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For Immediate Release

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Notice on Revisions to the Full-Year Business Results Forecasts

CURVES HOLDINGS Co., Ltd. (the “Company”) hereby announces revisions to its consolidated financial results forecast for the fiscal year ending August 31, 2022, which the Company released on October 8, 2021. Details are as follows.

1. Revisions to consolidated financial results forecast for the fiscal year ending August 31, 2022
 (September 1, 2021 to August 31, 2022)

(Million yen / %)

	Net sales	Operating profit	Ordinary profit	Profit attributable to owners of parent	Earnings per share
Previous forecasts (A)	26,550	2,500	2,450	1,598	17.03 yen
Revised forecasts (B)	27,300	2,700	3,230	2,150	23.15 yen
Change (B - A)	750	200	780	552	
Change (%)	2.8	8.0	31.8	34.5	
(Reference) Results for the previous fiscal year ended August 31, 2021	24,681	1,622	1,716	1,129	12.04 yen

(Reason for the revision)

Consolidated financial results for the third quarter of the fiscal year ending August 31, 2022 (March 1, 2022 to May 31, 2022) are as follows.

The number of members, the most important indicator for business recovery, showed a net increase of 18K, rising from 718K at the end of the second quarter to 737K (including online members). Sales of merchandise to members continued to be strong during the third quarter of the fiscal year under review and surpassed expectations, chiefly reflecting a rise in the number of members who entered into protein products subscription contracts and growth in per-customer spending due to the offering of new highly functional products introduced during the second quarter of the fiscal year under review.

Operating profit rose above the initial forecast due to a gross profit increase that accompanied net sales growth attributable to those factors.

In addition to the increase in operating profit, ordinary profit and profit attributable to owners of parent expanded, reflecting foreign exchange gains at Curves International, Inc. that caused no change in cash.

Meanwhile, with social activity stagnant through late March, mainly due to the spread of the Omicron variant and the enforcement of COVID-19 quasi-emergency measures, the acquisition of new members, particularly senior members (65 years old or above), remained slow, causing the number of members at the end of the first nine months under review to fall below initial expectations.

The Company revised its full-year financial results forecast, taking into consideration the above results, the future management environment and planned measures.

Details are as follows.

The Group aims to achieve a business recovery and establish business models in the new management environment by the end of December 2022. It is pursuing strategies positioning the fiscal year ending August 31, 2022 (from September 1, 2021, to August 31, 2022) as the year for ensuring that such goals are achieved.

The Group recognizes that in order to early achieve business recovery and establish business models in the new management environment in these circumstances, the following measures continue to be important.

- (i) Further improve customer satisfaction and protect and foster the Group's operating base, including the stabilization of franchisee management.
- (ii) Recover membership first by strengthening marketing and actively using funds.
- (iii) Quickly get new business models such as the online fitness program, Ouchi de Curves (Curves at Home) on track.

The Group plans to continue executing strategic investment actively in target areas, including bolstered marketing in the fourth quarter.

Domestic Business

- Net sales and operating profit are predicted to surpass forecasts released previously, supported by an increase in the number of members and strong merchandise sales to members.
- The Group plans to open 15 facilities while closing or integrating 26 franchisees heavily affected by COVID-19 in the fiscal year ending August 31, 2022. It has revised its forecast of the number of facilities at the end of the fiscal year to 1,947, a net decrease of 11 facilities.

Franchisees are getting more motivated to open additional facilities due to the recovery of their facilities' performance and also the number of requests for the opening of a facility from commercial complexes and other business facilities is rising. However, facility openings scheduled for the third and fourth quarters would be postponed until the following or subsequent fiscal years due to construction delays mainly attributable to a short supply of construction materials. Meanwhile, the number of facility closings/integrations is expected to fall, reflecting the recovery of facilities' performance.

- The number of members showed a steady net growth in the third quarter, as in previous quarters. However, the progress of the plan announced on October 8, 2021 for raising this number (including online members) to 798K by the end of the fiscal year ending August 31, 2022 has been slow. Accordingly, the forecast for membership for the current fiscal year ending August 31, 2022 has been revised to 760K members (including online members).
- Sales of merchandise to members are expected to surpass the initial forecast. However, their costs are expected to be higher due to rises in prices for the raw materials of mainstay protein products, etc.
- To achieve business recovery and establish business models in the new management environments by the end of 2022, the quick recovery of membership is a priority issue. For that reason, the Group plans to make additional strategic investments in advertising and marketing.

(Overseas Business)

- The number of members is recovering in Europe (including the UK, Italy and Spain), a priority region, following the resumption of operations. To facilitate the growth of business, the Group will continue to experiment with new

business models, including the provision of online fitness programs, and strive to plan and implement strategies in response to changing management environments. The Group expects that it will continue to record operating loss on a full-year basis in the foreseeable future that it positions as a preparation period for growth.

(Non-Operating Income and Loss)

- Non-operating income is expected to increase due to the posting of foreign exchange gains at Curves International, Inc. without causing any change in cash position.

The Company revised its financial results forecast for the fiscal year ending August 31, 2022 to reflect the predictions explained above.

The announced year-end dividend forecast for the fiscal year ending August 31, 2022 remains unchanged.

The Company will continue its efforts to achieve a business recovery as the top priority, in a bid to realize the consolidated payout ratio of 50% while securing internal reserves necessary for developing businesses in the future and restoring the financial standing.

* The financial results forecast and other forward-looking statements contained in documents are based on information currently available to the Company and certain assumptions deemed reasonable by the Company. Such forward-looking statements are not intended to represent a commitment on the part of the Company to achieve them. Actual results may vary significantly due to various factors.