

CURVES HOLDINGS

Integrated Report *2024*

September 1, 2023 to August 31, 2024

Curves®

The power to amaze yourself.®

CONTENTS

The Future We Will Create

- 1 Our Mission
- 2 The Spirit Behind “Our Mission”
- 4 Curves - 10 Years Later
- 6 Message from the President

Curves Group Value Creation

- 12 Strength of “Curves, 30-minute Fitness for Women”
- 14 Curves Group by the Numbers
- 16 Curves Group History
- 18 Curves Group Business Model
- 20 Curves Group Business Overview
- 26 Value Creation Process
- 28 Curves Group Franchise Model
- 30 Discussion: Achieving Community Contribution Through the Franchise Chain System – Toward “Curves - 10 Years Later”

Sustainability

- 36 Curves Group Materiality
- 38 Special Feature 1: Initiatives to Become the Highest Safety and Reliability for Customers
- 40 Special Feature 2: Advancing Our Efforts That Help Customers and Society Get Mentally and Physically Healthier
- 44 S: Social “Curves Group Human Capital”
- 46 E: Environment “Curves Group Initiatives to Address Climate Change Risks”
- 48 G: Corporate Governance

Curves Group Financial and Non-financial Data

- 52 Sustainability Data Book
- 54 Financial Data
- 58 Company Profile/Stock Information

Our Mission

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

Getting healthy means starting your exercise program now. But many people are unaware of how important exercise is. Or they don't know the right exercises to do. Or they may start exercising but struggle to stick with it. Since our foundation in 2005, we at Curves Japan have created a new market by providing a place where women can start a workout program anytime and keep at it because it's fun and they can see the results. Our core users are women aged 50 and up, many of whom have rarely if ever been inside a fitness gym before. As a company that extends healthy life expectancy, Curves is dedicated to contributing to solutions for Japan's super-aging society. We want as many women as possible to understand the importance of health and exercise, and to support them in leading healthy and fulfilling lives.

Editorial Policy

We have published an integrated report since the fiscal year ended August 31, 2023 to ensure transparent reporting of the Curves Group's initiatives to stakeholders in a systematic and visible manner. We have planned and organized the Integrated Report 2024 in a manner that places particular focus on our value creation process through our franchise model.

Published February 2025

Reporting period

September 1, 2023 to August 31, 2024

However, the report also contains information regarding some disclosures and business activities in or after September 2024.

Scope of report

CURVES HOLDINGS Co., Ltd. and its consolidated subsidiaries

Guidelines used for reference

- IFRS Foundation “International <IR> Framework”
- GRI Standards
- Ministry of Economy, Trade and Industry “Guidance for Collaborative Value Creation”

Notes regarding forecasts

The financial results forecast and other forward-looking statements in this report are based on the Company's judgement and assumptions deemed reasonable from information available at the current time. Actual results may differ from these forecasts due to various risks and uncertain factors.

The Spirit Behind “Our Mission”

Our Mission

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

Correct Exercise

What is “Correct” Exercise?

It’s not just any exercise—it’s “correct” exercise. Correct exercise means: ❶ Delivering results; ❷ Providing health benefits; and ❸ Preventing illness and the need for nursing care. Curves workouts are based on the concept of evidence-based exercise. Through joint research with various research institutions, their effectiveness has been scientifically proven.

▶ P40 Special Feature 2: Advancing Our Efforts That Help Customers and Society Get Mentally and Physically Healthier

Exercise Habits

Why Are “Habits” Important?

Exercise is only effective when it becomes a habit. As we age, the risk of illness and pain increases, making it even more crucial for those over 50 to develop a habit of correct exercise. However, even knowing its importance, many find it difficult to establish an exercise routine on their own. That’s why we are committed to providing personalized support, ensuring that each of our members develops lasting exercise habits.

▶ P12 Strength of “Curves, 30-minute Fitness for Women”

Spreading the Habits of Correct Exercises

Why Do We “Spread the Habits of Correct Exercises”?

Getting healthy means starting your exercise program now. But many people are unaware of how important exercise is. Or they don’t know the correct exercises to do. Or they may start exercising but struggle to stick with it. This is why we are deeply committed to spreading “correct exercise habits” with a strong sense of purpose.

▶ P18 Curves Group Business Model

Better Lives for Our Members

What Does “Better Lives for Our Members” Through Correct Exercise Habits Mean?

When people continue the correct exercise, their bodies change. When their bodies change, their minds become more energetic. And when their minds are energized, their lives begin to transform. Our role is not just to teach exercise. Our true mission is to empower our members to build fulfilling lives beyond developing an exercise habit.

▶ Curves Testimonials: “Essay Awards—How Curves Changed My Everyday Life”

<https://www.curves.co.jp/convey/essay/> (in Japanese)



Key Message

When the body changes, the mind changes
When the mind changes, everyday life changes
When everyday life changes, life itself transforms

Better Lives for Ourselves

What does “Better Lives for Ourselves” Through Curves Mean?

Fulfilling our mission depends on every individual who works with Curves, including our franchisees, as they are one of our most essential management resources. Supporting our members in achieving better lives through our businesses enhances our own sense of “job satisfaction, a sense of growth, and value.” This in turn, enriches our hearts and ultimately our lives. We are committed to creating jobs that allow everyone working with us to lead fulfilling lives.

▶ P44 S: Social “Curves Group Human Capital”

Key Message

1. *Takiryoku* – The power to bring joy to others
2. Leadership
3. A spirit of challenge

Solving Problems in Our Society

What Does “Solving Problems in Our Society” Mean?

In Japan, where the super-aging society is progressing, initiatives to prolong “healthy life expectancy” and promote health and preventive measures for ensuring the happy living of every citizen and the healthy and sustainable social security system are urgent issues. Through our businesses, we aim to help our members and ourselves lead better lives, while also contributing to solving problems in our society.

Aiming to realize “Curves - 10 years later”

▶ P4 Curves - 10 Years Later

▶ P30 Discussion: Achieving Community Contribution Through the Franchise Chain System – Toward “Curves - 10 Years Later”

The Future We Will Create

Curves - 10 Years Later



One day in Japan 10 years later,

I turn on the TV.
Featured on the screen is a special report produced by an overseas TV network, titled

“Japan - Miracle Land of Health”.

By Takeshi Masumoto Illustration by C.K.

Japan is widely known as an aging society with **one in three people being over 65**, and its average life expectancy ranks **among the highest in the world**.

Surprisingly, the ratio of bedridden seniors is astonishingly low.

You often meet elderly people in their 80's and 90's briskly walking around in town.

Also **puzzling is the low ratio of elderly people suffering from lifestyle-related diseases** such as hypertension, diabetes or high cholesterol.

This explains why the rate of death caused by heart attack or stroke is so low compared to other developed nations.



Many of the elderly are not simply 'free of illness'.

Rather **many middle-aged and elderly people in this country are truly healthy. It appears as though the word “aging” does not exist here.**

Japan seems not suffering problems arising from the aging society, in particular “health issues of the population”, unlike many developed countries in the world.

Moreover, seniors in Japan **appear to be enjoying their good health**, keeping themselves busy with hobbies, traveling, sports or volunteer works in communities – all with lively and happy smiles on their faces.



It is not surprising to see seniors working part-time jobs.

Besides earning an income, continuing to work and volunteer **allows them to stay involved in society and also rewards them with self-validation.**

In fact, many seniors stay connected with friends and the community through volunteering and working, which **keeps them young both mentally and physically.**



Family and community connections, once thought to have diminished, are very much alive.

The personal bonds elderly people maintain with compassionate friends **keep them from feeling alone.**

The common notion that “growing older means dealing with the fear of sickness and death” does not seem present in this country.

The Japanese perspective of **living in old age is one filled with joy, happiness and purpose.**

Ten years ago in Japan, however, **things were quite different.**

With the society aging quickly, the number of patients suffering from common ailments associated with old age soared, requiring many to be under medical and physical care.

Medical and nursing care expenses skyrocketed and there was a concern about a national bankruptcy.

But **remarkable change has taken place in the last ten years.**

People have become more aware of the need to prevent illness before it struck.

They have acquired healthy lifestyle and exercise habits.

These healthy and active seniors have contributed to **a strong economic recovery** in Japan.



The economy becomes stagnant when people stop spending.

And when people resume their spending, the economy is rejuvenated.

Active seniors **have chosen to live positive and enjoyable lifestyles** without the fear of aging, and to spend money on hobbies, volunteer work, travel, cultural activities and shopping.

New markets have emerged to serve the strong demands of the active senior population, boosting the economy as a whole.

Jobs have been created for unemployed younger people who once struggled, and

economic disparities in the society is now history.

Taxes have been lowered in a strong economy, **making life more affordable and enjoyable** for both the old and young generations.

Japan has transformed a stagnant society into a ‘new’ aging society filled with social and economic energy.

This is nothing short of a MIRACLE.

Here you wonder...

What has caused the emergence of so many healthy and active seniors?

How did an optimistic and joyous perspective on life spread among the older generation?

How did society become one that cares about bonds among people?

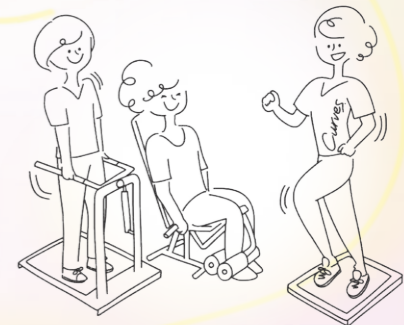


There are many possibilities.

One such cause that many people credit is **the phenomenon of a chain of small fitness clubs opening all around Japan**, which created a new culture among elderly women.

Women who worked out at these small fitness clubs **stayed healthy and acquired a bright future.**

Together with their coaches, they passed their success stories on to other women, **advocating the importance of health, disease prevention, strength training and connection with others in the community.**



The movement they started some years ago called the **“Circle of Strength Training”** has now become a social movement and **has led to a transformation in the lifestyles of people in Japan.**

Today, these small fitness clubs all around Japan continue to play a role in creating bonds.

Over a million women work out there every day to stay healthy and connected with people in the communities.



This is the future we are going to create.

“Curves - 10 Years Later” can be viewed in a video.
<https://www.youtube.com/watch?v=XKuPtwwnNIE>



Message from the President



Curves
The power to amaze yourself.

Capturing customer needs in an ever-growing market to seize business opportunities. Contributing to solving social issues as a “Community-Based Health Infrastructure.”

Takeshi Masumoto

Representative Director, President and Group CEO
CURVES HOLDINGS Co., Ltd.

Review of Fiscal Year 8/2024 | Achieving record-high performance

In the fiscal year ended August 31, 2024, we achieved sales and profit growth again, setting new record-high performance figures. Consolidated sales, operating profit, and ordinary profit all reached all-time highs. Additionally, chain-wide sales, including membership fee/dues income and merchandise sales income, also surpassed previous records. The average performance per club exceeded pre-COVID levels, reaching an all-time high.

Our membership grew by a net increase of 40 thousand members year on year, bringing the total to 817 thousand. In addition to being able to secure a stable number of new members, mainly through our marketing efforts focused on members in their 50s and 60s, we have finally seen a positive response from the 70-and-over demographic in the second half of the fiscal year ended August 31, 2024, reflecting an overall upward trend following the end of the pandemic.

In the Japanese Customer Satisfaction Index (JCSI) survey conducted by the Service Productivity & Innovation for Growth (SPRING), Curves achieved the No.1 ranking in the fitness club category for the 10th

consecutive year, the first company in the industry to do so, demonstrating our ongoing efforts to boost customer satisfaction. As a result of various service enhancements, our average monthly attrition rate over the past year was 2.2%, the lowest level in our history and below pre-pandemic figures.

For our merchandise sales, we reinforced our Diet Counseling services for members, and in December 2023, fully renewed our mainstay Protein products and launched a new product, Healthy Beauty. Sales of this new product far exceeded our initial forecast, contributing to our improved performance.

Looking back, the fiscal year ended August 31, 2024 was a year of significant turbulence for the health food industry due to the red yeast rice scandal. While we experienced some initial impact, we did not see an increase in cancellations and, in fact, achieved significant sales growth. This success was driven by our strong product planning and development capabilities, which uncover latent customer needs, as well as our rigorous quality control in product manufacturing. Since the launch of our merchandise sales business, we have

partnered exclusively with manufacturing contractors certified under NSF-GMP standards, ensuring rigorous safety standards and strict quality management. As a result, while our products may appear more expensive than those commonly found in mass-market retailers,

our customers recognize the superior quality they provide. In the health food market, consumers are increasingly seeking authenticity, and we see this shift as a favorable trend for our business.

Direction of our medium- to long-term vision and growth strategies | Expanding business opportunities in the growing health market

With the complete end of the COVID-19 crisis, we anticipate significant growth in Japan's health market. There are two key reasons for this outlook.

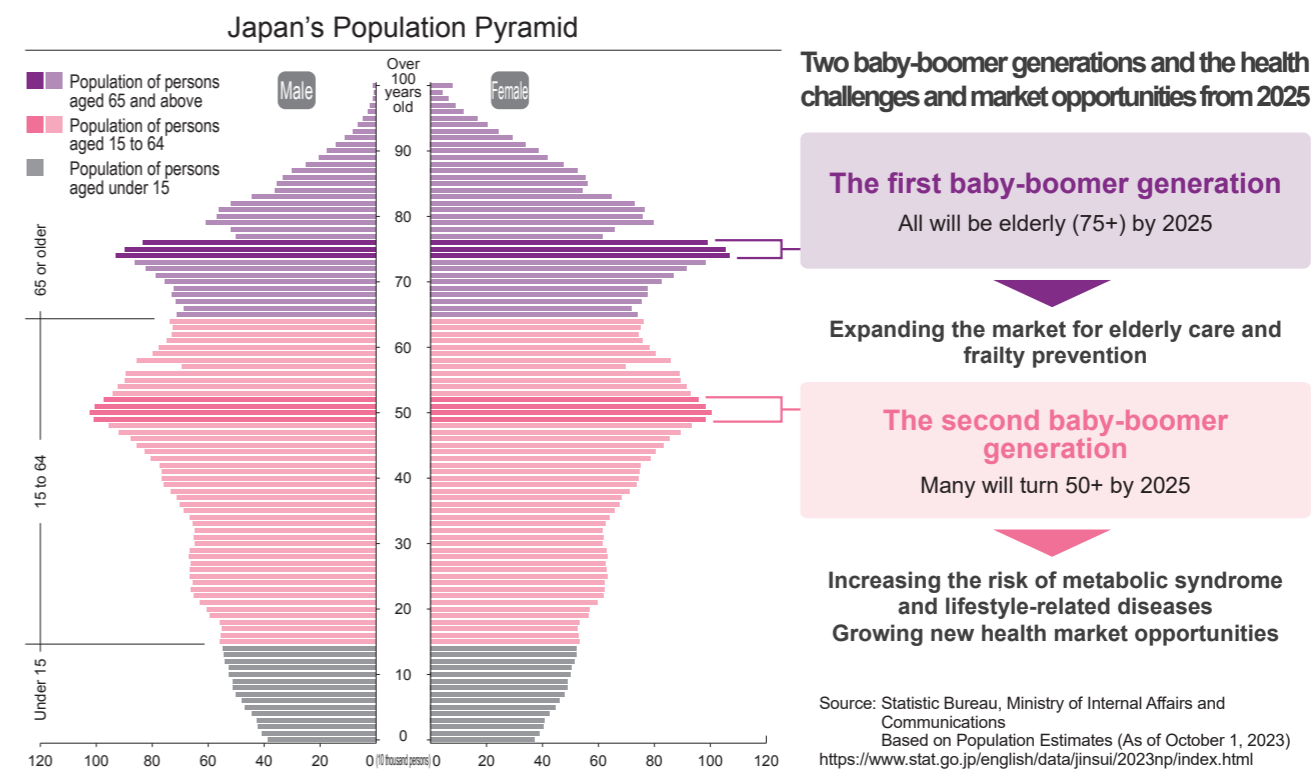
First, the pandemic has heightened awareness across all age groups about the importance of “maintaining good health” and the need for individuals to “take care of one’s own health.” Japan’s universal health insurance system is an exceptional framework that ensures access to high-quality medical care at a low cost whenever needed. However, it has also been pointed out that this system has led to a passive approach to health, with less emphasis on prevention and proactive wellness. In recent years, this mindset has been shifting dramatically. People are increasingly recognizing the need to maintain both physical and mental health and are taking active steps to do so. This awareness is expected to continue growing rather than diminish.

The second factor driving the expansion of the health market is Japan's shifting demographic structure. The

year 2025 will mark a significant turning point in Japan's population dynamics, directly influencing market growth.

As we all know, there are two generations in Japan that make up a large portion of the population: the first-generation baby boomers and the second-generation baby boomers. In 2025, the first generation will be 75 or older, while the second generation will enter their 50s. Both 75 and 50 are medically recognized turning points where significant physical and mental changes occur. Aging beyond 75 accelerates physical decline, making it a critical juncture in determining whether individuals can maintain an active lifestyle or require long-term care. Meanwhile, the 50s mark a period of metabolic changes, hormonal imbalances, and increased risks of metabolic syndrome, general malaise, and lifestyle-related diseases. The way people manage their health in their 50s significantly impacts their aging process and long-term well-being. Consequently, health awareness peaks during this life stage.

Social Challenges/Market Opportunities





In other words, while many industries in Japan face market contraction due to population decline and a shrinking younger demographic, in the health industry, both quantitative and qualitative expansion of the market is expected due to the expansion of the target population, changing social awareness, shifting market structures, and new generations entering the market.

As a company that has championed “Curves for Women from Age 50,” we have developed a strong presence in the 50-plus health market, creating a unique business segment. Moving forward, we will continue to capture emerging customer needs in this growing market and leverage them to maximize business opportunities.

Leveraging national health policies to further spread exercise habits

As mentioned earlier, the future health market will demand even higher quality in products and services, and it is expected to become a market where the authenticity of offerings will be scrutinized. In this regard, we advocate for evidence-based exercise programs and have scientifically proven the health benefits of our exercise programs through research.

Additionally, in January 2024, the Ministry of Health, Labour and Welfare officially recommended strength training for the first time in its Physical Activity and

Exercise Guide for Health Promotion 2023. Particularly for middle-aged and older individuals, the guide recommends engaging in “multifaceted exercises such as aerobic exercise, strength training, balance exercises, and stretching” at least three times a week. Curves Workout meets the very requirements for recommended exercise in the Physical Activity and Exercise Guide. With this as a tailwind, we will continue to spread exercise habits.

Growth of existing clubs of Curves for Women drives business forward

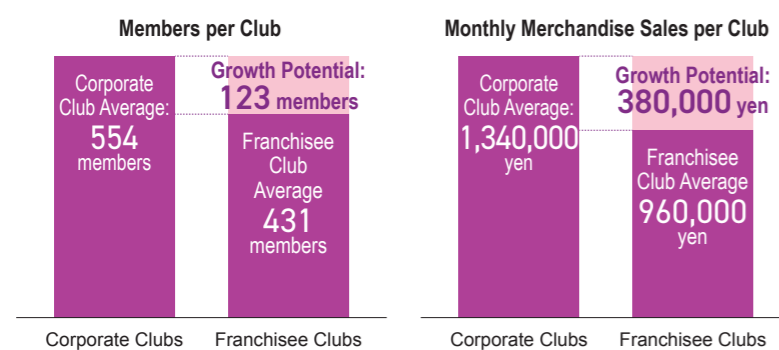
Our Curves for Women are growing steadily, with an average of 20 to 30 clubs opening each year. However, the primary driver of business growth is the expansion of existing clubs. There is significant growth potential in existing clubs, driven by an increase in membership and sales from merchandise. In fact, the majority of the 40 thousand new members we gained last year were from

existing clubs, and the increase in merchandise sales was also driven by purchases from members at these clubs.

As a reference, I would like to present a comparison of performance between our 76 corporate clubs and our franchisee clubs.

■ Growth Potential for Existing Curves Clubs

Performance Comparison: Corporate Clubs (76 clubs) vs. Franchisee Clubs (1,870 clubs)*



● Membership ●
Potential for 200k+ more members

● Annual Merchandise Sales ●
Growth potential for 8-10 B yen

*1 Based on performance comparison of 1,946 existing clubs out of 1,984 total Curves, 30-minute Fitness for Women locations as of November 30, 2024, excluding recently opened clubs.
 *2 Corporate club locations: Hokkaido (17), Miyagi (1), Saitama (12), Chiba (23), Tokyo (22), Tottori (1).
 *3 Membership data as of November 30, 2024, monthly merchandise sales average from May and June 2024.

As of the end of November 2024, the average number of members per club was 554 for corporate clubs, compared to 431 for franchisee clubs. The gap of 123 members per club indicates significant room for growth. When we analyze this in conjunction with the individual club’s target market, we estimate that the approximately 1,900 existing clubs have the potential for growth of over 200 thousand members, with an average of over 550 members per club. There are already many franchisee clubs that have surpassed the performance of corporate clubs, so this level of growth is entirely achievable.

Moreover, on a monthly basis, chain-wide merchandise sales per club are 1.34 million yen for corporate clubs, compared to 960 thousand yen for franchisee clubs. This presents an opportunity for growth of about 380 thousand yen per club.

There are approximately 48 million people in Japan in their 50s to 70s, and about 25 million of them are women. Considering the expansion of the health market mentioned earlier, it is clear that there is still a large latent market for health and fitness, providing ample room for growth.

In merchandise sales, we estimate almost 10 billion yen additional growth potentially annually from just two existing products, Protein and Healthy Beauty products. Going forward, we will continue to identify new needs and negatives that customers may not even be aware of, and develop new products to address these, further fueling our business growth.

New businesses such as Men’s Curves are also taking root, and we envision a growth strategy where, in the coming years, these new businesses, including in international markets, alongside Curves for Women, will become key drivers of growth.

Strategies for fiscal year 8/2025 | Implementing measures for further growth potential

■ Strategies for fiscal year 8/2025

1 Membership growth	<ul style="list-style-type: none"> ● Improvement in customer satisfaction for reduction in attrition rate and increase in customer lifetime value ● Ongoing marketing enhancements <ul style="list-style-type: none"> • Three annual attractive promotional campaigns • Media-mix marketing (TV commercials, online, etc.) • Word-of-mouth referrals • Community-based promotions • Senior outreach through partnerships with municipalities and organizations
2 Expanding merchandise sales	<ul style="list-style-type: none"> ● Enhanced member support (exercise coaching, habit-building guidance, diet counseling) ● Increase in subscribers and sales of Protein and Healthy Beauty products ● Healthy Beauty has significant room for improvement in subscription rates, requiring further focus
3 Online fitness program	<ul style="list-style-type: none"> ● Focus on promoting the hybrid program (Ouchi-de-Curves Dual Plan)
4 Enhancing human capital	<ul style="list-style-type: none"> ● Increase labor productivity (Increase in added value per employee × Reduction in working hours) ● Promotion of initiatives to enhance employee benefits, including for franchisees <ul style="list-style-type: none"> ▶ Aim to be No.1 in job satisfaction and benefits in the customer service industry
5 Creation of new business and full-scale deployment	<ul style="list-style-type: none"> ● Enhance the business capabilities of new formats such as Men’s Curves and move towards the full-scale launch of multi-location expansion
6 Overseas segment	<ul style="list-style-type: none"> ● Europe: Launch pilot clubs and build a business model for multi-unit operation

1 Membership growth

In the fiscal year ending August 31, 2025, we will continue to improve customer satisfaction, reduce attrition rates, and enhance customer lifetime value. Moreover, we will further reinforce our triannual marketing campaigns to bring in new customers and, in turn, drive membership growth.

2 Expanding merchandise sales

Sales of Protein products generally increase in proportion to new membership sign-ups. In contrast, the

new product Healthy Beauty has not yet fully penetrated the market, so we believe there is significant potential to improve subscription rates. As such, in merchandise sales for members, we will primarily focus on growing Healthy Beauty to the same level as Protein products in the current and next fiscal year.

3 Online fitness program

The online fitness service “Ouchi-de-Curves” is currently being used by 70 thousand members. Among these, the hybrid service combining in-club and online

experiences has been well-received. For existing members who wish to increase their exercise frequency, we will focus on proposing our hybrid Ouchi-de-Curves Dual Plan.

4 Enhancing human capital

Since our founding, based on the belief that the growth of employees is the source of the company's growth potential, and that employee satisfaction generates customer satisfaction, we have been focusing on creating comfortable workplaces and hiring and training human resources across the chain as our important strategies. We have also proactively invested in IT to help streamline club operations.

For the past three years, we have been promoting measures to increase employee wages, including for our franchisees. Our goal is to become the top chain in the customer service industry in terms of job satisfaction and treatment, and we are implementing various reforms to achieve this.

At headquarters, we will strive to increase earnings so that franchisees can raise the funds needed to boost wages. To achieve this, we will enhance added value per employee and work to boost labor productivity.

5 Creation of new business and full-scale deployment

We are making preparations for the full-scale deployment of new businesses, including Men's Curves. We see the fiscal year ended August 31, 2024 as a turning point. During this period, we were able to refine our know-how in various areas, and our existing clubs achieved net membership growth that surpassed that of Curves for Women. New club openings proceeded smoothly, reaching profitability within two to three months, and the business model has been solidified. Starting from the fiscal year ending August 31, 2025, we aim to shift toward multi-unit development, and in two to three years, we aim to significantly increase new club openings in our new businesses.

6 Overseas segment

Since acquiring the franchise headquarters business in July 2019, we have positioned Europe as a key region. In the past year, annual sales and membership per club have exceeded all previous records. With the foundation of the chain now in place, we have started experimental clubs with new business models in various locations, and we are seeing positive results. While testing new business models in these experimental clubs, we are restructuring strategies for growth. In 2 to 3 years, we anticipate entering the multi-unit development phase, following the path of Men's Curves.

Further business expansion leveraging Curves' unique strength



Financial forecast for fiscal year 8/2025 | Increasing membership through new business opportunities

Based on the strategies explained, in the fiscal year ending August 31, 2025, we forecast to generate sales of 38.0 billion yen (up 7.1% year on year), operating profit of 6.3 billion yen (up 15.4% year on year), ordinary profit of 6.25 billion yen (up 14.2% year on year), and profit attributable to owners of parent of 4.0 billion yen (up 12.1% year on year).

As of the end of the first quarter of the fiscal year ending August 2025, the number of "Curves, 30-minute Fitness for Women" clubs reached 1,984, with membership at 860 thousand. Membership has been progressing above our expectations and has recovered

to the highest level seen before the pandemic. In addition to the various marketing measures we strengthened from the summer, we attribute this progress to the positive market trends. In the second quarter, membership usually experiences a seasonal decline, but the number of members is progressing smoothly, with a forecast of 840 thousand to 850 thousand members at year-end. We are also forecasting 1,991 clubs at the end of the fiscal year. We have opened 10 new Men's Curves clubs and plan to expand to at least 29 in total.

Financial Forecast for Fiscal Year 8/2025

	Annual FY8/2025 (Sept. to Aug.)	Annual FY8/2024 (Reference)		
	Forecast	Actual	To Previous FY(8/24)	Percentage change
Net sales	38.00B yen	35.46B yen	+2.53B yen	107.1%
Operating profit	6.30B yen	5.45B yen	+840M yen	115.4%
(Operating profit ratio)	16.6%	15.4%		
Ordinary profit	6.25B yen	5.47B yen	+770M yen	114.2%
Profit attributable to owners of parent	4.00B yen	3.56B yen	+430M yen	112.1%
Curves, 30-minute Fitness for Women Membership at end period	840-850K members	817K members	+23-33K members	103-104%
Curves, 30-minute Fitness for Women Club Count at end period	1,991clubs	1,978clubs	+13clubs	100.7%
Men's Curves Club Count at end period	29clubs	19clubs	+10clubs	152.6%

Financial commitments for the next five years | Leveraging our earnings foundation and cash-generating capabilities for medium- to long-term growth

In addition to our financial results forecasts for the fiscal year ending August 31, 2025, we have also set and announced two financial commitments for the next 5 years.

1 Maintain CAGR of at least 10% for operating profit, EBITDA, and free cash flow

Internally, we aim for an annual growth of at least 10%. Even with slight fluctuations, we plan to maintain an average annual growth rate of 10% as the minimum benchmark.

2 Maintain ROIC of at least 12%, aiming for 15%

The second indicator is ROIC, focusing on operations (Operating profit after tax / Invested capital [working capital + non-current assets]). We operate under a franchise chain business model, which naturally has a high return on investment. However, with the expansion of product sales, appropriate management of working capital has become increasingly necessary. We are also

actively investing in various systems to improve operational productivity, making control over non-current assets more important. Thus, to manage the profit generation in line with investments in working capital and non-current assets, we have chosen ROIC on the operational side as a key indicator.

* Our merchandise sales for club members involves the Group conducting product planning, outsourcing manufacturing to contractors, and selling and delivering the products directly to members. Franchisees are paid a sales fee. Therefore, franchisees do not hold inventory. Instead, the franchise headquarters (the Group) holds the inventory.

P20 Financial commitments for the next five years

To Our Stakeholders

At the Curves Group, we aim to develop community-based health infrastructure through our businesses and extend people's healthy life expectancy. We are committed to doing everything in our power to address the challenges facing society. We look forward to your continued support and guidance.



Strength of “Curves, 30-minute Fitness for Women”

1 Curves for Women from Age 50

Exclusively for women, Curves is supported by women in the range of age 50 or older who begin to concern over changes in health or are either not good at or not experienced in exercise.



Combining 3 exercises at one time are more effective more efficiently in shorter time than doing each separately.

3 Easy to start and continue

- No reservation required, 30 minutes only
- Easy to visit as conveniently located locally
- Supports by caring Curves coaches (instructors)
- Fun community among women

2 ‘Curves Workout’, Unique Exercise Program Highly Effective with Only 30 Minutes

Curves workout is a circuit training that combines ‘strength training’, ‘aerobic exercise’, and ‘stretching’. This unique program allows women to get all the exercise they need in 30 minutes, that has been scientifically proven to be effective through joint research with various research institutions.

Curves Circuit Training

Strength Training → Strengthen muscle, joints and bones

12 machines exercise muscles of the whole body
Increasing muscle improves metabolism and creates a body that burns fat.

Aerobic Exercise → Improve cardio functions and burn fat

Stepping lightly on a board
Rotating with strength training raises fat burning in the body.

Stretching → Improve flexibility of muscles and joints

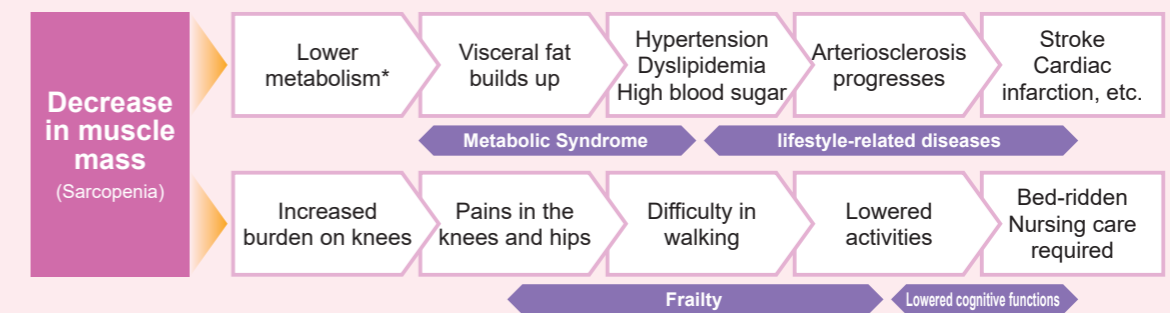
12 stretching modes effectively stretch muscles
Stretching after strength training amplifies the effects of the exercise.



Preventing illness and nursing care, and resolving health issues of women

Women’s health issues caused by muscle loss

Curves’ customer base is mainly women over the age 50. Women are said to lose 1% of their muscle mass every year after 30, and its effects start to appear from around the late 40s. When you lose muscle, your metabolism lowers, making the body fat easily build up and harder to lose weight. The accumulation of visceral fat around the abdomen worsens health markers such as blood pressure and blood sugar levels, leading to develop lifestyle-related diseases. Muscle loss can also lead to pain in joints around the knees and hips. If left untreated, these conditions can increase the risk of life-threatening illnesses such as stroke and cardiac infarction, leading to being bedridden and nursing care.



* Basal metabolism is the minimum amount of energy required to maintain life activities. Basal metabolic rate is proportional to muscle mass. The more muscle you have, the higher your basal metabolism and the more energy you burn, making it harder for you to gain fat.

Weight loss with diet only will cause muscle loss.

If you go on extreme diet restrictions to lose weight, you would lose weight, but also muscle. This will lower basal metabolism and make the body more prone to gain weight. That’s why the weight easily rebounds.

Build muscles that women need

For women, muscle is necessary to build a body less likely to gain weight, and to prevent future illnesses and nursing care. Some people ‘walk for their health’, but walking (aerobic exercise) cannot build muscle while it burns fat. You need strength training to build muscle.

Curves’ exercise program is designed to allow people who are ‘not good at exercise’ or ‘older’ to do strength training. In addition, combining aerobic exercise and stretching is designed to maximize the effects.

Curves will contribute to solving the problems of a super-aging society with an effective program to provide all the exercise necessary for women’s health in 30 minutes and a system that encourages anyone to continue exercising.

Effects of Curves exercise proven by joint research with research institutes

Prevention of Lifestyle-related Diseases

National Institute of Health and Nutrition
Kubo Laboratory of University of Tsukuba
Graduate School

Prevention of Nursing Care

Tokyo Health and Geriatrics
Medical Center

Improving Cognitive Functions

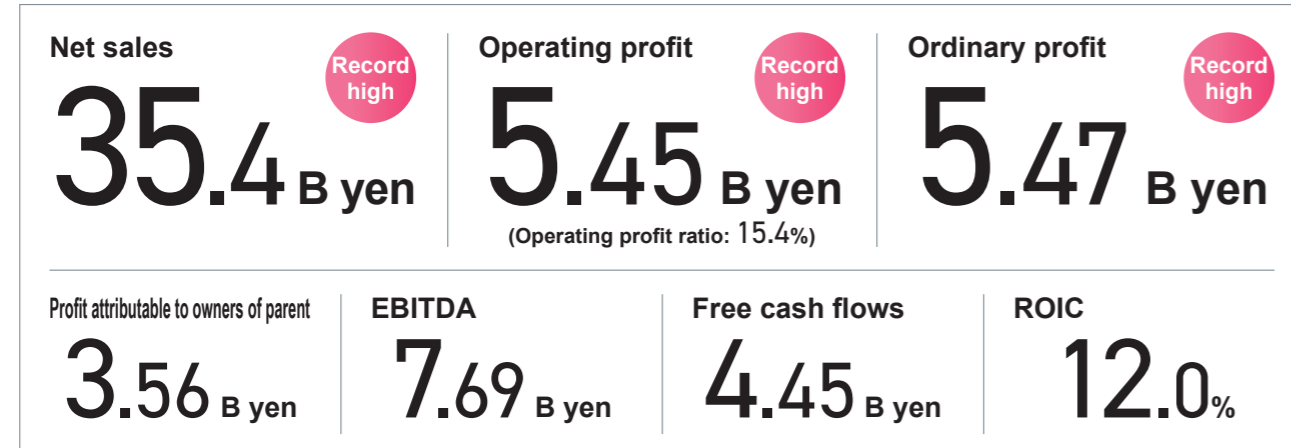
Ryuta Kawashima Laboratory,
IDAC, Tohoku University

▶ P40 Special Feature 2: Advancing Our Efforts That Help Customers and Society Get Mentally and Physically Healthier

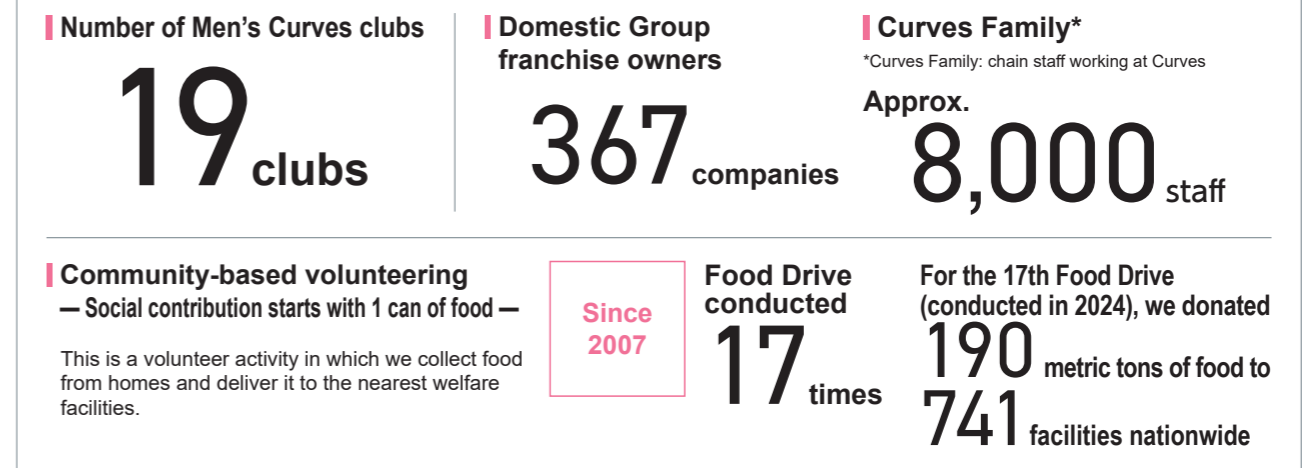
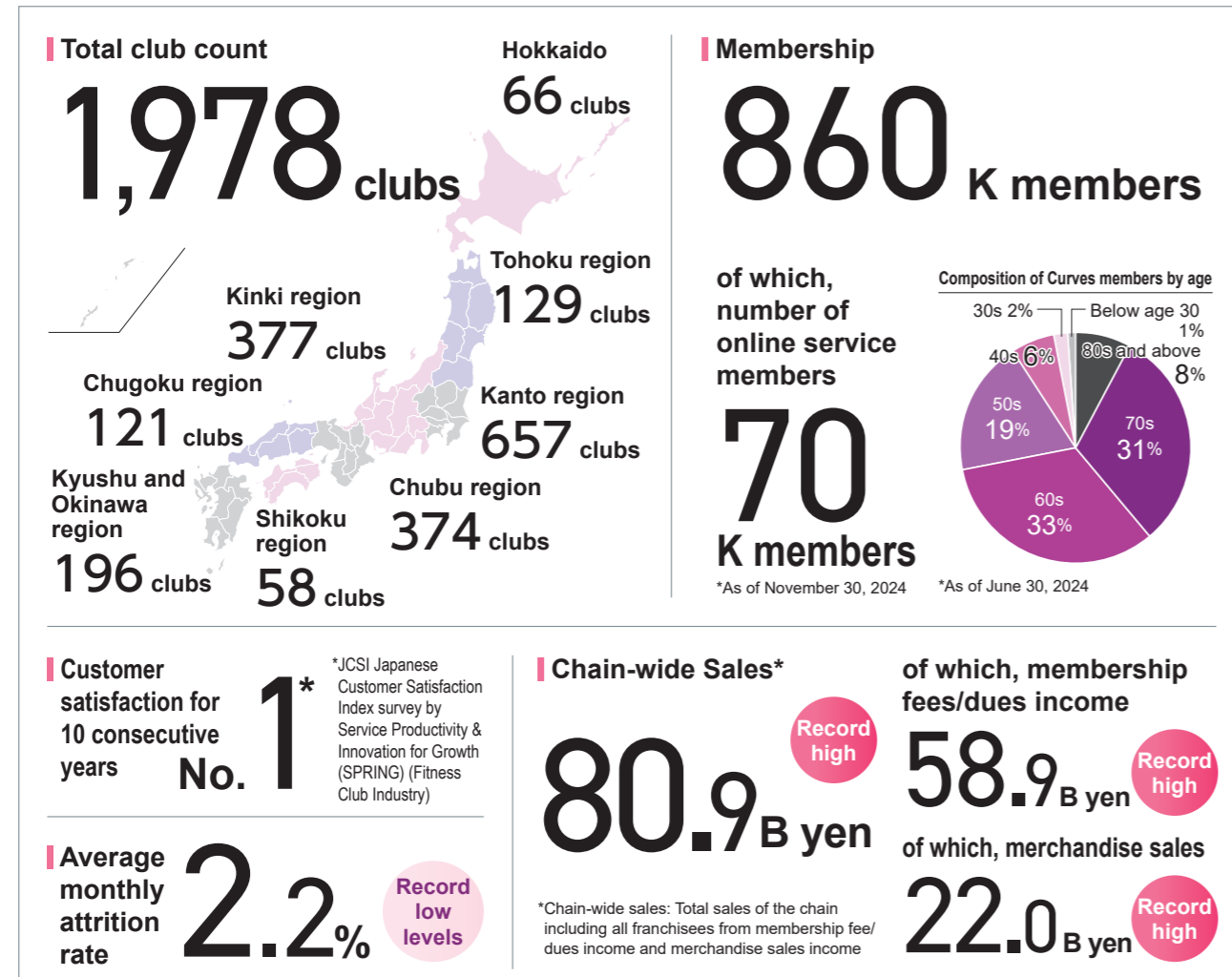
Curves Group by the Numbers

The Curves Group is working to contribute to solving social issues as a community-based health infrastructure based on the business purpose it has had since its establishment to create a society free from fears of illness, nursing cares and loneliness, filled with vitality for life.

Curves Group Consolidated



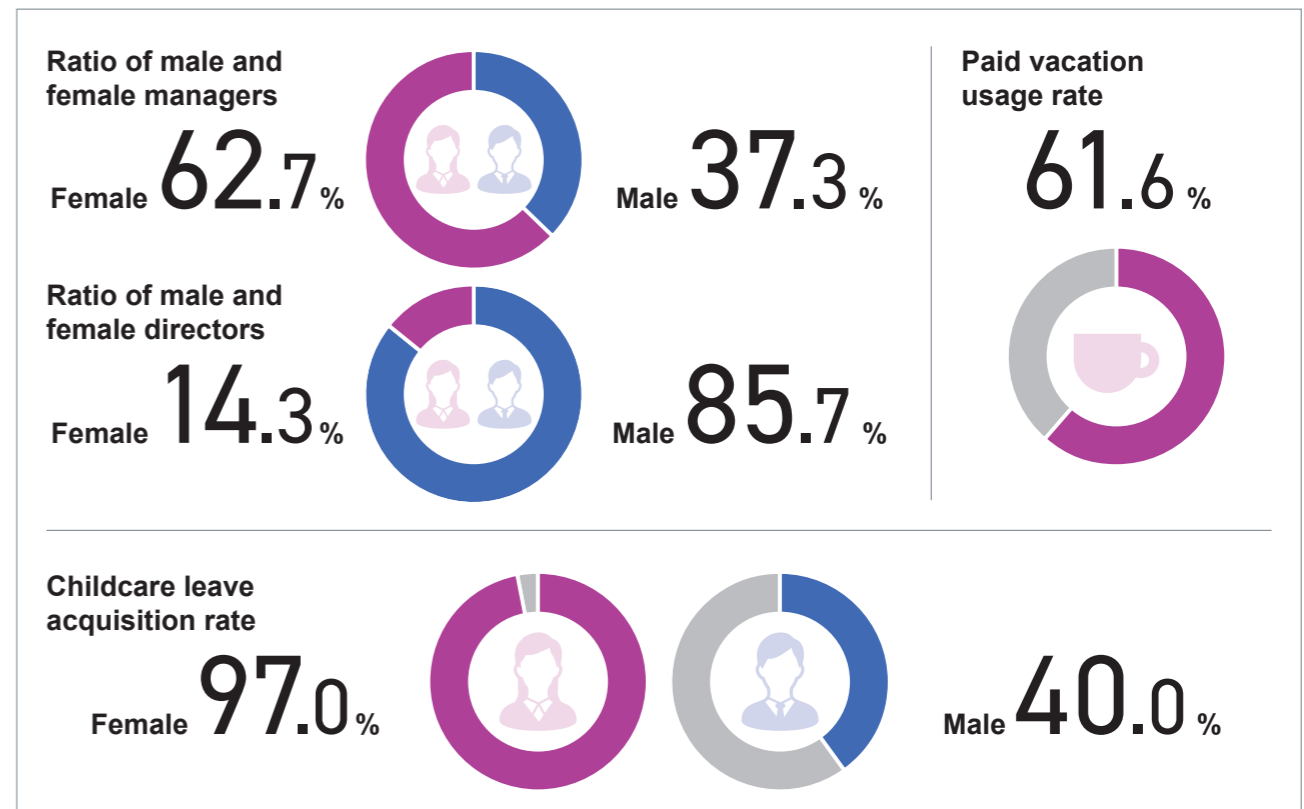
Domestic Curves, 30-minute Fitness for Women



Overseas Curves, 30-minute Fitness for Women



Curves Group Consolidated Employee Data



*Figures are for the fiscal year ended August 31, 2024, except where noted otherwise.

Curves Group History

“Curves, 30-minute Fitness for Women” started in 2005 in Japan. Started in the United States, Curves has built a national chain in Japan leveraging its unique support system and community power. The Group will continue to grow as a community-based health infrastructure to keep contributing to a society where everyone can lead a healthy and fulfilling life.

Business Incorporation

- 2005**
 - Curves Japan Co., Ltd. incorporated (with the Curves master license for Japan)
 - Japan's 1st club of “Curves, 30-minute Fitness for Women” opened in Togoshi, Tokyo.
- 2006**
 - National franchise chain roll out started.

Growth across the nation

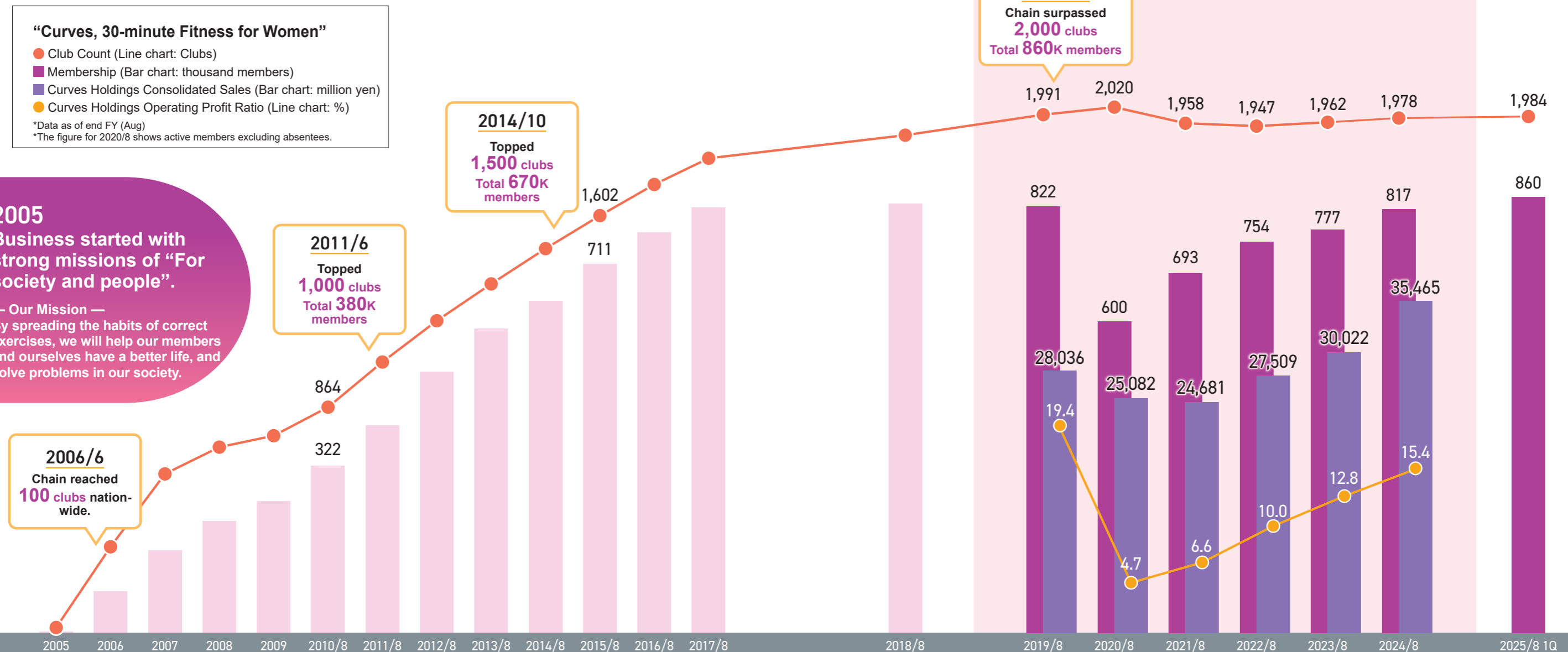
- 2008**
 - Joined Koshidaka Holdings Group
 - CURVES HOLDINGS Co., Ltd. incorporated
- 2010**
 - Release of Curves Protein products
- 2015**
 - Collaboration with local government started (Daisen-cho, Tottori)

Growth toward the community-based health infrastructure

- 2018**
 - Group acquired Curves International, Inc., the global franchise headquarters.
 - “Men’s Curves,” Curves for men, started
- 2019**
 - Group acquired Curves Europe B.V., the European franchise headquarters.
- 2020**
 - Company became independent from Koshidaka Holdings Group by spin-off.
 - Listed in the Section 1 of Tokyo Stock Exchange.
 - Group released “Ouchi-de-Curves” online fitness program to existing members.
- 2021**
 - Group started offering “Ouchi-de-Curves” online fitness program to new members.
- 2022**
 - Company transferred to the Prime Market, Tokyo Stock Exchange.

Chain has grown steadily since the inception, and has become the prominent fitness club chain in Japan both in the numbers of locations and members.

Continuing to grow into future overcoming the pandemic.



2005
Business started with strong missions of “For society and people”.

— Our Mission —
By spreading the habits of correct exercises, we will help our members and ourselves have a better life, and solve problems in our society.

2006/6
Chain reached 100 clubs nationwide.

2011/6
Topped 1,000 clubs Total 380K members

2014/10
Topped 1,500 clubs Total 670K members

2019/10
Chain surpassed 2,000 clubs Total 860K members

Curves Group Business Model

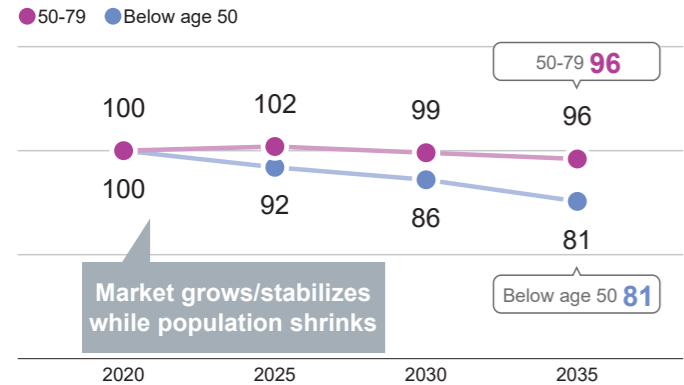
Social Challenges/Market Opportunities

Progress of Super Aging Society

Population Forecast of Ages 50 - 79 thousand people

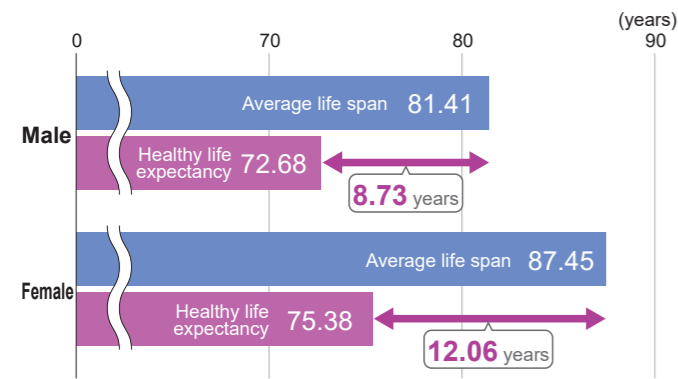
Ages	2020	2025	2030	2035
Male	23,520	24,121	23,480	22,958
Female	25,090	25,447	24,499	23,820
Total	48,610	49,568	47,979	46,778
Below age 50	65,999	60,568	56,692	53,782

Population forecast based on 100 in 2020



Challenge is how to prolong healthy life expectancy

Gap between average life span and healthy life expectancy (2019)



Legend: Average life span (blue bar), Healthy life expectancy (purple bar). Gap between average life span and healthy life expectancy (a period of 'unhealthy living' with restrictions in daily life).

Source: Prepared by the Company based on the Ministry of Welfare and Labor "2019 Data on Healthy Life Expectancy" <https://www.mhlw.go.jp/content/10904750/000872952.pdf>

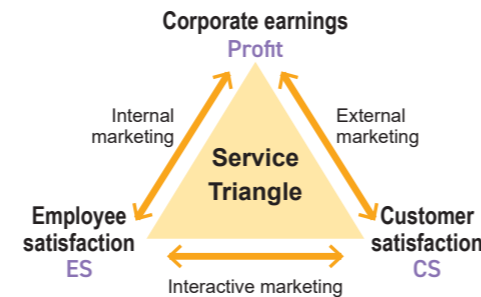
Prepared by the Company based on the Forecast of Japan's Population (estimated in 2023) https://www.ipss.go.jp/pp-zenkoku/j/zenkoku2023/pp_zenkoku2023.asp

Business Model



Axis of Strategy

1 Management that creates virtuous cycle of service triangle



2 Management that continues raising LTV (Customer Life Time Values)

- High retention rate
- Word-of-mouth referrals
- Expanding merchandise sales by solving health issues

Company's generation of high profitability & cashflows with low investments

Continued enhancement of business model and franchise model by re-investments

Franchise Model



Management Resources

Intelligence Capital	Human Resource Capital	Business Capital	Social Capital
<ul style="list-style-type: none"> Original 30-minute exercise system (Curves Workout) Know-hows on Marketing/Service/Merchandise Development 'Management with science' and 'Corporate culture of experiment-oriented and collective wisdom' <p>▶ P12 Strength of "Curves, 30-minute Fitness for Women"</p> <p>▶ P20 Curves Group Business Overview</p> <p>▶ P58 CURVES Group: Five Management Guidelines</p>	<ul style="list-style-type: none"> Approx. 8,000 Curves coaches (instructors) Corporate staff <p>▶ P44 S: Social Curves Group Human Capital</p>	<ul style="list-style-type: none"> Approx. 367 community-based franchise owners 1,978 clubs domestically 130 clubs in Europe <p>▶ P30 Discussion: Achieving community contribution through the franchise chain system - Toward "Curves - 10 Years Later"</p>	<ul style="list-style-type: none"> Close relationships with local governments, local medical organizations, research institutes and universities and researchers <p>▶ P40 Special Feature 2: Advancing Our Efforts That Help Customers and Society Get Mentally and Physically Healthier</p>

Curves Group Business Overview

Full Picture of the Curves Group

Consolidated Sales

35.46 B yen
(118.1% y-on-y)

Operating profit

5.45 B yen
(Operating profit ratio: 15.4%)
(141.7% y-on-y)

In the fiscal year ended August 2019, a year before the listing, Curves Group's consolidated sales were 28.0 billion yen and operating profit was 5.43 billion yen. Immediately after going public, the Group was hit by the COVID-19 pandemic. From the third quarter of the fiscal year ended August 2020, there were periods in which we struggled, with some quarters ending in deficits. However, in the fiscal year ended August 2023, sales surpassed pre-COVID levels and reached a record high.

In the fiscal year ended August 2024, sales exceeded the previous year and reached 35.4 billion yen, while operating profit and ordinary profit reached 5.45 billion yen and 5.47 billion yen, respectively. These figures marked record highs in both sales and profit. As a result, we have been able to overcome the negative impacts of the pandemic, completing preparations for our next stage of growth.

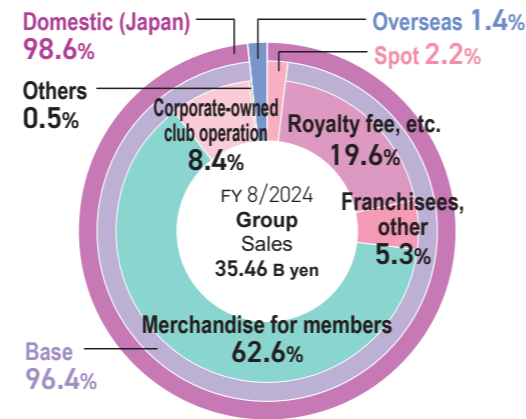
In the fiscal year ending August 2025, we forecast sales of 38.0 billion yen (up 7.1% year on year) and operating profit of 6.3 billion yen (up 15.4% year on year).

Stable earnings foundation

The majority of our earnings come from royalty fee income charged at a certain rate on the membership fees and dues collected from members, and from sales of products to members, mainly Protein products on subscriptions. This gives us a highly stable, stock-based earnings foundation.

Ability to generate high cash flows

Curves operates a franchise system leveraging the know-how accumulated over years. This system boasts high cash-generating ability as it enables the quick and large-scale expansion of businesses with small-scale investments.



Domestic (Japan)	
Spot Income:	One time incomes from franchise sales and renewal of FA
•	Incomes from license fee and equipment sales for new club opening
•	Incomes from Franchise Agreement renewal for equipment sales, etc.
Base Income:	Ongoing incomes associated with numbers of clubs and members
Royalty fee, etc.	Royalty fees and membership administrative fees etc. received from franchisees
Franchisees, other	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-owned club operation	Incomes from operating corporate clubs
Others	Others
Overseas	

Financial commitments for the next 5 years

In addition to our consolidated financial results forecasts for the year ending August 2025, we have also set financial commitments for the next 5 years. These are two commitments that aim to drive medium- to long-term business growth based on the earnings foundation and cash-generating ability of Curves' businesses.

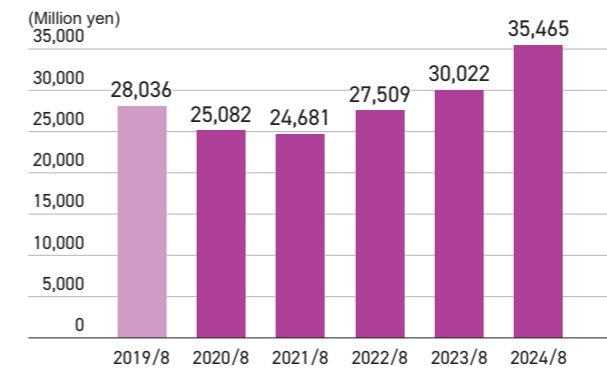
- CAGR of operating profit, EBITDA, and free cash flow of at least 10%**
- ROIC Maintain ROIC of at 12%+, aiming for 15%.**

	Operating profit	EBITDA	Free cash flows	ROIC
FY8/2024 Actual	5.45 B yen	7.69 B yen	4.45 B yen	12.0%
FY8/2025 Forecast	6.30 B yen	8.65 B yen	5.17 B yen	14.2%
Growth Rate Forecast	+15.4%	+12.5%	+16.0%	

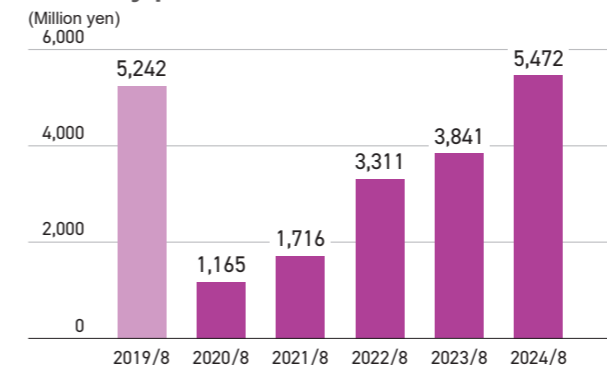
The invested capital for ROIC is calculated based on the sum of operational working capital and non-current assets. Working capital will increase in line with particular increases in merchandise sales, but it is important that working capital does not become excessive. Moreover, non-current assets tend to increase as we make greater and varied system investments in our efforts to enhance field productivity. Taking these factors into consideration, we have therefore set ROIC as an indicator to ensure investments follow thorough examinations of the balance with potential returns.

*1 EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = Operating profit + Depreciation + Amortization of goodwill and trademark right, etc.
 *2 Free cash flows = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities
 *3 ROIC (Return On Invested Capital) = Operating profit after tax / Invested capital (working capital + non-current assets)

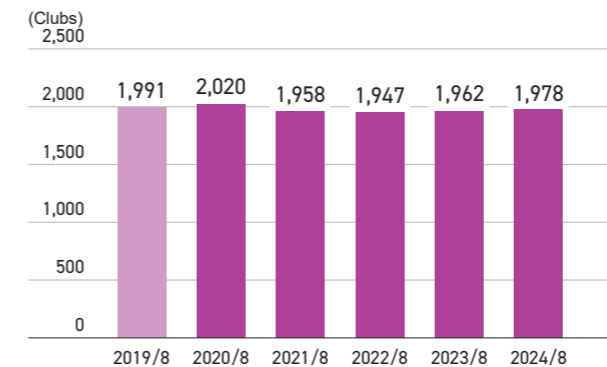
Net sales



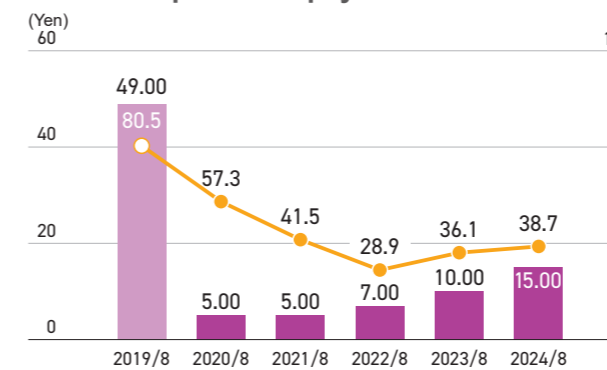
Ordinary profit



"Curves, 30-minute Fitness for Women" Total club count

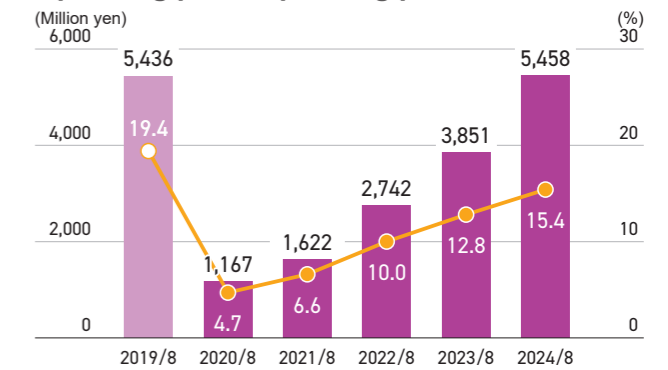


Dividends per share/payout ratio

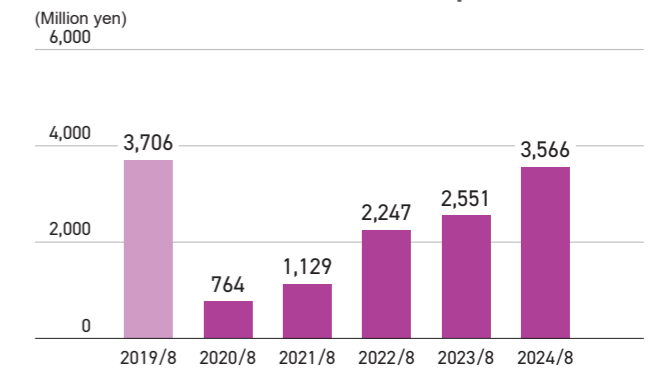


*March 2020 Listing through the spin-off
 *Regular dividends of 3.0 yen and commemorative dividend of 2.0 yen for the FYE Aug. 2020

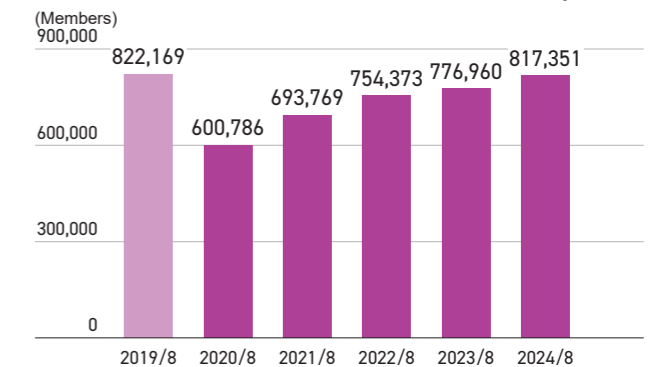
Operating profit/Operating profit ratio



Profit attributable to owners of parent

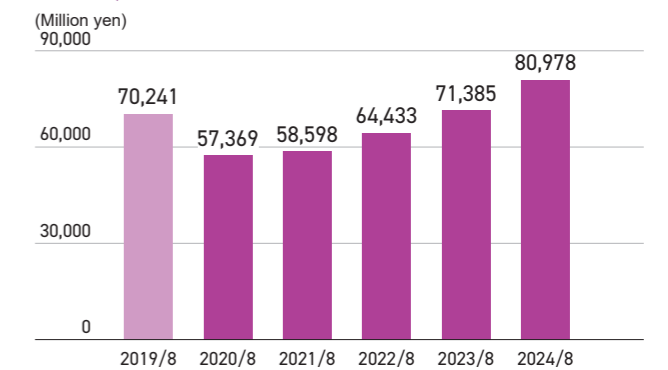


"Curves, 30-minute Fitness for Women" Total membership count



*The figure for 2020/8 shows active members excluding absentees.

"Curves, 30-minute Fitness for Women" Chain-wide sales



*Chain-wide sales: Total sales of the chain including all franchisees from membership fee/dues income and merchandise sales income

Our basic policy on the dividends is to achieve the consolidated payout ratio at 50%, while ensuring to maintain sufficient reserves needed for future operations and the optimization of financial strength.

Curves Group Business Overview

Domestic Curves business

Franchiser operations

The two main sources of earnings are royalty fee incomes and merchandise sales to members. We are enhancing our efforts to increase the total membership being the key management indicator and to raise customers LTV (Life Time Value).

Royalty fee incomes etc.

Royalty fee incomes etc. are incomes charged at a certain rate on the membership fees/dues income collected by franchisees from members, and fluctuate according to the number of members.

The number of members increased to 864,000 at the end of November 2019 before the COVID-19 pandemic, but this temporarily dropped to 545,000 due to impacts from the pandemic. As of the end of November 2024, however, this number has recovered to 860,000, and the average number of members per club has exceeded levels from the end of November 2019.

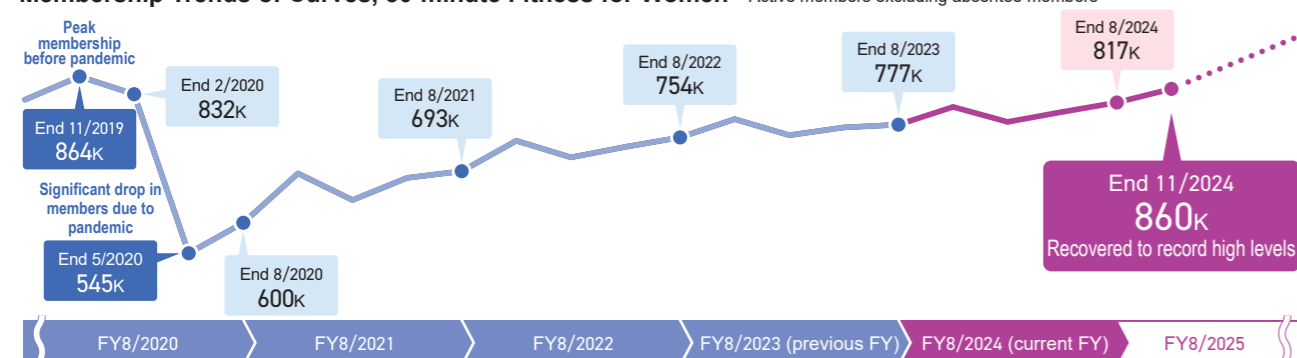
In the early pandemic period, there was a sharp increase in the number of members absenting/canceling their membership, particularly among seniors (65 and older), and we also struggled to attract new members. We therefore have shifted marketing efforts to the younger senior demographic (under 65 and mainly the 50s). As a result, there has been a significant rise in new members from the younger senior demographic, and we have been able to secure a steady number of new members. At the same time, we have continued working to enhance services at our clubs. The average monthly attrition rate for the fiscal year ended August 2024 was 2.2%, and we have been able to keep this figure below pre-pandemic levels.

Additionally, during the pandemic, we swiftly developed an online fitness system. Initially, it was mainly used by seniors who were forced to suspend or cancel their membership due to the government recommendation to refrain from going out. Currently, we are focusing on the "Dual Plan," a hybrid service offering both in-club and online. Our main users are younger members who have jobs and cannot come to clubs frequently. An increased frequency of exercise opportunity raises customer satisfaction, and the attrition rate tends to get lower compared to in-club plan members.

In the fiscal year ending August 2025, in addition to continued proactive marketing activities, we will further focus on improving satisfaction among our existing members. Furthermore, in the Physical Activity and Exercise Guide for Health Promotion 2023 published in January 2024, the government recommended strength training for the first time. Especially, for elderly people, it is recommended that multifactorial exercises such as aerobic exercise, strength training, balance exercises, and stretching, be performed at least three days a week. Taking these recommendations into consideration, we are reaching out to more senior citizens through partnerships with municipalities and other organizations. Through this, we are contributing to solving social issues as a community-based health infrastructure that helps to the prolonged healthy life expectancy of senior citizens.

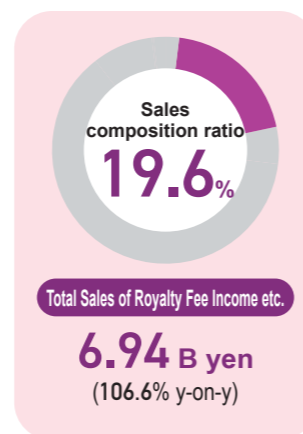
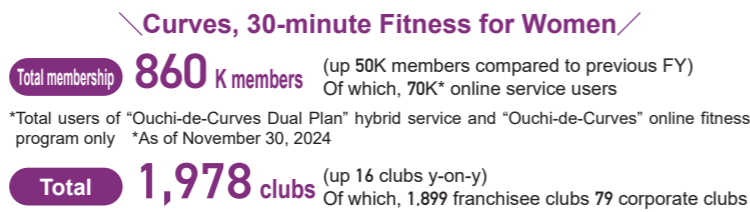
"Physical Activity and Exercise Guide for Health Promotion 2023" ▶ P40 Special Feature 2: Advancing Our Efforts That Help Customers and Society Get Mentally and Physically Healthier

Membership Trends of Curves, 30-minute Fitness for Women *Active members excluding absentee members



Future Forecast and Strategies

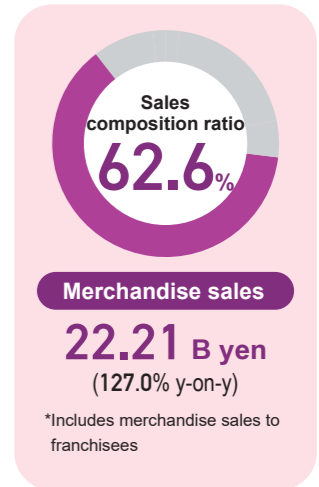
- End FY8/2025 Forecast total 840-850K members (including online members)
- Improve customer satisfaction to reduce attrition rates and increase customer lifetime value
- Enhance new member sign-ups with attractive membership drive campaigns 3 times annually
- Focus on the hybrid online fitness program



Merchandise sales income

The main source of merchandise sales income is through subscription-based product lines such as Protein, which started in December 2010.

While some clubs were forced to close during the pandemic, many members continued to purchase Protein products on a regular basis, so the impact of the pandemic was smaller compared to the number of members. The increase of the subscribers and higher unit prices for high-performance products have contributed to the continued growth in sales. In the fiscal year ended August 2022, sales achieved a record high, surpassing the pre-pandemic level. In December 2023, we conducted a complete renewal of our Protein products for the second time since beginning sales, and launched a new product, Healthy Beauty, for the younger senior demographic. Sales of Healthy Beauty has been favorable in particular and have exceeded forecasts, which drove record high figures for consolidated sales and operating profit in the fiscal year ended August 2024.



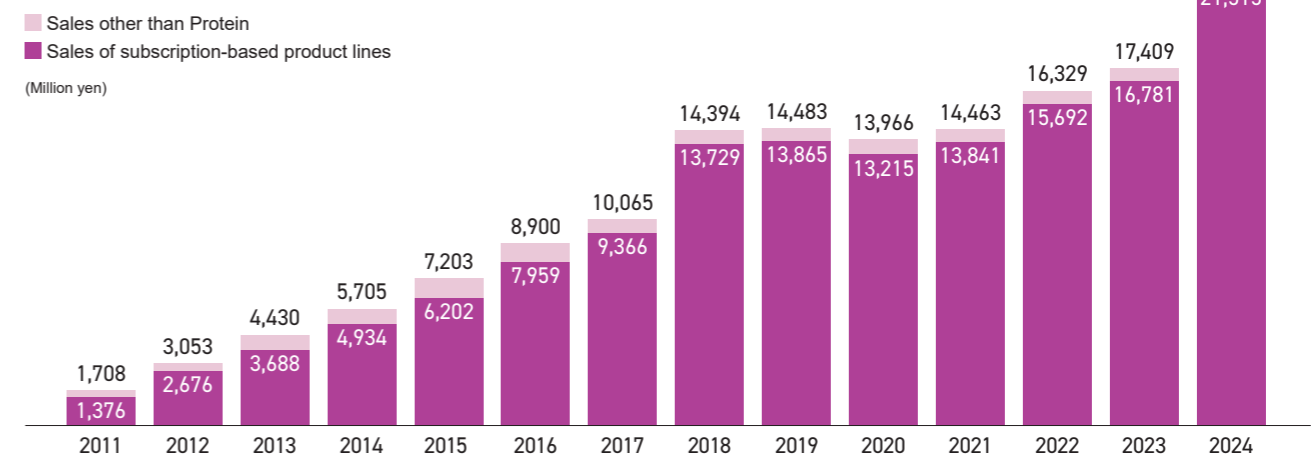
History of Protein Products Development

The development of Protein products started when we studied a way to solve the health issues of members from a diet and nutrition perspective. Based on a dietary survey of over 100 members, we focused on "the protein deficiency" and developed a Protein formulation with unique ingredients suitable for women who exercise in Curves based on scientific evidence and have started a roll out. Curves has been communicating the importance of protein to members and recommended protein during the diet counseling even when the need for protein for middle-aged and older women was not getting public attention. In December 2017, we have introduced "Super Protein," a complete renewal version of the existing Protein products. As a result, merchandise sales income in the fiscal year ended August 2018 achieved an increase of 43% from the previous year. Today, the importance of protein is widely recognized as the Ministry of Health, Labor and Welfare has suggested an intake target of protein in the "Dietary Reference Intakes for Japanese (2020)" for the first time. Moreover, in December 2023, we conducted the second complete renewal of our Protein products and launched them as a new product series, "Ultra Protein."



▶ P39 Initiatives for Food Safety and Reliability

Trends of Merchandise Sales by FY



12/2010 Release of Curves Protein products
Protein products were developed with unique ingredients formulation based on scientific evidence through diet survey of members. Stable growth of users with subscription was achieved.

12/2017 Release of Super Protein
We have developed and launched new Protein products with unique ingredients and formulation based on scientific evidence that is expected to be more effective with lower intake. The number of subscribers has increased, and the quantities of sales have also increased.

12/2023 Release of Ultra Protein and Healthy Beauty

▶ P24 Introduction of Ultra Protein and Healthy Beauty

Future Forecast and Strategies

- Aim to increase sales amounts and the number of members purchasing subscription-based products through enhancing member support (exercise coaching, habit-building guidance, diet counseling), and in turn grow sales.
- Healthy Beauty has significant room for improvement in subscription rates, and we expect further growth.

Curves Group Business Overview

New product line Introduction of Ultra Protein and Healthy Beauty

At the end of 2023, the Curves Group conducted a complete renewal of its Protein products. This saw the launch of “Ultra Protein,” our first new Protein product in six years. We also began sales of another new product, “Healthy Beauty,” for members in their 50s and 60s. With the number of subscribers reaching record highs, both have been incredibly well-received. Through Curves, we are providing thorough support so that members can make quality exercise and diet a habit.

“Ultra Protein”

Ultra Protein is our first new Protein product since December 2017. The unique ingredient formulation based on scientific evidence further enhances the effectiveness of increasing muscle mass and maintaining and improving health.



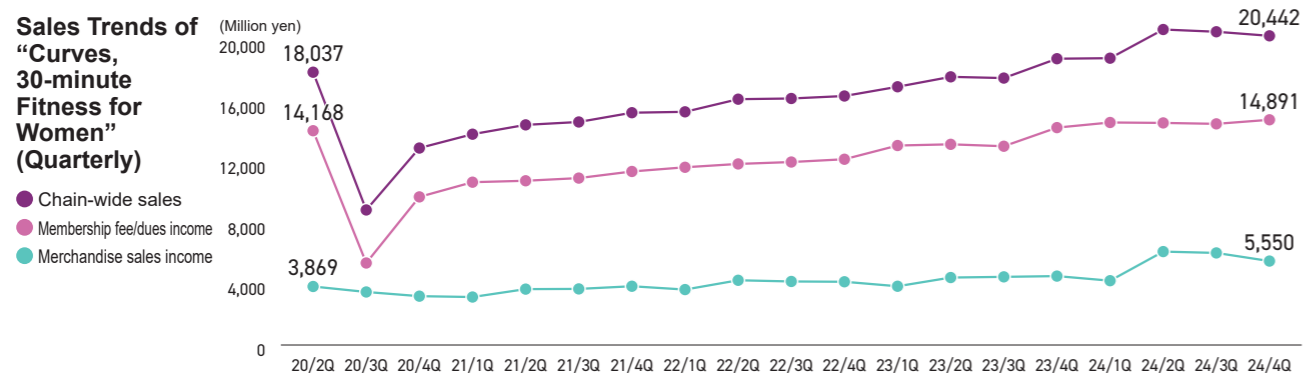
“Healthy Beauty”

A unique new product that solves diet concerns of younger members and resolves their daily discontent (dissatisfaction, inconvenience, anxiety, etc.) based on feedback from members, dietary surveys and insight research.



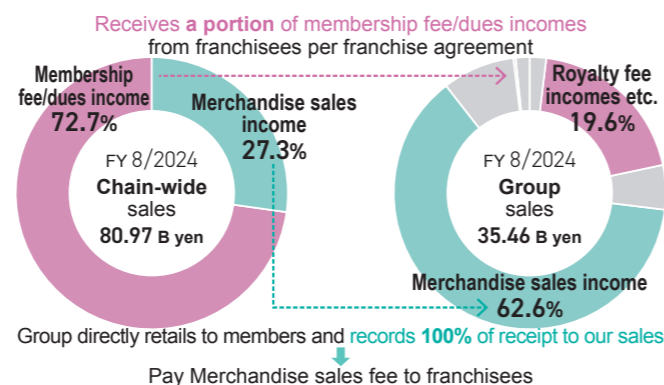
Chain-wide sales

Chain-wide sales are total sales of the chain including all franchisees, which consist of membership fee/dues income and merchandise sales income. Chain-wide sales in the fiscal year ended August 2024 reached a record high of 80.9 billion yen. Both membership fees/dues income and merchandise sales income, which make up chain-wide sales, achieved record highs, while sales per franchise club also exceeded pre-pandemic levels.



Relationship of Chain-wide Sales and the Group Sales

72.7% of the entire Curves chain’s sales for the fiscal year ended August 2024 came from “membership fee/dues income” and 27.3% from “merchandise sales income.” In terms of the Group, however, “merchandise sales income” made up 62.6% of total sales. This is because the Group’s main business is franchiser headquarters operations. “Membership fee/dues income,” which represents 72.7% of the entire chain’s sales, are sales realized at franchisee clubs, and the Group receives a portion of this income as royalties from franchisees and recognizes them as our sales. On the other hand, “merchandise sales income” is structured in a manner that the Group sells products directly to members and pays sales fees to franchisees. Hence, the entire sales from merchandise sales income are recognized as the Group’s sales. In other words, in the Group’s financial statements, only a portion of “membership fee/dues income” is recorded as sales, and the entire sales of “merchandise sales income” are recorded as sales.



▶ P30 Discussion: Achieving Community Contribution Through the Franchise Chain System – Toward “Curves - 10 Years Later”

Corporate-owned club operation

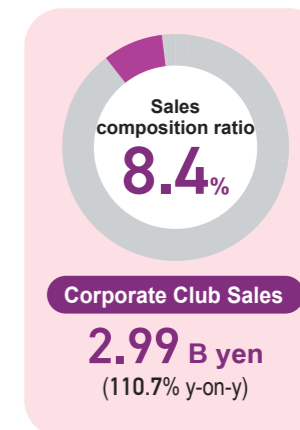
Corporate-owned club operations include clubs operated by Curves Japan and by High Standard. As of the end of August 2024, 79 clubs were in operation (excluding Men’s Curves), playing an important role in the continued evolution of the chain.

Curves Japan Corporate Clubs

The corporate clubs of Curves Japan as the franchise headquarters not only conduct exemplary club management, but also contribute to the growth of the chain through developing new know-how. Our activities are based on the idea of continuously running the cycle of setting hypothesis, experimenting and verification. This thinking is deeply rooted across the entire franchise chain. The headquarters acquires new ideas from franchisee clubs, identifies its success factors, reflects them in the chain operations and continues to evolve as the chain.

High Standard Corporate Clubs

As the name suggests, High Standard practices high-level quality club operations and corporate management that serve as a model nationwide. We strive to achieve management that continually raises corporate value, which not only performs well, but also achieves both high customer satisfaction and employee satisfaction.



Overseas Segment

Our overseas business segment includes Curves International, Inc., operating the global franchiser business, and Curves Europe B.V., operating the European franchiser headquarters business.

Curves International, Inc.

In March 2018, the Group has acquired Curves International, Inc., the global franchiser (global headquarters), for 18.4 billion yen. The direct franchise operations in North America and Oceania were separated and the Group has acquired the master franchiser business.

Purpose of the acquisition

- To incorporate royalties payable by Curves Japan to Curves International, Inc. into the Group. Before the acquisition, Curves Japan paid approximately 2.0 billion yen annually for royalties and fitness equipment purchases. Acquisition allows all of these incomes incorporated into the Group.
- Perpetual acquisition of intellectual properties and Curves brand
- Dramatic expansion of management freedom
- Wider potentials for the chain’s global expansion

Curves Europe B.V.

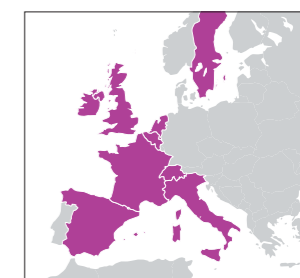
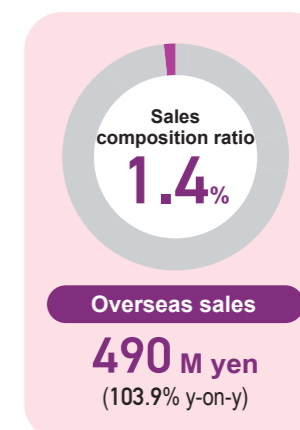
In July 2019, the Group has acquired Curves Europe B.V., the European franchiser operations, with the aim of leveraging this acquisition as a stepping stone for future global expansion. Since the end of the pandemic, the number of members and sales per club has surpassed pre-pandemic levels. By implementing Japanese know-how and focusing on the creation of a strong business model tailored to the current European environment, we are developing a system that will allow us to open multiple clubs in Europe as well.

Purpose of the acquisition

- We position Europe as a key region with its high income level and aging population, and are working to build a business foundation in Europe.
- In Europe, we have strong human resources including the management and the operations teams with proven track records.

Future Forecast and Strategies

- Fiscal year 8/2025 is positioned as preparation stage for future growth.
- To adapt to the current management environment, we will experiment and verify a new business model through the opening of experimental clubs.
- Deficits in operating profit annually are expected to continue.



Value Creation Process

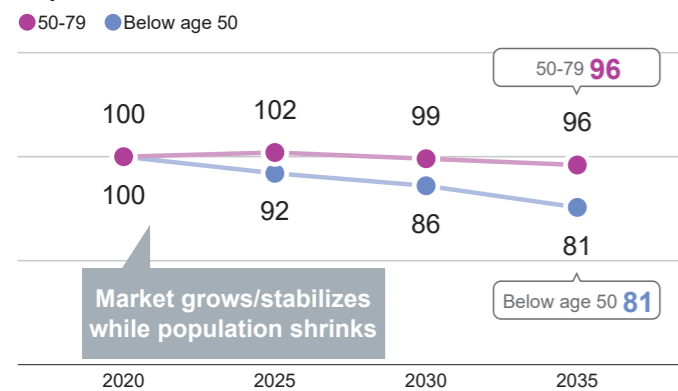
Social Challenges/Market Opportunities

Progress of Super Aging Society

Population Forecast of Ages 50 - 79 thousand people

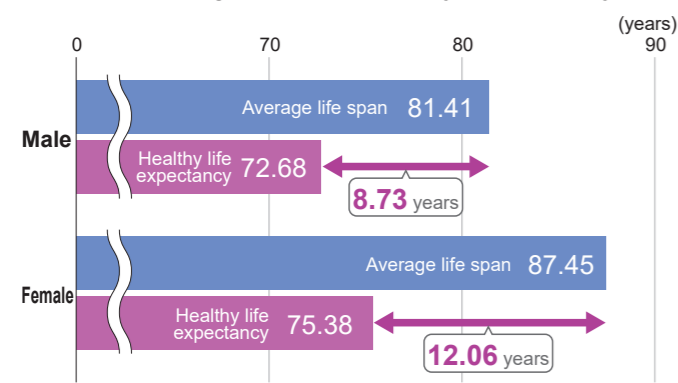
Ages	2020	2025	2030	2035
Population of Ages 50 - 79				
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Total	48,610	49,568	47,979	46,778
Below age 50	65,999	60,568	56,692	53,782

Population forecast based on 100 in 2020



Challenge is how to prolong healthy life expectancy

Gap between average life span and healthy life expectancy (2019)



Legend: ■ Average life span ■ Healthy life expectancy (average years with no restrictions in daily life)
 ←→ Gap between average life span and healthy life expectancy (a period of 'unhealthy living' with restrictions in daily life)

Source: Prepared by the Company based on the Ministry of Welfare and Labor "2019 Data on Healthy Life Expectancy"
<https://www.mhlw.go.jp/content/10904750/000872952.pdf>

Prepared by the Company based on the Forecast of Japan's Population (estimated in 2023)
https://www.ipss.go.jp/pp-zenkoku/jzenkoku2023/pp_zenkoku2023.asp

Business Foundation

Intelligence Capital

- Original 30-minute exercise system (Curves Workout)
- Know-hows on Marketing/Service/Merchandise Development
- 'Management with science' and 'Corporate culture of experiential and collective wisdom'

Human Resource Capital

- Approx. 8,000 Curves coaches (instructors)
- Corporate staff

Business Capital

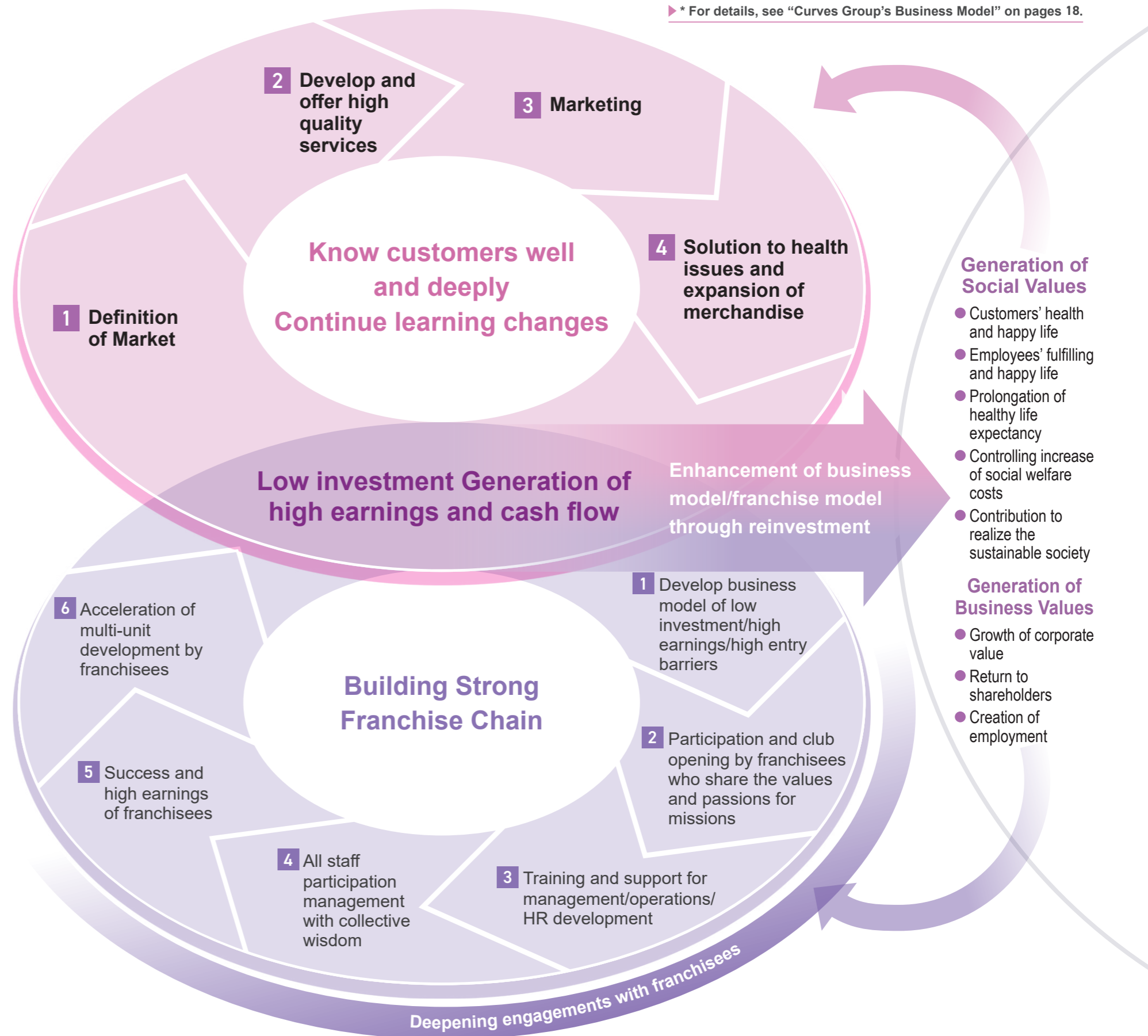
- Approx. 367 community-based franchise owners
- 1,978 clubs domestically
- 137 clubs in Europe

Social Capital

- Close relationships with local governments, local medical organizations, research institutes and universities and researchers

Business Model

* For details, see "Curves Group's Business Model" on pages 18.



Curves Group Franchise Model

The Curves Group has established a unique franchise model. One of the sources of Curves' strength is the community-based management conducted by the franchise owners who share a common business mission, philosophy, and values with the corporate and closely tied together through strong engagement.

Implementation of ambidextrous management (innovation and in-depth enhancement)

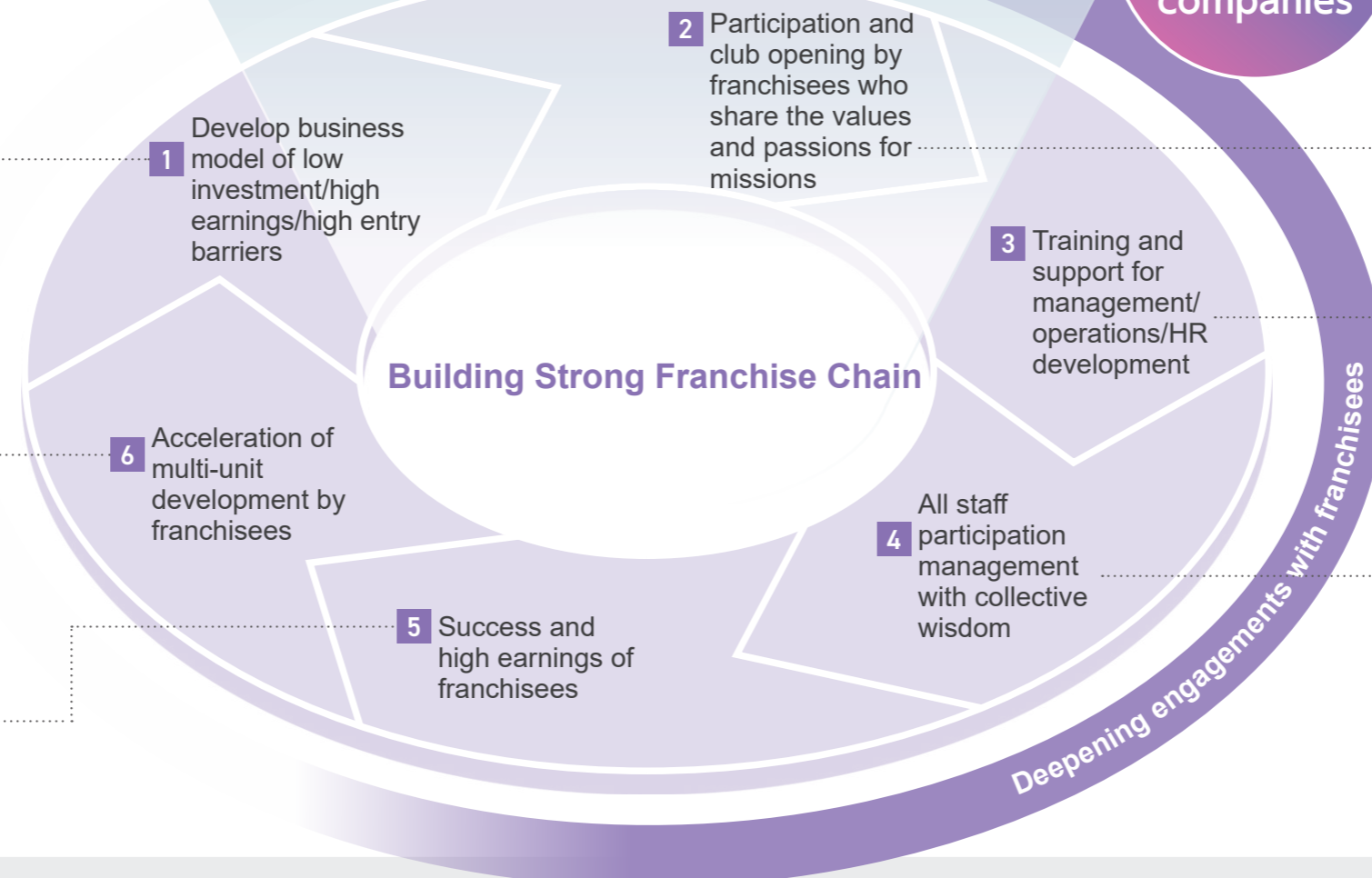
Role of franchiser

Strategic management functions, including innovation, and management guidance functions

Role of franchisees

In-depth enhancement of high-quality operations

Domestic Group franchise owners
367 companies



Competition strategies without competing

● **“Creation of customers”** through this business model, by constantly developing new markets using our own strengths.

Businesses that try to newly create customers initially look challenging, but if successful, it could create new economic and social values, and build a business with high entry barriers.

It is precisely because we are a franchise that we can quickly and consecutively open new clubs

- More than five clubs managed by per franchisee on average
- Of 367 franchisees, 50 manage more than 10 clubs, and 96 manage between 5 and 9 clubs

- Virtuous cycle of our service triangle
- All decisions and operations by the franchiser prioritize the long-term success of the chain

- Conducting community-based management through franchise owners who share a common business mission, philosophy, and values with the Company
- Friendly competition, cooperation, and co-creation unique to business owners

Diverse franchisee support, creation of employment

- Management of management-level employees, operational support, and management guidance
- Recruitment support for franchisees Recruitment of human resources who want to contribute to customers' health
- Provision of systemized training opportunities and career development Expert knowledge as instructors Expertise on communication and management Provision of opportunities to learn new techniques
- Productivity improvements through know-how development and IT investments

- Creation of a system through which franchisees can become independent and proactively participate in chain operations
- Implementation of ambidextrous management through division of management functions Pursuit of their own strengths in each function

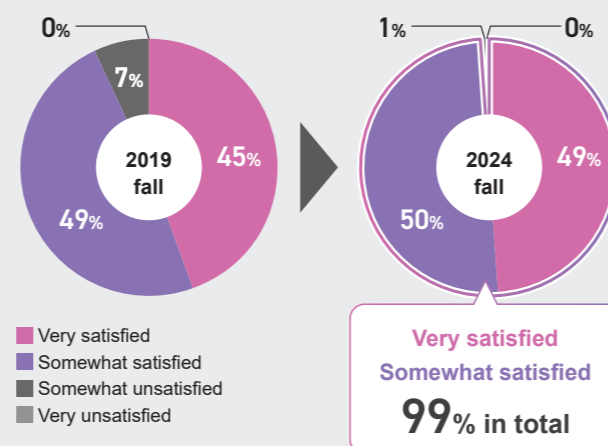
► P26 Value Creation Process

Franchise owners Results of survey

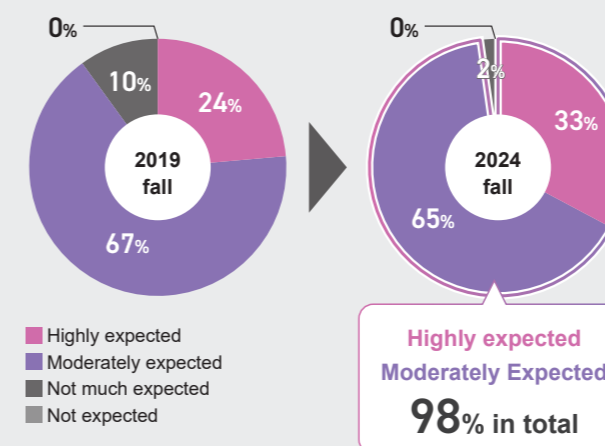
Since 2009, the Curves chain has conducted a survey with its franchise owners. Surveys have been held twice a year since 2011. The aim is to use the results of the survey to review chain measures using a PDCA cycle, enhance engagement with franchisees, and build a strong franchise chain.

The results of the autumn 2024 survey revealed that engagement has further improved since the end of the pandemic.

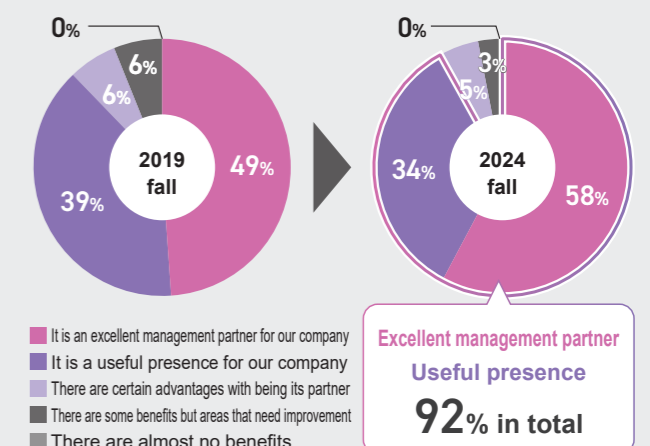
Q1. Are you satisfied with the Curves business?



Q2. What is your outlook for the future of the Curves business?



Q3. What is your overall assessment of the Curves Japan headquarters?



*Percentages have been rounded off to the nearest whole number

► P30 Discussion: Achieving Community Contribution Through the Franchise Chain System – Toward “Curves - 10 Years Later”

Discussion



Mr. Yuki Yoshi Morimoto

Representative Director and CEO, Moris Holdings CO., LTD.

Joined the current Moris Group in 1983. Became the third-generation president of the company in 1986. Joined the “Curves, 30-minute Fitness for Women” franchise chain in 2007. Currently operates 39 clubs in Hyogo Prefecture (including one Men’s Curves club).

Maki Sakamoto

Director, CURVES HOLDINGS Co., Ltd.
Representative Director and President of Curves Japan Co., Ltd.
Director, HIGH STANDARD Co., LTD.

Joined the business as a founding member in 2005. Engaged in franchise development at Curves Japan. Became the Director of the Company in 2011, taking charge of the formulation and execution of strategies for legal affairs, club development, and new business development of the Group.

Achieving Community Contribution Through the Franchise Chain System Toward “Curves - 10 Years Later”

In the fiscal year ended August 31, 2024, the number of franchisees in the domestic group reached 367. How does the headquarters support its franchisees, and how have the franchisees achieved growth? Yuki Yoshi Morimoto of Moris Holdings CO., LTD., who currently operates 39 clubs in Hyogo Prefecture, and Maki Sakamoto, a director involved in the club development, shared their insights in a discussion.

Business transition focused on community contribution Joined Curves to create a bright future

Sakamoto Over the 20 years since our founding in 2005, we have collaborated with 367 franchisees to establish approximately 2,000 clubs across Japan, serving 860 thousand members. Understanding that revitalizing local businesses is key to Japan’s economic recovery, we are committed to developing new businesses through a franchise chain system from the beginning. We’ve worked with the Moris Group since 2007, but before that, I understand that you were involved in a variety of different businesses.

Morimoto Our Moris Group began in 1934, 90 years ago, when my grandfather founded a lumber store. For about 50 years, we focused on lumber and housing-related businesses, operating locally. I joined as the third-generation head the year before our 50th anniversary, but when I took a closer look, I discovered that the business was in the red. Fortunately, we owned a lot of land, which we effectively utilized to open a home center, along with franchise locations for a hamburger shop, an ice cream shop, a video rental shop, and a 100-yen shop. We also expanded into bookstores and drugstores, driven by a desire to bring joy to the local community. However, it was a highly

competitive red ocean, and turning a profit proved difficult. Around that time, I read the book “BLUE OCEAN STRATEGY” and learned about the Curves business. In fact, a Curves club operated by another franchise owner was operating in one of our shopping centers. My mother has been a member of the club ever since. With the encouragement of my mother, who has experience in management and is a club member, I decided to join the Curves chain.

Sakamoto Curves has aimed to contribute to a society where everyone can live a healthy and fulfilling life, working toward becoming a “community-based health infrastructure.” To achieve this, we partner with companies that align with Curves’ mission, philosophy, and values. The Moris Group had already been running a community-based business. The shared desire to “contribute to the community” is what brought us together. But taking on a new business challenge like Curves must have been a significant decision.

Morimoto At the time, I attended a morning assembly at our home center, and the manager said, “You’re all working really hard, but don’t expect too much from your bonuses because our performance is struggling.” A company should never make its employees say such a

thing. Although I was responsible for transforming the business from a lumber store to a home center, this morning assembly was a turning point. It made me rethink and look for new opportunities for business transformation. The Curves business is built on a truly excellent concept and business model. I believed that by joining the chain, we could create value for our company and foster a healthy, bright future with “creating an abundant community” as our business theme.


Implementation of “backward planning” Trusting the headquarters and enhancing quality for today’s success

Sakamoto When the Moris Group joined the chain, Curves had around 300 clubs across Japan. Despite that, you set a target of “30 clubs in 10 years” and took on the challenge of opening five clubs just three months after your first one. Instead of building gradually one club at a time, we approach our franchisees by first setting a target number of clubs to open within a specific timeframe, and then working backward to determine the actions required to achieve that goal. Based on this policy, we proposed the rapid opening of five clubs in line with the Moris Group’s vision for the future.

Morimoto We had always planned for multi-location expansion from the start, but opening five clubs in just three months was beyond what we expected. However, we had learned that once you join a franchise, it’s best to follow the headquarters’ guidance, so we decided to trust the process. Curves provides an overwhelming amount of information from headquarters, and when it all came at once for five clubs, it was quite overwhelming at first. Adapting to the various changes wasn’t easy, but on the other hand, following the headquarters’ guidance did lead to results. The education, guidance, and measures from Curves Japan headquarters were incredibly dedicated and in various forms. It wasn’t just about providing a service. It was about “improving quality,” and they made sure we were deeply committed to that. Above all, I relearned how to manage a business from scratch, and I believe that’s what has shaped the success we have today. I am truly grateful to the headquarters for helping us expand to 39 Curves clubs in the southern part of Hyogo Prefecture.

Sakamoto From our standpoint, since we asked you to rapidly expand, we have been determined to support you every step of the way to ensure your success. Curves is a business that has created a new market, so it’s true that the early stages were filled with challenges,

Discussion: Achieving Community Contribution Through the Franchise Chain System – Toward “Curves - 10 Years Later”



Following Headquarters' guidance lead to results
At Curves, I relearned how to manage a business from scratch

and we understand the difficulties faced by our franchisees. Moreover, while expanding the business, it was necessary to identify the success factors one by one and deepen and enhance our know-how. At the headquarters, we are grateful that we were able to move the entire chain in the right direction together with our franchisees.

Taking a step back to balance business performance and human resources development

Sakamoto Looking back, around 2012, when the Moris Group had just opened its 15th club, there was a period of about two years when we temporarily halted new club openings. Ideally, we wanted to encourage you to open new clubs, but considering your company's situation at the time, we believed it would be better for you to pause and take the time to rebuild your company structure.

Morimoto Based on my previous experience with various businesses, I believed that “human resources grow through reassignment,” and I assumed this would apply to Curves as well. However, when I forced club transfers on our employees, many ended up leaving. When working back from our future vision, we wanted to keep expanding. I was convinced that we had to keep expanding the business at all costs, but my business supervisor at the time told me he was terrified of opening new clubs. So when we received the headquarters' request pause club openings, the supervisor in question later told me that it was a heavenly voice. At that time, Vice President Tajima at headquarters, who was concerned about our situation, called me in and said, “We will temporarily halt new club

openings, but during this period, let's build a robust structure so that when we resume, we can do so with confidence. Headquarters will be fully involved in supporting you.” That conversation helped me realize that if we continued expanding as we were, we would be inflating without growth. So I decided to take on board the proposal.

Sakamoto Given the situation at the time, we strongly believed that the Moris Group's management system needed to be rebuilt. In the course of expanding, if the human resources are not being developed properly, there will eventually come a point where new openings becomes impossible. Without qualified candidates for club manager positions, you wouldn't be able to open new clubs, and your existing clubs would also start struggling. So the key question became: how can we help you develop your people while also improving your performance? Since we were asking you to make this decision, we were fully committed to ensuring that you could rebuild your management system at all costs, improve your business performance, and resume club openings. With that determination, we stepped in and provided hands-on management support. As a result, you were able to achieve outstanding club operations and management, including establishing clubs with over 600 members.

Reinforcing support for franchisees during the COVID-19 pandemic Further strengthening the bonds of the chain

Sakamoto During the COVID-19 pandemic, due to government requests and media influence, all Curves clubs were forced to close. I can only imagine how

difficult this time was for our franchise owners.

Morimoto We had been steadily reopening and expanding our clubs when COVID-19 suddenly struck. Naturally, there was uncertainty about what lay ahead. However, despite these challenges, the headquarters continuously provided strategies and messages through online channels. After we were forced to close, I remember watching a video of Chairman Masumoto tearfully urging our instructors, saying, “Be proud of how you have protected the health of our members.” That moment moved me to tears as well. Receiving such heartfelt support from the headquarters strengthened my resolve—this was the time to uphold our company's philosophy: “To help people live healthy, hopeful, and fulfilling lives” and “To contribute to a prosperous society.”

Sakamoto We were certain that the demand for exercise would increase after the pandemic. However, the revival of Curves would not be possible without our franchisees and instructors. With this in mind, we reinforced our management support for franchisees more than ever before. In addition to enhancing communication with each company through online training, management consultations, and more, we also provided financial aid to compensate for revenue losses due to closures or suspension of membership, on the condition that employment was maintained.


Morimoto We were determined to protect our employees' livelihoods, so we ensured full salary payments during the closure period and maintained employment. It was the support from headquarters during these tough times that allowed us to stay focused and move forward with new club openings.

Sakamoto During the pandemic, we took every

possible measure for our members to help them maintain their exercise habits, such as sharing health information and personally contacting all members by phone. It was also during this period that we launched the online fitness program “Ouchi-de-Curves.” Although this program had been conceptualized before the pandemic, its development was accelerated due to the circumstances. Today, the hybrid “Ouchi-de-Curves Dual Plan,” which combines in-club and online workouts, has become particularly popular among members in their 50s and 60s and has grown into a valuable service that contributes to franchisees' profitability.

Morimoto During the initial stage of the pandemic, in an abnormal environment, the headquarters continuously provided guidance not only to us as franchise owners but also to instructors and members. Their consistent strategic direction was invaluable. I am deeply grateful for the comprehensive support we received, including financial assistance.

When I visited clubs to assess the situation, I was surprised to find that our instructors were in remarkably high spirits. When I commented, “You all seem so energetic,” they responded, “Our members are energetic too!” Essentially, those who continued coming to Curves understood the importance of maintaining their immunity and attended more frequently than ever. Hearing this reaffirmed my belief that, regardless of COVID-19 or any other challenge, strength training and Curves are essential. Seeing that our employees shared this conviction was incredibly motivating. Their enthusiasm was not forced, and it was genuine. That realization strengthened our unity and determination to move forward together.



We partnered with Moris because we shared the same mission, philosophy, values, and a desire to contribute to the community

Discussion: Achieving Community Contribution Through the Franchise Chain System – Toward “Curves - 10 Years Later”

Sakamoto As evident from our franchise owner surveys, the bonds between our franchise headquarters and franchisees have grown even stronger since the pandemic. Frontline instructors now operate with a greater sense of purpose. I believe it was this shared sense of trust and unity that enabled us to overcome the pandemic.

And in 2022, even amid the pandemic, the Moris Group significantly increased membership at their clubs and was honored the Exciting Company Award, given to the most outstanding franchisees.

Morimoto When visiting clubs during the pandemic, I noticed that there were those that fully implemented headquarters' policies and those that had not. This led us to restructure our internal structure and reevaluate our management approach under headquarters' guidance. Unlike in our early days, we had grown to over 30 clubs, which meant that our management approach also needed to evolve. I greatly appreciated the guidance we received in determining the best course of action for each situation.

Under headquarters' guidance, we worked closely with our business supervisor to first strengthen collaboration and communication with our managers. From there, we worked to gradually promote this approach across each area and club. The ability to work in sync with our managers had a significant impact. As a result, our performance improved dramatically, ultimately leading to our Exciting Company Award win.

Elevating management and building a virtuous cycle of our service triangle across the chain

Sakamoto Whether Japan can recover from the deflationary economy that has lasted for 30 years, which is now known as the lost 3 decades, and whether the country can become prosperous again and allow each individual to thrive, depends entirely on the revitalization of local businesses. We truly believe that franchises can drive productivity and revitalization in local businesses. That is why we will continue to provide full support from the headquarters to help the Moris Group and all other franchisees achieve their goals.

Morimoto Going forward, we plan to continue focusing on “creating an abundant community” as our main theme and expanding the Curves business. One of our goals is to reach 50 Curves-related clubs by 2027.

In fact, due to a building reconstruction, we were faced with the difficult decision of closing one club in January 2025. However, I heard that members were pleading with our instructors not to close the club. We tried to find a new location, and when we visited the Chamber of Commerce, they understood the situation, saying, “This is a big deal.” It turned out that a city council member was also a Curves member, and they even asked if there was a good place for Curves to relocate. In the end, we managed to keep the club open by moving to a nearby location. This is a true example of “an abundant community.” I felt the strong connection

I was able to announce
our slogan:
“Creating a Good Company”
That was the proudest moment
of my career



our members have with us firsthand, and I realized we can't let this flame go out. How we respond to their expectations will guide us on the path ahead.

Sakamoto To keep that flame alive, we need to focus on developing people. To fulfill “our mission,” we will work even harder to ensure our frontline instructors can carry out their work with a sense of “job satisfaction, a sense of growth, and value.” We will continue to elevate our management to further enhance the virtuous service cycle of customer satisfaction, employee satisfaction, and performance across the entire chain.

Morimoto In the franchise chains I've joined before, there were always measures to increase sales, but after that, it was left up to us. But Curves is different. They also focus on how to increase the salaries of the people working in the clubs, which is something they directly discuss with us. This is something I've never experienced in any other franchise, and I think it's really amazing. It is precisely because we can generate profits with the know-how and support from headquarters that we can continue working to improve both customer and employee satisfaction.

When we started our Curves business, I proudly presented our long-desired slogan, “Creating a Good Company,” to all of our employees. That was one of the proudest moments of my career. Honestly, I wanted to say it during my previous ventures, but I couldn't because the reality didn't match. If we hadn't encountered Curves, we might have never been able to announce this slogan to this day.

Sakamoto Since 2022, the Moris Group has also been expanding with Men's Curves clubs as well.

Morimoto Men's Curves has been amazing. Even members who live quite far from the clubs keep coming because they value what we offer. Seeing this, I'm really excited about the potential for Men's Curves in the future. We're extremely grateful for the opportunity to challenge ourselves in this new area.

In January 2020, my eldest son joined the company as my successor. He decided to take over the business because he saw its future potential. Right now, he's receiving great support from the headquarters, especially as we focus on training future leaders through the opening of new clubs.

Sakamoto I feel that we are able to learn from and push each other to grow with the franchisees because we are business owners ourselves. We will continue to provide support from the headquarters in various areas, including the development of successors. I look forward to working with the Moris Group to achieve our vision for “Curves - 10 Years Later,” grounded in our philosophy of cooperation and co-creation.

I look forward to working with the
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for “Curves - 10 Years Later,”
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▶ P2 The Vision Behind “Our Mission”

▶ P4 Curves - 10 Years Later

▶ P28 Curves Group Franchise Model

Curves Group Materiality

Materiality identification process

Listing candidate issues

Related departments classify and organize issues in our business activities from an ESG perspective and compare them with GRI guidelines and other similar things

Setting priorities

The Sustainability Management Promotion Committee leads the identification of candidates for materiality issues, considering the social expectations for the Company voiced at investor meetings and other events

Identifying

Identify materiality issues to be prioritized by the Company through discussions at the Board of Directors meetings with reference to materiality maps and other materials

▶ Curves Group Sustainability
<https://www.curvesholdings.co.jp/en/sustainability/index.html>



Materiality	Related SDGs	E	S	G	Initiative theme	Corresponding pages of each materiality
1 Materiality ① Serving as community-based health infrastructure to help customers and society get mentally and physically healthier			●		<ul style="list-style-type: none"> Develop and improve products and services based on a correct understanding of customers' health problems and the needs and elimination of their negatives keep enhancing the quality of services and products offered; and keep boosting customers' satisfaction and health. Scientifically verify the effect of exercise based on the idea of evidence-based exercise. Get actively involved in academic research that addresses health problems in society. 	Curves Group Franchise Model ▶ P28 Discussion: Achieving community contribution through the franchise chain system – Toward "Curves - 10 Years Later" ▶ P30
2 Materiality ② Business operation aimed at the highest safety and reliability for customers			●		<ul style="list-style-type: none"> Safety and reliability of hardware (e.g. facilities, exercise equipment) Ensure safety and reliability in the offering of software services. Make the PDCA cycle of safety and reliability work to ensure continued improvements 	Special Feature 1: Initiatives to Become the Highest Safety and Reliability for Customers ▶ P38
3 Materiality ③ Create business models and operate clubs in a way that is eco-friendly and entails smaller risks of climate change		●			<ul style="list-style-type: none"> Create business models and a mechanism of club operation with a reduced environmental impact Initiatives for reducing the environmental impact in view of the entire supply chain Create business models and a mechanism of club operation in a way that is capable of reducing the risks of climate change 	Social "Curves Group Human Capital" ▶ P44 Environment "Curves Group Initiatives to Address Climate Change Risks" ▶ P46
4 Materiality ④ Develop human resources and workplaces and operate organizations for each motivated individual to shine			●		<ul style="list-style-type: none"> Develop human resources and operate organizations in a way that enhances a sense of "job satisfaction, a sense of growth, and value" of each worker (including franchisees). Develop workplaces and operate organizations in a way that helps each worker (including franchisees) to stay healthy, improve his/her quality of life and be happier. Develop independent human resources by enabling each worker (including franchisees) to demonstrate his/her independence, and operate organizations in a collective genius manner where the wisdom of each person can be utilized. 	Corporate Governance ▶ P48
5 Materiality ⑤ Contributing to local communities			●		<ul style="list-style-type: none"> Contribute to making local communities healthy and improving social capital. Operate a healthy franchise chain in an effort to contribute to the regional economy and employment. 	
6 Materiality ⑥ Respect fair trade, human rights and human nature in the supply chain			●	●	<ul style="list-style-type: none"> Form a partnership with suppliers Build reciprocal relationships with franchisees who are our business partners. (Obey the ethical guidelines established by the Japan Franchise Association) Build a supply chain that respects human rights and human nature 	
7 Materiality ⑦ Effective corporate governance				●	<ul style="list-style-type: none"> Enhance medium- and long-term corporate value and make managerial decisions from a strategic perspective. Observe the CURVES Group's five management guidelines in business management. Orient business management toward engagement with stakeholders. Base decision making on the open sharing of information and lively discussion. Observe compliance requirements Build a risk management system 	

Materiality 2



Initiatives to Become the Highest Safety and Reliability for Customers

At Curves, we believe that exercise can be continued for a long time only with a high degree of safety, which then can provide the health benefits of exercise. For that reason, we are engaged in various efforts to become No. 1 in safety and reliability.

Safe and reliable exercise programs

 <p>Blood pressure measurements</p> <p>Those who are worried about blood pressure can take measurements prior to exercising to determine whether to exercise on the day or to adjust intensity</p>	 <p>Health management</p> <p>Customers with pains in joints can decide not to use machines that aggravate the pain, enabling them to exercise within certain limits</p>	 <p>Health checks</p> <p>Instructors check the health of each user before exercise begins. They then support users so that they can exercise in line with their condition on the day</p>	 <p>Warmup/cool-down</p> <p>Customers go through warmups and cool-downs within their exercise programs to increase exercise safety</p>
 <p>Safety</p> <p>During exercise, instructors are present in the circuit to assist users</p>	 <p>Exercise intensity</p> <p>Heart rates are regularly measured during exercise to adjust the level of intensity for each user</p>	 <p>Hydraulic machines</p> <p>Strength training uses highly safe hydraulic machines</p>	 <p>AEDs/lifesaving training</p> <p>Instructors regularly undergo lifesaving training to prepare for any emergencies</p>

Safety management and PDCA cycle in clubs

Once a year, all Curves clubs host the "National Curves Safety Week" and the "Curves Safety Training" program. In these events, our subsidiary Curves Japan, which functions as the franchise headquarters (hereinafter the "headquarters"), provides each club with various manuals and tools to facilitate effective training nationwide.

<p>Ensuring safety and reliability at each club with various tools</p> 	<p>Educating members with posters</p> 
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Safety training process

<p>Notice Headquarters</p> <ul style="list-style-type: none"> The headquarters informs annual training schedule to all clubs The headquarters provide the latest manuals and tools 	<p>Preparation Clubs</p> <ul style="list-style-type: none"> Clubs confirm the manuals in line with learning visuals provided by the headquarters Display Safety Week posters Confirm closest evacuation point Inspect emergency first-aid kits and heatstroke treatments 	<p>Day of safety training Clubs</p> <ul style="list-style-type: none"> Conduct training in line with training visuals provided by the headquarters Travel to evacuation point Safety and disaster prevention inspections Safety confirmation app response training 	<p>Post-safety training Franchise owner/Headquarters</p> <ul style="list-style-type: none"> Confirm completion at each club Confirm evacuation point for each club Confirm inspection results for each club
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Initiatives for food safety and reliability

To deliver products to our members that can be consumed with peace of mind, our products are produced through OEM at factories that have received the U.S. GMP certification*, the world's highest safety standard.

*GMP approved by NSF International, the certification body for nutritional supplements in the United States. Higher management standards than domestic GMP are required.



Safe and reliable ingredients are carefully selected

After sourcing actual ingredients and conducting various analyses, only ingredients that meet Curves' quality standards are used.

Curves' quality standards (partial)

- 1 Commonly consumed as food (e.g.: whey protein derived from milk, etc.)
- 2 The origin is clear.
- 3 Processing plants have a high level of hygiene management and a proven track record of delivering to Japan
- 4 No variation in ingredient content, taste or color
- 5 Safety tests have proven that there are no problems. (e.g.: acute toxicity, chronic toxicity, carcinogenicity, genotoxicity, etc.)
- 6 Every batch of ingredients manufactured undergoes quality control tests (e.g.: whether no bacteria or metals are mixed in, etc.)



Uncompromising quality control

We ensure thorough hygiene management, manufacturing process checks, and final product checks in line with strict quality control standards at our domestic plants that have received GMP certification in the United States, which is recognized as the world's highest safety standard.

 <p>Change into clean work clothes and blow off even the smallest dust with an air shower.</p>	 <p>The manager checks whether the product is manufactured according to the correct procedures.</p>	 <p>Final products are checked with an X-ray detector to see whether no foreign objects are mixed in.</p>
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Reliable support system

In addition to support from our instructors, we have established a dedicated call center for Protein Healthy Beauty to handle more specialized questions such as those about ingredients and drug interactions, and have a training system in place to ensure accurate and courteous responses.



Advancing Our Efforts That Help Customers and Society Get Mentally and Physically Healthier



As a community-based health infrastructure, Curves not only contributes to the local community through business, but also supports local governments' health promotion policies and supports the resolution of medical issues through collaboration with local medical institutions aiming at resolution of health challenges in local communities. Further, we are also working to contribute to the enhancement of social capital through building connections and support among people in the community by leveraging the strength of women's local community, which is a uniqueness of Curves.

Medical and scientific evidence of the Curves exercise program

Based on the concept of evidence-based exercise (scientifically proven exercise), Curves has been scientifically demonstrating the effectiveness of the Curves exercise program through joint research with universities and research institutes. In principle, in joint research, we use scientifically effective methodologies such as RCTs (randomized controlled trials), and we ensure the research results have a high level of evidence as peer-reviewed papers.

Results of past joint research

Through past joint research, we have discovered scientific proof that exercise at Curves not only helps people lose weight but also aids in the prevention and improvement of metabolic syndrome, locomotive syndrome, and dementia, as outlined below.

Prevention of lifestyle-related diseases

National Institute of Health and Nutrition Metabolic Syndrome

- Exercise at Curves three times a week has proven to be effective against metabolic syndrome. The following three changes were seen in the diagnostic criteria for metabolic syndrome in specific health check-up."
 - Reduction in abdominal girth (more than 90 cm for women)
 - Lower blood pressure and blood sugar levels
 - Significant reduction in arteriosclerosis, one of the biggest goals in the prevention of metabolic syndrome
- In middle-aged and elderly Japanese women, a higher frequency of aerobic exercise and strength training was found to be associated with a lower incidence of Type 2 diabetes.

Prevention of nursing care

Tokyo Health and Geriatrics Medical Center Improvement in physical activity/cardio functions

- These research results suggest that training is effective for the improvement of cardio functions and physical activity.

Prevention of lifestyle-related diseases

Kuno Laboratory of University of Tsukuba Graduate School Locomotive syndrome/sarcopenia

- By continuing the Curves exercise program for a long period of time, it is considered that the loss of muscle mass due to aging of approximately 3 to 9 years can be prevented, leading to the prevention of sarcopenia, which causes the need for long-term care.
- Research suggests that, compared to walking, six months of circuit training for middle-aged and elderly women can help to improve the cross-sectional area of the psoas major muscle, isokinetic knee joint flexion muscle strength, and hip joint flexion muscle strength, and to reduce high subcutaneous fat.

Improving Cognitive Functions

Tohoku University Cognitive Functions

- Four weeks of circuit training was proven to be effective in improving a broad range of cognitive functions, including executive functions, episodic memory, and processing speed.
- A single session of 30 minutes of circuit training was shown to lead to immediate improvements in cognitive function and vitality.

Materiality 1 <https://www.curvesholdings.co.jp/en/sustainability/materiality01.html>



TOPIC | Ministry of Health, Labour and Welfare establishes "Physical Activity and Exercise Guide for Health Promotion 2023"

In the Physical Activity and Exercise Guide for Health Promotion 2023 published in January 2024, the government recommended strength training as part of exercise for the first time. It also included a new recommendation for the elderly to engage in multi-component exercise, such as circuit training that combines aerobic, strength, and balance training, at least three days a week.

To contribute to the achievement of the government's targets for 2032, at the Curves Group, we will conduct business with a further focus on addressing social issues.

Physical Activity and Exercise Guide for Health Promotion 2023 List of Recommendations

[General guidelines] Adjust the intensity and amount of physical activity based on individual differences, start with what is manageable, and move more than you currently do

Eligibility	Physical activity (= Daily activities + Exercise)		Sedentary behavior
Elderly people	Walking or equivalent (intensity of 3 METs or higher) physical activity for 40+ minutes a day [6,000+ steps a day] (= 15+ METs-hours per week)	Exercise At least 3 days per week of multi-component exercises (aerobic, strength, balance, stretching) [Strength training 2-3 days per week]	Avoid extended periods of sedentary behavior. (For those with difficulty standing, try to move as much as possible and avoid prolonged inactivity.)
Adult	Walking or equivalent (intensity of 3 METs or higher) physical activity for 60+ minutes a day [8,000+ steps a day] (= 23+ METs-hours per week)	Exercise 60+ minutes of exercise per week at an intensity that makes you breathe harder and sweat (3+ METs), or 4+ METs-hours per week [Strength training 2-3 days per week]	
Children	[Reference] * Specifically those with limited physical activity • Engage in 60+ minutes of moderate-intensity or higher physical activity (3+ METs, primarily aerobic) each day. • Perform vigorous aerobic activities and muscle- and bone-strengthening exercises at least 3 days a week. • Reduce sedentary time, regardless of the amount of physical activity. Focus on minimizing leisure screen time.		

Source: Created based on the Physical Activity and Exercise Guide for Health Promotion 2023 from the Ministry of Health, Labour and Welfare https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kenkou_iryou/kenkou/undou/index.html (in Japanese only)

Safe Curves exercise program

The Curves exercise program combines the three types of exercise essential for women's health: strength training, aerobic exercise, and stretching, into circuit training that allows for a full-body workout in just 30 minutes. The independently developed hydraulic machines enable easy adjustment of intensity according to each person's physical strength and fitness, ensuring that exercises can be performed safely. Instructors provide personalized exercise guidance and support for women who worry that they're not good at working out, that they're losing strength as they age, or have other worries, so they can stick to it and see results without stress or strain.

Strength training uses highly safe hydraulic resistance machines

Curves uses hydraulic machines for strength training in its exercise program.

Hydraulic machines determine the exercise load according to the speed at which the user moves, unlike standard fitness machines that adjust exercise load with weights. As soon as you stop moving, the machine also stops, and slowly returns to its original position, virtually eliminating the risk of injuries caused by the equipment during strength training.

Anyone can easily use hydraulic machine since there is no need to adjust the weights. Because the machines can be operated with minimal effort, women of various ages can perform strength training without strain according to their physical strength.





Support for resolving medical issues through collaboration with medical institutions

At Curves, we are working to strengthen our collaborations with medical institutions.

Medical institutions recommend Curves as a place for exercising safely under the appropriate guidance of a doctor to those having mild heart disease, those whose insurance coverage for cardiac rehabilitation has expired, or those with joint pain, etc.

Major Collaborations with Medical Institutions

- 1 Cardiac Rehabilitation Collaboration
 - CR-GNet (Gifu Cardiac Rehabilitation Network)
 - 7 Cardiac Rehabilitation Hospitals in Yokohama
 - Ageo Chuo Sogo Hospital, etc.
- 2 Plastic Surgery Collaborations
 - Mori Orthopedic Rehabilitation Clinic
 - Sugamo Kitaguchi Plastic Surgery Clinic
 - Yokohama Machida Orthopedic Hospital and 25 other clinics

▶ Information for medical professionals
<https://www.curves.co.jp/medical/> (in Japanese only)



TOPIC Collaborative project presented at the academic meeting of the Japanese Clinical Orthopedic Association

At the 37th academic meeting of the Japanese Clinical Orthopedic Association, held in July 2024, a collaborative project we conducted with an orthopedic clinic was presented on stage. To address challenges facing medical institutions and to provide solutions to community health problems, we are engaged in various activities to reinforce our collaborative work.



Support for health promotion and enhancement of social capital in collaboration with local governments

Curves cooperates with local governments nationwide to support local health promotions including health-related events for raising health awareness among residents. To date, we have worked with more than 30 local governments across Japan.

We will continue contributing to making local communities healthy and improving social capital.

▶ Information for local governments
<https://www.curves.co.jp/government/> (in Japanese only)



TOPIC

Curves Japan Signs Collaboration Partnership for Health Promotion with Kashiwara City in Osaka Prefecture.



On April 19, 2024, Curves Japan signed a Collaboration Partnership for Health Promotion with Kashiwara City, Osaka Prefecture, to further advance health promotion efforts in the city. Through this partnership, Curves Japan and Curves clubs within Kashiwara City will work together on initiatives to promote the health of citizens. In doing so, the aim is to help "citizens take the lead in bettering their health to enable them to lead their lives in good physical and mental health," which is the basic principle of the 4th Kashiwara Health 21 Plan (Health Promotion Plan). The aim is to both extend the healthy life expectancy of citizens and to improve their health literacy.

Curves Japan Signs Comprehensive Collaboration Partnership for Health Promotion with Chikusei City in Ibaraki Prefecture

On August 23, 2024, Curves Japan signed a Comprehensive Collaboration Partnership with Chikusei City, Ibaraki Prefecture, to further advance health promotion efforts in the city. Through this partnership, Curves Japan and Curves clubs within Chikusei City will work together on initiatives to promote the health of citizens. The aim is to "create a local society in which all citizens, from children to senior citizens, can live healthily," which is the basic principle of the 2nd Chikusei Comprehensive Health Plan.



Curves Food Drive

Food drives started in the United States in the 1960s as an activity to collect leftover food from households and donate to local facilities in need. Curves has conducted food drives every year since 2007, when such an initiative was not yet widely known in Japan. For the 17th food drive in 2024, approximately 143,000 people participated. The approximately 190 metric tons of food collected were donated to 741 children's homes, mother-child support facilities, etc. nationwide through Curves clubs. Curves leverages the club network rooted in local communities all over Japan. This effort not only contributes to the good cause of local communities, but also helps reduce food loss, which the Ministry of Agriculture, Forestry and Fisheries promotes as an environmental measure for the food industry.

▶ Curves Food Drive
<https://www.curves.co.jp/convey/food/> (in Japanese only)



1. Food products are donated by Curves members and community residents
2. Curves instructors pack and deliver the food products
3. The products are donated to children's care facilities and mother/children facilities, etc.



A voice from a welfare facility who received donations

Thank you again for delivering so many food products to us this year. We are both surprised and deeply grateful for the amount and variety of food you have donated. The children were overjoyed to see the mountain of food from Curves. Many of our children have experienced a life of poverty. We believe that allowing them to fill their stomachs alongside trusted friends and adults as a normal everyday life is essential for their growth. Children who receive the nutrients needed for a healthy body and mind will be able to develop the energy to pursue their dreams and aspirations. We would like to express our sincere gratitude to the many Curves members who support our nutrition education activities.

A voice from a member who took part in the initiative

We buy seasonings and flour with a long shelf life, so it's not a burden to donate them. When I receive letters from the facility, I feel a sense of fulfillment in having contributed and am eager to participate again next year.

I had always been interested in volunteering. It was rewarding to contribute to society in a simple way, without the need to seek out opportunities on my own. I have also personally donated everyday necessities to several of the facilities I encountered through this initiative.

A voice from a Curves instructor who took part in the initiative

We collected many food products thanks to the generous donations of Curves members. Some of our members returned home to pick some items up, others came with bags full of goods, and some even came with bags of rice. It was very fulfilling to be able to deliver this generosity to the facilities in need. At Curves, we will continue to do everything we can to contribute to society and our community.

Cumulative total over 17 years
 Total participants 2.08 million persons
 Total food products 2,882 metric tons

▶ Materiality 5 <https://www.curvesholdings.co.jp/en/sustainability/materiality05.html>





Social Curves Group Human Capital

At the Curves Group, human resources are positioned as one of the most essential management resources. It is our important management goal to respect the humanity of each and every one of our employees, to keep enhancing a sense of “job satisfaction, a sense of growth, and value,” and to ensure each individual achieves healthy and fulfilled life. This basic policy applies not only to the Curves Group as the franchise headquarters, but also to the franchisees, and we value it as a way of managing the entire chain.

In “Curves, 30-minute Fitness for Women,” we have positioned “Realization of the No. 1 workplace for women to shine” as an important strategy since our founding. We have implemented “full-time employment, two days off per week and Sundays and holidays off, no night shifts” system for our staff, which was rare in those days for “employment conditions for women as fitness instructor and customer service.” We also emphasized skill improvement through comprehensive training. The mobilization and growth of female human resources through these strategies can be considered one of Curves’ success factors.

Curves Group Initiatives

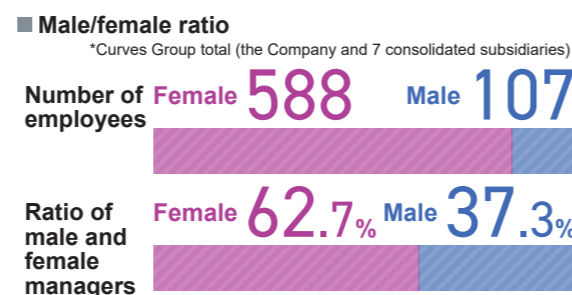
Fair HR system

Merit-based HR system

The Curves Group builds and operates a unique and fair HR system in which salaries, positions, etc. are determined according to the performance (demonstration ability) of each employee, regardless of gender, race, etc. We clearly define the abilities required to perform each job and set 54 levels of evaluation criteria. All employees undergo self-evaluation and evaluation by their superiors once every six months. The results of the evaluation are fed back by superiors, enabling each individual to understand what abilities and skills they should acquire and leverage. Thus, this is the HR system also designed for self-growth by improving their own abilities and skills.

Status of female employment

Since its founding, Curves has managed its organization with the aim of becoming “the No. 1 workplace for women to shine.” Equal opportunities are provided regardless of gender, and we strive to create opportunities for each individual to play an active role in line with their life and career plans. Please see the next page for the male/female ratio of employees and managers in the entire Curves Group as of August 31, 2024.



Initiatives for employees

Initiatives for health

Curves Group is making efforts to raise employee awareness of health and help them become healthier by paying health allowances to those employees who meet the requirements. At the headquarters as well, we have set up a circuit training room with machines similar to those in clubs, providing an environment where employees can freely use them during breaks.

All employees made a habit to do a set of 30 minutes of strength training + aerobic exercise + stretching
Certified as a Sports Yell Company 2024 by the Japan Sports Agency

Curves Japan was certified as a Sports Yell Company 2024 by the Japan Sports Agency and as a Tokyo Sports Promotion Company for 2023 by Tokyo Metropolitan Government. The Company’s rule of implementing Curves workouts at least 8 times a month* for employees and their adopting of exercise habits were recognized. We have also received the Bronze award, which is given to companies that have been certified as a Sports Yell Company for at least five consecutive years.

*General staff and members with reduced working hours are required to do workouts at least 5 times a month.



Curves Chain Initiatives

Identifying employee satisfaction and reflecting it in organization management

We conduct employee surveys twice a year, providing an opportunity to employees to express their feelings openly. The management team understands their feelings and works together to create a better workplace.

Stock Benefit Plan for Employees <Performance-linked Compensation Plan>

On January 31, 2022, Curves Holdings introduced the employee stock ownership plan (J-ESOP) which is a compensation plan for employees as part of its employee incentive plan. By better aligning employees’ interests with company’s share price and performance and allowing them to share the economic results with shareholders, we aim to raise employees’ motivations for higher share price and company performance. In introducing this plan, Curves Holdings and its subsidiaries have formulated the Stock Benefit Regulations. This incentive plan provides company shares to eligible employees at Curves Holdings and its subsidiaries who fulfill the requirements of beneficiaries outlined in these regulations.

Innovations in recruitment, retention, and education

At Curves, human resources are positioned as one of the most essential management resources, and it has implemented a “full-time employment, two days off per week and Sundays and holidays off, no night shifts” system for its staff, which was rare in those days for “employment conditions for women as fitness instructor and customer service,” and continued employment for employees throughout the chain even during the COVID-19 pandemic. Through a comprehensive training system that enhances employees’ sense of “job satisfaction, a sense of growth, and value,” we are working to develop skills and develop a sound organizational culture.

Provision of education and skill improvement opportunities

Curves offers numerous opportunities for training and upskilling not only to the Group employees, but also employees of franchisees. A wide range of training opportunities include acquiring specialized expertise as a coach, improving practical skills for customer support, acquiring specialized knowledge related to health and medicine, management skills and developing leadership. We provide a variety of learning and skill-up environments, such as regular group trainings and the e-learning environment.

Organization of collective genius that leverages each employee’s wisdom

Based on the idea that “while each person is not a genius, putting together everyone’s wisdom and effort does more than what one genius does,” we value learning from each other in the organization, and sharing wisdom for cooperation. As its premise, we are focusing on developing autonomous individuals who can think and act on their own.

Three Qualities for Independent Employees Defined by Curves Chain

Takiryoku	Leadership	A spirit of challenge
<ul style="list-style-type: none"> Finding joy in bringing happiness to others 	<ul style="list-style-type: none"> Becoming a person who can impact others rather than being impacted Becoming a person who can change the course of events Becoming a person who can lead people in a better direction 	<ul style="list-style-type: none"> Enjoying new challenges without fear of failure

Ascertaining the level of employee satisfaction across the entire chain, understanding their organizational culture, and reflecting in organization management

At Curves, for the purpose of improving the entire organization of the Curves chain, Curves divisions of each franchisee and each club, we conduct an annual survey of all instructors on their job satisfaction. It is compiled into reports for each franchisee for sharing with them as the “Organizational Culture Survey.”





Environment Curves Group's Initiatives to Address Climate Change Risks

The Curves Group will put into practice sustainability management by striving to improve society and the environment. As part of our initiatives, we disclose important climate-related information in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) framework.

Detailed information in line with the TCFD framework can be found on our website.
<https://www.curvesholdings.co.jp/en/sustainability/materiality03.html>



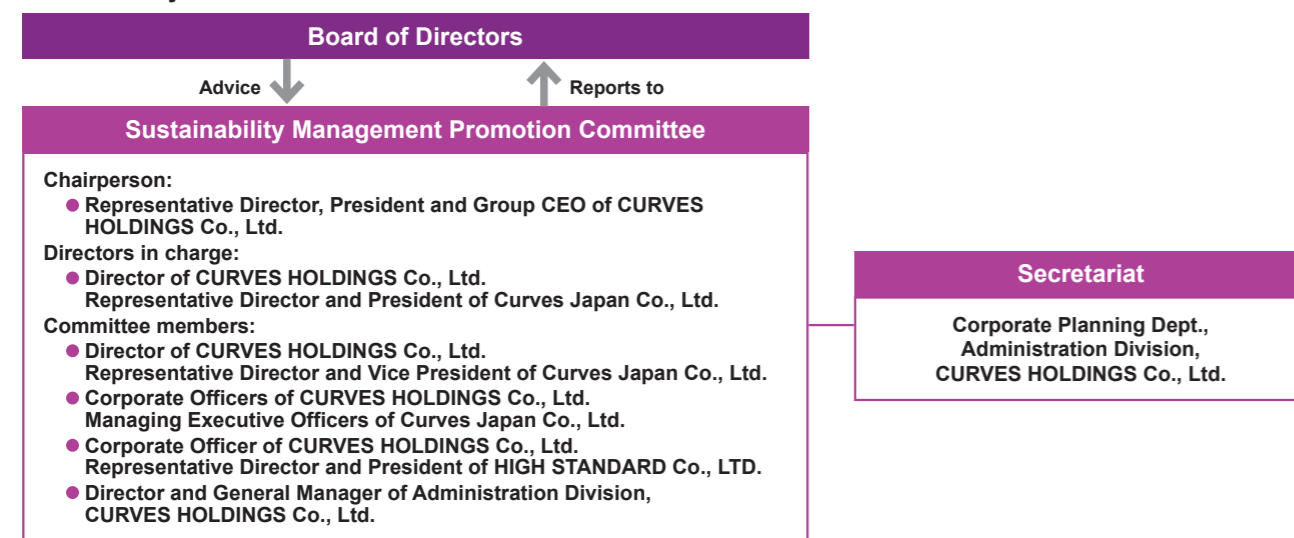
Governance

We established the Sustainability Management Promotion Committee in November 2022. The Sustainability Management Promotion Committee is chaired by the Representative Director and President, and the person responsible for it is the Representative Director and President of Curves Japan, a major subsidiary. Consisting of members responsible for different areas of business (i.e. presidents and managing executive officers of subsidiaries), the Committee meets once every quarter through Sustainability Management Promotion Meetings. The Corporate Planning Department at the Administration Division functions as the Committee's secretariat.

At the meetings, the Committee identifies sustainability-related issues, sets goals, and manages progress towards their achievement. The content of these meetings is reported to the Board of Directors, and the Board of Directors is responsible for supervising and providing advice on Group-wide progress with initiatives related to ESG opportunities and risks and medium- to long-term goals.

Framework for Responding to Climate Change

Sustainability Promotion Structure



Strategy

Analytical process

Based on the risks and opportunities given by the TCFD recommendations, we examined the potential climate-related risks and opportunities for the Group's businesses. Moreover, based on the 1.5°C and the 4.0°C scenarios, we conducted analyses related to changes in policy and market trends (transition risks and opportunities) and physical changes caused by natural disasters (physical risks and opportunities).

Impact assessments and countermeasure selection for risks and opportunities

Under the 1.5°C scenario, customers will demand low-carbon products and services in line with advancements in decarbonization. If we can respond to these demands, we expect to be able to take advantage of business opportunities and improve our brand image. A cost burden is also expected in line with carbon taxes and other government regulations. On the other hand, under the 4.0°C scenario, despite promotion of low-carbon and decarbonization measures, their effects will be limited. CO₂ emissions will continue to rise, and risks associated with abnormal weather patterns and natural disasters will increase. As a result, stronger BCP measures will be needed both internally and externally.

Risks and Opportunities	Impact from climate change	Time axis	Level of impact	Countermeasures	
Transition risks	Laws, regulations, and policies Costs associated with the procurement of raw materials for merchandise will increase due to tighter regulations on GHG emissions among suppliers	Medium to long term	Medium	<ul style="list-style-type: none"> Cooperate with suppliers to gauge and reduce CO₂ emissions Review and diversify the entire supply chain 	
	Costs associated with the introduction of renewable energy will increase	Medium term	Minor	<ul style="list-style-type: none"> Switch to energy-saving facilities 	
Physical risks	Technology Costs associated with the introduction of new equipment and upgrades will increase (air conditioning, lighting, and hot water equipment based on the ZEB-standard)	Medium term	Minor	<ul style="list-style-type: none"> Examine highly cost-effective equipment and upgrades Use subsidies for introducing equipment Formulate long-term equipment plans 	
	Acute	Sales will decrease due to the suspension of operations caused by flood damage at clubs	Short term	Medium	<ul style="list-style-type: none"> Formulate and execute BCP Promote flood-prevention measures Subscribe to appropriate insurances
		Supply disruptions and lost opportunities will occur due to disasters or the suspension of production at factories where we outsource merchandise production on an OEM basis	Short term	Major	<ul style="list-style-type: none"> Review and diversify the entire supply chain Coordinated risk aversion with suppliers
		Supply delays and lost opportunities will occur due to temporary disruptions to supply chains for merchandise raw materials caused by floods and typhoons	Short term	Major	<ul style="list-style-type: none"> Review and diversify the entire supply chain Coordinated risk aversion with suppliers
Chronic	Suspension of operations and services will occur due to the destruction of data centers and the loss of data caused by abnormal weather such as floods and large-scale typhoons	Short to medium term	Major	<ul style="list-style-type: none"> Select areas that are unlikely to be impacted by natural disasters for data centers Formulate and execute BCP 	
	Raw material prices will soar due to a decrease in supply volumes caused by rising temperatures	Medium to long term	Major	<ul style="list-style-type: none"> Review and diversify the entire supply chain 	
Opportunities	Relocation costs will arise due to the need to reassess club locations in the medium to long term in response to rising sea levels	Long term	Minor	<ul style="list-style-type: none"> Formulate and execute internal BCP Carry out thorough risk assessments when opening new clubs 	
	Energy sources Brand image will improve thanks to greater reputation among customers	Medium term	Medium	<ul style="list-style-type: none"> Continuously disclose information for stakeholders Reinforce responses to external ratings including CDP. Proactively implement capital investments related to energy-saving and renewable-energy technologies 	
	Resilience Brand image will improve thanks to ensuring resilience through early restoration of business in times of disaster	Medium term	Minor	<ul style="list-style-type: none"> Formulate and execute internal BCP Reinforce disaster preparedness equipment Create regional cooperative structure for times of disaster 	
Market The need for exercise to boost immunity against the spread of infectious diseases will increase	Long term	Major	<ul style="list-style-type: none"> Reinforce hygiene management and infection prevention measures in facilities Provide fitness programs that boost immunity 		

[Time axis] Short term: Within 1 year; Medium term: 1 to 10 years; Long term: More than 10 years

Risk Management

Processes to identify, assess, and manage climate-related risks/integrated processes for company-wide risks

At the Curves Group, the Board of Directors meetings and the management meetings, which are held monthly, identify, assess, and manage risks related to climate change as necessary. Moreover, to respond to risks related to climate change, the Sustainability Management Promotion Committee identifies issues, sets goals, and manages progress. Each business department is responsible for executing risk countermeasures. Risks related to climate change that are managed by the Board of Directors and management meetings are assessed in terms of their level of importance among other company-wide risks and given an order of priority for response. This ensures an integrated risk management structure.

Metrics and targets

To assess and manage the impact of climate-related issues on management, we have calculated Scope 1 to 3 GHG emissions based on the GHG Protocol standards. Additionally, as one of our GHG reduction targets for the Company and its domestic subsidiaries, we are aiming to become carbon neutral by 2050 in terms of Scope 1 and 2 emissions.

*For details on our GHG emissions, see the Sustainability Data Book. [▶ P52 Sustainability Data Book](#)












Corporate Governance

Management (Skill Matrix)

◎ : Most expected ○ : Expected

	Management	Finance	Legal	Franchise business/Chain operations					Logistics	Marketing	Product development	Health care	New business development	Overseas (International)
				Facility development & strategy	Chain management	Club operations	Know-how development/Knowledge management	Administrative management (DX)						
 Takeshi Masumoto Representative Director, President and Group CEO Representative Director and Chairman, Curves Japan Co., Ltd. Representative Director and Chairman, HIGH STANDARD Co., LTD.	◎	○	○	○	○	○	○	○	○	○	○	◎	◎	
 Maki Sakamoto Director Representative Director and President, Curves Japan Co., Ltd. Director, HIGH STANDARD Co., LTD.	◎		◎	◎	○						○	○		
 Yoko Tajima (Masumoto) Director Representative Director and Vice President, General Manager of Business Development Division, Curves Japan Co., Ltd.	◎				◎	◎	◎		○		○	○		
 Shinya Matsuda Director General Manager of Administration Division	○	◎	○					○					○	
 Toyokazu Kawada Director (Full-time Audit and Supervisory Committee Member) Audit and Supervisory Board Member, Curves Japan Co., Ltd. Audit and Supervisory Board Member, HIGH STANDARD Co., LTD.	○							○						
 Sadayoshi Yamamoto Director (Audit and Supervisory Committee Member)		◎												
 Masahide Teraishi Director (Audit and Supervisory Committee Member)	○													

◎ : Most expected ○ : Expected

	Management	Finance	Legal	Franchise business/Chain operations					Logistics	Marketing	Product development	Health care	New business development	Overseas (International)
				Facility development & strategy	Chain management	Club operations	Know-how development/Knowledge management	Administrative management (DX)						
 Masanori Murakami Corporate Officer (Officer responsible for sales, personnel planning and new business) Managing Executive Officer, Deputy General Manager of Business Development Division, Curves Japan Co., Ltd.	○			◎	○							○	○	
 Tomoko Yotsukura Corporate Officer (Officer responsible for First Mentor and knowledge management operations) Managing Executive Officer, Deputy General Manager of Business Development Division, Curves Japan Co., Ltd.	○			◎	◎	○			○			○		
 Daisuke Kato Corporate Officer (Officer responsible for Third Mentor, business improvement and corporate club operations) Managing Executive Officer, Deputy General Manager of Business Development Division, Curves Japan Co., Ltd.	○			◎	◎	○			○			○		
 Hikaru Saito Corporate Officer (Officer responsible for advertising and marketing operations) Managing Executive Officer, Manager of Strategic Planning Department, Curves Japan Co., Ltd.	○								◎			○		
 Yumeji Nakauchi Corporate Officer (Officer responsible for Franchise support and product planning operations) Managing Executive Officer, Manager of Product Planning Department, Curves Japan Co., Ltd.	○		○				◎	◎		◎		○	○	
 Yasushi Suzuki Corporate Officer (Officer responsible for corporate-owned club operation) Representative Director and President, HIGH STANDARD Co., LTD.	○			○	◎	○						○		

Use of outside Directors for free and active discussions

For free and active discussion, we provide outside Directors with materials such as internal information as appropriate, and we are working to ensure that they can fully demonstrate the functions of supervision and audit of appropriateness of the management. In addition, to ensure that outside Directors can fully supervise and audit the appropriateness of the management, outside Directors and Representative Director hold meetings to exchange opinions as appropriate.



Basic Views on Corporate Governance

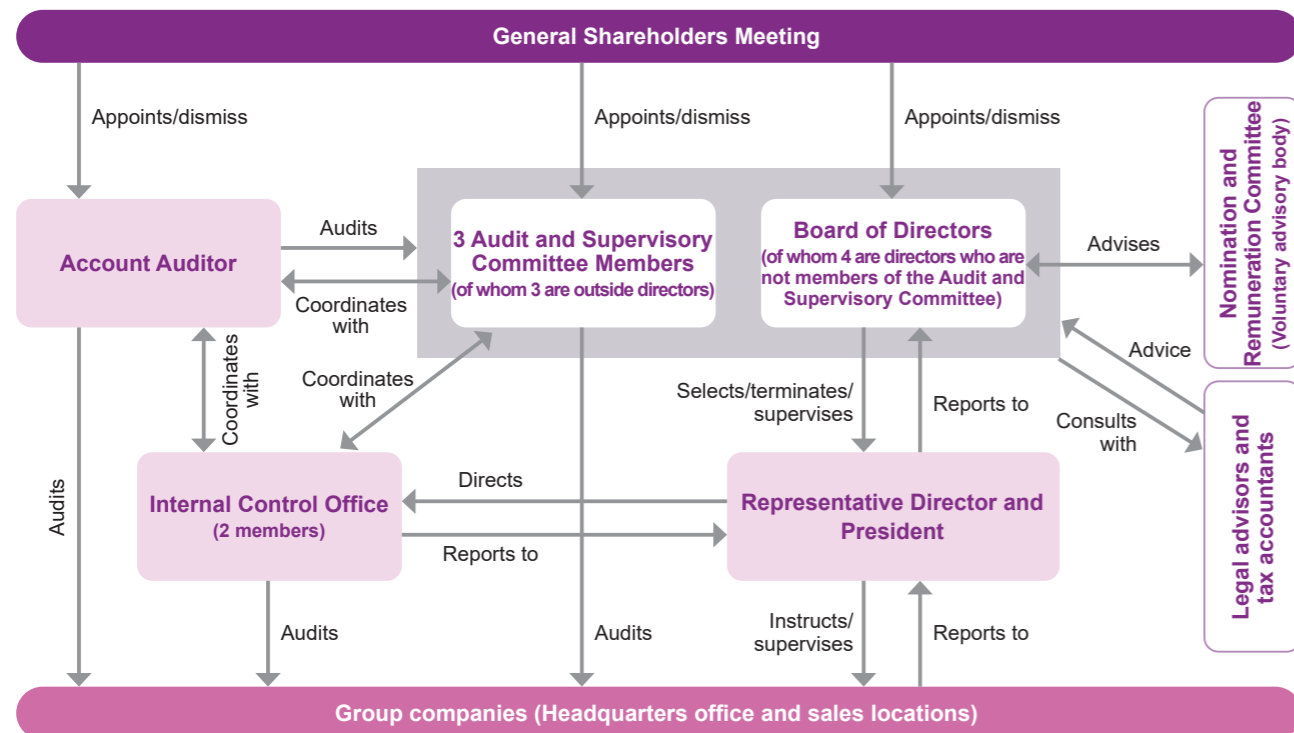
The Curves Group regards the enhancement of a highly effective corporate governance as an important management concern in order to achieve sustainable growth and improve corporate values over the medium to long term. We establish a system and are implementing various measures based on the basic policy of corporate governance to maintain transparency and soundness of management, to respond to fast changing business environments, and to realize timely decision-making and flexible organization management.

Current Status of Corporate Governance System

The Group's governance adopts a management system in which all subsidiaries are responsible for business execution functions by devoting themselves to business promotion, while the Board of Directors of the Company as the holding company is responsible for the management and supervisory functions of the entire Group. The Company's Board of Directors consists of seven directors. Regular meetings are held once a month, and special board meetings are held as needed. It makes decisions on management policies, management plans, annual budgets, and other material matters for each Group company. It also approves reports on monthly budget control, monthly business reports, and other important business matters from each Group company, and supervises business execution.

The Company's Directors (excluding Directors as Audit and Supervisory Committee Members) serve concurrently as Directors of each Group company, and directly supervise the execution of business at each company. Where possible, Board of Directors meetings are held at the same location and on the same date, ensuring a system that facilitates appropriate and consistent decision-making in a speedy manner.

Moreover, to strengthen corporate governance, the term of office for Directors (excluding Directors as Audit and Supervisory Committee Members) is one year. All three Directors as Audit and Supervisory Committee Members, who comprise the Audit and Supervisory Committee, are outside Directors. One is full-time and two are part-time.

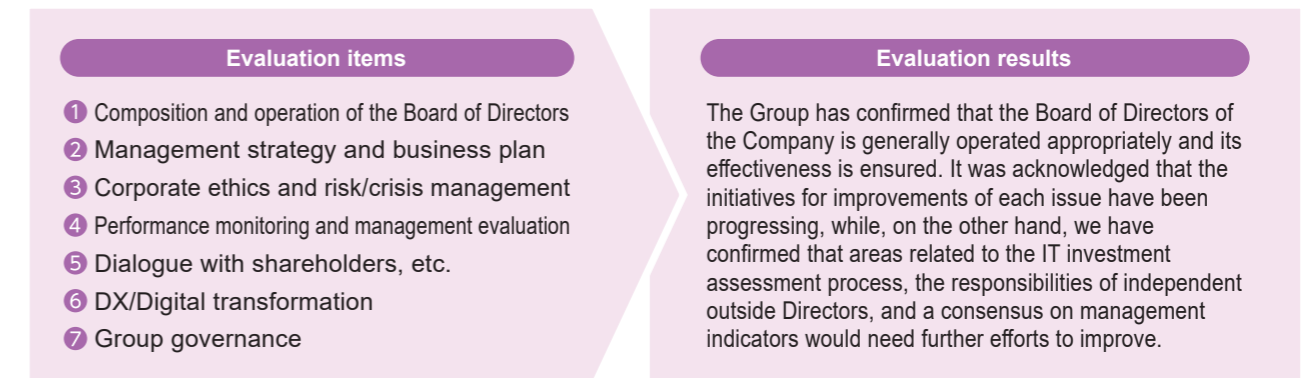


Composition of the Board of Directors

The Company does not discriminate based on gender or nationality and selects candidates for Directors based on their experience, achievements, abilities, and character. Among the four directors, excluding Directors as Audit and Supervisory Committee Members, one is a female Director who oversees the operation of the franchise chain and facility operations as the Vice President of Curves Japan, our core subsidiary. In addition, among the Directors as Audit and Supervisory Committee Members, we have appointed independent outside Directors who are certified public accountants and university professors, contributing to the effectiveness of the Board of Directors by leveraging their financial and accounting knowledge and cutting-edge research on corporate management.

Evaluation of effectiveness of the Board of Directors

From the fiscal year ended August 31, 2021, the Company has been analyzing and evaluating the effectiveness the Board of Directors once a year with the aim of improving its functions. In the fiscal year ended August 31, 2024, we conducted a questionnaire survey by all Directors of the Board of Directors to analyze and evaluate the effectiveness of the entire Board of Directors based on the opinions of external consultants.



Training policy for Directors

The Company's full-time Directors and Audit and Supervisory Committee Members participate in various seminars outside the Company as needed to acquire the necessary knowledge of the Company's business, finances, organization, and other relevant matters in order to properly fulfill their required roles and responsibilities.

For new Directors, the Company's policy is to have them attend external seminars designed for new Directors to deepen their understanding of their expected roles and responsibilities.

Remuneration for Directors

Remuneration for the Company's Directors (excluding Directors as members of the Audit and Supervisory Committee and outside Directors) is based on a combination of basic remuneration and non-monetary stock remuneration to make incentives work to ensure continuous growth of the corporate value. The basic policy is to determine total amount of remuneration of each Directors combining basic remuneration and stock remuneration by comprehensively considering the Director's position, evaluation of the duty execution, company performance, etc. Based on this policy, an amount equivalent to 90% of the total amount of remuneration determined by comprehensively considering the position and each Director's performance, Company's performance, etc. is paid as basic remuneration (monetary remuneration), and 10% as non-monetary remuneration in the form of the Company shares and a certain percentage of money in accordance with the Director Stock Benefit Regulations.

Nomination and Remuneration Committee

The Company has established and operates an arbitrary Nomination and Remuneration Committee in order to ensure the fairness of the Board of Directors' objective judgments and procedures regarding the nomination and remuneration of Directors (excluding Directors as Audit and Supervisory Committee Members). The committee consists of one Representative Director and two independent outside Directors. Independent outside Directors make up the majority, and an outside Director serves as chairman of the committee, enhancing independence and objectivity.



Sustainability Data Book

Environment

Items	FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023	FYE Aug. 2024	Scope
Scope 1 (t-CO ₂)	27	30	34	30	20	Company and domestic subsidiaries
Scope 2* ¹ (t-CO ₂)	593	682	694	697	656	
Scope 3* ^{1,2} (t-CO ₂)	41,508	40,980	44,312	48,238	56,658	
Cat. 1 Purchased goods and services (t-CO ₂)	27,611	25,095	28,129	32,850	41,104	
Cat. 2 Capital goods (t-CO ₂)	1,333	2,763	3,017	2,778	3,569	
Cat. 3 Energy-related activities (t-CO ₂)	90	109	114	112	112	
Cat. 4 Transportation and delivery (upstream) (t-CO ₂)	169	221	227	242	310	
Cat. 5 Waste generated in operations (t-CO ₂)	75	62	56	58	55	
Cat. 6 Business travel (t-CO ₂)	388	307	378	462	482	
Cat. 7 Employee commuting (t-CO ₂)	191	213	210	223	260	
Cat. 8 Leased assets (upstream) (t-CO ₂)	—	—	—	—	—	
Cat. 9 Transportation and delivery (downstream) (t-CO ₂)	3	2	3	3	4	
Cat. 10 Processing of sold products (t-CO ₂)	—	—	—	—	—	
Cat. 11 Use of sold products (t-CO ₂)	—	—	—	—	—	
Cat. 12 Disposal of sold products (t-CO ₂)	20	30	28	32	35	
Cat. 13 Leased assets (downstream) (t-CO ₂)	—	—	—	—	—	
Cat. 14 Franchises (t-CO ₂)	11,625	12,177	12,150	11,477	10,727	
Cat. 15 Investments (t-CO ₂)	—	—	—	—	—	
Electricity consumption* ³ (kWh)	1,222,118	1,488,320	1,555,530	1,532,711	1,562,761	Curves Japan
Electricity consumption per club (kWh)	10,983	13,280	14,134	13,698	13,149	
Water intake* ^{3,4} (m ³)	2,321	3,723	3,272	3,588	3,187	
Water intake per club* ⁴ (m ³)	111	143	121	124	100	
Wastewater volume* ^{3,4} (m ³)	2,321	3,723	3,272	3,588	3,187	
Wastewater volume per club* ⁴ (m ³)	111	143	121	124	100	
Number of Present Trees planted	188	148	164	136	121	
Cumulative number of Present Trees planted	2,704	2,852	3,016	3,152	3,273	
CO ₂ absorption from Present Trees planted (t-CO ₂)	5	5	6	6	6	

*1 Due to revisions to Scope 2 emissions factors and a partial recalculation of activity levels, Scope 2 and Scope 3 emissions from the fiscal year ended August 2020 have been amended.

*2 Our Scope 3 emissions have increased over the previous year due to factors such as an increase in merchandise sales. Further, the packaging materials used for the Protein and Healthy Beauty products we sell are aluminum pouches, eliminating any plastic packaging materials. We will continue to strive to reduce our burden on the environment.

*3 Covers headquarters and corporate clubs in Japan.

*4 Covers locations where water usage can be measured.

Social

Items	FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023	FYE Aug. 2024	Scope
Total number of employees	609	628	620	659	695	Curves Group Total
Number of full-time employees	548	565	557	568	568	
Number of male full-time employees	102	104	103	109	107	
Number of female full-time employees	446	461	454	459	461	
Number of non-regular employees	61	63	63	91	127	
Number of male non-regular employees	2	1	2	0	0	
Number of female non-regular employees	59	62	61	91	127	
Ratio of female employees to total employees (%)	82.9	83.3	83.1	83.5	84.6	
Ratio of female employees to full-time employees (%)	81.4	81.6	81.5	80.8	81.2	
Average length of service of full-time employees (years)	5	5	6	6	6	
Average length of service of male full-time employees (years)	5	5	6	6	7	
Average length of service of female full-time employees (years)	5	5	6	6	6	
Average age of full-time employees	33	33	34	35	35	
Number of female managers* ¹	36	34	34	37	37	
Female managers ratio* ¹ (%)	64.3	64.2	64.2	67.3	62.7	

Items	FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023	FYE Aug. 2024	Scope
Number of new graduates	39	27	23	30	23	Company and domestic subsidiaries
Ratio of female new graduates (%)	76.9	88.9	78.3	80.0	87.0	
Number of employees with disabilities	4	7	7	7	6	
Ratio of employees with disabilities (%)	0.7	1.3	1.3	1.2	1.0	
Ratio of female employees in management positions outside of administrative departments* ¹ (%)	72.5	71.1	71.8	75.6	70.5	
Ratio of females by job category (manager to executive manager) (%)	60.5	64.3	65.9	66.7	64.0	
Ratio of females by job category (other full-time employees) (%)	84.3	83.9	84.6	83.4	84.0	
Male childcare leave usage rate* ² (%)	0.0	33.3	33.3	40.0	40.0	
Female childcare leave usage rate (%)	95.7	100.0	100.0	100.0	97.0	
Return-to-work rate after childcare leave (full-time employees) (%)	100.0	88.0	89.5	94.7	93.8	
Return-to-work rate after childcare leave (non-regular employees) (%)	100.0	75.0	75.0	—	100.0	
Paid vacation usage rate (%)	55.3	56.8	61.7	62.1	61.6	
Nursing Care leave usage	0	0	0	0	0	
Occupational accidents, etc. (cases)	1	0	0	4	2	
Gender pay gap (total employees)* ^{3, *5} (%)	78.8	76.2	76.6	79.8	78.4	
Gender pay gap (full-time employees)* ^{3, *5} (%)	89.9	85.9	85.1	84.7	82.9	
Gender pay gap (non-regular employees)* ⁴ (%)	111.2	103.2	112.5	—	—	
Stress check participation rate (%)	80.3	90.2	93.4	89.5	90.5	
Food donations through food drives (tons)	267	178	196	214	190	

*1 Corporate officers are excluded from the calculation.

*2 Based on the provisions of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Act No. 76 of 1991), the calculated ratio of acquiring child care leave, etc., is in accordance with Article 71-4, Paragraph 1 of the Ordinance for Enforcement of the Act on Childcare Leave, Caregiver Leave, and Other Measures for the Welfare of Workers Caring for Children or Other Family Members (Ordinance of the Ministry of Labor No. 25 of 1991).

*3 Calculated based on the provision of the Act on the Promotion of Women's Active Engagement in Professional Life (Act No. 64 of 2015), excluding corporate officers.

*4 For non-regular employees, the number is converted based on the average prescribed hours of full-time employees. Gender pay gap between male and female non-regular workers from the fiscal year ended August 31, 2023 is shown as "-", as there are no male non-regular workers to be counted.

*5 The Group builds and operates a unique and fair merit-based HR system in which salaries, positions, etc. are determined according to the performance (demonstration ability) of each employee, regardless of gender, race, etc. Accordingly, the same wage system is applied regardless of gender, and personnel evaluations are conducted based on the same criteria for both men and women, and there are no differences between men and women in the personnel system. The main factors contributing to the differences in wages between male and female workers are the following:

- The wages for non-regular employees, which is part of a diverse working style, are lower compared to regular employees, and non-regular employees are almost entirely women.
- Many employees choose diverse ways of working such as taking maternity leave, childcare leave, or shorter working hours for childcare, with a high proportion of such employees being women.

Employees of Curves Japan Co., Ltd. are categorized by their responsibilities, and excluding employees who used maternity leave, childcare leave, or shorter working hours for childcare system during the fiscal year ended August 31, 2024, the gender pay gap among employees is as follows:

Gender pay gap (total employees) (%)	76.8
Gender pay gap (managers and supervisors) (%)	97.2
Gender pay gap (other employees) (%)	90.9

Governance

Items	FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023	FYE Aug. 2024	Scope
Female directors ratio (%)	14.3	14.3	14.3	14.3	14.3	Company
Female corporate officers ratio (%)	20.0	20.0	42.9	42.9	42.9	Company and domestic subsidiaries
Number of violations of code of conduct and ethics	0	0	0	0	0	
Number of investigations on corrupt practices (corruption and bribery)	0	0	0	0	0	
Number of investigations on anti-trust law (and related laws)	0	0	0	0	0	

*Period is a fiscal year (Sept-Aug for domestic companies and July-June for overseas subsidiaries).

*Curves Group Total (the Company and its affiliates) are the Company (CURVES HOLDINGS Co., Ltd.: holding company), and seven consolidated subsidiaries (Curves Japan Co., Ltd., HIGH STANDARD Co., LTD., Curves International, Inc. Curves Europe B.V., CFW Operations Europe Limited, Curves International of Spain, S.A., and KIMOSCAPE(PY)LTD).

*Domestic subsidiaries are Curves Japan Co., Ltd. and HIGH STANDARD Co., LTD.

Financial Data

Financial/Non-financial Highlights

(Million yen)

	FYE Aug. 2019	FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023	FYE Aug. 2024
Consolidated Statement of Income						
Net sales	28,036	25,082	24,681	27,509	30,022	35,465
Gross profit	11,504	9,168	10,403	11,991	12,806	15,145
Selling, general and administrative expenses	6,068	8,000	8,780	9,248	8,954	9,687
Operating profit	5,436	1,167	1,622	2,742	3,851	5,458
Ordinary profit	5,242	1,165	1,716	3,311	3,841	5,472
Profit attributable to owners of parent	3,706	764	1,129	2,247	2,551	3,566
EBITDA* ¹	7,141	2,847	4,389	4,738	6,161	7,692
Consolidated Balance Sheet						
Current assets	11,281	15,275	14,961	13,739	14,338	15,490
Non-current assets	22,943	21,562	21,323	24,612	24,773	25,884
Total assets	34,224	36,837	36,284	38,352	39,111	41,374
Current liabilities	8,018	7,262	8,929	9,307	10,686	11,654
Non-current liabilities	18,464	21,432	18,191	16,688	13,354	10,311
Total liabilities	26,482	28,695	27,121	25,996	24,041	21,965
Shareholders' equity	7,599	8,005	8,665	8,868	10,621	13,158
Total net assets	7,742	8,142	9,163	12,355	15,070	19,409
Total liabilities and net assets	34,224	36,837	36,284	38,352	39,111	41,374
Consolidated Statement of Cash Flows						
Net cash provided by (used in) operating activities	5,321	1,882	3,240	3,273	4,920	5,426
Net cash provided by (used in) investing activities	(418)	(464)	(733)	(943)	(891)	(967)
Net cash provided by (used in) financing activities	(5,856)	2,765	(2,309)	(4,218)	(4,091)	(4,327)
Cash and cash equivalents at end of period	5,350	9,533	9,760	7,943	7,855	8,002
Free cash flows* ²	4,902	1,418	2,507	2,329	4,028	4,459
Per share indicator						
Earnings per share (EPS) (Yen)	60.89	8.73	12.04	24.20	27.71	38.75
Net assets per share (BPS) (Yen)	94.07	86.76	97.63	134.22	163.70	210.83
Dividends per share (Yen)	49.00	5.00	5.00	7.00	10.00	15.00
Financial indicators						
Operating profit to net sales (%)	19.4	4.7	6.6	10.0	12.8	15.4
Profit to net sales (%)	13.2	3.0	4.6	8.2	8.5	10.1
Equity ratio (%)	22.6	22.1	25.3	32.2	38.5	46.9
Return on invested capital (ROIC)* ³ (%)	14.0	3.1	4.3	6.4	8.8	12.0
Return on equity (ROE) (%)	46.0	9.6	13.1	20.9	18.6	20.7
Ordinary profit to total assets (ROA) (%)	14.6	3.3	4.7	8.9	9.9	13.6
Payout ratio (consolidated) (%)	80.5	57.3	41.5	28.9	36.1	38.7
Non-financial Data*⁴						
Total club count (clubs)	1,991	2,020	1,958	1,947	1,962	1,978
Total membership count (members)	822,169	600,786	693,769	754,373	776,960	817,351
Chain-wide sales (Million yen)	70,241	57,369	58,598	64,433	71,385	80,978
Membership fee/dues income (Million yen)	55,758	43,403	44,135	48,104	53,975	58,910
Merchandise sales (Million yen)	14,483	13,966	14,463	16,329	17,409	22,067

*¹ EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = Operating profit + Depreciation + Amortization of goodwill and trademark right, etc.*² Free cash flows = Net cash provided by (used in) operating activities + Net cash provided by (used in) investing activities*³ ROIC (Return On Invested Capital) = Operating profit after tax / Invested capital (working capital + non-current assets)*⁴ Non-financial data refers to the figures for "Curves, 30-minute Fitness for Women"

Consolidated Balance Sheet

(Million yen)

	As of August 31, 2023	As of August 31, 2024
Assets		
Current assets		
Cash and deposits	8,134	8,296
Notes and accounts receivable - trade	4,444	5,128
Merchandise	985	1,225
Raw materials and supplies	46	218
Other	921	789
Allowance for doubtful accounts	(195)	(168)
Total current assets	14,338	15,490
Non-current assets		
Property, plant and equipment		
Buildings and structures	633	722
Accumulated depreciation	(378)	(401)
Buildings and structures, net	255	321
Tools, furniture and fixtures	906	922
Accumulated depreciation	(727)	(778)
Tools, furniture and fixtures, net	179	143
Other, net	2	18
Total property, plant and equipment	437	483
Intangible assets		
Goodwill	1,546	1,598
Trademark right	20,126	20,842
Software	1,361	1,672
Other	148	125
Total intangible assets	23,183	24,238
Investments and other assets		
Investment securities	17	—
Leasehold and guarantee deposits	313	331
Deferred tax assets	721	724
Other	106	113
Allowance for doubtful accounts	(6)	(6)
Total investments and other assets	1,153	1,163
Total non-current assets	24,773	25,884
Total assets	39,111	41,374
Liabilities		
Current liabilities		
Notes and accounts payable - trade	2,028	2,338
Current portion of long-term borrowings	3,290	3,290
Accounts payable - other	570	967
Accrued expenses	317	379
Income taxes payable	1,153	1,066
Provision for bonuses	320	384
Provision for point card certificates	136	166
Provision for shareholder benefit program	25	25
Deposits received	2,269	2,444
Other	573	591
Total current liabilities	10,686	11,654
Non-current liabilities		
Long-term borrowings	8,665	5,375
Provision for share awards	272	326
Lease liabilities	—	6
Deferred tax liabilities	4,272	4,441
Asset retirement obligations	144	161
Total non-current liabilities	13,354	10,311
Total liabilities	24,041	21,965
Net assets		
Shareholders' equity		
Share capital	848	848
Capital surplus	828	828
Retained earnings	10,192	12,726
Treasury shares	(1,247)	(1,245)
Total shareholders' equity	10,621	13,158
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	(1)	—
Foreign currency translation adjustment	4,450	6,251
Total accumulated other comprehensive income	4,448	6,251
Total net assets	15,070	19,409
Total liabilities and net assets	39,111	41,374

Financial Data

Consolidated Statement of Income

(Million yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Net sales	30,022	35,465
Cost of sales	17,216	20,320
Gross profit	12,806	15,145
Selling, general and administrative expenses	8,954	9,687
Operating profit	3,851	5,458
Non-operating income		
Interest and dividend income	0	0
Foreign exchange gains	31	30
Subsidy income	1	1
Income insurance	2	0
Compensation income	—	27
Goods proceeds of sales	—	9
Other	10	9
Total non-operating income	45	78
Non-operating expenses		
Interest expenses	47	45
Commission expenses	1	2
Other	5	16
Total non-operating expenses	55	63
Ordinary profit	3,841	5,472
Extraordinary losses		
Loss on retirement of non-current assets	9	6
Impairment losses	10	19
Total extraordinary losses	19	26
Profit before income taxes	3,822	5,446
Income taxes - current	1,957	2,166
Income taxes - deferred	(686)	(286)
Total income taxes	1,271	1,879
Profit	2,551	3,566
Profit attributable to owners of parent	2,551	3,566

Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Profit	2,551	3,566
Other comprehensive income		
Valuation difference on available-for-sale securities	(7)	1
Foreign currency translation adjustment	968	1,801
Total other comprehensive income	960	1,802
Comprehensive income:	3,511	5,369
(Breakdown)		
Comprehensive income attributable to owners of parent	3,511	5,369
Comprehensive income attributable to non-controlling interests	—	—

Consolidated Statement of Cash Flows

(Million yen)

	For the fiscal year ended August 31, 2023	For the fiscal year ended August 31, 2024
Cash flow from operating activities		
Profit before income taxes	3,822	5,446
Depreciation	908	715
Impairment losses	10	19
Amortization of goodwill	102	110
Amortization of trademark right	1,298	1,407
Increase (decrease) in allowance for doubtful accounts	(33)	(44)
Increase (decrease) in provision for bonuses	30	62
Increase (decrease) in provision for share awards	50	55
Interest and dividend income	(0)	(0)
Interest expenses	47	45
Foreign exchange losses (gains)	(31)	(30)
Loss on retirement of non-current assets	9	6
Decrease (increase) in trade receivables	(252)	(620)
Decrease (increase) in inventories	(87)	(395)
Decrease (increase) in prepaid expenses	(29)	(23)
Increase (decrease) in trade payables	274	299
Increase (decrease) in accounts payable - other	(38)	298
Increase (decrease) in accrued expenses	10	55
Other	333	136
Subtotal	6,426	7,546
Interest and dividends received	0	0
Interest paid	(50)	(43)
Income taxes refund (paid)	(1,454)	(2,076)
Net cash provided by (used in) operating activities	4,920	5,426
Cash flow from investing activities		
Purchase of property, plant and equipment	(162)	(149)
Purchase of intangible assets	(687)	(805)
Purchase of long-term prepaid expenses	(22)	(15)
Proceeds from sale of investment securities	—	20
Payments of leasehold and guarantee deposits	(38)	(22)
Proceeds from refund of leasehold and guarantee deposits	19	5
Net cash provided by (used in) investing activities	(891)	(967)
Cash flow from financing activities		
Repayments of long-term borrowings	(3,290)	(3,290)
Purchase of treasury shares	—	(0)
Repayments of lease liabilities	(3)	(4)
Dividends paid	(797)	(1,032)
Net cash provided by (used in) financing activities	(4,091)	(4,327)
Effect of exchange rate change on cash and cash equivalents	(25)	15
Net increase (decrease) in cash and cash equivalents	(88)	147
Cash and cash equivalents at beginning of period	7,943	7,855
Cash and cash equivalents at end of period	7,855	8,002

Company Profile/Stock Information (As of August 31, 2024)

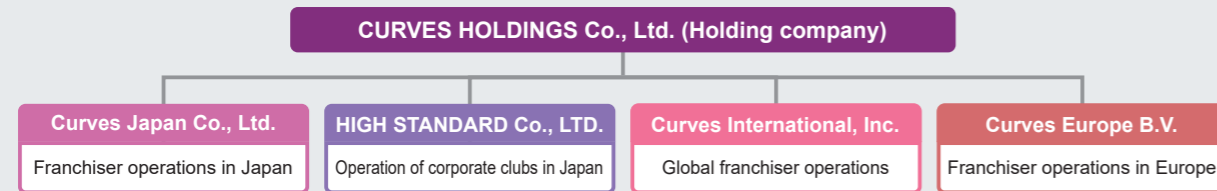
Company profile

Company name	CURVES HOLDINGS Co., Ltd.	Founded	February, 2005*
Representative	Takeshi Masumoto Representative Director and President	Number of employees (consolidated)	695 (including 127 temporary employees)
Corporate address	11F Shibaura Renasite Tower, 3-9-1 Shibaura, Minato-ku, Tokyo	Capital	848,666 thousand yen

*Date of incorporation of Curves Japan Co., Ltd. CURVES HOLDINGS Co., Ltd. was founded in October 2008.

Structures of Group Companies

Domestically, two subsidiaries operate: Curves Japan Co., Ltd. operates the franchise headquarters in Japan, and HIGH STANDARD Co., LTD. operates the Group's corporate clubs. Internationally, Curves International, Inc. operates the global franchiser, and Curves Europe B.V. operates the European franchise headquarters.



CURVES Group: Five Management Guidelines

- 1. Management based on "Mission"**
 - ① We conduct business with the mission to serve the society and people.
 - ② "To serve the society and people" is the purpose of the business, and "Sales and profits" are the means.
 - ③ We solve social problems through conducting business.
- 2. Management based on "Proaction"**
 - ① Backward planning ○ Incremental planning ×
 - ② We set high ideals and goals, plan what needed to achieve goals backward, and put best efforts to achieve goals.
 - ③ Create customers
Ex) We develop new markets instead of taking away competitors' markets.
 - ④ We create a system that will continue to grow sales and profits.
 - ⑤ We focus, create cores, and leverage.
 - ⑥ We pursue outstanding results.
- 3. Management based on "Discipline"**
 - ① We look straight at the harshest reality and the most unpleasant facts.
 - ② We not only decide what to do, but also decide "what not to do" with a strong will.
 - ③ We have a long-term outlook, know the importance of perseverance, and conduct management that steadily moves forward.
 - ④ We look out the window when things are going well, and look in the mirror when things are not going well.
- 4. Management based on "Science"**
 - ① Pursue science of business. Discover the law from the cycle of observation, hypothesis, and verification.
 - ② We always focus on the facts.
 - ③ We pursue logical thinking but do not cling to logic; encourage ideas but do not get down in ideas. Harmonize logic and ideas at a high level.
 - ④ We learn from unexpected successes, unexpected failures, and unexpected events.
 - ⑤ We accumulate improvements and bring about innovation.
- 5. Management based on "All staff participation"**
 - ① Development of independent (and autonomous) human resources
 - ② Creating an organization of collective genius
 - ③ Building a team that harmonizes personal independence and psychological security at a high level

Stock information

Listed stock exchange	Prime, Tokyo Stock Exchange
Securities code	7085
Fiscal year	From September 1 to August 31 of the following year
Total number of authorized shares	320,000,000
Number of shares issued and outstanding	93,857,493
Number of shares per share unit	100 shares
Number of shareholders	47,292
Shareholder registry administrator	Mitsubishi UFJ Trust and Banking Corporation



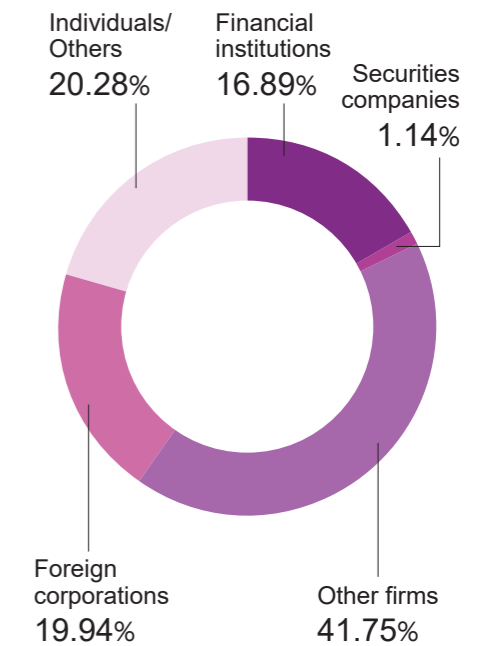
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Major shareholders

Shareholder	Number of shares	Percentage of total shares (%)
Yozan Co.	29,768,000	31.71
The Master Trust Bank of Japan, Ltd. (trust account)	9,819,100	10.46
NORTHERN TRUST CO. (AVFC) RE FIDELITY FUNDS	8,504,237	9.06
TYN Co., Ltd.	5,109,900	5.44
IMO Co.	3,784,000	4.03
Custody Bank of Japan, Ltd. (trust account)	3,286,100	3.50
Maki Sakamoto	2,077,447	2.21
Yoko Masumoto	2,077,447	2.21
Custody Bank of Japan, Ltd. (trust account E)	1,797,250	1.91
THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED	1,580,900	1.68

(Notes) 1. The shareholding ratio is calculated by subtracting 184 shares of treasury shares from the total number of issued shares.
The shares of the Company's stock held by Custody Bank of Japan Ltd. (Trust Account E) as trust assets under the employee stock ownership plan (J-ESOP) and the board benefit trust (BBT) (total 1,797,250 shares) are not included in treasury shares.
2. TYN Co., Ltd. is the asset management company of Mr. Takeshi Masumoto, the Representative Director and President of our company.

Distribution of Share Ownership by Shareholder Type



Share price and trading volume trends



CURVES HOLDINGS Co., Ltd.

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