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Supplementary Material: Consolidated Results of Operations for 3Q of FY ending August 31, 2024

July 9, 2024

TSE Prime Market：7085

CURVES HOLDINGS Co., Ltd.

Table of Contents

1. Results summary for 3Q of FY 8/2024 3
2. Results details for 3Q of FY 8/2024 4
3. Business outline and updates for 3Q 14
4. Forecasts and strategies for 4Q of FY 8/2024 27

Appendix 31

Results summary for 3Q of FY 8/2024

□Total members approx.800K, net growth 28K
Year on year

□Club count 1,974 clubs

□Chain-wide sales (9 months) 60.53B yen
Record high, surpassing the pre-COVID-19 level
Membership fees/dues incomes and merchandise sales reached record highs.

□Merchandise Sales (9 months) ※Included in chain-wide sales
16.51B yen (128.5% Y-on-Y)

□Sales (9 months) 26.51B yen (119.5% Y-on-Y)

□Operating profit (9 months) 4.45B yen (143.9% Y-on-Y)

Results details for 3Q of FY 8/2024

Consolidated Statement of Income

(million yen)	FY 8/2024(current) 9 Mo(9-5)Actual	FY 8/2023(previous) 9 Mo(9-5)Actual	Year on year	FY 8/2024(current) 3Q(3-5)Actual
Sales	**26,511**	**22,189**	**119.5%**	**9,483**
Cost of Sales	**15,292**	**12,698**	**120.4%**	**5,404**
(COS ratio)	57.7%	57.2%		57.0%
Gross profit	**11,219**	**9,491**	**118.2%**	**4,079**
(Gross profit ratio)	42.3%	42.8%		43.0%
SGA	**6,764**	**6,396**	**105.8%**	**2,434**
incl. Amortization expenses for goodwill, trademark rights and intangible fixed assets *	1,142	1,272	89.8%	379
Operating profit	**4,454**	**3,094**	**143.9%**	**1,644**
(Operating profit ratio)	16.8%	13.9%		17.3%
Ordinary profit	**4,472**	**2,980**	**150.0%**	**1,679**
(Ord profit ratio)	16.9%	13.4%		17.7%
Net profit	**2,924**	**1,874**	**156.0%**	**1,118**
(Net profit ratio)	11.0%	8.4%		11.8%

＊Amortization expenses in terms of US Dollar converted to Yen.

Consolidated Statement of Income (by region)

(million yen)	FY 8/2024(current) 9 Mo(9-5)Actual	To Sales	FY 8/2023(previous) 9 Mo(9-5)Actual	To Sales	Year on year	FY 8/2024(current) 3Q(3-5)Actual	To Sales
Sales	**26,511**	**100.0%**	**22,189**	**100.0%**	**119.5%**	**9,483**	**100.0%**
Domestic	**26,132**	**98.6%**	**21,843**	**98.4%**	**119.6%**	**9,346**	**98.6%**
Overseas	**378**	**1.4%**	**346**	**1.6%**	**109.4%**	**136**	**1.4%**
Operating profit	**4,454**	**16.8%**	**3,094**	**13.9%**	**143.9%**	**1,644**	**17.3%**
Domestic	**5,935**		**4,667**		**127.2%**	**2,135**	
Overseas	**-220**		**-382**		**-**	**-66**	
Adjustments	**-1,260**		**-1,190**		**-**	**-424**	
Average exchange rate during period	**146.98 yen/$**		**137.49 yen/$**		**Depreciation by 9.49 yen**	**146.98 yen/$**	

＊Sales and Operating Profit for the Overseas segment

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

＊Adjustments for operating profit

Expenses not attributable to specific regions, including amortizations for goodwill and trademark rights.

Composition of Sales

Domestic (Japan)

Spot Income：One time incomes from franchise sales and renewal of FA

- Income from license fee and new equipment sales for new club opening
- Income from 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 clubs	Income from operating corporate clubs
Others	Others

Overseas

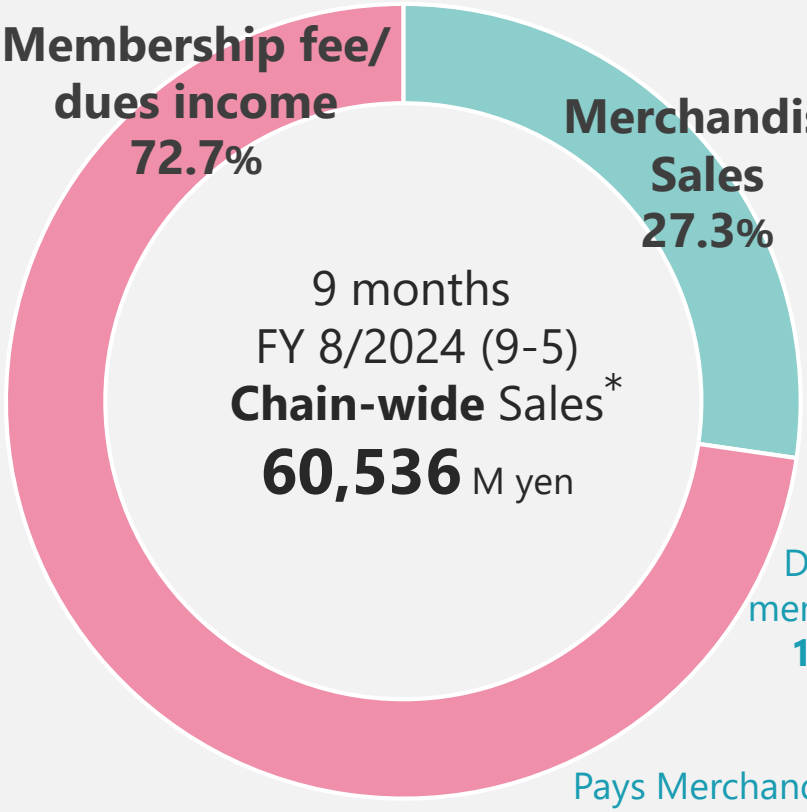
Breakdown of Sales

(million yen)	FY 8/2024(current) 9 Mo(9-5)Actual	To Sales	FY 8/2023(previous) 9 Mo(9-5)Actual	To Sales	Year on year	FY 8/2024(current) 3Q (3-5) Actual	To Sales
Sales	26,511	100.0%	22,189	100.0%	119.5%	9,483	100.0%
Domestic	26,132	98.6%	21,843	98.4%	119.6%	9,346	98.6%
Spot	520	2.0%	511	2.3%	101.7%	261	2.8%
Base	25,612	96.6%	21,331	96.1%	120.1%	9,084	95.8%
Royalty,etc	5,201	19.6%	4,828	21.8%	107.7%	1,729	18.2%
Franchisees, other	1,430	5.4%	1,520	6.9%	94.1%	449	4.7%
Merchandise*	16,629	62.7%	12,919	58.2%	128.7%	6,118	64.5%
Corporate clubs	2,231	8.4%	1,981	8.9%	112.6%	747	7.9%
Other	118	0.5%	82	0.4%	144.3%	39	0.4%
Overseas	378	1.4%	346	1.6%	109.4%	136	1.4%

＊ Merchandise Sales include the sales of products sold to franchisees.

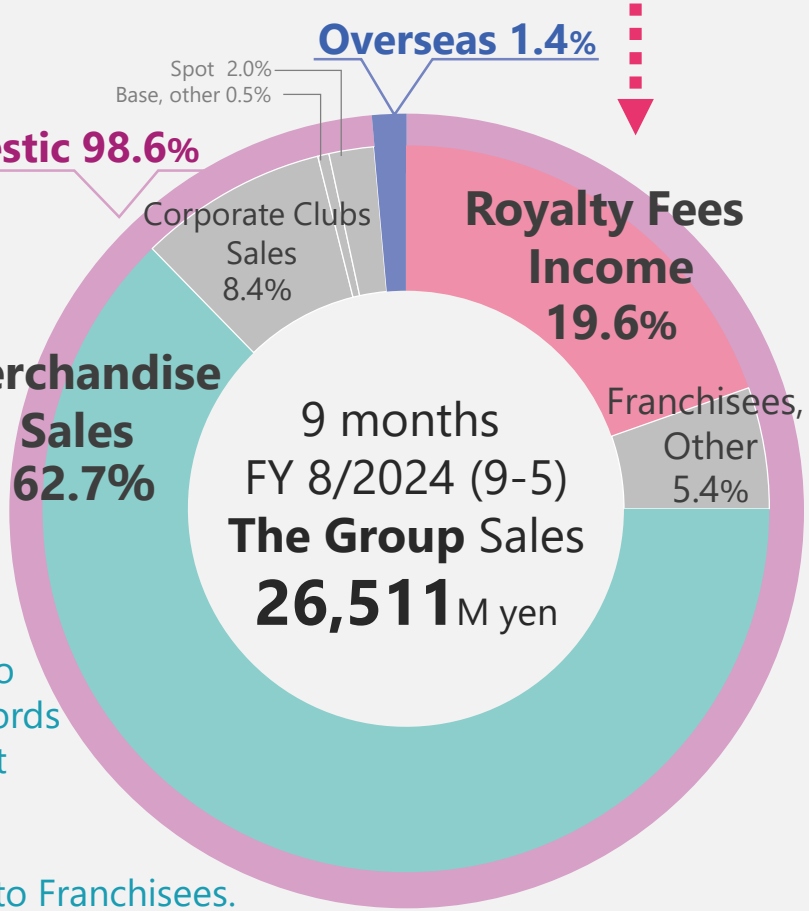
Difference in Sales Recording for Membership fee/ dues income and Merchandise sales

Receives **portion of** Membership fee/dues income from Franchisees as per Franchise Agreement.



Directly retails to members and records **100%** of receipt to our Sales.

Pays Merchandise Sales Fee to Franchisees.



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

Consolidated Statement of Income – Year on year Comparison

9 months total comparison

	Sales	Operating profit	Ordinary profit	Net profit
9 mos current FY (9/23-5/24)	26.51 B yen	4.45 B yen	4.47 B yen	2.92 B yen
	(+4.32 B yen Year on year)	(+1.35 B yen)	(+1.49 B yen)	(+1.04 B yen)
9 mos previous FY (9/22-5/23)	22.18 B yen	3.09 B yen	2.98 B yen	1.87 B yen

9 months total Sales 26.51B yen, +4.32B yen Y-on-Y (119.5%)

①Increase in Royalty Fees Income

- Total Members End23/3Q **772K members** → End24/3Q **approx.800K members**

Net growth by 28K members

②Increase in Merchandise Sales

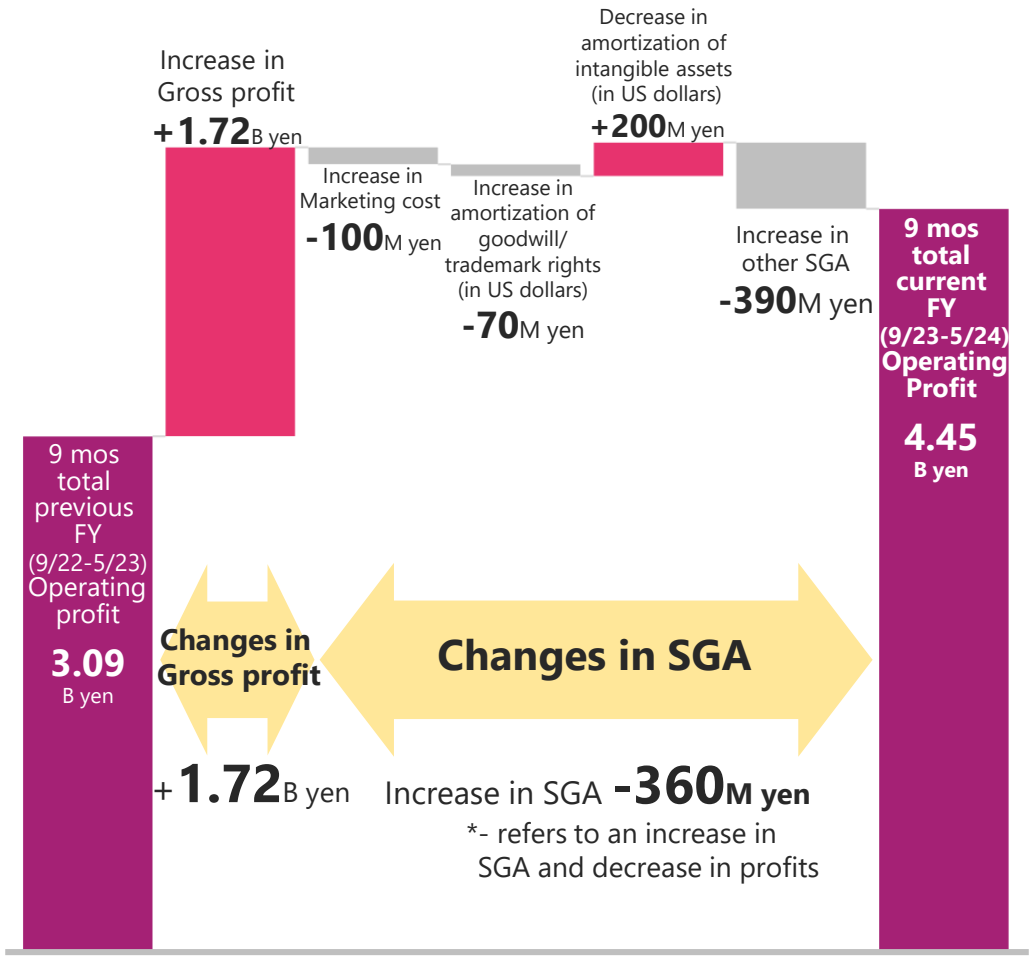
- Merchandise Sales* 9 mos previous FY **12.91 B yen** → 9 mos current FY **16.62 B yen**
- The number of subscribers remained strong.

＊ Merchandise Sales include the sales of products sold to franchisees.

Consolidated Statement of Income – Year on year Comparison

9 months total Operating profit 4.45 B yen, +1.35 B yen Y-on-Y(143.9%)

Changes in 9 months FY 8/2024(9/23-5/24) from 9 months FY 8/2023(9/22-5/23)



Increase in Gross profit:
due to increases of Royalty Fee incomes, Merchandise sales, etc.

Increase in marketing costs
Increase in advertising expenses for the second half compared to the initial plan due to market trends

Increase in amortization of goodwill/trademark rights 70M yen

Decrease in amortization of intangible assets 200M yen

☞Completed amortization of intangible assets (in US dollars)

Average exchange rate (US$):
3Q previous FY 137.49 yen
3Q current FY 146.98 yen

Increases in other SGA :
Increase in personnel expenses, etc.

Consolidated Statement of Income – Compared to the Previous Quarter and Previous FY

(million yen)	Current FY 3Q(3-5)	Previous quarter 2Q(12-2)	Quarter on quarter Difference	Quarter on quarter %	Previous FY 3Q(3-5)	Year on year Difference	Year on year %
Sales	**9,483**	**9,483**	**0**	**100.0%**	**7,707**	**+1,776**	**123.1%**
Operating profit	**1,644**	**1,773**	**-128**	**92.7%**	**1,060**	**+583**	**155.0%**
Ordinary profit	**1,679**	**1,739**	**-59**	**96.6%**	**1,066**	**+613**	**157.6%**
Net profit	**1,118**	**1,138**	**-19**	**98.3%**	**695**	**+422**	**160.8%**

Net sales in 3Q of current FY
9,483M yen
100.0% Quarter on quarter
123.1% Year on year

【Year on year】
・Increase in Royalty Fee Income
Total Members End23/3Q **772K members** → End24/3Q **approx.800K members**
・Increase in Merchandise Sales
The releases of new protein and new product lines were successful. Since the release of Ultra Protein and Healthy Beauty in December 2023, the number of subscribers has remained strong.

Operating profit for 3Q of current FY
1,644M yen
92.7% Quarter on quarter
155.0% Year on year

【Quarter on quarter】	Gross profit	+165M yen	Increase in gross profit of Royalty Fee incomes, Merchandise sales, etc
	SGA	+294M yen	Increase in advertising expenses In 2Q, marketing activities were limited due to seasonal factors
【Year on year】	Gross profit	+904M yen	Increase in gross profit of Royalty Fee incomes, Merchandise sales, etc
	SGA	+320M yen	Increases in advertising expenses and personnel expenses Increase in advertising expenses in the current FY due to market trends Decrease in amortization due to the amortization of intangible assets(in US dollars) being completed

Consolidated Balance Sheet

(million yen)	FY 8/2024 End 3Q	FY 8/2023 End fiscal year	Changes
Current assets	**14,397**	**14,338**	**59**
Cash and deposits*	6,579	8,134	-1,555
Notes and accounts receivable	5,544	4,444	1,099
Merchandise	1,743	985	757
Non-current assets	**24,831**	**24,773**	**58**
Property, plant and equipment	**491**	**437**	**53**
Intangible assets	**23,195**	**23,183**	**12**
Goodwill	1,530	1,546	-15
Trademark rights	19,948	20,126	-177
Software	1,596	1,361	234
Investments and other assets	**1,145**	**1,153**	**-7**
Total assets	**39,229**	**39,111**	**118**
Current liabilities	**10,628**	**10,686**	**-58**
Current portion of long term borrowings	3,290	3,290	-
Non-current liabilities	**10,918**	**13,354**	**-2,435**
Long-term borrowings	6,197	8,665	-2,467
Total liabilities	**21,547**	**24,041**	**-2,494**
Interest-bearing debts	9,488	11,956	-2,467
Total net assets	**17,682**	**15,070**	**2,612**
Shareholders' equity	12,515	10,621	1,893
Total liabilities and net assets	**39,229**	**39,111**	**118**
Exchange rate end period	151.41 yen/$	144.99 yen/$	Depreciation by 6.42 yen

Curves

* Includes trust deposits for introduction of J-ESOP and BBT.

Business outline and updates for 3Q

Strategies of FY 8/2024

Members

▶Seniors (age 65+)

- Focus on new sign-ups as social restrictions lifted
  (Word of mouth referrals, marketing activities)
- Partnership with local governments

▶Young seniors (age 50-64)

- Stronger focus as the growth market
- Raising Life-Time Value through word-of-mouth referral marketing and merchandising strategy

Merchandise sales

- Increase Protein products subscribers through enhancing member support (coaching, habit building, diet counseling)
- Releasing new products to raise sales quantity and purchase per member

On-line Fitness

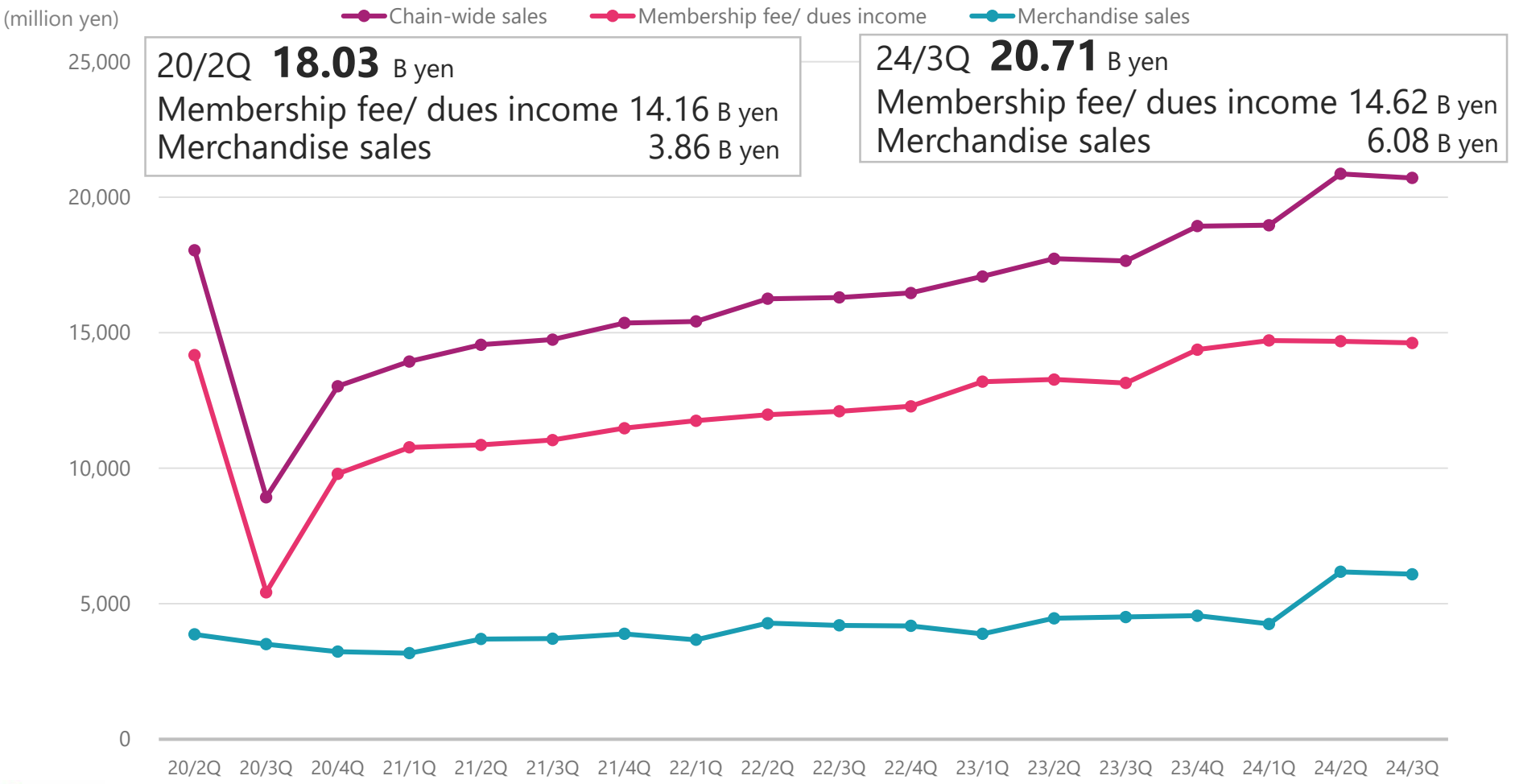
- Focus on promoting hybrid program (Ouchi-de-Curves Dual Plan)

New Business Development

- Build a business model for rolling-out new services such as Men's Curves.

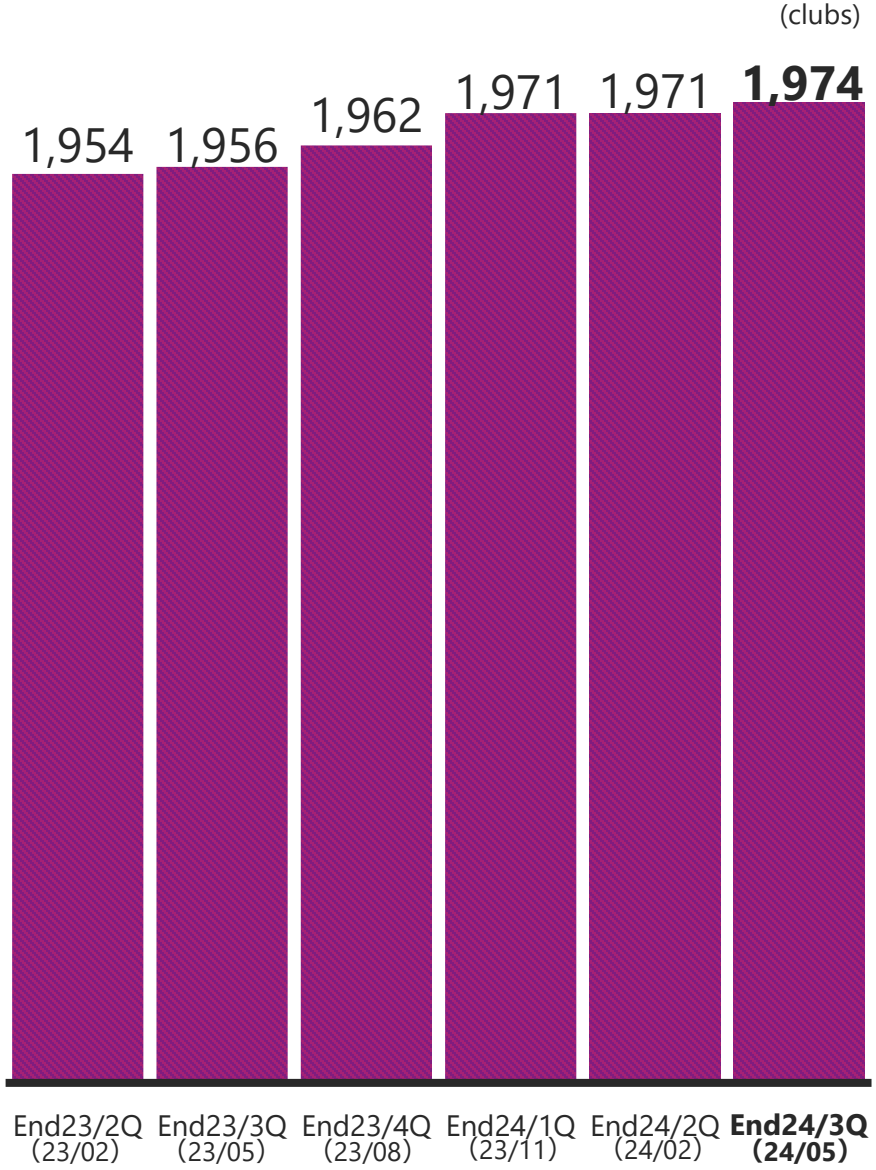
Trends in Chain-Wide Sales (Quarterly)

Both membership fee/ dues income and merchandise sales remained at record highs.



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

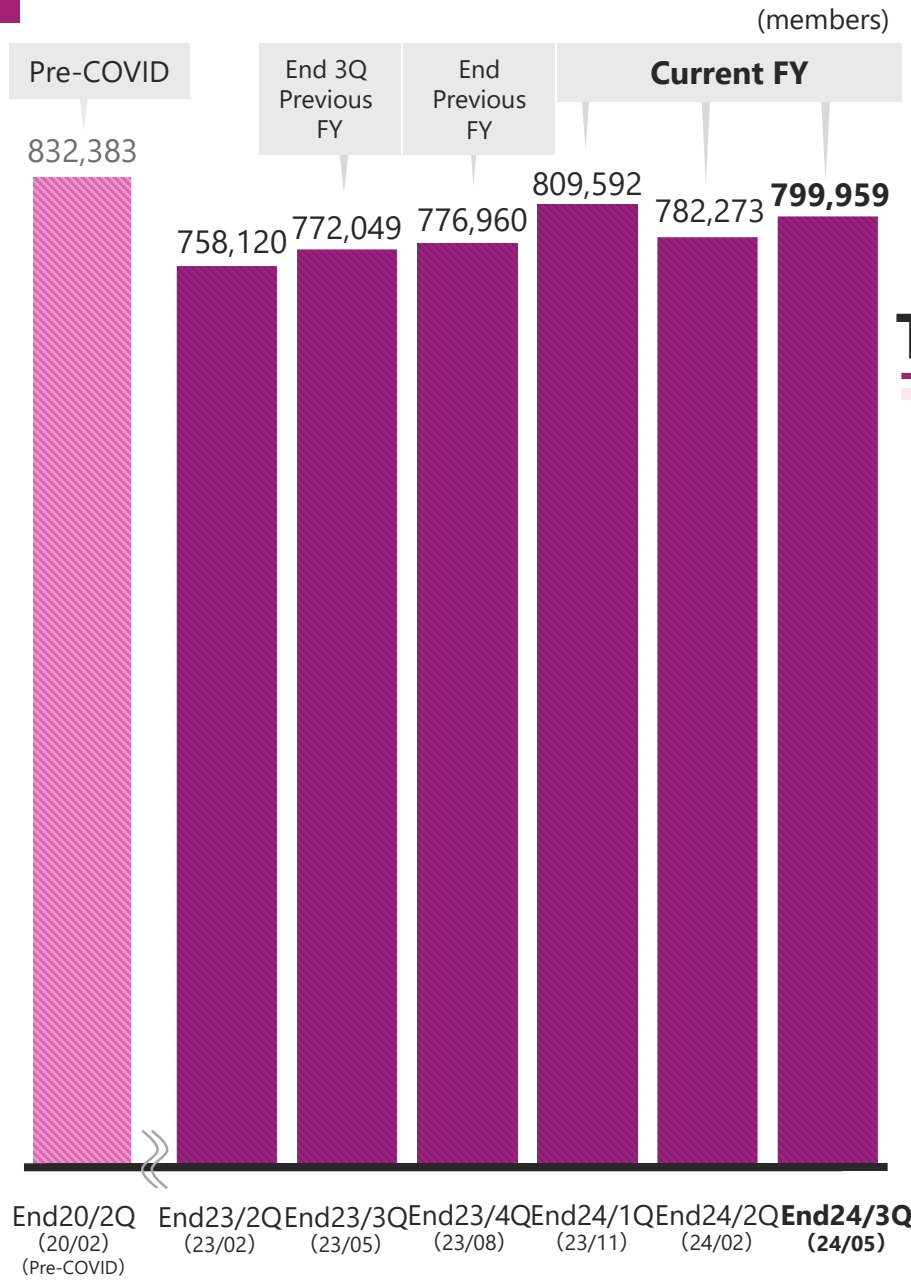
Total Club Count



1,974 Clubs in Japan

	3Q (3-5)	9 months total (9-5)
New open	7 clubs	17 clubs
Closed	4 clubs	5 clubs
Net growth	+3 clubs	+12 clubs

Total Membership Count

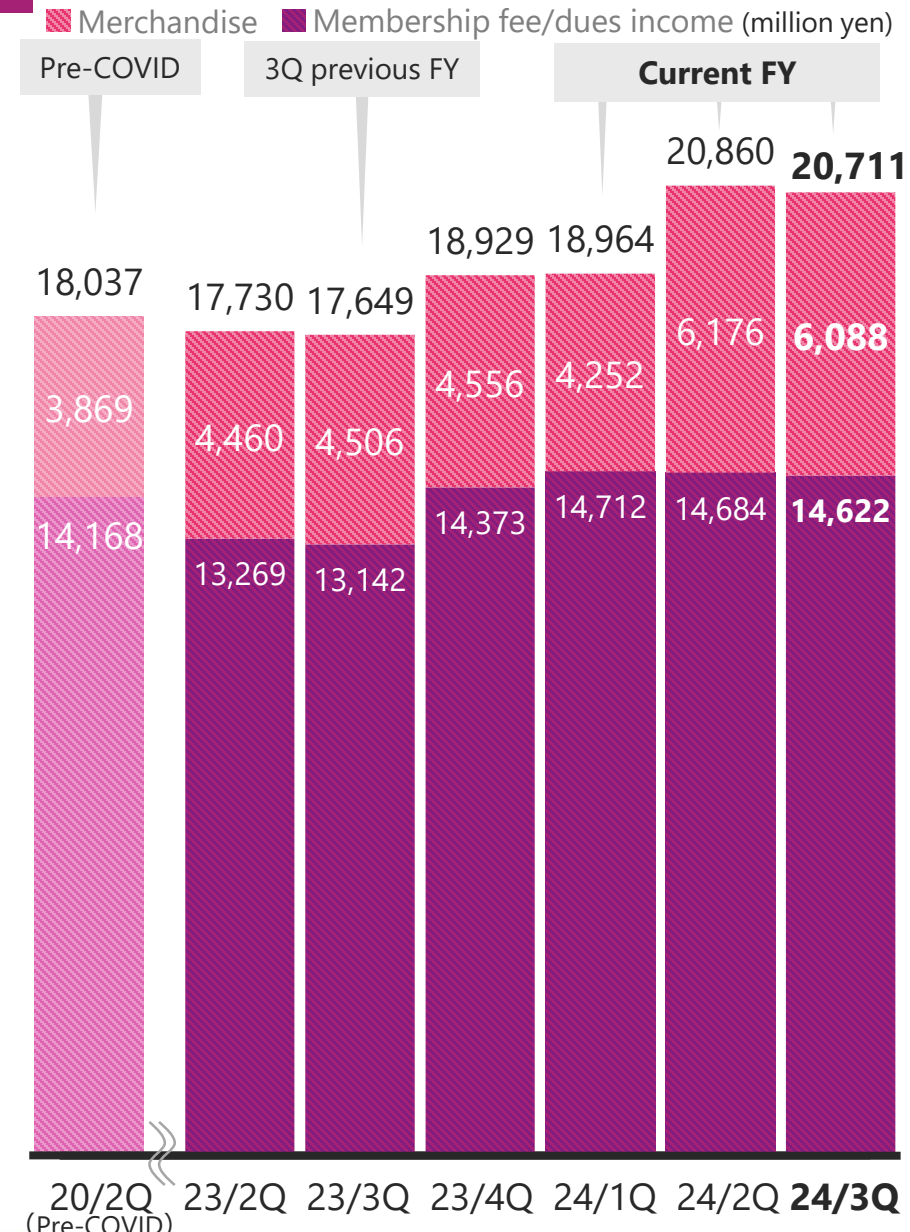


Total approx. 800K members

Year on year **+28K members**

To end FY 8/23 **+23K members**

Chain-wide Sales



3Q FY 8/2024

Actual 20.71B yen

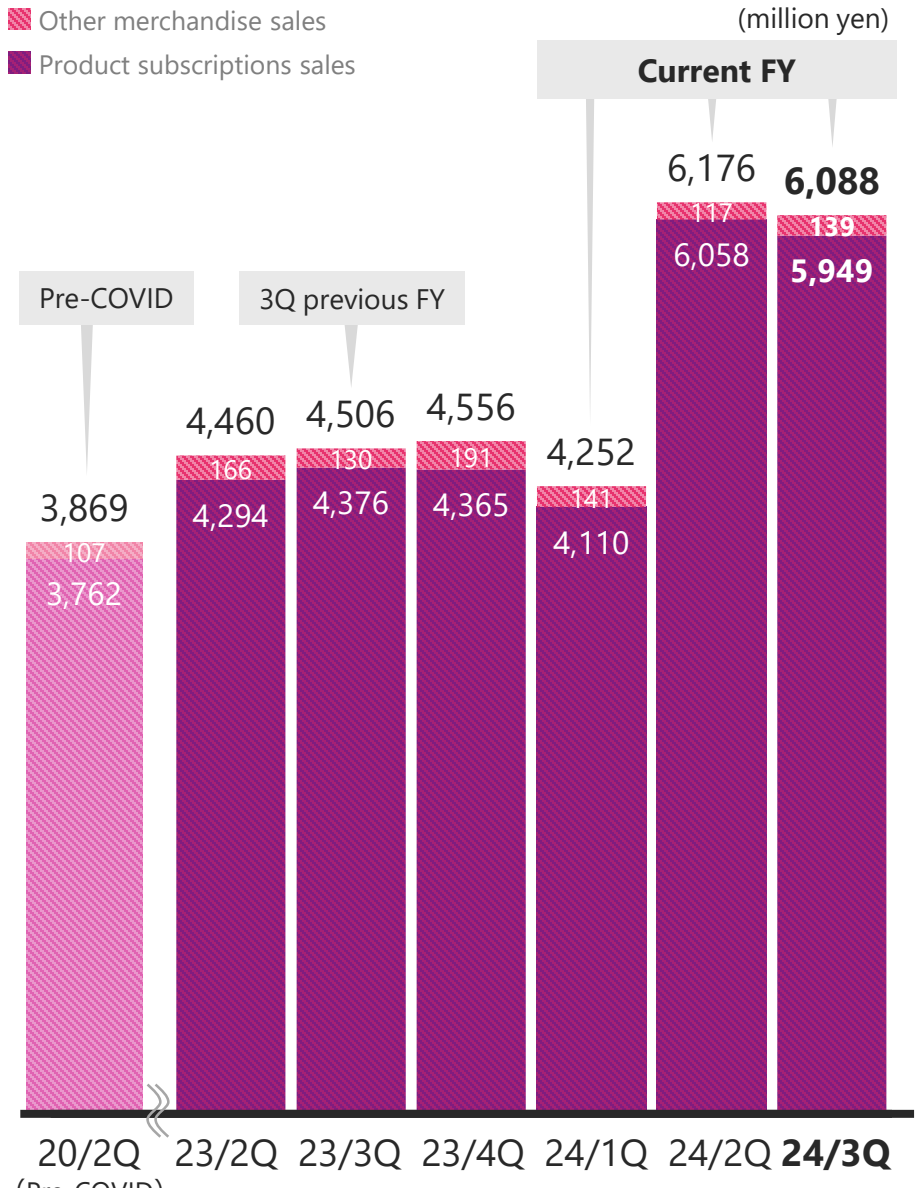
Year on year
To 3Q FY 8/23 **117.3%**

Previous quarter
To 2Q FY 8/24 **99.3%**

Exceeded the pre-COVID-19 level and remained at record high.

In the current FY, both Membership fee/ dues income and merchandise sales remained at record highs.

Merchandise Sales



3Q FY8/2024

Actual 6.08 B yen

Year on year
To 3Q FY 8/23 **135.1%**

Previous quarter
To 2Q FY 8/24 **98.6%**

Updates of Total Members for 3Q

Total members at end 3Q approx.800K members

=17K members up from end 2Q

☞Membership Drive Campaign rolled out



- Massive TVCM for 10 days (March, April)
- Media-mix marketing including TV, online and local marketing activities
- Informercials (CM in TV infomercial slots), etc.

The number of new members increased year on year partly due to the effect of increased advertising expenses compared to the initial plan.

☞Service quality continues rising.

Attrition rate remains low
Monthly attrition rate during Mar-May 2.2%

Monthly Diet Counseling Promotion Drive

May 2024

Promoted the Month of Diet Counseling

Since the release of Ultra Protein and Healthy Beauty in December 2023, the number of subscribers has remained strong.

※The impact of “beni-koji” problem is very minor.



Ultra Protein
(approx. 5,000 yen/month, piece)



Healthy Beauty
(approx. 5,000 yen/month, Piece)

Curves

Initiatives to become the highest safety and reliability for customers

- **Distributing safety and reliability leaflets on development, manufacturing and quality to members.**
- **Our products have long been manufactured on an OEM basis at factories that have acquired the "NSF-GMP certification," which is proof of a high level of quality control.**



Curves' Protein Healthy Beauty

Efforts to ensure product safety and reliability

In order to deliver products that Curves members can consume with peace of mind, we implement rigorous quality control at factories that have obtained the GMP certification in the United States(※), which is recognized as 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)

①Commonly 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.)

Reliable support system

In addition to support from our club coaches, 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.



In order to maintain and improve the members' health, we will further strengthen our efforts for safety and reliability to comprehensively support exercise, nutrition, and sleep.

Curves Japan Chief Quality Development Manager
Yumeji Nakauchi

We promise to provide safe, high-quality products in all processes, including product development, materials selection, manufacturing and quality control.

Product Development Manager Hiromichi Aoi

Quality Development Manager Hiroshi Okazaki

Uncompromising quality control

We carry out hygiene management, manufacturing process checks, and final product checks based on strict quality control standards at domestic factories that have obtained the GMP certification, the world's highest safety standard in the United States.(※)

Change into clean work clothes and blow off even the smallest dust with an air shower.

The manager checks whether the product is manufactured according to the correct procedures.

Final products are checked with an X-ray detector to see whether no foreign objects are mixed in.

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Materiality2：Business operation aimed at the highest safety and reliability for customers
https://www.curvesholdings.co.jp/en/sustainability/materiality02.html

- **We plan to further strengthen our efforts in the future.**

Collaboration with local government

April 2024

Signed a partnership agreement with Kashiwara-shi, Osaka to promote health.

[Major business collaboration under the agreement]
(1) Implementation of health promotion events
(2) Improvement of health literacy
(3) Prevention of lifestyle-related diseases
(4) Establishment of exercise habits
(5) Promotion of other health initiatives for citizens



Collaboration with more than 30 local governments nationwide, including partnerships in organizing health events, etc.
Continue to actively promote collaboration with local governments.

Current local government partnerships

Kanagawa Pref., **Daisencho** (Tottori), **Mishima-shi** (Shizuoka), **Yawata-shi** (Kyoto), **Sapporo-shi** (Hokkaido), **Tomakomai-shi** (Hokkaido), **Mitsuke-shi** (Niigata), **Higashi Matsuyama-shi** (Saitama), **Yokohama-shi** (Kanagawa), **Omuta-shi** (Fukuoka), **Ishinomaki-shi** (Miyagi)

Men’s Curves

As of end 5/2024

Total 17 Clubs in Operation





- **No new clubs opened in 3Q.**
- **Brushing up guest production know-how**

Overseas Segments

Updates of Key Markets

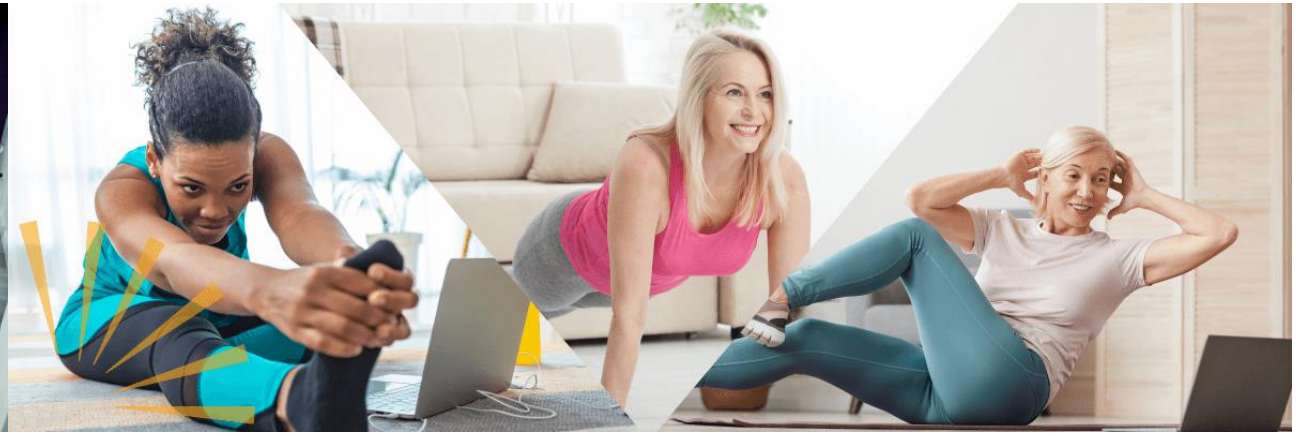
Europe (8 countries including Spain, Italy and UK):

Total **136** clubs open as of end 3/2024

＊Direct territories only where the group runs the franchise headquarters.
＊2 months delay in consolidating the overseas segments.

Currently building a new business model with growth strategy in markets post-COVID.





Forecasts and strategies for 4Q of FY 8/2024

Annual Forecasts and outlook for 4Q

Annual forecasts remain unchanged.

	9 months total FY 8/24	Annual FY 8/24	Annual FY 8/23	To previous FY
	Actual	Forecast	Actual	Changes
Sales	26.51 B yen	34.6-35.0 B yen	30.02 B yen	+4.57-4.97 B yen
Operating profit	4.45 B yen	4.9-5.1 B yen	3.85 B yen	+1.04-1.24 B yen
Ordinary profit	4.47 B yen	4.85-5.05 B yen	3.84 B yen	+1.00-1.20 B yen
Net profit	2.92 B yen	3.02-3.14 B yen	2.55 B yen	+460-580 M yen

Membership Drive Campaign

Membership Drive Campaign in 4Q



National TV Commercial Campaign

・Massive TV Commercial Campaign for 10 days in June and July

・Media-mix marketing including TV, online and local marketing activities

→To enhance the word-of-mouth referrals, which is our strength



Promote the restructuring of marketing to seniors (aged 65+) as in the spring.

・Regional sales promotion, etc.

Commencement of Joint Research

Initiated research with Tohoku University Smart-Aging Research Center to comprehensively elucidate the mechanisms of the effects of circuit training on cognitive function, intestinal bacteria, and psychological indicators through comprehensive protein analysis.

■ Findings from past joint research

Research 1: Demonstrated that four weeks of circuit training improves memory and other abilities in the elderly.

Nouchi, R. et al. (2014). Four weeks of combination exercise training improved executive functions, episodic memory, and processing speed in healthy elderly people: evidence from a randomized controlled trial. Age (Dordr). 36(2): 787–799. doi: 10.1007/s11357-013-9588-x

・Full text of the paper

http://link.springer.com/article/10.1007%2Fs11357-013-9588-x

・Press release (Tohoku University)

http://www.tohoku.ac.jp/japanese/2013/10/press20131023-01.html

Research 2: Demonstrated that 30 minutes of circuit training improves suppressive function in middle-aged and elderly women.

Nouchi, R., Nouchi, H., & Kawashima, R. (2020). A single 30 minutes bout of combination physical exercises improved inhibition and vigor-mood in middle- aged and older females: Evidence from a randomized controlled trial. Frontiers in Aging Neuroscience. 12:179. doi: 10.3389/fnagi.2020.00179

・Full text of the paper

https://www.frontiersin.org/articles/10.3389/fnagi.2020.00179/full

・Press release (Tohoku University)

https://www.tohoku.ac.jp/japanese/2020/08/press20200805-02-curves.html

Notice regarding the Initiation of Research with Tohoku University Smart-Aging Research Center by Curves Japan Co., Ltd. to comprehensively elucidate the mechanisms of the effects of circuit training on cognitive function, intestinal bacteria, and psychological indicators through comprehensive protein analysis （Only in Japanese）
https://pdf.irpocket.com/C7085/gEye/YRKh/S3nW.pdf

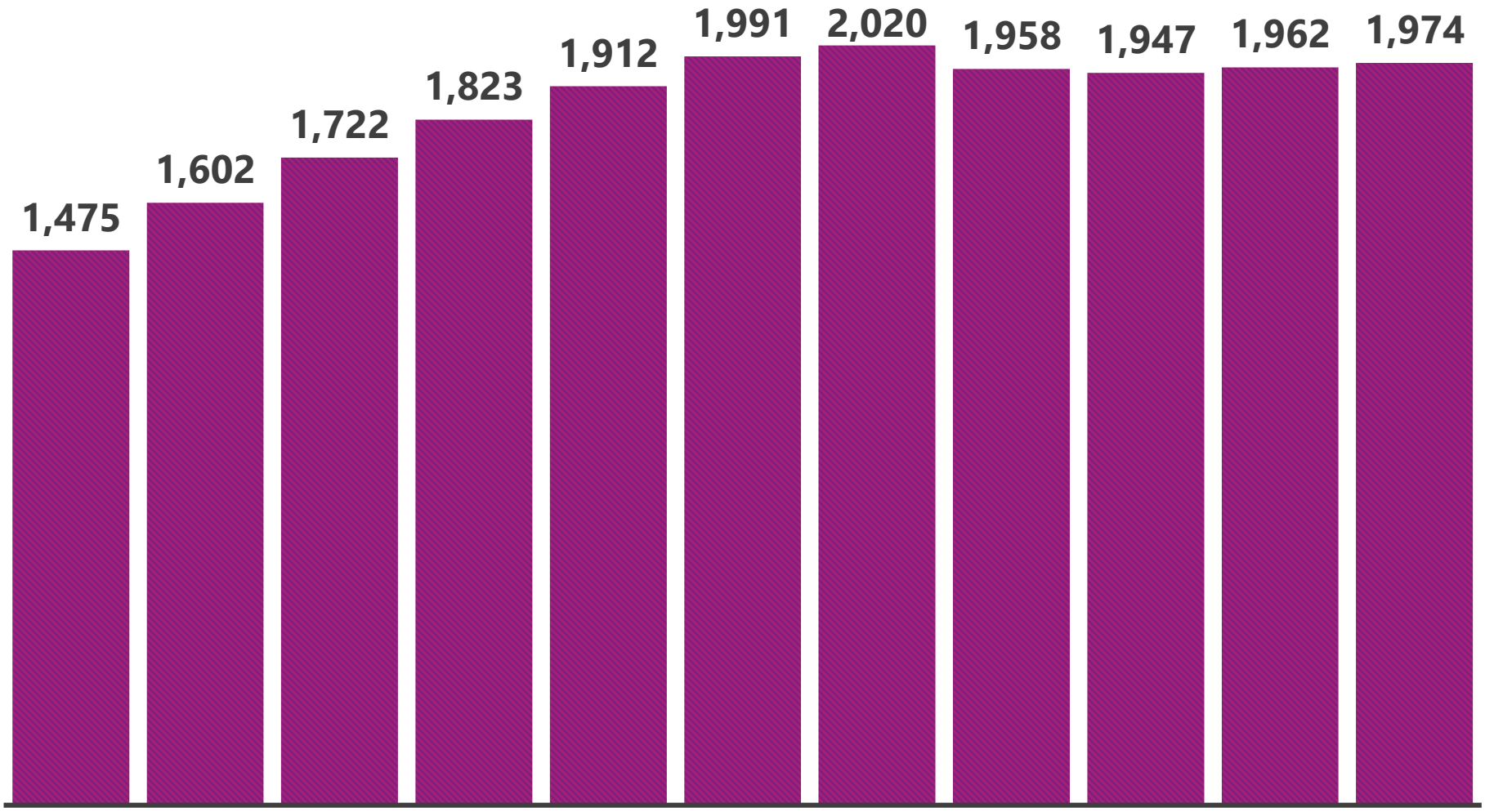
Materiality1：
Serving as community-based health infrastructure to help customers and society get mentally and physically healthier
https://www.curvesholdings.co.jp/en/sustainability/materiality01.html

Appendix

History of Curves Business

Trends in Club Count

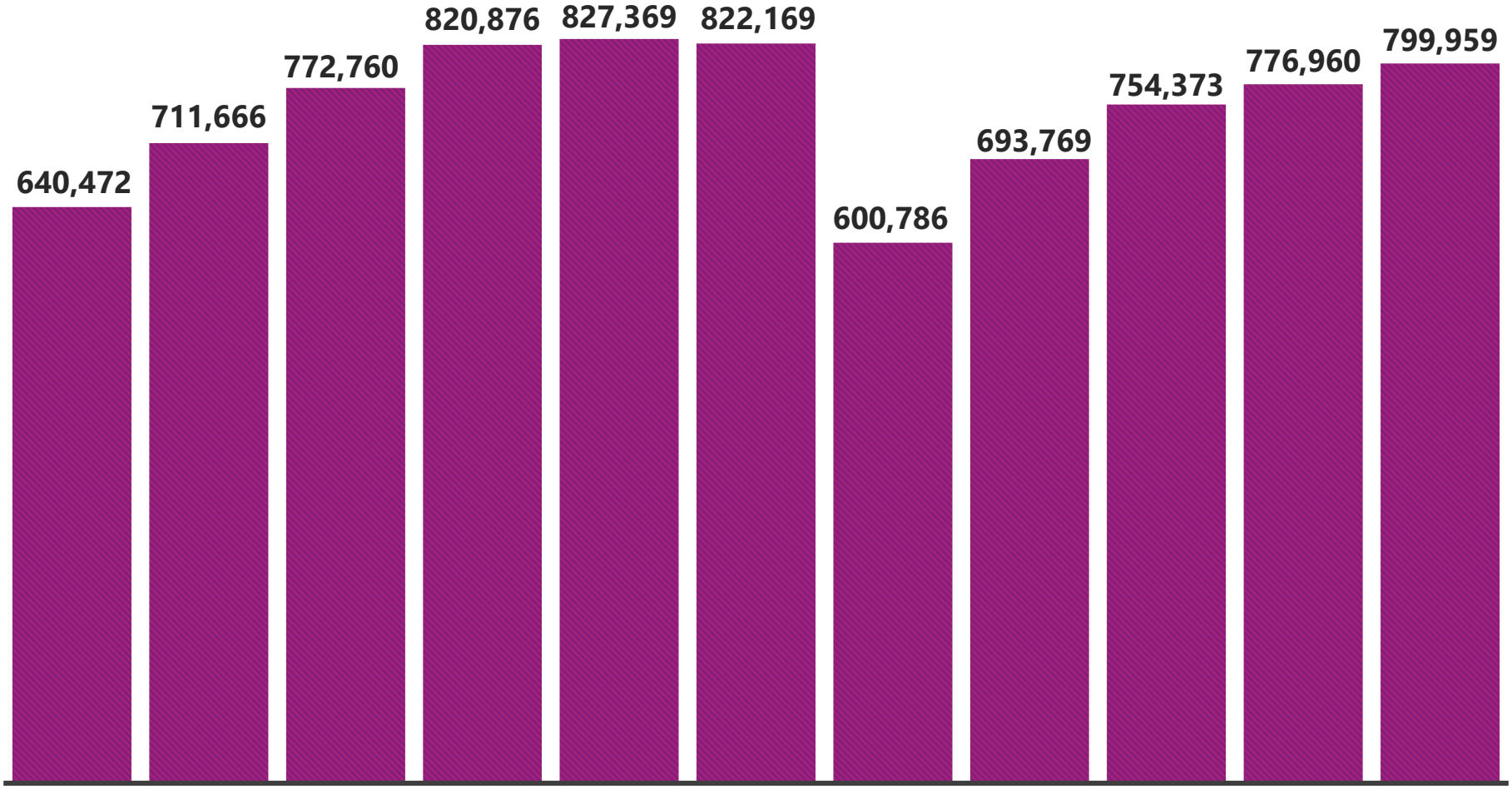
(clubs)



14/08	15/08	16/08	17/08	18/08	19/08	20/08	21/08	22/08	23/08	24/3Q
1,475	1,602	1,722	1,823	1,912	1,991	2,020	1,958	1,947	1,962	1,974

Trends in Membership

(members)

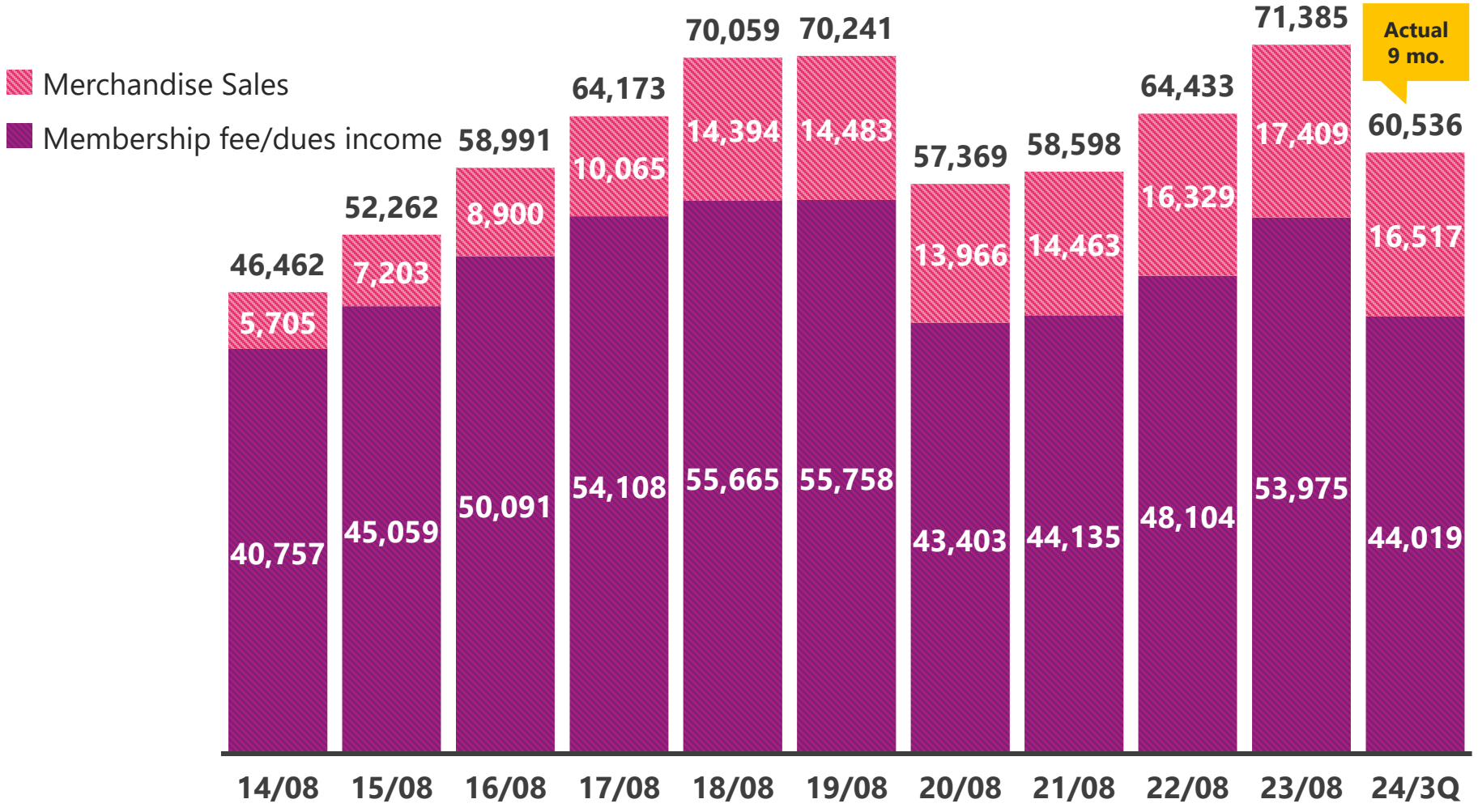


14/08	15/08	16/08	17/08	18/08	19/08	20/08 *	21/08	22/08	23/08	24/3Q
640,472	711,666	772,760	820,876	827,369	822,169	600,786	693,769	754,373	776,960	799,959

＊FY 8/20 shows active members excluding absentees.

Trends in Chain-wide Sales

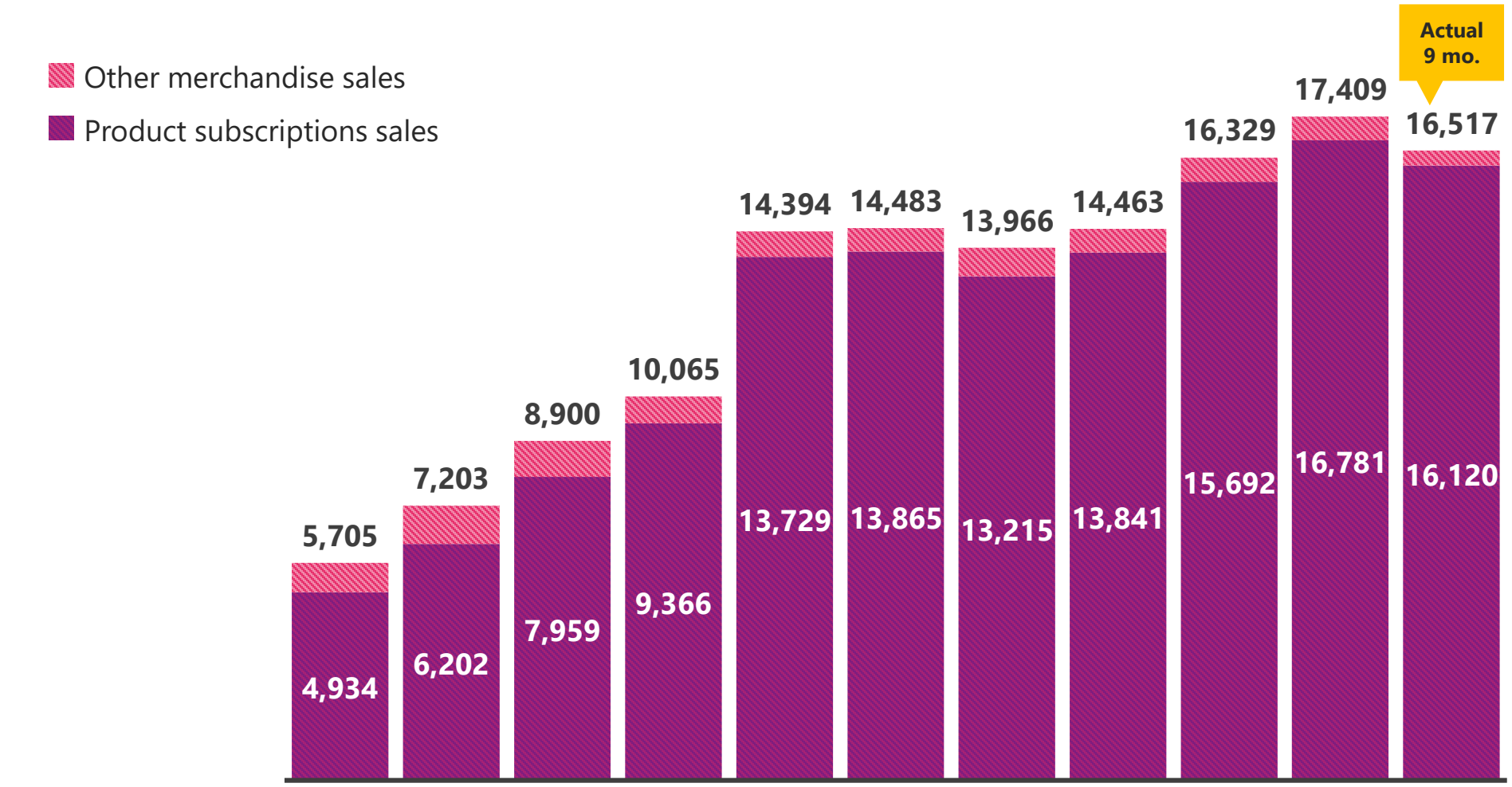
(million yen)



	14/08	15/08	16/08	17/08	18/08	19/08	20/08	21/08	22/08	23/08	24/3Q
Chain-wide Sales	46,462	52,262	58,991	64,173	70,059	70,241	57,369	58,598	64,433	71,385	60,536
Merchandise Sales	5,705	7,203	8,900	10,065	14,394	14,483	13,966	14,463	16,329	17,409	16,517
Membership fee/dues income	40,757	45,059	50,091	54,108	55,665	55,758	43,403	44,135	48,104	53,975	44,019

Trends in Merchandise Sales

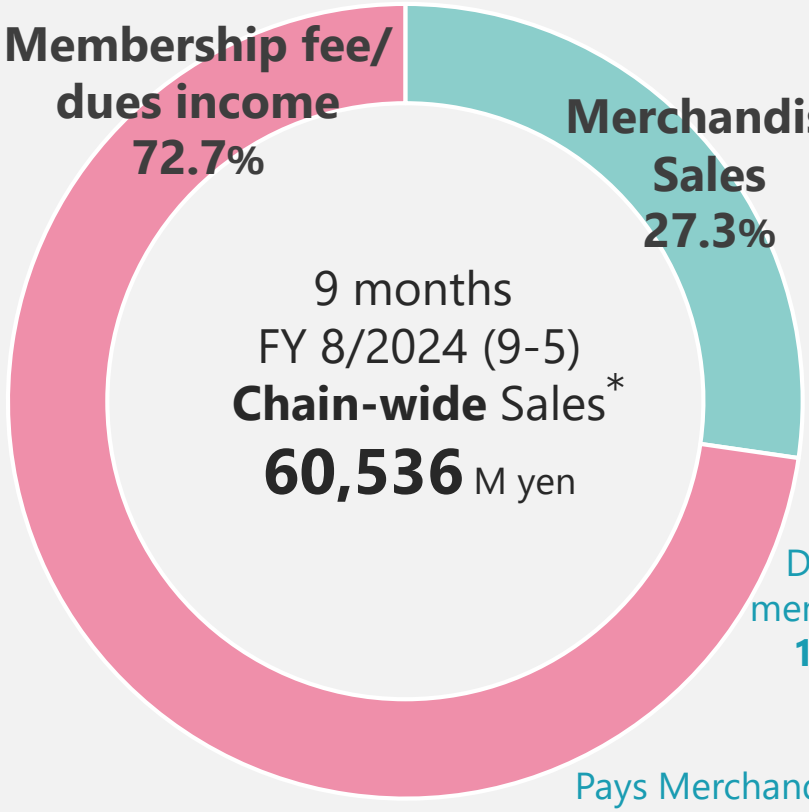
(million yen)



	14/08	15/08	16/08	17/08	18/08	19/08	20/08	21/08	22/08	23/08	24/3Q
Merchandise sales	5,705	7,203	8,900	10,065	14,394	14,483	13,966	14,463	16,329	17,409	16,517
Of which, sales of regular purchase-type products	4,934	6,202	7,959	9,366	13,729	13,865	13,215	13,841	15,692	16,781	16,120

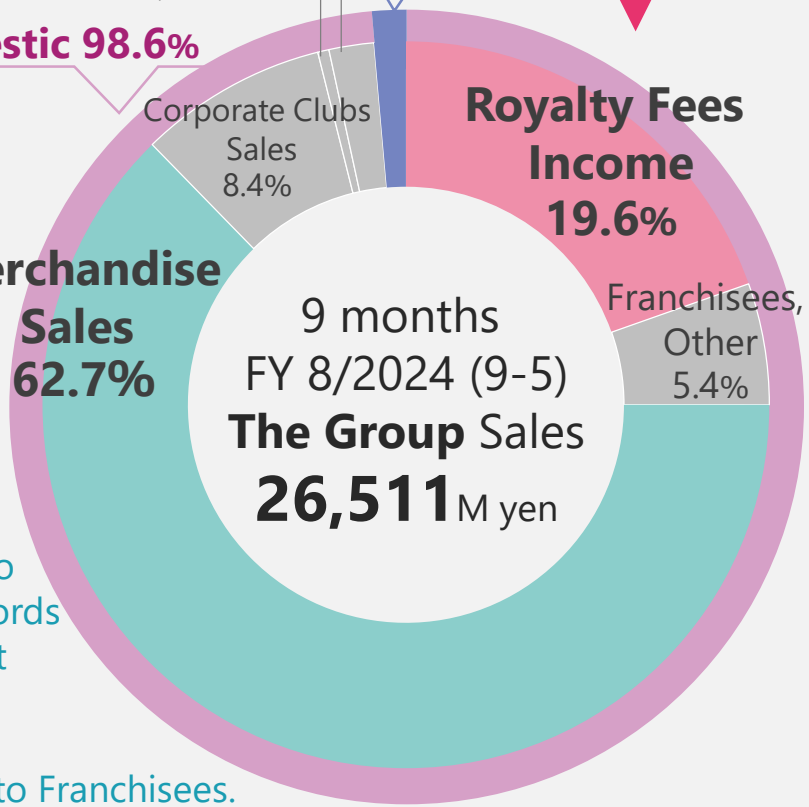
Difference in Sales Recording for Membership fee/ dues income and Merchandise sales①

Receives **portion of** Membership fee/dues income from Franchisees as per Franchise Agreement.



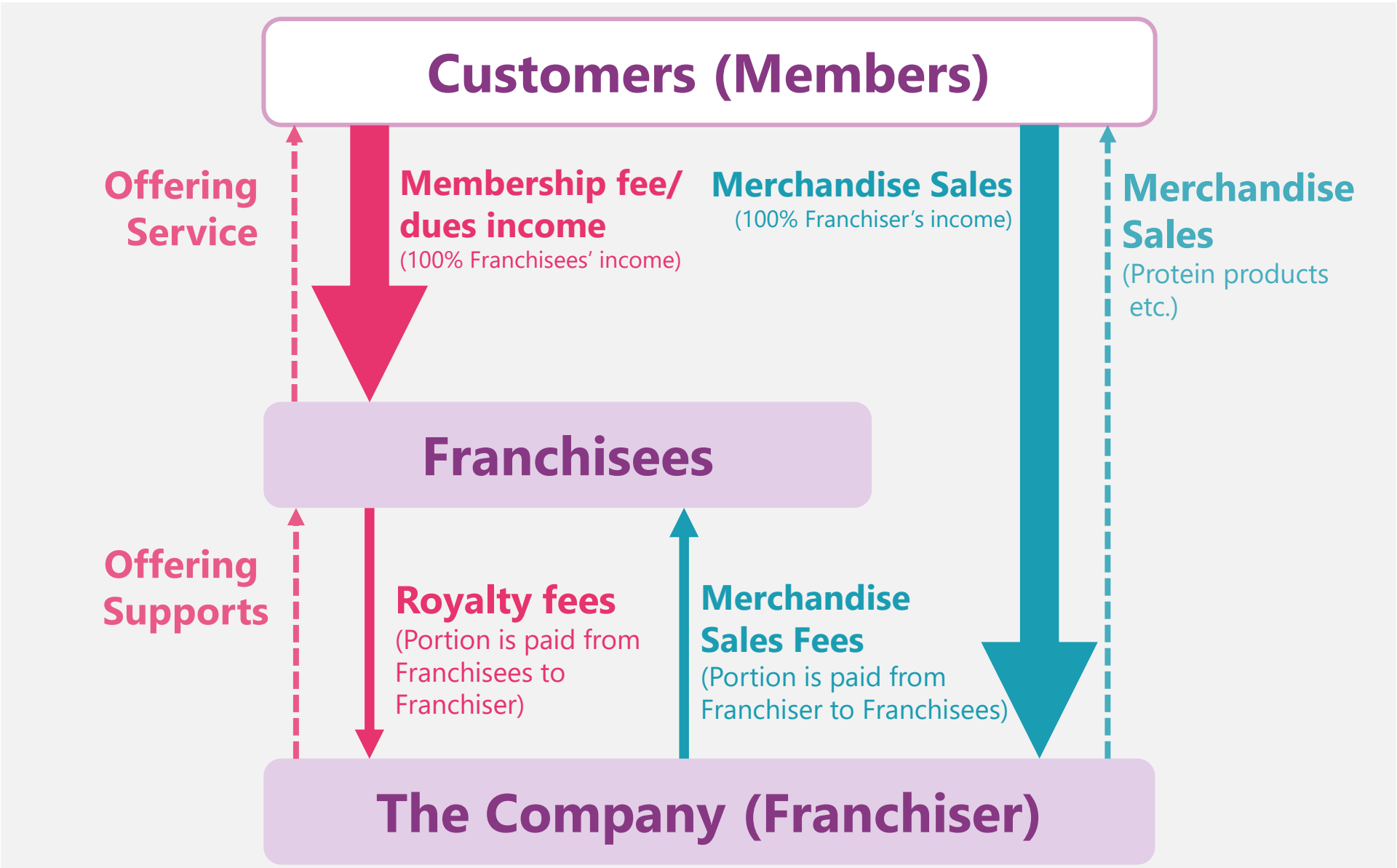
Directly retails to members and records **100%** of receipt to our Sales.

Pays Merchandise Sales Fee to Franchisees.



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

Difference in Sales Recording for Membership fee/ dues income and Merchandise sales②



Goodwill and Trademark Rights posted in US dollars at the time of a US entity acquisition①

Impacts of currency fluctuations to the Financials for FY 8/2024

BS **Intangible assets (goodwill/trademark rights)**

From End Previous FY

-190 M yen (End of 3Q: 21.47 B yen)

Net assets (Foreign currency translation adjustment)

From End Previous FY

+710 M yen (End of 3Q: 5.16 B yen)

PL **Amortization of Goodwill/trademark rights**

Year on year

+70 M yen (9 mos total:1.11 B yen)

Goodwill and Trademark Rights posted in US dollars at the time of a US entity acquisition②

When Curves International, Inc. was acquired (April 2018):

Goodwill & trademark rights	US$ 202 Million	Converted to Yen (106.24 yen/$) 21.5 B yen

Amortization for Goodwill/trademark rights (20 years) at $10 Million fixed annually

Previous FY (8/2023)

Goodwill/trademark rights	US$	Converted to Yen (144.99 yen/$)
Balance	149.4 Million	21.6 B yen
Amortization	US$	Converted to Yen (137.98 yen/$ ※137.49yen/$ 9 months total)
Annual total	10 Million	1.4 B yen
9 months total	7.5 Million	1.04 B yen

Current FY (9 months total 8/2024)

Goodwill/trademark rights	US$	Converted to Yen (151.41 yen/$) (6.42 yen depreciation YoY)
Balance	141.8 Million	21.4 B yen (-190 M yen From End Previous FY)
Amortization	US$	Converted to Yen (146.98 yen/$) (9.49 yen depreciation YoY)
9 months total	7.5 Million	1.11 B yen (+70 M yen YoY)

＊Balance of Goodwill/Trademark rights converted at the exchange rate at year end, and amortizations at average exchange rate during the period.

Curves Group Profile

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.**

**Business purpose:
To create a society free from fears of illness,
nursing cares and loneliness,
filled with vitality for life.**

Video “Curves in 10 Years”
https://youtu.be/XKuPtwwnNlE

Sustainability Management

Basic Sustainability Policy

In Pursuit of Community-based Health Infrastructure, We Will Contribute to Solving Social Issues.

The CURVES Group has the following management philosophy which dates back to its founding.

Business purpose : To create a society free from fears of illness, nursing cares and loneliness, filled with vitality for life.

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.

Based on the philosophy, the Group has been operating as the community-based health infrastructure to contribute to **solving social issues.**
We will put into practice sustainability management by striving to improve society and the environment in cooperation with all stakeholders including customers, our franchisees and coworkers.

Sustainability-related Material Issues



1. **Serving as community-based health infrastructure to help customers and society get mentally and physically healthier**



2. **Business operation aimed at the highest safety and reliability for customers**



3. **Create business models and operate clubs in a way that is eco-friendly and entails smaller risks of climate change**



4. **Develop human resources and workplaces and operate organizations for each motivated individual to shine**



5. **Contributing to local communities**



6. **Respect fair trade, human rights and human nature in the supply chain**



7. **Effective corporate governance**

Strength of “Curves, 30-minute Fitness for Women”[45]

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.

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 that allows women to get all the exercise they need in 30 minutes 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.

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

Curves

Social Challenges/Market Opportunities

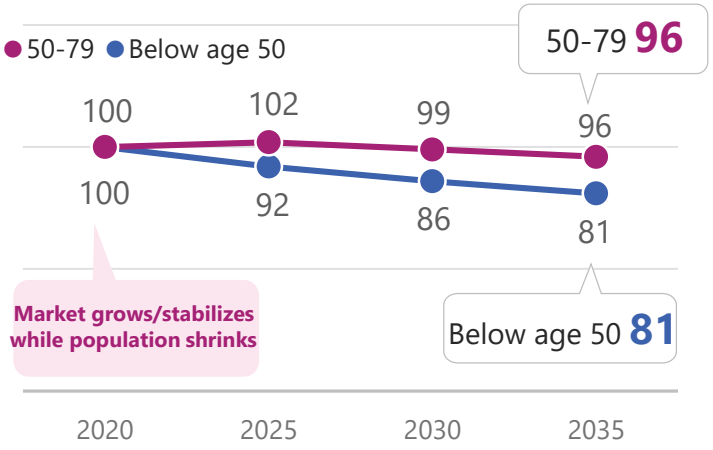
Progress of Super Aging Society

Population Forecast of Ages 50 - 79

thousand people

Ages		2020	2025	2030	2035
Population of Ages 50 - 79	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

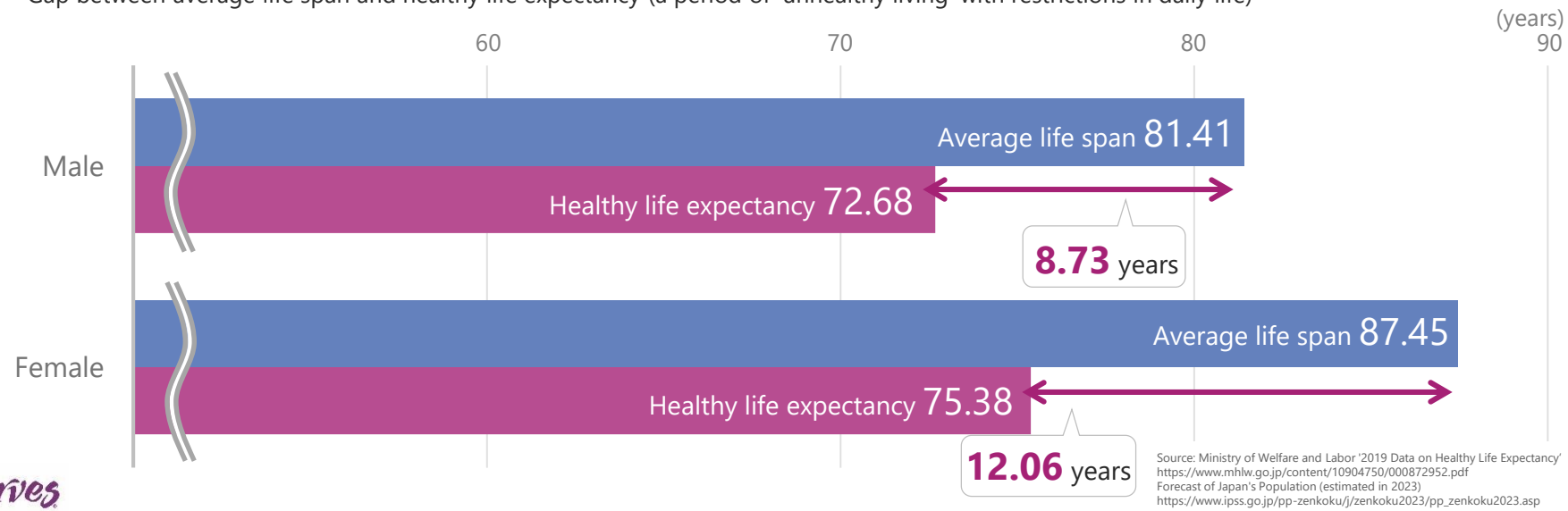


Challenge is how to prolong healthy life expectancy

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

■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)

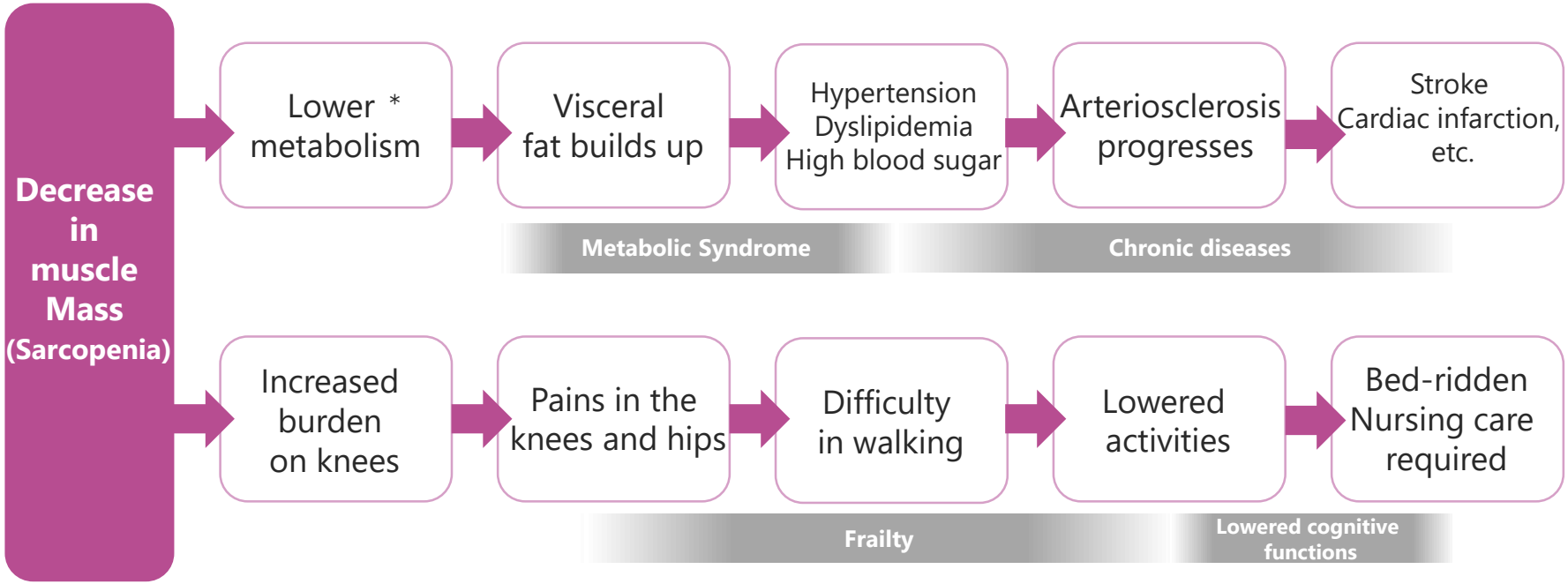


Source: Ministry of Welfare and Labor '2019 Data on Healthy Life Expectancy'
https://www.mhlw.go.jp/content/10904750/000872952.pdf
Forecast of Japan's Population (estimated in 2023)
https://www.ipss.go.jp/pp-zenkoku/j/zenkoku2023/pp_zenkoku2023.asp

Curves

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 chronic illness.
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.

Curves Group Business Model

Business Model

1. Clear definition of market

- Curves for women only, over age 50
- Fitness/health services for women who are aware of need of exercise but not actually engaged

By identifying the market definitions -
- **Can understand customers and market in depth**
- **Can continue innovation of values offered to customers**

2. Developing and offering high quality service

1. Unique exercise program 'Curves Workout' highly effective in just 30 minutes
   - Strength training, aerobic exercise & stretching
   - Effectiveness is proven with scientific evidence.
2. Workout support by caring and courteous coaches
3. Warm and encouraging community among women
4. 30 minutes only, no reservation required, conveniently located

Continue to respond to hidden needs and discontents of customers and market

3. Marketing that creates new market

- Word-of-mouth referral marketing
- Marketing to address hidden needs of customers

Accurately identify needs and discontents of potential customers

4. Solving customers' health issues & Merchandising

- Original products developed with proprietary ingredients
- Subscription system
- Product recommendation through health counseling with customers

Deeply understanding customers' hidden health issues, concerns and discontent leading to developing and recommending right products

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

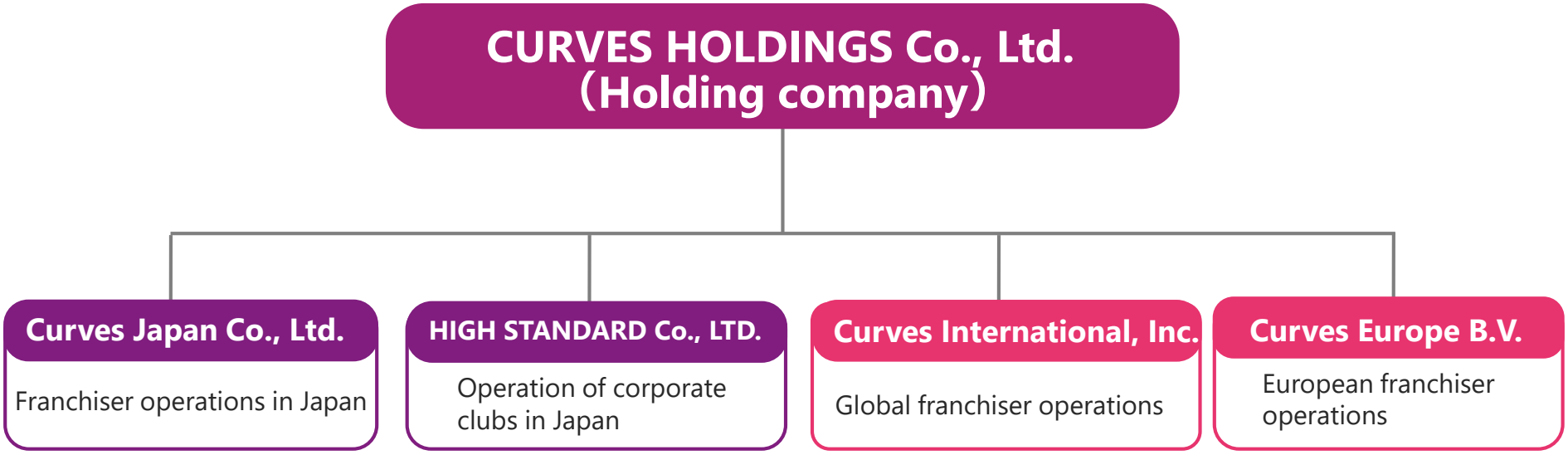
Continued enhancement of business model and franchise model by re-investments

Franchise Model

1. Building business model of low investment/ high earnings/ high entry barrier
2. Franchisees who share values and passions for missions join the chain
3. Training and support for management/ operations/ HR development
4. All staff participation management with collective wisdom
5. Success and high earnings of franchisees
6. Multi-unit development by franchisees is accelerated

Deepening engagements with franchisees

Group Companies



Company Profile

Business Profile

- Operations of “Curves, 30-minute Fitness for Women”
- 1,974 clubs in Japan (78 corporate owned, 1,896 Franchisees)

  (as of the end May 2024)

Basic Data

- Corporate Address: 11F, Shibaura Renasite Tower, 3-9-1 Shibaura, Minato-ku, Tokyo
- Founded(1)：Feb 2005
- Sales (2)　：30.0 billion Yen
- Capital (2)：800 million Yen

Note:
(1) Shows date of incorporation of Curves Japan Co., Ltd. Curves Holdings was founded in October 2008.
(2) Results of the FY August 31, 2023.

History

02/2005	Curves Japan founded by Venture Link Co. Ltd. (Acquired master license from Curves International)
03/2006	Rollout in Japan in franchising
06/2006	Opened 100 clubs
10/2008	Becomes Koshidaka Holdings’ subsidiary
06/2011	Reached 1,000 clubs
06/2015	Opened ‘Prevention Center Curves Odawara’, the 1st Prevention Center certified by Kanagawa Pref
03/2018	Acquired Curves International, Inc. (global franchiser)
11/2018	Started Men’s Curves (Chino)
07/2019	Acquired CFW International Management B.V. (currently Curves Europe B.V., European franchiser)
10/2019	Topped 2,000 clubs
03/2020	Listed in Tokyo Stock Exchange Section 1 with Stock Allocation Spin-off
04/2022	Transferred to “Prime Market” of Tokyo Stock Exchange.

For more information

▶ For IR related inquiries :

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U R L	: https://www.curvesholdings.co.jp/
TSE Code	: 7085

The purpose of this presentation is to provide information about the Curves Group based on results of operations for 3rd Quarter of the fiscal year ending August 31, 2024. This is not a solicitation to purchase securities issued by CURVES HOLDINGS Co., Ltd.
This presentation is based on information available as of July 9, 2024. Opinions, forecasts and other information represent the judgments of management at the time this presentation was prepared. Curves Holdings provides no guarantee or other assurance that the information in this presentation is accurate or complete and may revise information without prior notice.

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