



Q2 Financial Results Briefing

Fiscal Year Ending March 2025

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

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

English translation from the original Japanese-language document

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chocoZAP keeps growing, continue measures for improving the quality of chocoZAP and the customer satisfaction level, and launch new customer attraction measures

1. Profit grew considerably year on year, thanks to the continuous growth of chocoZAP.

- 1.31 mil. members (as of November 15; up 291,000 from the previous fiscal year); Number of gyms: 1,755 (up 595 from the previous fiscal year)
- The thriving chocoZAP business contributed to business results, so consolidated operating profit turned positive in Q2, increasing 3.4 billion yen year on year and also from Q1.
- The effects of investment conducted in the first half of the fiscal year will be seen in the second half. In the third quarter onward as well, we will keep concentrating on the improvement in quality of chocoZAP and the customer satisfaction level, and profitability is expected to continue improving.

2. Improve the quality of chocoZAP and the customer satisfaction level throughout this fiscal year.

- We will allocate some funds from advertisement to the enhancement of measures for improving the quality of chocoZAP and the customer satisfaction level.
- The start of chocotto support contributed to the increase of members for the RIZAP body transformation business.
- We will promote DX measures, such as enabling members to check the cleanliness, machine conditions, etc. in all chocoZAP via websites.

3. New approach for increasing chocoZAP members

- To review methods for using funds for advertisement, and enhance measures for attracting in customers effectively
- To approach individuals who have little interest in exercise and corporations that pursue health-oriented business administration, by holding charge-free online health seminars
- The chocoZAP in Kubota Global Institute of Technology, as the first gym in a single enterprise, received positive reviews. By designing services tailored to needs, we are expected to expand the market of chocoZAP for corporations.
- We cooperate with the SOMPO Holdings, Inc to introduce each other's customers, and conduct R&D of new types of insurance and services.
- We formed a business alliance with NTT DOCOMO, to offer a special package based on the collaboration between chocoZAP and DOCOMO.

Consolidated Results for Q2 FY 3/25

Summary of Business Performance (IFRS)

[million yen]	Q2 of FY 3/24 (Previous fiscal year)	Q2 of FY 3/25 (Current fiscal year)	YoY change	YoY (%)
Revenue	78,188	85,115	+6,926	108.9%
RIZAP-related business	17,522	25,086	+7,563	143.2%
other businesses	62,098	62,423	+325	100.5%
Adjustment (such as internal transactions)	-1,432	-2,394	-961	-
Operating profit	-6,023	-2,529	+3,494	-
RIZAP-related business	-5,359	-1,751	+3,607	-
other businesses	-1,148	-387	+760	-
Adjustment (such as internal transactions)	484	-389	-874	-
Net profit	-7,596	-4,282	+3,314	-

*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.

Summary of Business Performance for three months (IFRS)



Operating profit of 439 million yen in Q2, +3.4 billion yen year on year

[million yen]	Q2 of FY 3/24 (Previous fiscal year)	Q2 of FY 3/25 (Current fiscal year)	YoY change	YoY (%)
Revenue	41,118	43,877	+2,759	106.7%
RIZAP-related business	9,800	13,155	+3,355	134.2%
other businesses	31,990	32,623	+633	102.0%
Adjustment (such as internal transactions)	-672	-1,901	-1,229	-
Operating profit	-2,986	439	+3,425	-
RIZAP-related business	-2,819	286	+3,106	-
other businesses	-680	307	+987	-
Adjustment (such as internal transactions)	513	-154	-668	-
Net profit	-4,271	-1,428	+2,843	-

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

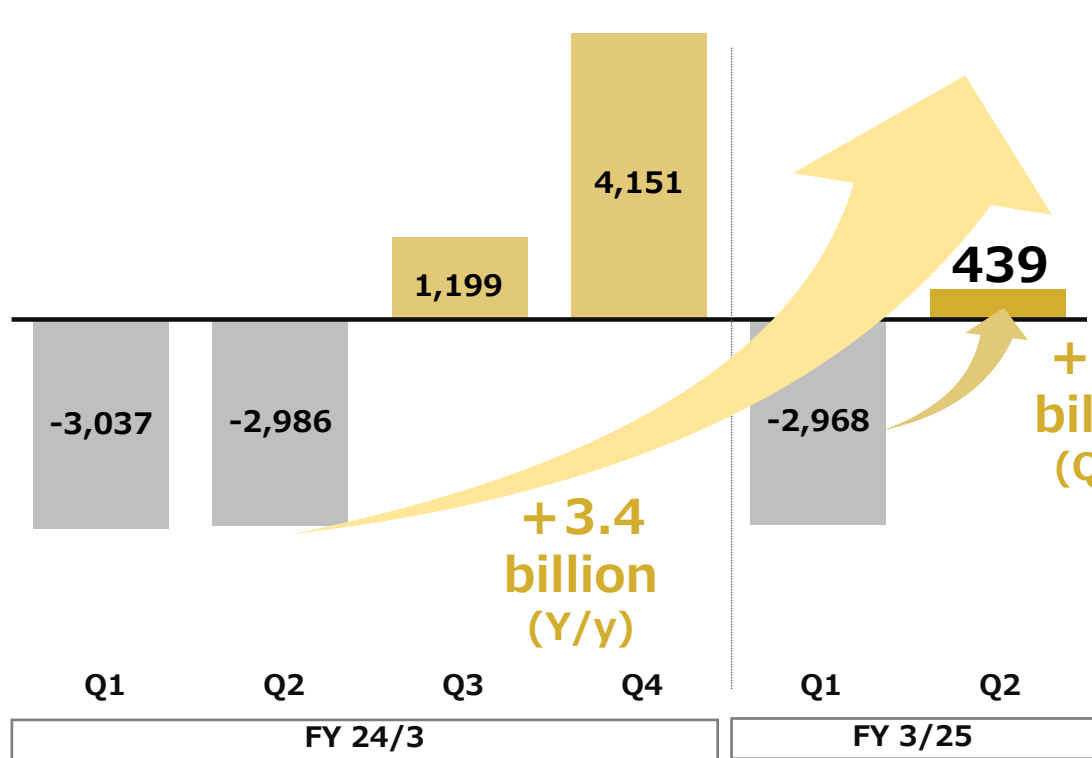
*Net profit means profit attributable to owners of the parent.

* 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.

Quarterly Operating Profit and Loss(IFRS)



(Million yen)



**439 million
operating profit
in Q2**

**+3.4
billion
(Q/q)**

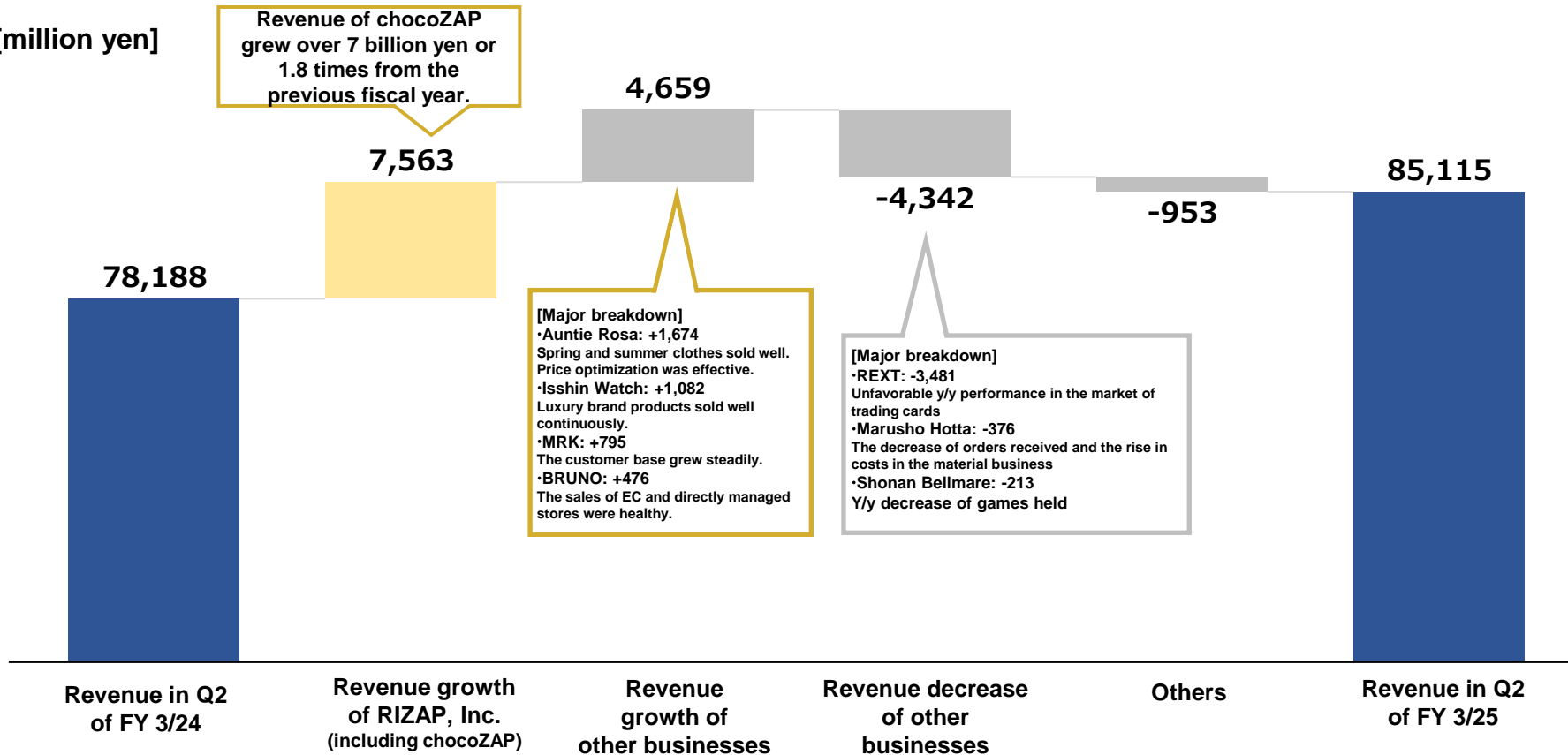
**+3.4
billion
(Y/y)**

**Both Y/y and Q/q
+3.4 billion yen
Growth investments made in Q1
are beginning to bear fruit.**

*Due to a change in the method of displaying foreign exchange translation gains/losses related to financial transactions, the figures before Q1 FY 3/25 have been retroactively revised.

Year-on-year Comparison of Consolidated Revenue

[million yen]

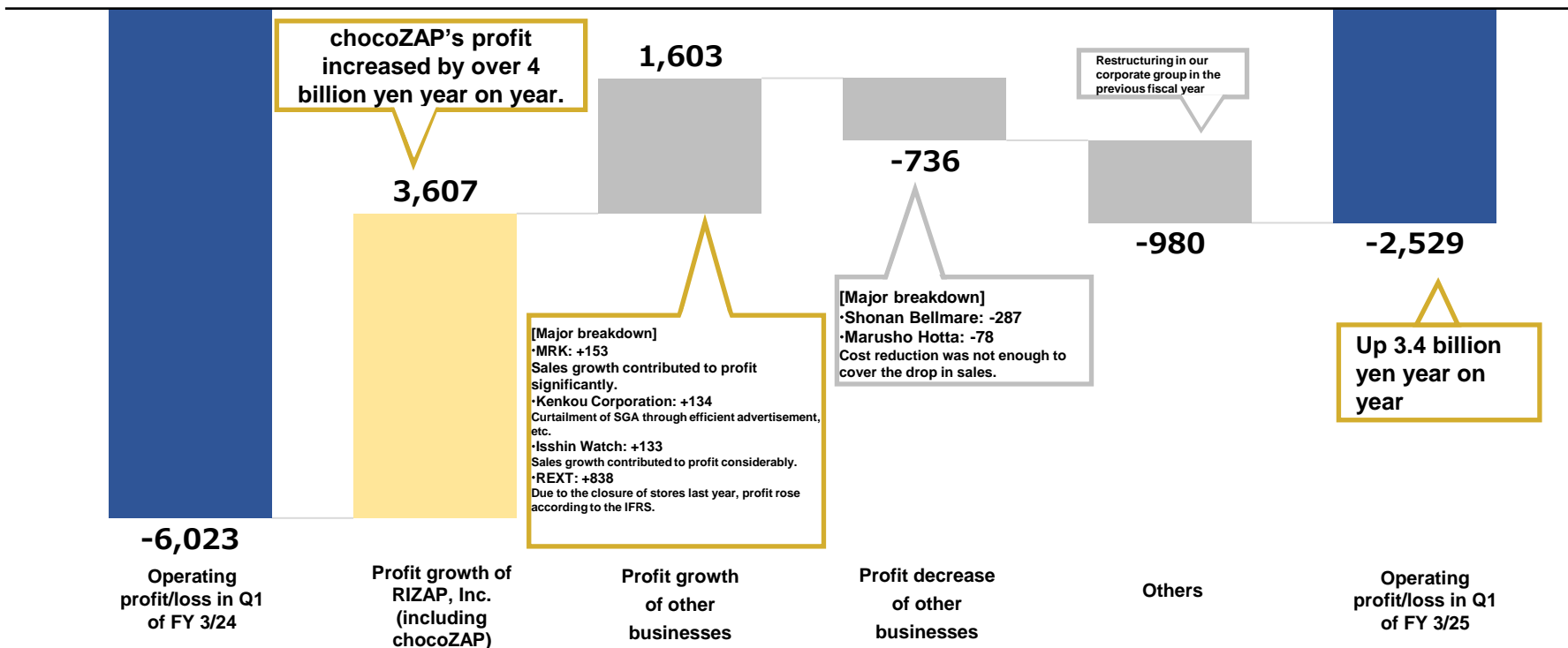


Year-on-year Comparison of Consolidated Operating Profit/Loss









chocoZAP's operating profit improved over 4 billion (Y/y)

[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 Q2 of FY 3/25

[million yen]		Q2 of FY 3/24	Q2 of FY 3/25	Y/y	Overview
	Net sales	24,834	21,363	86.0%	Profitability improved thanks to the improvement of existing stores, cost optimization, etc. in the reuse business, despite the effect of the favorable sales of trading cards in the entertainment business in the same period of the previous fiscal year. Due to the decrease of stores in the previous fiscal year, profit declined according to the Japanese standards, but increased according to the IFRS.
	Operating profit	81	-4	-84	
	Net sales	9,226	10,021	108.6%	In women's underwear and related business, sales and profit grew thanks to the healthy performance of controlling undergarments of new colors, controlling lingerie, EC sale, etc. In maternity and baby-related business, product development and revenue structure improving measures were effective. Overall sales grew, and profit/loss improved, so operating profit was posted.
	Operating profit	-126	27	+153	
	Net sales	2,613	3,353	128.3%	The sales of the travel goods brand "MILESTO" were healthy, and "BRUNO" saw an increase in sales and an improvement in operating profit/loss, thanks to the recovery of performance of gift catalogs and kitchen appliances, the growth of overseas wholesale, etc.
	Operating profit	-182	-37	+145	
	Net sales	2,247	2,204	98.0%	In the apparel business, sales and profit declined, due to the negative effects of the skyrocketing of distribution costs and the yen depreciation at consolidated subsidiaries, despite the growth of overseas sales. Overall sales decreased, but operating profit/loss improved. In October, we announced a business alliance with the online shopping mall Temu.
	Operating profit	-224	-210	+14	
	Net sales	1,812	1,896	104.6%	Sales grew, as we promoted Pilates studios with machines exclusively for women and nursery schools operated by the RIZAP Group in the wellness business, which is our mainstay, and we opened a new B-type business establishment for providing disabled people with employment opportunities, but profit dropped year on year, due to the augmentation of costs for opening new business establishments in each business.
	Operating profit	17	15	-2	
 堀田丸正株式会社 Maruishi Seisaku Co., Ltd.	Net sales	1,907	1,530	80.1%	Sales and profit decreased, due to the decrease of orders received in the material business, the rise in raw material costs caused by the yen depreciation in the fashion business, and the decline in sale of the specialized shop section in the kimono business. We are reforming our management system and reducing fixed costs.
	Operating profit	-107	-186	-78	

*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 Sep. 2024	Change	Notes	
Current assets	64,047	70,409	+ 6,361	Cash and cash equivalents	+ 7,019
				Operating and other receivables	- 1,215
				Inventories	+ 1,422
Non-current assets*	93,103	99,190	+ 6,086	Property, plant and equipment	+ 3,293
				Right-of-use assets	+ 2,165
Total assets	157,151	169,599	+ 12,448		
Current liabilities	79,952	68,479	- 11,473	Interest-bearing liabilities	- 10,522
Non-current liabilities*	47,890	44,910	- 2,979	Interest-bearing liabilities	- 3,007
Total liabilities	127,843	113,390	- 14,452		
Total equity	29,308	56,209	+ 26,900		
Total equity and liabilities	157,151	169,599	+ 12,448		

*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)

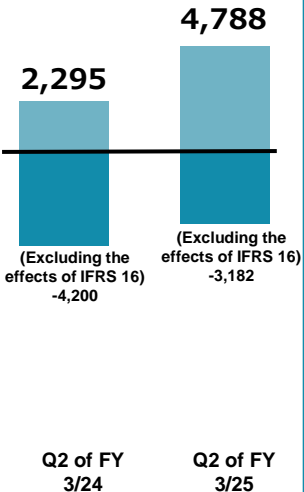


[million yen]	Consolidated Statement of Financial Position (B/S)			Effects of IFRS 16 (B/S)			Effects of IFRS 16 excluded (B/S)		
	End of Mar. 2024	End of Sep. 2024	Change	End of Mar. 2024	End of Sep. 2024	Change	End of Mar. 2024	End of Sep. 2024	Change
Current assets	64,047	70,409	+6,361	+1,153	+1,284	+132	65,200	71,693	+6,493
Non-current assets	93,103	99,190	+6,086	-40,955	-43,138	-2,182	52,148	56,052	+3,904
Total assets	157,151	169,599	+12,448	-39,803	-41,853	-2,051	117,348	127,746	+10,397
Current liabilities	79,952	68,479	-11,473	-13,949	-15,410	-1,460	66,003	53,069	-12,933
Non-current liabilities	47,890	44,910	-2,979	-28,416	-28,859	-443	19,474	16,051	-3,422
Total liabilities	127,843	113,390	-14,452	-42,366	-44,269	-1,904	85,477	69,121	-16,356
Total equity	29,308	56,209	+26,900	+2,562	+2,415	-147	31,870	58,624	+26,753
Total equity and liabilities	157,151	169,599	+12,448	-39,803	-41,853	-2,051	117,348	127,746	+10,397

Cash Flows Overview

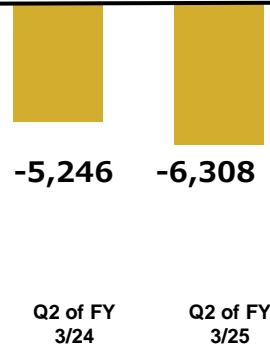
Operating CF

[million yen]



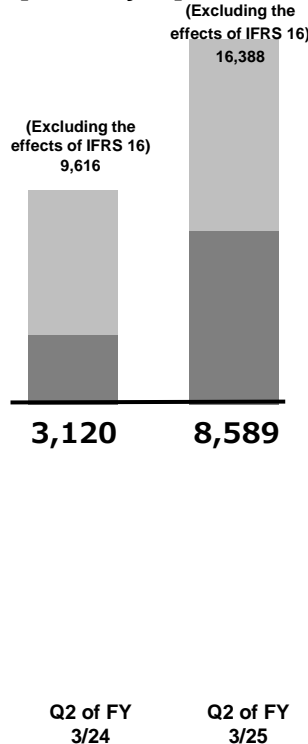
Investing CF

[million yen]



Financing CF

[million yen]



Operating cash flow: 4,788 million yen (+2,492 from the previous term)

· Profit/loss before income taxes	-4,495 million yen(+ 2,928)
· Adjustment of depreciation (non asset item)	+ 10,875 million yen(+ 3,214)
· Expenditure due to the increase in inventories	-1,433 million yen(-347)
· Revenue from the increase in trade receivables	+ 615 million yen(+1,630)
· Decrease in accounts payable/advance received	-1,025 million yen(-5,905)
· Other major operating activities	+ 922 million yen(+ 1,477)

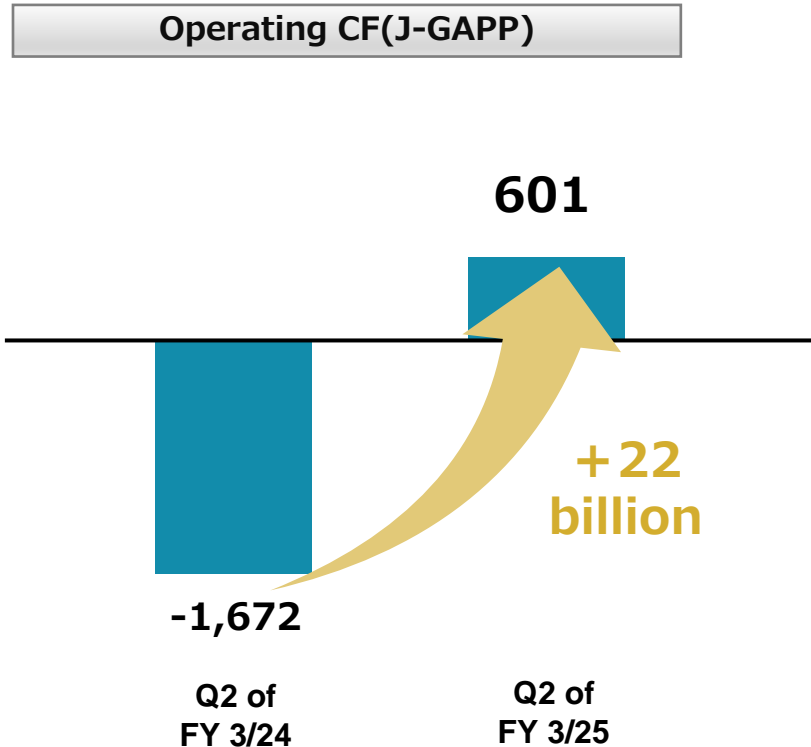
Investing cash flow: -6,308 million yen (-1,062 from the previous term)

· Purchase of property, plant and equipment	-5,257 million yen(+ 143)
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Financing cash flow: 8,589 million yen (+5,469 from the previous term)

· Proceeds from issuance of shares	+ 12,117 million yen(+ 12,117)
· Revenues from the payment from non-controlling interests	+ 19,980 million yen(+ 19,937)
· Repayment of finance lease obligations	-7,955 million yen(-1,268)
· Repayment of interest-bearing liabilities	-4,561 million yen(-2,338)
· Revenues from the borrowing of interest-bearing liabilities	+ 4,004 million yen(+791)

Operating Cash Flow of RIZAP, Inc.

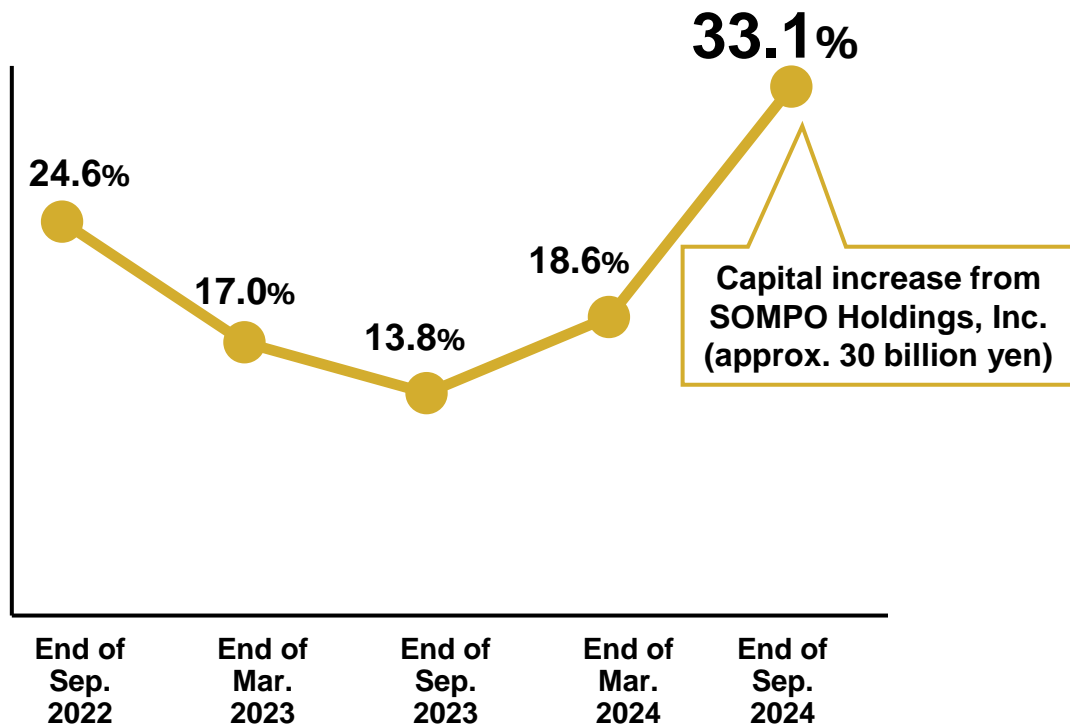


RIZAP Corp's operating cash flow turn black

Mainly due to improvement in income before income, thanks to strong chocoZAP business.

Improvement in Shareholders' Equity Ratio Through Capital Increase

Shareholders' equity ratio



Shareholders' equity ratio exceeded 30%.



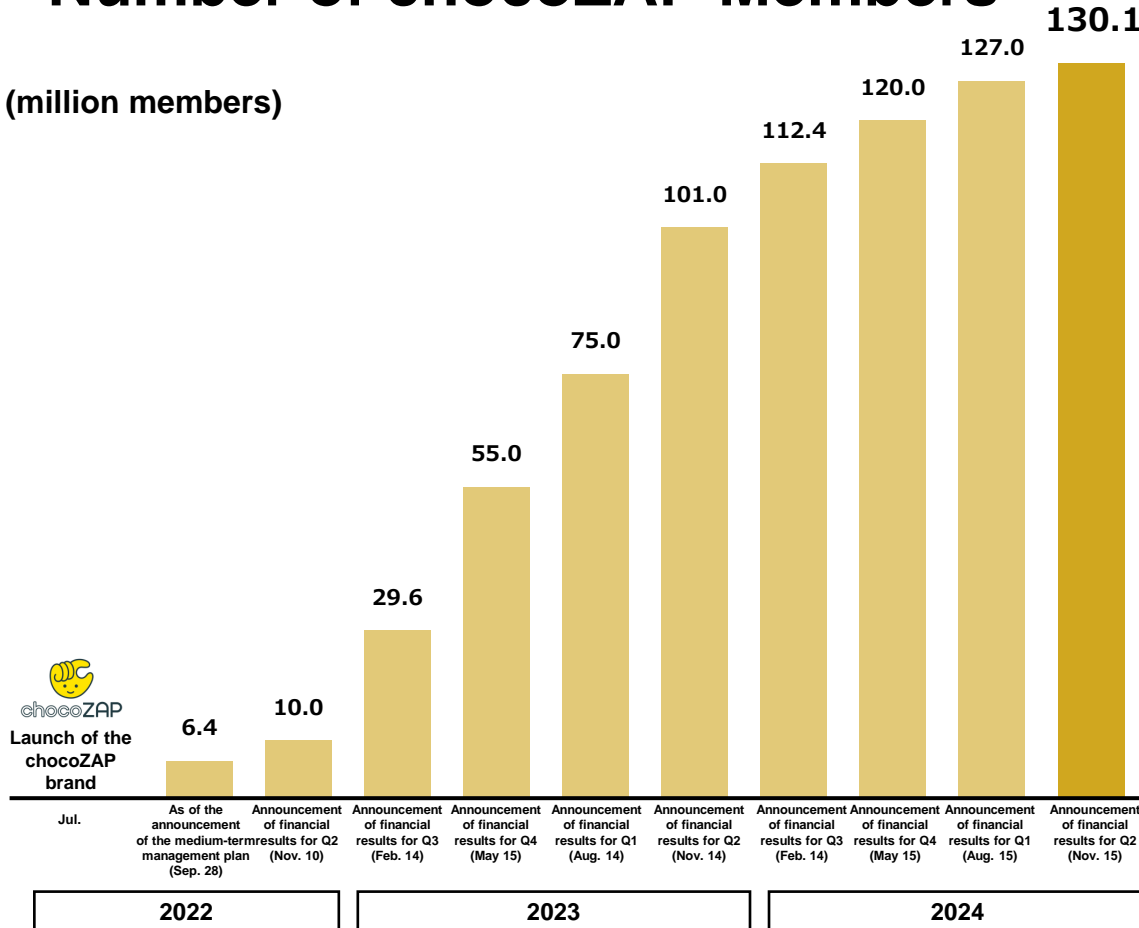
To fortify our financial base and then conduct refinancing, in order to improve conditions and secure the swiftness and flexibility of financial strategies

*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, Inc. during the period from the end of June 2024 to August 9, 2024.

Overview of chocoZAP Business

Number of chocoZAP Members

(million members)



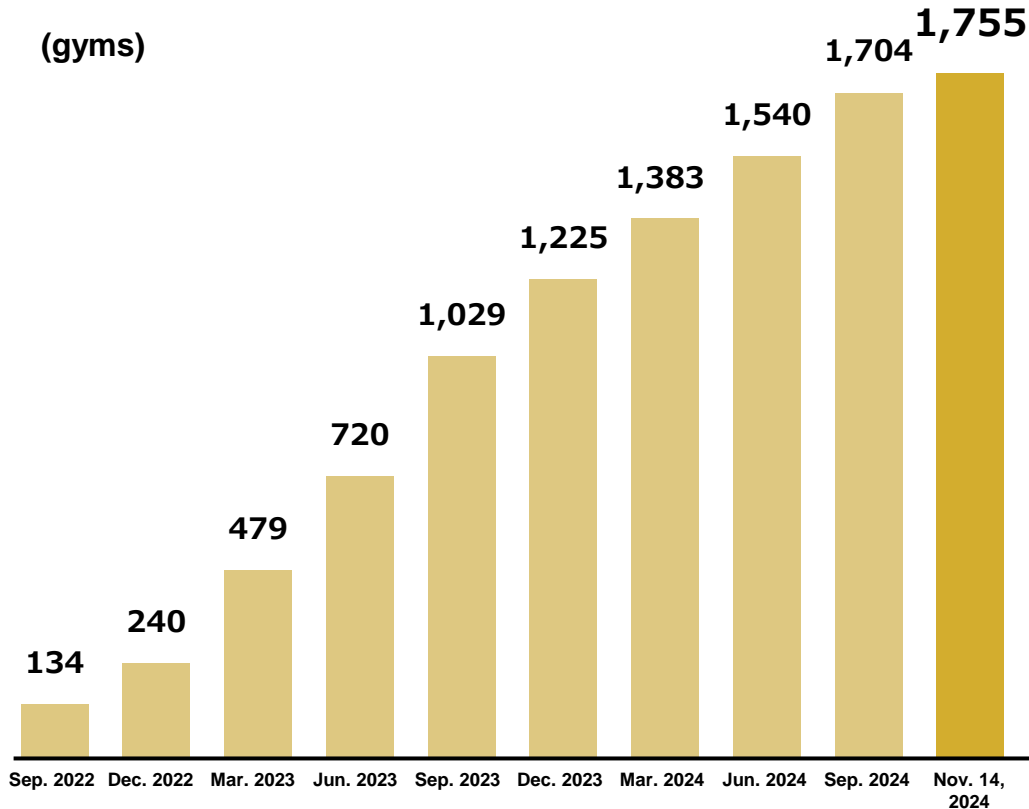
No. of chocoZAP members increased 291 thousand in the past one year.

Focus on improving the quality of chocoZAP and customer satisfaction level over the current fiscal year.

Variation in the Number of chocoZAP Gyms



(gyms)

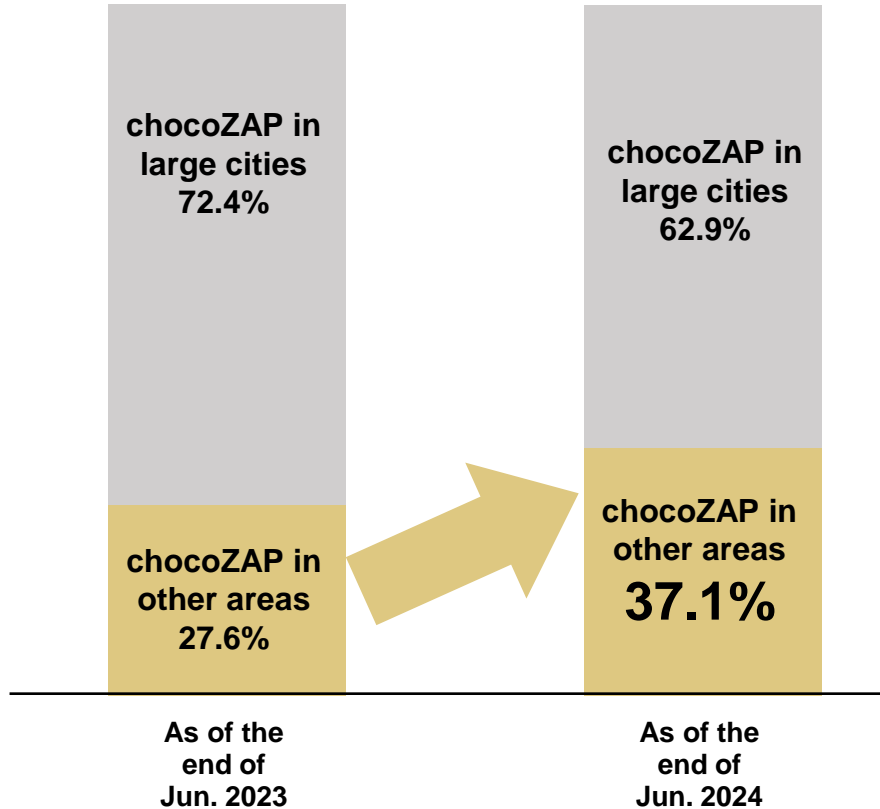


Pursuit of “qualitative and quantitative” growth, we keep opening new gyms based on the plan.

*Prior to Jun. 2023, we count the gyms of old gym names other than chocoZAP in the total number of chocoZAP gyms.

chocoZAP Opened in Regional Areas

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



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

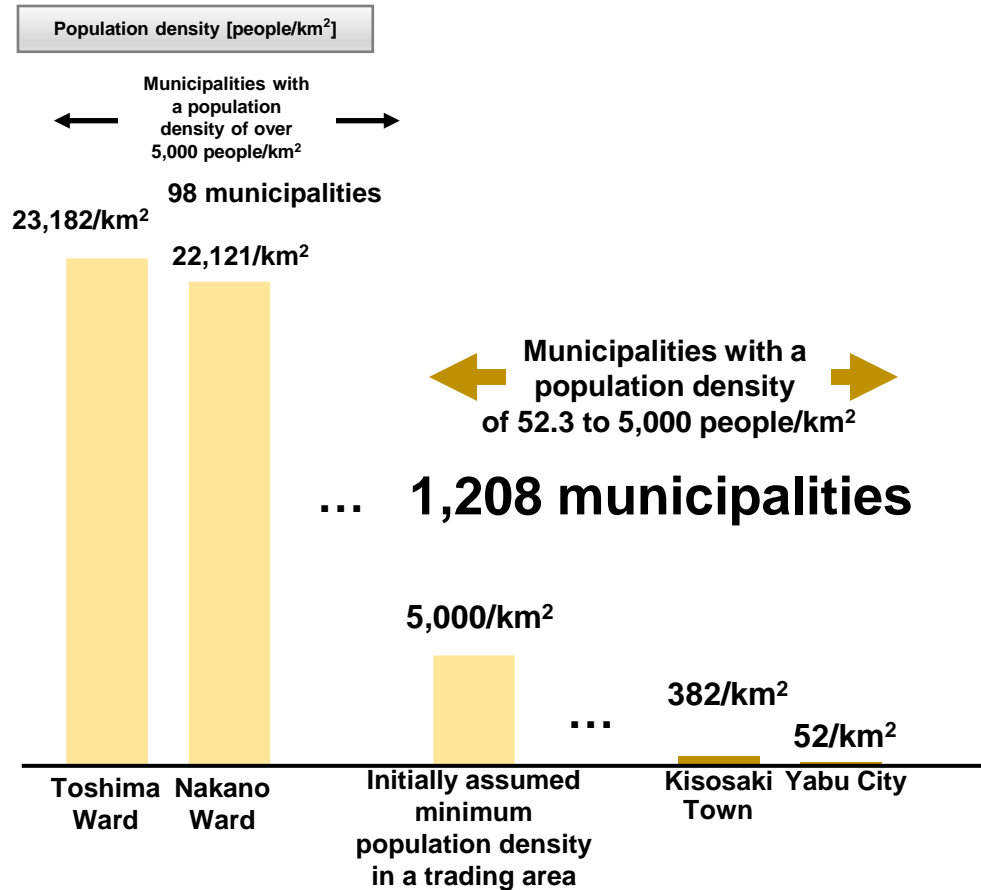
The number of members in regional areas is smaller than that in large cities, but costs, including rents, are lower, so we can secure profit.



*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

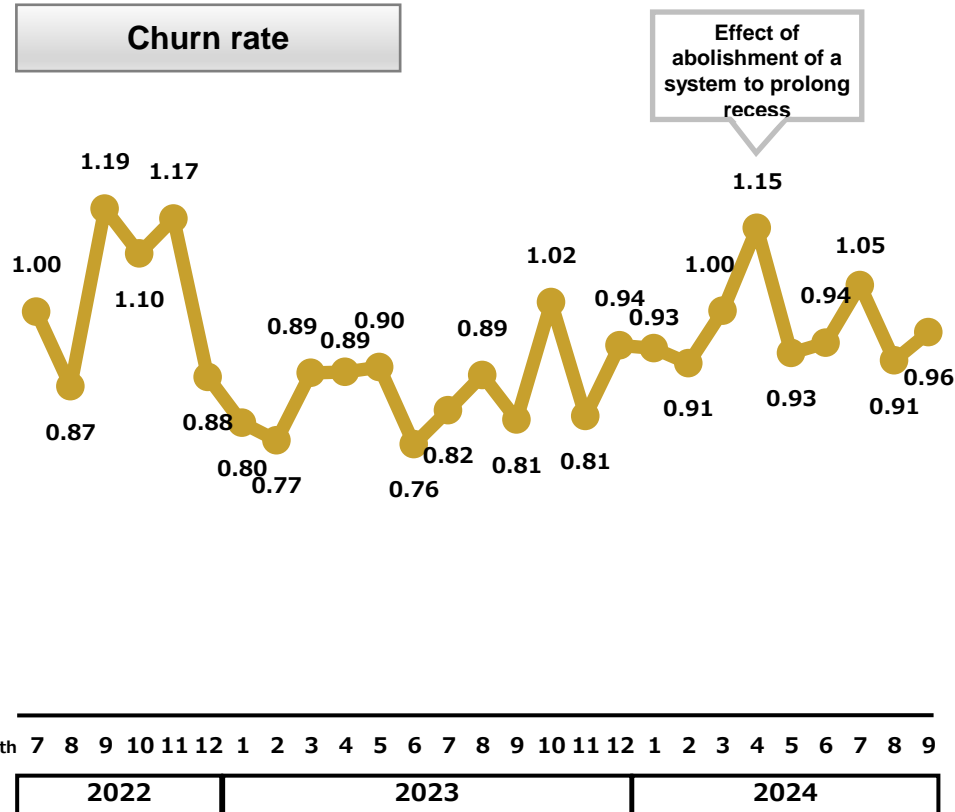
Scheme for Opening chocoZAP in Regional Areas



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

Churn Rate of chocoZAP

Churn rate



We concentrated on the improvement in customer satisfaction level, and the churn rate remains stable.



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.

*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.

Allocate some of funds for advertisement to enhance the measures for improving the customer satisfaction level

Results in the previous fiscal year
(FY 3/24)

**No. of members became
the largest in Japan.**

**Large-scale investment in
advertisement**

**Opened 1,500 chocoZAPs
throughout Japan**

Realized 24h unmanned gyms



Measures for the current fiscal year
(FY 3/25)

**Improve the satisfaction level of
existing members**

**Full-scale services of chocotto support
Increase of cleaning partners**

**Visualise various conditions at each
chocoZAP, including the response to
machine breakdowns, through DX**

Chocotto Support: Results of Activities



It contributed to the improvement in quality and the customer satisfaction level and the increase of members of RIZAP, the body transformation business.

We keep utilizing this service efficiently, while paying attention to the return on investment.

Measures for improving the quality of chocoZAP and the customer satisfaction level



700 staff members* give instructions for using machines and services, clean gyms, inspect equipment, and so on.

Introduction of the RIZAP, body transformation business



The number of members who were enrolled in RIZAP via chocotto support increased over 1.5 times from August, thanks to the enhancement of measures.

Guidance for experiencing chocoZAP



During chocotto support, non-members, too, can see and try machines. Over 1,000 people signed up after this experience.

*The total number of staff members who have the experience of giving chocotto support for over 1 hour

Chocotto Support: Enrichment of Measures for Improving the Customer Satisfaction Level



Planning



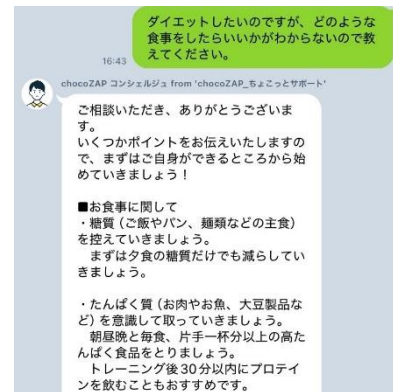
Exercise/Diet



chocoZAP operation



LINE concierge



Planning and proposal of new workout methods

How to use machines

How to use our services

Provision of skits

Cleaning and replenishment of supplies

Proposal of training items

Starter kit linkage
App support

Advice on diet

Advice on lifestyle

Machine maintenance

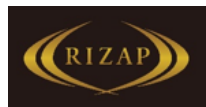
Equipment inspection
Report on malfunction

Follow-up for chocoZAP members

chocoZAP and RIZAP Collaboration



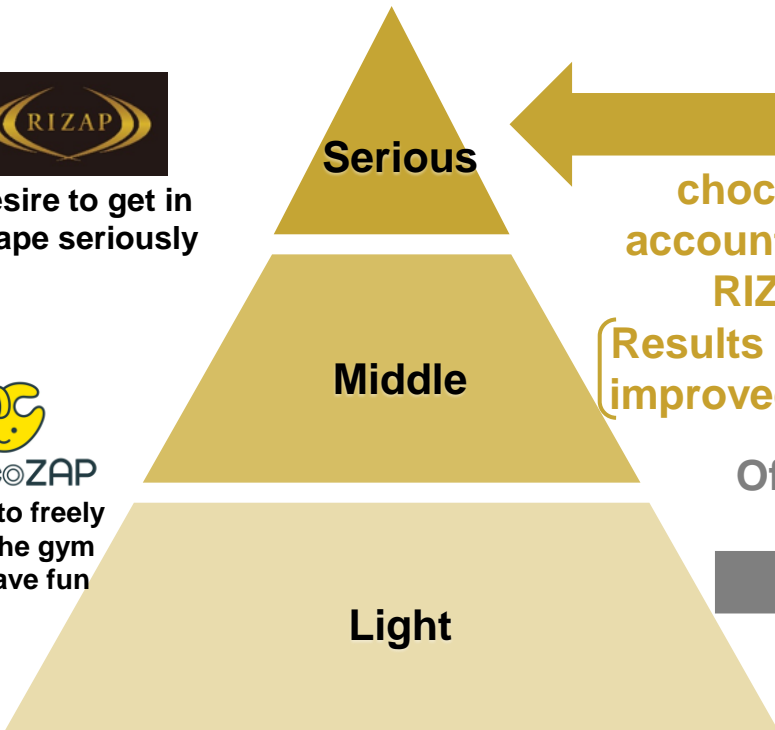
Thanks to chocotto support services, more and more chocoZAP member joining RIZAP



Desire to get in shape seriously



Desire to freely go to the gym and have fun



Serious

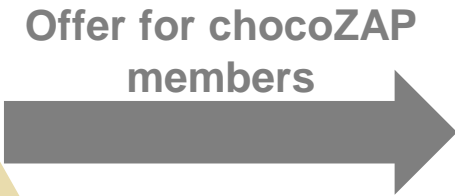
Middle

Light



chocoZAP members account for 18.4% of new RIZAP members.

(Results in September 2024 improved 2.1% from March)



Offer for chocoZAP members

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	Change
体重 62.0kg	体重 51.8kg	-10.2kg
体脂肪 29.1%	体脂肪 17.7%	-11.4%
ウエスト 84.0cm	ウエスト 63.0cm	-21.0cm

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

「結果的にRIZAPトレーナーに育ててもらい「1か月間本気でダイエット」が実現できたからこその結果です。このような方にオススメの特別プラン！

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)
¥163,000 (税込)

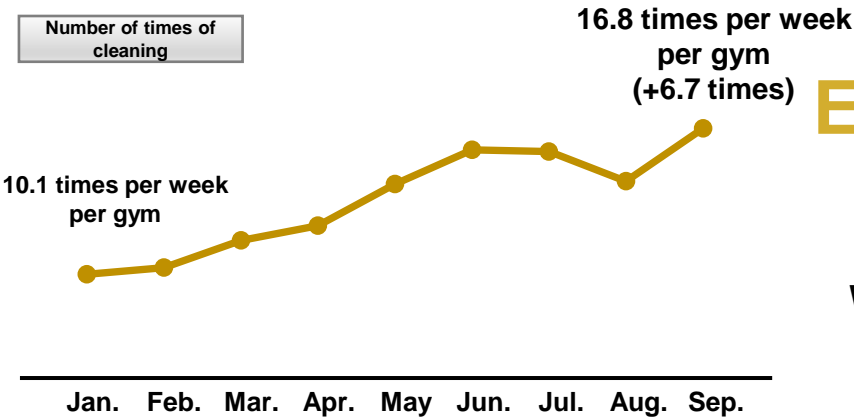
トレーニング回数 本プランは、
★プログラム17回(税込) 体験 本プラン5回(税込)
★初100分(税込) 体験まであります。

「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進べ18万人の実績を基にサポート！

Improvement of the Gym Environment: Increase of Cleaning Partners



Number of times of cleaning

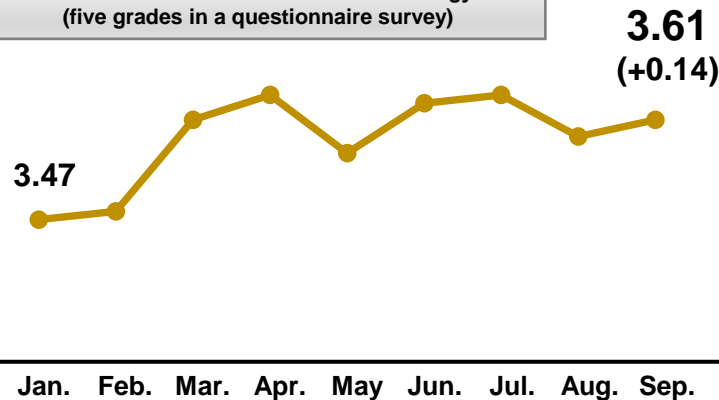


Environment inside chocoZAP has been highly evaluated.

We have adopted a system for showing specific parts that need to be cleaned to cleaning partners.

Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep.

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



Jan. Feb. Mar. Apr. May Jun. Jul. Aug. Sep.

Parts that need to be cleaned can be checked with a list.

Selection of places and hours for cleaning

Reporting of completion of cleaning

Completion of a task



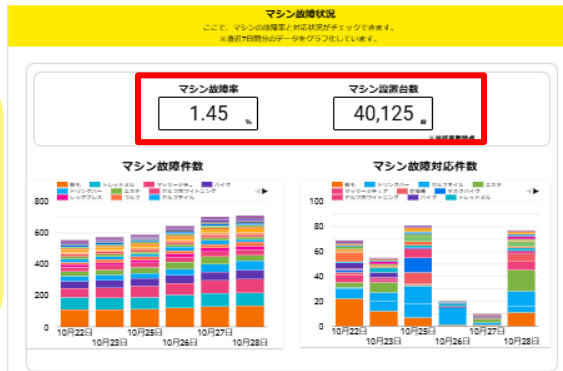
Troubleshooting for Machines (1): Gym Condition Navigation



We plan to open a webpage widely available to the public, where anyone can browse machine breakdowns, troubleshooting, and cleaning frequency at every gym by the end of this year.



Cleaning frequency and the status of replenishment of supplies at each gym can be grasped at a glance.



Visualization of the number of machine breakdowns and troubleshooting

—More comfortably without worry—



To enrich the content based on the voices of customers so that customers can grasp the conditions inside and use chocoZAP more comfortably without worry

Troubleshooting for Machines (2):

Adoption of QR Codes



Customers can report a machine breakdown or failure with a QR code, which system has been already installed in 1,000 chocoZAPs.

(plan to install this system nationwide by the end of this year.)

Anyone can report the breakdown of a machine with a QR code indicated on the machine immediately by using a smartphone.

The scheduled date of completion of repair can be checked at a glance.

The image shows a smartphone app interface. At the top, there's a section for "重さ設定" (Weight Setting) with a video thumbnail and text: "まずは15回3セットやってみよう！" and "ピンを差し替えて重さを調整します。" Below this are two boxes for "男性目安 20kg" and "女性目安 10kg". A section titled "正しい姿勢" (Correct Posture) shows three numbered images of a person using the machine. At the bottom, there's a QR code and a button labeled "使い方、設定の仕方、故障のご報告はQRコードを読み込んでください" (For usage, settings, and reporting malfunctions, please scan the QR code).

The image shows a screen for reporting a machine issue. The question is "問題がある場所はどこですか？" (Where is the problem?). The options are: マシン (Machine), タブレット (Tablet). Below, it asks "マシンの状態に近いものを選択してください。" (Select the one closest to the machine's condition.). The options are: マシンが正常に動作しない (Machine not operating normally), 変な音がする (Unusual sound), マシンの位置がずれている (Machine position is off). The next question is "どこに問題がありますか？" (Where is the problem?). The options are: ワイヤー (Wire), 椅子 (Chair), おもり、おもり調整ピン (Weight, weight adjustment pin), 胸・膝パッド (Chest/knee pad).

The image shows a screen titled "修理対応予定の不具合" (Malfunction scheduled for repair). A red box highlights the following information: ワイヤー脱線 (Wire dislodged), 報告日 : 2024/11/03 (Report date), 対応完了予定日 : 2024/11/04 (Estimated completion date), and 管理番号 : C2MCHR-13626 (Management number). Below this, it says "上記に記載されていない事象がございましたら、以下のボタンよりご報告をお願いいたします。" (If there are any issues not listed above, please report them using the button below). A yellow button at the bottom says "報告へ進む" (Proceed to report).

*The "QR code" is a registered trademark of Denso Wave Inc.

Evolution of Troubleshooting for Machines

Through the digitalization of management of machine breakdowns, we will dispel the worries of customers and improve the customer satisfaction level.

Step 1 July 2022 Support Center

- Response to the voices of cleaning partners and chocoZAP members
- The capacity of dealing with the voices was limited.



Step 2 September 2023 Adoption of breakdown cards

- Possible to check broken machines at a glance.
- There were cases in which normal machines were misjudged as broken.



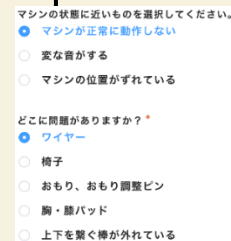
Step 3 November 2023 Adoption of check sheets

- Visualization of causes of malfunction
- Swifter troubleshooting
- The breakdown status and the date of completion of repair of each machine were unclear.



Step 4 November 2024 Adoption of QR codes

- The system for reporting breakdowns has been digitalized.
- The breakdown status and the date of completion of repair of each machine have been visualized.



上記に記載されていない事象がございましたら、以下のボタンよりご報告をお願いいたします。

報告へ進む

*The "QR code" is a registered trademark of Denso Wave Inc.

Visualization Through DX: Gym Monitoring Dashboard



Start of in-house gym operation with a dashboard for centrally managing the usage of each chocoZAP

Based on KPIs, we can notice the risk of worsening of the chocoZAP environment with an “alert” and respond.

The dashboard interface is divided into several sections:

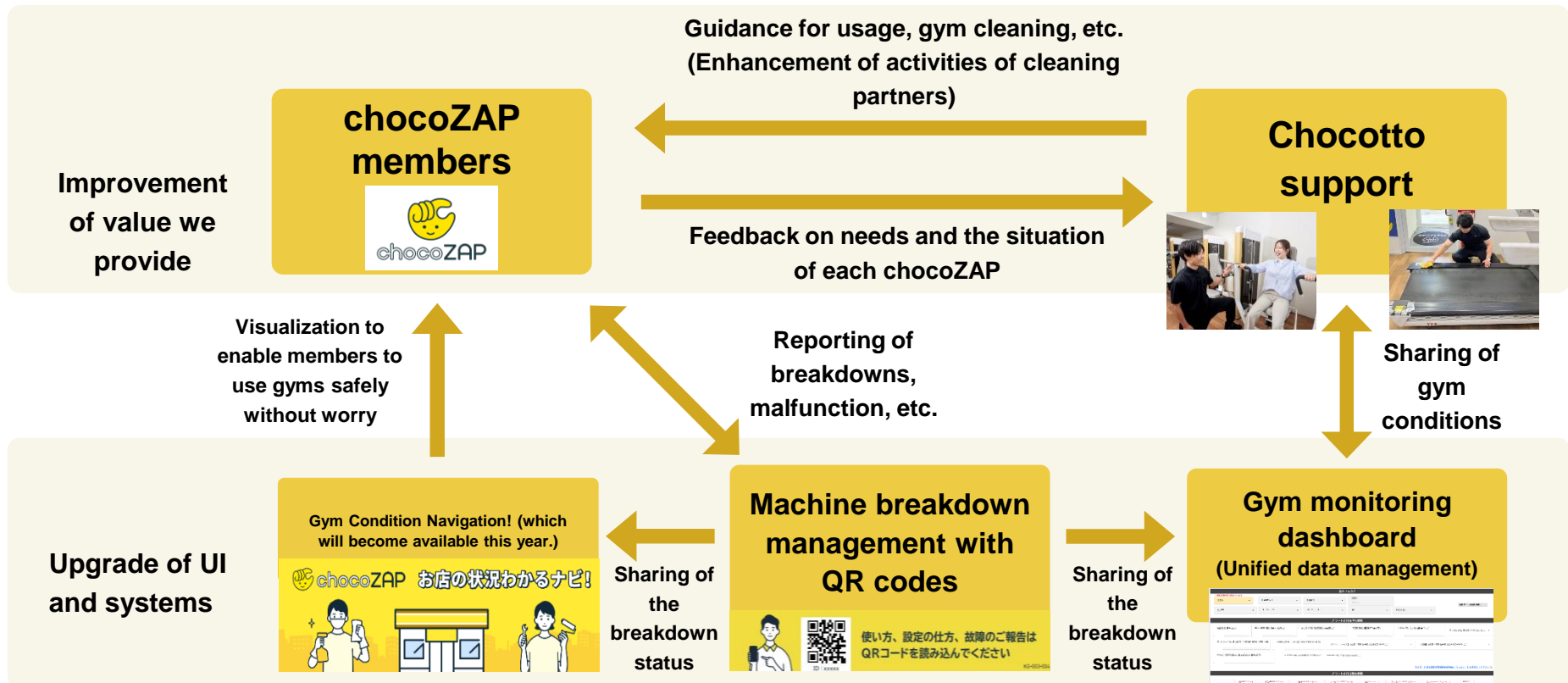
- 基本フィルタ (Basic Filters):** Includes dropdowns for 店舗名 (Store Name), 店舗OPEN月 (Store Open Month), 都道府県 (Prefecture), 店舗ID (Store ID), 担当TR (Responsible TR), チームリーダー (Team Leader), エリアリーダー (Area Leader), SV (Service), and SK受け渡し (SK Handover). A button for 最新アラート更新時刻 (Latest Alert Update Time) is also present.
- アラート点灯条件の調整 (Alert Light Condition Adjustment):** A grid of input fields for various KPIs such as 来店 (Arrival), 退会申請率 (Cancellation Rate), FR/業者活動 (FR/Business Activity), 清潔度 (Cleanliness), サポート問い合わせ (Support Inquiries), 問い合わせ for 要注意ワード (Inquiries for Attention Words), 【マシン/サービス】@故障・不具合 (Machine/Service @ Malfunction/Issue), 【設備】@故障・不具合 (Facilities @ Malfunction/Issue), サービス利用率 (Service Usage Rate), 最低温度 (Minimum Temperature), and 最高温度 (Maximum Temperature).
- アラート点灯回数を把握 (Alert Light Count Monitoring):** A row of buttons for 店舗数 (Store Count), 来店率アラート (Arrival Rate Alert), 退会申請率アラート (Cancellation Rate Alert), FR/業者活動アラート (FR/Business Activity Alert), サービス利用率アラート (Service Usage Rate Alert), 清潔度アラート (Cleanliness Alert), 問い合わせ(件数)アラート (Inquiries (Count) Alert), 問い合わせ(文言)アラート (Inquiries (Text) Alert), and 温度アラート (Temperature Alert). Below these are specific alert messages like 【マシン・サービス】故障・不具合@未解決残存 アラート (Machine/Service Malfunction/Issue @ Unresolved Residual Alert).

*These images are conceptual.

Entire Picture of Activities for Improving the Quality of Each chocoZAP and the Customer Satisfaction Level



We continue these activities from the viewpoint of customers, so that they can use our gyms safely without worry.



*The "QR code" is a registered trademark of Denso Wave Inc.

New Approach for Increasing chocoZAP Members



Curtail advertisement costs and implement more effective measures for attracting new members

Means of increasing members this fiscal year

To hold health seminars
(so that customers will realize the pleasure and importance of health)

To implement the strategy of opening gyms for corporations
(to cultivate new markets)

To form business alliances
(approach to the customer bases of other companies)

To open new gyms and advertise our services efficiently

Means of increasing members until the previous fiscal year

Improvement in popularity through large-scale advertisement

To open new chocoZAPs speedily

To Hold Health Seminars for a Broad Range of People



Offer online health seminars (chocotto seminars) free of charge, for people who learn exercise and proper dietary habits, and to help change their activities to improve their health



To have people re-realize the pleasure and ease of exercise, and the importance of chocoZAP, and meet potential needs

- ✓ Seminars by RIZAP trainers
- ✓ Collaboration with famous influencers and others
- ✓ To satisfy seminar attendees to a significant degree
- ✓ Attendees will receive benefits for signing up for chocoZAP, etc.

Targets and Results of Health Seminars

Aim to help people experience the joy, ease, and importance of exercise, while playing a role in encouraging them to take the step toward signing up as chocoZAP member

**Major targets (individuals):
Those who have little interest in
exercise**

(About 70% of Japanese people do not have an exercise habit.)*¹



67% of seminar attendees signed up for chocoZAP (as of Nov. 7).

**Major targets (corporations):
Enterprises with health-oriented business
administration**

(94.2% of Japanese enterprises have not adopted a fitness allowance for welfare.)*²

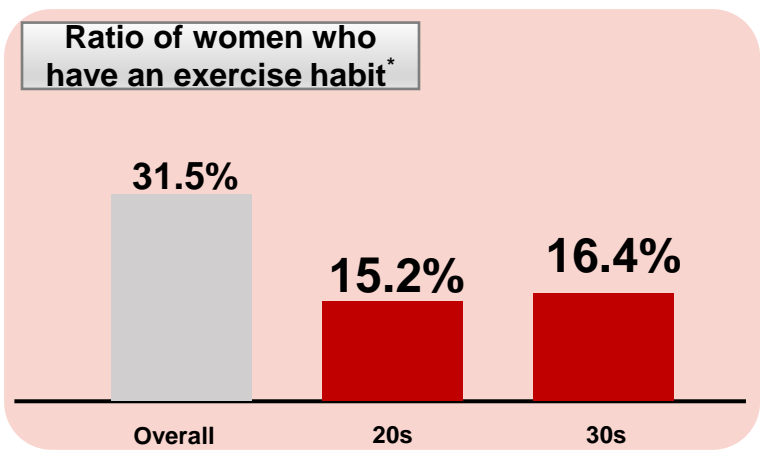
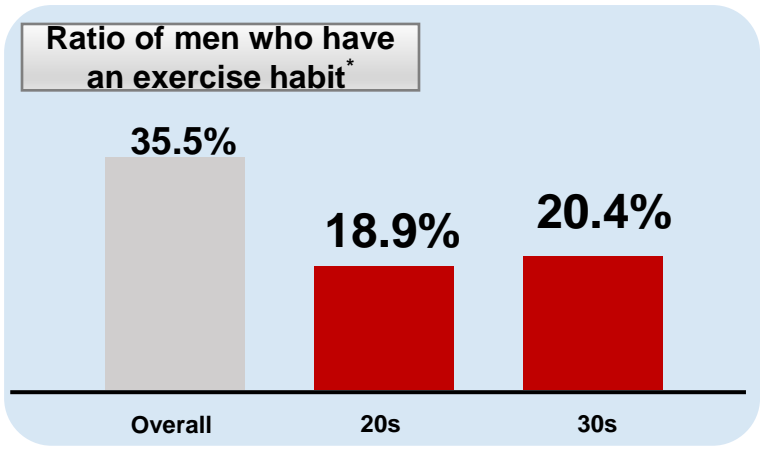


About 1,100 employees of 2 enterprises that adopted our seminar have signed up for chocoZAP.

*1 Taken from "National Health and Nutrition Survey" by the Ministry of Health, Labour and Welfare (2022)

*2 Taken from "Report on projects for adopting healthcare services in society in FY 2022 (Survey on promotion of health-oriented business administration inside and outside Japan)" in a project entrusted by the Ministry of Economy, Trade and Industry (2023)

Long-term Vision of the Effect of Health Seminars



We aim to solve social issues, by promoting an exercise habit through increasing chocoZAP members

To reel in people in their 20s and 30s, whose exercise habit levels are low, and prevent lifestyle diseases among young people.

(Approx. half of chocoZAP members are in their 20s and 30s.)

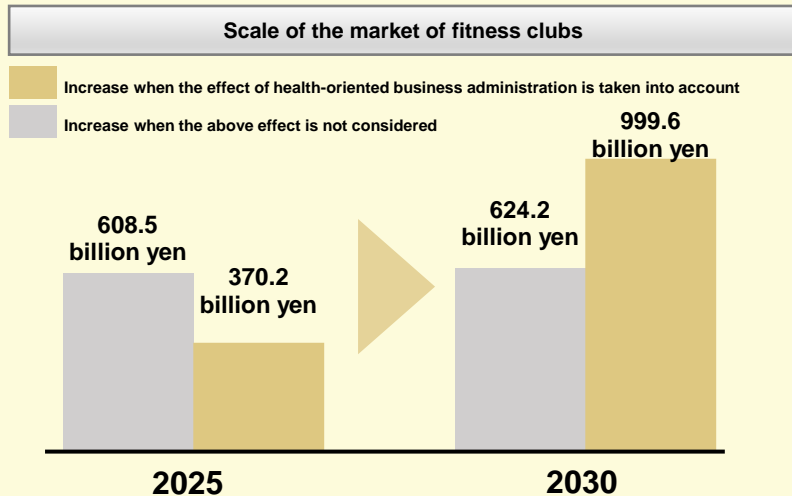
*Taken from "National Health and Nutrition Survey" by the Ministry of Health, Labour and Welfare (2022)

Opening of chocoZAP Gyms for Corporations



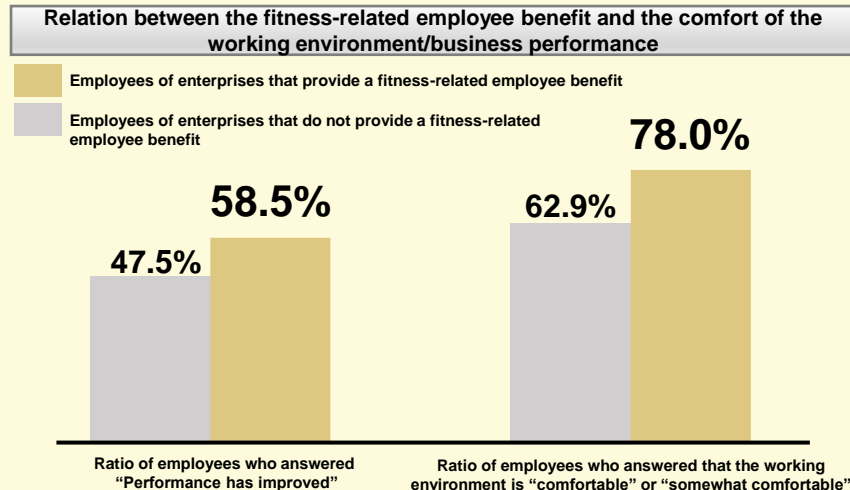
There is potential for companies without fitness-related employee benefit (which account for 94.2%*1), aiming to improve employee comfort and performance.

Potential of the market of support for health-oriented business administration*2



The scale of the Japanese fitness market influenced by health-oriented business administration is expected to grow to about 1 trillion yen by 2030.

Provision of value to enterprises*3



With the fitness-related employee benefit, the ratio of employees who feel that their working environment is comfortable and the ratio of employees who have improved business performance are high.

*1, *3 Produced by our company with reference to "Report on surveys on development of a comfortable working environment where employees can feel that their jobs are worthwhile" by the Ministry of Health, Labour and Welfare (2014)

*2 Produced by our company with reference to "Report on projects for adopting healthcare services in society in FY 2022 (Survey on promotion of health-oriented business administration inside and outside Japan)" in a project entrusted by the Ministry of Economy, Trade and Industry (2023)

Opening of chocoZAP for Corporations: Opening of the First Gym in a Single Enterprise



chocoZAP in Kubota Global Institute of Technology is promoting in-house communication as well as fostering health management



The chocoZAP gym, which can be used for a short period of time, contributed to welfare. Over 700 employees of Kubota signed up for chocoZAP, partially thanks to the effect of chocotto seminar, which was held at the same time.

We design services to incorporate the needs of enterprises and in discussions with various clients for similar gym openings.

*The gym in Kubota Global Institute of Technology is available to only employees of the institute, so it cannot be used by general chocoZap members.

Opening of Gyms for Corporations: Opening chocoZAP in Transportation Infrastructure



Appearance of Aso Kumamoto Airport
By courtesy of Kyushu Kumamoto International Airport



*These images are conceptual.

To open a chocoZAP gym inside Aso Kumamoto Airport, a new transportation infrastructure, in December 2024

New method for “spending time at an airport” to 3.5 million people* visiting the airport per year

- To refresh yourself or use time effectively before or after flight or during waiting time
 - Non-members, too, can use chocoZAP with a pay-as-you-go system.
 - Kumamoto, which is growing as the hub of semiconductor industry, will become the gateway to Asia.
- ⇒The number of passengers of international flights is expected to hit a record high this fiscal year.*

Opening of Gyms for Corporations: Opening chocoZAP in a Hotel



Appearance of Hotel Shinanoji



Equipment in Hotel Shinanoji Gym

Opening chocoZAP in Hotel Shinanoji, enriching the services in the facility

(Hotel guests can use the gym free of charge.)

In terms of fitness facility availability, the number of the Japanese hotels whose accommodation fee per night is 50,000 yen or less is one fourth or less the number of the Japanese hotels whose accommodation fee per night is over 50,000 yen.*

There is room for attaching chocoZAP gyms to medium-sized hotels, business hotels, etc. because unmanned low-cost operation is possible and the gyms offer a variety of services, including karaoke.

*Calculated by our company with reference to "Accommodation Survey" by Japan Tourism Agency (2024), and so on.



Progress of cooperation with the SOMPO Holdings Inc.

to realize “a society where everyone can build a feeling of well-being”



Measures for Realizing a Society Where People Can Enjoy Well-being



Mutual introduction of customers and R&D of new insurance and services for developing a well-being data platform

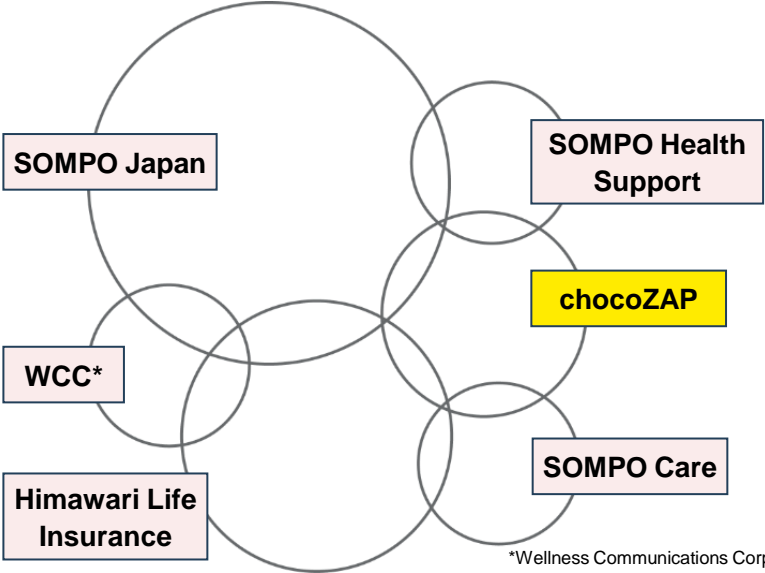
The customer base of the two companies is expected to reach 10 million customers at the maximum after the formation of the alliance

Provision of preferential chocoZAP services to the members of SOMPO park, information media of SOMPO Japan

Provision of original services to insured people of some types of group insurance of SOMPO Japan

To develop a welfare plan by combining chocoZAP and "Growbase," a health control cloud service of WCC

Provision of preferential chocoZAP services to people registered in "MY Himawari," an app for policyholders of SOMPO Himawari Life Insurance



*Wellness Communications Corporation

Special Package Based on the Collaboration Between chocoZAP and DOCOMO



ドコモ回線ご利用者さまかつ
chocoZAP新規会員さま限定

ちよこつと運動&毎日の健康記録で

dポイントを
おトクにためよう!

要
申込み



chocoZAP × dヘルスケア

毎日の歩数が
dポイントに!!



※画像はイメージです。

chocoZAP×ドコモ パッケージ

月額 **2,980円** 税込 **3,278円**

さらに!

月額料金(税込)から dポイント **5%還元**
(期間・用途限定)

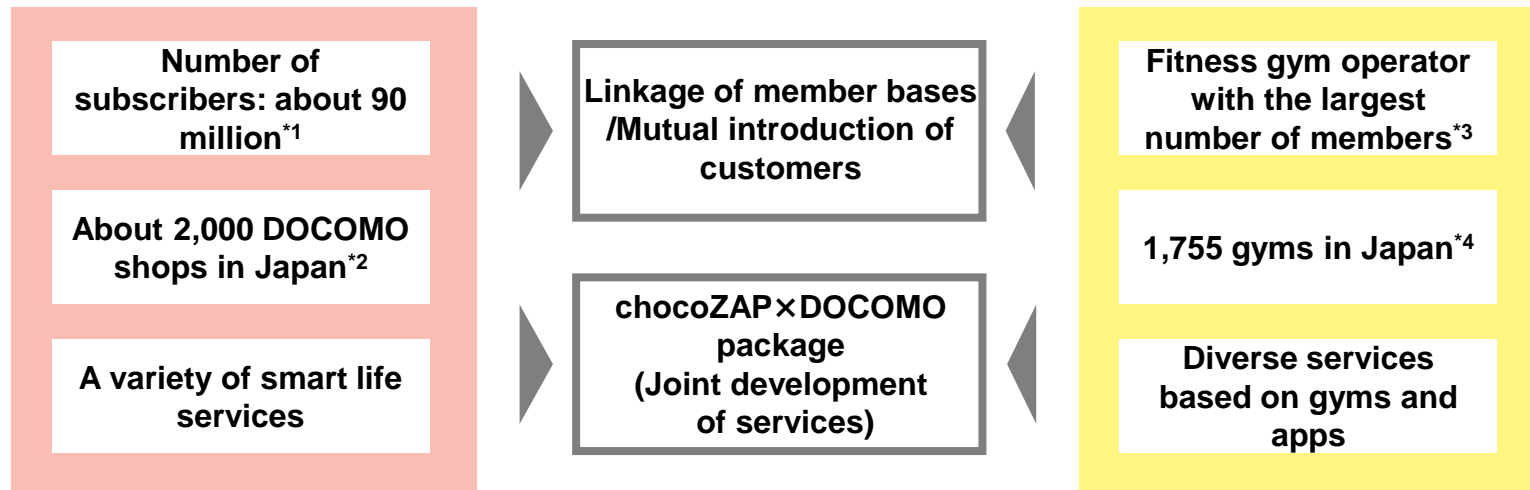
2024年11月27日(水)から開始!

We offer a special package to give d points to those who have signed up for both chocoZAP and “d Healthcare™,” a health service of DOCOMO

New Potential Arising Out of the Collaboration Between chocoZAP and DOCOMO



To expand the healthcare business and maximize the value we offer to customers



Implementation of new measures for effectively increasing members

Hosting health seminars

- Enhance the approach to individuals who have little interest in exercise, to meet potential needs
- Corporations promoting health management can also incorporate this service easily to their other training programs.

Conducting the strategy of opening gyms for corporations

- To support corporate measures for health-oriented business administration promoted by the government
- The design of services tailored to needs of respective enterprises is highly evaluated.
- chocoZAP in transportation infrastructure help long-distance travelers refresh themselves.

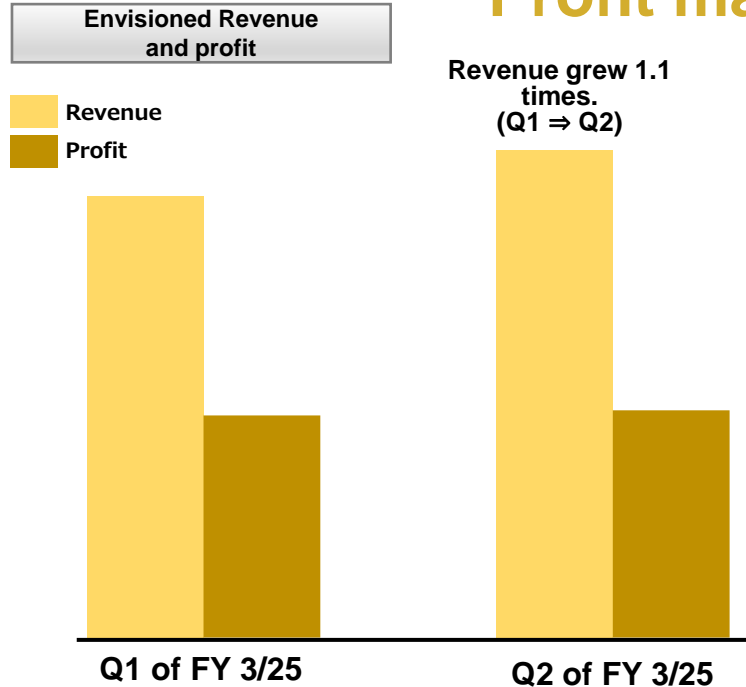
Promoting business alliances based on our member base

- Establish a well-being data platform based on the collaboration between the SOMPO Holdings, Inc. and RIZAP Group, Inc.
- Offer a special package based on the collaboration between chocoZAP and DOCOMO

Details of the chocoZAP Partners Business (Advertisement Business)



Improvement in the popularity of our advertisement business, to make it a new revenue source
Profit margin remains high.



Q1 of FY 3/25	
No. of partner companies	29



Q2 of FY 3/25	
No. of partner companies	39 (+10)



Launch of the Marketing Consulting Business in September

To prove that “enterprises can transform” with the RIZAP Group’s customer base and know-how on growth

Business strategy

- Ad agency business with contingency fee plans
- Conclusion of a full-scale contract after confirmation of effects in test marketing



Successful cases of the RIZAP Group



We have already received orders from some companies, and plan to start advertisement.
We are expected to earn sales of over 100 million yen by the end of this fiscal year.

To Open More chocoZAP Gyms in Hong Kong



Inside the first gym of chocoZAP Hong Kong

「喺chocoZAP/ 健身、美容護理、工作、休息、
All —— 全部 用戶任用!

全天候 24 小時可於所有分店使用*

每月只需 **\$198**

月費價格不變! ※ 須受有關條款及細則約束。

健身	自動美容	按摩椅
EMS 健身器	面部美白機	肌膚檢測儀
健身單車工作枱	工作空間	自動美甲

* 設施因各分店而異，服務如有更改，恕不另行通知，詳細請參考實地各分店服務內容。
※ 以上服務均設有預約系統，部分服務需額外收費。* 部分服務需配合店內其他設備使用。* 部分服務需配合店內其他設備使用。* 部分服務需配合店內其他設備使用。* 部分服務需配合店內其他設備使用。

Plan to open more chocoZAP Hong Kong gyms this year

- Labor saving and reduction of personnel expenses to the greatest extent possible with unmanned gyms
- As members stay in a gym for a short period of time, the turnover rate of members remains high.
- It is possible to realize a large number of members per approx. 3.3 square meters.

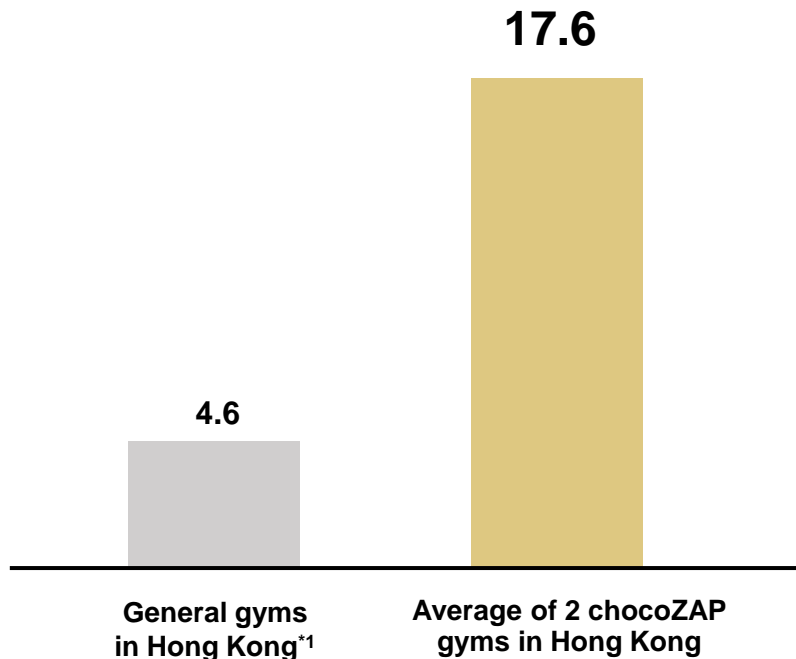


chocoZAP is highly competitive, even in regions where rents and personnel expenses are high.

Achievements of chocoZAP in Hong Kong



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



In about 1 year after opening chocoZAP, the number of members per approx. 3.3 square meters significantly exceeded the average number of general gyms in Hong Kong.

With labor-saving operation, personnel expenses and operation costs per member became 30% or less of those of general gyms in Hong Kong.*2

*1 Number of members per approx. 3.3 square meters of gym area of general fitness gyms in Hong Kong (calculated by our company with reference to various documents.)

*2 Calculated by our company from costs of general fitness gyms in Hong Kong.

Summary

1. Profit grew considerably year on year, thanks to the continuous growth of chocoZAP.

- 1.31 mil. members (as of November 15; up 291,000 from the previous fiscal year); Number of gyms: 1,755 (up 595 from the previous fiscal year)
- The thriving chocoZAP business contributed to business results, so consolidated operating profit turned positive in Q2, increasing 3.4 billion yen year on year and also from Q1.
- The effects of investment conducted in the first half of the fiscal year will be seen in the second half. In the third quarter onward as well, we will keep concentrating on the improvement in quality of chocoZAP and the customer satisfaction level, and profitability is expected to continue improving.

2. Improve the quality of chocoZAP and the customer satisfaction level throughout this fiscal year.

- We will allocate some funds from advertisement to the enhancement of measures for improving the quality of chocoZAP and the customer satisfaction level.
- The start of chocotto support contributed to the increase of members for the RIZAP body transformation business.
- We will promote DX measures, such as enabling members to check the cleanliness, machine conditions, etc. in all chocoZAP via websites.

3. New approach for increasing chocoZAP members

- To review methods for using funds for advertisement, and enhance measures for attracting in customers effectively
- To approach individuals who have little interest in exercise and corporations that pursue health-oriented business administration, by holding charge-free online health seminars
- The chocoZAP in Kubota Global Institute of Technology, as the first gym in a single enterprise, received positive reviews. By designing services tailored to needs, we are expected to expand the market of chocoZAP for corporations.
- We cooperate with the SOMPO Holdings, Inc to introduce each other's customers, and conduct R&D of new types of insurance and services.
- We formed a business alliance with NTT DOCOMO, to offer a special package based on the collaboration between chocoZAP and DOCOMO.



**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)



Disclaimer

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