Non-consolidated Financial Results for the Six Months Ended August 20, 2026 [Japanese GAAP]

September 25, 2026

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 filing semi-annual securities report: September 30, 2026
Scheduled date of commencing dividend payments: November 11, 2026
Availability of supplementary explanatory materials on financial results: Available
Schedule of 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 Six Months Ended August 20, 2026 (February 21, 2026–August 20, 2026)

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

	Net sales		Operating profit		Ordinary profit		Profit	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
August 20, 2026	46,230	0.7	3,231	(14.0)	3,327	(15.2)	2,193	(16.6)
August 20, 2025	45,900	(1.1)	3,756	(21.1)	3,923	(19.0)	2,630	(19.4)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
August 20, 2026	84.22	–
August 20, 2025	101.01	–

(2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of August 20, 2026	56,634	41,644	73.5
As of February 20, 2026	56,077	40,159	71.6

(Reference) Equity: As of August 20, 2026: ¥41,644 million
As of February 20, 2026: ¥40,159 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, 2026	–	25.00	–	25.00	50.00
Fiscal year ending February 20, 2027	–	25.00			
Fiscal year ending February 20, 2027 (Forecast)			–	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, 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
Full year	86,278	6.0	4,300	9.2	4,440	6.5	2,730	20.3	104.83

(Note) Revisions to the most recently announced financial results forecast: None

*** Notes:**

(1) Adoption of special accounting methods for the preparation of semi-annual 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):

August 20, 2026:	26,240,800 shares
February 20, 2026:	26,240,800 shares

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

August 20, 2026:	197,449 shares
February 20, 2026:	198,881 shares

3) Average number of shares outstanding during the period:

Six months ended August 20, 2026:	26,042,441 shares
Six months ended August 20, 2025:	26,040,765 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 (196,930 shares as of August 20, 2026, and 198,370 shares as of February 20, 2026). 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 (197,845 shares for the six months ended August 20, 2026, and 199,524 shares for the six months ended August 20, 2025).

* These semi-annual non-consolidated financial results are outside the scope of review 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., (3) Explanation of Financial Results Forecast and Other Forward-looking Information on page 4 of the Attachment.

(Access to supplementary explanatory materials on financial results and details of financial results briefing session)
The Company plans to hold a financial results briefing session for institutional investors and analysts today.
The materials for the financial results briefing session to be used 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 Semi-annual Period under Review

The Japanese economy during the six months ended August 20, 2026 called for careful attention to downside risks to business conditions, including an increase in the burden on household finances due to a prolonged rise in prices, the impact of the situation in the Middle East on resource prices, etc., and fluctuations in the financial and capital markets, although the employment and income environment was on a gradual recovery trend. In this situation, consumers became even more budget-conscious, and continued to manage their spending carefully.

In the bicycle retail business, demand for replacement of old bicycles for new ones remained low against the backdrop of a longer replacement cycle resulting from a switch to higher-priced enhanced-performance products, such as electric-assist bicycles, and a slump in consumers' willingness to spend due to high prices. Meanwhile, the trend of using the same bicycle for a long time while repairing and maintaining it strengthened further.

Under a basic policy aimed at both "achieving a sustainable society" and "realizing sustainable growth for the Company" the Company's medium-term management plan VISION 2028, covering the period from the fiscal year ending February 20, 2027 to the fiscal year ending February 20, 2029, sets out as key strategies refining the OMO platform[Note 1], enhancing CRM[Note 2], extending adjacent business domains, and expanding trade areas through closer collaboration with strategic partners.

During the six months ended August 20, 2026, the Company worked to build a circular business model that does not rely solely on new bicycle sales, by promoting the creation of a platform on which various services are interlinked and strengthening its approach toward domestic bicycle ownership of 60 million units[Note 3].

Additionally, against the backdrop of expanding reuse demand, the Company worked on strengthening its purchasing capabilities and enhancing its commercialization system by utilizing support centers.

The Company also worked to create an organization where diverse talent can thrive and to develop talent equipped with highly specialized expertise.

Regarding store openings and closures, the Company opened two new stores in the Kanto region, one new store in the Chubu region and two new stores in the Kinki region, while closing one store in the Kanto region and one store in the Kyushu region due to the expiration of its agreement. As a result, the total number of stores at the end of the semi-annual period under review was 560, consisting of 541 directly operated stores and 19 franchise stores.

As a result of the above activities, net sales for the six months ended August 20, 2026 were ¥46,230,797 thousand (up 0.7% year on year). Operating profit was ¥3,231,397 thousand (down 14.0% year on year), ordinary profit was ¥3,327,580 thousand (down 15.2% year on year), and profit was ¥2,193,345 thousand (down 16.6% year on year).

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

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

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

1) Status of assets, liabilities, and net assets

(Assets)

Current assets at the end of the semi-annual period under review were ¥33,457,035 thousand, an increase of ¥776,602 thousand (2.4%) from the end of the previous fiscal year. This was due mainly to an increase in cash and deposits of ¥3,003,980 thousand, which was partially offset by decreases in merchandise of ¥1,881,916 thousand and goods in transit of ¥316,043 thousand. Non-current assets were ¥23,177,786 thousand, a decrease of ¥219,653 thousand (0.9%) from the end of the previous fiscal year. This was due mainly to decreases in guarantee deposits of ¥75,418 thousand, buildings of ¥65,943 thousand and software of ¥57,944 thousand, which were partially offset by an increase in deferred tax assets of ¥74,489 thousand.

As a result, total assets were ¥56,634,821 thousand, an increase of ¥556,948 thousand (1.0%) from the end of the previous fiscal year.

(Liabilities)

Current liabilities at the end of the semi-annual period under review were ¥13,719,765 thousand, a decrease of ¥949,436 thousand (6.5%) from the end of the previous fiscal year. This was due mainly to a decrease in accounts payable - trade of ¥2,211,723 thousand, which was partially offset by increases in income taxes payable of ¥767,096 thousand and accrued expenses of ¥323,530 thousand. Non-current liabilities were ¥1,270,566 thousand, an increase of ¥20,939 thousand (1.7%) from the end of the previous fiscal year. This was due mainly to increases in provision for share-based payments of ¥4,987 thousand and asset retirement obligations of ¥2,363 thousand.

As a result, total liabilities were ¥14,990,331 thousand, a decrease of ¥928,496 thousand (5.8%) from the end of the previous fiscal year.

(Net assets)

Total net assets at the end of the semi-annual period under review were ¥41,644,489 thousand, an increase of ¥1,485,445 thousand (3.7%) from the end of the previous fiscal year. This was due mainly to an increase of ¥2,193,345 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 73.5% (71.6% at the end of the previous fiscal year).

2) Status of cash flows

Cash and cash equivalents (hereinafter referred to as “net cash”) at the end of the semi-annual period under review increased by ¥3,001,033 thousand from the end of the previous fiscal year (an increase of ¥5,058,632 thousand in the same period of the previous fiscal year) to ¥15,271,009 thousand.

The details for cash flows in each area of activity and their contributing factors for the six months ended August 20, 2026 are as follows:

(Cash flows from operating activities)

Net cash provided by operating activities was ¥4,599,429 thousand (¥6,800,014 thousand provided for the same period of the previous fiscal year). The principal cash inflow factors included profit before income taxes of ¥3,280,530 thousand, a decrease in inventories of ¥2,228,866 thousand, and depreciation of ¥908,541 thousand. The principal cash outflow factors included a decrease in trade payables of ¥2,211,723 thousand and income taxes paid of ¥401,614 thousand.

(Cash flows from investing activities)

Net cash used in investing activities was ¥942,708 thousand (¥1,085,151 thousand used for the same period of the previous fiscal year). The principal cash outflow factors included purchase of property, plant and equipment of ¥828,038 thousand for new store openings, purchase of intangible assets of ¥97,778 thousand, and payments of guarantee deposits of ¥24,593 thousand.

(Cash flows from financing activities)

Net cash used in financing activities was ¥655,687 thousand (¥656,230 thousand used for the same period of the previous fiscal year). The cash outflow factors included dividends paid of ¥655,677 thousand and purchase of treasury shares of ¥9 thousand.

(3) Explanation of Financial Results Forecast and Other Forward-looking Information

Our financial results forecast remains unchanged from the full year forecast published in the "Non-consolidated Financial Results for the Fiscal Year Ended February 20, 2026 [Japanese GAAP]" dated April 3, 2026.

2. Semi-annual Non-consolidated Financial Statements and Principal Notes

(1) Semi-annual Non-consolidated Balance Sheets

(Thousands of yen)

	As of February 20, 2026	As of August 20, 2026
Assets		
Current assets		
Cash and deposits	12,302,700	15,306,680
Accounts receivable - trade	3,944,117	4,011,646
Merchandise	13,986,315	12,104,398
Goods in transit	1,454,843	1,138,800
Supplies	198,841	167,934
Other	794,935	728,894
Allowance for doubtful accounts	(1,320)	(1,320)
Total current assets	32,680,432	33,457,035
Non-current assets		
Property, plant and equipment		
Buildings, net	9,809,710	9,743,766
Land	3,163,012	3,163,012
Other, net	1,787,946	1,763,484
Total property, plant and equipment	14,760,668	14,670,263
Intangible assets	832,788	788,907
Investments and other assets		
Guarantee deposits	5,244,685	5,169,266
Construction assistance fund receivables	559,280	510,883
Other	2,008,783	2,048,028
Allowance for doubtful accounts	(8,767)	(9,564)
Total investments and other assets	7,803,982	7,718,614
Total non-current assets	23,397,439	23,177,786
Total assets	56,077,872	56,634,821
Liabilities		
Current liabilities		
Accounts payable - trade	5,038,013	2,826,290
Income taxes payable	559,605	1,326,701
Contract liabilities	4,127,384	4,229,204
Provision for bonuses	1,090,963	1,181,341
Other	3,853,234	4,156,226
Total current liabilities	14,669,201	13,719,765
Non-current liabilities		
Provision for share-based payments	176,400	181,387
Asset retirement obligations	830,917	833,281
Other	242,309	255,897
Total non-current liabilities	1,249,626	1,270,566
Total liabilities	15,918,828	14,990,331
Net assets		
Shareholders’ equity		
Share capital	2,061,356	2,061,356
Capital surplus	2,165,171	2,165,171
Retained earnings	36,155,000	37,692,338
Treasury shares	(284,566)	(282,514)
Total shareholders’ equity	40,096,961	41,636,351
Valuation and translation adjustments		
Deferred gains or losses on hedges	62,082	8,138
Total valuation and translation adjustments	62,082	8,138
Total net assets	40,159,044	41,644,489
Total liabilities and net assets	56,077,872	56,634,821

(2) Semi-annual Non-consolidated Statements of Income

(Thousands of yen)

	Six months ended August 20, 2025	Six months ended August 20, 2026
Net sales	45,900,919	46,230,797
Cost of sales	24,414,150	24,393,434
Gross profit	21,486,768	21,837,363
Selling, general and administrative expenses	17,730,168	18,605,966
Operating profit	3,756,599	3,231,397
Non-operating income		
Interest income	19,014	39,663
Rental income from buildings	53,477	54,331
Foreign exchange gains	37,814	–
Commission income	52,606	24,394
Other	60,817	96,829
Total non-operating income	223,730	215,219
Non-operating expenses		
Foreign exchange losses	–	65,604
Rental costs on real estate	41,902	42,238
Other	14,857	11,192
Total non-operating expenses	56,759	119,035
Ordinary profit	3,923,570	3,327,580
Extraordinary losses		
Loss on sale and retirement of non-current assets	4,702	6,615
Impairment losses	–	39,597
Loss on disaster	25,051	837
Total extraordinary losses	29,753	47,049
Profit before income taxes	3,893,816	3,280,530
Income taxes - current	1,258,056	1,138,000
Income taxes - deferred	5,378	(50,814)
Total income taxes	1,263,435	1,087,185
Profit	2,630,381	2,193,345

(3) Semi-annual Non-consolidated Statements of Cash Flows

(Thousands of yen)

	Six months ended August 20, 2025	Six months ended August 20, 2026
Cash flows from operating activities		
Profit before income taxes	3,893,816	3,280,530
Depreciation	884,987	908,541
Impairment losses	–	39,597
Amortization of long-term prepaid expenses	19,520	23,131
The amount of rent offset of construction assistance fund receivables	146,525	155,968
Increase (decrease) in allowance for doubtful accounts	(463)	797
Increase (decrease) in provision for bonuses	70,386	90,377
Increase (decrease) in provision for share-based payments	6,572	4,987
Interest and dividend income	(19,014)	(39,663)
Loss on disaster	25,051	837
Loss (gain) on sale and retirement of non-current assets	4,702	6,615
Decrease (increase) in trade receivables	211,695	(67,529)
Decrease (increase) in inventories	2,957,754	2,228,866
Decrease (increase) in accounts receivable - other	17,445	38,674
Increase (decrease) in trade payables	(1,776,928)	(2,211,723)
Increase (decrease) in contract liabilities	51,709	101,820
Increase (decrease) in accrued consumption taxes	1,063,326	51,372
Increase (decrease) in accounts payable - other	(92,668)	(149,167)
Increase (decrease) in accrued expenses	286,397	323,530
Other, net	205,361	214,579
Subtotal	7,956,176	5,002,144
Interest and dividends received	2,268	14,676
Payments associated with disaster loss	(445)	(15,777)
Income taxes paid	(1,157,984)	(401,614)
Net cash provided by (used in) operating activities	6,800,014	4,599,429
Cash flows from investing activities		
Purchase of property, plant and equipment	(867,325)	(828,038)
Purchase of intangible assets	(67,103)	(97,778)
Loan advances	–	(790)
Proceeds from collection of loans receivable	770	1,165
Purchase of long-term prepaid expenses	(17,767)	(11,989)
Payments for asset retirement obligations	(3,350)	(6,720)
Payments of guarantee deposits	(146,505)	(24,593)
Proceeds from refund of guarantee deposits	16,130	26,037
Net cash provided by (used in) investing activities	(1,085,151)	(942,708)
Cash flows from financing activities		
Purchase of treasury shares	–	(9)
Dividends paid	(656,230)	(655,677)
Net cash provided by (used in) financing activities	(656,230)	(655,687)
Net increase (decrease) in cash and cash equivalents	5,058,632	3,001,033
Cash and cash equivalents at beginning of period	9,438,076	12,269,975
Cash and cash equivalents at end of period	14,496,708	15,271,009

(4) Notes to the Semi-annual 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.