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Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (Under Japanese GAAP)

August 8, 2025

Company name:	RENAISSANCE INCORPORATED
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	2378
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Representative:	Misao Mochizuki, Representative Director and President
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Scheduled date for dividend payment:	None
Supplementary materials for financial summaries:	None
Financial results briefing:	None

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

1. Consolidated Financial Results for the First Quarter of the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to June 30, 2025)

(1) Consolidated operating results (Cumulative)

(Percentage 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	%
Three months ended June 30, 2025	15,560	0.8	(280)	-	(518)	-	50	(74.1)
June 30, 2024	15,435	48.6	360	731.0	230	481.8	195	161.5

(Note) Comprehensive income For the three months ended June 30, 2026: 90 million yen ((44.4)%) For the three months ended June 30, 2025: 161 million yen (-%)

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended June 30, 2025	2.42	2.35
June 30, 2024	10.11	8.78

(Note) In the previous consolidated fiscal year, the provisional accounting treatment for business combinations was finalized, and the figures for the first quarter of the fiscal year ending March 2025 reflect the finalized content of the provisional accounting treatment.

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of June 30, 2025	56,295	11,995	21.3
March 31, 2025	55,435	12,118	21.8

(Reference) Owner's equity As of the first quarter of the fiscal year ending March 2026: 11,983 million yen As of the fiscal year ended March 2025: 12,106 million yen

2. Cash dividends

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	Fiscal year-end	Total
Fiscal year ended March 31, 2025	Yen -	Yen 3.00	Yen -	Yen 9.00	Yen 12.00
Fiscal year ending March 31, 2026	-				
Fiscal year ending March 31, 2026 (Forecast)		4.00	-	9.00	13.00

(Note) Presence or absence of revisions from the most recently announced dividend forecast: None

The above 'Cash dividends' refer to cash dividends for common stock. For cash dividends on class shares (unlisted) with different rights from the common stock issued by the Company, please refer to 'Cash dividends for class 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
Second quarter (cumulative)	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

(Note) Correction of financial forecast from the most recent financial forecast: None

* Notes

(1) Significant changes in the scope of consolidation during the period: Yes

New - Company (Company name), Exclusion 1 company (Company name) Sports Oasis Co., Ltd. As of April 1, 2025, an absorption-type merger was conducted with RENAISSANCE, INCORPORATED as the surviving company and Sports Oasis Co., Ltd. as the absorbed company.

(2) Application of specific accounting for the consolidated quarterly financial statements: None

(3) 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 : Yes

(iii) Changes in accounting estimates : None

(iv) Retrospective restatement : None

(Note) For details, please refer to page 8 of the Financial Results (Attached Materials), "2. Consolidated Quarterly Financial Statements and Primary Notes (3) Notes to Consolidated Quarterly Financial Statements (Changes in Accounting Policies)."

(4) Number of shares issued (common stock)

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

As of June 30, 2025	21,379,000 shares
As of March 31, 2025	21,379,000 shares

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

As of June 30, 2025	2,482,987 shares
As of March 31, 2025	2,482,987 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Three months ended June 30, 2025	18,896,013 shares
Three months ended June 30, 2024	18,888,294 shares

※ Review of attached consolidated quarterly financial statements by a certified public accountant or an audit firm: None

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

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 regarding the use of forecasts, please refer to "1. Qualitative Information on the Quarterly Financial Results" on page 1 of the financial results report (attached materials).

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

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1. Qualitative information regarding the quarterly financial results

(1) Description of Operating Results

During the first quarter of the current consolidated fiscal year (April 1, 2025 to June 30, 2025), in terms of Net sales, although there was weakness in customer acquisition for the Sports club business and sales in the Home fitness business (sales of home exercise equipment) in April and May, both businesses showed a recovery trend from June onward. On the cost side, some expenses, such as sales promotion expenses associated with the strengthening of spring and summer membership campaigns and Personnel expenses, exceeded the plan. In addition, the results include approximately 120 million yen in Business commencement expenses for two comprehensive Sports club facilities that opened in April and July, as well as renewal investment costs for 23 existing stores. Regarding tax effect accounting, we estimated future taxable income including Sports Oasis Co., Ltd., which was absorbed and merged on April 1, 2025, and carefully examined the recoverability of Deferred tax assets, resulting in the recording of Income taxes - deferred (income) of 650 million yen.

As a result, Net sales were 15,560 million yen (up 0.8% YoY), operating loss was 280 million yen (a decrease of 641 million yen from the same period of the previous year), ordinary loss was 518 million yen (a decrease of 748 million yen from the same period of the previous year), and Net income attributable to owners of parent company was 50 million yen (down 74.1% YoY).

In addition, in the previous consolidated fiscal year, the provisional accounting treatment for business combinations was finalized, and the figures for the first quarter of the previous consolidated cumulative period reflect the finalized content of the provisional accounting treatment.

Furthermore, our group has resolved to implement an organizational restructuring effective September 1. We will transition to a divisional system to accelerate decision-making and the execution of various measures.

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 age of 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, due to the continued impact of rising prices, the number of new members in April and May fell below plan. However, as a result of strengthened promotional activities, performance has been strong since June. In addition, during the first quarter of the current consolidated fiscal year, we newly opened "Sports club Renaissance Higashi Sapporo 24 (Sapporo, Hokkaido)" in April, and conducted promotions for the opening of "Sports club Renaissance Viera Meimai 24 (Kobe, Hyogo)" in July. Furthermore, to improve the safety and comfort of our facilities and to make Sports clubs not only places for exercise but also places that enrich daily life, we made renovation investments such as expanding sauna and spa areas and introducing co-working spaces at 23 existing locations. As a result, Net sales in the Sports club business were 13,334 million yen (up 1.3% YoY), and the number of enrolled members was 439,824 (up 1.5% YoY).*

*From the first quarter of the current consolidated cumulative period, figures are presented excluding online membership and including the number of Sports club members of Renaissance Vietnam.

<Health promotion business for local communities and municipalities/>

In the BtoG sector (community health promotion), where we leverage our expertise in sports club management, the number of contracts for school swimming classes increased by 75.4% year on year. This was driven by growing social needs such as increased maintenance costs due to the aging of school pool facilities, the burden on teachers associated with swimming classes, and the need to secure the number of classes due to weather conditions. In May, we concluded a comprehensive partnership agreement with Kikuyo Town, Kumamoto Prefecture, to promote health and strengthen

collaboration with local governments in supporting community health initiatives. In public-private partnership (PPP) projects for public facilities, we began managing and operating eight new facilities in Higashiyamato City (Tokyo), Kitakyushu City (Fukuoka Prefecture), and Nago City (Okinawa Prefecture). We are working to strengthen our project acquisition and operational systems to further expand the number of our locations.

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

In the BtoB segment (health promotion for employees of corporations and health insurance associations), we provided services such as the online lesson service "RENAISSANCE Online Livestream" to customers of corporations, including Sumitomo Life Insurance Company's Vitality members. We also worked on proposing 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, we newly opened three rehabilitation-focused day service facilities, "Genki Gym": "Renaissance Genki Gym Higashikurume (directly managed) " (Higashikurume City, Tokyo) in May, "Renaissance Genki Gym Mejirodai (directly managed) " (Bunkyo-ku, Tokyo) and "Renaissance Genki Gym Hiroshima Ujina (franchise) " (Hiroshima City, Hiroshima) in June. These directly managed facilities were established under an operational model designed to address challenges such as the recruitment of physical therapists and to enhance the quality and efficiency of facility management. In addition, we worked on proposing solutions such as online exercise classes for businesses operating nursing care facilities. Furthermore, in order to expand the nursing care rehabilitation facilities business, we are considering measures including M&A. As a result, net sales of the nursing care and medical-related business for the first quarter of the current consolidated fiscal year were 550 million yen (up 14.8% YoY).

<Home Fitness Business/>

In the Home Fitness business, due to factors such as the brand switch from Sports Oasis to Renaissance in the previous fiscal year, the sales pace of the popular merchandise, steppers, declined in April and May, but sales began to recover in June. In addition, we are working on the development of new merchandise models for steppers and new merchandise for TV shopping that incorporates know-how from the nursing care rehabilitation facilities business. As a result, net sales in the Home Fitness business for the first quarter of the current consolidated fiscal year were 1,010 million yen (down 7.0% YoY).

In addition, our group has resolved to implement an organizational restructuring effective September 1. For further details, please refer to the "Notice of Organizational Changes and Personnel Transfers" announced today.

The new store openings and closures for the first quarter of the current consolidated fiscal year (including Contracted business and Designated management) are as follows.

Opening/Establishment Period	Facility Name	Facility Type
April 2025	Sports Club 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-shi, Fukuoka)	Designated management
April 2025	Nago City B&G Marine Center Pool (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)
June 2025	Renaissance Genki Gym Hiroshima Ujina (Hiroshima City, Hiroshima)	Nursing rehabilitation (franchise)
Store closure	Facility Name	Facility Type
May 2025	BEACHTOWN HIBIYA PARK (Chiyoda-ku, Tokyo)	outdoor fitness facilities (directly operated)
June 2025	Re PT GYM RENAISSANCE JAPAN Times City (Hanoi, vietnam)	Personal training gym (Renaissance Vietnam)

As a result, the number of facilities in our group at the end of the first quarter of the consolidated fiscal period was 293, consisting of 231 sports clubs (Renaissance: 141 directly operated, 84 contracted business, 4 operation support, RENAISSANCE VIETNAM, INC.: 2 directly operated), 2 small-format facilities (Renaissance: 1 directly operated, RENAISSANCE VIETNAM, INC.: 1 directly operated), 50 nursing care rehabilitation facilities (39 directly operated, 11 franchised), and 10 outdoor fitness facilities (3 directly operated, 7 contracted business).

In addition, from July 2025 onward, we plan to open new facilities and undertake management contracts for the facilities listed in the table below.

Opening/ Establishment Period	Facility Name	Facility Type
July 2025	Sports Club Renaissance Vierra Meimai 24 (Kobe City, Hyogo)	Sports club
July 2025	(New) Fuchu City B&G Marine Center Pool (Fuchu City, Hiroshima)	Designated management
August 2025	Renaissance Genki Gym Kawasaki Hatchonawate (Kawasaki City, Kanagawa)	Nursing rehabilitation (directly managed)

As the Group's reportable segment consists solely of the 'Sports club operation business,' segment performance is not separately disclosed.

(2) Description of Financial Position

At the end of the first quarter of the consolidated fiscal period, total assets increased by 860 million yen compared to the end of the previous consolidated fiscal year, reaching 56,295 million yen. This was mainly due to an increase in investments and other assets by 581 million yen, primarily resulting from an increase in deferred tax assets by 630 million yen.

At the end of the first quarter of the consolidated fiscal period, total liabilities increased by 983 million yen compared to the end of the previous consolidated fiscal year, reaching 44.3 billion yen. This was mainly due to an increase in total current liabilities by 655 million yen as a result of an increase in short-term borrowings, and an increase in non-current liabilities by 328 million yen due to an increase in long-term borrowings.

At the end of the first quarter of the consolidated fiscal period, total net assets decreased by 123 million yen compared to the end of the previous consolidated fiscal year, amounting to 11,995 million yen. This was mainly due to a decrease in retained earnings of 129 million yen, primarily resulting from the recording of 50 million yen in net income attributable to owners of parent company and the payment of 180 million yen in dividends.

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

There are no changes to the consolidated forecasts for the fiscal year ending March 31, 2026 from the contents announced on May 9, 2025.

2. Consolidated Quarterly Financial Statements and Primary Notes

(1) Consolidated quarterly balance sheet

(Unit: Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Assets		
Current assets		
Cash and deposits	7,680,354	8,200,219
Accounts receivable - trade	2,379,089	1,938,174
Merchandise	803,643	726,327
Other	1,740,989	1,788,437
Allowance for doubtful accounts	(12,918)	(12,270)
Total current assets	12,591,159	12,640,888
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,091,727	9,363,201
Leased assets, net	13,070,369	12,789,925
Other (net)	3,325,267	3,562,791
Total property, plant and equipment	25,487,364	25,715,918
Intangible fixed assets		
Goodwill	883,132	862,066
Customer-related intangible assets	592,285	567,607
Others	487,711	535,929
Total intangible fixed assets	1,963,129	1,965,602
Investments and other assets		
Investment securities	42,198	48,421
Leasehold and guarantee deposits	12,317,705	12,358,612
Deferred tax assets	1,973,577	2,577,183
Others	1,051,345	982,185
Total investments and other assets	15,384,826	15,966,402
Total non-current assets	42,835,321	43,647,924
Deferred assets	9,114	6,876
Total assets	55,435,594	56,295,688
Liabilities		
Current liabilities		
Accounts payable - trade	133,128	95,083
Short-term borrowings	4,200,000	6,000,000
Current portion of long-term borrowings	2,220,584	1,890,000
Income taxes payable	502,376	122,180
Provision for bonuses	1,131,581	591,709
Other	7,398,342	7,542,050
Total current liabilities	15,586,013	16,241,023
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	5,318,053	5,900,000
Lease obligations	14,781,738	14,529,463
Retirement benefit liability	1,248,756	1,273,986
Asset retirement obligations	2,407,034	2,422,221
Other	2,475,510	2,433,590

Total non-current liabilities	27,731,080	28,059,249
Total liabilities	43,317,093	44,300,273

(Unit: Thousands of yen)

	As of March 31, 2025	As of June 30, 2025
Net assets		
Shareholders' equity		
Share capital	3,210,356	3,210,356
Capital surplus	5,813,447	5,780,114
Retained earnings	5,688,784	5,559,718
Treasury shares	(2,506,960)	(2,506,960)
Total shareholders' equity	12,205,628	12,043,229
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,256	18,583
Foreign currency translation adjustment	(183,224)	(147,890)
Remeasurements of defined benefit plans	70,167	69,820
Total accumulated other comprehensive income	(98,800)	(59,486)
Share acquisition rights	11,673	11,673
Total net assets	12,118,500	11,995,415
Total liabilities and net assets	55,435,594	56,295,688

(2) Consolidated quarterly statement of income and consolidated quarterly statement of comprehensive income

Consolidated quarterly statement of income

For the three months ended

(Unit: Thousands of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	15,435,108	15,560,516
Cost of sales	14,161,549	14,886,960
Gross profit	1,273,559	673,556
Selling, general and administrative expenses	912,975	954,490
Operating profit (loss)	360,584	(280,934)
Non-operating income		
Interest income	2,067	1,765
Foreign exchange gains	44,287	-
Subsidy income	478	9,176
Others	17,412	20,768
Total non-operating income	64,246	31,710
Non-operating expenses		
Interest expenses	184,718	202,674
Foreign exchange losses	-	53,354
Other	9,775	13,386
Total non-operating expenses	194,494	269,415
Ordinary profit (loss)	230,336	(518,639)
Extraordinary income		
Gain on sale of non-current assets	28	973
Total extraordinary income	28	973
Extraordinary losses		
Loss on retirement of non-current assets	14,184	9,271
Others	464	669
Total extraordinary losses	14,649	9,940
Net income (loss) before income taxes	215,715	(527,606)
Income taxes - current	167,282	27,037
Income taxes - deferred	(147,421)	(605,342)
Total income taxes	19,860	(578,305)
Net income	195,855	50,699
Net income attributable to owners of parent company	195,855	50,699

Consolidated quarterly statement of comprehensive income

For the three months ended

(Unit: Thousands of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net income	195,855	50,699
Other comprehensive income		
Valuation difference on available-for-sale securities	1,070	4,327
Foreign currency translation adjustment	(37,072)	35,333
Remeasurements of defined benefit plans, net of tax	2,002	(347)
Total other comprehensive income	(34,000)	39,313
Comprehensive income	161,854	90,013
Profit attributable to		
Comprehensive income attributable to owners of parent company	161,854	90,013
Comprehensive income attributable to non-controlling interests	-	-

(3) Notes to Consolidated Quarterly Financial Statements

(Notes on Going Concern Assumption)

There are no applicable items.

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

There are no applicable items.

(Changes in accounting policies)

(Change in the method of valuation of inventories)

The Company previously adopted the cost method, mainly using the retail method (for balance sheet purposes, the book value was written down based on decreased profitability), for the valuation of merchandise. However, from the first quarter of the current consolidated fiscal period, the Company has changed to the cost method, mainly using the monthly moving average method (for balance sheet purposes, the book value is written down based on decreased profitability).

This change was made in conjunction with the system modification used for the valuation of inventories, with the aim of unifying cost management methods and achieving more accurate period profit and loss calculations, following the absorption-type merger of Sports Oasis Co., Ltd., which was our consolidated subsidiary as of April 1, 2025.

However, as the impact of this change is immaterial, retroactive application has not been made.

(Notes to Segment Information)

[Segment Information]

Disclosure is omitted as the reporting segment of our group is limited to the 'Sports club operation business'.

(Notes to Statement of Cash Flows)

The quarterly consolidated statement of cash flows for the three months ended is not prepared. Depreciation (including amortization of intangible fixed assets except for goodwill) and amortization of goodwill for the three months ended are as follows.

In addition, in the previous consolidated fiscal year, the provisional accounting treatment related to business combinations was finalized, and for the previous first quarter consolidated cumulative period, the finalized content of the provisional accounting treatment has been reflected.

For the three months ended June 30, 2024 For the three months ended June 30, 2025

Depreciation	744,982 thousand yen	808,276 thousand yen
Amortization of goodwill	21,066 thousand yen	21,066 thousand yen
