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Consolidated Financial Results for the Fiscal Year Ended March 31, 2026 (Under Japanese GAAP)

May 8, 2026

Company name:	RENAISSANCE, incorporated
Stock exchange listings:	Tokyo Stock Exchange
Stock code:	2378
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Scheduled date for ordinary general meeting of shareholders:	June 25, 2026
Scheduled date for dividend payment:	June 10, 2026
Scheduled date for submission of securities report:	June 25, 2026
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 Fiscal Year Ended March 31, 2026 (from April 01, 2025 to March 31, 2026)

(1) Consolidated operating results

(Percentages 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	%
Fiscal year ended March 31, 2026	64,933	1.9	1,565	(19.6)	795	(35.1)	(2,106)	-
March 31, 2025	63,737	46.1	1,946	54.3	1,224	117.4	766	21.0

(Note) Comprehensive income Fiscal year ending March 2026: (2,086) million yen (- %) Fiscal year ended March 2025: 894 million yen (54.3 %)

	Basic earnings per share	Diluted earnings per share	Rate of return on equity	Ordinary income to total assets ratio	Net sales Operating income ratio
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2026	(112.47)	-	(19.3)	1.4	2.4
March 31, 2025	39.48	34.26	6.5	2.3	3.1

(Reference) Investment profit (loss) on equity method Fiscal year ending March 2026 - million yen Fiscal year ended March 2025 - million yen

(Note) Diluted earnings per share for the fiscal year ending March 2026 is not stated, as there are potential shares but the net loss per share is recorded.

(2) Consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2026	57,043	9,689	17.0	405.89
March 31, 2025	55,435	12,118	21.8	534.87

(Reference) Owner's equity Fiscal year ending March 2026: 9,677 million yen Fiscal year ended March 2025: 12,106 million yen

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and equivalents, end of period
Fiscal year ended	Million yen	Million yen	Million yen	Million yen
March 31, 2026	4,122	(4,399)	1,190	8,570
March 31, 2025	3,510	(3,158)	1,086	7,680

2. Cash dividends

	Annual dividend					Total dividends (aggregate)	Payout ratio (Consolidated)	Ratio of dividends to net assets (consolidated)
	End of first quarter	End of second quarter	At the end of the third quarter	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended March 31, 2025	-	3.00	-	9.00	12.00	226	30.4	2.3
Fiscal year ended March 31, 2026	-	4.00	-	9.00	13.00	245	-	2.8
Fiscal year ending March 31, 2027 (Forecast)	-	4.00	-	9.00	13.00		51.2	

(Note) The above "Cash dividends" refer to cash dividends for common stock. For cash dividends on other classes of shares (unlisted) with different rights from our common stock, please refer to "Cash dividends for class shares" below.

3. Consolidated Earnings Forecasts for the Fiscal Year Ending March 31, 2027 (from April 01, 2026 to March 31, 2027)

(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
Six months ending September 30, 2026	33,000	4.1	600	911.2	100	-	50	103.4	2.11
Fiscal year ending March 31, 2027	68,000	4.7	1,800	15.0	900	13.2	500	-	25.38

* Notes

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

New 1 Company (Company Kaede no Kaze Co., Ltd.), Exclusion 1 Company (Company 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. In addition, as of December 1, 2025, Kaede no Kaze Co., Ltd. has been made a consolidated subsidiary. For details, please refer to page 14 of the Financial Results (Attached Materials), "3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements (Matters Related to Business Combinations, etc.)."

(2) 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 : Yes

(iv) Retrospective restatement : None

(Note) For details, please refer to page 14 of the Financial Results (Attached Materials), "3. Consolidated Financial Statements and Main Notes (5) Notes to Consolidated Financial Statements (Changes in Accounting Policies) and (Changes in Accounting Estimates)."

(3) Number of shares issued (common stock)

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

As of March 31, 2026	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 March 31, 2026	2,463,058 shares
As of March 31, 2025	2,482,987 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2026	18,909,773 shares
Fiscal year ended March 31, 2025	18,893,603 shares

(Reference) Summary of Non-consolidated Results

1. Non-consolidated financial results for the fiscal year ended March 31, 2026 (from April 01, 2025 to March 31, 2026)

(1) Non-consolidated operating results

(Percentages indicate YoY changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended March 31, 2026	64,288	41.8	1,720	49.0	899	130.0	(1,811)	-
March 31, 2025	45,342	5.3	1,154	(8.7)	390	(52.2)	389	(34.0)
	Basic earnings per share		Diluted earnings per share					
Fiscal year ended	Yen		Yen					
March 31, 2026	(96.85)		-					
March 31, 2025	19.55		17.64					

(Note) Diluted earnings per share for the fiscal year ending March 2026 is not stated, as there are potential shares but the net loss per share is recorded.

(2) Non-consolidated financial positions

	Total assets	Net assets	Equity ratio	Net assets per share
As of	Million yen	Million yen	%	Yen
March 31, 2026	56,709	9,605	16.9	401.43
March 31, 2025	49,770	11,660	23.4	510.64

(Reference) Owner's equity March 2026 term: 9,593 million yen; March 2025 term: 11,648 million yen

* Financial results reports are not subject to audits by certified public accountants or audit corporations.

* 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 the use of forecasts, please refer to page 2 of the Financial Results (Attached Materials), "1. Overview of Operating Results, etc." (2) The Company plans to hold a briefing session for institutional investors, analysts, and the media on May 11, 2026. 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 sen	Yen sen	Yen sen	Yen sen	Yen sen
Fiscal year ending March 2025	-	4.78	-	4.78	9.56
Fiscal year ending March 31, 2026	-	4.78	-	4.78	9.56
Fiscal year ending March 31, 2027 (Forecast)	-	4.78	-	4.78	9.56

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1. Overview of Operating Results, etc.

(1) Overview of operating results for the period

During the fiscal year under review, although new memberships in the Sports Club business started off sluggishly in April and May, there was a recovery from June onward, resulting in the number of members exceeding the previous year, and as a result, net sales also surpassed the previous year's results. In the Home Fitness business, while the new merchandise "Stylish Face" was well received, both net sales and operating income fell below the previous year due to sluggish sales of steppers, which had performed well in the previous fiscal year. In the Nursing Care and Medical Support business, the performance of Kaede no Kaze Co., Ltd., which operates day-care facilities nationwide and became a consolidated subsidiary in December, has been reflected in the consolidated statement of income from the fourth quarter of the fiscal year. On the cost side, the cost of goods sold in the Home Fitness business decreased compared to the plan, and efforts were made to execute expenses efficiently, resulting in company-wide costs remaining within the planned range. Taking into account the significant changes in the business environment of Sports Clubs, the company decided to close six stores where recovery in performance is difficult to expect, such as those located in city centers with a high rent burden relative to net sales, as well as one store due to contract expiration, and recorded all related closure costs in a lump sum. Furthermore, based on the "Accounting Standard for Impairment of Non-current Assets," the recoverability of non-current assets held by the Group was carefully examined, and impairment losses of 3,056 million yen were recorded for a total of 38 facilities, including those to be closed. As a result, as of the end of the fiscal year under review, measures have been completed for facilities with signs of impairment where investment recovery is not expected. Consequently, net sales were 64,933 million yen (up 1.9% YoY), operating income was 1,565 million yen (down 19.6% YoY), ordinary income was 795 million yen (down 35.1% YoY), and net loss attributable to owners of parent company was 2,106 million yen (compared to net income attributable to owners of parent company of 766 million yen in the previous year). In May 2024, our Group formulated the "2024-2027 Medium-Term Management Plan," positioning (i) leading the industry as a leading company in comprehensive sports clubs and (ii) creating medium- to long-term growth drivers beyond the fitness industry as important themes. However, considering the progress of results so far and future outlook, it is difficult to achieve the initial targets. Therefore, we have significantly revised the medium-term management plan and formulated the "2026-2030 Medium-Term Management Plan." For details, please refer to the "Notice Regarding Revision and Formulation of Medium-Term Management Plan" announced today.

< Sports Club Business />

In the sports club business, from June onward, the number of new members began to recover, and the total number of active members remained above the previous year's level. In particular, the expansion of monthly corporate memberships for companies and health insurance associations, utilizing the store network of Sports Oasis, which was merged in April, contributed to the overall increase in membership. In addition, in October, we implemented a price revision for fitness and school members, which led to an increase in the average membership fee.

Regarding new store openings, in April, we opened 'Sports Club Renaissance Higashi Sapporo 24 (Sapporo, Hokkaido)' and in July, we opened 'Sports Club Renaissance Viera Meimai 24 (Kobe, Hyogo)', both by taking over existing facilities previously operated by other companies. Furthermore, we have decided to acquire a total of eight facilities, including comprehensive sports clubs operated by Tokyu Sports System Co., Ltd., a wholly owned subsidiary of Tokyu Corporation, effective July 1, 2026.

On the other hand, regarding store closures, taking into account the future impact on overall company earnings from unprofitable facilities, we closed one store during the fiscal year under review and decided to close five additional stores in the following fiscal years. In addition, the anticipated costs associated with these closures have been recorded in full during the fiscal year under review.

As a result, net sales of the Sports Club business were 55,145 million yen (up 2.8% YoY), and the number of enrolled members at the end of the fiscal year was 442,085 (up 1.7% YoY).

*From the current consolidated fiscal year, figures are presented excluding online membership, but including the number of Sports club members of Renaissance Vietnam.

<Nursing care and medical-related business/>

In the nursing care and medical-related business, we newly opened a total of six rehabilitation-focused day service facilities called "Genki Gym," consisting of four directly operated facilities and two franchise facilities, and the performance of existing facilities also remained stable. In addition, to further expand our business, we decided to acquire the business of five "My Reha" day care facilities operated by Leben Community Co., Ltd. as of April 1, 2026. Furthermore, we acquired 100% of the shares of Kaede no Kaze Co., Ltd. (hereinafter referred to as "Kaede no Kaze"), which operates 13 directly managed and 23 franchise day care facilities, making it a subsidiary

as of December 1. Kaede no Kaze also supports users with relatively high care needs, and going forward, we will support the resolution of health issues for people we have not been able to approach so far, as well as respond to revisions in the nursing care fee system. As a result, net sales in the nursing care and medical-related business for the fiscal year ended March 31, 2024 were 2,467 million yen (up 22.1% YoY).

<Home Fitness Business/>

In the Home Fitness business, we struggled as EC sales of steppers, which had exceeded expectations in the previous fiscal year, and TV shopping sales of existing merchandise both stagnated. On the other hand, the "Twist Aero Stepper Premium SP-600" won first place for the third consecutive year in the Sports & Outdoors category of the "Rakuten Annual Ranking 2025." In addition, the new merchandise "Styly Face," launched in September to support both facial sagging care and swallowing ability, performed well in both TV shopping and EC sites. As a result, net sales in the Home Fitness business for the fiscal year were 3,938 million yen (down 18.6% YoY).

The new openings and closures for the 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	Higashiyamoto City Sports Facilities, etc. (6 facilities in total) (Higashiyamoto City, Tokyo)	Designated management
April 2025	Kitakyushu City Aso Sports Center (Kitakyushu-shi, fukuoka)	Designated management
April 2025	Nago City B (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 Meimai 24 (Kobe City, Hyogo Prefecture)	Sports club
July 2025	Fuchu City B (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)
November 2025	Renaissance Genki Gym Aobadai (Yokohama City, Kanagawa Prefecture)	Nursing rehabilitation (directly managed)
Timing of store closures and termination of consignment	Facility Name	Facility Type
End of May 2025	BEACHTOWN HIBIYA PARK (Chiyoda-ku, Tokyo)	outdoor fitness facilities (directly operated)
End of June 2025	Re PT GYM RENAISSANCE JAPAN Times City (Hanoi, vietnam)	Personal training gym (Renaissance Vietnam)
As of December 31, 2025	Renaissance Genki Gym Jr. Mitsukyo (Yokohama City, Kanagawa Prefecture)	Nursing rehabilitation (directly managed)
As of December 31, 2025	Fitness Renaissance Aeon Mall Binh Duong Canary (Ho Chi Minh City, Vietnam)	Sports club (Renaissance Vietnam)
As of February 29, 2026	Sports Club Renaissance Tennocho (Yokohama City, Kanagawa Prefecture)	Sports club
End of March 2026	OASIS RAFEEL Ebisu 24Plus (Shibuya-ku, Tokyo)	Sports club
End of March 2026	outdoor fitness facilities Sennan Long Park (Sennan City, Osaka Prefecture)	outdoor fitness facilities (Contracted business)

As a result, at the end of the fiscal year, the number of facilities operated by our group totaled 330, consisting of 232 sports clubs (Renaissance: 141 directly operated, 86 contracted business, 4 operation support, 1 directly operated by RENAISSANCE VIETNAM, INC.), 2 small-format facilities, 87 nursing care rehabilitation facilities (52 directly operated, 35 franchised), and 9 outdoor fitness facilities

(3 directly operated, 6 contracted business).

As the reporting segment of our group is limited to the 'Sports club operation business,' segment performance is not disclosed.

(2) Overview of the financial positions for the period

(i) Assets

At the end of the fiscal year, total assets increased by 1,680 million yen compared to the end of the previous fiscal year, reaching 57,043 million yen. This was mainly due to an increase in total current assets by 1,521 million yen, primarily resulting from an increase in cash and deposits.

(ii) Liabilities

At the end of the current consolidated fiscal year, total liabilities increased by 4,037 million yen compared to the end of the previous consolidated fiscal year, reaching 47,354 million yen. This was mainly due to an increase in total current liabilities by 1,774 million yen as a result of an increase in short-term borrowings, and an increase in non-current liabilities by 2,262 million yen due to increases in long-term borrowings and asset retirement obligations.

(iii) Net assets

At the end of the current consolidated fiscal year, total net assets decreased by 2,429 million yen compared to the end of the previous consolidated fiscal year, amounting to 9,689 million yen. This was mainly due to the recording of a net loss attributable to owners of the parent of 2,160 million yen and the payment of dividends of 265 million yen, resulting in a decrease in retained earnings of 2,372 million yen.

(3) Overview of Cash Flows for the Period

Cash and cash equivalents (hereinafter referred to as "funds") at the end of the fiscal year increased by 890 million yen compared to the end of the previous fiscal year, amounting to 8,570 million yen.

The cash flows at the end of the fiscal year and their factors are as follows.

(i) Cash flows from operating activities

For the fiscal year ended 41,220 million yen (previous fiscal year: 35,100 million yen)

Net cash provided by operating activities was 4,122 million yen (an increase of 17.4% YoY). This was mainly due to depreciation of 3,390 million yen (an increase of 8.2% YoY), an increase in long-term guarantee deposits of 516 million yen, and a decrease in accounts receivable of 219 million yen.

(ii) Cash flows from investing activities

For the fiscal year ended - 4,399 million yen (Previous fiscal year - 3,158 million yen)

Funds used in investing activities amounted to 4,399 million yen (up 39.3% YoY). This was mainly due to Purchase of property, plant and equipment of 3,726 million yen (up 16.6% YoY), Purchase of shares of subsidiaries resulting in change in scope of consolidation of 592 million yen, Purchase of intangible assets of 256 million yen (up 9.7% YoY), and proceeds from collection of leasehold deposits and guarantee deposits of 158 million yen (down 71.5% YoY).

(iii) Cash flows from financing activities

For the fiscal year ended 11,900 million yen (previous fiscal year: 10,860 million yen)

Funds provided by financing activities amounted to 1,190 million yen (up 9.6% YoY). This was mainly due to proceeds from long-term borrowings of 3,862 million yen (up 28.7% YoY), a net increase in short-term borrowings of 1,296 million yen (down 28.0% YoY), repayments of long-term borrowings of 2,657 million yen (up 5.7% YoY), and repayments of lease liabilities of 968 million yen (down 3.1% YoY).

(Reference) Trends in cash flow-related indicators

	Fiscal year ending March 2024	Fiscal year ending March 31, 2025	Fiscal year ending March 31, 2026
Equity ratio (%)	21.5	21.8	17.0
Equity ratio based on market value (%)	36.6	35.7	35.2
Debt redemption period (years)	5.7	8.2	7.5
Operating revenue Interest coverage ratio (times)	2.2	2.6	1.9

(Note) 1. All indicators are calculated based on consolidated financial figures using the following formulas.

- Equity ratio: Owner's equity / Total assets
- Market value-based Equity ratio: Market capitalization / Total assets
- Debt redemption years: Interest-bearing liabilities / Operating cash flow
- Operating revenue interest: (Operating income + Interest income + Dividend income) / Interest expenses

Coverage Ratio

2. Market capitalization is calculated by multiplying the closing share price at the end of the period by the number of shares outstanding at the end of the period (after deduction of treasury shares).

3. Interest-bearing liabilities include convertible-bond-type bonds with share acquisition rights, short-term and long-term borrowings, and lease obligations as recorded on the consolidated balance sheet. Operating cash flows are based on cash flows from operating activities in the consolidated statement of cash flows. In addition, interest expenses are based on interest expenses in the consolidated statement of income.

(4) Future Outlook

Regarding the future outlook, while a moderate recovery of the domestic economy is expected, we recognize that the business environment surrounding companies remains uncertain due to factors such as the destabilization of international affairs including the situation in the Middle East, exchange rate fluctuation risks, persistently high raw material prices, and structural labor shortages.

In the fitness industry as well, intensified competition due to the proliferation of low-cost unmanned gyms and the active opening of new business formats, as well as the urgent need to respond to rising prices, have become pressing issues. It is expected that these factors will continue to drive industry restructuring.

In particular, given the business environment where various costs such as heating and lighting expenses and personnel expenses are expected to remain high, we recognize that the urgent issue for continuing our core Sports club business is to restore overall business profitability, including the fundamental profit and loss structure. Therefore, we have decided to review our previous premise of maintaining the number of Sports club facilities, which serve as local health hubs, through sales efforts, and to promptly address unprofitable facilities by closing them or reducing exit costs. In line with this, we have formulated a new "2026-2030 Medium-Term Management Plan."

In the "2026-2030 Medium-Term Management Plan," the first half, covering fiscal years 2026 and 2027, will be positioned as a period for restoring and strengthening our impaired financial base. During this time, we will work on business and profit structure reforms as well as reviewing cash allocation. In the latter half, from fiscal years 2028 to 2030, we will position the "Sports Club Operation Business," "Home Fitness Business," and "Nursing Care Rehabilitation Facilities Business" as our core businesses. We will embark on transforming our business portfolio with the aim of achieving a net sales composition of 50% from the Sports Club Operation Business and 50% from non-Sports Club businesses by 2035.

In a society where people's lifestyles and values are becoming increasingly diverse, our business aims to go beyond being merely a "health solution company" and contribute to the realization of a society where everyone can shine in their own way. With our long-term vision of becoming a "Well-being Co-creation Company for the 100-year Life Era," we will strive for sustainable growth together with all our stakeholders.

In addition, our financial targets are to achieve Net sales of 77 billion yen, Operating income of 3.5 billion yen, an Operating income to Net sales ratio of 4.5%, ROE of 10.0%, ROIC of 6.0%, a payout ratio of 40.0%, and an equity ratio of 20.5% in fiscal year 2030.

Regarding the consolidated forecasts for the fiscal year ending March 2027, we expect net sales of 68 billion yen (an increase of 4.7% compared to the fiscal year ended March 31, 2024), operating income of 1.8 billion yen (an increase of 15.0%), ordinary income of 0.9 billion yen (an increase of 13.2%), and net income attributable to owners of parent company of 0.5 billion yen (an increase of 2.66 billion yen from the fiscal year ended March 31, 2024).

In addition, new store openings and closures (including contracted business and designated management) are planned as follows from April 2026 onward.

Opening/Establishment Period	Facility Name	Facility Type
April 2026	Renaissance Genki Gym Goko (Matsudo City, Chiba Prefecture)	Nursing rehabilitation (directly managed)
April 2026	Renaissance Genki Gym Misato (Misato City, Saitama Prefecture)	Nursing rehabilitation (directly managed)
April 2026	Renaissance Genki Gym Urawa (Saitama City, Saitama Prefecture)	Nursing rehabilitation (directly managed)
April 2026	Renaissance Genki Gym Yoshikawa (Yoshikawa City, Saitama Prefecture)	Nursing rehabilitation (directly managed)
April 2026	Renaissance Genki Gym Yanagishima (Soka City, Saitama Prefecture)	Nursing rehabilitation (directly managed)
April 2026	Mitoyo City General Gymnasium (Mitoyo City, Kagawa Prefecture)	Designated management
April 2026	Mitoyo City Midorigaoka Soccer Field (Mitoyo City, Kagawa Prefecture)	Designated management
April 2026	Fukuoka City Higashi Civic Pool (Fukuoka City, Fukuoka Prefecture)	Designated management
April 2026	Fukuoka City Central Citizens' Pool (Fukuoka City, Fukuoka Prefecture)	Designated management
April 2026	Koga City Health and Culture Facility 'Crosspal Koga' (Koga City, Fukuoka Prefecture)	Designated management
July 2026	Sports Club Renaissance Atrio Due-ENext Aobadai 24 (Yokohama City, Kanagawa Prefecture)	Sports club

July 2026	Sports Club Renaissance Atrio Due-ENext Futako-Tamagawa (Setagaya-ku, Tokyo)	Sports club
July 2026	Sports Club Renaissance Atrio Due-ENext Himonya (Meguro-ku, Tokyo)	Sports club
July 2026	Fitness Club Renaissance Atrio Due-E Next Musashi-Koyama 24 (Shinagawa-ku, Tokyo)	Sports club
July 2026	Sports Club Renaissance Atrio Due-Next Tama-Plaza (Yokohama City, Kanagawa Prefecture)	Sports club
July 2026	Fitness Club Renaissance / Atrio Lite Hakuraku 24 (Yokohama City, Kanagawa Prefecture)	Fitness gym
July 2026	Fitness Club Renaissance / Atrio Lite Etomo Ikegami (with Hot Yoga before Etomo Ikegami) (Ota-ku, Tokyo)	Fitness gym
Store closure/termination of consignment period	Facility Name	Facility Type
End of May 2026	greener (Ichikawa City, Chiba Prefecture)	outdoor fitness facilities (Contracted business)
End of June 2026	Sports Club Renaissance Abeno 24 (Osaka City, Osaka Prefecture)	Sports club
End of June 2026	Fitness Club Renaissance Suminodo 24 (Daito City, Osaka Prefecture)	Sports club

2. Basic policy regarding the selection of accounting standards

Our group, taking into consideration the comparability of consolidated financial statements over periods and among companies, intends to prepare consolidated financial statements based on Japanese GAAP for the time being.

With regard to the application of International Financial Reporting Standards, our policy is to respond appropriately while taking into consideration both domestic and international circumstances.

3. Consolidated Financial Statements and Main Notes

(1) Consolidated Balance Sheet

(Unit: Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Assets		
Current assets		
Cash and deposits	7,680,354	8,570,778
Notes receivable - trade	28,085	37,519
Accounts receivable - trade	2,379,089	2,238,549
Investments in leases	25,196	25,839
Merchandise	803,643	754,882
Supplies	114,747	62,392
Other	1,572,960	2,433,469
Allowance for doubtful accounts	(12,918)	(10,500)
Total current assets	12,591,159	14,112,931
Non-current assets		
Property, plant and equipment		
Buildings and structures	24,671,021	25,395,769
Accumulated depreciation	(15,579,293)	(16,240,639)
Buildings and structures, net	9,091,727	9,155,129
Machinery, equipment and vehicles	2,884,685	3,007,264
Accumulated depreciation	(2,232,825)	(2,278,155)
Machinery, equipment and vehicles, net	651,860	729,108
Tools, furniture and fixtures	5,599,487	5,690,978
Accumulated depreciation	(4,346,688)	(4,667,275)
Tools, furniture and fixtures, net	1,252,799	1,023,702
Land	1,162,887	1,748,693
Leased assets	20,232,249	18,754,573
Accumulated depreciation	(7,161,879)	(6,750,607)
Leased assets, net	13,070,369	12,003,966
Construction in progress	257,719	256,423
Total property, plant and equipment	25,487,364	24,917,025
Intangible fixed assets		
Goodwill	883,132	1,545,833
Customer-related intangible assets	592,285	493,571
Other	487,711	524,882
Total intangible fixed assets	1,963,129	2,564,287
Investments and other assets		
Investment securities	42,198	31,557
Long-term loans receivable	410,174	362,982
Leasehold and guarantee deposits	12,317,705	11,938,213
Deferred tax assets	1,973,577	2,568,704
Other	641,170	545,806
Total investments and other assets	15,384,826	15,447,265
Total non-current assets	42,835,321	42,928,578
Deferred assets		
Share issuance costs	5,814	-
Bond issuance costs	3,300	2,100

Total deferred assets	9,114	2,100
Total assets	55,435,594	57,043,609

(Unit: Thousands of yen)

	As of March 31, 2025	As of March 31, 2026
Liabilities		
Current liabilities		
Accounts payable - trade	133,128	78,766
Short-term borrowings	4,200,000	5,500,000
Current portion of long-term borrowings	2,220,584	2,243,408
Lease obligations	991,963	1,033,234
Accounts payable	2,608,396	2,464,439
Income taxes payable	502,376	466,851
Advances from customers	455,935	394,344
Provision for bonuses	1,131,581	1,385,216
Provision for directors' bonuses	31,332	27,079
Provision for loss on store closings	-	292,890
Asset retirement obligations	-	696,624
Other	3,310,715	2,777,877
Total current liabilities	15,586,013	17,360,731
Non-current liabilities		
Convertible-bond-type bonds with share acquisition rights	1,499,988	1,499,988
Long-term borrowings	5,318,053	6,707,382
Lease obligations	14,781,738	13,813,954
Provision for loss on store closings	-	149,345
Retirement benefit liability	1,248,756	1,240,360
Asset retirement obligations	2,407,034	3,616,656
Other	2,475,510	2,965,749
Total non-current liabilities	27,731,080	29,993,437
Total liabilities	43,317,093	47,354,168
Net assets		
Shareholders' equity		
Share capital	3,210,356	3,210,356
Capital surplus	5,813,447	5,716,947
Retained earnings	5,688,784	3,316,311
Treasury shares	(2,506,960)	(2,486,838)
Total shareholders' equity	12,205,628	9,756,776
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	14,256	15,685
Foreign currency translation adjustment	(183,224)	(205,964)
Remeasurements of defined benefit plans	70,167	111,270
Total accumulated other comprehensive income	(98,800)	(79,009)
Share acquisition rights	11,673	11,673
Total net assets	12,118,500	9,689,440
Total liabilities and net assets	55,435,594	57,043,609

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

Consolidated Statement of Profit or Loss

(Unit: Thousands of yen)

	Previous fiscal year (from April 1, For the fiscal year ending March 2024 to March 31, 2025)	For the fiscal year ending March 31, 2026
Net sales	63,737,043	64,933,693
Cost of sales	58,058,571	59,489,041
Gross profit	5,678,472	5,444,651
Selling, general and administrative expenses	3,731,614	3,878,778
Operating income	1,946,858	1,565,873
Non-operating income		
Interest income	11,325	22,268
Dividend income	203	261
Foreign exchange gains	-	21,291
Subsidy income	2,566	26,716
Gain on transfer of lease	10,320	10,316
Commission income	275	759
Compensation income	12,327	-
Government grant income	19,972	362
Others	51,305	42,590
Total non-operating income	108,296	124,566
Non-operating expenses		
Interest expenses	755,589	848,031
Foreign exchange losses	50,998	-
Other	23,612	47,337
Total non-operating expenses	830,199	895,369
Ordinary income	1,224,954	795,071
Extraordinary income		
Gain on sale of non-current assets	28	1,306
Gain on receipt of donated non-current assets	158,855	-
Gain on sale of investment securities	-	24,810
Compensation income	-	500,000
Total extraordinary income	158,884	526,116
Extraordinary losses		
Loss on retirement of non-current assets	47,156	81,016
Impairment losses	281,220	3,056,500
Provision for loss on store closings	-	442,235
Loss on abandonment of goods	49,815	-
Other	2,742	17,503
Total extraordinary losses	380,934	3,597,256
Net income before income taxes or net loss before income taxes (-)	1,002,905	(2,276,069)
Income taxes - current	530,177	445,336
Income taxes - deferred	(293,272)	(614,659)
Total income taxes	236,904	(169,323)
Profit (loss)	766,000	(2,106,745)
Profit (loss) attributable to owners of parent	766,000	(2,106,745)

Consolidated Statement of Comprehensive Income

(Unit: Thousands of yen)

	Previous fiscal year (from April 1, For the fiscal year ending March 2024 to March 31, 2025)	31, 2026
Profit (loss)	766,000	(2,106,745)
Other comprehensive income		
Valuation difference on available-for-sale securities	5,908	1,429
Foreign currency translation adjustment	30,690	(22,740)
Remeasurements of defined benefit plans, net of tax	91,802	41,102
Total other comprehensive income	128,400	19,791
Comprehensive income	894,401	(2,086,953)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	894,401	(2,086,953)
Comprehensive income attributable to non-controlling interests	-	-

(3) Consolidated Statement of Changes in Equity
Previous fiscal year (from April 1, 2024 to March 31, 2025)

(Unit: Thousands of yen)

	Shareholders' equity					Total shareholders' equity
	Share capital	Capital surplus	Retained earnings	Treasury shares		
Balance at the beginning of the period	3,210,356	5,813,491	5,131,689	(2,514,753)		11,640,783
Changes during period						
Cash dividends			(208,905)			(208,905)
Net income attributable to owners of parent company			766,000			766,000
Treasury shares sold		(43)		7,793		7,749
Changes during period (net) for items other than shareholders' equity						
Total changes during period	-	(43)	557,095	7,793		564,845
Balance at end of period	3,210,356	5,813,447	5,688,784	(2,506,960)		12,205,628
	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	8,348	(213,914)	(21,634)	(227,201)	11,673	11,425,255
Changes during period						
Cash dividends						(208,905)
Net income attributable to owners of parent company						766,000
Treasury shares sold						7,749
Changes during period (net) for items other than shareholders' equity	5,908	30,690	91,802	128,400		128,400
Total changes during period	5,908	30,690	91,802	128,400	-	693,245
Balance at end of period	14,256	(183,224)	70,167	(98,800)	11,673	12,118,500

For the fiscal year ending March 31, 2026

(Unit: Thousands of yen)

	Shareholders' equity				
	Share capital	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at the beginning of the period	3,210,356	5,813,447	5,688,784	(2,506,960)	12,205,628
Changes during period					
Cash dividends			(265,727)		(265,727)
Net loss attributable to owners of the parent (-)			(2,106,745)		(2,106,745)
Treasury shares sold		166		20,121	20,287
Change in ownership interest of parent due to transactions with non-controlling interests		(96,666)			(96,666)
Changes during period (net) for items other than shareholders' equity					
Total changes during period	-	(96,500)	(2,372,472)	20,121	(2,448,851)
Balance at end of period	3,210,356	5,716,947	3,316,311	(2,486,838)	9,756,776

	Accumulated other comprehensive income				Share acquisition rights	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income		
Balance at the beginning of the period	14,256	(183,224)	70,167	(98,800)	11,673	12,118,500
Changes during period						
Cash dividends						(265,727)
Net loss attributable to owners of the parent (-)						(2,106,745)
Treasury shares sold						20,287
Change in ownership interest of parent due to transactions with non-controlling interests						(96,666)
Changes during period (net) for items other than shareholders' equity	1,429	(22,740)	41,102	19,791		19,791
Total changes during period	1,429	(22,740)	41,102	19,791	-	(2,429,060)
Balance at end of period	15,685	(205,964)	111,270	(79,009)	11,673	9,689,440

(4) Consolidated Statement of Cash Flows

(Unit: Thousands of yen)

	Previous fiscal year (from April 1, For the fiscal year ending March 2024 to March 31, 2025)	For the fiscal year ending March 31, 2026
Cash flows from operating activities		
Net income before income taxes or net loss before income taxes (-)	1,002,905	(2,276,069)
Depreciation	3,133,516	3,390,050
Amortization of goodwill	84,266	100,159
Impairment losses	281,220	3,056,500
Increase (decrease) in liabilities for retirement benefits	18,190	32,194
Increase (decrease) in long-term accounts payable (- indicates decrease)	(113,843)	(95,210)
Increase (decrease) in provision for bonuses	122,982	249,382
Increase (decrease) in provision for loss on store closings	(21,705)	442,235
Loss (gain) on sale of investment securities	-	(24,810)
Loss (gain) on sale of fixed assets	(28)	(1,306)
Gain on receipt of donated non-current assets	(158,855)	-
Loss on retirement of non-current assets	47,156	81,016
Interest income and dividends income	(11,528)	(22,530)
Compensation income	(12,327)	(500,000)
Interest expenses	755,589	848,031
Decrease (increase) in trade receivables	(211,240)	219,910
(Increase) decrease in inventories	(113,602)	101,115
Decrease (increase) in prepaid expenses	(79,761)	(7,547)
Increase (decrease) in trade payables	45,240	(54,362)
Increase (decrease) in accounts payable (minus indicates decrease)	33,391	(179,814)
Increase (decrease) in accrued expenses	(51,035)	36,000
Increase (decrease) in advances received	(148,052)	(83,949)
Increase (decrease) in accrued consumption taxes	379,856	(483,307)
Increase (decrease) in long-term guarantee deposits (- indicates decrease)	(96,533)	516,404
Other	(175,996)	141,894
Subtotal	4,709,803	5,485,991
Interest and dividends received	3,774	15,567
Interest paid	(758,219)	(841,270)
Income taxes refund (paid)	(444,996)	(537,875)
Cash flows from operating activities	3,510,362	4,122,413

(Unit: Thousands of yen)

	For the fiscal year ended March 31, 2025	For the fiscal year ending March 31, 2026
Cash flows from investing activities		
Purchase of investment securities	-	(5,000)
Proceeds from the sale of investment securities	-	42,510
Purchase of property and equipment	(3,194,427)	(3,726,191)
Proceeds from sales of property and equipment	28	1,552
Purchase of intangible assets	(233,838)	(256,545)
Payments of leasehold and guarantee deposits	(489,823)	(87,756)
Proceeds from refund of leasehold and guarantee deposits	553,762	158,085
Long-term loan advances	(39,411)	-
Collection of long-term loans receivable	59,674	57,697
Payment for acquisition of subsidiaries resulting in change in scope of consolidation	-	(592,540)
Income from adjustment of acquisition cost of subsidiary shares	218,727	-
Other	(33,611)	8,457
Cash flows from investing activities	(3,158,918)	(4,399,731)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	1,800,000	1,296,700
Proceeds from long-term borrowings	3,000,000	3,862,000
Repayment of long-term borrowings	(2,513,084)	(2,657,576)
Repayments of lease liabilities	(999,540)	(968,710)
Proceeds from disposal of treasury shares	7,749	20,287
Cash dividends paid	(208,893)	(265,552)
Payment for acquisition of subsidiaries resulting in no change in scope of consolidation	-	(96,666)
Cash flows from financing activities	1,086,231	1,190,482
Effect of exchange rate change on cash and cash equivalents	30,690	(22,740)
Increase (decrease) in cash and cash equivalents	1,468,365	890,424
Cash and cash equivalents at the beginning of the period	6,211,989	7,680,354
Cash and cash equivalents at end of the period	7,680,354	8,570,778

(5) Notes to Consolidated Financial Statements

(Notes on Going Concern Assumption)

There are no applicable matters.

(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 inventory method (for balance sheet purposes, book value was written down in accordance with a decline in profitability). However, from the current consolidated fiscal year, we have changed to the cost method primarily using the monthly weighted average method (for balance sheet purposes, book value is written down in accordance with a decline in 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.

(Changes in accounting estimates)

(Change in estimate of asset retirement obligations)

During the fiscal year under review, with respect to asset retirement obligations that had been recorded as obligations for restoration under real estate lease agreements and fixed-term land lease agreements, we revised the estimates for sports club facilities for certain contracts due to the acquisition of new information such as recent actual restoration costs.

The increase of 1,822,716 thousand yen due to this change in estimate has been added to Property, plant and equipment and Asset retirement obligations.

In addition, regarding property, plant and equipment recognized as a result of this change, impairment losses of 1,811,427 thousand yen have been recorded, and due to this change in estimates, loss before income taxes for the fiscal year increased by 1,811,427 thousand yen.

(Matters related to business combinations, etc.)

(Business combination through acquisition)

At the Board of Directors meeting held on November 27, 2025, the Company resolved to acquire all shares of Kaede no Kaze Co., Ltd. and make it a subsidiary, and acquired said shares as of December 1, 2025.

(1) Overview of Business Combination

(i) Name of the acquired company and details of its business

Name of the acquired company: Kaede no Kaze Co., Ltd.

Business Description: Daycare services, daycare service franchise, education business (training and guidance for daycare services and elderly care)

(ii) Main reasons for the business combination

Because we determined that this would enable us to provide further added value to users of day-care services and their families, and furthermore, it would make it possible for us to support the resolution of health issues for a greater number of people whom we have not been able to approach until now.

(iii) Date of business combination

December 1, 2025 (Date of share acquisition)

December 31, 2025 (Deemed acquisition date)

(iv) Legal form of business combination

Acquisition of shares for cash consideration

(v) Name of the combined company

There are no changes.

(vi) Acquired voting rights ratio

100%

(vii) Main reasons for determining the acquiring company

This is because the company acquired shares in exchange for cash.

(2) Period of performance of the acquired company included in the consolidated financial statements

From January 1, 2026 to March 31, 2026

(3) Breakdown of the acquisition cost of the acquired company and the types of consideration

Regarding the acquisition price, we have decided not to disclose it in accordance with the request from the other party.

(4) Details and amounts of major acquisition-related expenses

Fees for advisory services, etc. 87,410 thousand yen

(5) Amount of goodwill recognized, reason for recognition, method of amortization, and amortization period

(i) Amount of goodwill incurred

762,860 thousand yen

Note: As of the end of the current consolidated fiscal year, the identification of identifiable assets and liabilities as of the business combination date and the estimation of their fair values have not been completed. Therefore, the allocation of the acquisition cost has not been finalized and the amounts are provisional.

(ii) Cause of occurrence

This arises from the expected future excess earning power resulting from future business development.

(iii) Depreciation methods and useful lives

Straight-line amortization over 12 years

(6) Amounts and major components of assets accepted and liabilities assumed as of the business combination date

Current assets 374,627 thousand yen

Non-current assets 72,611 thousand yen

Total assets 447,238 thousand yen

Current liabilities 66,411 thousand yen

Non-current liabilities 281,091 thousand yen

Total liabilities 347,502 thousand yen

(Segment Information, etc.)

(Segment Information)

[Segment Information]

Disclosure is omitted as the Company's group has only one reportable segment, which is the Sports Club Operation business.

Related Information

Previous fiscal year (from April 1, 2024 to March 31, 2025)

1 Information by finished goods and services

As net sales to external customers from the Sports Club Operation Business account for more than 90% of the consolidated statement of income's net sales, the details are omitted.

2. Information by Region

(1) Net sales

As net sales to external customers in Japan account for more than 90% of consolidated net sales in the statement of income, the disclosure has been omitted.

(2) Property, plant and equipment

As more than 90% of the amount of property, plant and equipment on the consolidated balance sheet is located in Japan, the details are omitted.

3. Information by Major Customer

There are no customers whose net sales to external customers account for 10% or more of the consolidated statement of income net sales, and therefore no disclosure is provided.

For the fiscal year ending March 31, 2026

1 Information by finished goods and services

As net sales to external customers from the 'Sports club operation business' account for more than 90% of the consolidated statement of income's net sales, the details are omitted.

2. Information by Region

(1) Net sales

As net sales to external customers in Japan account for more than 90% of the consolidated statement of income's net sales, the disclosure has been omitted.

(2) Property, plant and equipment

As more than 90% of the amount of property, plant and equipment on the consolidated balance sheet is located in Japan, the details are omitted.

3. Information by Major Customer

There are no customers whose net sales to external customers account for 10% or more of the consolidated statement of income net sales, and therefore no disclosure is provided.

[Information on Impairment Losses on Non-current Assets by Reportable Segment]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

Disclosure is omitted as the only reportable segment is the Sports Club Operation business.

For the fiscal year ending March 31, 2026

Disclosure is omitted as the only reportable segment is the Sports Club Operation business.

[Information on Amortization of Goodwill and Unamortized Balances by Reportable Segment]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

Disclosure is omitted as the only reportable segment is the Sports Club Operation business.

For the fiscal year ending March 31, 2026

Disclosure is omitted as the only reportable segment is the Sports Club Operation Business.

[Information on Gain on Bargain Purchase by Reportable Segment]

Previous fiscal year (from April 1, 2024 to March 31, 2025)

There are no applicable matters.

For the fiscal year ending March 31, 2026

There are no applicable matters.

(Per share information)

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	For the fiscal year ending March 31, 2026
Net assets per share	534.87 yen	405.89 yen
Basic earnings per share or net loss per share (-)	39.48 yen	112.47 yen
Diluted earnings per share	34.26 yen	-

(Note) 1. Although there are potential shares for the fiscal year, diluted earnings per share are not stated because there is a net loss per share.

2. The basis for calculating basic earnings per share or net loss per share for the period is as follows.

	Previous fiscal year (from April 1, 2024 to March 31, 2025)	For the fiscal year ending March 31, 2026
Basic earnings per share or net loss per share (-)		
Net income (loss) attributable to owners of parent company (-) (Thousand yen)	766,000	(2,106,745)
Amount not attributable to common shareholders (Thousand yen)	19,999	19,999
(of which, preferred dividends (thousand yen))	(19,999)	(19,999)
Net income (loss) attributable to owners of parent company related to common stock (-) (Thousand yen)	746,001	(2,126,745)
Average number of common shares (shares)	18,893,603	18,909,773
Diluted earnings per share		
Net income attributable to owners of parent company adjustment (thousand yen)	10,406	-

(of which, Interest expenses (after deduction of tax equivalent amount) (Thousand yen))	(10,406)	-
Increase in number of common shares (shares)	3,768,047	-
Overview of potential shares not included in the calculation of diluted earnings per share as they have no dilutive effect	-	-

(Significant Subsequent Events)

There are no applicable matters.