



* This press release is an English translation from the original Japanese-language document

March 7, 2024

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(2928, Sapporo Securities Exchange's Ambitious Market)
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Notice Regarding Off-Auction Distributions of Shares

RIZAP GROUP, Inc. (the “Company”) hereby announces that off-auction distributions of shares of the Company are scheduled as follows.

1. Number of shares to be distributed 27,755,200 shares
2. Scheduled distribution period Friday, March 15, 2024 – Tuesday, March 19, 2024
3. Distribution price To be determined based on the closing price or the final special quote of the day prior to the distributions
4. Limit on volume of purchase orders 900,000 shares per customer (trading unit: 100 shares)
5. Stock exchange Sapporo Securities Exchange
6. Distribution purpose The distributions are intended to improve the liquidity of the Company’s common shares by increasing its number of tradable shares on the market.

In addition, Representative Director and President Takeshi Seto plans to exercise the Second Series of Share Options for Subscription, which was disclosed on August 14, 2023, using the funds obtained from the sale of the Company’s common shares through the off-auction distributions in order to improve the Company’s financial stability.*¹

In conjunction with this plan, the Company will consider repaying equity subordinated loans taken out on August 14, 2023 and January 29, 2024 from CBM Co., Ltd., an asset management company of Representative Director and President Takeshi Seto, in order to dissolve related party transactions.*²

To achieve medium- to long-term growth and further enhance its corporate value, the Company has begun preparations to apply for a new listing of its shares on the Tokyo Stock Exchange’s Prime Market. The Company believes that by undertaking the off-auction distributions as part of the aforementioned capital policies, it should be able to strengthen its financial base, while also improving the liquidity of its common shares.*³

*1 The conditions for exercising the Share Options state that they can only be exercised if quarterly operating profitability is attained at least once within one year from the allotment

date (please see “Notice Regarding the Second Series of Share Options for Subscription” (Japanese language only) released on August 14, 2023). As announced in its earnings presentation materials released on February 14, 2024, the Company achieved such profitability in the third quarter of the fiscal year ending March 31, 2024.

*2 These equity subordinated loans do not have a specified repayment date. Voluntary repayment is permitted only if the Company procures funds in advance or at the same time from the lender or its representative in an amount greater than or equal to total principal and accrued interest to be voluntarily repaid, and the funds procured are treated as equity under the accounting standards applicable to the Company’s financial statements (please refer to the “Notice Regarding the Procurement of Funds Including Growth Investment Funds through Long-term Borrowings and Equity Subordinated Loan” (Japanese language only) released on August 14, 2023, and the “Notice Regarding Procurement of Funds Including Growth Investment Funds through Equity Subordinated Loan, etc.” (Japanese language only) released on January 29, 2024.)

*3 At this time, the date of application for listing on Tokyo Stock Exchange’s Prime Market and the date of listing approval have yet to be determined, and the application process involves uncertain factors. Therefore, the Company may decide to discontinue its preparations to apply for the new listing. In terms of whether or not the Company’s application for the new listing will be approved by Tokyo Stock Exchange, Inc., if the Company fails to meet the new listing requirements for any reason, the application may be denied.

The off-auction distributions of shares may be cancelled or postponed due to volatile stock market conditions, etc.