



# Financial Results Briefing

**Fiscal Year Ending March 2023**

**May 15, 2023**  
**RIZAP Group, Inc.**

(Ambitious Market of Sapporo Securities Exchange; Securities Code: 2928)

English translation from the original Japanese-language document

# Today's Topics

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# Highlight

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**1. The number of chocoZAP members has grown rapidly. The largest number of members in Japan is now within our reach. In less than 1 year after the launch of the chocoZAP brand, annual sales reached the 20 billion yen level.**

- No. of members: 550,000 (forecast at the end of the campaign on May 15)
- No. of gyms: 572 (as of May 15)

**2. As chocoZAP is performing well, we have been posting up-front expenditure in the previous term and this term (upfront investment period).**

- Results in the previous term (FY 3/23): -4.5 billion yen (operating profit), -12.7 billion yen (profit)
- Forecast for this term (FY 3/24): -4.5 billion yen (operating profit), -9 billion yen (profit)

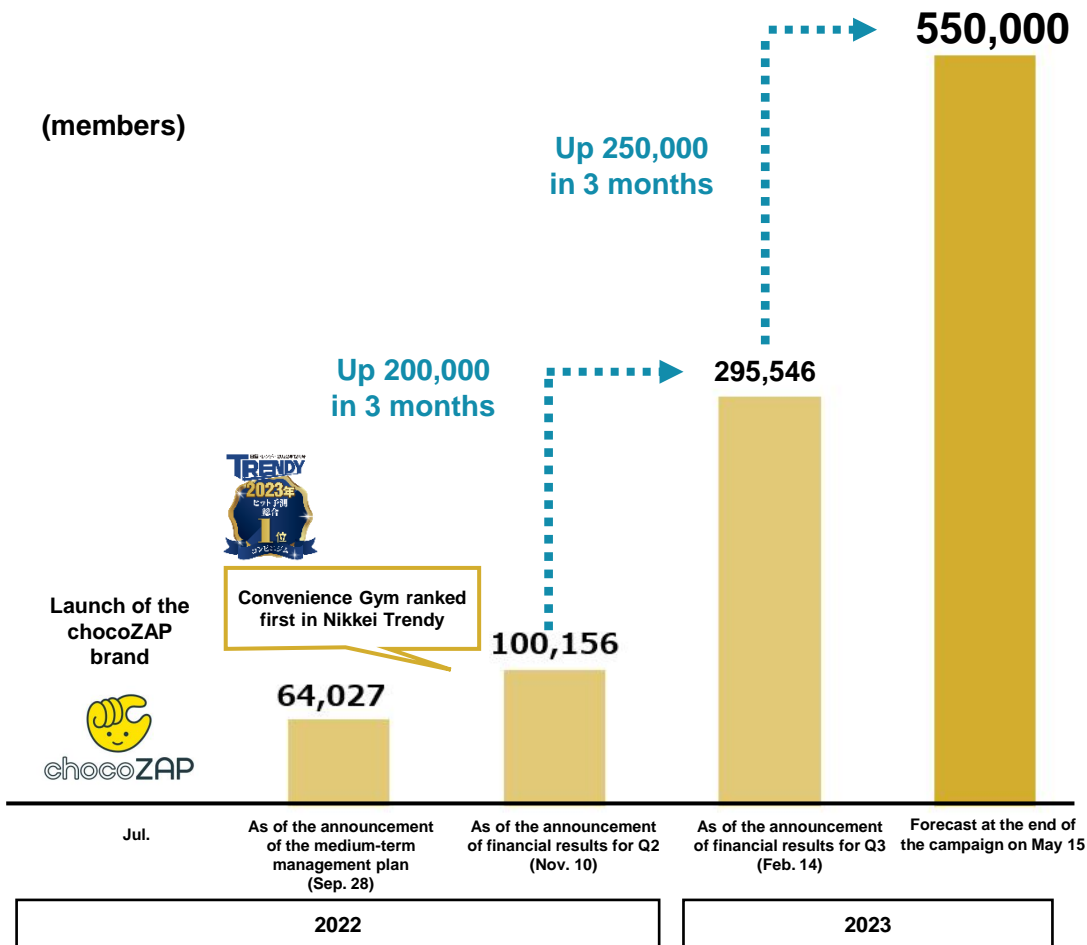
**3. In the next term onwards, we will enter the profit growth phase (recoupment period). We aim to achieve medium-term management goals (operating profit of 30 billion yen in FY 3/26).**

- We aim to open 2,000 chocoZAP gyms early in the next term or the term after that.

# Number of chocoZAP Members



(members)

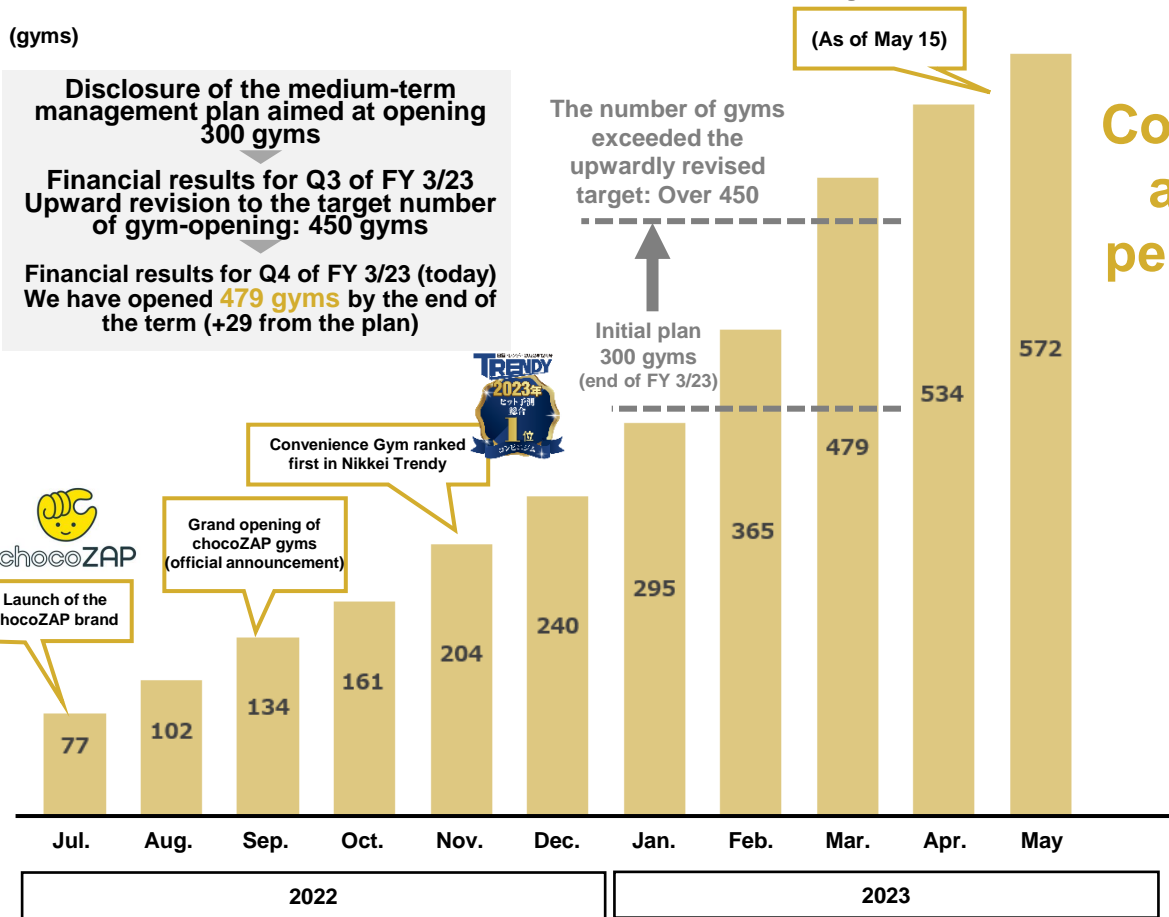


The annual sales of the chocoZAP brand has reached the 20 billion yen level in less than one year after the launch.

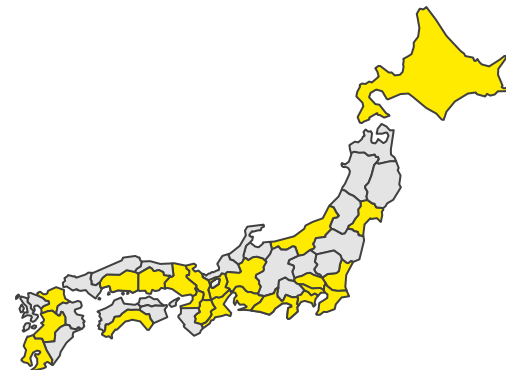


# Number of chocoZAP Gyms

(gyms)

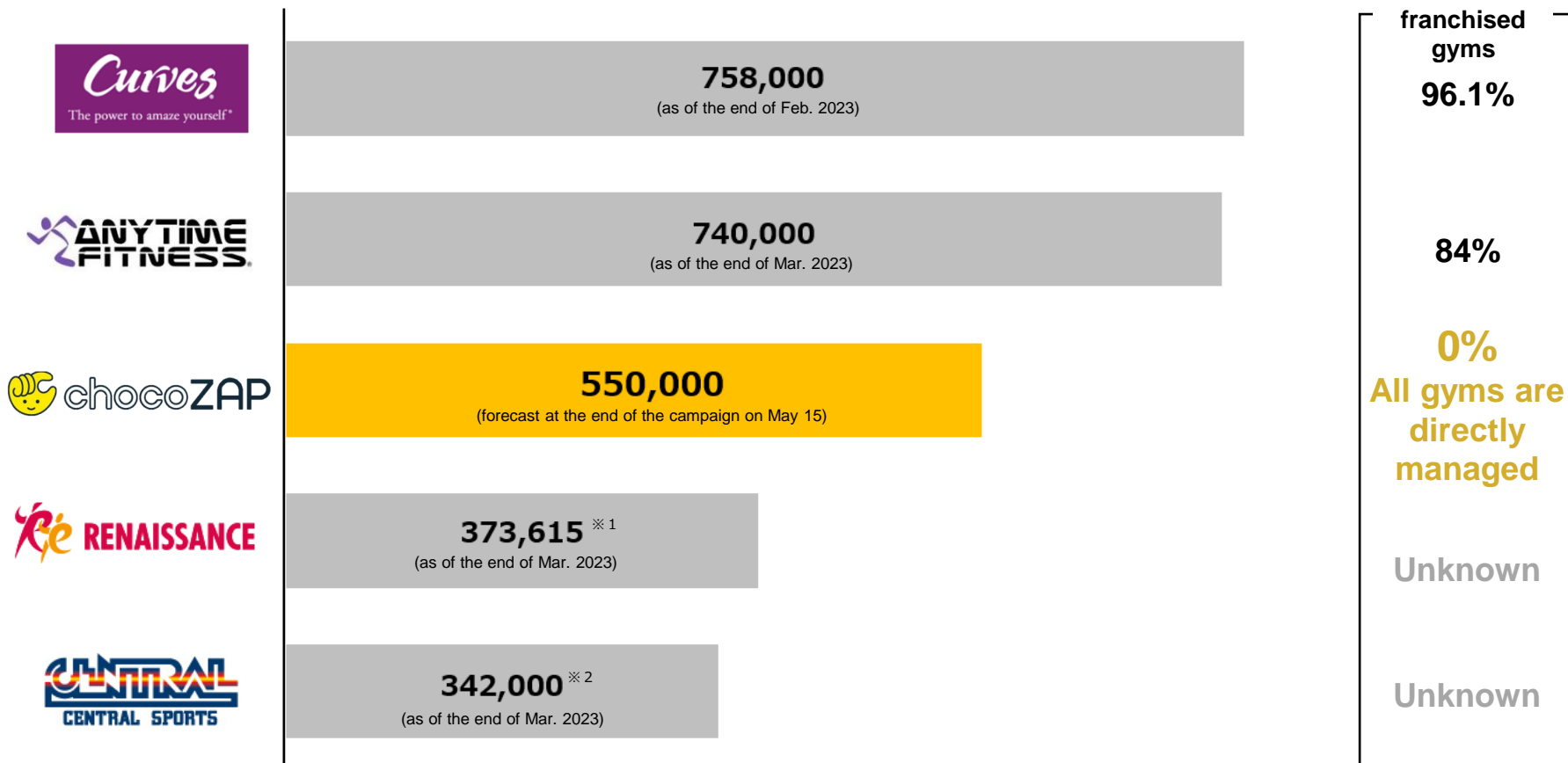


Considering the previous term as the “upfront investment period,” we opened new gyms at an accelerated pace.



We have opened 572 gyms in 23 prefectures in Japan.

# Number of Members of Fitness Companies



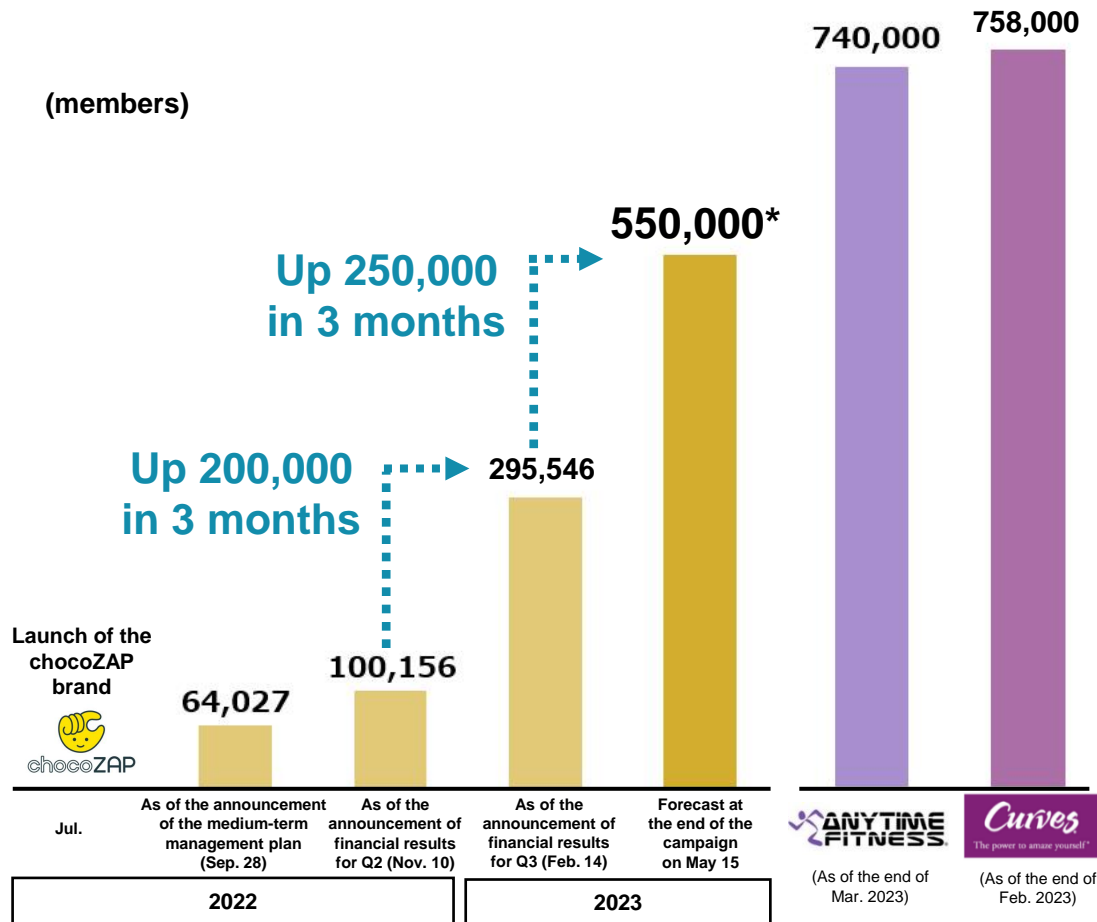
※ 1 : Total number of members including fitness, school and online

※ 2 : Total number of members including fitness, school and culture

# Number of chocoZAP Members



(members)



The largest number of members in Japan is within our reach.

\*Forecast at the end of the campaign on May 15

# **Consolidated Results for FY 3/23**

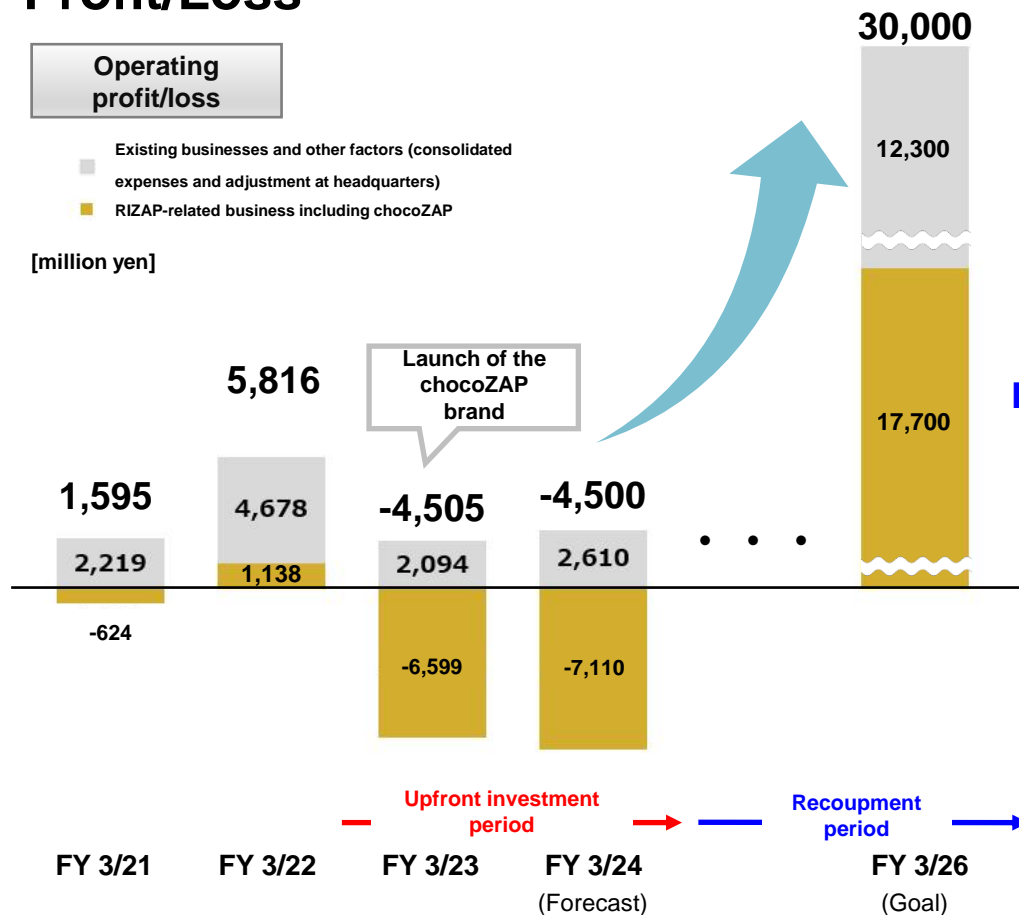
# Summary of the Consolidated Profit and Loss Statement (IFRS)

[million yen]	FY 3/22 (Apr. 2021 to Mar. 2022)	FY 3/23 (Apr. 2022 to Mar. 2023)	Change	% Change
<b>Net sales</b>	<b>160,963</b>	<b>160,519</b>	<b>-444</b>	<b>99.7%</b>
Cost of sales	85,739	89,704	+3,965	104.6%
SG&A	70,275	75,311	+5,036	107.2%
Other revenues/expenses	867	-8	-876	-
<b>Operating profit/loss</b>	<b>5,816</b>	<b>-4,505</b>	<b>-10,321</b>	<b>-</b>
<b>Profit/loss before income taxes</b>	<b>4,190</b>	<b>-6,641</b>	<b>-10,832</b>	<b>-</b>
Income taxes	-105	5,340*	5,445	-
Profit/loss from continuing operations	4,296	-11,982	-16,278	-
Profit/loss from discontinued operations	-634	-201	+433	-
<b>Profit/loss</b>	<b>3,661</b>	<b>-12,183</b>	<b>-15,844</b>	<b>-</b>
<b>Profit/loss attributable to owners of the parent</b>	<b>2,131</b>	<b>-12,733</b>	<b>-14,864</b>	<b>-</b>

Note: In FY 3/23, the business of B&D Co., Ltd. is categorized into discontinued operations.

\*Reversal of deferred tax assets

# Variation and Breakdown in Consolidated Operating Profit/Loss



In the next term, we will enter the profit growth phase (recoupment period).

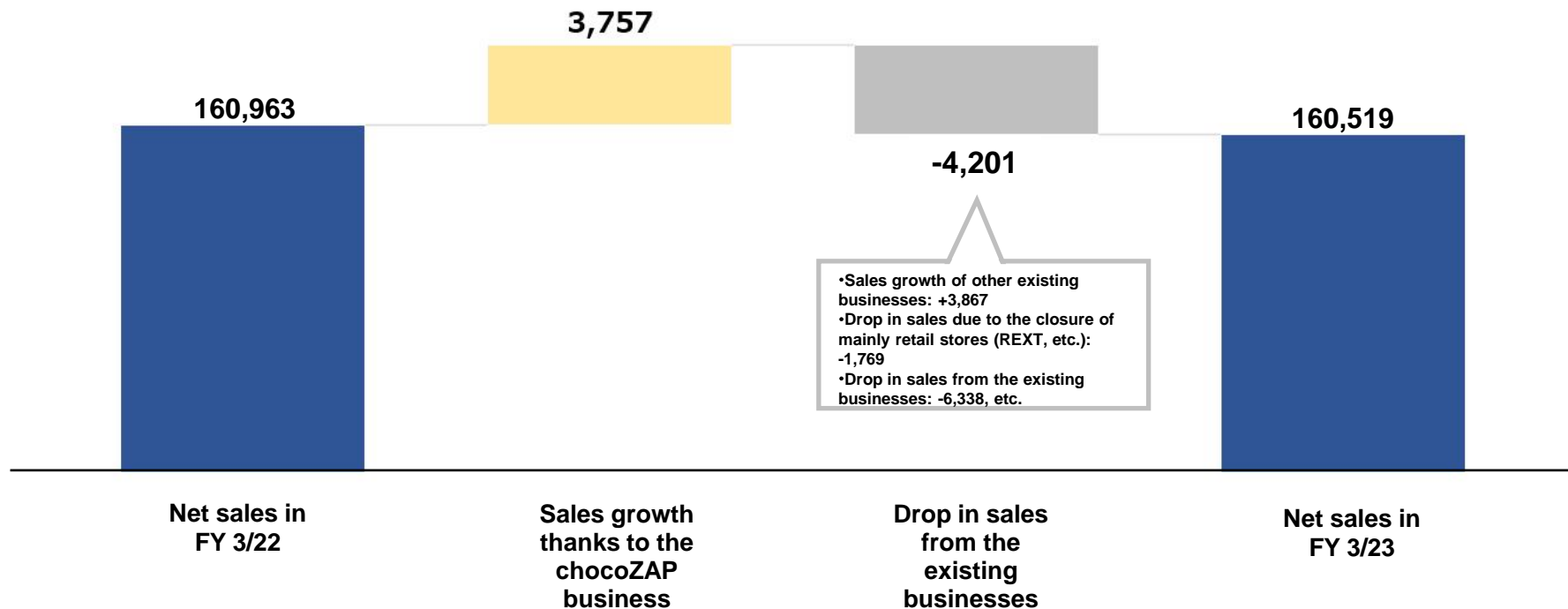
We aim to achieve medium-term management goals (operating profit of 30 billion yen in FY 3/26).



As chocoZAP is performing well, we have been posting up-front expenditure in the previous term and this term.

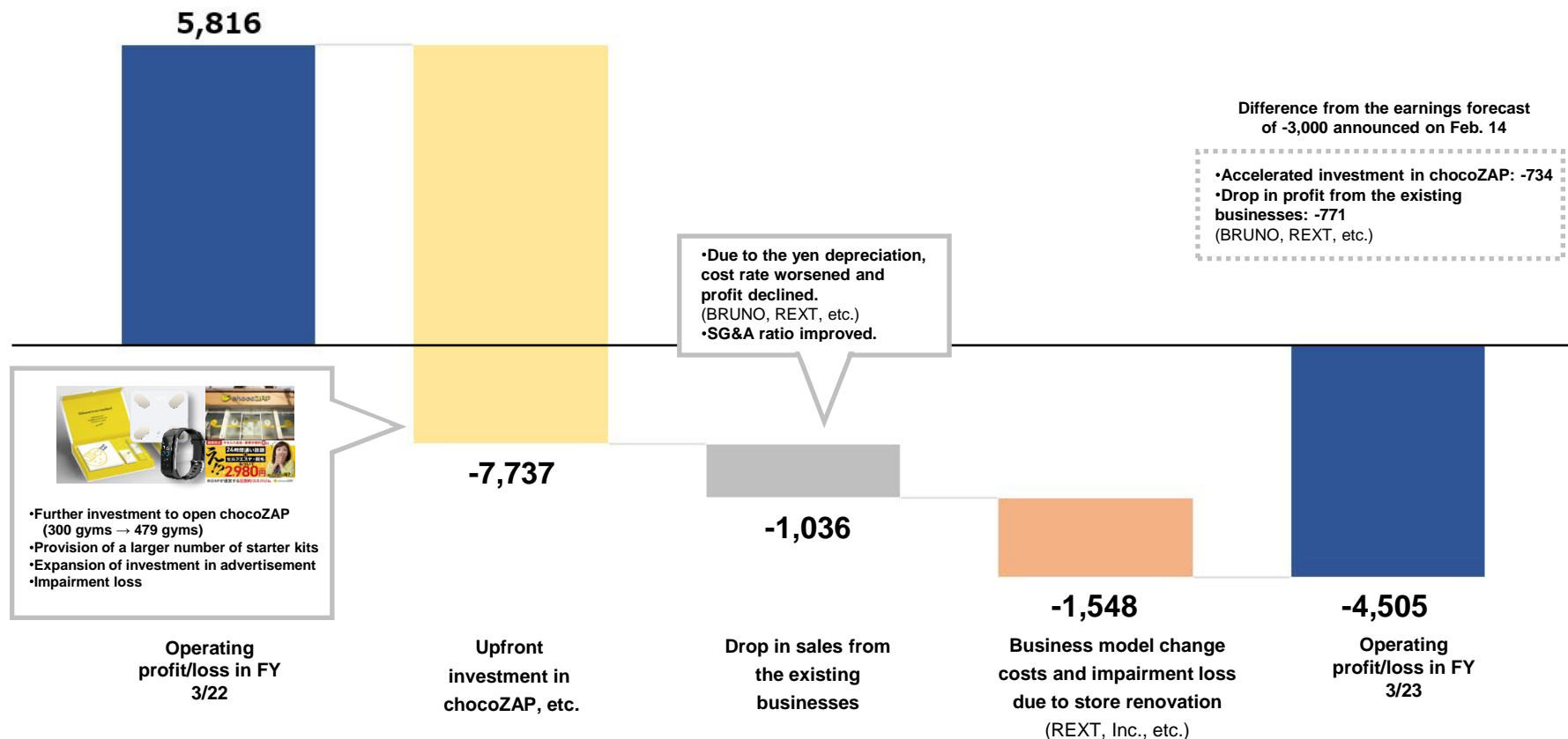
# Year-on-year Comparison of Consolidated Net Sales

[million yen]



# Year-on-year Comparison of Consolidated Operating Profit/Loss

[million yen]





# Year-on-year Comparison of Consolidated Profit/Loss

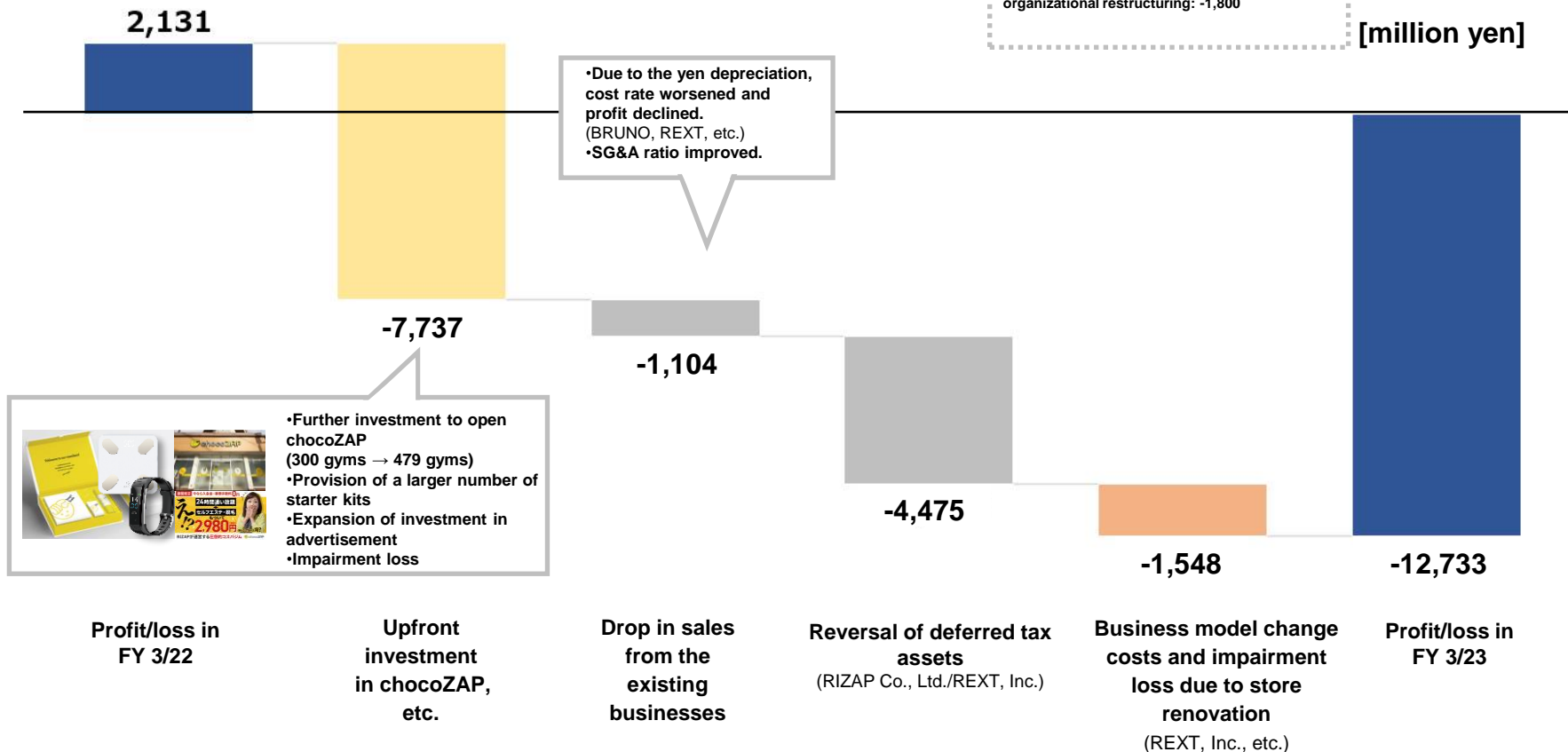
(Profit attributable to owners of the parent)

Difference from the earnings forecast of -9,500  
announced on Feb. 14

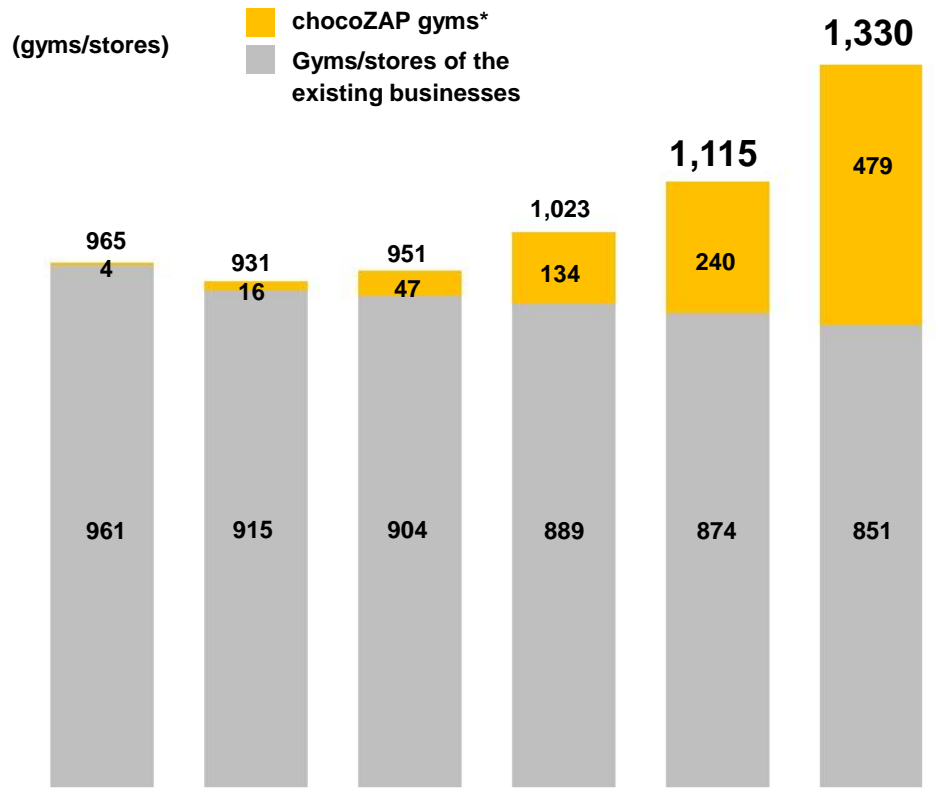


- Accelerated investment in chocoZAP: -734
- Drop in profit from the existing businesses: -699
- Change in tax effects due to the postponement of organizational restructuring: -1,800

[million yen]



# Number of Gyms/Stores in RIZAP Group



Considering the previous term as the “upfront investment period,” we opened chocoZAP gyms at an accelerated pace.

**We are renovating the gyms/stores of the existing businesses.**

(To improve profitability by changing business models, etc.)



Dec. 2021   Mar. 2022   Jun. 2022   Sep. 2022   Dec. 2022   Mar. 2023

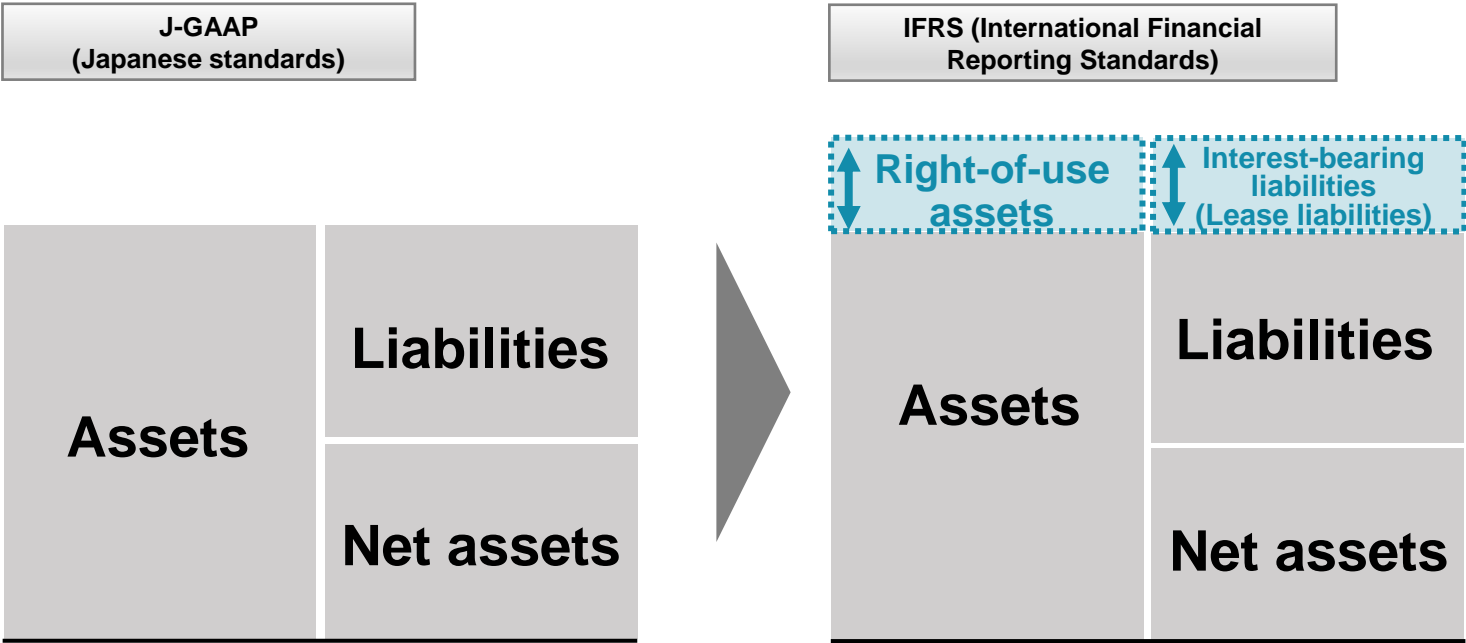
\*Total number of gyms, including the gyms of old gym names other than chocoZAP

# Summary of the Consolidated Statement of Financial Position (IFRS)

[million yen]	End of Mar. 2022	End of Mar. 2023	Change	Notes
Current assets	73,498	67,196	-6,301	Cash and cash equivalents -8,287 Operating and other receivables +1,044 Inventories -87
Non-current assets	66,289	75,494	+9,204	Property, plant and equipment +5,165 Right-of-use assets +7,811 Deferred tax assets -3,922
<b>Total assets</b>	<b>139,788</b>	<b>142,691</b>	<b>+2,902</b>	
Current liabilities	62,662	75,921	+13,259	Interest-bearing liabilities +15,301
Non-current liabilities	41,064	42,559	+1,494	Interest-bearing liabilities +1,127 *Mainly the increase in long-term lease obligations
<b>Total liabilities</b>	<b>103,726</b>	<b>118,480</b>	<b>+14,753</b>	
<b>Total equity</b>	<b>36,061</b>	<b>24,210</b>	<b>-11,851</b>	
<b>Total equity and liabilities</b>	<b>139,788</b>	<b>142,691</b>	<b>+2,902</b>	

# Effects of IFRS 16 (Leases)

As the number of chocoZAP increases, rents, which are posted in the balance sheet according to IFRS, increased.



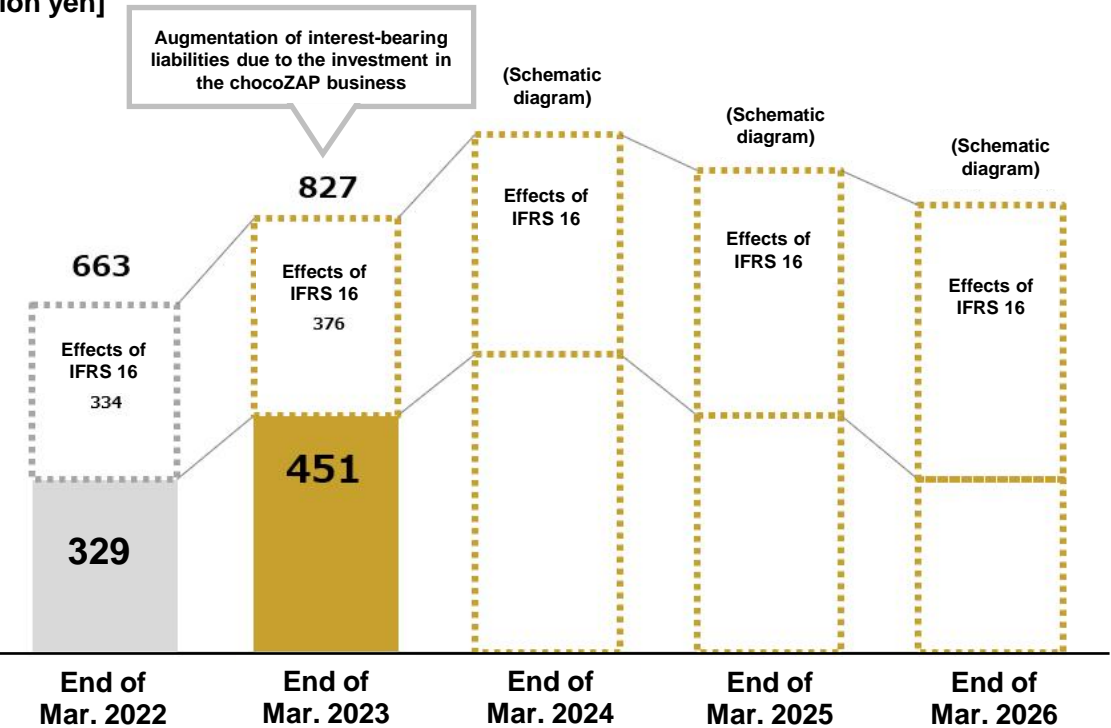
# Summary of the Consolidated Statement of Financial Position (IFRS)

	Consolidated Statement of Financial Position (B/S)			Effects of IFRS 16 (B/S)			Effects of IFRS 16 excluded (B/S)		
[million yen]	End of Mar. 2022	End of Mar. 2023	Change	End of Mar. 2022	End of Mar. 2023	Change	End of Mar. 2022	End of Mar. 2023	Change
Current assets	73,498	67,196	-6,301	694	867	173	74,192	68,064	-6,128
Non-current assets	66,289	75,494	+9,204	-25,905	-33,207	-7,302	40,384	42,286	+1,902
<b>Total assets</b>	<b>139,788</b>	<b>142,691</b>	<b>+2,902</b>	<b>-25,211</b>	<b>-32,340</b>	<b>-7,128</b>	<b>114,577</b>	<b>110,351</b>	<b>-4,226</b>
Current liabilities	62,662	75,921	+13,259	-9,192	-11,048	-1,855	53,469	64,873	+11,403
Non-current liabilities	41,064	42,559	+1,494	-23,848	-26,305	-2,456	17,215	16,253	-962
<b>Total liabilities</b>	<b>103,726</b>	<b>118,480</b>	<b>+14,753</b>	<b>-33,041</b>	<b>-37,353</b>	<b>-4,312</b>	<b>70,685</b>	<b>81,126</b>	<b>+10,441</b>
<b>Total equity</b>	<b>36,061</b>	<b>24,210</b>	<b>-11,851</b>	<b>7,830</b>	<b>5,013</b>	<b>-2,816</b>	<b>43,892</b>	<b>29,224</b>	<b>-14,667</b>
<b>Total equity and liabilities</b>	<b>139,788</b>	<b>142,691</b>	<b>+2,902</b>	<b>-25,211</b>	<b>-32,340</b>	<b>-7,128</b>	<b>114,577</b>	<b>110,351</b>	<b>-4,226</b>

# Financial Indicators

## Interest-bearing liabilities

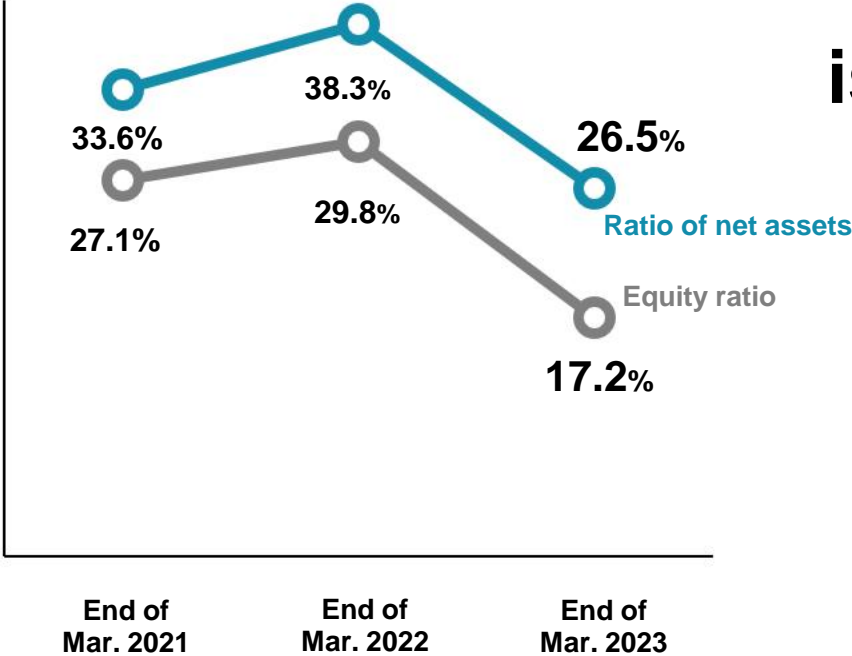
[100 million yen]



**Debt reached a peak this term, and will then start declining.**

# Financial Indicators

Equity ratio



**Equity ratio  
is expected to rise from  
this term.**

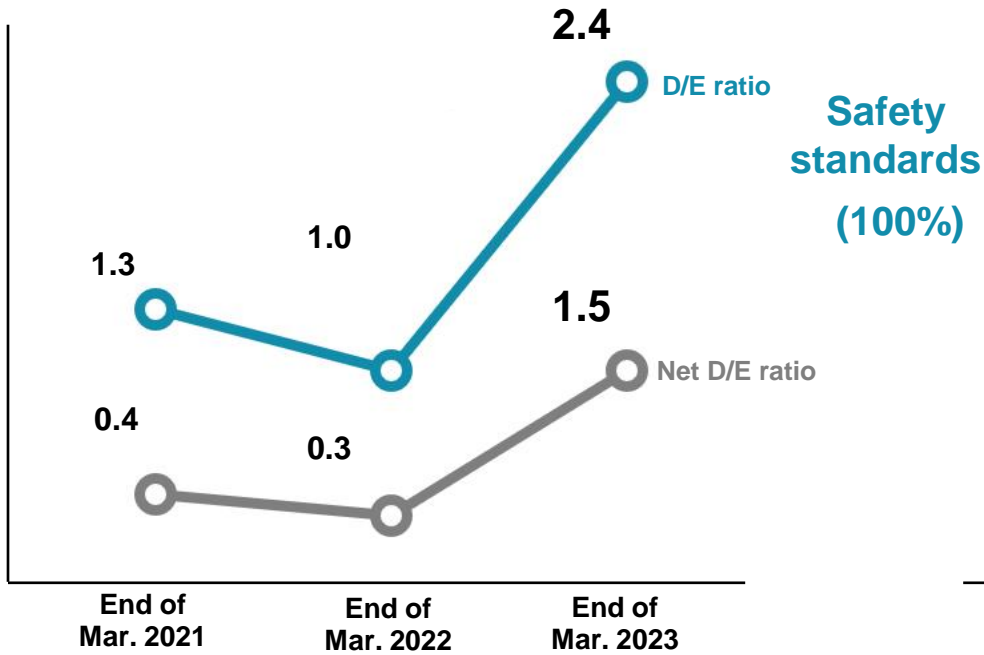
- Increase in net assets due to the posting of profit by chocoZAP business
- Repayment of debt after the improvement in operating CF of chocoZAP

\*Excluding the effects of IFRS 16  
 \*Ratio of net assets = Total equity (net assets) ÷ Total assets

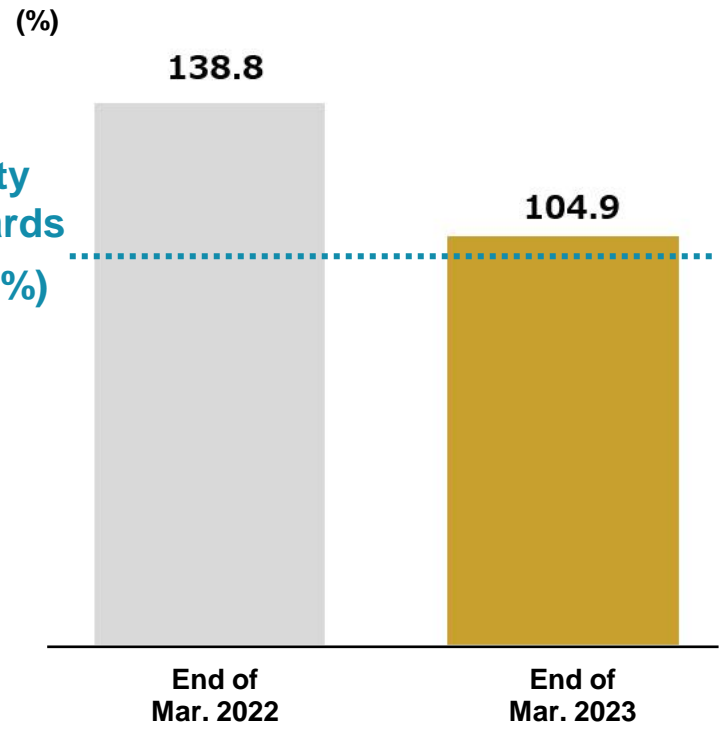
\*Equity ratio = Total equity attributable to owners of parent ÷ Total assets

# Financial Indicators

D/E ratio (net D/E ratio)



Current ratio



\*D/E ratio = Interest-bearing liabilities/Equity attributable to owners of parent  
 \*Net D/E ratio = Net interest-bearing liabilities/Equity attributable to owners of parent  
 \*Excluding the effects of IFRS 16

\*Current ratio = Current assets/current liabilities  
 \*Excluding the effects of IFRS 16

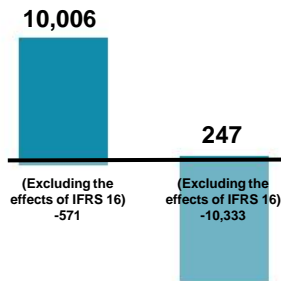


# Cash Flows Overview



## Operating CF

[million yen]

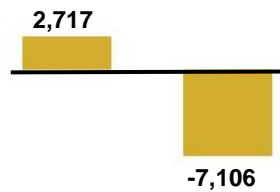


FY 3/22

FY 3/23

## Investing CF

[million yen]



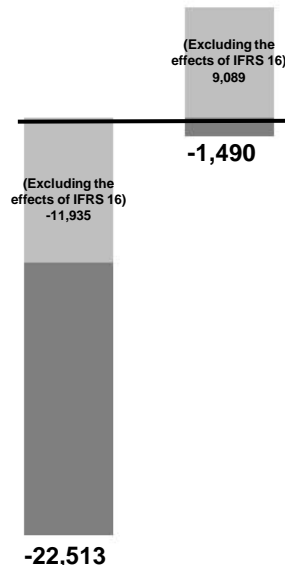
Investment for opening chocoZAP  
6.3 billion yen

FY 3/22

FY 3/23

## Financing CF

[million yen]



FY 3/22

FY 3/23

## Operating cash flow: 247 million yen (-9,759 from the previous term)

•Adjustment of depreciation (non asset item)	12,531 million yen (+1,701)
•Impairment loss	2,360 million yen (+337)
•Profit/loss before income taxes	-6,641 million yen (-10,832)
•Other expenditure	-3,345 million yen (-1,178)
•Net increase/decrease in operating receivables, etc. (in-house installment sale of MRK, etc.)	-2,050 million yen (-2,609)
•Payment of income taxes	-1,872 million yen (-248)

## Investing cash flow: -7,106 million yen (-9,823 from the previous term)

•Purchase of property, plant and equipment	-7,180 million yen (-4,639)
•Payment of security and guarantee deposits	-1,751 million yen (-1,349)
•Sale of shares of subsidiaries	1,656 million yen (+1,656)

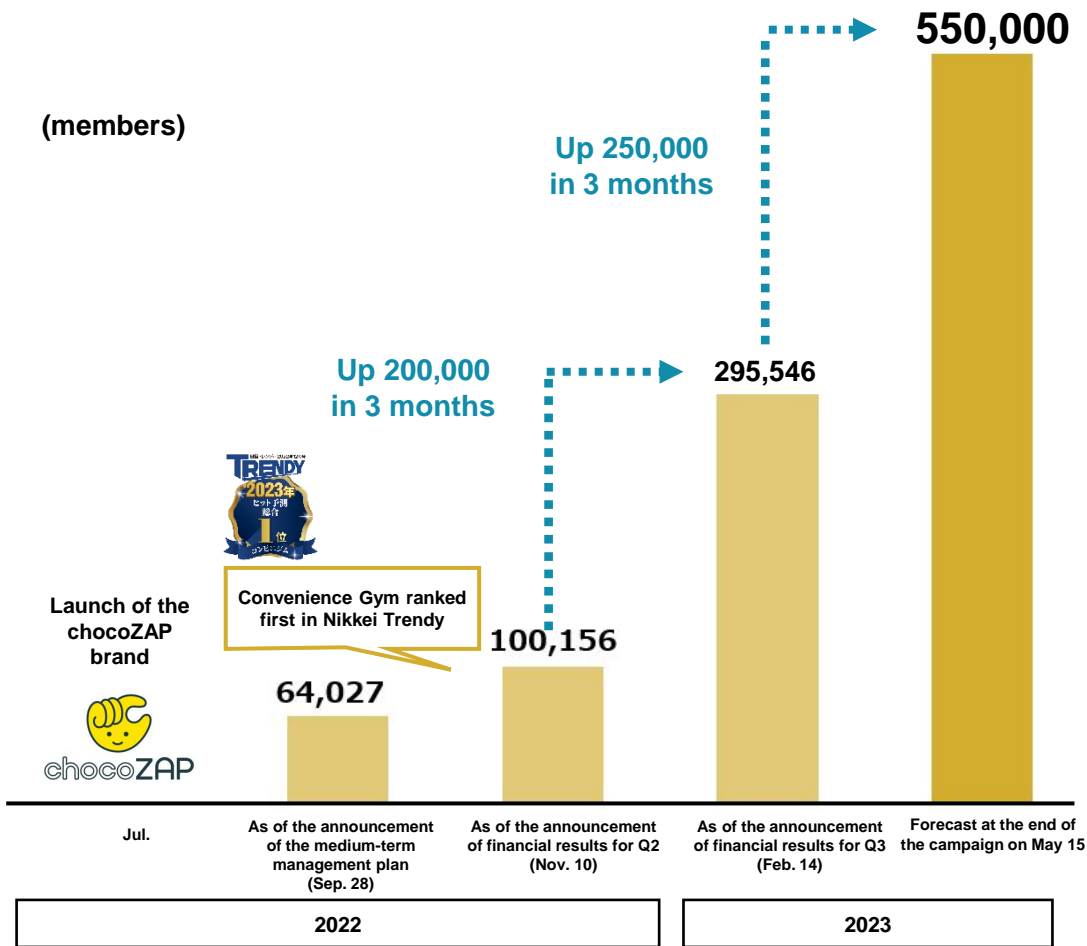
## Financing cash flow: -1,490 million yen (+21,023 from the previous term)

•Revenues from the borrowing of interest-bearing liabilities	18,569 million yen (+19,415)
•Repayment of interest-bearing liabilities (Financial institutions)	-7,181 million yen (+3,928)
•Repayment of interest-bearing liabilities (Payment of rents under IFRS 16)	-10,580 million yen (-2)
•Expenditure for delisting REXT	-2,519 million yen (-2,507)

# **RIZAP Co., Ltd. Overview (chocoZAP・RIZAP business)**

# Number of chocoZAP Members

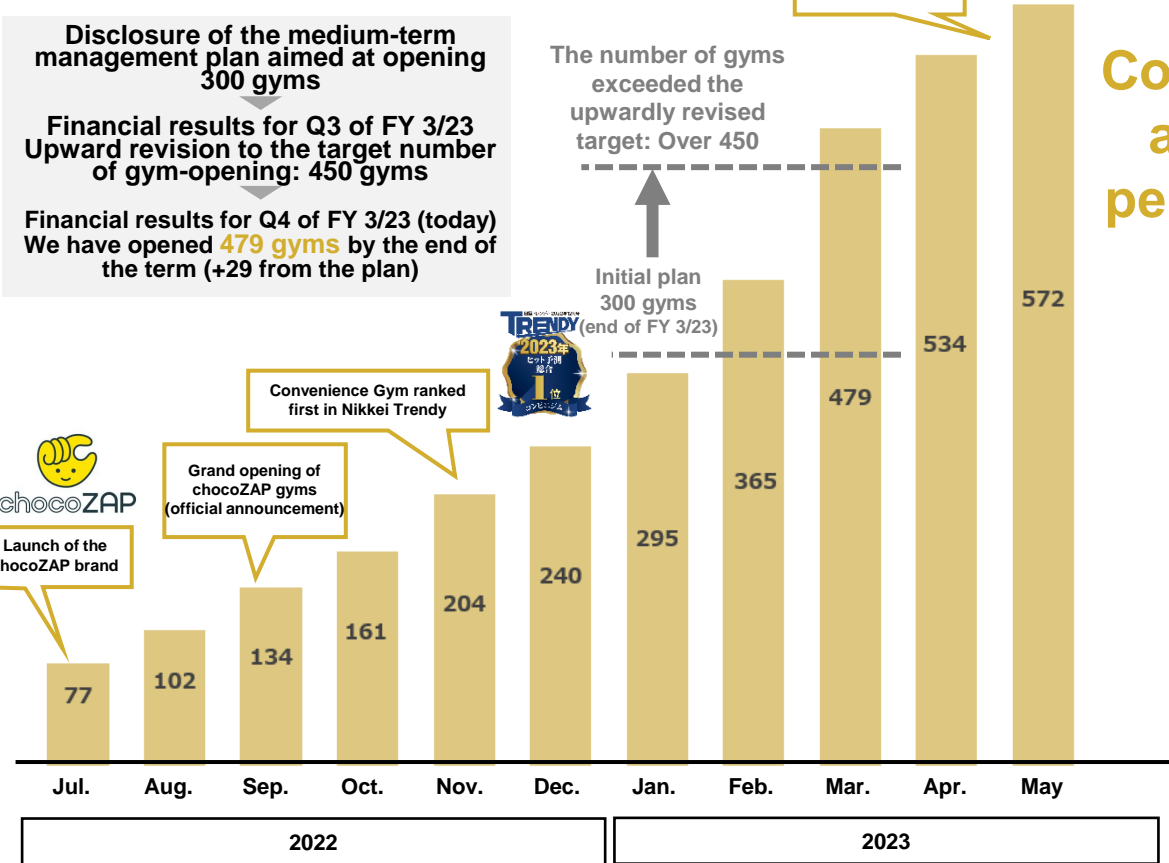
(members)



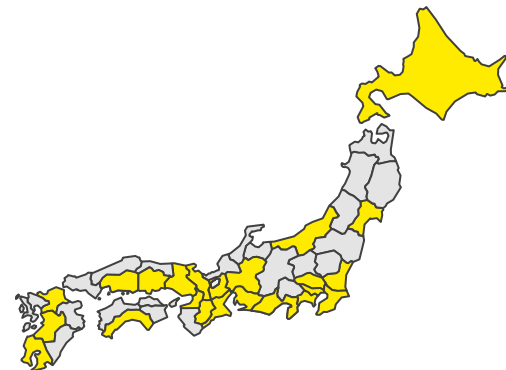
The annual sales of the chocoZAP brand has reached the 20 billion yen level in less than one year after the launch.

# Number of chocoZAP Gyms

(gyms)



Considering the previous term as the “upfront investment period,” we opened new gyms at an accelerated pace.



We have opened 572 gyms in 23 prefectures in Japan.

# Gym-opening Strategy

**All of chocoZAP gyms are directly managed, to secure high profitability.**

## Direct management

Merits

- Flexibility of gym management: High
- Profitability: High (We can get all revenues.)

Demerits

- ✗ Initial and running costs: Large
- ✗ Cost for closing gyms: Large

**High risk, high return**



## Franchise (FC)

- Initial cost: Low
- Cost for closing gyms: Low

- ✗ Flexibility of gym management: Low
- ✗ Profitability: Limited (We get royalties only.)

**Low risk, low return**



# Gym-opening Strategy

## Risk control becomes possible through variable cost-based operation and agile opening of gyms.

### Variable cost-based



- To attract customers only with ad costs, which **can be controlled** (Order placement based on forecasts is prohibited.)
- Our order placement is only for **up to 2 months** (to prevent costs from becoming fixed.)

### Agile opening of gyms



- Removal of restrictions on early termination
- Negotiation for penalty conditions, etc. (To avoid contracts with a provision on penalty payment)
- Not to select free-rent options (To avoid additional payment in case of early withdrawal)
- 90% of gyms were opened in an agile manner within 2 months. (It is possible to revise our gym-opening policy flexibly.)

chocoZAP



### Fixed cost-based



### Business of FC stores and general stores



- Difficult investment control
- During an economic downturn, personnel cost becomes a burden.
- Unable to control fluctuations due to seasons and off-seasons

### Opening of general gyms



- Augmentation of withdrawal costs
- The period of a gym opening plan is several months to years, so the opening measure lacks flexibility. (It is impossible to respond to changes in the gym-opening policy.)

# New TV Commercial Aired from April (featuring Mr. Ken Matsudaira)

“Quick workout in morning/evening”



“Start in 5 seconds”



“Sign up with a smartphone”





# Train Ads and Web Ads



**運動が苦手な人、ダイエット必見!**  
わずか3ヶ月でこの変化

ライザップが作ったコンビニジム

24時間営業 全国通い放題!

月額ずっと 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)

ライザップが作ったコンビニジム

24時間営業 全国通い放題!

月額ずっと 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)



**筋トレ初心者もラクに始める! ラクだから続く!**

ライザップが作ったコンビニジム

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**ジムなのに、手帳マン! 徹底設備! 美容ケアし放題!!**

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Train ads



**待ち時間。あなたはどっち?**

ライザップが作ったコンビニジム

24時間営業 全国通い放題!

月額ずっと 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)

ライザップが作ったコンビニジム

24時間営業 全国通い放題!

月額ずっと 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)



**RIZAPが作ったコンビニジム**

月額 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)

ライザップが作ったコンビニジム

24時間営業 全国通い放題!

月額ずっと 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)



**期間限定 今なら入会金・事務手数料0円**

コンビニ感覚で 24時間通い放題!

月額 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)

ライザップが作ったコンビニジム

24時間営業 全国通い放題!

月額ずっと 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)



**新店舗ぞくぞく OPEN!!**

あなたの街にも ちょこざっぷ

RIZAPが作ったコンビニジム

月額 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)

ライザップが作ったコンビニジム

24時間営業 全国通い放題!

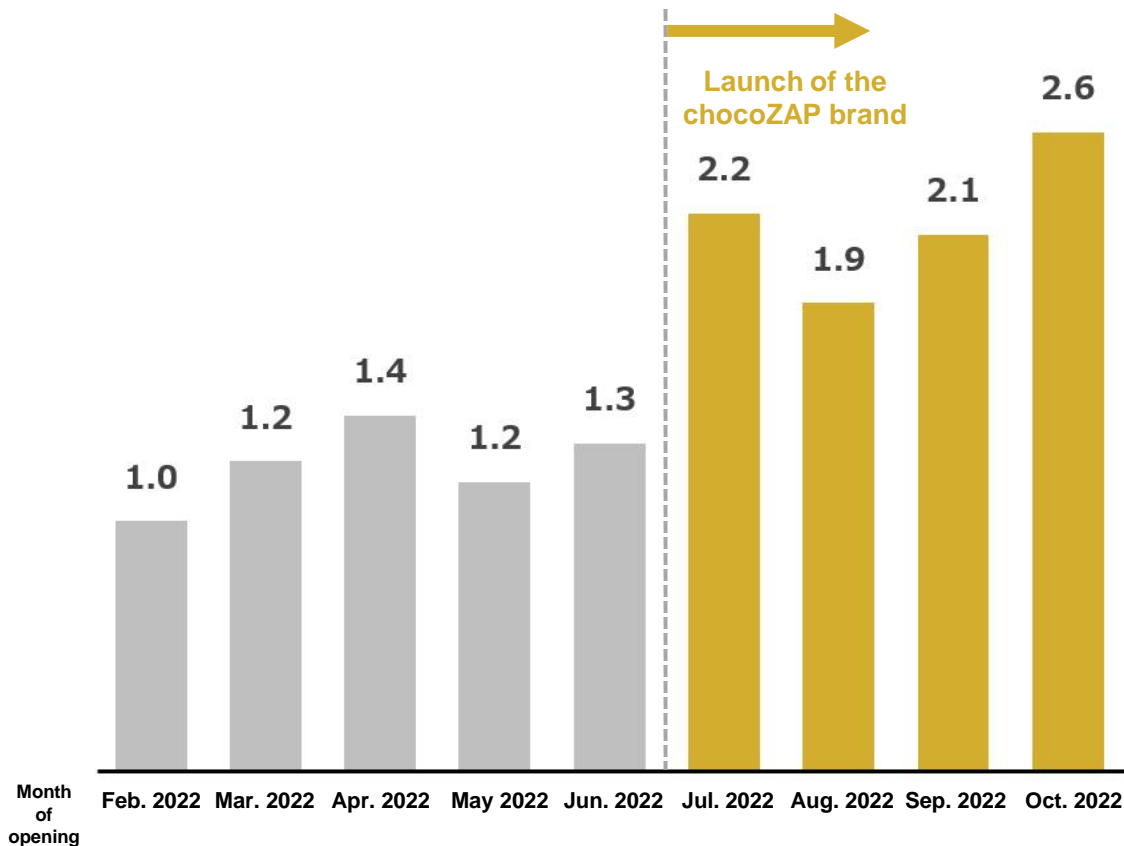
月額ずっと 2,980円 (税込3,278円)

初期費用 ¥0 (5/15)

Web ads



# No. of Members 4 Months after Opening

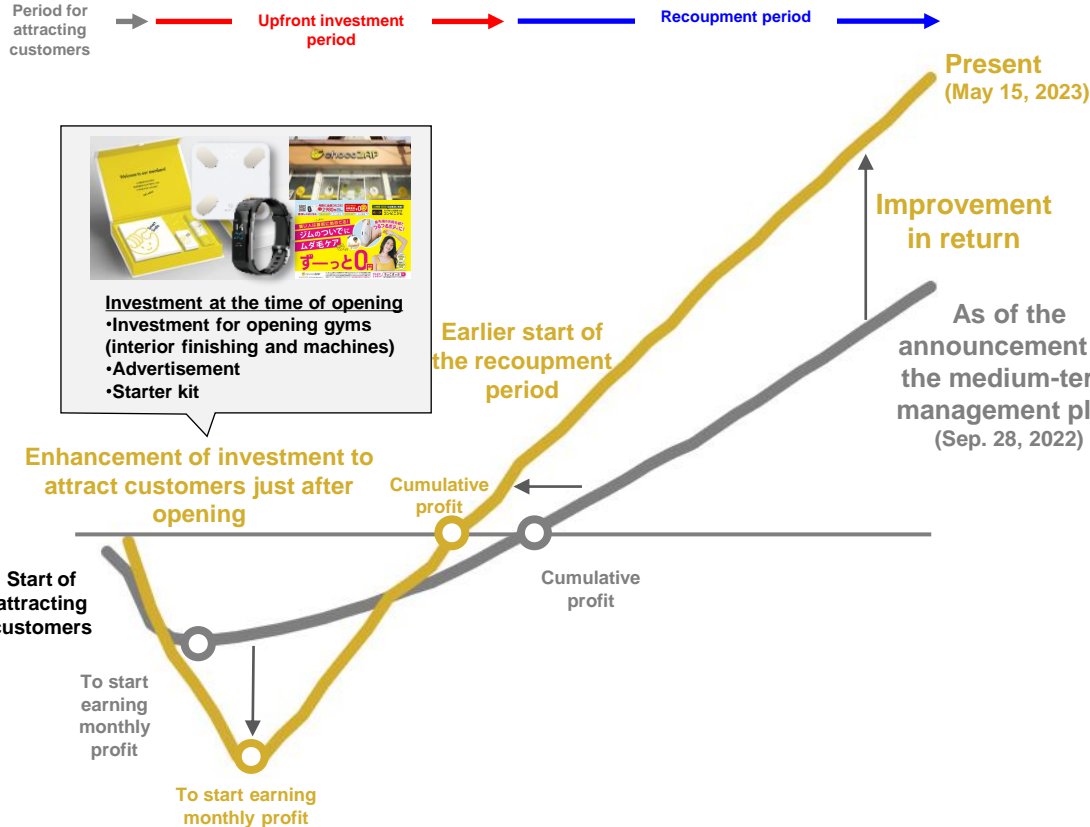


**Members increased after the launch of the chocoZAP brand.**



# Profit/Loss per Gym

Visualized variation in  
operating profit/loss



Through the enhanced investment in promotion just after opening gyms, the recoupment period starts earlier and return improves.

# Future Gym-opening Plan

**We aim to open 2,000 gyms, a target for FY 3/26, as soon as possible, making our gyms as dominant as convenience stores.**

- No revision to the goal of opening 2,000 gyms in FY 3/26 in the medium-term management plan. We aim to achieve this goal as soon as possible in the next term or the term after that.
- This term, we plan to proceed with the gym-opening plan stepwise, while comprehensively considering the recovery of demand after the subsiding of the pandemic, the operating cash flow of existing gyms, the situation of fund procurement, etc.

# Overview of Prime Members (RIZAP Body Transformation Business)



＼おトクに通い続けたい方必見！／

**新** プラン誕生！

**PRIME  
SERVICE**

ープライムサービスー

月々のお支払いがおトクに！

セッション  
1回あたり

**8,750円**  
(税込9,625円)

※プライム月額コース8回の場合

## Description of prime membership system (Started in Feb. 2022)

3 benefits (Prime membership registration fee: 400,000 yen)

### Benefit 1

Monthly course with a special price (about 50% off)



### Benefit 2

The prices of all RIZAP products are always 50% off.



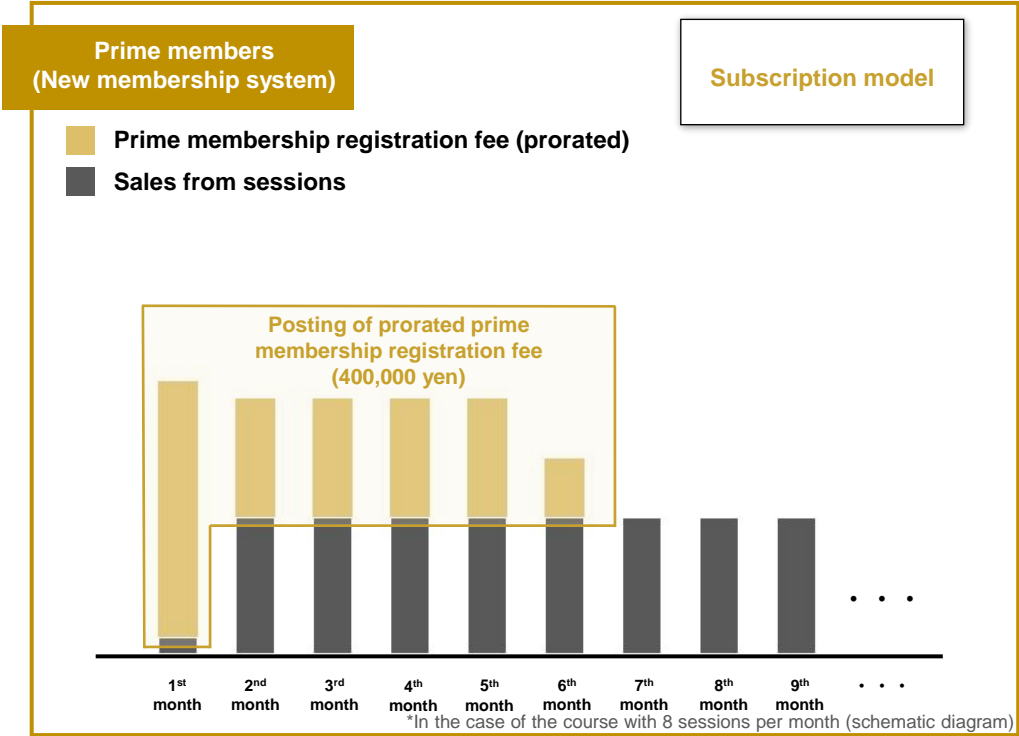
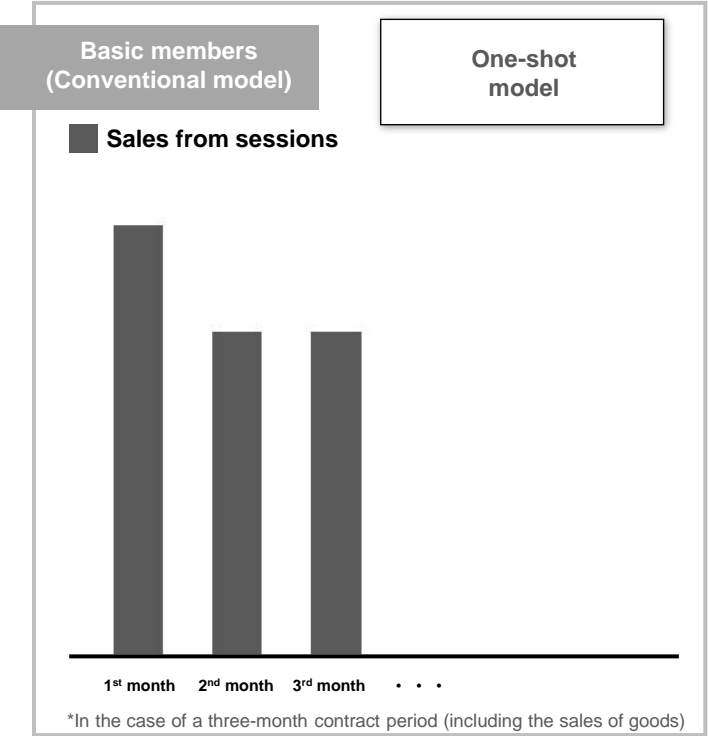
### Benefit 3

Starter kit worth 130,000 yen will be presented to each prime member.

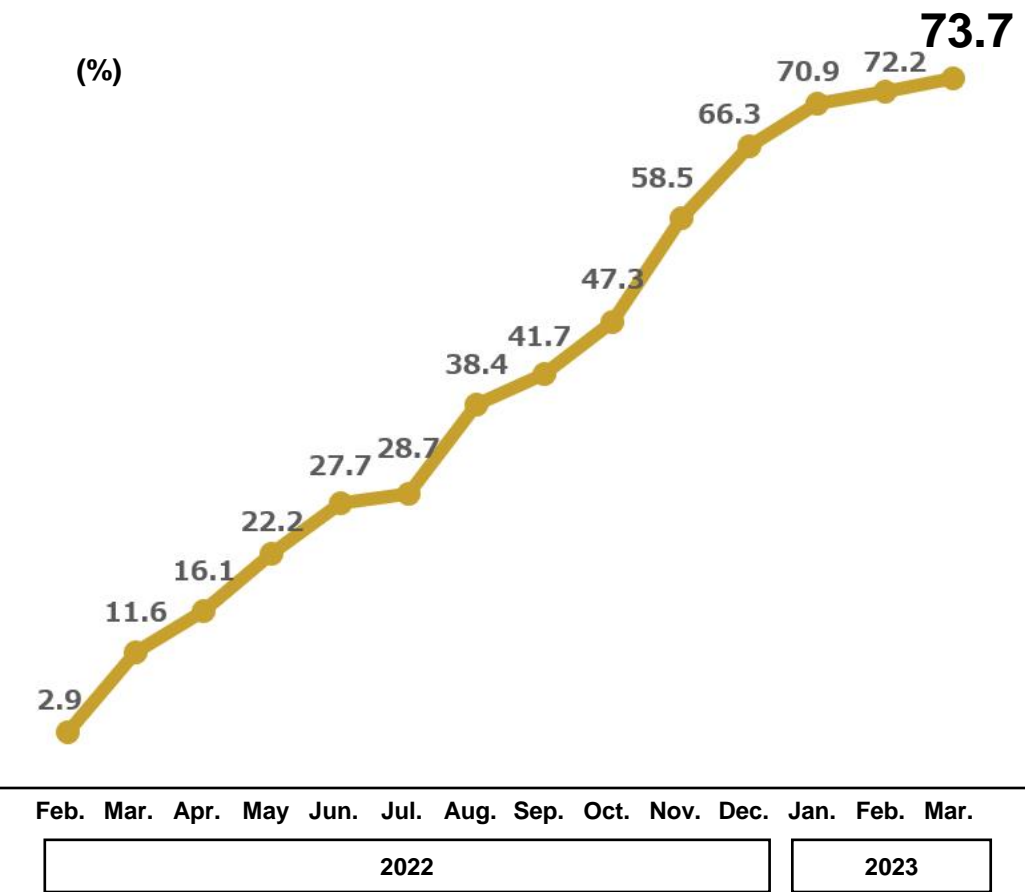


# Shift to the Subscription Model

Revision to the sales posting policy following the shift to the RIZAP prime membership system  
(from the one-shot model to the subscription model)



# Ratio of Prime Members

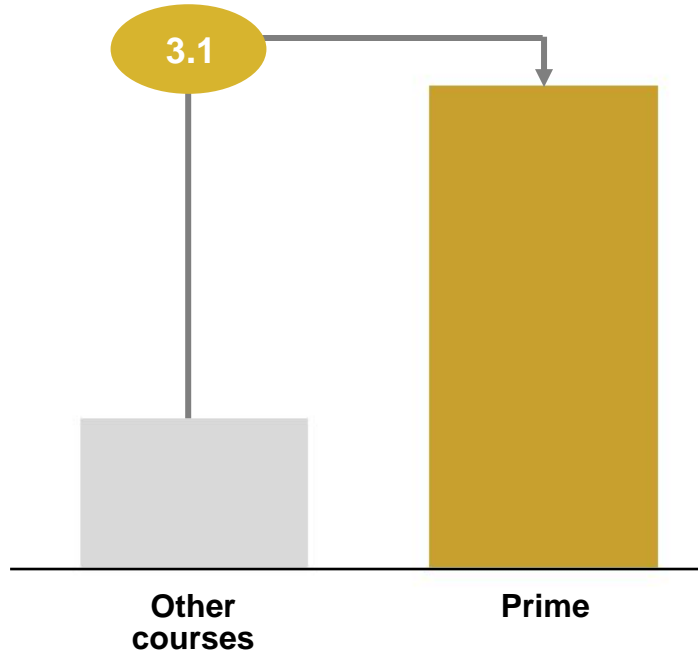


The ratio of prime members exceeded 70%.

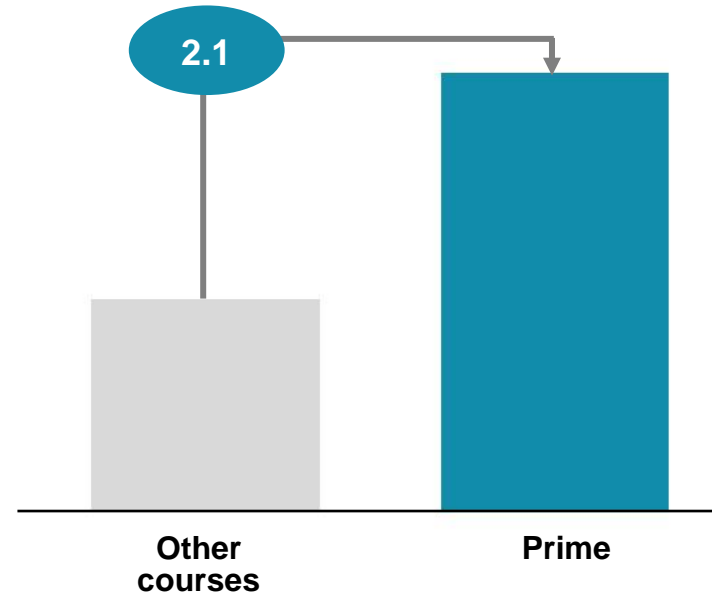
# To “Lifelong” Services Where We Will Support Customers for the Rest of Their Lives

Retention rate a year later and average spending per customer have improved considerably.

Retention rate a year later



Average spending per customer (LTV) 12 months after sign-up



# Sign-up Rate in the Body Transformation Business



**Recent sign-up rate has increased significantly.**

**Achieved 160% of the value in Nov./Dec. 2022.**

Apr.	May	Jun.	Jul.	Aug.	Sep.	Oct.	Nov.	Dec.	Jan.	Feb.	Mar.	Apr.	May
2022									2023				

Indicator under the assumption that the value in Dec. 2022 is 1.0



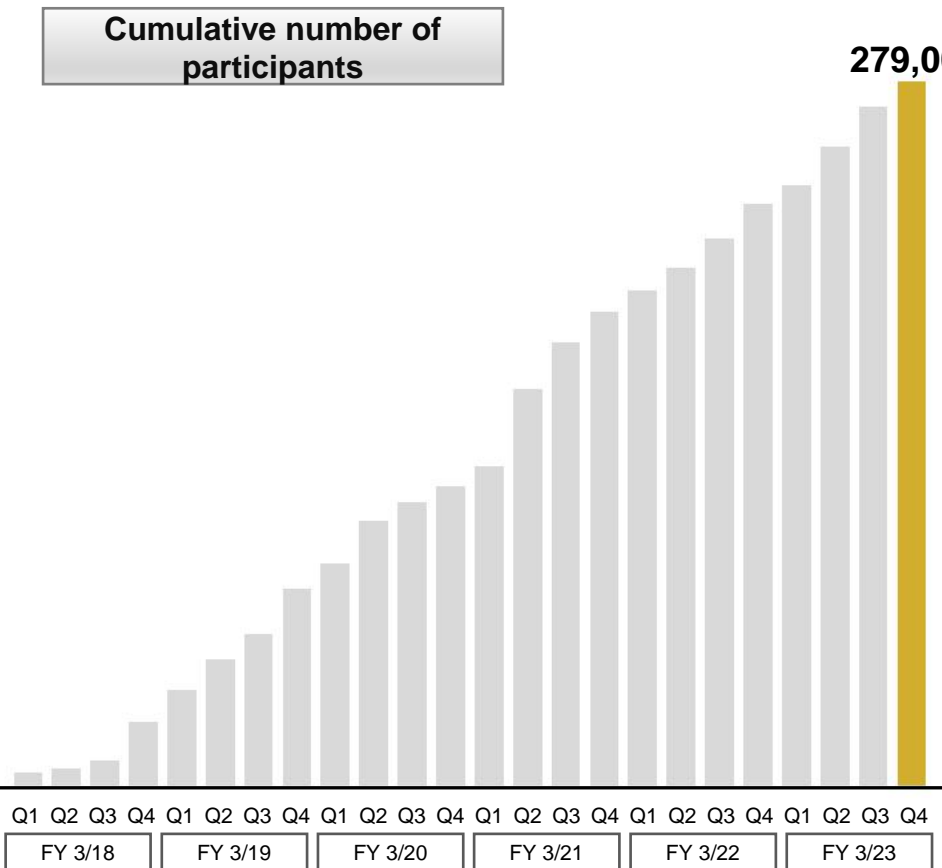
# Corporate Users of RIZAP Programs

Cumulative number of participants

279,000

Cumulative number of companies/participants

Over 1,800 companies  
270k participants



(Random order)

\*As of the end of Mar. 2023



**RIZAP program for specific health guidance**

**Start of a new plan that guarantees good outcomes with outstanding cost-effectiveness**

**To be started in July 2023**

# What is specific health guidance?

## **“Act on Assurance of Medical Care for Elderly People”**

**To conduct health checkups for insured people and non-working dependents aged 40 to 74 years to prevent the metabolic syndrome, and select the subjects for specific health guidance**



**Giving instructions on specific health guidance by experts**



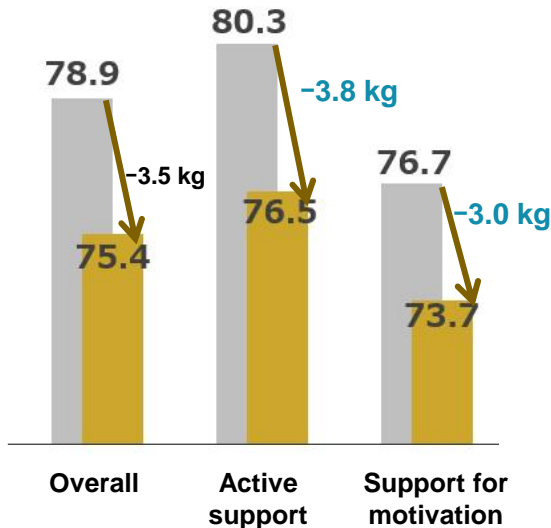
# Results of RIZAP Program for Specific Health Guidance (Over 120 companies have adopted this program)



The measurements exceeded the evaluation standards set by the Ministry of Health, Labor and Welfare (body weight: -2.0 kg, abdominal girth: -2.0 cm) considerably.

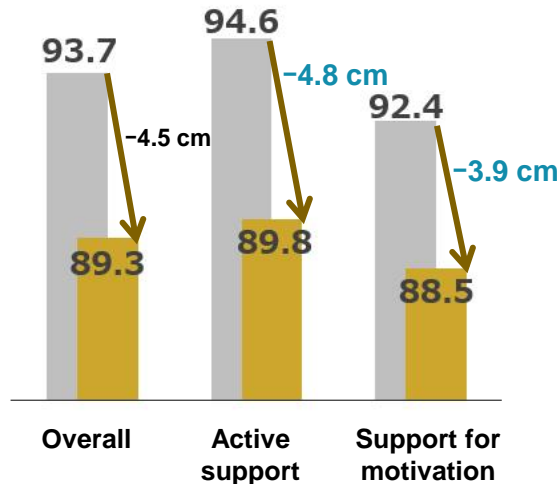
## Body weight

**-3.5 kg** (4.4%)



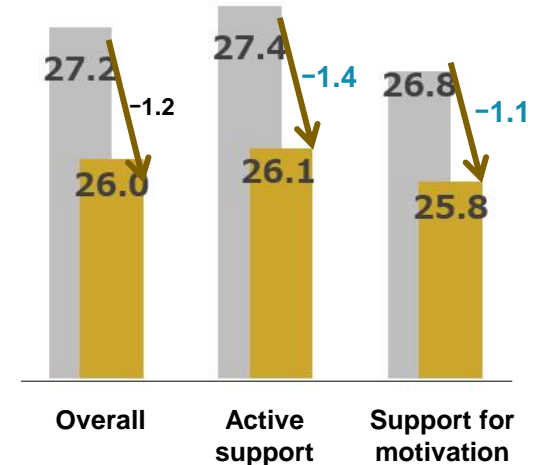
## Abdominal girth

**-4.4 cm** (4.7%)



## BMI

**-1.2**





# Contributing to the Health-oriented Business Administration of Enterprises with Our New Plan



**RIZAP approaches the increasing people subject to the specific health guidance.**

**Over 200 companies and 25,000 people are expected to sign up.**

**In addition to the significant price revisions, we will refund if customers fail to attain goals.**



**Exercise at chocozap**



**Management of meals and health with an app**



**Health guidance by national registered dietitians**



**Provision of training videos**

	Current plan		New plan	
	Support for motivation course	Active support course	Support for motivation course	Active support course
<b>Price (tax included)</b>	33,900 yen	49,900 yen	19,800 yen	29,800 yen
<b>Refund guarantee</b>	-	-	5,000 yen	10,000 yen

# Conclusion of Agreements for Collaboration with Local Governments



**Kazuno City,  
Akita Pref.**



Director Kamaya of  
RIZAP Group, Inc.

Mayor Atsushi Seki  
of Kazuno City  
(Apr. 24, 2023)

**Kuki City,  
Saitama Pref.**



Mayor Shuichi Umeda  
of Kuki City

Director Kamaya of  
RIZAP Group, Inc.  
(Apr. 26, 2023)

**Yabu City,  
Hyogo Pref.**



Mayor Sakae  
Hirose of Yabu City

Executive Officer Abe of  
RIZAP Group, Inc.  
(May 10, 2023)

**Kakamigahara  
City, Gifu Pref.**

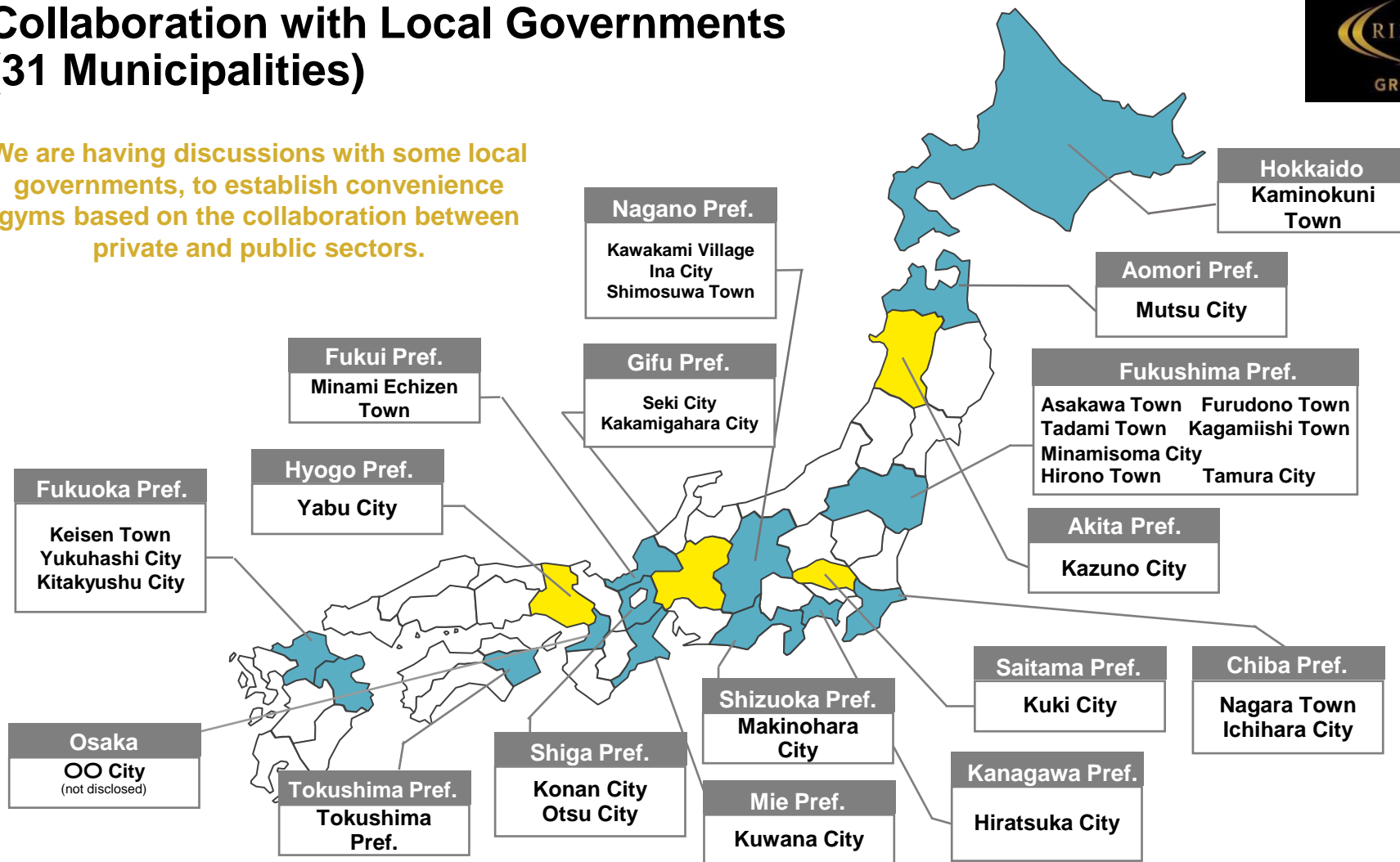


Mayor Kenji Asano of  
Kakamigahara City

Section Head Sugihara  
of RIZAP Group, Inc.  
(May 11, 2023)

# Collaboration with Local Governments (31 Municipalities)

We are having discussions with some local governments, to establish convenience gyms based on the collaboration between private and public sectors.



# Establishment of Convenience Gyms Based on the Collaboration Between Private and Public Sectors (Concept)



**We transform existing facilities into convenience gyms or attach convenience gyms to existing facilities, to enable more people to choi-tore (work out quickly) and maintain a healthy habit**

## Candidate facilities (over 100,000 facilities)



**Vacant stores**  
73,744 stores<sup>\*1</sup>



**Community halls**  
14,281 halls<sup>\*2</sup>



**Abolished schools**  
7,583 schools<sup>\*3</sup>



**Libraries**  
3,305 libraries<sup>\*4</sup>

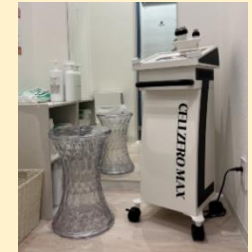


**Waiting rooms**  
2,527 rooms<sup>\*5</sup>



**Public sports facilities**  
1,877 facilities<sup>\*6</sup>

## Convenience gyms based on the collaboration between private and public sectors



<sup>\*1</sup>: Calculated by our company with reference to "Report on the survey on shopping streets in 2021" of the Small and Medium Enterprise Agency  
<sup>\*3</sup>: "Situation of abolishment of schools and utilization of abolished schools" by the Ministry of Education, Culture, Sports, Science and Technology  
<sup>\*5</sup>: Calculated by our company with reference to "First release! Ranking of private railways in the number of waiting rooms" by Toyo Keizai Online

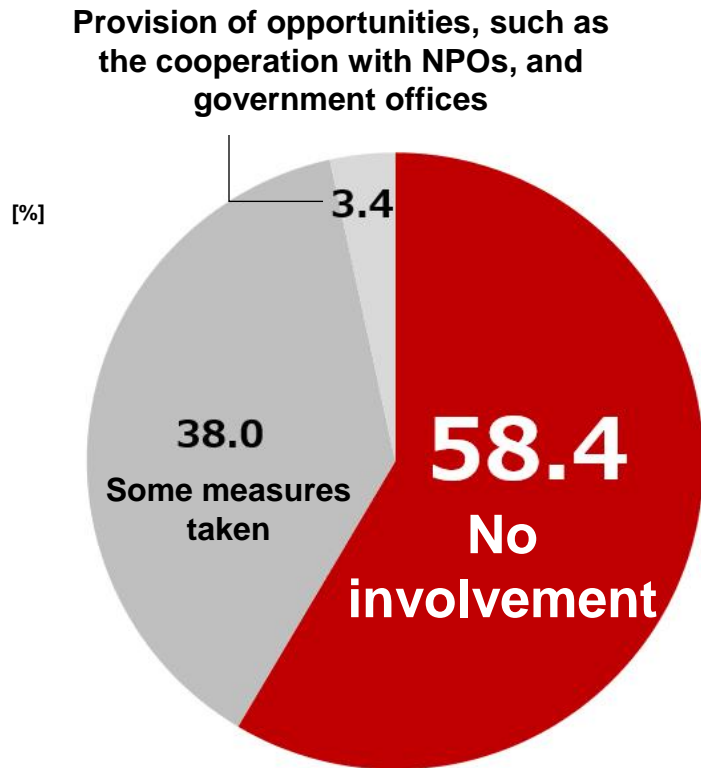
<sup>\*2</sup>: "Promotion of community halls" by the Ministry of Education, Culture, Sports, Science and Technology

<sup>\*4</sup>: "Statistics on Library in Japan" by Japan Library Association

<sup>\*6</sup>: "Outline of results of the survey on the current situations of gymnasiums and sports facilities in 2018" by the Ministry of Education, Culture, Sports, Science and Technology



# Measures for Utilizing Vacant Stores in Shopping Streets



**Vacant stores around Japan have not been utilized enough.**



**We open convenience gyms throughout Japan, to meet latent demand**



Progress of Growth Strategies

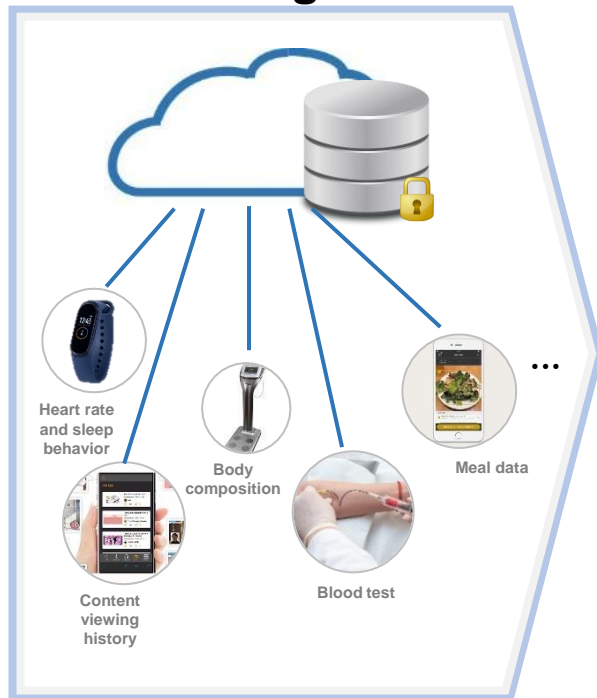
# Evolution into “Lifelog Business”

Through the “lifelog strategy,” chocoZAP will evolve further.

# Steps for Utilizing Lifelogs



## Acquisition of lifelogs



## Visualization and analysis

### Visualization of data on healthcare and behavior, and forecast



## Analysis of optimal solutions



## Provision of solutions



The collage includes several elements: a woman standing on a scale, a 'トレーニングプラン' (Training Plan) document with a goal of '-5kgの減量' (Weight loss of 5kg) and a timeline of '2023/06/30 達成予定!!' (Achievement planned for 2023/06/30!!), a 'お食事のアドバイス' (Dietary advice) section, and two smartphone screens displaying the 'RIZAP LIVE' app interface with various challenge and achievement screens.



# Provision of Value Beyond the Constraints of Gyms/Stores and People Through DX

We fuse digital data by utilizing the strengths of “gyms/stores,” “human resources,” and “brands” we have nurtured so far

To reform existing businesses and operations, and create new services

**RIZAP Group, Inc.**

- Strengths of real “gyms/stores,” “human resources,” and “brands”
- Customer data of 60 group companies



**RIZAP  
Technologies, Inc.**

- Development of a company-wide database
- In-house production of apps and websites



**Utilization of AI  
(analysis/generation)  
(Analyses of characters,  
emotions, and voice)**



**Big data analysis**



**DAO/NFT**

# Utilization of the chocoZAP App

## Personalized care 24 hours a day, 365 days a year



# Substantial Update of the chocoZAP App

Easy



Unified management of logs

Convenient



Display of nearby gyms  
Display of a real-time occupancy  
state

Joyful



Feedback after training

# Substantial Update of the chocoZAP App



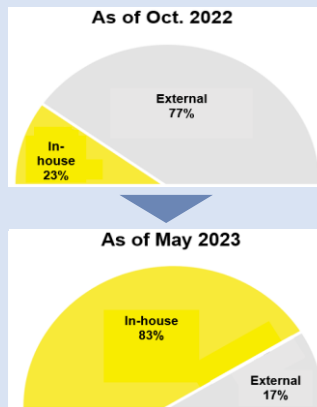
## Automatic linkage



Starter kit

The app and devices are automatically linked in 3 sec. after they are taken out of a box. It can record your body status easily with one-touch action.

## In-house production



Through in-house production, we accumulate knowledge assets, reduce costs, and increase development speed.

## Personalization



昨日はナイストレーニングでした！

筋肉痛は来ていませんか？

筋肉痛を早く治すには、しっかりと水分を

摂ること！今日はいつもより意識して

水分補給をしましょう！

Feedback optimized based on each customer's behavior

## Experience-based



Video-based communication in which workout level increases like a video game according to the level of each customer

# Update of the chocoZAP App (Automatic Linkage)



The app and devices are automatically linked in 3 sec. after they are taken out of a box.  
It can record your body status easily with one-touch action.



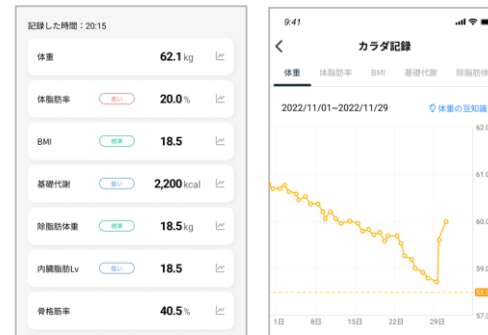
## STEP 1

Delivery of a health watch and  
a body composition analyzer



## STEP 2

You open the app, stand on the  
body composition analyzer, and  
wear the health watch.  
(Automatic linkage)



## STEP 3

It can record your body status  
easily with one-touch action.

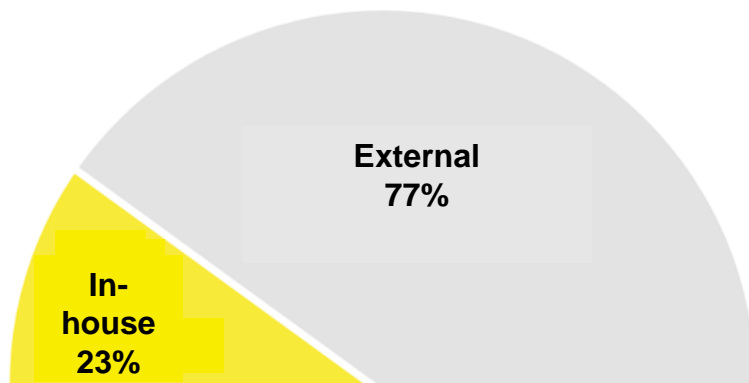


# Update of the chocoZAP App (In-house Production)

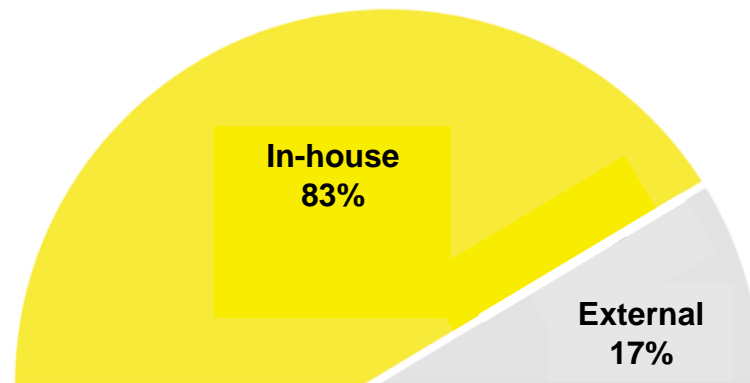


Through in-house production, we accumulate knowledge assets, reduce costs, and increase development speed.

As of Oct. 2022



As of May 2023



# Update of the chocoZAP App (Personalization)



## Feedback optimized based on each customer's behavior



**We give instructions on meals and exercise according to the dietary habit of each member.**



**Trainers' motivating comments are displayed automatically.**

# Update of the chocoZAP App (Experience-based)



## Fitness habit you can continue in an enjoyable manner System for preventing customers from quitting soon

When you complete a quest, you will get a reward in the app.

Every time you watch a training video, your rank will increase. You can make exercise a habit, while enjoying it like a video game.



# Update of the chocoZAP App (Experience-based)



Visualization of the occupancy states of each gym in each hour.



# Matching Trainers with Guests Based on Data





# To Install the AI and Meal Management Functions in the chocoZAP App

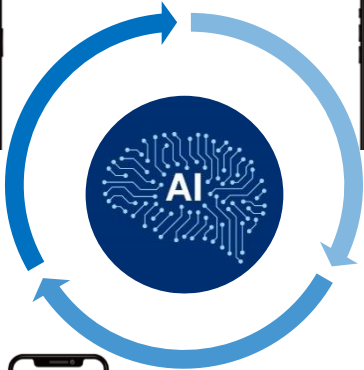


(Press release on May 15, 2023)

## To realize AI-based instructions about meals, which are committed to producing good results (full-scale adoption around the first half of this term)

You can record your meals easily every day.

Image analysis with a single photo



Automatic calculation of calorie content and nutrient levels

Know-how of RIZAP



## Feedback

**chocoZAP トレーニングプラン** 2023/04/20 01

**目標** -5kgの減量

体重 72kg → 67kg  
体脂肪率 20% → 16%  
2023/06/30 達成予定!!

ダイエット中の筋肉減少を避けるため、大きな筋肉の筋力トレーニングをしながら、有酸素運動でカロリーをしっかりと消費しましょう！

**chocoZAP**でできる！トレーニングメニュー

種目	負荷	回数	セット	頻度
チェストプレス	30kg	10回	2	週2回
ラットプルダウン	25kg	10回	2	週2回
レッグプレス	50kg	10回	2	週2回
ショルダープレス	20kg	10回	2	週2回
アームカール	20kg	10回	2	週2回
アブベンチ	自重	10回	2	週2回
トレッドミル				週2回
ヨガ				週2回
腕立て伏せストレッチ				週2回
全身ストレッチ				週2回

食事ができるときに10分でも15分程度

**chocoZAP トレーニングプラン** 2023/04/20 02

**カラダをつくる！ お食事のアドバイス**

運動とともに睡眠時間の確保と新鮮な食材や旬なものを食べて疲労回復を促しましょう！運動は1日に継続するのが大切です。

3食を主食のご飯とおかずを摂りましょう。タンパク質は肉類、卵、魚に多いので自分の握りこぶし1握分は5握摂って足りない分はサプリメントで補いましょう。

**RIZAP秘密！ ここがポイント！**

- 運動不足のあなたへ  
運動を定期的に行っている人は健康な人が多いと言われています。まずは5分から運動をはじめましょう。
- お肌の飲み過ぎ！  
アルコールは筋肉の分解、脂肪の蓄積や細胞の質の低下に繋がります。1日でも数少ない日を決めてみましょう。
- 日常のお仕事に關して  
起床後は体のエネルギーが覚った状態なので少なくともお食事をとって筋肉がエネルギーになるのを防ぎましょう。

でも、何を食べていいかわからない...  
詳しくはこちらをタップ！

食材選択の参考情報へ

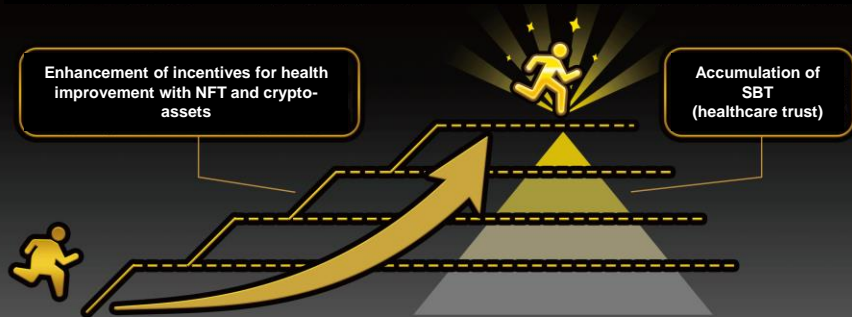
# Initiatives in the Fields of NFT and Crypto-assets

(Press release on May 15, 2023)



## Development of the “Workout to Earn” product, to establish a Web3 healthcare eco-system

### Establishment of the Web3 healthcare eco-system



**Maintenance and enhancement of motivation for health improvement with the token eco-system**

In cooperation with HashPalette, we started the project with the aim of releasing the product in 2024.

### World view we aim for

To obtain tokens through workouts and jogging



To determine remuneration based on the health information accumulated in SBT and cooperate with enterprises in different fields



- Fitness enterprises
- Health care enterprises
- Insurance companies
- Food companies

\*SBT (soulbound token): A non-transferable, publicly verifiable digital token. It could be utilized for schools, attendance certification, unsecured lending, medical information, etc.

# Initiatives in the Metaverse Field

(To be started in May 2023)



## Start of “RIZAP Metaverse Fitness,” a service for promoting health-oriented business administration



\*Schematic diagram

**Health enhancement and  
improvement of mental disorder  
of remote workers  
Online lessons by RIZAP trainers**

- 2 lessons/week, 15 min/lesson
  - 30,000 yen/month or higher
- (tax included: 33,000 yen or higher)



# Evolution of Our Business Model Through Data Utilization



Personal training



N1 analysis  
Offering services to seniors



Expansion of the  
solution-offering  
domain

We provide optimal solutions  
based on lifelogs



# Integrated Operation of RIZAP and chocoZAP



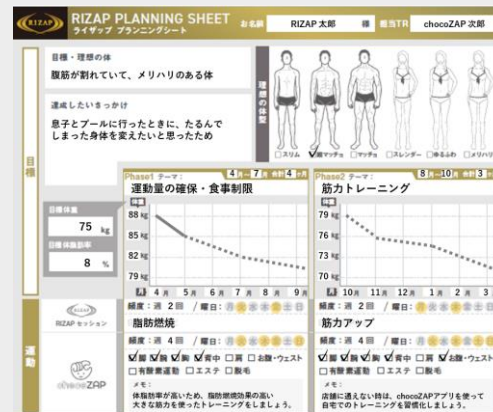
## Full utilization of chocoZAP's resources

### Distribution of starter kits



In order to provide personalized care, we distribute starter kits to the members of the Body Transformation Business and obtain their life logs.

### Planning sheets based on chocoZAP



By utilizing chocoZAP gyms, we offer optimal proposals for the lifestyle of each member of the Body Transformation Business.

# Integrated Operation of RIZAP and chocoZAP



## Distribution of starter kits

**Body composition analyzer**



**Healthwatch**



体重 BMI 体脂肪率 基礎代謝量


体水分率 筋肉量 骨量 タンパク質量

脂満度 内臓脂肪レベル 体年齢 除脂肪体重

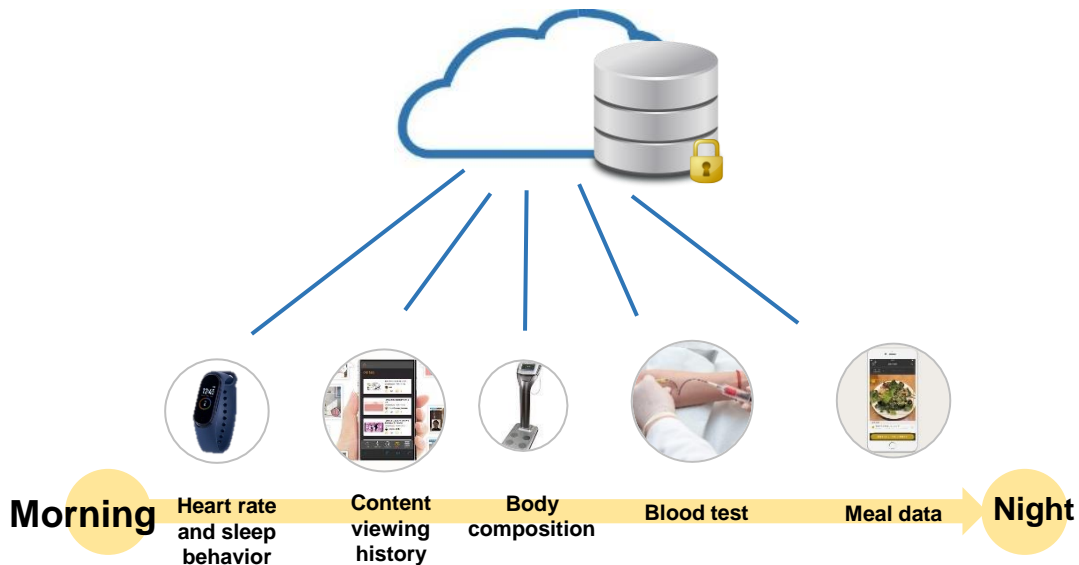
血圧 心拍数 体温

消費カロリー 血中酸素 歩数 距離

In order to provide personalized care, we distribute starter kits to the members of the Body Transformation Business and obtain their life logs.



(Provisional) We plan to hand over starter kits to customers at RIZAP gyms.



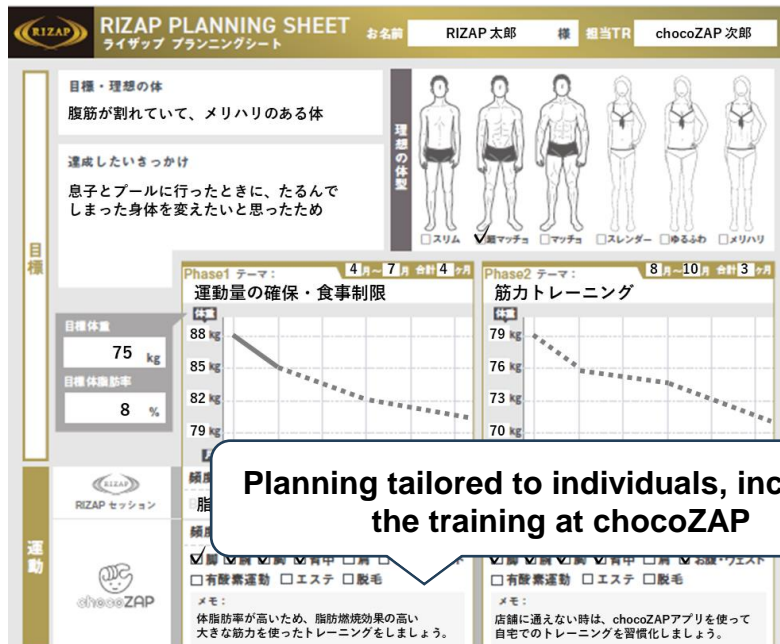
We offer optimal solutions based on Lifelogs.

# Integrated Operation of RIZAP and chocoZAP

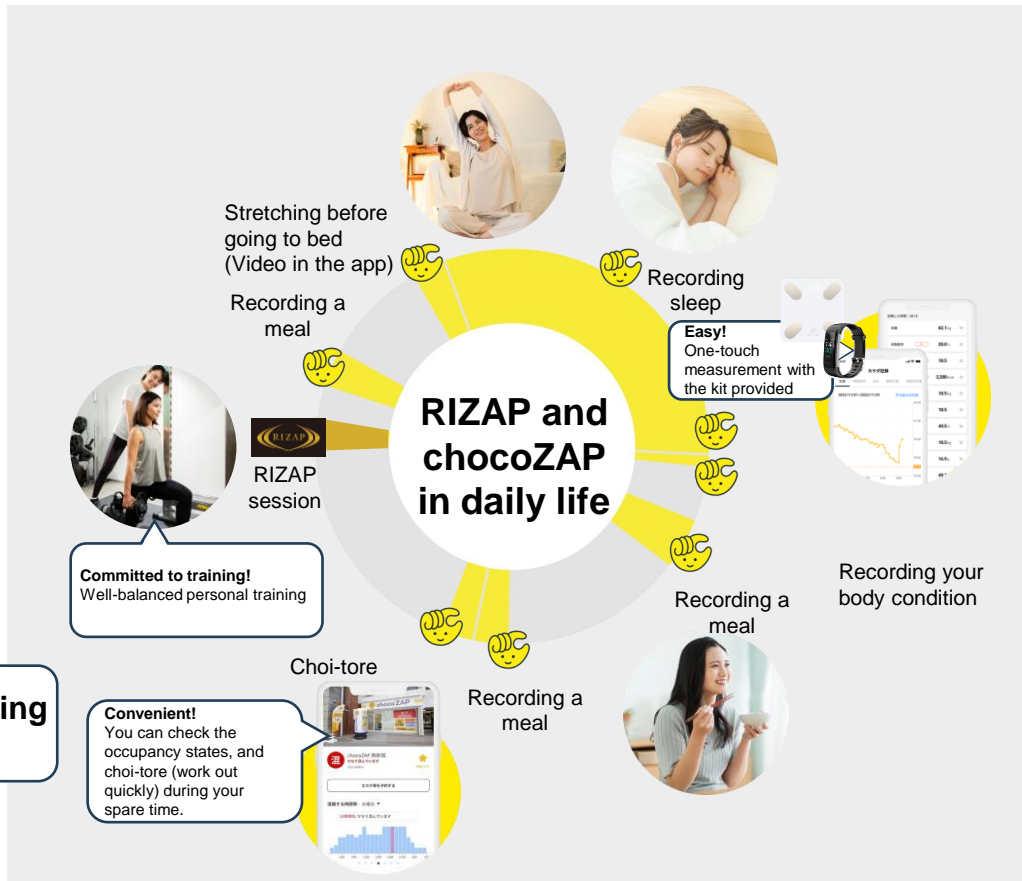


## Planning based on chocoZAP

Full utilization of chocoZAP  
anytime, anywhere, whole body



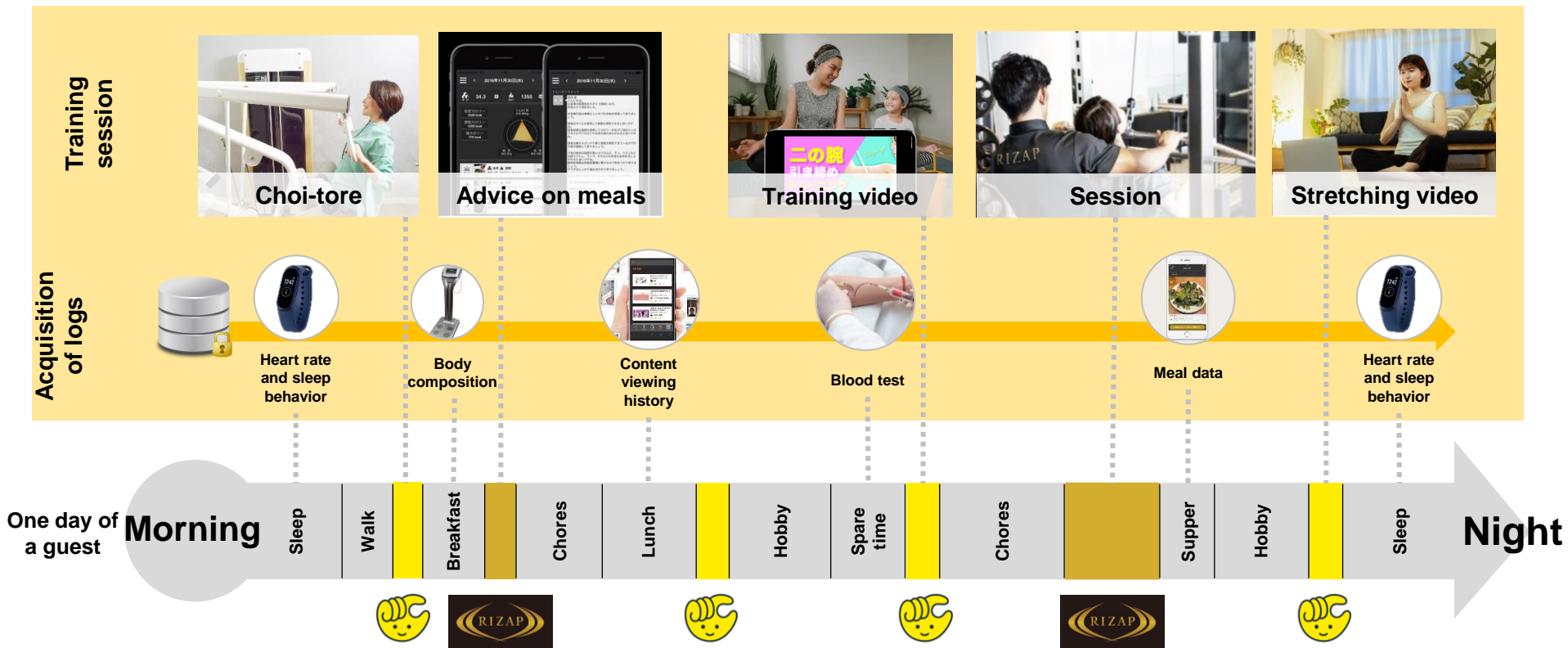
Planning tailored to individuals, including the training at chocoZAP



# Integrated Operation of RIZAP and chocoZAP



We improve the service quality through the increase of contact points with customers





# Creation of a New Market Through chocoZAP



Middle/high-end model



Personal golf lesson



Personal training



Beauty-care devices, cosmetics, healthy products, etc.

Trial training session by RIZAP trainers for chocoZAP members



Test marketing

Number of applications for the trial training session: Over 850 (3 days)



Entry model (Increase of customers)



Golf



5-min training



Beauty (Self-beauty care and self-removal of hair)

# Creation of a New Market Through chocoZAP

## To create a new market



Total available market  
(TAM)\*<sup>1</sup> in the  
healthcare field

29.2 trillion yen\*<sup>3</sup>

Fitness, beauty,  
and golf markets,  
excluding workout  
experts

7.4 trillion yen\*<sup>2</sup>



Blood test



Lifelog acquisition



Sports business



Collaboration with medical  
institutions



Collaboration with  
local governments



Fusion with the  
beauty sector



Cooperation with  
enterprises in different  
fields



Research in cutting-  
edge fields

# Group Companies Overview



# Measures of REXT

The sales of the used items and trading cards business are increased.  
We accelerate a shift to more profitable business model.

## Used items and trading cards business



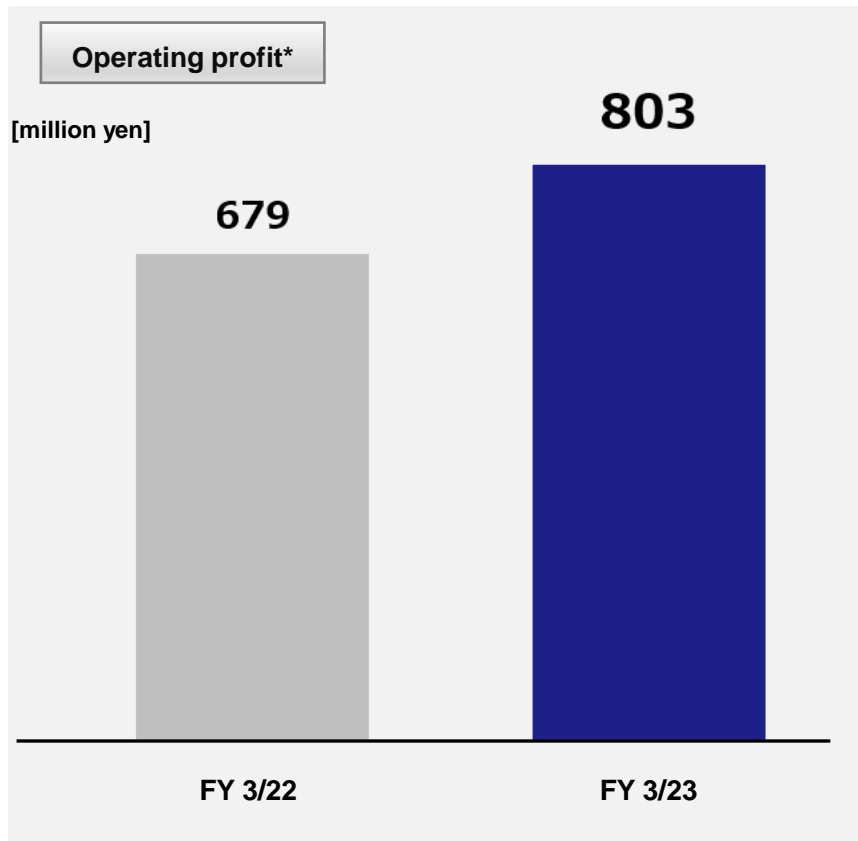
**Operating 41 stores of WonderREX nationwide**  
**Operating 27 stores of Bato-loco nationwide, mainly in the Kanto region**

## Change of the business model



**chocoZAP and WonderGoo in Kitaibaraki City and Tajiri Town of Hitachi City adjoin each other.**

# MRK Holdings Inc. (J-GAAP)



**Sales and profit grew year on year, as online sales promotion and other measures turned out to be effective.**

(Operating profit: Up 18.2% from the previous term)

■ **Women's underwear and related businesses**

- Annual average spending per customer: Up 8% from the previous term
- No. of reservations for the first visit to a store: Up 52% from the previous term

■ **Wedding and feast-related business**

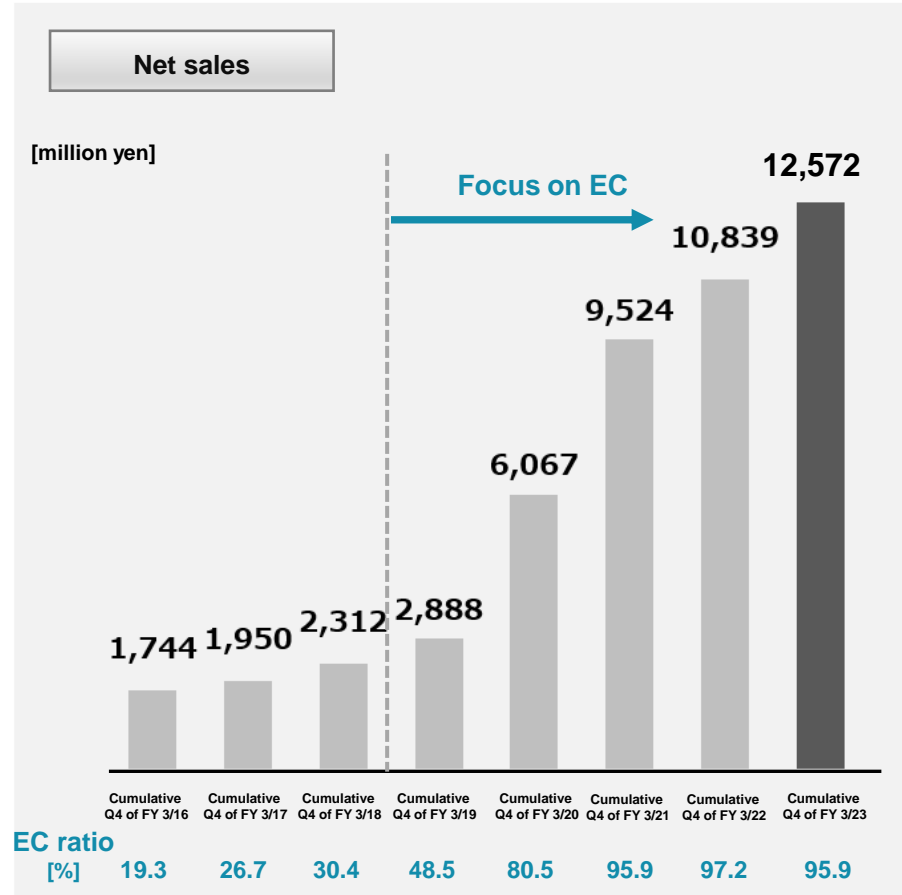
- Recovery trend after the easing of restrictions on activities
- Through the enhancement of marketing targeted at corporations, sales from corporate feasts, etc. grew.



\*In FY 3/23, the revenue from interest for in-house installment sale, which had been posted in the section of non-operating revenues, has been posted in the section of net sales.

This change is reflected in the figures in the same period of the previous fiscal year.

# Auntie Rosa (J-GAAP)



## EC sales hit a record high continuously.

- The delivery of products was delayed due to the lockdown in China, but EC sales hit a record high, thanks to proactive sales measures.
- Continuous growth was achieved, through the enrichment of brands only available in ZOZO. Currently, it operates about 60 brands.



# Listed Group Companies



**\*Based on the brief financial reports of respective companies  
(Japanese accounting standards for all companies except Dream Vision)**

		FY 3/22	FY 3/23	Change	Overview
SD ENTERTAINMENT , Inc.	Net sales	3,987	3,774	-212	In the childcare domain, the ratio of nursery school children to the quota has been healthy, leading to sales growth. In the nursing-care and fitness businesses, sales declined, due to structural reform, including the “selection and concentration of businesses” and “closure of unprofitable stores.” Operating profit increased significantly, thanks to thoroughgoing cost reduction.
	Operating profit	-74	66	+141	
(Note 1) DREAM VISION CO., LTD.	Net sales	4,949	5,184	+235	Sales grew, due to the revision of selling prices and the favorable performance of the toy business. In response to the rise in procurement costs, we improved the revenue structure thoroughly, and secured operating profit in the apparel business.
	Operating profit	26	-71	-97	
MARUSHO HOTTA CO., LTD.	Net sales	3,701	3,867	+166	As the domestic fashion and material businesses performed well, sales increased despite the withdrawal from some businesses in the previous term. While fixed costs were curtailed, we invested in the D2C business, etc. for growth, and SG&A augmented. However, operating loss shrank.
	Operating profit	-173	-116	+57	
(Note 2) (Note 3) BRUNO, Inc.	Net sales	-	8,933	-	“Steam & bake toaster” and “Compact grill hot plate” of “BRUNO” sold well, but the demand for staying at home subsided, affecting performance. The performance of the travel goods “MILESTO” recovered. Despite the impact of the rise in costs and exchange rates, we secured operating profit through cost control.
	Operating profit	-	421	-	

Note 1: International Financial Reporting Standards (IFRS)

Note 2: Since the account closing month is June, the figures in cumulative Q3 (Jul. 2022 to Mar. 2023) are written.

Note 3: Through the transfer of all shares of Shicata Co., which was a consolidated subsidiary, on March 22, 2023, they switched to the non-consolidated accounting in Q3 of FY 6/23.

Therefore, the results in the same period of the previous year are not written.

# **Earnings Forecast for This Term (FY 3/24)**

# Earnings Forecast for FY 3/24



**As chocoZAP is performing well, we will post up-front expenditure this term, too, as the upfront investment.**

**Net sales: 180 billion yen (112.5% of the previous year' level)**

**Operating profit: -4.5 billion yen (unchanged from the previous term)**

**Profit: -9 billion yen (up 3.7 billion yen from the previous term)**

- We will continue investment for growth, including the opening of new gyms/stores, sales promotion, DX, and development of additional services.
- We will secure funds for growth, by withdrawing from unprofitable businesses, selling peripheral businesses, etc.



**In the next term onwards, we will enter the profit growth phase (recoupment period).  
We aim to achieve medium-term management goals  
(operating profit of 30 billion yen in FY 3/26).**

# **Enrichment of Shareholders' Benefits**



第20期（期末）  
株主さま  
ご優待パンフレット

お申込み有効期限

2023

株式保有 5 年以上	株式保有 3 年以上	株式保有 3 年未満
7/14 (FRI)	7/19 (WED)	7/26 (WED)

9/29 (FRI)

2023年9月29日までに申込みください。お電話での受付は、2023年9月29日18:00までです。



GROUP

ご優待お申込みサイト

<https://sr.rizapgroup.com/>

WEBサイトのみお申込み可能な商品もございます。



お申込み専用ダイヤル【受付期間 2023年7月14日（金）～2023年9月29日（金）】

※受付期間開始日は株式会社保有年数によって異なります。

☎ 0120-691-535 （ご優待パンフレット掲載分）

受付時間：10:00～18:00（土・日・祝日を除く）

※WEB・電話の受付は前日同様受付開始となります。 ※商品はお申込み受付後、最速で週間～1カ月程度で順次発送となります。

お問い合わせ ☎ 0120-255-591 ☎ yutai@rizapgroup.com  
受付時間：10:00～18:00（土・日・祝日を除く）

一部JCOMなどの電話回線から繋がらない場合がございます。その場合、別のお電話かスマートフォンでおかけください。

〒160-0023 東京都新宿区西新宿9丁目17-1 住友不動産新宿グランタワー 36階

# The number of products is increased considerably from 100 to over 150.

Setting preferential application periods for  
shareholders holding shares for a long period of time

- Shareholders holding shares for 5 or more years: Friday, July 14
- Shareholders holding shares for 3 or more years: Wednesday, July 19
- Shareholders holding shares for less than 3 years: Wednesday, July 26



# We handle many products available limited in our website.



**Eterno medicinal milky lotion**  
(JAPANGALSsc Co., Ltd.)



**Enameled cast iron pot**  
(BRUNO)



**Apparel**  
(Auntie Rosa, Dream Vision, etc.)



**Compact hot plate**  
(BRUNO)



**mikko x DML ribbon**  
(Dream Vision)



**Fuku Fuku Nyanko  
Pancake maker** (REXT)



**Rose Body Refresh**  
(JAPANGALSsc Co., Ltd.)

**“Special benefits for commemorating the 20<sup>th</sup> anniversary of the inauguration of business of the RIZAP Group,” whose right is determined at the end of September 2023.**



**Special coupon for using chocoZAP  
free of charge for 3 months**

**The coupon will be effective at all gyms  
around Japan.**



**\*For shareholders as of the end of September 2023**

**\*Also for shareholders who are currently chocoZAP members**



# Summary

## **1. The number of chocoZAP members has grown rapidly. The largest number of members in Japan is now within our reach.**

- In less than 1 year after the launch of the chocoZAP brand, annual sales reached the 20 billion yen level.

## **2. Through the lifelog strategy, chocoZAP will evolve further.**

- Acceleration of DX in the cutting-edge field (metaverse, AI for meal management, crypto-assets, etc.)
- RIZAP Body Transformation Business has become a lifelong business model (prime services) smoothly.
- The customer base has diversified steadily, based on the collaboration with other corporations and local governments. (Our corporate program adopted by 1,800 companies, involving 270,000 employees, and adopted by 31 local governments)

## **3. We aim to achieve medium-term management goals (operating profit of 30 billion yen in FY 3/26).**

- In the next term onwards, we will enter the profit growth phase (recoupment period for upfront investment).
- We aim to open 2,000 chocoZAP gyms early in the next term or the term after that.

**We Will Become a Health-Tec Enterprise to Make the Most Contributions to the Wellness of Humankind**



**We are here so that everyone can lead a life  
to realize his/her own value.**



# Corporate Profile (As of the End of March 2023)

Corporate name	RIZAP Group, Inc.
Securities code	2928 (Ambitious Market of Sapporo Securities Exchange)
Established	April 2003
Representative	Takeshi Seto, Founder / CEO
Capital	19,200,440,000 yen
No. of outstanding shares	556,218,400 shares





## Disclaimer

This material was produced by RIZAP Group, Inc. (hereinafter referred to as “our company”) for providing information on our company and our group companies (hereinafter collectively referred to as “our corporate group”) and is not intended for soliciting you to buy the shares or other securities issued by our company inside or outside Japan.

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