



## Callaway Golf Company Announces Buyout Of Japan Apparel Joint Venture From TSI Groove & Sports Co, Ltd.

CARLSBAD, Calif., June 3, 2019 /PRNewswire/ -- Callaway Golf Company (NYSE:ELY) announced today that its Tokyo-based subsidiary, Callaway Golf K.K., acquired the remaining 48% stake in Callaway Apparel K.K., an apparel joint venture between Callaway and its long-time partner, TSI Groove & Sports Co, Ltd. Effective June 1<sup>st</sup>, Callaway Golf K.K. owns 100% of Callaway Apparel K.K., which designs, manufactures and sells Callaway branded apparel, footwear, and headwear in Japan.

Callaway Golf K.K. acquired the 48% minority interest for 2 Billion Yen, or approximately \$18 million based upon a 109 US Dollar to Yen exchange rate. This purchase price values Callaway Golf K.K. at approximately 9 times 2019 projected EBITDA.

"We are pleased with the success of our apparel business in Japan," commented Chip Brewer, President and Chief Executive Officer of Callaway Golf Company. "We have a great relationship with TSI Groove & Sports, but acquiring full ownership of this business provides our Asia team with a platform and the flexibility to support a fully integrated, multi-branded soft goods business in Asia. This acquisition is consistent with our strategy to accelerate growth in our soft-goods business across brands and geographies."

The joint venture began operations on July 1<sup>st</sup>, 2016 with its headquarters in Tokyo, Japan. Callaway owned 52% of the joint venture and TSI Groove & Sports Co, Ltd. owned 48%. TSI had previously partnered with Callaway as a licensee, helping to successfully launch and grow that business since 2002.

Callaway Golf Company reported that this transaction would not affect the Company's prior financial guidance for 2019.

### **About Callaway Golf**

*Callaway Golf Company (NYSE: ELY) is a premium golf equipment and active lifestyle company with a portfolio of global brands, including Callaway Golf, Odyssey, OGIO, TravisMathew and Jack Wolfskin. Through an unwavering commitment to innovation, Callaway manufactures and sells premium golf clubs, golf balls, golf and lifestyle bags, golf and lifestyle apparel and other accessories. For more information please visit [www.callawaygolf.com](http://www.callawaygolf.com), [www.odysseygolf.com](http://www.odysseygolf.com), [www.ogio.com](http://www.ogio.com), [www.travismathew.com](http://www.travismathew.com), and [www.jack-wolfskin.com](http://www.jack-wolfskin.com)*

Contacts:  
Brian Lynch  
Patrick Burke  
(760) 931-1771

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