



EXPLANATORY MATERIAL ON FINANCIAL RESULTS FOR THE FISCAL YEAR ENDED FEBRUARY 20, 2026

April 3, 2026

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



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- 01 Financial Results for the Fiscal Year Ended Feb. 20, 2026**
- 02 Financial Results for the Fiscal Year Ending Feb. 20, 2027



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

Macro environment

- Decline in consumer sentiment caused by rising prices

Market changes

- Growing demand for switching to electric-assist bicycles with enhanced performance features and high unit prices
- Lengthening of replacement cycle against a backdrop of growing interest in saving money

Strengthen growth foundations

- Strengthened three growth foundations *1
- Refined the SPA business model

Strategies responding to change

- Strengthened OMO *2 and CRM *3
- Improved profitability other than new bicycle sales

*1 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.”

*2 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.

*3 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

Compound annual growth rate (CAGR) over the past four years **3.3%**

FY ended Feb. 20, 2025

- Fixed tax reduction
- 75th anniversary campaign

Net sales: millions of yen

71,398

74,712

78,076

81,593

81,374

FY ended Feb. 20, 2022

FY ended Feb. 20, 2023

FY ended Feb. 20, 2024

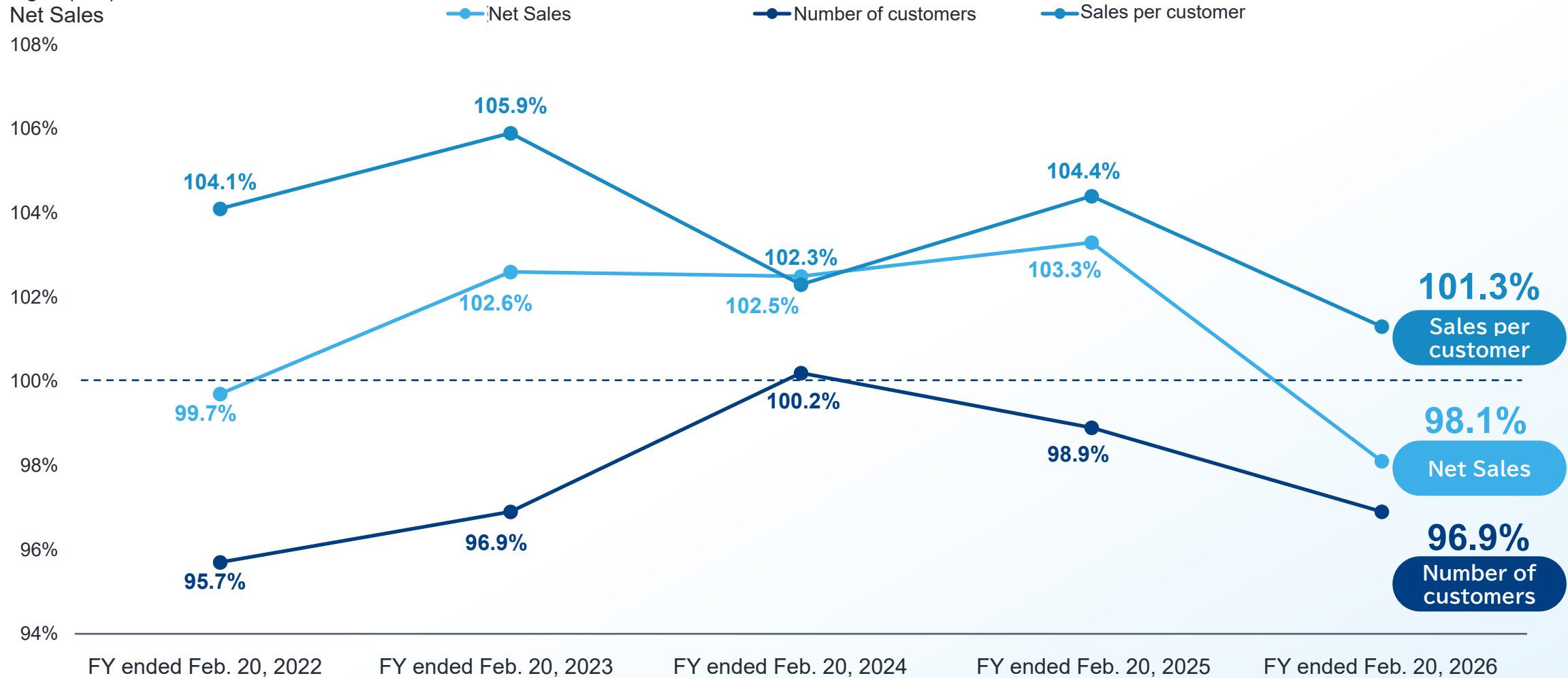
FY ended Feb. 20, 2025

FY ended Feb. 20, 2026

(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

Changes (Y/Y) in Net Sales



101.3%
Sales per customer

98.1%
Net Sales

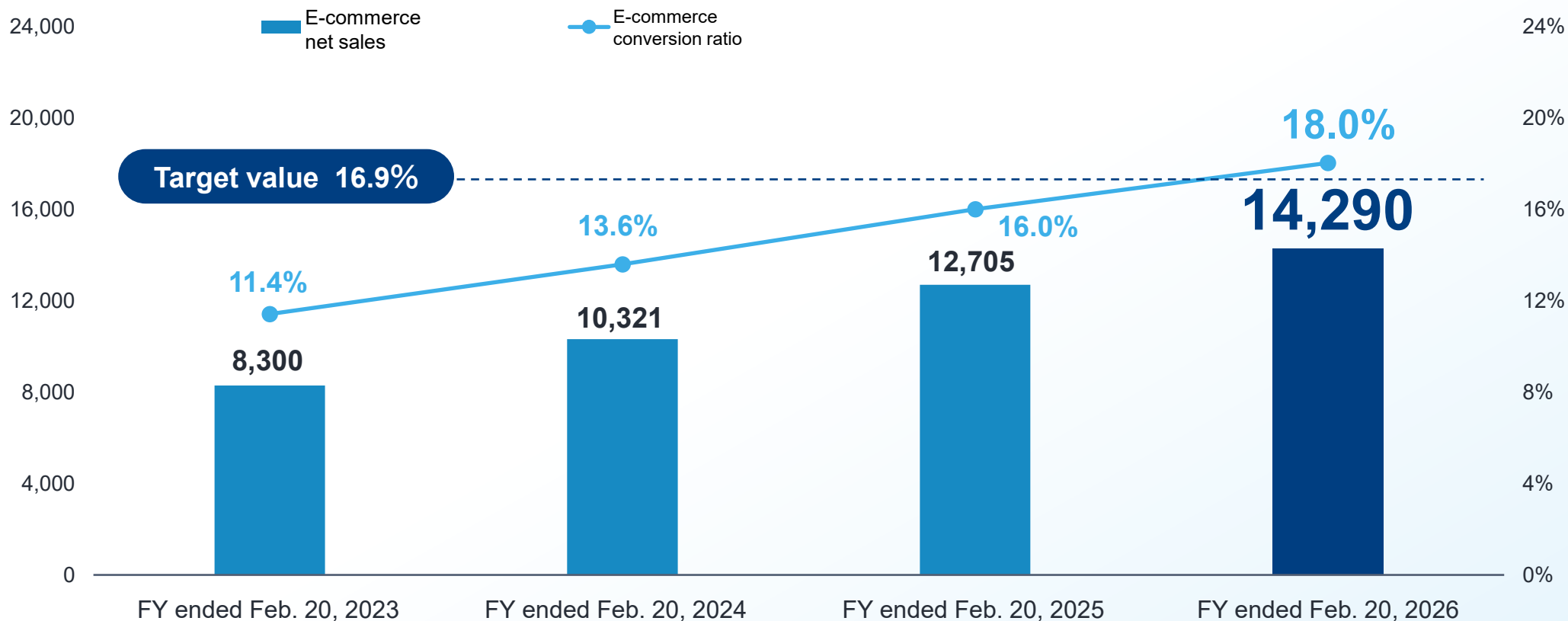
96.9%
Number of customers

Results from Strengthening OMO (E-commerce Conversion Ratio)

E-commerce rate exceeded the target of 16.9%

E-commerce net sales
: millions of yen

E-commerce
conversion ratio



(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 Fiscal Year Ended Feb. 20, 2026

	FY ended Feb. 20, 2025 Results		FY ended Feb. 20, 2026 Results				Com- parison with plan
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	Factors	
(Millions of yen, %)							
Net sales	81,593	100.0	81,374	100.0	99.7	<ul style="list-style-type: none"> While new bicycle sales are sluggish, e-commerce sales are increasing due to strengthened OMO Sales of electric-assist bicycles was strong 	100.5
Gross profit	38,739	47.5	38,791	47.7	100.1		99.5
Operating profit	5,485	6.7	3,937	4.8	71.8	<ul style="list-style-type: none"> Decline in Net sales 	93.1
Ordinary profit	5,626	6.9	4,169	5.1	74.1		94.5
Profit	3,555	4.4	2,268	2.8	63.8		85.9

Results of SG&A Expenses and Capital Expenditures

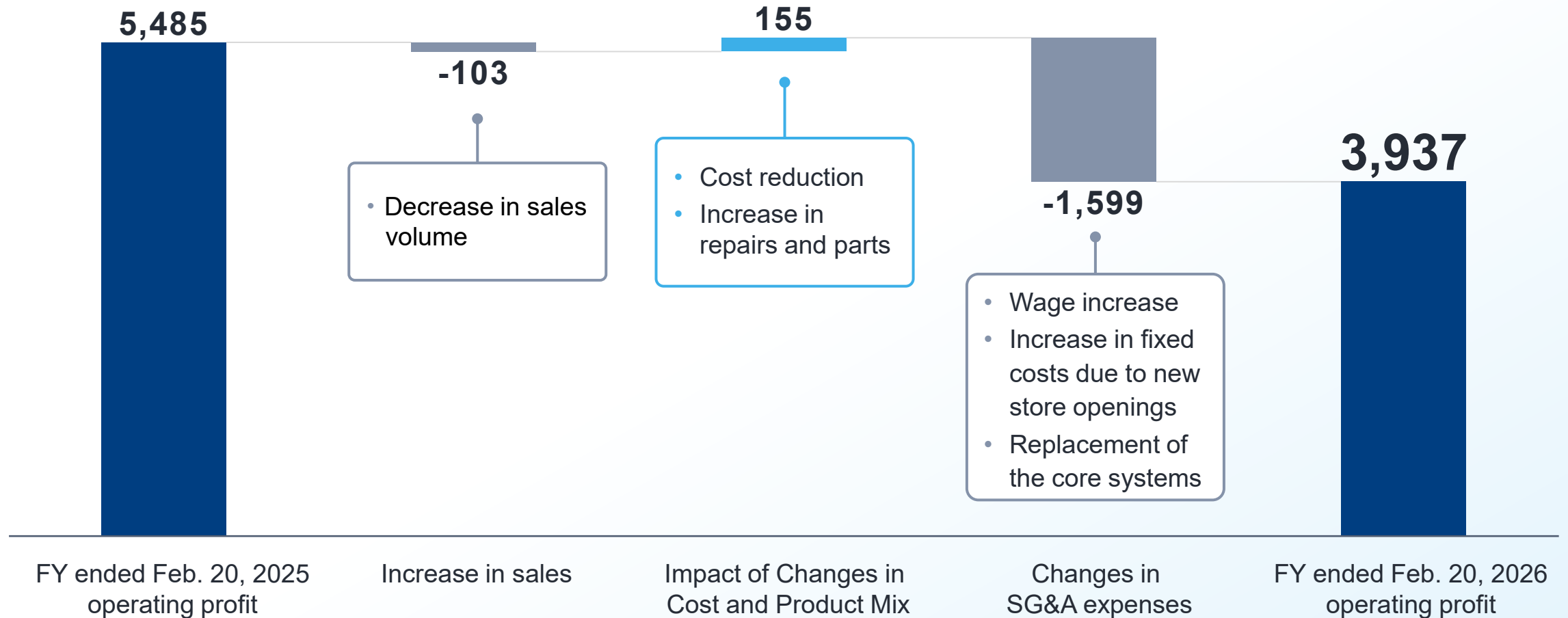
	FY ended Feb. 20, 2025 Results		FY ended Feb. 20, 2026 Results				
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	Factors	
(Millions of yen, %)							
SG&A expenses	33,253	40.8	34,853	42.8	104.8		
Breakdown	Personnel expenses	15,880	19.5	16,673	20.5	105.0	• Due to wage increases and business expansion
	Advertising expenses	794	1.0	782	1.0	98.5	
	Transport and storage expenses*	2,234	2.7	2,174	2.7	97.3	
	Depreciation	1,688	2.1	1,840	2.3	109.0	• Replacing core systems
	Other	12,655	15.5	13,382	16.4	105.7	• Increased the number of stores • Core systems running costs
Capital expenditures		2,774		2,254	81.3	• A decrease in investment in the Daito-cho office	

* 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

Operating profit
: millions of yen

■ Increase ■ Decrease ■ Total



Net Sales by Division

	FY ended Feb. 20, 2025 Results		FY ended Feb. 20, 2026 Results			
	Amount	Retail share*1	Amount	Retail share*1	Y/Y change	Factors
(Millions of yen, %)						
Stores	66,643	84.0	64,918	82.0	97.4	• E-commerce share grew significantly due to strengthened OMO platform
E-commerce	12,705	16.0	14,290	18.0	112.5	
Retail (subtotal)	79,348	100.0	79,208	100.0	99.8	
Other*2	2,244	-	2,166	-	96.5	
Total	81,593	-	81,374	-	99.7	
Market share*3	25%	-	25%	-	-	

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

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

*3Our 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

(Millions of yen, %)	FY ended Feb. 20, 2025 Results		FY ended Feb. 20, 2026 Results			
	Amount	Share	Amount	Share	Y/Y change	Factors
Ordinary bicycles	13,312	16.3	12,432	15.3	93.4	• Postponement of replacement purchases due to rising prices
Sports bicycles	10,076	12.4	9,820	12.1	97.5	
Children's bicycles	8,632	10.6	8,174	10.0	94.7	
Electric-assist bicycles	23,278	28.5	24,586	30.2	105.6	• Strong sales of Asahi brand's ENERSYS
Other bicycles	2,487	3.0	2,275	2.8	91.5	
Parts/Other	23,805	29.2	24,085	29.6	101.2	• Strengthened maintenance and inspection campaigns
Total	81,593	100.0	81,374	100.0	99.7	
Asahi brand net sales	39,763	48.7	38,538	47.4	96.9	<ul style="list-style-type: none"> • Highly competitive lineup aligned with customer needs • Maintaining a high level

Store Openings and Closures

Full year	First half	Second half
Stores opened: 15 stores	Stores opened: 5 stores	Stores opened: 10 stores

	As of Feb. 21, 2025	Number of stores opened	Number of stores closed *2	As of Feb. 20, 2026
Number of stores*1	545	+15	▲3	557
Of which, urban stores	11	+3	0	14

*1 Includes 18 franchise stores (as of Feb. 20, 2026) (6 stores in Osaka, 1 store in Hyogo, 4 stores in Kyoto, 4 stores in Mie, 2 stores in Kagoshima, 1 stores in Hokkaido)

*2 Rakusaiguchi store · Sendagaya DEPT. · Chiba asahi store (expiration of the lease contract)

Variance From the Full-Year Earnings Forecast for the Fiscal Year Ended February 20, 2026

Results

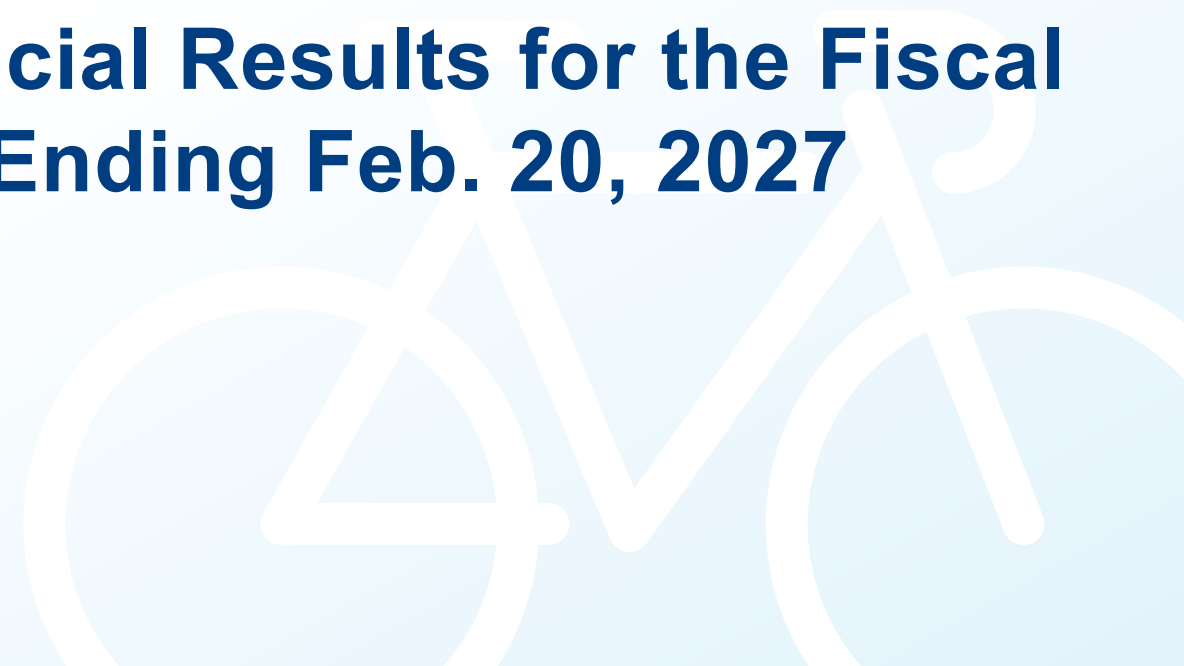
	Results	Plan	Difference
(Millions of yen)	<i>a</i>	<i>b</i>	<i>a-b</i>
Net sales	81,374	81,000	+374
Operating profit	3,937	4,230	▲292
Profit	2,268	2,640	▲371

Analysis

- 1 Decline in gross profit margin
 - Impact of sales measures
 - The sales ratio of electric-assist bicycles with low profit margin increased
- 2 Restrictions on reducing SG&A expenses
 - Despite control efforts, a high proportion of fixed costs prevented a significant reduction over the short term

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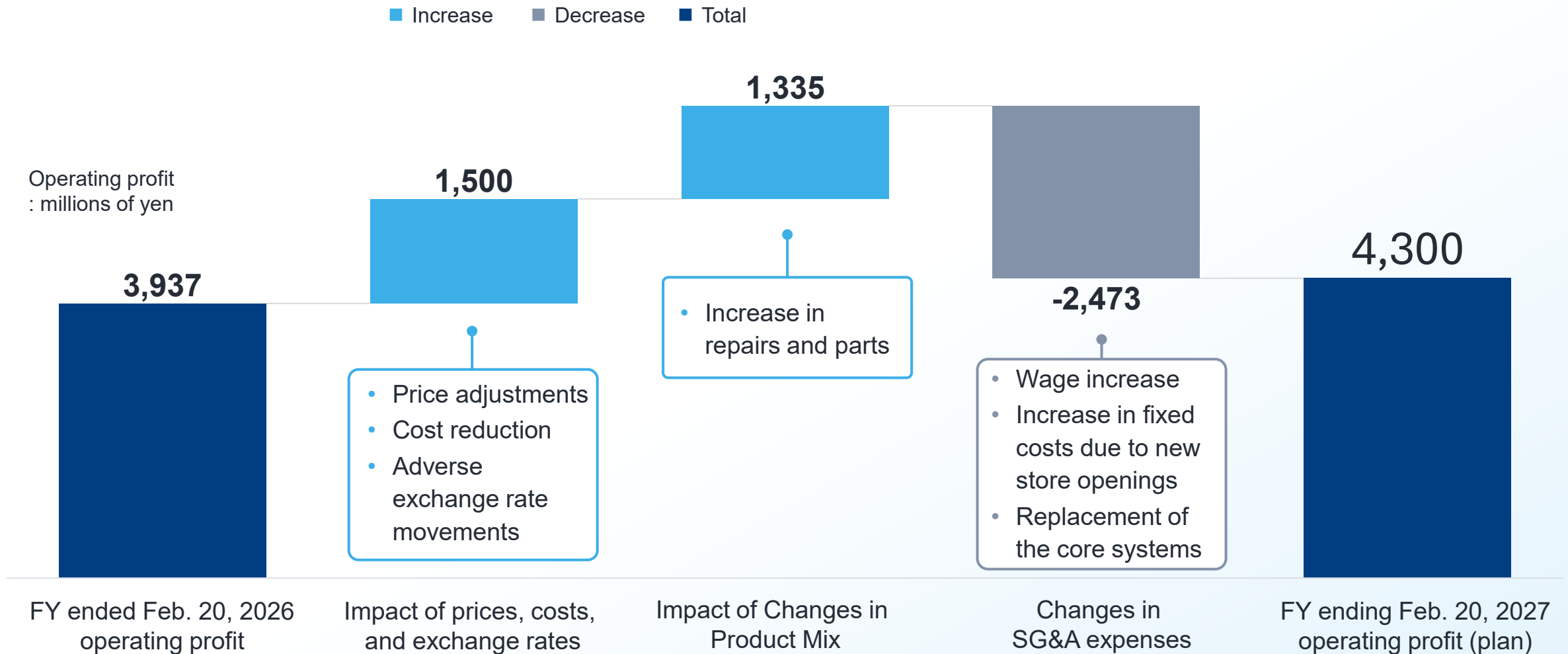
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Plan for the Fiscal Year Ending Feb. 20, 2027

	FY ended Feb. 20, 2026 Results		FY ending Feb. 20, 2027 Plan			
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	Factors
(Millions of yen, %)						
Net sales	81,374	100.0	86,278	100.0	106.0	<ul style="list-style-type: none"> • Strengthen links between OMO and CRM • Increase sales of parts, repair and maintenance services
Gross profit	38,791	47.7	41,627	48.2	107.3	
Operating profit	3,937	4.8	4,300	5.0	109.2	<ul style="list-style-type: none"> • Price adjustments • Activities to reduce costs • Improve productivity • Enhance digital and IT platforms
Ordinary profit	4,169	5.1	4,440	5.1	106.5	
Profit	2,268	2.8	2,730	3.2	120.3	

Analysis of Changes in Operating Profit



Net Sales by Item

(Millions of yen, %)	FY ended Feb. 20, 2026 Results		FY ending Feb. 20, 2027 Plan		
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change
Net sales	81,374	100.0	86,278	100.0	106.0
Stores / E-commerce	78,555	96.5	82,917	96.1	105.6
New bicycle sales	55,561	68.3	57,657	66.8	103.8
Electric-assist bicycles	24,051	29.6	25,423	29.5	105.7
Parts / services	22,993	28.3	25,260	29.3	109.9
Peripheral businesses	2,819	3.5	3,361	3.9	119.2
Market share*		25%		26%	-

*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)

SG&A Expenses and Capital Expenditures

	FY ended Feb. 20, 2026 Results		FY ending Feb. 20, 2027 Plan				
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	Factors	
(Millions of yen, %)							
SG&A expenses	34,853	40.8	37,327	43.3	107.1		
Breakdown	Personnel expenses	16,673	19.5	17,859	20.7	107.1	<ul style="list-style-type: none"> • Increase wages, enhance training of store staff • Optimize personnel due to increased service revenue
	Transport and storage expenses	2,174	2.7	2,484	2.9	114.2	<ul style="list-style-type: none"> • Increase in transport expenses due to increased number of bicycles sold
	Depreciation	1,840	2.1	1,991	2.3	108.2	<ul style="list-style-type: none"> • Start system operation, open new stores
Capital expenditures		2,254		2,554	113.3	<ul style="list-style-type: none"> • Growth foundations for stores and systems 	

Investment Plan

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

Breakdown of major capital investments

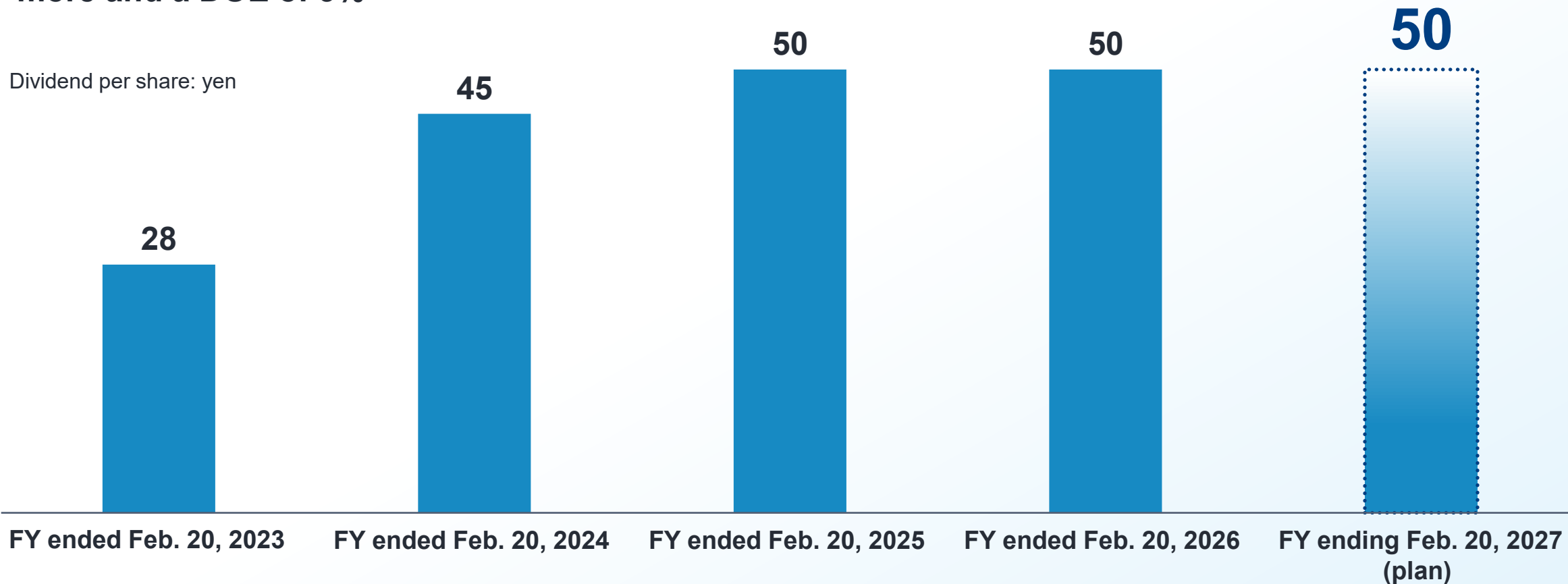
Investment in growth foundations	Investment in maintenance and renewal	Investment in increasing profits
DX, infrastructure development, system investment (logistics, CRM)	Renewal of 16 stores per year and relocation of 1 store per year for revitalization of existing stores	10 new store openings per year, including 2 urban stores

	As of Feb. 21, 2026	Number of stores to open	As of Feb. 20, 2027
Number of stores*	557	+10	567
Of which, urban stores	14	+2	16

* Includes 18 franchise stores (as of Feb. 20, 2026) (6 stores in Osaka, 1 store in Hyogo, 4 stores in Kyoto, 4 stores in Mie, 2 stores in Kagoshima, 1 stores in Hokkaido)

Stock price and capital cost conscious management

- Dividend per share will be 50 yen (plan)
- Continue positive investment in foundations supporting profitability and future growth
- Maintain a stable shareholder return policy with a basic target of a dividend payout ratio of 35% or more and a DOE of 3%



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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