

Supplementary Briefing Material: Consolidated Results of Operations for FY ended August 31, 2020

October 16, 2020

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Table of Contents

1. Operations results of FY 8/2020	3
2. Business outline and updates	15
3. Strategies going forward	32
4. Business forecasts and shareholder distribution	40
Appendix	43

1. FY 8/2020: Consolidated Results of Operations

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～明日の自分にきっと驚く～

Consolidated Statement of Income

(million yen) *less than 1 million yen rounded down, % rounded off at 2nd decimal point

	FY 8/2020 Annual		FY 8/2019 Annual	FY 8/2020 4Q (Jun-Aug)
	Actual	Y-o-Y	Actual	Actual
Sales	25,082	89.5%	28,036	5,523
Cost of Sales (Cost of Sales Ratio)	15,914 63.4%	96.3%	16,531 59.0%	3,750 67.9%
SGA incl. Amortization for goodwill & trademarks	8,000 1,097	131.9% 96.3%	6,068 1,139	2,333 272
Operating profit (Operating ratio)	1,167 4.7%	21.5%	5,436 19.4%	-561 -
Ordinary profit	1,165	22.2%	5,242	-567
Extraordinary Income	-	-	-	-
Extraordinary Loss	17	4.8%	368	13
Net Profit (Profit ratio)	764 3.0%	20.6%	3,706 13.2%	-358 -

Consolidated Statement of Income (by region)

(million yen) *less than 1 million yen rounded down, % rounded off at 2nd decimal point

	FY 8/2020 Annual			FY 8/2019 Annual		FY 8/2020 4Q (Jun-Aug)	
	Actual	To Sales	Y-o-Y	Actual	To Sales	Actual	To Sales
Sales	25,082	100.0%	89.5%	28,036	100.0%	5,523	100.0%
Domestic	24,621	98.2%	88.7%	27,751	99.0%	5,474	99.1%
International	460	1.8%	161.8%	284	1.0%	49	0.9%
Op. profit	1,167		21.5%	5,436		-561	
Domestic	2,790		37.9%	7,354		-108	
International	-323		-	-589		-131	
Adjustments	-1,299		-	-1,327		-320	

* Sales and Operating profit for the International segment

The international segment comprises of the global franchise business and European franchiser operations by 2 subsidiaries (Curves International, Inc. and Curves Europe B.V.). Sales and operating profit for the international segment do not include incomes from royalty fees and equipment sales from the domestic business to Curves International, as well as the costs for management fee payments from the 2 subsidiaries to the Japanese entity.

* **Adjustments for operating profit:** Expenses not attributable to specific regions, including amortizations for goodwill and trademark rights

Consolidated Statement of Income - Topics

6

3Q,4Q Comparison

※less than 10 million yen rounded down

	<u>4Q(Jun-Aug)</u>	<u>3Q(Mar-May)</u>
<u>Sales</u>	5.5B yen (77.9% YoY)	5.1B yen (72.4% YoY)
<u>Op. profit</u>	-560M yen	-1.25B yen

Sales

Annual **25B** yen (89.5% YoY) 4Q (Jun-Aug) **5.5B** yen (77.9% YoY)

All clubs reopened, Sales decrease reduced from 3Q with returning members.

- All clubs reopened with full preventive measures taken since June.
- Active membership increased with new/returning members.

Royalty income and Co-owned club sales are recovering from 3Q.

- The Protein renewal rate remains the same as in the previous year.

Protein sales dropped with slow gains in new contracts from the previous year and 3Q.

- International sales were affected by COVID shutdown and closures.

Only slight impact on sales due to a small share in the Group's total sales.

Consolidated Statement of Income - Topics

7

Operating profit

※less than 10 million yen rounded down

Annual **1.16B yen** 4Q (Jun-Aug) – **560M yen**

Costs

Costs down in SGA ⇒ 4Q – **50M yen** (SGA)
2 Half – **100M yen** (SGA)

Costs up in implementing strategies ⇒ 4Q + **1.39B yen**
2 Half + **2.7B yen**

(Breakdown)

	4Q	2 Half
• Financial aids to franchisees	340M yen	1,370M yen (SGA)
• Member relations (PR, publications)	230M yen	510M yen (COS)
• Investment in On-line exercise program	440M yen	440M yen (SGA)
• Pre-marketing for fall campaign	370M yen	370M yen (COS)

Composition of Sales

Japan

Spot income :

One time incomes from franchise sales and renewal of FA

- Income from license fee and new equipment sales for new club opening
- Income from equipment sales for Franchise Agreement renewal, etc.

Base income :

Ongoing incomes associated with numbers of clubs and members

Royalty fees, etc.	Royalty fees and membership administrative fees, etc., received from franchisees
Ad fund	Payments by franchisees for marketing activities
Other from franchisees	Other incomes from franchisees
Merchandise for members	Merchandise sales for members. Direct sale by the group to members and sales commission paid to franchisees.
Corporate own clubs	Income from operating corporate clubs
Others	Others

International

Breakdown of Sales

(Million yen) ※less than 1 million yen rounded down, % rounded off at 2nd decimal point

	FY 8 / 2020 Annual			FY 8 / 2019 Annual		FY 8 / 2020 4Q (Jun-Aug)	
	Actual	To Sales	Y-o-Y	Actual	To Sales	Actual	To Sales
Sales	25,082	100.0%	89.5%	28,036	100.0%	5,523	100.0%
Domestic	24,621	98.2%	88.7%	27,751	99.0%	5,474	99.1%
Spot	780	3.1%	80.0%	975	3.5%	194	3.5%
Base	23,840	95.1%	89.0%	26,775	95.5%	5,280	95.6%
Royalty, etc.	5,209	20.8%	81.0%	6,434	23.0%	1,182	21.4%
Ad funds	1,251	5.0%	77.9%	1,606	5.7%	177	3.2%
Franchisees, other	1,563	6.2%	84.2%	1,856	6.6%	253	4.6%
Merchandise	14,034	56.0%	96.2%	14,593	52.1%	3,246	58.8%
Direct-owned clubs	1,697	6.8%	76.7%	2,212	7.9%	401	7.3%
Other	83	0.3%	117.3%	71	0.3%	18	0.3%
International	460	1.8%	161.8%	284	1.0%	49	0.9%

Breakdown of Sales

Decrease in Spot Income expanded due to slower club openings

- Spot 4Q Y-o-Y 61.0% (Jun-Aug)
3Q Y-o-Y 75.8% (Mar-May)

Decrease in Base Income was smaller

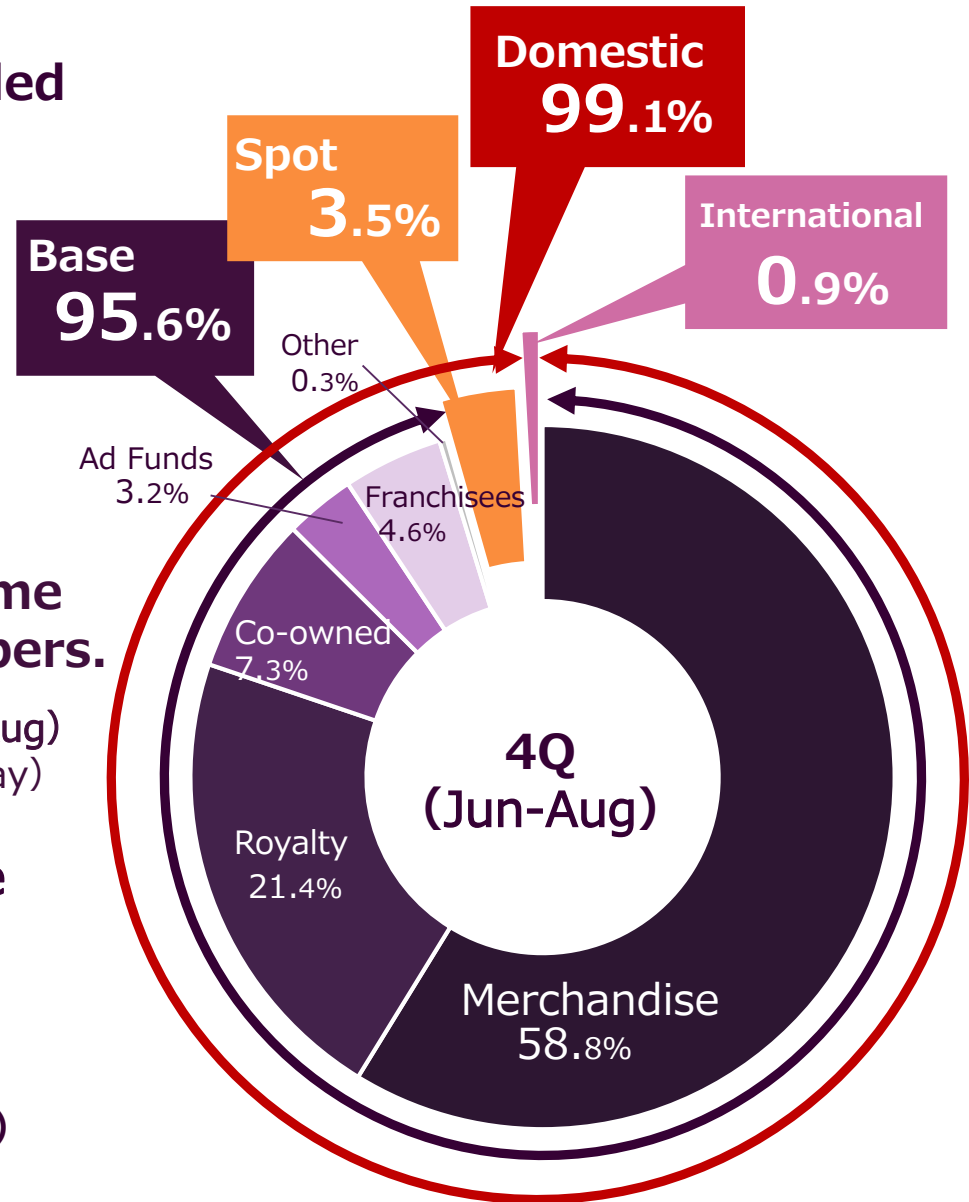
- Base 4Q Y-o-Y 78.7% (Jun-Aug)
3Q Y-o-Y 70.7% (Mar-May)

All clubs reopened. Royalty income in recovery with returning members.

- Royalty income 4Q Y-o-Y 73.9% (Jun-Aug)
3Q Y-o-Y 46.1% (Mar-May)

**Protein renewal rate remains the same as in the previous year.
Protein sales dropped with slow gains in new contracts.**

- Merchandise 4Q Y-o-Y 88.8% (Jun-Aug)
3Q Y-o-Y 94.4% (Mar-May)



Consolidated Balance Sheet

(million yen)※Less than 1 million yen rounded down

	FY 8 / 2020	Q-o-Q	Nine Months ending	FY 8 / 2019
Current assets	15,275	4,265	11,009	11,281
Cash and deposits	9,533	5,482	4,051	5,350
Notes and accounts receivable	3,243	29	3,214	3,780
Merchandise	1,511	-260	1,772	898
Non-current assets	21,562	-547	22,110	22,943
Property, plant and equipment	326	3	322	323
Intangible assets	20,789	-546	21,336	22,083
Goodwill	1,392	-18	1,411	1,456
Trademark rights	17,997	-438	18,435	19,020
Investments and other assets	446	-4	451	537
Total assets	36,837	3,717	33,120	34,224
Current liabilities	7,262	-338	7,601	8,018
Current portion of long-term	1,840	-	1,840	1,840
Non-current liabilities	21,432	4,538	16,894	18,464
Long-term borrowings	17,420	4,540	12,880	14,260
Total liabilities	28,695	4,199	24,495	26,482
Interest-bearing debts	19,260	4,540	14,720	16,100
Total net assets	8,142	-481	8,624	7,742
Shareholders' equity	8,005	-358	8,363	7,599
Total liabilities and net assets	36,837	3,717	33,120	34,224

Consolidated Statement of Cash Flows

12

(million yen) ※less than 1 million yen rounded down

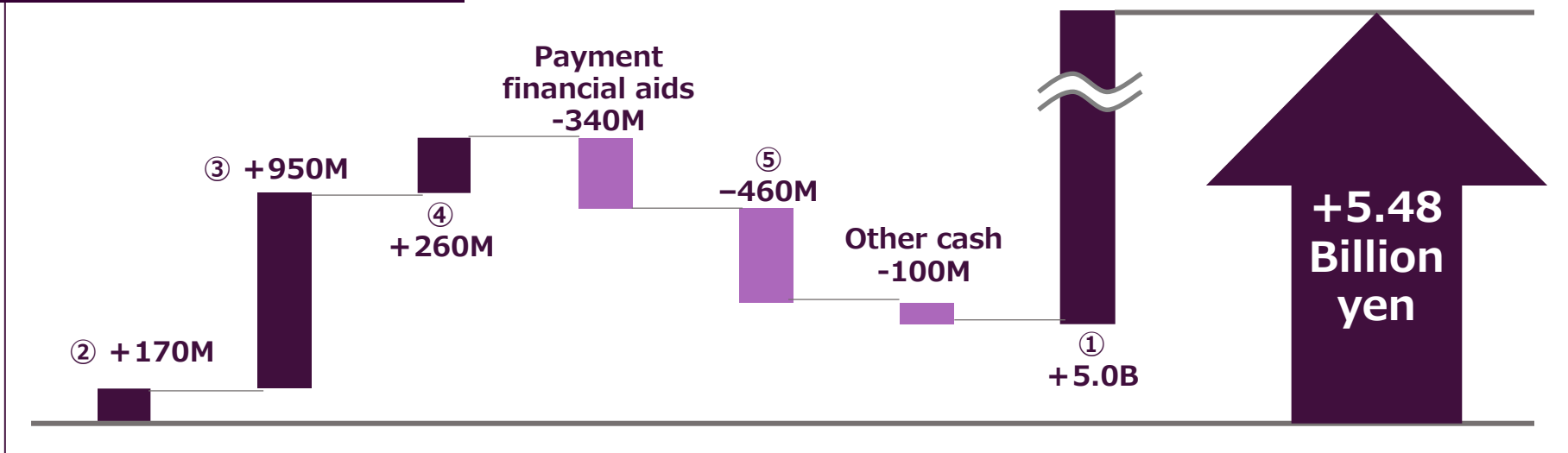
	FY 8 / 2020 Annual	Y-o-Y	FY 8 2019 Annual	FY 8 / 2020 4Q (Jun-Aug)
CF from operating activities	1,882	-3,439	5,321	1,063
Profit before income taxes	1,147	-3,726	4,873	-581
Depreciation, amortization of goodwill/trademarks	1,679	-31	1,711	412
Decrease (increase) in trade receivables	536	498	37	-33
Decrease (increase) in inventories	-617	-642	24	264
Increase (decrease) in trade payables	-543	-610	67	-119
Increase (decrease) in accounts payable	457	295	161	-73
Other	-777	777	-1,555	1,194
CF from investing activities	-464	-45	-418	-82
CF from financing activities	2,765	8,621	-5,856	4,504
Proceeds from long-term borrowings	4,964	4,964	-	4,964
Repayments of long-term borrowings	-1,840	-	-1,840	-460
Other	-359	3,657	-4,016	-0
Effect of exchange rate change on cash and cash equivalents	0	5	-4	-2
Net increase (decrease) in cash and cash equivalents	4,183	5,142	-958	5,482
Cash and cash equivalents at beginning of period	5,350	-958	6,308	4,051
Cash and cash equivalents at end of period	9,533	4,183	5,350	9,533

Consolidated B/S & Statement of Cash Flows

4Q (Jun-Aug) Cash & cash equivalents increased by 5.48B yen, 9.5B yen at end period

- ① Borrowings to prepare for prolonged COVID impacts + **5.0B yen**
- ② EBITDA before payment of financial aids to franchisees + **170M yen**
- ③ Member fee refunds reimbursed from franchisees + **950M yen**
- ④ Decrease in inventories incl. Protein + **260M yen**
- ⑤ Repayment of borrowings on plan - **460M yen**

Main increases/decreases



Dividends

FY 8 / 2020

1st Half

2nd Half

Annual

Dividends

-

5.0 yen

5.0 yen

Earnings per share

-

-

8.73 yen

Payout ratio

-

-

57.3 %

The management has decided to make 5.0 yen of annual dividends based on the policy to aim at the consolidated payout ratio of 50%.

(Ordinary dividend: **3.0** yen, IPO Commemorative dividend: **2.0** yen)

Shareholder incentives

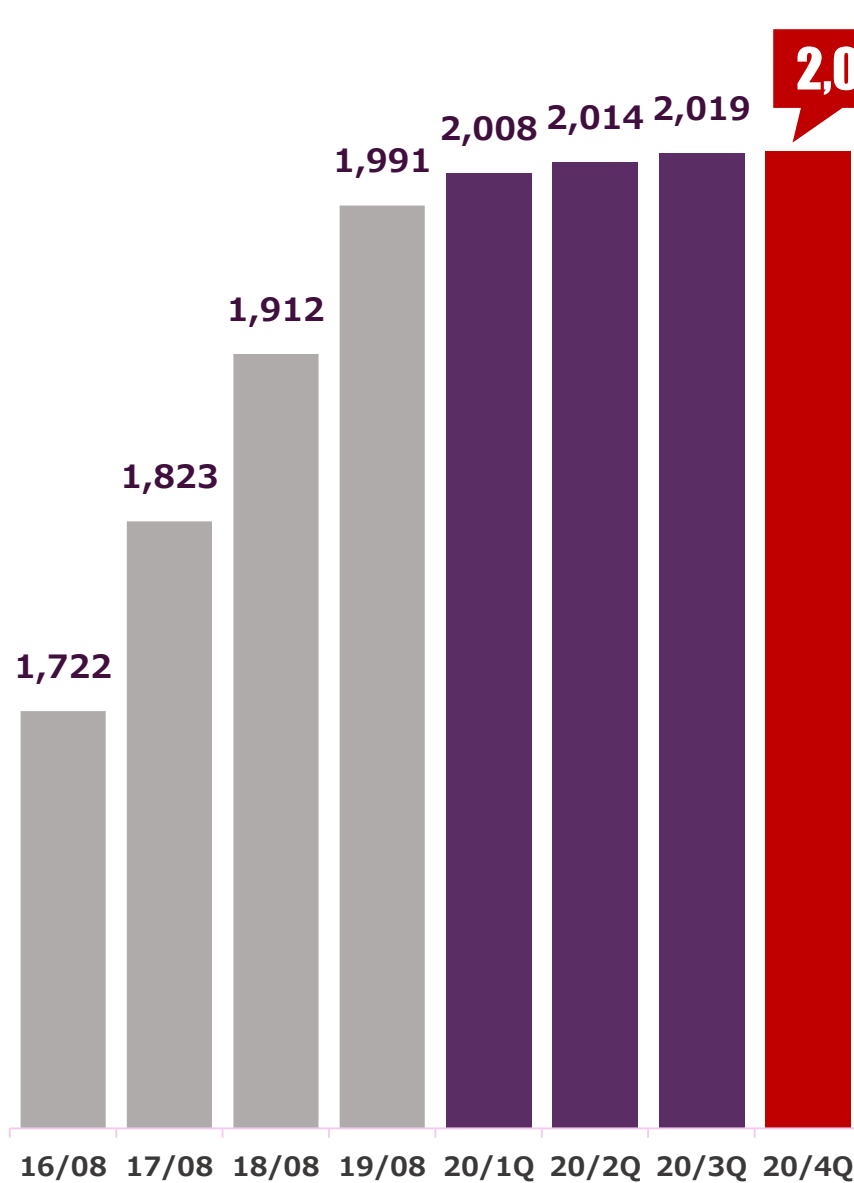
1 Quo card worth 500 yen to all shareholders owning more than 100 shares (1 unit) as registered on the shareholders list as of August 31, 2020.

2. Business Outline and Updates

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2,020 Clubs in Japan

- New openings started in July 2020.

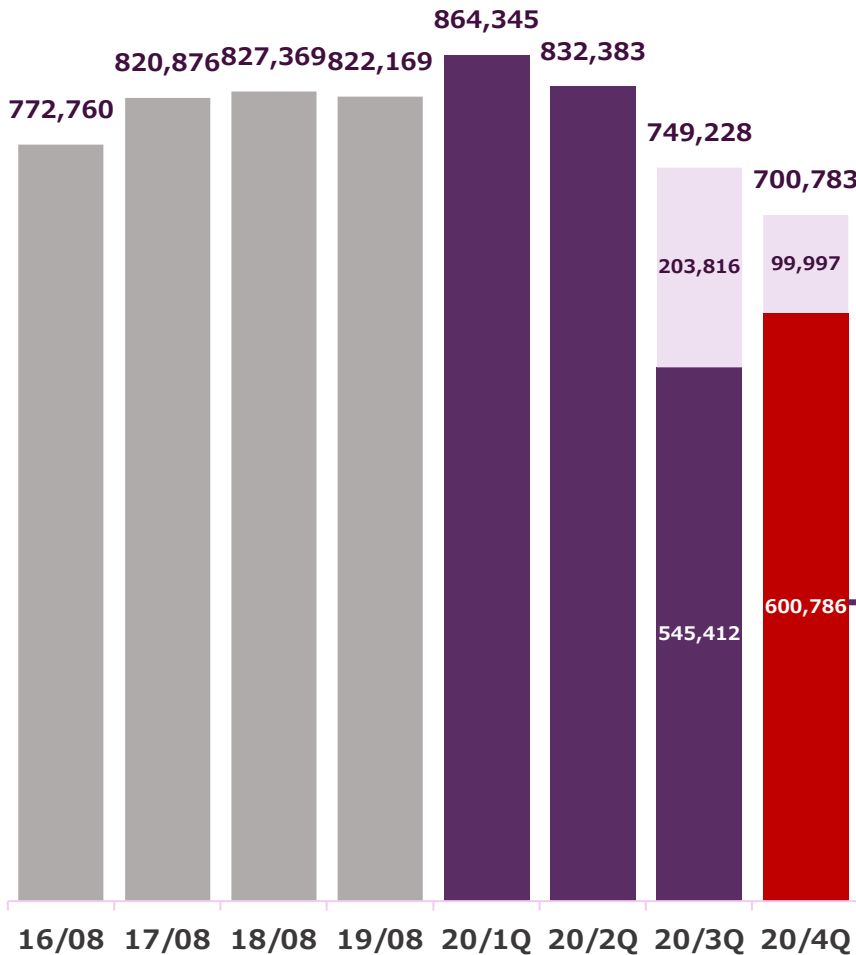
Clubs severely affected financially by COVID will be closed down or consolidated.

New open **11 clubs**

Closed **10 clubs**

Net increase **+1 club**

※During 4Q of FY 8/2020 (June-August, 2020)



600K members
Excluding absentees

- Active members increased by 55K compared to the end of 3Q, with more returning members
- New sign-ups increased and cancellations decreased compared to 3Q.
- Club operations getting normalized.

Compared to the end of the previous FY:

Active members (ex. Absentees):

- **221K** members

Special absentees: 99K members

FY2016	FY2017				FY2018				FY2019				FY2020			
4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q
772,760	807,107	784,773	799,107	820,876	838,702	806,467	820,044	827,369	845,081	819,016	823,069	822,169	864,345	832,383	749,228	700,783

Chain-wide Sales

FY 8/2020 Actual

Chain-wide Sales **57,369** million yen (81.7% Y-o-Y)

Sign-up & Due Incomes

43,403 Million yen
(77.8% Y-o-Y)

Merchandise Sales

13,966 Million yen (96.4% Y-o-Y)

incl. Protein Sales

13,215 Million yen (95.0% Y-o-Y)
(Protein ratio 94.6%)

Sales dropped due to:

- All clubs closed for about 1 week in March.
- Many clubs closed under Emergency order in April.
- Active members dropped with absentees and cancellations, and lower sign-ups.

Sales remained stable through 3Q as many members continued to take Protein during club closures and absence.

4Q saw a decrease affected by no active sales activities done for signing new users.

Membership trends for March – August

Y-o-Y	March	April	May	June	July	August
Sign-ups	20.0%	6.5%	9.4%	45.2%	64.1%	63.8%
Cancellations	109.9%	161.9%	149.2%	90.0%	181.5%	129.7%
Members excl. absentee	704K	586K	545K	560K	605K	600K
Special absentees	109K	192K	203K	179K	110K	99K
Total membership	814K	778K	749K	739K	716K	700K

※less than 1K rounded down, % rounded off at 2nd decimal point.

- New sign-ups is recovering after clubs reopening in June.

- Cancellations are decreasing in August.

(Cancellations decreased in June due to club closures in May/June, and increased in July.)

Sales Trends March – August

Year-on-Year	March	April	May	June	July	August
Chain-wide Sales*	73.5%	46.4%	32.6%	69.7%	76.8%	76.7%
Consolidated Sales (Japan)	90.6%	66.4%	55.7%	70.2%	84.0%	79.9%
Royalty fee income, etc	68.1%	46.6%	23.2%	69.9%	76.8%	75.0%
Merchandise sales*	103.5%	91.8%	87.4%	78.1%	95.7%	93.6%
Financial aids to franchisees (million yen)	461	285	288	140	108	93

※Less than 1 million yen rounded down, % rounded off at 2nd decimal point.

- All clubs gradually reopened since June. Chain-wide sales are in recovery.
- Financial aids to franchisees are declining with more clubs reopening and absentees decreasing.

*Chain-wide sales: Sign-up/due income + Merchandise retail for the entire chain.

*Merchandise sales: Renewal rate remains the same as in the previous year, and new contracts declined due to no active sales promotions done.

(Ref) Clubs Temporary Closures (Japan)

Period	Total clubs	Operating	Closed	
March 1-7	2,014	2,014	0	
March 8-15	2,014	0	2,014	All clubs closed for 6 business days
March 16 –April 10	2,014	2,014	0	
April 11-21	2,014	1,165	849	Emergency Orders – 849 clubs closed in 7 Prefectures (starting after April 8); Clubs in adjacent areas closed as directed by each prefecture government.
April 22 – May 6	2,018	0	2,018	All clubs closed nationwide under the expanded Emergency Orders.
May 7-31	2,018	166	1,852	Clubs reopened as directed by local governments lifting the Emergency Order. 994 clubs reopened by May 31.
June 1-7	2,019	1,994	25	All clubs reopened with some exceptions locally.
After June 8	2,019	2,018	1	All clubs reopened with 1 exception, which reopened on July 20.

1st
Half

Key focus for FY 8/2020

- Aggressive new openings, re-growth of existing clubs
- Enhanced marketing activities
- Expanded collaboration of industry, government and academia
- New business rollout (expansion of Men's Curves)
- International expansion (growth in key markets and Europe)

2nd
Half

Severe impacts on business by COVID

→ Focused on strengthening "Engagements with stakeholders"

5 Engagements



Members

- Implemented Special Absentee Program
- Club closures to follow government directives
- Reopened under full preventive measures

Franchisees & Coaches

- Financial aids & management counseling
- Retained employment of coaches

Brand

- Properly managed the reputation risks

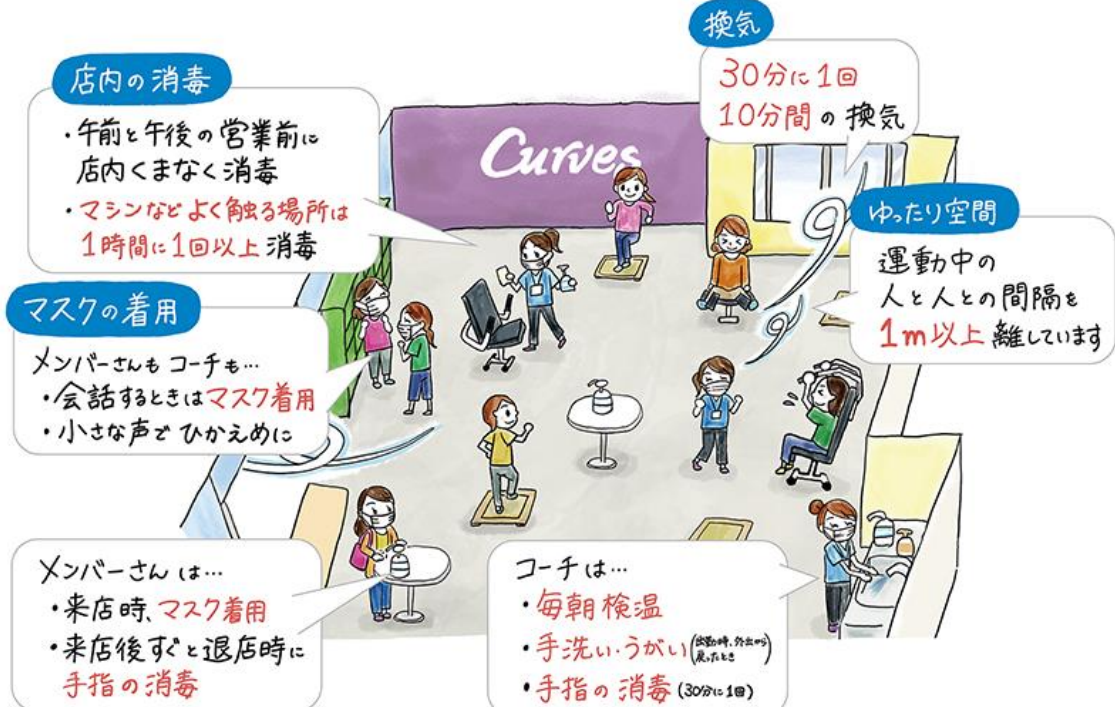
Financials

- Improved cash positions
- Active strategic investments

1 Operations under full preventive measures

カーブス 安心安全対策 10のお約束

 <p>コーチは健康管理を徹底し、常にマスクを着用しています</p>	 <p>メンバーさんにも来るとき、帰るときはマスクを着用いただいています</p>	 <p>体調が悪い方には運動をご遠慮いただいています</p>
<p>ソーシャルディスタンス</p>  <p>24人までの人数制限をしています</p>	<p>ソーシャルディスタンス</p>  <p>マシンとマシンの距離をあけて営業しています</p>	<p>ソーシャルディスタンス</p>  <p>立ち位置の目印、ロッカーを間引くなど人と人との距離をあけて営業しています</p>
 <p>手指や共有部分の消毒を徹底しています</p>	 <p>30分に1回換気をしています</p>	 <p>感染予防のためおしゃべりを控えていただいています</p>
 <p>30 min.</p> <p>滞在時間は30分～35分以内にしていただくようご協力をお願いします</p>	<p>安心安全に通っていただけるよう コーチ一同、感染予防対策を徹底してまいります</p>	



店内の消毒

- 午前と午後の営業前に店内くまなく消毒
- マシンなどよく触る場所は1時間に1回以上消毒

マスクの着用

メンバーさんもコーチも...

- 会話するときは**マスク着用**
- 小さな声でひかえめに

換気

30分に1回10分間の換気

ゆとり空間

運動中の人と人との間隔を**1m以上**離しています

メンバーさんは...

- 来店時、**マスク着用**
- 来店後すぐと退店時に**手指の消毒**

コーチは...

- 毎朝**検温**
- 手洗いうがい(出勤時、外出時、戻り時)
- 手指の消毒 (30分に1回)

2 Awareness of secondary health damages

* Secondary health damages include exacerbation of underlying diseases or arthralgia, cognitive decline, lower immune system, etc., resulting from reduced physical and social activities through staying at home.

Active exposures in media helped raise awareness as a serious social challenge.

Achieved 108 exposures (42 papers/magazines, 22 TV/radio, 44 websites)

Symposium sponsored by SWC Council:
Healthy life 'During COVID' and 'After COVID'
- Concept for new lifestyle and roles of
business sectors to support it -

Takeshi Masumoto, CEO, presented "Secondary health damage and its solution by business sector" as a symposiast at the symposium sponsored by SWC Council that aims at healthy longevity society under collaboration of industry, government and academia. Many have attended from municipalities, governments, academia and business sectors.

<https://www.swc-kyogikai.jp>

afterコロナ、withコロナ
におけるヘルスケアビジネスの
方向性を考える

(株) カーブスホールディングス
代表取締役社長 増本 岳



afterコロナ、withコロナの環境変化

- ① 健康課題の深刻化
(コロナ太り、免疫維持改善、
基礎疾患予防、フレイル予防、認知症)
➡ 行動変容にどう結びつけるか？
- ② コロナ後遺症
リベンジ過剰活発症 or 過剰恐怖症
(→過剰自粛)
➡ 正しい情報の普及と啓発

Curves

3 Curves Magazine – provides useful health information

カーブスマガジン
2020
Autumn
Vol.53

明日の自分にきっと驚く
The power to amaze yourself

Curves
MAGAZINE

特集
コロナを乗り切る
7つの真実

教えて先生!

衛藤信之先生の
寄せはあなたの隣に
爽り多い「人生の秋」
心豊かに生きていこう

免疫力アップ
& 簡単短時間レシピ
カジキマグロ

カーブスでは
感染予防対策を
徹底しています

消毒の徹底

隣の人と距離をあけて運動

20分ごとに10分間の換気

コーチはマスク着用

カーブスでは
6/16から7/10まで
新登場

Curves ドーナツパティ Vol.53 2020 Autumn

特集
教えて先生!
コロナを乗り切る
7つの真実

いまでも、「自然免疫」を高めておこう!

第1部 P.6

うつらない、うつさない
感染予防。
これさえやれば外に出ても大丈夫

第2部 P.11

基礎疾患がある私。
いつまで家にいたらいいの?

第3部 P.16

筋力低下・体力低下・足腰の衰え…
感染以外の健康
にも目を向けて!

第4部 P.19

しっかり動き、
しっかり食べて、
ウイルスに負けない体をつくろう!

第5部 P.22

脳の衰えを防ぐために、
[?]と[?]を控えよう!

第6部 P.25

いますぐやろう! 免疫を高める
1日の過ごし方

第7部 P.28

いまでできること、すべきこと

各分野の第一線で活躍されているお医者様・専門家の方々に、
もし次の感染の波が来たときに備えて何をやっておくべきか、「真実」を語っていただきました。

本特集は、2020年7月10日現在の情報をもとに制作しています。 4

4 Scientific evidence of exercise effects on health

Jointly announced the research results under collaboration with the Institute of Development, Aging and Cancer of Tohoku Univ.

Finding

30-minute circuit training done even only once is immediately effective in raising cognitive function (control ability) and vitality.

● Benefit of exercise on cognitive function has been scientifically proven in the past, but this finding is epoch-making in that it has an immediate effect even when done only once.

● Media exposures and broadcasting on the research results:

Papers/magazines **8 articles**

Web sites **4 articles**

(Scheduled to be featured/broadcasted in magazines/TV going forward.)

* For details on the research (Only in Japanese) :

Curves Holdings website - <https://pdf.irpocket.com/C7085/djAz/B46j/wxrM.pdf>

5 On-line Exercise Program "Ouchi-de-Curves" - Development and test-run

Developed to install a test-run in some clubs in September.
Reproducing the "Exercise Habit" online that represents the strength of Curves.

「家で運動したいけど、ひとりでは続けられない」
「外出機会が減ったので運動不足を解消したい」…
そんなお声にお応えし、

新サービス
おうちでカーブス
近日リリース予定

～コーチが励ましてくれる、おうち筋トレ～

いつもの筋トレをご自宅で！ コーチが励ましてくれるから頑張れる！

好きなときに、いつでもできる！

よしこさ～ん！
今日も元気に
頑張りましょう！

ご自宅でもカーブスの運動を続けられるように考えられた新サービスです。

おうちでカーブス 4つの特徴

- ① 専用運動グッズで、
カーブスのマシンと同じ動きをご自宅で再現
- ② コーチが見てくれるから安心！
正しくできる！続けられる！
※コーチに見てもらうかどうかはご自分で
お選びいただけます
- ③ 簡単に使えるタブレットを無料貸し出し！
※モニター期間のみ
- ④ 準備らくらく、狭いスペース(約たたみ半畳)でOK！

パソコンやインターネットは不要！
テレビも見れる！

⑥ “Men’s Curves” opened in 2 new locations

July – Men’s Curves Viva Mall Higashi Matsuyama,
Higashi Matsuyama, Saitama (1st in the Kanto area)

August – Men’s Curves Azumino,
Azumino, Nagano



⑦ Business Sustaining Plan and Implementation

- a** Improving cash position,
Zero-based cost down
 - ▶ Secured 5 billion yen in financing
- b** Continuing financial aids to franchisees
- c** Aggressive strategic investments
 - ▶ Develop/launch “Ouchi-de-Curves”
 - ▶ Test marketing for member acquisition drive in the fall

September/October – 15th anniversary campaign All You Can Workout 1 month Free

631K active members (+ **30K** from previous month end) ※less than 1000 members rounded down

- Active members increased from previous month end (was 600K at the end of 8/2020)
- Absentee members returning, new sign-ups in recovery, cancellations back to normal.
- On-line exercise program “Ouchi-de-Curves” launched in 873 clubs
 - * 5.3K absentee members returned

Key region: Europe (185 clubs at the end of May 2020) (36 in UK, 55 in Italy, 52 in Spain)

*** Only direct markets managed by the Group operating as franchisor. Other areas are operated by master licensees in Holland, Greece, Eastern Europe, Russia, Ukraine, and others.**

- Under COVID, 157 out of 185 clubs have reopened since mid June.**
- Active membership in recovery**
- Daily operations and new member acquisition expected to normalize under social and economic conditions being restored.**

*** International business is consolidated with the fiscal year ended 2 months early.**

3. Strategies Going Forward

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Positioning in FY 8/2021

【Changes in market environments】

● **Expansion of health markets**

(Weight loss, improve immune system, prevent underlying diseases)

● **Rising demands for services requiring no physical contact (COVID after effects)**



Growth with a new business model of onsite/online integration



Strong recovery and establishing a new business model by the end of 2022



FY 8/2021: Create a solid roadmap

Sales	23.5 B yen
Operating profit	1.0 B yen
Net profit	600 M yen

Membership/Club Count Forecasts

Active members	660K	+ 59K
Club count	1,940 clubs	- 80 clubs

- 1** Restore business foundations in membership, etc.
- 2** Raise customer satisfaction to the next level
- 3** Enhance marketing activities
(media mixes targeting younger generations)
- 4** Establish a new business model
("Ouchi-de-Curves", etc.)
- 5** Men's Curves, creating a new service model
- 6** Strengthen collaborations with industry,
government, academia and medical institutions

1 Enhance Franchisees' earnings through Club closure/consolidation

- 100 clubs distressed by COVID are scheduled to be closed or consolidated with neighboring clubs.
- More than 65% of members in those closed or consolidated clubs are expected to transfer to neighboring clubs.
- 20 new club openings are projected.



Total of 1,940 clubs projected at the fiscal year end

2 Enhance marketing activities

(1) New membership drive in Sept-Nov

- The 15th Anniversary 'All You Can Workout' 1 month free campaign
- Nationwide TV CM broadcasting & Media Mix marketing
- Word of Mouth Referral Marketing

(2) Aggressive marketing for younger generations

(Age range:50 – 64)

(3) New membership drive campaigns – 3 times a year

② Enhanced marketing activities

TV CM of Curves (image)



3 Launching an on-line exercise program: “Ouchi-de-Curves”



- Test run done in 873 clubs in Sept.
- Helping absentee members return
- About 5,300 members have enrolled.

Chain-wide rollout will start in Spring 2021

4. Financial Forecasts & Shareholder Distribution

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Financial Forecasts for FY 8/2021

- COVID impacts are expected to gradually taper, but could prolong throughout the fiscal year.
- New club openings are expected to slow down. Non-performing clubs are scheduled to be closed or consolidated.
- Operations in international markets such as new membership drives are expected to return to normal as social/economic conditions recover in many countries.
- Implement mid/long-term strategies to capitalize on potential opportunities created by qualitative and quantitative changes in the marketplace.

(million yen) less than 1 million yen rounded down, %rounded off at 2nd decimal point.

	FY 8 / 2021		FY 8 / 2020
	Annual		Annual
	Forecast	Y-o-Y	Actual
Sales	23,500	93.7%	25,082
Operating profit	1,000	85.7%	1,167
Operating ratio	4.3%		4.7%
Ordinary profit	940	80.7%	1,165
Net profit	610	79.8%	764
Profit ratio	2.6%		3.0%
Earnings Per Share (yen)	6.51		8.73

Dividends

The company's policy on dividends is to target a consolidated payout ratio of 50% while maintaining sufficient internal reserves to provide for future business development and ensure the sound financial condition of the company.

Based on the policy , the annual dividend forecast is as shown below.

Annual dividend 3.0 yen
(Payout ratio **46.1%** EPS **6.51 yen**)

Shareholder incentives

1 Quo card worth 500 yen to all shareholders owning more than 100 shares, as registered on the shareholders list as of August 31, 2021.

Appendix

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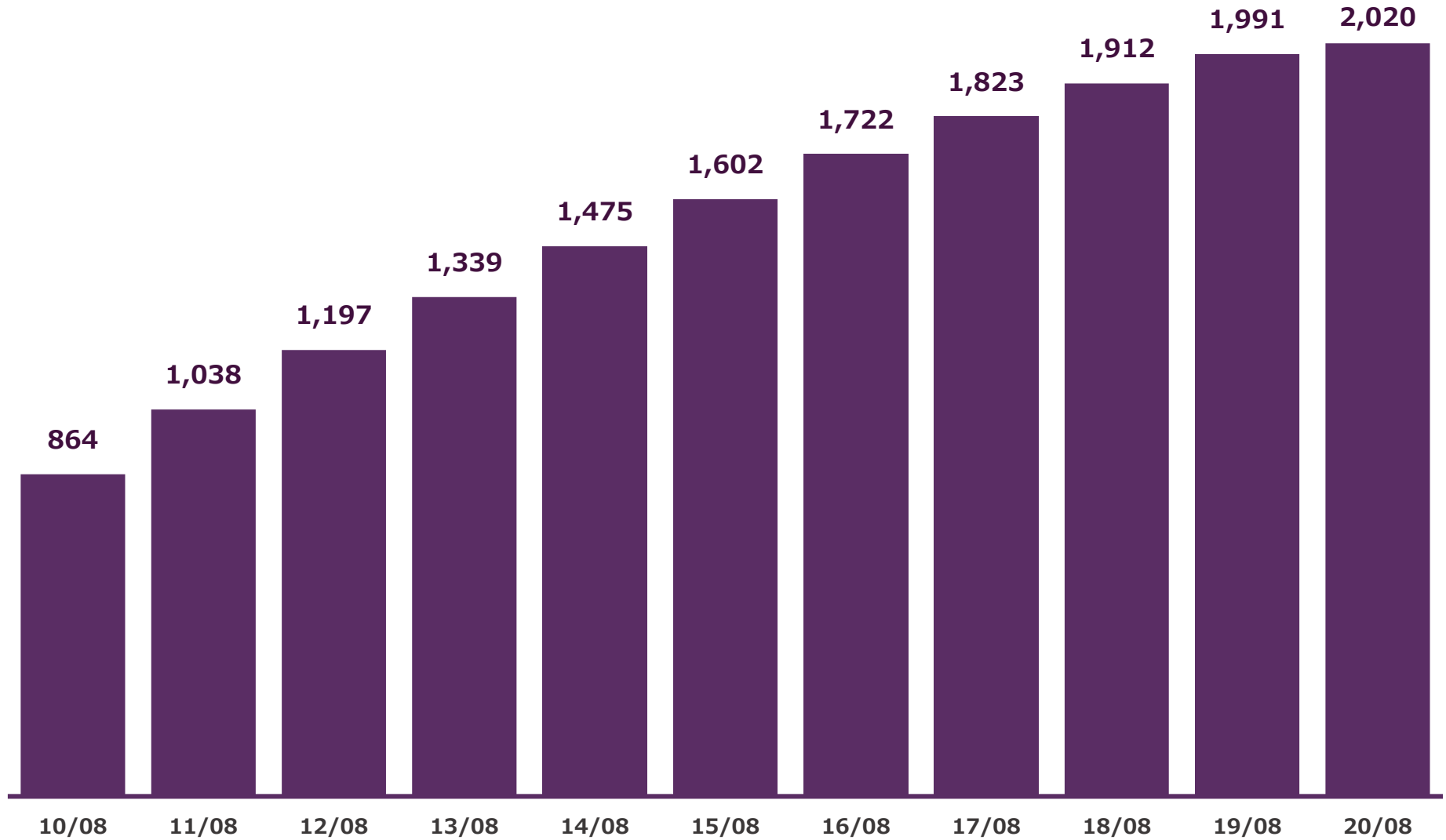
(1) Curves Business History

Curves[®]

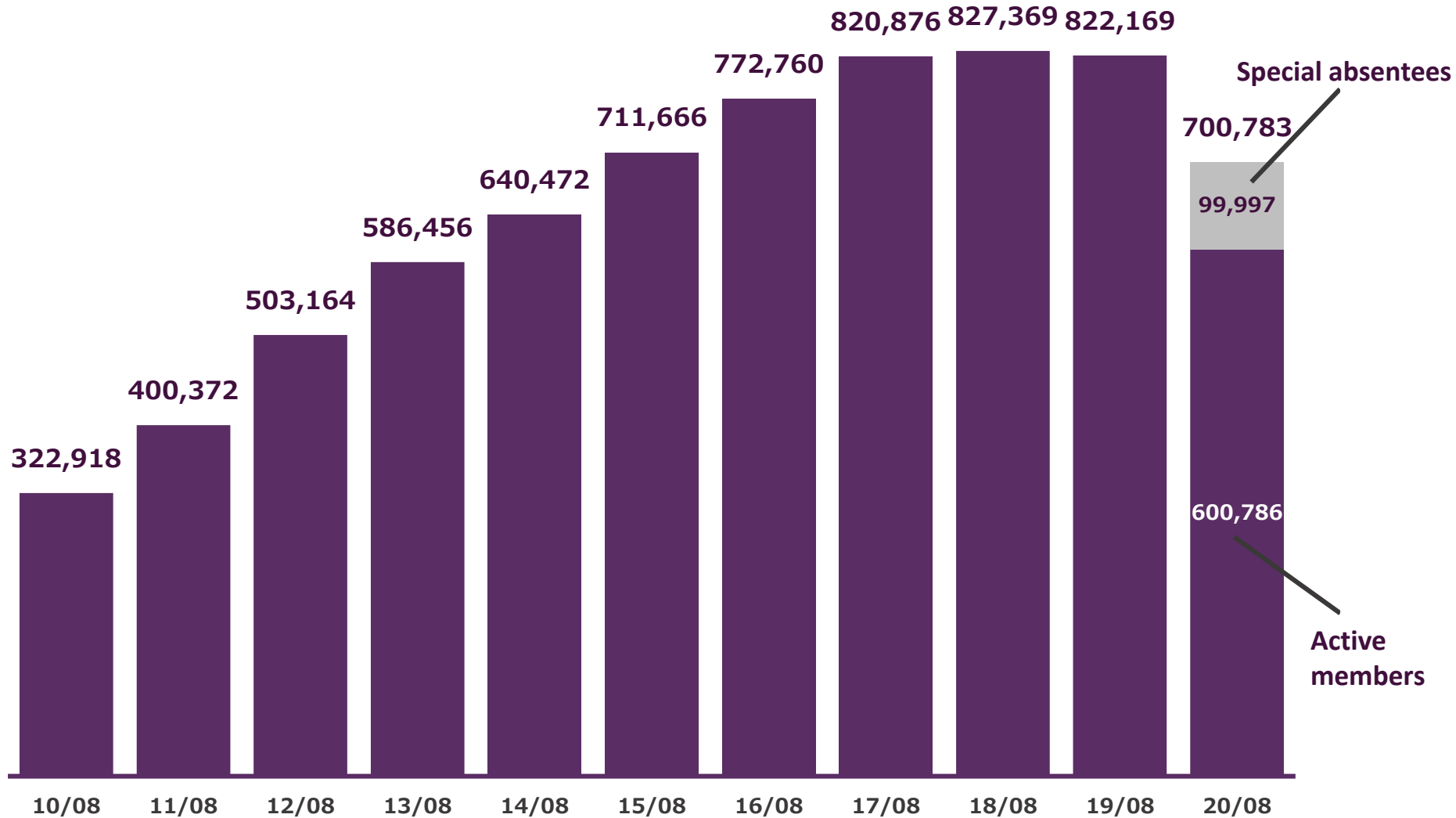
The power to amaze yourself.[®]

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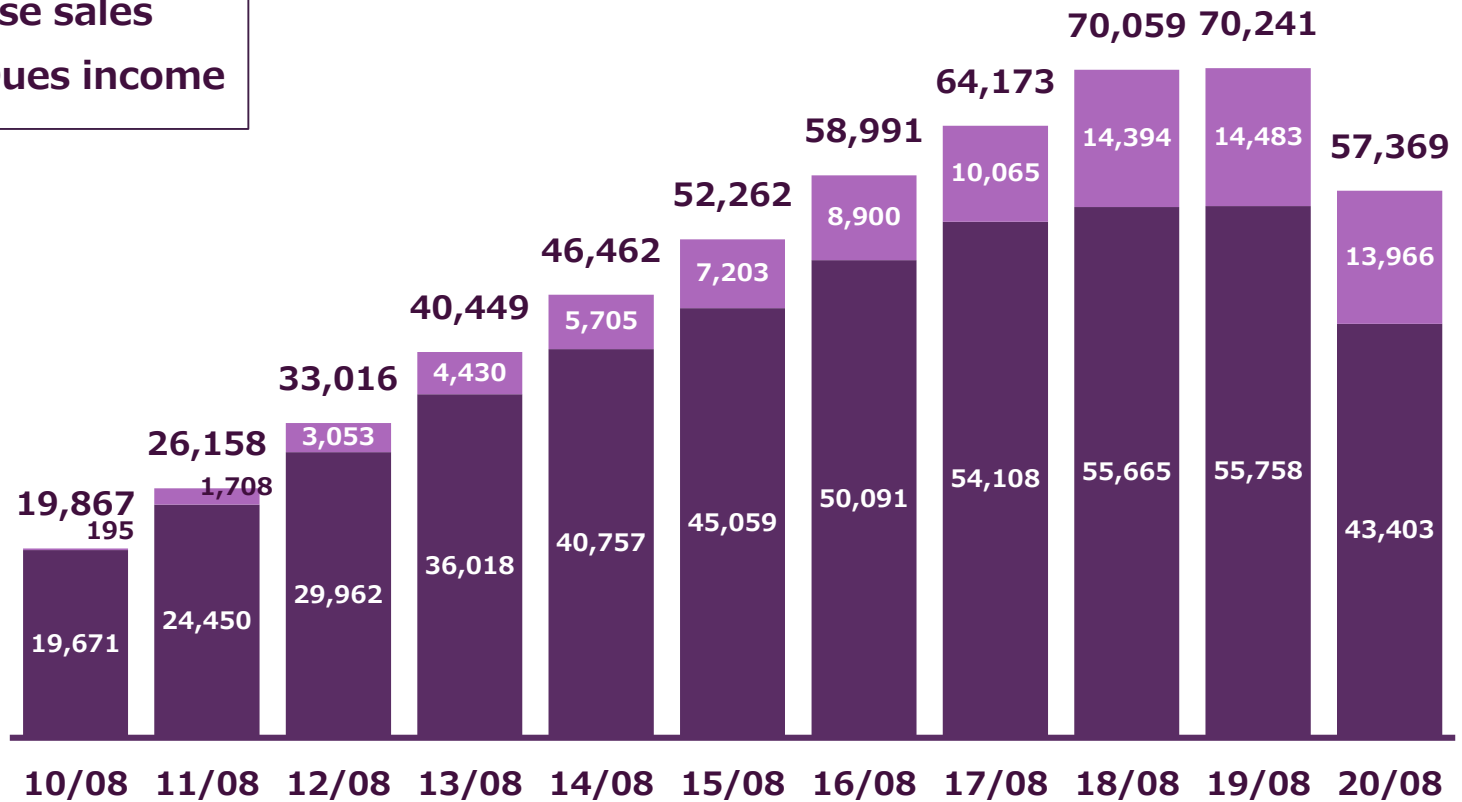
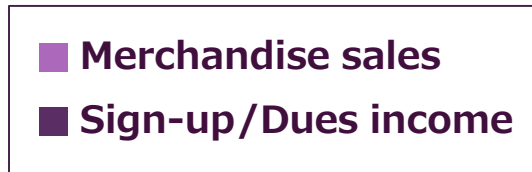
Growth in Club Counts (11 years)



Trends in Membership (11 years)



Trends in Chain-wide Sales (11 years)

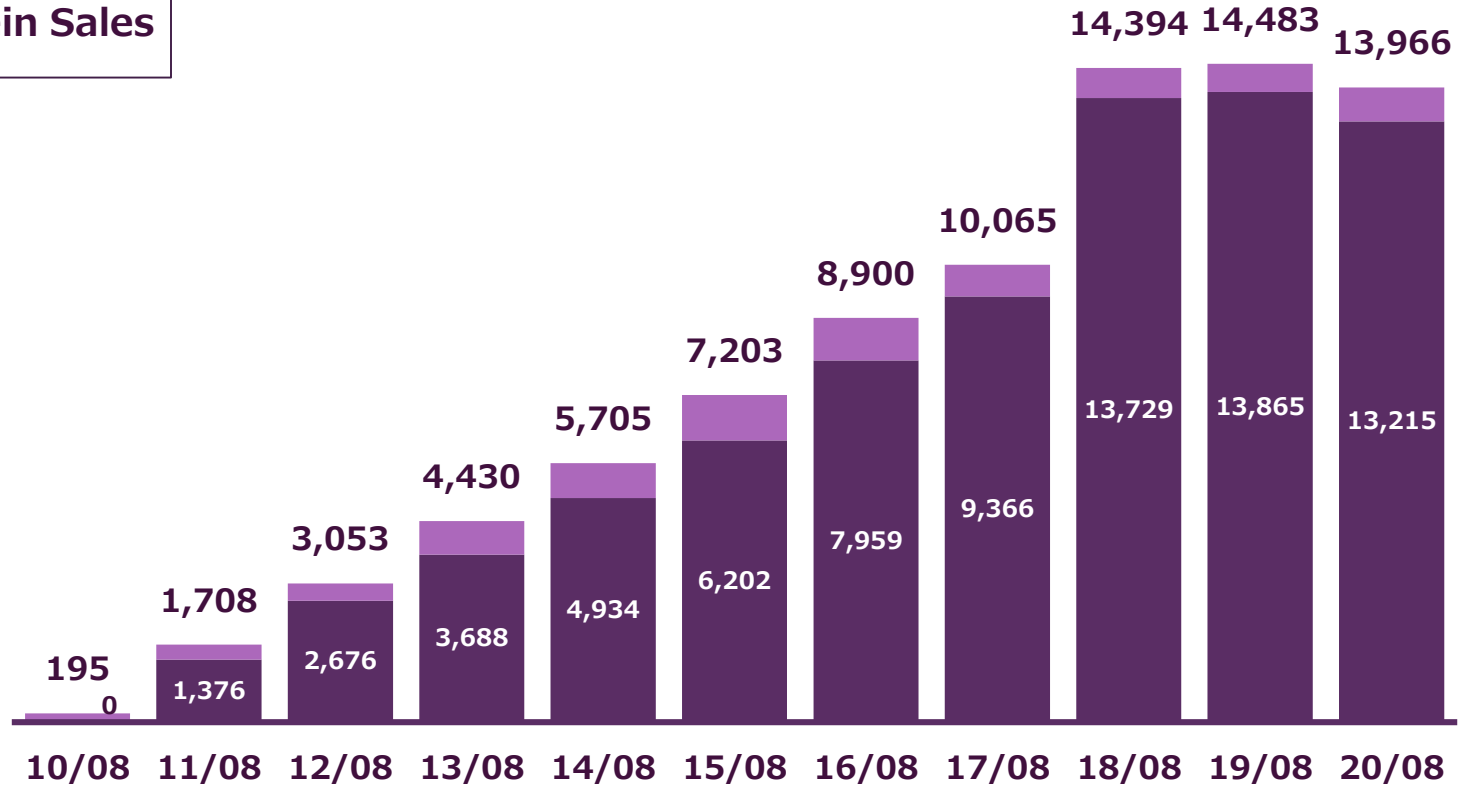


(million yen) Less than 1 million yen rounded down.

	10/08	11/08	12/08	13/08	14/08	15/08	16/08	17/08	18/08	19/08	20/08
Chain-wide Sales	19,867	26,158	33,016	40,449	46,462	52,262	58,991	64,173	70,059	70,241	57,369
Sign-up/Dues income	19,671	24,450	29,962	36,018	40,757	45,059	50,091	54,108	55,665	55,758	43,403
Merchandise Sales	195	1,708	3,053	4,430	5,705	7,203	8,900	10,065	14,394	14,483	13,966

Trends in Merchandise Sales (11 years)

■ Incl. Protein Sales



(million yen) Less than 1 million yen rounded down.

	10/08	11/08	12/08	13/08	14/08	15/08	16/08	17/08	18/08	19/08	20/08
Merchandise Sales	195	1,708	3,053	4,430	5,705	7,203	8,900	10,065	14,394	14,483	13,966
incl. Protein Sales	-	1,376	2,676	3,688	4,934	6,202	7,959	9,366	13,729	13,865	13,215
Protein ratio	0.0%	80.6%	87.6%	83.3%	86.5%	86.1%	89.4%	93.1%	95.4%	95.7%	94.6%
Protein, Year on Year	-	-	194.4%	137.8%	133.8%	125.7%	128.3%	117.7%	146.6%	101.0%	95.3%

(2) The Group Profile

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**By spreading the habits of
correct exercise,
we will help ourselves and
our members have a better life,
and resolve problems in our society.**

Strength of Curves Group

Essential value offered to our customers

“Habit of Healthy Lifestyle”

- **Workout in club is not our essential value.**
- **Creating the “exercise habit” for those people with no experiences to start and continue exercises for life is our essential value.**
- **The group’s true strengths are to provide a space for the “exercise habit”, communications and community.**

We are currently reinventing the business model based on this principle.

Our (Invisible) Assets

5 Engagements

(Strong bonds beyond simple customer satisfaction)

- ① Engagement with customers
- ② Engagement with franchisees
- ③ Engagement with employees
- ④ Engagement with society and community
- ⑤ Engagement with shareholders

* Will continue to enhance the 5 engagements in the Coronavirus counter measures.

Management Technology

We have created new fitness market for elderly populations with franchisees

**【Experimental Thinking, Collective Wisdom,
Manage with Science】**

**Speeding up the development of new
business models and services.**

CURVES HOLDINGS Co., Ltd.
(Holding company for Curves operations)

Curves Japan Co., Ltd.

Franchiser operations in Japan

HIGH STANDARD Co., Ltd.

Operation of directly
operated clubs in Japan

Curves International, Inc.

Global franchiser operations

Curves Europe B.V.

European franchiser
operations

Business Profile

- Operations of “Curves 30-min fitness clubs for women only”
- 2,020 clubs in Japan (70 corporate owned, 1,950 Franchisees)
(as of the end August 2020)

Basic Data

- Corporate Address: 11F, Shibaura Renasite Tower, 3-9-1 Shibaura, Minato-ku, Tokyo
- Founded⁽¹⁾ : Feb 2005 (Curves Japan)
- Sales ⁽²⁾ : 25.0 billion Yen
- Capital ⁽²⁾ : 800 million Yen

Note:

(1) Shows date of incorporation of Curves Japan Co., Ltd. Curves Holdings was founded in October 2008.

(2) Results of the FY August 31, 2020.

History

- 2/2005** Curves Japan founded by Venture Link Co. Ltd.
(Acquired master license from Curves International)
- 3/2006** Rollout in Japan in franchising
- 6/2006** Opened 100 clubs
- 10/2008** Becomes Koshidaka Holdings’ subsidiary
- 6/2011** Reached 1,000 clubs
- 6/2015** Opened ‘Prevention Center Curves Odawara’, the 1st Prevention Center certified by Kanagawa Pref
- 3/2018** Acquired Curves International, Inc. (global franchisor)
- 11/2018** Started Men’s Curves (Chino)
- 7/2019** Acquired CFW International Management B.V.
(Europe franchisor currently Curves Europe B.V.)
- 10/2019** Topped 2,000 clubs
- 3/2020** Listed in Tokyo Stock Exchange Section 1 with Stock Allocation Spin-off

For more information

▶ **For IR related inquiries :**

CURVES HOLDINGS Co., Ltd.

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e-Mail : curves-ir@curves.co.jp

URL : <https://www.curvesholdings.co.jp/>

TSE Code : 7085

The purpose of this presentation is to provide information about the Curves Group based on results of operations for the fiscal year ended August 31, 2020. This is not a solicitation to purchase securities issued by Curves Holdings Co., Ltd.

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