

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, 2018
(Presented under IFRS)**

November 14, 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: November 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 Six Months Ended September 30, 2017

(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, 2017	62,581	50.8	5,003	-21.7	4,394	-27.5	3,446	-22.9	2,948	-30.8	3,436	-22.6
6 months ended September 30, 2016	41,507	61.6	6,393	325.5	6,064	364.2	4,468	472.2	4,262	423.3	4,442	463.1

	Net income per share (Basic)		Net income per share (Diluted)	
	Yen		Yen	
6 months ended September 30, 2017	11.57		11.56	
6 months ended September 30, 2016	16.72		16.72	

Effective October 1, 2017, the Company split common stocks held by shareholders at a ratio of two stocks for one. Basic net income per share and diluted net income per share are presented based on the assumption that the stock split took place at the beginning of the fiscal year ended March 31, 2017.

(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, 2017	118,095	33,039	22,032	18.7
As of March 31, 2017	95,648	21,454	17,018	17.8

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, 2017	-	0.00	-	12.10	12.10
Fiscal year ending March 31, 2018	-	0.00			
Fiscal year ending March 31, 2018 (Forecast)			-	6.29	6.29

Note: Revisions to previously announced forecasts of dividend: None

Effective October 1, 2017, the Company split common stocks held by shareholders at a ratio of two stocks for one. The year-end dividend per share forecast for

the fiscal year ending March 31, 2018 is presented based on the number of shares after the two-for-one stock split; it would be 12.57 yen if the stock split were taken out of the equation.

3. Consolidated Business Forecasts for Fiscal Year Ending March 31, 2018

(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, 2018	150,202	57.6	13,010	27.4	11,983	24.8	9,062	16.2	8,007	4.3	31.42

Note: Revisions to previously announced business forecasts: None

Effective October 1, 2017, the Company split common stocks held by shareholders at a ratio of two stocks for one. The basic net income per share for the fiscal year ending March 31, 2018 is presented based on the average number of shares during the fiscal year with the stock split taken into consideration; it would be 62.83 yen if the stock split were taken out of the equation.

Notes:

Material changes in subsidiaries during the six months ended September 30, 2017 : Yes

(Changes in specified subsidiaries resulting in a change in the scope of consolidation)

New: Three companies (Trecenti Co., Ltd., Marusho Hotta Co., Ltd., and Philippine Advanced Processing Technology, Inc.)

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)

Q2 ended September 30, 2017	254,872,000 shares	Fiscal year ended March 31, 2017	254,872,000 shares
Q2 ended September 30, 2017	466 shares	Fiscal year ended March 31, 2017	- shares
Q2 ended September 30, 2017	254,871,742 shares	Q2 ended September 30, 2016	254,872,000 shares

(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)

Note: Effective October 1, 2017, the Company split common stocks held by shareholders at a ratio of two stocks for one. The number of issued shares is presented based on the assumption that the stock split took place at the beginning of the fiscal year ended March 31, 2017.

*This summary of quarterly consolidated financial results is not subject to a quarterly review.

* 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.

How to obtain presentation materials for a quarterly earnings briefing

The Company will hold a quarterly earnings briefing for institutional investors and analysts on Tuesday, November 14, 2017. Presentation materials and a video of the session will be posted to the Company's website after the briefing.

4. Results of Operations

During the six months ended September 30, 2017, the overall Japanese economy, buoyed by stimulus packages provided by the government and the Bank of Japan, continued to show signs of recovery with corporate earnings and employment improving, while consumer spending remained weak.

Under these business environments, our core RIZAP business remained the biggest growth-driver for the Group, and the Group posted record quarterly operating income excluding negative goodwill (gains from bargain purchases of business entities) in the second quarter ended September 30, 2017, which exceeded our internal target even after we made substantial upfront investments during the period.

In the existing business segment, our core RIZAP business achieved record quarterly revenue and operating income in the second quarter, partly because of a residual effect of heavy advertising in the first quarter, and continued to drive the growth of the Group as in the previous fiscal year. Recently acquired Group companies consistently improved their sales and profit, which contributed to the solid financial performance of the Group.

In the new business segment, RIZAP GOLF and RIZAP ENGLISH achieved substantial growth in their revenues; their aggressive

upfront investments in adding more trainers paid off in providing better services to fast-growing members enrolled in their programs. For instance, RIZAP GOLF, as part of its effort to invest in business growth, sponsored golf tournaments to attract prospective trainers to add to its roster.

As a result, the Group posted a consolidated revenue of 62,581 million yen for the six months ended September 30, 2017, which was a substantial increase from 41,507 million yen posted for the same period the year before. The Group earned an operating income of 5,003 million yen in this period, compared with 6,393 million yen a year earlier, and a net income of 2,948 million yen attributable to owners of the parent company, compared with a net income of 4,262 million yen the year before.

5. Forward-looking Statements Including Consolidated Business Forecasts

Since the beginning of the fiscal year ending March 31, 2018, the Group has been aggressively investing in RIZAP Innovations, Inc. and other new business ventures and in bolstering business performance of recently acquired Group companies, all in an effort to accelerate the growth of the Group's businesses. These investments are expected to produce positive results in the third quarter and beyond.

The Group's consolidated business forecasts for the full fiscal year ending March 31, 2018, announced on May 15, 2017, still stand. If it becomes necessary to revise any part of the forecasts, we will announce a revision promptly.