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## Non-consolidated Financial Results for the Nine Months Ended November 20, 2023 [Japanese GAAP]



December 25, 2023

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 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3333  
 URL: <https://www.cb-asahi.co.jp/>  
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 Scheduled date of filing quarterly securities report: December 28, 2023  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

### 1. Non-consolidated Financial Results for the Nine Months Ended November 20, 2023 (February 21, 2023 – November 20, 2023)

(1) Non-consolidated Operating Results (Cumulative) (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Nine months ended November 20, 2023	61,694	4.5	4,923	(7.2)	5,142	(5.0)	3,378	(6.3)
November 20, 2022	59,057	–	5,305	–	5,411	–	3,605	–

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended November 20, 2023	129.36		–	
November 20, 2022	138.08		–	

(Note) The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020), etc. from the beginning of the first quarter of the previous fiscal year, and the figures for the nine months ended November 20, 2022 are those after applying the said accounting standard, etc. Therefore, the percent changes from the previous corresponding period are not presented.

### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 20, 2023	52,260	37,280	71.3
As of February 20, 2023	50,411	34,987	69.4

(Reference) Equity: As of November 20, 2023: ¥37,280 million  
 As of February 20, 2023: ¥34,987 million

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended February 20, 2023	–	0.00	–	28.00	28.00
Fiscal year ending February 20, 2024	–	22.50	–		
Fiscal year ending February 20, 2024 (Forecast)				22.50	45.00

(Note) Revisions to the most recently announced dividend forecast: None

## 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2024 (February 21, 2023 – February 20, 2024)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	80,000	7.1	5,200	1.4	5,400	1.6	3,400	1.0	130.19

(Note) Revisions to the most recently announced financial results forecast: None

**\* Notes:**

- (1) Adoption of special accounting methods for the preparation of quarterly non-consolidated financial statements:  
None
- (2) Changes in accounting policies, changes in accounting estimates and retrospective restatement
- 1) Changes in accounting policies due to the revision of accounting standards: None
  - 2) Changes in accounting policies other than 1) above: None
  - 3) Changes in accounting estimates: None
  - 4) Retrospective restatement: None
- (3) Total number of issued shares (common shares)
- 1) Total number of issued shares at the end of the period (including treasury shares):

November 20, 2023:	26,240,800 shares
February 20, 2023:	26,240,800 shares
  - 2) Total number of treasury shares at the end of the period:

November 20, 2023:	126,456 shares
February 20, 2023:	126,456 shares
  - 3) Average number of shares outstanding during the period:

Nine months ended November 20, 2023:	26,114,344 shares
Nine months ended November 20, 2022:	26,114,344 shares

(Note) The Company has adopted the Executive Remuneration BIP Trust since June 19, 2014.

The number of treasury shares at the end of the period includes the Company's shares held by the trust (126,070 shares as of November 20, 2023 and 126,070 shares as of February 20, 2023). In addition, the Company's shares held by the trust are included in the treasury shares to be deducted in the calculation of the average number of shares outstanding during the period (126,070 shares as of November 20, 2023, and 126,070 shares as of November 20, 2022).

\* These quarterly non-consolidated financial results are outside the scope of quarterly review by certified public accountants or an audit firm.

\* Explanation of the proper use of financial results forecast and other notes

(Cautions regarding forward-looking statements, etc.)

The financial results forecast and other forward-looking statements contained in this document are based on information currently available to the Company and certain assumptions that are deemed reasonable, and do not constitute a promise that the Company will achieve them. Actual results may differ materially from these statements due to various factors. For the assumptions on which the financial results forecast is based, cautions on the use of the forecast, and other information, please refer to 1. Qualitative Information on Quarterly Financial Results for the Period under Review, (3) Explanation of Financial Results Forecast and Other Forward-looking Information on page 3 of the Attachment.

(Access to supplementary explanatory materials on financial results)

The supplementary explanatory materials on financial results are disclosed on TDnet today and are also available on the Company's website.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

The Japanese economy during the nine months ended November 20, 2023 registered a recovery towards the normalization of economic activities, as seen in the increases in travel, dining out, and foreign tourists, among others, following the easing of restrictions on activities to contain COVID-19. However, the economy continued to face a severe economic climate due to factors such as the hike in raw material prices, the rise in domestic prices and the declining trend in demand for durable consumer goods.

In the bicycle business, new bicycle sales were sluggish as higher selling prices of bicycles and the rising prices for various goods put downward pressure on consumption, leading to a severe situation with a sense of slowdown throughout the business. Meanwhile, the trend of repairing, maintaining, and using the same bicycle for a long time rather than replacing it with a new one became more pronounced than ever.

The Company achieved an increase in e-commerce sales mainly by strengthening the foundation of our “online order for store pickup” service, as well as securing a sufficient supply of popular merchandise, implementing competitive pricing, and efficiently running web advertisements. Furthermore, our stores saw growth in customer traffic owing to the provision of repair and maintenance services provided at stores nationwide, the Company’s advantage.

In the bicycle business, demand for reused products is increasing in line with the downward pressure on consumption due to rising prices for various goods. In the reuse business, the Company expanded the number of purchase stores to secure sufficient merchandise and streamlined the work for commercialization after purchase in an effort to expand the scale of operations. For helmets, the wearing of which has become a non-binding obligation, the Company secured a stable supply of merchandise, which contributed to the increase in net sales of parts and accessories.

Regarding store openings and closures, the Company opened one new store in the Hokkaido region, nine in the Kanto region, one in the Chubu region and three in the Kinki region. Meanwhile, one store in the Kanto region closed upon the expiration of its contract. As a result, the total number of stores at the end of the third quarter of the fiscal year under review was 532, consisting of 514 directly operated stores and 18 franchise stores.

As a result of the above activities, net sales for the nine months ended November 20, 2023 were ¥61,694,631 thousand (up 4.5% year-on-year). Operating profit was ¥4,923,726 thousand (down 7.2% year-on-year), ordinary profit was ¥5,142,745 thousand (down 5.0% year-on-year), and profit was ¥3,378,167 thousand (down 6.3% year-on-year).

Segment information is omitted as the Company has only one segment.

### (2) Explanation of Financial Position

#### 1) Assets

Current assets at the end of the third quarter of the fiscal year under review were ¥28,825,745 thousand, an increase of ¥1,187,689 thousand (4.3%) from the end of the previous fiscal year. This was due mainly to an increase in cash and deposits of ¥5,616,820 thousand, which was partially offset by decreases in merchandise of ¥3,503,419 thousand and goods in transit of ¥881,485 thousand. Non-current assets were ¥23,435,166 thousand, an increase of ¥661,731 thousand (2.9%) from the end of the previous fiscal year. This was due mainly to increases in buildings of ¥461,913 thousand and software in progress of ¥314,985 thousand.

As a result, total assets were ¥52,260,911 thousand, an increase of ¥1,849,421 thousand (3.7%) from the end of the previous fiscal year.

## 2) Liabilities

Current liabilities at the end of the third quarter of the fiscal year under review were ¥13,841,482 thousand, a decrease of ¥480,057 thousand (3.4%) from the end of the previous fiscal year. This was due mainly to increases in accrued consumption taxes of ¥784,687 thousand and income taxes payable of ¥665,873 thousand, which were partially offset by a decrease in accounts payable – trade of ¥1,932,173 thousand. Non-current liabilities were ¥1,139,084 thousand, an increase of ¥37,019 thousand (3.4%) from the end of the previous fiscal year. This was due mainly to increases in asset retirement obligations of ¥36,517 thousand and provision for share-based compensation of ¥13,725 thousand, which were partially offset by a decrease in long-term accounts payable – other of ¥7,020 thousand.

As a result, total liabilities were ¥14,980,567 thousand, a decrease of ¥443,038 thousand (2.9%) from the end of the previous fiscal year.

## 3) Net assets

Total net assets at the end of the third quarter of the fiscal year under review were ¥37,280,344 thousand, an increase of ¥2,292,459 thousand (6.6%) from the end of the previous fiscal year. This was due mainly to an increase of ¥3,378,167 thousand due to the posting of profit, which was partially offset by a decrease due to dividends of surplus of ¥1,325,140 thousand.

As a result, the equity ratio stood at 71.3% (69.4% at the end of the previous fiscal year).

## (3) Explanation of Financial Results Forecast and Other Forward-looking Information

Our financial results forecast remains unchanged from the full year forecast published in the “Non-consolidated Financial Results for the Fiscal Year Ended February 20, 2023 [Japanese GAAP]” dated April 3, 2023.

## 2. Quarterly Non-consolidated Financial Statements and Principal Notes

### (1) Quarterly Non-consolidated Balance Sheets

(Thousand yen)

	As of February 20, 2023	As of November 20, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,312,339	10,929,160
Accounts receivable - trade	3,527,730	3,284,055
Merchandise	16,483,389	12,979,969
Goods in transit	1,546,094	664,608
Supplies	161,824	144,776
Other	607,637	824,134
Allowance for doubtful accounts	(960)	(960)
Total current assets	27,638,055	28,825,745
Non-current assets		
Property, plant and equipment		
Buildings, net	8,810,806	9,272,720
Land	3,163,012	3,163,012
Other, net	1,426,329	1,834,004
Total property, plant and equipment	13,400,147	14,269,736
Intangible assets	835,647	1,037,949
Investments and other assets		
Guarantee deposits	5,150,966	5,168,858
Construction assistance fund receivables	851,121	775,068
Other	2,539,355	2,186,637
Allowance for doubtful accounts	(3,805)	(3,085)
Total investments and other assets	8,537,638	8,127,479
Total non-current assets	22,773,434	23,435,166
<b>Total assets</b>	<b>50,411,490</b>	<b>52,260,911</b>

(Thousand yen)

	As of February 20, 2023	As of November 20, 2023
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	5,176,487	3,244,314
Income taxes payable	354,296	1,020,170
Contract liabilities	4,296,017	4,087,432
Provision for bonuses	954,222	1,460,660
Provision for shareholder benefit program	214,076	84,277
Other	3,326,439	3,944,627
<b>Total current liabilities</b>	<b>14,321,540</b>	<b>13,841,482</b>
Non-current liabilities		
Provision for share-based compensation	134,750	148,475
Asset retirement obligations	716,650	753,167
Other	250,664	237,441
<b>Total non-current liabilities</b>	<b>1,102,065</b>	<b>1,139,084</b>
<b>Total liabilities</b>	<b>15,423,605</b>	<b>14,980,567</b>
Net assets		
Shareholders' equity		
Share capital	2,061,356	2,061,356
Capital surplus	2,165,171	2,165,171
Retained earnings	31,100,689	33,153,715
Treasury shares	(180,112)	(180,112)
<b>Total shareholders' equity</b>	<b>35,147,103</b>	<b>37,200,130</b>
Valuation and translation adjustments		
Deferred gains or losses on hedges	(159,218)	80,214
<b>Total valuation and translation adjustments</b>	<b>(159,218)</b>	<b>80,214</b>
<b>Total net assets</b>	<b>34,987,884</b>	<b>37,280,344</b>
<b>Total liabilities and net assets</b>	<b>50,411,490</b>	<b>52,260,911</b>



## (2) Quarterly Non-consolidated Statements of Income

Nine Months Ended November 20

(Thousand yen)

	For the nine months ended November 20, 2022	For the nine months ended November 20, 2023
Net sales	59,057,979	61,694,631
Cost of sales	30,458,450	32,360,325
Gross profit	28,599,529	29,334,305
Selling, general and administrative expenses	23,294,170	24,410,579
Operating profit	5,305,358	4,923,726
Non-operating income		
Interest income	32,350	29,683
Rental income from buildings	87,547	82,233
Foreign exchange gains	–	2,413
Commission income	54,328	57,518
Compensation income	69,831	66,764
Other	36,226	57,772
Total non-operating income	280,284	296,385
Non-operating expenses		
Foreign exchange losses	93,986	–
Rental costs on real estate	69,405	62,206
Other	11,091	15,159
Total non-operating expenses	174,483	77,366
Ordinary profit	5,411,159	5,142,745
Extraordinary losses		
Loss on sale and retirement of non-current assets	8,193	47,941
Impairment losses	19	6,452
Total extraordinary losses	8,213	54,394
Profit before income taxes	5,402,946	5,088,350
Income taxes - current	1,402,000	1,507,000
Income taxes - deferred	395,148	203,183
Total income taxes	1,797,148	1,710,183
Profit	3,605,797	3,378,167

### (3) Notes to the Quarterly Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

Since the Company's business comprises a single segment, this information has been omitted.

(Matters related to revenue recognition)

Disaggregation of revenue from contracts with customers

Nine months ended November 20, 2022 (February 21, 2022 – November 20, 2022)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	42,578,390	10,158,237	–	4,098,245	56,834,873
Goods and services transferred over a period	–	–	118,219	2,104,886	2,223,106
Revenue from contracts with customers	42,578,390	10,158,237	118,219	6,203,132	59,057,979
Revenue from other sources	–	–	–	–	–
Sales to external customers	42,578,390	10,158,237	118,219	6,203,132	59,057,979

(Notes) 1. Since the Company's business comprises a single segment, breakdown by segment is not provided.

2. "Other" includes incidental services such as maintenance and repair works, and long-term warranty service.

Nine months ended November 20, 2023 (February 21, 2023 – November 20, 2023)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	43,238,068	11,299,944	–	4,966,217	59,504,229
Goods and services transferred over a period	–	–	119,908	2,070,493	2,190,401
Revenue from contracts with customers	43,238,068	11,299,944	119,908	7,036,710	61,694,631
Revenue from other sources	–	–	–	–	–
Sales to external customers	43,238,068	11,299,944	119,908	7,036,710	61,694,631

(Notes) 1. Since the Company's business comprises a single segment, breakdown by segment is not provided.

2. "Other" includes incidental services such as maintenance and repair works, and long-term warranty service.