



Earnings Presentation

Third Quarter of the Fiscal Year Ending March 2019

February 14, 2019

RIZAP GROUP, Inc.

(Sapporo Securities Exchange's Ambitious 2928)

Disclaimer

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This document contains descriptions concerning the future, including forecasts, plans and targets, etc., related to the Company and the Company Group, but these descriptions are based on the information available to the Company at the time of preparation of this document under certain assumptions (hypotheses) and are founded on predictions, etc., made at that time. These descriptions and assumptions (hypotheses) may be objectively inaccurate or may not be realized in the future and consequently, future forecasts and actual results may differ greatly.

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Highlights

1. FY2019/3 Q3 revenue increases over 7 consecutive periods (173.9% YoY)

2. Operating income achieved a return to profitability on a quarter basis

Achieved a historic high in Q3 (Oct. to Dec. 2018) operating income excluding negative goodwill, etc.

3. Restructuring aimed at sustainable growth is progressing

- Reform of corporate governance (January 1, 2019)
- Partial transfer of SD ENTERTAINMENT business (December 28, 2018)
- Transfer of Japan Gateway (January 25, 2019)

4. Further progress of restructuring during Q4

Additional loss on sale of business may occur (the impact on the full-year results forecast is currently under careful examination)

Consolidated Results Summary (IFRS)



(¥ bn)

	FY 18/3 Q3 (Apr. – Dec.)	FY 19/3 Q3 (Apr. – Dec.)	Change	Change %
Revenue	99.1	172.4	+73.2	173.9%
Cost of sales	50.1	96.7	+46.6	192.9%
SG&A	44.3	78.6	+34.2	177.1%
Other income and expenses	3.4	-2.8	-6.2	-
Operating income or loss	8.0	-5.7	-13.8	-
Income before income tax	7.0	-7.3	-14.3	-
Net income^{*1}	5.2	-8.1	-13.3	-

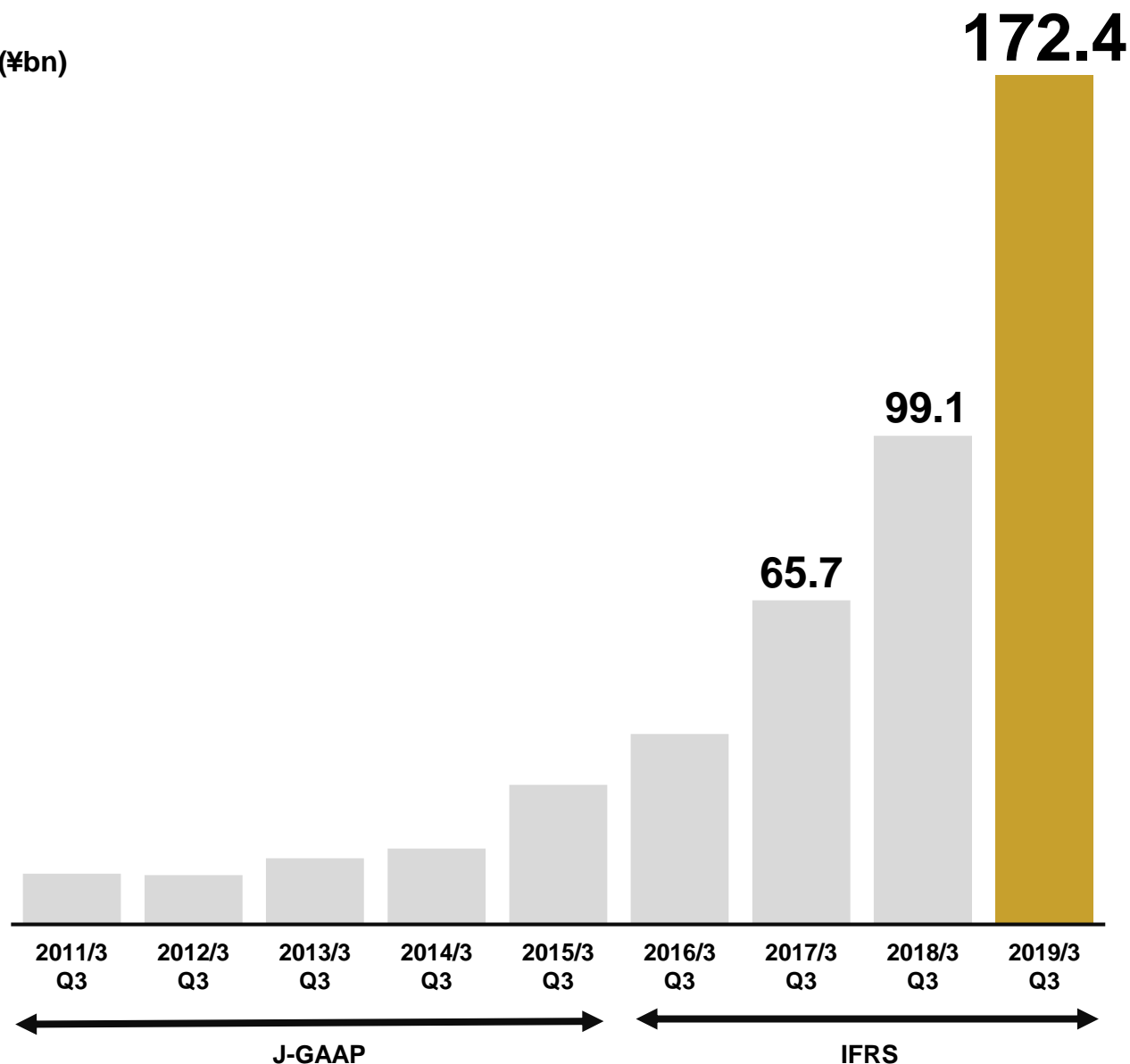
*1: Net income attributable to owners of the parent

Note: Change percentage columns are left blank for the items posted negative figures in either previous or current fiscal year.

Note: Because the provisional accounts processing pertaining to the business combination with GORIN implemented in August 2017 was confirmed during FY 18/3 Q2, the figures for FY 18/3 Q3 have been adjusted retrospectively.

Revenue (cumulative)

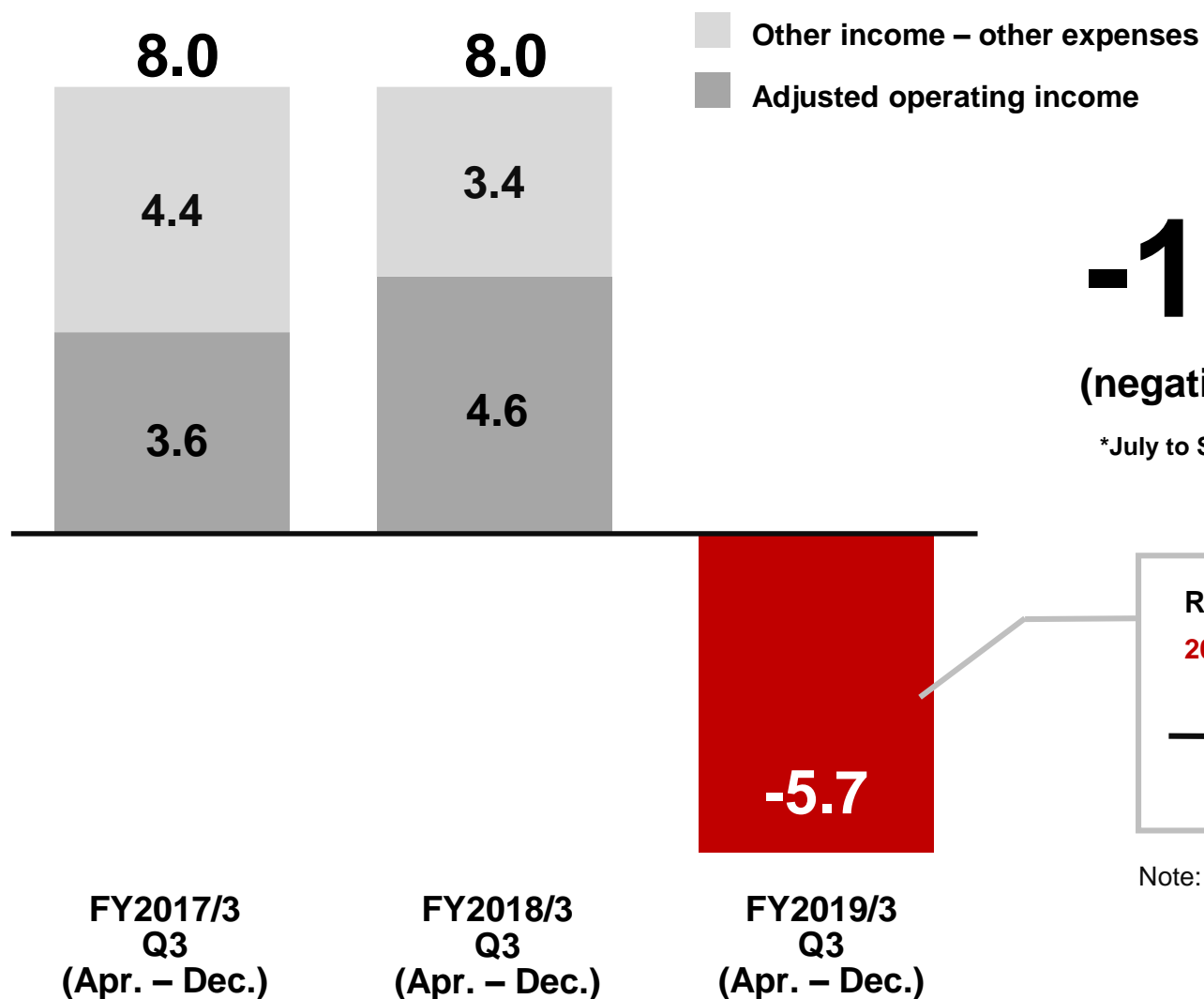
(¥bn)



**Revenue increases
over 7 consecutive
periods**
due to increase in revenue of
the RIZAP businesses and
the impact of new consolidation

Operating Income and Loss

(¥bn)



-13.7bn yen YoY

(negative goodwill have not been recorded after FY19/3 Q2)*

*July to September, 2018

Restructuring related expenses

2019/3 H1 -6.83bn yen

Q3 -0.84bn yen

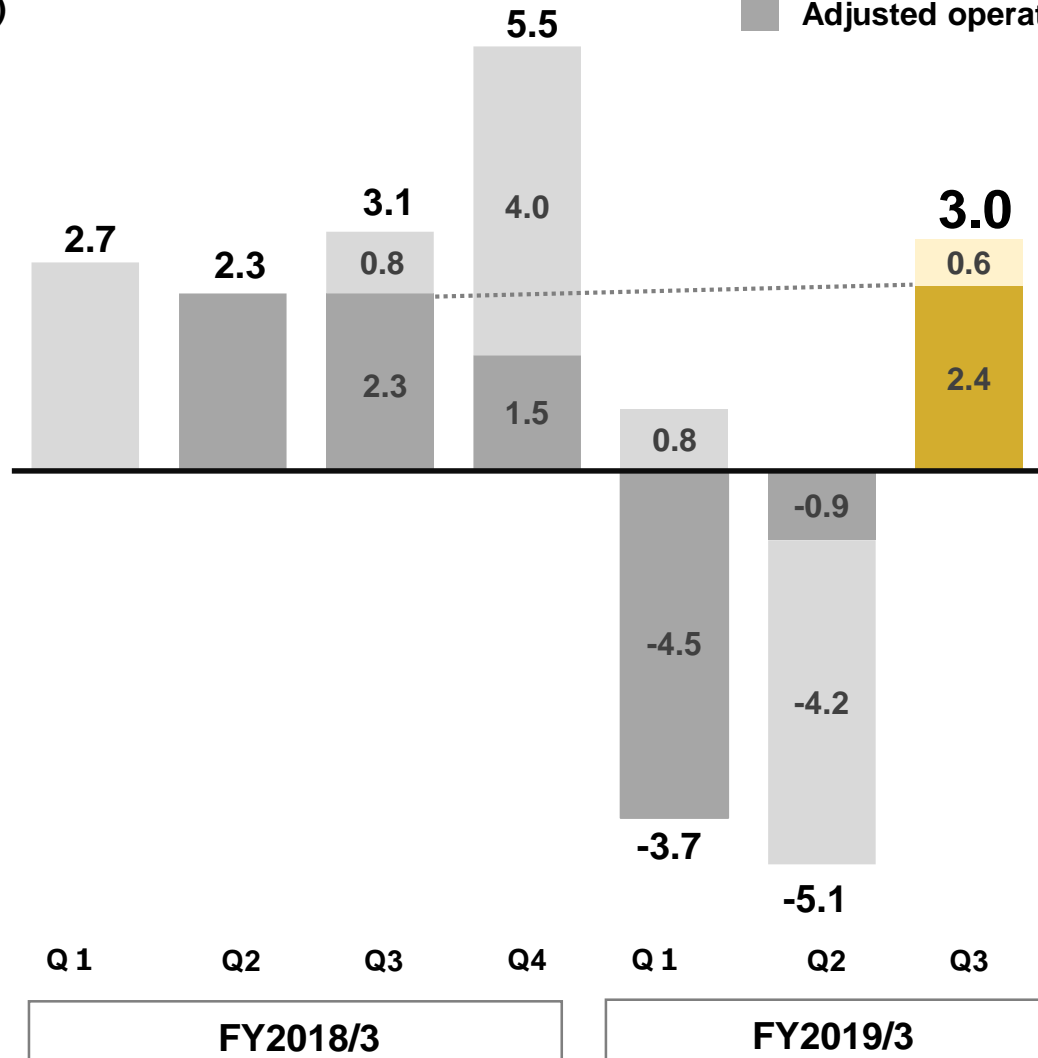
Total -7.67bn yen

Note: Because the provisional accounts processing pertaining to the business combination with GORIN implemented in August 2017 was confirmed during FY 18/3 Q2, the figures for FY 18/3 Q3 have been adjusted retrospectively.

Operating Income (quarterly)

(¥bn)

Other income – other expenses
Adjusted operating income



Operating income achieved a return to profitability on a quarterly basis

Historic high in Q3 operating income
(Oct. to Dec.) on a base excluding
negative goodwill

About half of Q3 operating income
was contributed by the RIZAP Body
Making business

Reason for the Operating Loss (1)

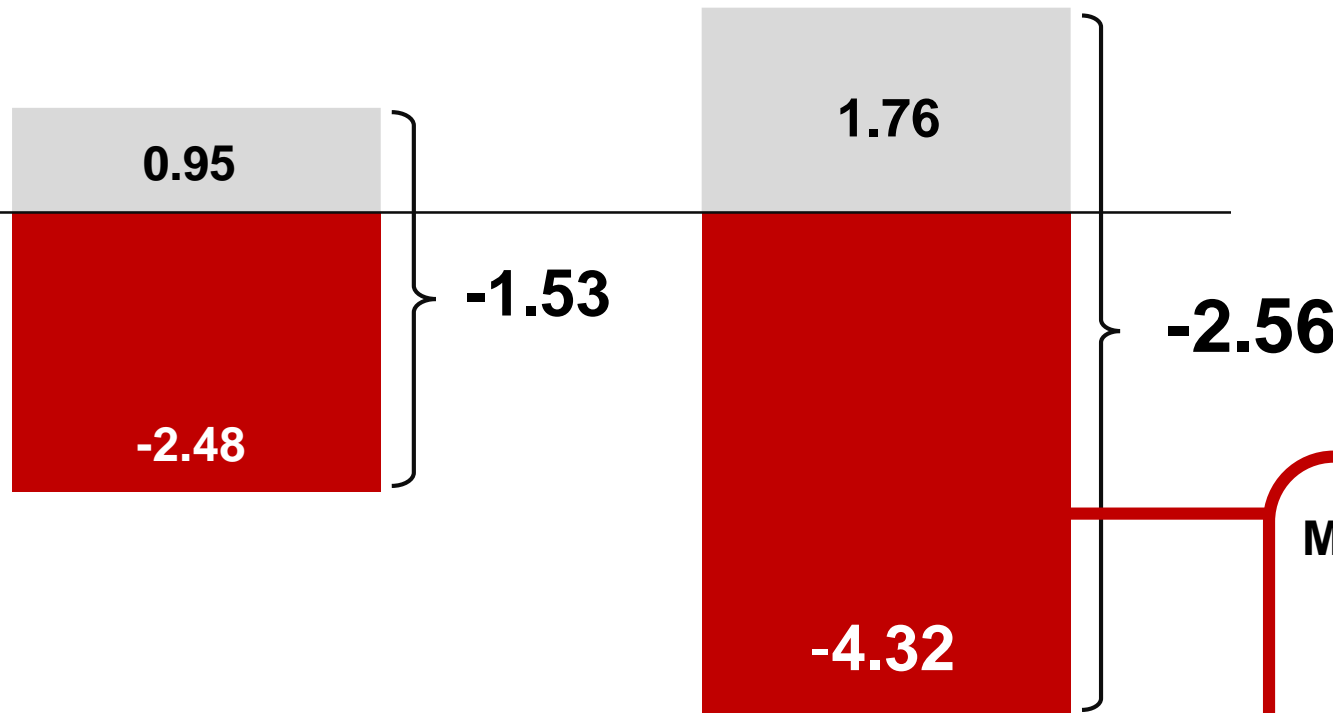
The Unlisted Subsidiaries (excluding the RIZAP businesses) (IFRS)

(¥bn)

Surpluses of the unlisted subsidiaries

Deficits of the unlisted subsidiaries

**-1.02bn yen
YoY**



Main deficits of the unlisted subsidiaries

Japan Gateway -2.51bn yen*

Tatsumi Planning -0.73bn yen

SANKEI LIVING -0.72bn yen*

Total -3.96bn yen

FY2018/3
Q3
(Apr. – Dec.)

FY2019/3
Q3
(Apr. – Dec.)

*Joined RIZAP Group during H2 of FY18/3

Reason for the Operating Loss (2)

The Listed Subsidiaries (IFRS)

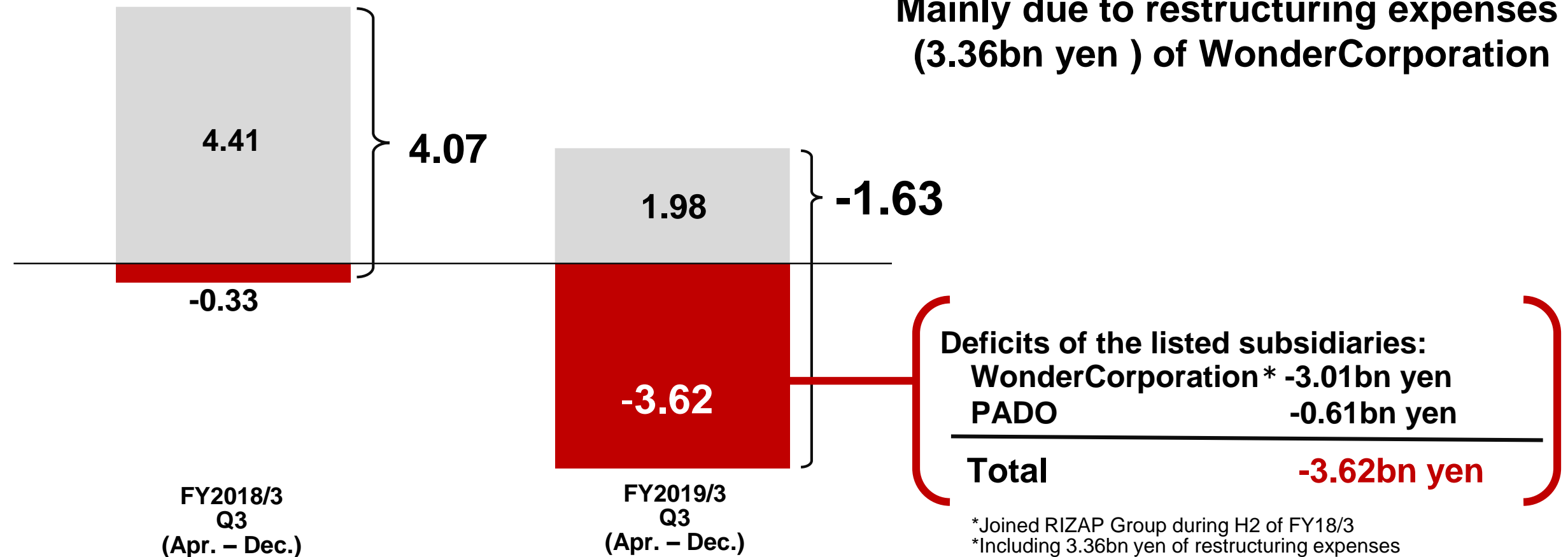
(¥bn)

■ Surpluses of the listed subsidiaries

■ Deficits of the listed subsidiaries

-5.71bn yen YoY

Mainly due to restructuring expenses
(3.36bn yen) of WonderCorporation

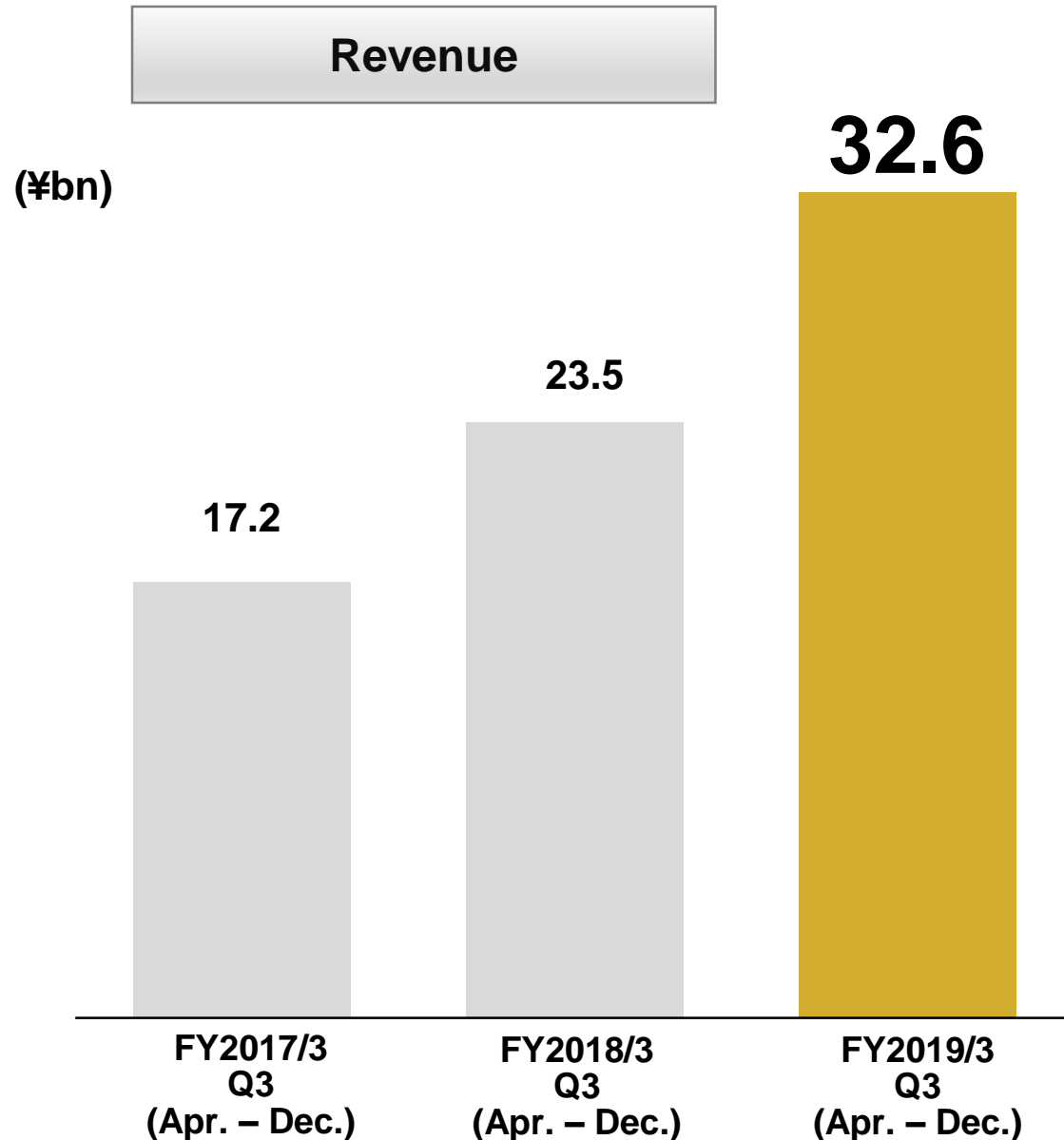


Reason for the Operating Income Decline (3) Advance Investments

(¥bn)

	FY2019/3			Total
	Q1 (Apr. – Jun.)	Q2 (Jul. – Sep.)	Q3 (Oct. – Dec.)	
(1) Increased marketing expenses Total amount of advertising expenses and sales promotion expenses	+1.9	+1.6	-0.7	+2.8
(2) Increased expenses associated with new store openings and business expansion Total amount of store opening expanses, hiring expenses, and personnel expenses	+1.0	+0.8	+0.9	+2.7
(3) Others Total amount increase in other expenses	+1.1	+1.5	+1.5	+4.1
Total	+4.0	+3.9	+1.7	+9.6

The RIZAP Businesses



138% YoY

Operating income of RIZAP Body Making is approx. 130% YoY



*The RIZAP businesses:

In addition to the RIZAP Body Making business, this also includes the RIZAP-related products and services, and the subsidiaries acquired during FY2018/3 including B&D, D&M, and Gochisouyasobei

Non-recurring Expenses Including Restructuring Expenses



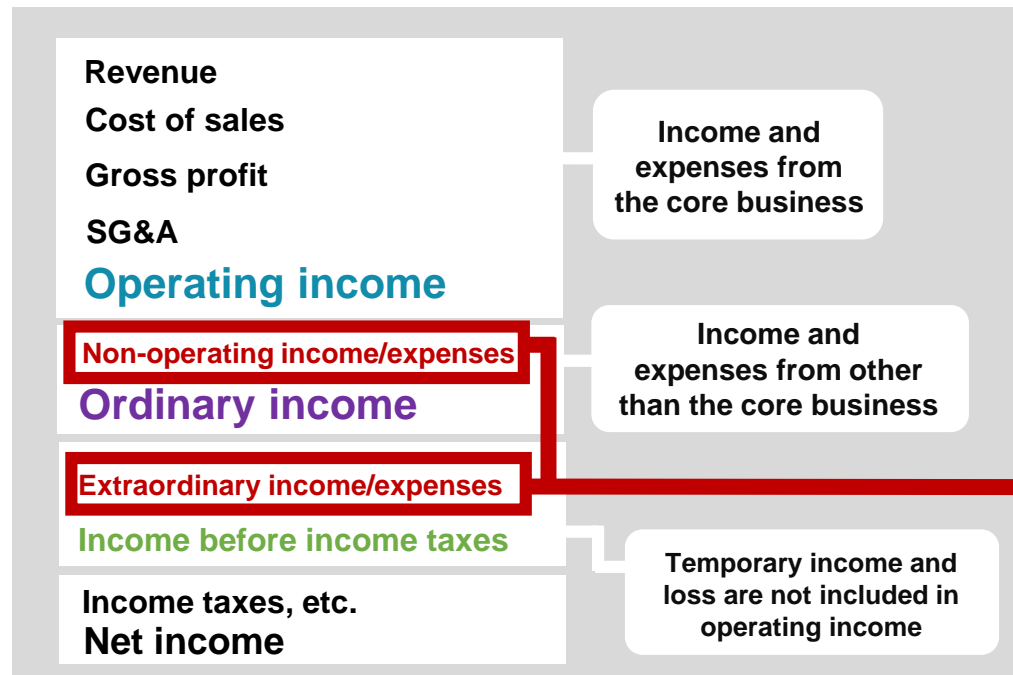
(¥bn)

Company		Amount		Details
H1	PADO	-0.23		Partial impairment of unprofitable business (extraordinary expenses)
	WonderCorporation	-3.36		Restructuring related expenses (extraordinary expenses)
	Unlisted companies	-2.75		Restructuring related expenses of Japan Gateway and Tatsumi Planning's solar power business
	Others	-0.49		Extraordinary expenses of SD Entertainment related to the 2018 Hokkaido Eastern Iburu Earthquake, and change in accounting the initial fee of RIZAP Body Making studios due to adoption of IFRS 15.
	H1 total	-6.83		
H2		Plan	Actual and forecast	
	WonderCorporation and Japan Gateway, etc.	-1.52	Q3: -0.84 Q4: under review	Loss on sale of Japan Gateway -0.77bn yen (recorded in Q4), restructuring related expenses (WonderCorporation, Tatsumi Planning's solar power business)
	H2 total	-1.52		
Total		-8.35		

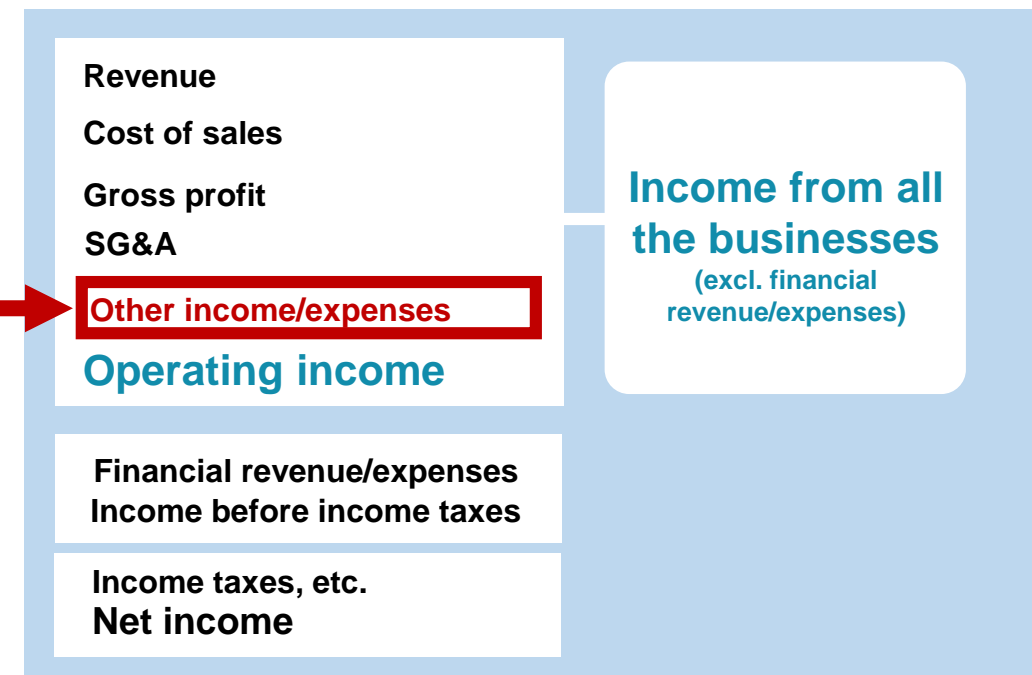
Forecast for additional generation of losses on sales of business and expenses related to structural reform. The impact on the full-term results forecast is currently under careful examination.

(reference)

< J-GAAP >



< IFRS >



IFRS operating income also reflects non-operating income and extraordinary income in the Japanese standards
(IFRS does not hold special distinctions for different types of incomes)

Highest priority matter for this fiscal year

**Confirm the losses associated with
restructuring and return to
growth trajectory
from next fiscal year**

Forecast of Operating Income for FY2019/3 Q4

- **Promotion of reorganization of Group companies concentrated in a short period**
→ Forecast for additional recording of loss on sales during this term
- **Acceleration of management rationalization across the Group**
→ Sales of real estate, contraction of inventories, etc.

Acceleration of reform at all Group companies aimed at returning to profit next fiscal year
(the impact on the full-year results forecast is currently under careful examination)

Progress of Restructuring

Overall Policy of Restructuring

(since Nov. 2018)

Change some of the Group's strategies, formulate new policies and concentrate on early management reorganization

Restructuring policies

- 1. Corporate governance reforms**
- 2. Redefinition of business domain**
(concentration on priority segments and restructuring of non-core businesses)
- 3. Transformation to a strong business structure**
(shift to cashflow-based management and implementation of cross-sectional cost reductions and measures for streamlining across the Group)

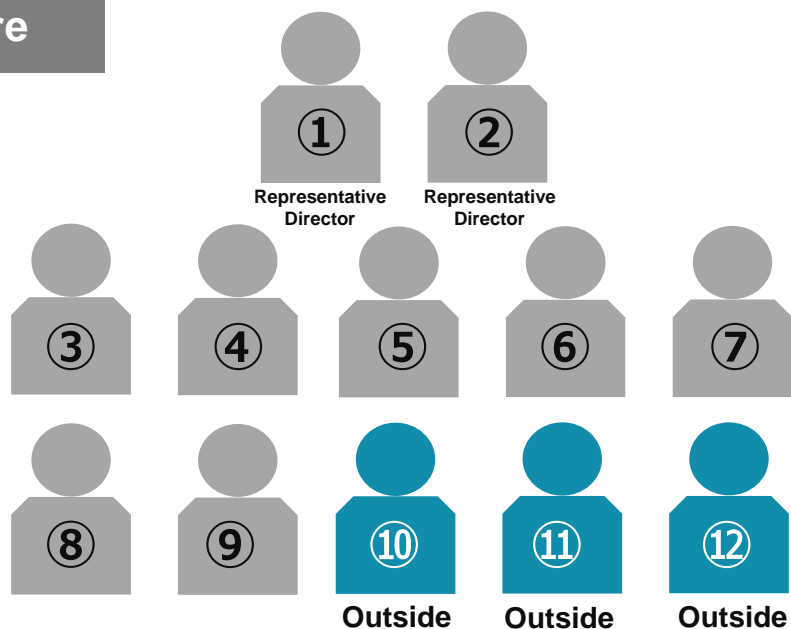
Progress of Restructuring

1. Reform of Corporate Governance

Reform of Corporate Governance (1)

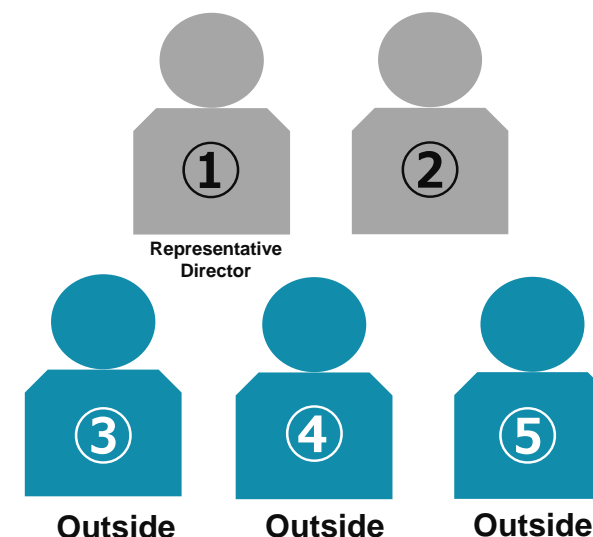
Reform of the Board of Directors

Before



12 director system

After



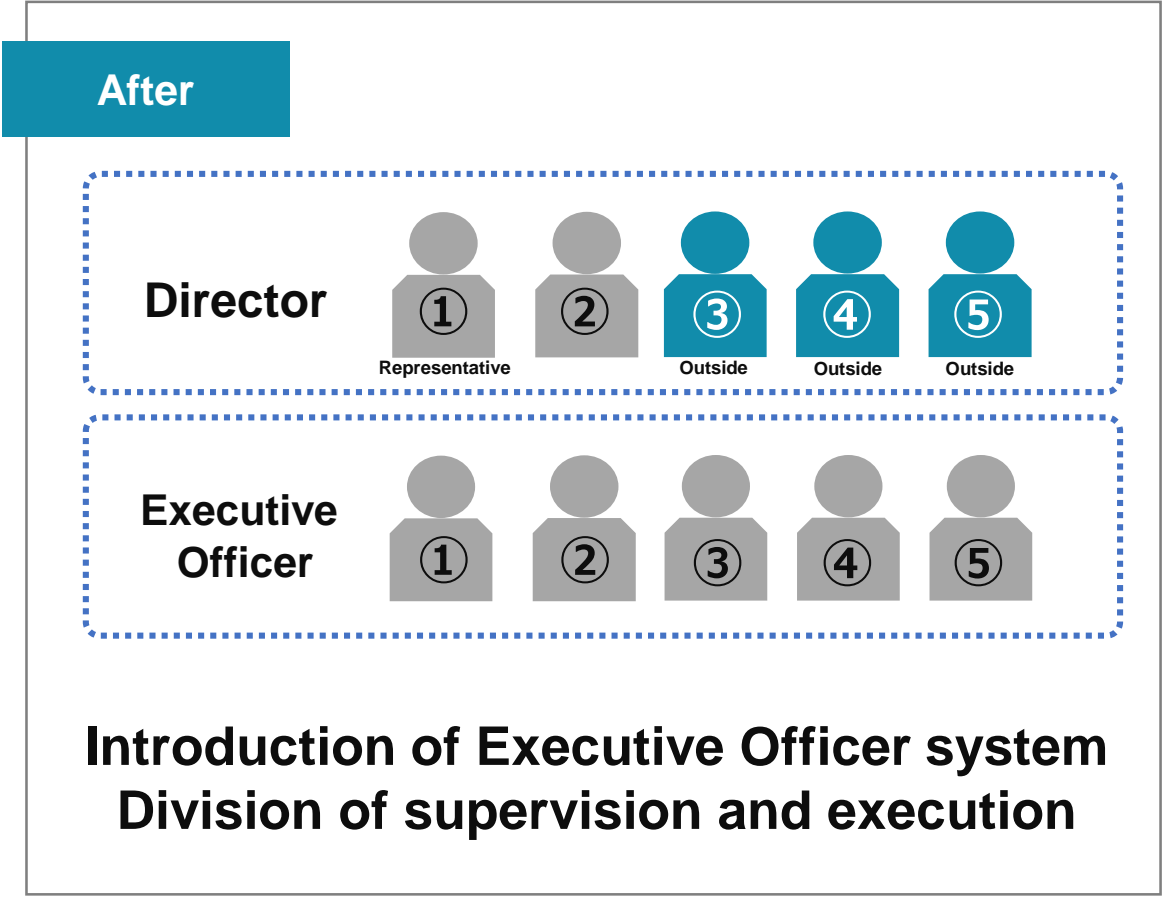
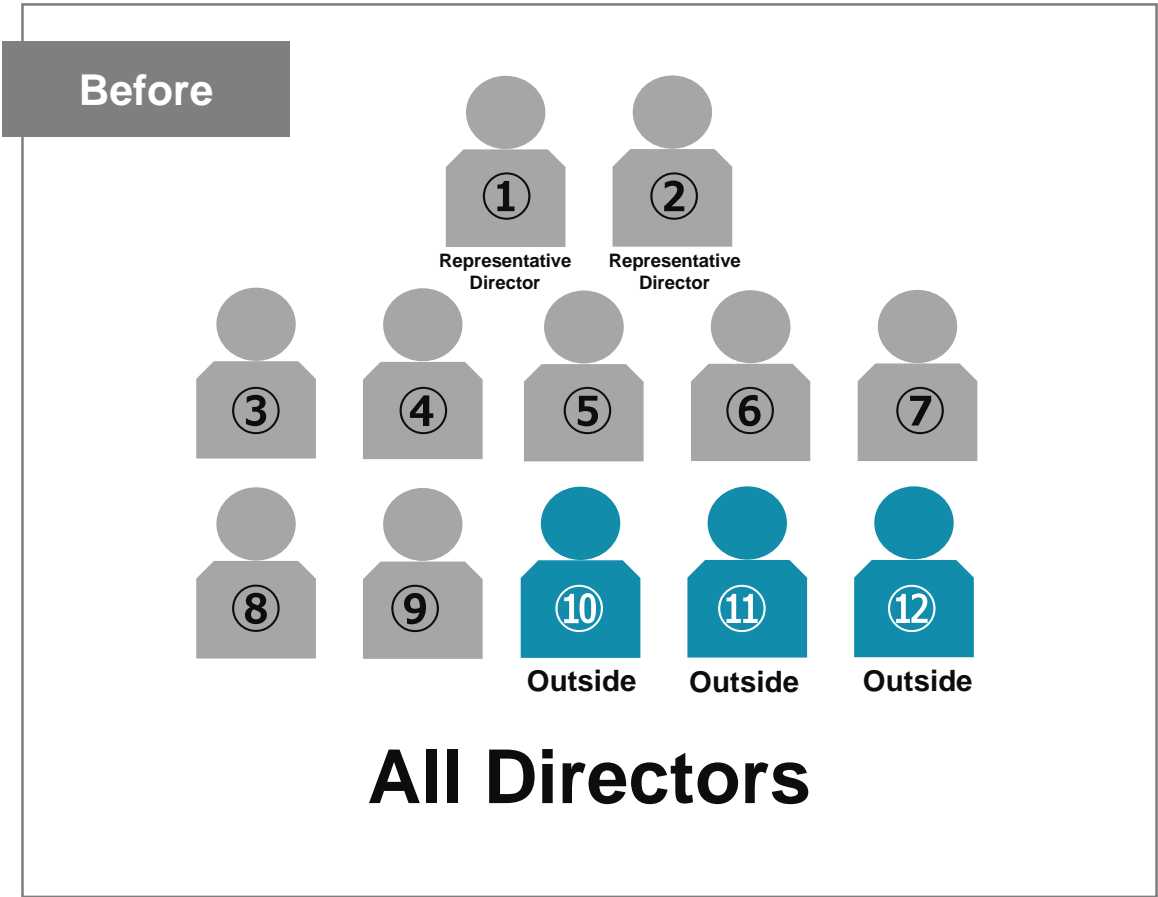
5 director system

(incl. 2 inside directors and 3 outside directors)

Strengthening of prompt decision making and supervisory functions

Reform of Corporate Governance (2)

Introduction of Executive Officer System



**Aiming for improvement in the speed and certainty of plan execution
in each business**

Progress of Restructuring

2. Reorganization and Divestiture of Business

(frozen new M&A since Nov. 2018)

Partial Transfer of SD Entertainment Inc.



Transfer the entertainment business which is only loosely involved with the self-investment industry

Announced a basic agreement with regard to a transfer to Hokkaido SO Capital, Co., Ltd.

(Date of transfer: Dec. 20, 2018)



Sky Dinos Co., Ltd. (newly established company)

- Corporate divestiture of the majority of the entertainment business
- Transfer to Hokkaido SO Capital, Co., Ltd.

SD Entertainment Inc.

- Concentrate management resources on the wellness business and strengthen synergies with the RIZAP Group



***Gain on sale: 0.98bn yen** (recorded in Q3)

*The revenue stated for each business are the results for the fiscal year ending March 31, 2018

Reorganization and Divestiture of Business (2)

Japan Gateway Inc.

Japan Gateway

Transferred Japan Gateway, where short-term revenue improvement will be difficult, as part of the selection and concentration of business

(Date of transfer: Jan. 25, 2019)

Japan Gateway

- Entered the Group in December 2017
- Developed large-scale promotions for new products, but due to the significant non-achievement of recovery of advance investment, entered structural reform



Silicone-free shampoo
Revoir Zero



Body wash
Mellsavon

Manrakuan Inc.

- Nagoya investment fund where Tadashi Nakamura, founder of Shop Japan serves as chairman
- Look for synergies between Japan Gateway and Manrakuan's new beauty and healthcare mail order business, which will be developed in future.

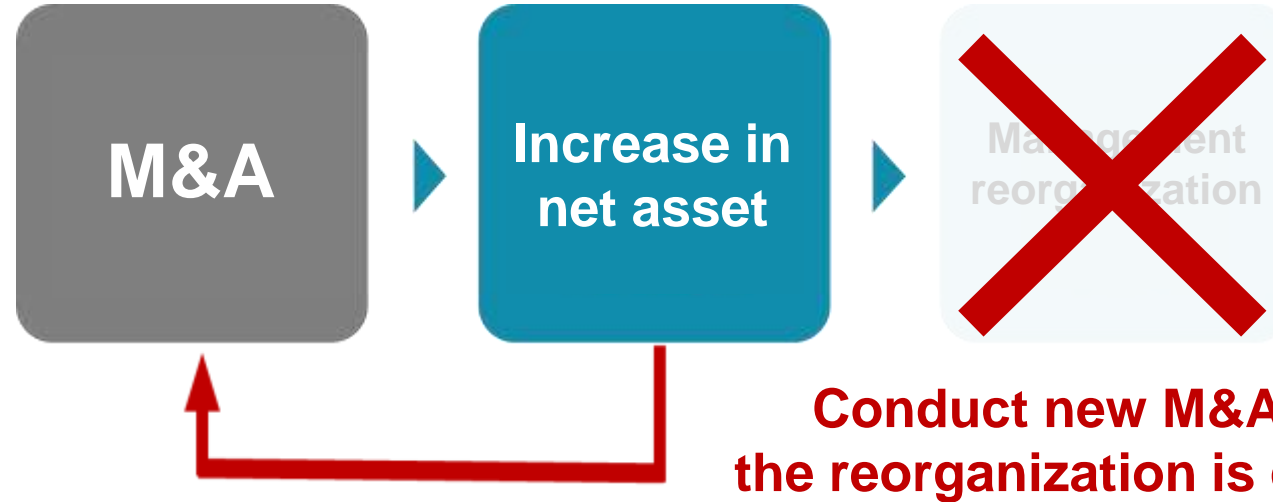
***Loss on sale: -0.77bn yen** (recorded in Q4)

Progress of Restructuring

3. Management reorganization of Group Companies

Management Reorganization Steps

Before



After



Concentrate the management reorganization until the improvement of existing businesses become apparent

Trends in Operating Income After M&A

* Operating income announced by each subsidiary

(¥mil)	Year of M&A	3 years before M&A	2 years before M&A	1 year before M&A	1st year	2nd year	3rd year	4th year	5th year	6th year
Idea International	Sep. 2013	23	84	-526	45	249	182	401	415	620*
SD Entertainment	Jan. 2014	186	226	268	322	132	188	68	260*	
Dream Vision	Mar. 2015	167	-751	-536	-324	-140	583	600*		
HAPiNS	May 2016	-129	-335	91	-552	151	210*			
MRK HOLDINGS	Jul. 2016	670	-470	-600	135	900	145*			
JEANS Mate	Feb. 2017	31	-663	-829	-609	70*				
PADO	Mar. 2017	-164	-175	-311	234	-160*				
Marsuho Hotta	Jun. 2017	-192	81	86	68	100*				
WonderCorporation	Mar. 2018	-557	-478	296	790*					

Currently achieving restructuring in roughly 2 to 3 years

* Forecasts of this fiscal year



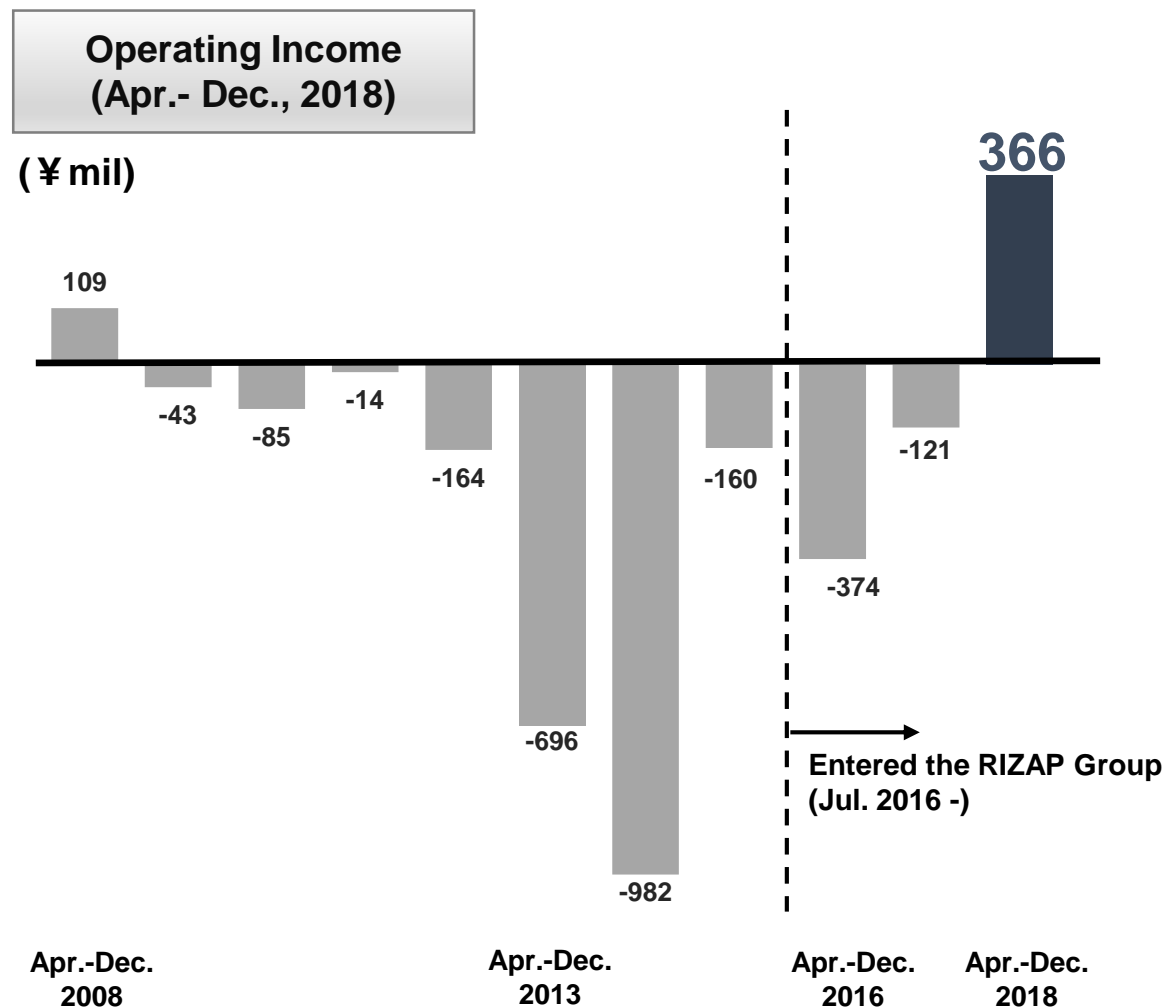
MRK HOLDINGS

< entered the Group in July 2016 >

* Changed trading name from Maruko Corporation as of October 1, 2018



Q3 operating income was record high in 11 years. Continues the good trend during Q4 to achieve record high operating income for H2



*The operating income comparison after change of fiscal year end (FY2013/3)

Revenue grew significantly due to advance investments from H1

- 5 new stores and 14 refurbished stores (until H1)
- Conducted aggressive marketing measures mainly during H1
- New store visitors were 29,550 (121% YoY), and number of active customers is 58,607 (110% YoY)
- Q3 cumulative revenue was 1.33bn yen (127% YoY)

Operating margin improved significantly

- Operating margin, weak in H1, improved due to stabilized supply (gross margin ratio Q1: 44% > Q2: 48% > Q3: 52%)



New brand “Curvaceous”

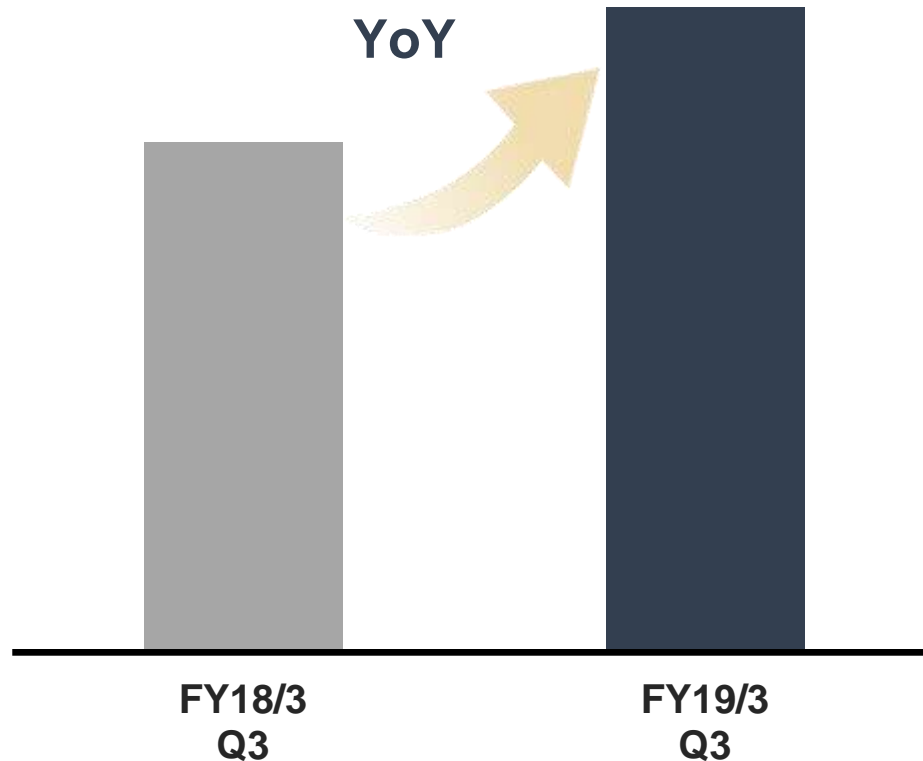


MRK HOLDINGS

Growth in sales of moved and refurbished stores led the growth in consolidated revenue

Revenue for Q3 of 14 moved and refurbished stores (completed during H1)

+24.6%
YoY



MARUKO Shibuya store moved to a new location and reopened with a new décor in Aug., 2018

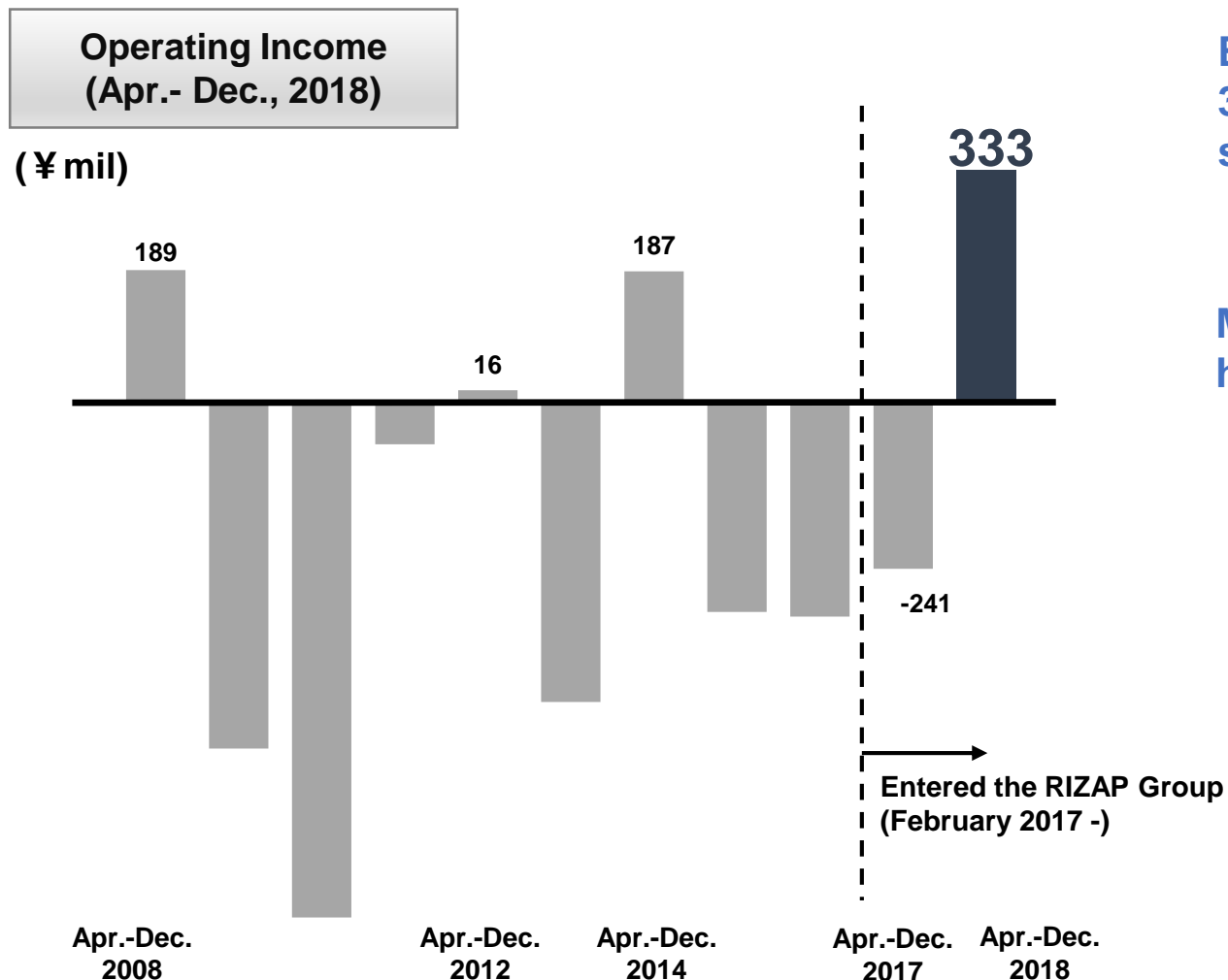


JEANS Mate

< entered the Group in February 2017 >

JEANS *Mate*

Achieved significant increase in operating income in the 2nd year after entering the Group (highest in 11 terms)



Broke through Q3 cumulative operating income of 300 million yen due to good condition of year-end selling season (December)

- December revenue at existing stores: 107% YoY

Major new areas since entering the Group have grown steadily

- Inbound division revenue: 182% YoY
- Ladies and goods division revenue: 109% YoY
- EC division revenue: 123% YoY

Return to operating income for the first time in 4 terms and net income for the first time in 11 terms



JEANS Mate

JEANS *Mate*

New concept shops and new PB products are driving results



JEM Shibuya store
(refurbished as a city-type model store
in October 2018)



jM MARK IS fukuoka-momochi store
(store newly opened in November 2018,
strengthening PB product proposals for men
and women)

Hit PB products this term



B.S.T Chester coat



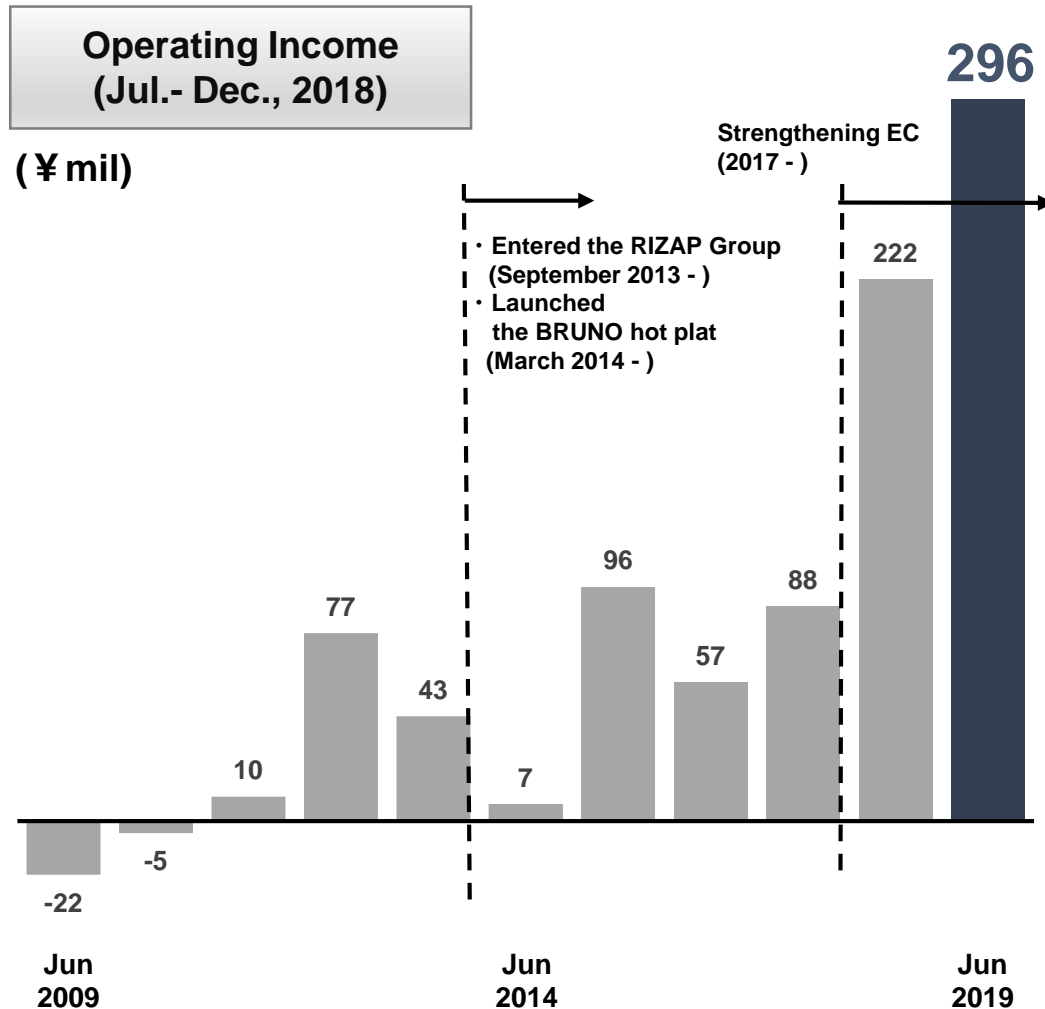
**OUTDOOR PRODUCTS
Boa one-piece dress**



Idea International < entered the Group in September 2013 >



Revenue and operating income increased over 4 conservative periods due to aggressive product development of the BRUNO brand



- The BRUNO hotplate broke through cumulative sales of 1.3 million units (end of December 2018)
 - Expanding the BRUNO brand product line up
 - EC sales was 153% YoY
 - Strong growth in overseas sales (369% YoY)
- On Singles Day (Nov. 11), sold 16,000 hotplates in China**



Launched new product series, BRUNO crassy+, in February 2019



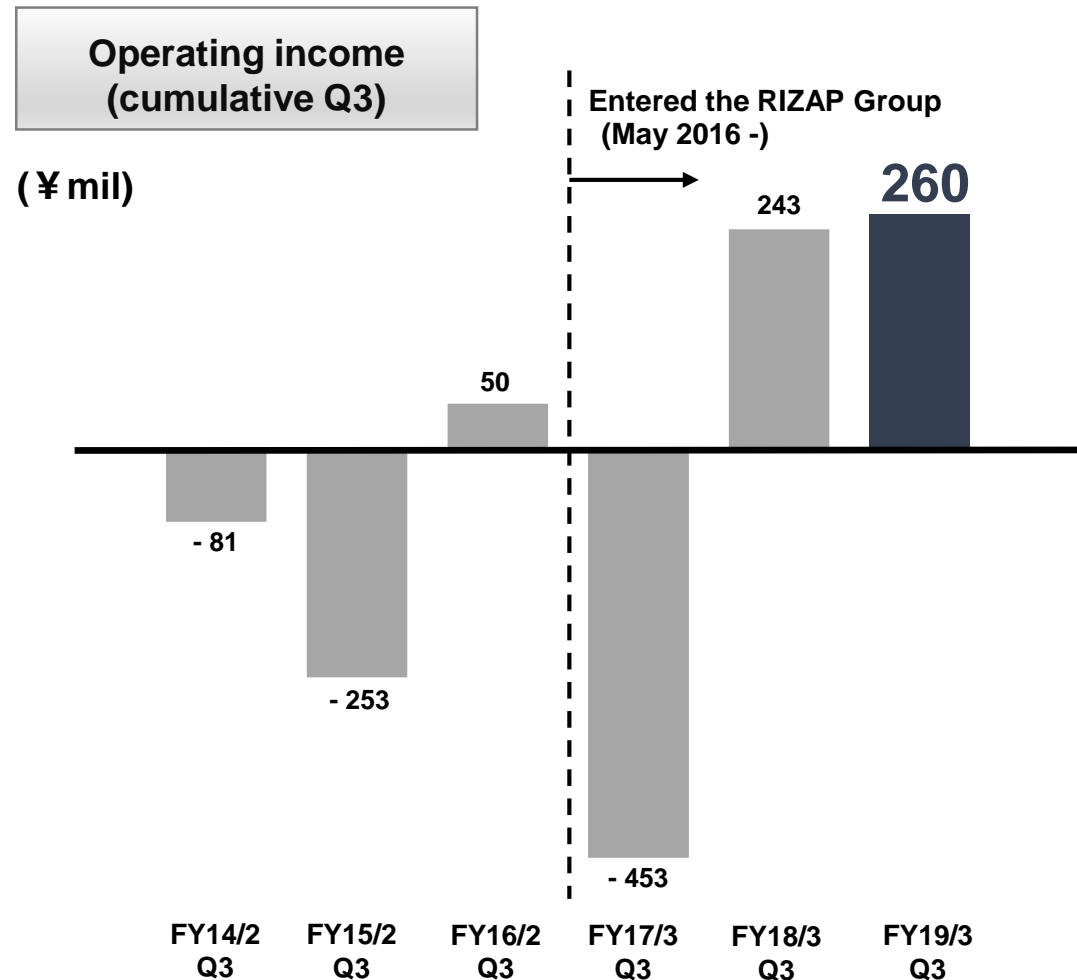
HAPiNS

< entered the Group in May 2016 >

* Changed trading name from Passport Co., Ltd. as of August 1, 2018



Positive new store openings are trending briskly and achieved increased revenue and profits



The store opening and closing strategy of FY19/3 has been a success, establishing the foundations for increased revenue

- Continuous revenue growth has been repeated for 14 months since November 2017
- 36 new stores have been opened and 10 closed cumulatively to Q3

Aiming for further revenue growth based on the strengthening of product strategy

- Selecting and concentrating on product categories with high customer value
- Strengthening of stores that propose living scenes close to customers' lives



Thermal storage-type eco hot water bottle



Humidifier fragrance



Micro fabric pajamas

*Changed fiscal year end from the fiscal year ending March 31, 2017




WonderCorporation < entered the Group in March 2018 >



Revenue and operating income for Sep. to Nov. 2018 decreased due to weak sales of Wonder GOO.
Year-end selling season was trending well

- Operating income for December was 132% YoY due to sales of gaming products and music CDs were trending well.

Revenue and Operating Income by Segment (Mar.-Nov.)		Revenue		Operating income	
(¥ mil)		FY19/3 (Mar.-Nov.)	Change YoY	FY19/3 (Mar.-Nov.)	Change YoY
<div>  <div> <div><Details></div> <div> <div>Sale of gaming software, music software, movie software, book, and cosmetics</div> <div>Buy and sale second hand products including designers' product, jewelry, clothing, fashion product, and electronic appliance</div> <div>Retail sale of music software, movie software, etc.</div> <div>Operation of TSUTAYA franchise stores</div> </div> </div> </div>		23,741	-14.4%	48	-90.2%
		5,794	-0.3%	92	-35.2%
		7,845	-7.6%	-209	-
		10,579	-5.6%	-42	-
Consolidated		48,545	-9.1%	-157	-

*Because the Head Office adjusted amount is not included, the total for the businesses does not correspond with the consolidated figure



WonderCorporation



Changing the business structure by pursuing “selection and concentration” strategy to focus on highly profitable businesses

Community-based service businesses

Large-scale retail stores in good locations

Provides best services based on the need of local customers

Operates approx. 300 large scale stores in good locations in Kanto area

Promoting “selection and concentration” based on the strength of the business



Aug. 2018
Opened the first RIZAP Body Making studio in WonderGOO. RIZAP Chiba NT studio.



Aug. 2018
Opened the first RIZAP GOLF studio in WonderGOO. RIZAP GOLF Minamikoshigaya studio.



Opened 5 HAPINS stores.



Nov. 2018
Hosted “WonGOO Fes” (a free music live event)



Opened 2 Tetra Fit studios.



Opened 2 JEANS Mate stores.

Management Status of 2 Unlisted Subsidiaries

Changed representative director and revamped management framework (since January 1, 2019)



Tatsumi Planning
(Entered the Group in February 2016)

Promoting collaboration with the RIZAP Group and aiming for early management reorganization



Tatsumi Planning
Representative Director, President

Toru Hasegawa

Main career:
Managing Executive Officer,
Nissan Motor Co., Ltd.
Representative Director, President,
Yokohama Marinos, Co., Ltd.

サンケイリビング新聞社 (Entered the Group in March 2018)

Transitioning to a new system for further acceleration of management reorganization



SANKEI LIVING SHINBUN Inc.
Representative Director,
President

Noriaki Tanaka

Main career:
Director,
SANKEI LIVING SHINBUN Inc.

Updates on Finance

Focus on the improvement of financial soundness

Consolidated Financial Position (IFRS)

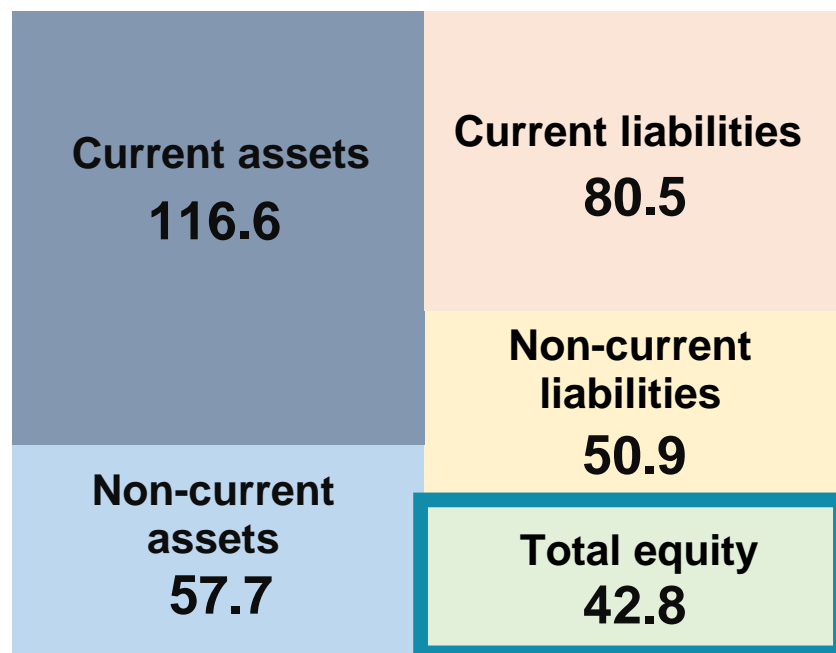
Streamline the balance sheet by selling non-operating assets



As of March 31, 2018

(Total assets 174.3 billion yen)

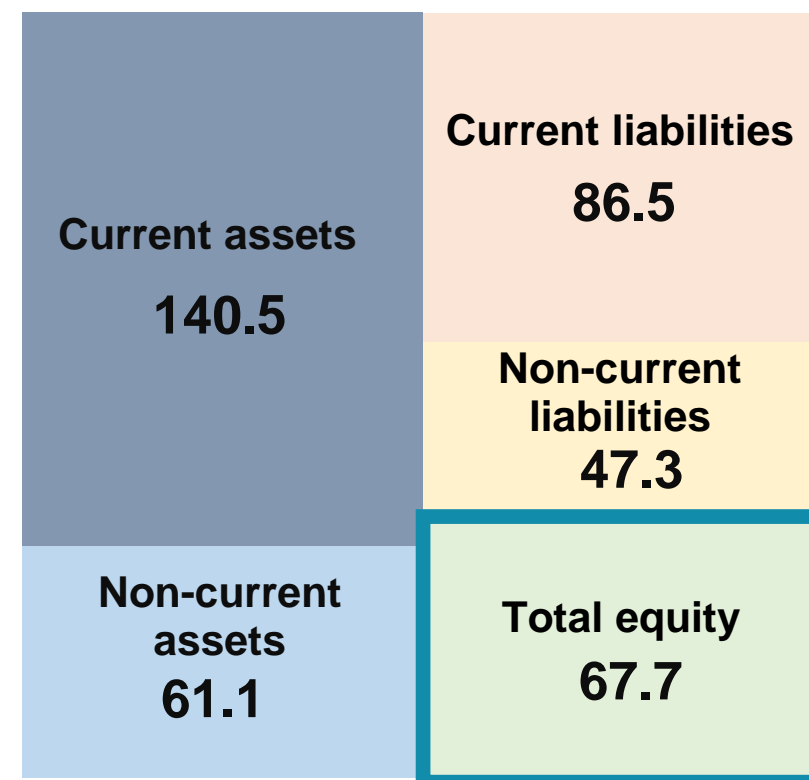
(¥bn)



Equity ratio 24.5%

As of December 31, 2018

(Total assets 201.7 billion yen)



Equity ratio 33.5%

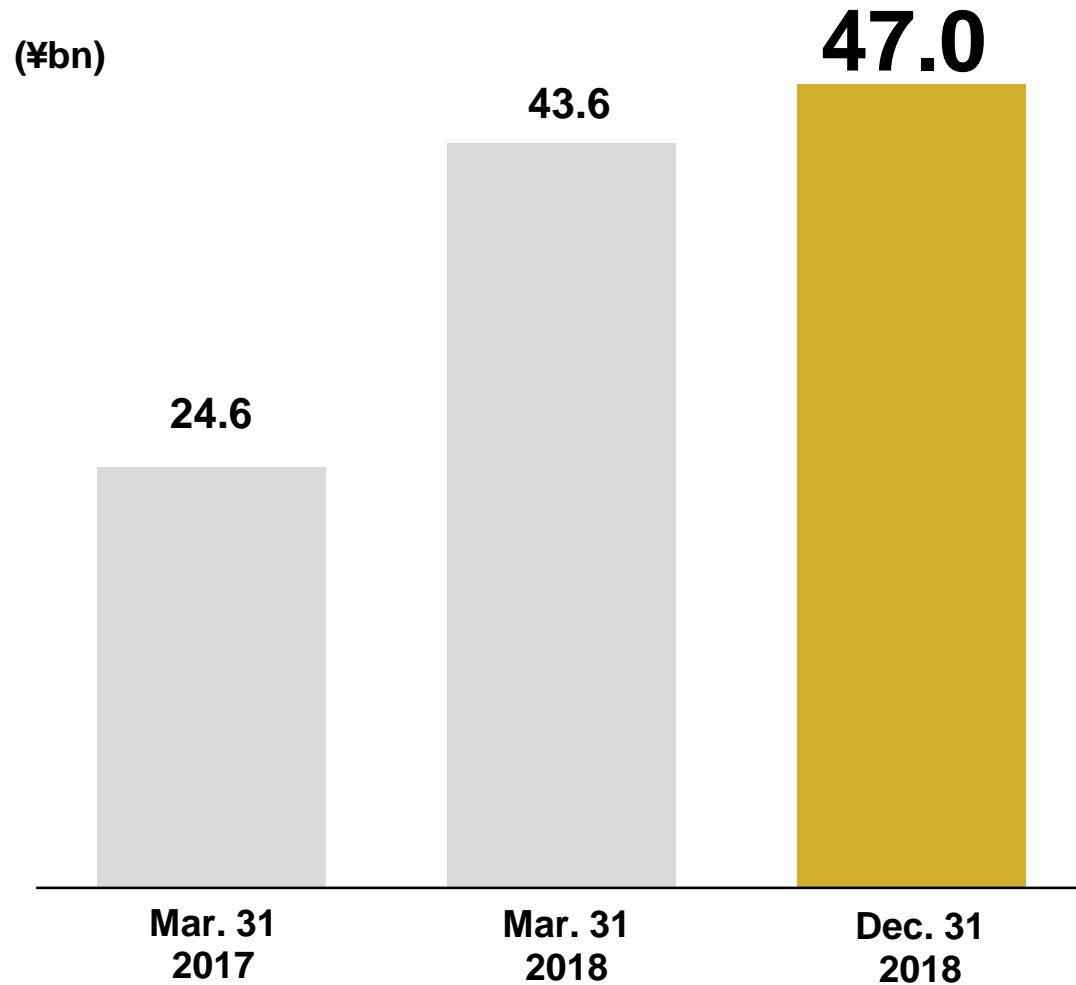
*Equity ratio = total equity / total liabilities and equity

Note: Because the provisional accounts processing pertaining to the business combination with GORIN implemented in August 2017 was confirmed during FY 18/3 Q2, the figures for FY 18/3 Q3 have been adjusted retrospectively.

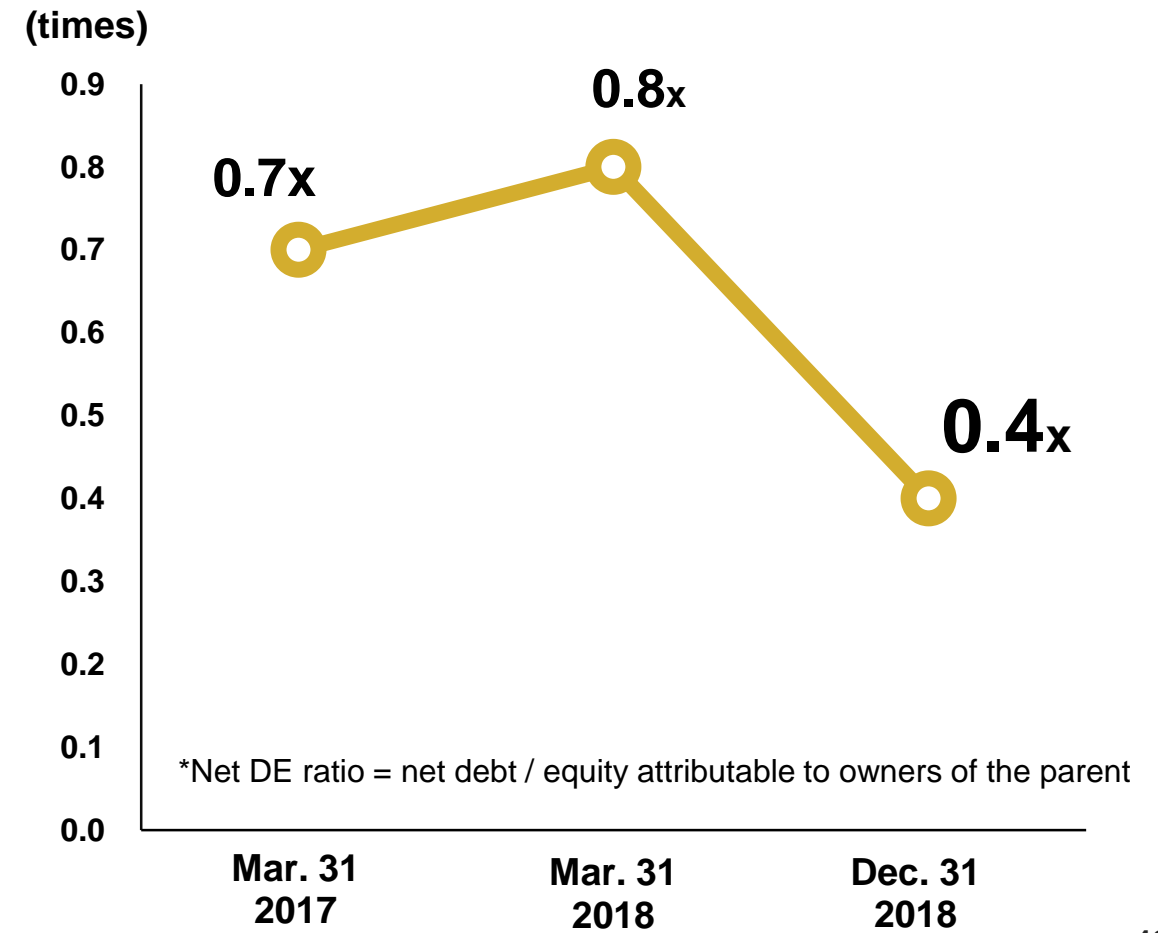
Cash and Cash Equivalent

Hold sufficient cash and the amount of debt stays in secure level

Cash and Cash Equivalent

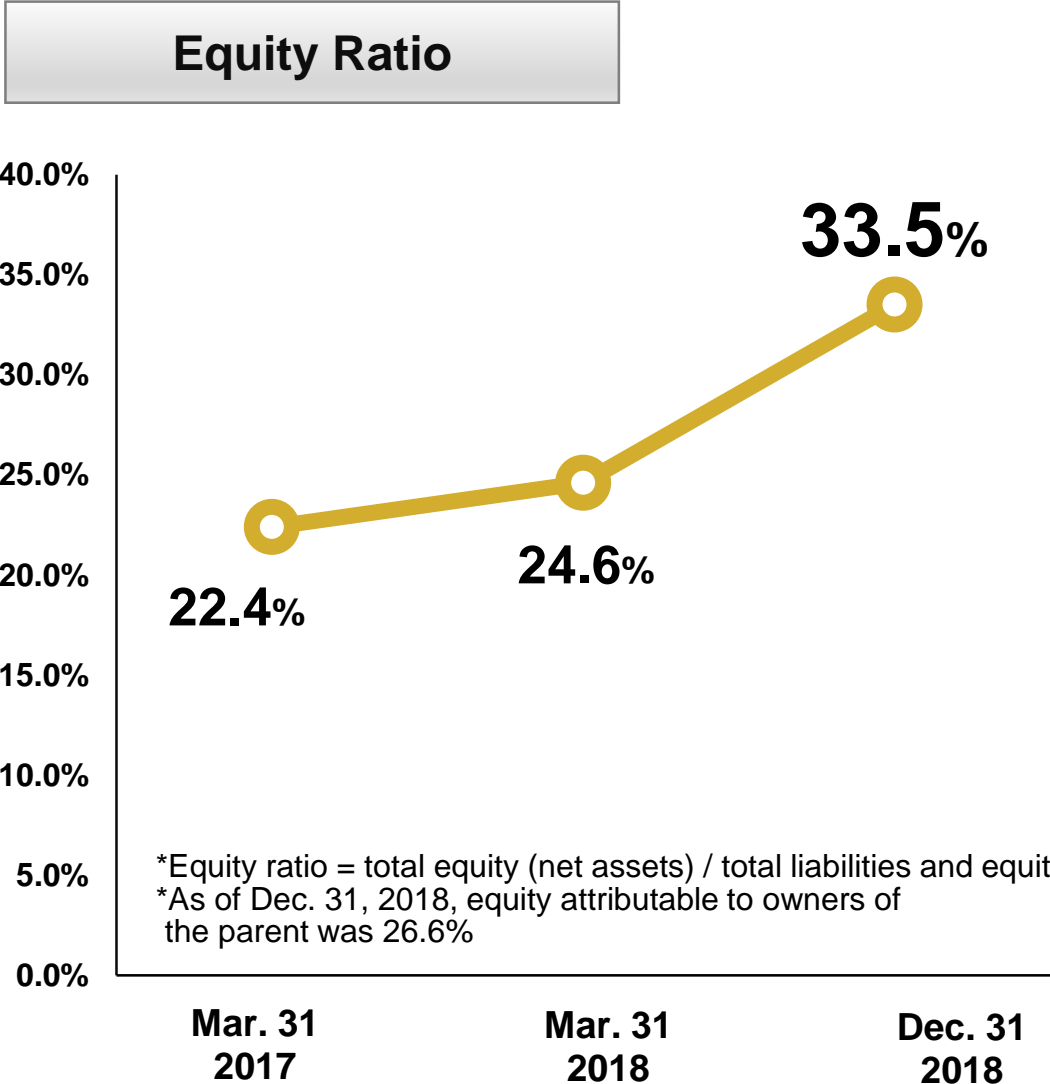
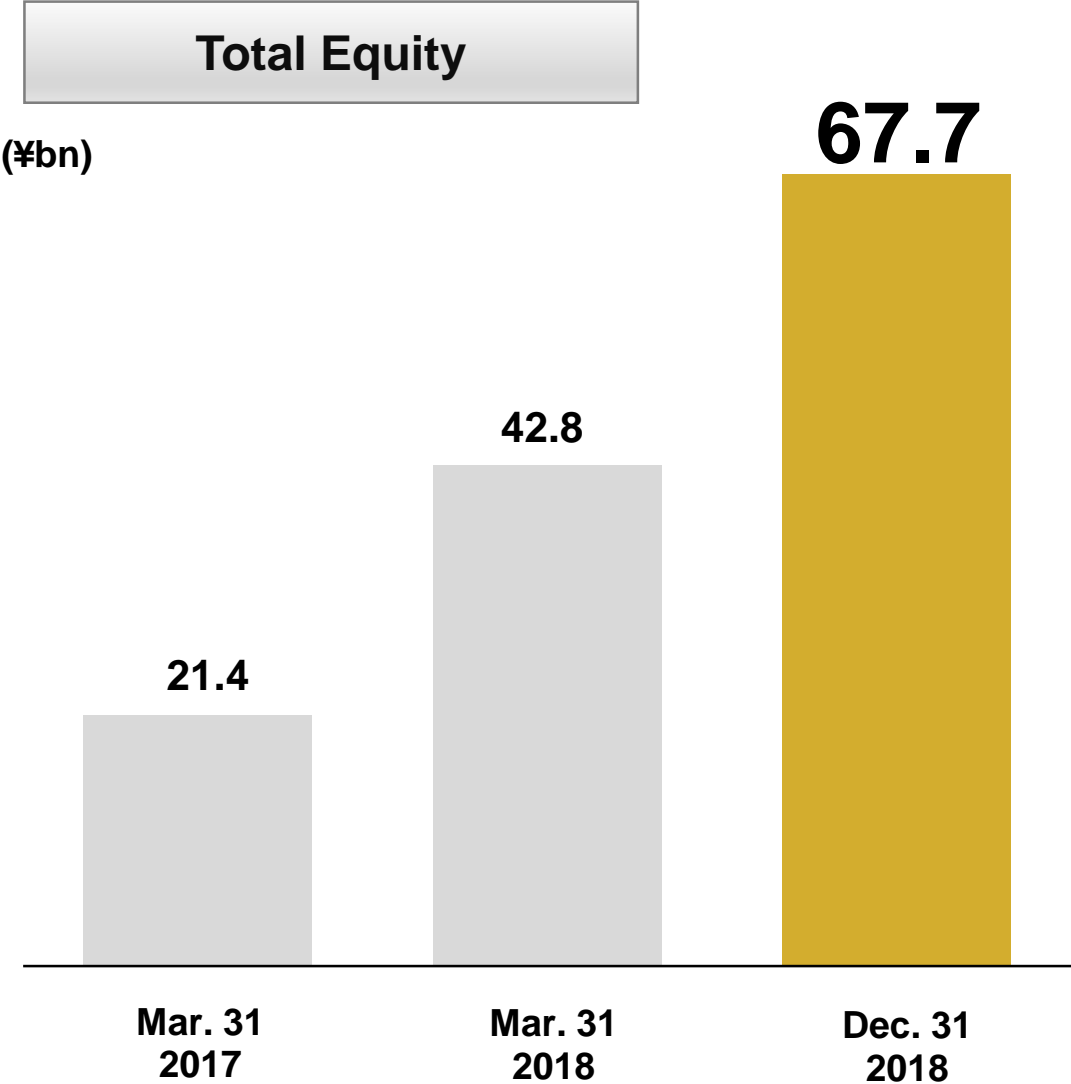


Net DE Ratio

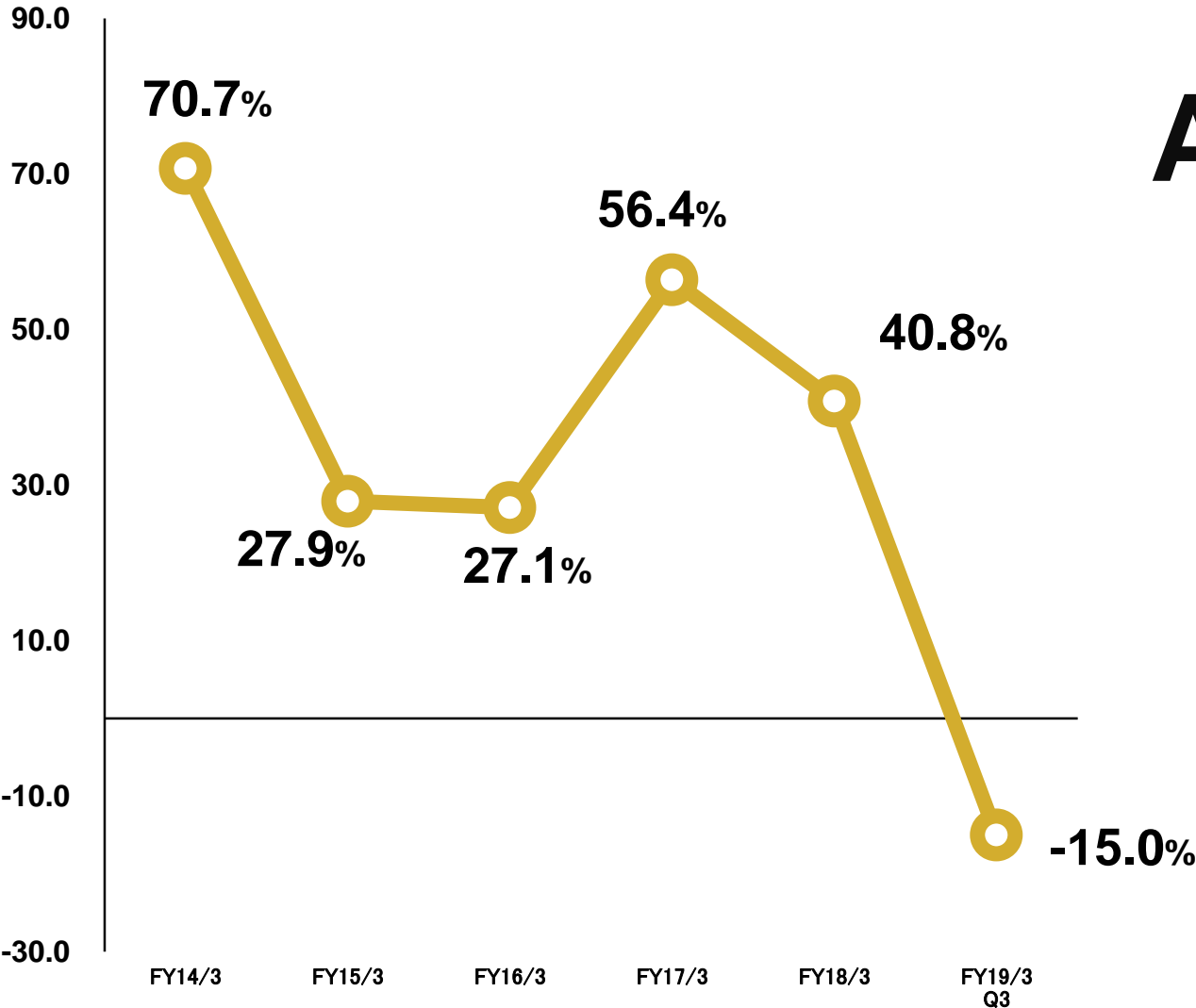


Total Equity and Equity Ratio

Maintain stable level of equity ratio



Continue ROE (return on equity) Management



**Average ROE over
the past 5 years
44.6%**

*Up to FY16/3: net income to equity ratio
*FY17/3: net income to equity attributable to
parent company ratio

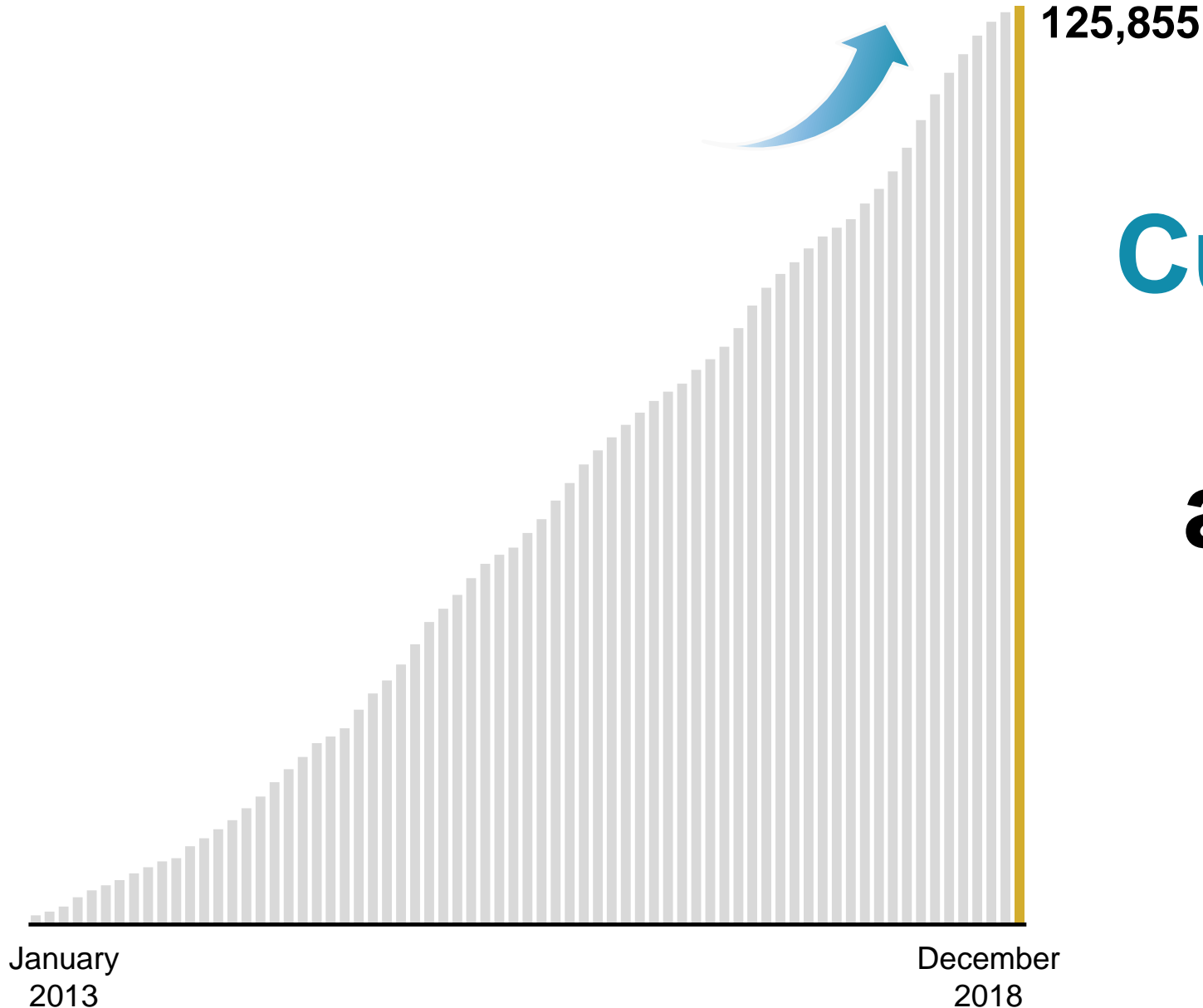
The RIZAP Businesses

RIZAP Body Making

One-to-one



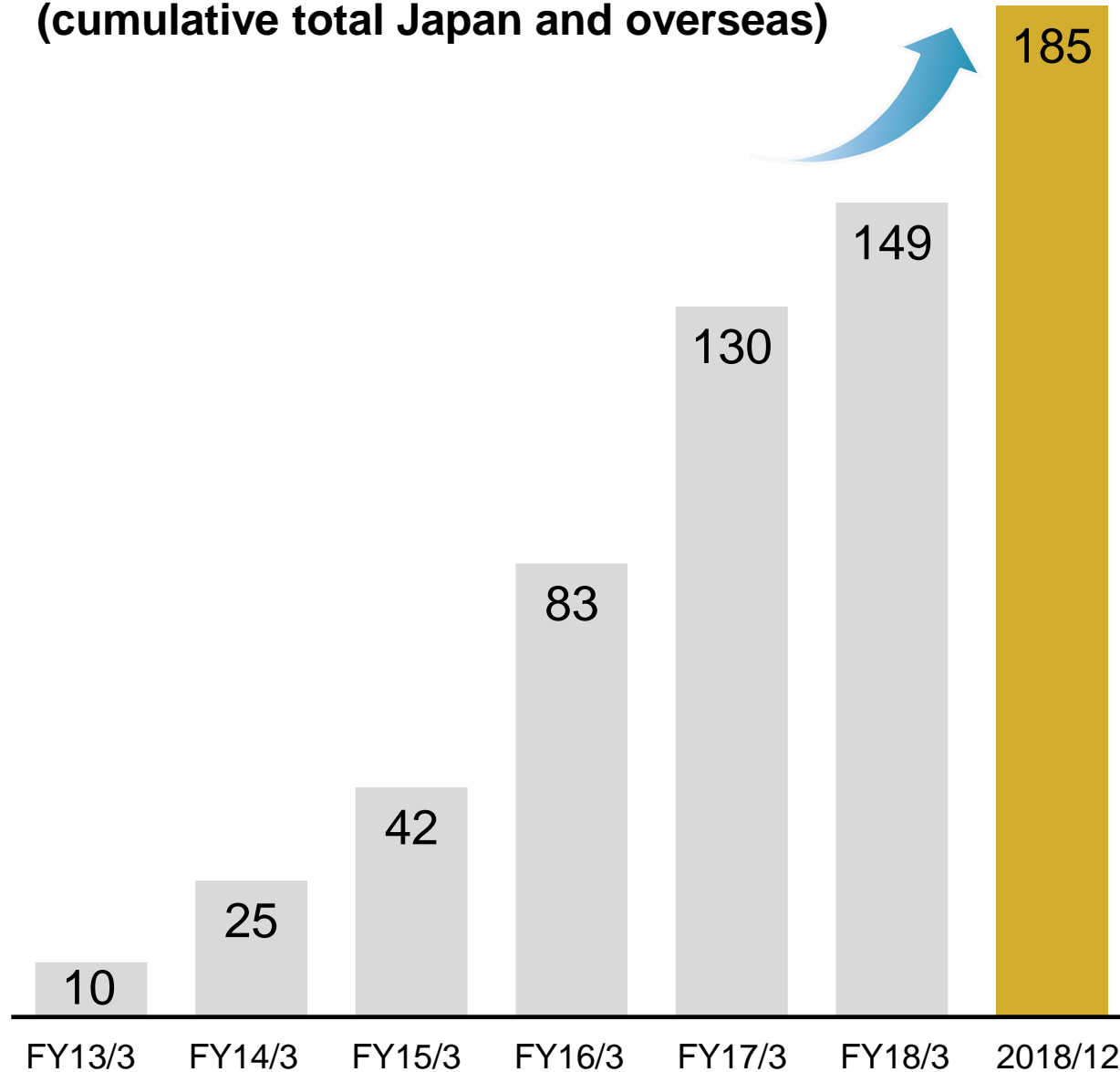
RIZAP Body Making – Cumulative Number of Members



**Currently 125,000
people
and expanding
steadily**

The RIZAP Businesses – Number of Studios

(cumulative total Japan and overseas)



**Currently 185 studios
and expanding
steadily**

*The RIZAP businesses: In addition to the RIZAP body making business, this also includes RIZAP-related products and services

RIZAP Touch 2.0 Release (January 2019)



Significant renewal of the dedicated app for RIZAP Body Making guests

- “Food analyzers” with image analysis by AI
- New establishment of a graph that visualize nutritional intake for 1 day

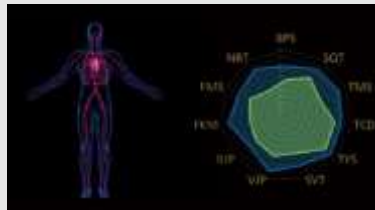


Start of RIZAP Lab (January 2019)

A research institute that will further evolve the RIZAP method for everything from body making to athletes

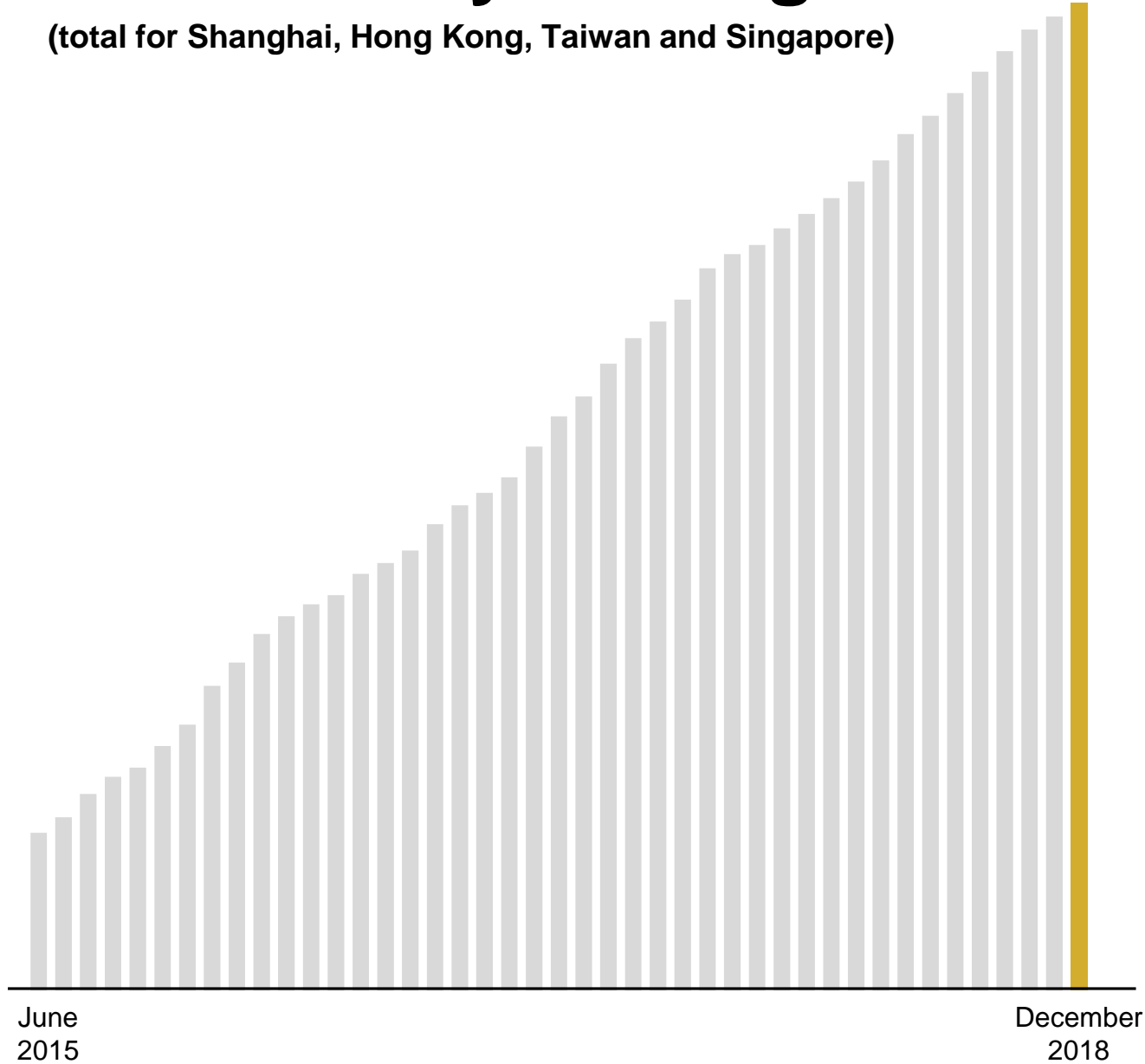
Collection and analysis of athletes' physical data from training machines

- Improvement in athletes' performance
- Evolution of the body making method
- Development of sports gear, etc.



RIZAP Body Making – Cumulative Number of Members Overseas

(total for Shanghai, Hong Kong, Taiwan and Singapore)



The number of customers is currently expanding steadily in 4 Asian countries too



RIZAP Body Making – Number of Overseas Studios



6 studios in Asia

Shanghai: 2 studios

Taiwan: 2 studios

Hong Kong: 1 studio

Singapore: 1 studio

* Third studio in Shanghai: scheduled to open in April 2019.
Joint studio combining RIZAP GOLF and RIZAP Body Making.

North America: RIZAP Hawaii Studio

(joint studio combining RIZAP Body Making and LIPTY)



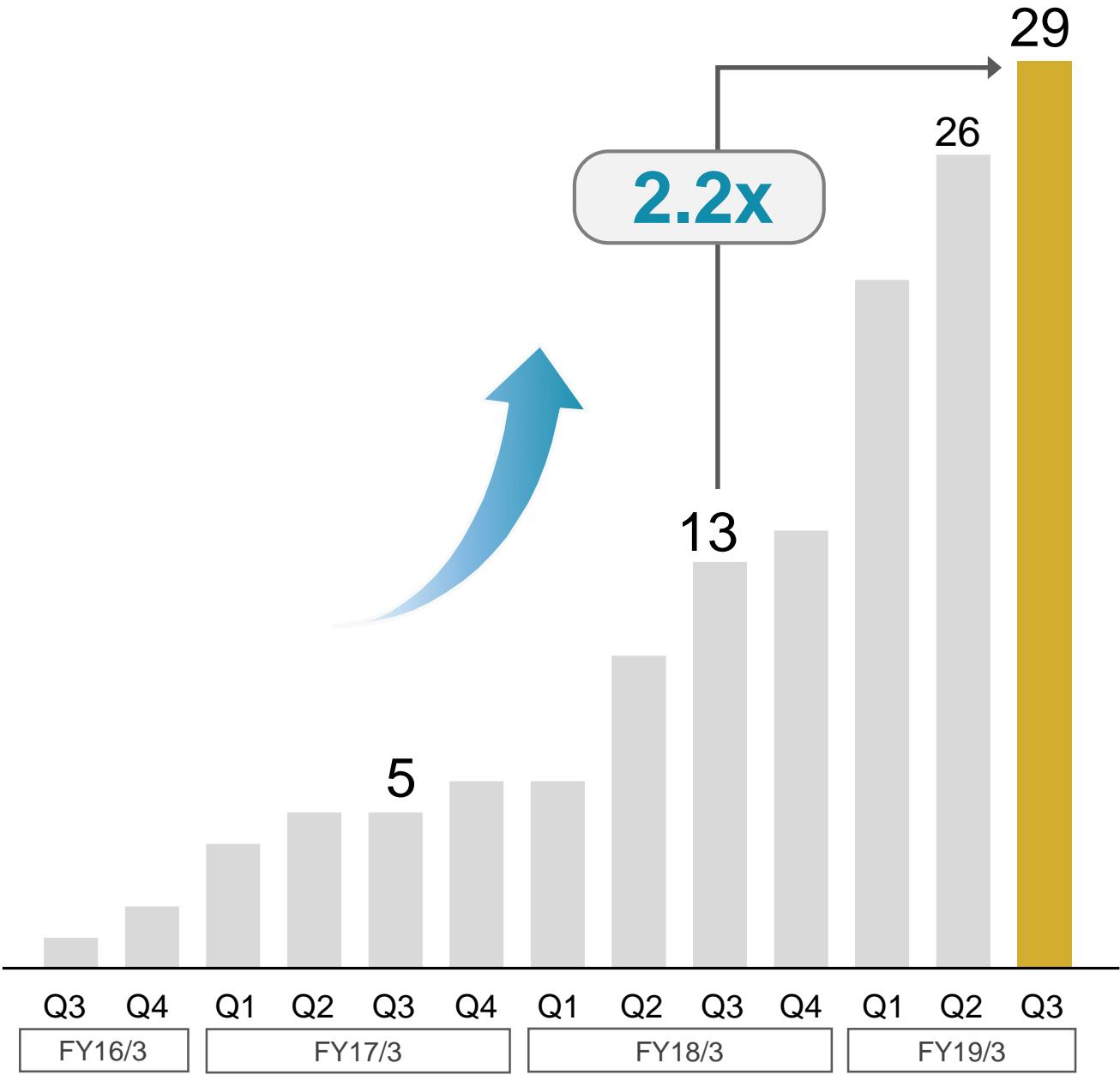
Scheduled to open in April 2019
at Waikiki Shopping Plaza

RIZAP GOLF and RIZAP ENGLISH

One-to-one



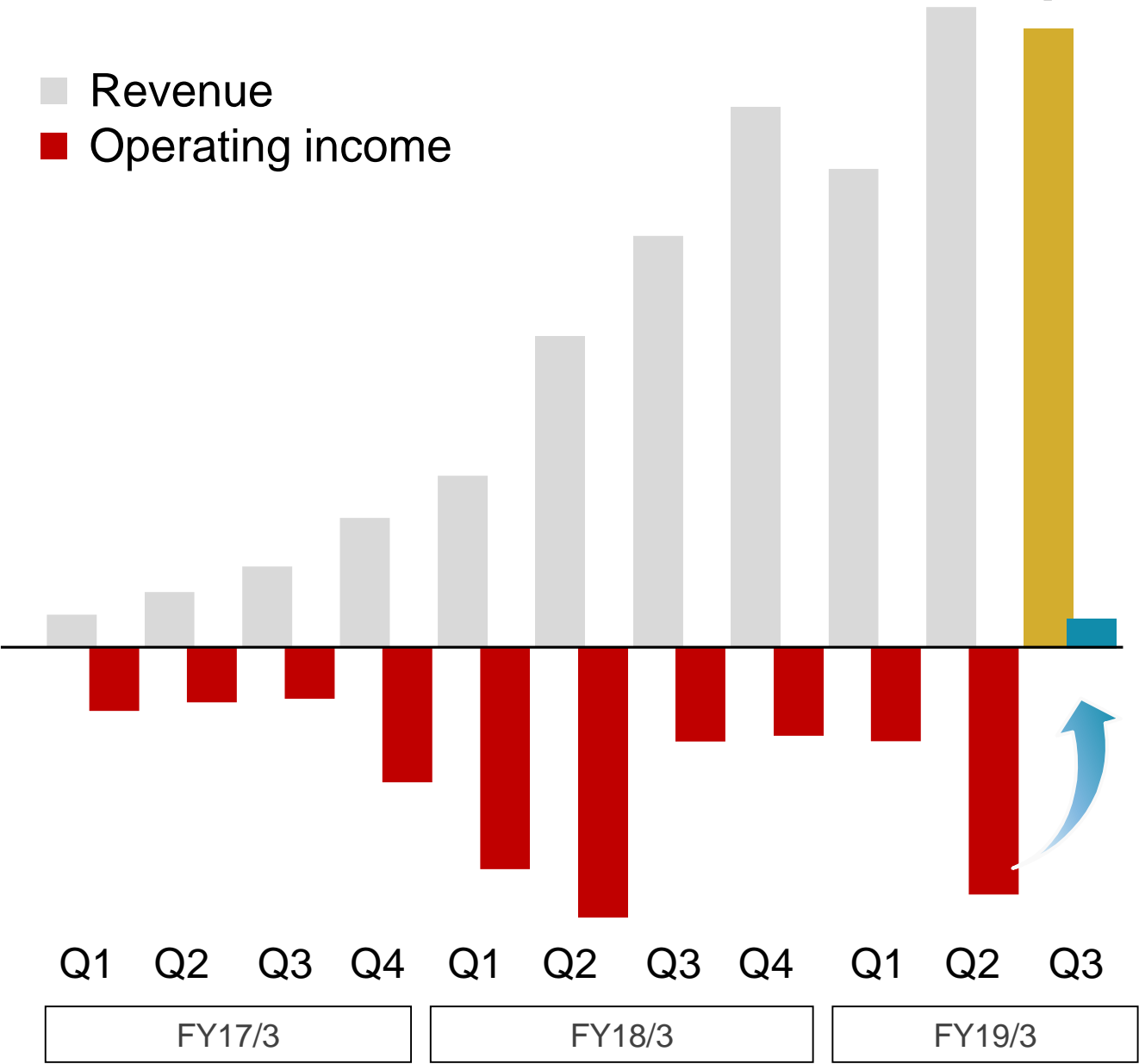
RIZAP GOLF - Number of Studios



RIZAP GOLF
studios are
expanding further

RIZAP GOLF – Revenue and Operating Income

■ Revenue
■ Operating income



RIZAP GOLF
 First achievement
 of quarterly profit

Evolution of the RIZAP GOLF Method

Tomohiro Toyonaga, trainer
National champion and world best 16
of long drive contest

(recorded yardage 387, the best among Asians)

*Ken Corporation Cup Driving Control Festival 2018 (Oct. 2018)

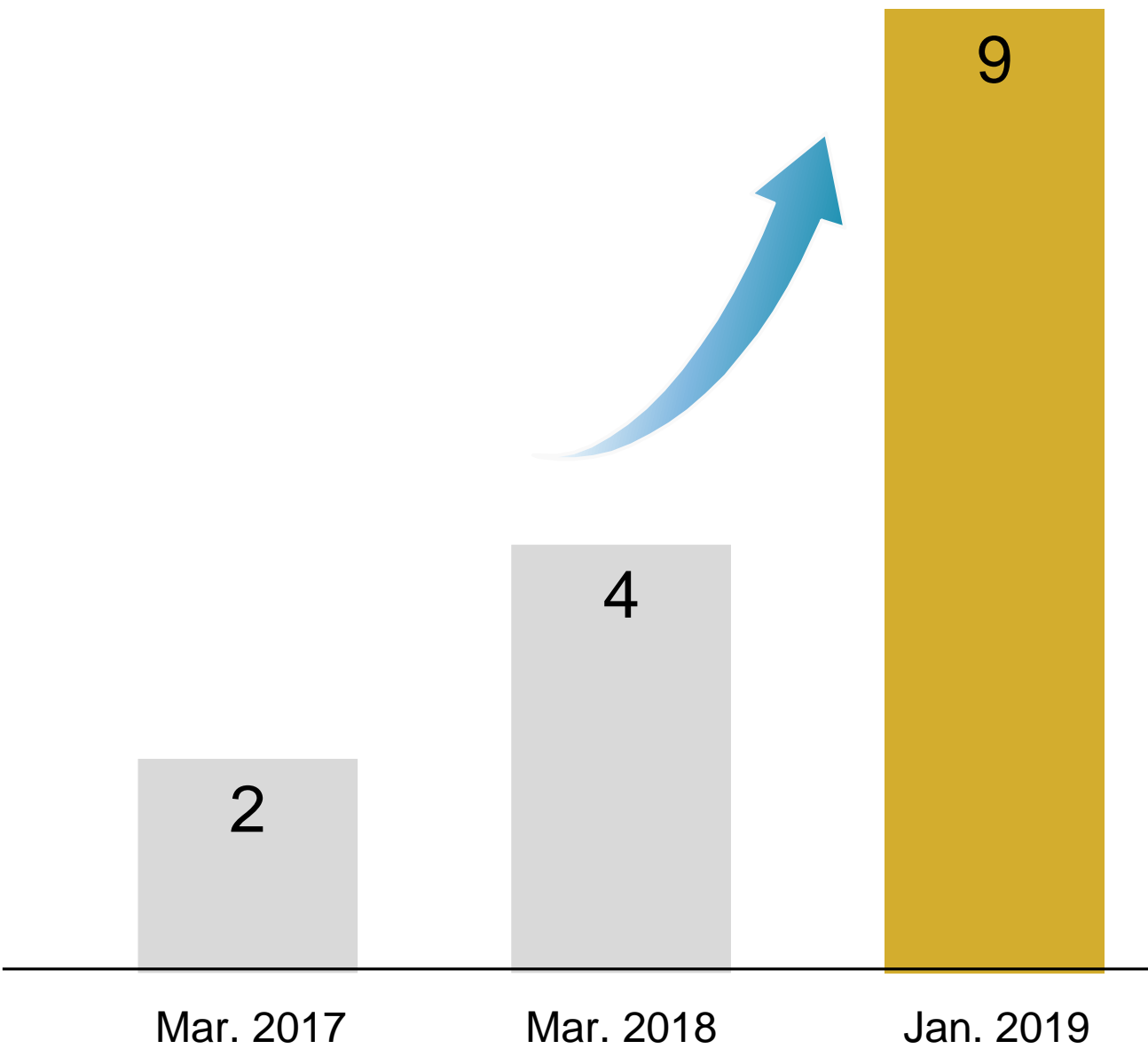
*IGANZ GLOBAL INFINITY Series in China (Nov. 2018)

Evolve further the RIZAP GOLF method
using knowhow of which track record is
already proven

“Carry Improvement Program”
is coming soon



RIZAP ENGLISH – Number of Studios



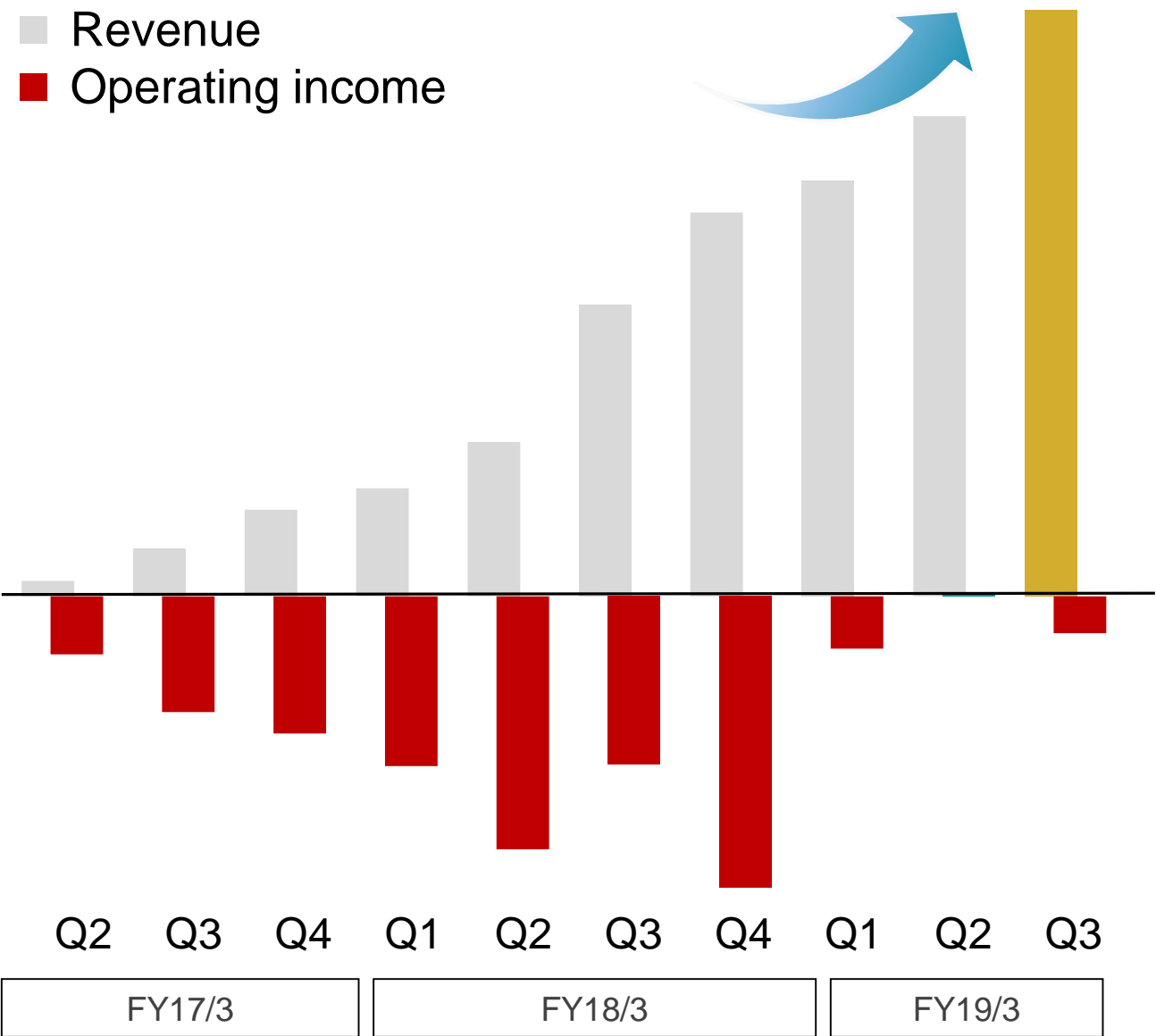
January 2019

Studio opened in Shinbashi, Tokyo

(1-minute walk from Shinbashi Station)



RIZAP ENGLISH – Revenue and Operating Income



RIZAP ENGLISH
Sales are expanding

Revenue deteriorated temporarily in Q3 due to opening new locations

Muscle training studio for women

EXPA

Hot yoga for women

LIPTY

One-to-many



The RIZAP Strategy

“Committed to results”

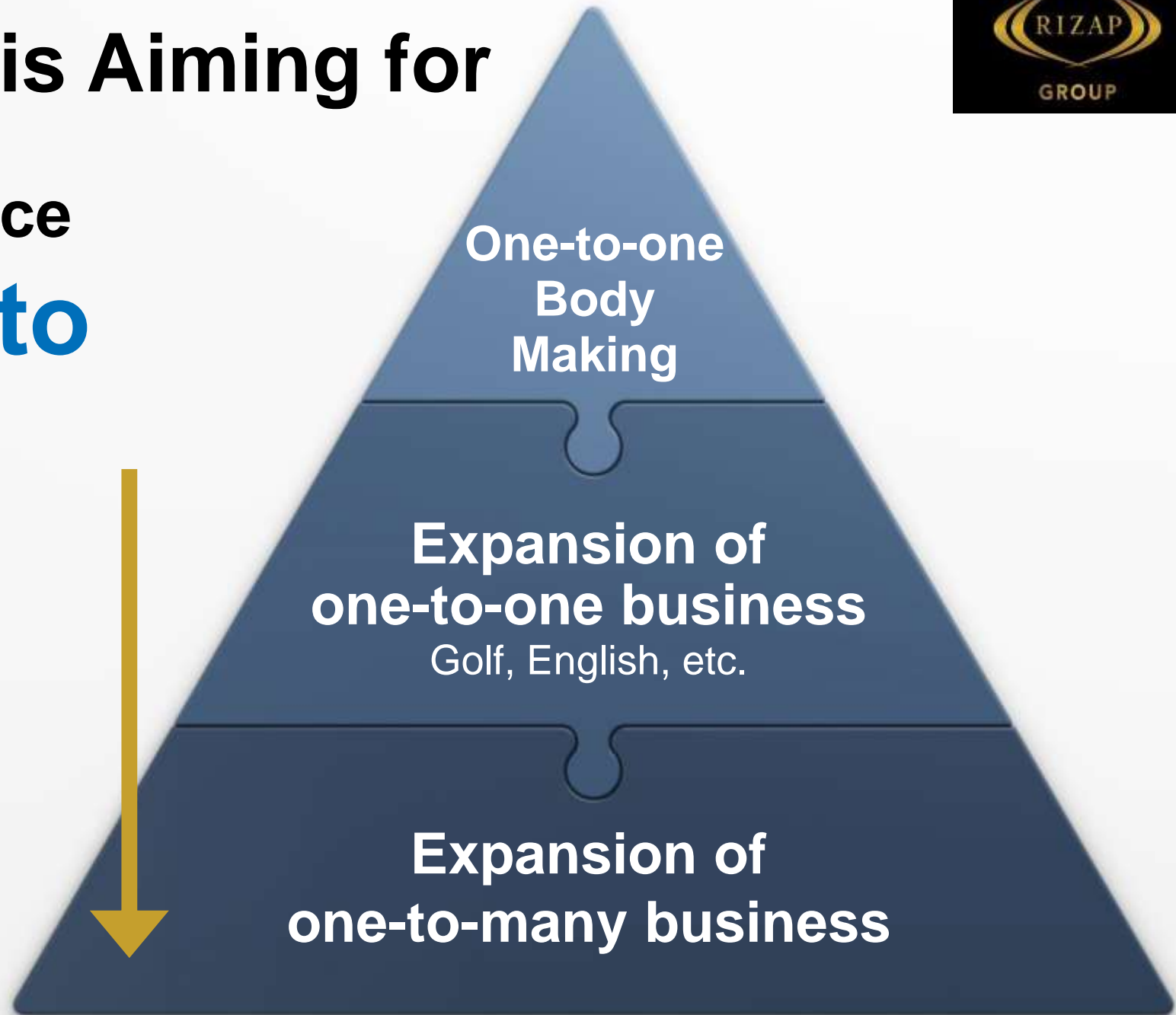
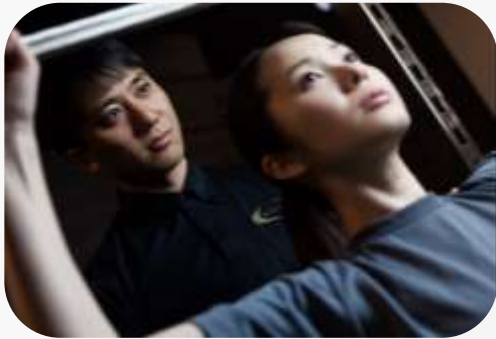
(full refund if results not produced)



<The strengths of RIZAP>
**The ability to make
customers do programs to
completion**

The World RIZAP is Aiming for

Expansion of service
“committed to results”



A system that enables “committed to results” in both one-to-one and one-to-many



**Thorough personal attendance
by supervising trainer**

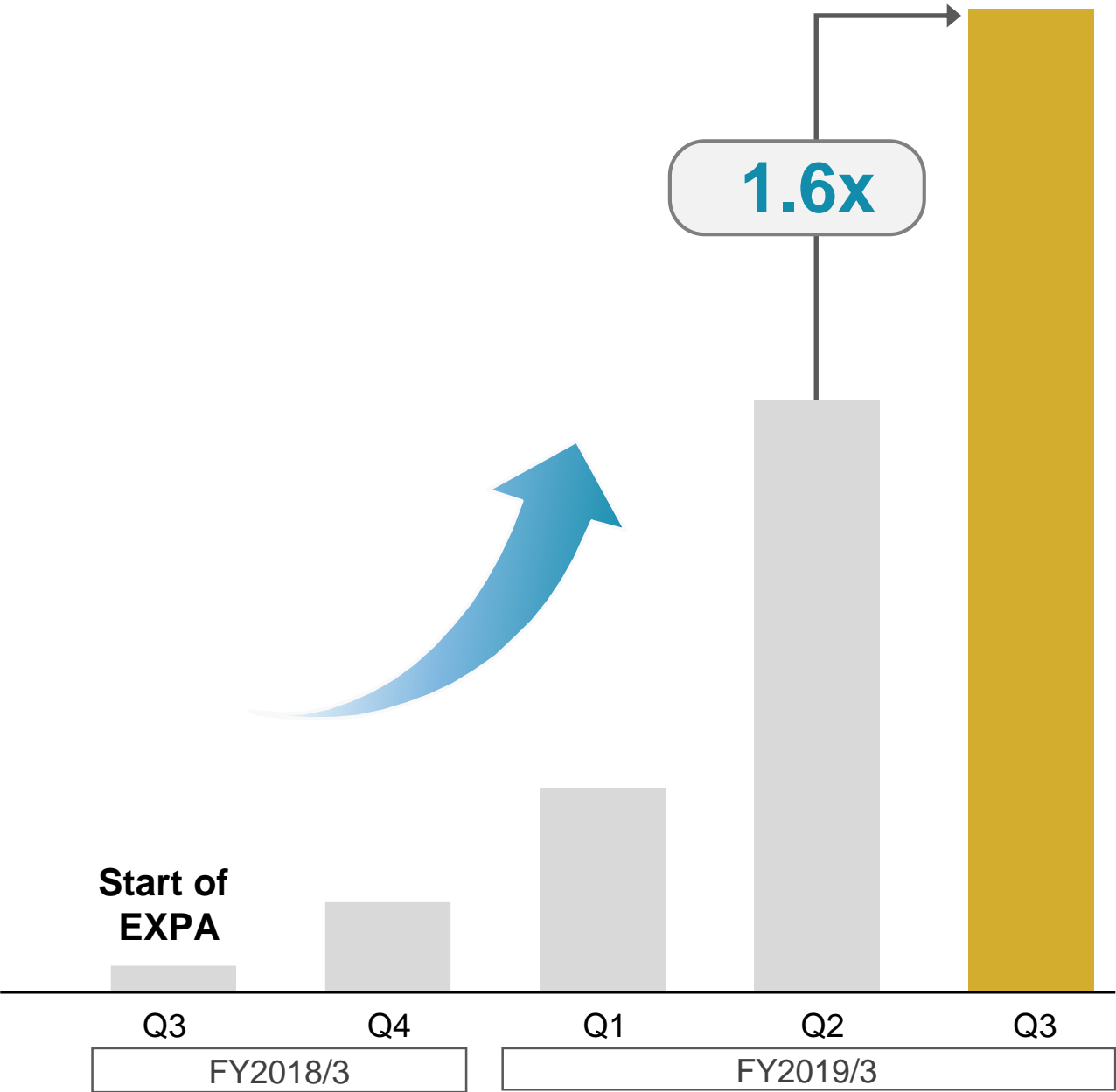


Ongoing counselling



**Review of lifestyle habits
(diet management)**

EXPA – Cumulative Number of Members



Members are expanding rapidly

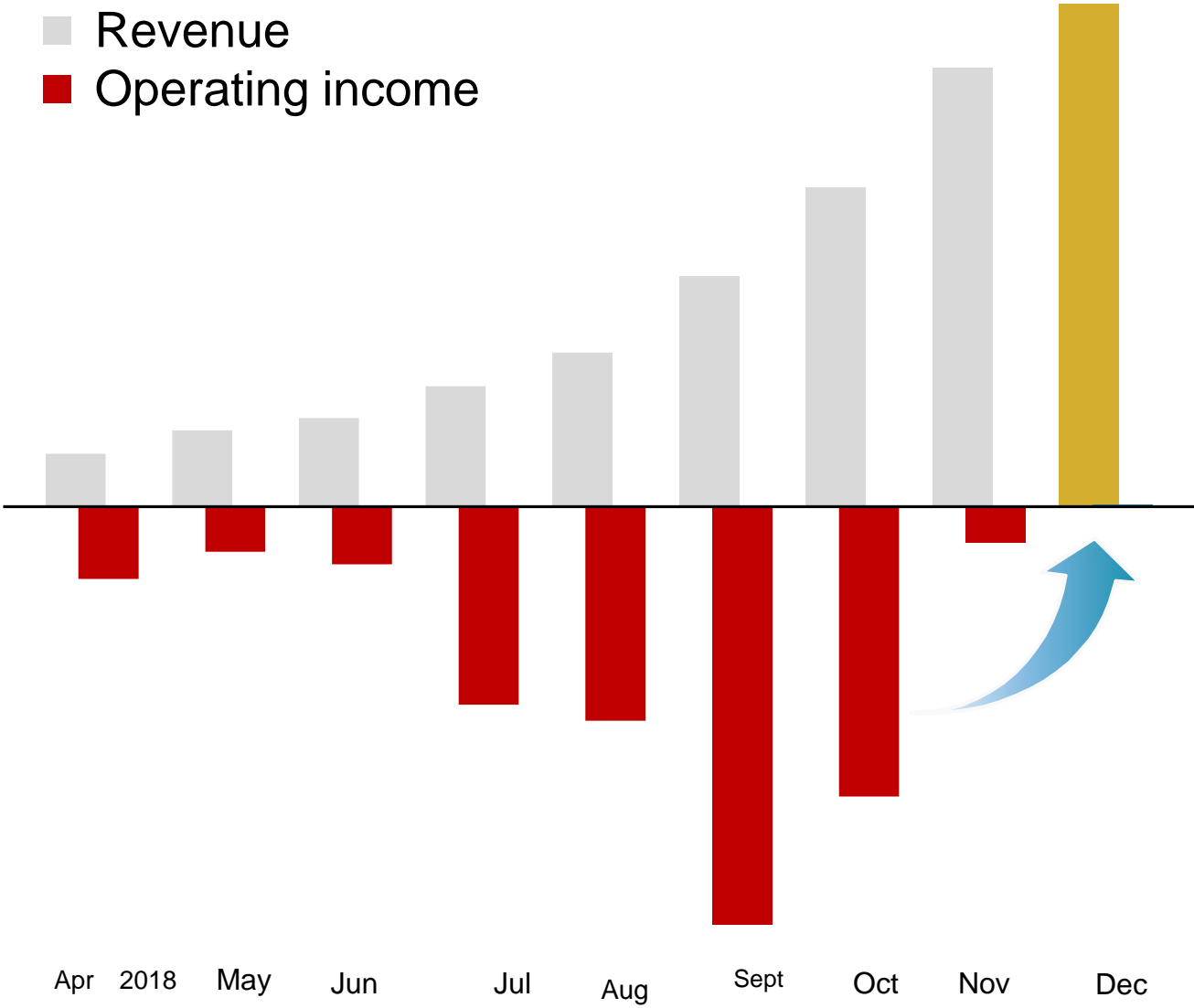
Currently expanding at 6 stores

(Ikebukuro, Takadanobaba, Ginza, Omori, Hachioji, Omiya)



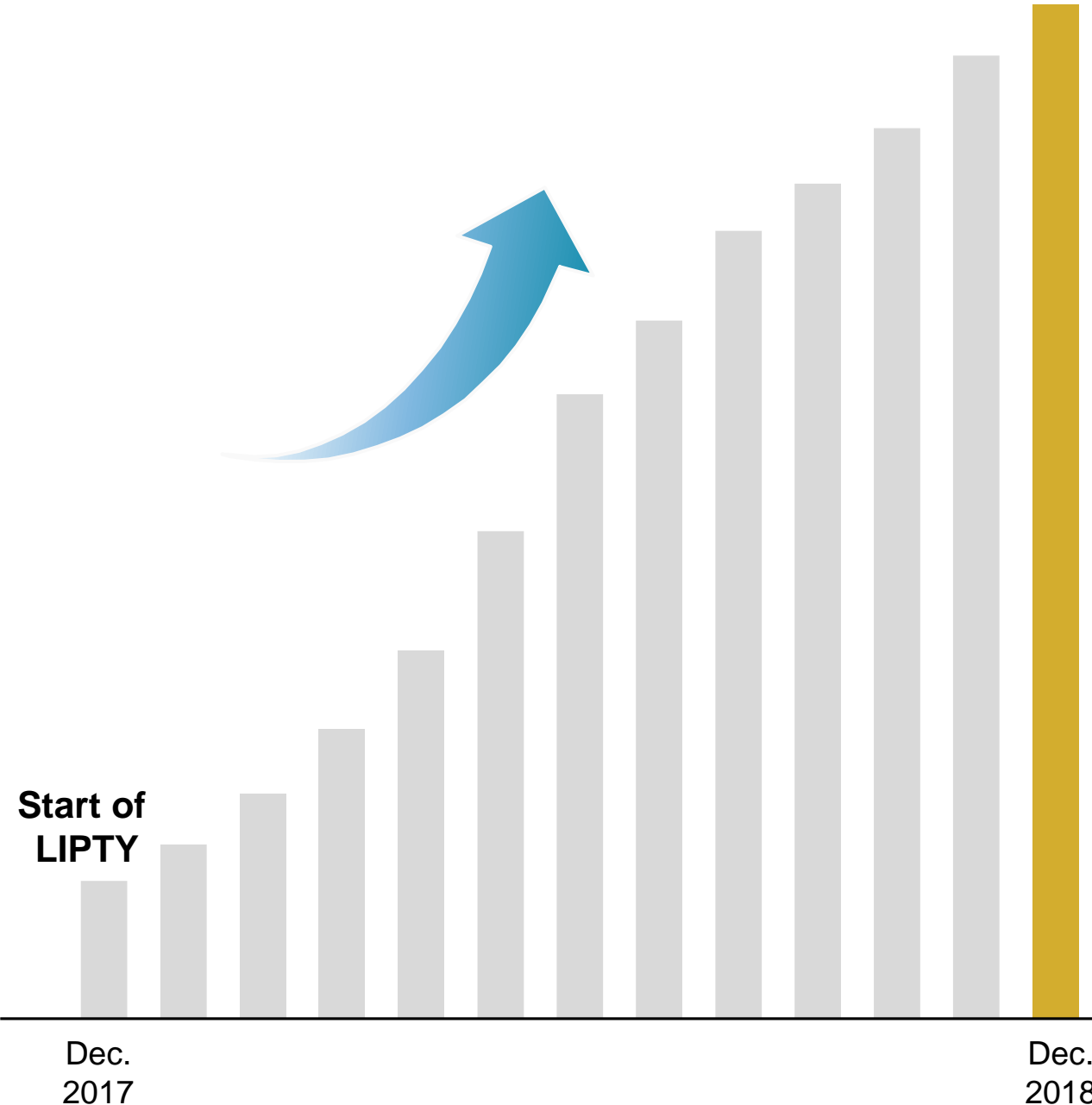
EXPA – Revenue and Operating Income

■ Revenue
■ Operating income



December 2018
First achievement of single month profit

LIPTY – Cumulative Number of Members



**Muscle training and yoga
developed by RIZAP
Number of members
is expanding**



New Business

S SOUGYM

One-to-many



SOUGYM (test marketing from December 2018)

**Middle and senior age generations commit to health enjoyably
and without working too hard**

Cutting-edge machines

that are changed to match
physique, muscle power and
targets, etc.



Dedicated trainers

who personally attend to
each guest thoroughly

**Circuit training that
produces effects**





- **Body making course**
- **Functional improvement course**
(shoulders, hips, and knees)





ミドル/シニア向けサーキットトレーニング

One-to-Many Service Enhancement

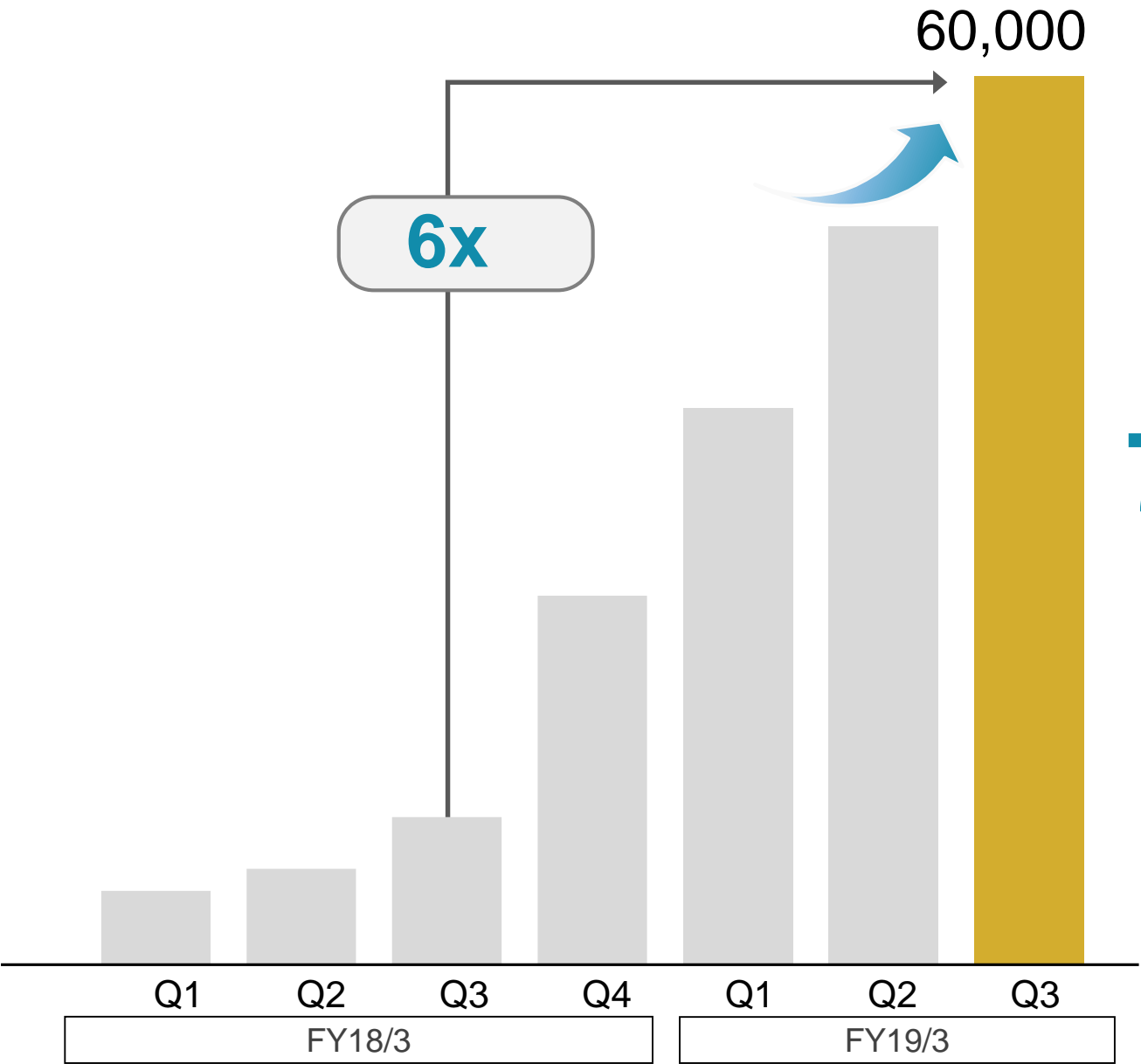
				
Session capacity	One-to-one	One-to-twenty (maximum)	One-to-twenty (maximum)	One-to-eight (maximum)
Subjects	Men and women	Woman	Woman	Men and women (middle age)
Details	Personal training	Fitness in the dark	Diet hot yoga	Circuit training
Price	About 300,000 yen for 2 months	About 15,000 yen per month	About 15,000 yen per month	Between 30,000 and 40,000 yen per month
Counseling	☉ Individually matched programs	○	○	○ Individually matched programs
Diet management	☉ Everyday with app	○	○	○ with app

RIZAP Corporate Program

One-to-many



RIZAP Wellness Seminar – Number of Attendees



Advanced companies aiming to promote the health of employees

**Broke through
730 companies and
60,000 people**



Annual Congress of Japan Surgical Association (December 2018)



Interim announcement of joint research on the prevention of sarcopenia by The University of Tokyo and RIZAP



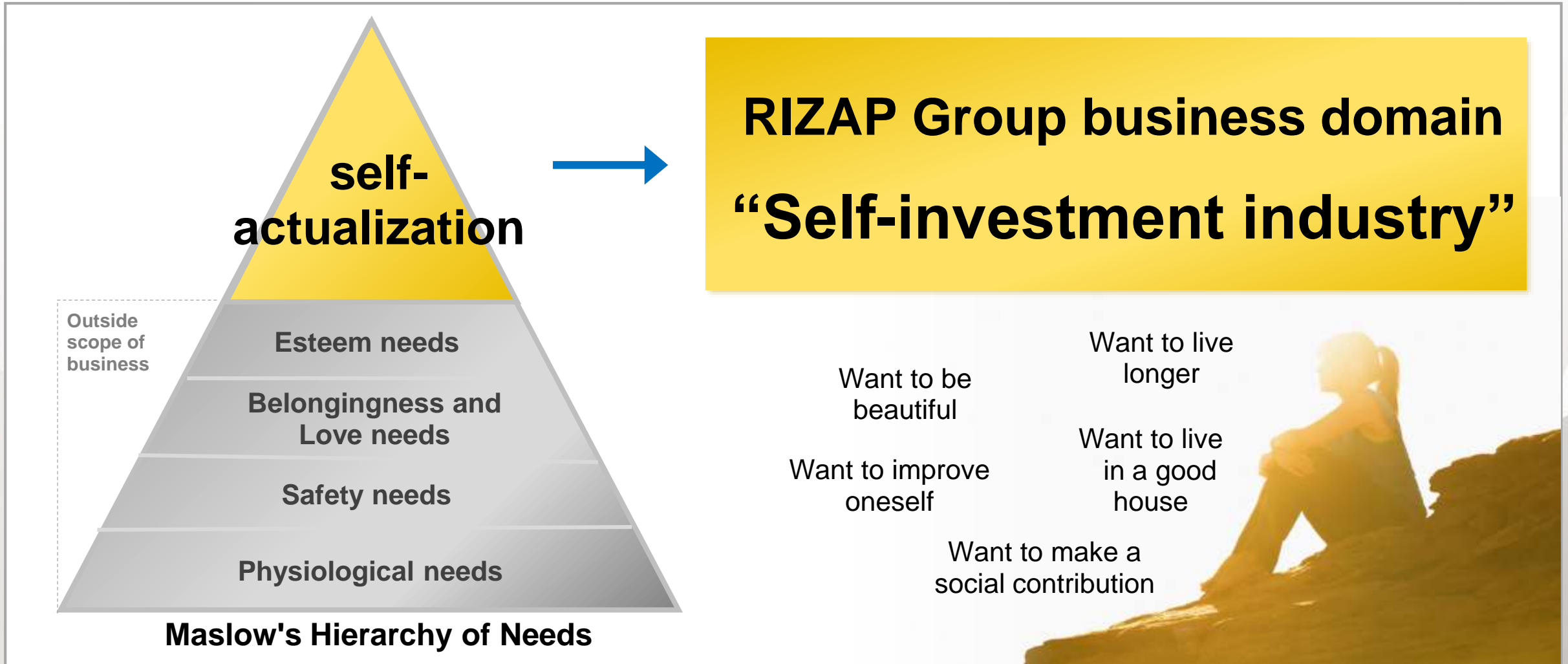
**Perioperative exercise/nutrition therapy
can be an assist to “safe
surgery”**

Project Associate Professor Susumu Aiko,
Bariatric & Metabolic Care, Social
Cooperation Program, Graduate School of
Medicine and Faculty of Medicine, The
University of Tokyo

Summary

1. Restructuring aimed at sustainable growth is progressing
(reorganization and corporate governance reform, etc.)
2. Confirm the losses associated with restructuring and return to growth trajectory from next fiscal year
(Additional loss on sale of business may occur. The impact on the full-year results forecast is currently under careful examination)
3. Further progress of the RIZAP business
(concentrate the management recourses on growing businesses including mainly healthcare and beauty)
4. The group companies completed management reorganization are contributing the profit growth on a full scale
(MRK, Idea International, JEANS Mate, and HAPiNS shifted to a growth phase)

Becoming the Global No.1 in Self-Investment Industry





**For all people to live a life during
which they can feel their own value**



Appendix.



Company Overview (as of the end of September 2018)

Company name RIZAP GROUP, Inc.

Stock code 2928
(Sapporo Securities Exchange's Ambitious Market)

Establishment April 2003

Representative Takeshi Seto,
Representative Director, President

Capital 19,200,440,000 yen

**Number of shares
outstanding** 556,218,400 shares

**Number of consolidated
employees** 7,063 people
(excl. temporary employees)
*As of March 2018



Q3 Results of Listed Group Companies (1)

(¥ mil)		FY2018/3 Q3	FY2019/3 Q3	Change	Overview
*1					
MRK HOLDINGS INC.	Revenue	10,528	13,353	+2,825	The supply system for the new core product “Curvaceous” is stable. Increase in the number of customers contributed by relocation and renovation of existing stores pursuing aggressively during H1. Highest ever result in 3Q after fiscal year end change.
	Operating income	393	-153	-546	
*2					
JEANS MATE CORPORATION	Revenue	6,388	6,766	-	Achieved highest operating income in 11 years. December sales at existing stores were 107% YoY. Inbound sales were 182% YoY. Ladies and goods sales were 109% YoY. EC sales were 123% YoY.
	Operating income	-447	333	-	
*3					
IDEA INTERNATIONAL CO., LTD.	Revenue	4,077	7,399	+3,322	Both revenue/operating income achieved record highs due to the strong BRUNO brand line-up is expanding. EC sales were 153% and overseas sales were 369 YoY respectively.
	Operating income	222	296	+74	
*4					
HAPiNS Co., Ltd.	Revenue	6,766	7,275	+509	Year-on-year increase in revenue for 14 consecutive months after November 2017. Existing store sales for January 2019 were 116%. Accelerate growth by further roll-out of new concept shops.
	Operating income	243	260	+17	

*1. Changed trading name from MARUKO CO., LTD. as of October 1, 2018

*2. Because the company changed its accounting period during the fiscal year ending March 31, 2018, the figures shown for the previous term are for 9-months from March 21 to December 20, 2017

*3. Because the fiscal year end in June, the figures are for 6-months from July to December. Consolidated accounting since the fiscal year ending June 30, 2019.

*4. Changed name from Passport Co., Ltd. as of August 1, 2018

Q3 Results of Listed Group Companies (2)

(¥ mil)		FY2018/3 Q3	FY2019/3 Q3	Change	Overview
Wonder Corporation	*1 Revenue	53,428	48,545	-4,883	Deterioration in revenue and operating income due to poor state of GOO business, but the year-end selling season (December) was trending well. Shifting the business structure by pursuing “selection and concentration” to focus on highly profitable businesses.
	Operating income	213	-157	-370	
DREAM VISION CO., LTD.	*2 Revenue	3,918	4,880	+962	Core apparel business and toy business achieved significant increase in revenue and operating income. Customer foundations have expanded due to conversion of NARACAMICIE into a subsidiary.
	Operating income	641	17	-624	
Marusho hotta Co., Ltd.	Revenue	5,878	5,067	-811	Carrying on from the kimono business, the couture business has improved earnings significantly. All segments returned to profit in Q3. Loss of first half was almost cancelled in Q3.
	Operating income	90	-6	-96	
PADO Corporation	Revenue	5,098	4,730	-368	Increased revenue for media inserts targeting wealthy. Improved profitability of household media (PADO). Work of integration with Sankei Living is progressing and there are reductions in selling, general and administrative expenses.
	Operating income	-23	-276	-253	
SD ENTERTAINMENT, Inc.	Revenue	5,834	5,903	+69	Transfer of its entertainment business in December 2018. Focus on fitness, nursing care, and day care businesses from now on.
	Operating income	-122	-13	+109	

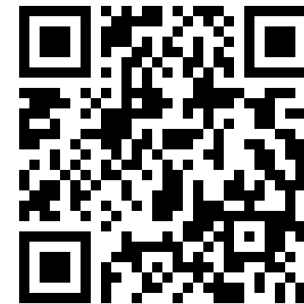
*1. Due to the change of its accounting period, this fiscal year is an irregular 13-months period. The figures shown are March to November.

*2. International financial reporting standards (IFRS)

IR Information of Listed Group companies



Concentrated the IR websites of listed Group companies



RIZAP GROUP, Inc.

IR information of listed
Group companies

www.rizapgroup.com/ir/group/