

May 28, 2018

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Issuance of New Shares and Secondary Offering of Shares of RIZAP GROUP, Inc.

RIZAP GROUP, Inc. (the "Company") hereby announces that its board of directors, at a meeting held on May 28, 2018, resolved matters relating to the issuance of new shares of the Company and the secondary offering of its shares, as set forth below.

Purpose of the fund raising and offering

Funds raised through the issuance of new shares will be used for growth investment in the RIZAP businesses driving revenue growth of the Company and its subsidiaries (the "Group"), strategic investment to build a common management foundation to enhance Group-wide synergies, and loan repayment to strengthen the financial position of the Company.

Note: This press release is solely for the purpose of announcing the issuance of new shares and the secondary offering of RIZAP GROUP, Inc. and not for the purpose of soliciting investment or engaging in any other similar activities within or outside Japan. This press release does not constitute or form a part of any offer to sell, offer to purchase, solicitation to sell or solicitation to purchase or subscribe for securities in any jurisdiction in which such offer or solicitation or sale would be unlawful. Securities may not be offered or sold within the United States absent registration or an exemption from registration under the U.S. Securities Act of 1993, as amended (the "Securities Act"), and the rules and regulations thereunder. Any public offering of securities to be made in the United States will be made by means of a prospectus. Such prospectus will contain detailed information about the company making the offer and its management and financial statements. There will be no public offering of the Company's shares in the United States.

1. Issuance of New Shares by Offering (Public Offering)

(1)	Class and number of shares to be offered	20,270,000 shares of common stock of RIZAP GROUP, Inc.
(2)	Method of determining amount to be paid	The amount to be paid will be determined on a date between Wednesday, June 6, 2018 and Friday, June 8, 2018 (the “Pricing Date”) pursuant to the method set forth in Article 25 of the Regulations Concerning Underwriting of Securities, etc. promulgated by the Japan Securities Dealers Association (the “JSDA”).
(3)	Method of offering	The offering will be by a public offering (the “Public Offering”). All shares will be acquired by and underwritten by the underwriters in the syndicate (the “Underwriters”). The issue price with regard to the Public Offering (the “Offer Price”) will be determined in accordance with the method stated in Article 25 of the Regulations Concerning Underwriting of Securities, etc. of the JSDA, on the Pricing Date based on the preliminary pricing terms calculated by multiplying the closing price of the shares of common stock of the Company in the Sapporo Securities Exchange on the Pricing Date (or, if no closing price is quoted, the closing price of the immediately preceding date) by a number between 0.90 and 1.00 (with any fraction less than 1 yen rounded down), while taking into account market demand and other conditions. Part of the offered shares may be sold to foreign investors in foreign markets primarily in Europe and Asia (except the United States and Canada) through affiliates, etc. of the International Underwriters.
(4)	Considerations for Underwriter	Underwriting commissions will not be paid, although the aggregate amount of the difference between the Offer Price and the amount to be paid to the Company by the Underwriters will constitute proceeds to the Underwriters.
(5)	Payment date	Fifth business day following the Pricing Date
(6)	Subscription unit	100 shares
(7)	The payment amount, the increase in stated capital, the increase in additional paid-in capital, and any other matters necessary for the issuance of new shares by Public Offering will be determined at the discretion of Takeshi Seto, President of the Company.	
(8)	The foregoing items shall be subject to the effectiveness of filings pursuant to the Financial Instruments and Exchange Act.	

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2. Secondary Offering of Shares (the “Offering through Over-Allotment”)

(See Reference on the next page)

(1)	Class and number of shares to be offered	<p>3,030,00 shares of common stock of the Company</p> <p>The number of shares above is the maximum number of shares to be sold. The above number may decrease, or the Offering through Over-Allotment itself may be cancelled, depending on market demand for the Public Offering. Furthermore, the number of shares to be sold will be determined on the Pricing Date, taking into account market demand for the Public Offering.</p>
(2)	Seller	The Lead Manager
(3)	Selling price	To be determined. (The selling price will be determined on the Pricing Date; and such selling price will be the same as the issue price (the Offer Price) in the Public Offering.)
(4)	Method of offering	<p>Taking into account market demand for the Public Offering, the Lead Manager will make a secondary offering up to 3,030,000 shares, which will be borrowed from certain shareholders of the Company.</p> <p>Part of the shares offered through the secondary offering may be sold to foreign investors in foreign markets primarily in Europe and Asia (except the United States and Canada) through affiliates, etc. of the International Underwriters.</p>
(5)	Delivery date	The business day immediately following the payment date of the Public Offering.
(6)	Subscription unit	100 shares
(7)	The selling price and any other matters necessary for the Offering through Over-Allotment will be determined at the discretion of Takeshi Seto, President of the Company.	
(8)	The foregoing items shall be subject to the effectiveness of filings pursuant to the Financial Instruments and Exchange Act.	

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Reference

The Offering through Over-Allotment

The Offering through Over-Allotment in the aforementioned “2. Secondary Offering of Shares (the Offering through Over-Allotment)” is a secondary offering of common stock of the Company to be made in conjunction with the Public Offering in “1. Issuance of New Shares by Offering (Public Offering).” It will be done in an amount not exceeding 3,030,000 shares, which will be borrowed by the Lead Manager of the Public Offering from certain shareholders of the Company (the “Borrowed Shares”) taking into account market demand for the offerings and other conditions. The said number of shares is the maximum number of shares to be sold in the Offering through Over-Allotment and may decrease, or the Offering through Over-Allotment itself may be cancelled, depending on market demand for the Public Offering.

Concerning the Offering through Over-Allotment, the board of directors of the Company resolved, at the meeting held on Monday, May 28, 2018, that the Company will issue 3,030,000 shares of its common stock as is necessary to return the Borrowed Shares to the certain shareholders, by third-party allotment (the “Third-Party Allotment”) to the Lead Manager with the payment date of Friday, July 13, 2018. Furthermore, the Lead Manager may also purchase shares of common stock of the Company on the Sapporo Securities Exchange, in an amount up to the number of shares to be offered in the Offering through Over-Allotment (the “Syndicate Cover Transactions”). Such purchase will be made during the period beginning on the date immediately following the last day of the Subscription Period and ending on Friday, July 6, 2018 (the “Syndicate Cover Transaction Period”). Shares of the Company’s common stock purchased through Syndicate Cover Transactions will be used to return the Borrowed Shares. During the Syndicate Cover Transaction Period, the Lead Manager may at its discretion decide not to conduct any Syndicate Cover Transaction or to discontinue its Syndicate Cover Transactions before the number of shares purchased reaches the number of shares offered in the Offering through Over-Allotment.

Moreover, the Lead Manager may conduct stabilizing transactions in conjunction with the Public Offering and the Offering through Over-Allotment. The shares of common stock of the Company acquired through such stabilizing transactions may be used, in whole or in part, to return the Borrowed Shares.

The Lead Manager plans to accept the allotment under the Third-Party Allotment of an equivalent number of shares of common stock of the Company obtained by subtracting the number of shares purchased thorough stabilization transactions and Syndicate Cover Transactions that are to be used

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to return the Borrowed Shares from the number of shares to be offered in the Over-Allotment. Accordingly, all or a part of the shares to be issued under the Third-Party Allotment may not be subscribed for, which may result in a decrease in the maximum number of shares to be issued under the Third-Party Allotment, or in the cancellation of the entire issuance due to forfeiture. If the Lead Manager accepts the allotment under the Third-Party Allotment, it will use the funds obtained from the Offering through Over-Allotment as payment for the number of shares to be acquired. The transaction above will be conducted upon consultation between the Lead Manager and other Underwriters.

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