



# EXPLANATORY MATERIAL ON FINANCIAL RESULTS FOR THE SIX MONTHS ENDED AUGUST 20, 2025

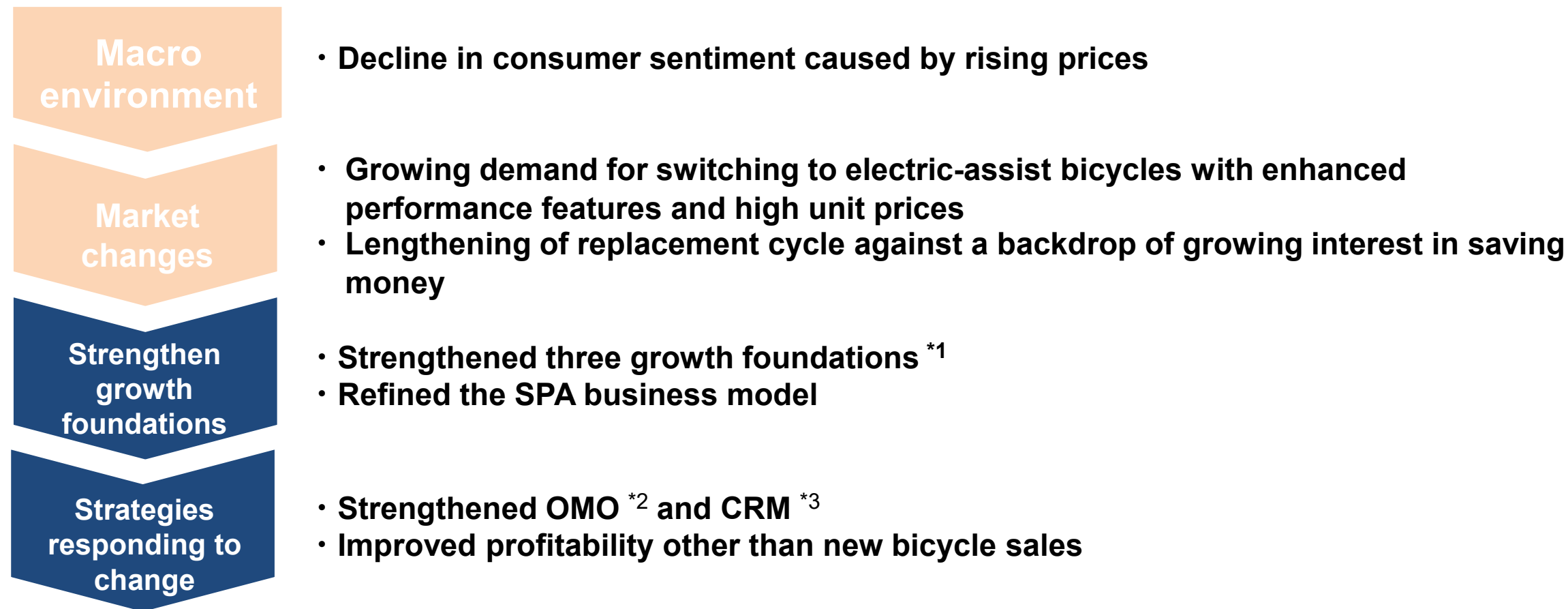
September 22, 2025

**ASAHI CO., LTD.**  
**TSE Prime Market (Securities code: 3333)**

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- 1 Financial Results for the Six Months Ended August 20, 2025**
- 2 Plan for and Progress Status of the Fiscal Year Ending Feb. 20, 2026
- 3 Supplementary Materials (Details of the Plan for the Fiscal Year Ending Feb. 20, 2026)

# Recognition of Environment and Initiatives for the Final Year of the Medium-Term Management Plan “VISION 2025”



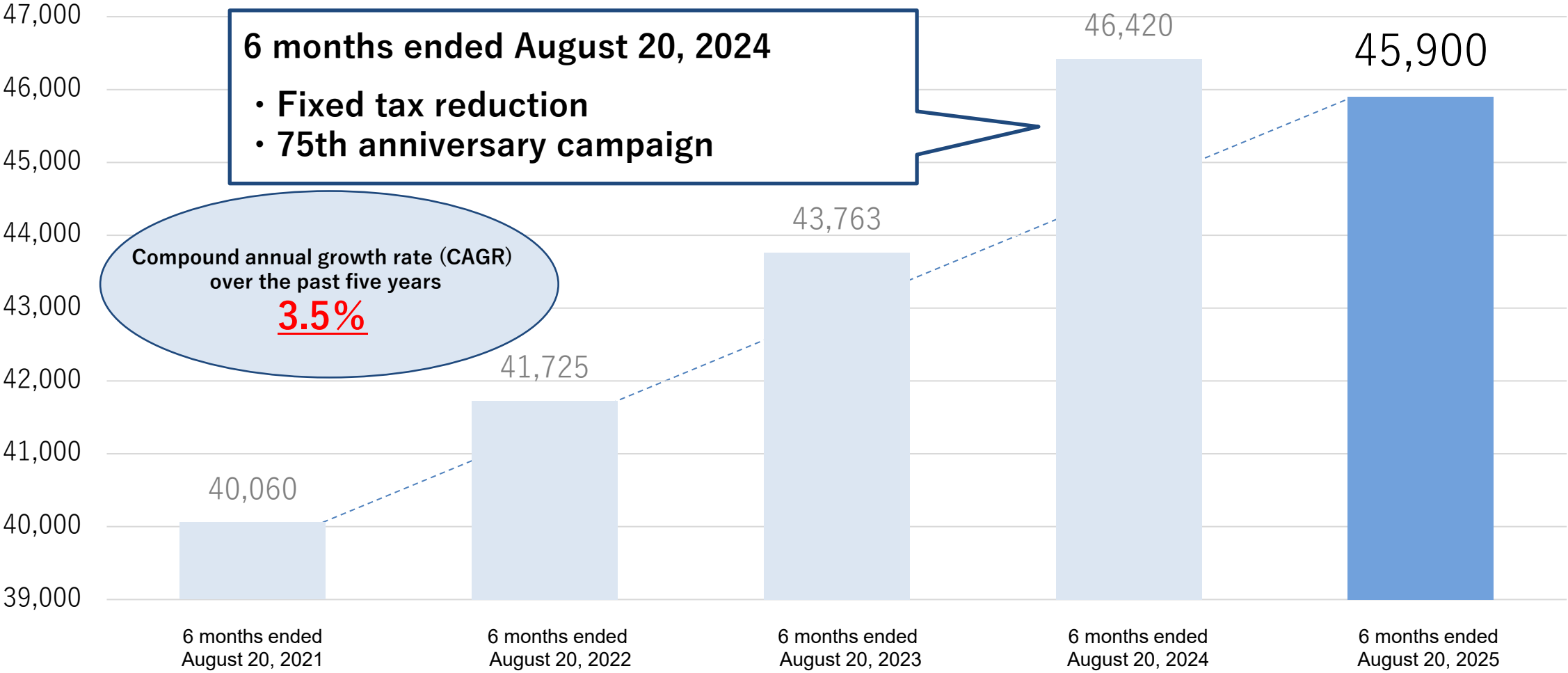
<sup>\*1</sup> Three foundations of “enhancement and optimization of supply chain management,” “enhancement of digital and IT platforms,” and “enhancement of brand management” to be focused on in realizing the achievement of the Medium-Term Management Plan “VISION 2025.”

<sup>\*2</sup> OMO is the abbreviation for Online Merges with Offline. OMO is an approach that merges e-commerce and stores to offer customer experience value, enabling customers to obtain information, shop, and use such channels.

<sup>\*3</sup> CRM is the abbreviation for Customer Relationship Management. We are strengthening our customer relations by providing information via the official Cycle Base Asahi smartphone application to make their bicycle life more convenient and comfortable.

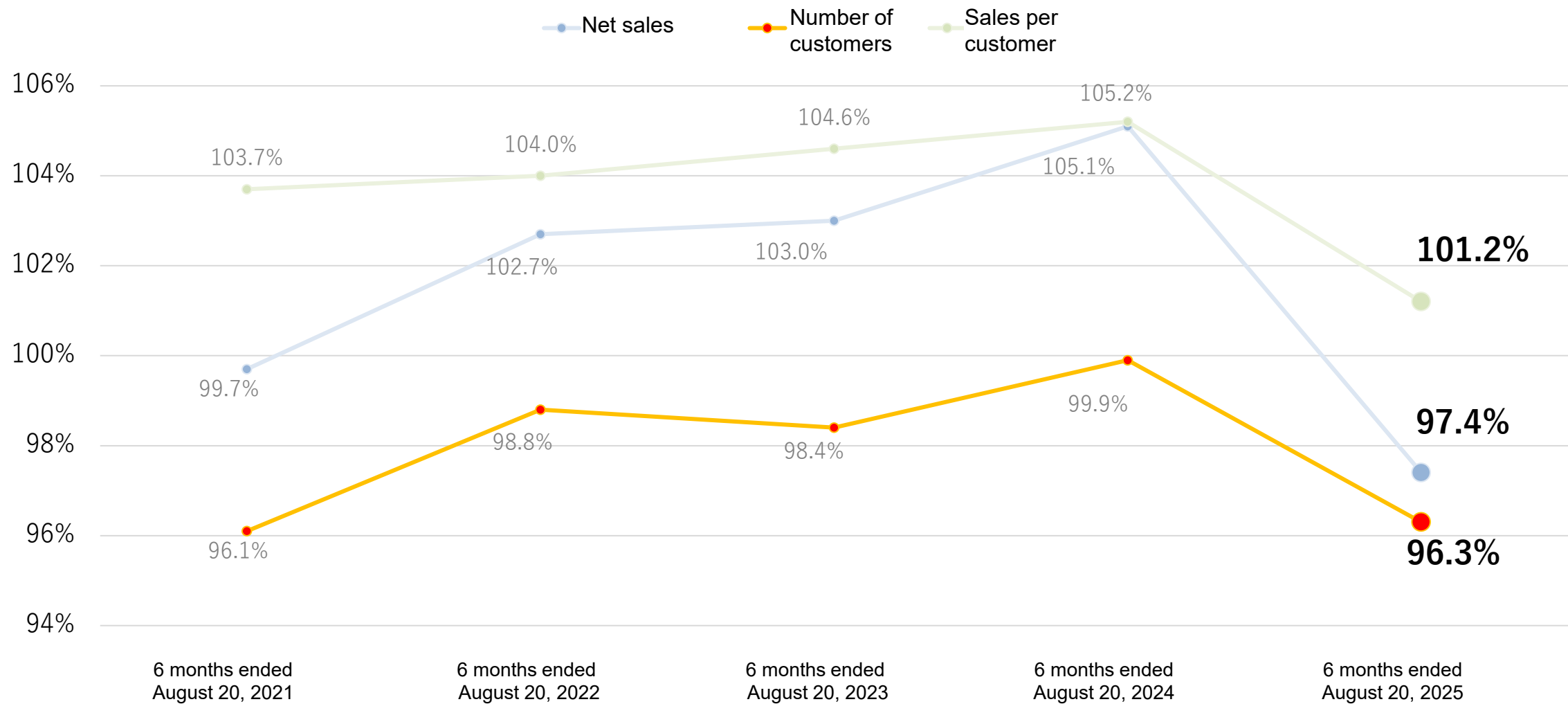
# Changes in Net Sales of the Entire Company (1H)

(Net sales: millions of yen)



(Note) “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of the fiscal year ended Feb. 20, 2023.

# Changes (Y/Y) in Net Sales, Number of Customers, and Sales per Customer of Existing Stores (1H)

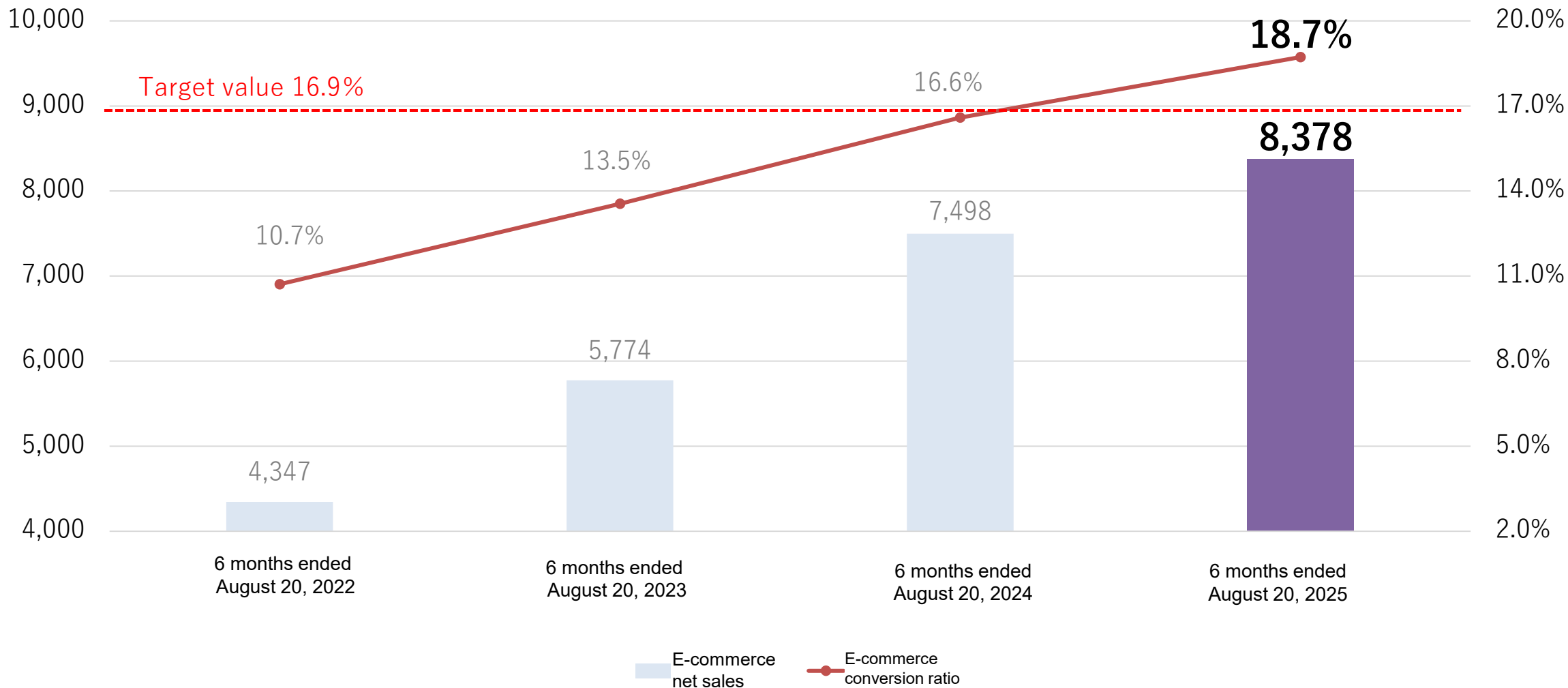


(Note) “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of the fiscal year ended Feb. 20, 2023.

# Results from Strengthening OMO (E-commerce Conversion Ratio) (1H)

(Net sales: millions of yen)

■ E-commerce rate exceeded the target of 16.9%



(Note) "Accounting Standard for Revenue Recognition" (ASBJ Statement No. 29, March 31, 2020) has been applied since the beginning of the fiscal year ended Feb. 20, 2023.

# Financial Results for the Six Months Ended August 20, 2025

(Millions of yen, %)

	Six Months Ended August 20, 2024 Results		Six Months Ended August 20, 2025 Results			
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	factors
Net sales	46,420	100.0	45,900	100.0	98.9	While new bicycle sales are sluggish, e-commerce sales are increasing due to strengthened OMO  Sales of electric-assist bicycles was strong
Gross profit	21,709	46.8	21,486	46.8	99.0	
Operating profit	4,763	10.3	3,756	8.2	78.9	Decline in Net sales
Ordinary profit	4,843	10.4	3,923	8.5	81.0	
Profit	3,265	7.0	2,630	5.7	80.6	

# Results of SG&A Expenses and Capital Expenditures (1H)

(Millions of yen, %)

		Six Months Ended August 20, 2024 Results		Six Months Ended August 20, 2025 Results			Factors
		Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	
SG&A expenses		16,945	36.5	17,730	38.6	104.6	
Breakdown	Personnel expenses	8,057	17.4	8,338	18.2	103.5	Due to wage increases and business expansion
	Advertising expenses	446	1.0	416	0.9	93.3	
	Transport + Storage expenses*	1,206	2.6	1,234	2.7	102.3	
	Depreciation	771	1.7	880	1.9	114.1	Replacing core systems
	Other	6,463	13.9	6,859	14.9	106.1	Increased the number of stores Core systems running costs
Capital expenditures		1,151		1,100		95.6	Decrease in system-related investment

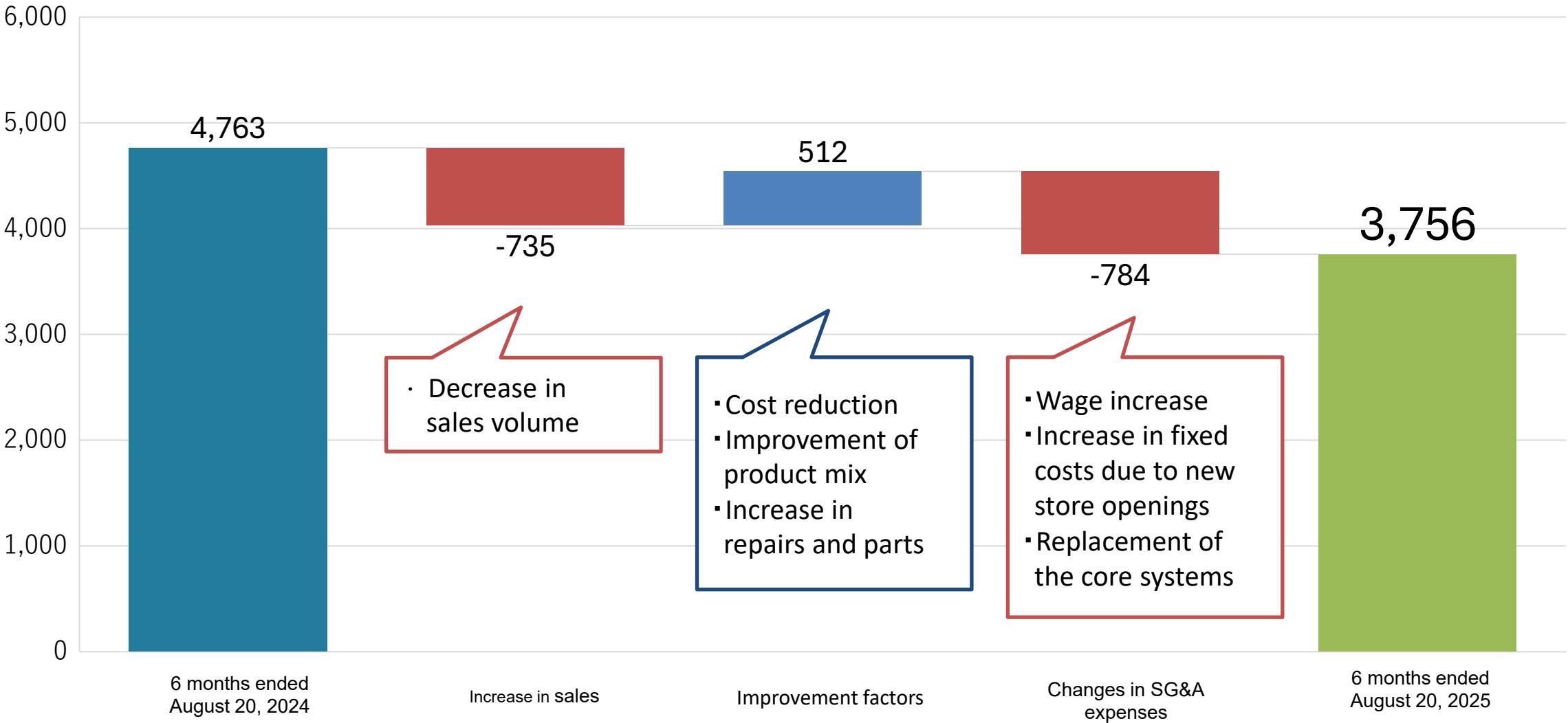
\* From the fiscal year ending February 20, 2026, the term “Logistics expenses” has been replaced with “Transport + Storage expenses.”



# Analysis of Changes in Operating Profit (1H)

(Operating profit: millions of yen)

■ Increase ■ Decrease ■ Total



# Net Sales by Division (1H)

(Millions of yen, %)

		Six Months Ended August 20, 2024 Results		Six Months Ended August 20, 2025 Results			
		Amount	Retail share*1	Amount	Retail share*1	Y/Y change	Factors
	Stores	37,709	83.4	36,369	81.3	96.4	E-commerce share grew significantly due to strengthened OMO platform
	E-commerce	7,498	16.6	8,378	18.7	111.7	
Retail (subtotal)		45,208	100.0	44,748	100.0	99.0	
Other*2		1,212	-	1,152	-	95.0	
Total		46,420		45,900	-	98.9	

\*1 Ratio of stores and e-commerce in retail.  
 \*2 Royalty income, product sales to franchise stores and wholesale customers, out-of-store sales, etc.

# Net Sales by Item (1H)

(Millions of yen, %)

	Six Months Ended August 20, 2024 Results		Six Months Ended August 20, 2025 Results			
	Amount	Share	Amount	Share	Y/Y change	Factors
Ordinary bicycles	7,813	16.8	7,304	15.9	93.5	Postponing replacement purchases due to rising prices
Sports bicycles	6,342	13.7	6,137	13.4	96.8	
Children's bicycles	4,843	10.4	4,478	9.8	92.5	
Electric-assist bicycles	13,298	28.6	13,947	30.4	104.9	Strong sales of Asahi brand's ENERSYS
Other bicycles	1,427	3.1	1,291	2.8	90.5	
Parts/Other	12,695	27.4	12,741	27.7	100.4	Strengthening maintenance and inspection campaign activities
Total	46,420	100.0	45,900	100.0	98.9	
Asahi brand net sales	22,500	48.5	22,077	48.1	98.1	A highly competitive lineup that meets customer needs. Maintaining high standards.

# Store Openings and Closures (1H)



	As of Feb. 21, 2025	Number of stores opened	Number of stores closed *2	As of Aug. 20, 2025
Number of stores*1	545	+5	-1	549
Of which, urban stores	11	+1	0	12

\*1 Includes 17 franchise stores  
\*2 Rakusaiguchi store (expiration of the lease contract)



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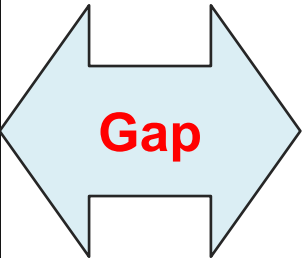
# Current Status of Strengthening of OMO and CRM

■ Assumption at the beginning of the period and current status (the entire Company)

Assumption for the plan for  
fiscal year ending Feb. 20, 2026

Net sales increase 105% =  
Sales per customer 100% x  
Number of customers 105%

(year on year)



Current status

Net sales 99.0% =  
Sales per customer 101.4% x  
Number of customers 97.6%

(year on year)

■ Analysis

- 1. EC conversion rate grew to 18.7%, exceeding the plan, as a result of strengthened OMO.
- 2. **Number of bicycle purchasers** decreased

# Key Initiatives for Achieving Plan for the Fiscal Year Ending Feb. 20, 2026 [Net Sales]

## ■ Progress in 1H

	Results (1H) (a)	Plan (b)	Difference (a)-(b)
Net sales	¥45,900M	¥48,100M	-¥2,199M
Operating profit	¥3,756M	¥4,570M	-¥813M

## ■ Initiatives for securing net sales

### 1. Strengthen CRM

- Strengthening communication by leveraging our member base

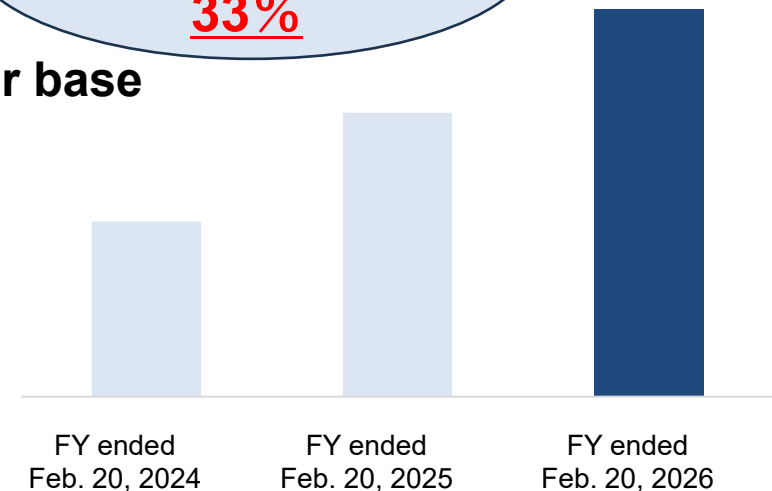
### 2. Implement additional measures and campaigns

- Thank you campaign for achieving 550 stores!

### 3. Strengthen the structure of the reuse business

Annual growth rate of the number of  
app members over the past two  
years (1H)

**33%**



# Key Initiatives for Achieving Plan for the Fiscal Year Ending Feb. 20, 2026

## [Profits]

### ■ Progress in 1H

	Results (1H) (a)	Plan (b)	Difference (a)-(b)
Net sales	¥45,900M	¥48,100M	-¥2,199M
Operating profit	¥3,756M	¥4,570M	-¥813M

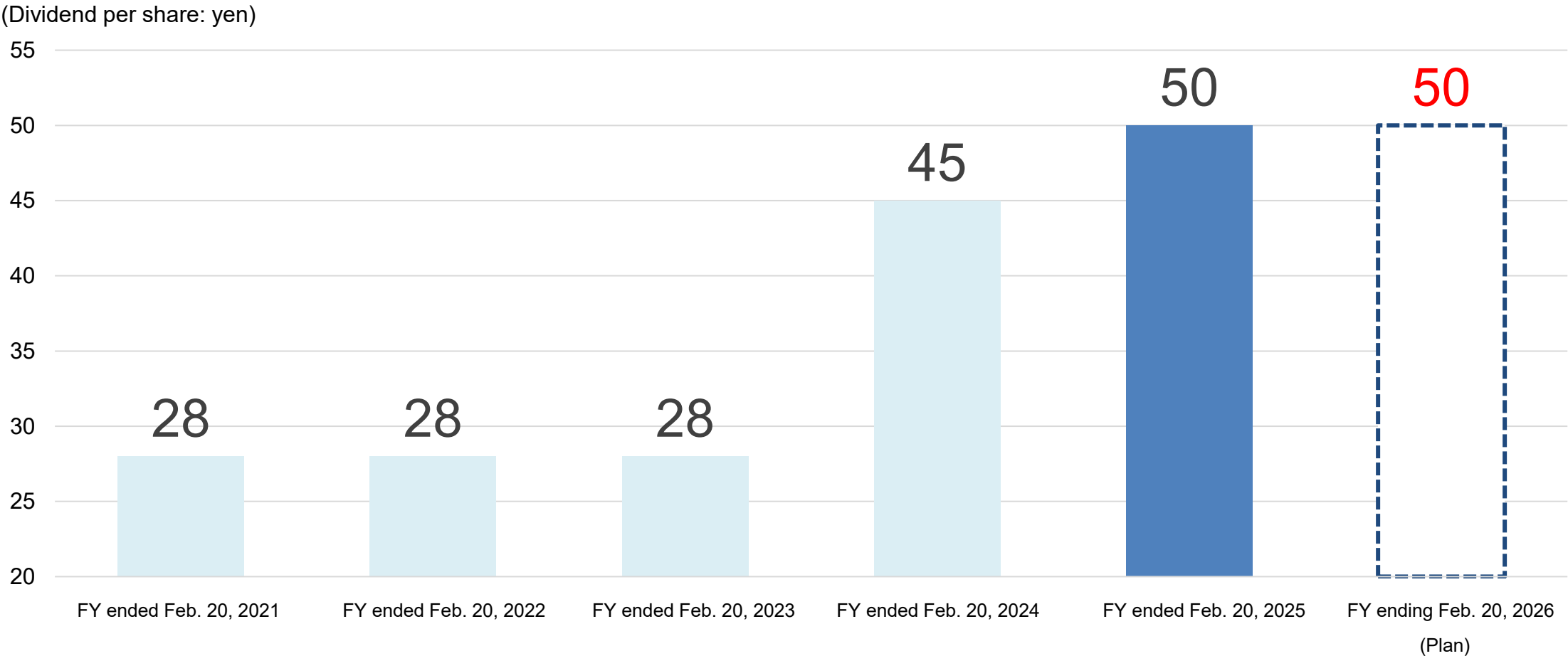
### ■ Initiatives for securing profits

- 1. Review procurement costs (increase gross profit of “ENERSYS”)
- 2. Review SG&A expenses from scratch (excluding growth investments)



# Management That is Conscious of Cost of Capital and Stock Price

- Dividend per share will be 50 yen to strengthen investment in growth foundations (Plan)
- For the fiscal year ended Feb. 20, 2025, ROE was 9.3% (dividend payout ratio of 36.6%) against cost of shareholders' equity (considered to be 5-6%)





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# Plan for the Fiscal Year Ending Feb. 20, 2026

- Net sales will increase by improving e-commerce share and expanding business domain other than new bicycle sales
- Gross profit margin will improve through cost reduction initiatives for Asahi brand
- In SG&A expenses, personnel expenses and system-related expenses will increase

(Millions of yen, %)

	FY ended Feb. 20, 2025 Results		FY ending Feb. 20, 2026 Plan			
	Amount	Share	Amount	Share	Y/Y change	Factors
Net sales	81,593	100.0	85,800	100.0	105.2	Strengthen links between OMO and CRM  Increase sales of parts, repair and maintenance services  Activities to reduce costs
Gross profit	38,739	47.5	41,500	48.4	107.1	
Operating profit	5,485	6.7	5,620	6.6	102.4	Improve human productivity  Enhance digital and IT platforms
Ordinary profit	5,626	6.9	5,750	6.7	102.2	
Profit	3,555	4.4	3,650	4.3	102.6	

# Net Sales by Division

- In stores, promote the expansion of business domain with high customer needs other than new bicycle sales
- In e-commerce sales, further promote OMO strategy by building a highly convenient website and using the store and logistics network

(Millions of yen, %)

		FY ended Feb. 20, 2025 Results		FY ending Feb. 20, 2026 Plan			
		Amount	Retail share*1	Amount	Retail share*1	Y/Y change	Factors
Retail (subtotal)	Stores	66,643	84.0	69,400	83.1	104.1	Strengthen links between OMO and CRM  Increase sales of reused products, parts, and repair and maintenance services
	E-commerce	12,705	16.0	14,100	16.9	111.0	
		79,348	100.0	83,500	100.0	105.2	
Other*2		2,244	-	2,300	-	102.5	
Total		81,593	-	85,800	-	105.2	
Market share*3		25%	-	27%	-	-	

\*1 Ratio of stores and e-commerce in retail.

\*2 Royalty income, product sales to franchise stores and wholesale customers, out-of-store sales, etc.

\*3 Our own estimate: Market share = Asahi bicycles sold ÷ bicycles sold on the domestic market (sources: Trade Statistics of Japan and Current Survey of Production by the Ministry of Economy, Trade and Industry)

# Net Sales by Item

- Number of bicycles sold will increase as the competitiveness of Asahi brand will improve in each item, particularly electric-assist bicycles
  - Sales of parts/other will increase by strengthening repair and maintenance systems
- (Millions of yen, %)

	FY ended Feb. 20, 2025 Results		FY ending Feb. 20, 2026 Plan		
	Amount	Share	Amount	Share	Y/Y change
Ordinary bicycles	13,312	16.3	13,800	16.1	103.7
Sports bicycles	10,076	12.4	10,800	12.6	107.2
Children's bicycles	8,632	10.6	9,000	10.5	104.3
Electric-assist bicycles	23,278	28.5	24,500	28.6	105.2
Other bicycles	2,487	3.0	2,600	3.0	104.5
Parts/Other	23,805	29.2	25,100	29.3	105.4
Total	81,593	100.0	85,800	100.0	105.2

# SG&A Expenses and Capital Expenditures

- Although personnel expenses will increase due to wage increases for the second consecutive fiscal year, they will be optimized through proper personnel allocation and improved human productivity
  - The amount of other items will increase due to the impact of increased number of stores and reduction in subsidies for utility expenses
- (Millions of yen, %)

		FY ended Feb. 20,2025 Results		FY ending Feb. 20, 2026 Plan			Factors
		Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	
SG&A expenses		33,253	40.8	35,880	41.8	107.9	
Breakdown	Personnel expenses	15,880	19.5	17,223	20.1	108.5	Increase wages, enhance training of store staff Optimize personnel due to increased service revenue
	Advertising expenses	794	1.0	805	0.9	101.4	Continue to run more online advertisements
	Transport and storage expenses*	2,234	2.7	2,336	2.7	104.6	Increase in transport expenses due to increased number of bicycles sold
	Depreciation	1,688	2.1	1,880	2.2	111.4	Start system operation, open new stores
	Other	12,655	15.5	13,635	15.9	107.7	Increase in the number of stores, increase in utility expenses
Capital expenditures		2,774		3,504	126.3	Growth foundations for stores and systems	

\* From the fiscal year ending Feb. 20, 2026, “logistics expenses” will be changed to “transport and storage expenses” due to a change in the standard of account item.

# Investment Plan

■ Accelerate investment in foundations that support future growth (digital and IT platforms, logistics infrastructure, stores)

◎ Breakdown of major capital investments

- Investment in growth foundations: DX, infrastructure development, system investment (logistics, CRM)
- Investment in maintenance and renewal: Store renewal and relocation for revitalization of existing stores (18 stores, 1 store increase from the previous fiscal year)
- Investment in increasing profits: 16 new store openings per year, including 4 urban stores

	As of Feb. 21, 2025	Number of stores to open	As of Feb. 20, 2026
Number of stores*	545	+16	561
Of which, urban stores	11	+4	15

\* Includes 17 franchise stores (as of Feb. 20, 2026) (6 stores in Osaka, 1 store in Hyogo, 4 stores in Kyoto, 4 stores in Mie, and 2 stores in Kagoshima)

# Medium-Term Management Plan “VISION 2025”

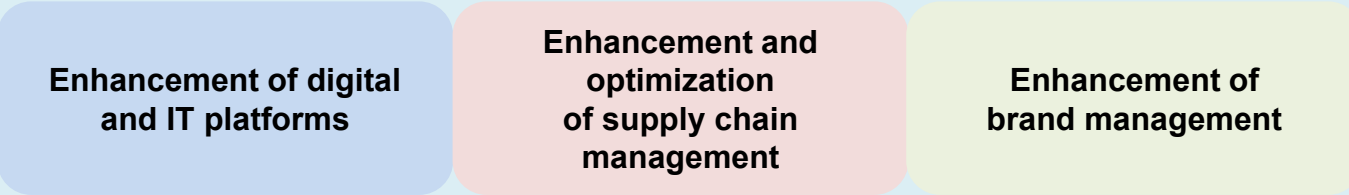
As the most reliable partner for everyone’s bicycle lifestyle,  
we will support the happiness of people

**Our Vision**  
Bicycles for vibrant lives—  
everywhere together for a lifetime

## Four Key Strategies



## Three Growth Foundations



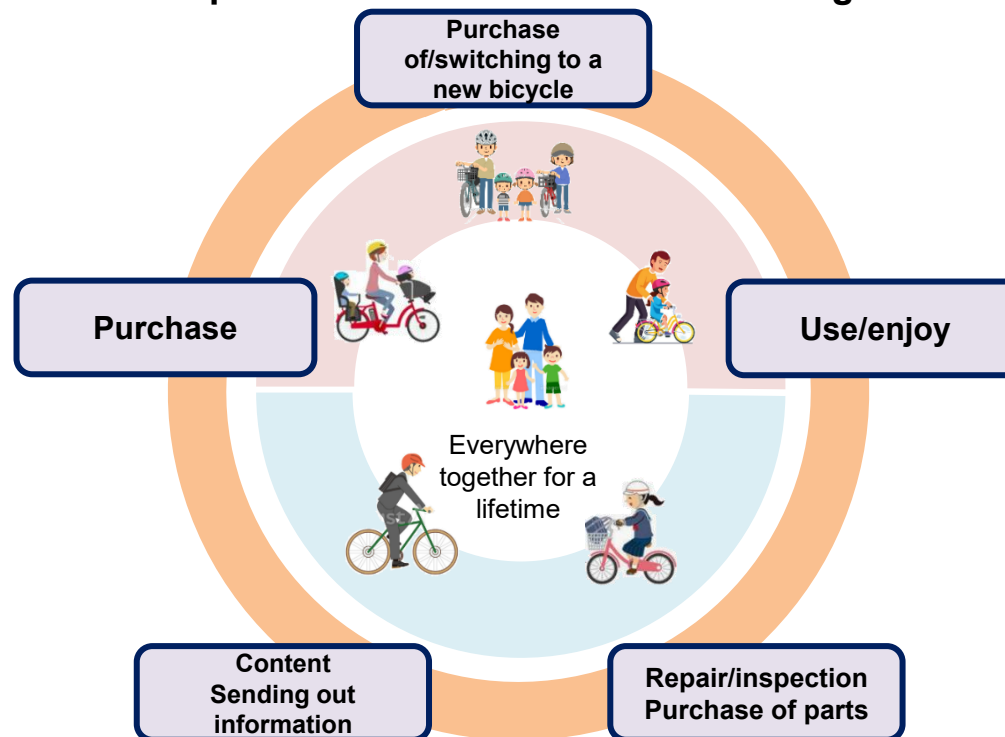
Strengthen “Three Growth Foundations”  
in promoting “Four Key Strategies”

Toward achieving  
VISION 2025,  
implement “Four Key Strategies”



# Management Vision of the Medium-Term Management Plan “VISION 2025”

**Bicycles for vibrant lives—everywhere together for a lifetime**  
**Proposal tailored to customers' life stages**



**[Initiative 1]**  
**Balance “safety and peace of mind” and “recycling-oriented society”**



**[Initiative 2]**  
**System of purchase and sale of bicycles (reuse business)**



**[Initiative 4]**  
**Expand customer base (Asahi membership)**



**[Initiative 5]**  
**Provide information on special offers and services (official app)**



**[Initiative 3]**  
**Sending out information on goods, services, and experience\* through comprehensive bicycle ride information website “Chiririn,” which proposes fun of bicycle life**



**[Initiative 6]**  
**Strengthen service structure to respond to customer issues**



\* Concept of our service type

- Goods: Consumption of goods. A form of offering products and services such as bicycles, parts, accessories, and repair services.
- Services: Consumption of services. A form of experiential services such as travel business and touring that use bicycles.
- Experience: Consumption of experience. A form of services that allow people to share the excitement that can only be experienced at that time and place, referring to bicycle events such as bicycle riding instructional sessions and kids' schools.

## 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.**
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