



## Honma Golf Limited

本間高爾夫有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 6858)

### Honma Golf Announces FY2017 Annual Results

**Revenue Grew by 12.7% on Constant Currency Basis  
Net Profit Rose by 38.9%, Hitting JPY5.0 Billion**

#### **Financial Highlights:**

- Revenue rose by 8.4% on reported basis and 12.7% on constant currency basis to JPY24.2 billion, continuing to demonstrate solid and profitable growth;
- All three main product categories achieved double-digit growth on constant currency basis:
  - Golf clubs – 11.4% year-on-year growth;
  - Golf balls – 83.4% year-on-year growth;
  - Bags, apparels and other accessories – 11.9% year-on-year growth;
- All our home markets continued to present robust growth on constant currency basis:
  - Japan – 8.9% year-on-year growth;
  - Korea – 21.7% year-on-year growth;
  - China (including Hong Kong and Macau) – 18.8% year-on-year growth;
- Gross profit increased by 10.3% to JPY14.5 billion and gross profit margin reached 60.0%;
- Operating profit improved by 19.8% and operating profit margin grew by 1.9 percentage points, reaching 20.4%;
- Net profit rose by 38.9% to JPY5.0 billion and net profit margin expanded to 20.5%;
- Net cash flows generated from operating activities amounted to JPY3.7 billion, representing a 160.0% improvement;
- Inventories nudged lower to JPY6.3 billion, down by 14.8%;
- Proposed final dividend of JPY3.00 per share, amounting to approximately a total of JPY1.8 billion and representing approximately 40% of the Group's distributable profit for FY 2017.

subsidiaries, the “Group”, stock code: 06858), one of the most prestigious and iconic brands in the golf industry, announces the consolidated results for the year ended 31 March 2017(the "Period").

Fueled by the various growth initiatives, the Group continued to deliver solid and profitable revenue growth. During FY2017, the Group’s revenue rose by 8.4% on reported basis and 12.7% on constant currency basis to JPY24.2 billion. Gross profit increased by 10.3% to JPY14.5 billion and gross profit margin reached 60.0%. Net profit rose by 38.9% to JPY5.0 billion and net profit margin expanded to 20.5%. The Group proposed a final dividend of JPY3.00 per share, representing approximately 40% of the Group’s distributable profit for FY2017.

Mr. Liu Jianguo, Chairman of the Board, President and Executive Director of Honma Golf Limited said, “FY2017 marks an important milestone in the Group’s mid-term growth plan. The successful IPO has allowed the Group to tap into the international capital market, strengthen its capital structure and accelerate the execution of its mid-term growth plan. Driven by a rooted principle of pursuing profitable and sustainable growth, we managed to deliver a delightful set of results as a newly listed company, which clearly illustrates our Group’s strong brand equity, sensible planning and robust execution capabilities. The strong cash flow generation and the confidence in the Group’s continuous future growth enable us to propose a dividend of JPY3.00 per share.” Looking ahead, the Group will continue to build a world-leading golf lifestyle company on the foundation of its craftsmanship heritage, product excellence and brand equity. The group will accelerate the expansion into North America and Europe which are nascent to the Group yet account for a significant share of the global golf products market. The Group will also leverage on the strength of its brand equity to pivot growth in balls, apparels and accessories with the aim to increase the value share of its non-club business to industry average.

### **Revenue by Geography**

During FY2017, Japan, Korea and China (including Hong Kong and Macau), which are our home markets, were the primary drivers of the Group’s revenue growth and contributed to 85.8% of the Group’s total revenue. Revenue for these three markets increased by 8.9%, 21.7% and 18.8% respectively on constant currency basis, which firmly demonstrates the Group’s strong performance in achieving sustainable growth in our home markets.

### **Robust Revenue Growth in All Three Main Product Categories**

The Group recorded robust revenue growth in all three main product categories during FY2017. Revenue for golf clubs, golf balls and bags, apparels and other accessories increased by 11.4%, 83.4% and 11.9% respectively on constant currency basis while golf clubs continue to account for more than 80% of the Group’s total revenue. In particular, revenue for Be Zeal and TOUR WORLD rose by 120.4% and 13.0% on constant currency basis, respectively, reconfirming the Group’s strategy to penetrate deeper into the high growth consumer segments. The Group also established

dedicated sales teams for its non-club product categories and further expanded its sales and distribution channels in home and new markets.

### **About Honma Golf Limited**

HONMA is one of the most prestigious and iconic brands in the golf industry, synonymous with intricate craftsmanship, dedication to performance excellence and distinguished product quality. Honma Golf was successfully listed on the Main Board of the Stock Exchange of Hong Kong Limited on 6th October 2016 (Stock Code: 6858). The Company predominantly designs, develops, manufactures and sells a comprehensive range of aesthetically-crafted and performance-driven golf clubs, under three major product families, namely BERES, TOUR WORLD and Be ZEAL, each targeting specific consumer segments. Honma Golf also offers customers a complete golf lifestyle experience through an extensive portfolio of golf balls, bags, apparels and other accessories. According to Frost & Sullivan, HONMA ranks among the top ten golf product brands in the world and is the number one brand for premium golf clubs, in each case in terms of retail sales in 2015. It was also the fastest growing brand within the top 10 golf products brands as measured by year-on-year retail sales growth from 2014 to 2015. Honma Golf's products are sold in approximately 50 countries worldwide, primarily in Asia and also across North America, Europe and other regions.

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Any enquiry, please contact:

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