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August 8, 2024

## Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025 (Japanese GAAP)

Company Name: Renaissance Inc.  
 Listing: Tokyo Stock Exchange  
 Securities Code: 2378  
 URL: <https://www.s-renaissance.co.jp/>  
 Representative: Toshiharu Okamoto, Representative Director, President and Corporate Officer  
 Inquiries: Yoshitsugu Anzawa, Senior Managing Director, Chief Financial Officer  
 Telephone: +81-3-5600-7811  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary materials on financial results: No  
 Holding of financial results briefing: No

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

### 1. Consolidated Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025 (April 1, 2024 to June 30, 2024)

#### (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	%
Three months ended June 30, 2024	15,435	48.6	372	757.9	242	511.3	198	165.7
Three months ended June 30, 2023	10,385	6.6	43	—	39	—	74	—

Note Comprehensive income Three months ended June 30, 2024 ¥164 million yen [ - %]  
 Three months ended June 30, 2023 (0) million yen [ - %]

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2024	10.27	8.92
Three months ended June 30, 2023	3.70	3.55

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
	Millions of yen	Millions of yen	%
As of June 30, 2024	54,363	11,447	21.0
As of March 31, 2024	53,194	11,425	21.5

Reference: Equity  
 As of June 30, 2024 11,436 million yen  
 As of March 31, 2024 11,413 million yen

## 2. Cash Dividends

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	End of term	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	—	3.0	—	7.0	10.0
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (forecast)		3.0	—	8.0	11.0

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, 2025 (April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes for the full year and from the same period of the previous year for the quarter)

	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
First Six Months (YTD)	31,000	46.5	650	130.6	300	40.1	200	32.6	10.06
Full Year	63,000	44.4	1,800	42.7	1,000	90.6	700	10.6	36.00

Note: Revisions to the most recently announced earnings forecast: Yes

For details, please refer to the “Notice of Revision of Consolidated Earnings Forecast for the Second Quarter of Fiscal Year Ending March 31, 2025” released today.

\* **Notes**

- (1) Significant changes in the scope of consolidation 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 June 30, 2024	21,379,000 shares
As of June 30, 2023	21,379,000 shares

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

As of June 30, 2024	2,490,706 shares
As of June 30, 2023	2,490,706 shares

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

Three months ended June 30, 2024	18,888,294 shares
Three months ended June 30, 2023	18,888,294 shares

\* Review of attached quarterly consolidated financial statements by certified public accountants or an auditing corporation: None

\* 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 First Quarter of Fiscal Year Ending March 31, 2025” on page 2 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, 2024	—	4.78	—	4.78	9.56
Fiscal year ending March 31, 2025	—				
Fiscal year ending March 31, 2025 (forecast)		4.78	—	4.78	9.56

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1. Qualitative Information on Financial Results for the First Quarter of Fiscal Year Ending March 31, 2025

(1) Description of Operating Results

During the first quarter of the current consolidated fiscal year (April 1, 2024 to June 30, 2024), the number of enrolled members of the sports club business progressed steadily and the unit price per member remained close to the plan. Additionally, in the home fitness business of Sports Oasis Co., Ltd. (hereinafter referred to as “Oasis”), which became a wholly owned consolidated subsidiary of the Company starting from the current fiscal year, sales centered on best-selling products exceeded expectations. In terms of costs, although heating and lighting expenses were lower than planned, overall costs remained roughly in line with the plan. As a result, for the Renaissance Group's business results in the first quarter of the current consolidated fiscal year under review, net sales were 15,435 million yen (up 48.6% year-on-year), operating income came to 372 million yen (up 757.9% year-on-year), ordinary income posted 242 million yen (up 511.3% year-on-year), and net income attributable to owners of parent company was 198 million yen (up 165.7% year-on-year).

The Group, based on its corporate philosophy of a “company for creating purpose in life” (ikigai in Japanese), and its long-term vision of a “health solution company that enriches the age of the 100-year life span,” is engaged in business activities with the aim of enabling people to live fulfilling, “healthy” and “meaningful lives” in all stages of life. In addition, we formulated the “2024-2027 Medium-Term Management Plan” in May 2024 and have embarked upon the first year of the plan with the following major aims: i) Driving the industry as a leading integrated sports club company, and ii) Creating medium- to long-term growth drivers beyond the fitness industry.

[Sports Club Business]

In the sports club business, in terms of new memberships, fitness memberships were generally steady, and in the school division, both swimming and tennis memberships grew at a faster pace than in the previous year. Additionally, we worked to improve the attractiveness of existing facilities, renovating three of them. At Oasis, as part of the efforts to create synergies with the Company, we introduced the Company's operational know-how to junior swimming schools and took advantage of its central location in Tokyo to expand and strengthen corporate membership. On the cost front, heating and lighting expenses were lower than planned; however, overall costs were generally in line with the plan due to increased sales promotion expenses and enhanced enrollment promotions. During the first quarter of the current consolidated fiscal year, net sales of the sports club business increased 40.3% year-on-year to 13,279 million yen, as membership increased at four new facilities opened in the previous fiscal year, Sports Club Renaissance KSC Kanamachi 24, which was taken over and reopened in March 2024, and Oasis. The number of enrolled members stood at 488,599 (including 58,746 online members) at the end of the first quarter of the current fiscal year (up 28.9% year-on-year).

In terms of “strengthening the earnings base and transforming the business structure” and “business succession M&A,” which are the aims of the sports club business under the “2024-2027 Medium-term Management Plan,” we formed a project with Advantage Advisers Inc., a company with which we have a capital and business alliance, to consider measures tailored to the characteristics of the revenue structure of each facility, collect information on business succession and M&A cases that will lead to the enhancement of customer value, and check the surrounding areas of the facilities.

In the BtoG business (community health promotion), leveraging our know-how in operating sports clubs, we held swimming lessons at 57 schools in 33 municipalities to resolve issues surrounding swimming lessons at schools. Additionally, in April, we were entrusted by five public facilities in Saga, Fukuoka, and Ehime prefectures and commenced designated management.

In the BtoB business (health promotion for workers targeting corporate health insurance associations), we continued to expand our support for corporate health promotion measures through our online lesson service “RENAISSANCE Online Livestream” (hereinafter referred to as “ROL”), which is mainly for use by Vitality members of Sumitomo Life Insurance Company (Chuo-ku, Osaka-shi, Osaka). Furthermore, from mid-August, we plan to offer preferential services at our sports clubs and ROL to all policyholders of Aflac Life Insurance Japan Ltd. (Shinjuku-ku, Tokyo).

[Nursing Care and Nursing-care/Medical-related Business]

In the nursing care and nursing-care/medical-related business, net sales for the first quarter of the current consolidated fiscal year were 461 million yen (up 0.2% year-on-year) due to stable user attendance rates at existing facilities, such as “Genki Gym,” a day service focused on rehabilitation, and the smooth response to the revision of nursing care fees for fiscal year 2024. As part of the efforts to expand the number of stores and improve profitability in the future, we are opening new “Genki Gym” business models and preparing to open home nursing stations within sports clubs, and have begun considering M&A in relation to rehabilitation-focused day services. Moreover, in supporting cancer survivors in their rehabilitation, we held online seminars on the themes of “beauty” and “exercise” in collaboration with Shiseido Japan Co., Ltd. in order to provide opportunities for cancer survivors to improve their quality of life.

[Home Fitness Business]

In the home fitness business, online sales of the best-selling “Twist Stepper” series were strong. In addition, the “StylyBall,” a rechargeable vibration ball that allows you to strengthen your adductor muscles while sitting, and the “Air Slimer,” which was developed based on personal stretching at gyms and allows you to stretch your back and stomach area while lying down, were well received, especially through TV shopping. As a result, net sales for the first quarter of the current consolidated fiscal year were 1,129 million yen (an increase of 1,088 million yen from the same period last year). As part of new product development, we also worked to expand sales of “StylyLeg,” a product that provides intensive care for the calves using airbag compression and EMS functions.

New store openings (including outsourced operations and designated management) during the three months ended June 30, 2024 were as follows:

Opening Date	Facility Name	Facility Type
Apr. 2024	Sports Club Renaissance KSC Kanamachi 24 (Katsushika-ku, Tokyo)	Sports club
Apr. 2024	BEACHTOWN OYAMA (Daisen-cho, Saihaku-gun, Tottori)	Outdoor fitness (BEACH TOWN)
Apr. 2024	Karatsu City Public Facility Community Area (Karatsu-shi, Saga)	Entrusted
Apr. 2024	Kasuya-machi General Gymnasium (Kasuya-machi, Kasuya-gun, Fukuoka)	Entrusted
Apr. 2024	Kasuga City Ikiiki Plaza (Kasuga-shi, Fukuoka)	Entrusted
Apr. 2024	Iyo City Shiosai Park (Iyo-shi, Ehime)	Designated management
Apr. 2024	Iyo City Futami Shiokaze Fureai Park (Iyo-shi, Ehime)	Designated management

As a result, the total number of facilities of the Group at the end of the first quarter of the current fiscal year, including the facilities of Oasis and BEACH TOWN Inc., stood at 279, consisting of 219 sports clubs (Renaissance: 107 directly managed facilities, 63 contracted facilities, 4 operation support facilities; Oasis: 32 directly managed facilities, 11 contracted facilities; RENAISSANCE VIETNAM, INC.: 2 directly managed facilities), 2 studio facilities, 44 nursing care rehabilitation facilities (34 directly managed facilities, 10 franchise facilities), and 14 outdoor fitness facilities (5 directly managed facilities, 9 contracted facilities).

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

Opening Date	Facility Name	Facility Type
July 2024	Re PT GYM RENAISSANCE JAPAN Times City (Hanoi, Vietnam)	Personal training gym (Renaissance Vietnam)
July 2024	THE OSAKA STATION HOTEL, Autograph Collection 30F GYM/OFURO (Osaka-shi, Osaka)	Entrusted (Oasis)
September 2024	Renaissance Rehabilitation Station Konandai (Yokohama-shi, Kanagawa)	Nursing rehabilitation (directly managed)
October 2024	CARAPPO Toranomom Hills (Minato-ku, Tokyo)	Entrusted (Oasis)

This information is omitted because the Group's only reportable segment is the "sports club management business."

## (2) Description of Financial Position

Total assets at the end of the first quarter of the current fiscal year rose 1,169 million yen from the end of the previous fiscal year to 54,363 million yen. This was mainly due to an increase in total current assets of 863 million yen, resulting from increases in cash and deposits and other factors, and an increase in total fixed assets of 307 million yen due to increases in property, plant and equipment and other factors.

Total liabilities at the end of the first quarter of the current fiscal year grew 1,146 million yen from the end of the previous fiscal year to 42,915 million yen. This was mainly due to an increase of 1,969 million yen in total current liabilities, resulting from increased short-term borrowings and other factors, while non-current liabilities fell 822 million yen due to a decline in long-term borrowings and lease obligations.

Total net assets at the end of the first quarter of the current fiscal year rose 22 million yen from the end of the previous fiscal year to 11,447 million yen. This was mainly due to an increase of 56 million yen in retained earnings mainly due to the posting of net income attributable to owners of parent company of 198 million yen and the payment of dividends of 142 million yen, and a decrease of 37 million yen in foreign currency translation adjustment, resulting in a decrease of 34 million yen in total accumulated other comprehensive income.

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

The consolidated earnings forecast for the fiscal year ending March 31, 2025, has been revised from that announced on May 10, 2024, for the first half of the consolidated fiscal year. For details, please refer to the "Notice of Revision of Consolidated Earnings Forecast for the Second Quarter of Fiscal Year Ending March 31, 2025" released today.

## 2. Consolidated Quarterly Financial Statements and Primary Notes

## (1) Consolidated quarterly balance sheet

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	6,206,728	7,446,400
Accounts receivable - trade	2,189,035	1,836,299
Commodity	756,560	783,702
Other	1,852,544	1,803,202
Allowance for doubtful accounts	(12,701)	(13,590)
Total current assets	10,992,166	11,856,014
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	8,252,143	8,615,113
Leased assets, net	13,759,415	13,483,587
Other, net	2,693,745	2,795,761
Total property, plant and equipment	24,705,304	24,894,463
Intangible fixed assets	2,112,030	2,048,106
Investments and other assets		
Investment securities	33,685	35,227
Leasehold and guarantee deposits	12,374,658	12,509,079
Other	2,958,358	3,004,722
Total investments and other assets	15,366,701	15,549,028
Total fixed assets	42,184,036	42,491,597
Deferred assets	18,066	15,828
Total assets	53,194,269	54,363,439
<b>Liabilities</b>		
Current liabilities		
Accounts payable - trade	87,888	81,240
Short-term borrowings	2,400,000	4,700,000
Current portion of long-term borrowings	2,343,084	2,304,091
Income taxes payable	403,192	218,927
Provision for bonuses	1,020,464	521,936
Provision for loss on store closings	21,705	21,705
Asset retirement obligations	28,472	24,355
Other	7,202,755	7,604,464
Total current liabilities	13,507,562	15,476,721
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	4,708,637	4,227,116
Lease obligations	15,339,570	15,097,157
Retirement benefit liability	1,363,783	1,357,492
Asset retirement obligations	2,524,289	2,535,898
Other	2,825,372	2,721,223
Total non-current liabilities	28,261,642	27,438,875
Total liabilities	41,769,204	42,915,597

(Thousands of yen)

	As of March 31, 2024	As of June 30, 2024
Net assets		
Shareholders' equity		
Share capital	3,210,356	3,210,356
Capital surplus	5,813,491	5,813,491
Retained earnings	5,131,498	5,188,277
Treasury shares	(2,514,753)	(2,514,753)
Total shareholders' equity	11,640,592	11,697,370
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,348	9,418
Foreign currency translation adjustment	(213,914)	(250,987)
Remeasurements of defined benefit plans	(21,634)	(19,632)
Total accumulated other comprehensive income	(227,201)	(261,201)
Share acquisition rights	11,673	11,673
Total net assets	11,425,064	11,447,842
Total liabilities and net assets	53,194,269	54,363,439



(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated quarterly statement of income  
Three months ended June 30, 2024

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net sales	10,385,261	15,435,108
Cost of sales	9,745,444	14,162,299
Gross profit	639,817	1,272,809
Selling, general and administrative expenses	596,426	900,545
Operating income	43,391	372,264
Non-operating income		
Interest income	2,027	2,067
Foreign exchange gains	83,226	44,287
Share of profit of entities accounted for using equity method	14,809	—
Other	37,693	17,890
Total non-operating income	137,756	64,246
Non-operating expenses		
Interest expenses	129,422	184,718
Other	12,137	9,775
Total non-operating expenses	141,559	194,494
Ordinary income	39,587	242,016
Extraordinary income		
Gain on sale of non-current assets	—	28
Total extraordinary income	—	28
Extraordinary losses		
Loss on retirement of non-current assets	1,504	14,184
Other	478	464
Total extraordinary losses	1,983	14,649
Net income before income taxes	37,604	227,395
Income taxes - current	38,180	167,541
Income taxes - deferred	(75,478)	(139,142)
Total income taxes	(37,297)	28,399
Net income	74,902	198,996
Net income attributable to owners of parent company	74,902	198,996

Consolidated quarterly statement of comprehensive income  
Three months ended June 30, 2024

(Thousands of yen)

	Three months ended June 30, 2023	Three months ended June 30, 2024
Net income	74,902	198,996
Comprehensive income		
Valuation difference on available-for-sale securities	1,149	1,070
Foreign currency translation adjustment	(78,218)	(37,072)
Remeasurements of defined benefit plans, net of tax	1,985	2,002
Total other comprehensive income	(75,082)	(34,000)
Comprehensive income	(180)	164,996
(Breakdown)		
Comprehensive income attributable to owners of parent company	(180)	164,996
Comprehensive income attributable to non-controlling interests	—	—

(3) 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.

(Notes to Segment Information)

[Segment Information]

This information is omitted because the Group's only reportable segment is the "sports club management business."

(Notes to Statement of Cash Flows)

We have not prepared a quarterly consolidated statement of cash flows for the three months ended June 30 of the current fiscal year. Depreciation (including amortization related to intangible assets except goodwill) and amortization of goodwill for the three months ended June 30 of the current fiscal year are as follows:

	Three months ended June 30, 2023	Three months ended June 30, 2024
Depreciation	542,483 thousand yen	691,394 thousand yen
Amortization of goodwill	3,654 thousand yen	33,315 thousand yen