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Summary of Consolidated Financial Results for the First Nine Months Ended December 31, 2024 (Japanese GAAP)

February 14, 2025

Listed company name: Fast Fitness Japan, Inc. Listed exchange: Tokyo Stock Exchange
Code number: 7092 URL: https://fastfitnessjapan.jp/en/
Representative: Kiyoaki Yamabe, CEO, Representative Director
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Scheduled date of payment of dividend: –
Supplementary materials for financial results: Yes
Financial results briefing: Yes (for institutional investors and analysts)

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

1. Consolidated Financial Results for the First Nine Months Ended December 31, 2024 (April 1, 2024–December 31, 2024)

(1) Consolidated operating results

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		EBITDA		Ordinary profit		Profit attributable to owners of parent	
Nine months ended	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%
December 31, 2024	13,288	12.6	2,444	(14.6)	3,208	(8.4)	2,483	(16.6)	1,472	(22.2)
December 31, 2023	11,804	7.0	2,864	8.1	3,501	2.7	2,977	11.2	1,891	11.2

(Note) Comprehensive income Nine months ended December 31, 2024: 1,467 million yen [(22.4%)]
Nine months ended December 31, 2023: 1,891 million yen [11.2%]

EBITDA = Operating profit + Depreciation + Amortization of goodwill + Amortization of leasehold and guarantee deposits + Amortization of franchise fees

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2024	78.59	77.56
December 31, 2023	101.05	99.73

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Million yen	Million yen	%
December 31, 2024	21,223	13,361	63.0
March 31, 2024	21,798	12,900	59.2

(Reference) Equity (Shareholders' equity + Accumulated other comprehensive income): As of December 31, 2024: 13,361 million yen
As of March 31, 2024: 12,900 million yen

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Annual
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	–	10.00	–	35.00	45.00
Fiscal year ending March 31, 2025	–	20.00	–		
Fiscal year ending March 31, 2025 (forecast)				25.00	45.00

(Note) Revisions to dividend forecasts published most recently: None

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

(Percentages represent year-on-year changes.)

	Net sales		Operating profit		EBITDA		Ordinary profit		Profit attributable to owners of parent		Basic earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
Full year	18,800–19,500	18.8–23.2	3,000–3,500	(14.4)–(0.1)	4,210–4,710	(3.7)–7.8	2,900–3,400	(20.2)–(6.5)	1,550–2,050	(27.0)–(3.5)	82.74–109.44

(Note) Revisions to the earnings forecasts published most recently: None

* Notes

(1) Significant changes in the scope of consolidation during the first nine months of the fiscal year ending March 31, 2025: Yes
New: 4 companies (Company name: Saya Pte. Ltd., Fast Fitness Brands B.V. (Note), and 2 other companies)
Note: The company name was changed from Eighty 8 Health & Fitness B.V. in December 2024.

(2) Accounting policies adopted specially for the preparation of consolidated quarterly financial statements: None

(3) Any changes in accounting policies and accounting estimates, and restatement

1) Changes in accounting policies due to the revision of accounting standards:	Yes
2) Changes in accounting policies other than the above:	None
3) Changes in accounting estimates:	None
4) Restatement:	None

(4) Number of shares outstanding (common shares)

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

As of December 31, 2024:	18,755,980 shares	As of March 31, 2024:	18,739,180 shares

2) Total number of treasury shares at the end of the period:

As of December 31, 2024:	16,568 shares	As of March 31, 2024:	16,456 shares

3) Average number of shares outstanding during the period:

Nine months ended December 31, 2024:	18,732,481 shares	Nine months ended December 31, 2023:	18,716,508 shares

* Review of the Japanese-language originals of the attached consolidated quarterly financial statements by certified public accountants or an audit firm: Yes (voluntary)

* Statement regarding the proper use of financial forecasts and other special remarks
The forward-looking statements, including results forecasts, in this document are based on information available to the Company at the time of publication of this document. Actual results may differ from the forecasts due to a range of factors.
For the assumptions for the forecast above and other related matters, please refer to 1. Overview of Operating Results, etc. (3) Explanation of consolidated financial results forecast and other forward-looking information on page 5 of the Summary of Consolidated Financial Results (Attachments).

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1. Overview of Operating Results, etc.

(1) Overview of operating results

During the first nine months of the fiscal year ending March 31, 2025 (the "period under review"), the Japanese economy showed a gradual recovery trend, supported by improvements in employment and income environment. However, the outlook remained uncertain due to soaring global resource and energy prices, the depreciation of the yen, and stagnation in the recovery of personal consumption due to rising prices.

Regarding the market environment surrounding the Company, needs for exercise opportunities continue to grow across the wide range of age groups due to the spread of health promotion efforts, such as heightened health consciousness and corporate promotion of health management since the COVID-19 pandemic. The fitness club participation rate in Japan increased by 0.8 percentage point from 3.68% in 2022 to 4.48%* in 2023. Additionally, in the 24-hour fitness gym category, which offers highly convenient training environments, the number of clubs continues to expand, exceeding 5,000 (as of December 31, 2024, according to the survey by the Company).
*Source: Trends in Japan's Fitness Club Industry 2023

Under these circumstances, Anytime Fitness, our 24-hour machine-specific fitness gym, differentiates itself from competitors that focus on price policies by not only creating an environment where members can fully concentrate on training but also pursuing a value-driven club model that positions Anytime Fitness as a "place to support self-realization." Through this approach, we have established a position of competitive advantage in the fitness market, differentiating ourselves from competitors.

In addition, in the three-year Medium-Term Management Plan ending in the fiscal year ending March 31, 2027, which was announced in the "Notice Regarding the Rolling of the Medium-Term Management Plan" dated May 14, 2024, we have set the following basic policies for achieving stable business growth and strengthening profitability: (1) further expansion of the scale of the domestic Anytime Fitness business; (2) expansion of the domestic business earnings base (creation of new added value) by leveraging the Anytime Fitness clubs and member base; and (3) development of new growth areas and establishment of an earnings base. To drive these initiatives, we have also set out the following policies: (4) promoting ESG management, and (5) utilizing M&A and alliances. We position this Medium-Term Management Plan period as a phase for reinforcing our core domestic Anytime Fitness business, while simultaneously pursuing our medium-term growth strategies and making strategic investments with an eye to expanding our market and business areas in the long term. To achieve our plan, we are steadily implementing initiatives aimed at achieving sustainable growth through the expansion and diversification of our business portfolio.

Related to the performance during the period under review, in our core domestic Anytime Fitness business, we leveraged our nationwide presence across all 47 prefectures to enhance our scale advantage while increasing brand recognition and attracting new members. To reinforce a positive growth cycle that fosters demand for new club openings, we conducted strategic nationwide promotion from June to July 2024 and December 2024 to January 2025. As a result of these strategic marketing investments, as of the end of December 2024, the number of Anytime Fitness members in Japan reached 936,000 (up 129,000 year on year), including 130,000 for directly operated clubs and 805,000 for franchised clubs. Along with the increase in membership, the number of clubs also saw significant growth, reaching 1,173 (up 58 year on year), including 181 directly operated clubs and 992 franchised clubs.

As part of our growth strategy to explore new growth areas, we acquired (succeeded to) the master franchise rights for Anytime Fitness in Germany and, in April 2024, acquired the shares of a company operating two Anytime Fitness clubs in Singapore, making it a consolidated subsidiary. These initiatives mark the beginning of our global expansion, leveraging the club operation and development expertise we have cultivated in Japan. In Germany, where we currently operate only one directly operated club, we are steadily building the necessary infrastructure for the early operation of multiple clubs and franchise development. Additionally, in April 2024, we concluded a master franchise agreement for the new brand "the bar method" targeting women, and in November 2024, we opened the first directly operated store under this brand. We are strengthening our investment and development in the brand, with an eye to early multi-club operation and franchise development.

Additionally, in December 2024, we launched our official online store, "A PROP" to strengthen our e-commerce and retail operations, primarily targeting existing Anytime Fitness members in Japan. The online store is based on the concept of "a place you can find high-quality items to support your lifestyle." In order to make it accessible not only to Anytime Fitness members but also to a broader audience, the product categories mainly consist of "apparel (ranging from training wear to everyday wear)," "miscellaneous goods

(ranging from training products to household goods," and "protein supplements (planned)," etc. We also plan to offer a large number of original Anytime Fitness products. In addition to measures to raise awareness of and attract customers to the official online store, we are also strengthening our investment and development of the online store, including building up a product lineup that includes subscription products and regularly introducing new products.

As a result, the Company posted net sales of 13,288 million yen (up 12.6% year on year) for the period under review. On the other hand, in terms of profitability, expenses were incurred ahead of sales growth due to investments and strengthened development efforts aimed at diversifying and expanding our business portfolio for sustainable growth. Consequently, the Company posted operating profit of 2,444 million yen (down 14.6% year on year), EBITDA of 3,208 million yen (down 8.4% year on year), ordinary profit of 2,483 million yen (down 16.6% year on year), and profit attributable to owners of parent of 1,472 million yen (down 22.2% year on year).

Although profits decreased year on year as planned at the beginning of the fiscal year, actual profit levels exceeded the initially projected lower limit by 1.8%, resulting in an improvement in the amount of decline in profits.

(Note) EBITDA = Operating profit + Depreciation + Amortization of goodwill + Amortization of leasehold and guarantee deposits + Amortization of franchise fees

(2) Overview of financial position

(Assets)

Total assets at the end of the third quarter of the fiscal year under review amounted to 21,223 million yen, down 574 million from the end of the previous fiscal year. Current assets decreased by 1,831 million yen mainly due to a decrease of 2,039 million yen in cash and deposits, and non-current assets increased by 1,256 million yen mainly due to increases of 735 million yen in buildings and structures and 273 million yen in goodwill.

(Liabilities)

Total liabilities at the end of the third quarter of the fiscal year under review decreased by 1,035 million yen from the end of the previous fiscal year, to 7,861 million yen. This chiefly reflected a decrease in accounts payable - other of 256 million yen and a decrease of 1,018 million yen in short-term borrowings, current portion of long-term borrowings and long-term borrowings due to repayment of these borrowings.

(Net assets)

Total net assets at the end of the third quarter of the fiscal year under review increased by 461 million yen from the end of the previous fiscal year, to 13,361 million yen. This was attributable principally to profit attributable to owners of parent amounting to 1,472 million yen, partially offset by dividends of surplus of 1,030 million yen. As a result, the equity ratio came in at 63.0%.

(3) Explanation of consolidated financial results forecast and other forward-looking information

The consolidated results forecasts for the fiscal year ending March 31, 2025 remain unchanged from that announced on May 14, 2024 because many growth strategies, including various new businesses, are underway at the same time. From the viewpoint of providing more useful and reasonable information to investors, the Company has adopted a range disclosure policy in order to take into account the downside risk of business performance, such as the impact of external factors and progress.

(The outlook above is based on the information available as of the date of publication of this document.)

2. Quarterly Consolidated Financial Statements and Key Notes
(1) Quarterly consolidated balance sheets

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and deposits	10,199	8,159
Accounts receivable - trade	1,098	1,099
Merchandise	132	218
Prepaid expenses	376	424
Other	587	662
Allowance for doubtful accounts	(4)	(5)
Total current assets	12,389	10,558
Non-current assets		
Property, plant and equipment		
Buildings and structures	7,783	8,518
Tools, furniture and fixtures	3,997	4,368
Accumulated depreciation	(5,657)	(5,968)
Land	0	0
Construction in progress	34	12
Total property, plant and equipment	6,159	6,931
Intangible assets		
Goodwill	116	389
Software	13	14
Other	2	1
Total intangible assets	131	405
Investments and other assets		
Investment securities	3	2
Long-term loans receivable	247	253
Leasehold and guarantee deposits	1,531	1,610
Long-term prepaid expenses	546	730
Deferred tax assets	783	730
Long-term accounts receivable	81	132
Other	4	0
Allowance for doubtful accounts	(81)	(132)
Total investments and other assets	3,117	3,328
Total non-current assets	9,408	10,665
Total assets	21,798	21,223

(Million yen)

	As of March 31, 2024	As of December 31, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	77	121
Short-term borrowings	–	19
Current portion of long-term borrowings	1,376	1,309
Accounts payable - other	1,246	989
Income taxes payable	689	319
Contract liabilities	1,846	1,839
Provision for bonuses	237	220
Provision for bonuses for directors (and other officers)	15	7
Other	273	465
Total current liabilities	5,762	5,293
Non-current liabilities		
Bonds payable	–	280
Long-term borrowings	1,863	891
Asset retirement obligations	1,147	1,242
Other	124	154
Total non-current liabilities	3,134	2,568
Total liabilities	8,897	7,861
Net assets		
Shareholders' equity		
Share capital	2,195	2,207
Capital surplus	2,135	2,147
Retained earnings	8,616	9,058
Treasury shares	(48)	(48)
Total shareholders' equity	12,899	13,365
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	1	0
Foreign currency translation adjustment	–	(4)
Total accumulated other comprehensive income	1	(3)
Total net assets	12,900	13,361
Total liabilities and net assets	21,798	21,223

(2) Quarterly consolidated statements of income and comprehensive income

(Quarterly consolidated statements of income)

(First nine-month period)

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Net sales	11,804	13,288
Cost of sales	6,311	7,351
Gross profit	5,493	5,937
Selling, general and administrative expenses	2,629	3,492
Operating profit	2,864	2,444
Non-operating income		
Commission income	30	35
Insurance claim income	89	8
Penalty income	14	16
Other	5	15
Total non-operating income	140	76
Non-operating expenses		
Interest expenses	18	25
Foreign exchange losses	0	8
Commission expenses	3	3
Other	4	0
Total non-operating expenses	27	37
Ordinary profit	2,977	2,483
Extraordinary income		
Gain on bargain purchase	–	*1 16
Gain on sale of businesses	*2 11	*2 34
Total extraordinary income	11	50
Extraordinary losses		
Loss on retirement of non-current assets	53	119
Impairment losses	74	32
Other	1	–
Total extraordinary losses	129	152
Profit before income taxes	2,859	2,381
Income taxes - current	913	856
Income taxes - deferred	54	52
Total income taxes	968	909
Profit	1,891	1,472
Profit attributable to owners of parent	1,891	1,472

(Quarterly consolidated statements of comprehensive income)

(First nine-month period)

(Million yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Profit	1,891	1,472
Other comprehensive income		
Valuation difference on available-for-sale securities	0	(0)
Foreign currency translation adjustment	–	(4)
Total other comprehensive income	0	(5)
Comprehensive income	1,891	1,467
Comprehensive income attributable to:		
Owners of parent	1,891	1,467

(3) Notes to quarterly consolidated financial statements

(Notes on changes in accounting policies)

Application of Accounting Standard for Current Income Taxes, etc.

The Company has been applying the Accounting Standard for Current Income Taxes (ASBJ Statement No. 27, October 28, 2022) since the beginning of the first quarter of the fiscal year under review.

This change in accounting policies has no impact on the consolidated financial statements for the first nine months.

(Notes on segment information, etc.)

[Segment information]

Nine months ended December 31, 2023

The Group operates fitness gyms in Japan under the single name, Anytime Fitness. Segment information is not shown because the Group's operations are limited to the single segment of the Fitness Club Operation Business.

Nine months ended December 31, 2024

The Group operates fitness gyms in Japan under the single name, Anytime Fitness. Segment information is not shown because the Group's operations are limited to the single segment of the Fitness Club Operation Business.

(Notes in the case of significant changes in shareholders' equity)

The Company issued new shares for a restricted stock compensation system (the payment date was July 24, 2024) following a resolution passed at a meeting of the Board of Directors held on June 26, 2024. As a result, share capital and legal capital surplus increased 12 million yen and 12 million yen, respectively, in the fiscal year under review and share capital and legal capital surplus rose to 2,207 million yen and 2,147 million yen, respectively, at the end of the fiscal year under review.

(Notes on the going-concern assumption)

Not applicable.

(Notes to quarterly consolidated statements of cashflows)

The Company did not prepare quarterly consolidated statements of cash flows for the period under review. Depreciation (including amortization of intangible assets, excluding amortization of goodwill) and amortization of goodwill for the period under review are as follows.

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Depreciation	613 million yen	709 million yen
Amortization of goodwill	19 million yen	35 million yen

(Notes to quarterly consolidated statements of income)

*1. Gain on bargain purchase was generated in connection with the acquisition of shares of Saya Pte. Ltd. and making it a consolidated subsidiary.

*2. Gain on sale of businesses was generated from the transfer of directly operated clubs to a franchised club management company.

(Notes to business combinations, etc.)

(Acquisition and business combination: Saya Pte. Ltd.)

At a meeting of the Board of Directors held on March 14, 2024, the Company resolved to acquire all shares of Saya Pte. Ltd. to make it a subsidiary. On April 1, 2024, the Company concluded a share transfer agreement and acquired all shares of Saya Pte. Ltd.

1. Outline of the business combination

(1) Name and business of acquired company

Name of acquired company: Saya Pte. Ltd.

Business: Operation of Anytime Fitness clubs

(2) Main reasons for the business combination

The Company aimed to establish a regional headquarters and a business site that would provide training for club operators and acquire an Anytime Fitness master franchise overseas to expand globally.

(3) Date of the business combination

April 1, 2024

(4) Legal form of the business combination

Cash acquisition of shares

(5) Name of the combined entity

No change

(6) Percentage share of voting rights acquired

100%

(7) Main reason for the decision to acquire the company

The Company signed a share transfer agreement to acquire shares in exchange for cash.

2. Period of the operating results of the acquired company included in the quarterly consolidated statement of income for the nine months ended December 31, 2024

From April 1, 2024 to December 31, 2024

3. Costs of the acquisition of acquired company and breakdown by type of consideration

Consideration:	Cash	One million Singapore dollars
Acquisition cost:		One million Singapore dollars

4. Breakdown and amounts of major related costs

Advisory fees, etc.: 15 million yen

5. Amount and cause of gain on bargain purchase

(1) Amount of gain on bargain purchase

16 million yen

The amount of negative goodwill has been determined provisionally as allocation of the purchase price was incomplete as of the end of the third quarter of the fiscal year under review.

(2) Reason for the goodwill

Since the net asset value at the time of the business combination exceeded the acquisition cost, the difference was recorded as a gain on bargain purchase.

6. Details of the conditional acquisition consideration stipulated in the business combination agreement and future accounting policy

(1) Details of conditional acquisition consideration

The conditional acquisition consideration will be refunded based on the level of achievement of the acquired company’s future performance over a certain period of time.

(2) Future accounting policy

If any portion of the conditional consideration is refunded, the refunded amount will be subtracted from the acquisition cost and the additional negative goodwill will be recognized.

(Acquisition and business combination: Eighty 8 Health & Fitness B.V.)

At a meeting of the Board of Directors held on March 27, 2024, the Company resolved to acquire shares of Eighty 8 Health & Fitness B.V. to make it a subsidiary. On April 30, 2024, the Company concluded a share transfer agreement and acquired shares of Eighty 8 Health & Fitness B.V.

1. Outline of the business combination

(1) Name and business of acquired company

Name of the acquired company: Eighty 8 Health & Fitness B.V.

Business: Fitness business, including the operation of gyms

(2) Main reasons for the business combination

The German market is a big one in terms of size and fitness club participation rate. The Company judged that if it acquires the Anytime Fitness master franchise in Germany, the German market will contribute to the Company's earnings as much as, or even more than, the Japanese market. The Company has thus decided to make Eighty 8 Health & Fitness B.V. its consolidated subsidiary.

(3) Date of the business combination

April 30, 2024 (share acquisition date)

June 30, 2024 (deemed acquisition date)

(4) Legal form of the business combination

Cash acquisition of shares

(5) Name of the combined entity

Fast Fitness Brands B.V. (The name of the company was changed from Eighty 8 Health & Fitness B.V. in December, 2024.)

(6) Percentage share of voting rights acquired

100%

(7) Main reason for the decision to acquire the company

The Company signed a share transfer agreement to acquire shares in exchange for cash.

2. Period of the operating results of the acquired company included in the quarterly consolidated statement of income for the nine months ended December 31, 2024

From July 1, 2024 to December 31, 2024

3. Costs of the acquisition of acquired company and breakdown by type of consideration

Consideration:	Cash	Two million euros
Acquisition cost:		Two million euros

4. Breakdown and amounts of major related costs

Advisory fees, etc.: 69 million yen

5. Goodwill arising from the business combination, reason for the goodwill, and method and period of amortization

(1) Amount of goodwill

322 million yen

The amount of goodwill has been determined provisionally as allocation of the purchase price was incomplete as of the end of the third quarter of the fiscal year under review.

(2) Reason for the goodwill

It arose from the future excess earnings power expected from future business expansion.

(3) Method and period of amortization

Amortization over a 10-year period on a straight-line basis