



ASAHI CO., LTD.

EXPLANATORY MATERIAL ON FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED FEBRUARY 20, 2022

April 2022

TSE Prime Market (Securities code: 3333)

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1. Financial Results for the Fiscal Year Ended Feb. 20, 2022

Financial Results for the Fiscal Year Ended Feb. 20, 2022 (Comparison with previous year)

[Millions of yen, %]

	Fiscal year ended Feb. 20, 2021		Fiscal year ended Feb. 20, 2022		
	Amount	Share	Amount	Share	Y/Y change
Net sales	69,456	100.0	71,398	100.0	102.8
Gross profit	35,021	50.4	35,235	49.4	100.6
Ordinary profit	7,326	10.5	5,512	7.7	75.2
Profit	4,717	6.8	3,541	5.0	75.1

Net Sales by Division (Comparison with previous year)

[Millions of yen, %]

	Fiscal year ended Feb. 20, 2021		Fiscal year ended Feb. 20, 2022		
	Amount	Share	Amount	Share	Y/Y change
Stores/ Online	67,102	96.6	68,829	96.4	102.6
Other*	2,353	3.4	2,569	3.6	109.2
Total	69,456	100.0	71,398	100.0	102.8

*Other net sales include royalty revenue, product sales to franchise stores and wholesale customers, out-of-store sales, etc.

Net Sales by Item

(Comparison with the previous year)

[Millions of yen, %]

	Fiscal year ended Feb. 20, 2021		Fiscal year ended Feb. 20, 2022		
	Amount	Share	Amount	Share	Y/Y change
Ordinary bicycles	11,876	17.1	11,662	16.3	98.2
Sports bicycles	10,752	15.5	10,257	14.4	95.4
Children's bicycles	9,126	13.1	8,131	11.4	89.1
Electric assist bicycles	15,629	22.5	18,829	26.4	120.5
Other bicycles	2,472	3.6	2,666	3.7	107.9
Parts/Other	19,597	28.2	19,851	27.8	101.3
Total	69,456	100.0	71,398	100.0	102.8
Own brand net sales	32,395	46.6	30,598	42.9	94.5

Selling, General and Administrative Expenses, Capital Investment (Comparison with Previous Year)

[Millions of yen, %]

		Fiscal year ended Feb. 20, 2021		Fiscal year ended Feb. 20, 2022		
		Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change
Selling, general and administrative expenses		28,157	40.5	30,014	42.0	106.6
Breakdown*	Personnel expenses	13,755	19.8	14,735	20.6	107.1
	Advertising expenses	615	0.9	739	1.0	120.2
	Logistics expenses (Transport + Storage)	1,733	2.5	1,714	2.4	98.9
	Depreciation	1,253	1.8	1,343	1.9	107.2
	Other	10,799	15.5	11,480	16.1	106.3
Capital spending		2,054		2,533		123.3

*Account items have been revised from the fiscal year ended February 20, 2022.

Number of Stores (Comparison with previous year)

Total: 505 stores

(486 directly operated stores, 19 franchise stores^{*1}) (As of Feb. 20, 2022)

- New store openings: 16 stores (15 openings were as planned)
- Stores lost: 2 stores: Minami-Osawa Kids Store (amalgamation)
Mihama Newport Store (closure of a commercial facility)

	Fiscal year ended Feb. 20, 2021	Fiscal year ended Feb. 20, 2022	Change ^{*2}
Hokkaido / Tohoku / Kanto / Koshinetsu	218	224	+6 (incorporating the negative number of "-2" for the stores lost)
Chubu / Hokuriku	66	66	±0
Kinki	120	125	+5
Chugoku / Shikoku / Kyushu	87	90	+3
Total	491	505	+14

^{*1} 19 franchise stores (7 stores in Osaka, 1 store in Hyogo, 4 stores in Kyoto, 4 stores in Mie, 1 store in Hiroshima, 2 stores in Kagoshima)
Internet division not included.

^{*2} Each figure indicates an increase in the number of stores since the end of the previous fiscal year.

2. Plan for the Fiscal Year Ending Feb. 20, 2023

Plan for the Fiscal Year Ending Feb. 20, 2023

[Millions of yen, %]

	Fiscal year ended Feb. 20, 2022		Fiscal year ending Feb. 20, 2023 Plan		
	Amount	Share	Amount	Share	Y/Y change
Net sales	71,398	100.0	78,000	100.0	109.2
Gross profit	35,235	49.4	36,910	47.3	104.8
Operating profit	5,221	7.3	5,600	7.2	107.3
Ordinary profit	5,512	7.7	5,700	7.3	103.4
Profit	3,541	5.0	3,700	4.7	104.5

Net Sales by Division for the Fiscal Year Ending Feb. 20, 2023 (Plan)

[Millions of yen, %]

	Fiscal year ended Feb. 20, 2022		Fiscal year ending Feb. 20, 2023 Plan		
	Amount	Share	Amount	Share	Y/Y change
Stores/ Online	68,829	96.4	75,400	96.7	109.5
Other*	2,569	3.6	2,600	3.3	101.2
Total	71,398	100.0	78,000	100.0	109.2

*Other net sales include royalty revenue, product sales to franchise stores and wholesale customers, out-of-store sales, etc.

Net Sales by Item for the Fiscal Year Ending Feb. 20, 2023 (Plan)

[Millions of yen, %]

	Fiscal year ended Feb. 20, 2022		Fiscal year ending Feb. 20, 2023 Plan		
	Amount	Share	Amount	Share	Y/Y change
Ordinary bicycles	11,662	16.3	11,814	15.1	101.3
Sports bicycles	10,257	14.4	11,923	15.3	116.2
Children's bicycles	8,131	11.4	9,000	11.5	110.7
Electric assist bicycles	18,829	26.4	21,447	27.5	113.9
Other bicycles	2,666	3.7	3,033	3.9	113.8
Parts/Other	19,851	27.8	20,780	26.6	104.7
Total	71,398	100.0	78,000	100.0	109.2

Selling, General and Administrative Expenses, Capital Investment for Year Ending Feb. 20, 2023 (Plan)

[Millions of yen, %]

		Fiscal year ended Feb. 20, 2022		Fiscal year ending Feb. 20, 2023 Plan		
		Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change
Selling, general and administrative expenses		30,014	42.0	31,300	40.1	104.3
Breakdown	Personnel expenses	14,735	20.6	15,364	19.7	104.3
	Advertising expenses	739	1.0	722	0.9	97.7
	Logistics expenses (Transport + Storage)	1,714	2.4	1,924	2.5	112.3
	Depreciation	1,343	1.9	1,485	1.9	110.5
	Other	11,480	16.1	11,802	15.1	102.8
Capital spending			2,533		2,956	116.7

Number of Stores in the Fiscal year Ending Feb. 20, 2023 (Plan)

522 stores by Feb. 20, 2023

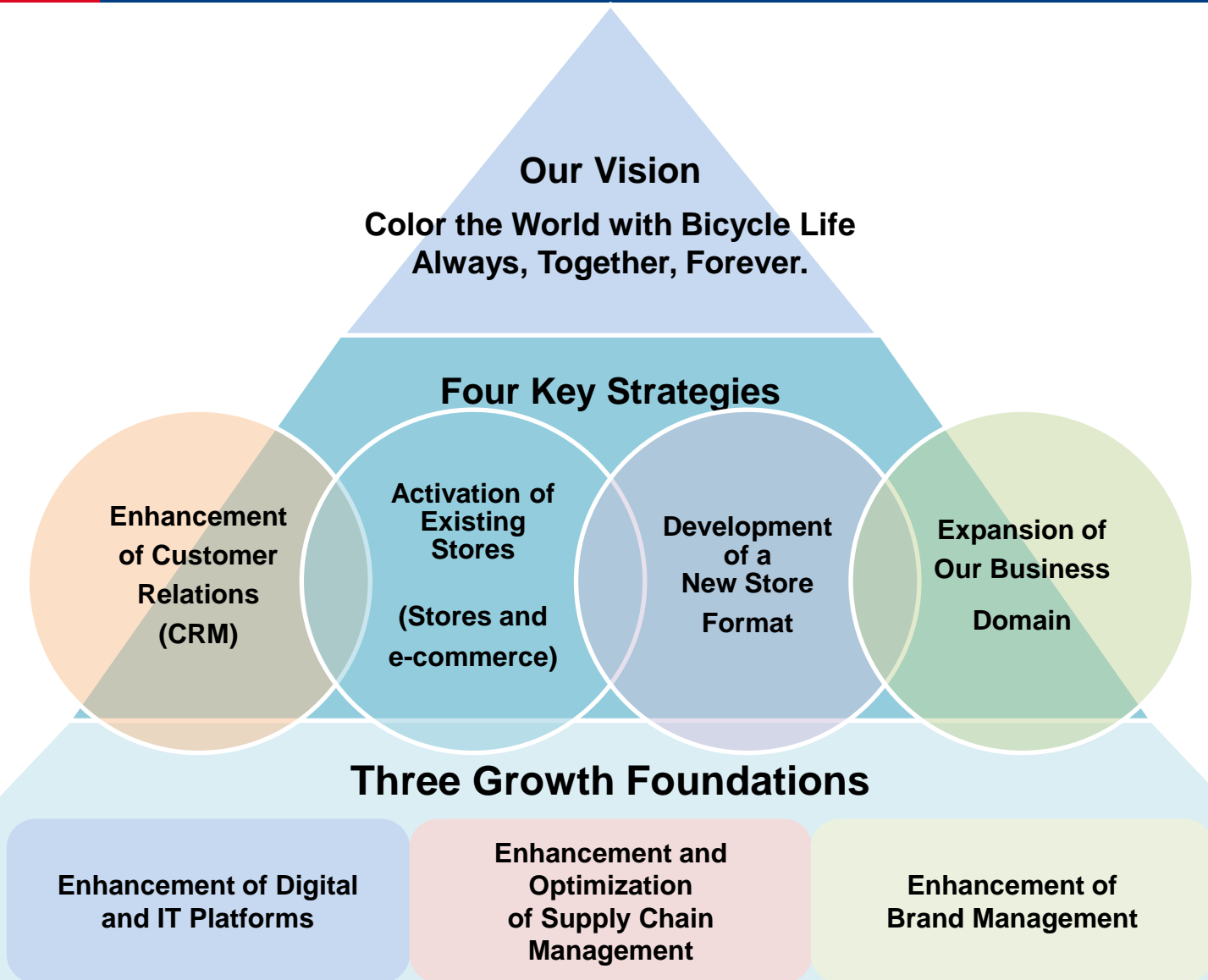
	Fiscal year ended Feb. 20, 2022 (Results)	Fiscal year ending Feb. 20, 2023 (Plan)	
	Number of stores	Number of stores	Net increase
Hokkaido / Tohoku / Kanto / Koshinetsu	224	235	+11
Chubu / Hokuriku	66	67	+1
Kinki	125	129	+4
Chugoku / Shikoku / Kyushu	90	91	+1
Total	505	522	+17



Reference: Overview of Medium-Term Management Plan “VISION 2025”

Overall Image of Medium-Term Management Plan

“VISION 2025”



Numerical Targets of Medium-Term Management Plan “VISION 2025”

Net sales
(Millions of yen)

90,000

Net sales

¥85,000 million

Operating margin

8.0%

Number of stores

580 stores

Gets Deeper as Both Wheels of Culture & Business Turn

80,000

Net sales

¥69,456 million

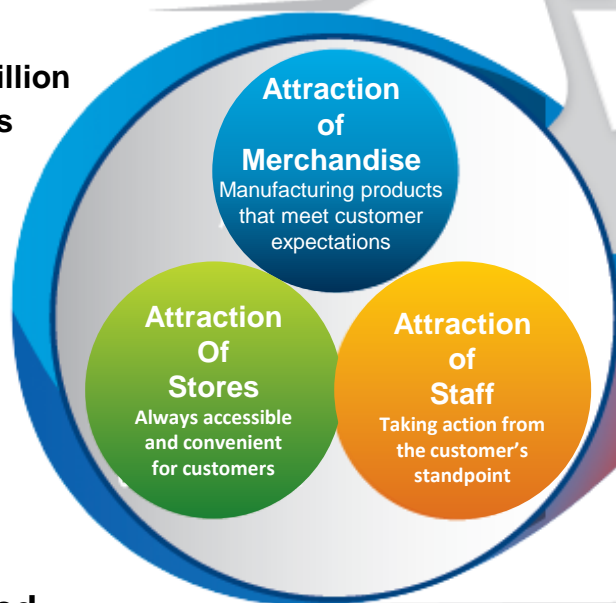
Number of Stores

491 stores

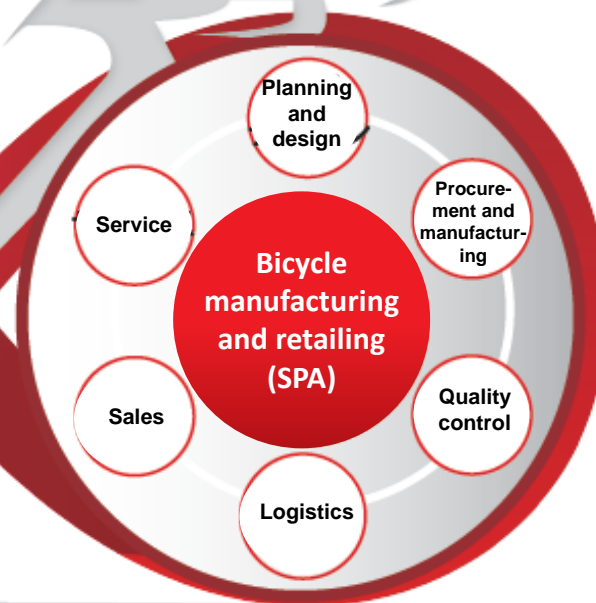
70,000

60,000

FY Ended
Feb. 20, 2021
Results



Culture Model
(Company core)



Business Model

FY Ending
Feb. 20, 2026
Targets

Themes of Medium-Term Management Plan “VISION 2025”

1. FUN TO RIDE BIKES — Experiences, Ties, Empathy —

Deliver Experiences

Creating a culture of bicycle enjoyment

Transition to activities for the proposal and delivery of a variety of customer experiences

2. Refinement of Our SPA Business Model

Realization of vertical merchandising

Aim for optimization of vertically integrated structure that encompasses all functions, while strengthening alignment among product planning, procurement, production, quality assurance, logistics, sales, service, etc.

Value Provided by Medium-Term Management Plan

“VISION 2025”

Customer Value

- Excitement:** Provide products, services and information that exceed customer expectations
- Trust:** Help enhance bicycle life through products equipped with high levels of trust and quality and employee support and technical capabilities
- Convenience:** Achieve a convenient and accessible bicycle life by reducing time and place limitations

Social Value

- Safety:** Realize a safe and secure society with zero bicycle (or traffic) accidents (or casualties)
- Health:** Provide experiences of bicycle enjoyment to realize a healthy society
- Environment:** Realize an environmentally friendly society by promoting bicycle use

ASAHI's Mission

**We aim to be a company that
can contribute to the people of
the world through bicycles.**

**We aim to create prosperous
and satisfying lives for all those who
support and participate in our mission.**

Disclaimer

- **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.**
- **The reader should note that internal factors in the Company and external factors such as changes in the business environment surrounding the Company may have a direct or indirect impact on the Company's performance and that the forecasts contained in this document may change.**
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