plan assets**	**Actuarial changes arising from changes in financial assumptions**	**Experience adjustments**	**Sub-total included in other comprehensive income**	**Contributions by employer**	**31 March 2025**
	JPY'000	***JPY'000***	***JPY'000***	***JPY'000*** ***(note 8)***	***JPY'000***	***JPY'000***	***JPY'000***	***JPY'000***	***JPY'000***	***JPY'000***	***JPY'000***
Defined benefit obligations	**1,984,896**	**49,643**	**14,478**	**64,121**	**(451,014)**	**–**	**(63,448)**	**(58)**	**(63,506)**	**–**	**1,534,497**
Fair value of plan assets	**(2,130,402)**	**–**	**(15,659)**	**(15,659)**	**183,796**	**27,953**	**–**	**–**	**27,953**	**240**	**(1,934,072)**
Benefit (asset)/liability	**(145,506)**	**49,643**	**(1,181)**	**48,462**	**(267,218)**	**27,953**	**(63,448)**	**(58)**	**(35,553)**	**240**	**(399,575)**

Changes for the year ended 31 March 2024 in the defined benefit obligations and fair value of plan assets:

	1 April 2023	Current service cost	Net interest	Sub-total included in profit or loss	Benefits paid	Return on plan assets	Actuarial changes arising from changes in financial assumptions	Experience adjustments	Sub-total included in other comprehensive income	Contributions by employer	31 March 2024
	JPY'000	*JPY'000*	*JPY'000*	*JPY'000* *(note 8)*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*	*JPY'000*
Defined benefit obligations	2,237,991	60,173	12,945	73,118	(328,262)	–	3,998	(1,949)	2,049	–	1,984,896
Fair value of plan assets	(1,888,691)	–	(11,052)	(11,052)	129,095	(359,722)	–	–	(359,722)	(32)	(2,130,402)
Benefit (asset)/liability	349,300	60,173	1,893	62,066	(199,167)	(359,722)	3,998	(1,949)	(357,673)	(32)	(145,506)

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

	At 31 March	
	2025	2024
	JPY'000	*JPY'000*
Stocks	**988,069**	1,096,013
Bonds	**743,248**	813,738
General account of life insurance companies	**149,216**	148,048
Others	**53,539**	72,603

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

	At 31 March	
	2025	2024
Method of allocating projected retirement benefits	**Projected unit credit method**	Projected unit credit method
Discount rate	**1.53%**	0.73%
Mortality (Mortality Table published by Ministry of Health, Labour and Welfare dated on)	**26 March 2015**	26 March 2015

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

		Increase/(decrease) in defined benefit obligations	
		At 31 March	
		2025	2024
Assumption	*Change in assumption*	***JPY'000***	*JPY'000*
Discount rate	Increase by 0.5%	**(37,960)**	(44,088)
	Decrease by 0.5%	**37,960**	44,088

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 assumption, keeping all other assumptions 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 obligations as at 31 March 2025 and 2024 were 4.4 years and 4.3 years, respectively.

The actuarial valuation showed that the market values of plan assets were JPY1,934,072,000 and JPY2,130,402,000 as at 31 March 2025 and 2024 and represented 126% and 107% of the defined benefit obligations, respectively, that had accrued to qualified employees. The sufficiency of JPY399,575,000 and sufficiency of JPY145,506,000 as at 31 March 2025 and 2024, respectively, were expected to be cleared over the remaining service period.

23. SHARE CAPITAL

	At 31 March	
	2025	2024
Issued capital in USD: (As at 31 March 2025: 20,000,000,000 authorised shares of USD0.0000025 each, 605,642,500 ordinary shares in issue; as at 31 March 2024: 20,000,000,000 authorised shares of USD0.0000025 each, 605,642,500 ordinary shares in issue)	**1,514**	1,514
Equivalent to JPY	**153,000**	153,000

24. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Major non-cash transactions

During the year, the Group had non-cash additions to right-of-use assets and lease liabilities of JPY1,494,958,000 and JPY1,459,035,000, respectively, in respect of lease arrangements for office properties, shops and motor vehicles (31 March 2024: JPY1,912,258,000 and JPY1,886,424,000).

(b) Changes in liabilities arising from financing activities are as follows:

	Interest-bearing bank borrowings	**Dividend payable included in other payables**	**Lease liabilities**
	JPY'000	*JPY'000*	*JPY'000*
At 31 March 2023 and 1 April 2023	7,290,000	–	2,153,237
Changes from financing cash flows	(300,000)	(1,851,458)	(1,412,526)
New leases	–	–	1,886,424
Interest expenses	–	–	55,711
Interest paid classified as operating cash flows	–	–	(55,711)
Revision of a lease term arising from a change in the non-cancellable period of a lease term	–	–	(12,572)
Foreign exchange movements	–	–	162,907
Interim and final dividends payable	–	1,851,458	–
At 31 March 2024 and 1 April 2024	6,990,000	–	2,777,470
Changes from financing cash flows	(471,180)	(908,463)	(1,510,766)
New leases	–	–	1,459,035
Interest expenses	–	–	59,677
Interest paid classified as operating cash flows	–	–	(59,677)
Revision of a lease term arising from a change in the non-cancellable period of a lease term	–	–	(385,234)
Foreign exchange movements	–	–	(20,689)
Interim and final dividends payable	–	908,463	–
At 31 March 2025	6,518,820	–	2,319,816

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	Year ended 31 March	
	2025	2024
	JPY'000	*JPY'000*
Within operating activities	**281,824**	268,072
Within financing activities	**1,510,766**	1,412,526
Total	**1,792,590**	1,680,598

OTHER INFORMATION

PURCHASE, SALE AND REDEMPTION OF LISTED SECURITIES

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the listed securities of the Company.

FINAL DIVIDEND

The Board resolved not to declare any final dividend for the year ended 31 March 2025.

CLOSURE OF REGISTER OF MEMBERS

For determining entitlement to attend and vote at the forthcoming annual general meeting ("**AGM**"), the register of members of the Company will be closed from Tuesday, 16 September 2025 to Friday, 19 September 2025, both days inclusive, during which period no transfer of shares will be registered, and the record date will be Friday, 19 September 2025. In order to be eligible to attend and vote at the AGM, investors are required to lodge all transfer documents accompanied by the relevant share certificates with the Company's Hong Kong share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Monday, 15 September 2025 (Hong Kong time) for registration.

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). Throughout the year ended 31 March 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.

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. During the year, the Board held two regular meetings to approve the annual results for the year ended 31 March 2024 and the interim results for the six months ended 30 September 2024. 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 for Securities Transactions by Directors of Listed Issuers (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 of the Company (the "**Directors**"), all of them have confirmed that they had complied with the Model Code and the Company's own code regarding directors' securities transactions throughout the year ended 31 March 2025.

AUDIT COMMITTEE

The Company established the Audit Committee with written terms of reference in compliance with the CG Code. As at the date of this announcement, 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 annual results of the Group for the year ended 31 March 2025. The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes for the year ended 31 March 2025 as set out in this announcement have been agreed by the Group's auditor, Ernst & Young, to the amounts set out in the Group's consolidated financial statements for the year. The work performed by Ernst & Young in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants (HKICPA) and consequently no assurance has been expressed by Ernst & Young on this announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the website of Hong Kong Exchanges and Clearing Limited ("**HKEX**") (www.hkexnews.hk) and that of the Company (www.honmagolf.com).

The annual report will be available on the website of HKEX and that of the Company (and will be dispatched to the shareholders of the Company, where applicable) in due course.

CHANGE IN COMPOSITION OF THE NOMINATION COMMITTEE

The Board is pleased to announce that Ms. Tian Qing, an independent non-executive Director, has been appointed as a member of the nomination committee of the Company (the "**Nomination Committee**") with effect from 26 June 2025.

Following the above change, the Nomination Committee comprises four members, namely Mr. Liu Jianguo (Chairman), Mr. Wang Jianguo, Mr. Lu Pochin Christopher and Ms. Tian Qing.

For and on behalf of the Board
Honma Golf Limited
本間高爾夫有限公司
Liu Jianguo
Chairman

Hong Kong, 26 June 2025

As at the date of this announcement, the executive directors of the Company are Mr. LIU Jianguo (Chairman), Mr. ITO Yasuki, Mr. ZUO Jun and Mr. LIU Hongli; the non-executive directors of the Company are Mr. YANG Xiaoping and Mr. Soopakij CHEARAVANONT; and the independent non-executive directors of the Company are Mr. LU Pochin Christopher, Mr. WANG Jianguo, Mr. XU Hui and Ms. TIAN Qing.