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Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under Japanese GAAP)

May 9, 2025

Company name:	RENAISSANCE, incorporated
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	2378
URL:	https://www.s-renaissance.co.jp/
Representative:	Misao Mochizuki, Representative Director, and Corporate Officer
Contact:	Yoshitsugu Anzawa, Senior Managing Director, Chief Financial Officer
TEL:	+81-3-5600-7811
Scheduled date for ordinary general meeting of shareholders:	June 26, 2025
Scheduled date for dividend payment:	June 11, 2025
Scheduled date for submission of securities report:	June 26, 2025
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes

(Amounts of less than one million yen are rounded down.)

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (from April 01, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent company	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2025	63,737	46.1	1,946	54.3	1,224	117.4	766	21.0
March 31, 2024	43,627	7.0	1,261	85.4	563	81.0	633	-

(Note) Comprehensive income: Fiscal year ending March 2025: 894 million yen (54.3%) Fiscal year ended March 2024: 579 million yen (-%)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Net sales Operating income ratio
	Yen	Yen	%	%	%
Fiscal year ended March 31, 2025	39.48	34.26	6.5	2.3	3.1
March 31, 2024	32.46	30.48	5.7	1.2	2.9

(Reference) Investment profit (loss) on equity method For the fiscal year ending March 2025: - million yen; For the fiscal year ended March 2024: (323) million yen

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of March 31, 2025	55,435	12,118	21.8	534.87
March 31, 2024	53,186	11,425	21.5	498.38

(Reference) Owner's equity Fiscal year ending March 2025: 12,106 million yen Fiscal year ended March 2024: 11,413 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended March 31, 2025	3,510	(3,158)	1,086	7,680
March 31, 2024	4,831	(4,520)	436	6,211

(Note) In the current consolidated fiscal year, the provisional accounting treatment related to business combinations has been finalized, and the figures for the previous consolidated fiscal year in "1. Consolidated Results for the Fiscal Year Ending March 2025" reflect the finalized content of the provisional accounting treatment.

2. Cash dividends

	Annual dividend					Total dividends (aggregate)	Payout ratio (Consolidated)	Ratio of dividends to net assets (consolidated)
	At the end of the first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2024	-	3.00	-	7.00	10.00	188	30.8	2.1
Fiscal year ended March 31, 2025	-	3.00	-	9.00	12.00	226	30.4	2.3
Fiscal year ending March 31, 2026 (Forecast)	-	4.00	-	9.00	13.00		29.6	

(Note) The above "Cash dividends" refer to cash dividends for common stock. For cash dividends on other classes of shares (unlisted) with different rights from our common stock, please refer to "Cash dividends for classes of shares" below.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to March 31, 2026)

(Percentages indicate YoY changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent company		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Six months ending September 30, 2025	32,500	3.6	500	(42.8)	100	(78.7)	10	(95.5)	0.00
Fiscal year ending March 31, 2026	67,000	5.1	2,200	13.0	1,400	14.3	850	11.0	43.92

* Notes

- (1) Significant changes in the scope of consolidation during the period : None
- (2) Changes in accounting policies, Changes in accounting estimates, Retrospective restatement
- (i) Changes in accounting policies based on revisions of accounting standard : None
- (ii) Changes in accounting policies other than (i) above : None
- (iii) Changes in accounting estimates : None
- (iv) Retrospective restatement : None
- (3) Number of shares issued (common stock)

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

As of March 31, 2025	21,379,000 shares
As of March 31, 2024	21,379,000 shares

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

As of March 31, 2025	2,482,987 shares
As of March 31, 2024	2,490,706 shares

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

Fiscal year ended March 31, 2025	18,893,603 shares
Fiscal year ended March 31, 2024	18,888,294 shares

(Reference) Overview of Non-consolidated Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2025 (from April 01, 2024 to March 31, 2025)

(1) Non-consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating income		Ordinary income		Net income	
Fiscal year ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
March 31, 2025	45,342	5.3	1,154	(8.7)	390	(52.2)	389	(34.0)
March 31, 2024	43,048	7.0	1,264	71.6	817	170.4	589	-
	Basic earnings per share		Diluted earnings per share					
Fiscal year ended	Yen		Yen					
March 31, 2025	19.55		17.64					
March 31, 2024	30.16		28.36					

(2) Non-consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2025	49,770	11,660	23.4	510.64
March 31, 2024	47,205	11,466	24.3	500.57

(Reference) Owner's equity For the fiscal year ending March 31, 2025: 11,648 million yen For the fiscal year ended March 31, 2024: 11,454 million yen

* Financial results reports are not subject to audits by certified public accountants or audit corporations.

* Notes regarding the appropriate use of forecasts and other special items

(1) The forward-looking statements such as performance forecasts contained in this document are based on information available to the Company and on certain assumptions deemed reasonable. Actual results may differ due to various factors. For the conditions underlying the forecasts and notes on the use of forecasts, please refer to page 1 of the Financial Results (Attached Materials), "1. Overview of Operating Results, etc." (2) The Company plans to hold a briefing session for institutional investors, analysts, and the media on May 12, 2025. The presentation materials to be distributed at this briefing are scheduled to be posted on the Company's website.

(Reference) Cash dividends for class shares

The breakdown of dividend per share for common stock and other classes of shares with different rights is as follows.

	Annual dividend				
	At the end of the first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total
Class A Shares	Yen sen	Yen sen	Yen sen	Yen sen	Yen sen
Fiscal year ended March 2024	-	4.78	-	4.78	9.56
Fiscal year ending March 2025	-	4.78	-	4.78	9.56
Fiscal year ending March 31, 2026 (Forecast)	-	4.78	-	4.78	9.56

Table of Contents of Attached Materials

1. Overview of Operating Results, etc.	2
(1) Overview of operating results for the period	2
(2) Overview of Financial Positions for the Period	4
(3) Overview of Cash Flows for the Period	4
(4) Future Outlook	5
2. Basic policy regarding the selection of accounting standards	6
3. Consolidated Financial Statements and Main Notes	7
(1) Consolidated Balance Sheet	7
(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Profit or Loss	10
Consolidated Statement of Comprehensive Income	11
(3) Consolidated Statement of Changes in Equity	11
(4) Consolidated Statement of Cash Flows	13
(5) Notes to Consolidated Financial Statements	15
(Notes on Going Concern Assumption)	15
(Matters related to business combinations, etc.)	15
(Segment Information, etc.)	15
(Per share information)	16
(Significant Subsequent Events)	17

1. Overview of Operating Results, etc.

(1) Overview of operating results for the period

During the fiscal year under review, in addition to the steady increase in the number of Sports club members, net sales exceeded the plan due to strong sales of home fitness equipment in the home fitness business of Sports Oasis Co., Ltd. (hereinafter referred to as "Oasis"), which became a wholly owned consolidated subsidiary at the end of the previous fiscal year. On the cost side, profits at each stage were generally close to the plan, as heating and lighting expenses were controlled through company-wide energy-saving measures and government support for electricity and gas charges. As a result, the consolidated results for the fiscal year were as follows: net sales of 63,737 million yen (up 46.1% YoY), operating income of 1,946 million yen (up 54.3% YoY), ordinary income of 1,224 million yen (up 117.4% YoY), and net income attributable to owners of parent company of 766 million yen (up 21.0% YoY). Please note that although our group integrated Oasis as of March 31, 2024, the allocation of the acquisition cost (PPA) for Oasis was completed during the fiscal year under review, and the figures used for comparison with the previous year reflect the PPA. For details, please refer to "3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements (Business Combinations, etc.)." In addition, our group merged with Oasis on April 1, 2025. Going forward, under the new management structure as "New Renaissance," we will aim to achieve discontinuous growth.

Under our corporate philosophy of being a "company for creating purpose in life (ikigai in Japanese)," our group has set a long-term vision to become a "health solution company that enriches the 100-year life span." We are committed to business activities that enable people to live fulfilling lives with both physical and mental health and a sense of purpose at every stage of life. In May 2024, we formulated the "2024-2027 Medium-Term Management Plan," positioning (i) leading the industry as a comprehensive sports club company and (ii) creating medium- to long-term growth drivers that go beyond the boundaries of the fitness industry as key themes.

< Sports Club Business />

In the Sports Club business, we enhanced our facilities such as gyms, studios, pools, and bathing facilities, while leveraging our strengths in providing a comfortable environment, exercise guidance by staff, and community building to support the health of a wide range of generations. During the fiscal year under review, the number of new members at existing facilities remained steady, and a new membership plan for Monthly Corporate Members, a membership category for employees or members of companies and health insurance associations, was particularly well received. In addition, the net increase in facilities contributed to the business, including four new facilities opened in the previous fiscal year, the business succession of "Sports Club Sauna Spa Renaissance KSC Kanamachi 24" (Katsushika-ku, Tokyo) in March 2024, and Oasis-operated facilities. As a result, net sales in the Sports Club business for the fiscal year ended were 53,217 million yen (up 35.3% YoY), and the number of enrolled members was 500,126 (including 68,398 online members) (up 26.6% YoY).

<Health promotion business for local governments and municipalities/>

In the BtoG sector (community health promotion), where we leverage our expertise in sports club management, demand has increased due to factors such as the aging of pools, the need to reduce the burden on teachers, and the rise in extremely hot days. As a result, we received more contracts for school swimming classes. In addition, during the fiscal year under review, we entered into agreements with nine municipalities regarding the promotion of health among local residents and the use of our facilities in times of disaster, thereby strengthening our collaboration. Furthermore, in the "Demonstration Experiment for Fall Accident Prevention Using Balance Balls," conducted in cooperation with Fukuoka City and utilizing balance balls planned, designed, and developed by Oasis, we were awarded the highest Gold Prize in the Service Industry Inter-company Collaboration category of the "SAFE Award" by the Ministry of Health, Labour and Welfare, which recognizes outstanding initiatives for creating safe and healthy workplaces. In the revitalization of health promotion hubs through public-private partnership (PPP) projects (hereinafter referred to as "PPP projects"), seven new facilities were added, including the "Kagawa Prefectural Arena" (Takamatsu City, Kagawa Prefecture), for which we began operating the training room in March 2025.

<Health promotion business for corporations and health insurance associations/>

In the BtoB segment (health promotion for employees of corporations and health insurance associations), we focused on providing services to corporate clients, mainly through the use of Sumitomo Life Insurance Company's Vitality members and the online lesson service "RENAISSANCE Online Livestream" (hereinafter referred to as "ROL"). In addition, we launched the online health service "Smart Action," which supports the implementation of corporate health management by improving health literacy, for corporations and health insurance associations.

<Nursing care and medical-related business/>

In the nursing care and medical-related business, as an initiative in which the sports club and home-visit nursing station work together to contribute to community health promotion, we opened "Sports Club Renaissance Konandai 24" and "Renaissance Rehabilitation Station Konandai" (Yokohama City, Kanagawa Prefecture) within the same facility in September. In addition, to expand the business of the rehabilitation-focused day service "Genki Gym," we newly opened two facilities as part of a dominant strategy in the Kamakura and Yokohama areas: "Renaissance Genki Gym Ofuna Okamoto" (Kamakura City, Kanagawa Prefecture) in October and "Renaissance Genki Gym Yayoidai" (Yokohama City, Kanagawa Prefecture) in November.

Furthermore, with the aim of supporting rehabilitation for cancer survivors, we held multiple online seminars to improve QOL. In addition, we strengthened the training and certification program for "Osaka International Cancer Center Certified Cancer Exercise Specialists" (hereinafter referred to as "Cancer Exercise Specialists"). As of the end of the fiscal year, we had assigned 154 Cancer Exercise Specialists to 67 of our sports club facilities and 7 nursing care rehabilitation facilities. As a result, net sales in the nursing care and medical-related business for the fiscal year ended amounted to 2,032 million yen (an increase of 4.9% YoY).

<Home Fitness Business/>

In the Home Fitness business, internet sales of the popular 'Twist Stepper' series of home exercise equipment remained strong, and sales of vibration-type merchandise such as the 'Styley Ball,' which allows users to train their adductor muscles while seated, also performed well. As a result, net sales in the Home Fitness business for the fiscal year ended amounted to 4,837 million yen (an increase of 4,667 million yen from the previous year). In addition, on Rakuten Ichiba, where Oasis operates a store, many merchandise items were well received, and the company won the Sports Category Award at the 'Rakuten Shop of the Year 2024.'

Newly opened and closed stores during the fiscal year (including Contracted business and Designated management) are as follows.

Store opening/establishment Date	Facility Name	Facility Type
April 2024	Sports Club & Sauna Spa Renaissance KSC Kanamachi 24 (Katsushika-ku, Tokyo)	Sports club
April 2024	BEACHTOWN Daisen (Daisen-cho, saihaku-gun, Tottori)	outdoor fitness (directly operated)
April 2024	Karatsu City Public Facility Community Area (Karatsu City, Saga)	Entrusted management
April 2024	Kasuya-machi General Gymnasium (Kasuya-machi, kasuya-gun, Fukuoka)	Entrusted management
April 2024	Kasuga City Ikiiki Plaza (Kasuga City, Fukuoka)	Entrusted management
April 2024	Iyo City Shiosai Park (Iyo City, Ehime)	Designated management
April 2024	Iyo City Futami Shiokaze Fureai Park (Iyo City, Ehime)	Designated management
July 2024	Re PT GYM RENAISSANCE JAPAN Times City (Hanoi, Vietnam)	Personal training gym (directly operated)
July 2024	THE OSAKA STATION HOTEL, Autograph Collection 30F GYM/OFURO (Osaka City, Osaka)	Entrusted management (Oasis)
September 2024	Renaissance Rehabilitation Station Konandai (Yokohama City, Kanagawa)	Nursing and rehabilitation (directly managed)
October 2024	Renaissance Genki Gym Ofuna-okamoto (Kamakura City, Kanagawa)	Nursing and rehabilitation (directly managed)
October 2024	CARAPPO Toranomom Hills (Minato-ku, Tokyo)	Entrusted management (Oasis)
November 2024	Renaissance Genki Gym Yayoidai (Yokohama-shi, Kanagawa)	Nursing and rehabilitation (directly managed)
November 2024	Gym Renaissance Higashi-Azuma 24 (Sumida-ku, Tokyo)	Sports club
March 2025	Kagawa Prefectural Arena (Takamatsu City, Kagawa)	Entrusted management

Store closure/termination of consignment Date	Facility Name	Facility Type
February 2025	BETTER BODIES HI AOYAMA (Minato-ku, Tokyo)	Studio
February 2025	Spa & Fitness Renaissance Ario Sapporo (Sapporo City, Hokkaido)	Sports club
March 2025	Community Park Yashio (Yashio City, Saitama)	outdoor fitness (directly operated)
March 2025	PARKERS TOKYO (Shinjuku-ku, Tokyo)	outdoor fitness (Entrusted management)
March 2025	Outdoor Fitness Edogawa (Edogawa-ku, Tokyo)	outdoor fitness (Entrusted management)

As a result, at the end of the fiscal year, the number of facilities operated by our group was 285, consisting of 222 sports clubs (Renaissance: 108 directly operated, 63 contracted business, 4 operation support; Oasis: 32 directly operated, 13 contracted business; RENAISSANCE VIETNAM, INC.: 2 directly operated), 2 small-format facilities (Renaissance: 1 directly operated; RENAISSANCE VIETNAM, INC.: 1 directly operated), 47 nursing care rehabilitation facilities (37 directly operated, 10 franchised), and 14 outdoor fitness facilities (5 directly operated, 9 contracted business).

As our group has only one reportable segment, the 'Sports club operation business,' segment performance is not disclosed.

(2) Overview of Financial Positions for the Period

(i) Assets

At the end of the current consolidated fiscal year, total assets increased by 2,249 million yen compared to the end of the previous consolidated fiscal year, reaching 55,435 million yen. This was mainly due to an increase of 1,601 million yen in total current assets, primarily resulting from an increase in cash and deposits, and an increase of 656 million yen in total non-current assets, which was attributable to an increase of 841 million yen in property, plant and equipment, partially offset by a decrease of 220 million yen in intangible fixed assets.

(ii) Liabilities

At the end of the current consolidated fiscal year, total liabilities increased by 1,555 million yen compared to the end of the previous consolidated fiscal year, reaching 43,317 million yen. This was mainly due to an increase in total current liabilities by 2,078 million yen as a result of an increase in short-term borrowings, while non-current liabilities decreased by 522 million yen due to a decrease in lease obligations, among other factors.

(iii) Net assets

At the end of the current consolidated fiscal year, total net assets increased by 693 million yen compared to the end of the previous consolidated fiscal year, reaching 12,118 million yen. This was mainly due to the recording of net income attributable to owners of parent company of 766 million yen and the payment of dividends of 280 million yen, resulting in an increase in retained earnings of 557 million yen.

In addition, as a result of finalizing the provisional accounting treatment for business combinations, the figures for the previous consolidated fiscal year reflect the amounts after the initial allocation of acquisition cost has been reviewed. For details, please refer to "3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements (Matters Related to Business Combinations, etc.)."

(3) Overview of Cash Flows for the Period

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year increased by 1,468 million yen compared to the end of the previous fiscal year, amounting to 7,680 million yen.

The cash flows at the end of the fiscal year and their factors are as follows.

(i) Cash flows from operating activities

For the fiscal year, 3,510 million yen (previous fiscal year: 4,831 million yen)

Funds provided by operating activities amounted to 3,510 million yen (a decrease of 27.3% compared to the previous fiscal year). This was mainly due to income before income taxes of 1,020 million yen (an increase of 49.4% YoY), depreciation of 3,133 million yen (an increase of 29.8% YoY), an increase in accrued consumption taxes of 379 million yen (an increase of 39.1% YoY), and

payment of income taxes of 444 million yen.

(ii) Cash flows from investing activities

For the fiscal year ended March 31, 2024 - 3,158 million yen (For the previous fiscal year ended March 31, 2023 - 4,520 million yen)

Net cash used in investing activities was 3,158 million yen (a decrease of 30.1% compared to the previous fiscal year). This was mainly due to purchase of property, plant and equipment of 3,194 million yen (an increase of 42.2% YoY), payments for leasehold deposits and guarantee money of 489 million yen (a decrease of 18.0% YoY), and proceeds from collection of leasehold deposits and guarantee money of 553 million yen (an increase of 234.1% YoY).

(iii) Cash flows from financing activities

For the fiscal year ended, 1,086 million yen (Previous fiscal year: 436 million yen)

Funds provided by financing activities amounted to 1,086 million yen (an increase of 149.1% compared to the previous fiscal year). This was mainly due to proceeds from long-term borrowings of 3 billion yen (a decrease of 11.8% YoY), a net increase in short-term borrowings of 1.8 billion yen, repayments of long-term borrowings of 2,513 million yen (an increase of 9.1% YoY), and repayments of lease liabilities of 999 million yen (an increase of 33.7% YoY).

(Reference) Trends in cash flow-related indicators

	Fiscal year ended March 31, 2023	Fiscal year ended March 31, 2024	Fiscal year ending March 31, 2025 (current consolidated fiscal year)
Equity ratio (%)	26.0	21.5	21.8
Equity ratio based on market value (%)	41.5	36.6	35.7
Debt redemption period (years)	14.0	5.7	8.2
Operating revenue Interest coverage ratio (times)	1.5	2.2	2.6

(Note) 1. All indicators are calculated on a consolidated basis using the following formulas.

• Equity ratio: Owner's equity / Total assets

Market value-based Equity ratio: Market capitalization / Total assets

Debt redemption years: Interest-bearing liabilities / Operating cash flow

• Operating revenue interest: (Operating income + Interest income + Dividend income) / Interest expenses

Coverage Ratio

2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period (after deduction of treasury shares).

3. Interest-bearing liabilities include convertible-bond-type bonds with share acquisition rights, as well as short-term and long-term borrowings, which are recorded on the consolidated balance sheet.

and Lease obligations are included. Operating cash flows are based on the operating activities section of the consolidated statement of cash flows.

We are using cash flows from operating activities. Also, with regard to interest expenses, please refer to the consolidated statement of income.

We are using interest expenses.

(4) Future Outlook

Regarding the future outlook, while improvements in wages and employment conditions are expected to continue and domestic demand such as personal consumption is projected to increase, concerns remain about a potential deterioration of the global economy due to tariff hikes in the United States and a full-scale labor shortage, making the outlook uncertain.

In the fitness industry, as the rapid progression of the declining birthrate and aging population makes the extension of healthy life expectancy a critical national issue, expectations for fitness clubs are rising as venues for promoting health through exercise and participation in communities.

Under these circumstances, our group, together with the former Oasis staff who joined us through the merger, will promote the following key initiatives to achieve the "2024-2027 Medium-Term Management Plan" formulated in May 2024.

In the sports club business, we will aim to improve profitability by making capital investments and reviewing membership fees in accordance with the market environment and characteristics of each facility.

At the former Oasis facilities, we are working to attract corporate monthly corporate members by leveraging the central urban locations. In addition, we aim to expand our membership base and improve quality by introducing junior swimming schools—utilizing our expertise in school operations—at facilities that previously targeted only adults, as well as by implementing the "Smart Swimming Lesson" ICT solution for swimming schools at existing facilities.

In addition, when making decisions regarding new store openings and contract renewals for facilities, we will utilize an ROIC perspective suitable for our business and conduct management with a focus on capital cost.

In the BtoG domain (community health promotion), where we leverage our expertise in sports club management, we are working on developing merchandise and establishing a delivery system to address local health issues. We aim to increase the number of contracts for services such as school swimming classes and preventive care programs. In addition, to expand our PPP business, we will strengthen our management system by recruiting and developing personnel with expertise in PPP.

In the BtoB segment (health promotion for employees of corporations and health insurance associations), we will strengthen support for health management and employee health promotion by collaborating with companies on health initiatives through ROL and Smart Action, expanding corporate membership, and encouraging the use of sports clubs.

In the nursing care and medical-related business, we will work to maintain and improve the profitability of our directly operated existing facilities, while also strengthening proposals for solutions that lead to the acquisition of functional additions for other nursing care providers, and advancing the development of new business models.

In the home fitness business, we provide the enjoyment of easily exercising at home to approximately 96% of the domestic population who do not attend sports clubs. Going forward, we will combine the merchandise development capabilities of the home fitness business with our expertise in nursing care rehabilitation facilities to establish merchandise development and promotional methods targeting the senior demographic.

As a result of the above initiatives, for the consolidated forecasts for the fiscal year ending March 2026, we expect net sales of 67 billion yen (up 5.1% YoY), operating income of 2.2 billion yen (up 13.0% YoY), ordinary income of 1.4 billion yen (up 14.3% YoY), and net income attributable to owners of parent company of 850 million yen (up 11.0% YoY).

In addition, from April 2025 onward, we plan to open new facilities and undertake new management contracts as shown in the table below.

Store/Facility Opening Date	Facility Name	Facility Type
April 2025	Sports Club & Sauna Spa Renaissance Higashi Sapporo 24 (Sapporo City, Hokkaido)	Sports club
April 2025	Higashiyamato City Sports Facilities, etc. (6 facilities in total) (Higashiyamato City, Tokyo)	Designated management
April 2025	Kitakyushu City Aso Sports Center (Kitakyushu City, fukuoka)	Designated management
April 2025	Nago City B (Nago City, Okinawa)	Designated management
May 2025	Renaissance Genki Gym Higashikurume (Higashikurume City, Tokyo)	Nursing rehabilitation (directly managed)
June 2025	Renaissance Genki Gym Mejirodai (Bunkyo-ku, Tokyo)	Nursing rehabilitation (directly managed)
July 2025	(New) Fuchu City B (Fuchu City, Hiroshima)	Designated management
July 2025	Sports Club & Sauna Spa Renaissance Vierra Meimai 24 (Kobe City, Hyogo)	Sports club

2. Basic policy regarding the selection of accounting standards

Our group, taking into consideration the comparability of consolidated financial statements over periods and among companies, intends to prepare consolidated financial statements based on Japanese GAAP for the time being.

Regarding the application of International Financial Reporting Standards, we intend to respond appropriately while taking into consideration both domestic and international circumstances.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	6,206,728	7,680,354
Notes receivable - trade	6,898	28,085
Accounts receivable - trade	2,189,035	2,379,089
Investments in leases	24,569	25,196
Merchandise	756,560	803,643
Supplies	48,228	114,747
Other	1,770,061	1,572,960
Allowance for doubtful accounts	(12,701)	(12,918)
Total current assets	10,989,380	12,591,159
Non-current assets		
Property, plant and equipment		
Buildings and structures	23,046,256	24,671,021
Accumulated depreciation	(14,853,124)	(15,579,293)
Buildings and structures, net	8,193,132	9,091,727
Machinery, equipment and vehicles	2,656,968	2,884,685
Accumulated depreciation	(2,188,418)	(2,232,825)
Machinery, equipment and vehicles, net	468,550	651,860
Tools, furniture and fixtures	5,065,056	5,599,487
Accumulated depreciation	(4,027,078)	(4,346,688)
Tools, furniture and fixtures, net	1,037,978	1,252,799
Land	1,126,458	1,162,887
Leased assets	19,812,710	20,232,249
Accumulated depreciation	(6,053,295)	(7,161,879)
Leased assets, net	13,759,415	13,070,369
Construction in progress	60,758	257,719
Total property, plant and equipment	24,646,293	25,487,364
Intangible fixed assets		
Goodwill	967,399	883,132
Customer-related intangible assets	691,000	592,285
Other	507,717	487,711
Total intangible fixed assets	2,166,116	1,963,129
Investments and other assets		
Investment securities	33,685	42,198
Long-term loans receivable	420,733	410,174
Leasehold and guarantee deposits	12,374,658	12,317,705
Deferred tax assets	1,886,503	1,973,577
Other	651,120	641,170
Total investments and other assets	15,366,701	15,384,826
Total non-current assets	42,179,111	42,835,321
Deferred assets		
Share issuance costs	13,566	5,814
Bond issuance costs	4,500	3,300

Total deferred assets	18,066	9,114
Total assets	53,186,557	55,435,594

(Unit: Thousands of yen)

	As of March 31, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	87,888	133,128
Short-term borrowings	2,400,000	4,200,000
Current portion of long-term borrowings	2,343,084	2,220,584
Lease obligations	998,157	991,963
Accounts payable	2,574,993	2,608,396
Income taxes payable	403,192	502,376
Advances from customers	624,881	476,828
Provision for bonuses	1,020,464	1,131,581
Provision for directors' bonuses	19,467	31,332
Provision for loss on store closings	21,705	-
Asset retirement obligations	28,472	-
Other	2,985,257	3,289,821
Total current liabilities	13,507,562	15,586,013
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	4,708,637	5,318,053
Lease obligations	15,339,570	14,781,738
Deferred tax liabilities	162,178	-
Retirement benefit liability	1,363,783	1,248,756
Asset retirement obligations	2,389,483	2,407,034
Other	2,790,098	2,475,510
Total non-current liabilities	28,253,739	27,731,080
Total liabilities	41,761,302	43,317,093
Net assets		
Shareholders' equity		
Share capital	3,210,356	3,210,356
Capital surplus	5,813,491	5,813,447
Retained earnings	5,131,689	5,688,784
Treasury shares	(2,514,753)	(2,506,960)
Total shareholders' equity	11,640,783	12,205,628
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,348	14,256
Foreign currency translation adjustment	(213,914)	(183,224)
Remeasurements of defined benefit plans	(21,634)	70,167
Total accumulated other comprehensive income	(227,201)	(98,800)
Share acquisition rights	11,673	11,673
Total net assets	11,425,255	12,118,500
Total liabilities and net assets	53,186,557	55,435,594

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income

Consolidated Statement of Profit or Loss

(Unit: Thousands of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	For the fiscal year ending March 31, 2025
Net sales	43,627,212	63,737,043
Cost of sales	39,961,151	58,058,571
Gross profit	3,666,061	5,678,472
Selling, general and administrative expenses	2,404,672	3,731,614
Operating income	1,261,388	1,946,858
Non-operating income		
Interest income	8,192	11,325
Dividend income	175	203
Foreign exchange gains	76,940	-
Gain on transfer and leaseback	10,316	10,320
Commission income	1,669	275
Compensation income	80,000	12,327
Government grant income	11,561	19,972
Other	53,100	53,872
Total non-operating income	241,956	108,296
Non-operating expenses		
Interest expenses	579,811	755,589
Foreign exchange losses	-	50,998
Share of loss of investments accounted for using equity method	323,300	-
Others	36,755	23,612
Total non-operating expenses	939,867	830,199
Ordinary income	563,478	1,224,954
Extraordinary income		
Gain on sale of non-current assets	-	28
Gain on step acquisitions	298,318	-
Gain on receipt of donated non-current assets	-	158,855
Total extraordinary income	298,318	158,884
Extraordinary losses		
Loss on retirement of non-current assets	14,646	47,156
Impairment losses	149,738	281,220
Provision for loss on store closings	21,705	-
Loss on abandonment of goods	-	49,815
Others	4,471	2,742
Total extraordinary losses	190,562	380,934
Net income before income taxes	671,234	1,002,905
Income taxes - current	165,118	530,177
Income taxes - deferred	(127,026)	(293,272)
Total income taxes	38,091	236,904
Net income	633,143	766,000
Net income attributable to owners of parent company	633,143	766,000

Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	For the fiscal year ending March 31, 2025
Net income	633,143	766,000
Other comprehensive income		
Valuation difference on available-for-sale securities	3,501	5,908
Foreign currency translation adjustment	(68,270)	30,690
Remeasurements of defined benefit plans, net of tax	11,144	91,802
Total other comprehensive income	(53,624)	128,400
Comprehensive income	579,518	894,401
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	579,518	894,401
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity

Previous fiscal year (from April 1, 2023 to March 31, 2024)

(Unit: Thousands of yen)

	Shareholders' equity					Total net assets
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Balance at the beginning of the period	3,210,356	5,813,491	4,644,051	(2,514,753)	11,153,145	
Changes during period						
Cash dividends			(145,505)		(145,505)	
Net income attributable to owners of parent company			633,143		633,143	
Changes during period (net) for items other than shareholders' equity						
Total changes during period	-	-	487,637	-	487,637	
Balance at end of period	3,210,356	5,813,491	5,131,689	(2,514,753)	11,640,783	
	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance of the period	4,846	(145,643)	(32,779)	(173,576)	11,673	10,991,242
Changes during period						
Cash dividends						(145,505)
Net income attributable to owners of parent company						633,143
Changes during period (net) for items other than shareholders' equity	3,501	(68,270)	11,144	(53,624)		(53,624)
Total changes during period	3,501	(68,270)	11,144	(53,624)	-	434,013
Balance at end of period	8,348	(213,914)	(21,634)	(227,201)	11,673	11,425,255

For the fiscal year ending March 31, 2025

(Unit: Thousands of yen)

	Shareholders' equity
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	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity	
Beginning balance of the period	3,210,356	5,813,491	5,131,689	(2,514,753)	11,640,783	
Changes during period						
Cash dividends			(208,905)		(208,905)	
Net income attributable to owners of parent company			766,000		766,000	
Treasury shares sold		(43)		7,793	7,749	
Changes during period (net) for items other than shareholders' equity						
Total changes during period	-	(43)	557,095	7,793	564,845	
Balance at end of period	3,210,356	5,813,447	5,688,784	(2,506,960)	12,205,628	
	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Beginning balance of the period	8,348	(213,914)	(21,634)	(227,201)	11,673	11,425,255
Changes during period						
Cash dividends						(208,905)
Net income attributable to owners of parent company						766,000
Treasury shares sold						7,749
Changes during period (net) for items other than shareholders' equity	5,908	30,690	91,802	128,400		128,400
Total changes during period	5,908	30,690	91,802	128,400	-	693,245
Balance at end of period	14,256	(183,224)	70,167	(98,800)	11,673	12,118,500

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	For the fiscal year ending March 31, 2025
Cash flows from operating activities		
Net income before income taxes	671,234	1,002,905
Depreciation	2,414,720	3,133,516
Amortization of goodwill	14,619	84,266
Impairment losses	149,738	281,220
Increase (decrease) in liabilities for retirement benefits	26,455	18,190
Increase (decrease) in long-term accounts payable (- indicates decrease)	565,859	(113,843)
Increase (decrease) in provision for bonuses	120,139	122,982
Increase (decrease) in provision for loss on store closings	21,705	(21,705)
Loss (gain) on sale of fixed assets	-	(28)
Gain on receipt of donated non-current assets	-	(158,855)
Loss on retirement of non-current assets	14,646	47,156
Interest income and dividends income	(8,367)	(11,528)
Interest expenses	579,811	755,589
Share of loss (profit) of investments accounted for using the equity method	323,300	-
Loss (gain) on step acquisitions	(298,318)	-
Decrease (increase) in trade receivables	(150,946)	(211,240)
(Increase) decrease in inventories	(52,186)	(113,602)
Decrease (increase) in prepaid expenses	(7,253)	(79,761)
Increase (decrease) in trade payables	2,396	45,240
Increase (decrease) in accounts payable (negative indicates decrease)	116,857	33,391
Increase (decrease) in accrued expenses	181,828	(51,035)
Increase (decrease) in advances received	26,599	(148,052)
Decrease (increase) in consumption taxes refund receivable	337,793	-
Increase (decrease) in accrued consumption taxes	273,030	379,856
Others	(120,254)	(284,857)
Subtotal	5,203,409	4,709,803
Interest and dividends received	290	3,774
Interest paid	(581,477)	(758,219)
Income taxes refund (paid)	209,583	(444,996)
Cash flows from operating activities	4,831,805	3,510,362

(Unit: Thousands of yen)

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	For the fiscal year ending March 31, 2025
Cash flows from investing activities		
Purchase of property and equipment	(2,247,150)	(3,194,427)
Proceeds from sales of property and equipment	-	28
Purchase of intangible assets	(265,169)	(233,838)
Payments of leasehold and guarantee deposits	(597,209)	(489,823)
Proceeds from refund of leasehold and guarantee deposits	165,723	553,762
Long-term loan advances	-	(39,411)
Collection of long-term loans receivable	68,275	59,674
Payment for acquisition of subsidiaries resulting in change in scope of consolidation	(1,622,901)	-
Proceeds from adjustment of acquisition cost of subsidiaries' shares	-	218,727
Other	(21,768)	(33,611)
Cash flows from investing activities	(4,520,199)	(3,158,918)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(600,000)	1,800,000
Proceeds from long-term borrowings	3,400,000	3,000,000
Repayment of long-term borrowings	(2,303,084)	(2,513,084)
Repayments of lease liabilities	(747,322)	(999,540)
Proceeds from disposal of treasury shares	-	7,749
Cash dividends paid	(145,267)	(208,893)
Proceeds from sale and leaseback transactions	831,732	-
Cash flows from financing activities	436,057	1,086,231
Effect of exchange rate change on cash and cash equivalents	(68,270)	30,690
Increase (decrease) in cash and cash equivalents	679,393	1,468,365
Cash and cash equivalents at the beginning of the period	5,532,596	6,211,989
Cash and cash equivalents at end of the period	6,211,989	7,680,354

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable items.

(Business Combinations and Related Matters)

Finalization of provisional accounting treatment for business combinations

Provisional accounting treatment was applied in the previous consolidated fiscal year for the business combination with Tokyu Sports Oasis Inc. that took place on March 31, 2024, but the accounting has been finalized in the current consolidated fiscal year.

With the finalization of this provisional accounting treatment, significant revisions to the initial allocation of acquisition cost have been reflected in the comparative information included in the consolidated financial statements for the fiscal year.

As a result, the provisional amount of goodwill, 1,542 million yen, decreased by 636 million yen due to the finalization of accounting treatment, resulting in a balance of 905 million yen.

The decrease in goodwill was mainly due to an increase of 691 million yen in customer-related intangible assets and 126 million yen in deferred tax liabilities, as well as a decrease of 59 million yen in property, plant and equipment and 134 million yen in asset retirement obligations.

Also, the impact on the consolidated statement of income and consolidated statement of comprehensive income for the previous fiscal year is immaterial.

The amortization period for goodwill is 13 years, and the amortization period for customer-related intangible assets allocated other than goodwill is 7 years.

(Segment Information, etc.)

(Segment Information)

[Segment Information]

Disclosure is omitted as the Company Group has only one reportable segment, which is the Sports Club Operation Business.

[Related Information]

Previous fiscal year (from April 1, 2023 to March 31, 2024)

1 Information by finished goods and services

As net sales to external customers from the 'Sports club operation business' account for more than 90% of the consolidated statement of income's net sales, the details are omitted.

2. Information by Region

(1) Net sales

As net sales to external customers in Japan account for more than 90% of consolidated net sales in the statement of income, the disclosure has been omitted.

(2) Property, plant and equipment

As the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, the details are omitted.

3. Information by major customer

There are no customers whose net sales to external customers account for 10% or more of the consolidated statement of income's net sales, and therefore no disclosure is provided.

For the fiscal year ending March 31, 2025

1 Information by finished goods and services

As net sales to external customers from the 'Sports club operation business' account for more than 90% of the consolidated statement of income's net sales, the details are omitted.

2. Information by region

(1) Net sales

As net sales to external customers in Japan account for more than 90% of the consolidated statement of income's net sales, the disclosure has been omitted.

(2) Property, plant and equipment

As the amount of property, plant and equipment located in Japan exceeds 90% of the amount of property, plant and equipment on the consolidated balance sheet, the disclosure has been omitted.

3. Information by Major Customer

There are no customers whose net sales to external customers account for 10% or more of the consolidated statement of income net sales, and therefore no disclosure is provided.

[Information on Impairment Losses on Non-current Assets by Reportable Segment]

Previous fiscal year (from April 1, 2023 to March 31, 2024)

Disclosure is omitted as the only reportable segment is the Sports Club Operation Business.

For the fiscal year ending March 31, 2025

Disclosure is omitted as the only reportable segment is the Sports Club Operation Business.

[Information on Amortization of Goodwill and Unamortized Balances by Reportable Segment]

Previous fiscal year (from April 1, 2023 to March 31, 2024)

Disclosure is omitted as the only reportable segment is the Sports Club Operation Business.

For the fiscal year ending March 31, 2025

Disclosure is omitted as the only reportable segment is the Sports Club Operation Business.

Information on Gain on Bargain Purchase by Reportable Segment

Previous fiscal year (from April 1, 2023 to March 31, 2024)

There are no applicable items.

For the fiscal year ending March 31, 2025

There are no applicable items.

(Per share information)

	Previous fiscal year (From April 1, 2023 to March 31, 2024)	For the fiscal year ending March 31, 2025
Net assets per share	498.38 yen	534.87 yen
Basic earnings per share	32.46 yen	39.48 yen
Diluted earnings per share	30.48 yen	34.26 yen

(Note) 1. The basis for the calculation of basic earnings per share is as follows.

	Previous fiscal year (from April 1, 2023 to March 31, 2024)	For the fiscal year ending March 31, 2025
Basic earnings per share		
Net income attributable to owners of parent company (Thousand yen)	633,143	766,000
Amount not attributable to common shareholders (Thousand yen)	19,999	19,999
(of which, preferred dividends (thousand yen))	(19,999)	(19,999)
Net income attributable to owners of parent company related to common stock (Thousand yen)	613,143	746,001
Average number of common shares (shares)	18,888,294	18,893,603
Diluted earnings per share		
Net income attributable to owners of parent company adjustment (thousand yen)	10,435	10,406
(of which, Interest expenses (after deduction of tax equivalent amount) (Thousand yen))	(10,435)	(10,406)
Increase in number of common shares (shares)	1,569,000	3,768,047

Overview of potential shares not included in the calculation of diluted earnings per share due to having no dilutive effect	Shares for conversion of Class A Shares issued on January 23, 2023: 2,092,000 shares No.2 Share acquisition rights issued on January 23, 2023: Number of share acquisition rights: 15,690 units (1,569,000 shares of common stock)	-
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(Note) The figures for Net assets per share, Basic earnings per share, and Diluted earnings per share for the previous consolidated fiscal year are calculated based on the amounts after the revision of the allocation of acquisition cost due to the finalization of the provisional accounting treatment described in "Notes (Business Combinations, etc.)".

(Significant Subsequent Events)

Absorption-type merger of consolidated subsidiaries

At the Board of Directors meeting held on May 10, 2024, the Company resolved to conduct an absorption-type merger, effective April 1, 2025, with the Company as the surviving company and its consolidated subsidiary, Sports Oasis Co., Ltd., as the absorbed company to be dissolved. The absorption-type merger was executed on April 1, 2025.

Summary of Transactions

(i) Name and business description of the acquired company

Sports Oasis Co., Ltd. (Operation of membership-based sports clubs, etc.)

(ii) Date of business combination

April 1, 2025

(iii) Method of business combination

Absorption-type merger with the Company as the surviving company and Sports Oasis Co., Ltd. as the absorbed company

(iv) Name of the combined company

RENAISSANCE, incorporated

(v) Purpose of the business combination

In our medium-term management plan announced on May 10, 2024, we have set a goal to achieve record-high profits in fiscal year 2027 and to lead the industry as a leading company in the comprehensive sports club sector. By merging Oasis, we aim to strengthen our business foundation through the optimization of group management and the efficient use of management resources, while also preparing to achieve the targets of our new growth and medium-term management plan. Our objective is to achieve further development as a "health solution company enriching the 100-year life era."

(vi) Details of allocation related to the merger

There will be no issuance of new shares or payment of merger consideration as a result of this merger.

(vii) Overview of Accounting Procedures to be Implemented

In accordance with the "Accounting Standard for Business Combinations" (ASBJ Statement No. 21, January 16, 2019) and the "Guidance on Accounting Standard for Business Combinations and Accounting Standard for Business Divestitures, etc." (ASBJ Guidance No. 10, January 16, 2019), the transaction is accounted for as a transaction under common control.