



Fiscal Year Ended March 31, 2023

Financial Results Briefing Materials

RENAISSANCE INCORPORATED

(Tokyo Stock Exchange Prime Market: 2378)

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1. Financial Highlights for Fiscal Year Ended March 31, 2023

Consolidated/Non-Consolidated Income Statements

(Millions of yen)

Consolidated	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	Year-on-Year
Net sales	37,120	40,760	+9.8%
Operating income	912	680	(25.5%)
Ordinary income	632	311	(50.8%)
Net income attributable to owners of the parent company	513	(1,141)	Negative

(Millions of yen)

Non-consolidated	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	Year-on-Year
Net sales	36,830	40,244	+9.3%
Operating income	974	737	(24.3%)
Ordinary income	564	302	(46.5%)
Net income (loss)	441	(1,204)	Negative

Management Decisions Based on Changes in the External Environment, Etc.

In light of rising heating and lighting expenses due to soaring resource prices and other factors, we have reviewed assumptions in the business environment, and recorded extraordinary losses and reversed deferred tax assets

- Recording of extraordinary losses

- Impairment losses on fixed and leased assets
Impairment loss of 518 million yen was recorded, including 19 operating facilities whose profitability has declined
- Impairment loss on goodwill of BEACH TOWN CORPORATION
Review of BEACH TOWN's goodwill resulted in an impairment loss of 80 million yen

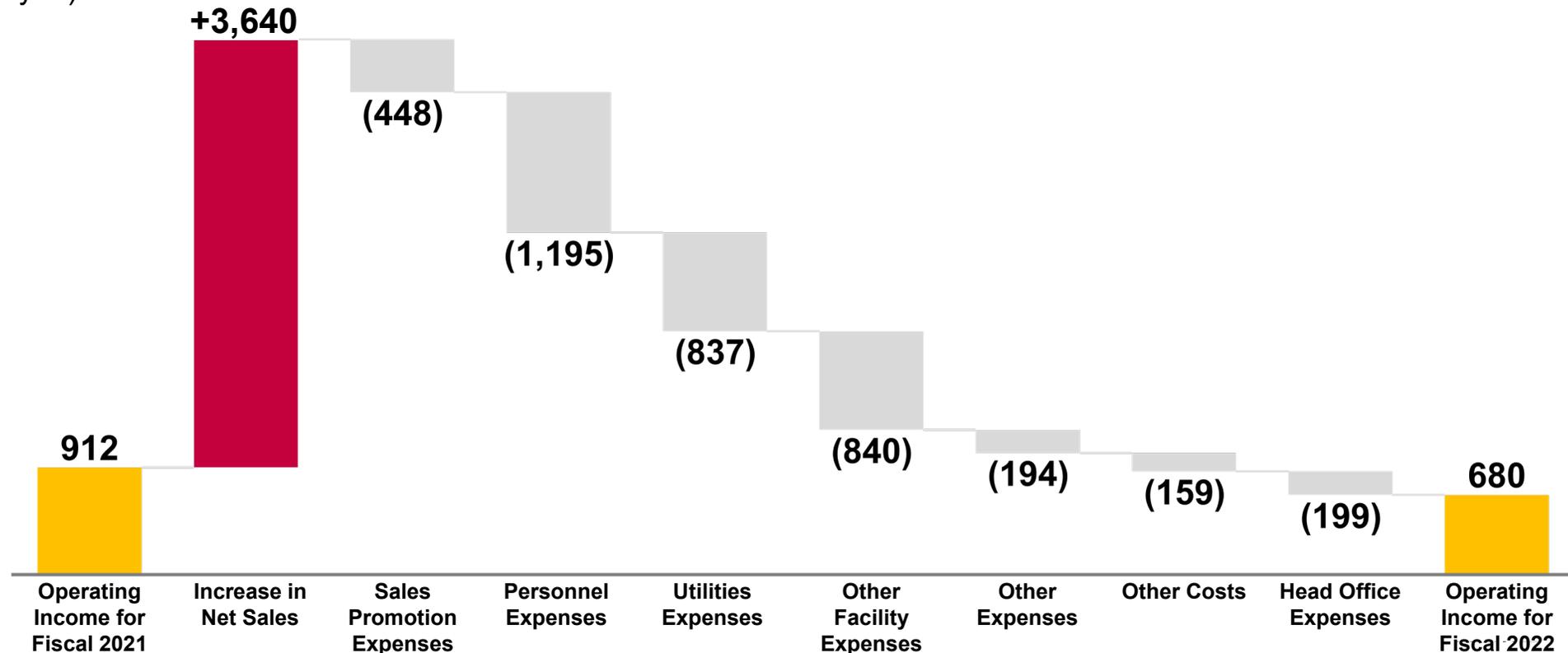
- Reversal of deferred tax assets

After careful consideration of the recoverability of deferred tax assets, deferred tax assets were reversed and 749 million yen was recorded as income tax-deferred

Factors for Increase and Decrease in Consolidated Operating Income (Year-on-Year)

While net sales increased significantly year-on-year, income decreased due to soaring heating and lighting expenses and other factors

(Millions of yen)



Breakdown of Cost of Sales for Sports Clubs

Consolidated Net Sales by Division

(Millions of yen)

	Fiscal Year Ended March 31, 2022	Composition ratio	Fiscal Year Ended March 31, 2023	Composition ratio	Year-on-Year
Fitness Division Total	16,235	43.7%	17,853	43.8%	+10.0%
Swimming school	8,838	23.8%	9,781	24.0%	+10.7%
Tennis school	3,747	10.1%	3,905	9.6%	+4.2%
Other schools	1,128	3.0%	1,292	3.2%	+14.5%
School Division Total	13,715	37.0%	14,979	36.8%	+9.2%
Shop Division Total	770	2.1%	798	2.0%	+3.6%
Other Income Total <small>(beauty salon, massage, etc.)</small>	3,423	9.2%	3,900	9.6%	+14.0%
Total Net Sales - Sports Facilities	34,144	92.0%	37,531	92.1%	+9.9%
Entrusted Management	844	2.3%	689	1.7%	(18.4%)
Nursing Care and Rehabilitation	1,484	4.0%	1,687	4.1%	+13.7%
Other Net Sales	646	1.7%	852	2.1%	+31.8%
Other Net Sales Total	2,131	5.7%	2,540	6.2%	+19.2%
Total Net Sales	37,120	100.0%	40,760	100.0%	+9.8%

Consolidated Balance Sheet

(Millions of yen)

	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	Year-on- Year	Major Factors for Increase and Decrease
Current assets	7,674	8,784	+14.5%	Increase in cash and deposits, etc.
Fixed assets	30,514	33,461	+9.7%	Increase in leased assets due to new store openings, etc.
Deferred assets	-	27	-	Issuance of Class A shares and convertible bond-type bonds with share acquisition rights
Total Assets	38,189	42,272	+10.7%	
Current liabilities	9,684	10,341	+6.8%	Increase in short-term borrowings, etc.
Fixed liabilities	18,182	20,939	+15.2%	Increase in lease obligations due to new store openings, issuance of convertible bond-type bonds with share acquisition rights, etc.
Total Liabilities	27,867	31,281	+12.3%	
Total Net Assets	10,321	10,991	+6.5%	Increase in share capital and legal capital surplus due to issuance of Class A shares, decrease in retained earnings, etc.
Total Liabilities and Net Assets	38,189	42,272	+10.7%	

Consolidated Statement of Cash Flows



(Millions of yen)

	Fiscal Year Ended March 31, 2022	Fiscal Year Ended March 31, 2023	Highlights of Fiscal Year Ended March 31, 2023
Cash flows from operating activities	3,819	1,614	Increase in depreciation and amortization expenses and long-term accounts payable - other, decrease in accrued consumption taxes, etc.
Cash flows from investing activities	(1,421)	(4,238)	Purchases of property, plant and equipment, and acquisition of shares in subsidiaries and associates, etc.
Cash flows from financing activities	(4,555)	3,350	Issuance of shares and convertible bond-type bonds with share acquisition rights, long-term and short-term borrowings, etc.
Net increase (decrease) in cash and cash equivalents, etc.	(2,239)	676	
Cash and cash equivalents at beginning of period	7,095	4,855	
Cash and Cash Equivalents at End of Period	4,855	5,532	

2. Overview of the Sports Club Business for Fiscal Year Ended March 31, 2023

Number of Members by Division

(Members)

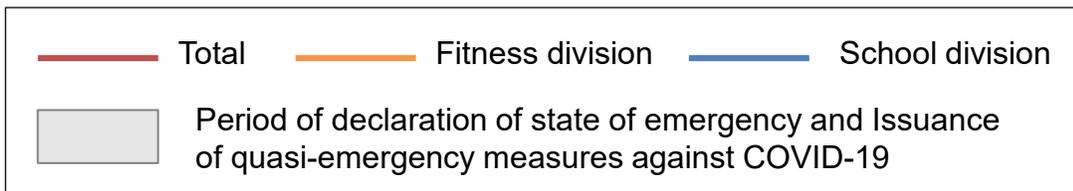
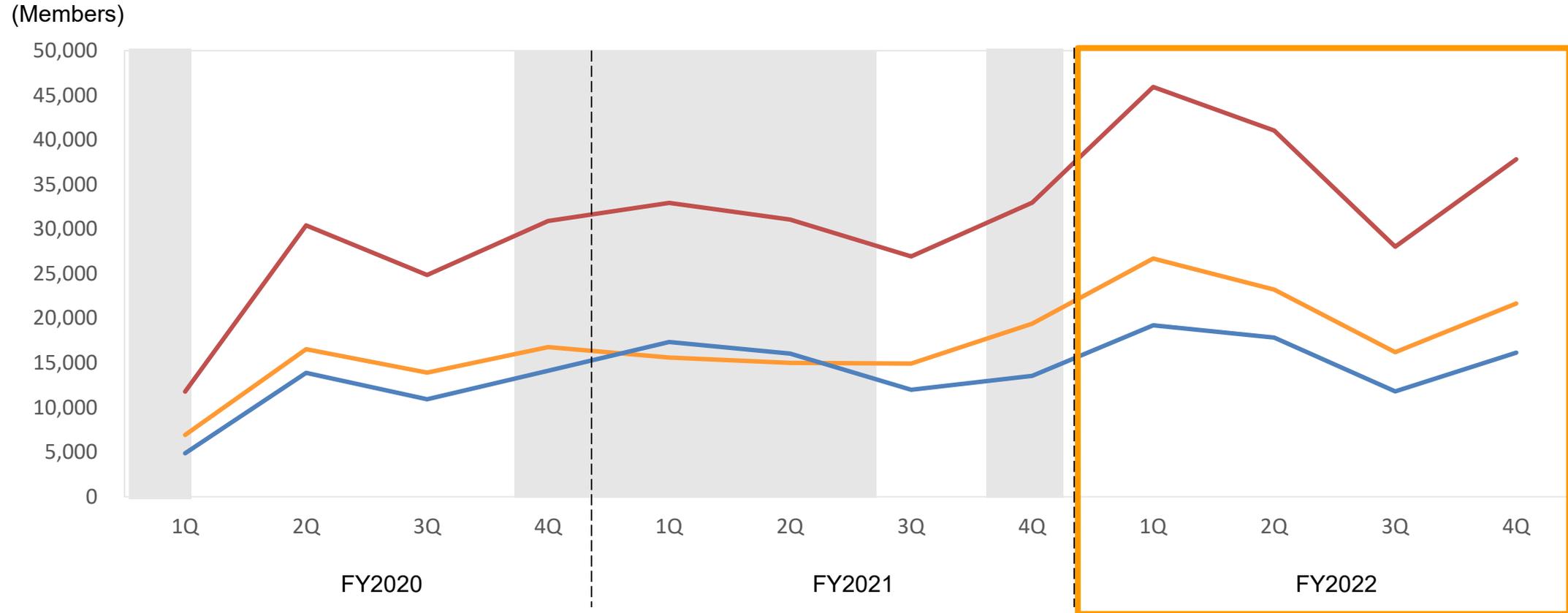
	March 31, 2022	Composition ratio	March 31, 2023	Composition ratio	Year-on-Year
Fitness Division Total	161,676	48.6%	178,267	47.7%	+10.3%
Swimming school	100,588	30.2%	103,382	27.7%	+2.8%
Tennis school	34,435	10.3%	34,317	9.2%	(0.3%)
Other schools	18,905	5.7%	20,713	5.5%	+9.6%
School Division Total	153,928	46.2%	158,412	42.4%	+2.9%
Online Total	17,297	5.2%	36,936	9.9%	+113.5%
Total Number of Members	332,901	100.0%	373,615	100.0%	+12.2%

*Number of members in the fitness and school divisions include members of directly managed facilities in Japan

*Other schools include school-based fitness programs

*Including those who have put their membership on freeze

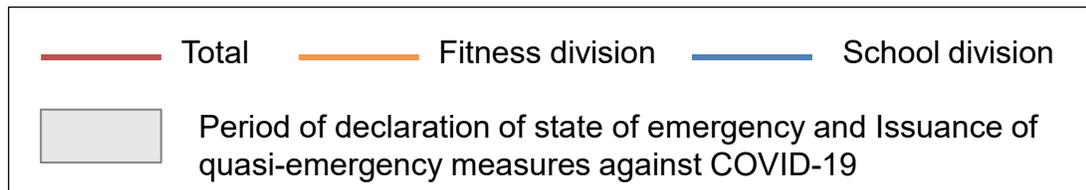
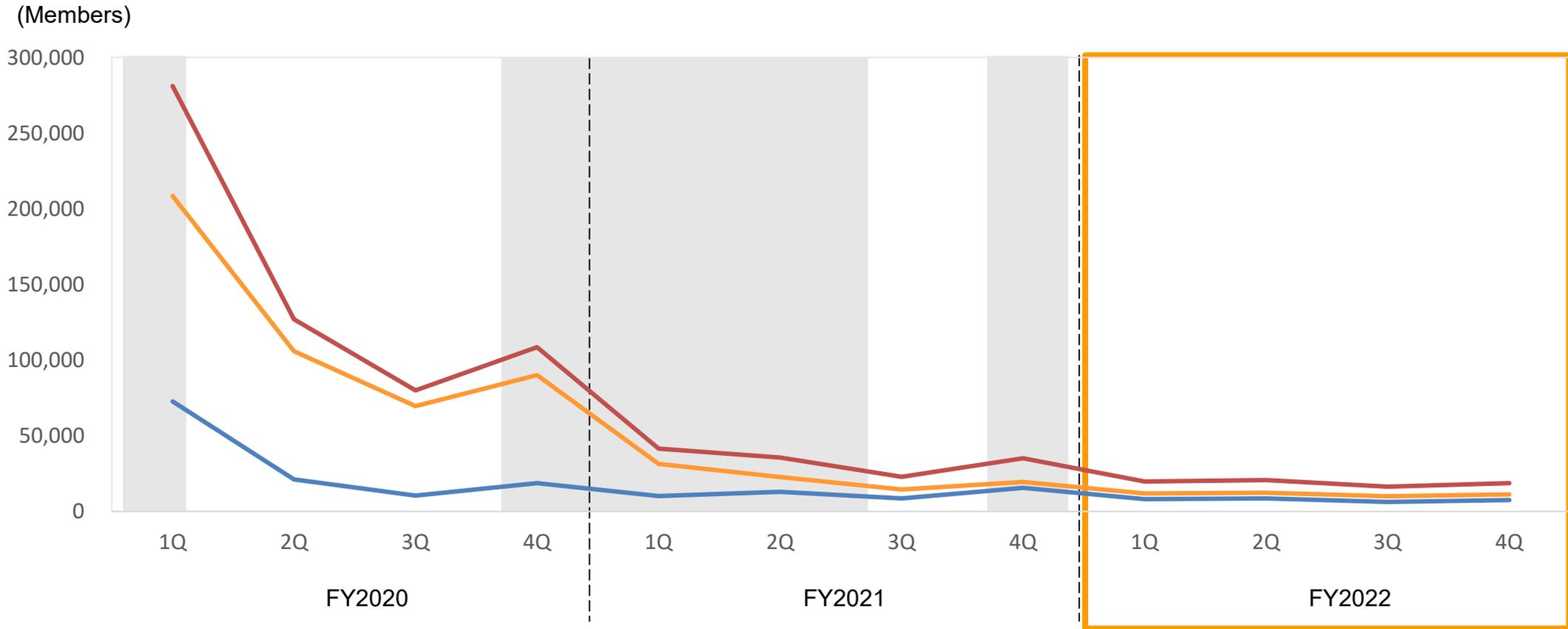
Number of New Members



- The number of new members generally remained steady, and the total number of new members for the full year exceeded 90% of pre-COVID-19 levels

*Only directly managed facilities in Japan

Number of Members Whose Memberships Are on Freeze



- The number of members who have put their membership on freeze fell below pre-COVID levels for both fitness and school members

*Only directly managed facilities in Japan

3. Major Topics for Fiscal Year Ended March 31, 2023

Opening of three new integrated sports clubs

Even during the pandemic, new medium- to large-sized sports clubs were newly opened, creating a base to promote the health of local residents and revitalize communities



- Renaissance Aeon Town Fujimino 24 (Fujimino-shi, Saitama)



- Renaissance Ebina Vina Gardens 24 (Ebina-shi, Kanagawa)



- Renaissance Maita 24 (Yokohama, Kanagawa)

Compound-type rehabilitation facilities (as stated on p.17) are attached

Efforts to make sports clubs more enjoyable and effective for customers

Launched “RENAISSANCEColors,” a fan community site that allows customers to interact with each other, leading to more enjoyable health promotion. Also developed and marketed “Gungun Nobirune,” a private brand of supplements for growing children



- Fan community site “RENAISSANCEColors”



- Private brand supplement “Gungun Nobirune”

Nursing and Rehabilitation Business

Directly managed composite-type facility for nursing and rehabilitation opened in Maita

Opened a compound-type facility for nursing and rehabilitation attached to Sports Club Renaissance Maita 24

Supporting community health promotion through the provision of rehabilitation tailored to the concerns of users



- Rehabilitation Center Maita (Day-care facility specializing in stroke care)



- Rehabilitation Station Maita (Home-nursing station)



- Genki Gym Jr. (Junior) Maita (Child development support and after-school daycare service)

Nursing and Rehabilitation Business

Strengthening the franchise development of “Genki Gym,” a daycare service specializing in rehabilitation

Strengthened sales structure for franchise development and opened four new facilities, including Genki Gym’s first outlets in the Kyushu and Hokkaido areas



- Genki Gym Oizumi Gakuen (Nerima-ku, Tokyo)



- Genki Gym Iwaki Chuodai (Iwaki-shi, Fukushima)



- Genki Gym Kagoshima-Chuo (Kagoshima-shi, Kagoshima)
- First Genki Gym in the Kyushu area



- Genki Gym Obihiro Jiyugaoka (Obihiro-shi, Hokkaido)
- First Genki Gym in the Hokkaido area

Exercise Support for Cancer Survivors

Offer online programs to help cancer survivors improve their quality of life

Specialized online programs and free lesson events are held as an opportunity for cancer survivors to exercise more casually and safely, and to feel refreshed and cared for



- “Breast Cancer Yoga” and “Breast Cancer Exercise” introduced on “RENAISSANCE Online Livestream,” an online lesson-streaming service

Instructed by an instructor specializing in oncology certified by Osaka International Cancer Institute

- Free online lesson events, including classes such as “Breast Cancer Lymphatic Care Yoga” and “Physical Fitness Exercises for Cancer Survivors”

Support for health promotion through online lesson services

Expanded services for “RENAISSANCE Online Livestream,” an online lesson-streaming service, and steadily increased the number of users through companies and health insurance associations

- Increased the number of lessons, introduced new programs and expanded capacity, etc. Steady increase in the number of users, including members of SUMITOMO LIFE’s “Vitality”
- Started to provide services to “KENCO SUPPORT PROGRAM,” a comprehensive support tool for Kenkokeiei* for small and medium-sized enterprises offering by Daido Life Insurance Company

KENCO SUPPORT PROGRAM

This web service provides consistent support for implementing the PDCA cycle required for KENKOKEIEI “Health and Productivity Management,” including “support for promoting health checkups” for companies, “analysis of the risk of developing lifestyle-related diseases” for management and individual employees, and “health promotion solutions” and “incentives” to encourage ongoing health promotion efforts.



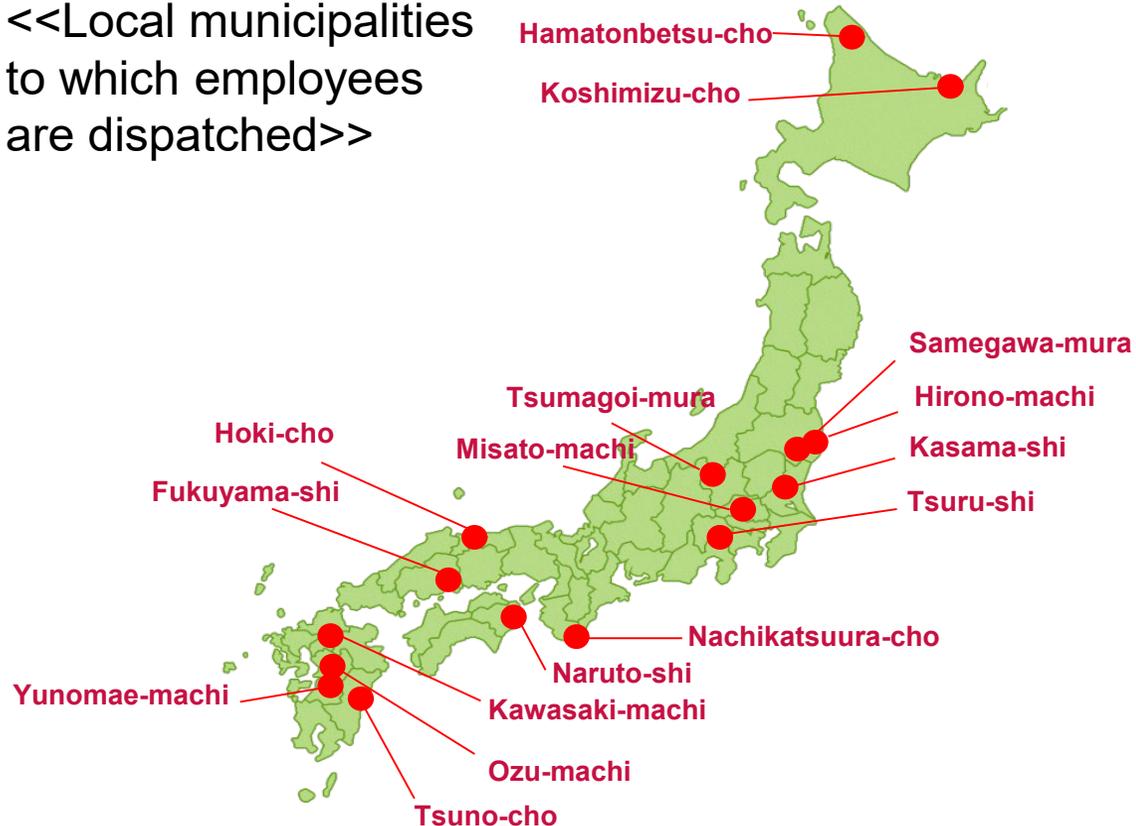
*“Kenkokeiei (Health and Productivity Management)” is a registered trademark of Nonprofit Organization Kenkokeiei

Businesses for Local Communities and Municipalities

Support for community development utilizing the “Regional Revitalization Entrepreneur Program,” etc.

Dispatched our company’s employees to 16 municipalities to resolve local health issues and promote local revitalization by publicizing the municipalities to which the employees are sent

<<Local municipalities to which employees are dispatched>>



- “Parent-child Fun and Exercise”
Misato-machi, Kodama-gun,
Saitama



- “Tsumagoi Wellness Challenge”
Tsumagoi-mura, Agatsuma-gun,
Gunma

Businesses for Local Communities and Municipalities

Selected as the designated administrator for Takeo-shi, Saga and Ozu-machi, Kikuchi-gun, Kumamoto

The consortium in which our company participates will become the new designated manager for the operation of sports parks and indoor sports facilities in Takeo-shi and Ozu-machi, and will work to promote the health of local residents, promote sports, and revitalize the local community



● Takeo-shi Civic Gymnasium

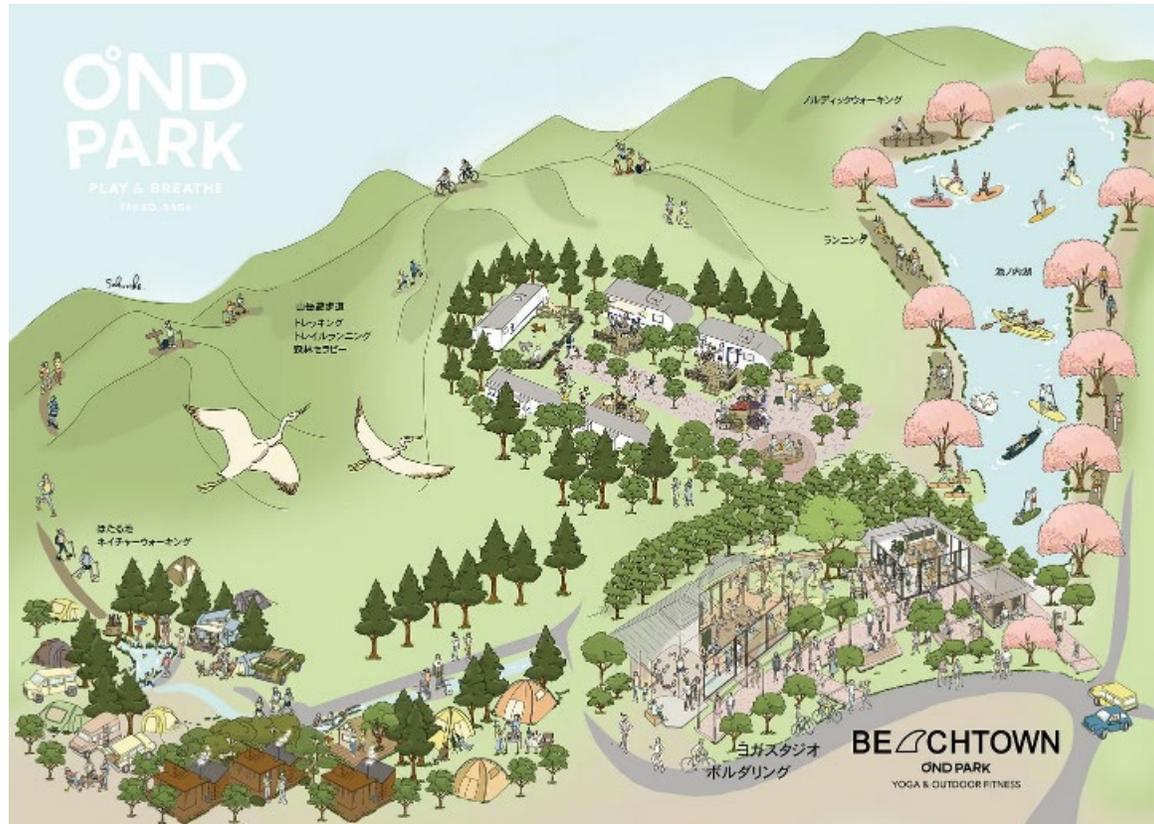


● Ozu-machi General Gymnasium

Businesses for Local Communities and Municipalities

BEACH TOWN CORPORATION participates in projects to utilize the Takeo Onsen Resort Village campground and other facilities

BEACH TOWN CORPORATION, a consolidated subsidiary of our company, participates in the Takeo Onsen Resort Village Campground Utilization Project (Takeo-shi, Saga) as a project partner

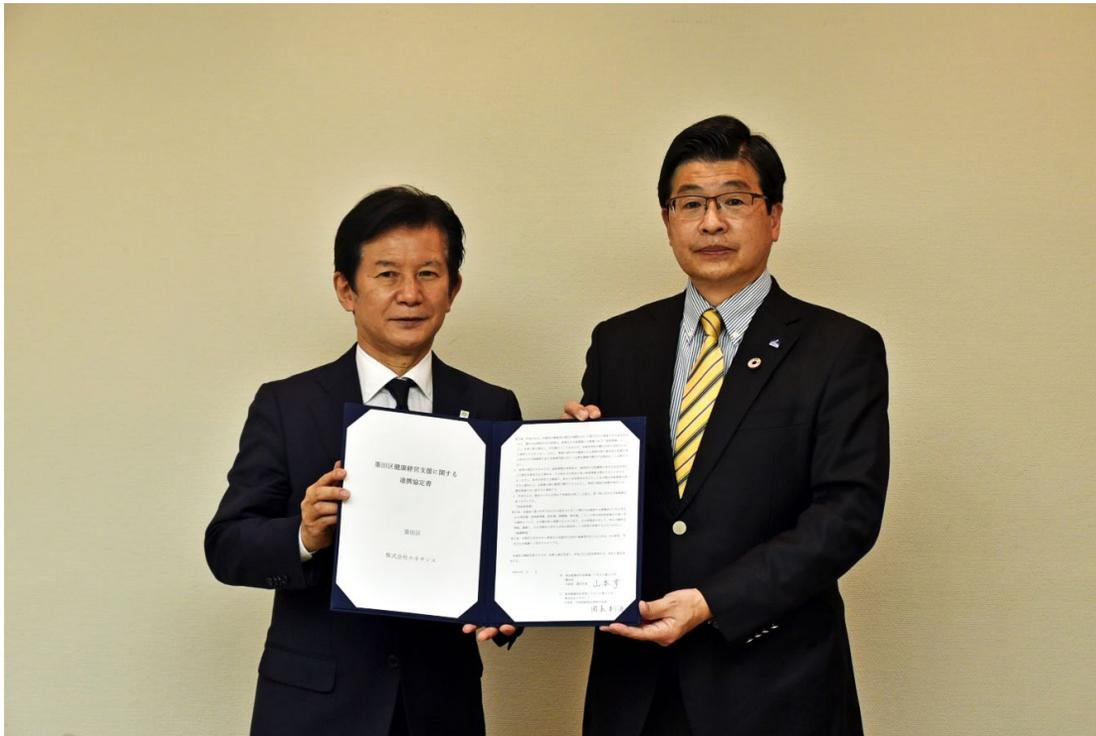


- BEACHTOWN OND PARK (opened in April 2023)



Signed “Partnership Agreement on Health and Productivity Management Support in Sumida-ku” with Sumida-ku, Tokyo

As part of the “Sumida Health and Productivity Management Support Project” launched in April 2023 by Sumida-ku, we will promote the health of Sumida-ku residents through mutual cooperation with the ward as a “health and productivity management supporter”



<<Examples of support>>

- Discounted admission to the following sports clubs in Sumida-ku
 - Sports Club Renaissance Ryogoku
 - Sports Club & Spa Renaissance Hikifune 24

(Left: Toshiharu Okamoto, Representative Director and President of RENAISSANCE INC., Right: Toru Yamamoto, Mayor of Sumida-ku)

Capital and Business Alliance with Advantage Advisors

In November, the Company decided to raise approximately 5 billion yen from a fund serviced by Advantage Advisors Inc.

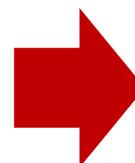


Purpose of the Alliance



Summary of the Alliance

- Necessity of building an organizational foundation to realize the transformation into a health solution company
- Necessity to develop new services that respond to the current external environment and various customer needs, and to improve productivity through the use of DX
- Financing needs for further business expansion and added value



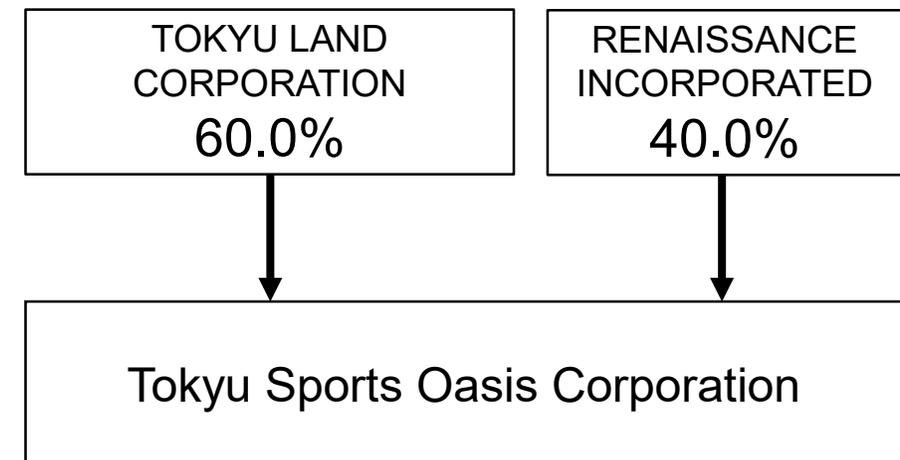
- Business aspect
Accelerate growth by leveraging know-how and networks through a business alliance agreement with Advantage Advisors*, which has a track record of increasing the corporate value of various companies
- Financial aspect
Combination of preferred stock, CBs, and share acquisition rights to achieve prompt recapitalization and financing while limiting immediate dilution impact

Capital Participation in Tokyu Sports Oasis Corporation

In March, the Company acquired a portion (40.0%) of the shares of a newly established company, which will take over the fitness management, home fitness, sports facility management and operation, and digital health design businesses of Tokyu Sports Oasis Inc., a subsidiary of Tokyu Land Corporation, through a corporate divestiture (the newly established company will continue to use the trade name of Tokyu Sports Oasis)

<<Tokyu Sports Oasis Corporation>>

- The former Tokyu Sports Oasis, Inc. was established in 1985 as a subsidiary of Tokyu Land Corporation
- Operates 32 directly managed sports clubs, including 22 in the Tokyo metropolitan area and 10 in the Kinki (Osaka metropolitan) area (as of March 31, 2023)
- In addition to fitness clubs and swimming and other schools for children, the Company operates a home fitness business focusing on the development and sale of home fitness products, and a digital health business through apps such as “WEBGYM” and “weltag”



4. Store Openings and Closings During Fiscal Year Ended March 31, 2023

New Store Openings and Entrusted Management

■ New store openings

Opening date	Facility name	Address	Type
May 2022	Renaissance Care Station Totsuka	Yokohama-shi, Kanagawa	Nursing and rehabilitation (directly managed)
May 2022	Renaissance Genki Gym Oizumi Gakuen	Nerima-ku, Tokyo	Nursing and rehabilitation (FC)
May 2022	ATHLETA ATHLETIC CLUB	Sumida-ku, Tokyo	Outdoor fitness (entrusted management)
June 2022	BEACHTOWN HIBIYA PARK	Chiyoda-ku, Tokyo	Outdoor fitness (directly managed)
July 2022	Renaissance Genki Gym Iwaki Chuodai	Iwaki-shi, Fukushima	Nursing and rehabilitation (FC)
August 2022	Sports Club Renaissance Aeon Town Fujimino 24	Fujimino-shi, Saitama	Sports club
August 2022	Sports Club Renaissance Ebina Vina Gardens 24	Ebina-shi, Kanagawa	Sports club
September 2022	Renaissance Genki Gym Kagoshima-Chuo	Kagoshima-shi, Kagoshima	Nursing and rehabilitation (FC)
November 2022	Sports Club Renaissance Maita 24	Yokohama-shi, Kanagawa	Sports club
December 2022	Renaissance Rehabilitation Center Maita	Yokohama-shi, Kanagawa	Nursing and rehabilitation (directly managed)
December 2022	Renaissance Rehabilitation Station Maita	Yokohama-shi, Kanagawa	Nursing and rehabilitation (directly managed)
February 2023	Renaissance Genki Gym Jr. Maita	Yokohama-shi, Kanagawa	Nursing and rehabilitation (directly managed)
March 2023	Renaissance Genki Gym Obihiro Jiyugaoka	Obihiro-shi, Hokkaido	Nursing and rehabilitation (FC)

Store Closings and Termination of Entrusted Management

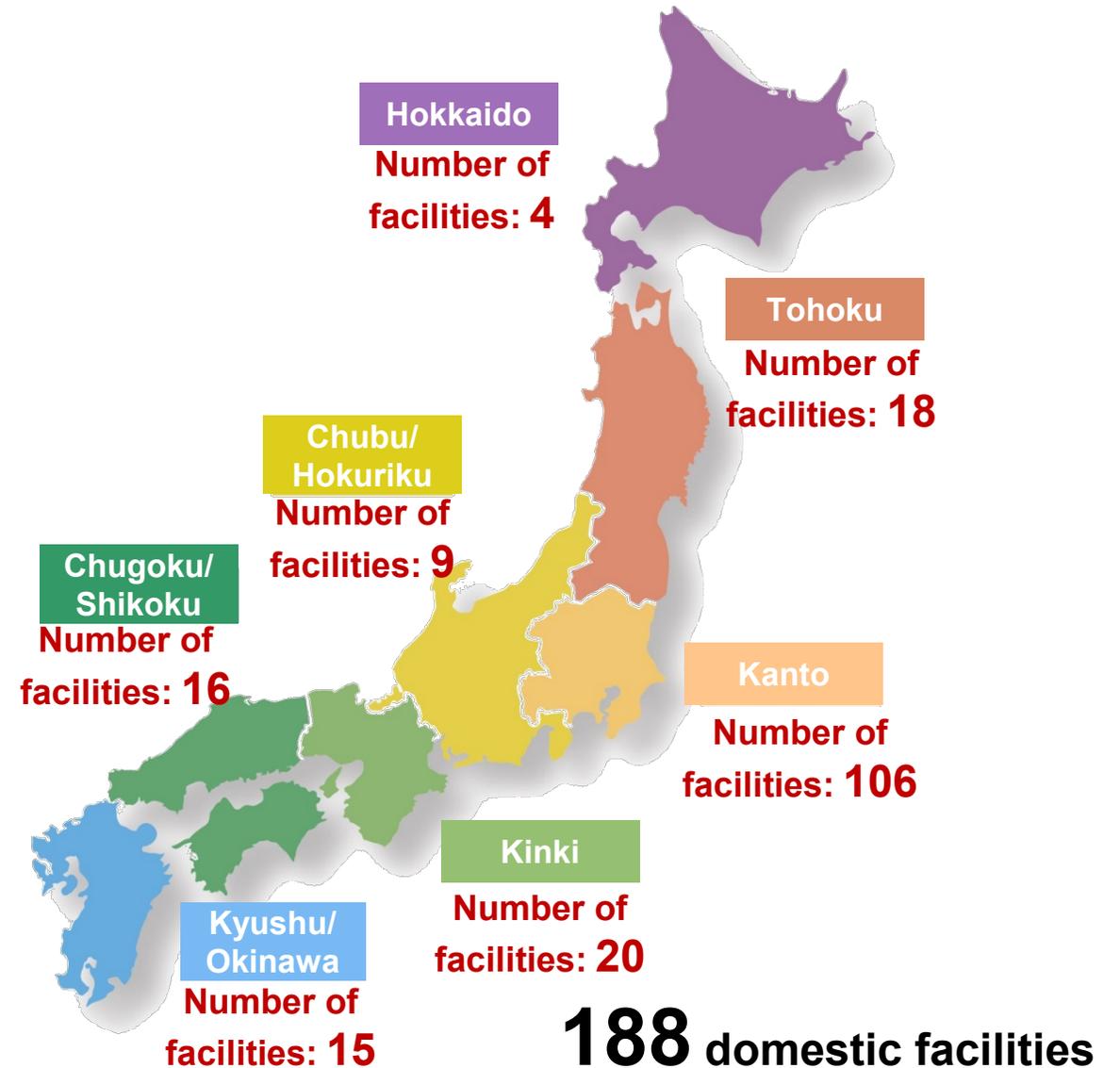
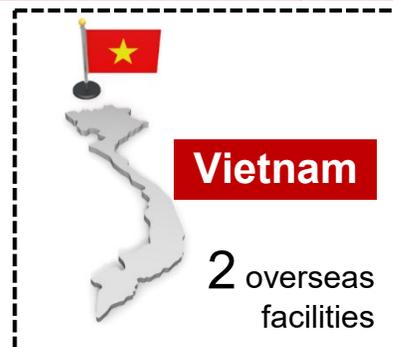
■ Store closings and termination of entrusted management

Closing/termination date	Facility name	Address	Type
End of June 2022	Demi Renaissance Live Stream Studio Ikebukuro East Entrance	Toshima-ku, Tokyo	Studio
End of June 2022	Fitness Studio Renaissance Gotanda	Shinagawa-ku, Tokyo	Studio
End of July 2022	Community Park KOBE	Kobe-shi, Hyogo	Outdoor fitness (directly managed)
End of August 2022	Sports Club Renaissance Ebina	Ebina-shi, Kanagawa	Sports club (entrusted management)
End of September 2022	Liv Shin-Yurigaoka Futsal Club	Kawasaki-shi, Kanagawa	Other (entrusted management)
End of January 2023	Outdoor Fitness Okayama	Okayama-shi, Okayama	Outdoor fitness (entrusted management)
End of March 2023	Sports Club Renaissance Shin-Urayasu	Urayasu-shi, Chiba	Sports club
End of March 2023	Renaissance Genki Gym Ekoda	Nerima-ku, Tokyo	Nursing and rehabilitation (FC)
End of March 2023	Sharp Fukuyama Sports Center	Fukuyama-shi, Hiroshima	Other (entrusted management)

Number of Facilities (as of March 31, 2023)

Group total of **190** facilities

March 31, 2023			
Domestic	Renaissance	Sports club facilities	105
		Entrusted management facilities	23
		Total sports club facilities	128
		Total studio facilities	2
		Rehabilitation facilities (directly managed)	32
		Rehabilitation facilities (FC)	11
	Total rehabilitation facilities	43	
	BEACH TOWN	Outdoor fitness facilities	6
		Entrusted management facilities	9
		Total outdoor fitness facilities	15
Subtotal		188	
Overseas	Renaissance Vietnam	Sports club facilities	2
		Total sports club facilities	2
	Subtotal		2
Total		190	



5. Outlook for Fiscal Year Ending March 31, 2024

Performance Impact Assumptions for Fiscal Year Ending March 31, 2024



Forecasts for the fiscal year ending March 31, 2024 are based on the following assumptions

External Environment

- ✓ The impact of COVID-19 will be phased out. This is expected to lead to a recovery in human flow and increase in consumption of services
- ✓ Health-related businesses will become increasingly active as people become more health-conscious and “want to be physically active” and “improve their immunity”
- ✓ Competition in the fitness industry is expected to intensify due to the development of various types of businesses and industry restructuring after the pandemic
- ✓ Steep rise in resource prices and rise in price of goods expected to continue for a certain period of time
Many companies continue to consider wage increases in order to return benefits to employees and secure human resources

Internal Environment

- ✓ Fiscal 2023 is positioned as the first year to chart a medium- to long-term growth trajectory for fiscal 2024 and beyond
- ✓ Plan to open four new integrated sports clubs in the sports club business
Projected opening costs are at about the same level as in fiscal 2022
- ✓ Aiming to become a leading company in the health business, implement organizational revisions to achieve a different kind of growth
- ✓ Focus on investment in human resources as a starting point to realize the corporate philosophy.
Plan to re-strengthen recruitment and cultivate human resources, raise salary levels

Key Initiatives - Organizational and Human Resource Initiatives

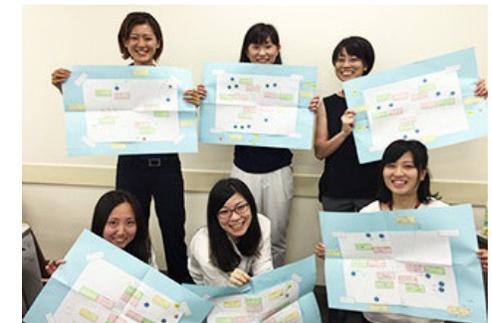
Structural changes for new growth

- Newly established the “Marketing Promotion Department” to respond to the ever-changing external environment
Assume a cross-organizational role in the organization to optimize from a company-wide perspective, and create synergies between businesses



Reinforce investment in human resources

- Reinforce investment in human resources, including in-house health and productivity management practices and cultivation leading to human resource development for employees, who are the starting point for realizing our corporate philosophy of “creating purpose in life” (*ikigai* in Japanese)
- Plan to raise salaries in consideration of securing human resources that will generate the source of business as well as rising prices, etc.



Key Initiatives - Sports Club Business

Re-engineering service design leading to customers' emotional satisfaction

- Aiming to establish services unique to Renaissance by combining the pursuit of customers' emotional satisfaction generated from contact between customers and staff with the value created by contact via digital means



Improved operational efficiency and added value

- Improved operational efficiency through automation, labor saving, and consolidation of operations based on standardization of store operations
Simultaneously, focus on human resource development that will lead to increased added value by staff

Proposal of conceptual images of use tailored to customer needs

- Develop proposals in line with customer needs, utilizing a wide variety of offerings such as gyms, swimming pools, schools, saunas, and baths, etc. and work to increase the number of members



- In addition, some membership fees are scheduled to be revised from July 2023 to cope with various cost increases and to continuously improve quality

Establish a new model to accelerate the development of “Genki Gym”

- Developing a new store model for “Genki Gym” that incorporates remote treatment of users by physiotherapists using images, with the aim of expanding to a wider audience



New services for behavior change and habituation in health promotion

- Focusing on providing new solutions that continuously support employee health behaviors in a company that engages in health and productivity management, and contribute to improving corporate productivity



Collaboration with local municipalities and support for community development with a focus on health

- Sports clubs collaborate with local municipalities to promote community revitalization by offering nursing care prevention classes, taking on the responsibility of swimming lessons and club activities at schools, and supporting community development centered on health in rural areas.

Key Initiatives: Creating Value through Alliances

Accelerate growth through alliance with Advantage Advisors

- Promote multiple projects with Advantage Advisors, with whom we have a capital and business alliance, to improve our profitability and create added value with an eye to the future

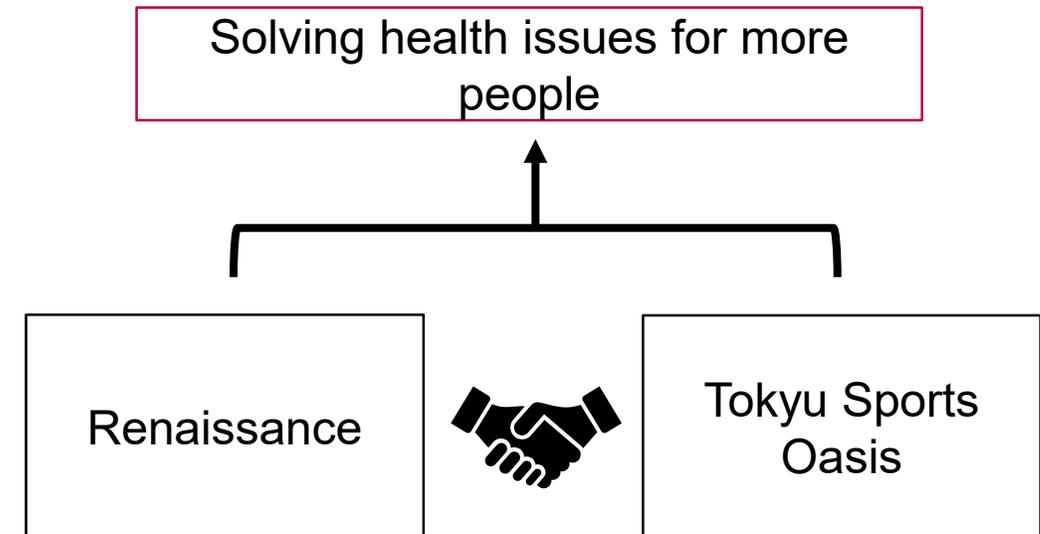
<<Example of project>>

Store development suitable for various needs

Consideration of business succession and M&A

Create synergy with Tokyu Sports Oasis

- Work with Tokyu Sports Oasis, which we have invested in, to help more people solve health issues by leveraging each other's strengths and know-how



Building a partnership that leverages the strengths of both companies

New Store Openings and Entrusted Management Scheduled for April 2023 and Beyond

■ Scheduled to be newly opened

Opening date	Facility name	Address	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, Kumamoto	Designated management
April 2023	BEACHTOWN OND PARK	Takeo-shi, Saga	Outdoor fitness (entrusted management)
July 2023	Sports Club & Spa Renaissance Imazato 24	Osaka-shi, Osaka	Sports club
July 2023	Sports Club Renaissance Sendai Oroshi-machi 24	Sendai-shi, Miyagi	Sports club
Autumn 2023	Sports Club & Spa Renaissance Hikarinomori 24 (tentative name)	Kikuyo-machi, Kumamoto	Sports club
Autumn 2023	Sports Club Renaissance Aeon Mall Zama 24 (tentative name)	Zama-shi, Kanagawa	Sports club



- Sports Club & Spa Renaissance Imazato 24



- Sports Club Renaissance Sendai Oroshi-machi 24

Forecast of Consolidated Results and Dividends for Fiscal Year Ending March 2024



Steady recovery of net sales to pre-COVID levels and improvement in profits at each stage from fiscal 2022 are expected

(Millions of yen)

	Fiscal Year Ended March 31, 2023 (Actual)	Fiscal Year Ending March 31, 2024 (Forecast)	Year-on-Year Increase/decrease
Net sales	40,760	44,000	+7.9% +3,239
Operating income	680	900	+32.3% +219
Ordinary income	311	350	+12.4% +38
Net income attributable to owners of the parent company	(1,141)	100	- +1,241
Net income per share (yen)	(60.44)	5.29	-
Dividend per share (yen)	8.0 <small>(Interim 4.0/Fiscal year end 4.0)</small>	8.0 <small>(Interim 3.0/Fiscal year end 5.0)</small>	-
Operating income to net sales	1.7%	2.0%	-

6. Medium- to Long-Term Direction

A Look Back - Three Turbulent Years for the Fitness Industry



FY2019

FY2020

FY2021

FY2022

- Outbreak of COVID-19 in Japan
- Reputational damage caused by cluster announcements
 - Request for closure due to declaration of state of emergency
 - Increase in the number of members freezing or cancelling their membership due to temporary closures
- Fitness companies suffer financial setbacks, some become insolvent
 - Begin to see industry restructuring
 - Polarized performance trends within the industry

Growing health needs

- Secondary health hazards due to lifestyle changes caused by the pandemic
- Decrease in physical activity due to restricted outings
- Frailty among the elderly in particular has become a social problem
- Increase in mental health problems due to remote work
- Reaffirmation of the importance of maintaining and managing health
...And others



Creation of new services

- Providing new exercise opportunities through online fitness
- Increase in the opening of new stores in various new business categories
- Development of original products and e-commerce are booming
- Propose personalized services using digital technology
- New products with reference to various schools and communities
...And others



What our company gained through the pandemic

[Capital enhancement]

- Quickly enhance capital to prepare for deteriorating business performance (SOMPO Holdings, Inc. and SUMITOMO LIFE INSURANCE COMPANY)
- Secure new growth capital for the future (Advantage Advisors)

[Fitness schooling]

- Succeeded to implemented school elements into fitness following the rapid recovery of school members and introduced it to all clubs, achieving a vertical start-up.
- Utilize small groups and gradual lessons, allowing participants to experience both results and connections simultaneously, and fostering ongoing engagement.

[Strengthening digital contacts]

- Enhancing customer value by integrating digital contact points with real contact points to provide services
- Online lessons, EC, app community sites, etc.
- Revise prices while increasing added value

[Deepening business to date]

- Launch and accelerate initiatives for projects to penetrate deeper into the corporate and local municipal sectors
- Online and business development-type study abroad programs, etc.

[Collaboration with industry peers]

- Accelerate efforts to collaborate with other companies in the industry to overcome the challenging environment caused by the pandemic
- By forming a capital alliance with Tokyu Sports Oasis, expecting to become the industry's No. 1 sales scale as a corporate alliance

[Speed of response to change]

- Respond flexibly and quickly to partnerships and alliances with other companies to generate results
- Decision-making to respond to change without being limited by past experience

Health solution company that enriches the age of the 100-year life span



Our Key Social Challenges and Growth Opportunities

Social changes and major social issues

Revealing health issues

Due to changes in the social context, health concerns and lifestyle-related diseases are increasing in all generations, and social security costs are also going up



Realization of a society in which all generations can live healthy and comfortable lives through enjoyable physical activity



Discrepancy between average life expectancy and healthy life expectancy

Although life expectancy is among the highest in the world, healthy life expectancy is about nine years shorter for men and about 12 years shorter for women, leaving many people with health concerns and anxieties



Achieving a “healthy and long-lived society” full of health and vitality through exercise and interaction with others



Lack of rehabilitation and other services

While the number of people who need assistance to live independently is increasing, the supply of personalized services (solutions) is lacking



Realization of a society in which everyone, even those with illnesses or those who need support such as nursing care, can live a life and lead a life that is uniquely their own



Decline of local communities

Due to the increasing number of people living alone or in nuclear families, there are fewer opportunities to participate in the community and more people with physical and mental issues



Building a community around “health”
Realization of local communities where people can live actively

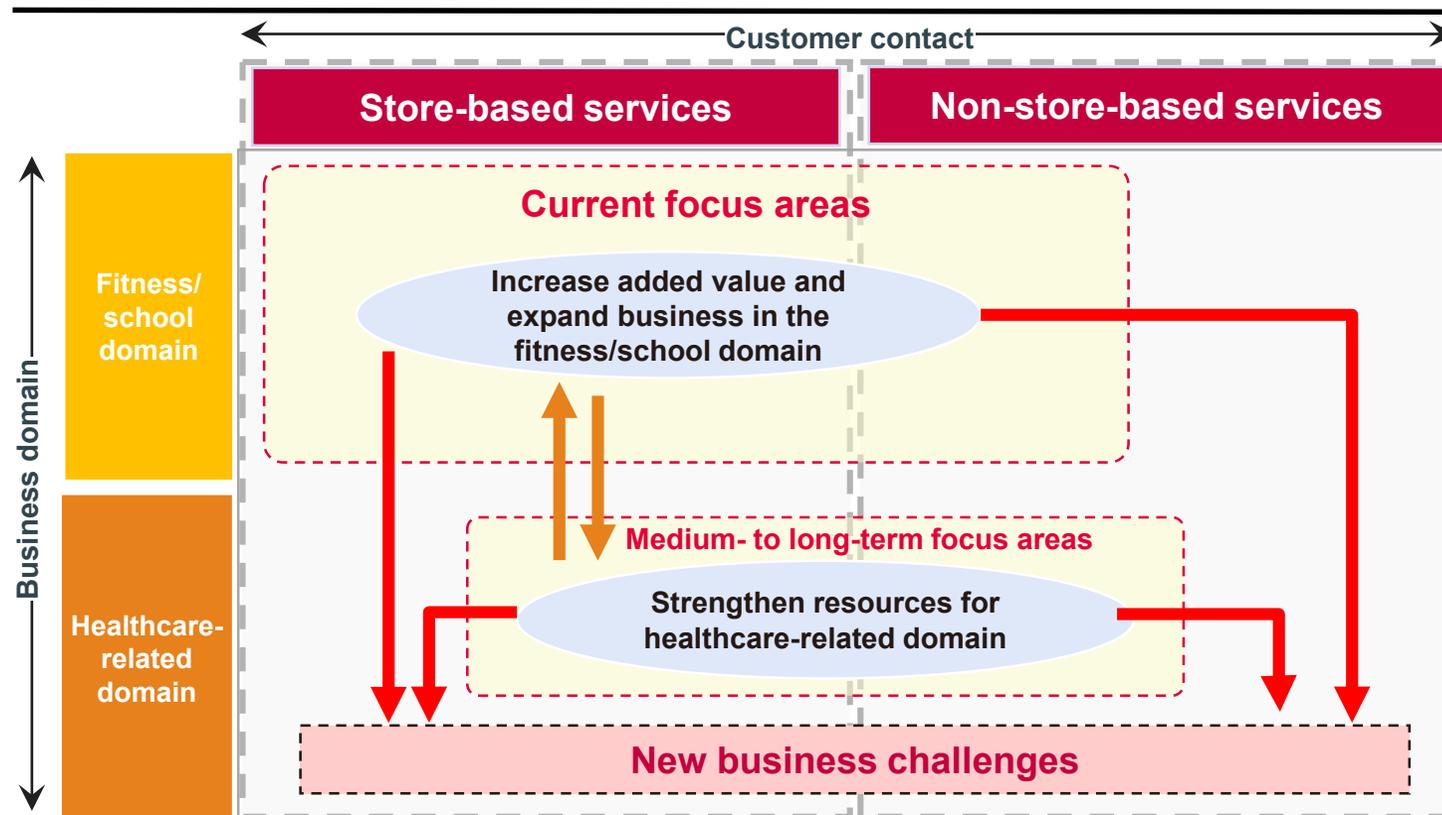
We will contribute to solving social issues as a “health solution company that enriches the age of the 100-year life span”

Business Growth Through Collaboration Among Our Company's Business Domains

Expanding our business domain by linking the various types of know-how acquired through sports club management to other markets

We will continue to combine our expertise in social issues related to health to solve these issues and achieve growth

Our Business Domain and Future Prospects



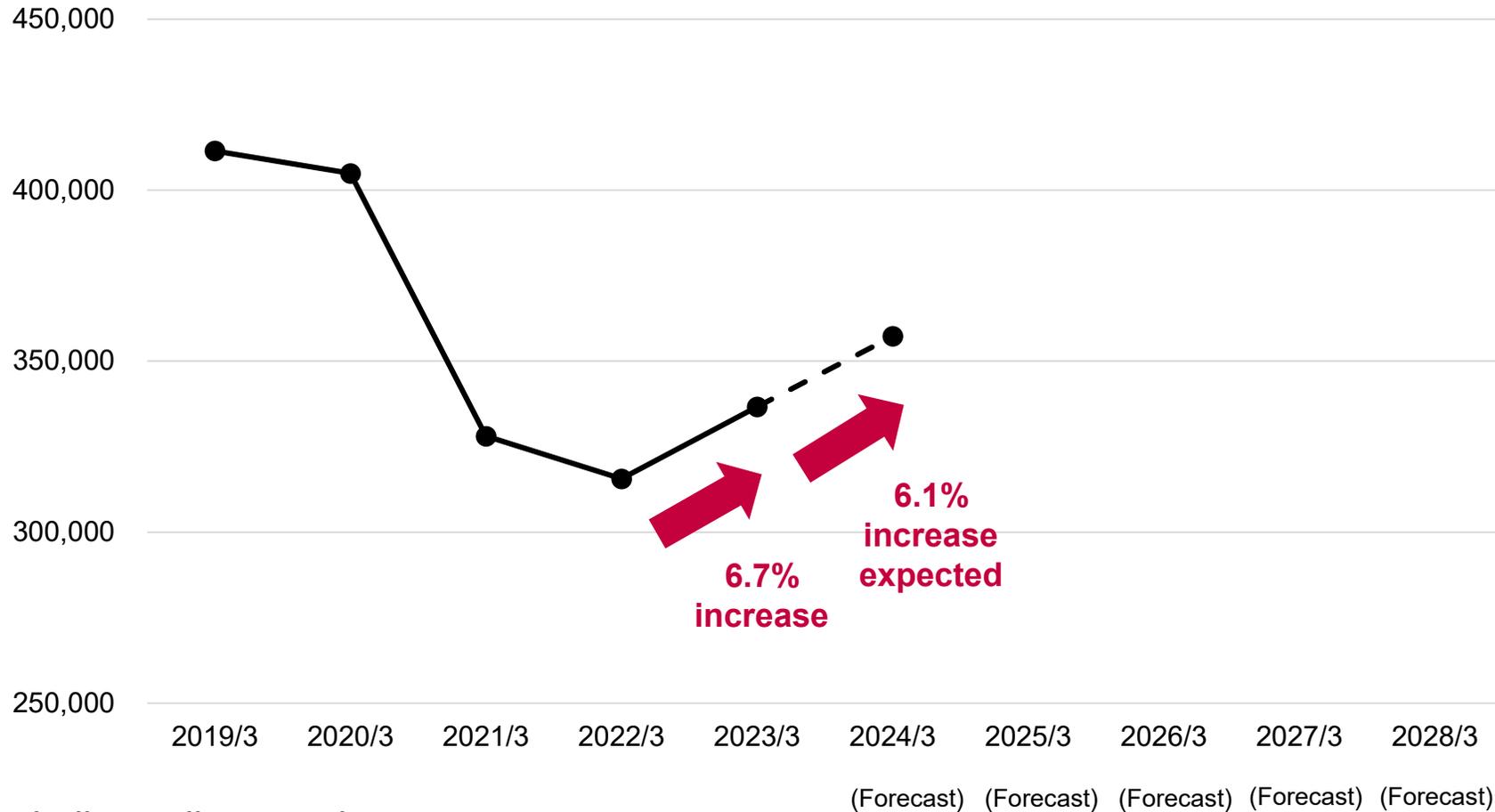
[Healthcare-related domain already addressed by our Company]

- Nursing care and nursing/medical care
- Health promotion business for companies and health insurance associations
- Health promotion business for local communities and municipalities

Future Outlook for Sports Clubs

Enrollment at Sports Clubs on the Rebound

Trends in Sports Club Enrollment

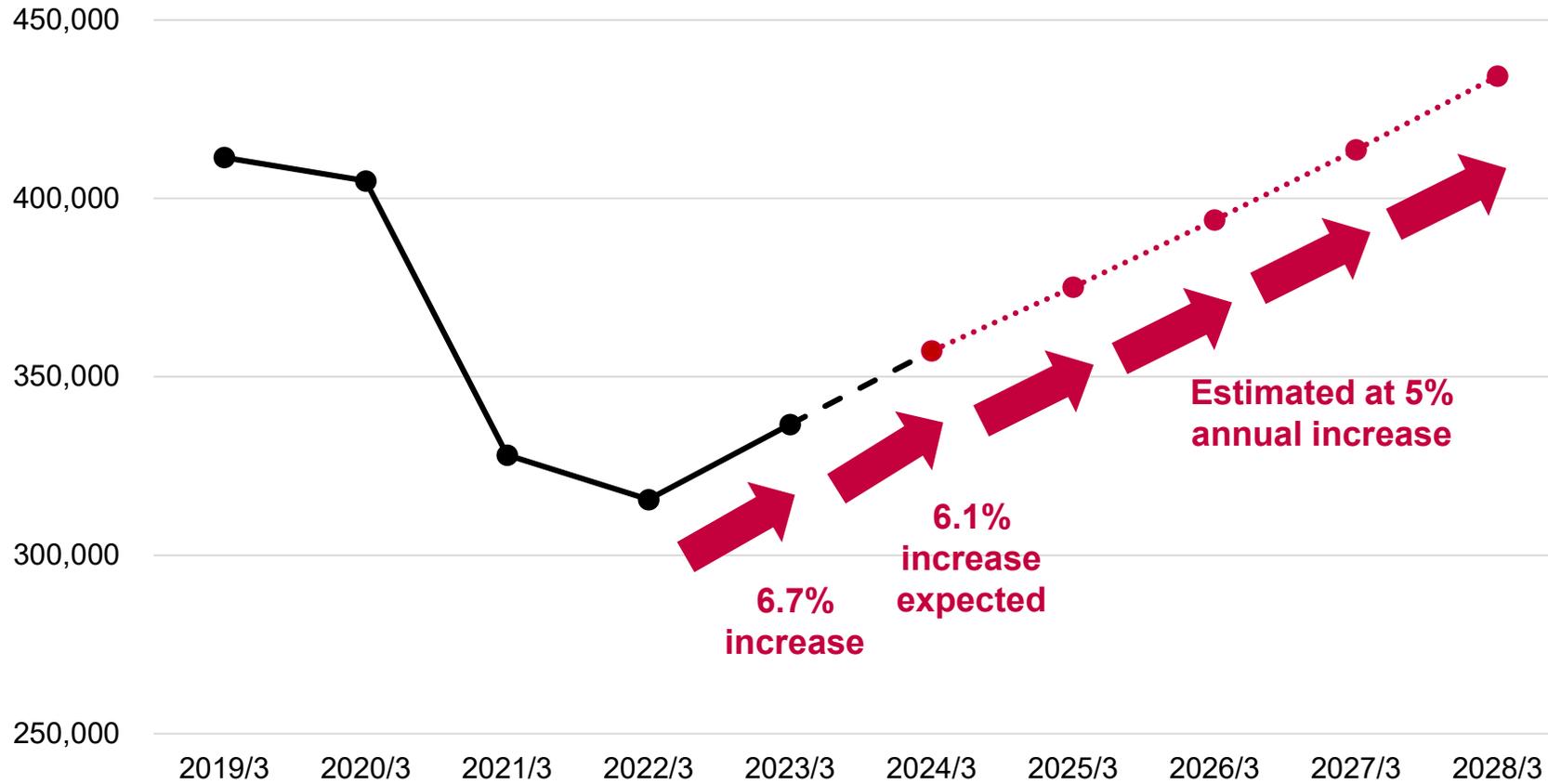


* Excluding online members

Enrollment in Sports Clubs Expected to Be at All-time High by End of Fiscal 2026

High by End of Fiscal 2026

Trends in Sports Club Enrollment



(Forecast) (Forecast) (Forecast) (Forecast) (Forecast)

* Excluding online members

Creating New Added Value for Integrated Sports Clubs

- Continued to open new stores during the pandemic
Continue to open new stores and strengthen business succession



- Shift from a cost-cutting mode in the wake of the pandemic toward charging higher fees through new value offerings (the revision of membership fees scheduled for July is part of this shift)
- Reinforce marketing to increase customer satisfaction through [human × digitalization]
- Expansion of health care domain in sports clubs

- Address high utility costs
- Streamline non-customer contact operations by centralizing and automating operational methods
- Improve the club portfolio by making management decisions (closing clubs) as necessary for low-profit clubs
- Invest in human resources to support human capital management
- Together with “Tokyu Sports Oasis,” which we have invested in, we will implement management that capitalizes on the strengths of both companies

**Future Outlook for
Nursing care and nursing/medical care,
Health promotion business for companies and
health insurance associations, and
Health promotion business for local communities
and municipalities**

Nursing Care and Nursing/Medical Care

- In response to the health issues of the elderly population, which is expected to increase until 2042, we will accelerate the opening of “Genki Gym” daycare services specializing in rehabilitation, which is a growing need in the area of long-term care insurance
- In fiscal 2023, we will promote minor changes to accelerate store openings, and from fiscal 2024 onward, we will open four to five new directly managed stores (including home-nursing stations) and eight to 10 franchise stores each year
- In addition, the company began researching a new business model that includes not only day-care facilities but also residential care facilities



Nursing Care and Nursing/Medical Care

- Accelerate the development of “SYNAPSOLOGY®,” an original method for preventing cognitive decline, by building a new business model based on the results of repeated verification of its effectiveness and publication of papers
- The know-how of the “Renaissance Exercise Support Center,” developed in cooperation with the Osaka International Cancer Institute, can appeal to a wide range of cancer survivors, and we will collaborate with life insurance companies and others to promote its deployment online and at Renaissance facilities, etc.



- Our company has promoted the operation of various organizations such as the “Kenkokeiei (Health and Productivity Management) Meeting.” The company is playing a role in supporting the government promote “health and productivity management,” and is using the knowledge it has gained to accelerate health promotion for employees and members of companies and health insurance associations
- Continue to promote health through sports clubs
- Launched a new online product service (product name: “Smart Action”) to help employees and association members change their behavior and develop habits
- ROL (RENAISSANCE Online Livestream), which is used by many SUMITOMO LIFE’s “Vitality” subscribers, is expanding its membership by enhancing the search for partner companies



Health Promotion Business for Local Communities and Municipalities

- Based on our track record of having been entrusted with 200 or more municipal projects, we are expanding our business not only to the municipalities where our sports clubs are located, but also to municipalities throughout Japan
- To address issues faced by schools (increased pool maintenance and management costs, teachers' burden related to classes, etc.), we are expanding the number of swimming classes offered at elementary, junior high, and high schools by leveraging our facilities and swimming instruction capabilities cultivated through our sports clubs



Health Promotion Business for Local Communities and Municipalities

- Utilizing know-how accumulated through community development projects in Tanagura-machi (Fukushima), Hoki-cho (Tottori), and Koshimizu-cho (Hokkaido), we are promoting “healthy community development” proposals in terms of both hardware (tangible items) and software (intangible items), mainly for municipalities in underpopulated areas
- Expand PPP projects utilizing municipal resources, such as the designated management of Ohama Gymnasium in Sakai-shi and sports parks and indoor sports facilities in Takeo-shi, which were acquired through PFI, in cooperation with its subsidiary, BEACH TOWN

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株式会社BEACHTOWN



Achieving Medium- to Long-Term Growth

Aim to achieve record profits over the next five years by “creating purpose in life (*ikigai* in Japanese) ” and making social contributions to living healthy

[FY2029] 50th anniversary of establishment
Contribute to a Well-Being society as a health solutions company

[FY2027]
Aim to achieve record-high operating income of over 4 billion yen

[FY2025] [FY2026]
Resume sports club openings and allocate management resources according to new scenarios

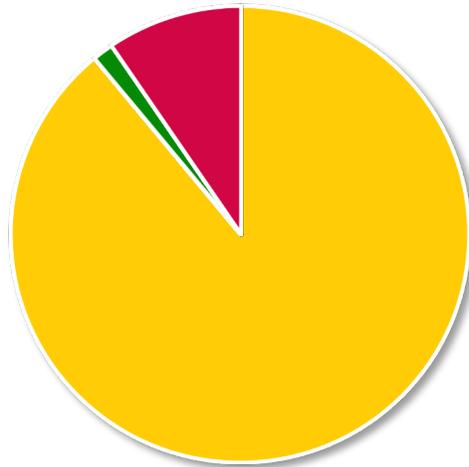
[FY2024]
Redefine the existence value of integrated sports clubs and increase the contribution of healthcare-related businesses to the company’s performance

[FY2023]
Reinvest funds from sports club price revision into future growth areas, preparing for return to profitability
Identify social issues to be addressed by our company

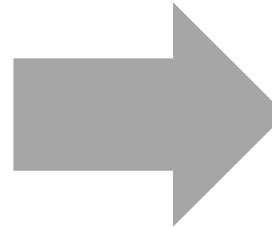
[FY2022]
Reversal of deferred tax assets recorded as extraordinary losses in response to changes in the business environment of the sports club business

Net Sales Composition Ratio Targeted for FY2027

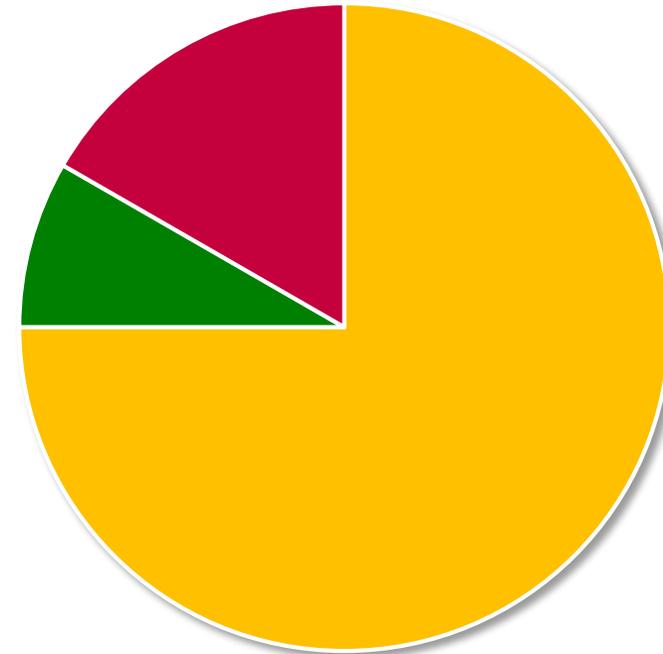
Net Sales Composition Ratio in FY2022



- Sports club (fitness/school)
- Health care business under collaboration with sports clubs
- Healthcare-related business



Net Sales Composition Ratio Targeted for FY2027

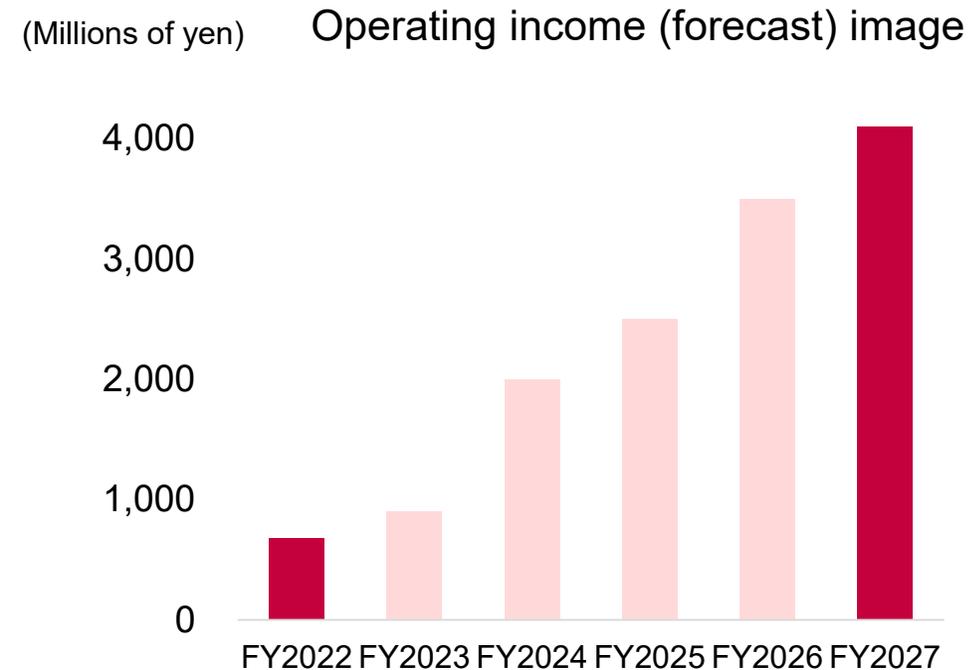
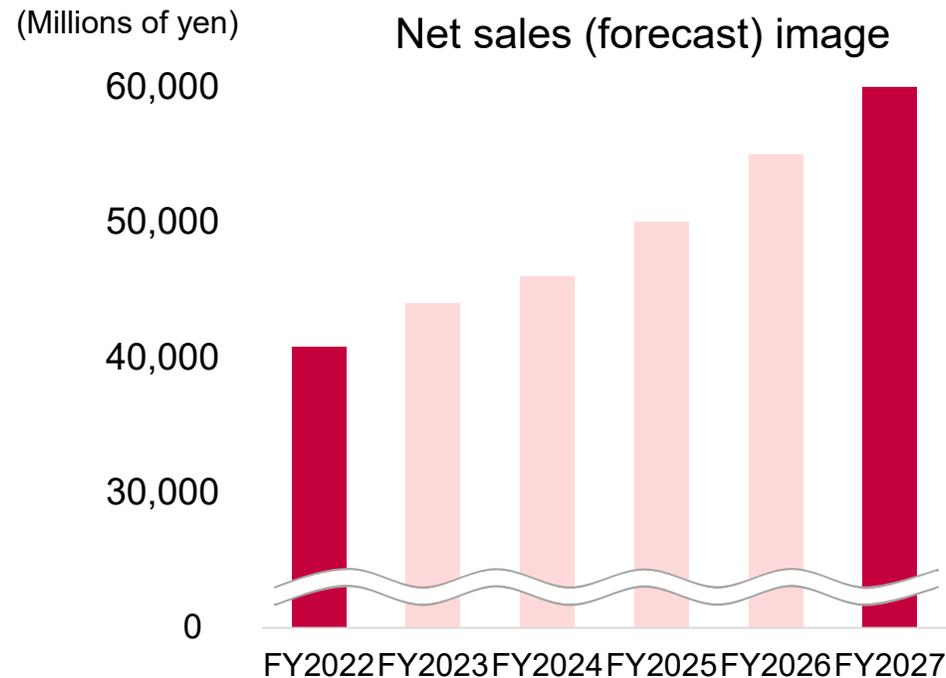


- Sports club (fitness/school)
- Health care business under collaboration with sports clubs
- Healthcare-related business

Aim to achieve record-high operating income of over 4 billion yen by fiscal 2027

- Net sales are expected to be 60 billion yen in fiscal 2027 (not including M&A)

*The contribution of healthcare-related businesses to the Company's overall performance will increase from fiscal 2024 onward



Promotion OF M&A

Promote M&A to become a “health solution company”

[M&A in the sports club business]

- ✓ Restructuring in the fitness industry is gaining momentum
- ✓ Reinforce initiatives, including facility succession, based on experience of 18 M&A transactions in the past

[M&A in healthcare-related business areas]

- ✓ Identify “health-related social issues” to be addressed by the Company, and concretization of a growth business story through initiatives taken in fiscal 2023
- ✓ Also consider the scope of healthcare-related businesses



Leverage funds from Advantage Advisors, etc.

We at Renaissance will continue to propose healthy and comfortable lifestyles to our customers as a “company for creating purpose in life (*ikigai* in Japanese) ”



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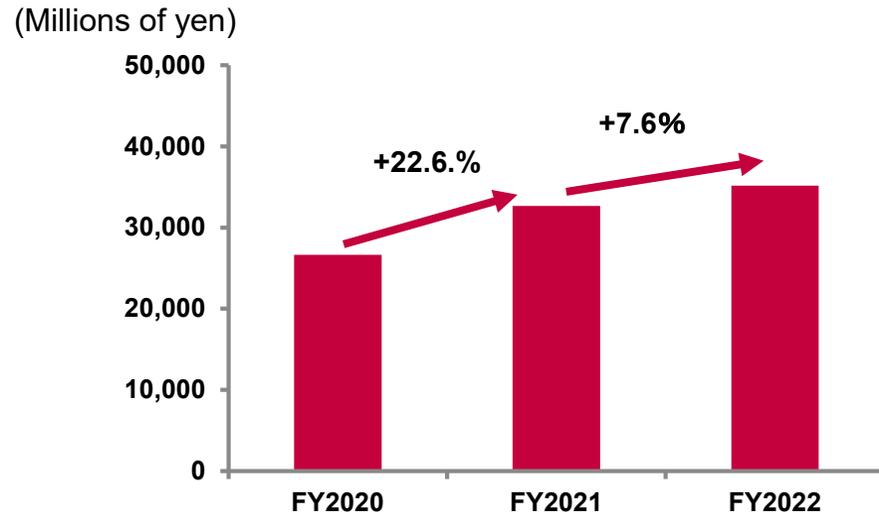
[URL] <https://www.s-renaissance.co.jp/>

This presentation material contains projections based on future assumptions, outlooks and plans as of May 10, 2023. Actual results may differ from these forecasts due to risks and uncertainties associated with the global economy, competitive conditions, currency fluctuations, and other factors.

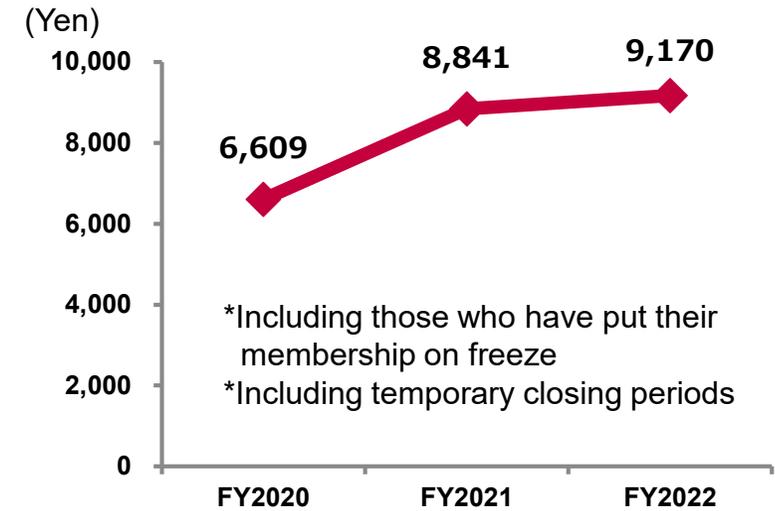
Reference Information

Trends in Existing Clubs

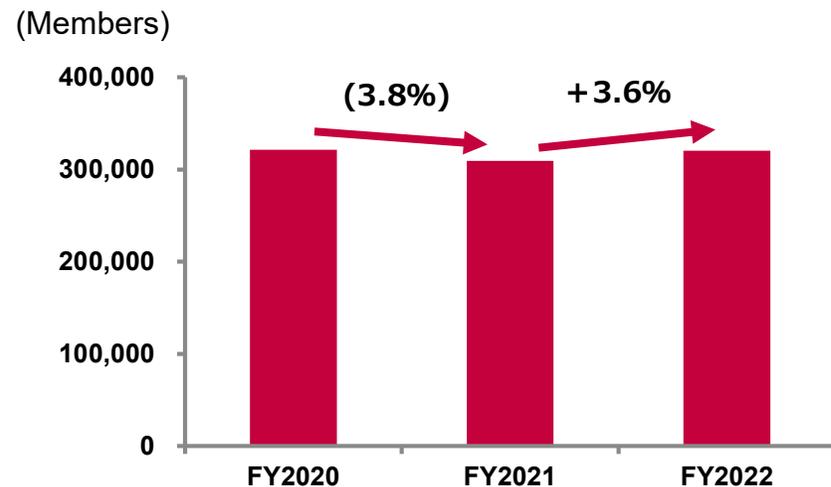
■ Net sales



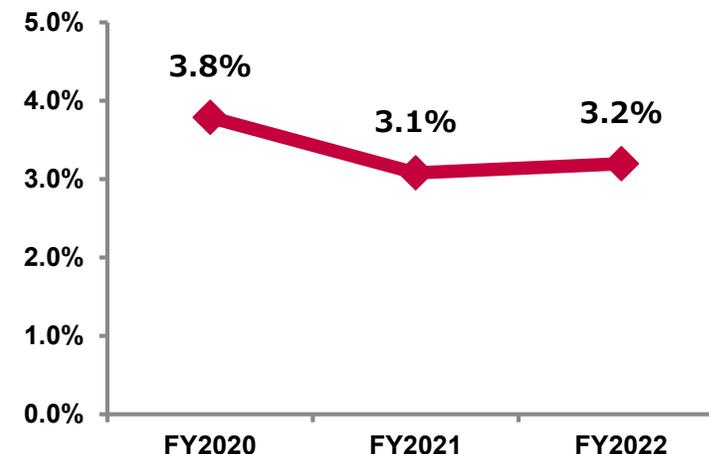
■ Fee per membership (cumulative total for full year)



■ Number of members at end of period

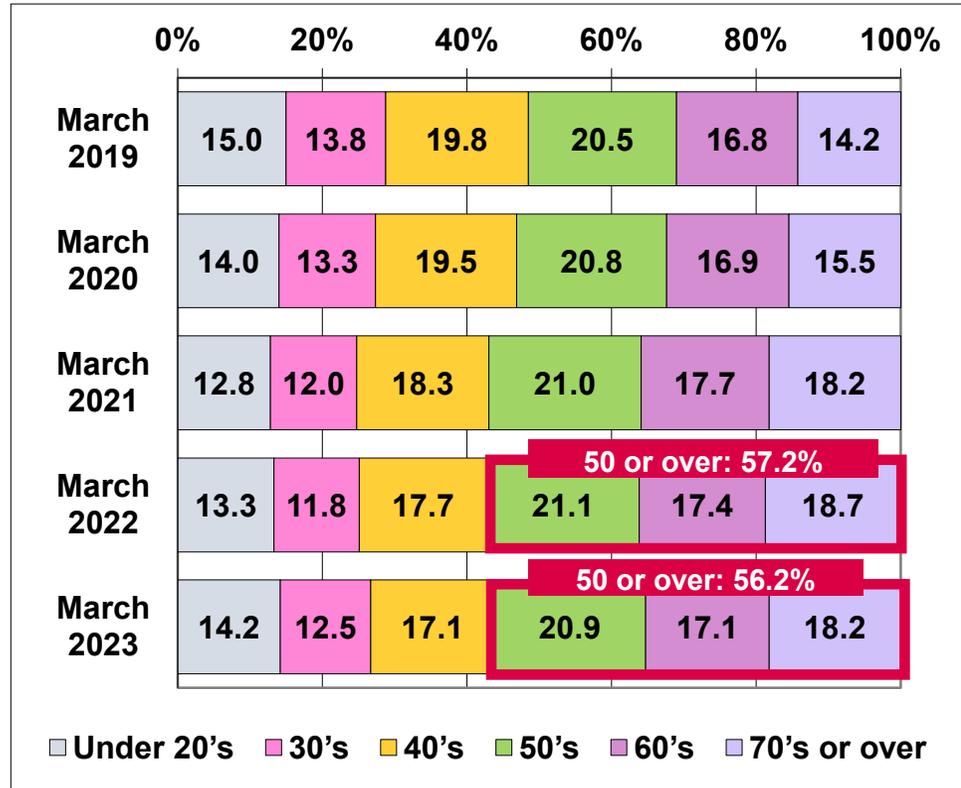


■ Withdrawal rate (cumulative total for full year)

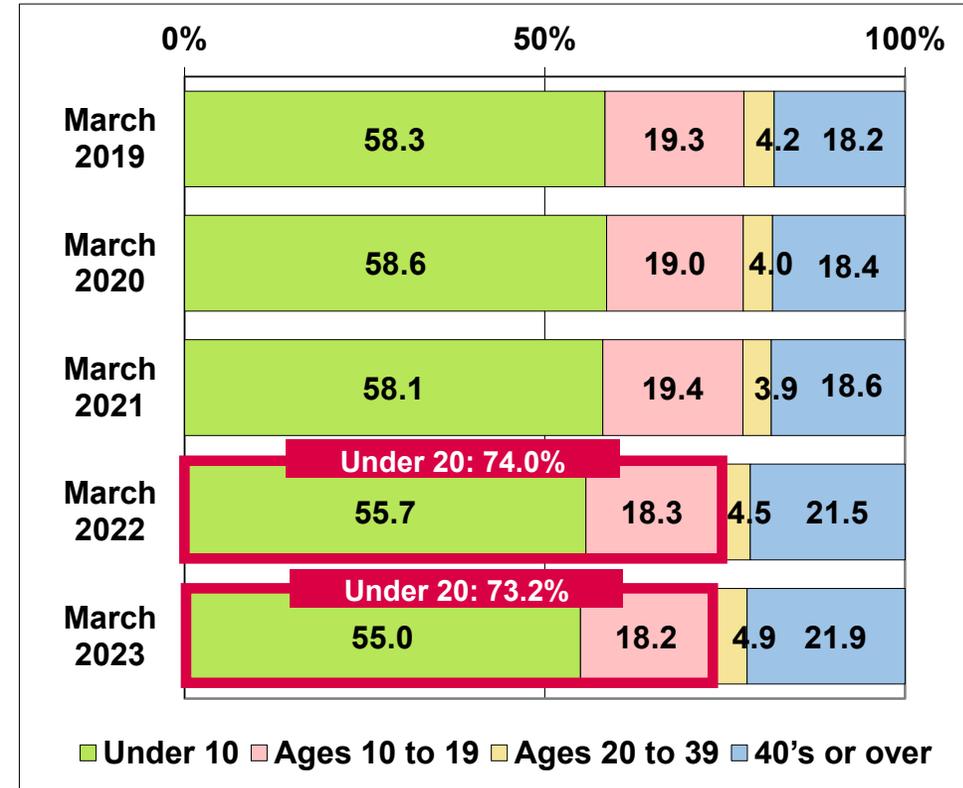


Membership Age Breakdown

Fitness division



School division



School membership: Swimming, tennis, other schools (golf, soccer, fitness school, etc.)