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## Non-consolidated Financial Results for the Fiscal Year Ended February 20, 2025 [Japanese GAAP]



April 4, 2025

Company name: ASAHI CO., LTD.

Stock exchange listing: Tokyo Stock Exchange

Code number: 3333

URL: <https://www.cb-asahi.co.jp/>

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Scheduled date of general shareholders' meeting: May 16, 2025

Scheduled date of commencing dividend payments: May 19, 2025

Scheduled date of filing securities report: May 19, 2025

Availability of supplementary explanatory materials on annual financial results: Available

Schedule of annual financial results briefing session: Scheduled (for analysts and institutional investors)

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

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

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

	Net sales		Operating profit		Ordinary profit		Profit	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
February 20, 2025	81,593	4.5	5,485	11.7	5,626	8.4	3,555	14.2
February 20, 2024	78,076	4.5	4,912	(4.2)	5,192	(2.3)	3,113	(7.5)

	Basic earnings per share	Diluted earnings per share	Return on equity	Ratio of ordinary profit to total assets	Ratio of operating profit to net sales
Fiscal year ended	Yen	Yen	%	%	%
February 20, 2025	136.51	—	9.3	10.5	6.7
February 20, 2024	119.21	—	8.7	10.1	6.3

(Reference) Equity in earnings of affiliated companies:

Fiscal year ended February 20, 2025: ¥ – million

Fiscal year ended February 20, 2024: ¥ – million

### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of February 20, 2025	54,452	39,116	71.8	1,502.16
As of February 20, 2024	52,553	36,964	70.3	1,415.47

(Reference) Equity: As of February 20, 2025: ¥39,116 million

As of February 20, 2024: ¥36,964 million

### (3) Non-consolidated Cash Flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at year-end
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
February 20, 2025	4,293	(2,998)	(1,358)	9,438
February 20, 2024	8,581	(3,053)	(1,323)	9,501

## 2. Dividends

	Annual dividends					Total dividends (annual)	Payout ratio (non-consolidated)	Ratio of dividends to net assets (non-consolidated)
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended February 20, 2024	—	22.50	—	22.50	45.00	1,180	37.7	3.3
Fiscal year ended February 20, 2025	—	25.00	—	25.00	50.00	1,312	36.6	3.4
Fiscal year ending February 20, 2026 (Forecast)	—	25.00	—	25.00	50.00		35.7	

## 3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2026 (February 21, 2025–February 20, 2026)

(% 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
First fiscal half	48,100	3.6	4,570	(4.1)	4,630	(4.4)	3,070	(6.0)	117.89
Full year	85,800	5.2	5,620	2.4	5,750	2.2	3,650	2.6	140.16

**\* Notes:**

(1) 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

(2) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the year (including treasury shares):

February 20, 2025:	26,240,800 shares
February 20, 2024:	26,240,800 shares

2) Total number of treasury shares at the end of the year:

February 20, 2025:	200,681 shares
February 20, 2024:	126,456 shares

3) Average number of shares outstanding during the year:

Year ended February 20, 2025:	26,048,489 shares
Year ended February 20, 2024:	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 year includes the Company's shares held by the trust (200,170 shares as of February 20, 2025 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 year (191,848 shares as of February 20, 2025, and 126,070 shares as of February 20, 2024).

\* These non-consolidated financial results are outside the scope of audit 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. Overview of Operating Results, etc., (4) Future Outlook" on page 4 of the Attachment.

(Access to supplementary explanatory materials on annual financial results and details of annual financial results briefing session)

The Company plans to hold an annual financial results briefing session for institutional investors and analysts on Monday, April 7, 2025.

The explanatory materials on financial results to be used on the day are disclosed on TDnet today and are also available on the Company's website.

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## 1. Overview of Operating Results, etc.

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

The Japanese economy during the fiscal year under review showed a gradual recovery trend as inbound demand increased and the employment and income environment improved. However, the economic outlook remained uncertain due to factors such as heightened geopolitical risks, ongoing depreciation of the yen, and higher prices in Japan.

In the bicycle business, new bicycle sales remained weak as the replacement cycle was prolonged against the backdrop of the increased demand for switching to electric-assist bicycles with enhanced performance features and high unit price and growing interest in saving money due to higher prices.

Under such circumstances, the Company has worked to realize better bicycle lifestyles for customers as a company creating new value for flourishing bicycle lifestyles, aiming at “achieving a sustainable society” and “realizing sustainable growth for the Company.”

Firstly, in strengthening OMO<sup>(Note 1)</sup>, the Company has taken measures such as ensuring the availability of popular products, setting competitive prices, and conducting effective campaigns, focusing on strengthening the foundation of our “online order for store pickup” service, resulting mainly in increased sales of electric-assist bicycles.

In stores, the Company conducted campaigns to give back to its customers, offering a special price reduction to commemorate the Company’s 75th anniversary. In addition, the Company has developed a personnel system to provide the optimal services to meet the increased demand for repair and maintenance services and reused products.

In the reuse business, the Company has started to purchase city bicycles, and now, in addition to sports bicycles, electric-assist bicycles, and children’s bicycles, the Company purchases all types of bicycles.

Through these efforts, the Company has further reinforced the earnings base, including a nationwide store network and an e-commerce sales system, our strengths, a system of purchase and resale of reused bicycles, and specialists with repair skills. As a result, the Company achieved an increase in sales and profits under the severe business environment surrounding the retail industry.

Furthermore, in 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 worked on strengthening the following three growth foundations that support key strategies of “strengthen our customer relationship management (CRM<sup>(Note 2)</sup>),” “refresh our existing physical and online stores,” “develop new store formats,” and “expand our business domain,” to improve profitability and revitalize the entire bicycle industry.

1) “Enhancement of digital and IT platforms”

2) “Enhancement and optimization of supply chain management”

3) “Enhancement of brand management”

Specifically, for the “enhancement of digital and IT platforms,” the Company introduced new core systems to streamline operational processes associated with sales and inventory management and started full-scale operations.

For the “enhancement and optimization of supply chain management,” the Company relocated the functions of the West Japan Logistics Center, one of our main logistics hubs, to Kyotanabe City, Kyoto Prefecture from Iga City, Mie Prefecture, and started full-scale operations in October 2024. By moving logistics hubs to locations closer to the stores thus increasing delivery efficiency, the Company has aimed to reduce a distribution load coefficient calculated by “distance x number of bicycles.” The Company has also worked to address the logistics issues of 2024 by reducing and managing drivers’ wait times through the introduction of a dedicated system.

For the “enhancement of brand management,” the Company has mainly worked to improve the quality of Asahi brand products and actively develop products that are in line with its brand concept, including the creation of “COOSA” as a new product brand, which was the product planned by a project team consisting mainly of employees in their 20s, formed through internal recruitment. In addition, the Company conducted internal branding training for employees to increase the value and recognition of our brand, leading to our sustainable

growth.

Regarding store openings and closures, the Company opened one new store in the Tohoku region, eight new stores in the Kanto region, and three new stores in the Kinki region. One store in the Chugoku region terminated its franchise agreement and the Company relocated and opened one directly operated store in the same region. As a result, the total number of stores at the end of the fiscal year under review was 545, consisting of 528 directly operated stores and 17 franchise stores.

As a result of the above activities, both sales and profits increased for the fiscal year under review, as shown below.

Net sales	¥81,593,454 thousand	(up 4.5% from the same period of the previous fiscal year)
Operating profit	¥5,485,972 thousand	(up 11.7% from the same period of the previous fiscal year)
Ordinary profit	¥5,626,076 thousand	(up 8.4% from the same period of the previous fiscal year)
Profit	¥3,555,930 thousand	(up 14.2% from the same period of the previous fiscal year)

Since the Company has only one segment of the bicycle business, information by segment category has been omitted.

(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 for the Fiscal Year under Review

### (Assets)

The balance of total assets at the end of the fiscal year under review was ¥54,452,332 thousand, an increase of ¥1,898,458 thousand (3.6%) from the end of the previous fiscal year.

The balance of current assets at the end of the fiscal year under review was ¥30,561,340 thousand, an increase of ¥1,322,404 thousand (4.5%) from the end of the previous fiscal year. This was due mainly to increases in merchandise of ¥848,207 thousand and goods in transit of ¥351,563 thousand, which were partially offset by a decrease in cash and deposits of ¥58,245 thousand.

The balance of non-current assets at the end of the fiscal year under review was ¥23,890,991 thousand, an increase of ¥576,054 thousand (2.5%) from the end of the previous fiscal year. This was due mainly to increases in construction in progress of ¥268,514 thousand and buildings of ¥217,980 thousand, which were partially offset by a decrease in construction assistance fund receivables of ¥96,233 thousand.

### (Liabilities)

The balance of total liabilities at the end of the fiscal year under review was ¥15,336,021 thousand, a decrease of ¥253,822 thousand (1.6%) from the end of the previous fiscal year.

The balance of current liabilities at the end of the fiscal year under review was ¥14,141,400 thousand, a decrease of ¥296,678 thousand (2.1%) from the end of the previous fiscal year. This was due mainly to increases in accounts payable - trade of ¥482,195 thousand and income taxes payable of ¥417,836 thousand, which were partially offset by a decrease in accrued consumption taxes of ¥926,439 thousand.

The balance of non-current liabilities at the end of the fiscal year under review was ¥1,194,621 thousand, an increase of ¥42,855 thousand (3.7%) from the end of the previous fiscal year. This was due mainly to increases in asset retirement obligations of ¥28,144 thousand and provision for share-based payments of ¥15,000 thousand.

### (Net assets)

The balance of net assets at the end of the fiscal year under review was ¥39,116,311 thousand, an increase of ¥2,152,281 thousand (5.8%) from the end of the previous fiscal year. This was due mainly to an increase in profit of ¥3,555,930 thousand, 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.

### (3) Overview of Cash Flows for the Fiscal Year under Review

Cash and cash equivalents (hereinafter referred to as “net cash”) at the end of the fiscal year under review decreased by ¥62,989 thousand from the end of the previous fiscal year (an increase of ¥4,205,219 thousand in the previous fiscal year) to ¥9,438,076 thousand.

#### (Cash Flows from Operating Activities)

Net cash provided by operating activities was ¥4,293,272 thousand (¥8,581,614 thousand provided for the same period of the previous fiscal year). The principal cash inflow factors included profit before income taxes of ¥5,373,211 thousand and depreciation of ¥1,696,755 thousand. The principal cash outflow factors included an increase in inventories of ¥1,217,303 thousand and a decrease in accrued consumption taxes of ¥926,439 thousand.

#### (Cash Flows from Investing Activities)

Net cash used in investing activities was ¥2,998,066 thousand (¥3,053,355 thousand used for the same period of the previous fiscal year). The principal cash inflow factors included proceeds from refund of guarantee deposits of ¥48,436 thousand. The principal cash outflow factors included purchase of property, plant and equipment of ¥2,511,544 thousand for new store openings, payments of guarantee deposits of ¥280,616 thousand, and purchase of intangible assets of ¥190,981 thousand.

#### (Cash Flows from Financing Activities)

Net cash used in financing activities was ¥1,358,195 thousand (¥1,323,039 thousand used for the same period of the previous fiscal year). This cash outflow factors included dividends paid of ¥1,245,149 thousand and purchase of treasury shares of ¥113,045 thousand.

### (Reference) Trends of Cash Flow Indicators

	Fiscal year ended February 20				
	2021	2022	2023	2024	2025
Equity ratio (%)	71.8	76.1	69.4	70.3	71.8
Equity ratio at fair value (%)	87.7	74.3	70.5	63.5	69.1
Ratio of interest-bearing debt to cash flow (year)	0.0	0.0	0.0	0.0	0.0
Interest coverage ratio (times)	32,045.8	0.0	0.0	0.0	0.0

Equity ratio: Equity/Total assets

Equity ratio at fair value: Market capitalization/Total assets

Ratio of interest-bearing debt to cash flow: Interest-bearing debt/Cash flow

Interest coverage ratio: Cash flow/Interest paid

- (Notes) 1. Market capitalization is calculated on the basis of the number of shares issued excluding treasury shares.
2. Operating cash flow is used as cash flow.
3. Interest-bearing debt covers all liabilities recorded on the Balance Sheets that bear interest.

#### (4) Future Outlook

The economic outlook of Japan is expected to remain uncertain due to factors such as raw material prices remaining high and higher prices caused by the yen's depreciation.

In the bicycle business, although the decreasing trend of the number of users will continue due to declining birthrate and aging population, the downward trend in the number of new bicycles sold has been bottoming out from the significant decline seen in previous years.

The Company will promote the creation of a fellowship that shares the social value of bicycles and their potential, aiming to be a partner for every customer's bicycle lifestyle.

The Company will also aim to improve the convenience and customers' experiential value by leveraging the characteristics of stores and e-commerce to respond to diversifying purchasing behaviors of customers, as well as deepen "real connection with customers" required in this era. Furthermore, the Company will steadily implement the OMO strategy for the progressive growth of e-commerce, and work on store openings in urban areas with high rates of e-commerce use, ensuring the availability of popular products based on highly accurate demand forecast, and sales promotion activities for improved recognition.

As store operation policy, the Company will work to increase the lineup of bicycle-related parts and accessories, develop systems for providing repair and maintenance services and supplying reused bicycles, reinforce sales capabilities of products and services with higher profit other than new bicycle sales, and further strengthen the earnings base. At the same time, the Company will continue to improve store layout and promote proper inventory management and review of operations, thereby striving for low-cost operations.

The Company's product strategy centers on improving performance features and the quality of Asahi brand products through product development that meets diversifying consumer needs to differentiate our products from those of competitors. In addition, with its Taiwan office as a hub to cooperate with local production partners, the Company will proceed to reduce costs by eliminating waste in the production processes for further enhancing its competitive advantage.

Furthermore, the reuse business is expected to grow further on the back of growing awareness of the need to reduce environmental impact. The Company will aim for further business expansion while appealing to consumers about our contribution to achieving a recycling-oriented society by leveraging our strengths such as our nationwide store network, specialists with repair and maintenance skills, logistics infrastructure, and integrated system of purchase, productization, and reuse.

Based on these efforts going forward, the Company forecasts net sales of ¥85,800,000 thousand (up 5.2% year on year), operating profit of ¥5,620,000 thousand (up 2.4% year on year), ordinary profit of ¥5,750,000 thousand (up 2.2% year on year), and profit of ¥3,650,000 thousand (up 2.6% year on year).

#### (5) Basic Policy on the Distribution of Profit and the Dividend Payout for the Current and Next Fiscal Years

##### 1) Basic policy on the distribution of profit

The Company positions the return of profits to shareholders as one of important management issues. The Company's basic policy on the distribution of profit is to continue to distribute dividends with a target payout ratio of 35% from a viewpoint of returning profits fairly to all shareholders, while securing internal reserves necessary for further strengthening its management foundations and making growth investments in the medium to long run.

The Company stipulates in its Articles of Incorporation that it is able to pay an interim dividend with the record date of August 20 every year by resolution of the Board of Directors, and its basic policy is to distribute the surplus twice a year, interim dividends and year-end dividends. Decisions on these dividends of surplus are made by the Board of Directors for interim dividends and by the General Meeting of Shareholders for year-end dividends.

##### 2) Dividends of surplus for the current fiscal year ended February 20, 2025

In comprehensive consideration of the progress on strengthening the management foundations and the business performance of the Company for the current fiscal year, the Company plans to pay a year-end



dividend of ¥25.00 per share, resulting in an annual dividend of ¥50.00 per share combined with the interim dividend of ¥25.00 per share already paid. As a result, the dividend payout ratio for the fiscal year ended February 20, 2025 will be 36.6%.

3) Dividends of surplus for the next fiscal year ending February 20, 2026

For the fiscal year ending February 20, 2026, the Company plans to pay an annual dividend of ¥50.00 per share (an interim dividend of ¥25.00 per share and a year-end dividend of ¥25.00 per share), resulting in a dividend payout ratio of 35.7%.

## 2. Basic Policy on Selection of Accounting Standards

Since the Company does not prepare consolidated financial statements, we have prepared our financial statements based on Japanese accounting standards, in consideration of the burden and other aspects of establishing a system for the preparation of financial statements based on International Financial Reporting Standards.

### 3. Non-consolidated Financial Statements and Principal Notes

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

(Thousand yen)

	As of February 20, 2024	As of February 20, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	9,521,898	9,463,652
Accounts receivable – trade	3,781,034	4,000,917
Merchandise	13,937,103	14,785,310
Goods in transit	1,091,526	1,443,089
Supplies	175,852	193,385
Accounts receivable – other	207,484	210,429
Prepaid expenses	463,865	413,622
Forward exchange contracts	53,349	–
Other	7,782	51,894
Allowance for doubtful accounts	(960)	(960)
Total current assets	29,238,936	30,561,340
Non-current assets		
Property, plant and equipment		
Buildings	22,309,351	23,479,850
Accumulated depreciation	(13,049,023)	(14,001,541)
Buildings, net	9,260,328	9,478,308
Structures	1,484,920	1,658,531
Accumulated depreciation	(812,546)	(928,918)
Structures, net	672,373	729,613
Machinery and equipment	148,618	157,404
Accumulated depreciation	(126,977)	(132,436)
Machinery and equipment, net	21,640	24,967
Vehicles	31,476	31,476
Accumulated depreciation	(31,183)	(31,476)
Vehicles, net	292	0
Tools, furniture and fixtures	2,662,903	3,046,302
Accumulated depreciation	(1,746,318)	(2,054,329)
Tools, furniture and fixtures, net	916,584	991,973
Land	3,163,012	3,163,012
Construction in progress	187,762	456,277
Total property, plant and equipment	14,221,995	14,844,152
Intangible assets		
Software	363,694	1,000,491
Other	740,403	57,720
Total intangible assets	1,104,097	1,058,211

(Thousand yen)

	As of February 20, 2024	As of February 20, 2025
Investments and other assets		
Investments in capital	10	10
Investments in capital of subsidiaries and associates	91,083	91,083
Long-term loans receivable from employees	280	1,025
Long-term accounts receivable – other	3,577	2,377
Distressed receivables	–	3,000
Long-term prepaid expenses	434,911	433,126
Guarantee deposits	5,166,919	5,252,535
Construction assistance fund receivables	751,093	654,859
Deferred tax assets	1,366,606	1,390,390
Investment property	245,414	245,414
Accumulated depreciation	(154,517)	(162,590)
Investment property, net	90,896	82,823
Other	86,310	83,327
Allowance for doubtful accounts	(2,845)	(5,930)
Total investments and other assets	7,988,843	7,988,628
Total non-current assets	23,314,937	23,890,991
Total assets	52,553,873	54,452,332
Liabilities		
Current liabilities		
Accounts payable – trade	4,271,138	4,753,334
Accounts payable – other	1,270,119	957,552
Accrued expenses	1,721,530	1,780,210
Income taxes payable	910,169	1,328,005
Accrued consumption taxes	926,439	–
Contract liabilities	4,137,357	4,131,311
Deposits received	122,786	122,722
Unearned revenue	3,666	3,656
Provision for bonuses	1,008,165	1,034,927
Provision for shareholder benefit program	60,765	–
Asset retirement obligations	1,650	2,300
Forward exchange contracts	–	21,823
Other	4,290	5,556
Total current liabilities	14,438,078	14,141,400
Non-current liabilities		
Provision for share-based payments	149,300	164,300
Asset retirement obligations	765,148	793,292
Other	237,316	237,028
Total non-current liabilities	1,151,765	1,194,621
Total liabilities	15,589,844	15,336,021

(Thousand yen)

	As of February 20, 2024	As of February 20, 2025
Net assets		
Shareholders' equity		
Share capital	2,061,356	2,061,356
Capital surplus		
Legal capital surplus	2,165,171	2,165,171
Total capital surplus	2,165,171	2,165,171
Retained earnings		
Legal retained earnings	18,688	18,688
Other retained earnings		
General reserve	28,090,000	30,090,000
Retained earnings brought forward	4,779,991	5,089,505
Total retained earnings	32,888,679	35,198,193
Treasury shares	(180,112)	(287,144)
Total shareholders' equity	36,935,093	39,137,576
Valuation and translation adjustments		
Deferred gains or losses on hedges	28,936	(21,265)
Total valuation and translation adjustments	28,936	(21,265)
Total net assets	36,964,029	39,116,311
Total liabilities and net assets	52,553,873	54,452,332

## (2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended February 20, 2024	For the fiscal year ended February 20, 2025
Net sales	78,076,416	81,593,454
Cost of sales		
Beginning merchandise inventory	16,483,389	13,937,103
Cost of purchased goods	38,374,352	43,855,378
Total	54,857,741	57,792,481
Transfer to other account	149,486	153,283
Ending merchandise inventory	13,937,103	14,785,310
Total cost of sales	40,771,152	42,853,886
Gross profit	37,305,264	38,739,567
Selling, general and administrative expenses	32,393,186	33,253,594
Operating profit	4,912,078	5,485,972
Non-operating income		
Interest income	39,610	37,958
Foreign exchange gains	8,270	—
Rental income from buildings	108,983	107,548
Commission income	75,259	72,760
Compensation income	90,177	65,937
Other	59,283	43,894
Total non-operating income	381,584	328,099
Non-operating expenses		
Foreign exchange losses	—	87,341
Rental costs on real estate	82,424	82,144
Other	19,028	18,509
Total non-operating expenses	101,453	187,995
Ordinary profit	5,192,209	5,626,076
Extraordinary losses		
Loss on sale and retirement of non-current assets	55,967	13,757
Impairment losses	359,756	239,107
Total extraordinary losses	415,724	252,864
Profit before income taxes	4,776,485	5,373,211
Income taxes – current	1,336,000	1,819,034
Income taxes – deferred	327,354	(1,753)
Total income taxes	1,663,354	1,817,280
Profit	3,113,130	3,555,930

### (3) Non-consolidated Statements of Changes in Equity

Fiscal year ended February 20, 2024 (from February 21, 2023 to February 20, 2024)

(Thousand yen)

	Shareholders' equity							
	Share capital	Capital surplus		Legal retained earnings	Retained earnings			
		Legal capital surplus	Total capital surplus		Other retained earnings			Total retained earnings
					Reserve for special depreciation	General reserve	Retained earnings brought forward	
Balance at beginning of period	2,061,356	2,165,171	2,165,171	18,688	4,889	26,090,000	4,987,111	31,100,689
Changes during period								
Dividends of surplus							(1,325,140)	(1,325,140)
Reversal of reserve for special depreciation					(4,889)		4,889	–
Profit							3,113,130	3,113,130
Provision of general reserve						2,000,000	(2,000,000)	–
Purchase of treasury shares								
Disposal of treasury shares								
Net changes in items other than shareholders' equity								
Total changes during period	–	–	–	–	(4,889)	2,000,000	(207,120)	1,787,989
Balance at end of period	2,061,356	2,165,171	2,165,171	18,688	–	28,090,000	4,779,991	32,888,679

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(180,112)	35,147,103	(159,218)	(159,218)	34,987,884
Changes during period					
Dividends of surplus		(1,325,140)			(1,325,140)
Reversal of reserve for special depreciation		–			–
Profit		3,113,130			3,113,130
Provision of general reserve		–			–
Purchase of treasury shares		–			–
Disposal of treasury shares		–			–
Net changes in items other than shareholders' equity			188,154	188,154	188,154
Total changes during period	–	1,787,989	188,154	188,154	1,976,144
Balance at end of period	(180,112)	36,935,093	28,936	28,936	36,964,029

Fiscal year ended February 20, 2025 (from February 21, 2024 to February 20, 2025)

(Thousand yen)

	Shareholders' equity						
	Share capital	Capital surplus		Legal retained earnings	Retained earnings		
		Legal capital surplus	Total capital surplus		Other retained earnings	Retained earnings brought forward	Total retained earnings
Balance at beginning of period	2,061,356	2,165,171	2,165,171	18,688	28,090,000	4,779,991	32,888,679
Changes during period							
Dividends of surplus						(1,246,416)	(1,246,416)
Reversal of reserve for special depreciation						—	—
Profit						3,555,930	3,555,930
Provision of general reserve					2,000,000	(2,000,000)	—
Purchase of treasury shares							
Disposal of treasury shares							
Net changes in items other than shareholders' equity							
Total changes during period	—	—	—	—	2,000,000	309,514	2,309,514
Balance at end of period	2,061,356	2,165,171	2,165,171	18,688	30,090,000	5,089,505	35,198,193

	Shareholders' equity		Valuation and translation adjustments		Total net assets
	Treasury shares	Total shareholders' equity	Deferred gains or losses on hedges	Total valuation and translation adjustments	
Balance at beginning of period	(180,112)	36,935,093	28,936	28,936	36,964,029
Changes during period					
Dividends of surplus		(1,246,416)			(1,246,416)
Reversal of reserve for special depreciation		—			—
Profit		3,555,930			3,555,930
Provision of general reserve		—			—
Purchase of treasury shares	(113,045)	(113,045)			(113,045)
Disposal of treasury shares	6,014	6,014			6,014
Net changes in items other than shareholders' equity			(50,201)	(50,201)	(50,201)
Total changes during period	(107,031)	2,202,482	(50,201)	(50,201)	2,152,281
Balance at end of period	(287,144)	39,137,576	(21,265)	(21,265)	39,116,311

## (4) Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended February 20, 2024	For the fiscal year ended February 20, 2025
Cash flows from operating activities		
Profit before income taxes	4,776,485	5,373,211
Depreciation	1,592,560	1,696,755
Impairment losses	359,756	239,107
Amortization of long-term prepaid expenses	22,310	23,601
The amount of rent offset of construction assistance fund receivables	308,633	304,781
Increase (decrease) in allowance for doubtful accounts	(960)	3,085
Increase (decrease) in provision for bonuses	53,943	26,761
Increase (decrease) in provision for shareholder benefit program	(153,311)	(60,765)
Increase (decrease) in provision for share-based compensation	14,550	15,000
Interest and dividend income	(39,610)	(37,958)
Compensation income	(90,177)	(65,937)
Loss (gain) on sale and retirement of non-current assets	55,967	13,757
Decrease (increase) in trade receivables	(253,304)	(219,882)
Decrease (increase) in inventories	2,986,825	(1,217,303)
Decrease (increase) in accounts receivable – other	(12,559)	(7,774)
Increase (decrease) in trade payables	(905,349)	482,195
Increase (decrease) in contract liabilities	(158,659)	(6,046)
Increase (decrease) in accrued consumption taxes	622,257	(926,439)
Increase (decrease) in accounts payable – other	243,046	(103,614)
Increase (decrease) in accrued expenses	(43,074)	58,680
Other, net	(87,046)	49,085
Subtotal	9,292,283	5,640,300
Interest and dividends received	55	1,593
Proceeds from compensation	89,538	70,767
Income taxes paid	(800,263)	(1,419,388)
Net cash provided by (used in) operating activities	8,581,614	4,293,272
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,367,110)	(2,511,544)
Purchase of intangible assets	(487,110)	(190,981)
Payments for retirement of property, plant and equipment	(34,100)	–
Loan advances	(2,750)	(3,200)
Proceeds from collection of loans receivable	2,633	2,777
Purchase of long-term prepaid expenses	(15,517)	(54,656)
Payments for asset retirement obligations	(590)	(8,280)
Payments of guarantee deposits	(212,350)	(280,616)
Proceeds from refund of guarantee deposits	63,540	48,436
Net cash provided by (used in) investing activities	(3,053,355)	(2,998,066)
Cash flows from financing activities		
Purchase of treasury shares	–	(113,045)
Dividends paid	(1,323,039)	(1,245,149)
Net cash provided by (used in) financing activities	(1,323,039)	(1,358,195)
Net increase (decrease) in cash and cash equivalents	4,205,219	(62,989)
Cash and cash equivalents at beginning of period	5,295,845	9,501,065
Cash and cash equivalents at end of period	9,501,065	9,438,076



(5) Notes to the Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Equity in earnings (losses) of affiliates if equity method is applied)

There are no applicable matters as the Company does not have any affiliated companies.

(Matters related to revenue recognition)

Disaggregation of revenue from contracts with customers

Fiscal year ended February 20, 2024 (February 21, 2023–February 20, 2024)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	54,778,046	14,066,154	–	6,331,409	75,175,611
Goods and services transferred over a period	–	–	153,010	2,747,794	2,900,805
Revenue from contracts with customers	54,778,046	14,066,154	153,010	9,079,204	78,076,416
Revenue from other sources	–	–	–	–	–
Sales to external customers	54,778,046	14,066,154	153,010	9,079,204	78,076,416

(Notes) 1. Since the Company has only one segment of the bicycle business, information by segment category has been omitted.

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

Disaggregation of revenue from contracts with customers

Fiscal year ended February 20, 2025 (February 21, 2024–February 20, 2025)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	57,788,228	14,026,165	–	6,950,847	78,765,241
Goods and services transferred over a period	–	–	140,315	2,687,897	2,828,212
Revenue from contracts with customers	57,788,228	14,026,165	140,315	9,638,744	81,593,454
Revenue from other sources	–	–	–	–	–
Sales to external customers	57,788,228	14,026,165	140,315	9,638,744	81,593,454

(Notes) 1. Since the Company has only one segment of the bicycle business, information by segment category has been omitted.

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

(Segment information, etc.)

[Segment information]

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

[Related information]

Previous fiscal year (February 21, 2023 to February 20, 2024)

1. Information by product or service

Since net sales to external customers in a single product and service category constitute more than 90% of net sales on the Non-consolidated Statement of Income, this information has been omitted.

2. Information by region

(1) Net sales

Since net sales to external customers in Japan constitute more than 90% of net sales on the Non-consolidated Statement of Income, this information has been omitted.

(2) Property, plant and equipment

Since the amount of property, plant and equipment located in Japan constitutes more than 90% of the amount of property, plant and equipment on the Non-consolidated Balance Sheet, this information has been omitted.

3. Information by major customer

Among net sales to external customers, since no customer accounts for 10% of net sales on the Non-consolidated Statement of Income, this information has been omitted.

Fiscal year under review (February 21, 2024 to February 20, 2025)

1. Information by product or service

Since net sales to external customers in a single product and service category constitute more than 90% of net sales on the Non-consolidated Statement of Income, this information has been omitted.

2. Information by region

(1) Net sales

Since net sales to external customers in Japan constitute more than 90% of net sales on the Non-consolidated Statement of Income, this information has been omitted.

(2) Property, plant and equipment

Since the amount of property, plant and equipment located in Japan constitutes more than 90% of the amount of property, plant and equipment on the Non-consolidated Balance Sheet, this information has been omitted.

3. Information by major customer

Among net sales to external customers, since no customer accounts for 10% of net sales on the Non-consolidated Statement of Income, this information has been omitted.

[Information regarding impairment losses on non-current assets by reporting segment]

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

[Information regarding amortization and unamortized balance of goodwill by reporting segment]

Not applicable.

[Information regarding gain on bargain purchase by reportable segment]

Not applicable.

(Per share information)

	For the fiscal year ended February 20, 2024	For the fiscal year ended February 20, 2025
Net assets per share	¥1,415.47	¥1,502.16
Basic earnings per share	¥119.21	¥136.51

(Notes) 1. Diluted earnings per share is not stated as there were no dilutive shares.

2. The basis for calculating basic earnings per share is as follows:

	For the fiscal year ended February 20, 2024	For the fiscal year ended February 20, 2025
Profit (Thousand yen)	3,113,130	3,555,930
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit relating to common shares (Thousand yen)	3,113,130	3,555,930
Average number of common shares outstanding during the period (Shares)	26,114,344	26,048,489

3. In the calculation of “Net assets per share,” the Company’s shares held by the Executive Remuneration BIP trust (126,070 shares in the previous fiscal year and 200,170 shares in the fiscal year under review) were included in the number of treasury shares deducted from the number of issued shares at the end of the fiscal year.

Furthermore, in the calculation of “Basic earnings per share,” the above-mentioned shares were included in the number of treasury shares deducted when calculating the average number of shares outstanding during the period (126,070 shares in the previous fiscal year and 191,848 shares in the fiscal year under review).

(Significant subsequent events)

Not applicable.

#### 4. Other

##### (1) Changes in Officers

###### (i) Changes in Representative Director

Not applicable.

###### (ii) Changes in Other Officers

- Newly nominated candidate for Director (excluding a Director who serves as an Audit & Supervisory Committee member)  
Director Hirofumi Hasegawa

- Director who will resign from office (excluding a Director who serves as an Audit & Supervisory Committee member)  
Director                      Jun Kaneko
- Newly nominated candidate for Director who serves as an Audit & Supervisory Committee member  
Outside Director      Michiko Ijima
- Director who serves as an Audit & Supervisory Committee member who will resign from office  
Outside Director      Takashi Kanda

(iii) Effective Date  
May 16, 2025