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November 7, 2025

Consolidated Financial Results for the Second Quarter (Interim Period) of Fiscal Year Ending March 31, 2026（ Japanese GAAP）

Company name:	RENAISSANCE, incorporated
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	2378
URL:	https://www.s-renaissance.co.jp/
Representative:	Misao Mochizuki, Representative Director, president and Corporate Officer
Contact:	Yoshitsugu Anzawa, Senior Managing Director, chief Financial Officer
TEL:	+81-3-5600-7811
Scheduled date for submission of interim report:	November 13, 2025
Supplementary materials for financial summaries:	Yes
Financial results briefing:	Yes

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

1. Consolidated Financial Results for the Six Months of the Fiscal Year Ending March 31, 2026 (from April 01, 2025 to September 30, 2025)

(1) Consolidated operating results (Cumulative)

(Percentages indicate YoY changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
Six months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%
September 30, 2025	31,702	1.1	59	(93.0)	(348)	-	24	(88.6)
September 30, 2024	31,367	48.3	851	201.9	445	108.0	216	43.3

(Note) Comprehensive income For the six months ended March 31, 2026: 48 million yen ((81.4)%) For the six months ended March 31, 2025: 261 million yen (246.4%)

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	0.77	0.76
September 30, 2024	10.91	9.78

(Note) In the previous consolidated fiscal year, the provisional accounting treatment for business combinations was finalized, and the figures for the interim period 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
As of	Million yen	Million yen	%
September 30, 2025	56,032	11,974	21.3
March 31, 2025	55,435	12,118	21.8

(Reference) Owner's equity As of the six months ended March 2026: 11,962 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
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	-	3.00	-	9.00	12.00
Fiscal year ending March 31, 2026	-	4.00			
Fiscal year ending March 31, 2026 (Forecast)			-	9.00	13.00

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

The above 'Cash dividends' refer to cash dividends for common stock. For cash dividends on other classes of stock (unlisted) with different rights from the common stock issued by the Company, please refer to 'Cash dividends for classes of stock' 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
Fiscal year ending March 31, 2026	66,000	3.6	1,700	(12.7)	900	(26.5)	500	(34.7)	25.38

(Note) Correction of financial forecast from the most recent financial forecast: Yes

For details, please refer to the "Notice Regarding Differences Between Forecasts and Actual Results for the Second Quarter (Interim) of the Fiscal Year Ending March 2026 and Revision of Full-Year Consolidated Forecasts" announced today.

* 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.

On 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 accounting procedures specific to the preparation of interim consolidated 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 9 of the Financial Results (Attached Materials), "2. Consolidated Financial Statements for the Six Months and Main Notes (4) Notes to the Consolidated Financial Statements for the Six Months (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 September 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 September 30, 2025	2,463,058 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)

Six months ended September 30, 2025	18,903,637 shares
Six months ended September 30, 2024	18,891,205 shares

* The second quarter (interim) financial results report is not subject to review by certified public accountants or audit firms.

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

(1) The forward-looking statements such as performance forecasts contained in this document are based on information available to the Company and on certain assumptions deemed reasonable. Actual results may differ due to various factors. For the conditions underlying the forecasts and notes on their use, please refer to page 1 of the Financial Results Report (Attached Materials), "1. Qualitative Information on the Interim Financial Results." (2) The Company plans to hold a briefing session for institutional investors, analysts, and the media on November 10, 2025. The presentation materials to be distributed at this briefing are scheduled to be posted on the Company's website.

(Reference) Cash dividends for class shares

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

	Annual dividend				
	End of first quarter	End of second quarter	At the 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	-	4.78			
Fiscal year ending March 31, 2026 (Forecast)			-	4.78	9.56

○Table of Contents for Attached Materials

1. Qualitative information regarding the interim financial results

(1) Description of Operating Results

For the six months ended September 30, 2025, the number of Sports club members increased due to strong new memberships from June to September, which exceeded the previous year's figures for four consecutive months. In addition, new merchandise released in September by the Home Fitness business sold well. Furthermore, we actively made medium- to long-term investments, including the opening of two new comprehensive Sports club facilities, the renovation of existing facilities, and an increase in wage levels.

As a result, operating income for the second quarter was 340 million yen and ordinary income was 170 million yen, showing signs of recovery. However, this was not enough to offset the sluggish performance in April and May. For the six months ended September 30, net sales were 31,720 million yen (up 1.1% YoY), operating income was 59 million yen (down 93.0% YoY), ordinary loss was 348 million yen (an improvement of 793 million yen YoY), and profit attributable to owners of parent was 24 million yen (down 88.6% YoY). For future growth, our group appointed a new president as of April 1 and merged with Sports Oasis Co., Ltd. (hereinafter referred to as "Oasis").

In response to the rapidly changing business environment, including continued cost increases and intensified competition, we reorganized our structure as of September 1 to enable prompt decision-making and implementation of various measures. In addition, for the previous fiscal year, we finalized the provisional accounting treatment related to the business combination, and the figures for the previous interim consolidated period reflect the finalized accounting treatment.

Under our corporate philosophy of being a “company that creates purpose in life,” our group has set a long-term vision to become a “health solution company that enriches the 100-year life era.” 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, new memberships increased steadily due to heightened interest in indoor facilities as a countermeasure against heatstroke caused by the prolonged heat wave, as well as the favorable reception of the new studio program "Essential Pilates," which was launched in July. In particular, the number of monthly corporate members for companies and health insurance associations with corporate contracts increased significantly, leveraging the Oasis store network, which is mainly located in central urban areas. In addition, as part of efforts to enhance the appeal of the facilities and to make Sports clubs a place where members can refresh both body and mind with a wide range of offerings beyond just exercise, renovation investments such as expanding sauna and spa areas and introducing coworking spaces were carried out at 38 existing locations. During the six months ended September 30, 2024, "Sports club Renaissance Higashi Sapporo 24 (Sapporo, Hokkaido)" opened in April and "Sports club Renaissance Viera Meimai 24 (Kobe, Hyogo)" opened in July. As a result, net sales in the Sports club business were 26,975 million yen (up 1.6% YoY), and the number of members at the end of the period was 454,484 (up 2.1% YoY).*

*From the current interim consolidated accounting period, figures are presented excluding online membership numbers and including the number of Sports club members of Renaissance Vietnam.

<Health Promotion Business for Local Governments and Municipalities> (BtoG segment) >

In the health promotion business for local communities and municipalities, which leverages our expertise in sports club management, during the six months ended September 30, 2024, we entered into agreements related to the promotion of health among local residents, improvement of physical fitness among children and students, and disaster prevention with Kikuyo Town in Kumamoto Prefecture, the Board of Education of Yokosuka City in Kanagawa Prefecture and the Japan Society for the Promotion of Lifelong Health, and Kurashiki City in Okayama Prefecture, thereby strengthening collaboration with municipalities. In addition, as collaboration between the sports club business and the BtoG sector progressed, we expanded our contracts for community-based preventive care classes and school swimming lessons. In particular, the number of school swimming lesson contracts increased by 68.4% year on year, reflecting growing social demand. In public-private partnership (PPP) projects for public facilities, we began managing and operating nine new facilities in Higashiyamato City in Tokyo, Kitakyushu City in Fukuoka Prefecture, Nago City in Okinawa Prefecture, and Fuchu City in Hiroshima Prefecture.

<Health Promotion Business for Corporations and Health Insurance Societies> (BtoB Segment) >

In the health promotion business for corporations and health insurance associations, we provided the online lesson service "RENAISSANCE Online Livestream" to customers of companies such as Sumitomo Life Insurance Company's Vitality members, and promoted the customized sale of online lessons tailored to the needs of each company.

In addition, we worked on proposing the online health service 'Smart Action,' which supports the implementation of corporate health management through the improvement of health literacy.

<Nursing care and medical-related business/>

In the nursing care and medical-related business, five new rehabilitation-focused day service facilities under the "Genki Gym" brand were opened: "Renaissance Genki Gym Higashikurume (directly operated)" (Higashikurume City, Tokyo) in May, "Renaissance Genki Gym Mejirodai (directly operated)" (Bunkyo-ku, Tokyo) and "Renaissance Genki Gym Hiroshima Ujina (franchise)" (Hiroshima City, Hiroshima Prefecture) in June, "Renaissance Genki Gym Kawasaki Hatchonawate (directly operated)" (Kawasaki City, Kanagawa Prefecture) in August, and "Renaissance Genki Gym Iwaki Onahama (franchise)" (Iwaki City, Fukushima Prefecture) in September. In addition, we worked on BtoB solution proposals such as online exercise classes for businesses operating nursing care facilities. Furthermore, we are considering business expansion of nursing care rehabilitation facilities, including M&A. As a result, net sales of the nursing care and medical-related business for the six months ended September 30, 2024 were 1,126 million yen (up 14.6% YoY).

<Home Fitness Business/>

In the Home Fitness business, sales volume of steppers, which exceeded expectations in the previous fiscal year, remained at a level similar to that of a typical year. In addition, the new merchandise "Stylish Face," launched in September to support both facial sagging care and swallowing ability, performed well in both TV shopping and e-commerce sites, resulting in a recovery trend in sales. Furthermore, we are strengthening our business structure to promote sales of core merchandise and prepare for the launch of new merchandise in the future. As a result, net sales in the Home Fitness business for the six months ended September 30, 2024 were 2,125 million yen (down 10.6% YoY).

New store openings during the six months ended September 30, 2024 (including Contracted business and Designated management) are as follows.

Opening Date	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 Prefecture)	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 Prefecture)	nursing care rehabilitation facilities (franchise)
July 2025	Sports Club Renaissance Vierra Meiamai 24 (Kobe City, Hyogo Prefecture)	Sports club
July 2025	Fuchu City B & G Marine Center (Fuchu City, Hiroshima Prefecture)	Designated management
August 2025	Renaissance Genki Gym Kawasaki Hatchonawate (Kawasaki City, Kanagawa Prefecture)	Nursing rehabilitation (directly managed)
September 2025	Renaissance Genki Gym Iwaki Onahama (Iwaki City, Fukushima Prefecture)	nursing care rehabilitation facilities (franchise)
store closures date	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, at the end of the six months ended September 30, 2024, the number of facilities operated by our group was 296 in total, consisting of 234 sports clubs (Renaissance: 142 directly operated, 86 contracted business, 4 operation support, RENAISSANCE VIETNAM, INC.: 2 directly operated), 2 small-format facilities, 51 nursing care rehabilitation facilities (39 directly operated, 12 franchised), and 9 outdoor fitness facilities (3 directly operated, 6 contracted business).

In addition, new store openings are planned as follows from the third quarter of the consolidated fiscal year onward.

Opening Date	Facility Name	Facility Type
November 2025	Renaissance Genki Gym Aobadai (Yokohama City, Kanagawa Prefecture)	Nursing rehabilitation (directly managed)

As the Group's reportable segment is limited to the 'Sports club operation business,' segment performance is not disclosed.

(2) Description of Financial Position

(i) Status of Assets, Liabilities and Net Assets

At the end of the six months ended September 30, 2024, total assets increased by 596 million yen compared to the end of the previous fiscal year, reaching 56,032 million yen. This was mainly due to an increase in total non-current assets by 616 million yen, primarily as a result of an increase in buildings and structures.

At the end of the six months ended September 30, 2024, total liabilities increased by 741 million yen compared to the end of the previous fiscal year, reaching 44,058 million yen. This was mainly due to an increase in total non-current liabilities by 983 million yen, primarily as a result of an increase in long-term borrowings.

At the end of the six months ended September 30, 2024, total net assets decreased by 144 million yen compared to the end of the previous fiscal year, amounting to 11,974 million yen. This was mainly due to a decrease in retained earnings by 155 million yen, primarily resulting from the recording of 24 million yen in profit attributable to owners of parent and the payment of 180 million yen in dividends.

(ii) Cash flows

During the six months ended September 30, 2024, the balance of cash and cash equivalents (hereinafter referred to as "funds") at the end of the period was 7,962 million yen. The cash flows for the six months ended September 30, 2024 and the factors affecting them are as follows.

i. Cash flows from operating activities

For the six months ended September 30, -95 million yen (510 million yen for the same period of the previous year)

Funds decreased as a result of operating activities amounted to 95 million yen. This was mainly due to depreciation of 1,657 million yen (up 9.5% YoY), a decrease in accrued consumption taxes of 729 million yen, a decrease in accounts payable of 660 million yen (down 3.7% YoY), and interest paid of 440 million yen (up 8.7% YoY).

b. Cash flows from investing activities

For the six months ended September 30, 21,200 million yen (17,330 million yen for the same period of the previous year)

Net cash used in investing activities was 2,120 million yen (Percentage indicate YoY changes). This was mainly due to purchase of property, plant and equipment of 2,038 million yen, purchase of intangible assets of 162 million yen, and proceeds from collection of leasehold deposits and guarantee deposits of 62 million yen.

Ha. Cash flows from financing activities

For the six months ended September 30, 2,476 million yen (1,965 million yen for the same period of the previous year)

Funds provided by financing activities amounted to 2,476 million yen (up 26.0% YoY). This was mainly due to proceeds from long-term borrowings of 3 billion yen (up 76.5% YoY), a net increase in short-term borrowings of 1.6 billion yen (down 23.8% YoY), repayments of long-term borrowings of 1,438 million yen (up 20.7% YoY), and repayments of lease liabilities of 492 million yen (down 3.2% YoY).

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

Regarding the consolidated forecasts for the fiscal year ending March 2026, we have revised the full-year consolidated forecasts announced on May 9, 2025, taking into consideration the situation during the six months ended September 30, 2025 and future outlook. For details, please refer to the "Notice Regarding the Difference Between the Forecasted and Actual Consolidated Financial Results for the Second Quarter (InterimPeriod) of the Fiscal Year Ending March 2026 and Revision of the Full-Year Consolidated Earnings Forecast" released today.

2. Interim Consolidated Financial Statements and Main Notes

(1) Interim Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	7,680,354	7,962,119
Accounts receivable - trade	2,379,089	2,120,384
Merchandise	803,643	672,792
Other	1,740,989	1,833,427
Allowance for doubtful accounts	(12,918)	(12,737)
Total current assets	12,591,159	12,575,986
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	9,091,727	9,912,939
Leased assets, net	13,070,369	12,509,666
Other (net)	3,325,267	3,349,736
Total property, plant and equipment	25,487,364	25,772,342
Intangible fixed assets		
Goodwill	883,132	840,999
Customer-related intangible assets	592,285	542,928
Other	487,711	522,310
Total intangible fixed assets	1,963,129	1,906,238
Investments and other assets		
Investment securities	42,198	51,703
Leasehold and guarantee deposits	12,317,705	12,386,952
Deferred tax assets	1,973,577	2,415,634
Other	1,051,345	918,969
Total investments and other assets	15,384,826	15,773,260
Total non-current assets	42,835,321	43,451,840
Deferred assets	9,114	4,638
Total assets	55,435,594	56,032,465
Liabilities		
Current liabilities		
Accounts payable - trade	133,128	90,982
Short-term borrowings	4,200,000	5,800,000
Current portion of long-term borrowings	2,220,584	2,280,000
Income taxes payable	502,376	258,429
Provision for bonuses	1,131,581	1,136,503
Other	7,398,342	5,778,041
Total current liabilities	15,586,013	15,343,956
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	5,318,053	6,820,000
Lease obligations	14,781,738	14,275,598
Retirement benefit liability	1,248,756	1,285,863
Asset retirement obligations	2,407,034	2,436,294
Other	2,475,510	2,396,589
Total non-current liabilities	27,731,080	28,714,333
Total liabilities	43,317,093	44,058,290

(Unit: Thousands of yen)

	As of March 31, 2025	As of September 30, 2025
Net assets		
Shareholders' equity		
Share capital	3,210,356	3,210,356
Capital surplus	5,813,447	5,780,280
Retained earnings	5,688,784	5,533,303
Treasury shares	(2,506,960)	(2,486,838)
Total shareholders' equity	12,205,628	12,037,101
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,256	17,382
Foreign currency translation adjustment	(183,224)	(160,867)
Remeasurements of defined benefit plans	70,167	68,884
Total accumulated other comprehensive income	(98,800)	(74,599)
Share acquisition rights	11,673	11,673
Total net assets	12,118,500	11,974,175
Total liabilities and net assets	55,435,594	56,032,465

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

Interim Consolidated Statement of Income

(Unit: Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	31,367,147	31,702,951
Cost of sales	28,653,606	29,803,881
Gross profit	2,713,540	1,899,069
Selling, general and administrative expenses	1,862,517	1,839,736
Operating income	851,022	59,333
Non-operating income		
Interest income	4,464	10,522
Subsidy income	1,384	16,873
Other	28,747	30,860
Total non-operating income	34,596	58,255
Non-operating expenses		
Interest expenses	369,980	409,206
Foreign exchange losses	56,916	35,202
Other	13,457	21,603
Total non-operating expenses	440,354	466,013
Ordinary profit (loss)	445,264	(348,424)
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	21,938	12,220
Other	1,074	669
Total extraordinary losses	23,013	12,889
Net income before income taxes or net loss before income taxes (-)	422,279	(360,341)
Income taxes - current	251,542	57,923
Income taxes - deferred	(45,423)	(442,846)
Total income taxes	206,118	(384,923)
Net income	216,160	24,582
Profit attributable to owners of parent	216,160	24,582

Interim Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net income	216,160	24,582
Other comprehensive income		
Valuation difference on available-for-sale securities	3,434	3,126
Foreign currency translation adjustment	38,230	22,357
Remeasurements of defined benefit plans, net of tax	4,005	(1,282)
Total other comprehensive income	45,670	24,201
Comprehensive income	261,831	48,784
Profit attributable to		
Interim comprehensive income attributable to owners of the parent	261,831	48,784
Comprehensive income attributable to non-controlling interests for the interim period	-	-

(3) Interim Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Net income before income taxes or net loss before income taxes (-)	422,279	(360,341)
Depreciation	1,513,503	1,657,038
Amortization of goodwill	42,133	42,133
Increase (decrease) in liabilities for retirement benefits	10,874	35,235
Increase (decrease) in long-term accounts payable (- indicates decrease)	(83,917)	(50,969)
Increase (decrease) in provision for bonuses	(1,434)	(26,410)
Gain on sale of non-current assets	(28)	(973)
Loss on retirement of non-current assets	21,938	12,220
Interest income and dividends income	(4,564)	(10,665)
Interest expenses	369,980	409,206
Decrease (increase) in trade receivables	43,253	240,805
(Increase) decrease in inventories	(15,955)	189,813
Decrease (increase) in prepaid expenses	(125,423)	(129,782)
Increase (decrease) in trade payables	6,105	(42,146)
Increase (decrease) in accounts payable (negative indicates decrease)	(629,243)	(606,212)
Increase (decrease) in accrued expenses	(104,816)	(49,552)
Increase (decrease) in advances received	(43,405)	(27,728)
Increase (decrease) in accrued consumption taxes	(62,880)	(729,300)
Other	(211,698)	70,104
Subtotal	1,146,700	622,475
Interest and dividends received	675	7,183
Interest paid	(371,585)	(404,018)
Income taxes paid	(264,901)	(321,624)
Cash flows from operating activities	510,888	(95,984)
Cash flows from investing activities		
Purchase of investment securities	-	(5,000)
Purchase of property and equipment	(1,774,521)	(2,038,686)
Proceeds from sales of property and equipment	28	1,219
Purchase of intangible assets	(114,448)	(162,664)
Long-term loan advances	(39,411)	-
Collection of long-term loans receivable	28,425	26,448
Payments of leasehold and guarantee deposits	(375,370)	(17,841)
Proceeds from refund of leasehold and guarantee deposits	328,402	62,267
Income from adjustment of acquisition cost of subsidiary shares	218,727	-
Other	(5,552)	13,537
Cash flows from investing activities	(1,733,719)	(2,120,719)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	2,100,000	1,600,000
Proceeds from long-term borrowings	1,700,000	3,000,000
Repayment of long-term borrowings	(1,191,542)	(1,438,637)
Repayments of lease liabilities	(508,718)	(492,441)
Proceeds from disposal of treasury shares	7,749	20,287
Cash dividends paid	(142,165)	(179,764)

Payment for acquisition of subsidiaries resulting in no change in scope of consolidation	-	(33,333)
Cash flows from financing activities	1,965,323	2,476,112
Effect of exchange rate change on cash and cash equivalents	38,230	22,357
Increase (decrease) in cash and cash equivalents	780,722	281,765
Cash and cash equivalents at the beginning of the period	6,211,989	7,680,354
Cash and cash equivalents at the end of the interim period	6,992,712	7,962,119

(4) Notes to the interim consolidated financial statements

(Notes on Going Concern Assumption)

There are no applicable matters.

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

There are no applicable items.

(Changes in accounting policies)

(Change in the valuation method of inventories)

The method for valuing merchandise at our company was previously based primarily on the cost method using the retail method (with the book value on the balance sheet written down in the event of decreased profitability). However, from the current interim consolidated accounting period, we have changed to primarily using the cost method based on the monthly moving average method (with the book value on the balance sheet written down in the event of 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 minor, retroactive application has not been made.

(Notes to Segment Information)

[Segment Information]

As the Company's group has only one reportable segment, the 'Sports club operation business,' segment information is omitted.