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Non-consolidated Financial Results for the Three Months Ended May 20, 2025 [Japanese GAAP]



June 23, 2025

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: Hirofumi Hasegawa, Director
 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 Three Months Ended May 20, 2025 (February 21, 2025–May 20, 2025)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Three months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
May 20, 2025	27,104	0.6	3,270	(10.8)	3,403	(6.7)	2,336	(6.0)
May 20, 2024	26,934	3.5	3,667	0.6	3,648	(1.9)	2,486	(1.8)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
May 20, 2025	89.71	—
May 20, 2024	95.35	—

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 20, 2025	57,477	40,692	70.8
As of February 20, 2025	54,452	39,116	71.8

(Reference) Equity: As of May 20, 2025: ¥40,692 million

As of February 20, 2025: ¥39,116 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, 2025	—	25.00	—	25.00	50.00
Fiscal year ending February 20, 2026	—				
Fiscal year ending February 20, 2026 (Forecast)		25.00	—	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, 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

(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):

May 20, 2025: 26,240,800 shares

February 20, 2025: 26,240,800 shares

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

May 20, 2025: 200,681 shares

February 20, 2025: 200,681 shares

3) Average number of shares outstanding during the period:

Three months ended May 20, 2025: 26,040,119 shares

Three months ended May 20, 2024: 26,075,394 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 May 20, 2025, and 200,170 shares as of February 20, 2025). 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 (200,170 shares as of May 20, 2025, and 165,020 shares as of May 20, 2024).

* 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 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. Overview of Operating Results, etc.

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

The Japanese economy during the three months ended May 20, 2025 remained on a gradual recovery trend against the backdrop of strong inbound demand and the improvement of the employment and income environment. On the other hand, the economic outlook remained uncertain due to factors such as heightened geopolitical risks and higher prices in Japan.

In the bicycle business, although replacement of old bicycles for new ones decreased due to a longer replacement cycle as a result of switching to merchandise with enhanced performance features such as electric-assist bicycles and a decline in consumers' willingness to spend resulting from high prices, the trend of repairing and maintaining, and using the same bicycle for a long time has further strengthened.

As a company that creates new value for flourishing bicycle lifestyles, aiming at “achieving a sustainable society” and “realizing sustainable growth for the Company,” the Company has worked to promote the creation of an environment where bicycles can be used safely and with peace of mind by all, while supporting the better bicycle lifestyles for customers. Firstly, as part of strengthening OMO^(Note), focusing on strengthening the foundation of our “online order for store pickup” service, the Company has taken measures such as ensuring the availability of popular products, setting competitive prices, and conducting effective campaigns. The Company achieved an increase in sales as a result of having opened stores in urban areas where demand for e-commerce is strong. In addition, the Company was able to respond to the increased demand for repair and maintenance services by establishing a personnel structure to provide optimal services. The Company has continued its efforts and further reinforced its earnings base, including its nationwide store network and e-commerce sales system that are the Company's strengths, a system of purchase and resale of reused bicycles, the strengthening and optimization of its logistics infrastructure, and the development of specialists with repair skills. As a result, the Company has established a resilient system to meet customers' needs even under the severe business environment.

Furthermore, demand for reused products has been rising, influenced by a growing interest in saving money as prices increase. In the reuse business, the Company expanded the West Japan Support Center to make the commercialization process more efficient, such as repair, maintenance, and cleaning of bicycles. The Company will continue these initiatives, thereby aiming to contribute to the effective use of resources and a recycling-oriented economy.

Regarding store openings and closures, the Company opened one new store in the Kanto region and one new store in the Chubu region. As a result, the total number of stores at the end of the first quarter of the fiscal year under review was 547, consisting of 530 directly operated stores and 17 franchise stores.

As a result of the above activities, net sales for the three months ended May 20, 2025 were ¥27,104,657 thousand (up 0.6% year-on-year). Operating profit was ¥3,270,856 thousand (down 10.8% year-on-year), ordinary profit was ¥3,403,363 thousand (down 6.7% year-on-year), and profit was ¥2,336,136 thousand (down 6.0% year-on-year).

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

(Note) 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.

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

1) Assets

Current assets at the end of the first quarter of the fiscal year under review were ¥33,619,117 thousand, an increase of ¥3,057,777 thousand (10.0%) from the end of the previous fiscal year. This was due mainly to increases in cash and deposits of ¥3,645,285 thousand and accounts receivable - trade of ¥915,551 thousand, which were partially offset by a decrease in merchandise of ¥1,368,976 thousand. Non-current assets were ¥23,858,726 thousand, a decrease of ¥32,265 thousand (0.1%) from the end of the previous fiscal year. This was

due mainly to decreases in buildings of ¥160,319 thousand and software of ¥47,360 thousand, which was partially offset by an increase in deferred tax assets of ¥168,689 thousand.

As a result, total assets were ¥57,477,844 thousand, an increase of ¥3,025,511 thousand (5.6%) from the end of the previous fiscal year.

2) Liabilities

Current liabilities at the end of the first quarter of the fiscal year under review were ¥15,585,362 thousand, an increase of ¥1,443,961 thousand (10.2%) from the end of the previous fiscal year. This was due mainly to increases in accrued consumption taxes of ¥1,112,045 thousand and provision for bonuses of ¥507,837 thousand, which were partially offset by a decrease in accounts payable - trade of ¥604,767 thousand. Non-current liabilities were ¥1,199,861 thousand, an increase of ¥5,240 thousand (0.4%) from the end of the previous fiscal year. This was due mainly to increases in asset retirement obligations of ¥3,243 thousand and provision for share-based payments of ¥1,997 thousand.

As a result, total liabilities were ¥16,785,223 thousand, an increase of ¥1,449,202 thousand (9.4%) from the end of the previous fiscal year.

3) Net assets

Total net assets at the end of the first quarter of the fiscal year under review were ¥40,692,620 thousand, an increase of ¥1,576,309 thousand (4.0%) from the end of the previous fiscal year. This was due mainly to an increase of ¥2,336,136 thousand due to the posting of profit, which was partially offset by a decrease due to dividends of surplus of ¥656,007 thousand.

As a result, the equity ratio stood at 70.8% (71.8% 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 first fiscal half and full year forecasts published in the “Non-consolidated Financial Results for the Fiscal Year Ended February 20, 2025 [Japanese GAAP]” dated April 4, 2025.

2. Quarterly Non-consolidated Financial Statements and Principal Notes

(1) Quarterly Non-consolidated Balance Sheets

(Thousand yen)

	As of February 20, 2025	As of May 20, 2025
Assets		
Current assets		
Cash and deposits	9,463,652	13,108,937
Accounts receivable - trade	4,000,917	4,916,469
Merchandise	14,785,310	13,416,333
Goods in transit	1,443,089	1,184,332
Supplies	193,385	160,749
Other	675,945	833,255
Allowance for doubtful accounts	(960)	(960)
Total current assets	30,561,340	33,619,117
Non-current assets		
Property, plant and equipment		
Buildings, net	9,478,308	9,317,988
Land	3,163,012	3,163,012
Other, net	2,202,831	2,217,498
Total property, plant and equipment	14,844,152	14,698,499
Intangible assets	1,058,211	1,005,062
Investments and other assets		
Guarantee deposits	5,252,535	5,289,885
Construction assistance fund receivables	654,859	630,840
Other	2,087,162	2,240,141
Allowance for doubtful accounts	(5,930)	(5,703)
Total investments and other assets	7,988,628	8,155,163
Total non-current assets	23,890,991	23,858,726
Total assets	54,452,332	57,477,844

(Thousand yen)

	As of February 20, 2025	As of May 20, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	4,753,334	4,148,566
Income taxes payable	1,328,005	1,292,035
Contract liabilities	4,131,311	4,293,846
Provision for bonuses	1,034,927	1,542,764
Other	2,893,821	4,308,149
Total current liabilities	14,141,400	15,585,362
Non-current liabilities		
Provision for share-based payments	164,300	166,297
Asset retirement obligations	793,292	796,535
Other	237,028	237,028
Total non-current liabilities	1,194,621	1,199,861
Total liabilities	15,336,021	16,785,223
Net assets		
Shareholders' equity		
Share capital	2,061,356	2,061,356
Capital surplus	2,165,171	2,165,171
Retained earnings	35,198,193	36,878,322
Treasury shares	(287,144)	(287,144)
Total shareholders' equity	39,137,576	40,817,705
Valuation and translation adjustments		
Deferred gains or losses on hedges	(21,265)	(125,085)
Total valuation and translation adjustments	(21,265)	(125,085)
Total net assets	39,116,311	40,692,620
Total liabilities and net assets	54,452,332	57,477,844

(2) Quarterly Non-consolidated Statements of Income

Three Months Ended May 20

(Thousand yen)

	For the three months ended May 20, 2024	For the three months ended May 20, 2025
Net sales	26,934,027	27,104,657
Cost of sales	14,620,884	14,795,060
Gross profit	12,313,143	12,309,596
Selling, general and administrative expenses	8,645,306	9,038,740
Operating profit	3,667,837	3,270,856
Non-operating income		
Interest income	9,051	8,365
Foreign exchange gains	-	49,789
Rental income from buildings	26,772	26,755
Commission income	33,699	30,339
Other	28,020	41,049
Total non-operating income	97,543	156,299
Non-operating expenses		
Foreign exchange losses	55,159	-
Rental costs on real estate	21,581	21,598
Provision of allowance for doubtful accounts	36,714	-
Other	2,951	2,193
Total non-operating expenses	116,407	23,792
Ordinary profit	3,648,973	3,403,363
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,973	297
Impairment losses	3,189	-
Total extraordinary losses	5,163	297
Profit before income taxes	3,643,810	3,403,065
Income taxes - current	1,283,000	1,190,056
Income taxes - deferred	(125,567)	(123,127)
Total income taxes	1,157,432	1,066,928
Profit	2,486,377	2,336,136

(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 three months ended May 20, 2025 have not been prepared. Depreciation (including amortization for intangible assets) for the three months ended May 20 is as follows.

	For the three months ended May 20, 2024	For the three months ended May 20, 2025
Depreciation	¥381,435 thousand	¥436,261 thousand

(Matters related to revenue recognition)

Disaggregation of revenue from contracts with customers

Three months ended May 20, 2024 (February 21, 2024–May 20, 2024)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	20,275,507	4,197,078	–	1,743,969	26,216,555
Goods and services transferred over a period	–	–	45,421	672,050	717,472
Revenue from contracts with customers	20,275,507	4,197,078	45,421	2,416,020	26,934,027
Revenue from other sources	–	–	–	–	–
Sales to external customers	20,275,507	4,197,078	45,421	2,416,020	26,934,027

- (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.

Three months ended May 20, 2025 (February 21, 2025–May 20, 2025)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	20,420,330	4,194,432	–	1,776,067	26,390,830
Goods and services transferred over a period	–	–	43,620	670,206	713,827
Revenue from contracts with customers	20,420,330	4,194,432	43,620	2,446,274	27,104,657
Revenue from other sources	–	–	–	–	–
Sales to external customers	20,420,330	4,194,432	43,620	2,446,274	27,104,657

- (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.