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November 10, 2023

## Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2024 (Japanese GAAP)

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 Listing: Tokyo Stock Exchange  
 Securities Code: 2378  
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 Scheduled date to file quarterly securities report: November 13, 2023  
 Scheduled date to commence dividend payments: December 7, 2023  
 Preparation of supplementary materials on quarterly financial results: Yes  
 Holding of quarterly financial results briefing: Yes (for institutional investors, analysts and media)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2024 (April 1, 2023, to September 30, 2023)

#### (1) Consolidated operating results (YTD)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent company	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended September 30, 2023	21,155	6.4	281	191.6	214	763.9	150	—
Six months ended September 30, 2022	19,889	12.7	96	89.5	24	—	6	—

Note: Comprehensive income Six months ended September 30, 2023 75 million yen [ - %]  
 Six months ended September 30, 2022 (104) million yen [ - %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Six months ended September 30, 2023	7.46	7.14
Six months ended September 30, 2022	0.33	—

Note: Diluted earnings per share for the second quarter of fiscal year ended March 31, 2023, is not shown because there were no dilutive shares.

#### (2) Consolidated financial position

	Total assets	Net assets	Equity-to-asset ratio
	Millions of yen	Millions of yen	%
As of September 30, 2023	42,927	10,987	25.6
As of March 31, 2023	42,272	10,991	26.0

Reference: Equity

As of September 30, 2023: 10,976 million yen  
 As of March 31, 2023: 10,979 million yen

## 2. Cash Dividends

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	End of term	Total
As of March 31, 2023	Yen —	Yen 4.0	Yen —	Yen 4.0	Yen 8.0
Fiscal year ending March 31, 2024	—	3.0			
Fiscal year ending March 31, 2024 (forecast)			—	5.0	8.0

Note: Revisions to the most recently announced dividend forecast: None  
The above “Cash Dividends” refers to the status of dividends related to common stock. Please refer to “Dividends on class shares” below for the status of dividends on class shares (unlisted) issued by the Company with different rights from those of common stock.

## 3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2024 (April 1, 2024, to March 31, 2025)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent company		Net income per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full Year	44,000	7.9	1,000	47.0	350	12.4	100	—	5.29

Note: Revisions to the most recently announced earnings forecast: Yes  
For details, please refer to the “Notice of Difference between Consolidated Earnings Forecast and Actual Earnings for the First Half of Fiscal Year Ending March 31, 2024, and Revision of Full-Year Consolidated Earnings Forecast” released today.

### \* Notes

- (1) Changes in significant subsidiaries during the period: None
- (2) Application of accounting methods specific to the preparation of quarterly consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
  - i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
  - ii) Changes in accounting policies due to other reasons: None
  - iii) Changes in accounting estimates: None
  - iv) Restatement: None
- (4) Number of issued shares (common shares)

- i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2023	21,379,000 shares
As of March 31, 2023	21,379,000 shares

- ii) Number of treasury shares at the end of the period

As of September 30, 2023	2,490,706 shares
As of March 31, 2023	2,490,706 shares

- iii) Average number of shares outstanding during the period (YTD)

Six months ended September 30, 2023	18,888,294 shares
Six months ended September 30, 2022	18,888,294 shares

\* Quarterly financial results are exempt from an audit conducted by certified public accountants or an audit corporation.

\* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements in this document are based on information available to the Company and certain assumptions that the Company considers reasonable. Actual financial results may differ significantly from the forecasts due to various factors. Please refer to “1. Qualitative Information on Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2024” on page 1 of the Summary of Financial Results (Attachments) for the assumptions used in forecasting business results and precautions regarding the use of the forecasts.

(Reference) Dividends on class shares

Breakdown of dividends per share related to class shares with different rights from those of common stock is as follows:

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	End of term	Total
Class A Shares	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2023	—	—	—	1.57	1.57
Fiscal year ending March 31, 2024	—	4.78			
Fiscal year ending March 31, 2024 (forecast)			—	4.78	9.56

(Note) 2,092,000 Class A shares were issued on January 31, 2023.

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1. Qualitative Information on Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2024  
(1) Description of Operating Results

During the first half of the current consolidated fiscal year (April 1, 2023, to September 30, 2023), social and economic activities became revitalized, resulting in mostly strong growth in the number of new and enrolled members of sports clubs, leading to the expected net sales. In terms of costs, they were lower than planned since utility costs were successfully controlled by company-wide energy conservation measures and government projects to mitigate drastic changes in electricity and gas prices. On the other hand, we raised the salary level by an average of 5% in July in order to stabilize the lives of employees and enable them to perform to their ability in the face of recent price hikes. As a result, for the first half of the consolidated fiscal year under review, net sales were 21,155 million yen (up 6.4% year-on-year), operating income came to 281 million yen (up 191.6% year-on-year), ordinary income posted 214 million yen (up 763.9% year-on-year), and net income attributable to owners of parent company was 150 million yen (up 144 million yen year-on-year).

During the first half of the consolidated fiscal year under review, the Japanese economy showed a moderate recovery even under the price hikes due to the normalization of economic activities and the acceleration of wage increases. On the other hand, the outlook remains uncertain due to unstable international situations and soaring resource prices caused by foreign exchange fluctuations.

In the fitness industry, the market is booming with a wide variety of business types as the external environment becomes increasingly severe, including various rising costs such as for construction and heating/lighting. In addition, people's awareness of the importance of exercise and health is increasing due to the emergence of health issues associated with lifestyle changes.

The Renaissance group has the corporate philosophy of a "company for creating purpose in life (*ikigai* in Japanese)", and its long-term vision is a "health solution company that enriches the age of the 100-year life span." Based on these, it is working to realize a healthy and long-lived society and resolve local social issues. It will do so through the maintenance and promotion of good health to enable people to work throughout their lifetime, and the "shift from treatment to prevention" initiatives that will help reduce social security expenses such as medical expenses.

In the sports club business, the number of enrolled members as of September 30, 2023, was 390,918 (including 45,620 online members) (up 8.3% year-on-year), due to new fitness members and steady growth in enrolled members thanks to efforts for acquiring new members in response to demand for strength training, saunas and swimming pools in heat waves. In addition, in order to cope with various cost increases and to increase added value through continuous investment in human resources and facilities, we have revised fitness membership fees sequentially since July. In terms of costs, the business commencement expenses for four integrated sports clubs scheduled to open this fiscal year, 248 million yen, were recorded in the first half of the current consolidated fiscal year.

In the nursing care and nursing/medical care peripheral business, sales increased 13.1% year-on-year due to steady growth in "Genki Gym," a rehabilitation-focused day service, and other services. In our nursing and rehabilitation efforts, we aim to improve the quality of life of users through providing and collaborating in multiple services including rehabilitation-focused day services, home nursing stations, in-home care support, and child development support/after-school day services. In August, we opened a new franchise facility, "Renaissance Genki Gym Musashi Seki" (Nerima-ku, Tokyo). In addition, we have promoted exercise support for people affected by cancer, and have been working on training and certification programs for "Osaka International Cancer Institute Certified Cancer Specialist Exercise Instructor (hereinafter referred to as "Cancer Specialist Exercise Instructor")." Currently, there are more than 150 Cancer Specialist Exercise Instructors nationwide, and they are active in sports clubs and personal training gyms in various regions. We have started to create an environment where people affected by cancer can do exercise with peace of mind by sequentially assigning them to our sports clubs and Genki Gym, a rehabilitation-focused day service.

In the health promotion business targeting corporations and health insurance associations, we promoted support for health management initiatives, and we were entrusted with more original programs utilizing our know-how in exercise and health promotion, such as the program to prevent falls and thus prevent industrial accidents at companies, and these programs are increasing year by year. In our online lesson service "RENAISSANCE Online Livestream (hereinafter referred to as "ROL")," we have accelerated support for health promotion through corporations, such as increasing the use by members of Sumitomo Life Insurance Company's Vitality, Daido Life Insurance Company's activities to promote and spread health management among small and medium-sized enterprises, and providing ROL to U-NEXT, a video streaming service operated by U-NEXT Co., Ltd.

In addition, in the development and production of original health content to address health issues faced by various companies and customers, Square Enix Co., Ltd. consulted us and we cooperated with it for the production of "Eorzean Aetherobics," an original exercise video as part of A Realm Reborn's 10th Anniversary celebrations for the online RPG "Final Fantasy XIV (hereinafter referred to as "FF14")." The video was released on FF14's official YouTube channel in late July and received good reviews.

In the health promotion business for local communities and municipalities, we are working with municipalities to promote health for local residents and local businesses. In July, we concluded a memorandum of understanding with the City of Obu, Aichi Prefecture, and Toyota Systems Corporation on "Obu City Working Generation Sleep Improvement Demonstration Project". In September, we signed "Comprehensive collaboration agreement regarding health promotion, etc." with the city of Zama, Kanagawa Prefecture. In addition, in order to resolve issues surrounding swimming lessons at schools, we worked to support swimming lessons

at schools near our sports clubs and in areas where we dispatch regional revitalization entrepreneurs. During the first half of the current consolidated fiscal year, we held swimming lessons in 25 municipalities and 50 schools, approximately 1.5 times more than in the previous fiscal year.

At our sports clubs in Vietnam, we have sequentially revised their membership fees since August in response to price hikes in Vietnam in order to optimize the unit price per member. At our swimming schools held at stores in Hanoi City, we are expanding swimming lessons for kindergartens and elementary schools.

BEACH TOWN Corporation, a consolidated subsidiary, has been involved in planning and proposing projects for the creation of prosperity in the region through the public-private partnership (PPP) projects for public facilities, the park private financing initiative (Park-PFI), and the partnership with the private sector. In the first half of the current consolidated fiscal year, we produced a members-only outdoor fitness facility in Seiseki-Sakuragaoka as a business partner of Keio Corporation. This facility opened in October as “RIVER PARK Seiseki-Sakuragaoka”.

Since April, three employees from the Company have participated in the management of Tokyu Sports Oasis Inc. (hereinafter referred to as “Tokyu Sports Oasis”), which is an equity-method affiliate, and have worked to build a new management system and improve added-value of services. During the first half of the current consolidated fiscal year, business performance has been getting better due to improved profitability in the sports club business and steady performance in the home fitness business, mainly in goods sales.

In our efforts with Advantage Advisors, Inc., with which we have entered into a capital business alliance, we have pursued several projects, including strengthening store development, streamlining company-wide operations, and restructuring our business portfolio. We will continue to mutually utilize Advantage Advisors’ knowledge and our know-how to steadily implement various measures in order to enhance our corporate value over the medium to long term.

The Company has positioned the expansion of the number of sports clubs through aggressive M&A and business succession as its opening strategy. As announced in the “Notice Regarding Additional Acquisition of Shares in Tokyu Sports Oasis Inc., an Equity Method Affiliate” released on August 10, 2023, the Company decided to acquire all shares held by Tokyu Land Corporation in Tokyu Sports Oasis on March 31, 2024 (plan). This will make the Group the largest company in the fitness industry in terms of net sales. In addition, “Sports Club & Spa Renaissance Imazato 24”, which was newly opened in Higashinari-ku, Osaka-shi, in July and the contents of “Notice Regarding Acquisition of Business and Fixed Assets (Beneficial Interests in Trust) of KSC wellness Fitness Club Kanamachi and Kanamachi Swimming Club” released on October 2, 2023, will be part of our initiatives for business and facility succession. As a leading company in the fitness industry, we aim to improve the value of integrated sports clubs and create purposes in life for each and every customer.

During the first half of the consolidated fiscal year under review, we opened new facilities and closed facilities listed in the table below, and the number of our group’s facilities as of the end of September 2023, including the facilities of BEACH TOWN Corporation, totaled 229: 169 sports clubs (105 directly managed, 62 entrusted, and two Renaissance Vietnam facilities), two studio-type facilities, 43 nursing and rehabilitation facilities (32 directly managed and 11 franchise), and 15 outdoor fitness facilities (four directly managed and 11 entrusted).

Opening Date	Facility Name	Facility Type
April 2023	Takeo Civic Baseball Stadium (and 26 other facilities) (Takeo-shi, Saga)	Designated management
April 2023	Five Ozu-machi athletic park facilities (and eight others) (Ozu-machi, Kikuchi-gun, Kumamoto)	Designated management
April 2023	BEACHTOWN OND PARK (Takeo-shi, Saga)	Outdoor fitness (entrusted)
May 2023	Outdoor Fitness Wakayama (Wakayama-shi, Wakayama)	Outdoor fitness (entrusted)
May 2023	Outdoor Fitness Edogawa (Edogawa-ku, Tokyo)	Outdoor fitness (entrusted)
July 2023	Sports Club & Spa Renaissance Imazato 24 (Osaka-shi, Osaka)	Sports club
July 2023	Sports Club Renaissance Sendai Oroshimachi 24 (Sendai-shi, Miyagi)	Sports club
August 2023	Renaissance Genki Gym Musashi-Seki (Nerima-ku, Tokyo)	Nursing rehabilitation (FC)
Time of outlet closure / termination of management contract	Facility Name	Facility Type
End of April 2023	Community Park Okegawa (Okegawa-shi, Saitama)	Outdoor fitness (directly managed)
End of June 2023	Sports Club Renaissance Sagami-Ono (Sagamihara-shi, Kanagawa)	Sports club
End of July 2023	Outdoor Fitness Wakayama (Wakayama-shi, Wakayama)	Outdoor fitness (entrusted)

The Company also plans to open new facilities listed in the table below in the third quarter of the consolidated fiscal year under review and thereafter.

Opening Date	Facility Name	Facility Type
October 2023	Sports Club Renaissance Kumamoto Hikari no Mori 24 (Kikuyo-machi, Kikuchi-gun, Kumamoto)	Sports club
October 2023	Sports Club Renaissance Aeon Mall Zama 24 (Zama-shi, Kanagawa)	Sports club
October 2023	RIVER PARK Seiseki-Sakuragaoka (Tama-shi, Tokyo)	Outdoor fitness (entrusted)
November 2023	Renaissance Rehabilitation Station Fujimidai (Nerima-ku, Tokyo)	Nursing rehabilitation

Results by segment are not listed since the sports club operation business is the Group's only reporting segment.

## (2) Description of Financial Position

### i) Assets, liabilities and net assets

Total assets at the end of the second quarter of the current consolidated fiscal year rose 655 million yen from the end of the previous consolidated fiscal year to 42,927 million yen. This was mainly due to a decrease of 617 million yen in total current assets resulting from a drop in cash and deposits and taxes receivable (current assets, other), and an increase of 1,277 million yen in total fixed assets, mainly due to a boost of 704 million yen in property, plant and equipment, mainly resulting from an increase in leased assets.

Total liabilities at the end of the second quarter of the current consolidated fiscal year grew 658 million yen from the end of the previous consolidated fiscal year to 31,939 million yen. This was mainly due to a decrease of 141 million yen in total current liabilities, resulting from smaller short-term borrowings, while noncurrent obligations grew 800 million yen due to an increase in lease obligations.

Total net assets at the end of the second quarter of the current consolidated fiscal year were down 3 million yen from the end of the previous consolidated fiscal year to 10,987 million yen. This was mainly due to an increase of 71 million yen in retained earnings mainly due to the posting of net income attributable to owners of parent company of 150 million yen and the payment of dividends of 78 million yen, and a decrease of 80 million yen in foreign currency translation adjustments, resulting in a decrease of 75 million yen in total accumulated other comprehensive income.

ii) Cash flows

For the first half of the current consolidated fiscal year, the quarter-end balance of cash and cash equivalents (hereinafter referred to as “cash”) was 5,334 million yen.

The status of cash flows and their factors for the first half of the current consolidated fiscal year are as follows.

a. Cash flows from operating activities

First half of the current consolidated fiscal year: 1,986 million yen (-81 million yen in the same period of the previous fiscal year)

Cash obtained from operating activities was 1,986 million yen. This was mainly due to depreciation of 1,139 million yen (up 9.2% year-on-year), a decrease of 337 million yen in accrued consumption taxes, and an increase of 235 million yen in long-term accounts payable - other (down 37.3% year-on-year).

b. Cash flows from investing activities

First half of the current consolidated fiscal year: -1,772 million yen (-1,672 million yen in the same period of the previous fiscal year)

Cash used for investing activities was 1,772 million yen. This was mainly due to purchase of property, plant and equipment of 1,211 million yen (down 28.9% year-on-year) and leasehold and guarantee deposits of 492 million yen (up 103.8%).

c. Cash flows from financing activities

First half of the current consolidated fiscal year: -331 million yen (1,150 million yen in the same period of the previous fiscal year)

Cash used for financing activities was 331 million yen. This was mainly due to repayments of long-term borrowings of 1,131 million yen (up 7.6% year-on-year), net decrease in short-term borrowings of 600 million yen, repayments of lease obligations of 352 million yen (up 11.4% year-on-year), proceeds from long-term borrowings of 1,000 million yen (down 16.7% year-on-year) and proceeds from sale and leaseback transactions of 831 million yen (up 50.8% year-on-year).

(3) Description of Consolidated Earnings Forecasts and Other Forward-Looking Information

The consolidated earnings forecast for the fiscal year ending March 31, 2024, has been revised from that announced on August 10, 2023, for the full consolidated fiscal year, taking the status until the first half of the current consolidated fiscal year and the outlook into consideration. For details, please refer to the “Notice of Difference between Consolidated Earnings Forecast and Actual Earnings for the First Half of Fiscal Year Ending March 31, 2024, and Revision of Full-Year Consolidated Earnings Forecast” released today.



## 2. Consolidated Quarterly Financial Statements and Primary Notes

## (1) Consolidated quarterly balance sheet

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,520,381	5,327,567
Accounts receivable – trade	1,245,183	1,134,605
Commodity	234,274	289,098
Other	1,791,069	1,422,522
Allowance for doubtful accounts	(6,881)	(7,327)
Total current assets	8,784,027	8,166,467
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	5,586,215	6,054,067
Leased assets, net	10,969,552	11,602,768
Other, net	2,990,709	2,593,710
Total property, plant and equipment	19,546,478	20,250,546
Intangible fixed assets	461,076	569,721
Investments and other assets		
Investment securities	1,645,137	1,696,289
Leasehold and guarantee deposits	8,814,555	9,166,097
Other	2,994,437	3,056,175
Total investments and other assets	13,454,129	13,918,562
Total fixed assets	33,461,683	34,738,829
Deferred assets	27,018	22,542
Total assets	42,272,729	42,927,839
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	54,479	52,984
Short-term borrowings	3,000,000	2,400,000
Current portion of long-term borrowings	2,203,084	2,243,084
Income taxes payable	197,429	196,345
Provision for bonuses	684,062	739,945
Asset retirement obligations	13,453	—
Other	4,189,421	4,567,638
Total current liabilities	10,341,931	10,199,998
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	3,751,721	3,580,179
Lease obligations	11,400,747	12,116,344
Retirement benefit liability	851,520	870,474
Asset retirement obligations	1,357,079	1,423,455
Other	2,078,499	2,249,420
Total non-current liabilities	20,939,556	21,739,862
Total liabilities	31,281,487	31,939,860

(Thousands of yen)

	As of March 31, 2023	As of September 30, 2023
Net assets		
Shareholders' equity		
Share capital	3,210,356	3,210,356
Capital surplus	5,813,491	5,813,491
Retained earnings	4,644,051	4,716,045
Treasury shares	(2,514,753)	(2,514,753)
Total shareholders' equity	11,153,145	11,225,138
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,846	6,318
Foreign currency translation adjustment	(145,643)	(226,343)
Remeasurements of defined benefit plans	(32,779)	(28,807)
Total accumulated other comprehensive income	(173,576)	(248,832)
Share acquisition rights	11,673	11,673
Total net assets	10,991,242	10,987,979
Total liabilities and net assets	42,272,729	42,927,839

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated quarterly statement of income  
Six months ended September 30, 2023

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Net sales	19,889,005	21,155,994
Cost of sales	18,693,893	19,719,245
Gross profit	1,195,112	1,436,749
Selling, general and administrative expenses	1,098,438	1,154,875
Operating income	96,674	281,874
Non-operating income		
Interest income	4,462	4,089
Foreign exchange gains	135,152	87,773
Share of profit of entities accounted for using equity method	—	49,031
Other	15,638	75,073
Total non-operating income	155,253	215,967
Non-operating expenses		
Interest expenses	205,569	265,712
Other	21,573	18,016
Total non-operating expenses	227,143	283,728
Ordinary income	24,785	214,112
Extraordinary income		
Gain on sale of non-current assets	13	—
Total extraordinary income	13	—
Extraordinary losses		
Loss on retirement of non-current assets	1,984	4,431
Loss on store closings	3,000	—
Other	—	1,950
Total extraordinary losses	4,984	6,382
Net income before income taxes	19,814	207,730
Income taxes – current	44,168	45,026
Income taxes – deferred	(27,359)	11,869
Total income taxes	16,809	56,896
Profit	3,005	150,833
Net loss attributable to non-controlling interests	(3,306)	—
Net income attributable to owners of parent company	6,311	150,833

Consolidated quarterly statement of comprehensive income  
Six months ended September 30, 2023

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Profit	3,005	150,833
Comprehensive income		
Valuation difference on available-for-sale securities	(834)	1,471
Foreign currency translation adjustment	(110,800)	(80,699)
Remeasurements of defined benefit plans, net of tax	3,805	3,971
Total other comprehensive income	(107,829)	(75,256)
Comprehensive income	(104,824)	75,577
(Breakdown)		
Comprehensive income attributable to owners of parent company	(101,518)	75,577
Comprehensive income attributable to non-controlling interests	(3,306)	—

## (3) Consolidated quarterly statement of cash flows

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
<b>Cash flows from operating activities</b>		
Net income before income taxes	19,814	207,730
Depreciation	1,043,724	1,139,306
Increase (decrease) in retirement benefit liability	22,560	24,676
Increase (decrease) in long-term accounts payable - other	374,927	235,008
Increase (decrease) in provision for bonuses	187,050	41,957
Gain on sale of non-current assets	(13)	—
Loss on retirement of non-current assets	1,984	4,431
Interest and dividend income	(4,595)	(4,173)
Interest expenses	205,569	265,712
Decrease (increase) in trade receivables	6,489	110,577
Decrease (increase) in inventories	(1,577)	(41,436)
Decrease (increase) in prepaid expenses	(122,486)	(114,244)
Increase (decrease) in trade payables	(13,068)	(1,495)
Increase (decrease) in accounts payable - other	(40,969)	(186,625)
Increase (decrease) in accrued expenses	(7,227)	93,619
Increase (decrease) in advances received	30,065	(1,838)
Decrease (increase) in consumption taxes refund receivable	—	337,793
Increase (decrease) in accrued consumption taxes	(1,119,101)	179,040
Other	(398,658)	(161,877)
Subtotal	184,487	2,128,164
Interest and dividends received	178	134
Interest paid	(206,625)	(266,565)
Income taxes refund (paid)	(59,415)	124,838
Cash flows from operating activities	(81,374)	1,986,571
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(1,703,294)	(1,211,296)
Proceeds from sale of property, plant and equipment	13	—
Purchase of intangible assets	(41,783)	(224,869)
Proceeds from collection of long-term loans receivable	40,137	31,737
Payments of leasehold and guarantee deposits	(241,610)	(492,342)
Proceeds from refund of leasehold and guarantee deposits	285,779	143,234
Other	(11,594)	(19,387)
Cash flows from investing activities	(1,672,351)	(1,772,922)
<b>Cash flows from financing activities</b>		
Net increase (decrease) in short-term borrowings	850,000	(600,000)
Proceeds from long-term borrowings	1,200,000	1,000,000
Repayments of long-term borrowings	(1,051,542)	(1,131,542)
Repayments of lease liabilities	(316,291)	(352,428)
Dividends paid	(76,267)	(79,080)
Proceeds from sale and leaseback transactions	551,489	831,732
Other	(6,682)	—
Cash flows from financing activities	1,150,706	(331,319)

(Thousands of yen)

	Six months ended September 30, 2022	Six months ended September 30, 2023
Effect of exchange rate change on cash and cash equivalents	(110,800)	(80,699)
Net increase (decrease) in cash and cash equivalents	(713,819)	(198,370)
Cash and cash equivalents at beginning of period	4,855,796	5,532,596
Cash and cash equivalents at end of period	4,141,976	5,334,226

(4) Notes to Consolidated Quarterly Financial Statements  
(Notes on Going Concern Assumption)

Not applicable.

(Notes on Significant Changes in the Amount of Shareholders' Equity)

Not applicable.