

# Consolidated Financial Results for the Three Months Ended November 30, 2024 [Japanese GAAP]



January 14, 2025

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 Stock exchange listing: Tokyo Stock Exchange Prime Market  
 Stock code: 7085  
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 Scheduled date of commencing dividend payments: –  
 Availability of supplementary briefing material on quarterly financial results: Available  
 Schedule of quarterly financial results briefing session: Not scheduled

(Amounts of less than one million yen are rounded down.)

## 1. Consolidated Financial Results for the Three Months Ended November 30, 2024 (September 1, 2024 to November 30, 2024)

(1) Consolidated Operating Results (% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended November 30, 2024	8,854	17.4	1,698	63.9	1,700	61.4	1,064	59.6
November 30, 2023	7,544	8.8	1,036	63.9	1,053	46.2	666	42.9

(Note) Comprehensive income: Three months ended November 30, 2024: (1,012) million yen [–%]  
 Three months ended November 30, 2023: 1,189 million yen [down 15.7%]

	Earnings per share	Diluted earnings per share
	Yen	Yen
Three months ended November 30, 2024	11.56	–
November 30, 2023	7.24	–

## (2) Consolidated Financial Position

	Total assets	Net assets	Equity ratio
	Million yen	Million yen	%
As of November 30, 2024	37,142	17,552	47.3
August 31, 2024	41,374	19,409	46.9

(Reference) Equity: As of November 30, 2024: 17,552 million yen  
 As of August 31, 2024: 19,409 million yen

## 2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended August 31, 2024	–	6.00	–	9.00	15.00
Fiscal year ending August 31, 2025	–				
Fiscal year ending August 31, 2025 (Forecast)		8.00	–	9.00	17.00

(Note) Revision to the forecast for dividends announced most recently: No

### 3. Consolidated Financial Results Forecast for the Fiscal Year Ending August 31, 2025 (September 1, 2024 to August 31, 2025)

(% indicates changes from the previous corresponding period.)

	Net sales		Operating profit		Ordinary profit		Profit attributable to owners of parent		Earnings per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	18,200	6.9	3,025	7.7	3,015	8.0	1,900	5.3	20.64
Full year	38,000	7.1	6,300	15.4	6,250	14.2	4,000	12.1	43.45

(Note) Revision to the financial results forecast announced most recently: No

#### \* Notes:

(1) Significant changes in the scope of consolidation during the period: No

Newly added: — (Name: ) Excluded: — (Name: )

(2) Accounting policies adopted specially for the preparation of quarterly consolidated financial statements: No

(3) Changes in accounting policies, changes in accounting estimates and restatements

1) Changes in accounting policies due to the revision of accounting standards: Yes

2) Changes in accounting policies other than 1) above: No

3) Changes in accounting estimates: No

4) Restatements: No

(4) Total number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

November 30, 2024: 93,857,493 shares

August 31, 2024: 93,857,493 shares

2) Total number of treasury shares at the end of the period:

November 30, 2024: 1,797,437 shares

August 31, 2024: 1,797,434 shares

3) Average number of shares during the period (cumulative from the beginning of the fiscal year):

Three months ended November 30, 2024: 92,060,058 shares

Three months ended November 30, 2023: 92,057,370 shares

(Note) The total number of treasury shares at the end of the period include shares of the Company (1,797,250 shares on November 30, 2024 and 1,797,250 shares on August 31, 2024) held by Custody Bank of Japan, Ltd. (Trust Account E). In addition, shares of the Company held by Custody Bank of Japan, Ltd. (Trust Account E) are included in treasury shares that are subtracted in calculating the average number of shares during the period. (1,797,250 shares during the three months ended November 30, 2024 and 1,800,000 shares during the three months ended November 30, 2023)

\* Review conducted by a certified public accountant or an audit corporation for attached quarterly consolidated financial statements: None

\* Explanation of the proper use of financial results forecast and other notes

(Note on forward-looking statements, etc.)

The financial results forecast and other forward-looking statements contained in this document 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. See “(3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information” in the section, “1. Qualitative Information on Quarterly Financial Results for the Period under Review,” on page 4 of the attached material for the assumptions used in the financial results forecast and precautions for using the financial results forecast.

(How to obtain supplementary briefing material on the financial results)

The Company will post supplementary briefing material on the financial results for this quarter on TDnet and the Company’s website (<https://www.curvesholdings.co.jp/>) on Tuesday, January 14, 2025.

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## 1. Qualitative Information on Quarterly Financial Results for the Period under Review

### (1) Explanation of Operations Results

The Group (the Company and consolidated subsidiaries, hereinafter referred to as the “Group”) has been striving to contribute to the extension of health life expectancy through its core business, Curves, 30-minute Fitness for Women, and to solving social issues as “community-based health infrastructure.” The Group endeavors to enhance the satisfaction of its members and expand and increase membership and the number of Curves clubs by strengthening customer services.

Operating results for the first three-month period (September 2024 - November 2024) under review are as follows.

	Three months ended November 30, 2023 (Million yen)	Three months ended November 30, 2024 (Million yen)	Change (Million yen)	Change (%)
Net sales	7,544	8,854	1,309	17.4
Operating profit (Operating profit ratio)	1,036 (13.7%)	1,698 (19.2%)	662	63.9
Ordinary profit	1,053	1,700	646	61.4
Profit attributable to owners of parent	666	1,064	397	59.6

In the first three months of the fiscal year under review, membership totaled 860K, a record high level, compared to 817K as of the end of the previous fiscal year (net increase in membership: 42K). The Group intensively aired TV commercials in September and October and conducted media mix-oriented marketing campaign including online advertising, word-of-mouth referral marketing, as well as community-based promotional activities. As a result, steady progress was made in the acquisition of new members. In addition, by further improvements in customer satisfaction, the Group succeeded in keeping the monthly membership attrition rate the lowest level ever.

In online fitness programs, the Group ran a campaign to offer the Ouchi-de-Curves Dual Plan, in-club and on-line hybrid service, to members of regular in-club, which resulted in 26K members switching to the Dual Plan, raising the membership of the Dual Plan to 51K. As a result, the number of members including those of the Ouchi-de-Curves program only stood at 70K.

Accordingly, the number of Curves (excluding Men’s Curves) clubs, membership and chain-wide sales in Japan as of November 30, 2024 were as follows.

#### Number of Curves clubs (excluding Men’s Curves), membership and chain-wide sales in Japan

	As of August 31, 2024	As of November 30, 2024		* Reference: Numbers before COVID-19 As of November 30, 2019
			Changes from end of previous fiscal year	
Number of clubs	1,978 clubs	1,984 clubs	6 clubs 0.3%	2,008 clubs
Of which, number of corporate operated clubs	79 clubs	79 clubs	0 club 0%	64 clubs
Number of franchisee clubs	1,899 clubs	1,905 clubs	6 clubs 0.3%	1,944 clubs
Membership	817K	860K	42K 5.2%	864K

	Three months ended November 30, 2023 (Million yen)	Three Months ended November 30, 2024 (September 2024 - November 2024) (Million yen)			* Reference: Three months ended November 30, 2019 (Million yen)
		YoY change			
Chain-wide sales	18,960	20,890	1,920	10.2%	17,370
Of which, membership fee/ dues income	14,710	15,700	990	6.7%	14,010
Merchandise sales	4,250	5,180	930	22.0%	3,360

(Notes) 1. In the first quarter of the fiscal year under review, the number of new clubs opened was 6 and the number of clubs closed and merged was 0.

2. Membership of Curves in Japan includes members of Ouchi-de-Curves, an online fitness program, and the Ouchi-de-Curves Dual Plan, a hybrid service offering online and in-club programs.

Men's Curves, the fitness club for men, opened 1 new location during the first quarter, making the total number of clubs to 20. By focusing on attracting customers and refining service know-how, the Company has achieved an increase in the number of members of existing clubs and a smooth launch of new clubs opened in the first quarter of the fiscal year under review.

In overseas business, the Group considers Europe where it acquired the franchiser operations in July 2019 to be its priority market. As of the end of the first three months of the fiscal year under review (September 30, 2024 (two-month lag due to difference in fiscal year end)), the number of Curves clubs in Europe (UK, Italy, Spain and five other countries) stood at 129.

During the first three months of the fiscal year under review, selling, general and administrative expenses increased 69 million yen year on year. This mainly reflected an increase in the amortization of goodwill and trademark rights due to the weakening of the yen (Note 1), as well as increased personnel expenses for investing in the future and other expenses. Meanwhile, advertising expenses decreased 18 million yen year on year. Advertising expenses decreased due to an increase in advertising contributions from franchisees as a result of an increase in the number of members.

As a result, net sales for the first three months of the fiscal year under review were 8,854 million yen (up 17.4% year on year), leading to operating profit of 1,698 million yen (up 63.9% year on year). Ordinary profit was 1,700 million yen (up 61.4% year on year). Profit attributable to owners of parent was 1,064 million yen (up 59.6% year on year) mainly due to the posting of income taxes - current of 522 million yen.

(Note 1) Goodwill and trademark rights are based on those recorded in US dollars when the acquisition of Curves International, Inc. took place and are amortized for each quarter by 2,532 thousand dollars according to the straight-line method. With the average exchange rate of the yen against the US dollar for the first quarter down 4.82 yen to the dollar from the year-ago level, the amount of yen-based amortization increased by 12 million yen.

The following exchange rates were adopted for relevant items in financial statements for overseas subsidiaries, etc.

1 USD	1st quarter September-November	2nd quarter December-February	3rd quarter March-May	4th quarter June-August
Average foreign exchange rates for the quarter	150.26 yen [145.44 yen]	– yen [145.74 yen]	– yen [146.98 yen]	– yen [149.58 yen]
Foreign exchange rates at the end of the quarter	142.73 yen [149.58 yen]	– yen [141.83 yen]	– yen [151.41 yen]	– yen [161.07 yen]

Figures in parentheses are exchange rates for the same period of the previous year.

Since the Group operates in a single business segment, the Curves business, the segment information is omitted.

## (2) Explanation of Financial Position

### (Assets)

Total assets as of November 30, 2024 decreased by 4,232 million yen, compared to the end of the previous fiscal year to 37,142 million yen (down 10.2% from the end of the previous fiscal year).

Current assets decreased by 1,055 million yen to 14,434 million yen (down 6.8% year on year). This was mainly due to a decrease of 1,498 million yen in cash and deposits.

Property, plant and equipment decreased by 11 million yen to 471 million yen (down 2.4% year on year).

Intangible assets decreased by 2,983 million yen to 21,254 million yen (down 12.3% year on year) (Note 2).

Investments and other assets decreased by 181 million yen to 981 million yen (down 15.6% year on year).

Total non-current assets decreased by 3,176 million yen to 22,708 million yen (down 12.3% year on year).

(Note 2) The value of goodwill and trademark rights, which are part of intangible assets and were recorded when the acquisition of Curves International, Inc. took place, decreased 2,916 million yen from the end of the previous fiscal year on a yen basis, reflecting quarterly amortization and a rise in the foreign exchange rate by 18.34 yen for the dollar at the end of the first quarter of the fiscal year under review.

{	As of the end of the previous fiscal year: 139,304 thousand dollars, 161.07 yen for the dollar, equivalent to 22,437 million yen on a yen basis
	Decrease due to amortization: 2,532 thousand dollars
	As of the end of the first quarter of the fiscal year under review: 136,771 thousand dollars, 142.73 yen for the dollar, equivalent to 19,521 million yen

### (Liabilities)

Current liabilities decreased by 1,301 million yen to 10,352 million yen (down 11.2% year on year). This was primarily due to decreases of 518 million yen in accounts payable - other and 676 million yen in income taxes payable.

Non-current liabilities decreased by 1,073 million yen to 9,237 million yen (down 10.4% year on year). This was mainly due to decreases of 510 million yen in long-term borrowings and 576 million yen in deferred tax liabilities.

Total liabilities decreased by 2,375 million yen to 19,590 million yen (down 10.8% year on year).

### (Net assets)

Net assets decreased by 1,857 million yen to 17,552 million yen (down 9.6% year on year).

Of the above, shareholders' equity increased by 219 million yen, to 13,377 million yen (up 1.7% year on year).

This was mainly due to an increase of 219 million yen in retained earnings resulting from the payment of dividends of 844 million yen, offsetting the recording of profit attributable to owners of parent of 1,064 million yen. In addition, foreign currency translation adjustment decreased by 2,076 million yen to 4,174 million yen (down 33.2% year on year) due to a stronger yen.

## (3) Explanation of Consolidated Financial Results Forecast and Other Forward-looking Information

The Group's outlook for the full-year consolidated results for the fiscal year ending August 31, 2025 has not changed since the announcement on October 15, 2024.

The Group expects net sales of 38,000 million yen (up 7.1% year on year), operating profit of 6,300 million yen (up 15.4% year on year), ordinary profit of 6,250 million yen (up 14.2% year on year), and profit attributable to owners of parent of 4,000 million yen (up 12.1% year on year).

Any further revisions to the financial results forecast necessitated by changes in the business environment will be promptly disclosed.

## 2. Quarterly Consolidated Financial Statements and Primary Notes

### (1) Quarterly Consolidated Balance Sheets

(Million yen)

	As of August 31, 2024	As of November 30, 2024
<b>Assets</b>		
Current assets		
Cash and deposits	8,296	6,797
Notes and accounts receivable - trade	5,128	4,895
Merchandise	1,225	1,693
Raw materials and supplies	218	207
Other	789	994
Allowance for doubtful accounts	(168)	(153)
<b>Total current assets</b>	<b>15,490</b>	<b>14,434</b>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	321	325
Vehicles, tools, furniture and fixtures, net	143	131
Other, net	18	15
<b>Total property, plant and equipment</b>	<b>483</b>	<b>471</b>
Intangible assets		
Goodwill	1,598	1,389
Trademark right	20,842	18,133
Software	1,672	1,729
Other	125	1
<b>Total intangible assets</b>	<b>24,238</b>	<b>21,254</b>
Investments and other assets		
Leasehold and guarantee deposits	331	330
Deferred tax assets	724	541
Other	113	115
Allowance for doubtful accounts	(6)	(5)
<b>Total investments and other assets</b>	<b>1,163</b>	<b>981</b>
<b>Total non-current assets</b>	<b>25,884</b>	<b>22,708</b>
<b>Total assets</b>	<b>41,374</b>	<b>37,142</b>

(Million yen)

	As of August 31, 2024	As of November 30, 2024
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	2,338	2,487
Current portion of long-term borrowings	3,290	2,977
Accounts payable - other	967	448
Accrued expenses	379	360
Income taxes payable	1,066	390
Provision for bonuses	384	141
Provision for point card certificates	166	165
Provision for shareholder benefit program	25	–
Deposits received	2,444	2,724
Other	591	656
<b>Total current liabilities</b>	<b>11,654</b>	<b>10,352</b>
Non-current liabilities		
Long-term borrowings	5,375	4,865
Provision for share awards	326	343
Deferred tax liabilities	4,441	3,865
Asset retirement obligations	161	161
Other	6	2
<b>Total non-current liabilities</b>	<b>10,311</b>	<b>9,237</b>
<b>Total liabilities</b>	<b>21,965</b>	<b>19,590</b>
<b>Net assets</b>		
Shareholders' equity		
Share capital	848	848
Capital surplus	828	828
Retained earnings	12,726	12,946
Treasury shares	(1,245)	(1,245)
<b>Total shareholders' equity</b>	<b>13,158</b>	<b>13,377</b>
Accumulated other comprehensive income		
Foreign currency translation adjustment	6,251	4,174
<b>Total accumulated other comprehensive income</b>	<b>6,251</b>	<b>4,174</b>
<b>Total net assets</b>	<b>19,409</b>	<b>17,552</b>
<b>Total liabilities and net assets</b>	<b>41,374</b>	<b>37,142</b>



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statement of Income  
Three Months Ended November 30, 2024

(Million yen)

	For the three months ended November 30, 2023	For the three months ended November 30, 2024
Net sales	7,544	8,854
Cost of sales	4,319	4,896
Gross profit	3,225	3,957
Selling, general and administrative expenses	2,189	2,258
Operating profit	1,036	1,698
Non-operating income		
Interest income	0	0
Foreign exchange gains	30	15
Subsidy income	0	0
Other	4	1
Total non-operating income	34	17
Non-operating expenses		
Interest expenses	10	13
Other	6	1
Total non-operating expenses	17	15
Ordinary profit	1,053	1,700
Extraordinary losses		
Loss on retirement of non-current assets	2	5
Total extraordinary losses	2	5
Profit before income taxes	1,051	1,694
Income taxes - current	289	522
Income taxes - deferred	94	107
Total income taxes	384	630
Profit	666	1,064
Profit attributable to owners of parent	666	1,064

Quarterly Consolidated Statement of Comprehensive Income  
 Three Months Ended November 30, 2024

(Million yen)

	For the three months ended November 30, 2023	For the three months ended November 30, 2024
Profit	666	1,064
Other comprehensive income		
Valuation difference on available-for-sale securities	6	–
Foreign currency translation adjustment	516	(2,076)
Total other comprehensive income	522	(2,076)
Comprehensive income	1,189	(1,012)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,189	(1,012)
Comprehensive income attributable to non-controlling interests	–	–

(3) Notes to Quarterly Consolidated Financial Statements

(Notes on going concern assumption)

Not applicable.

(Notes in the case of significant changes in shareholders' equity)

Not applicable.

(Changes in accounting policies)

(Application of the Accounting Standard for Current Income Taxes, etc.)

The Company has applied the Accounting Standard for Current Income Taxes (Accounting Standards Board of Japan (ASBJ) Statement No. 27, October 28, 2022), Accounting Standard for Presentation of Comprehensive Income (ASBJ Statement No. 25, October 28, 2022), and Guidance on Accounting Standard for Tax Effect Accounting (ASBJ Guidance No. 28, October 28, 2022) from the beginning of the first quarter under review. The application has no impact on the quarterly consolidated financial statements.

(Notes on segment information, etc.)

[Segment information]

Description is omitted as the Group operates in a single segment, which is the Curves business.

(Notes on statement of cash flows)

The Company did not prepare quarterly consolidated statement of cash flows for the first three months of the fiscal year under review. Depreciation (including amortization of intangible assets except for goodwill) and amortization of goodwill for the three-month period under review are as follows:

	For the three months ended November 30, 2023	For the three months ended November 30, 2024
Depreciation	581 million yen	523 million yen
Amortization of goodwill	26 million yen	27 million yen