

2. Cash Dividends

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	End of term	Total
As of March 31, 2024	Yen -	Yen 3.0	Yen -	Yen 7.0	Yen 10.0
Fiscal year ending March 31, 2025	-	3.0			
Fiscal year ending March 31, 2025 (forecast)			-	8.0	11.0

(Note) Revisions to the most recently announced dividend forecast: None
“Cash dividends” above refer to dividends on common shares. Please refer to “Dividends on class shares” below for the status of dividends on class shares (unlisted) issued by the Company with different rights from those of common stock.

3. Forecast of Consolidated Financial Results for the Fiscal Year Ending March 31, 2025 (April 1, 2024 to March 31, 2025)

(Percentages represent changes from the previous year)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent company		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full Year	63,500	45.6	1,800	42.7	1,000	90.6	700	10.6	36.00

(Note) Revisions to the most recently announced earnings forecast: Yes
For details, please refer to the “Notice Concerning Differences between Consolidated Financial Results Forecasts and Actual Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2025, and Revision of Consolidated Financial Results Forecasts for the Full Year” released today.

* **Notes**

- (1) Significant changes in the scope of consolidation during the period: None
- (2) Application of accounting methods specific to the preparation of interim consolidated financial statements: None
- (3) Changes in accounting policies, changes in accounting estimates, and restatement
- i) Changes in accounting policies due to revisions to accounting standards and other regulations: None
 - ii) Changes in accounting policies due to other reasons: None
 - iii) Changes in accounting estimates: None
 - iv) Restatement: None
- (4) Number of issued shares (common shares)

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

Six months ended Sept. 30, 2024	21,379,000 shares
As of March 31, 2024	21,379,000 shares

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

Six months ended Sept. 30, 2024	2,482,987 shares
As of March 31, 2024	2,490,706 shares

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

Six months ended Sept. 30, 2024	18,891,205 shares
Six months ended Sept. 30, 2023	18,888,294 shares

* The financial results for the second quarter (interim period) are not subject to review by a certified public accountant or auditing firm.

* Proper use of earnings forecasts, and other special matters

The earnings forecasts and other forward-looking statements in this document are based on information available to the Company and certain assumptions that the Company considers reasonable. Actual financial results may differ significantly from the forecasts due to various factors. Please refer to “1. Qualitative Information on the Interim Financial Results” on page 1 of the Quarterly Results (Attachment) for the assumptions underlying the earnings forecasts and precautions regarding the use of such forecasts.

(Reference) Dividends on class shares

Breakdown of dividends per share related to class shares with different rights from those of common stock is as follows:

	Annual dividend				
	End of first quarter	End of second quarter	End of third quarter	End of term	Total
Class A shares	Yen	Yen	Yen	Yen	Yen
As of March 31, 2024	-	4.78	-	4.78	9.56
Fiscal year ending March 31, 2025	-	4.78			
Fiscal year ending March 31, 2025 (forecast)			-	4.78	9.56

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1. Qualitative Information on the Interim Financial Results

(1) Description of Operating Results

During the interim consolidated fiscal period (April 1, 2024 to September 30, 2024), mainly due to favorable sales of home exercise equipment of the home fitness business of Sports Oasis Co., Ltd. (hereinafter “Oasis”), which became a wholly owned consolidated subsidiary of the Company at the end of the previous fiscal year, net sales exceeded the plan. In terms of costs, while we continued to strengthen our investment in human resources, costs were lower than planned due to factors such as reduced heating and lighting expenses owing to government subsidies, as well as the postponement of some repair expenses and PMI (post-merger integration) costs associated with the merger with Oasis to the second half of the year. As a result, the Renaissance Group's business results for the interim period were as follows: net sales of 31,367 million yen (up 48.3% year on year), operating income of 874 million yen (up 210.2% year on year), ordinary income of 468 million yen (up 118.9% year on year), and net income attributable to owners of parent of 222 million yen (up 47.5% year on year).

The Group, based on its corporate philosophy of a “company for creating purpose in life” (ikigai in Japanese), and its long-term vision of a “health solution company that enriches the age of the 100-year life span,” is engaged in business activities with the aim of enabling people to live fulfilling, “healthy” and “meaningful lives” in all stages of life. In addition, we formulated the “2024-2027 Medium-Term Management Plan” in May 2024 and have embarked upon the first year of the plan with the following major aims: i) Driving the industry as a leading integrated sports club company, and ii) Creating medium- to long-term growth drivers beyond the fitness industry.

[Sports Club Business]

In the Sports Club business, although there was some weakness in the number of new memberships during the second quarter, the enrollment of monthly corporate members, a membership type for companies and health insurance associations that conclude corporate contracts, performed better than planned due to the introduction of a new membership plan. In addition, the number of membership cancellations was significantly lower than in the same period of the previous fiscal year, which was impacted by price revisions.

During the interim period, net sales of the sports club business were 26,479 million yen (up 38.0% year on year) owing to the four new facilities that opened in the previous fiscal year, “Sports Club Renaissance KSC Kanamachi 24,” which reopened in April after being taken over in March 2024, and an increase in membership at OASIS. The number of enrolled members at the end of the interim period was 503,852 (including 62,285 online members) (up 28.9% year on year).

In terms of “strengthening the earnings base and transforming the business structure” and “business succession and M&A,” which are the aims of the sports club business under the “2024-2027 Medium-term Management Plan,” we formed a project with Advantage Advisers Inc., a company with which we have a capital and business alliance, to consider measures tailored to the characteristics of the revenue structure of each facility, business succession and M&A cases that will lead to the enhancement of customer value.

In the BtoG area (community health promotion) that leverages our know-how in operating sports clubs, through being commissioned to offer swimming lessons to schools, we conducted swimming lessons at 79 schools in 44 municipalities, approximately 1.6 times the number in the same period of the previous fiscal year, in response to growing needs due to aging school pools, reducing the burden on teachers, and an increase in the number of extremely hot days. Furthermore, as part of our efforts to promote local health and disaster prevention in cooperation with various local governments, during the interim consolidated fiscal period, we were commissioned to implement an integrated health program and nursing care prevention project promoted by Yokohama City, Kanagawa Prefecture. We also concluded agreements with Kasuga City, Fukuoka Prefecture and Nishitokyo City, Tokyo regarding the use of our facilities in the event of a disaster. As of the end of the interim period, we had signed cooperation agreements with 28 local governments related to health promotion, disaster prevention, and other areas.

In the BtoB business (health promotion for workers targeting corporate health insurance associations), we continued to expand our support for corporate health promotion measures through our online lesson service “RENAISSANCE Online Livestream” (hereinafter referred to as “ROL”), which is mainly for use by Vitality members of Sumitomo Life Insurance Company (Chuo-ku, Osaka-shi, Osaka). Starting in August, we began offering preferential treatment at our sports clubs and ROL to all policyholders of Aflac Life Insurance Co., Ltd. (Shinjuku-ku, Tokyo) in order to support the activities for health promotion that the company is conducting and to help them continue to do so.

[Nursing Care and Nursing-care/Medical-related Business]

In the nursing care and nursing-care/medical-related business, the nursing care and rehabilitation business, centered on “Genki Gym,” a day service specializing in rehabilitation, performed steadily, with net sales for the interim period amounting to 989 million yen (up 2.4% year on year). In terms of opening new facilities, we opened a visiting nursing station, Renaissance Rehabilitation Station Konandai, within Sports Club Renaissance Konandai 24 in September. This facility is the second visiting nursing station to be opened within a sports club, and we will support local health promotion through both exercise and home care. Additionally, in our efforts to prevent dementia, we have been selected as a participating company in the Ministry of Economy, Trade and Industry's Orange Innovation Project, which intends to promote participatory development with the aim of creating a society in which people with dementia can live their lives in a way that suits them. We will utilize our in-house developed brain activation method “Synapsology” and our know-how of functional improvement programs developed by physical therapists to work to solve the issues faced by the super-aging society.

[Home Fitness Business]

In the home fitness business, with regard to mail-order sales of home exercise equipment, on-line sales of “Twist Stepper” series, our best-selling merchandise, continued to exceed the plan, as in the first quarter, and wholesale sales of “Styley Ball,” a rechargeable vibration ball that allows users to train their adductor muscles while seated, were strong. As a result, net sales for the interim period were 2,377 million yen (an increase of 2,293 million yen from the same period of the previous fiscal year).

New stores opened during the interim period (including contracted business and designated management) are as follows:

Opening Date	Facility Name	Facility Type
Apr. 2024	Sports Club Renaissance KSC Kanamachi 24 (Katsushika-ku, Tokyo)	Sports club
Apr. 2024	BEACHTOWN Daisen (Daisen-cho, Saihaku-gun, Tottori)	Outdoor fitness (BEACH TOWN)
Apr. 2024	Karatsu City Public Facility Community Area (Karatsu-shi, Saga)	Contracted business
Apr. 2024	Kasuya-machi General Gymnasium (Kasuya-machi, Kasuya-gun, Fukuoka)	Contracted business
Apr. 2024	Kasuga City Ikiiki Plaza (Kasuga-shi, Fukuoka)	Contracted business
Apr. 2024	Iyo City Shiosai Park (Iyo-shi, Ehime)	Designated management
Apr. 2024	Iyo City Futami Shiokaze Fureai Park (Iyo-shi, Ehime)	Designated management
Jul. 2024	Re PT GYM RENAISSANCE JAPAN Times City (Hanoi, Vietnam)	Personal Training Gym (Renaissance Vietnam)
Jul. 2024	THE OSAKA STATION HOTEL, Autograph Collection 30F GYM/OFURO (Osaka-shi, Osaka)	Contracted business (Oasis)
Sept. 2024	Renaissance Rehabilitation Station Konandai (Yokohama-shi, Kanagawa)	Nursing rehabilitation (directly managed)

As a result, the total number of facilities of the Group at the end of the interim period stood at 282, consisting of 220 sports clubs (Renaissance: 107 directly managed facilities, 63 contracted facilities, four operation support facilities; Oasis: 32 directly managed facilities, 12 contracted facilities; RENAISSANCE VIETNAM, INC.: two directly managed facilities), three small-scale facilities (Renaissance: two directly managed facilities, RENAISSANCE VIETNAM, INC.: one directly managed facility), 45 nursing care rehabilitation facilities (35 directly managed facilities, 10 franchise facilities), and 14 outdoor fitness facilities (five directly managed facilities, nine contracted facilities).

Moreover, the following new store openings (including contracted business and designated management) are planned for the third quarter and beyond.

Opening Date	Facility Name	Facility Type
Oct. 2024	Renaissance Genki Gym Ofuna-okamoto (Kamakura-shi, Kanagawa)	Nursing rehabilitation (directly managed)
Oct. 2024	CARAPPO Toranomom Hills (Minato-ku, Tokyo)	Contracted business (Oasis)
Nov. 2024	Renaissance Genki Gym Yayoidai (Yokohama-shi, Kanagawa)	Nursing rehabilitation (directly managed)
Nov. 2024	Gym & Studio Renaissance Higashi-azuma 24 (Sumida-ku, Tokyo)	Sports club

Since the Group's only reportable segment is the "sports club management business," the results for each segment are not shown.

(2) Description of Financial Position

i) Assets, Liabilities and Net Assets

Total assets at the end of the interim period rose 1,039 million yen from the end of the previous fiscal year to 54,234 million yen. This was mainly due to an increase in total current assets of 651 million yen, resulting from increases in cash and deposits and other factors, and an increase in total non-current assets of 392 million yen due to an increase in buildings and structures.

Total liabilities at the end of the interim period rose 906 million yen from the end of the previous fiscal year to 42,675 million yen. This was mainly due to an increase of 1,275 million yen in total current liabilities, resulting from increased short-term borrowings, while non-current liabilities fell 369 million yen due to a decline in lease liabilities and others.

Total net assets at the end of the interim period rose 133 million yen from the end of the previous fiscal year to 11,558 million yen. This was mainly due to an increase of 80 million yen in retained earnings resulting from 222 million yen in net income attributable to owners of parent and 142 million yen in dividends paid, as well as an increase of 45 million yen in accumulated other comprehensive income due to a 38 million yen increase in foreign currency translation adjustments.

ii) Cash Flow Status

During the interim period, the balance of cash and cash equivalents (hereinafter "funds") at the end of the interim period was 6,992 million yen. The status of each cash flow and the factors that affected such status during the interim period is as follows:

a. Cash flows from operating activities

510 million yen for the interim period (1,986 million yen for the same period of the previous fiscal year)

Net cash provided by operating activities amounted to 510 million yen. This was mainly due to depreciation of 1,532 million yen (up 34.5% year on year), a decrease in accounts payable-other of 629 million yen, and income taxes paid of 264 million yen.

b. Cash flows from investing activities

-1,733 million yen for the interim period (-1,772 million yen for the same period of the previous fiscal year)

Funds used in investing activities totaled 1,733 million yen. This was mainly due to purchase of property, plant and equipment of 1,774 million yen (up 46.5% year on year), payments for leasehold deposits and guarantee deposits of 375 million yen (down 23.8% year on year), and proceeds from collection of leasehold deposits and guarantee deposits of 328 million yen.

c. Cash flows from financing activities

1,965 million yen for the interim period (-331 million yen for the same period of the previous fiscal year)

Cash provided by financing activities amounted to 1,965 million yen. This was mainly due to a net increase in short-term borrowings of 2,100 million yen, proceeds from long-term borrowings of 1,700 million yen, repayments of long-term borrowings of 1,191 million yen (up 5.3% year on year), and repayments of lease liabilities of 508 million yen (up 44.3% year on year).

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

Regarding the consolidated earnings forecast for the fiscal year ending March 31, 2025, the full-year consolidated earnings forecast announced on August 8, 2024 has been revised, taking into consideration the situation up until the interim period and the future outlook. For details, please refer to the “Notice Concerning Differences between Consolidated Financial Results Forecasts and Actual Results for the Second Quarter (Interim Period) of the Fiscal Year Ending March 31, 2025, and Revision of Consolidated Financial Results Forecasts for the Full Year” released today.

2. Interim Consolidated Financial Statements and Major Notes

(1) Interim Consolidated Balance Sheet

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	6,206,728	6,992,559
Accounts receivable - trade	2,189,035	2,134,162
Merchandise	756,560	768,339
Other	1,852,544	1,762,030
Allowance for doubtful accounts	(12,701)	(13,118)
Total current assets	10,992,166	11,643,973
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	8,252,143	8,994,739
Leased assets, net	13,759,415	13,207,776
Other, net	2,693,745	2,964,949
Total property, plant and equipment	24,705,304	25,167,465
Intangible assets	2,112,030	1,984,739
Investments and other assets		
Investment securities	33,685	38,634
Leasehold and guarantee deposits	12,374,658	12,473,789
Other	2,958,358	2,912,013
Total investments and other assets	15,366,701	15,424,437
Total non-current assets	42,184,036	42,576,643
Deferred assets	18,066	13,590
Total assets	53,194,269	54,234,206
Liabilities		
Current liabilities		
Accounts payable - trade	87,888	93,994
Short-term borrowings	2,400,000	4,500,000
Current portion of long-term borrowings	2,343,084	2,566,084
Income taxes payable	403,192	383,996
Provision for bonuses	1,020,464	1,038,496
Provision for loss on store closings	21,705	21,705
Asset retirement obligations	28,472	24,360
Other	7,202,755	6,154,506
Total current liabilities	13,507,562	14,783,145
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	4,708,637	4,994,095
Lease liabilities	15,339,570	14,853,894
Retirement benefit liability	1,363,783	1,368,931
Asset retirement obligations	2,524,289	2,540,230
Other	2,825,372	2,635,210
Total non-current liabilities	28,261,642	27,892,350
Total liabilities	41,769,204	42,675,495

(Thousands of yen)

	As of March 31, 2024	As of September 30, 2024
Net assets		
Shareholders' equity		
Share capital	3,210,356	3,210,356
Capital surplus	5,813,491	5,813,447
Retained earnings	5,131,498	5,211,724
Treasury shares	(2,514,753)	(2,506,960)
Total shareholders' equity	11,640,592	11,728,567
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,348	11,782
Foreign currency translation adjustment	(213,914)	(175,684)
Remeasurements of defined benefit plans	(21,634)	(17,629)
Total accumulated other comprehensive income	(227,201)	(181,530)
Share acquisition rights	11,673	11,673
Total net assets	11,425,064	11,558,710
Total liabilities and net assets	53,194,269	54,234,206

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

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net sales	21,155,994	31,367,147
Cost of sales	19,719,245	28,655,106
Gross profit	1,436,749	2,712,040
Selling, general and administrative expenses	1,154,875	1,837,657
Operating income	281,874	874,383
Non-operating income		
Interest income	4,089	4,464
Foreign exchange gains	87,773	-
Share of profit of entities accounted for using equity method	49,031	-
Other	75,073	30,131
Total non-operating income	215,967	34,596
Non-operating expenses		
Interest expenses	265,712	369,980
Net foreign exchange losses	-	56,916
Other	18,016	13,457
Total non-operating expenses	283,728	440,354
Ordinary income	214,112	468,624
Extraordinary income		
Gain on sale of non-current assets	-	28
Total extraordinary income	-	28
Extraordinary losses		
Loss on retirement of non-current assets	4,431	21,938
Other	1,950	1,074
Total extraordinary losses	6,382	23,013
Net income before income taxes	207,730	445,640
Income taxes - current	45,026	252,061
Income taxes - deferred	11,869	(28,864)
Total income taxes	56,896	223,196
Net income	150,833	222,443
Net income attributable to owners of parent	150,833	222,443

Interim Consolidated Statement of Comprehensive Income

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Net income	150,833	222,443
Other comprehensive income		
Valuation difference on available-for-sale securities	1,471	3,434
Foreign currency translation adjustment	(80,699)	38,230
Remeasurements of defined benefit plans, net of tax	3,971	4,005
Total other comprehensive income	(75,256)	45,670
Interim comprehensive income	75,577	268,114
(Breakdown)		
Comprehensive income attributable to owners of the parent	75,577	268,114
Comprehensive income attributable to non-controlling interests	-	-

(3) Interim Consolidated Statement of Cash Flows

(Thousands of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Net income before income taxes	207,730	445,640
Depreciation	1,139,306	1,532,275
Increase (decrease) in retirement benefit liability	24,676	10,874
Increase (decrease) in long-term accounts payable - other	235,008	(83,917)
Increase (decrease) in provision for bonuses	41,957	(1,434)
Gain on sale of non-current assets	-	(28)
Loss on retirement of non-current assets	4,431	21,938
Interest and dividend income	(4,173)	(4,564)
Interest expenses	265,712	369,980
Decrease (increase) in trade receivables	110,577	43,253
Decrease (increase) in inventories	(41,436)	(15,955)
Decrease (increase) in prepaid expenses	(114,244)	(125,423)
Increase (decrease) in trade payables	(1,495)	6,105
Increase (decrease) in accounts payable - other	(186,625)	(629,243)
Increase (decrease) in accrued expenses	93,619	(104,816)
Increase (decrease) in advances received	(1,838)	(43,405)
Decrease (increase) in consumption taxes refund receivable	337,793	-
Increase (decrease) in accrued consumption taxes	179,040	(62,880)
Other	(161,877)	(211,698)
Subtotal	2,128,164	1,146,700
Interest and dividends received	134	675
Interest paid	(266,565)	(371,585)
Income taxes refund (paid)	124,838	(264,901)
Cash flows from operating activities	1,986,571	510,888
Cash flows from investing activities		
Purchase of property, plant and equipment	(1,211,296)	(1,774,521)
Proceeds from sale of property, plant and equipment	-	28
Purchase of intangible assets	(224,869)	(114,448)
Long-term loan advances	-	(39,411)
Proceeds from collection of long-term loans receivable	31,737	28,425
Payments of leasehold and guarantee deposits	(492,342)	(375,370)
Proceeds from refund of leasehold and guarantee deposits	143,234	328,402
Other	(19,387)	213,174
Cash flows from investing activities	(1,772,922)	(1,733,719)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(600,000)	2,100,000
Proceeds from long-term borrowings	1,000,000	1,700,000
Repayments of long-term borrowings	(1,131,542)	(1,191,542)
Repayments of lease liabilities	(352,428)	(508,718)
Proceeds from disposal of treasury shares	-	7,749
Dividends paid	(79,080)	(142,165)
Proceeds from sale and leaseback transactions	831,732	-
Cash flows from financing activities	(331,319)	1,965,323
Effect of exchange rate change on cash and cash equivalents	(80,699)	38,230
Net increase (decrease) in cash and cash equivalents	(198,370)	780,722
Cash and cash equivalents at beginning of period	5,532,596	6,211,989
Cash and cash equivalents at end of interim period	5,334,226	6,992,712

(4) Notes to Interim Consolidated Financial Statements

(Notes on Going Concern Assumption)

Not applicable.

(Notes in the event of significant changes in the amount of shareholders' equity)

Not applicable.

(Notes to Segment Information, Etc.)

[Segment Information]

This information is omitted because the Group's only reportable segment is the "sports club management business".