

Note: This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

April 3, 2026

To whom it may concern,

Company name: ASAHI CO., LTD.  
Representative: Yoshifumi Shimoda  
President and Representative Director  
(Code number: 3333,  
Tokyo Stock Exchange Prime Market)  
Contact: Hirofumi Hasegawa  
Director  
(Tel: +81-6-6923-7900)

## Notice Concerning the Formulation of the Medium-term Management Plan

ASAHI CO., LTD. (the “Company”) hereby announces that it has formulated the “VISION 2028” Medium-term Management Plan for the three years from the fiscal year ending February 2027 to the fiscal year ending February 2029, and resolved it at the Board of Directors meeting held on April 3, 2026.

### **1. Background and purpose for formulating the Medium-term Management Plan**

The business environment surrounding the Company is at a major turning point due to factors such as a structural decline in the domestic new bicycle market and changes in the cost environment. Under the previous Medium-term Management Plan, we advanced the development of OMO, e-commerce, and SPA infrastructure. However, while we were able to establish a certain foundation for the business model that serves as a premise for growth, the Company is now at a stage where further evolution is required. Based on this awareness of challenges, we have formulated “VISION 2028,” the new Medium-term Management Plan to advance the transition to a growth model that does not rely solely on expanding new bicycle sales. We aim to build a circular business model that begins with bicycles owned domestically, with the goal of achieving sustainable growth and enhancing corporate value while utilizing our existing store network and infrastructure.

### **2. Attached Materials**

For details on “Medium-term Management Plan VISION 2028,” please refer to the attached materials (in English).

# Medium-Term Management Plan VISION 2028

ASAHI CO., LTD. TSE PRIME: 3333

April 2026

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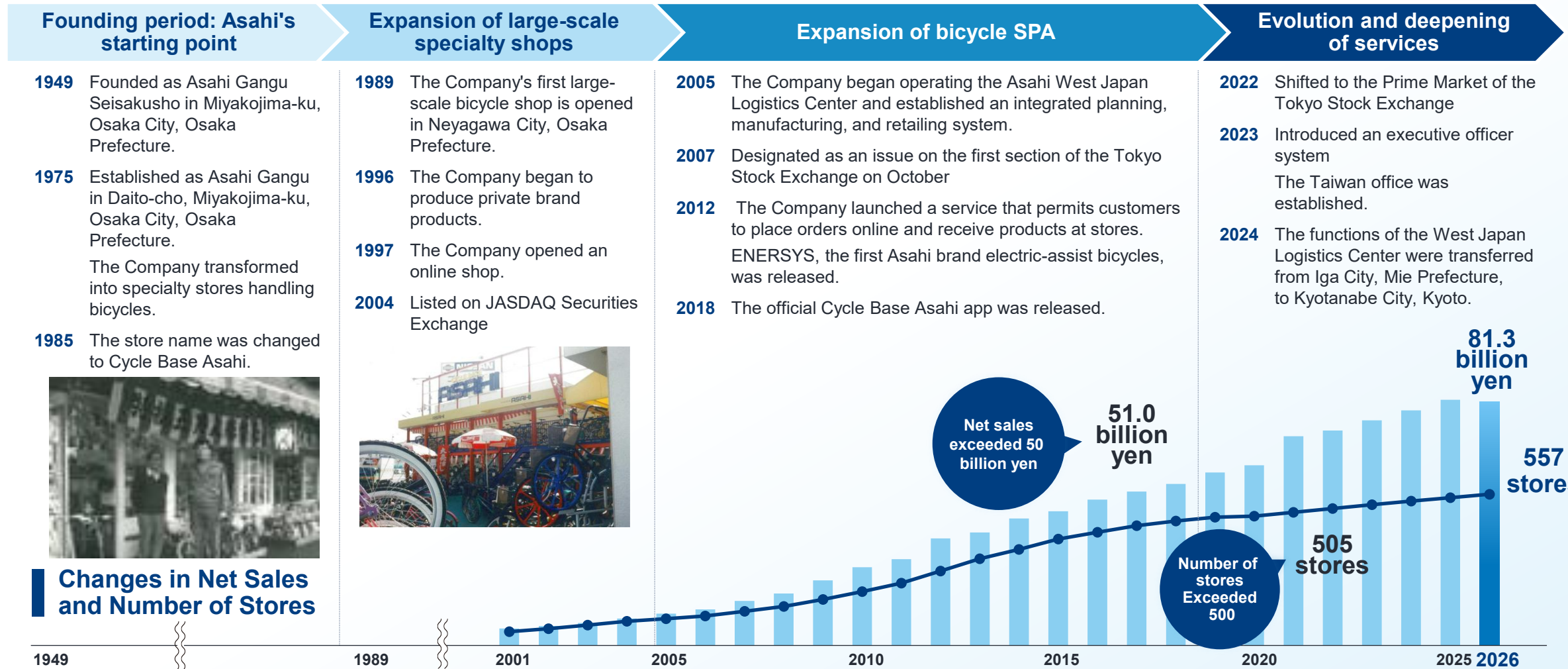
## APPENDIX

# 01. The Business Environment Surrounding Asahi



# History of Asahi

Founded as a manufacturer, wholesaler, and retailer of toys and vehicles for children, Asahi transformed into specialty stores handling 1975. Since we opened our first large-scale bicycle shop in 1989, we have built our bicycle SPA (manufacturing bicycles in and retailing) system, and we have continued to evolve, achieving an industry-leading position.



# Asahi's Mission, Vision, and Values

## Our Mission

**Bicycles can make a real difference, and it is our goal to help make that difference for people all over the world. We want a richer and more rewarding life for all who believe and share in our mission.**



## Our Vision

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

If we have ten customers, that means ten different people on ten different bicycles on ten different roads. As your most dependable partner, we will help you make the absolute best out of your own unique Bicycle Life. Always we will be there, whenever you need us. Together with you at your level. Forever, for a happy long life.

## Our Three Core Values

**Social Value**  
Safety, Health, Environment

**Customer Value**  
Excitement, Safety, Convenience

**Economic Value**  
Sustainable enhancement of corporate value

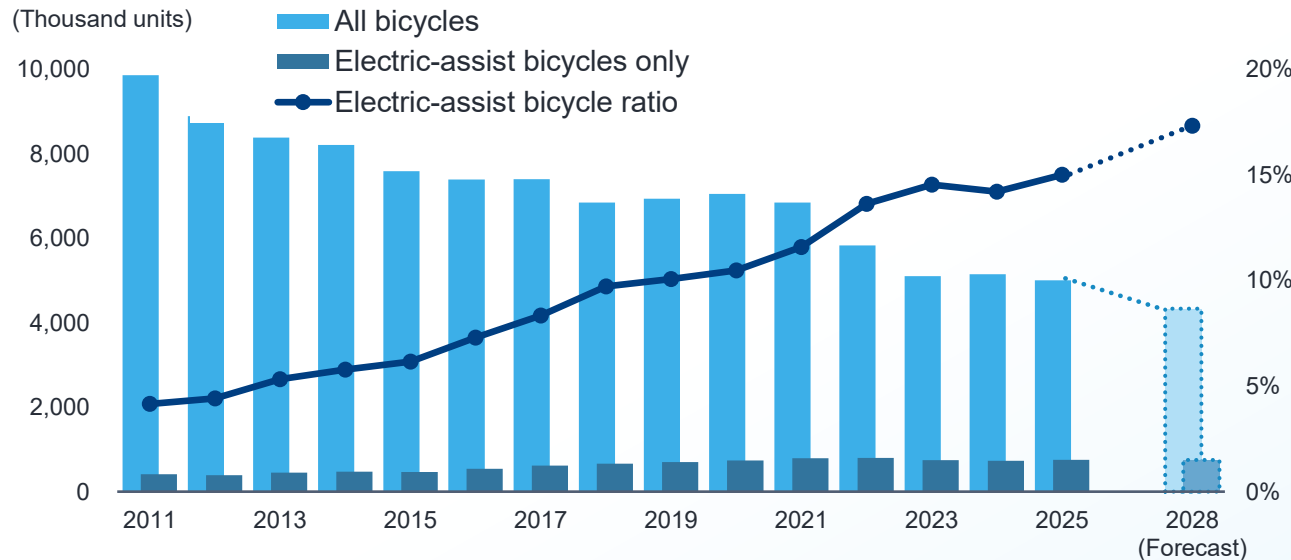
**As a company aiming at creating new values for the bicycle, we continue to seek sustained development and growth through contributions to realize a better bicycle life and resolve social challenges.**

# The Business Environment Surrounding Asahi

- The new bicycle market in Japan has been declining from approx. 10 million units in 2011. In 2025, it was slightly below 5 million units. This trend is expected to continue for some time, decreasing at an annual rate of 4% to 5%.
- However, the percentage of new bicycles that are electric-assist bicycles has been gradually increasing, and is now around 14%. This will continue to trend upward, and the average amount of sales per bicycle will follow this trend. However, consumers have been reluctant to buy durables, mainly due to rising prices.
- Since the Bicycle Utilization Promotion Act came into force in 2017, the national and local governments have been advancing measures to encourage the use of bicycles in Japan. It is expected that an environment facilitating the advancement of a bicycle society will be established gradually.

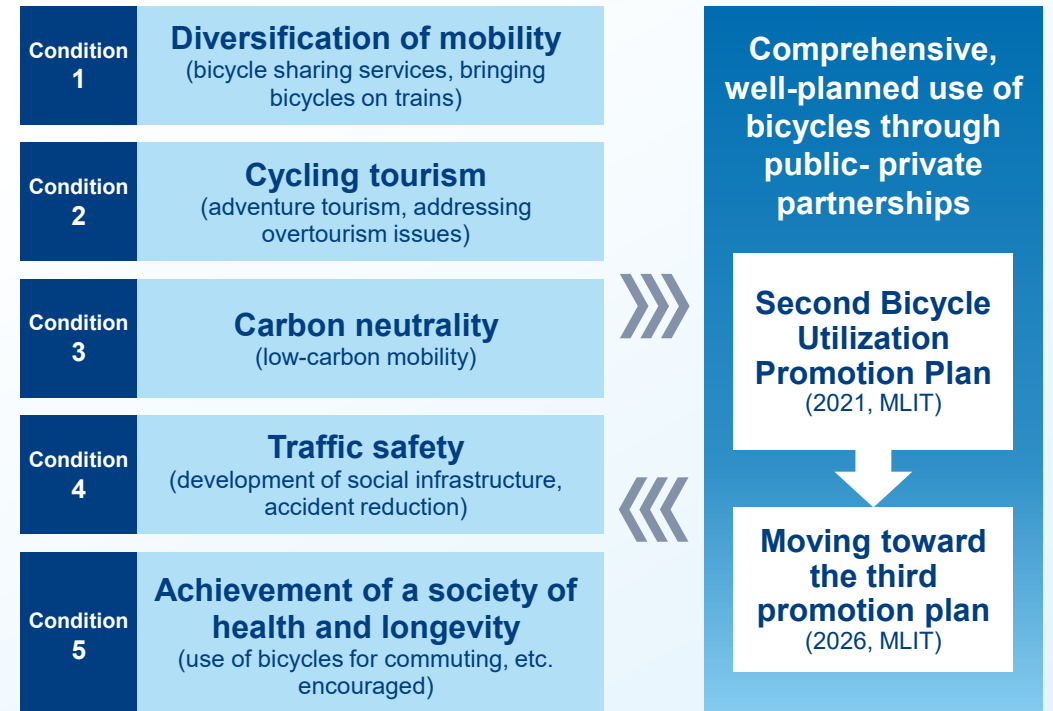
## Consumption environment surrounding bicycles

Bicycle sales volume in Japan/electric-assist bicycle sales volume



Sources: Estimated by Asahi Co., Ltd. based on bicycle statistics from Trade Statistics of Japan by the Ministry of Finance and electric-assist bicycle statistics from the Ministry of Economy, Trade and Industry's Current Survey of Production(Forecast)

## Social conditions surrounding bicycles



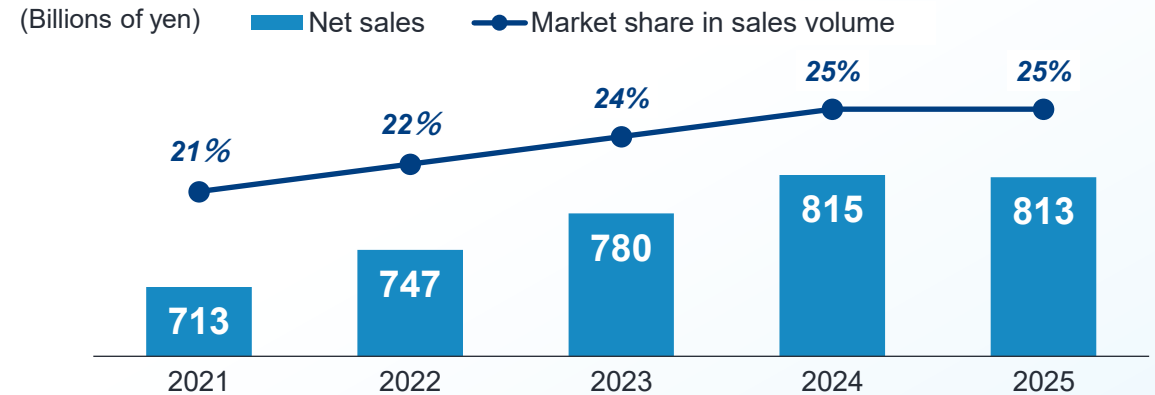
## 02. Review of the Previous MTMP



# Review of the Previous Vision 2025 Medium-Term Management Plan

Under VISION 2025, we established a bicycle business platform by instituting measures including the opening of more new stores, OMO strategy, and building of an SPA value chain under the themes of refining the SPA business model and it's fun to ride bikes. Nonetheless, sales and profit targets went unachieved due to the downturn in market conditions.

	Targets	Results
Net sales	85.0 billion yen	81.3 billion yen
Operating profit	6.8 billion yen	3.9 billion yen
Number of stores	580 *	557
E-commerce rate	15.0%	18.0%



## Achievements and contributing factors

- While our sales forecasts for 2024 and before were achieved, we did not achieve our net sales target in 2025, a reflection of the challenging business environment. The new bicycle market was below the forecast level, and this had a negative impact on us. Our market share in terms of sales volume was almost in line with the forecast.
- We also fell short of our operating profit target due to a gradual increase in costs attributable to the depreciation of the yen, in addition to not achieving our sales target.
- We had 557 stores, and given soaring store opening costs, we limited our opening of new stores to those that were marketing priorities.
- The e-commerce rate rose due to steady progress in the OMO strategy.

\*The target number of stores was revised to 560 in the fiscal year ended February 2023.

## Future direction of initiatives

A business model that is not dependent solely on new bicycle sales or the opening of new stores

CRM and branding to strengthen our customer base

Addressing rising manufacturing and logistics costs

Aggressive investment in DX and human resources

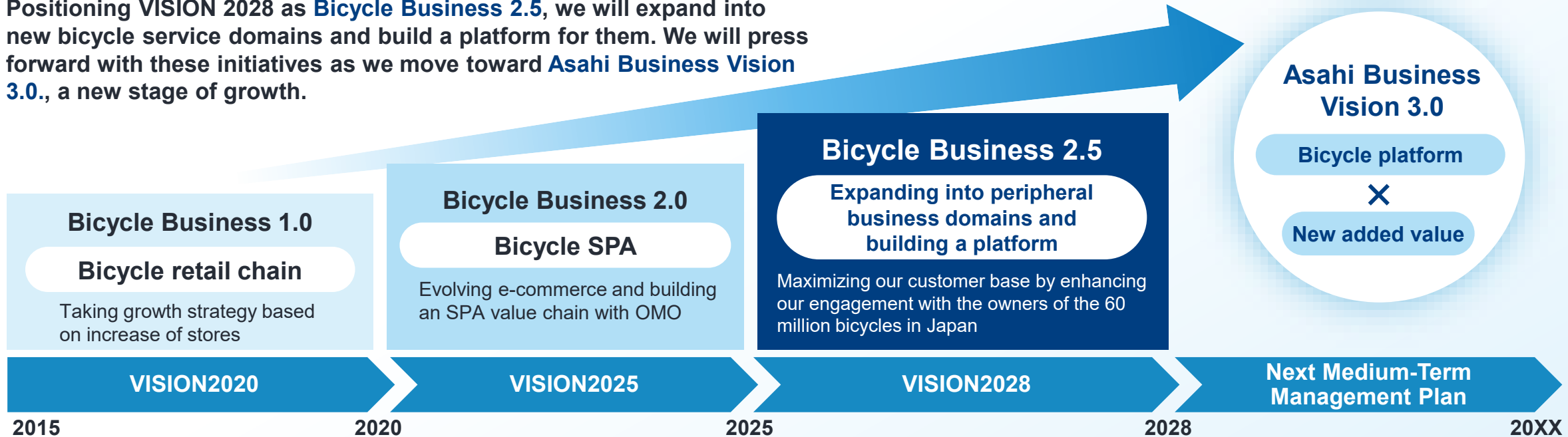
# **03. Overview of the Vision 2028 Medium-Term Management Plan**



# Position of Medium-Term Management Plan "VISION 2028"



Positioning VISION 2028 as **Bicycle Business 2.5**, we will expand into new bicycle service domains and build a platform for them. We will press forward with these initiatives as we move toward **Asahi Business Vision 3.0**, a new stage of growth.



# What is Asahi's Target Business Model, New Stage of Growth?

## Target Business Model

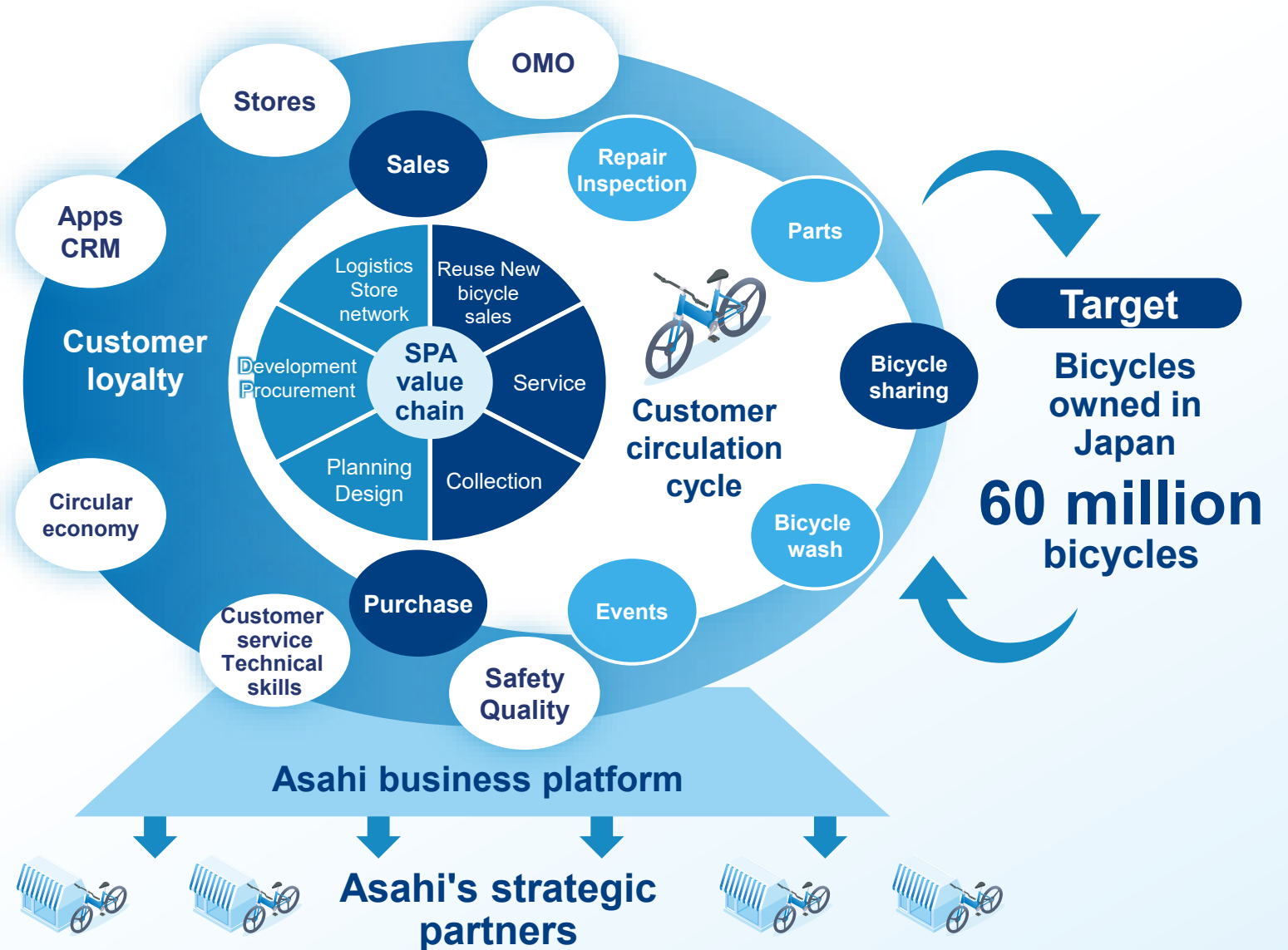
Build a **circular business** to provide new service value via services and dedicate ourselves to our customers using bicycles long-term.

### Evolving to enter a new stage of growth

- Not depending solely on the opening of new stores or new bicycle sales
- Using and expanding the existing platform
- Strengthening peripheral businesses including reuse
- Expanding Asahi's trading areas
- Targeting 60 million bicycles owned in Japan
- Individual customer circulation cycle created by enhancing the customer experience (CX)

### Changes in the business environment

- Gradual decline of the new bicycle market
- Shrinking labor force and diversification of human resources
- Increase in manufacturing costs/limited ability to open new stores
- Addressing environmental and social issues



# Overview of Medium-Term Management Plan "VISION 2028"

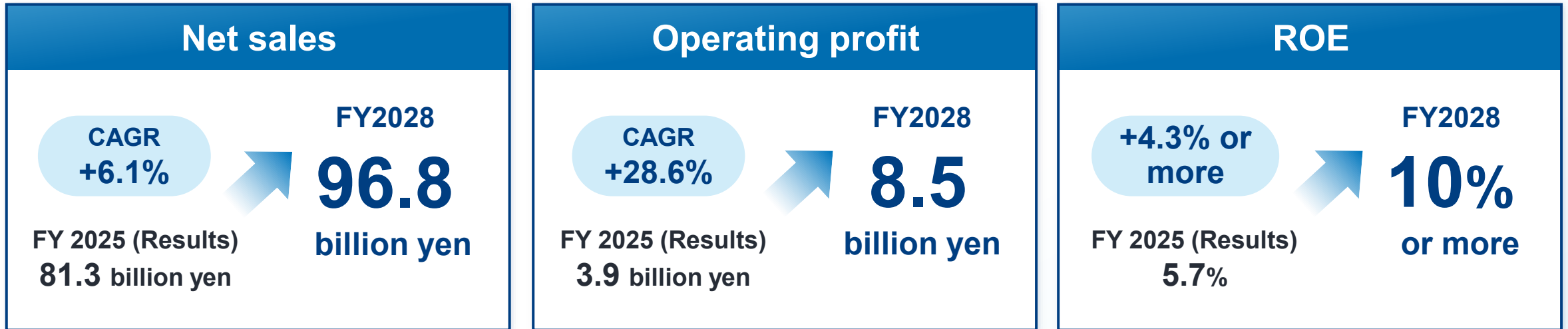
We will promote a circular business with a growth strategy centered on four business strategies and concurrently implement a financial and capital strategy to enhance our corporate value. We will do this to achieve the sustainable growth of our corporation and make a contribution to a sustainable society.



\*OMO is online merges with offline, an approach that merges e-commerce and stores to offer customer experience value throughout the process from obtaining information to purchasing and using bicycles.

# Quantitative targets

We aim to achieve an ROE of 10.0% or higher in the final fiscal year of VISION 2028, with forecast net sales of 96.8 billion yen and forecast operating profit of 8.5 billion yen. We will use and enhance our existing platform to expand peripheral business domains and improve Asahi's corporate value.



<b>Business Strategy</b> (FY2028)	Asahi membership <b>Over 8.5 million members</b> (*1)
	Number of stores offering Asahi brand products <b>1,700 stores or more</b>
	Market share in bicycle sales volume <b>29%</b>

<b>Human capital management</b> (FY2028)	Number of Asahi Bicycle Meisters <b>930</b>
<b>Financial and Capital Strategy</b> (FY2028)	ROIC <b>10.0% or higher</b> (*2)
	Dividend payout ratio <b>35% or higher</b>

\*1 Asahi membership = number of app members + number of members of official online store

\*2 ROIC = NOPAT/((capital invested at the end of the previous fiscal year + capital invested at the end of the current fiscal year)/2) Invested capital = working capital + property, plant and equipment + intangible assets + guarantee deposits + construction assistance fund receivables

# Summary of the Medium-Term Management Plan

The reuse business will be the core of the circular business, with peripheral businesses generating net sales that will grow to 7.4 billion yen, 7.5% of total net sales. The new bicycle sales ratio will be reduced by the same margin, and we will move from a phase of growing through the opening of new stores to a new business model.

	FY 2025 (Results)	Share
Net sales	81.3 billion yen	100.0%
Stores and e-commerce	78.5 billion yen	96.5%
New bicycle	55.5 billion yen	68.3%
Parts and services	22.9 billion yen	28.3%
Peripheral businesses	2.8 billion yen	3.5%
Operating profit	3.9 billion yen	4.8%
Number of stores	557 stores	100.0%
Of which, urban stores	14 stores	2.5%

	FY2028 (Plan)	Share	Change from FY2025
Net sales	96.8 billion yen	100.0%	+19.4%
Stores and e-commerce	89.3 billion yen	92.3%	+13.8%
New bicycle	61.9 billion yen	63.9%	+11.5%
Parts and services	27.4 billion yen	28.4%	+19.7%
Peripheral businesses	7.4 billion yen	7.5%	+164.2%
Operating profit	8.5 billion yen	8.9%	+117.9%
Number of stores	580 stores	100.0%	+4.1%
Of which, urban stores	23 stores	3.9%	+64.2%

# 04. Growth Strategy





# II. Business Strategy: Strengthening CRM

## Strategic targets

Aim to increase customer satisfaction (CS) and maximize customer lifetime value (LTV) by leveraging our competitive advantages, such as greater convenience when making purchases and conducting procedures on the app, after-sales services that result in customer satisfaction, circulation businesses ranging from purchases to reuse, and the CRM supporting these activities, to accompany customers living bicycle lifestyles.

- Build and expand the individual customer circulation model by enhancing customer engagement through the dramatic enhancement of the design of our CRM activities.
- Maximize customer LTV through initiatives including the evolution of the company away from non-recurring business centered on improving the quality of marketing and new bicycle sales to recurring services targeting the people who own the 60 million bicycles in Japan.

## Customer Relationship Management

### 01 Personalized communication

Implement personalized communication activities with a new point of sale (POS) system and the development of integrated customer data.



### 02 Enhancing CX

Enhance the CX and strengthen customer engagement by deepening OMO and enhancing app functions.



### 03 Branding

Provide added value by enhancing the service menu to include new services, expanding the membership program, etc.



### Increasing CS

Committing to customers' joy and happiness



- Improving NPS/ES
- Increasing the number of users of our services

### Maximizing customer LTV

Being a company that customers choose



- Increasing annual use
- Increasing the number of Cycle Mate and maintenance package subscribers

### Expand customer base



Asahi membership (millions of people)



# III. Business Strategy: Expansion of Peripheral Businesses

## Strategic targets

Build a reuse business value chain to establish it as the core business of a circular business model featuring safety, quality, and brand power, and provide service value using our bicycle circulation infrastructure in collaborative businesses with bicycle sharing businesses, etc.

- Build a value chain that includes appraisal, purchasing, repair, information provision, sales, and recycling functions to expand the reuse business, streamline the support center that is the engine of the business, and develop it into the core business of the circulation businesses while ensuring safety.
- Start a new collaboration with a bicycle sharing business operator and build a bicycle circulation business (from collection to repair, renewal and reintroduction) with repair and maintenance services as a hub, with a view toward the development of highly durable dedicated bicycle sharing service bicycles, etc.

## Business model for collaborating with reuse and bicycle sharing businesses, etc.

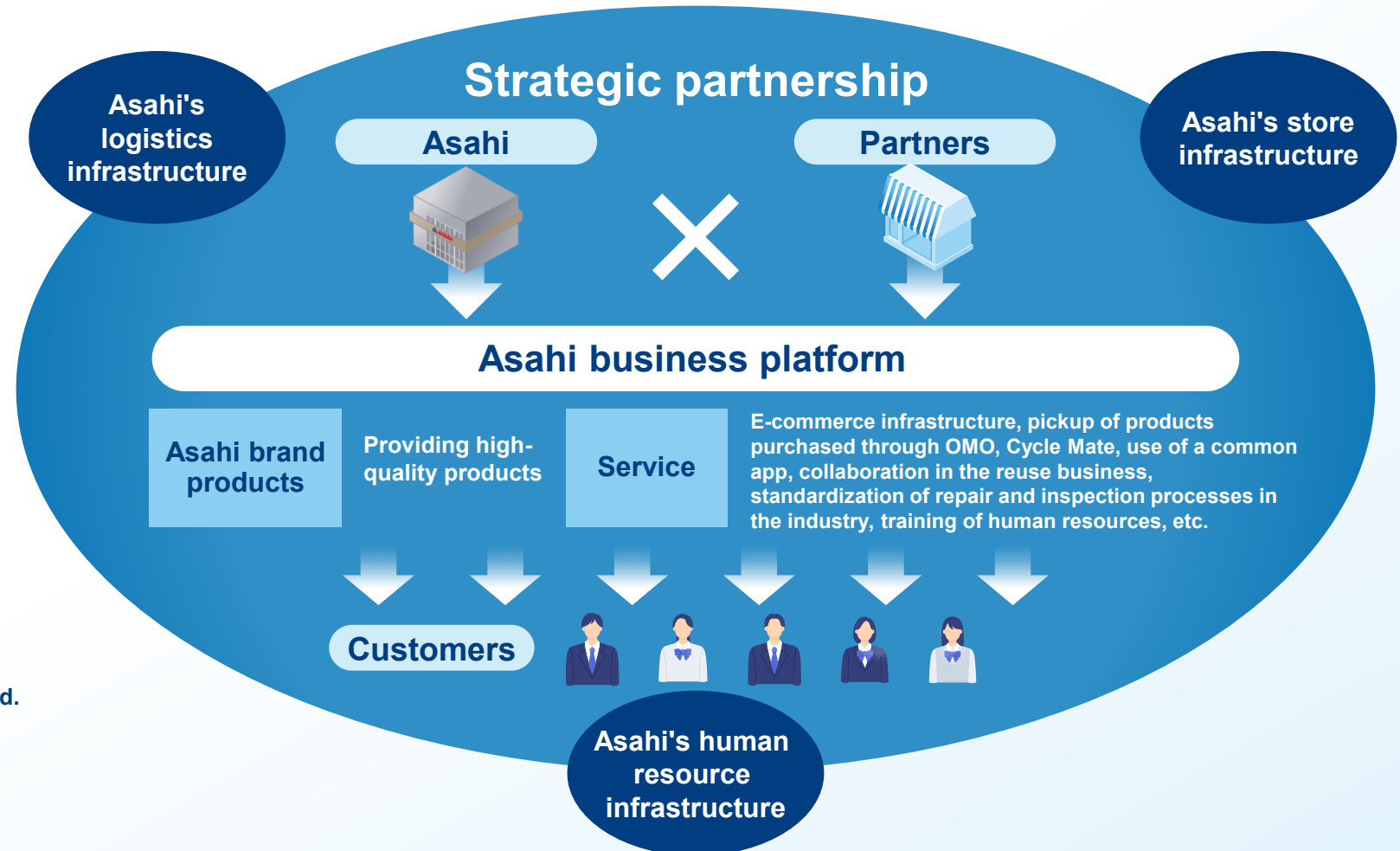


# IV. Business Strategy: Expanding Strategic Partners

## Strategic targets

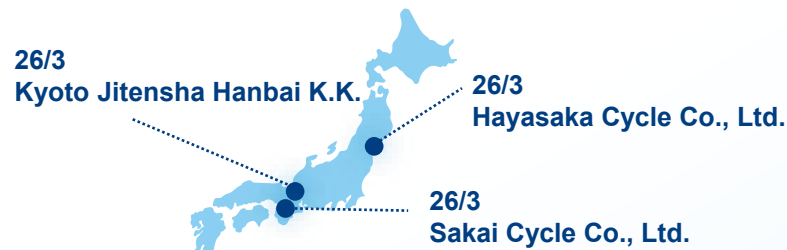
Build a sales and service network that makes Asahi brand products available anywhere in Japan by expanding our strategic partners through the provision of the Asahi Business Platform. Establish a system that enables us to sustainably reach out to new customers, even in areas without directly operated stores.

- Expand strategic partners by providing the Asahi Business Platform. Build a collaborative creation network that facilitates repair services, sales, and the pickup of products bought online, even in areas without directly operated Asahi stores.
- Build a voluntary chain based on mutual collaboration, thereby revitalizing the bicycle market and pursuing customer convenience.







## Strategic partnerships we have formed

As of April 3, 2024



# V. Reinforcing Our Management Foundations

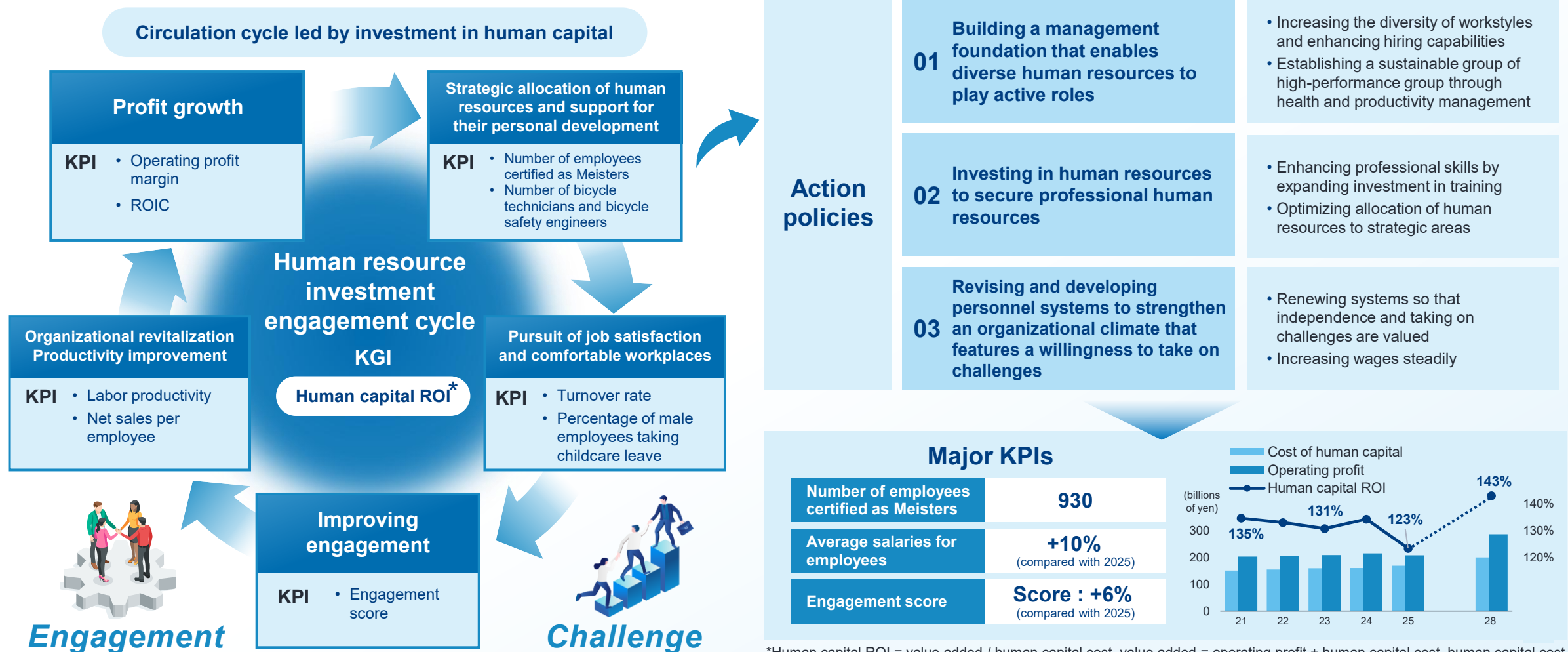
Reinforce four management businesses to achieve a new stage of growth and support the creation of new corporate value.

	IT infrastructure for networking	Circular logistics infrastructure	Customer base	Quality and environmental management foundations
Strategy	<ul style="list-style-type: none"> <li>Defensive IT to solidify the foundation of the core business</li> <li>Aggressive IT to transform growth businesses</li> </ul> 	<ul style="list-style-type: none"> <li>Building a circular &amp; urban logistics network</li> </ul> 	<ul style="list-style-type: none"> <li>Increasing the sophistication of CRM and enhancing convenience with a new POS system</li> <li>Enhancing experience value and product value simultaneously</li> </ul> 	<ul style="list-style-type: none"> <li>Strengthening governance to enhance the quality of management</li> <li>Strengthening relationships of trust with stakeholders</li> </ul> 
Key initiatives	<ul style="list-style-type: none"> <li>Establishing system BCP</li> <li>Reinforcing infrastructure by upgrading foundations, and implementing security measures to maintain reliability</li> <li>Optimizing PSI* and improving customer services with a new POS system</li> <li>Promoting logistics DX and increasing the sophistication of inventory management</li> </ul>	<ul style="list-style-type: none"> <li>Enhancing storage capacity by efficiently using space and making costs variable</li> <li>Building a hub-and-spoke logistics network by establishing transfer centers in line with the store strategy</li> <li>DX to facilitate import tracking</li> <li>Limiting inventory by increasing the sophistication of PSI management</li> </ul>	<ul style="list-style-type: none"> <li>Increasing customer engagement with action triggers</li> <li>Standardizing the linking of customers and bicycles</li> <li>Driving a cycle with replacement and reuse in tandem</li> <li>Developing a mechanism for expanding membership based on referrals, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Strengthening corporate governance by reviewing management and execution systems, etc.</li> <li>Enhancing risk management capabilities by reinforcing the risk management system, securing quality management for new businesses, etc.</li> <li>Reinforcing the PR and IR systems and separating corporate and store branding functions</li> </ul>

\*PSI is production, sales, and inventory. The goal is to have these functions work in tandem in the implementation of operations and the formulation of plans to streamline operations and ensure the optimal allocation of management resources.

# VI. Human resources management

Achieve specific human capital management goals by recognizing that securing and developing highly professional human resources to enter a new stage of growth and create new corporate value, and initiatives to support their recruitment and development, etc. are top-priority tasks under VISION 2028.



\*Human capital ROI = value added / human capital cost, value added = operating profit + human capital cost, human capital cost = personnel expenses + education and training expenses + hiring expenses

# VI. Sustainability Management

We have identified important material issues in each of our three functional classifications. We will push forward with initiatives linked to the foundations of our businesses.

## Three functional classifications and material issues

### Value we aim to create



Create environments where bicycles can be used safely and confidently for a longer period of time



Create new opportunities and demand for bicycle use



Contribute to a low-carbon society and a circular economy

### Value-creating capital



Safety and quality



Build a robust supply chain



Coexist and cooperate with local communities



Utilize technologies

### Foundation for corporate value creation



Strengthen corporate governance and risk management



Healthy working environment



Human rights

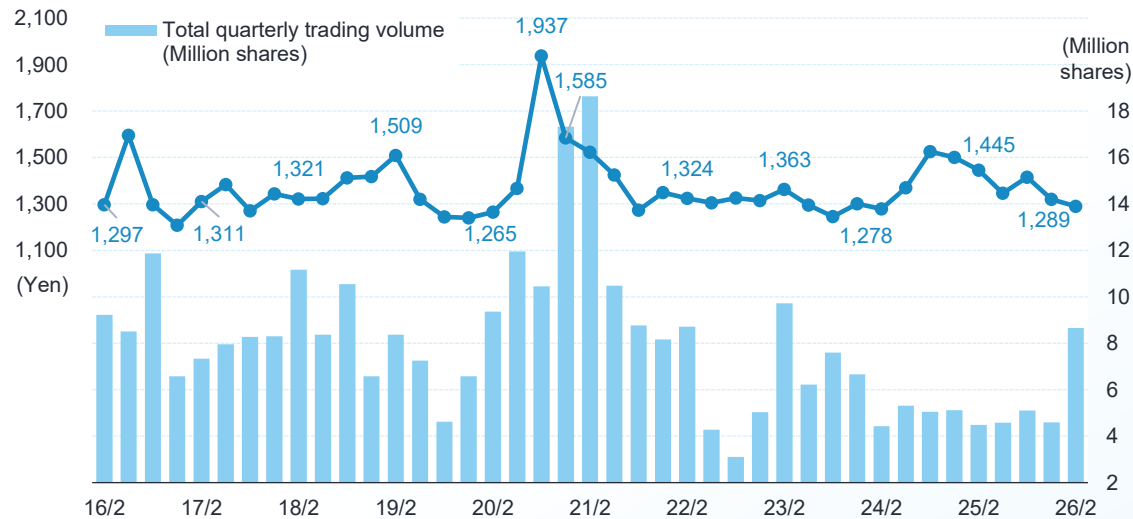
# 05. Financial and Capital Strategy



# Management That Is Conscious of the Cost of Capital and Stock Price

## Current status

- The cost of capital is currently perceived to be around 7% to 8%, while ROE, which previously exceeded 8%, declined to 5.7% in the fiscal year ended Feb. 2026. Accordingly, the improvement of profitability is a challenge.
- The stock price peaked during the period of special demand associated with the COVID-19 pandemic, and at present it is weak, around 1,300 yen. PBR has been below 1.0 in recent years, as it declined to 0.83 at the end of the fiscal year ended Feb. 2026. We need to establish a financial capital strategy to facilitate a recovery to an appropriate stock price and communicate proactively with the market (IR activities).
- We have increased dividends to 50 yen/share in proportion to the growth in profit, securing a dividend payout ratio that exceeds 35%.



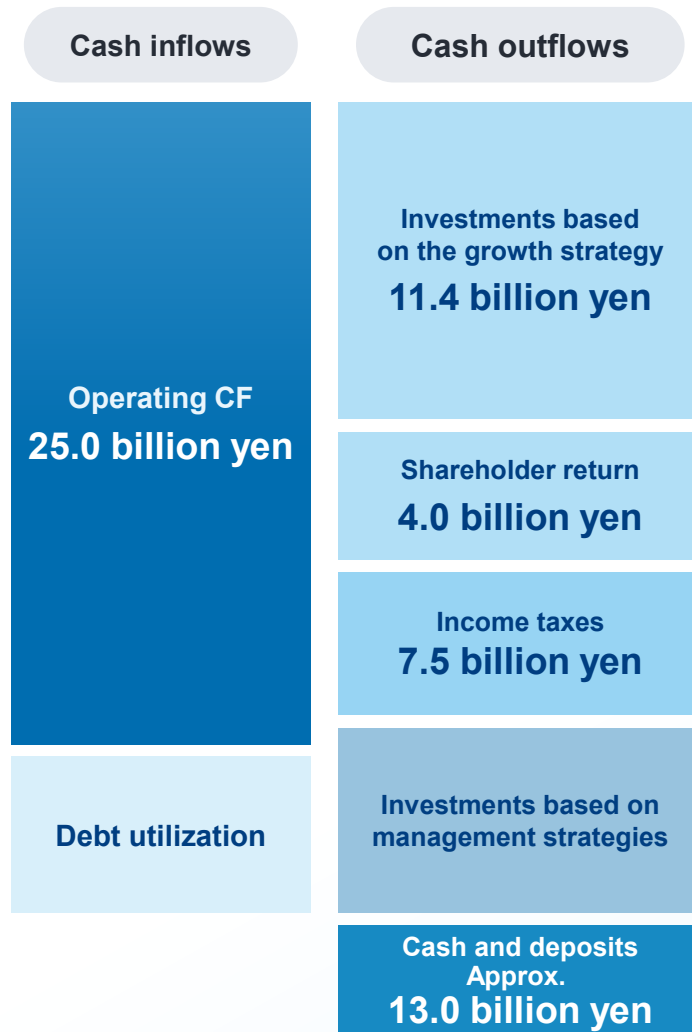
## Outline of capital strategy

Proactively implement growth investments and provide shareholder returns for the sustainable enhancement of corporate value to ensure management that improves ROE and ROIC while striving to achieve a PBR above 1 as quickly as possible.

Capital efficiency	ROE <b>10.0% or higher</b>
Profitability	ROIC <b>10.0% or higher</b>
Shareholder return	Dividend payout ratio <b>35% or more</b> DOE <b>3.0% (rough target)</b>
Cash and deposits	Liquidity approx. <b>13.0 billion yen</b>

# Cash Allocation

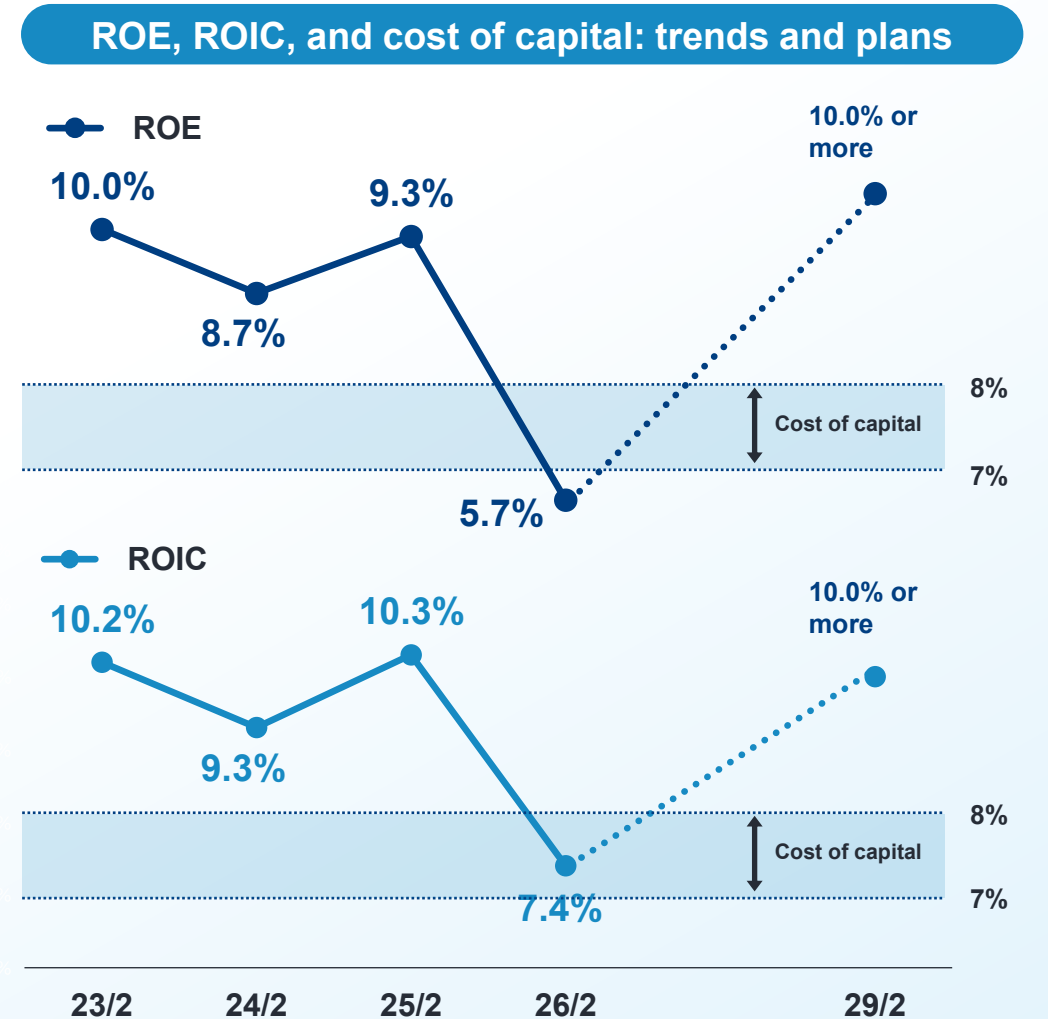
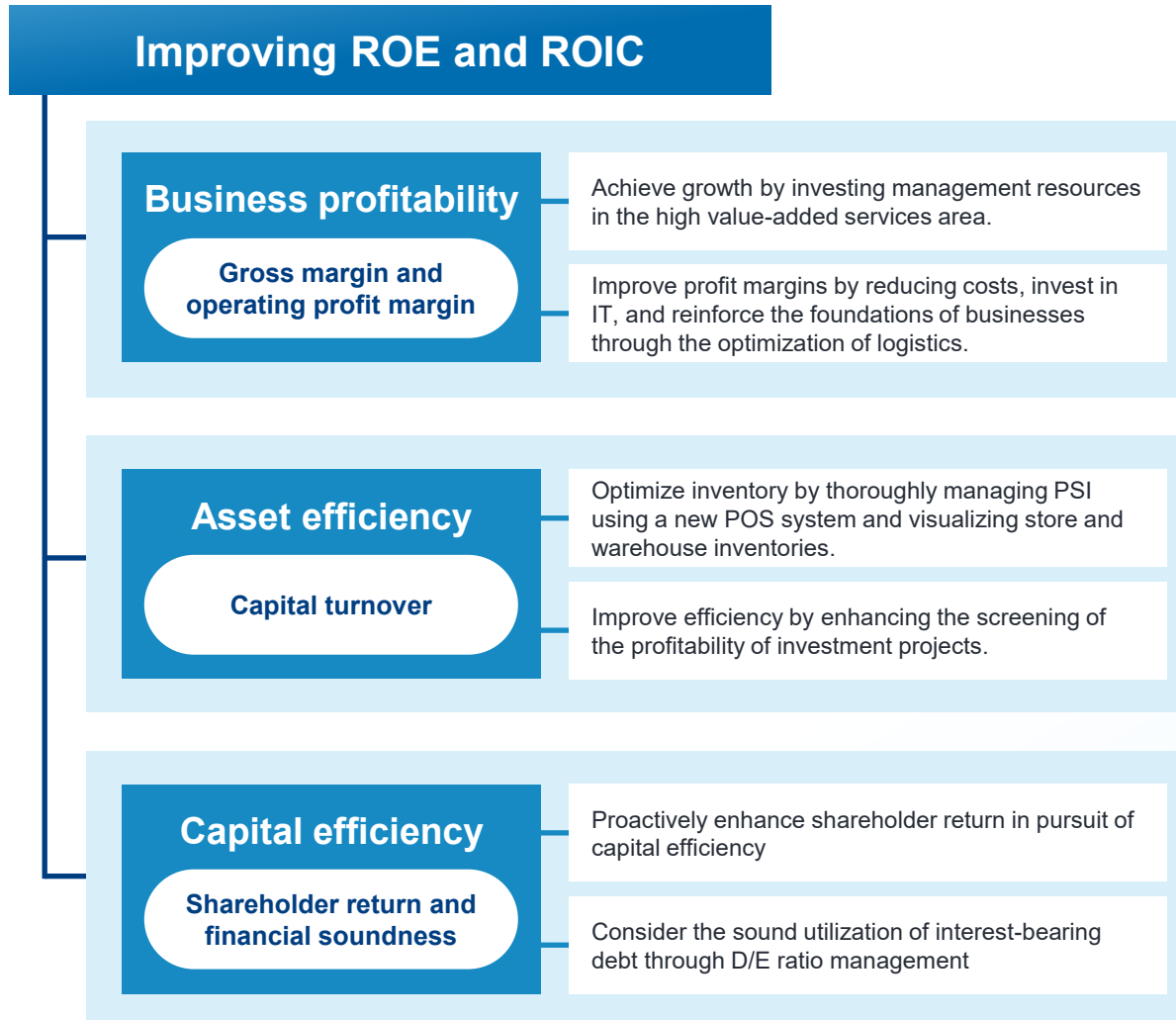
Use operation cash flows to allocate cash so that growth investments, shareholder returns, and the maintenance of financial soundness are well balanced, and consider the use of debt in investments based on management strategies.



Investments based on the growth strategy		
Investment in businesses in a new stage of growth	4.5 billion yen	Investments in the development of logistics systems and increasing reuse inventory to support businesses in a new stage of growth.
Investments in store development	5.1 billion yen	Limit investments in new stores, enhance the renovation of existing stores, and reduce store expenses by 18% compared to the previous MTMP.
IT Investment	1.8 billion yen	Increase aggressive investments by 147% centered on CRM infrastructure and continue defensive investments, up 6%.
Shareholder return		
Dividend	4.0 billion yen	Proactively pay dividends based on the new shareholder return policy.
Investments based on management strategies		
Investment in Asahi Business Vision 3.0		Make investments to create new businesses and enhance corporate value. Consider mergers and acquisitions as investments for discontinuous growth.
Cash and deposits: Set a minimum cash and deposits target that includes necessary working capital and also consider debt.		

# Initiatives to Improve ROE and ROIC

Implement initiatives to achieve an ROE exceeding the cost of capital and the sustainable improvement of ROIC through the optimal allocation of management resources with the goal of increasing our corporate value.



# Shareholder Return Policy

Establish a policy of proactively and stably returning profit to shareholders by striving to enhance corporate value over the medium to long term.

## Shareholder Return Policy

- Further reinforce the foundations of the businesses and invest in medium- to long-term growth by positioning the proactive return of profits to shareholders as one of the most important management tasks.
- Establish a basic policy of achieving stable shareholder returns with the rough targets of a payout ratio of 35% or higher and a DOE of 3.0% in comprehensive consideration of performance, the status of free cash flows and capital efficiency.

### Previously

#### Continuous payment

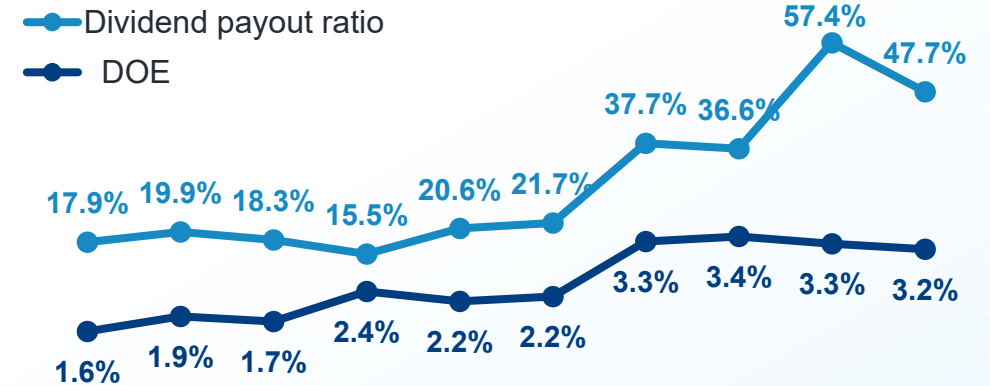
Dividend payout ratio	Target of approx. <b>35%</b>
DOE	-

### VISION2028

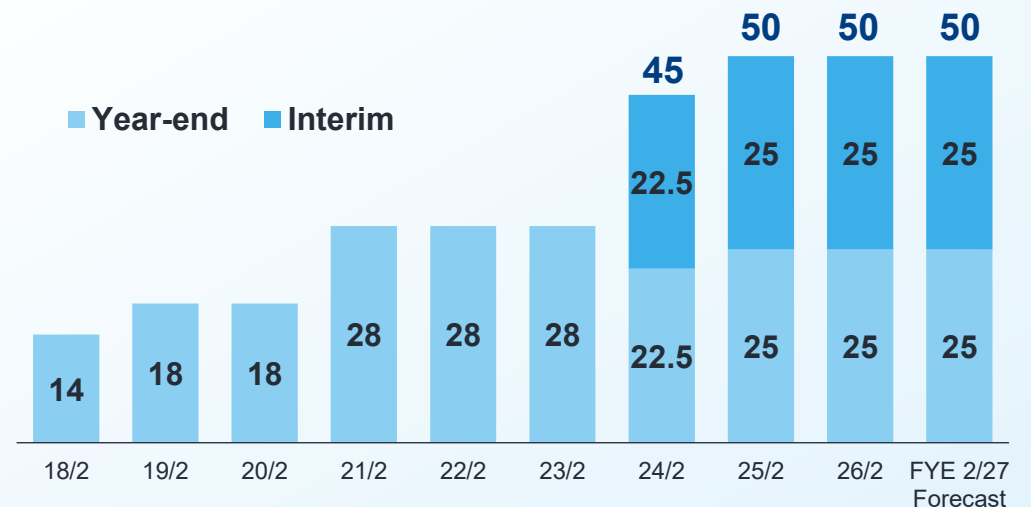
#### Stable and proactive payment

Dividend payout ratio	Target of approx. <b>35% or more</b>
DOE	Target of approx. <b>3.0%</b>

## Changes in dividends per share and payout ratio



■ Year-end ■ Interim



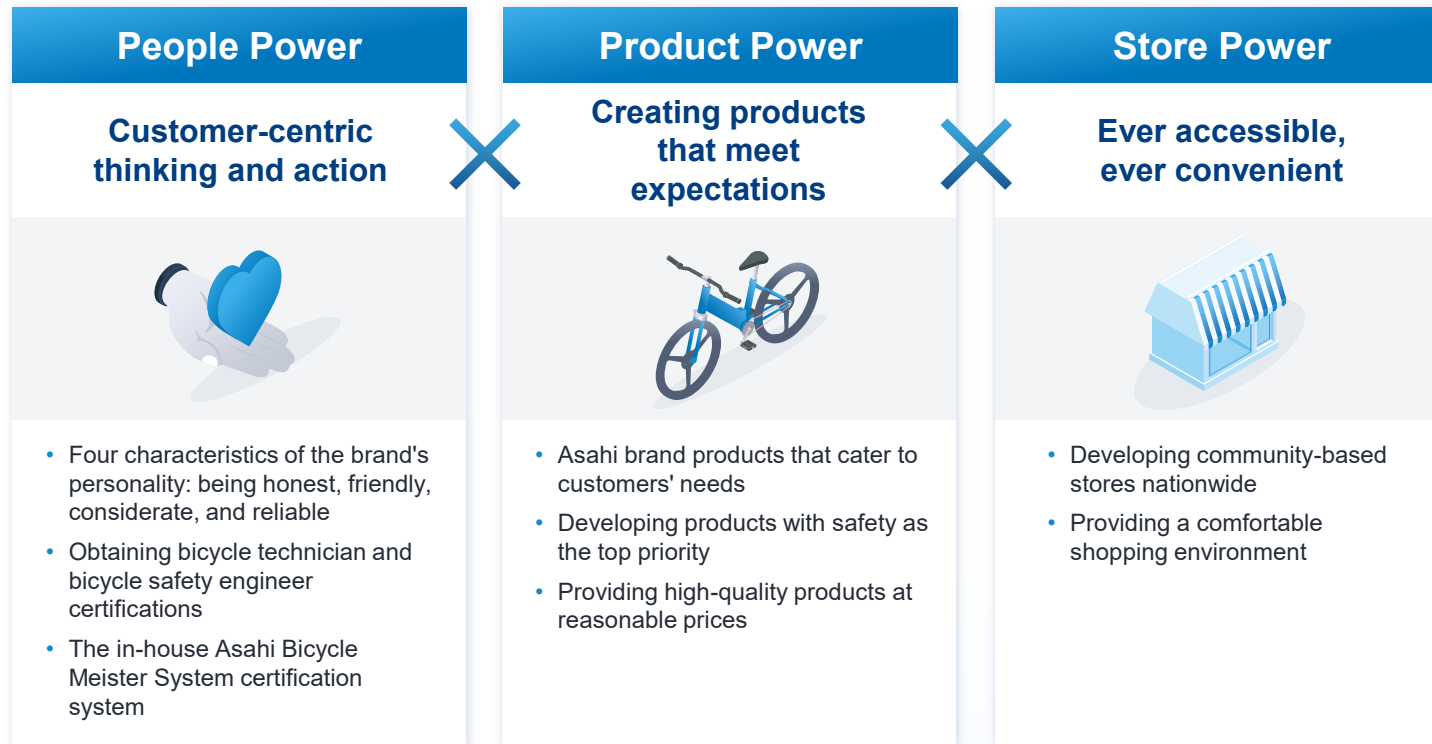
# APPENDIX



# Asahi's Strengths and History

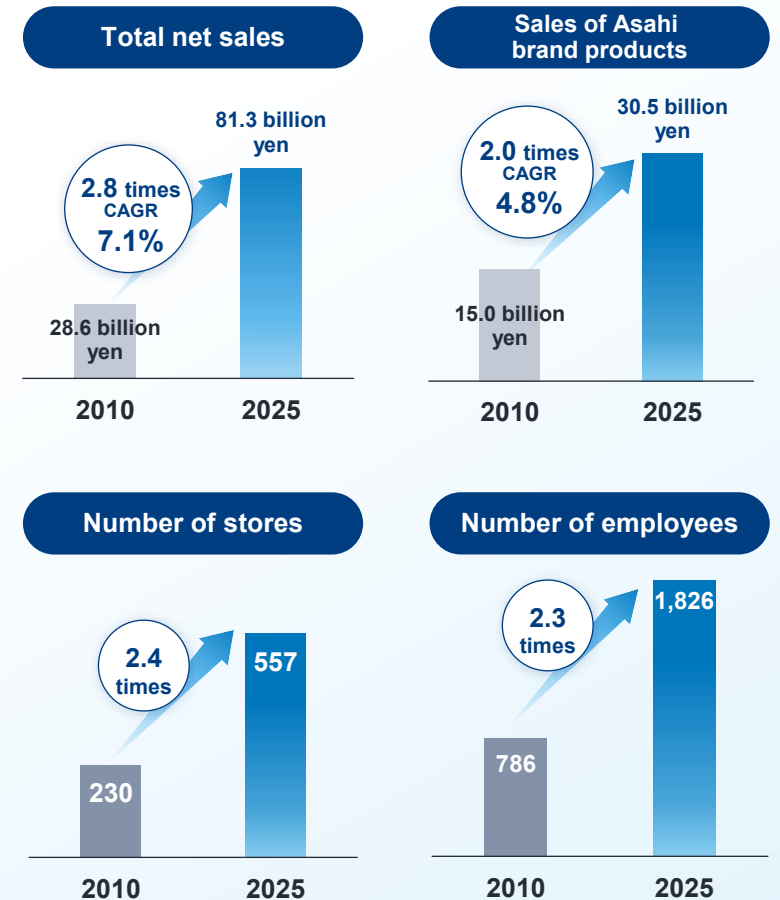
Create customer value by continuing to hone three strengths from the customers' perspective to increase customer satisfaction and strengthen their relationship with us.

## Three powers supporting Asahi's foundation



**Forming a culture model to create social and customer value that is unique to Asahi**

## 15 years of Cycle Base Asahi history



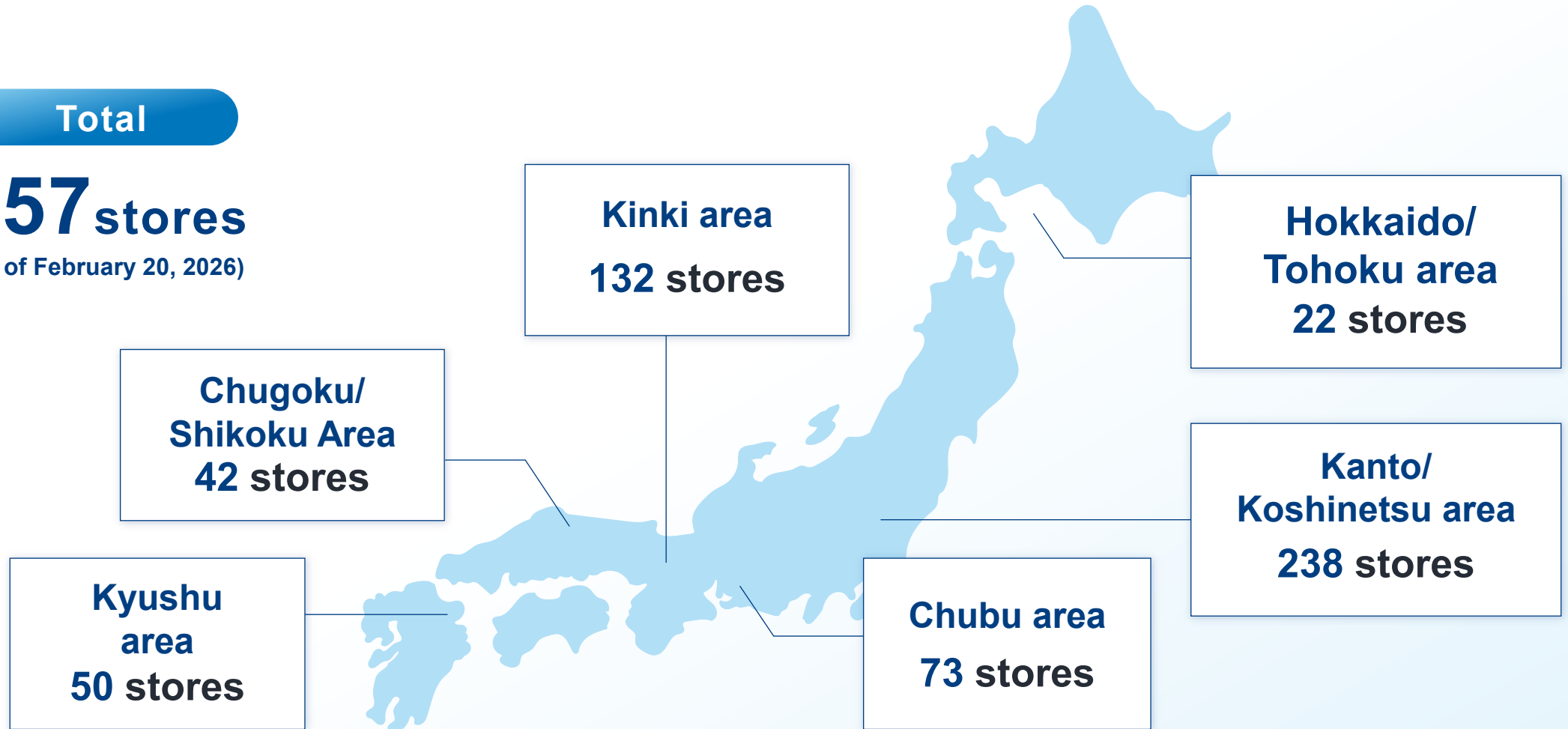
# Map of Asahi Stores

We have a network of 557 stores across the nation, including directly operated and franchise stores. We operate them based on the needs of customers. For example, the products we offer reflect regional characteristics, and we propose lifestyles using product displays simulating various product use settings.

**Total**

**557 stores**

(as of February 20, 2026)



# Asahi Brand Products 1

The things that people require of bicycles vary according to their current stage of life, lifestyles, and hobbies. We leverage customer feedback in our development of products to deliver products that make customers think, "This is precisely what I want now."



**ENERSYS**

## ENERSYS Series

The ENERSYS series of products is the materialization of customer feedback.

These electric-assist bicycles embody our pursuit of comfortable riding. We provide a wide range of models tailored to individual customers' lifestyles and use settings.



**COOSA**

## COOSA Series

Younger people have diverse ways of thinking and are sensitive to new things and trends.

They use social media to share styles and seek empathy. The COOSA series of products embodies this thinking.



**LOUIS GARNEAU**

## Louis Garneau Series

The Louis Garneau series proposes bicycles that add color to meet-ups for people at any stage of life. Louis Garneau pursues safe, durable and comfortable designs that blend artistically into the cityscape.



**LOG** LIFESTYLE  
OUTDOOR  
GEAR

## LOG Series

Ride into the great outdoors. Your bike will accompany you on wonderful journeys and memories worth capturing.

People enjoy the outdoors in a variety of ways with different equipment. The LOG series adds to the fun of your outdoor adventure.

# Asahi Brand Products 2



## PRECISION Series

For the PRECISION series, we constantly pursue a light and nimble ride to make the benefits of sports bicycles more accessible. We use feedback from users who want to cycle for exercise to facilitate the evolution of this series of products.



## INNOVATION FACTORY Series

Make it your own. The INNOVATION FACTORY series of bicycles features simple designs that can be used for a long time. Users can customize them to their taste by attaching special baskets or rear carriers, or in other ways.



## OFFICE PRESS Series

The OFFICE PRESS series was created with a desire to make commuting more comfortable and fulfilling. Designed for businesspeople who value every moment of their lives, this series of bicycles enables people to commute comfortably with a sense of fulfillment.



## Cream Series

This series of bicycles features simple designs that are independent of trends. We offer a wide array of models, and we are committed to decorative accessories as well. We offer all of them at reasonable prices, hoping that many people will ride them.

## 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.
- The reader should note that internal factors in the Company and external factors such as changes in the business environment surrounding the Company may have a direct or indirect impact on the Company's performance and that the forecasts contained in this document may change.
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