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## Non-consolidated Financial Results for the Three Months Ended May 20, 2024 [Japanese GAAP]



June 24, 2024

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 quarterly securities report: June 28, 2024  
 Scheduled date of commencing dividend payments: –  
 Availability of supplementary explanatory materials on quarterly financial results: Available  
 Schedule of quarterly 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, 2024 (February 21, 2024 – May 20, 2024)

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

	Net sales		Operating profit		Ordinary profit		Profit	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended May 20, 2024	26,934	3.5	3,667	0.6	3,648	(1.9)	2,486	(1.8)
May 20, 2023	26,025	7.3	3,644	5.9	3,720	7.7	2,532	7.8

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Three months ended May 20, 2024	95.35		–	
May 20, 2023	96.96		–	

### (2) Non-consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of May 20, 2024	55,767	38,891	69.7
As of February 20, 2024	52,553	36,964	70.3

(Reference) Equity: As of May 20, 2024: ¥38,891 million

As of February 20, 2024: ¥36,964 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, 2024	–	22.50	–	22.50	45.00
Fiscal year ending February 20, 2025	–				
Fiscal year ending February 20, 2025 (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, 2025 (February 21, 2024 – February 20, 2025)

(% 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	46,000	5.1	4,400	4.3	4,500	3.1	2,960	1.3	113.34
Full year	82,500	5.7	5,500	12.0	5,800	11.7	3,680	18.2	140.91

(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, 2024:	26,240,800 shares
February 20, 2024:	26,240,800 shares
  - 2) Total number of treasury shares at the end of the period:

May 20, 2024:	204,756 shares
February 20, 2024:	126,456 shares
  - 3) Average number of shares outstanding during the period:

Three months ended May 20, 2024:	26,075,394 shares
Three months ended May 20, 2023:	26,114,344 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 (204,370 shares as of May 20, 2024, and 126,070 shares as of February 20, 2024). 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 (165,020 shares as of May 20, 2024, and 126,070 shares as of May 20, 2023).

\* These quarterly non-consolidated financial results are outside the scope of quarterly 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. Qualitative Information on Quarterly Financial Results for the Period under Review, (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. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operating Results

The Japanese economy during the three months ended May 20, 2024 remained on a gradual recovery trend against the backdrop of a recovery in personal consumption and an increase in the inbound demands, etc. On the other hand, there were also factors such as soaring raw material and energy prices due to the impact of geopolitical risks in Ukraine and the Middle East, as well as continuing depreciation of the yen against the backdrop of interest rate differentials between Japan and the U.S., and the economic outlook remained uncertain.

In the bicycle business, although replacing of old bicycles to new ones decreased due to a longer replacing cycle as a result of switching toward merchandise with high functionality such as electric-assist bicycles and 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.

The Company has worked to "create a sustainable society" and to "establish sustainable growth for our company," to achieve a better bicycle lifestyle for customers as a company creating new value for flourishing bicycle lifestyles. Firstly, as part of strengthening OMO <sup>(Note)</sup>, the Company has taken measures such as securing a sufficient supply of popular merchandise, implementing competitive pricing, and conducting effective campaigns, mainly by strengthening the foundation of our "online order for store pickup" service. The Company achieved an increase in sales particularly as a result of strong sales of "ENERSYS," ASAHI's original brand of electric-assist bicycle with high functionality and design at an affordable price and having opened stores in urban areas where demands for e-commerce are strong. In addition, regarding repair and maintenance services, although the Company revised its pricing in the previous fiscal year, the number of maintenance and repair orders has been on the rise. In response to that, the Company has developed a system to provide services to meet the increased demand. By reinforcing the earnings base, which the Company has been working on so far, including nationwide store network and e-commerce sales system, the Company's strength, logistics infrastructure, and development of specialists with repair skills, the Company has established a resilient system to meet the customers' needs.

Furthermore, demand for reused products is rising in the bicycle business as consumers become more budget-conscious due to high prices. The Company has increased the number of used bicycle purchasing stores to secure sufficient merchandise, made the commercialization process more efficient after purchasing merchandise, and strengthened advertisement on social media and in-store announcements to increase awareness for the expansion of our reuse business. The Company will continue to actively purchase unneeded bicycles and sell them as reused products after the commercialization process, thereby aiming to contribute to the effective use of resources and a low-carbon society and a recycling-oriented economy.

Regarding store openings and closures, the Company opened one new store in the Kanto region. One store in the Chugoku region terminated its franchise agreement and became a directly operated store. As a result, the total number of stores at the end of the first quarter of the fiscal year under review was 534, consisting of 517 directly operated stores and 17 franchise stores.

As a result of the above activities, net sales for the three months ended May 20, 2024 were ¥26,934,027 thousand (up 3.5% year-on-year). Operating profit was ¥3,667,837 thousand (up 0.6% year-on-year), ordinary profit was ¥3,648,973 thousand (down 1.9% year-on-year), and profit was ¥2,486,377 thousand (down 1.8% year-on-year).

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

(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) Explanation of Financial Position

#### 1) Assets

Current assets at the end of the first quarter of the fiscal year under review were ¥32,512,395 thousand, an

increase of ¥3,273,458 thousand (11.2%) from the end of the previous fiscal year. This was due mainly to increases in cash and deposits of ¥3,860,886 thousand and accounts receivable - trade of ¥1,095,960 thousand, which was partially offset by a decrease in merchandise of ¥1,922,415 thousand. Non-current assets were ¥23,255,432 thousand, a decrease of ¥59,504 thousand (0.3%) from the end of the previous fiscal year. This was due mainly to an increase in construction in progress of ¥94,995 thousand, which was partially offset by a decrease in buildings of ¥156,914 thousand.

As a result, total assets were ¥55,767,828 thousand, an increase of ¥3,213,954 thousand (6.1%) 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 ¥15,714,005 thousand, an increase of ¥1,275,926 thousand (8.8%) from the end of the previous fiscal year. This was due mainly to increases in income taxes payable of ¥483,862 thousand, provision for bonuses of ¥472,455 thousand, and accrued expenses of ¥252,516 thousand. Non-current liabilities were ¥1,162,493 thousand, an increase of ¥10,727 thousand (0.9%) from the end of the previous fiscal year. This was due mainly to increases in provision for share-based payments of ¥6,575 thousand and asset retirement obligations of ¥4,277 thousand.

As a result, total liabilities were ¥16,876,498 thousand, an increase of ¥1,286,654 thousand (8.3%) 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 ¥38,891,330 thousand, an increase of ¥1,927,300 thousand (5.2%) from the end of the previous fiscal year. This was due mainly to an increase of ¥2,486,377 thousand due to the posting of profit, which was partially offset by a decrease due to dividends of surplus of ¥590,409 thousand and a decrease due to purchase of treasury shares of ¥112,859 thousand.

As a result, the equity ratio stood at 69.7% (70.3% 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, 2024 [Japanese GAAP]” dated April 1, 2024.

## 2. Quarterly Non-consolidated Financial Statements and Principal Notes

### (1) Quarterly Non-consolidated Balance Sheets

(Thousand yen)

	As of February 20, 2024	As of May 20, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	9,521,898	13,382,784
Accounts receivable - trade	3,781,034	4,876,994
Merchandise	13,937,103	12,014,687
Goods in transit	1,091,526	1,022,676
Supplies	175,852	140,363
Other	732,481	1,075,849
Allowance for doubtful accounts	(960)	(960)
Total current assets	29,238,936	32,512,395
Non-current assets		
Property, plant and equipment		
Buildings, net	9,260,328	9,103,413
Land	3,163,012	3,163,012
Other, net	1,798,655	1,847,506
Total property, plant and equipment	14,221,995	14,113,932
Intangible assets	1,104,097	1,151,432
Investments and other assets		
Guarantee deposits	5,166,919	5,146,869
Construction assistance fund receivables	751,093	726,988
Other	2,073,674	2,155,529
Allowance for doubtful accounts	(2,845)	(39,319)
Total investments and other assets	7,988,843	7,990,068
Total non-current assets	23,314,937	23,255,432
Total assets	52,553,873	55,767,828

(Thousand yen)

	As of February 20, 2024	As of May 20, 2024
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	4,271,138	4,523,044
Income taxes payable	910,169	1,394,032
Contract liabilities	4,137,357	4,312,056
Provision for bonuses	1,008,165	1,480,621
Provision for shareholder benefit program	60,765	–
Other	4,050,482	4,004,250
Total current liabilities	14,438,078	15,714,005
Non-current liabilities		
Provision for share-based payments	149,300	155,875
Asset retirement obligations	765,148	769,426
Other	237,316	237,191
Total non-current liabilities	1,151,765	1,162,493
Total liabilities	15,589,844	16,876,498
<b>Net assets</b>		
Shareholders' equity		
Share capital	2,061,356	2,061,356
Capital surplus	2,165,171	2,165,171
Retained earnings	32,888,679	34,784,647
Treasury shares	(180,112)	(292,972)
Total shareholders' equity	36,935,093	38,718,202
Valuation and translation adjustments		
Deferred gains or losses on hedges	28,936	173,127
Total valuation and translation adjustments	28,936	173,127
Total net assets	36,964,029	38,891,330
<b>Total liabilities and net assets</b>	<b>52,553,873</b>	<b>55,767,828</b>



## (2) Quarterly Non-consolidated Statements of Income

Three Months Ended May 20

(Thousand yen)

	For the three months ended May 20, 2023	For the three months ended May 20, 2024
Net sales	26,025,993	26,934,027
Cost of sales	13,980,134	14,620,884
Gross profit	12,045,858	12,313,143
Selling, general and administrative expenses	8,401,702	8,645,306
Operating profit	3,644,156	3,667,837
Non-operating income		
Interest income	9,830	9,051
Foreign exchange gains	8,580	–
Rental income from buildings	29,090	26,772
Commission income	16,729	33,699
Compensation income	30,046	20,767
Other	8,958	7,252
Total non-operating income	103,235	97,543
Non-operating expenses		
Foreign exchange losses	–	55,159
Rental costs on real estate	23,951	21,581
Provision of allowance for doubtful accounts	–	36,714
Other	3,267	2,951
Total non-operating expenses	27,218	116,407
Ordinary profit	3,720,172	3,648,973
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,139	1,973
Impairment losses	–	3,189
Total extraordinary losses	1,139	5,163
Profit before income taxes	3,719,033	3,643,810
Income taxes - current	1,222,000	1,283,000
Income taxes - deferred	(35,107)	(125,567)
Total income taxes	1,186,892	1,157,432
Profit	2,532,141	2,486,377

### (3) Notes to the Quarterly Non-consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in case of significant changes in shareholders' equity)

Not applicable.

(Segment information, etc.)

Since the Company's business comprises a single segment, this information has been omitted.

(Matters related to revenue recognition)

Disaggregation of revenue from contracts with customers

Three months ended May 20, 2023 (February 21, 2023 – May 20, 2023)

(Thousand yen)

	Items				
	Bicycles	Parts and accessories	Royalties	Other	Total
Goods and services transferred at a point in time	19,288,225	4,363,430	–	1,624,133	25,275,790
Goods and services transferred over a period	–	–	48,674	701,528	750,202
Revenue from contracts with customers	19,288,225	4,363,430	48,674	2,325,661	26,025,993
Revenue from other sources	–	–	–	–	–
Sales to external customers	19,288,225	4,363,430	48,674	2,325,661	26,025,993

(Notes) 1. Since the Company's business comprises a single segment, 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, 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's business comprises a single segment, breakdown by segment is not provided.

2. "Other" includes incidental services such as maintenance and repair works, and long-term warranty service.