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February 9, 2024

## Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2024 (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, Director, Executive Corporate Officer, Chief Financial Officer  
 Telephone: +81-3-5600-7811  
 Scheduled date to file quarterly securities report: February 13, 2024  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary materials on quarterly financial results: No  
 Holding of quarterly financial results briefing: No

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

### 1. Consolidated Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2024 (April 1, 2023, to December 31, 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	
	million yen	%	million yen	%	million yen	%	million yen	%
Nine months ended December 31, 2023	32,422	7.0	1,055	111.9	862	276.3	614	—
Nine months ended December 31, 2022	30,312	10.2	498	(31.4)	229	(51.1)	12	(97.4)

Note: Comprehensive income  
 Nine months ended December 31, 2023 586 million yen [- %]  
 Nine months ended December 31, 2022 (26) million yen [- %]

	Basic earnings per share	Diluted earnings per share
	yen	yen
Nine months ended December 31, 2023	31.75	29.70
Nine months ended December 31, 2022	0.67	—

Note: Diluted earnings per share for the third quarter of the 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
	million yen	million yen	%
As of December 31, 2023	44,462	11,431	25.7
As of March 31, 2023	42,272	10,991	26.0

Reference: Equity

As of December 31, 2023  
 As of March 31, 2023

11,420 million yen  
 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
Fiscal year ended 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)				7.0	10.0

Note: Revisions to the most recently announced dividend forecast: Yes  
For details, please refer to the “Notice of Revision (Dividend Increase) of Full-Year Consolidated Earnings Forecast and Dividend Forecast” released today. 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, 2023, to March 31, 2024)

(Percentages indicate year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent company		Net income per share
	million yen	%	million yen	%	million yen	%	million yen	%	yen
Full Year	44,000	7.9	1,200	76.4	900	189.1	650	—	34.41

Note: Revisions to the most recently announced earnings forecast: Yes  
For details, please refer to the “Notice of Revision (Dividend Increase) of Full-Year Consolidated Earnings Forecast and Dividend 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 December 31, 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 December 31, 2023	2,490,706 shares
As of March 31, 2023	2,490,706 shares

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

Nine months ended December 31, 2023	18,888,294 shares
Nine months ended December 31, 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 from the forecasts due to various factors. Please refer to “1. Qualitative Information on Financial Results for the Third Quarter of Fiscal Year Ending March 31, 2024” 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, 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 Third Quarter of Fiscal Year Ending March 31, 2024

(1) Description of Operating Results

During the nine months of the fiscal year under review (April 1, 2023 to December 31, 2023), despite the number of new members of sports clubs remaining stagnant, net sales were close to the expected level due to the opening of new integrated sports clubs and the implementation of price revisions for junior school members in October. Moreover, costs were significantly lower than planned as a result of reduced utility costs due to company-wide energy conservation measures and government projects to mitigate drastic changes in electricity and gas prices. As a result, for the nine months of the fiscal year under review, net sales were 32,422 million yen (up 7.0% year-on-year), operating income came to 1,055 million yen (up 111.9% year-on-year), ordinary income posted 862 million yen (up 276.3% year-on-year), and net income attributable to owners of parent company was 614 million yen (up 602 million yen year-on-year).

During the nine months of the fiscal year under review, the Japanese economy showed a moderate recovery trend with the normalization of socioeconomic activities. On the other hand, the outlook remains uncertain with some weakness seen in the recovery of personal consumption due to fluctuations in the foreign exchange markets, soaring raw material prices, and rising prices.

In the fitness industry, due to the emergence of health issues associated with lifestyle changes, sports clubs and other health centers are increasingly expected to play a role as a community for maintaining and improving basic physical fitness and socializing.

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, we actively carried out a company-wide review of the quality of our customer service, revised our training methods, and invested in facilities at existing stores to improve customer satisfaction. In addition, we held a number of studio programs and events for members of all ages, such as tennis, swimming, and running as an opportunity to improve technical skills and experience the joys of exercise, which were successful. During the third quarter of the fiscal year under review, in October, we opened two new integrated sports clubs, Sports Club Renaissance Kumamoto Hikari no Mori 24 (Kikuyo-machi, Kikuchi-gun, Kumamoto) and Sports Club Renaissance Aeon Mall Zama 24 (Zama-shi, Kanagawa). The number of enrolled members as of December 31, 2023 was 392,081 (including 49,268 online members) (up 5.9% year-on-year). In October, we revised junior school membership fees in order to cope with various cost increases and to increase added value by securing human resources and continually investing in human resources.

In the nursing care and nursing/medical care peripheral business, sales increased 12.2% year-on-year due to steady growth of “Genki Gym,” a rehabilitation-focused day service, and other services. In the nursing care and rehabilitation area, we are working to improve the quality of life of users through provision and collaboration of multiple services including rehabilitation-focused day services, home nursing stations, in-home care support, and child development support/after-school day services. In November, we opened the new Renaissance Rehabilitation Station Fujimidai in Nerima-ku, Tokyo, our first home nursing station inside a sports club. At this facility, trainers and nurses from the sports club work together to support the health of the community in terms of both exercise and nursing.

In addition, as an initiative to support the rehabilitation efforts of cancer survivors, we introduced “Osaka International Cancer Institute Certified Cancer Specialist Exercise Instructors (hereinafter referred to as “Cancer Specialist Exercise Instructors”)” who provide specialized exercise guidance within the sports club at Sports Club & Spa Renaissance Konanchuo 24 starting November. Going forward, we will expand the placement of Cancer Specialist Exercise Instructors in sports clubs and nursing care and rehabilitation facilities, and aim to solve issues for people who have concerns over their health through collaboration among nursing care and nursing care/medical care peripheral businesses and sports club business.

In our health promotion business targeting corporations and health insurance associations, we have been promoting our support for corporate health management initiatives and working to provide new services that will enhance employees’ health literacy without increasing the workload of corporate personnel in charge. In addition, with Vitality members of Sumitomo Life Insurance Company increasingly using our online lesson service “RENAISSANCE Online Livestream (hereinafter referred to as “ROL”),” we have expanded the scope of ROL by co-hosting Daido Life Insurance Company’s activities for the promotion and diffusion of health management among small and medium-sized enterprises as well as health-related events with other enterprises.

In the health promotion business for local communities and municipalities, we promoted our initiatives in collaboration with municipalities to improve local residents’ health. We held more classes than in the previous fiscal year for nursing care prevention and dementia prevention held in person, due to an increase in requests for them. Furthermore, we concluded a Cooperation Agreement on Disaster Victim Support in Times of Disaster with Kikuyo-machi, Kikuchi-gun in Kumamoto Prefecture in October. We are working to strengthen cooperation with municipalities in times of disaster in order to make effective use of our facilities for

disaster victim support. As of the end of the third quarter of the fiscal year under review, we have concluded cooperation agreements with 20 municipalities, including those related to disaster prevention.

In Vietnam, the existing sports club business remained strong. The Company's Hanoi branch has been entrusted with swimming lessons for a French international school and our swimming coaches have started giving lessons at the swimming pool attached to the school. We will continue our efforts to improve children's physical fitness, prevent drownings, and promote swimming in Vietnam.

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 October, the company opened RIVER PARK Seiseki-Sakuragaoka (Tama-shi, Tokyo), a members-only outdoor fitness club, as a business partner of Keio Corporation.

Three employees from the Company joined the management at Tokyu Sports Oasis Inc. (hereinafter referred to as "Tokyu Sports Oasis"), an equity-method affiliate, in April and are working to build a new management structure and increase the added value of services. During the nine months of the fiscal year under review, business performance has improved, with profitability in the sports club business improving and the home fitness business, centered on goods sales, remaining strong.

As to our initiatives with Advantage Advisors, Inc., with which we have 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' insight and our know-how to steadily implement various measures to enhance our corporate value over the medium to long term.

Our strategy is to expand the number of sports club facilities through aggressive M&A's and business succession. As previously announced, we will acquire all of the shares that Tokyu Land Corporation holds in Tokyu Sports Oasis Inc. on March 31, 2024, and as part of our business and facility succession efforts, on October 2, 2023, we announced the "Notice Regarding Acquisition of Business and Fixed Assets (Beneficial Interests in Trust) of KSC wellness Fitness Club Kanamachi and Kanamachi Swimming Club." As a result of these efforts, the Renaissance group is expected to become one of the largest companies in the fitness industry in terms of net sales in the fiscal year ending March 2025. Going forward, as a leading company in the fitness industry, we will aim to enhance our corporate value and create "purpose in life" for each and every customer.

During the nine months of the fiscal year under review, we opened new facilities, closed facilities and were commissioned to operate the facilities listed in the table below. The number of the Renaissance group's facilities as of December 31, 2023, including the facilities of BEACH TOWN Corporation, totaled 232: 170 sports clubs (107 directly managed, 61 entrusted and two Renaissance Vietnam facilities), two studio-type facilities, 44 nursing care and rehabilitation facilities (33 directly managed and 11 franchise), and 16 outdoor fitness facilities (four directly managed and 12 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 care and rehabilitation (FC)
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 care and rehabilitation (directly managed)

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 fourth quarter of the fiscal year under review and thereafter.

Opening Date	Facility Name	Facility Type
April 2024	BEACHTOWN Daisen (Daisen-cho, Saihaku-gun, Tottori)	Outdoor fitness (directly managed)

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

(2) Description of Financial Position

Total assets at the end of the third quarter of the fiscal year under review rose by 2,190 million yen from the end of the previous fiscal year to 44,462 million yen. This was mainly due to a decrease of 1,153 million yen in total current assets resulting from a drop in cash and deposits, and an increase of 3,349 million yen in total fixed assets, mainly due to a boost of 2,921 million yen in property, plant and equipment, among them an increase in leased assets.

Total liabilities at the end of the third quarter of the fiscal year under review increased 1,749 million yen from the end of the previous fiscal year to 33,030 million yen. This was mainly due to a decrease of 1,020 million yen in total current liabilities, resulting from a decline in short-term borrowings, and an increase of 2,770 million yen in non-current liabilities due to an increase in lease obligations.

Total net assets at the end of the third quarter of the fiscal year under review rose 440 million yen from the end of the previous fiscal year to 11,431 million yen. This was mainly due to an increase of 469 million yen in retained earnings mainly due to the posting of net income attributable to owners of parent company of 614 million yen and the payment of dividends of 145 million yen, and a decrease of 35 million yen in foreign currency translation adjustments, resulting in a decrease of 28 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, 2024, has been revised in the full-year consolidated earnings forecast and dividend forecast announced on November 10, 2023 taking into consideration recent performance trends. For details, please refer to the "Notice of Revision (Dividend Increase) of Full-Year Consolidated Earnings Forecast and Dividend 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 December 31, 2023
<b>Assets</b>		
Current assets		
Cash and deposits	5,520,381	4,845,503
Accounts receivable – trade	1,245,183	1,085,323
Commodity	234,274	342,928
Other	1,791,069	1,364,628
Allowance for doubtful accounts	(6,881)	(7,418)
Total current assets	8,784,027	7,630,965
Fixed assets		
Property, plant and equipment		
Buildings and structures, net	5,586,215	6,231,706
Leased assets, net	10,969,552	13,745,551
Other, net	2,990,709	2,490,838
Total property, plant and equipment	19,546,478	22,468,096
Intangible fixed assets	461,076	560,383
Investments and other assets		
Investment securities	1,645,137	1,752,337
Leasehold and guarantee deposits	8,814,555	9,421,475
Other	2,994,437	2,609,173
Total investments and other assets	13,454,129	13,782,987
Total fixed assets	33,461,683	36,811,466
Deferred assets	27,018	20,304
Total assets	42,272,729	44,462,735
<b>Liabilities</b>		
Current liabilities		
Accounts payable – trade	54,479	58,508
Short-term borrowings	3,000,000	2,000,000
Current portion of long-term borrowings	2,203,084	2,243,084
Income taxes payable	197,429	111,036
Provision for bonuses	684,062	364,907
Asset retirement obligations	13,453	4,111
Other	4,189,421	4,539,451
Total current liabilities	10,341,931	9,321,099
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	3,751,721	3,059,408
Lease obligations	11,400,747	14,260,083
Retirement benefit liability	851,520	881,340
Asset retirement obligations	1,357,079	1,481,724
Other	2,078,499	2,527,161
Total non-current liabilities	20,939,556	23,709,705
Total liabilities	31,281,487	33,030,805



(Thousands of yen)

	As of March 31, 2023	As of December 31, 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	5,113,250
Treasury shares	(2,514,753)	(2,514,753)
Total shareholders' equity	11,153,145	11,622,344
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	4,846	5,914
Foreign currency translation adjustment	(145,643)	(181,178)
Remeasurements of defined benefit plans	(32,779)	(26,822)
Total accumulated other comprehensive income	(173,576)	(202,087)
Share acquisition rights	11,673	11,673
Total net assets	10,991,242	11,431,930
Total liabilities and net assets	42,272,729	44,462,735

(2) Consolidated Quarterly Statements of Income and Consolidated Quarterly Statements of Comprehensive Income  
Consolidated quarterly statement of income  
Nine months ended December 31, 2023

(Thousands of yen)

	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023
Net sales	30,312,830	32,422,782
Cost of sales	28,137,724	29,602,579
Gross profit	2,175,105	2,820,202
Selling, general and administrative expenses	1,676,983	1,764,540
Operating income	498,121	1,055,661
Non-operating income		
Interest income	6,749	6,121
Foreign exchange gains	45,331	36,420
Share of profit of entities accounted for using equity method	—	105,661
Compensation income	—	60,000
Other	37,960	49,116
Total non-operating income	90,041	257,320
Non-operating expenses		
Interest expenses	335,610	423,149
Other	23,498	27,787
Total non-operating expenses	359,108	450,937
Ordinary income	229,054	862,045
Extraordinary income		
Gain on sale of fixed assets	360	—
Total extraordinary income	360	—
Extraordinary losses		
Loss on retirement of non-current assets	2,695	12,163
Impairment losses	46,520	2,817
Loss on store closings	3,000	—
Other	—	2,313
Total extraordinary losses	52,215	17,294
Net income before income taxes	177,198	844,751
Income taxes – current	66,200	67,684
Income taxes – deferred	101,736	162,362
Total income taxes	167,936	230,047
Net income	9,261	614,704
Net loss attributable to non-controlling interests	(3,306)	—
Net income attributable to owners of parent company	12,568	614,704

Consolidated quarterly statement of comprehensive income  
 Nine months ended December 31, 2023

(Thousands of yen)

	Nine Months ended December 31, 2022	Nine Months ended December 31, 2023
Profit	9,261	614,704
Comprehensive income		
Valuation difference on available-for-sale securities	(1,439)	1,067
Foreign currency translation adjustment	(40,447)	(35,534)
Remeasurements of defined benefit plans, net of tax	5,708	5,956
Total other comprehensive income	(36,178)	(28,510)
Comprehensive income	(26,916)	586,193
(Breakdown)		
Comprehensive income attributable to owners of parent company	(23,609)	586,193
Comprehensive income attributable to non-controlling interests	(3,306)	—

(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.