



Q1 Financial Results Briefing

Fiscal Year Ending March 2025

**August 14, 2024
RIZAP Group, Inc.**

(Ambitious Market, Sapporo Securities Exchange; Securities Code: 2928)

English translation from the original Japanese-language document

Report on Consumer Affairs Agency's Order to Implement Corrective Measures, and Our Apology



We would like to express our profound apology for causing significant inconvenience to our stakeholders, including customers, as we received the order to implement corrective measures.

We have developed the services of the chocoZAP Business based on the voices of customers, and have been careful not to use misleading expressions, but the Consumer Affairs Agency pointed out that our expressions in some advertisements were exaggerations.

As we are very sorry for causing misunderstanding among customers, we will educate employees more thoroughly and strengthen our compliance and management systems, including the in-house screening before advertising to comply with the Act against Unjustifiable Premiums and Misleading Representations, and make efforts to regain trust while posting appropriate advertisements.

For details, please see pages 15 to 16 of this document, and notification in the website of the RIZAP Group.

https://rizap-group.g.kuroco-img.app/v=1723171789/files/topics/1026_ext_05_0.pdf ※Japanese Only

Today's Topics

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Highlights

**chocoZAP keeps growing, developing a new revenue source.
This fiscal year, we will concentrate on growth from “qualitative and quantitative” aspects.**

1. In Q1, we focused on the improvement in quality and customer satisfaction level of chocoZAP.

- No. of members: 1.27 million (as of August 15)
- *Active members only (excluding those who have cancelled the membership)
- No. of gyms: 1,597 in all 47 prefectures around Japan (as of May 21)
- This fiscal year, we will keep opening new gyms in large cities and regional areas, and concentrate on the improvement in quality and customer satisfaction level of gyms.
- We improved the cleanliness of each gym by increasing the frequency of cleaning by cleaning partners.

2. We implemented upfront investment for growth.

- Consolidated revenue: 41.2 billion yen (YoY: 111%; up around 4.1 billion yen)
- Consolidated operating profit: -2.89 billion yen (up around 100 million yen), consolidated net profit: -2.85 billion yen (up around 470 million yen)
- We conducted activities for improving quality and developing new businesses as well as a future growth investment for evolving the services of chocoZAP while utilizing the funds procured through the capital increase by SOMPO Holdings.

3. We evolved the B2B business.

- The chocoZAP Partners Business (advertisement business) received more orders, growing as a revenue source.
- We succeeded in accumulating experiences in chocoZAP Medical and opening gyms in municipalities, for “making health infrastructure.”

Consolidated Results for Q1 FY 3/25

Summary of Business Performance (IFRS)

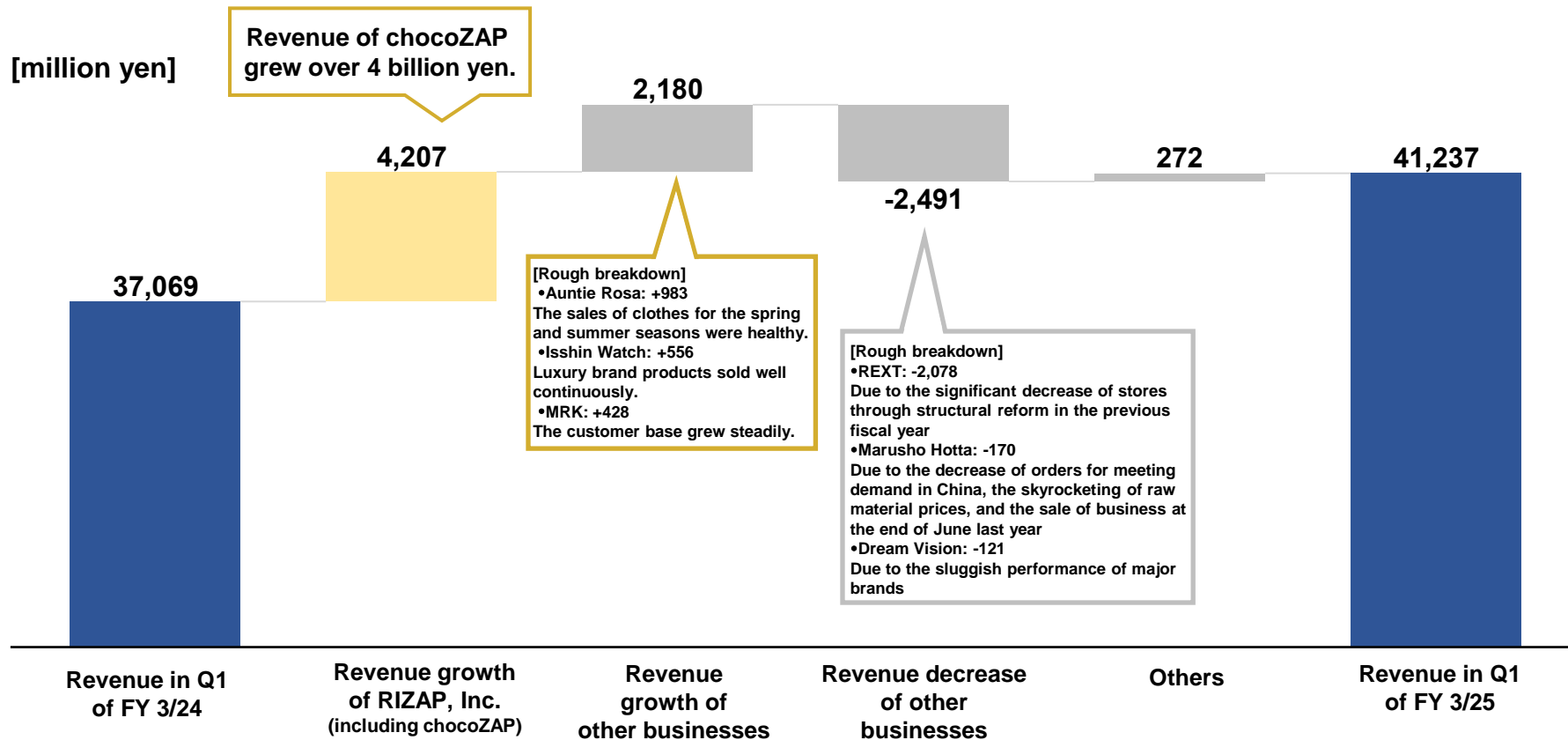
[million yen]	Q1 of FY 3/24 (Previous fiscal year)	Q1 of FY 3/25 (Current fiscal year)	YoY change	YoY (%)
Revenue	37,069	41,237	+4,167	111.2%
RIZAP-related business	7,722	11,930	+4,207	154.5%
other businesses	30,101	29,800	-300	99.0%
Adjustment (such as internal transactions)	-753	-492	+260	-
Operating profit	-2,992	-2,894	+97	-
RIZAP-related business	-2,539	-2,038	+501	-
other businesses	-523	-748	-224	-
Adjustment (such as internal transactions)	71	-107	-178	-
Net profit	-3,325	-2,853	+471	-

*RIZAP-related business means business performance of RIZAP, Inc.

*Net profit means profit attributable to owners of the parent.

* In FY Q3 of 3/24, the business of Sohken Homes Co., Ltd. is categorized into discontinued operations. The figures for Q1 of 3/24 are retroactively revised ones.

Year-on-year Comparison of Consolidated Revenue

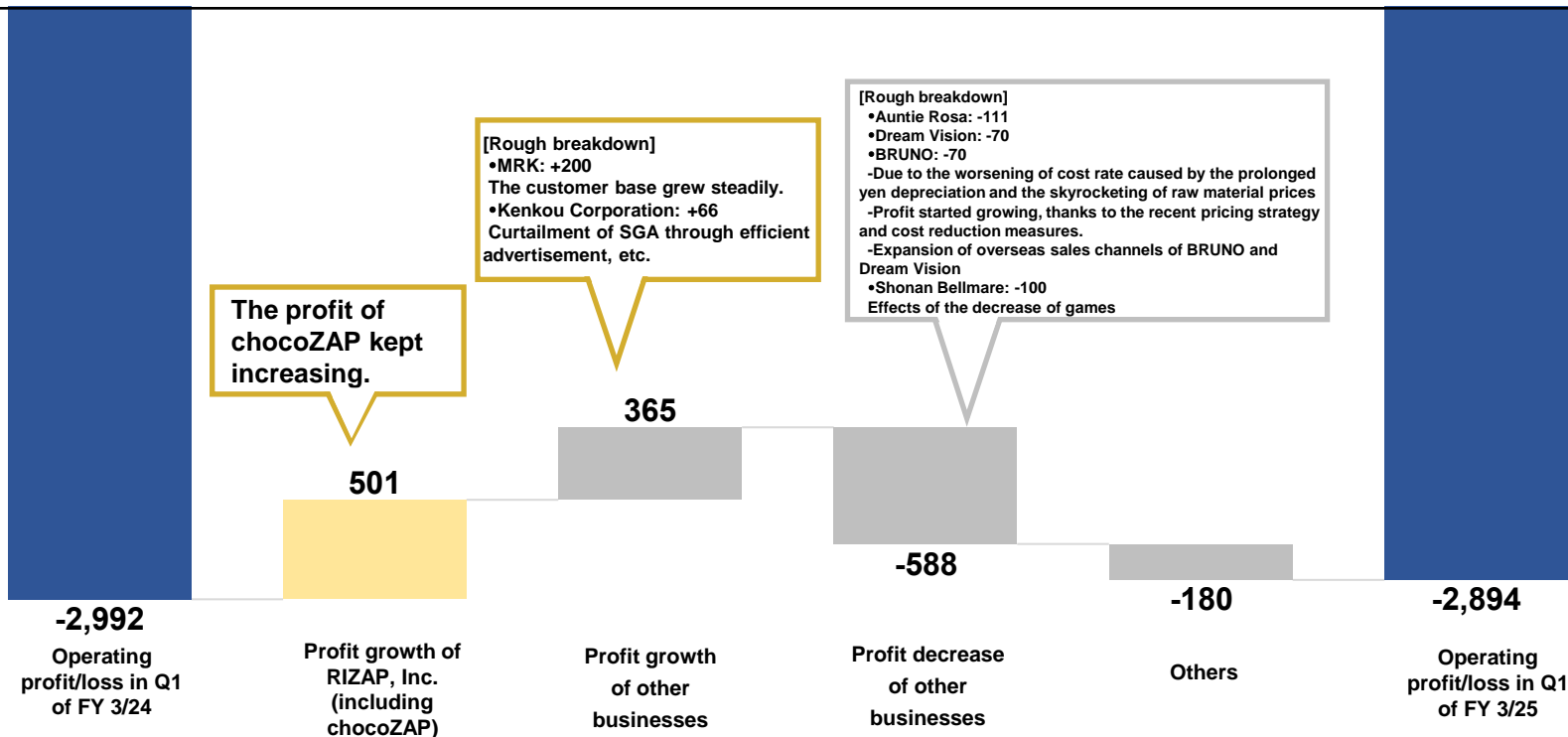


In FY Q3 of 3/24, the business of Sohken Homes Co., Ltd. is categorized into discontinued operations. The figures for Q1 of 3/24 are retroactively revised ones.

Year-on-year Comparison of Consolidated Operating Profit/Loss



[million yen]



In FY Q3 of 3/24, the business of Sohken Homes Co., Ltd. is categorized into discontinued operations. The figures for Q1 of 3/24 are retroactively revised ones.

Results of Major Group Companies in Q1 of FY 3/25

Each company concentrated on upfront investment for expanding sales channels and the customer base for the second half.

		[million yen]	Q1 of FY 3/24	Q1 of FY 3/25
REXT	Revenue		12,369	10,291
	Operating profit		18	-42
MRK	Revenue		4,030	4,459
	Operating profit		-580	-379
BRUNO	Revenue		11,198	12,940
	Operating profit		358	146
Dream Vision	Revenue		1,158	1,037
	Operating profit		-66	-136
SD Entertainment	Revenue		907	907
	Operating profit		-9	-8
Marusho Hotta	Revenue		955	784
	Operating profit		-33	-75

Due to the significant decrease of stores through structural reform in the previous fiscal year

Profit grew 200 million yen from the previous fiscal year thanks to the steady increase of the customer base.

Effects of the upfront investment for developing a direct sales system in China








*1 For BRUNO (account closing month: June), the results in Q4 of FY 6/24 are indicated.

*2 Dream Vision applied the International Financial Reporting Standards (IFRS), while the other five companies applied the Japanese standards.

Summary of the Consolidated Statement of Financial Position (IFRS)



[million yen]	End of Mar. 2024	End of Jun. 2024	Change	Notes	
Current assets	64,047	75,980	+11,933	Cash and cash equivalents	+11,140
				Operating and other receivables	-921
				Inventories	+832
Non-current assets*	93,103	96,771	+3,668	Property, plant and equipment	+1,770
				Right-of-use assets	+565
Total assets	157,151	172,752	+15,601		
Current liabilities	79,952	70,239	-9,713	Interest-bearing liabilities	-11,121
Non-current liabilities*	47,890	47,485	-405	Interest-bearing liabilities	-450
Total liabilities	127,843	117,724	-10,118		
Total equity	29,308	55,027	+25,719		
Total equity and liabilities	157,151	172,752	+15,601		

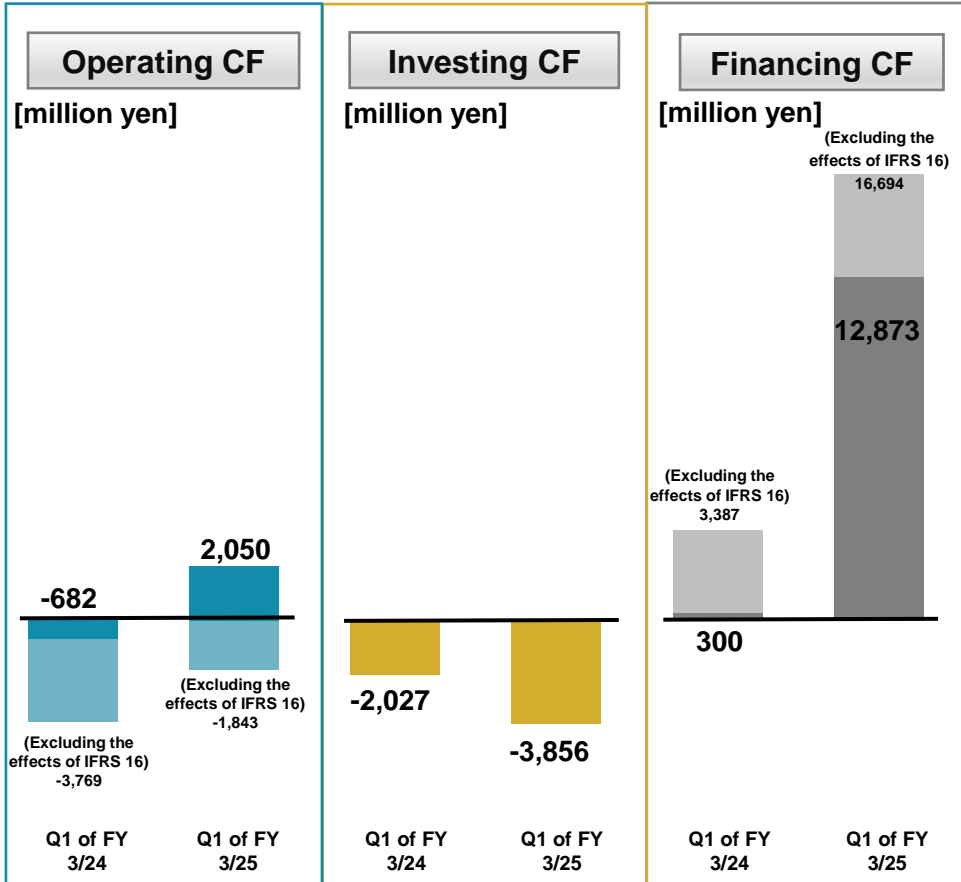
*As the number of chocoZAP gyms increased, the rent posted in accordance with the IFRS augmented.

Summary of the Consolidated Statement of Financial Position (IFRS)



[million yen]	Consolidated Statement of Financial Position (B/S)			Effects of IFRS 16 (B/S)			Effects of IFRS 16 excluded (B/S)		
	End of Mar. 2024	End of Jun. 2024	Change	End of Mar. 2024	End of Jun. 2024	Change	End of Mar. 2024	End of Jun. 2024	Change
Current assets	64,047	75,980	+11,933	+1,153	+1,218	+64	65,200	77,198	+11,997
Non-current assets	93,103	96,771	+3,668	-40,955	-41,510	-555	52,148	55,261	+3,113
Total assets	157,151	172,752	+15,601	-39,803	-40,292	-490	117,348	132,460	+15,111
Current liabilities	79,952	70,239	-9,713	-13,949	-14,436	-487	66,003	55,803	-10,200
Non-current liabilities	47,890	47,485	-405	-28,416	-28,279	+138	19,474	19,206	-267
Total liabilities	127,843	117,724	-10,118	-42,366	-42,715	-350	85,447	75,009	-10,468
Total equity	29,308	55,027	+25,719	+2,562	+2,423	-140	31,870	57,450	+25,579
Total equity and liabilities	157,151	172,752	+15,601	-39,803	-40,292	-490	117,348	132,460	+15,111

Cash Flows Overview



Operating cash flow: 2,050 million yen (+2,732 from the previous term)

·Profit/loss before income taxes	-3,758 million yen (-373)
·Adjustment of depreciation (non asset item)	+5,254 million yen (-1,512)
·Revenue from the decrease in trade receivables	+494 million yen (-128)
·Increase/decrease of other current assets	+208 million yen (+426)
·Other major operating activities	-133 million yen (-142)

Investing cash flow: -3,856 million yen (-1,824 from the previous term)

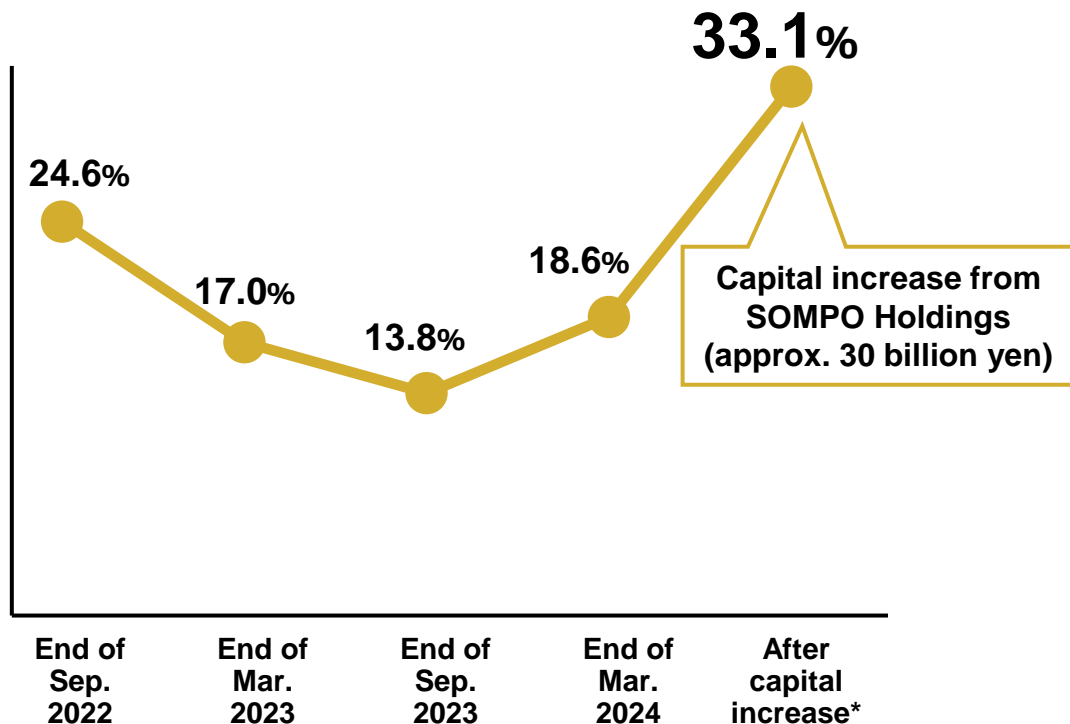
·Purchase of property, plant and equipment	-2,570 million yen (-233)
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Financing cash flow: 12,873 million yen (+12,573 from the previous term)

·Proceeds from issuance of shares	+12,199 million yen (+12,199)
·Revenues from the payment from non-controlling interests	+16,750 million yen (+16,711)
·Repayment of finance lease obligations	-3,895 million yen (-721)
·Repayment of interest-bearing liabilities	-15,752 million yen (-18,050)
·Revenues from the borrowing of interest-bearing liabilities	+3,592 million yen (+2,419)

Improvement in Shareholders' Equity Ratio Through Capital Increase

Shareholders' equity ratio



Shareholders' equity ratio exceeded 30%.



To fortify our financial base and then conduct refinancing, in order to improve conditions and secure the swiftness and flexibility of financial strategies

*The figure for "After capital increase" was obtained by summing up the net assets as of the end of June 2024 and the amount paid by SOMPO Holdings during the period from the end of June 2024 to August 9, 2024.

Overview of RIZAP, Inc.


(Including the chocoZAP Business)

Items Pointed Out by the Consumer Affairs Agency(CAA) regarding the Misleading Representation

CAA's opinion: consumers may think that our non-fitness services that require booking are also available anytime 24 hours a day.

We indicated that the 8 non-fitness services require booking and there is maintenance time as notes.

<Indications on our website>

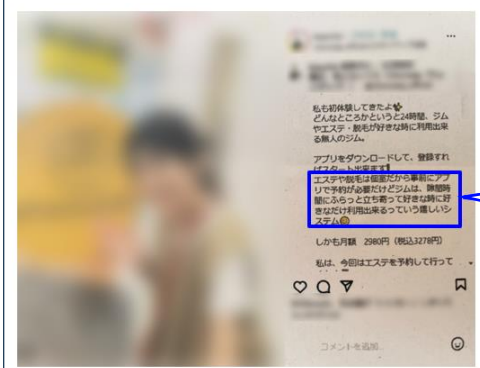


In the list of services, we indicated "24-hour gyms" and "derivative services" separately.

We indicated "There is maintenance time for booking services" in notes.

We indicated that this service requires booking.

<Posting in Instagram>



It was indicated that reservation is necessary.

Items Pointed Out by the Consumer Affairs Agency(CAA) regarding Stealth Marketing

CAA's opinion: it is not clear to consumers whether some contents in our website were advertisement.

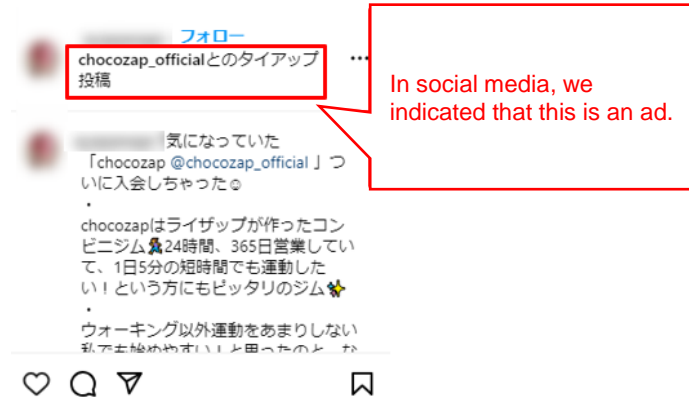
we considered that the contents referred from social media in our website can be recognized as ads because we clearly described as ads in social media.

<Indications on our website>



The image shows three screenshots from a website. The top screenshot has a red box around the text 'いつ入会してもムダが無い!' (No matter when you join, it's not a waste!). The middle screenshot has a red box around the 'SNS' logo and the text 'みんなの体験がわかる!'. The bottom screenshot has a red box around the 'RIZAP監修チョコザップ' (Supervised by RIZAP) text and the price '¥56.02'. The right side of the image shows a list of benefits with a red box around the text '実際に使って満足!' (Satisfied after actually using!).

<Posting in social media>

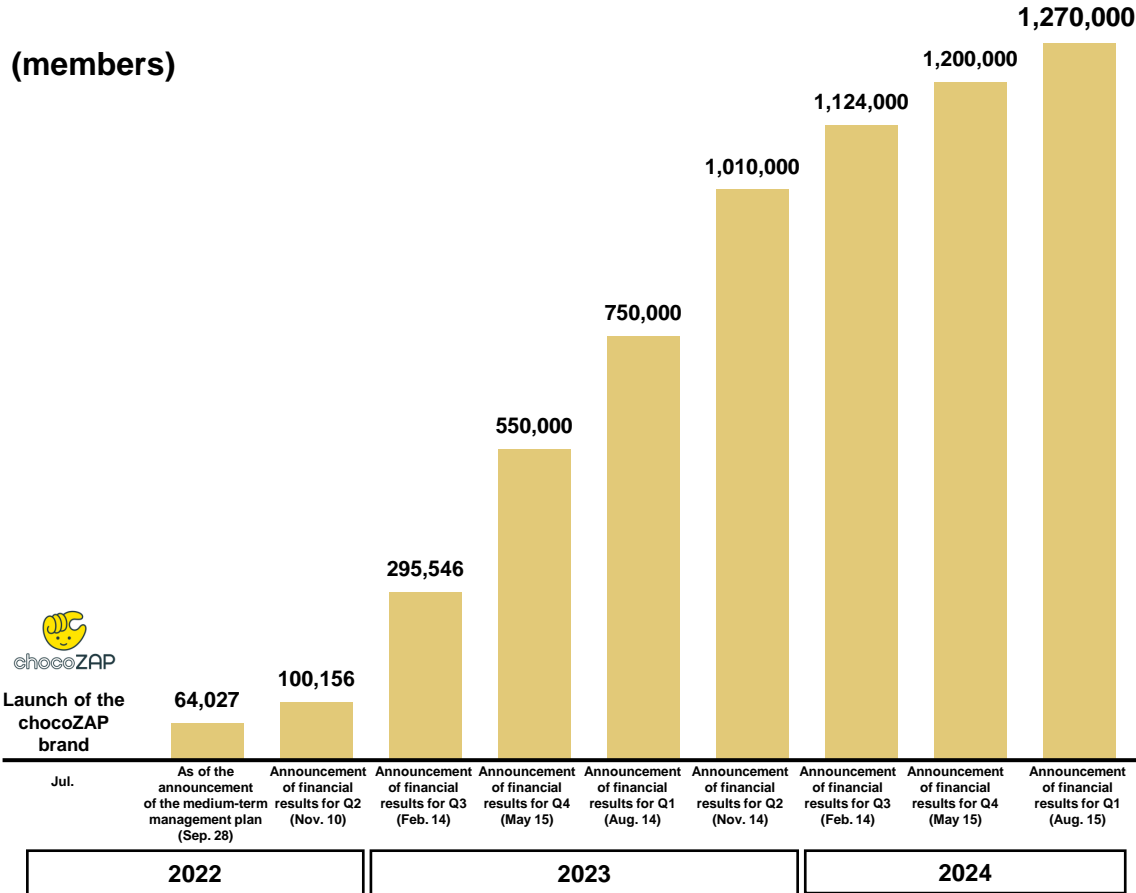


The image shows a screenshot of a social media post. A red box highlights the text 'chocozap_officialとのタイアップ投稿' (Collaboration post with chocozap_official). A callout box points to this text with the text 'In social media, we indicated that this is an ad.' The post itself is from a user who says they joined 'chocozap @chocozap_official' and describes their experience with the gym.

Number of chocoZAP Members



(members)



Japan's largest fitness gym in number of members

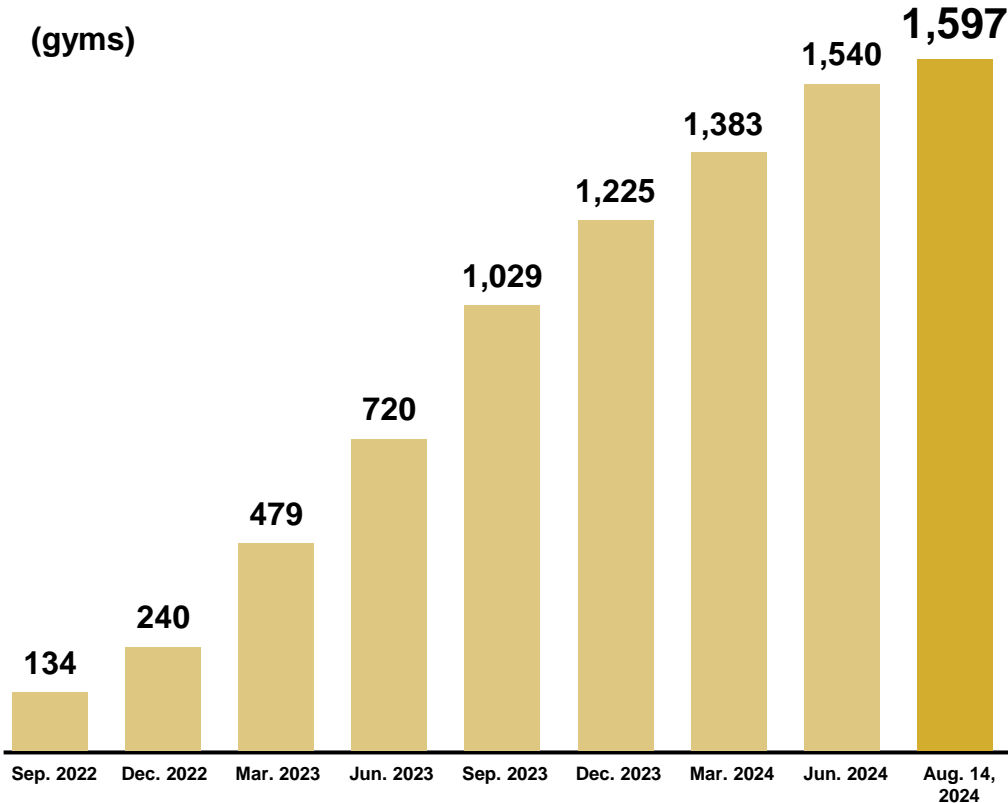
In Q1, we concentrated on the improvement of the quality and customer satisfaction level of chocoZAP.

Recently, this business has been affected by Consumer Affairs Agency's order to implement corrective measures.

*Expected number as of Aug. 15 (including corporate members)

Variation in the Number of chocoZAP Gyms

(gyms)



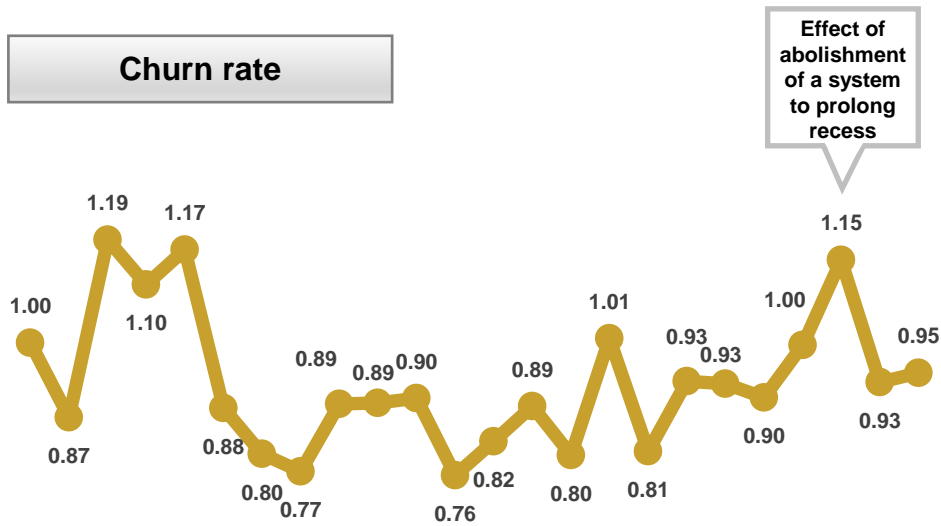
Pursuit of “qualitative
and quantitative”
growth

We kept opening new
gyms for completing
the medium-term
management plan.



Churn Rate of chocoZAP

Churn rate



Effect of abolishment of a system to prolong recess

As we concentrated on the improvement in customer satisfaction level, the churn rate has recently improved.



chocotto support (light support by RIZAP trainers) helps customers breakthrough “challenges they cannot overcome by themselves.”



To encourage customers who have not recently visited a gym to work out with a video via the app.

Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May Jun.

2022	2023	2024
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*The value obtained by dividing the number of members who have cancelled the membership (including those who temporarily withdrew) in each month by the number of active members (including those who temporarily withdrew) as of the end of the previous month. Value in July 2022 was assumed to be 1.00.



Profit/Loss per Gym

It is possible to move into the black early with low-cost operation curtailing personnel expenses and fixed costs.

Example of variation in operating profit/loss



Investment at the time of opening

- Investment for opening gyms (interior finishing and machines)
- Advertisement
- Starter kits

Enhancement of investment to attract customers just after opening

Cumulative profit (14th month)

Start of attracting customers

To start earning monthly profit (6th month)

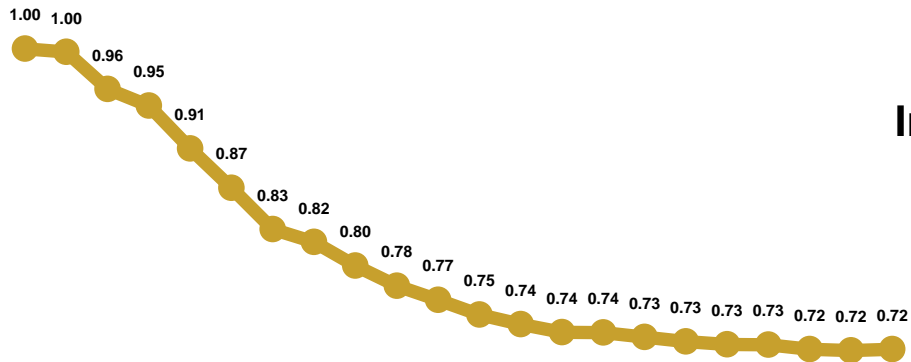
	chocoZAP
Sales	100%
Rents	17%
Ad costs	12%
Other	40%
Operating profit	31%

*The figures in the table were calculated from the data of gyms that have been in operation for over 6 months as of the end of March 2024 while referring to the figures in 4Q of FY 3/24. Operating profit means the amount before allocation of corporate costs.



Reduction of Costs for Opening chocoZAP Gyms

Equipment installation cost per tsubo* (≒ 3.3 m²)



Sep. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep. Oct. Nov. Dec. Jan. Feb. Mar. Apr. May Jun.

2022	2023	2024
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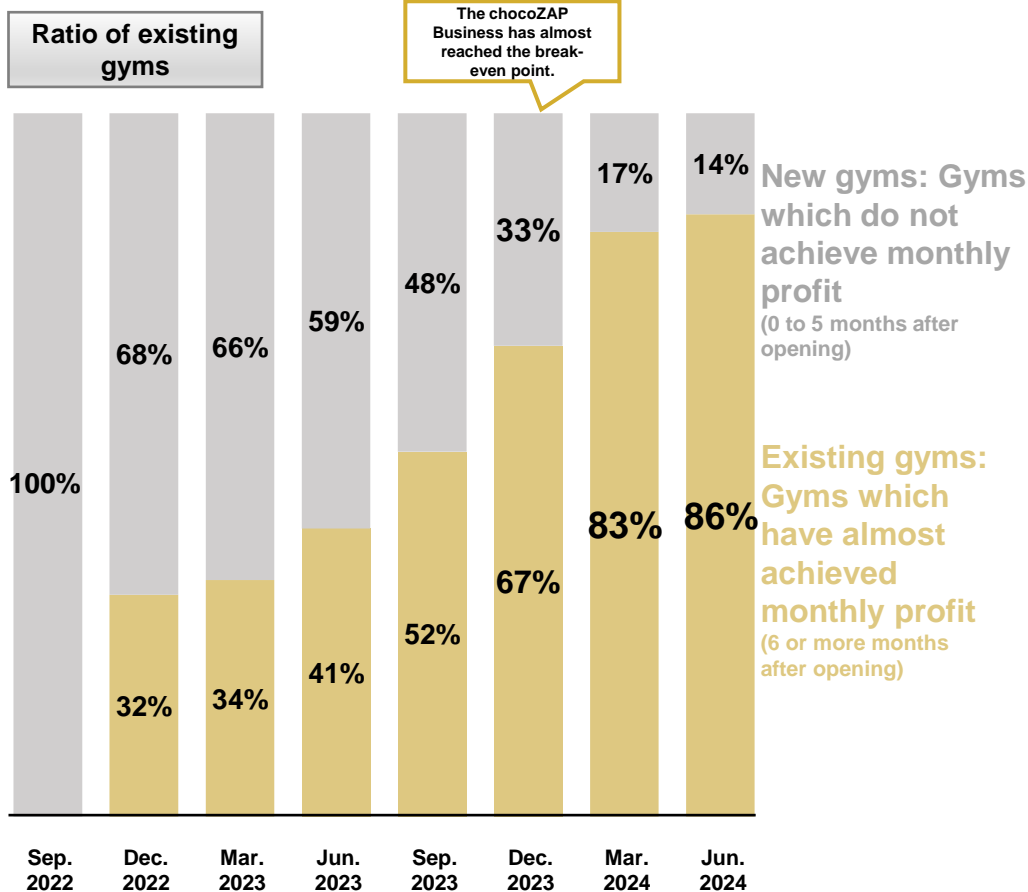
We reduced costs by 30% through scale economics and standardization.

Installation cost of new services are invested by the funds generated through cost reduction.



*Value in September 2022 was assumed to be 1.00.

Ratio of Existing Gyms among All Gyms



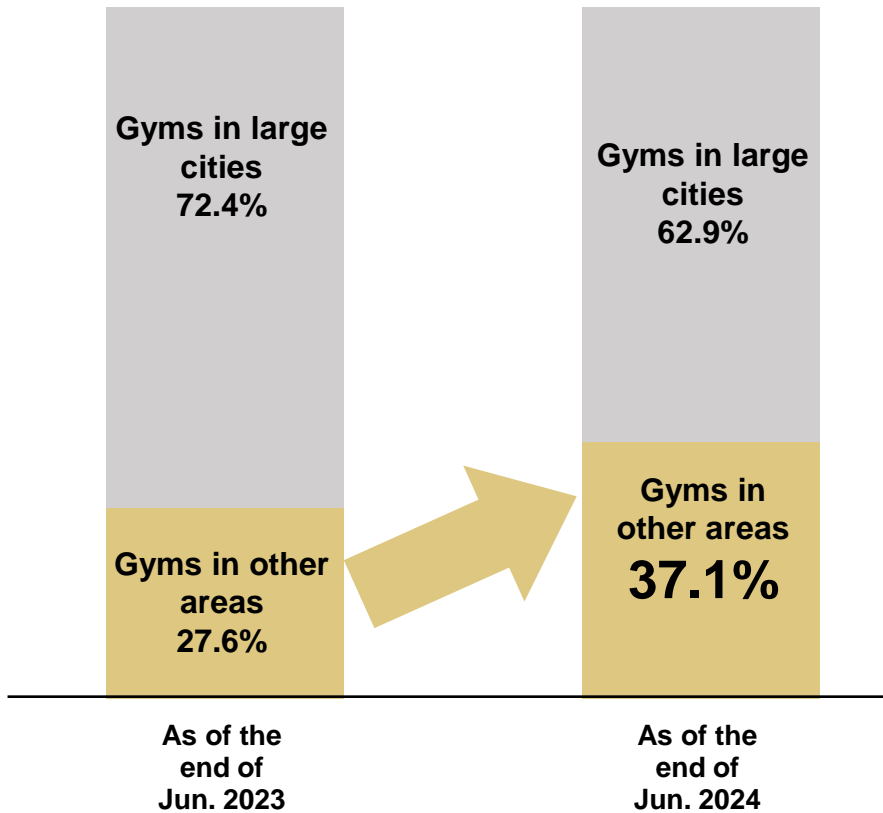
Increase in the ratio of existing gyms
Progress toward the improvement in profitability of the entire chocoZAP Business.





Gym Opened in Regional Areas

Ratio of gym openings in regional areas with respect to the total number of gym openings



We will keep opening new gyms in regional areas and concentrate on expanding the market.

The number of members in regional areas is smaller than that in large cities, but costs, including rents, are lower, so we can secure profit.



*Gyms in large cities: Gyms opened in Tokyo, Chiba Prefecture, Saitama Prefecture, Kanagawa Prefecture, Aichi Prefecture, Osaka Prefecture and Hyogo Prefecture

*Gyms in other areas: Gyms opened in 40 prefectures other than the above

Investments for Growth of chocoZAP

**For further growth,
we invested about 1.7 billion yen.**

Investment items	Major activities	Investment amount in Q1 of FY 3/25
Initiatives for improving the quality and customer satisfaction level of gyms <div data-bbox="413 559 552 699" style="background-color: #c49a3d; color: white; padding: 5px; text-align: center; margin-top: 10px;">Quality improvement</div>	Introduction of new services Advertisement Light support Concierge Cleaning partners	About 1.3 billion yen
Initiatives for developing new businesses <div data-bbox="413 749 552 889" style="background-color: #c49a3d; color: white; padding: 5px; text-align: center; margin-top: 10px;">Development of business</div>	chocoZAP Medical chocoZAP Partners Business	About 200 million yen
Investment for growth in accordance with the mid/long-term scheme <div data-bbox="413 934 552 1075" style="background-color: #c49a3d; color: white; padding: 5px; text-align: center; margin-top: 10px;">Long-term investment</div>	Convenience gyms based on the collaboration between private and public sectors Opening gyms in research institutes Opening chocoZAP gyms outside Japan	About 200 million yen

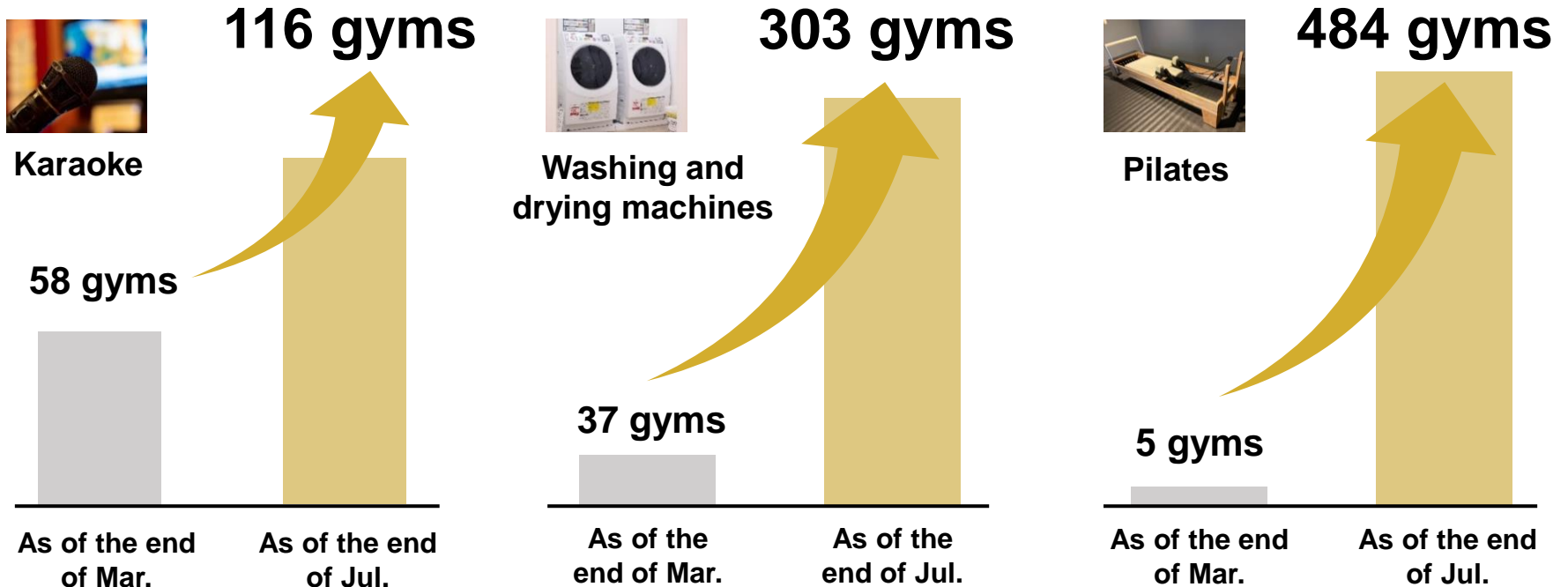


Installation of New Services

Quality
improvement



To start offering new services in more gyms



*For details of gyms with these services, please see the page for gyms in the website of chocoZAP.

Optimization of the Lineup of Services Based on the Analysis of the Utilization Rate

Quality
improvement

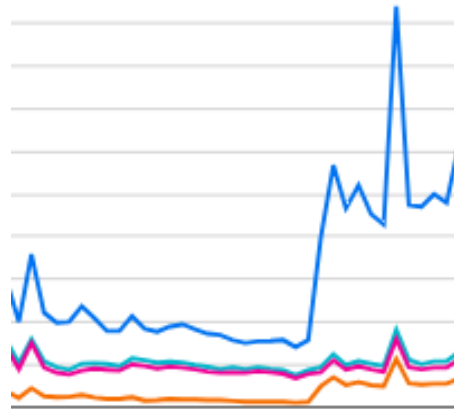


To grasp the Utilization rate of each service with AI-based cameras
To adopt frequently used services and machines in a flexible manner

To grasp the
Utilization rate



Analysis of the
Utilization rate



Replacement of
services



Re-analysis after
replacement

*These images are conceptual.

Details of chocotto Support and Concierge

Quality
improvement



We significantly enhanced initiatives and investments for improving quality.

**chocotto support
(light support by RIZAP trainers)**



We offer support, such as explanations on how to use machines, proposal of new workout methods, and gym cleaning.

**Concierge
(Call centers)**



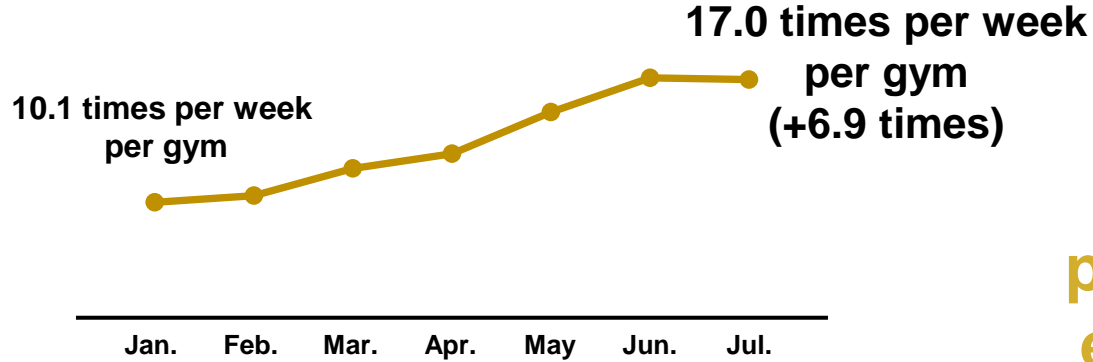
With 120 staff members (as of June), we support 260,000 customers by telephone.

Improvement of the Gym Environment Thanks to the Activities of Cleaning Partners

Quality improvement

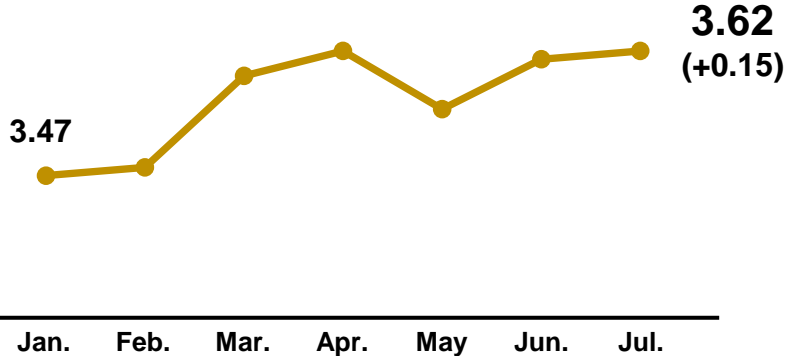


Number of times of cleaning



As the frequency of cleaning by cleaning partners increased, the evaluation on the gym environment improved.

Members' evaluation on the cleanliness of gyms (five grades in a questionnaire survey)



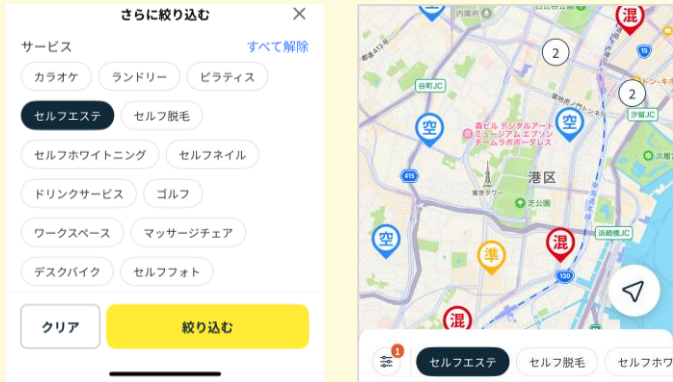
Update of the chocoZAP App

Quality
improvement



We improved members' satisfaction level and convenience to support self-actualization.

To improve the function to find a gym



It is now possible to search for gyms with desirable services and equipment.

“Choco-challenge” linked with advertisement



Start of campaigns of giving presents and ad distribution linked with the data of gym visits and other records

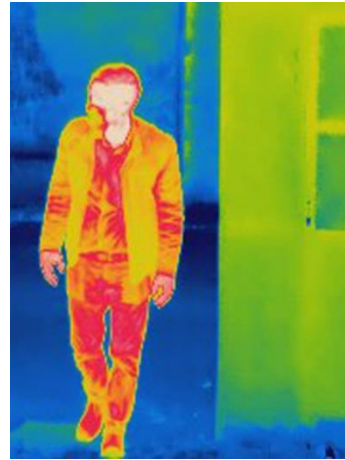
*These images are conceptual.

Initiatives of the Digital Transformation: To Monitor the Gym Environment Remotely

Quality
improvement



we monitor the gym environment using digital technology for better experience for chocoZAP members.



Installation of a system for remotely monitoring the temperature and humidity in each chocoZAP gym
We plan to install this system in all gyms during this fiscal year.

*These images are conceptual.

Measures of RIZAP's Body Transformation Business

The ratios of customers who signed up and consumers who renewed a membership remained high.

We carried out a measure for giving more consulting services.



Enhancement of the TV
commercial campaign

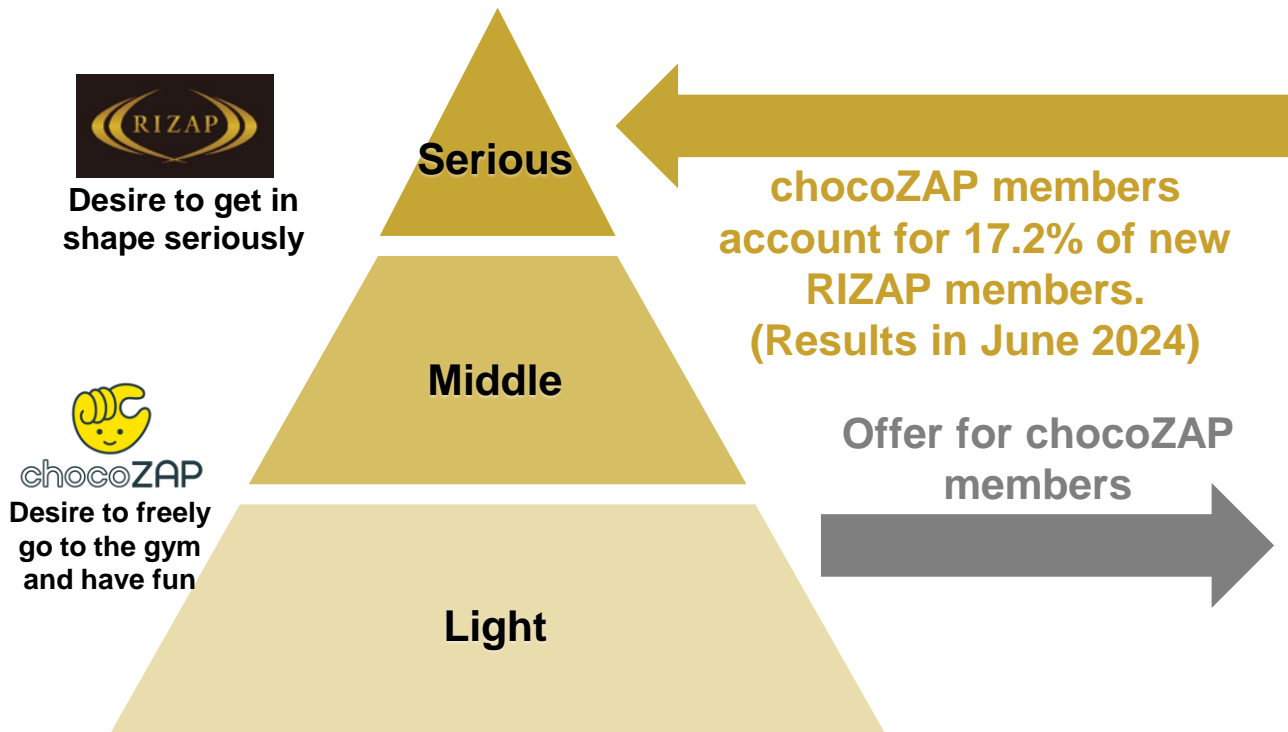
Friend introduction
campaign

Enhancement of the
approach to chocoZAP
members

chocoZAP and RIZAP Collaboration



chocoZAP members are enrolling in the RIZAP body transformation business.



Launched from Jan. 2024

chocoZAP会員様限定の特別本気でコミットプラン

1か月間本気でダイエットしませんか？

BEFORE		2か月間	
体重	62.0kg	体重	51.8kg -10.2%
体脂肪	29.1%	体脂肪	17.7% -11.4%
ウエスト	84.0cm	ウエスト	63.0cm -21.0%

BEFORE		2か月間	
体重	79.4kg	体重	67.9kg -11.5%
体脂肪	19.2%	体脂肪	10.5% -8.7%
ウエスト	91.5cm	ウエスト	75.0cm -16.5%

【結果報告】RIZAPトレーナーに育てもらって1ヶ月と本気でダイエット中から1ヶ月このように変化がスゴイ！

RIZAPトレーナーによる 本気でコミットダイエットプラン

¥149,000 (税込) ※トレーニング4回 ※おやつ代 ¥1120 (税込) 税込 ※入会費 ¥595 (税込) 合計 ¥162,000 (税込) ではありません。

「1ヶ月なら頑張れそう！」お客様の声から誕生した新プラン RIZAPパーソナルトレーニング調べ18万人の実績を基にサポート！

Details of chocoZAP Medical

Development
of business



The number of reservations for MRI, CT, or echography by chocoZAP members was healthy, which contributed to the improvement in health management of members.

chocoZAP Medical supports early detection and treatment of diseases and offers opportunities to undergo medical treatment at members' own expense, such as aesthetic medical treatment, in cooperation with medical institutions.

*These photos show Shinjuku 3-chome Medical Clinic, an affiliated medical institution. (adjacent to Shinjuku 3-chome chocoZAP Gym)

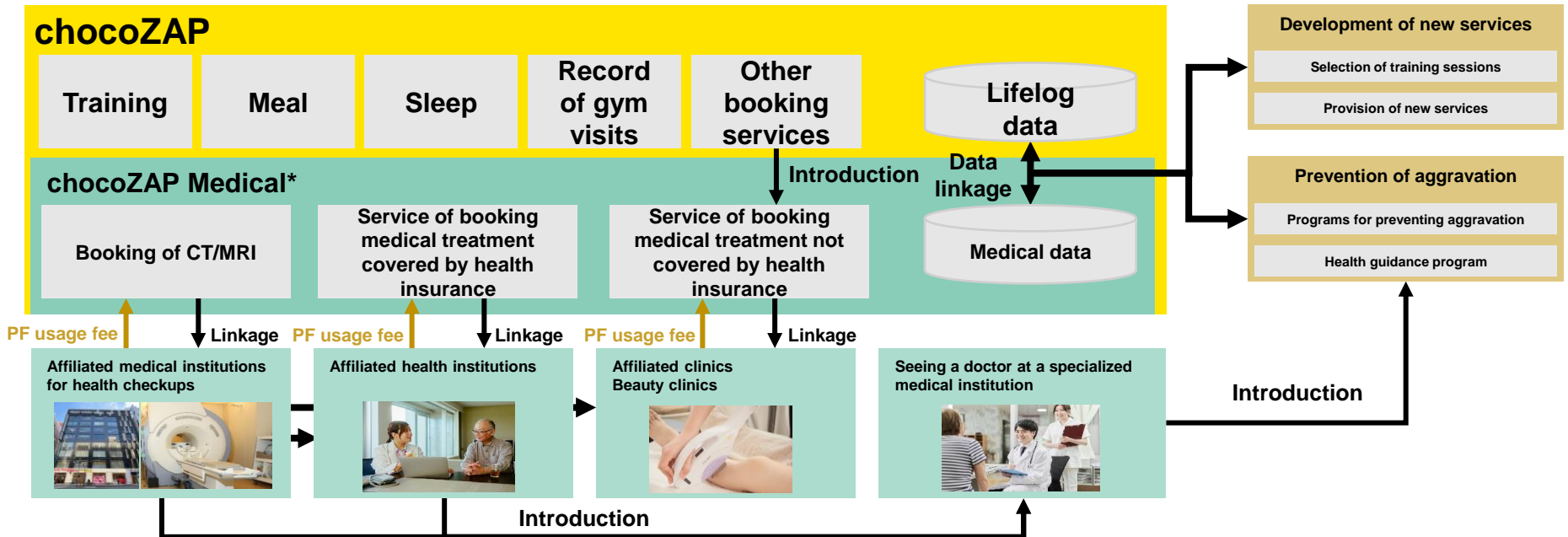
*chocoZAP Medical is a platform for introducing clinics, which is one of the services of RIZAP, Inc. This is not a business entity independent of RIZAP, Inc.

Business Model of chocoZAP Medical

Development of business



We plan to operate and monetize chocoZAP Medical as a platform based on the cooperation with medical institutions.



*chocoZAP Medical is a platform for introducing clinics, which is one of the services of RIZAP, Inc. This is not a business entity independent of RIZAP, Inc.

Details of the chocoZAP Partners Business (Advertisement Business)

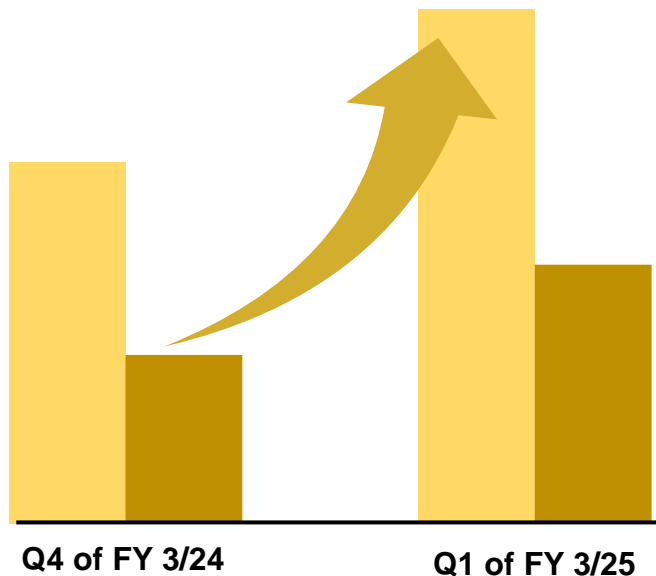
Development of business



Actualization of services with high growth potential and profitability through B2B business based on the customer base of the B2C business

Envisioned Revenue and profit

Revenue grew 1.41 times.
(Q4 ⇒ Q1)



Q4 of FY 3/24	
No. of partner companies	13
No. of provided samples	180,000



Q1 of FY 3/25	
No. of partner companies	37
No. of provided samples	410,000



Scheme of the chocoZAP Partners Business (Advertisement Business)

Development
of business



We aim to realize services that are beneficial to three parties, that is, chocoZAP members, ad posting enterprises, and the ad business.



chocoZAP Partners Business (Advertisement business)

Payment of monthly membership fees

To support sales promotion to target customers of each product through advertisement, etc.

Personalized ads

Payment of fees

Provision of information on services required for self-actualization

chocoZAP members

Ad posting enterprises

Possibility of product purchase

Toward the Spread of Convenience Gyms Based on the Collaboration Between Private and Public Sectors

Long-term investment



Aiming to be a part of health infrastructure by promoting the spread of convenience gyms based on the collaboration between private and public sectors to over 100,000 candidate locations

Candidate facilities (over 100,000 facilities)



Vacant stores
73,744 stores*1



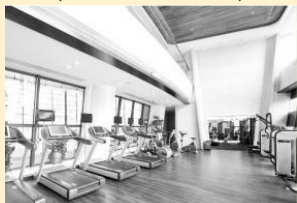
Community halls and libraries
17,586 halls/libraries*2, 3



Abolished schools
7,398 schools*4



Waiting rooms
2,527 rooms*5



Public sports facilities
1,895 facilities*6



Michi-no-Eki and rest areas
2,063 spots*7, 8

Convenience gyms based on the collaboration between private and public sectors



*1 Calculated by our company with reference to "Report on the survey on shopping streets in 2021" of the Small and Medium Enterprise Agency
*4 "Report on the survey on the usage of abolished schools and other facilities in 2021" of the Ministry of Education, Culture, Sports, Science and Technology
*7 "Michi-no-Eki Guide" of the Ministry of Land, Infrastructure, Transport and Tourism

*2 "Social Education Survey in 2021" of the Ministry of Education, Culture, Sports, Science and Technology
*5 Calculated by our company with reference to "First release! Ranking of private railways in the number of waiting rooms" by Toyo Keizai Online
*8 Material from "Study session on the improvement in convenience in rest areas on expressways" of the Japan Expressway Holding and Debt Repayment Agency

*3 "Statistics on Library in Japan" by the Japan Library Association
*6 "Survey on Facilities for Physical Education and Sports in 2021" of the Ministry of Education, Culture, Sports, Science and Technology

Opened a Convenience Gym Based on the Collaboration Between Private and Public Sectors in Kisosaki Town

Long-term
investment



We opened a gym in a region with a population of around 6,000 people in cooperation with the municipality, to offer opportunities to experience services and vitalize local communities.



**Members have been increasing steadily.
We will see whether we can earn sufficient revenues in a region with a smaller population compared with the regions where we opened gyms previously.
We will aim to expand the range in which we can open gyms.**

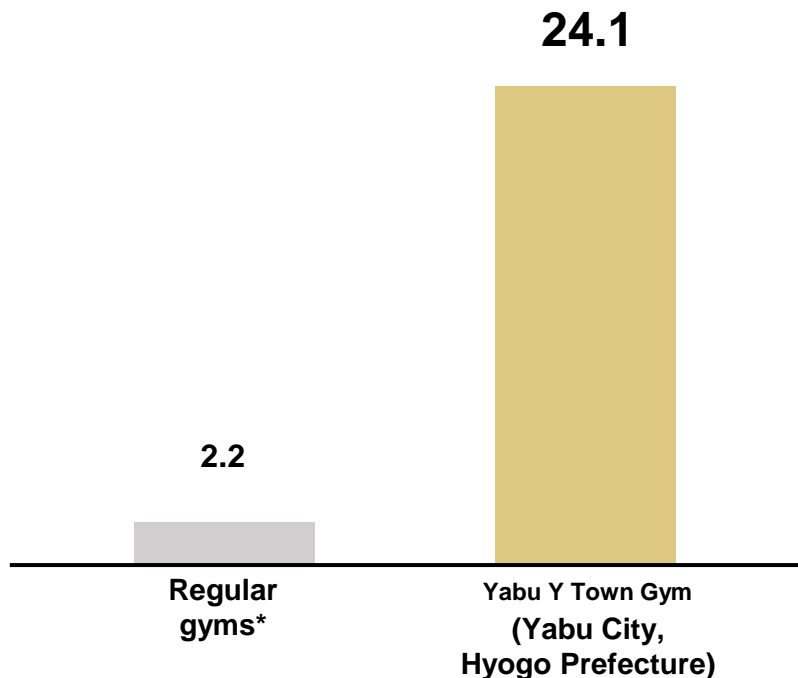
Details of a Convenience Gym Based on the Collaboration Between Private and Public Sectors in Yabu City, Hyogo Prefecture

Long-term investment



Number of members per approx.
3.3 square meters of gym area

A successful case of opening a gym in an underpopulated area
Continuous increase of members even one year after the opening of the gym



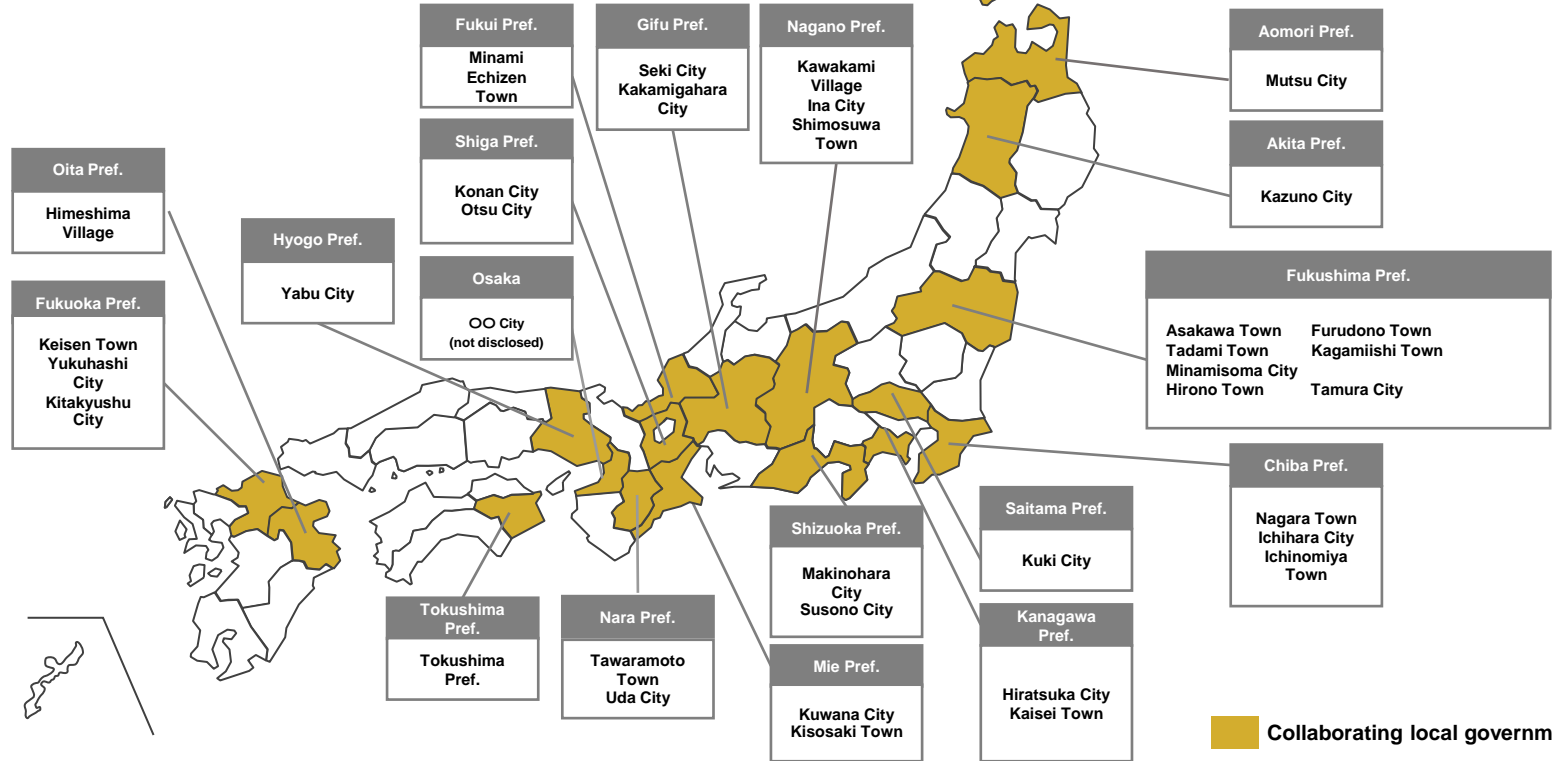
*Calculated by our company based on "Overview of fitness clubs in 2002" by the Ministry of Economy, Trade and Industry (<https://www.meti.go.jp/statistics/tyo/tokusabizi/result-2/h14/pdf/h14-t-19.pdf>).

*Map image used from Google Map

Collaboration with Local Governments (38 Municipalities)

Long-term investment

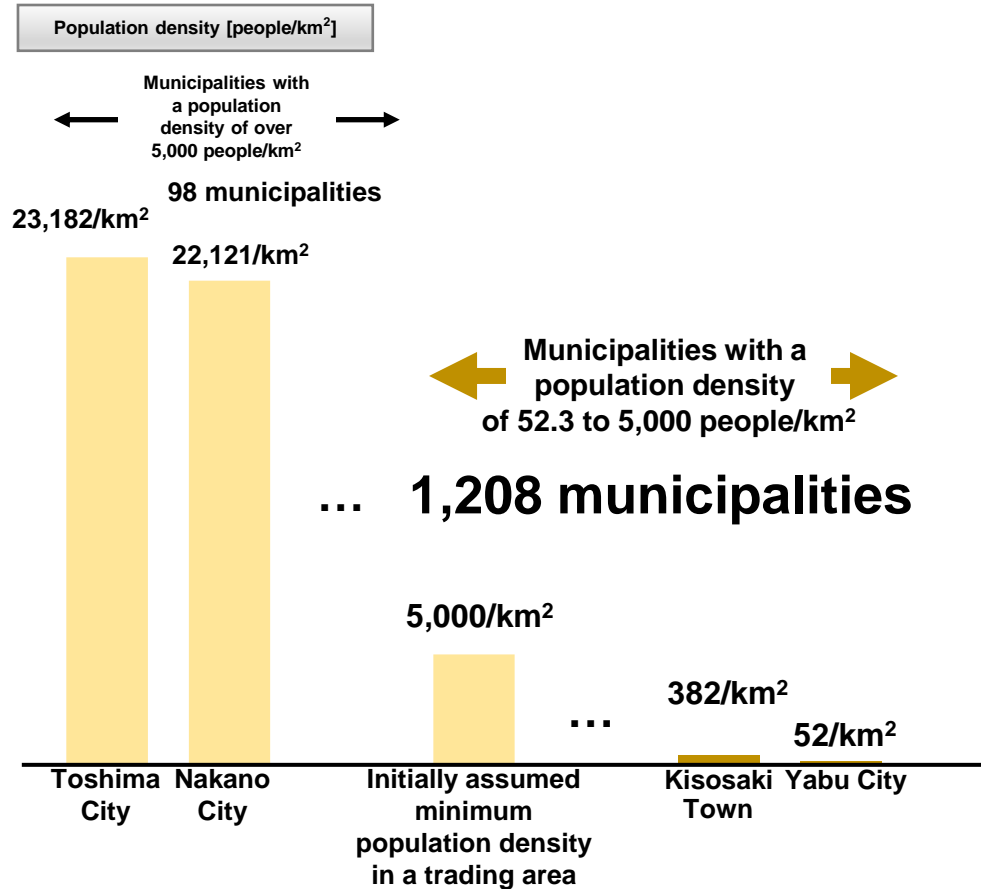
In order to cope with the increase in social security expenses and weakened community, we contribute to the regional revitalization through the spread of exercise habits by establishing “convenience gyms based on the collaboration between private and public sectors” and the promotion of interaction.



Collaborating local governments

Scheme for Opening chocoZAP Gyms in Regional Areas

Long-term investment



It is now possible to operate gyms even in an area with a lower population density below the initially assumed minimum.

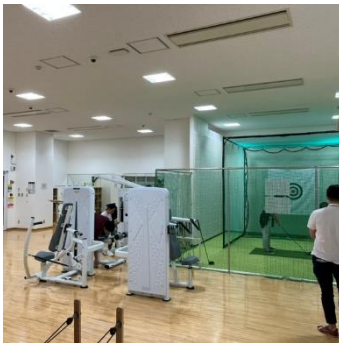
Shonan iPark Gym Opened as a Gym Inside a Research Institute

Long-term investment



Demonstration experiment on fitness support for making the working environment comfortable and improving business performance

In two months, about 20% of employees became chocoZAP members.



	Enterprises without fitness support	Enterprises with fitness support
Improvement in corporate performance	47.5%	58.5%
Comfortable working environment	62.9%	78.0%

There is room for approaching enterprises without fitness support (accounting for 94.2%) for making their working environments more comfortable and then improving their business performance.

*Shonan iPark Gym is available to only the workers in the facility, so general chocoZAP members cannot use it.

*Source: "Report on a survey on development of a comfortable workplace where employees can feel that their jobs are worthwhile" by the Ministry of Health, Labour and Welfare (2014)

Initiatives to Open chocoZAP under a New Format in Large Cities

Long-term investment



To operate chocoZAP with an area of 10~20 tsubo ($\cong 33\sim66 \text{ m}^2$) in large cities

(To open chocoZAP equipped with washing/drying machines only or karaoke equipment only)

To secure the same number of members per tsubo ($\cong 3.3 \text{ m}^2$) as an ordinary gym

The lower limit of the site area for opening chocoZAP has changed from around 40 tsubo ($\cong 132 \text{ m}^2$) to 10~20 tsubo ($\cong 33\sim66 \text{ m}^2$).

Initiatives for Opening chocoZAP Gyms Outside Japan

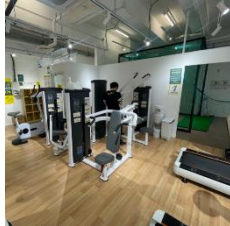
Long-term
investment



We keep tentatively opening gyms before full-scale gym operation overseas.
(We have already opened 11 gyms in 6 cities.)



To Kwa Wan
(Hong Kong)



Shau Kei Wan
(Hong Kong)



Jianguomen
(Beijing)



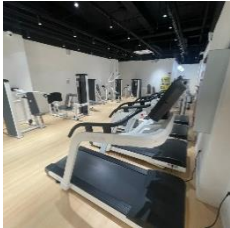
Caofang No. 1
(Beijing)



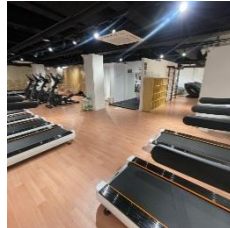
Caofang No. 2
(Beijing)



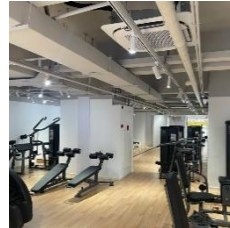
Santa Monica
(Los Angeles)



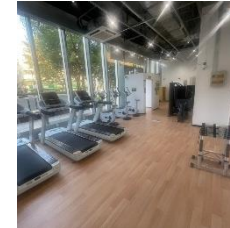
Liangjiaxiang
(Chengdu)



Jiuyanqiao
(Chengdu)



Hongqiaolu
(Shanghai)



Tianshanlu
(Shanghai)



Taichung Nantun
(Taiwan)

We are improving each gym and advertisement, and checking the repeatability of opening a gym in Hong Kong. During this fiscal year, we plan to open 2 more gyms in Hong Kong.

Summary

1. In Q1, we focused on the improvement in quality and customer satisfaction level of chocoZAP.

- No. of members: 1.27 million (as of August 15)
- *Active members only (excluding those who have cancelled the membership)
- No. of gyms: 1,597 in all 47 prefectures around Japan (as of May 21)
- We will keep opening new gyms in large cities and regional areas, and concentrate on the improvement in quality and customer satisfaction level of gyms.
- We improved the cleanliness of each gym by increasing the frequency of cleaning by cleaning partners.

2. We implemented upfront investment for growth.

- Consolidated revenue: 41.2 billion yen (YoY increase: 111%; up around 4.1 billion yen)
- Consolidated operating profit: -2.89 billion yen (up around 100 million yen), consolidated net profit: -2.85 billion yen (up around 470 million yen)
- We conducted activities for improving quality and developing new businesses as well as a future growth investment for evolving the services of chocoZAP while utilizing the funds procured through the capital increase by SOMPO Holdings.

3. We evolved the B2B business.

- The chocoZAP Partners Business (advertisement business) received more orders, growing as a revenue source.
- We succeeded in accumulating experiences in chocoZAP Medical and opening gyms in municipalities, for “making health infrastructure.”



**We are here so that everyone can lead a life
to realize his/her own value.**



Corporate Profile (As of the End of March 2024)

Corporate name RIZAP Group, Inc.

Securities code 2928 (Ambitious Market of Sapporo Securities Exchange)

Established April 2003

Representative Takeshi Seto,
Founder/CEO

Capital 19,200,440,000 yen

No. of outstanding shares 556,218,400 shares

Consolidated number of employees 4,645 (excluding temporary employees)



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