

November 14, 2024

## Consolidated Financial Results for the Six Months Ended September 30, 2024 (Under IFRS)

Company name: RIZAP Group, Inc.  
 Listing: Sapporo Stock Exchange  
 Securities code: 2928  
 URL: <https://www.rizapgroup.com/>  
 Representative: Takeshi Seto, Representative Director, President  
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 Scheduled date to file semi-annual securities report: November 14, 2024  
 Scheduled date to commence dividend payments: -  
 Preparation of supplementary material on financial results: Yes  
 Holding of financial results briefing: Yes (For institutional investors, analysts, and the press)

(Yen amounts are rounded down to millions, unless otherwise noted.)

### 1. Consolidated financial results for the six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

#### (1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Six months ended								
September 30, 2024	85,115	8.9	(2,529)	-	(4,495)	-	(4,902)	-
September 30, 2023	78,188	5.9	(6,023)	-	(7,423)	-	(8,049)	-

	Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%
Six months ended				
September 30, 2024	(4,282)	-	(4,853)	-
September 30, 2023	(7,596)	-	(8,124)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Six months ended				
September 30, 2024	(7.35)		(7.35)	
September 30, 2023	(13.66)		(13.66)	

#### (2) Consolidated financial position

	Total assets	Total equity	Equity attributable to owners of parent	Ratio of equity attributable to owners of parent to total assets
	Millions of yen	Millions of yen	Millions of yen	%
As of				
September 30, 2024	169,599	56,209	46,853	27.6
March 31, 2024	157,151	29,308	19,529	12.4

#### 2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2024	-	0.00	-	0.00	0.00
Fiscal year ending March 31, 2025	-	0.00			
Fiscal year ending March 31, 2025 (Forecast)					

Note: Revisions to the forecast of cash dividends most recently announced: None

### 3. Forecast of consolidated financial results for the fiscal year ending March 31, 2025 (from April 1, 2024 to March 31, 2025)

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Fiscal year ending March 31, 2025	177,700	6.9	6,300	-	3,100	-	2,450	-

	Profit attributable to owners of parent		Basic earning per share	
	Millions of yen	%	Yen	
Fiscal year ending March 31, 2025	2,000	-	3.60	

Note: Revisions to the earnings forecasts most recently announced: None

\*For details, please refer to "1. Qualitative Information on Consolidated Interim Financial Results (3) Explanation of Consolidated Earnings Forecasts and Other Forward-Looking Statements".

**\* Notes**

(1) Significant changes in the scope of consolidation during the period: None

(2) Changes in accounting policies and changes in accounting estimates

(i) Changes in accounting policies required by IFRS: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(3) Number of issued shares (ordinary shares)

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

As of September 30, 2024	596,664,367 shares
As of March 31, 2024	556,218,400 shares

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

As of September 30, 2024	1,232 shares
As of March 31, 2024	1,232 shares

(iii) Average number of shares outstanding during the period (cumulative from the beginning of the fiscal year)

Six months ended September 30, 2024	582,656,587 shares
Six months ended September 30, 2023	556,217,171 shares

\* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

\* Proper use of earnings forecasts, and other special matters

The forward-looking statements in this document, including earnings forecasts, are based on information currently available to the Company and certain assumptions that the Company has judged to be reasonable.

(Method of accessing the contents of the financial results briefing)

The Company plans to hold an online presentation for institutional investors, analysts, and the press on Thursday, November 14, 2024. A video of this presentation, along with the financial results presentation materials to be used, will be posted on the Company's website (<https://www.rizapgroup.com/>) after the meeting.

## Condensed semi-annual consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of September 30, 2024
<b>Assets</b>		
Current assets		
Cash and cash equivalents	13,099	20,119
Trade and other receivables	21,161	19,945
Inventories	24,351	25,773
Income taxes receivable	226	61
Other financial assets	1,061	648
Other current assets	3,269	2,959
Subtotal	63,169	69,508
Assets held for sale	877	901
Total current assets	64,047	70,409
Non-current assets		
Property, plant and equipment	34,167	37,461
Right-of-use assets	41,226	43,391
Goodwill	1,792	1,876
Intangible assets	2,329	2,695
Other financial assets	10,658	10,786
Deferred tax assets	2,455	2,466
Other non-current assets	474	511
Total non-current assets	93,103	99,190
Total assets	157,151	169,599

	As of March 31, 2024	As of September 30, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	25,891	25,364
Interest-bearing liabilities	47,704	37,182
Income taxes payable	388	339
Provisions	2,026	2,002
Other financial liabilities	9	15
Other current liabilities	3,147	2,799
Subtotal	79,168	67,704
Liabilities directly associated with assets held for sale	784	775
Total current liabilities	79,952	68,479
Non-current liabilities		
Interest-bearing liabilities	41,954	38,946
Retirement benefit liability	446	455
Provisions	3,929	4,141
Other financial liabilities	1,185	1,003
Deferred tax liabilities	192	205
Other non-current liabilities	181	158
Total non-current liabilities	47,890	44,910
Total liabilities	127,843	113,390
Equity		
Share capital	19,200	25,303
Capital surplus	3,194	28,953
Other equity financial instruments	10,000	10,000
Retained earnings	(13,217)	(17,807)
Other components of equity	351	403
Total equity attributable to owners of parent	19,529	46,853
Non-controlling interests	9,778	9,355
Total equity	29,308	56,209
Total liabilities and equity	157,151	169,599

## Condensed semi-annual consolidated statement of profit or loss

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Continuing operations		
Revenue	78,188	85,115
Cost of sales	40,350	43,327
Gross profit	37,838	41,787
Selling, general and administrative expenses	43,447	44,172
Other income	937	251
Other expenses	1,352	396
Operating profit (loss)	(6,023)	(2,529)
Finance income	147	58
Finance costs	1,548	2,024
Loss before tax	(7,423)	(4,495)
Income tax expense	644	353
Loss from continuing operations	(8,068)	(4,849)
Discontinued operations		
Profit (loss) from discontinued operations	19	(53)
Loss	(8,049)	(4,902)
Profit attributable to		
Owners of parent	(7,596)	(4,282)
Non-controlling interests	(452)	(620)
Loss	(8,049)	(4,902)
Earnings per share		
Basic earnings per share		
Continuing operations	(13.69)	(7.27)
Discontinued operations	0.04	(0.08)
Basic loss per share	(13.66)	(7.35)
Diluted earnings per share		
Continuing operations	(13.69)	(7.27)
Discontinued operations	0.04	(0.08)
Diluted loss per share	(13.66)	(7.35)

## Condensed semi-annual consolidated statement of comprehensive income

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Loss	(8,049)	(4,902)
Other comprehensive income		
Items that will not be reclassified to profit or loss		
Net change in fair value of equity instruments designated as measured at fair value through other comprehensive income	3	26
Remeasurements of defined benefit plans	(67)	6
Total	(64)	33
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(11)	15
Total	(11)	15
Total other comprehensive income	(75)	49
Comprehensive income	(8,124)	(4,853)
Comprehensive income attributable to		
Owners of parent	(7,688)	(4,279)
Non-controlling interests	(436)	(574)
Comprehensive income	(8,124)	(4,853)

## Condensed semi-annual consolidated statement of changes in equity

Six months ended September 30, 2023

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Other equity financial instruments	Retained earnings	Other components of equity	Total		
Balance at beginning of period	19,200	3,167	-	(8,744)	519	14,142	9,969	24,112
Loss				(7,596)		(7,596)	(452)	(8,049)
Other comprehensive income					(91)	(91)	15	(75)
Comprehensive income	-	-	-	(7,596)	(91)	(7,688)	(436)	(8,124)
Issuance of new shares								
Issuance of share acquisition rights					110	110		110
Transfer of Stock Acquisition Rights to Other Income Associated with Fair Value Measurement					(109)	(109)		(109)
Dividends of surplus						-	(73)	(73)
Changes in ownership interest in subsidiaries		26				26	19	45
Issuance of other equity financial instruments			5,500			5,500		5,500
Distributions to owners of other equity instruments(IFRS)								
Other				(32)	(2)	(35)		(35)
Total transactions with owners	-	26	5,500	(32)	(2)	5,491	(54)	5,436
Balance at end of period	19,200	3,193	5,500	(16,374)	425	11,945	9,478	21,424

## Condensed semi-annual consolidated statement of changes in equity

Six months ended September 30, 2024

(Millions of yen)

	Equity attributable to owners of parent						Non-controlling interests	Total
	Share capital	Capital surplus	Other equity financial instruments	Retained earnings	Other components of equity	Total		
Balance at beginning of period	19,200	3,194	10,000	(13,217)	351	19,529	9,778	29,308
Loss				(4,282)		(4,282)	(620)	(4,902)
Other comprehensive income					2	2	46	49
Comprehensive income	-	-	-	(4,282)	2	(4,279)	(574)	(4,853)
Issuance of new shares	6,103	6,014			(0)	12,117		12,117
Issuance of share acquisition rights					46	46		46
Transfer of Stock Acquisition Rights to Other Income Associated with Fair Value Measurement								
Dividends of surplus						-	(73)	(73)
Changes in ownership interest in subsidiaries		19,745				19,745	225	19,970
Issuance of other equity financial instruments								
Distributions to owners of other equity instruments(IFRS)				(308)		(308)		(308)
Other					2	2		2
Total transactions with owners	6,103	25,759	-	(308)	48	31,603	151	31,754
Balance at end of period	25,303	28,953	10,000	(17,807)	403	46,853	9,355	56,209

## Condensed semi-annual consolidated statement of cash flows

(Millions of yen)

	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from operating activities		
Loss before tax	(7,423)	(4,495)
Profit (loss) before tax from discontinued operations	58	(52)
Depreciation and amortization	7,660	10,875
Impairment losses	206	109
Finance income and finance costs	1,161	1,472
Decrease (increase) in inventories	(1,086)	(1,433)
Decrease (increase) in trade and other receivables	(1,014)	615
Increase (decrease) in trade and other payables	5,434	(1,005)
Increase (decrease) in retirement benefit liability	(170)	15
Increase (decrease) in provisions	(176)	(45)
Other	(1,315)	127
Subtotal	3,334	6,182
Interest and dividends received	12	10
Interest paid	(837)	(1,174)
Income taxes paid	(619)	(376)
Income taxes refund	405	144
Net cash provided by (used in) operating activities	2,295	4,788



	Six months ended September 30, 2023	Six months ended September 30, 2024
Cash flows from investing activities		
Payments into time deposits	(71)	(640)
Proceeds from withdrawal of time deposits	63	1,068
Purchase of property, plant and equipment	(5,401)	(5,257)
Proceeds from sale of property, plant and equipment	53	6
Purchase of shares of subsidiaries resulting in change in scope of consolidation	-	(5)
Proceeds from sale of shares of subsidiaries resulting in change in scope of consolidation	68	-
Payments of leasehold deposits and guarantee deposits	(1,084)	(563)
Proceeds from refund of leasehold and guarantee deposits	1,120	297
Proceeds from sale of businesses	100	-
Other	(94)	(1,213)
Net cash provided by (used in) investing activities	(5,246)	(6,308)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	3,217	(14,926)
Proceeds from long-term borrowings	3,212	3,704
Repayments of long-term borrowings	(2,160)	(4,514)
Proceeds from issuance of bonds	-	300
Redemption of bonds	(63)	(47)
Repayments of lease liabilities	(6,686)	(7,955)
Proceeds from issuance of shares	-	12,117
Proceeds from issuance of other equity instruments	5,500	-
Capital contribution from non-controlling interests	43	19,980
Payments for acquisition of interests in subsidiaries from non-controlling interests	(0)	(0)
Dividends paid to non-controlling interests	(72)	(73)
Other	128	4
Net cash provided by (used in) financing activities	3,120	8,589
Effect of exchange rate changes on cash and cash equivalents	81	(48)
Net increase (decrease) in cash and cash equivalents	251	7,020
Cash and cash equivalents at beginning of period	15,832	13,099
Reclassification of cash and cash equivalents included in assets held for sales in the opening balance	17	2
Reclassification of cash and cash equivalents included in assets held for sale at the end of the period	(11)	(2)
Cash and cash equivalents at end of period	16,089	20,119