

May 15, 2025

Consolidated Financial Results for the Fiscal Year Ended March 31, 2025 (Under IFRS)

Company name: RIZAP Group, Inc.
 Listing: Sapporo Stock Exchange
 Securities code: 2928
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 Scheduled date of annual general meeting of shareholders: June 27, 2025
 Scheduled date to commence dividend payments: -
 Scheduled date to file annual securities report: June 26, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (For Institutional Investors, Analysts, and the Media)

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

1. Consolidated financial results for the fiscal year ended March 31, 2025 (from April 1, 2024 to March 31, 2025)

(1) Consolidated operating results

(Percentages indicate year-on-year changes.)

	Revenue		Operating profit		Profit before tax		Profit	
Fiscal year ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
March 31, 2025	171,090	5.2	1,882	-	(1,495)	-	1,319	-
March 31, 2024	162,604	5.2	(648)	-	(4,551)	-	(4,458)	-

	Profit attributable to owners of parent		Total comprehensive income	
Fiscal year ended	Millions of yen	%	Millions of yen	%
March 31, 2025	264	-	1,377	-
March 31, 2024	(4,300)	-	(4,549)	-

	Basic earnings per share	Diluted earnings per share	Return on equity attributable to owners of parent	Ratio of profit before tax to total assets	Ratio of operating profit to revenue
Fiscal year ended	Yen	Yen	%	%	%
March 31, 2025	0.45	0.44	0.7	(0.9)	1.1
March 31, 2024	(7.73)	(7.73)	(25.5)	(3.0)	(0.4)

* In the current consolidated fiscal year and the previous consolidated fiscal year, some consolidated subsidiaries were classified as discontinued businesses, and are displayed separately from continuing operations as "net income from discontinued operations."
 For details, please refer to the attachment "3. Consolidated Financial Statements and Key Notes (5) Notes on Consolidated Financial Statements (Discontinued Operations)."

(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	Equity attributable to owners of parent per share
As of	Millions of yen	Millions of yen	Millions of yen	%	Yen
March 31, 2025	169,526	62,422	51,534	30.4	86.37
March 31, 2024	157,151	29,308	19,529	12.4	35.11

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
Fiscal year ended	Millions of yen	Millions of yen	Millions of yen	Millions of yen
March 31, 2025	18,518	(11,621)	549	20,058
March 31, 2024	9,802	(13,688)	1,036	13,099

2. Cash dividends

	Annual dividends per share					Total cash dividends (Total)	Payout ratio (Consolidated)	Ratio of dividends to equity attributable to owners of parent (Consolidated)
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Millions of yen	%	%
Fiscal year ended March 31, 2024	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ended March 31, 2025	-	0.00	-	0.00	0.00	-	-	-
Fiscal year ending March 31, 2026 (Forecast)		0.00					-	

3. Forecast of consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(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, 2026	172,000	0.5	11,000	484.3	8,550	-	3,350	153.9

	Profit attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Yen
Fiscal year ending March 31, 2026	2,000	657.5	3.35

* **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 March 31, 2025	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 March 31, 2025	1,232 shares
As of March 31, 2024	1,232 shares

(iii) Average number of shares outstanding during the period

Fiscal year ended March 31, 2025	589,640,674 shares
Fiscal year ended March 31, 2024	556,217,170 shares

* Financial results reports are exempt from audit conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

Forward-looking statements, such as earnings forecasts, contained in this material are based on information available to the Company and certain assumptions reasonably judged, and actual results may differ due to various factors.

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

The Company plans to hold an earnings briefing on Thursday, May 15, 2025. The video of the briefing will be live-streamed and will be posted on the Company's website (<https://www.rizapgroup.com/>) after the event, along with the financial results briefing materials to be used.

Consolidated statement of financial position

(Millions of yen)

	As of March 31, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and cash equivalents	13,099	20,058
Trade and other receivables	21,161	20,136
Inventories	24,351	24,215
Income taxes receivable	226	141
Other financial assets	1,061	713
Other current assets	3,269	3,538
Subtotal	63,169	68,803
Assets held for sale	877	3,288
Total current assets	64,047	72,092
Non-current assets		
Property, plant and equipment	34,167	35,978
Right-of-use assets	41,226	38,966
Goodwill	1,792	1,876
Intangible assets	2,329	3,052
Other financial assets	10,658	10,223
Deferred tax assets	2,455	6,746
Other non-current assets	474	590
Total non-current assets	93,103	97,434
Total assets	157,151	169,526

	As of March 31, 2024	As of March 31, 2025
Liabilities and equity		
Liabilities		
Current liabilities		
Trade and other payables	25,891	20,875
Interest-bearing liabilities	47,704	36,394
Income taxes payable	388	771
Provisions	2,026	1,701
Other financial liabilities	9	11
Other current liabilities	3,147	5,063
Subtotal	79,168	64,818
Liabilities directly associated with assets held for sale	784	1,666
Total current liabilities	79,952	66,484
Non-current liabilities		
Interest-bearing liabilities	41,954	34,815
Retirement benefit liability	446	416
Provisions	3,929	4,165
Other financial liabilities	1,185	877
Deferred tax liabilities	192	175
Other non-current liabilities	181	167
Total non-current liabilities	47,890	40,618
Total liabilities	127,843	107,103
Equity		
Share capital	19,200	25,303
Capital surplus	3,194	29,371
Other equity financial instruments	10,000	10,000
Retained earnings	(13,217)	(13,564)
Other components of equity	351	423
Total equity attributable to owners of parent	19,529	51,534
Non-controlling interests	9,778	10,888
Total equity	29,308	62,422
Total liabilities and equity	157,151	169,526

Consolidated statement of profit or loss

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Continuing operations		
Revenue	162,604	171,090
Cost of sales	81,925	87,021
Gross profit	80,678	84,069
Selling, general and administrative expenses	81,889	81,352
Other income	2,644	1,489
Other expenses	2,082	2,324
Operating profit (loss)	(648)	1,882
Finance income	203	110
Finance costs	4,106	3,488
Loss before taxa	(4,551)	(1,495)
Income tax expense	(182)	(3,336)
Profit (loss) from continuing operations	(4,369)	1,840
Discontinued operations		
Profit (loss) from discontinued operations	(88)	(521)
Profit (loss)	(4,458)	1,319
Profit (loss) attributable to		
Owners of parent	(4,300)	264
Non-controlling interests	(157)	1,055
Profit (loss)	(4,458)	1,319
Earnings per share		
Basic earnings (loss) per share		
Continuing operations	(7.56)	1.01
Discontinued operations	(0.17)	(0.56)
Basic earnings (loss) per share	(7.73)	0.45
Diluted earnings (loss) per share		
Continuing operations	(7.56)	0.99
Discontinued operations	(0.17)	(0.55)
Diluted earnings (loss) per share	(7.73)	0.44

Consolidated statement of comprehensive income

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Profit (loss)	(4,458)	1,319
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	13	25
Remeasurements of defined benefit plans	(75)	9
Total	(62)	34
Items that may be reclassified to profit or loss		
Exchange differences on translation of foreign operations	(29)	22
Total	(29)	22
Total other comprehensive income	(91)	57
Comprehensive income	(4,549)	1,377
Comprehensive income attributable to		
Owners of parent	(4,414)	288
Non-controlling interests	(135)	1,088
Comprehensive income	(4,549)	1,377

Consolidated statement of changes in equity

Fiscal year ended March 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	3,167	-	(8,744)	519	14,142	9,969	24,112
Profit (loss)	-	-	-	(4,300)	-	(4,300)	(157)	(4,458)
Other comprehensive income	-	-	-	-	(113)	(113)	21	(91)
Total	-	-	-	(4,300)	(113)	(4,414)	(135)	(4,549)
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	18	45
Issuance of share acquisition rights	-	-	-	-	110	110	-	110
Transfer to retained earnings	-	-	-	54	(54)	-	-	-
Issuance of other equity financial instruments	-	-	10,000	-	-	10,000	-	10,000
Other	-	0	-	(226)	0	(226)	-	(226)
Total	-	26	10,000	(171)	(53)	9,801	(55)	9,745
Balance at end of period	19,200	3,194	10,000	(13,217)	351	19,529	9,778	29,308

Consolidated statement of changes in equity

Fiscal year ended March 31, 2025

(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
Profit (loss)	-	-	-	264	-	264	1,055	1,319
Other comprehensive income	-	-	-	-	24	24	33	57
Total	-	-	-	264	24	288	1,088	1,377
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	-	20,163	-	-	-	20,163	95	20,258
Issuance of share acquisition rights	-	-	-	-	46	46	-	46
Transfer to retained earnings								
Issuance of other equity financial instruments	-	-	-	(615)	-	(615)	-	(615)
Other	-	-	-	3	-	3	-	3
Total	6,103	26,177	-	(611)	46	31,715	21	31,737
Balance at end of period	25,303	29,371	10,000	(13,564)	423	51,534	10,888	62,422

Consolidated statement of cash flows

(Millions of yen)

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from operating activities		
Loss before tax	(4,551)	(1,495)
Profit before tax from discontinued operations	(43)	(523)
Depreciation and amortization	17,328	22,473
Impairment losses	405	903
Finance income and finance costs	3,110	2,727
Decrease (increase) in inventories	(665)	(864)
Decrease (increase) in trade and other receivables	(2,446)	(68)
Increase (decrease) in trade and other payables	1,547	(2,985)
Increase (decrease) in retirement benefit liability	(219)	(7)
Increase (decrease) in provisions	131	(269)
Other	(2,507)	1,253
Subtotal	12,090	21,141
Interest and dividends received	23	24
Interest paid	(2,075)	(2,175)
Income taxes paid	(1,230)	(619)
Income taxes refund	996	147
Net cash provided by (used in) operating activities	9,802	18,518

	Fiscal year ended March 31, 2024	Fiscal year ended March 31, 2025
Cash flows from investing activities		
Payments into time deposits	(920)	(839)
Proceeds from withdrawal of time deposits	65	1,148
Purchase of property, plant and equipment	(14,145)	(9,677)
Proceeds from sale of property, plant and equipment	240	40
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 and guarantee deposits	(1,966)	(758)
Proceeds from refund of leasehold and guarantee deposits	1,569	673
Proceeds from sale of businesses	100	-
Other	(1,419)	(2,203)
Net cash provided by (used in) investing activities	(13,688)	(11,621)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	(3,951)	(14,321)
Proceeds from long-term borrowings	14,701	8,080
Repayments of long-term borrowings	(5,649)	(9,540)
Proceeds from issuance of bonds	200	300
Redemption of bonds	(106)	(107)
Repayments of lease liabilities	(13,982)	(16,116)
Proceeds from issuance of shares	-	12,117
Proceeds from issuance of other equity instruments	10,000	-
Capital contribution from non-controlling interests	43	20,444
Dividends paid to non-controlling interests	(73)	(74)
Purchase of shares of subsidiaries not resulting in change in scope of consolidation	-	(102)
Payments for acquisition of interests in subsidiaries from non-controlling interests	(0)	(97)
Other	(144)	(33)
Net cash provided by (used in) financing activities	1,036	549
Effect of exchange rate changes on cash and cash equivalents	100	(12)
Net increase (decrease) in cash and cash equivalents	(2,748)	7,433
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	(2)	(476)
Cash and cash equivalents at end of period	13,099	20,058

(Segment information)

(1) Overview of Reporting Segments

The Group's reporting segments are determined on the basis of reporting segments for which segregated financial information is available among the constituent units of the Company and which are regularly reviewed by the Board of Directors in order to determine the allocation of management resources and evaluate business performance. The business contents of each segment are as follows.

- Healthcare & Beauty segment: Operation of RIZAP-related businesses, including the convenience store gym chocoZAP and the personal training gym RIZAP, sales of body shape correction underwear, beauty-related products, cosmetics, and health foods, etc.
- "Lifestyle" segment: Store management of retail and reuse businesses such as entertainment products, planning, development, manufacturing and sales of interior goods, apparel and apparel miscellaneous goods, etc.
- "Investment" segment: Businesses that aim to generate stable earnings as a group of functional companies that support synergies among Group companies

(2) Matters related to changes in reporting segments, etc.

In the current fiscal year, the company was classified as a discontinued business following the approval of the plan to sell the shares of Hotta Marumasa Co., Ltd. For this reason, the business of Hotta Marumasa Co., Ltd. in the previous fiscal year has been revised and restated as discontinued business.

(3) Information on the revenue and results of the reporting segment

The accounting policy for the reporting segment is generally the same as described in the note (change in presentation).

Profit in the reporting segment is a figure based on operating income. Transactions between segments are based on prevailing market prices.

Information on the revenue and results of the reporting segments is as follows:

The previous fiscal year (April 1, 2023 to March 31, 2024)

(in millions of yen)

	Healthcare and Beauty	Lifestyle	Investment	Total	Reconciling items	Per consolidated financial statements
Revenue						
Revenue from external customers	61,498	80,320	20,785	162,604	-	162,604
Intersegment revenue	1,751	2,268	458	4,478	(4,478)	-
Total	63,249	82,589	21,244	167,083	(4,478)	162,604
Operating profit (loss)	(3,116)	2,525	1,335	743	(1,392)	(648)
Finance income	-	-	-	-	-	203
Finance costs	-	-	-	-	-	4,106
Loss before taxa	-	-	-	-	-	(4,551)

Note: 1. Adjustments to revenue and segment profits or losses between segments are due to the elimination of inter-segment transactions or company-wide expenses that have not been allocated to each reporting segment.

2. In the past, the entire amount of foreign exchange gains and losses was shown as other income or other expenses, but from the current fiscal year, foreign exchange gains and losses arising from financial transactions are shown as financial income or expenses. Accordingly, the changes were applied retroactively in the previous fiscal year.

The current fiscal year (April 1, 2024 to March 31, 2025)

(in millions of yen)

	Healthcare and Beauty	Lifestyle	Investment	Total	Reconciling items	Per consolidated financial statements
Revenue						
Revenue from external customers	71,564	76,007	23,518	171,090	-	171,090
Intersegment revenue	1,651	2,047	427	4,125	(4,125)	-
Total	73,215	78,054	23,945	175,216	(4,125)	171,090
Operating profit (loss)	566	1,969	716	3,252	(1,369)	1,882
Finance income	-	-	-	-	-	110
Finance costs	-	-	-	-	-	3,488
Loss before taxa	-	-	-	-	-	(1,495)

Note: Adjustments to revenue and segment profits or losses between segments are due to the elimination of inter-segment transactions or company-wide expenses that have not been allocated to each reporting segment.