

This English translation of the financial report was prepared for reference purposes only and is qualified in its entirety by the original Japanese version. The financial information contained in this report is derived from our unaudited consolidated financial statements appearing in item 3 of this report.

Consolidated Financial Results for the Second Quarter of Fiscal Year Ending March 31, 2017
(Presented under IFRS)

November 14, 2016

Company name: RIZAP GROUP, Inc.
 Stock listed on: Sapporo Securities Exchange's Ambitious market
 Stock code: 2928
 URL: <https://www.rizapgroup.com>
 Representative: Takeshi Seto, Representative Director and President
 Contact person: Tetsuo Kozai, Director

Telephone: +81-3-5337-1337 (from outside Japan)

Scheduled filing date of quarterly securities report: November 14, 2016

Scheduled commencement date of dividend payment: –

Supplementary materials prepared for quarterly financial results: Yes

Presentation of quarterly financial results: Yes (for securities analysts)

(Fractions less than 1 million yen are rounded off)

1. Consolidated Financial Results for Six Months Ended September 30, 2016

(1) Consolidated Results of Operations (cumulative)

(Percentages represent year-on-year changes)

| | Revenue | | Operating income | | Income before income taxes | | Net income | | Net income attributable to owners of the parent company | | Comprehensive income | |
|-----------------------------------|-------------|-------|------------------|-------|----------------------------|-------|-------------|-------|---|-------|----------------------|-------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % |
| 6 months ended September 30, 2016 | 41,507 | 161.6 | 6,393 | 425.5 | 6,064 | 464.2 | 4,468 | 572.2 | 4,262 | 523.3 | 4,442 | 563.1 |
| 6 months ended September 30, 2015 | 25,691 | — | 1,502 | — | 1,306 | — | 780 | — | 814 | — | 789 | — |

| | Net income per share (Basic) | Net income per share (Diluted) |
|-----------------------------------|------------------------------|--------------------------------|
| | Yen | Yen |
| 6 months ended September 30, 2016 | 33.45 | 33.45 |
| 6 months ended September 30, 2015 | 6.45 | 6.44 |

(2) Consolidated Financial Position

| | Total assets | Total shareholder's equity | Equity attributable to owners of the parent company | Ratio of equity attributable to owners of the parent company |
|--------------------------|--------------|----------------------------|---|--|
| | Million yen | Million yen | Million yen | % |
| As of September 30, 2016 | 83,636 | 16,696 | 13,535 | 16.2 |
| As of March 31, 2016 | 53,777 | 11,137 | 10,226 | 19.0 |

2. Dividends

| | Dividend per share | | | | |
|--|--------------------|-----------|-----------|----------|-------|
| | End of Q1 | End of Q2 | End of Q3 | Year-end | Total |
| | Yen | Yen | Yen | Yen | Yen |
| Fiscal year ended March 31, 2016 | — | 0.00 | — | 7.60 | 7.60 |
| Fiscal year ending March 31, 2017 | — | | | | |
| Fiscal year ending March 31, 2017 (Forecast) | | 0.00 | — | — | 9.42 |

Note: Revision to the previously announced forecasts of dividend: None

3. Consolidated Business Forecasts for Fiscal Year Ending March 31, 2017

(Percentages represent year-on-year changes)

| | Revenue | | Operating income | | Income before income taxes | | Net income | | Net income attributable to owners of the parent company | | Net income per share (Basic) |
|-----------------------------------|-------------|---|------------------|---|----------------------------|---|-------------|---|---|---|------------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| Fiscal year ending March 31, 2017 | 100,000 | — | 10,150 | — | 9,500 | — | 7,050 | — | 6,000 | — | 47.08 |

Note: Revision to the previously announced business forecasts: None

Notes:

- (1) Material changes in subsidiaries during the six months ended September 30, 2016
(Changes in the specified subsidiaries resulting in a change in the scope of consolidation): Yes
New: 4 companies (NIHONBUNGEISHA Co., Ltd.; Passport, Ltd.; Empower Premium Co., Ltd.; and Maruko Corporation)
Excluded: –
- (2) Changes in accounting policies and changes in accounting estimates
 - (i) Changes in accounting policies required by IFRS: None
 - (ii) Changes in accounting policies other than item (i) above: None
 - (iii) Changes in accounting estimates: None
- (3) Number of issued shares (common stock)
 - (i) Number of issued shares at the end of the period (including treasury stock)
 - (ii) Number of treasury stocks at the end of the period
 - (iii) Average number of shares during the period (cumulative from the beginning of the fiscal year)

| | | | |
|-----------------------------|-------------|-----------------------------|-------------|
| Q2 ended September 30, 2016 | 127,436,000 | Fiscal year ended March 31, | 127,436,000 |
| Q2 ended September 30, 2016 | 183 | Fiscal year ended March 31, | 0 |
| Q2 ended September 30, 2016 | 127,436,000 | Q2 ended September 30, 2015 | 126,339,222 |

* Implementation status of quarterly review procedures: This summary of quarterly consolidated financial results is not subject to a quarterly review based on the Financial Instruments and Exchange Act of Japan. At the time of disclosure, a review of quarterly financial statements based on the Act has not been completed.

* Proper use of business forecasts and other important matters: Forward-looking statements, such as business forecasts included in this document, are based on currently available information or assumptions that the Company considers reasonable, and business results may differ significantly from forecasts due to various factors; for information concerning assumptions used for making business forecasts and other notes on their proper use, refer to "5. Forward-looking Statements Including Consolidated Business Forecasts" below.

4. Results of Operations

During the six months ended September 30, 2016, the Japanese economy remained sluggish with corporate earnings hurt by the strong yen since early in the year and both corporate capital spending and consumer spending losing momentum. Uncertainties loomed also over the global economy, which was overshadowed by the United Kingdom's decision to leave the European Union and economic slowdowns in emerging markets.

Under these business environments, the Group continued to provide value-added products and services to people around the world to help them live healthier and more fulfilling lives. This was part of our ongoing effort to realize our vision of becoming the No. 1 brand in the global self-investment industry, which is outlined in the Company's COMMIT 2020 medium-term business plan. To remain on target to achieve a revenue of 300 billion yen with an operating income of 35 billion yen in the fiscal year ending March 31, 2021 as called for in the COMMIT 2020, we reorganized the Group into a holding-company structure under which to achieve greater effectiveness and efficiency in developing and implementing group-wide strategies, maximizing the business performance of the group companies, optimizing resource allocation across the Group, realigning the Group's business portfolio through M&A and other schemes, and enhancing corporate governance.

As RIZAP's personal training services have been attracting an increasingly large following, we believe that, by offering a wider variety of services under the popular RIZAP brand, we will have a better chance of expanding our business globally, which will in turn result in a substantial boost to revenue growth. Therefore, on July 1, 2016, we changed the name of the holding company to RIZAP GROUP, Inc. to take advantage of the well-known RIZAP brand.

RIZAP GROUP, Inc. set a new record in its consolidated six-month revenue and operating income for the first two quarters of the fiscal year ending March 31, 2017. RIZAP Co., Ltd., the leading entity in the Group, also delivered a record revenue and profit performance during this reported period. RIZAP invested aggressively in opening new stores and improving customer satisfaction to maintain its strong growth momentum; as a result, it accumulated more than 61,000 members in its core body-making business and operated 89 body-making studios in Japan and abroad as of September 30, 2016.

The Life Support Program, which RIZAP launched in 2015 to help existing customers control their weight and lifestyle-related risk factors over an extended period, was received so well by customers that many of them switched from a 2-month course to 12-month or longer courses and continued to renew their membership. Furthermore, RIZAP saw a threefold year-on-year increase in the percentage of new members acquired through referrals by happy customers, which helped boost its revenue and profit. Going forward, RIZAP intends to keep up its strong growth momentum by attracting new customers and also intends to build a more robust customer base by retaining existing customers and acquiring new customers through customer referrals so as to shift to a business model based on more-steady recurring revenue.

In the past, the Group had posted a majority of its annual revenue and profit in the third and fourth quarters of a fiscal year. In this fiscal year, however, the Group already achieved in the first six months of the year nearly 60% of the annual target for operating profit, which was better than an earlier forecast. We intend to aggressively make upfront investments in new businesses in the expectation that they will begin to generate returns in the next fiscal year and beyond. More specifically, we will invest heavily in RIZAP GOLF, operated by RIZAP Innovations, Inc., and RIZAP ENGLISH, operated by its subsidiary RIZAP ENGLISH Co., Ltd., both of which have been enjoying much greater initial responses from customers than expected and have many more of them on a waiting list.

The Company acquired NIHONBUNGEISHA Co., Ltd., MISUZU Co., Ltd., and Passport, Ltd. in the first quarter and Maruko Corporation in the second quarter as part of its ongoing effort to maximize the Group's business performance. Maruko, which

specializes in developing and marketing corrective lingerie that hides women's figure flaws, is a perfect addition to the Group's growing business portfolio as its role as a body-making specialist complements RIZAP's personal body-making training business.

5. Forward-looking Statements Including Consolidated Business Forecasts

The Company and its subsidiary RIZAP Co., Ltd. entered into business partnership with Itochu Corporation and FamilyMart Co., Ltd. in November 2016. Under the partnership, 18,000 FamilyMart convenience stores around the country will soon, as a first step, start selling low-carb food products co-developed and co-branded by RIZAP and FamilyMart.

We intend to apply the core RIZAP concept to RIZAP GOLF and RIZAP ENGLISH businesses, both of which have much room for growth, and to invest in them so as to drive the growth of their revenue and profit through an aggressive expansion of their customer bases. These two businesses have a good opportunity to provide the Group with an additional source of growth in the next fiscal year and beyond.

RIZAP GOLF and RIZAP ENGLISH have been enjoying much greater initial responses from customers than expected and have many more of them on a waiting list. Substantial investment in these two businesses will enable them to maintain their strong growth momentum in the next fiscal year and beyond, which will in turn help make the Group's revenue base more robust.

As the Group is considering undertaking aggressive upfront investment during the rest of the fiscal year ending March 31, 2017 in preparation for achieving significant revenue growth in the next fiscal year and beyond, the consolidated business forecasts for the year announced on May 16, 2016 still stand. If it becomes necessary to revise any part of the forecasts, the Company will announce a revision promptly.