

February 14, 2025

Consolidated Financial Results for the Nine Months Ended December 31, 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 commence dividend payments: -
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: None

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

1. Consolidated financial results for the nine months ended December 31, 2024 (from April 1, 2024 to December 31, 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	%
Nine months ended								
December 31, 2024	130,731	6.3	182	-	(2,465)	-	(3,338)	-
December 31, 2023	122,988	6.7	(4,823)	-	(7,089)	-	(8,095)	-

	Profit attributable to owners of parent		Total comprehensive income	
	Millions of yen	%	Millions of yen	%
Nine months ended				
December 31, 2024	(2,895)	-	(3,323)	-
December 31, 2023	(7,691)	-	(8,172)	-

	Basic earnings per share		Diluted earnings per share	
	Yen		Yen	
Nine months ended				
December 31, 2024	(4.93)		(4.93)	
December 31, 2023	(13.83)		(13.83)	

(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								
December 31, 2024	173,170		58,046		48,374		27.9	
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
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 "(3) Explanation of Forward-Looking Statements, including Consolidated Earnings Forecasts" in "1.

*** 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 December 31, 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 December 31, 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)

Nine months ended December 31, 2024	587,342,414 shares
Nine months ended December 31, 2023	556,217,170 shares

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

* Proper use of earnings forecasts, and other special matters

Explanation of appropriate use of earnings forecasts and other special notes

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.

(How to obtain supplementary financial data)

On Friday, February 14, 2025, the Company plans to post the "Supplementary Financial Data for the third quarter of the fiscal year ending March 31, 2025" on its website (<https://www.rizapgroup.com/>). No meetings will be held for institutional investors, analysts, or the press.

Condensed quarterly consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of December 31, 2024
Assets		
Current assets		
Cash and cash equivalents	13,099	20,386
Trade and other receivables	21,161	22,216
Inventories	24,351	27,168
Income taxes receivable	226	161
Other financial assets	1,061	614
Other current assets	3,269	4,024
Subtotal	63,169	74,572
Assets held for sale	877	915
Total current assets	64,047	75,487
Non-current assets		
Property, plant and equipment	34,167	37,667
Right-of-use assets	41,226	41,727
Goodwill	1,792	1,876
Intangible assets	2,329	2,940
Other financial assets	10,658	10,688
Deferred tax assets	2,455	2,249
Other non-current assets	474	533
Total non-current assets	93,103	97,683
Total assets	157,151	173,170

	As of March 31, 2024	As of December 31, 2024
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	25,891	24,940
Interest-bearing liabilities	47,704	36,427
Income taxes payable	388	420
Provisions	2,026	1,947
Other financial liabilities	9	16
Other current liabilities	3,147	4,043
Subtotal	79,168	67,795
Liabilities directly associated with assets held for sale	784	775
Total current liabilities	79,952	68,570
Non-current liabilities		
Interest-bearing liabilities	41,954	40,571
Retirement benefit liability	446	446
Provisions	3,929	4,199
Other financial liabilities	1,185	951
Deferred tax liabilities	192	227
Other non-current liabilities	181	156
Total non-current liabilities	47,890	46,553
Total liabilities	127,843	115,124
Equity		
Share capital	19,200	25,303
Capital surplus	3,194	29,248
Other equity financial instruments	10,000	10,000
Retained earnings	(13,217)	(16,576)
Other components of equity	351	398
Total equity attributable to owners of parent	19,529	48,374
Non-controlling interests	9,778	9,672
Total equity	29,308	58,046
Total liabilities and equity	157,151	173,170

Condensed quarterly consolidated statement of profit or loss

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Continuing operations		
Revenue	122,988	130,731
Cost of sales	62,934	66,866
Gross profit	60,054	63,864
Selling, general and administrative expenses	65,308	63,765
Other income	2,059	624
Other expenses	1,629	541
Operating profit (loss)	(4,823)	182
Finance income	149	161
Finance costs	2,416	2,809
Loss before tax	(7,089)	(2,465)
Income tax expense	935	806
Loss from continuing operations	(8,025)	(3,271)
Discontinued operations		
Loss from discontinued operations	(70)	(66)
Loss	(8,095)	(3,338)
Profit attributable to		
Owners of parent	(7,691)	(2,895)
Non-controlling interests	(404)	(442)
Loss	(8,095)	(3,338)
Earnings per share		
Basic earnings per share		
Continuing operations	(13.70)	(4.84)
Discontinued operations	(0.12)	(0.09)
Basic loss per share	(13.83)	(4.93)
Diluted earnings per share		
Continuing operations	(13.70)	(4.84)
Discontinued operations	(0.12)	(0.09)
Diluted loss per share	(13.83)	(4.93)

Condensed quarterly consolidated statement of comprehensive income

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Loss	(8,095)	(3,338)
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	4	26
Remeasurements of defined benefit plans	(72)	2
Total	(67)	29
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(10)	(14)
Total	(10)	(14)
Total other comprehensive income	(77)	15
Comprehensive income	(8,172)	(3,323)
Comprehensive income attributable to		
Owners of parent	(7,780)	(2,896)
Non-controlling interests	(392)	(427)
Comprehensive income	(8,172)	(3,323)

Condensed quarterly consolidated statement of changes in equity

Nine months ended December 31, 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	-	-	-	(7,691)	-	(7,691)	(404)	(8,095)
Other comprehensive income	-	-	-	-	(88)	(88)	11	(77)
Comprehensive income	-	-	-	(7,691)	(88)	(7,780)	(392)	(8,172)
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	-	-	-	(101)	(2)	(104)	-	(104)
Total transactions with owners	-	26	5,500	(101)	(2)	5,422	(54)	5,368
Balance at end of period	19,200	3,193	5,500	(16,537)	428	11,784	9,522	21,307

Condensed quarterly consolidated statement of changes in equity

Nine months ended December 31, 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	-	-	-	(2,895)	-	(2,895)	(442)	(3,338)
Other comprehensive income	-	-	-	-	(0)	(0)	15	15
Comprehensive income	-	-	-	(2,895)	(0)	(2,896)	(427)	(3,323)
Issuance of new shares	6,103	6,014	-	-	-	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	-	20,040	-	-	-	20,040	394	20,434
Issuance of other equity financial instruments								
Distributions to owners of other equity instruments(IFRS)	-	-	-	(463)	-	(463)	-	(463)
Other	-	-	-	-	-	-	-	-
Total transactions with owners	6,103	26,054	-	(463)	46	31,740	320	32,061
Balance at end of period	25,303	29,248	10,000	(16,576)	398	48,374	9,672	58,046

Condensed quarterly consolidated statement of cash flows

(Millions of yen)

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from operating activities		
Loss before tax	(7,089)	(2,465)
loss before tax from discontinued operations	(24)	(64)
Depreciation and amortization	12,216	16,641
Impairment losses	310	205
Finance income and finance costs	1,864	2,085
Decrease (increase) in inventories	(1,468)	(2,808)
Decrease (increase) in trade and other receivables	(2,242)	(1,461)
Increase (decrease) in trade and other payables	2,327	(414)
Increase (decrease) in retirement benefit liability	(175)	6
Increase (decrease) in provisions	(194)	(58)
Other	(2,640)	(97)
Subtotal	2,883	11,567
Interest and dividends received	13	15
Interest paid	(1,409)	(1,660)
Income taxes paid	(1,204)	(611)
Income taxes refund	978	147
Net cash provided by (used in) operating activities	1,261	9,458

	Nine months ended December 31, 2023	Nine months ended December 31, 2024
Cash flows from investing activities		
Payments into time deposits	(82)	(736)
Proceeds from withdrawal of time deposits	65	1,148
Purchase of property, plant and equipment	(9,279)	(8,228)
Proceeds from sale of property, plant and equipment	54	18
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	2,789	-
Payments of leasehold deposits and guarantee deposits	(1,485)	(680)
Proceeds from refund of leasehold and guarantee deposits	1,349	430
Proceeds from sale of businesses	100	-
Other	(319)	(1,678)
Net cash provided by (used in) investing activities	(6,808)	(9,731)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	762	(14,259)
Proceeds from long-term borrowings	6,563	7,897
Repayments of long-term borrowings	(3,375)	(6,818)
Proceeds from issuance of bonds	200	300
Redemption of bonds	(78)	(62)
Repayments of lease liabilities	(10,299)	(12,028)
Proceeds from issuance of shares	-	12,117
Proceeds from issuance of other equity instruments	5,500	-
Capital contribution from non-controlling interests	43	20,444
Payments for acquisition of interests in subsidiaries from non-controlling interests	(0)	(0)
Dividends paid to non-controlling interests	(73)	(74)
Other	128	(8)
Net cash provided by (used in) financing activities	(629)	7,508
Effect of exchange rate changes on cash and cash equivalents	52	52
Net increase (decrease) in cash and cash equivalents	(6,123)	7,286
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	(1)	(1)
Cash and cash equivalents	9,724	20,386