

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 Third Quarter of Fiscal Year Ending March 31, 2017
(Presented under IFRS)

February 13, 2017

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: February 14, 2017
 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 Nine Months Ended December 31, 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 | % |
| 9 months ended December 31, 2016 | 65,726 | 69.9 | 8,001 | 173.1 | 7,557 | 180.4 | 5,199 | 222.0 | 5,081 | 206.2 | 5,276 | 228.9 |
| 9 months ended December 31, 2015 | 38,676 | — | 2,929 | — | 2,694 | — | 1,614 | — | 1,659 | — | 1,604 | — |

| | Net income per share (Basic) | | Net income per share (Diluted) | |
|----------------------------------|------------------------------|--|--------------------------------|--|
| | Yen | | Yen | |
| 9 months ended December 31, 2016 | 39.88 | | 39.88 | |
| 9 months ended December 31, 2015 | 13.10 | | 13.09 | |

(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 December 31, 2016 | 82,574 | 17,501 | 14,365 | 17.4 |
| 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)

| Fiscal year ending March 31, 2017 | Revenue | | Operating income | | Income before income taxes | | Net income | | Net income attributable to owners of parent company | | Net income per share (Basic) |
|--------------------------------------|-------------|---|------------------|---|-------------------------------|---|-------------|---|---|---|---------------------------------|
| | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Million yen | % | Yen |
| | 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)

| | | | |
|----------------------------|-------------|----------------------------------|-------------|
| Q3 ended December 31, 2016 | 127,436,000 | Fiscal year ended March 31, 2016 | 127,436,000 |
| Q3 ended December 31, 2016 | 183 | Fiscal year ended March 31, 2016 | 0 |
| Q3 ended December 31, 2016 | 127,436,000 | Q3 ended December 31, 2015 | 126,706,145 |

* 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 nine months ended December 31, 2016, uncertainties loomed over the Japanese export industries amid the strong yen and falling stock prices, both of which were triggered by the negative interest rate policy implemented by the Bank of Japan early in the year. The Japanese economy became more volatile with the yen reversing its gains and stock prices rebounding shortly after Donald Trump was elected president of the United States in November.

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. We changed the name of the holding company to RIZAP GROUP, Inc. in July 2016.

The Group set a new record in its nine-month consolidated revenue and operating profit in the first three quarters of the fiscal year ending March 31, 2017. While group companies operated under tough and uncertain business environments, RIZAP Co., Ltd., the leading entity in the Group, also achieved a record revenue and operating income during this reported period, serving as a key driver of the Group's business performance. RIZAP invested aggressively in opening new stores and improving customer satisfaction; as a result, it accumulated more than 70,000 members in its core body-making business and operated 101 body-making studios in Japan as of February 9, 2017.

The Life Support Program (LSP), which RIZAP launched in 2015 to help existing customers control their weight and lifestyle-related risk factors over an extended period, was received extremely well by customers. Especially, they liked the opportunity to train at their own pace using the state-of-the-art equipment in newly renovated training space within existing studios. RIZAP saw a 30% 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 expand its revenue base and shift to a business model based on more recurring revenue by focusing on acquiring new customers through new store openings and customer referrals and on continuing to upgrade its service offerings to attract more customers to LSP, which will lead to greater utilization of RIZAP trainers and an increased number of sessions per guest.

Infomercials run by RIZAP proved effective in creating a heightened interest in RIZAP among health-conscious people aged 50 and older and increasing their enrollment in the training programs; the percentage of guests in their 50s and older among all members nearly doubled over the past 12 months. Many of them come to train during the daytime on weekdays, which results in greater utilization of trainers and facilities. To sustain revenue growth, RIZAP will continue to provide a diverse range of guests at all ages

with one-on-one assistance and help them stay fit and healthy.

We have been stepping up our effort to work with other companies in offering co-developed, co-branded products to a broader range of customers. In November 2016, under the partnership between RIZAP and FamilyMart Co., Ltd., 18,000 FamilyMart and Circle K Sunkus convenience stores started selling nine items of co-branded low-carb food, including bread, dessert, and chilled beverages. Within the first 16 days of launch, more than 3 million of them were sold. To keep up the momentum, several items of low-carb instant ramen-in-a-cup followed the first wave of merchandise. We intend to add more items to the assortment that we hope will exceed the expectations of customers. Co-branded low-carb pizzas are now available at 149 Pizza Hut stores, a jump from 32 stores previously. In addition, as part of effort to make the most of resources and expertise of group companies, NIHONBUNGEISHA Co., Ltd. has released several books that feature the RIZAP Method.

The Group has been aggressively pursuing M&A opportunities since early in this fiscal year and has continued to invest in new businesses led by RIZAP Innovations, Inc., which manages the increasingly popular RIZAP GOLF and RIZAP ENGLISH services. This is part of our effort to expand the Group's business portfolio and make the most of group companies' strengths and expertise. Many of the entities that the Group acquired over the past few years, including Dream Vision Co., Ltd. and Maruko Corporation, have been struggling to turn their business around and posted operating loss in the nine months ended December 31, 2016. RIZAP Innovations, Inc. also posted operating loss as it made sizable upfront investment in new businesses. By contrast, our core RIZAP body-making business achieved a significant growth of revenue and profit in this reported period, which was more than enough to make up for the losses of other entities and drove the Group's revenue and profit performance up above its year-earlier level.

5. Forward-looking Statements Including Consolidated Business Forecasts

The Group intends to aggressively invest during the fourth quarter of this fiscal year in cultivating new businesses led by RIZAP Innovations and in improving business performance of newly acquired subsidiaries so as to accelerate the Group's business growth in the next fiscal year and beyond.

In addition, the Group will step up its group-wide effort to become the No. 1 brand in the global self-investment industry by upgrading its information systems infrastructure to collect and analyze a vast amount of Big Data and develop a CRM system.

These strategic initiatives are expected to help turn underperforming subsidiaries businesses around in the fiscal year ending March 31, 2018, which, combined with the solid and profitable core RIZAP business, will lead to a significant improvement in the Group's overall business performance in the next fiscal year.

As the Group is considering undertaking aggressive upfront investment during the rest of the fiscal year ending March 31, 2017 in preparation for sustaining 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.