

Disclaimer: This document is an English translation of the original document in Japanese and has been prepared solely for reference purposes. In the event of any discrepancy between this English translation and the original in Japanese, the original shall prevail in all respects.

## Non-consolidated Financial Results for the Nine Months Ended November 20, 2024 [Japanese GAAP]



December 23, 2024

Company name: ASAHI CO., LTD.  
 Stock exchange listing: Tokyo Stock Exchange  
 Code number: 3333  
 URL: <https://www.cb-asahi.co.jp/>  
 Representative: Yoshifumi Shimoda, President and Representative Director  
 Contact: Kei Yamanaka, General Manager, Accounting Department  
 Phone: +81-6-6923-7900  
 Scheduled date of commencing dividend payments: -  
 Availability of supplementary explanatory materials on financial results: Available  
 Schedule of 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, 2024 (February 21, 2024 – November 20, 2024)

(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, 2024	64,537	4.6	5,584	13.4	5,651	9.9	3,774	11.7
November 20, 2023	61,694	4.5	4,923	(7.2)	5,142	(5.0)	3,378	(6.3)

	Basic earnings per share	Diluted earnings per share
Nine months ended November 20, 2024	Yen 144.90	Yen —
November 20, 2023	129.36	—

### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 20, 2024	54,928	39,423	71.8
As of February 20, 2024	52,553	36,964	70.3

(Reference) Equity: As of November 20, 2024: ¥39,423 million

As of February 20, 2024: ¥36,964 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, 2024	–	22.50	–	22.50	45.00
Fiscal year ending February 20, 2025	–	25.00	–		
Fiscal year ending February 20, 2025 (Forecast)				25.00	50.00

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

## 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2025 (February 21, 2024 – February 20, 2025)

(% 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	82,500	5.7	5,500	12.0	5,800	11.7	3,680	18.2	140.91

(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, 2024:	26,240,800 shares
February 20, 2024:	26,240,800 shares
  - 2) Total number of treasury shares at the end of the period:

November 20, 2024:	200,681 shares
February 20, 2024:	126,456 shares
  - 3) Average number of shares outstanding during the period:

Nine months ended November 20, 2024:	26,051,299 shares
Nine months ended November 20, 2023:	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 (200,170 shares as of November 20, 2024, and 126,070 shares as of February 20, 2024). 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 (189,054 shares as of November 20, 2024, and 126,070 shares as of November 20, 2023).

\* Review of the Japanese-language originals of the attached non-consolidated quarterly financial statements by certified public accountants or an audit firm: None

\* 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. Overview of Operating Results, etc., (3) Explanation of Financial Results Forecast and Other Forward-looking Information on page 4 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.

Table of Contents - Attachment

1. Overview of Operating Results, etc. ....	2
(1) Overview of Operating Results for the Period under Review .....	2
(2) Overview of Financial Position as of the End of the Period under Review .....	3
(3) Explanation of Financial Results Forecast and Other Forward-looking Information .....	4
2. Quarterly Non-consolidated Financial Statements and Principal Notes .....	5
(1) Quarterly Non-consolidated Balance Sheets .....	5
(2) Quarterly Non-consolidated Statements of Income .....	7
Nine Months Ended November 20 .....	7
(3) Notes to the Quarterly Non-consolidated Financial Statements .....	8
(Notes on segment information, etc.) .....	8
(Notes in case of significant changes in shareholders' equity) .....	8
(Notes on going concern assumption) .....	8
(Notes on Quarterly Non-consolidated Statements of Cash Flows) .....	8
(Matters related to revenue recognition) .....	8

## 1. Overview of Operating Results, etc.

### (1) Overview of Operating Results for the Period under Review

The Japanese economy during the nine months ended November 20, 2024 remained on a gradual recovery trend as socioeconomic activities normalized due to recovery of inbound demand resulting from increased flow of people, improvement in the employment and income environment, and other factors. On the other hand, due to factors such as the prolonged conflict in Ukraine, escalating tensions in the Middle East, and high prices as a result of soaring raw material prices worldwide and the depreciation of the yen, the economic outlook still remained uncertain.

In the bicycle business, replacing of old bicycles to new ones remained weak due to a longer replacing cycle as a result of switching toward merchandise with high functionality and high unit price such as electric-assist bicycles, and decline in consumers' sentiments resulting from growing awareness of the need to protect their livelihoods due to high prices. On the other hand, the trend of repairing and maintaining, and using the same bicycle for a long time has further strengthened. Against the backdrop of the abovementioned factors, demand for specialty chain stores for bicycles with product lineup, expertise, and technical skills has been increasing in bicycle sales.

The Company has worked to “create a sustainable society” and to “establish sustainable growth for our company,” to achieve a better bicycle lifestyle for customers as a company creating new value for flourishing bicycle lifestyles. Firstly, as part of strengthening OMO<sup>(Note 1)</sup>, the Company has taken measures such as securing a sufficient supply of popular merchandise, implementing competitive pricing, and conducting effective campaigns, mainly by strengthening the foundation of our “online order for store pickup” service, resulting mainly in increased sales of electric-assist bicycles. Stores conducted campaigns to give back to their customers, offering a special price reduction to commemorate the Company's 75th anniversary and to thank them for their continued support. In addition, regarding repair and maintenance services, although the Company revised its pricing in the previous fiscal year, the number of maintenance and repair orders has been still on the rise, and the Company has developed a system to provide services to meet the increased demand. Through these efforts, the Company has further reinforced the earnings base, including nationwide store network and e-commerce sales system, the Company's strength, and development of specialists with repair skills, and has established a resilient system to meet the customers' needs even under the challenging circumstances. As a result, the Company achieved an increase in sales and profit.

Regarding new Asahi brand products, the Company launched “COOSA,” a new bicycle brand that meets the needs of young people and matches today's lifestyles, with the concept of “Be yourself, wherever you go,” thereby enhancing its product lineup. In addition, “LOG WAGON e,” Asahi brand's electric-assist bicycle for outdoor use, won the 2024 Good Design Award (sponsored by the Japan Institute of Design Promotion), following the “LOG ADVENTURE e” in 2023, marking the second consecutive year that Asahi brand's bicycles have won the award.

As for the progress on the medium-term management plan “VISION 2025,” which will mark the final year of the Plan in the fiscal year ending February 20, 2026, the Company has been working on key strategies of “strengthening our customer relationship management (CRM<sup>(Note 2)</sup>),” “refreshing our existing physical and online stores,” “expanding our business domain,” and “developing new store formats,” to improve profitability and revitalize the entire bicycle business. Firstly, in order to “strengthen our customer relationship management (CRM),” the Company encouraged Cycle Mate members to become members of the Cycle Base Asahi official app and strengthened marketing measures using information based on customers' purchase histories, in addition to sending out information on periodic inspections and special offers on the app, which led to an increase in the number of responses to the information. To “refresh our existing physical and online stores,” the Company aims to establish an optimal operational system to meet an increase in e-commerce sales, repair and maintenance orders, and bicycle reuse by reviewing the store layout and volume of inventory in the stores, which has been focused on new bicycle sales. In particular, as part of its OMO enhancements, the Company strengthened each function of its products, website, and web advertisements, and optimized store operations in line with the

expansion of the e-commerce conversion rate. This contributed to a significant increase in the e-commerce conversion rate. Regarding “expanding our business domain,” demand for reused products is rising in the bicycle business as consumers become more budget-conscious due to high prices. The Company started handling city bicycles (general bicycles) in June, expanded the number of used bicycle purchasing stores to secure sufficient merchandise, made the commercialization process more efficient after purchasing merchandise, and strengthened advertisement and in-store announcements to increase awareness for the expansion of our reuse business. In this way, the Company has further strengthened its integrated system of purchase, commercialization, and resale. The Company will continue to actively purchase unneeded bicycles and sell them as reused products after the commercialization process, thereby aiming to contribute to the effective use of resources and a low-carbon society and a recycling-oriented economy. To “develop new store formats,” as part of the strategy to open “urban stores,” one of the new store formats, “Asahi Naniwasaiwaicho store” opened in Naniwa-ku, Osaka City. The Company will increase profitability through an operation system closely tied to the local community by strengthening OMO through opening of new stores in areas with a high affinity for our “online order for store pickup” service and responding to demand for repairs in urban areas.

As an initiative for the “enhancement and optimization of supply chain management,” one of our growth foundations, the Company relocated the functions of the West Japan logistics center, one of our main logistics bases, to Kyotanabe City, Kyoto Prefecture from Iga City, Mie Prefecture, as part of “relocation of logistics bases,” and started full-scale operations in October. Through this relocation, the Company aims to reduce the logistics load coefficient calculated by “distance x number of bicycles” by moving logistics bases to locations closer to the stores thus increasing delivery efficiency. The Company is also working to address the logistics 2024 problems by reducing and managing drivers’ waiting hours through the use of DX in its warehouse operations. The Company will continue to establish and strengthen sustainable management foundations.

Regarding store openings and closures, the Company opened four new stores in the Kanto region and two new stores in the Kansai region. One store in the Chugoku region terminated its franchise agreement and became a directly operated store. As a result, the total number of stores at the end of the third quarter of the fiscal year under review was 539, consisting of 522 directly operated stores and 17 franchise stores.

As a result of the above activities, net sales for the nine months ended November 20, 2024 were ¥64,537,331 thousand (up 4.6% year-on-year). Operating profit was ¥5,584,318 thousand (up 13.4% year-on-year), ordinary profit was ¥5,651,212 thousand (up 9.9% year-on-year), and profit was ¥3,774,724 thousand (up 11.7% year-on-year).

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

(Note 1) OMO (Online Merges with Offline) is a marketing approach that integrates e-commerce and retail stores to provide customers with experiential value at each stage from gathering information to purchasing and using the products.

(Note 2) CRM (Customer Relationship Management) is an initiative for strengthening our customer relations by providing information via the Cycle Base Asahi official app to make their bicycle life more convenient and comfortable.

## (2) Overview of Financial Position as of the End of the Period under Review

### 1) Assets

Current assets at the end of the third quarter of the fiscal year under review were ¥31,048,523 thousand, an increase of ¥1,809,586 thousand (6.2%) from the end of the previous fiscal year. This was due mainly to increases in cash and deposits of ¥4,095,093 thousand and goods in transit of ¥561,998 thousand, which were partially offset by a decrease in merchandise of ¥2,593,446 thousand. Non-current assets were ¥23,879,562 thousand, an increase of ¥564,625 thousand (2.4%) from the end of the previous fiscal year. This was due mainly to increases in software of ¥580,182 thousand, construction in progress of ¥277,713 thousand, and buildings of ¥171,987 thousand, which were partially offset by a decrease in software in progress of ¥584,670 thousand.

As a result, total assets were ¥54,928,085 thousand, an increase of ¥2,374,212 thousand (4.5%) 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 ¥14,324,625 thousand, a decrease of ¥113,453 thousand (0.8%) from the end of the previous fiscal year. This was due mainly to increases in provision for bonuses of ¥546,292 thousand, income taxes payable of ¥479,036 thousand, which were partially offset by decreases in accounts payable - trade of ¥619,836 thousand and accrued consumption taxes of ¥298,291 thousand. Non-current liabilities were ¥1,179,684 thousand, an increase of ¥27,918 thousand (2.4%) from the end of the previous fiscal year. This was due mainly to increases in asset retirement obligations of ¥17,758 thousand and provision for share-based payments of ¥10,425 thousand.

As a result, total liabilities were ¥15,504,309 thousand, a decrease of ¥85,534 thousand (0.5%) 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 ¥39,423,776 thousand, an increase of ¥2,459,746 thousand (6.7%) from the end of the previous fiscal year. This was due mainly to an increase of ¥3,774,724 thousand due to the posting of profit, which was partially offset by a decrease due to dividends of surplus of ¥1,246,416 thousand and a decrease due to purchase of treasury shares of ¥113,045 thousand.

As a result, the equity ratio stood at 71.8% (70.3% 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, 2024 [Japanese GAAP]” dated April 1, 2024.

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

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

(Thousand yen)

	As of February 20, 2024	As of November 20, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,521,898	13,616,991
Accounts receivable - trade	3,781,034	3,446,626
Merchandise	13,937,103	11,343,656
Goods in transit	1,091,526	1,653,524
Supplies	175,852	136,715
Other	732,481	851,967
Allowance for doubtful accounts	(960)	(960)
Total current assets	29,238,936	31,048,523
Non-current assets		
Property, plant and equipment		
Buildings, net	9,260,328	9,432,315
Land	3,163,012	3,163,012
Other, net	1,798,655	2,215,026
Total property, plant and equipment	14,221,995	14,810,354
Intangible assets	1,104,097	1,085,677
Investments and other assets		
Guarantee deposits	5,166,919	5,195,400
Construction assistance fund receivables	751,093	678,776
Other	2,073,674	2,147,705
Allowance for doubtful accounts	(2,845)	(38,351)
Total investments and other assets	7,988,843	7,983,530
Total non-current assets	23,314,937	23,879,562
<b>Total assets</b>	<b>52,553,873</b>	<b>54,928,085</b>



(Thousand yen)

	As of February 20, 2024	As of November 20, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	4,271,138	3,651,302
Income taxes payable	910,169	1,389,206
Contract liabilities	4,137,357	4,074,057
Provision for bonuses	1,008,165	1,554,458
Provision for shareholder benefit program	60,765	–
Other	4,050,482	3,655,600
<b>Total current liabilities</b>	<b>14,438,078</b>	<b>14,324,625</b>
Non-current liabilities		
Provision for share-based payments	149,300	159,725
Asset retirement obligations	765,148	782,907
Other	237,316	237,051
<b>Total non-current liabilities</b>	<b>1,151,765</b>	<b>1,179,684</b>
<b>Total liabilities</b>	<b>15,589,844</b>	<b>15,504,309</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,061,356	2,061,356
Capital surplus	2,165,171	2,165,171
Retained earnings	32,888,679	35,416,987
Treasury shares	(180,112)	(287,144)
<b>Total shareholders' equity</b>	<b>36,935,093</b>	<b>39,356,370</b>
Valuation and translation adjustments		
Deferred gains or losses on hedges	28,936	67,406
<b>Total valuation and translation adjustments</b>	<b>28,936</b>	<b>67,406</b>
<b>Total net assets</b>	<b>36,964,029</b>	<b>39,423,776</b>
<b>Total liabilities and net assets</b>	<b>52,553,873</b>	<b>54,928,085</b>

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

Nine Months Ended November 20

(Thousand yen)

	For the nine months ended November 20, 2023	For the nine months ended November 20, 2024
Net sales	61,694,631	64,537,331
Cost of sales	32,360,325	33,888,173
Gross profit	29,334,305	30,649,158
Selling, general and administrative expenses	24,410,579	25,064,839
Operating profit	4,923,726	5,584,318
Non-operating income		
Interest income	29,683	27,512
Rental income from buildings	82,233	80,833
Foreign exchange gains	2,413	–
Commission income	57,518	64,267
Compensation income	66,764	54,657
Other	57,772	37,986
Total non-operating income	296,385	265,258
Non-operating expenses		
Foreign exchange losses	–	91,880
Rental costs on real estate	62,206	61,955
Other	15,159	44,528
Total non-operating expenses	77,366	198,364
Ordinary profit	5,142,745	5,651,212
Extraordinary losses		
Loss on sale and retirement of non-current assets	47,941	13,270
Impairment losses	6,452	7,797
Total extraordinary losses	54,394	21,068
Profit before income taxes	5,088,350	5,630,144
Income taxes - current	1,507,000	1,945,034
Income taxes - deferred	203,183	(89,614)
Total income taxes	1,710,183	1,855,419
Profit	3,378,167	3,774,724

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

(Notes on segment information, etc.)

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

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

Not applicable.

(Notes on going concern assumption)

Not applicable.

(Notes on Quarterly Non-consolidated Statements of Cash Flows)

Quarterly Non-consolidated Statements of Cash Flows for the nine months ended November 20, 2024 have not been prepared. Depreciation (including amortization for intangible assets) for the nine months ended November 20 is as follows.

	For the nine months ended November 20, 2023	For the nine months ended November 20, 2024
Depreciation	¥1,172,629 thousand	¥1,216,251 thousand

(Matters related to revenue recognition)

Disaggregation of revenue from contracts with customers

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 has only one segment of the bicycle business, 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, 2024 (February 21, 2024 – November 20, 2024)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	45,704,967	11,200,424	–	5,502,726	62,408,117
Goods and services transferred over a period	–	–	112,345	2,016,868	2,129,213
Revenue from contracts with customers	45,704,967	11,200,424	112,345	7,519,594	64,537,331
Revenue from other sources	–	–	–	–	–
Sales to external customers	45,704,967	11,200,424	112,345	7,519,594	64,537,331

- (Notes) 1. Since the Company has only one segment of the bicycle business, breakdown by segment is not provided.  
2. “Other” includes incidental services such as maintenance and repair works, and long-term warranty service.