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Supplementary Material: Consolidated Results of Operations for FY ended August 31, 2024

October 18, 2024

TSE Prime Market：7085

CURVES HOLDINGS Co., Ltd.

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Results summary of FY 8/2024

All time record high sales, operating profit, and chain-wide sales

- **Sales** 35.46B yen (118.1% Y-on-Y)
- **Operating profit** 5.45B yen (141.7% Y-on-Y)
- **Chain-wide Sales*** 80.97B yen (113.4% Y-on-Y)
  - ▷ **Membership fee/ dues income** 58.91B yen (109.1% Y-on-Y)
  - ▷ **Merchandise sales** 22.06B yen (126.8% Y-on-Y)

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

- **Total members** 817K members (net growth 40K members Y-on-Y)
- **Club count** 1,978clubs (net growth 16 clubs Y-on-Y)

Results summary of FY 8/2024

Annual Dividend Initial forecast 12yen → 15yen

Dividend increase of 3 yen

(Year-end dividend: 6 yen → 9 yen)

Consolidated payout ratio 38.7%

	Initial forecast	Results for the fiscal year under review	Compared with initial forecast	Reference: Results for the previous FY
Mid-term dividend	6.00 yen	6.00yen	-	5.00yen
Year-end dividend	6.00yen	9.00yen	+3.00yen	5.00yen
Annual Dividend	12.00yen	15.00yen	+3.00yen	10.00yen

Results details of FY 8/2024

Consolidated Statement of Income

(million yen)	FY 8/2024(current) Annual(9-8)Actual	FY 8/2023(previous) Annual(9-8)Actual	Year on year	FY 8/2024(current) Annual(9-8)Forecast ＊1	To Forecast	FY 8/2024(current) 4Q（6-8）Actual
Sales	**35,465**	30,022	118.1%	35,000	101.3%	**8,953**
Cost of Sales	20,320	17,216	118.0%			5,027
(COS ratio)	57.3%	57.3%				56.2%
Gross profit	15,145	12,806	118.3%			3,925
(Gross profit ratio)	42.7%	42.7%				43.8%
SGA	9,687	8,954	108.2%			2,922
incl. Amortization expenses for goodwill, trademark rights and intangible fixed assets ＊2	1,541	1,703	90.5%			399
Operating profit	**5,458**	3,851	141.7%	5,100	107.0%	**1,003**
（Operating profit ratio）	15.4%	12.8%		14.6%		11.2%
Ordinary profit	**5,472**	3,841	142.4%	5,050	108.4%	**1,000**
（Ord profit ratio）	15.4%	12.8%		14.4%		11.2%
Net profit	**3,566**	2,551	139.8%	3,140	113.6%	**642**
（Net profit ratio）	10.1%	8.5%		9.0%		7.2%

＊1 The full-year forecast for FY 8/2024 uses the upper value of the range announced on March 11, 2024.
＊2 Amortization expenses in terms of US Dollar converted to Yen.

Consolidated Statement of Income – Comparison to Forecasts

(million yen)	FY 8/2024(current)Actual 1st Half (9-2)	FY 8/2024(current)Actual 2nd Half(3-8)	FY 8/2024(current)Actual Annual(9-8)	FY 8/2024(current)Forecast* Annual(9-8)	Comparison to Forecasts Difference	Comparison to Forecasts Achieved
Sales	**17,028**	**18,437**	**35,465**	**35,000**	**+465**	**101.3%**
Operating profit	**2,809**	**2,648**	**5,458**	**5,100**	**+358**	**107.0%**
(Operating profit ratio)	**16.5%**	**14.4%**	**15.4%**	**14.6%**		
Ordinary profit	**2,792**	**2,679**	**5,472**	**5,050**	**+422**	**108.4%**
(Ord profit ratio)	**16.4%**	**14.5%**	**15.4%**	**14.4%**		
Net profit	**1,805**	**1,761**	**3,566**	**3,140**	**+426**	**113.6%**
(Net profit ratio)	**10.6%**	**9.6%**	**10.1%**	**9.0%**		

Net sales of the current FY
35,465 M yen
Vs forecasts +465 M yen
Achieved 101.3%

- The number of members is in line with the plan. End of previous FY **777K** → End of current FY **817K**
- Revenue from merchandise sales exceeded the forecast.
  Strong sales of Ultra Protein and Healthy Beauty, released in December 2023

Operating profit of the current FY
5,458 M yen
Vs forecasts +358 M yen
Achieved 107.0%

Gross profit
- Gross profit from merchandise sales exceeded the forecast thanks to measures taken to counter rising raw material costs.

SG&A expenses
- Personnel and other expenses increased as future investment.
- As previously disclosed, additional advertising expenses were allocated in the second half (already included in the forecasted figures above).

＊ The full-year forecast for FY 8/2024 uses the upper value of the range announced on March 11, 2024.

Consolidated Statement of Income – Year on year comparison

Year-on-year Comparison

	Sales	Operating profit	Ordinary profit	Net profit
Current FY (9/23-8/24)	35.46 B yen (+5.44 B yen Y-on-Y)	5.45 B yen (+1.60 B yen)	5.47 B yen (+1.63 B yen)	3.56 B yen (+1.01 B yen)
Previous FY (9/22-8/23)	30.02 B yen	3.85 B yen	3.84 B yen	2.55 B yen

Sales 35.46B yen, +5.44B yen Y-on-Y(118.1%)

①Increase in Royalty Fees Income

- Total membership increased from End of previous FY 777K → End of current FY **817K members**
  Net growth by 40K members

②Increase in Merchandise Sales

- Merchandise Sales* Previous FY **17.48B yen** → Current FY **22.21B yen**
- Sales of Ultra Protein and Healthy Beauty, released in December 2023, increased significantly and remained strong.

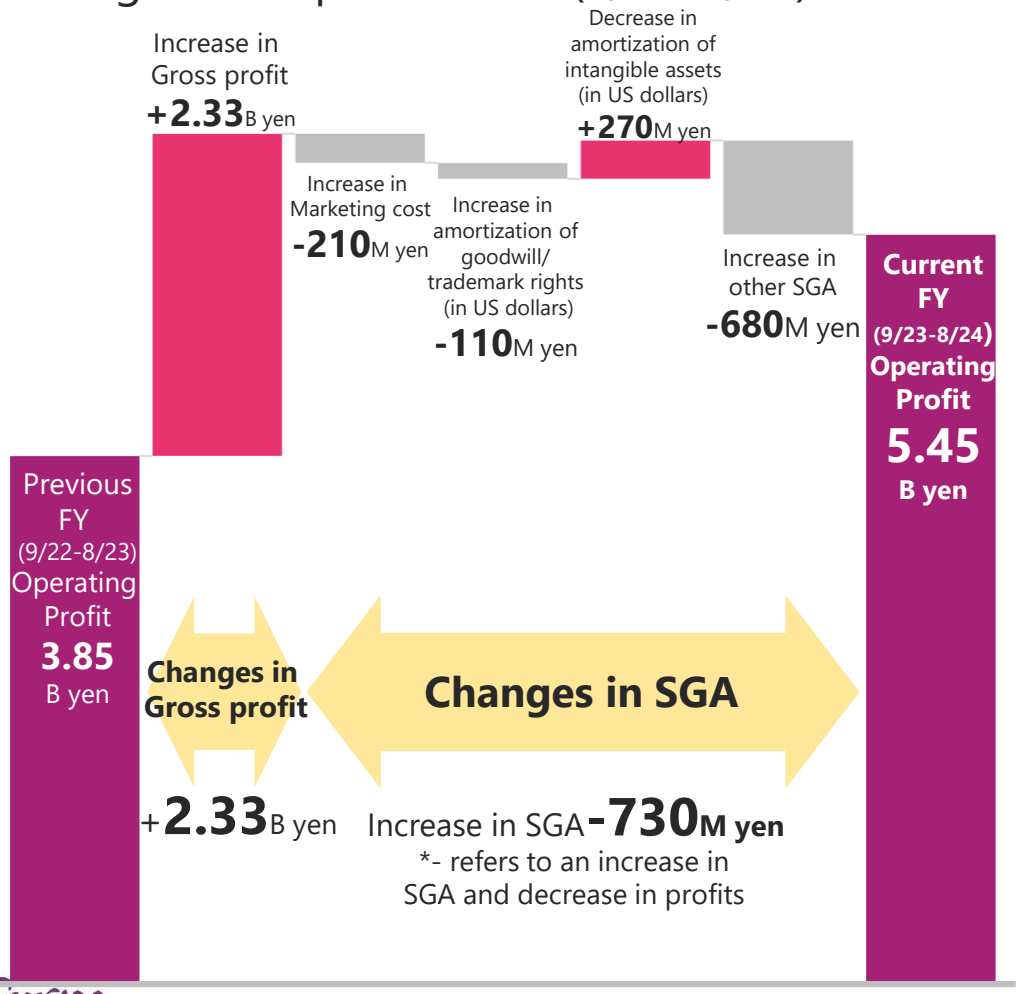
＊ Merchandise Sales include the sales of products sold to franchisees.

Consolidated Statement of Income – Year on year comparison

Operating profit 5.45 B yen, +1.60 B yen Y-on-Y(141.7%)

Operating profit ratio Previous FY:12.8% Current FY:15.4% 2.6%improvement

Changes from previous FY (9/22-8/23) to current FY (9/23-8/24)



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 110 M yen

Decrease in amortization of intangible assets 270 M yen
☞Completed amortization of intangible assets (in US dollars)
Average exchange rate (US$):
Previous FY 137.98yen
Current FY 149.58yen

Increases in other SGA :
Increase in personnel and system-related expenses, etc.

Curves

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

(million yen)	Current FY 4Q(6-8)	Previous quarter 3Q(3-5)	Quaretr on quarter Difference	Quaretr on quarter %	Previous FY 4Q(6-8)	Year on year Difference	Year on year %
Sales	**8,953**	**9,483**	**-530**	**94.4%**	**7,832**	**+1,120**	**114.3%**
Operating profit	**1,003**	**1,644**	**-640**	**61.0%**	**756**	**+246**	**132.6%**
Ordinary profit	**1,000**	**1,679**	**-679**	**59.5%**	**860**	**+139**	**116.1%**
Net profit	**642**	**1,118**	**-475**	**57.5%**	**677**	**-34**	**95.0%**

Net sales of 4Q of current FY
8,953M yen
94.4% Quarter on quarter
114.3% Year on year

【Quarter on quarter】

・Increase in Royalty Fee Income　Membership End24/3Q **800K** →End24/4Q **817K**
・Decrease in merchandise sales

While sales of subscription-based products dropped quarter on quarter partly due to delivery timing, they still surpassed the plan.

＊As revenue is recognized upon delivery, the timing of deliveries impacts sales figures.

【Year on year】

・Increase in royalty fee incomes　Membership End23/4Q **777K** →End24/4Q **817K**
・Increase in merchandise sales

Sales of Ultra Protein and Healthy Beauty, released in December 2023, increased significantly and remained strong.

Operating profit of 4Q of current FY
1,003M yen
61.0% Quarter on quarter
132.6% Year on year

【Quarter on quarter】

Gross profit -153M yen　Increase in gross profit from royalty fees, decrease in gross profit from merchandise sales
SGA　+487M yen　Increases in advertising expenses and personnel expenses

【Year on year】

Gross profit　+611M yen　Increase in gross profit of Royalty Fee income, Merchandise sales
SGA　+364M 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 Statement of Income (by region)

(million yen)	FY 8/2024(current) Annual(9-8) Actual	To sales	FY 8/2023(previous) Annual(9-8) Actual	To sales	Year on year	FY 8/2024(current) 4Q（6-8）Actual	To sales
Sales	35,465	100.0%	30,022	100.0%	118.1%	8,953	100.0%
Domestic	34,969	98.6%	29,545	98.4%	118.4%	8,836	98.7%
Overseas	496	1.4%	477	1.6%	103.9%	117	1.3%
Operating profit	5,458	15.4%	3,851	12.8%	141.7%	1,003	11.2%
Domestic	7,468		5,914		126.3%	1,532	
Overseas	-304		-471		-	-83	
Adjustments	-1,705		-1,591		-	-445	
Average exchange rate during period	149.58 yen/$		137.98 yen/$		Depreciation by 11.60 yen	149.58 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

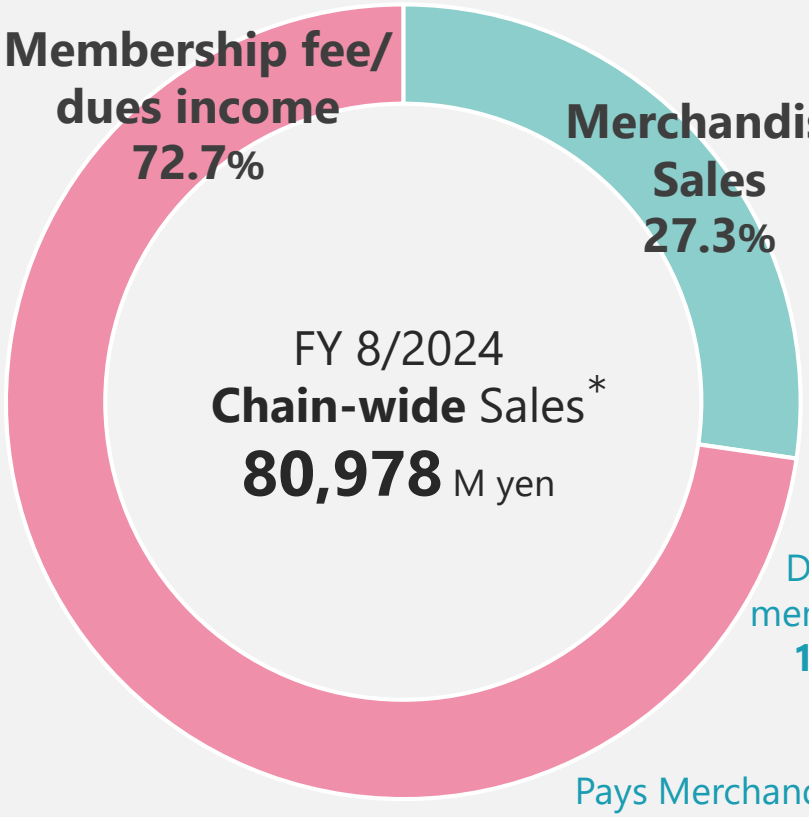
Breakdown of Sales

(million yen)	FY 8/2024(current) Annual(9-8) Actual	To Sales	FY 8/2023(previous) Annual(9-8) Actual	To Sales	Year on year	FY 8/2024(current) 4Q（6-8）Actual	To Sales
Sales	35,465	100.0%	30,022	100.0%	118.1%	8,953	100.0%
Domestic	34,969	98.6%	29,545	98.4%	118.4%	8,836	98.7%
Spot	773	2.2%	698	2.3%	110.7%	253	2.8%
Base	34,195	96.4%	28,846	96.1%	118.5%	8,582	95.9%
Royalty,etc	6,946	19.6%	6,518	21.7%	106.6%	1,744	19.5%
Franchisees, other	1,878	5.3%	2,021	6.7%	92.9%	447	5.0%
Merchandise *	22,210	62.6%	17,488	58.3%	127.0%	5,581	62.3%
Corporate clubs	2,994	8.4%	2,704	9.0%	110.7%	762	8.5%
Other	165	0.5%	113	0.4%	145.7%	46	0.5%
Overseas	496	1.4%	477	1.6%	103.9%	117	1.3%

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

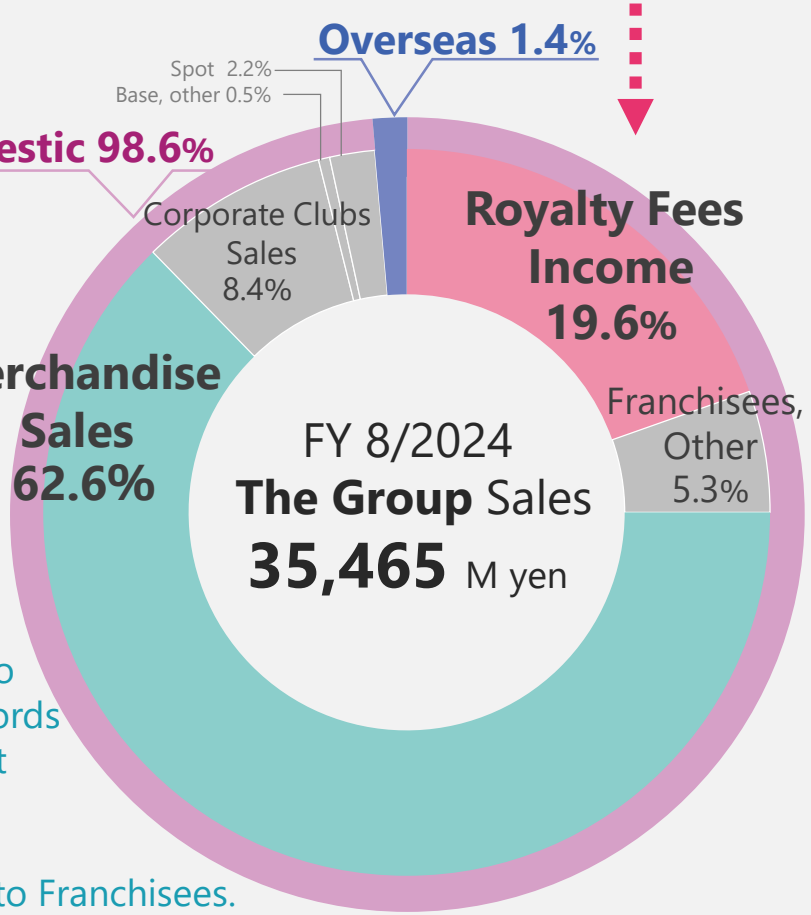
Difference in Sales Recording for Membership fee/ dues income and Merchandise sales

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 Balance Sheet

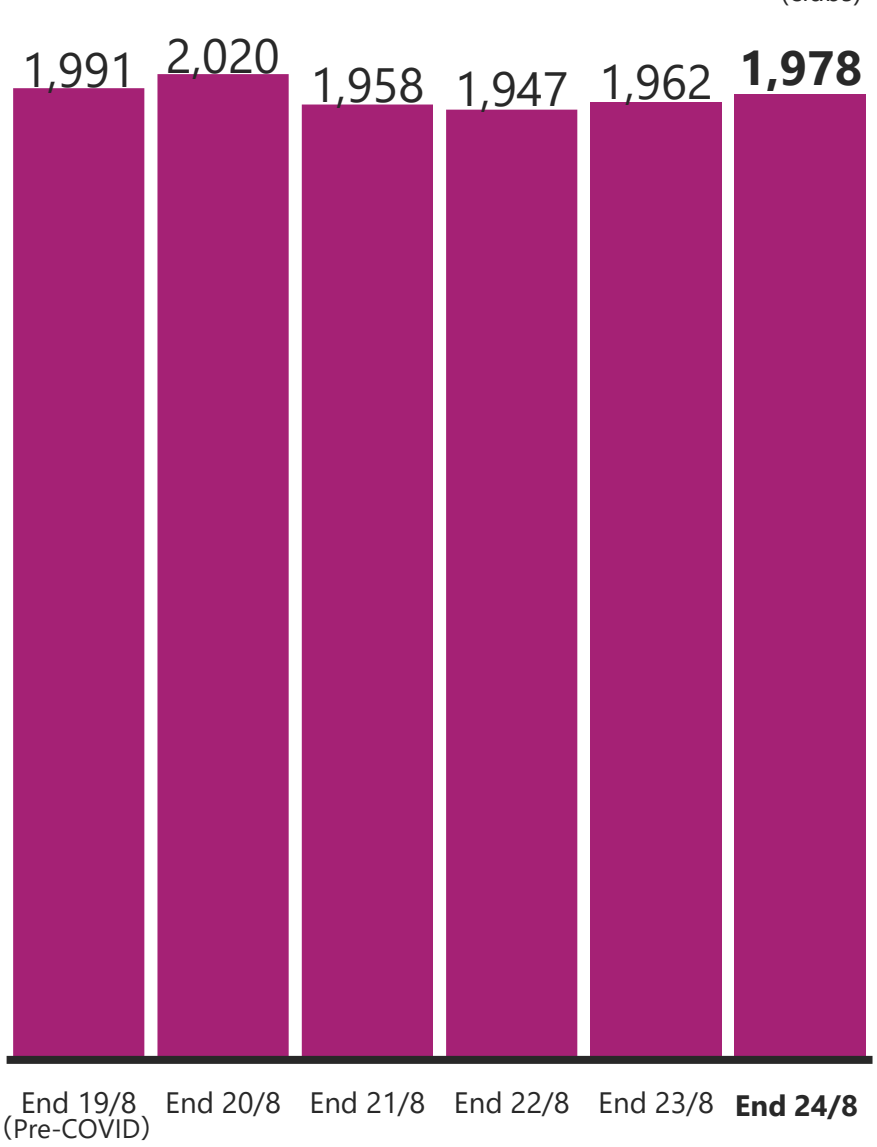
(million yen)	FY 8/2024 End fiscal year	FY 8/2023 End fiscal year	Changes
Current assets	**15,490**	**14,338**	**1,151**
Cash and deposits*	8,296	8,134	161
Notes and accounts receivable	5,128	4,444	683
Merchandise	1,225	985	240
Non-current assets	**25,884**	**24,773**	**1,111**
Property, plant and equipment	**483**	**437**	**46**
Intangible assets	**24,238**	**23,183**	**1,055**
Goodwill	1,598	1,546	51
Trademark rights	20,842	20,126	716
Software	1,672	1,361	310
Investments and other assets	**1,163**	**1,153**	**10**
Total assets	**41,374**	**39,111**	**2,263**
Current liabilities	**11,654**	**10,686**	**967**
Current portion of long term borrowings	3,290	3,290	-
Non-current liabilities	**10,311**	**13,354**	**-3,043**
Long-term borrowings	5,375	8,665	-3,290
Total liabilities	**21,965**	**24,041**	**-2,075**
Interest-bearing debts	8,665	11,956	-3,290
Total net assets	**19,409**	**15,070**	**4,339**
Shareholders' equity	13,158	10,621	2,536
Total liabilities and net assets	**41,374**	**39,111**	**2,263**
Exchange rate end period	161.07 yen/$	144.99 yen/$	Depreciation by 16.08 yen

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

Consolidated Statement of Cash Flows

(million yen)	FY 8/2024 (current) Annual(9-8)Actual	FY 8/2023 (previous) Annual(9-8)Actual	Differences
Cash flows from operating activities	**5,426**	**4,920**	**505**
Profit before income taxes	5,446	3,822	1,624
Depreciation/Amortization goodwill, trademark rights	2,234	2,309	-75
Foreign exchange losses (gains)	-30	-31	0
Decrease (increase) in trade receivables	-620	-252	-367
Decrease (increase) in inventories	-395	-87	-307
Increase (decrease) in trade payables	299	274	25
Increase (decrease) in accounts payable - other	298	-38	336
Income taxes refund (paid)	-2,076	-1,454	-621
Other	270	378	-108
Cash flows from investing activities	**-967**	**-891**	**-75**
Purchase of property, plant and equipment	-149	-162	13
Purchase of intangible assets	-805	-687	-117
Other	-12	-41	29
Cash flows from financing activities	**-4,327**	**-4,091**	**-235**
Repayments of long-term borrowings	-3,290	-3,290	-
Dividends paid	-1,032	-797	-234
Other	-4	-3	-1
Effect of exchange rate change on cash and cash equivalents	**15**	**-25**	**40**
Net increase (decrease) in cash and cash equivalents	**147**	**-88**	**235**
Cash and cash equivalents at beginning of period	**7,855**	**7,943**	**-88**
Cash and cash equivalents at end of period	**8,002**	**7,855**	**147**
Free CF: Operation CF + Investing CF	**4,459**	**4,028**	**430**

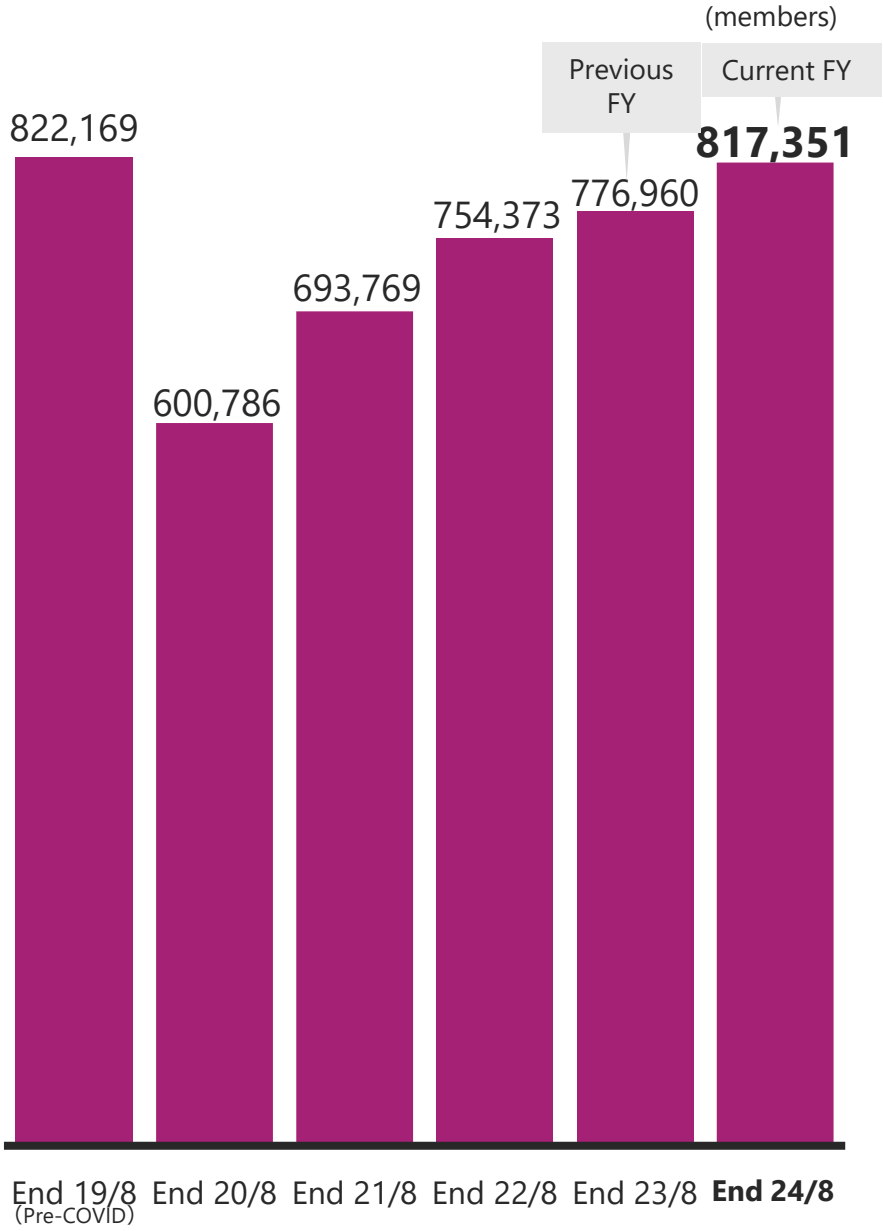
Total Club Count



1,978 Clubs in Japan

	4Q (6-8)	Anuual (9-8)
New open	5 clubs	22 clubs
Closed	1 club	6 clubs
Net growth	+4 clubs	+16 clubs

Total Membership Count

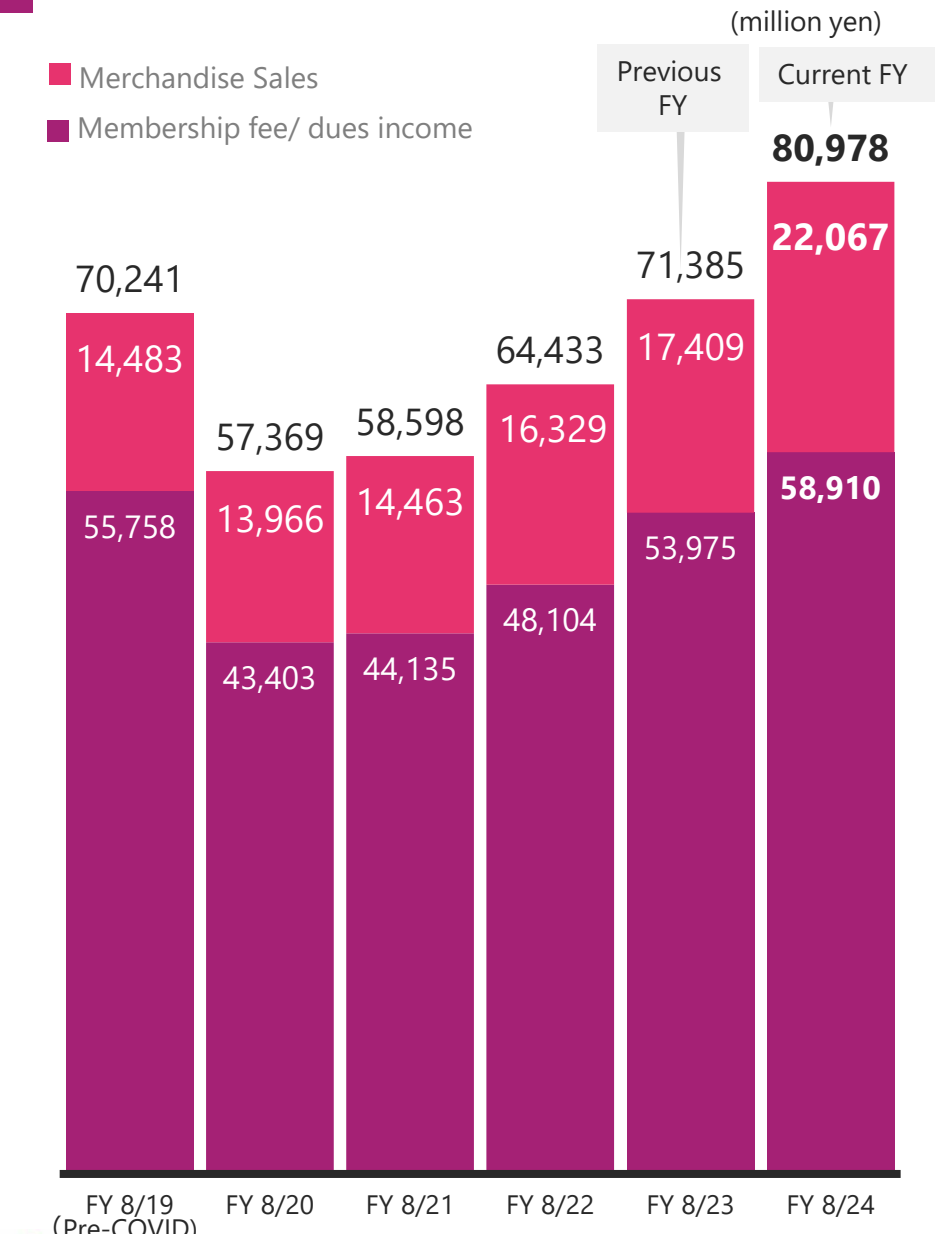


Total 817K members

From End Previous FY **40K net growth**

＊FY 8/20 shows active members excluding absentees.

Chain-wide Sales



FY8/24 Annual Actual **Recorded all time high**

80.97 B yen

Previous FY To 8/23 **+9.59 B yen**

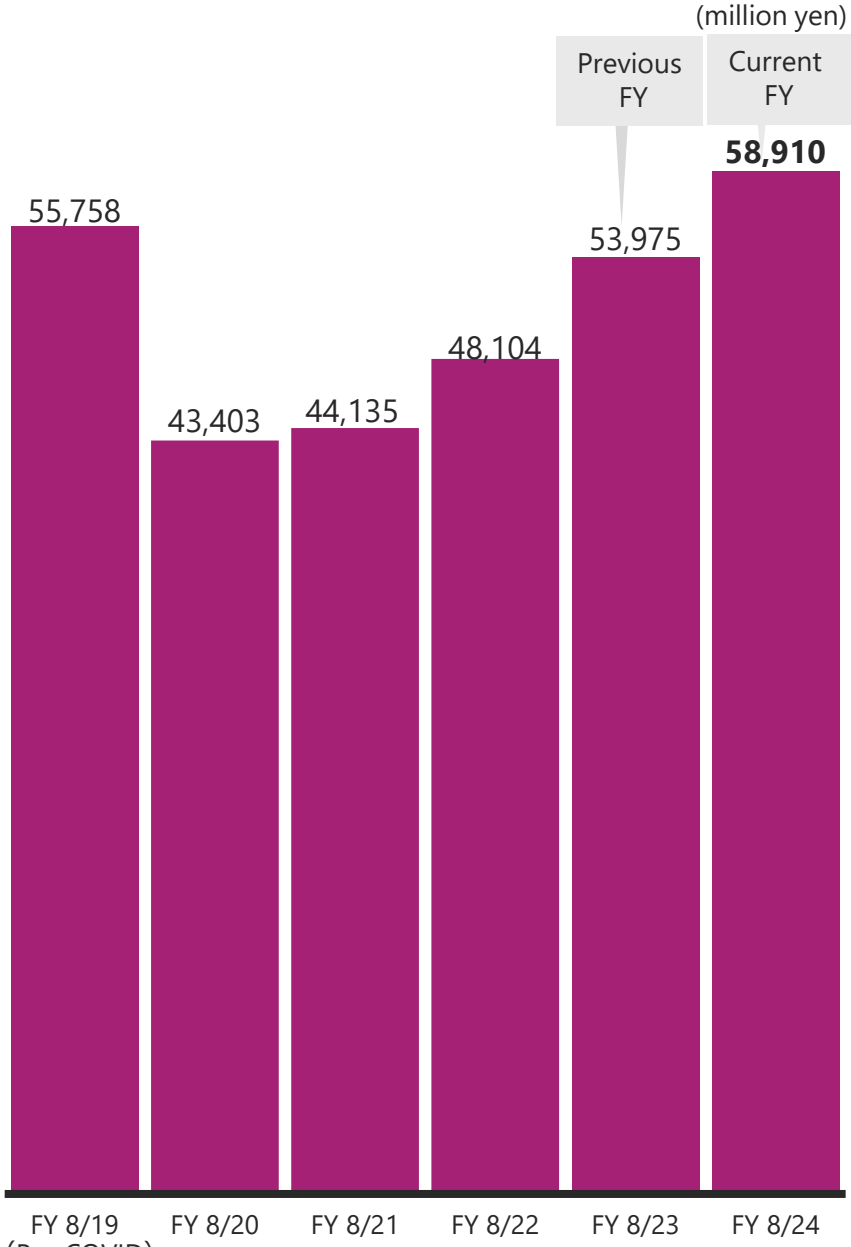
113.4%

Current FY 4Q 8/24 Actual **20.44 B yen**

Incl. Merchandise Sales **5.55 B yen**

Membership fee/ dues income **14.89 B yen**

Trends in Membership fee/ dues income



FY8/24 Annual Actual **Recorded all time high**

58.91 B yen

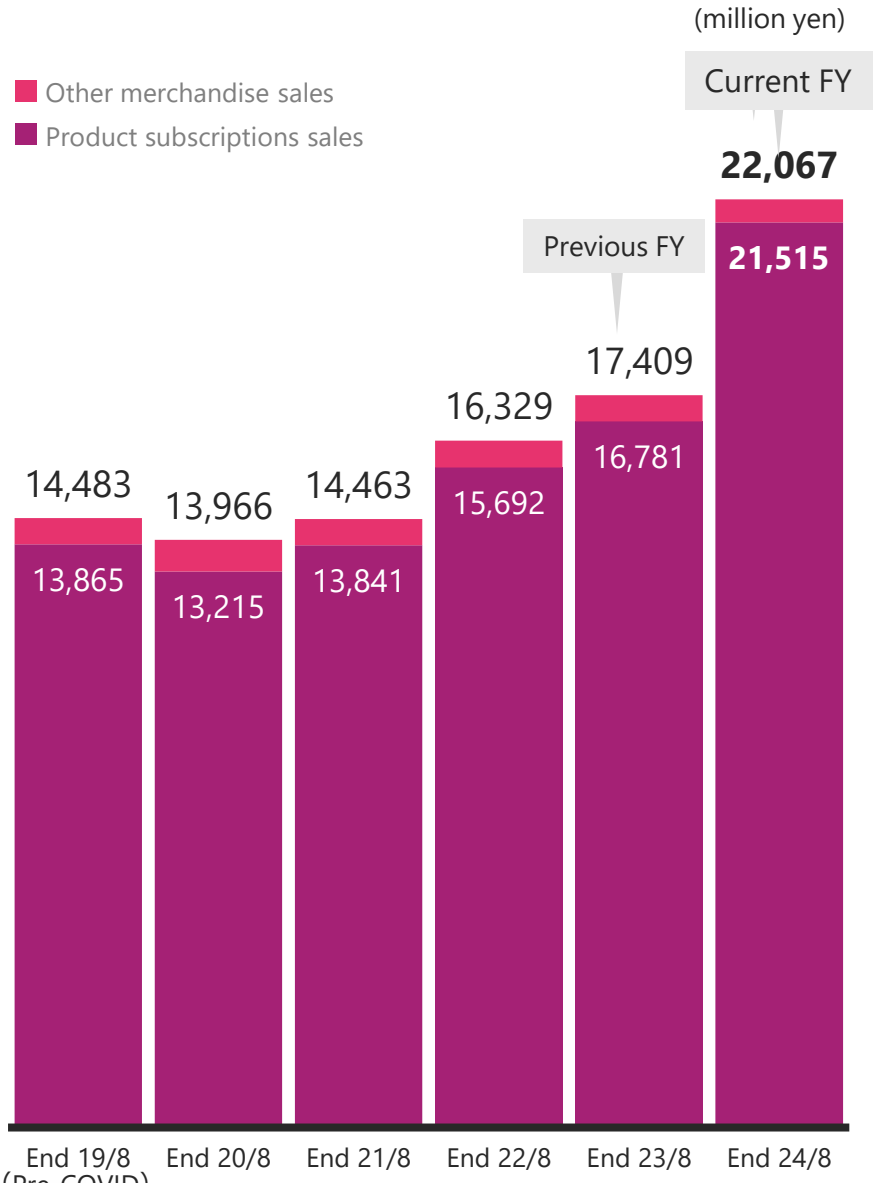
Previous FY To 8/23

+4.93 B yen

109.1 %

Current FY 4Q 8/24 Actual **14.89 B yen**

Trends in Merchandise Sales



FY8/24 Recorded all time high

Annual Actual 22.06 B yen

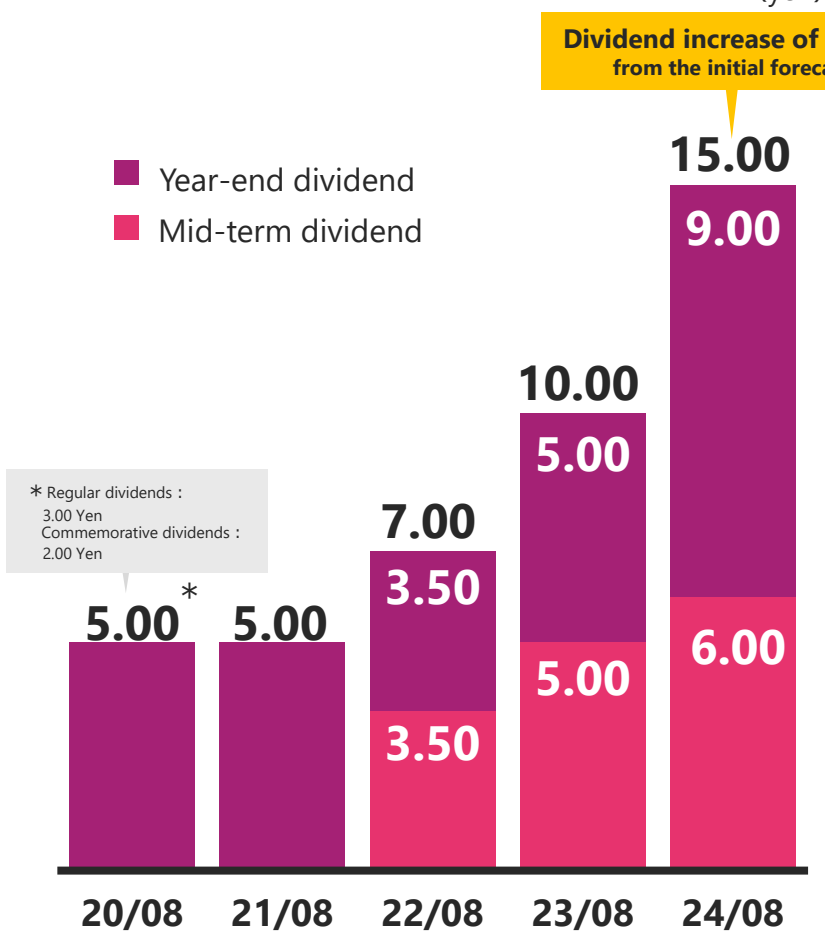
Previous FY To 8/23 **+4.65 B yen**

126.8%

Current FY 4Q 8/24 Actual **5.55 B yen**

Incl. Product subscriptions sale **5.39 B yen**

FY 8/2024 Shareholders' Distribution



	20/08	21/08	22/08	23/08	24/08
Mid-term dividend	–	–	3.50yen	5.00yen	6.00yen
Year-end dividend	5.00yen	5.00yen	3.50yen	5.00yen	9.00yen
Annual dividend	**5.00yen**	**5.00yen**	**7.00yen**	**10.00yen**	**15.00yen**
Consolidated payout ratio	**57.3%**	**41.5%**	**28.9%**	**36.1%**	**38.7%**

FY 8/2024

Annual Dividend 15.00 yen

Annual Results

Earnings per share 38.75 yen

Consolidated payout ratio 38.7%

Shareholders incentives

Quo Card worth 500 yen

1 Quo Card to all shareholders owning more than 100 shares (1 unit) as registered on the shareholders' list as of August 31, 2024.

Business outline and updates for FY 8/2024

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

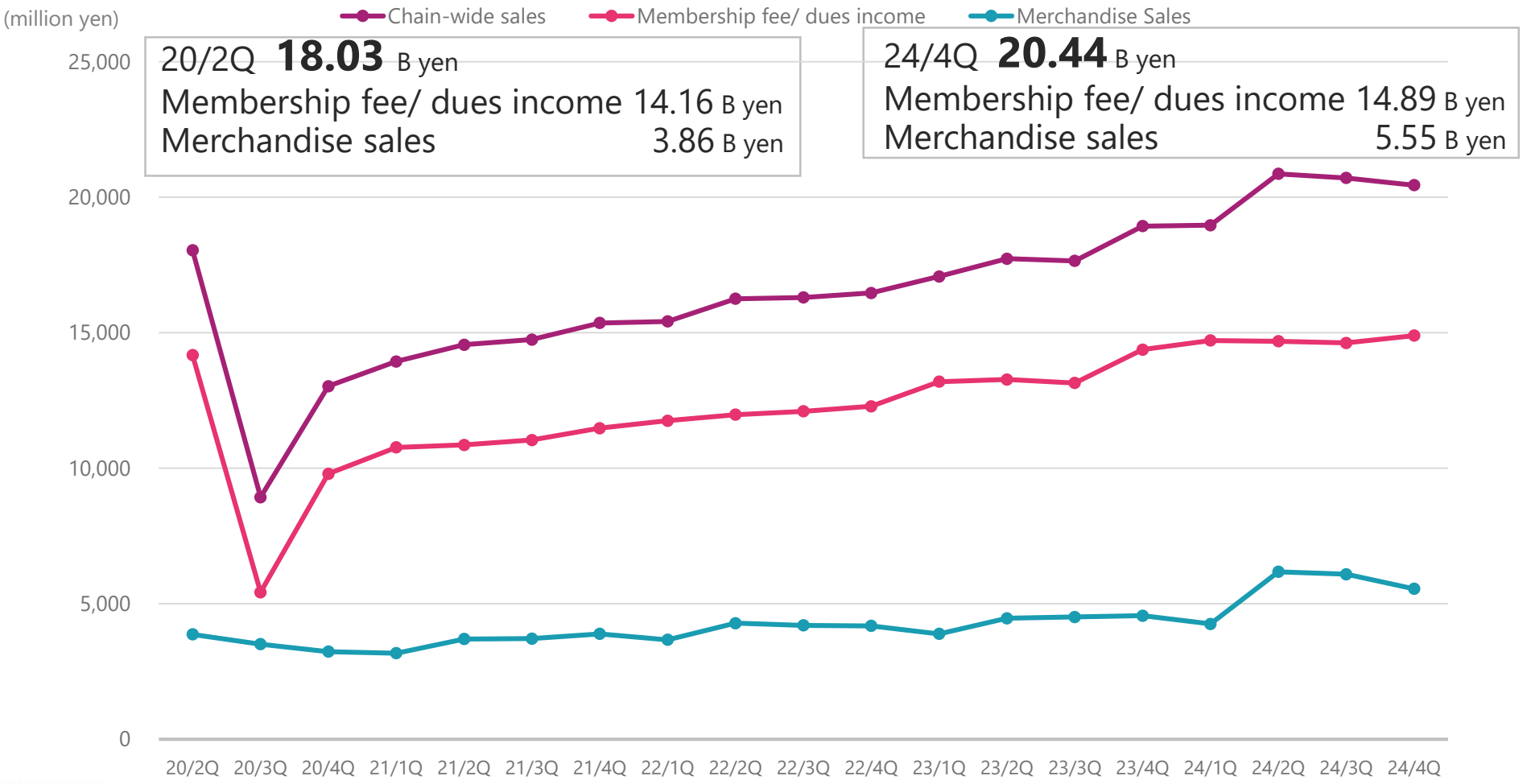
- Focus on promoting hybrid program (Ouchi-de-Curves Dual Plan)

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

Topics for FY 8/2024

1. Elevating **Customer Satisfaction**
2. Enhancing **Marketing Activities**
3. Upgrading **Diet Counseling/Advice**
4. Initiatives to become **the highest safety and reliability for customers**
5. Enhancing **Online Programs**
6. **Collaboration with local governments and medical institutions**
7. **Men's Curves**
8. **Overseas** Segments

Topic 1. Elevating Customer Satisfaction

Released 9/2024

2024 JCSI Japanese Customer Satisfaction Index survey

First time in Fitness Club Industry

Ranked #1 for 10 consecutive years*



Average monthly attrition rate for FY 8/24 (9/23-8/24) 2.2%

☞ The average monthly attrition rate for FY 8/2024 remained at a historically low level.

0.08% decrease year on year

＝Equivalent to approximately 7K fewer cancellations annually

＊No survey done for 5 industries including Fitness Clubs for 2020 due to the pandemic.
＊Men's Curves is not included in the JCSI survey.

Topic 2. Enhancing Marketing Activities

3 Membership Drive Campaigns in a year

Improved marketing efficiency for young seniors secured stable new memberships

Nationwide TV commercials, online, and regional promotions deployed



Proceed with the restructuring of marketing to seniors

End FY 8/2023
777K members

End FY 8/2024
817K members

+40K members

Topic 3. Upgrading Diet Counseling/Advice

First time in 6 years since 12/2017 New Protein products　　Major product line following the Protein(subscriptions)

Ultra Protein & Healthy Beauty

Record-high total number of purchasers for subscription-based products after launch



Full renewal of the Protein Products
with our proprietary ingredient prescriptions based on scientific evidences to further enhance the efficacy of muscle development and maintaining/promoting health

Sale price is the same as Super Protein
(approx. 5,000 yen/month, piece)
Premium+ (regular Protein + 1,000 yen) has also been renewed as Ultra Protein

A new product designed specifically for young senior members (age 50-64) has been released.
This new product was uniquely developed to respond to negative issues associated with diet they feel discontent, inconvenient or uneasy about, and address their concerns as identified from their direct voices, dietary surveys and insight research.



Sale price is the same as Super Protein

Topic 4. 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



Initiatives to become the highest safety and reliability for customers

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.)

Uncompromising quality control



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.

Reliable support system



In addition to support from our club 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.

▶We plan to further strengthen our efforts in the future.

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

Topic 5. Enhancing Online Programs

On-line Fitness



11/2023

Hybrid service of in-club and online workout

Dual Plan with Ouchi-de-Curves was promoted in campaign to regular in-club members

47K out of total 817K members are using Online Programs as of end FY 8/2024 including users of "Ouchi-de-Curves" program only.

Curves App

Free App for members

As of 8/2024

460K members enrolled +230K users YoY

Expanded functionality led to an increase in user numbers, well received for helping to establish exercise habits.



Topic 6. Collaboration with local governments and medical institutions

Collaboration with local governments

Signed a partnership agreement with
April 2024 August 2024
Kashiwara-shi, Osaka and Chikusei-shi, Ibaraki to promote health.

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)

With **more than 30 other municipalities nationwide**

Medical institutions collaborations include:

Cardiac Rehabilitation Collaboration

- CR-Gnet（Gifu Cardiac Rehabilitation Network）
- 7 Cardiac Rehabilitation Hospitals in Yokohama
- Ageo Chuo Sogo Hospital, etc.

Plastic Surgery Collaborations

- Mori Orthopedic Rehabilitation Clinic
- Sugamo Kitaguchi Plastic Surgery Clinic
- Yokohama Machida Orthopedic Hospital, etc.

With **25 other clinics**

Materiality 5：Contributing to local communities
https://www.curvesholdings.co.jp/en/sustainability/materiality05.html

Information for medical institutions
https://www.curves.co.jp/medical/

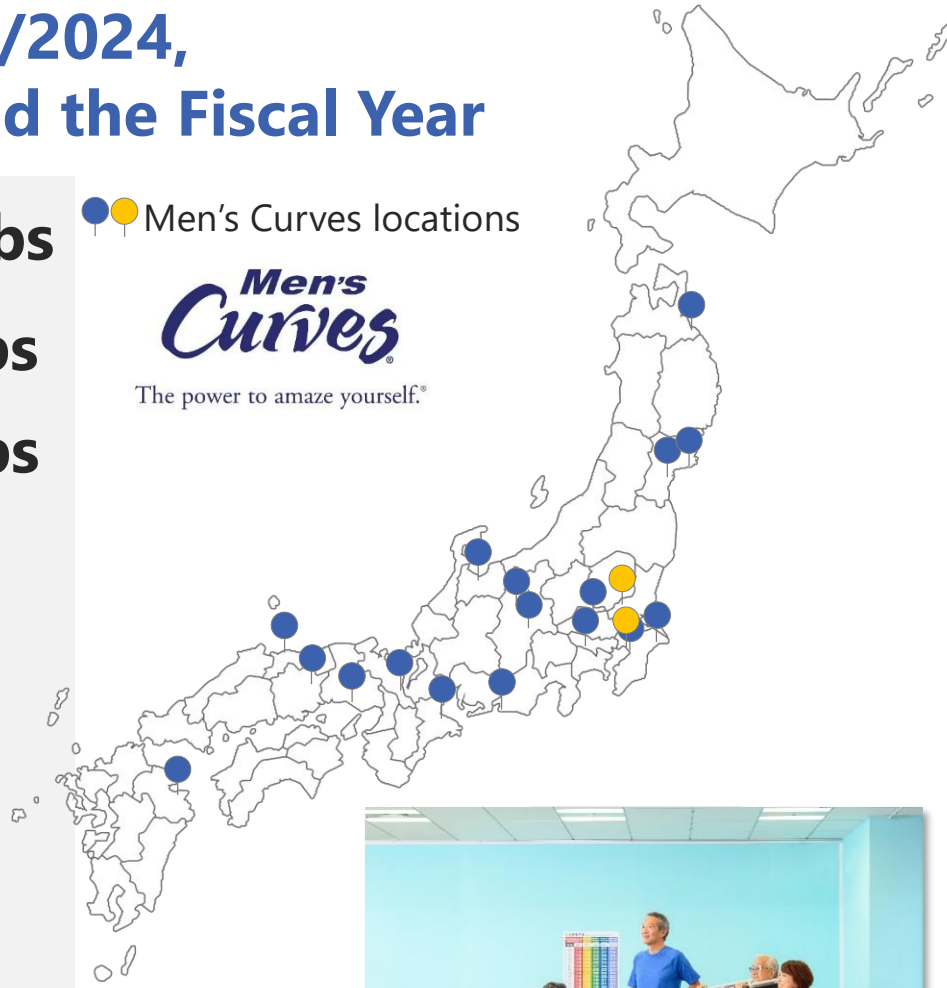
Topic 7. Men's Curves

2 new clubs opened in the FY 8/2024, Making total 19 clubs at the end the Fiscal Year

At the end FY 8/2023	17clubs
Opened in FY 8/2024	2clubs
At the end FY 8/2024	19clubs

Focused on attracting new customers and refining service expertise

▶Improved performance of existing clubs, successful new club openings





▶More openings planned from FY 8/2025 onwards

Topic 8. Overseas Segments

Updates of Key Markets

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

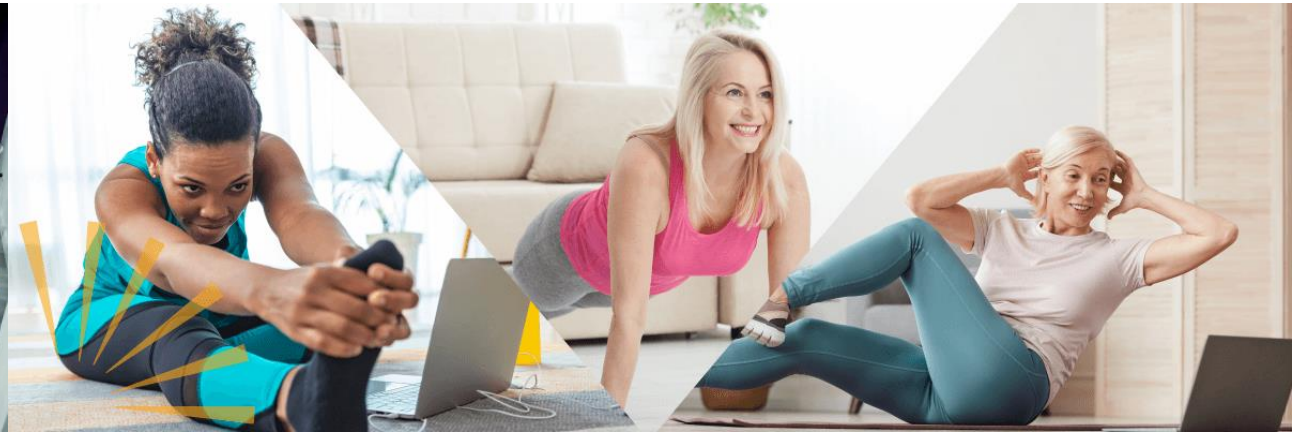
Total 130 clubs open as of end 6/2024

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

Record-high sales and membership per club

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



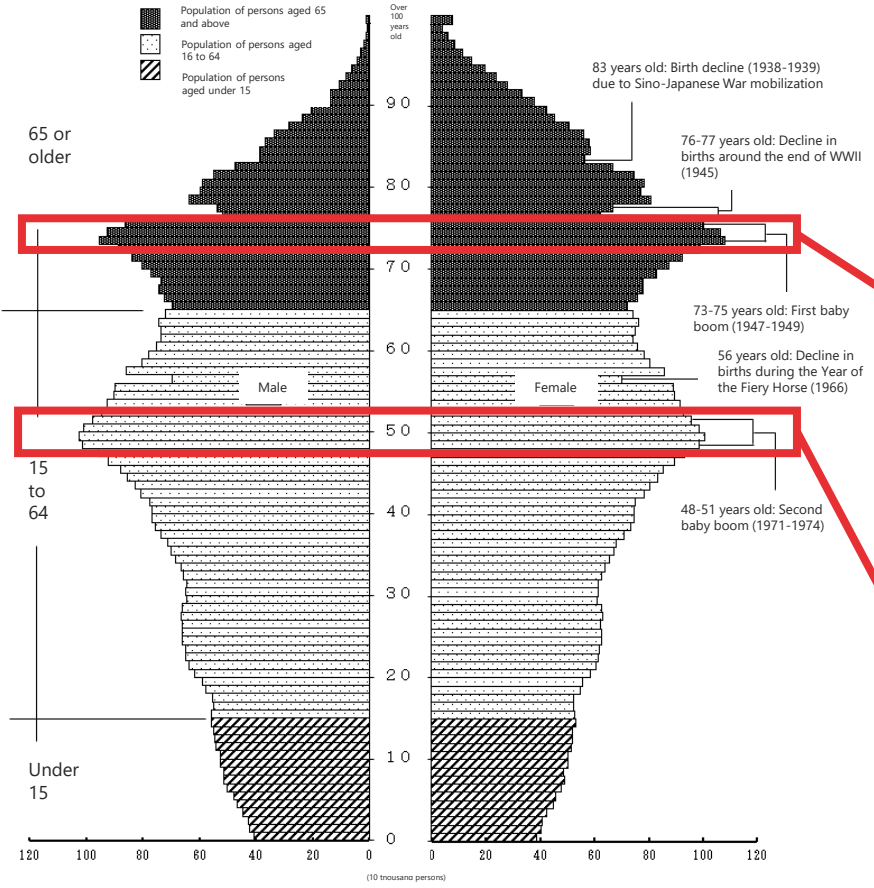


Forecasts and strategies of FY 8/2025 and beyond

Social Challenges/Market Opportunities①

Japan's Population Pyramid

Figure2: Japan's Population Pyramid(As of October 1st, 2022)



Source: Statistic Bureau, Ministry of Internal Affairs and Communications
Population Estimates (As of October 1st, 2022)
https://www.stat.go.jp/data/jinsui/2022np/index.html

Two baby-boomer generations and the health challenges and market opportunities beyond 2025

The first baby-boomer generation

- All will be elderly (75+) by 2025

☞**Expanding the market for elderly care and frailty prevention**

The second baby-boomer generation

- Many will turn 50+ by 2025

☞**Increasing the risk of metabolic syndrome and lifestyle-related diseases**

☞**Growing new health market opportunities**

Curves

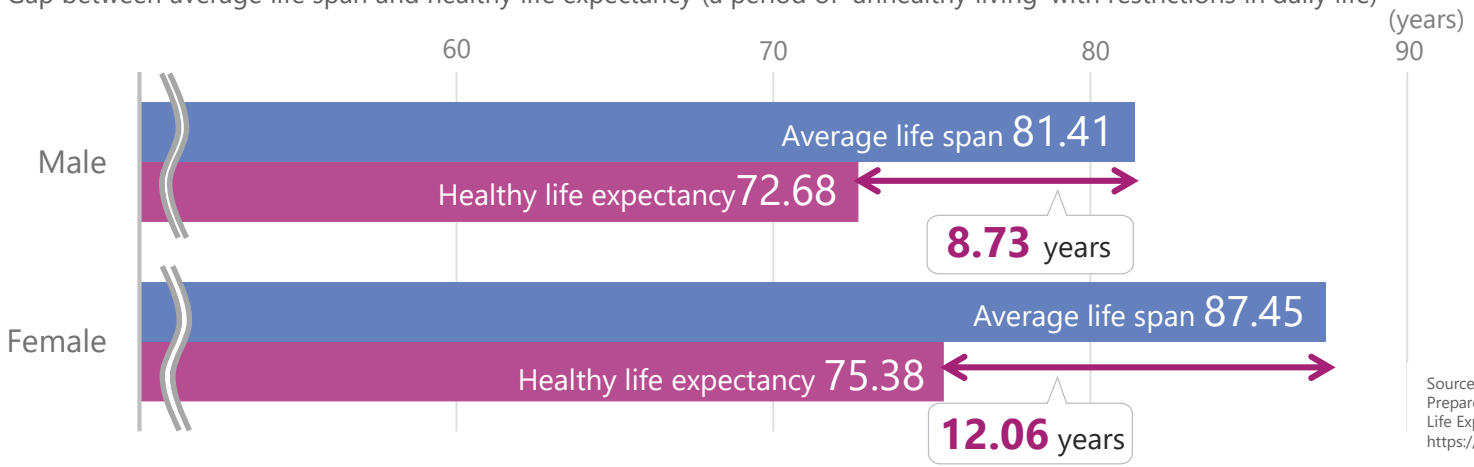
Social Challenges/Market Opportunities②

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 Health, Labour and Welfare (MHLW)
Prepared by Curves Holdings based on "Healthy Life Expectancy in 2019"
https://www.mhlw.go.jp/content/10904750/000872952.pdf

Formulation of The Ministry of Health, Labour and Welfare's Physical Activity and Exercise Guide for Health Promotion 2023

Published in January 2024, the government's 2023 guide **recommends strength training as part of exercise for the first time.**

It also includes 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.

What is Physical Activity and Exercise Guide for Health Promotion 2023?
National guidelines for physical activity and exercise in Japan.
The guide compiles recommendations and reference information on physical activity and exercise to support the initiatives under Health Japan 21 (Third Term) promoted by the Ministry of Health, Labour and Welfare.

Source: Ministry of Health, Labour and Welfare (MHLW)
Physical Activity and Exercise Guide for Health Promotion 2023
https://www.mhlw.go.jp/stf/seisakunitsuite/bunya/kenkou_iryou/kenkou/undou/index.html

≪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

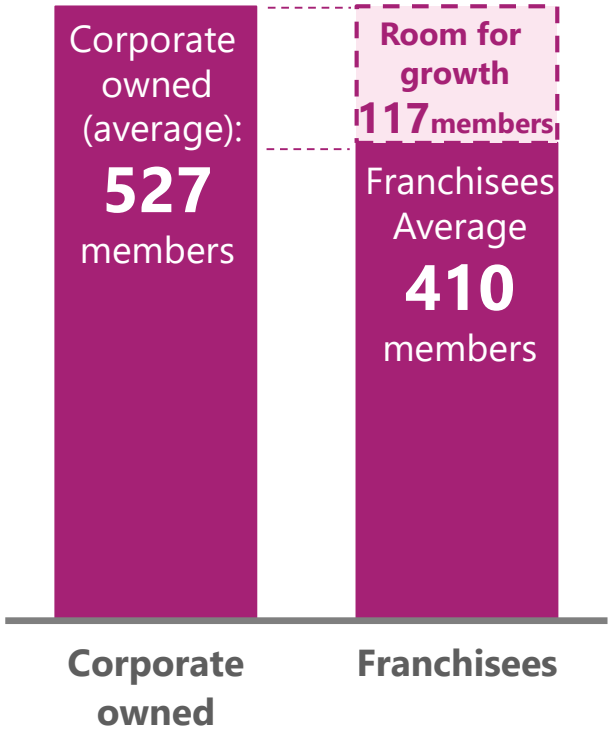
Eligibility※1	Physical activity ※2 (=Daily activities※3+Exercise※4)		Sedentary behavior※6
Elderly people	Walking or equivalent (intensity of 3 METs or higher) physical activity **for 40+ minutes a day (6,000+ steps a day)** (= 15+ METs-hours per week)	**Exercise**: At least 3 days per week of multi-component exercises (aerobic, strength, balance, Stretching) **[Strength training※5 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 (※specifically those with limited physical activity)	(Reference) ・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※3.		

※1 Due to significant individual differences in physical condition influenced by lifestyle habits, living environment, and other factors, it is not appropriate to categorize "elderly," "adults," and "children" by specific age groups. It is important to tailor activities based on each individual's condition.
※2 All activities that involve the contraction of skeletal muscles, which consume more energy than resting.
※3 Part of physical activity, activities associated with housework, work, commuting, and going to school in daily life
※4 A type of physical activity that is carried out systematically and regularly with the aim of maintaining and improving health and physical strength, such as through sports and fitness.
※5 Refers to exercises that improve muscle strength through resistance. This includes not only weight training with machines or dumbbells, but also bodyweight exercises, such as push-ups and squats.
※6 All waking behaviors that are performed in a sitting or lying position and that have an energy expenditure of 1.5 METs or less, such as desk work, watching TV or using a smartphone while sitting or lying down
※7 Refers to time spent watching TV or DVDs, playing video games, or using a smartphone.

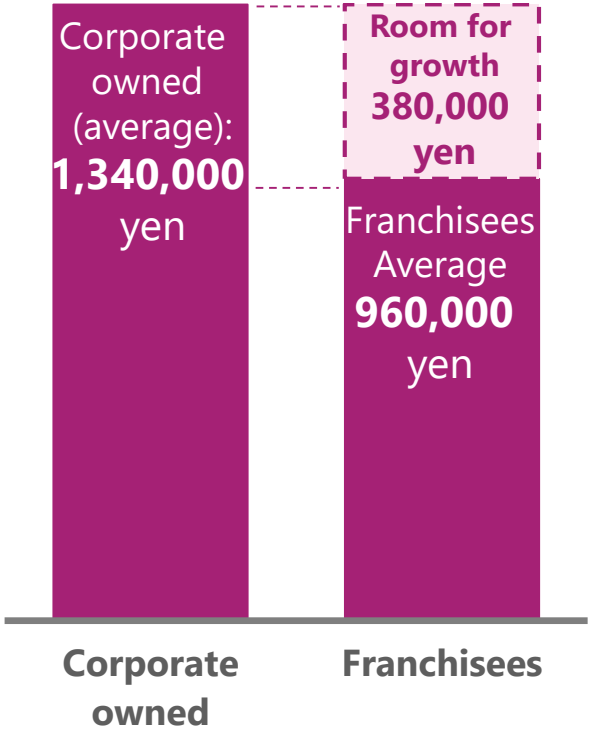
Growth Potential for Existing Curves Clubs

Comparison of performance: corporate-owned (76 clubs) vs. franchisees (1,871 clubs)*

Members per club



Monthly merchandise sales per club



▶ **Membership** **Potential for 200K+ more members**

▶ **Annual Merchandise Sales** **8-10 B yen growth potential**

＊1 Based on performance comparison of 1,947 existing clubs out of 1,978 total Curves, 30-minute Fitness for Women locations as of the end of August 2024, excluding recently opened clubs.
＊2 Corporate-owned club locations: Hokkaido (17), Miyagi (1), Saitama (12), Chiba (23), Tokyo (22), Tottori (1).
＊3 Membership data as of August 2024, monthly merchandise sales average from May-June 2024.

Curves

Financial Forecast for FY 8/2025

	Annual 8/2025 (9-8)	Annual 8/2024		
	Forecast	Actual	To Previous FY(8/24)	Change
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%
Net profit	4.00B yen	3.56B yen	+430M yen	112.1%
Curves, 30-minute Fitness for Women Members end period	840-850K	817K	+23-33K	103-104%
Curves, 30-minute Fitness for Women Club count end period	1,991clubs	1,978clubs	+13clubs	100.7%
Men's Curves Club count end period	29clubs	19clubs	+10clubs	152.6%

Progress of 1Q Membership Drive Campaign

Total at End Sept 843K members

(Net growth monthly 26K members)

Single-month net increase: Record high

＊The net increase in the number of members enrolled. This excludes the number of absentees
(a system temporarily established due to the COVID-19 pandemic from March 2020 to March 2021, which has now ended).

Financial Targets for the Next 5 Years

1.CAGR of

- **operating profit,**
- **EBITDA, and**
- **free cash flow of at least 10%**

2.ROIC Maintain ROIC at 12%+, aiming for 15%

	Operating profit	EBITDA	Free cash flow	ROIC
FY 8/2024 Actual	5.45 B yen	7.69 B yen	4.45 B yen	12.0%
FY 8/2025 Forecast	6.30 B yen	8.65 B yen	5.17 B yen	14.2%
Growth Rate Forecast	+15.4%	+12.5%	+16.0%	

＊1 **EBITDA**(Earnings Before Interest, Taxes, Depreciation and Amortization)=**Operating profit + Depreciation + Amortization of goodwill and trademarks, etc.**

＊2 **Free cash flow = Net cash provided by (used in) operating activities + Net cash provided by (used in) investment activities**

＊3 **ROIC**(Return On Invested Capital)=**Operating profit after tax / Invested capital (working capital + non-current assets)**

Strategies of FY 8/2025①

Membership growth

▶ **Improvement in customer satisfaction for reduction in attrition rate and increase in customer lifetime value**

▶ **Ongoing marketing enhancements:**

- 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

Expansion of merchandise sales

- 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

Strategies of FY 8/2025 ②

On-line Fitness

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

Enhancing human capital

- Increase labor productivity
  (Increase in added value per employee × Reduction in working hours)
- Promotion of initiatives to enhance employee benefits, including for franchisees

☞**Aim to be No.1 in job satisfaction and benefits in the customer service industry**

Creation of new business and full-scale deployment

- Enhance the business capabilities of new formats such as Men's Curves and move towards the full-scale launch of multi-location expansion

Overseas business

- Europe: Launch pilot clubs and build a business model for multi-location operation

Membership Drive Campaign

1Q Fall Membership Drive Campaign

National TV Commercial Campaign

- Massive TV Commercial Campaign for 10 days in September and October
- Exposure on Infomercial TV programs from late August to September
- Marketing including TV, online and local marketing activities

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

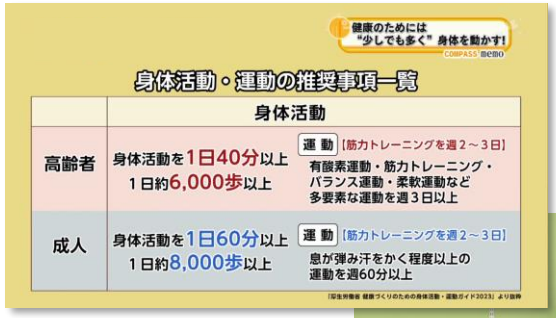


October Television commercials



Infomercial TV program

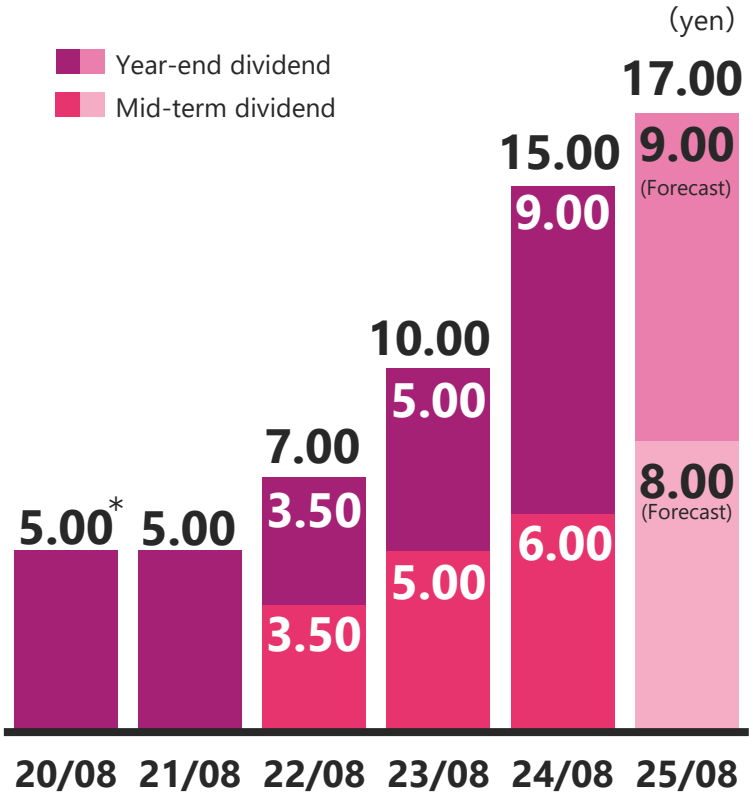
Featuring the Ministry of Health, Labour and Welfare's Physical Activity and Exercise Guide for Health Promotion 2023 and Curves, 30-minute Fitness for Women.





Curves

Forecast of Dividends for FY 8/2025



＊Regular dividends：3.00 yen
Commemorative dividends：2.00 yen

	20/08	21/08	22/08	23/08	24/08	25/08
Mid-term dividend	–	–	3.50 yen	5.00 yen	6.00 yen	8.00 yen
Year-end dividend	5.00 yen	5.00 yen	3.50 yen	5.00 yen	9.00 yen	9.00 yen
Annual dividend	5.00 yen	5.00 yen	7.00 yen	10.00 yen	15.00 yen	17.00 yen
Consolidated payout ratio	57.3%	41.5%	28.9%	36.1%	38.7%	39.1%

FY 8/2025 Annual Dividend Forecast 17.00yen

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.

Earnings per share 43.45 yen

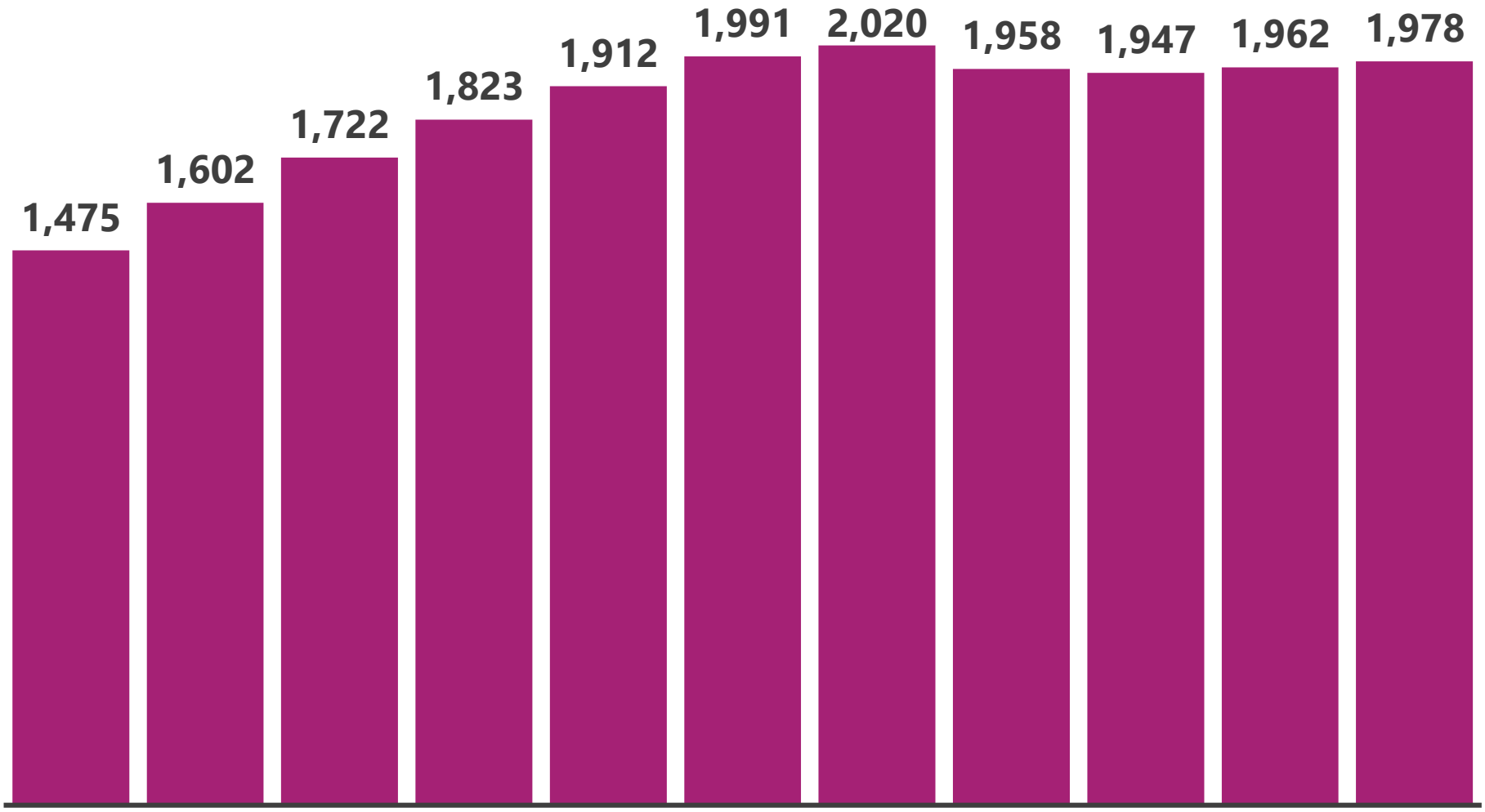
Consolidated payout ratio 39.1%

Appendix

History of Curves Business

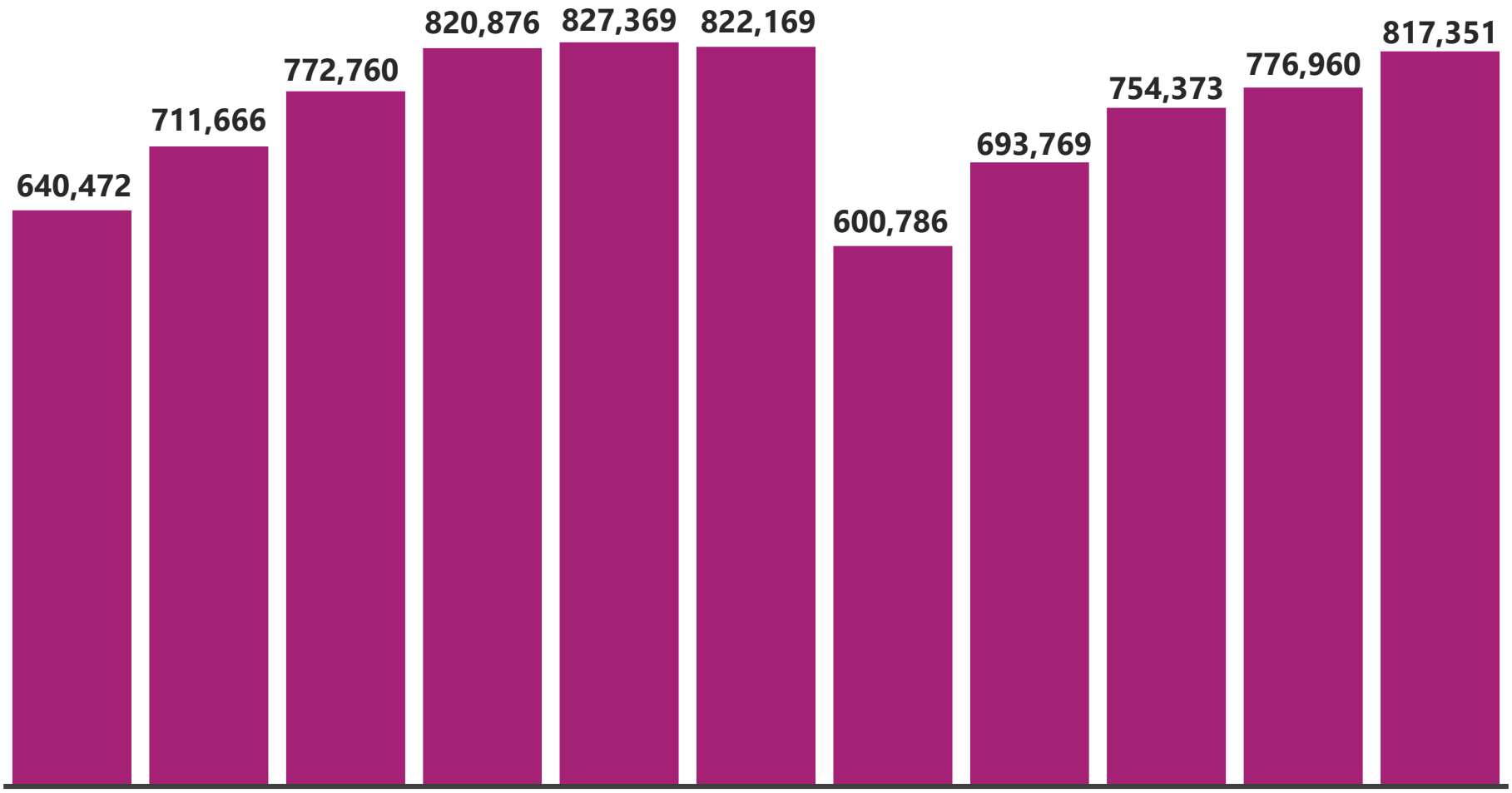
Trends in Club Count

(clubs)



14/08	15/08	16/08	17/08	18/08	19/08	20/08	21/08	22/08	23/08	24/08
1,475	1,602	1,722	1,823	1,912	1,991	2,020	1,958	1,947	1,962	1,978

Trends in Membership

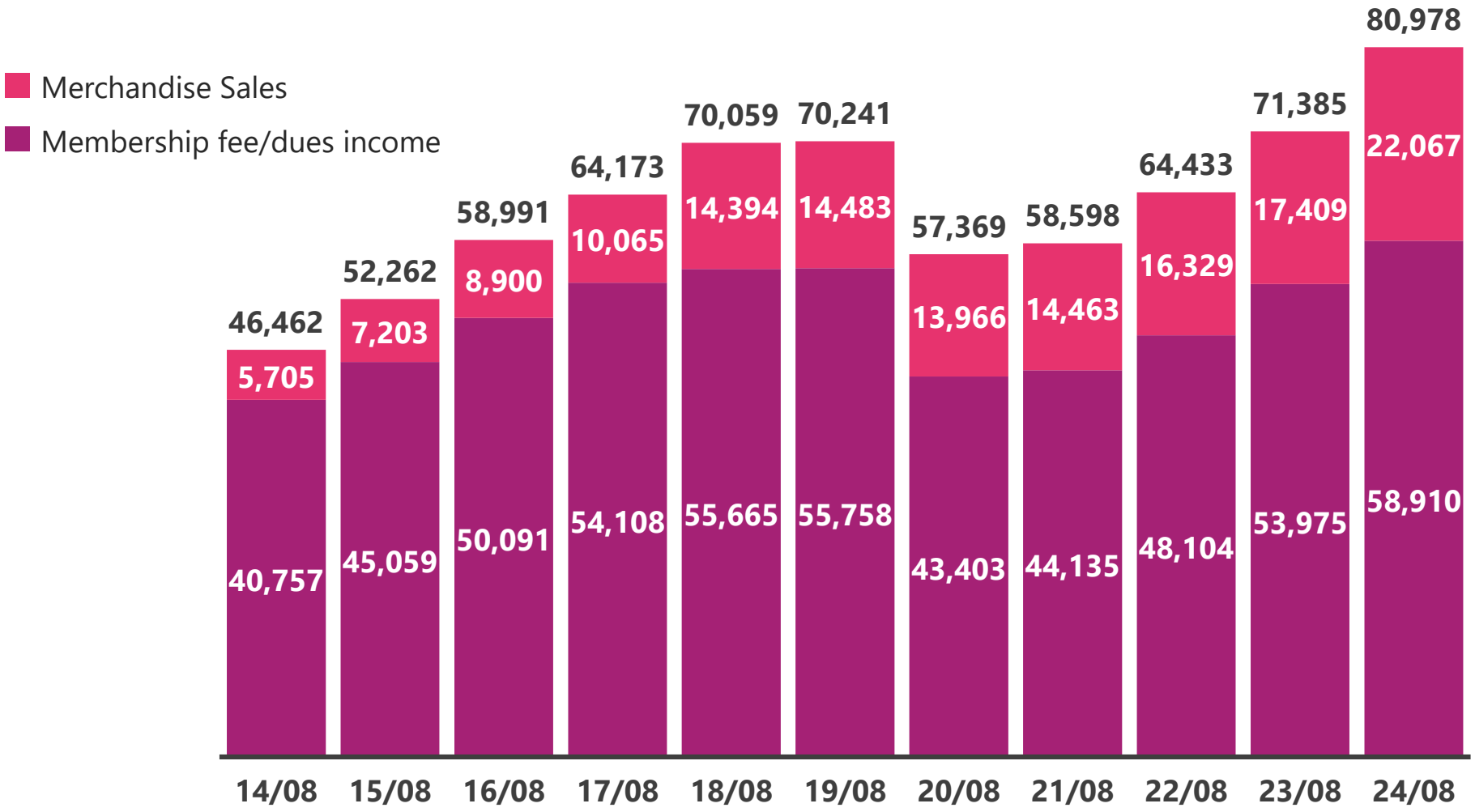


14/08	15/08	16/08	17/08	18/08	19/08	20/08 *	21/08	22/08	23/08	24/08
640,472	711,666	772,760	820,876	827,369	822,169	600,786	693,769	754,373	776,960	817,351

* FY 8/20 shows active members excluding absentees.

Curves

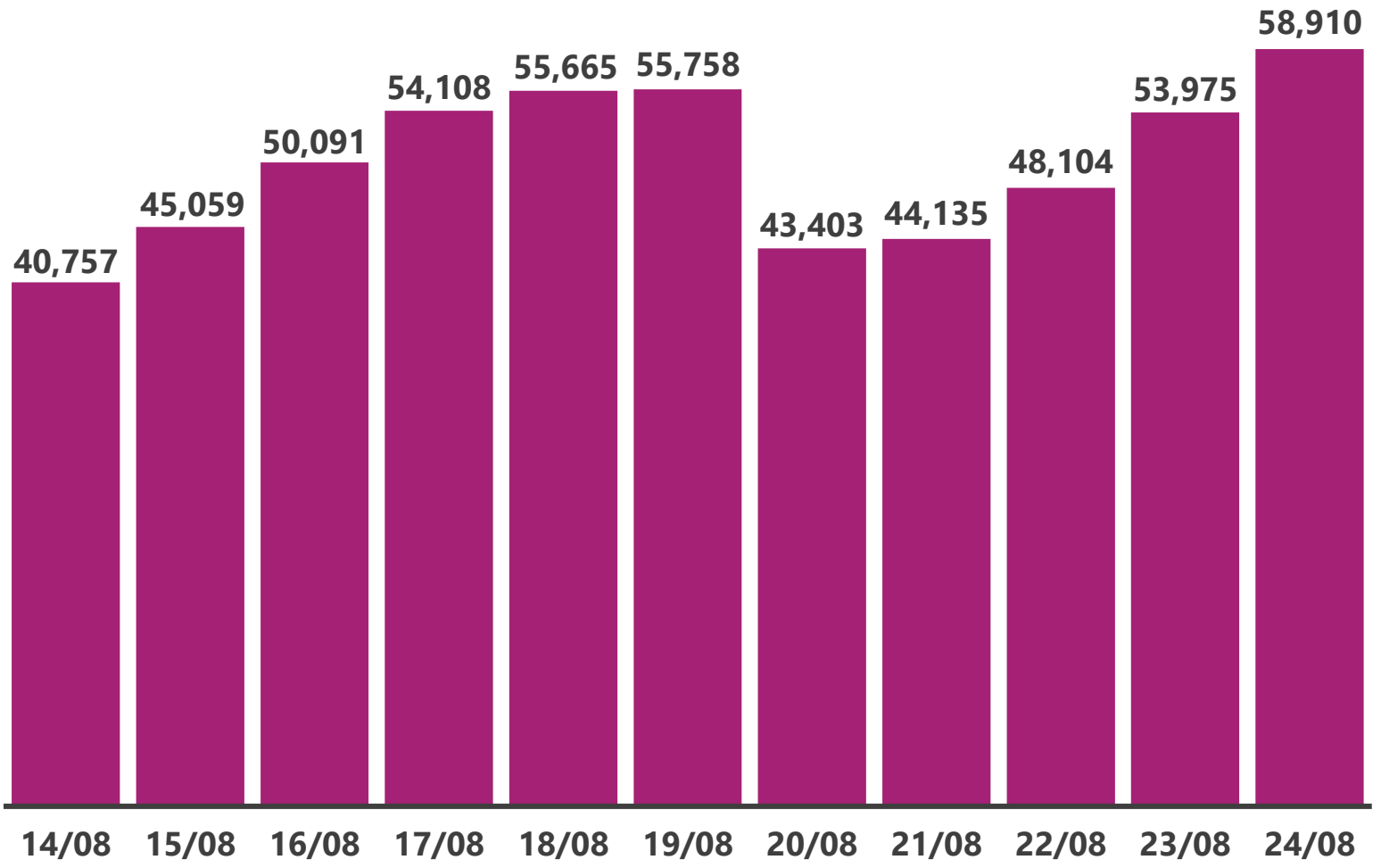
Trends in Chain-wide Sales



	14/08	15/08	16/08	17/08	18/08	19/08	20/08	21/08	22/08	23/08	24/08
Chain-wide Sales	46,462	52,262	58,991	64,173	70,059	70,241	57,369	58,598	64,433	71,385	80,978
Merchandise Sales	5,705	7,203	8,900	10,065	14,394	14,483	13,966	14,463	16,329	17,409	22,067
Membership fee/dues income	40,757	45,059	50,091	54,108	55,665	55,758	43,403	44,135	48,104	53,975	58,910

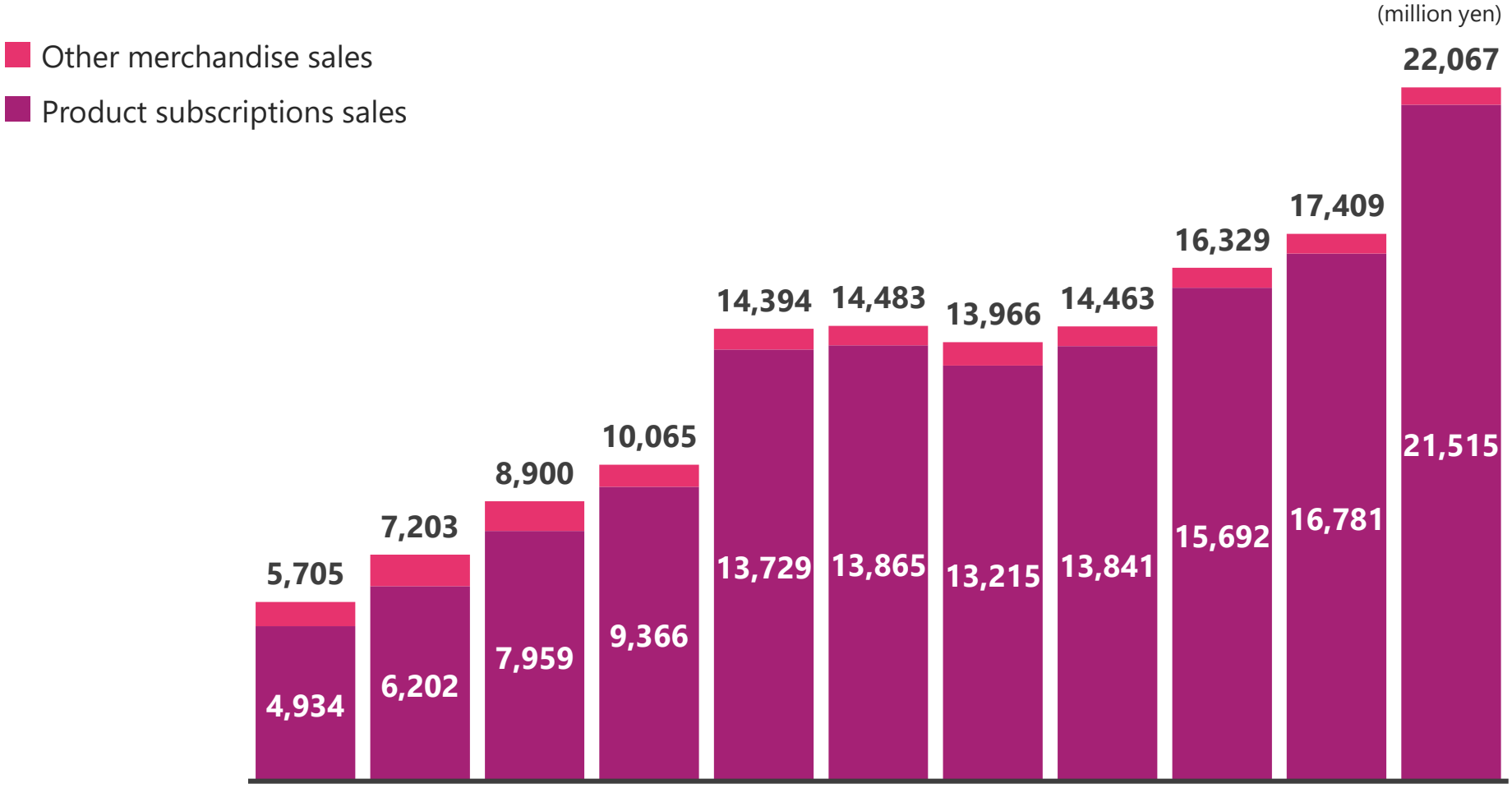
Trends in Membership fee/ dues income[51]

(million yen)



	14/08	15/08	16/08	17/08	18/08	19/08	20/08	21/08	22/08	23/08	24/08
Membership fee/ dues income	40,757	45,059	50,091	54,108	55,665	55,758	43,403	44,135	48,104	53,975	58,910

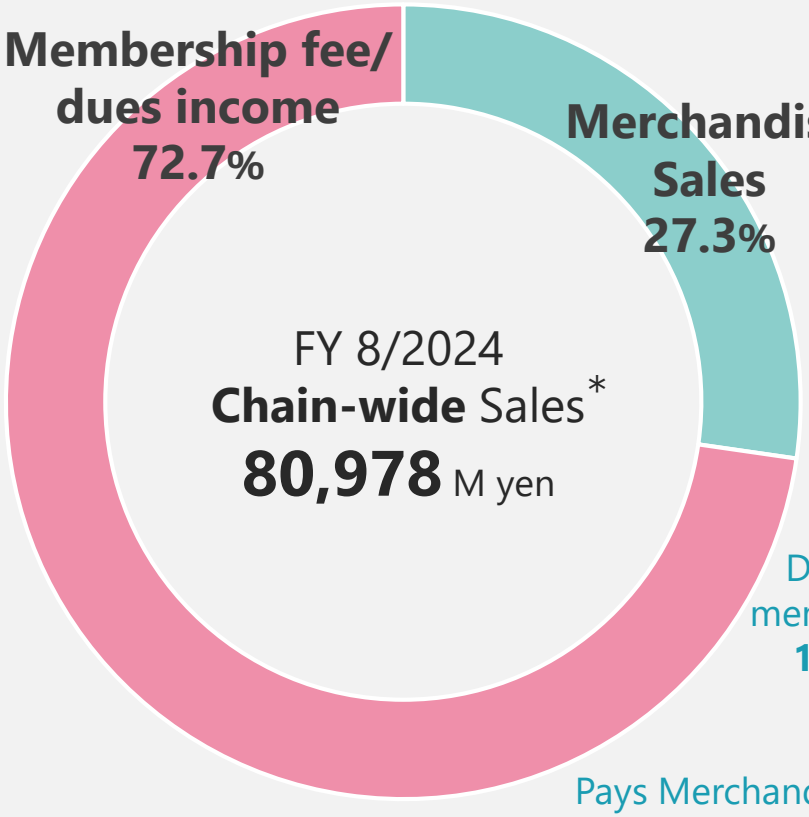
Trends in Merchandise Sales



	14/08	15/08	16/08	17/08	18/08	19/08	20/08	21/08	22/08	23/08	24/08
Merchandise sales	5,705	7,203	8,900	10,065	14,394	14,483	13,966	14,463	16,329	17,409	22,067
Incl. product subscriptions sales	4,934	6,202	7,959	9,366	13,729	13,865	13,215	13,841	15,692	16,781	21,515

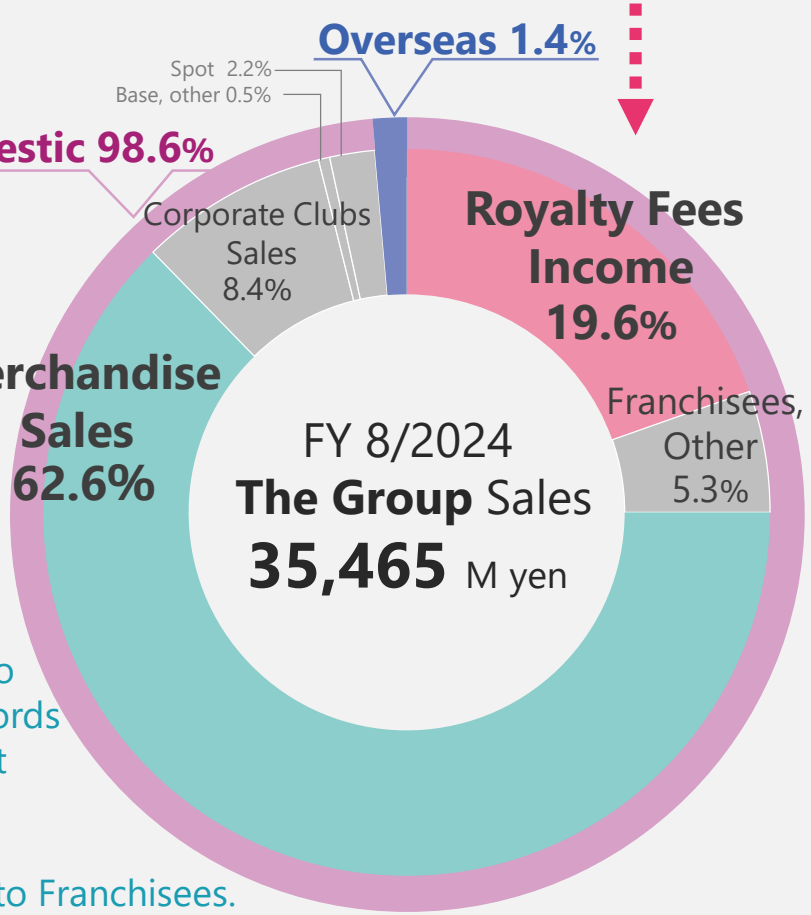
Difference in Sales Recording for Membership fee/ dues income and Merchandise sales①

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



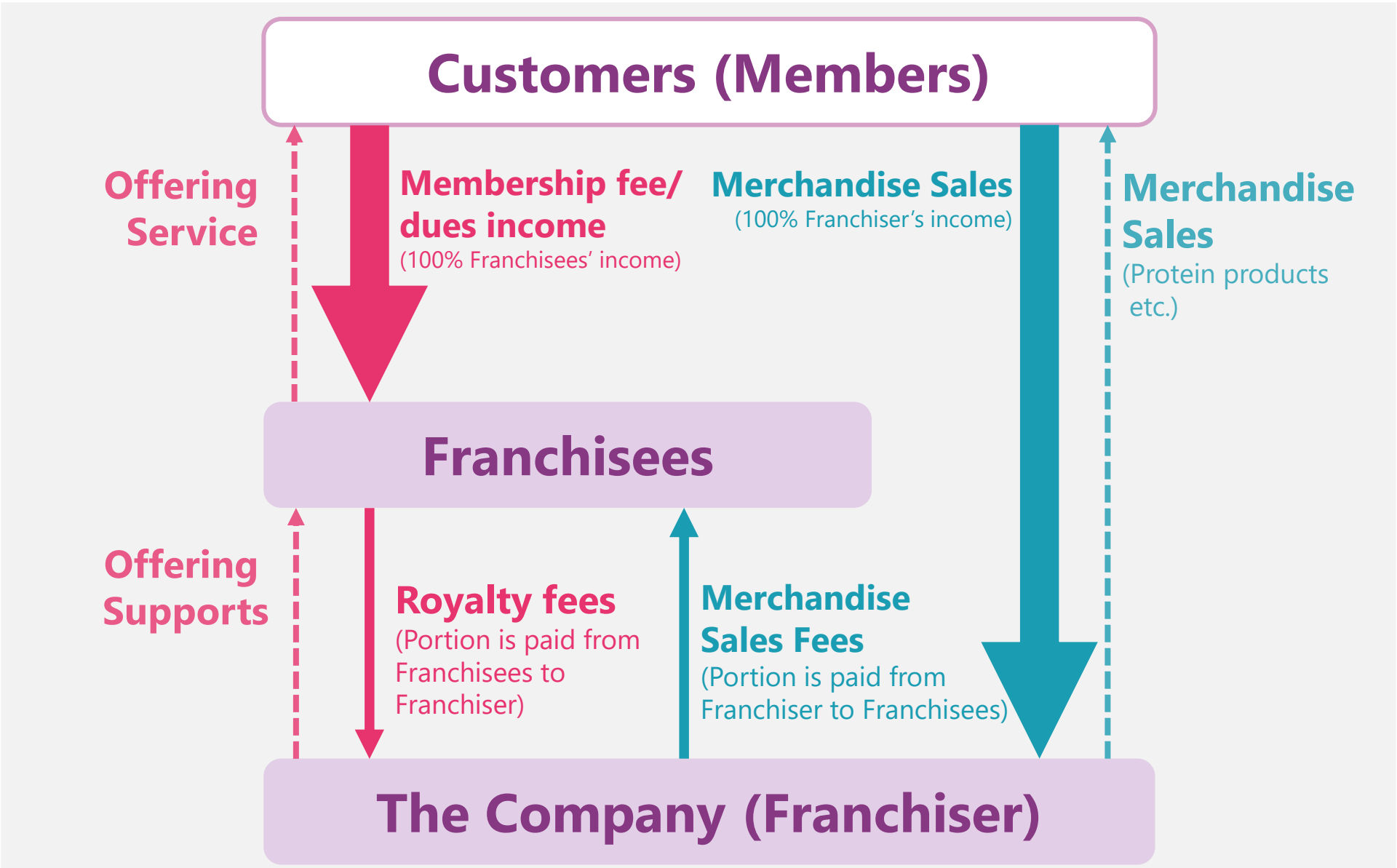
Directly retails to members and records **100%** of receipt to our Sales.

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

+770 M yen (Year end balance: 22.43 B yen)

Net assets (Foreign currency translation adjustment)

From End Previous FY

+1.80 B yen (Year end balance: 6.25 B yen)

PL Amortization of Goodwill/trademark rights

Year on year

+110 M yen (Annual:1.51 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$	Converted to Yen (106.24 yen/$)
	202 Million	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/$)
Annual total	10 Million	1.4 B yen

Current FY (8/2024)

Goodwill/trademark rights	US$	Converted to Yen (161.07 yen/$) (16.08 yen depreciation YoY)
Balance	139.3 Million	22.4 B yen (+770 M yen YoY)
Amortization	US$	Converted to Yen (149.58 yen/$) (11.60 yen depreciation YoY)
Annual total	10 Million	1.51 B yen (+110 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”

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

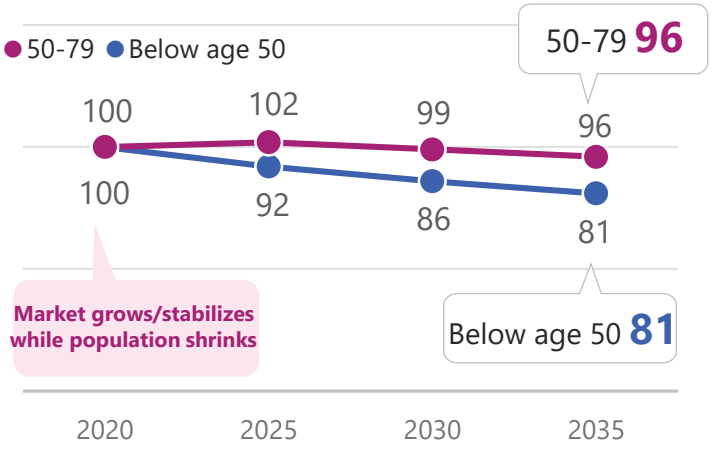
Progress of Super Aging Society

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

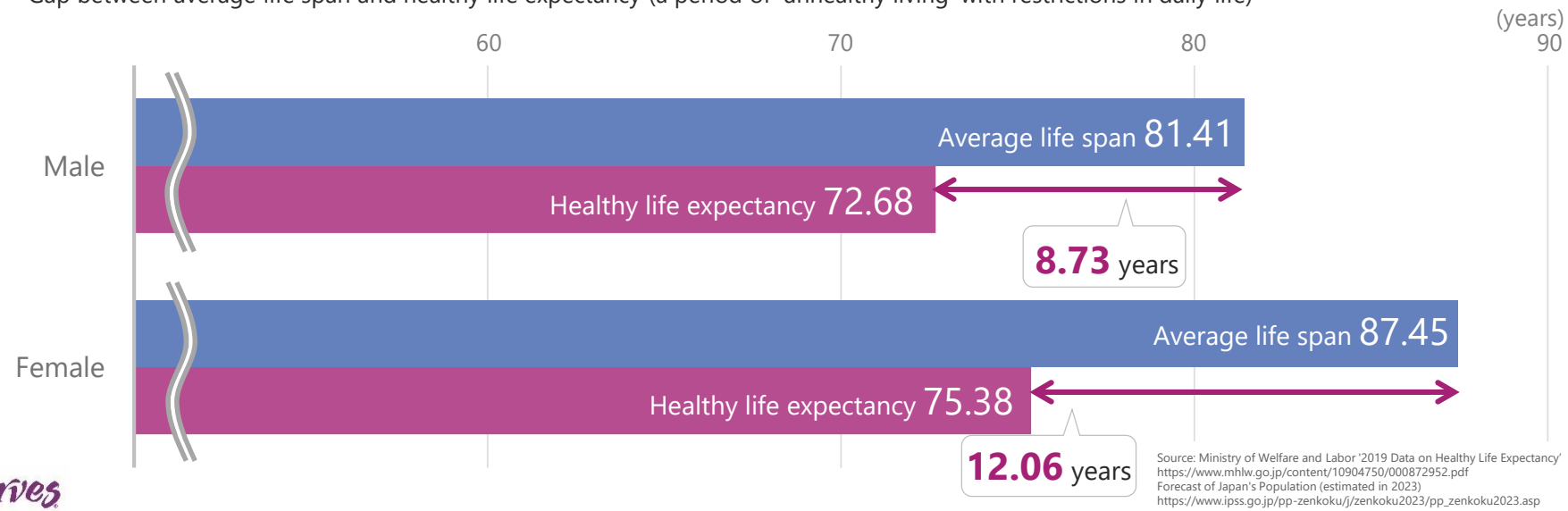


Challenge is how to prolong healthy life expectancy

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)

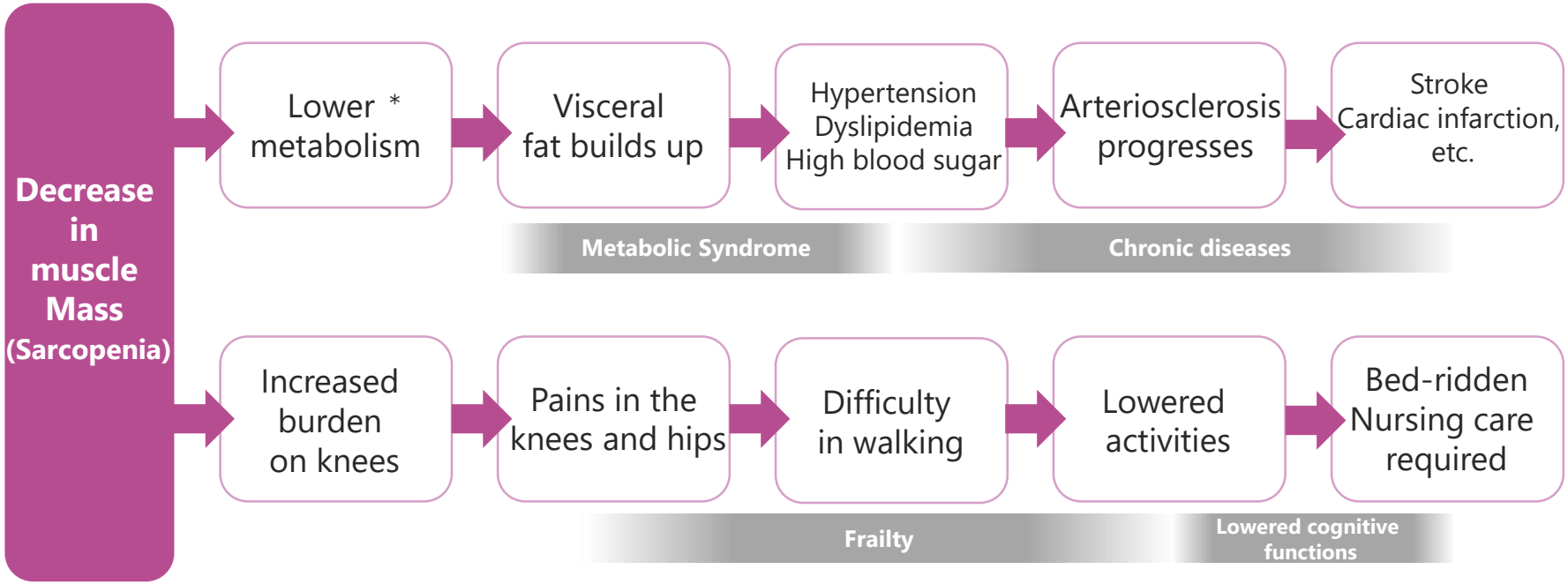


Source: Ministry of Welfare and Labor '2019 Data on Healthy Life Expectancy'
https://www.mhlw.go.jp/content/10904750/000872952.pdf
Forecast of Japan's Population (estimated in 2023)
https://www.ipss.go.jp/pp-zenkoku/j/zenkoku2023/pp_zenkoku2023.asp

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

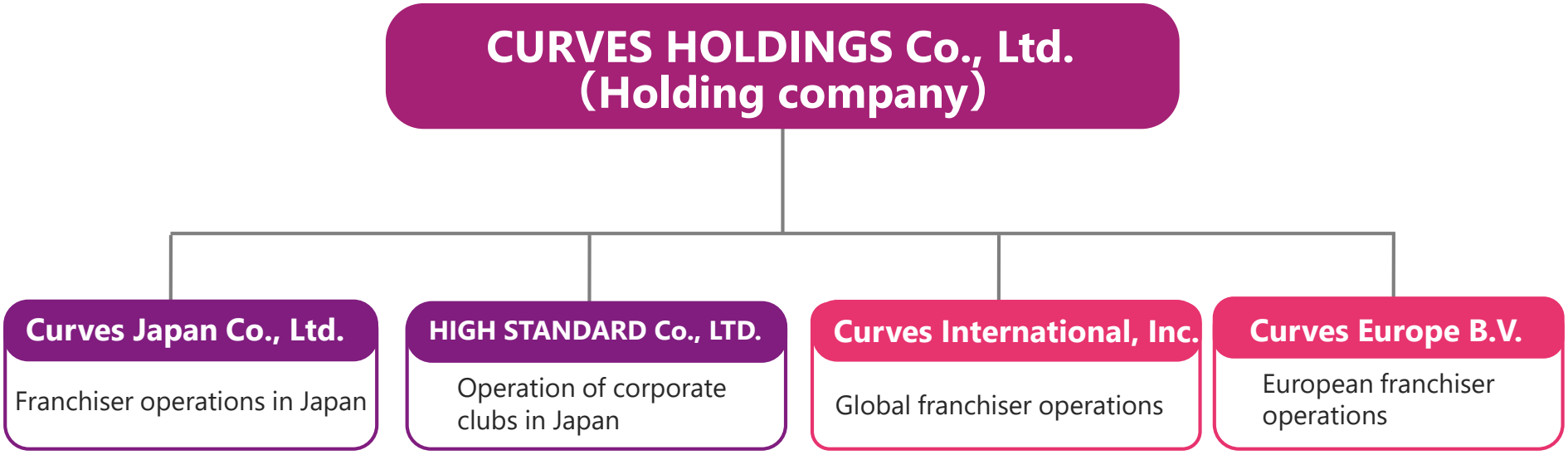
Continued enhancement of business model and franchise model by re-investments

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”
- 1,978 clubs in Japan (79 corporate owned, 1,899 Franchisees)

  (as of the end August 2024)

Basic Data

- Corporate Address: 11F, Shibaura Renasite Tower, 3-9-1 Shibaura, Minato-ku, Tokyo
- Founded(1)：Feb 2005
- Sales (2)　：35.4 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, 2024.

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 the fiscal year ended August 31, 2024. This is not a solicitation to purchase securities issued by CURVES HOLDINGS Co., Ltd.
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