



EXPLANATORY MATERIAL ON FINANCIAL RESULTS FOR THE THREE MONTHS ENDED MAY 20, 2026

June 22, 2026

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



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- 02 Plan for the Fiscal Year Ending Feb. 20, 2027



Recognition of the Business Environment and Initiatives under Medium-Term Management Plan "VISION 2028"

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

Recognition of Issues

- 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

VISION 2028 Theme

- Expanding into new bicycle service domains and providing platforms for e-commerce, logistics, etc.
- Building a circular business that supports customers through their long-term bicycle life

Strategies responding to change

- Deepening OMO*1, Strengthening CRM*2
- Building a circular business including reuse, Expanding strategic partners

*1 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.

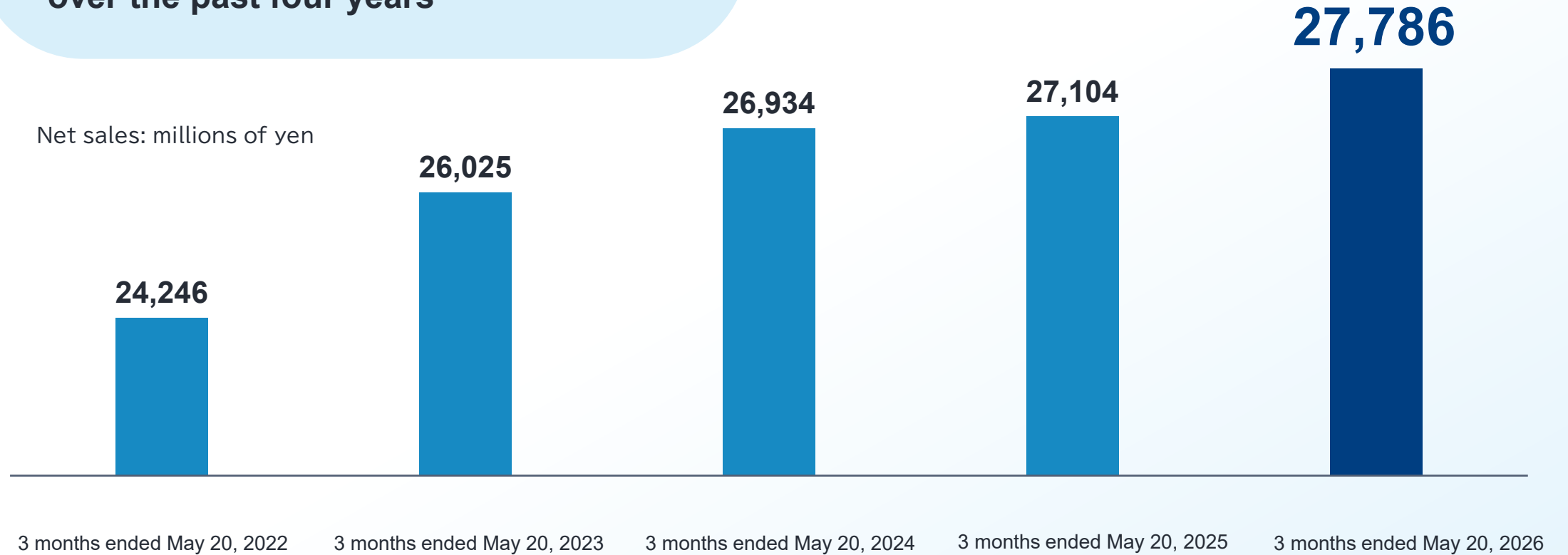
*2 CRM is the abbreviation for Customer Relationship Management. We are strengthening our customer relations by providing information via the official Cycle Base Asahi smartphone application to make their bicycle life more convenient and comfortable.

Changes in Net Sales

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

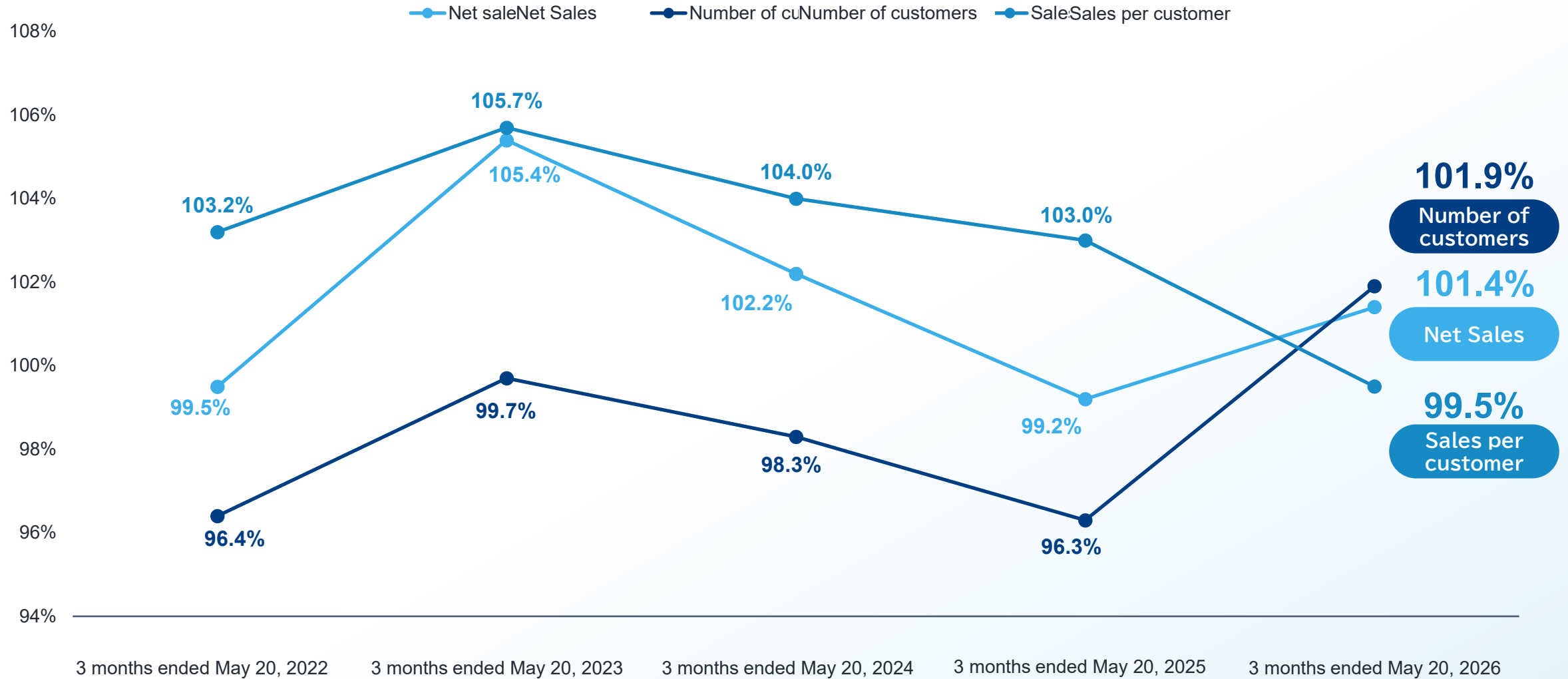
3.5%

Net sales: millions of yen



Changes (Y/Y) in Net Sales, Number of Customers, and Sales per Customer of Existing Stores

Changes (Y/Y)
in Net Sales



101.9%
Number of customers

101.4%
Net Sales

99.5%
Sales per customer

Financial Results for the Three Months Ended May 20, 2026

	Three Months Ended May 20, 2025 Results		Three Months Ended May 20, 2026 Results			
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	Factors
(Millions of yen, %)						
Net sales	27,104	100.0	27,786	100.0	102.5	<ul style="list-style-type: none"> • Strong sales of electric-assist bicycles and children's bicycles • Increase sales of parts, repair and maintenance services
Gross profit	12,309	45.4	12,596	45.3	102.3	
Operating profit	3,270	12.1	3,097	11.1	94.7	<ul style="list-style-type: none"> • Wage increases, upfront investment in employee training, and increased operating costs associated with opening new stores.
Ordinary profit	3,403	12.6	3,138	11.3	92.2	
Profit	2,336	8.6	2,140	7.7	91.6	

Net Sales by Item

	Three Months Ended May 20, 2025 Results		Three Months Ended May 20, 2026 Results		
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change
(Millions of yen, %)					
Net sales	27,104	100.0	27,786	100.0	102.5
Stores / E-commerce	26,267	96.9	26,880	96.7	102.3
New bicycle sales	19,943	73.6	20,075	72.3	100.7
Electric-assist bicycles	8,347	30.8	8,757	31.5	104.9
Parts / services	6,324	23.3	6,804	24.5	107.6
Peripheral businesses	836	3.1	905	3.3	108.2

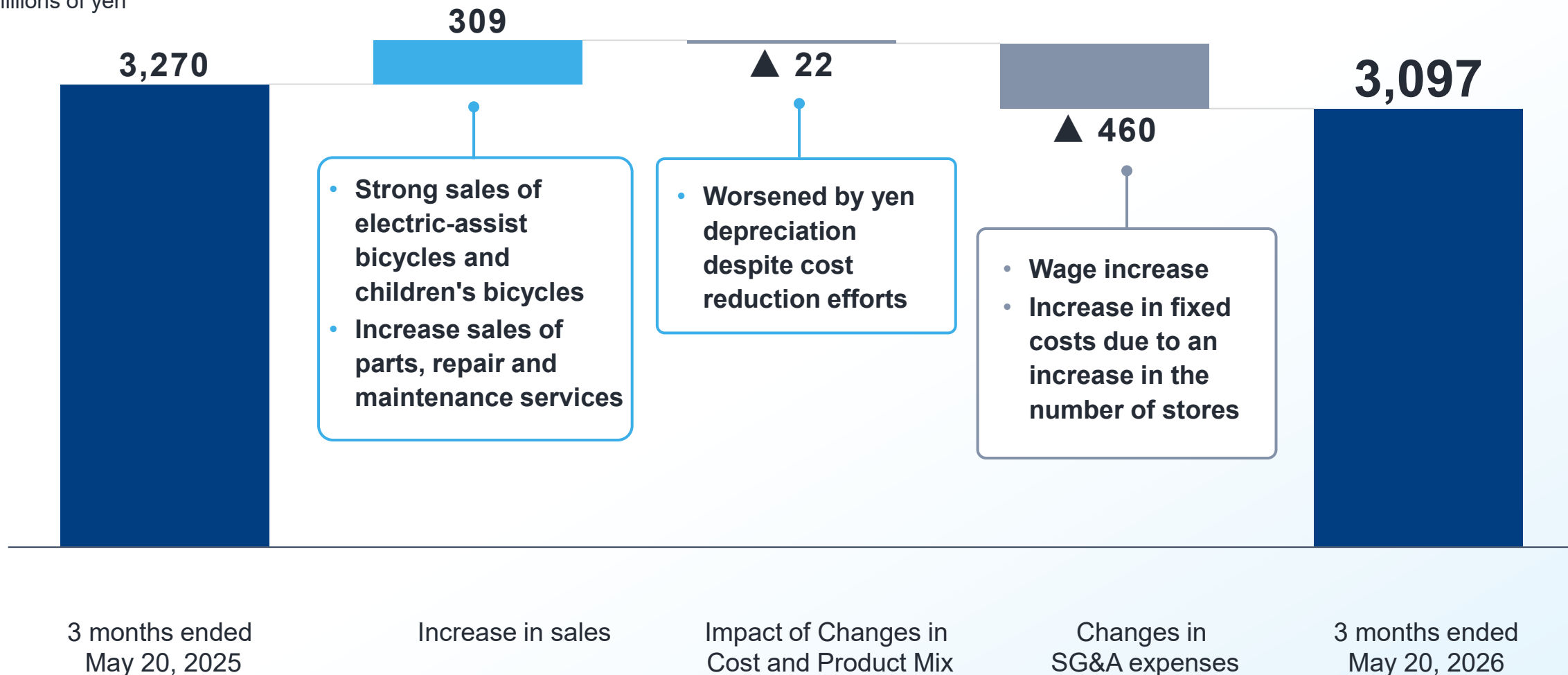
SG&A Expenses and Capital Expenditures

	Three Months Ended May 20, 2025 Results		Three Months Ended May 20, 2026 Results			
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change	Factors
(Millions of yen, %)						
SG&A expenses	9,038	33.3	9,499	34.2	105.1	
Breakdown	Personnel expenses	4,204	15.5	4,539	16.3	• Due to wage increases and business expansion
	Transport and storage expenses	713	2.6	707	2.5	
	Depreciation	434	1.6	446	1.6	• Increased the number of stores
Capital expenditures		331		250	75.7	• Decrease in the number of new store openings

Analysis of Changes in Operating Profit

Operating profit
: millions of yen

■ Increase ■ Decrease ■ Total



Store Openings and Closures

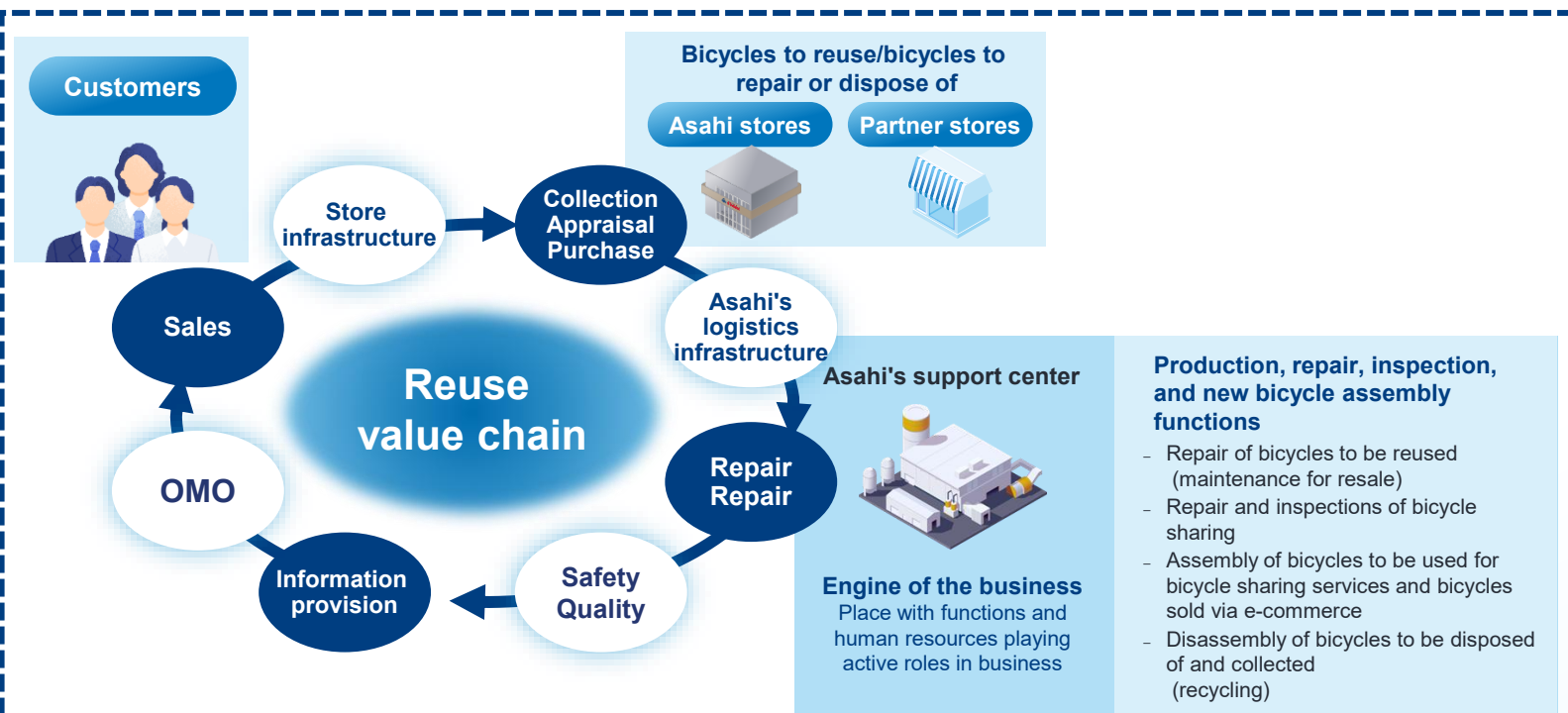
	As of Feb. 20, 2026	Number of stores opened	Number of stores closed	As of May 20, 2025
Number of stores*1	557	+1	▲1 *2	557
Of which, urban stores	14	0	0	14

*1 Includes 18 franchise stores (as of May. 20, 2026)

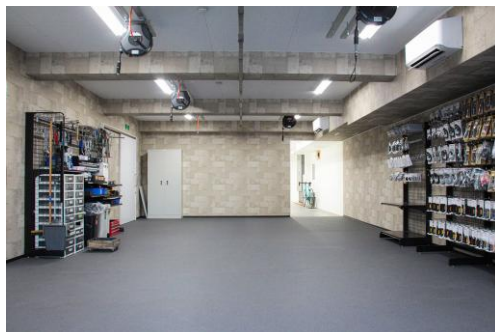
(6 stores in Osaka, 1 store in Hyogo, 4 stores in Kyoto, 4 stores in Mie, 2 stores in Kagoshima, 1 stores in Hokkaido)

*2 Chofu store (expiration of the lease contract)

Reuse Business Model and Status of Initiatives



Strengthening production(repair) at Asahi's support center as demand grows



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

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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	

Net Sales by Item

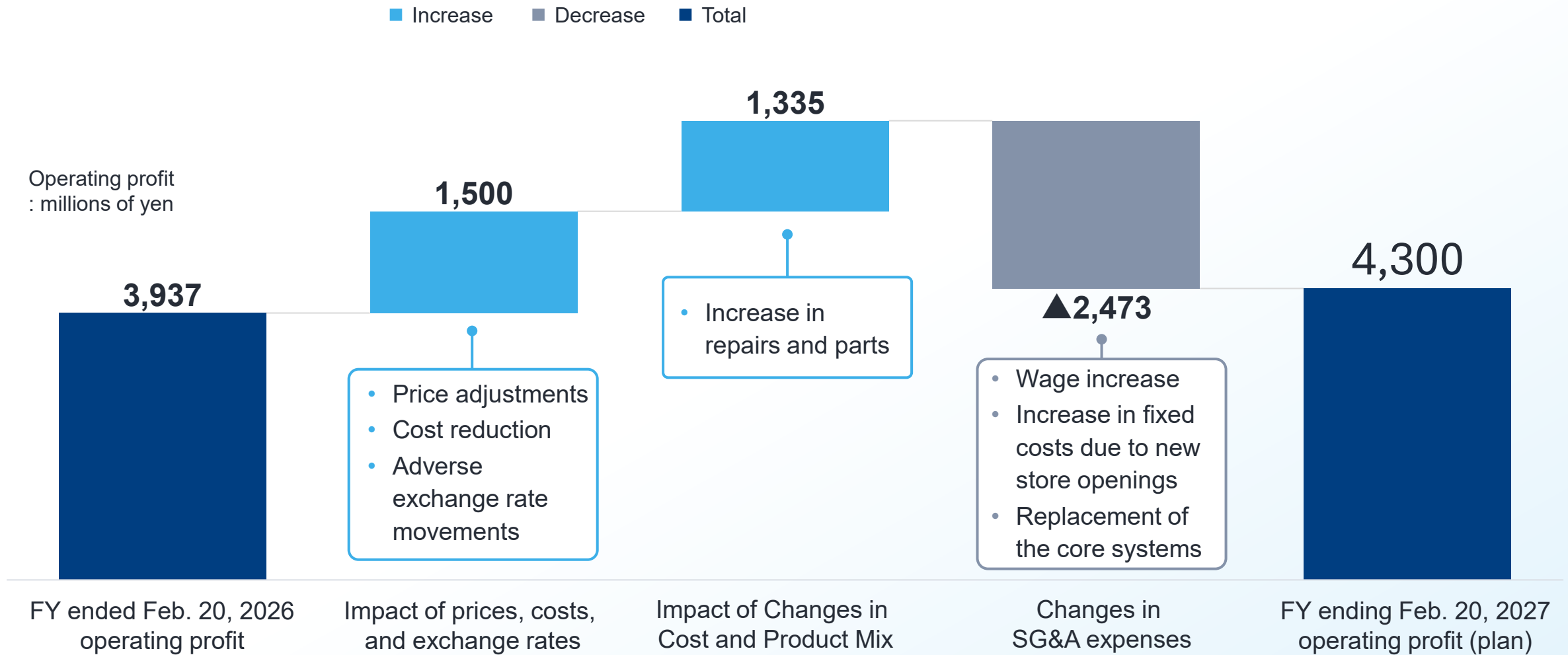
	FY ended Feb. 20, 2026 Results		FY ending Feb. 20, 2027 Plan		
	Amount	Ratio to net sales	Amount	Ratio to net sales	Y/Y change
(Millions of yen, %)					
Net sales	81,374	100.0	86,278	100.0	106.0
Stores/E-commerce	78,555	96.5	82,917	96.1	105.6
New bicycle sales	55,561	68.3	57,657	66.8	103.8
Electric-assist bicycles	24,051	29.6	25,423	29.5	105.7
Parts and 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	42.8	37,327	43.3	107.1		
Breakdown	Personnel expenses	16,673	20.5	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	2.3	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 	

Analysis of Changes in Operating Profit



Investment Plan

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

Breakdown of major capital investments

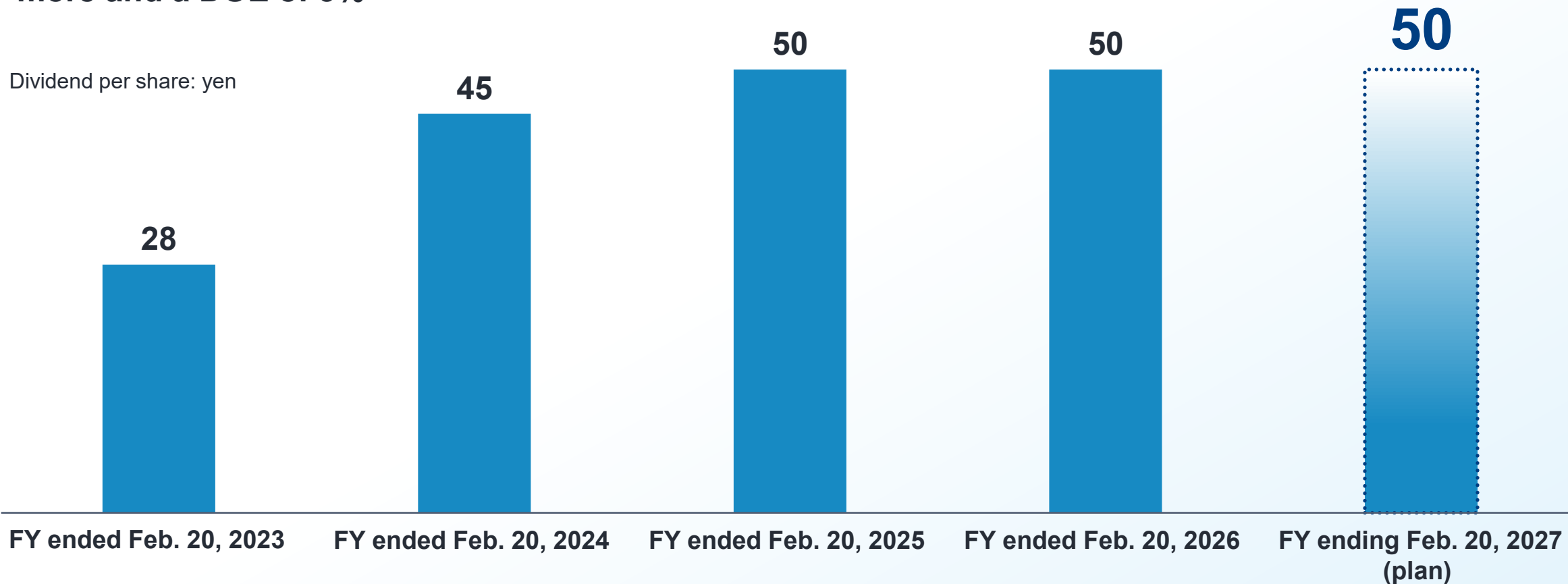
Investment in growth foundations	Investment in maintenance and renewal	Investment in increasing profits
DX, infrastructure development, system investment (logistics, CRM)	Renewal of 16 stores per year and relocation of 1 store per year for revitalization of existing stores	10 new store openings per year,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