

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 Fiscal Year Ended February 20, 2026 [Japanese GAAP]



April 3, 2026

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 general shareholders' meeting: May 15, 2026

Scheduled date of commencing dividend payments: May 18, 2026

Scheduled date of filing securities report: May 13, 2026

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, 2026 (February 21, 2025–February 20, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended February 20, 2026	81,374	(0.3)	3,937	(28.2)	4,169	(25.9)	2,268	(36.2)
February 20, 2025	81,593	4.5	5,485	11.7	5,626	8.4	3,555	14.2

	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
	Yen	Yen	%	%	%
Fiscal year ended February 20, 2026	87.12	–	5.7	7.5	4.8
February 20, 2025	136.51	–	9.3	10.5	6.7

(Reference) Equity in earnings of affiliated companies:

Fiscal year ended February 20, 2026: ¥ – million

Fiscal year ended February 20, 2025: ¥ – 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, 2026	56,077	40,159	71.6	1,542.09
As of February 20, 2025	54,452	39,116	71.8	1,502.16

(Reference) Equity: As of February 20, 2026: ¥40,159 million

As of February 20, 2025: ¥39,116 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
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended February 20, 2026	6,299	(2,154)	(1,313)	12,269
February 20, 2025	4,293	(2,998)	(1,358)	9,438

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, 2025	–	25.00	–	25.00	50.00	1,312	36.6	3.4
Fiscal year ended February 20, 2026	–	25.00	–	25.00	50.00	1,312	57.4	3.3
Fiscal year ending February 20, 2027 (Forecast)	–	25.00	–	25.00	50.00		47.7	

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending February 20, 2027 (February 21, 2026–February 20, 2027)

(% 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	47,941	4.4	3,320	(11.6)	3,389	(13.6)	2,223	(15.5)	85.38
Full year	86,278	6.0	4,300	9.2	4,440	6.5	2,730	20.3	104.83

*** 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, 2026: 26,240,800 shares

February 20, 2025: 26,240,800 shares

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

February 20, 2026: 198,881 shares

February 20, 2025: 200,681 shares

3) Average number of shares outstanding during the year:

Year ended February 20, 2026: 26,041,347 shares

Year ended February 20, 2025: 26,048,489 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 (198,370 shares as of February 20, 2026 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 year (198,942 shares as of February 20, 2026, and 191,848 shares as of February 20, 2025).

* 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 6, 2026.

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.

Table of Contents - Attachment

1. Overview of Operating Results, etc.	2
(1) Overview of Operating Results for the Fiscal Year under Review	2
(2) Overview of Financial Position for the Fiscal Year under Review	3
(3) Overview of Cash Flows for the Fiscal Year under Review	3
(4) Future Outlook	4
(5) Basic Policy on the Distribution of Profit and the Dividend Payout for the Current and Next Fiscal Years.....	5
2. Basic Policy on Selection of Accounting Standards	6
3. Non-consolidated Financial Statements and Principal Notes	7
(1) Non-consolidated Balance Sheets	7
(2) Non-consolidated Statements of Income	10
(3) Non-consolidated Statements of Changes in Equity	11
(4) Non-consolidated Statements of Cash Flows	13
(5) Notes to the Non-consolidated Financial Statements	14
(Notes on going concern assumption)	14
(Notes on equity in earnings (losses) of affiliates if equity method is applied)	14
(Notes on matters related to revenue recognition)	14
(Notes on segment information, etc.)	15
(Notes on per share information)	16
(Notes on significant subsequent events)	16
4. Other	16
(1) Changes in Officers	16

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 saw an increase in the burden on household finances due to prolonged rise in prices although the income environment was on a recovery trend. Uncertainty in the international economic environment including U.S. tariff policies also remained. As a result, concerns about the future outlook persisted, and consumers became more saving-oriented and cautious about their spending.

In the bicycle retail business, replacement of old bicycles for new ones decreased due to a longer replacement cycle resulting from switching to merchandise with enhanced performance features such as electric-assist bicycles and a decline in consumers' willingness to spend due to high prices, and 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 promoted 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 implemented measures such as ensuring the availability of popular products, setting competitive prices, and conducting effective campaigns. In addition, the Company was able to respond to the demand for repair and maintenance services by establishing a personnel structure to provide optimal services.

In the fiscal year under review, which was the final year of the medium-term management plan "VISION 2025" that ran from the fiscal year ended February 20, 2021 through the fiscal year ended February 20, 2026, the Company decided to revise the sales and profit targets downward, in light of a lower-than-expected number of units sold in the bicycle market as a whole. Despite this, the Company continued working to steadily build up 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, and secured a structure for the next stage of growth.

Demand for reused products has been expanding, as a result of consumers' growing interest in saving money influenced by price increase. In the reuse business, the Company expanded the West Japan Support Center to promote a more efficient commercialization process, 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 Hokkaido region, nine new stores in the Kanto region, two new stores in the Chubu region, two new stores in the Kinki region and one new store in the Kyushu region, while closing two stores in the Kanto region and one store in the Kinki region due to the expiration of their agreements. As a result, the total number of stores at the end of the fiscal year under review was 557, consisting of 539 directly operated stores and 18 franchise stores.

As a result of the above activities, the financial results for the fiscal year under review were as shown below.

Net sales	¥81,374,883 thousand	(down 0.3% from the same period of the previous fiscal year)
Operating profit	¥3,937,894 thousand	(down 28.2% from the same period of the previous fiscal year)
Ordinary profit	¥4,169,583 thousand	(down 25.9% from the same period of the previous fiscal year)
Profit	¥2,268,821 thousand	(down 36.2% from the same period of the previous fiscal year)

Since the Company has only one segment of the bicycle business, information by segment is not provided.

(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 for the Fiscal Year under Review

(Assets)

The balance of total assets at the end of the fiscal year under review was ¥56,077,872 thousand, an increase of ¥1,625,539 thousand (3.0%) from the end of the previous fiscal year.

The balance of current assets at the end of the fiscal year under review was ¥32,680,432 thousand, an increase of ¥2,119,091 thousand (6.9%) from the end of the previous fiscal year. This was due mainly to increases in cash and deposits of ¥2,839,047 thousand and forward exchange contracts of ¥105,638 thousand, which were partially offset by a decrease in merchandise of ¥798,995 thousand.

The balance of non-current assets at the end of the fiscal year under review was ¥23,397,439 thousand, a decrease of ¥493,552 thousand (2.1%) from the end of the previous fiscal year. This was due mainly to an increase in buildings of ¥331,401 thousand, which was partially offset by decreases in construction in progress of ¥398,604 thousand and software of ¥198,468 thousand.

(Liabilities)

The balance of total liabilities at the end of the fiscal year under review was ¥15,918,828 thousand, an increase of ¥582,806 thousand (3.8%) from the end of the previous fiscal year.

The balance of current liabilities at the end of the fiscal year under review was ¥14,669,201 thousand, an increase of ¥527,800 thousand (3.7%) from the end of the previous fiscal year. This was due mainly to increases in accrued consumption taxes of ¥718,977 thousand, accounts payable - trade of ¥284,679 thousand and accounts payable - other of ¥163,470 thousand, which were partially offset by a decrease in income taxes payable of ¥768,400 thousand.

The balance of non-current liabilities at the end of the fiscal year under review was ¥1,249,626 thousand, an increase of ¥55,005 thousand (4.6%) from the end of the previous fiscal year. This was due mainly to increases in asset retirement obligations of ¥37,625 thousand and provision for share-based payments of ¥12,100 thousand.

(Net assets)

The balance of net assets at the end of the fiscal year under review was ¥40,159,044 thousand, an increase of ¥1,042,733 thousand (2.7%) from the end of the previous fiscal year. This was due mainly to an increase in profit of ¥2,268,821 thousand, which was partially offset by a decrease due to dividends of surplus of ¥1,312,014 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 increased by ¥2,831,899 thousand from the end of the previous fiscal year (a decrease of ¥62,989 thousand in the previous fiscal year) to ¥12,269,975 thousand.

(Cash Flows from Operating Activities)

Net cash provided by operating activities was ¥6,299,895 thousand (¥4,293,272 thousand provided for the same period of the previous fiscal year). The principal cash inflow factors included profit before income taxes of ¥3,517,678 thousand and depreciation of ¥1,848,438 thousand. The principal cash outflow factors included compensation income of ¥45,812 thousand and interest and dividend income of ¥45,535.

(Cash Flows from Investing Activities)

Net cash used in investing activities was ¥2,154,491 thousand (¥2,998,066 thousand used for the same period of the previous fiscal year). The principal cash inflow factors included proceeds from refund of guarantee deposits of ¥53,978 thousand. The principal cash outflow factors included purchase of property, plant and equipment of ¥1,870,661 thousand for new store openings and payments of guarantee deposits of ¥200,283 thousand.

(Cash Flows from Financing Activities)

Net cash used in financing activities was ¥1,313,504 thousand (¥1,358,195 thousand used for the same period of the previous fiscal year). This cash outflow was attributable to dividends paid.

(Reference) Trends of Cash Flow Indicators

	Fiscal year ended February 20				
	2022	2023	2024	2025	2026
Equity ratio (%)	76.1	69.4	70.3	71.8	71.6
Equity ratio at fair value (%)	74.3	70.5	63.5	69.1	59.9
Ratio of interest-bearing debt to cash flow (year)	0.0	0.0	0.0	0.0	0.0
Interest coverage ratio (times)	0.0	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 Japanese economy is expected to see improvement in wage trends, but since rising prices may continue to pressure household spending, the outlook for personal consumption is likely to remain uncertain. The rise in resources and energy prices against the backdrop of growing geopolitical risks in the Middle East, as well as the changing international environments for finance and trade, continue to require caution. Due to the impact of these factors, consumers are assumed to keep their saving-oriented attitude.

In the bicycle retail business, owing to a longer replacement cycle resulting from the spread of merchandise with enhanced performance features and a weaker demand for new bicycles due to high prices, it is expected that the tough business conditions will continue. Meanwhile, the trend of repairing and maintaining, and using the same bicycle for a long time is anticipated to increase, and the demand for reused products is expected to continue growing.

Under these circumstances, the Company aims to pursue both “achieving a sustainable society” and “realizing sustainable growth for the Company,” and to this end, the Company will work to increase its corporate value by further enhancing its strong points such as the nationwide store network, logistics system, OMO platform, and human resource development infrastructure, and establishing a system that will allow it to cope appropriately with the changing market environment.

In order to bring its corporate value to an even higher level, the Company will establish “VISION 2028,” a new medium-term management plan that starts in the fiscal year ending February 20, 2027, under which the Company will take up a “challenge for new growth,” working around the three pillars of “develop deeper into existing business,” “explore and take up challenges in adjacent business domains,” and “human resources management under which diverse talent can thrive.” Key strategies include: enhancing CRM^(Note 1); extending adjacent business domains such as reuse business and repair and maintenance business; and expanding trade areas through closer collaboration with strategic partners, in addition to further refining the OMO platform that

utilizes the SPA value chain and store and logistics networks the Company has built over the years. Through these efforts, the Company will push ahead to build a circular business model that does not rely on new bicycle sales, by promoting a creation of platform on which various services are interlinked and taking a strengthened approach towards the domestic bicycle ownership of 60 million units^(Note 2). The Company will also work to create an organization where diverse talent can thrive and to develop talent equipped with highly specialized expertise, in order to strengthen the human resources foundation on which to base new growth.

Major initiatives for the fiscal year ending February 20, 2027, the first year of the plan, will include the extension of services domain such as inspection and cleaning, by building an even deeper customer relationship through the membership base and creating opportunities for in-store visits.

The Company will also continue promoting OMO by opening urban stores, upgrading e-commerce sites, and optimizing inventory to increase customer-perceived value, while also increasing Product Power by lowering production costs of Asahi brand products and developing products that reflect customer feedback. Through these efforts, the Company aims to further increase its share in the sales of new bicycles.

In the adjacent business domains, the Company plans to strengthen production system for the reuse business and enhance the core functions of the repair and maintenance business by boosting the support centers, as well as to promote a greater collaboration with strategic partners by offering the use of the Company's business platform.

Based on these efforts, for the fiscal year ending February 20, 2027, the Company forecasts net sales of ¥86,278,000 thousand (up 6.0% year on year), operating profit of ¥4,300,000 thousand (up 9.2% year on year), ordinary profit of ¥4,440,000 thousand (up 6.5% year on year), and profit of ¥2,730,000 thousand (up 20.3% year on year).

(Notes) 1. 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. Estimated by the Company based on the Japan Bicycle Promotion Institute, "Report on 2021 Survey of Bicycle Ownership and Usage" and other sources.

(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 active returning of profits to shareholders as one of its important management issues. While working to further strengthen its management foundations and makes growth investments in the medium to long run, the Company makes it its basic policy on distribution of surplus to provide stable dividends aiming a payout ratio of 35% or more and a dividend on equity (DOE) ratio of 3%, taking into consideration its business performance, free cash flow status, and capital efficiency in a comprehensive manner.

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, 2026

In comprehensive consideration of factors such as 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, 2026 will be 57.4% (DOE: 3.3%).

3) Dividends of surplus for the next fiscal year ending February 20, 2027

For the fiscal year ending February 20, 2027, based on a balance of capital efficiency improvement and stable return of profits, 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).

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, 2025	As of February 20, 2026
Assets		
Current assets		
Cash and deposits	9,463,652	12,302,700
Accounts receivable - trade	4,000,917	3,944,117
Merchandise	14,785,310	13,986,315
Goods in transit	1,443,089	1,454,843
Supplies	193,385	198,841
Accounts receivable - other	210,429	237,946
Prepaid expenses	413,622	408,667
Forward exchange contracts	–	105,638
Other	51,894	42,682
Allowance for doubtful accounts	(960)	(1,320)
Total current assets	30,561,340	32,680,432
Non-current assets		
Property, plant and equipment		
Buildings	23,479,850	25,089,382
Accumulated depreciation	(14,001,541)	(15,279,671)
Buildings, net	9,478,308	9,809,710
Structures	1,658,531	1,776,978
Accumulated depreciation	(928,918)	(1,069,253)
Structures, net	729,613	707,725
Machinery and equipment	157,404	157,404
Accumulated depreciation	(132,436)	(137,890)
Machinery and equipment, net	24,967	19,513
Vehicles	31,476	35,062
Accumulated depreciation	(31,476)	(32,021)
Vehicles, net	0	3,040
Tools, furniture and fixtures	3,046,302	3,292,332
Accumulated depreciation	(2,054,329)	(2,292,338)
Tools, furniture and fixtures, net	991,973	999,993
Land	3,163,012	3,163,012
Construction in progress	456,277	57,673
Total property, plant and equipment	14,844,152	14,760,668
Intangible assets		
Software	1,000,491	802,022
Other	57,720	30,766
Total intangible assets	1,058,211	832,788

(Thousand yen)

	As of February 20, 2025	As of February 20, 2026
Investments and other assets		
Investments in capital	10	10
Investments in capital of subsidiaries and associates	91,083	–
Long-term loans receivable from employees	1,025	630
Long-term accounts receivable - other	2,377	4,970
Distressed receivables	3,000	3,000
Long-term prepaid expenses	433,126	415,528
Guarantee deposits	5,252,535	5,244,685
Construction assistance fund receivables	654,859	559,280
Deferred tax assets	1,390,390	1,431,710
Investment property	245,414	245,414
Accumulated depreciation	(162,590)	(170,629)
Investment property, net	82,823	74,784
Other	83,327	78,150
Allowance for doubtful accounts	(5,930)	(8,767)
Total investments and other assets	7,988,628	7,803,982
Total non-current assets	23,890,991	23,397,439
Total assets	54,452,332	56,077,872
Liabilities		
Current liabilities		
Accounts payable - trade	4,753,334	5,038,013
Accounts payable - other	957,552	1,121,022
Accrued expenses	1,780,210	1,874,367
Income taxes payable	1,328,005	559,605
Accrued consumption taxes	–	718,977
Contract liabilities	4,131,311	4,127,384
Deposits received	122,722	131,057
Unearned revenue	3,656	3,742
Provision for bonuses	1,034,927	1,090,963
Asset retirement obligations	2,300	–
Forward exchange contracts	21,823	–
Other	5,556	4,066
Total current liabilities	14,141,400	14,669,201
Non-current liabilities		
Provision for share-based payments	164,300	176,400
Asset retirement obligations	793,292	830,917
Other	237,028	242,309
Total non-current liabilities	1,194,621	1,249,626
Total liabilities	15,336,021	15,918,828

(Thousand yen)

	As of February 20, 2025	As of February 20, 2026
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	30,090,000	32,090,000
Retained earnings brought forward	5,089,505	4,046,312
Total retained earnings	35,198,193	36,155,000
Treasury shares	(287,144)	(284,566)
Total shareholders' equity	39,137,576	40,096,961
Valuation and translation adjustments		
Deferred gains or losses on hedges	(21,265)	62,082
Total valuation and translation adjustments	(21,265)	62,082
Total net assets	39,116,311	40,159,044
Total liabilities and net assets	54,452,332	56,077,872

(2) Non-consolidated Statements of Income

(Thousand yen)

	For the fiscal year ended February 20, 2025	For the fiscal year ended February 20, 2026
Net sales	81,593,454	81,374,883
Cost of sales		
Beginning merchandise inventory	13,937,103	14,785,310
Cost of purchased goods	43,855,378	42,031,115
Total	57,792,481	56,816,426
Transfer to other account	153,283	246,660
Ending merchandise inventory	14,785,310	13,986,315
Total cost of sales	42,853,886	42,583,451
Gross profit	38,739,567	38,791,432
Selling, general and administrative expenses	33,253,594	34,853,537
Operating profit	5,485,972	3,937,894
Non-operating income		
Interest income	37,958	45,535
Foreign exchange gains	–	12
Rental income from buildings	107,548	107,200
Commission income	72,760	70,988
Compensation income	65,937	45,812
Other	43,894	83,411
Total non-operating income	328,099	352,960
Non-operating expenses		
Foreign exchange losses	87,341	–
Rental costs on real estate	82,144	82,089
Settlement payments	–	13,253
Other	18,509	25,927
Total non-operating expenses	187,995	121,271
Ordinary profit	5,626,076	4,169,583
Extraordinary losses		
Loss on sale and retirement of non-current assets	13,757	90,963
Impairment losses	239,107	480,369
Loss on disaster	–	41,519
Loss on liquidation of subsidiaries and associates	–	39,053
Total extraordinary losses	252,864	651,905
Profit before income taxes	5,373,211	3,517,678
Income taxes - current	1,819,034	1,326,753
Income taxes - deferred	(1,753)	(77,897)
Total income taxes	1,817,280	1,248,856
Profit	3,555,930	2,268,821

(3) Non-consolidated Statements of Changes in Equity

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		Total retained earnings
				General reserve	Retained earnings brought forward		
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)
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)
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

Fiscal year ended February 20, 2026 (from February 21, 2025 to February 20, 2026)

(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
				General reserve	Retained earnings brought forward		
Balance at beginning of period	2,061,356	2,165,171	2,165,171	18,688	30,090,000	5,089,505	35,198,193
Changes during period							
Dividends of surplus						(1,312,014)	(1,312,014)
Profit						2,268,821	2,268,821
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	(1,043,192)	956,807
Balance at end of period	2,061,356	2,165,171	2,165,171	18,688	32,090,000	4,046,312	36,155,000

	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	(287,144)	39,137,576	(21,265)	(21,265)	39,116,311
Changes during period					
Dividends of surplus		(1,312,014)			(1,312,014)
Profit		2,268,821			2,268,821
Provision of general reserve		–			–
Purchase of treasury shares	–	–			–
Disposal of treasury shares	2,577	2,577			2,577
Net changes in items other than shareholders' equity			83,348	83,348	83,348
Total changes during period	2,577	959,384	83,348	83,348	1,042,733
Balance at end of period	(284,566)	40,096,961	62,082	62,082	40,159,044

(4) Non-consolidated Statements of Cash Flows

(Thousand yen)

	For the fiscal year ended February 20, 2025	For the fiscal year ended February 20, 2026
Cash flows from operating activities		
Profit before income taxes	5,373,211	3,517,678
Depreciation	1,696,755	1,848,438
Impairment losses	239,107	480,369
Amortization of long-term prepaid expenses	23,601	46,286
The amount of rent offset of construction assistance fund receivables	304,781	302,952
Increase (decrease) in allowance for doubtful accounts	3,085	3,197
Increase (decrease) in provision for bonuses	26,761	56,036
Increase (decrease) in provision for shareholder benefit program	(60,765)	–
Increase (decrease) in provision for share-based compensation	15,000	12,100
Interest and dividend income	(37,958)	(45,535)
Loss on disaster	–	41,519
Compensation income	(65,937)	(45,812)
Loss (gain) on sale and retirement of non-current assets	13,757	90,963
Loss (gain) on liquidation of subsidiaries and associates	–	39,053
Decrease (increase) in trade receivables	(219,882)	56,800
Decrease (increase) in inventories	(1,217,303)	766,463
Decrease (increase) in accounts receivable - other	(7,774)	(20,891)
Increase (decrease) in trade payables	482,195	284,679
Increase (decrease) in contract liabilities	(6,046)	(3,927)
Increase (decrease) in accrued consumption taxes	(926,439)	718,977
Increase (decrease) in accounts payable - other	(103,614)	73,552
Increase (decrease) in accrued expenses	58,680	84,690
Other, net	49,085	27,456
Subtotal	5,640,300	8,335,048
Interest and dividends received	1,593	10,687
Payments associated with disaster loss	–	(9,336)
Proceeds from compensation	70,767	39,245
Income taxes paid	(1,419,388)	(2,075,749)
Net cash provided by (used in) operating activities	4,293,272	6,299,895
Cash flows from investing activities		
Purchase of property, plant and equipment	(2,511,544)	(1,870,661)
Purchase of intangible assets	(190,981)	(108,483)
Payments for retirement of property, plant and equipment	–	(16,000)
Loan advances	(3,200)	(1,520)
Proceeds from collection of loans receivable	2,777	1,685
Purchase of long-term prepaid expenses	(54,656)	(60,399)
Payments for asset retirement obligations	(8,280)	(4,786)
Proceeds from liquidation of subsidiaries and associates	–	51,979
Payments of guarantee deposits	(280,616)	(200,283)
Proceeds from refund of guarantee deposits	48,436	53,978
Net cash provided by (used in) investing activities	(2,998,066)	(2,154,491)
Cash flows from financing activities		
Purchase of treasury shares	(113,045)	–
Dividends paid	(1,245,149)	(1,313,504)
Net cash provided by (used in) financing activities	(1,358,195)	(1,313,504)
Net increase (decrease) in cash and cash equivalents	(62,989)	2,831,899
Cash and cash equivalents at beginning of period	9,501,065	9,438,076
Cash and cash equivalents at end of period	9,438,076	12,269,975

(5) Notes to the Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes on 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.

(Notes on matters related to revenue recognition)

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 is not provided.
2. “Other” includes incidental services, such as maintenance and repair works, and long-term warranty service.

Fiscal year ended February 20, 2026 (February 21, 2025–February 20, 2026)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	57,289,606	14,000,325	–	7,339,307	78,629,239
Goods and services transferred over a period	–	–	133,551	2,612,092	2,745,644
Revenue from contracts with customers	57,289,606	14,000,325	133,551	9,951,399	81,374,883
Revenue from other sources	–	–	–	–	–
Sales to external customers	57,289,606	14,000,325	133,551	9,951,399	81,374,883

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

(Notes on segment information, etc.)

[Segment information]

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

[Related information]

Previous fiscal year (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.

Fiscal year under review (February 21, 2025 to February 20, 2026)

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]

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

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

Not applicable.

[Information regarding gain on bargain purchase by reportable segment]

Not applicable.

(Notes on per share information)

	For the fiscal year ended February 20, 2025	For the fiscal year ended February 20, 2026
Net assets per share	¥1,502.16	¥1,542.09
Basic earnings per share	¥136.51	¥87.12

(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, 2025	For the fiscal year ended February 20, 2026
Basic earnings per share		
Profit (Thousand yen)	3,555,930	2,268,821
Amount not attributable to common shareholders (Thousand yen)	—	—
Profit relating to common shares (Thousand yen)	3,555,930	2,268,821
Average number of common shares outstanding during the period (Shares)	26,048,489	26,041,347

3. In the calculation of “Net assets per share,” the Company’s shares held by the Executive Remuneration BIP trust (200,170 shares in the previous fiscal year and 198,370 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 (191,848 shares in the previous fiscal year and 198,942 shares in the fiscal year under review).

(Notes on significant subsequent events)

Not applicable.

4. Other

(1) Changes in Officers

(i) Changes in Representative Director

Not applicable.

(ii) Changes in Other Officers

- Director who will resign from office (excluding a Director who serves as an Audit & Supervisory Committee member)
Director Hirofumi Hasegawa

(iii) Effective Date

May 15, 2026