

**CURVES HOLDINGS**

Integrated Report 2023

September 1, 2022 to August 31, 2023

*Curves*<sup>®</sup>

The power to amaze yourself.<sup>®</sup>

CONTENTS

Curves Group Today	2	Curves Group by the Numbers
	4	Strength of “Curves, 30-minute Fitness for Women”
	6	Curves Group History
	8	Curves Group Business Model
Curves Group in the Future	10	Curves Group Business Overview
	14	Curves - 10 Years Later
	16	Message from the President
	21	Five Management Guidelines
Sustainability	22	Value Creation Process
	24	Curves Group Sustainability
	26	Materiality and Activity Status
	28	Materiality 1
	30	Materiality 2
	32	Materiality 3
	34	Materiality 4
	38	Materiality 5
	41	Materiality 6
	42	Materiality 7
Curves Group Financial and Non-financial Data	46	Sustainability Data Book
	48	Financial Data
	53	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**

**Published** February 2024

**Reporting period**  
September 1, 2022 to August 31, 2023  
However, the report also contains information regarding some disclosures and business activities in or after September 2023.

**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.

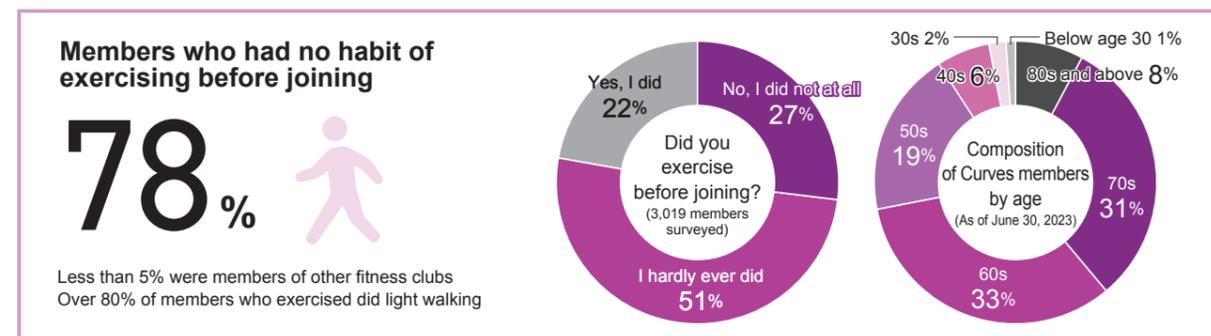
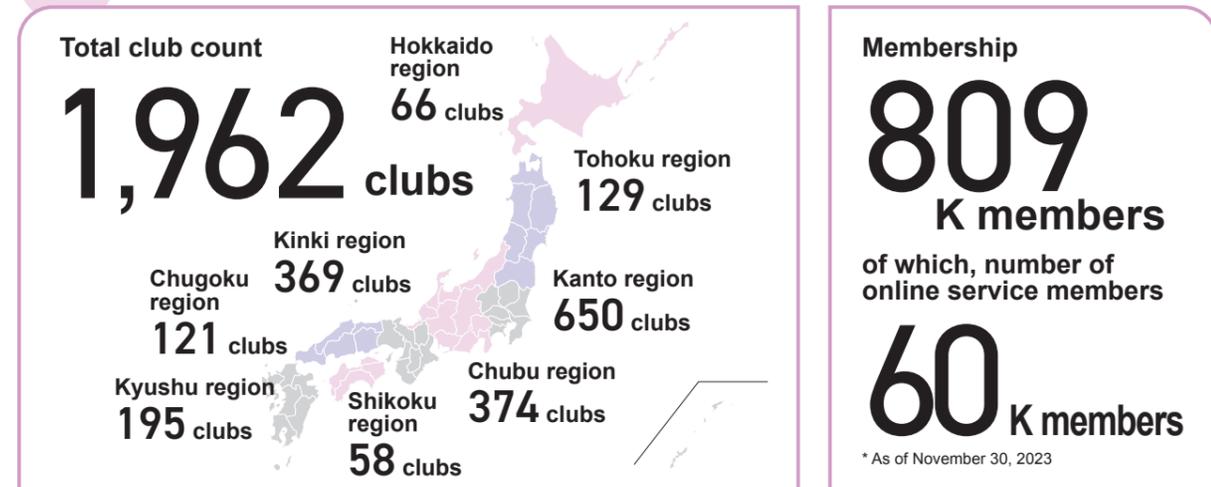
# Curves Group by the Numbers

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



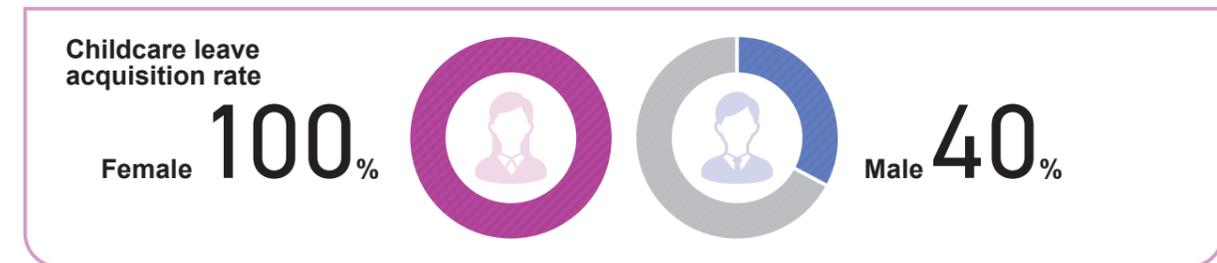
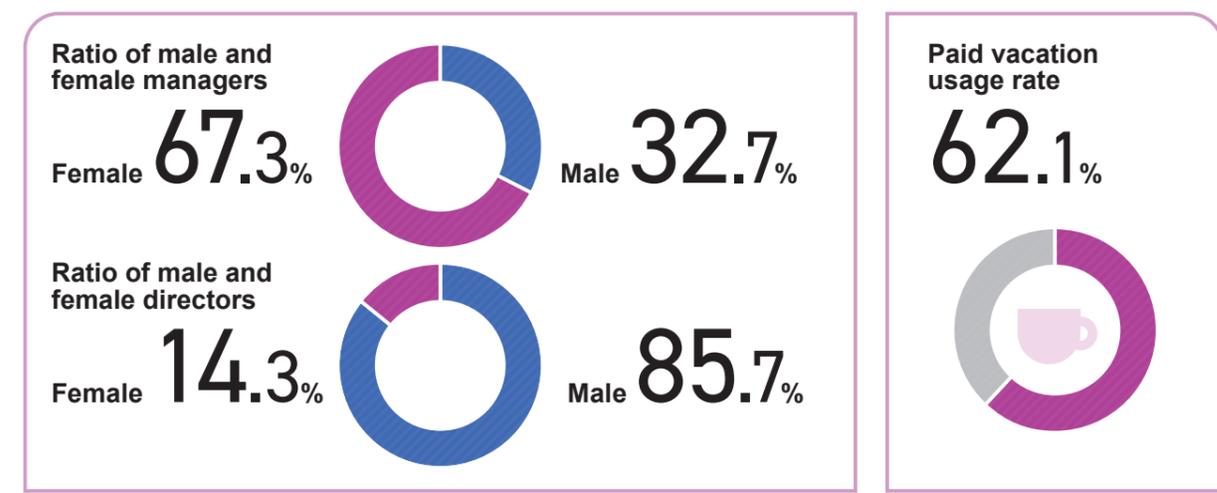
## Domestic Curves, 30-minute Fitness for Women



## Overseas Curves, 30-minute Fitness for Women



## Curves Group Consolidated Employee Data



\* Figures are for the fiscal year ended August 31, 2023, except where noted otherwise.

# 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 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

<b>Strength Training</b> Strengthen muscle, joints and bones	<b>12 machines exercise muscles of the whole body</b> Increasing muscle improves metabolism and creates a body that burns fat
<b>Aerobic Exercise</b> Improve cardio functions and burn fat	<b>Stepping lightly on a board</b> Rotating with strength training raises fat burning in the body.
<b>Stretching</b> Improve flexibility of muscles and joints	<b>12 stretching modes effectively stretch muscles</b> 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

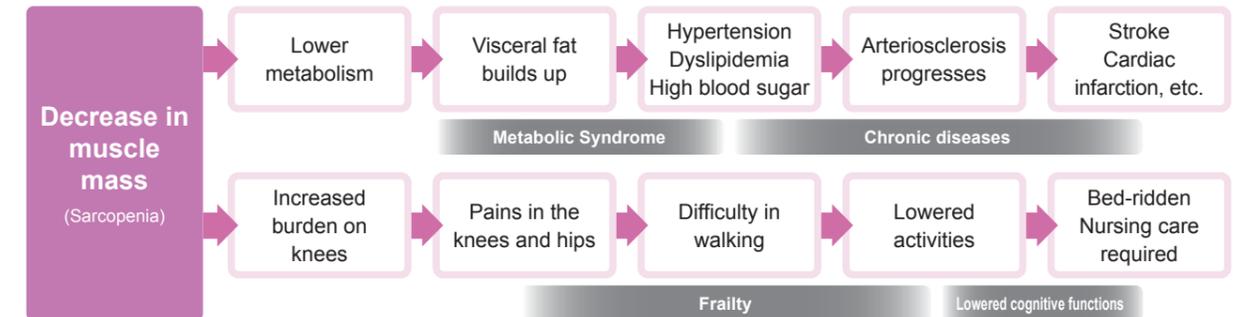
- No reservation required, 30 minutes only
- Easy to visit as conveniently located locally
- Supports by caring Curves coaches (instructors)
- Fun community among women



# 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 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.

## 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 Chronic Illness

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

\* See 'Materiality 1' (p28-29) for related evidence.

# 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.

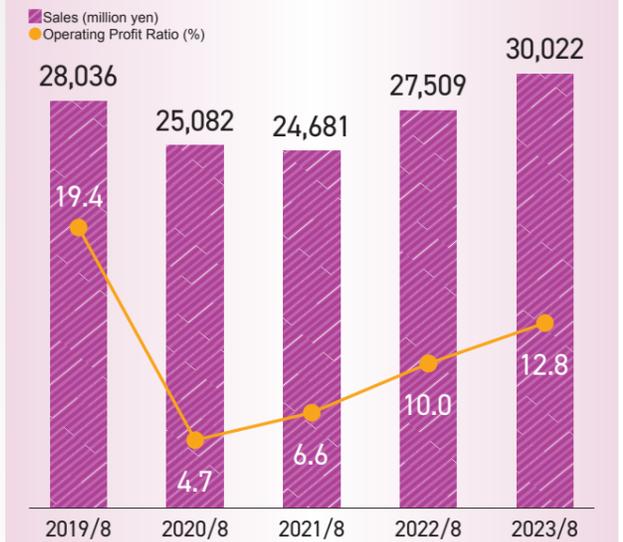
## Growth across the nation

- 2008**
  - Joined the Koshidaka Holdings Group
  - CURVES HOLDINGS Co., Ltd. incorporated
- 2011**
  - Chain reached 1,000 clubs nation-wide.
- 2014**
  - Chain topped 1,500 clubs.
- 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.
  - Chain surpassed 2,000 clubs.
- 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.

## Curves Holdings' Consolidated Sales/Operating Profit Ratio



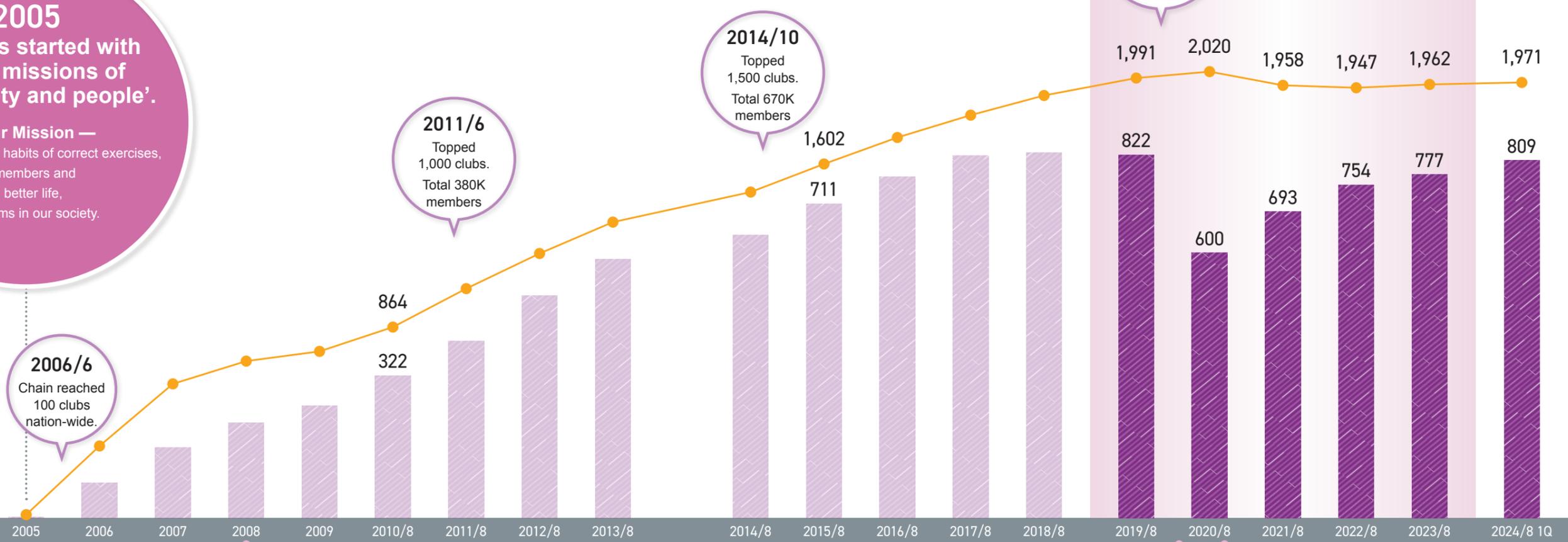
Chain has grown steadily since the inception, and has become the prominent fitness club chain in Japan both in the numbers of locations and members.

### 2019/10

Chain surpassed 2,000 clubs. Total 860K 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.



### 'Curves, 30-minute Fitness for Women'

● Club Count (Line chart: Clubs)  
■ Membership (Bar chart: thousand members)  
\* Data as of end FY (Aug)  
\* Active members excluding absentee members for 8/2020

**2008** Company joined Koshidaka Holdings Group  
CURVES HOLDINGS Co., Ltd. incorporated

**2020/3** Company became independent from Koshidaka Holdings Group by spin-off.  
Listed in the First Section of Tokyo Stock Exchange.

**2020/9** Released 'Ouchi-de-Curves' online fitness program.

# 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
<b>Total</b>	<b>48,610</b>	<b>49,568</b>	<b>47,979</b>	<b>46,778</b>
<b>Below age 50</b>	<b>65,999</b>	<b>60,568</b>	<b>56,692</b>	<b>53,782</b>

**Population forecast based on 100 in 2020**

● 50-79 ● Below age 50

Market grows/stabilizes while population shrinks

#### 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](https://www.ipss.go.jp/pp-zenkoku/j/zenkoku2023/pp_zenkoku2023.asp)

### 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

### Management Resources

- Intelligence Capital**
  - 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'
- Human Resource Capital**
  - Approx. 8,000 Curves coaches (instructors)
  - Corporate staff
- Business Capital**
  - Approx. 360 community-based franchise owners
  - 1,962 clubs domestically
  - 137 clubs in Europe
- Social Capital**
  - Close relationships with local governments, local medical organizations, research institutes and universities and researchers

# Curves Group Business Overview

## Full Picture of the Curves Group

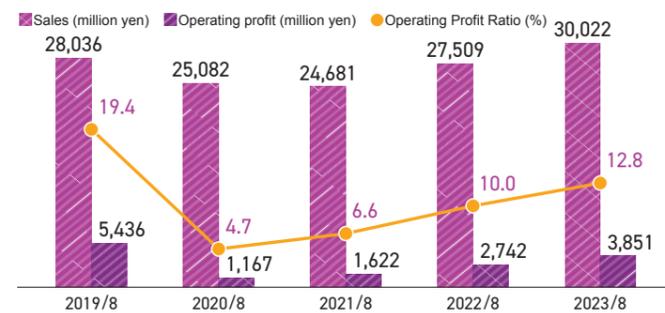
Consolidated Sales  
**30.02 B yen**  
(109.1% y-on-y)

Operating Profit  
**3.85 B yen** (Operating Profit Ratio 12.8%)  
(140.4% y-on-y)

In the fiscal year ended August 2019, a year before the listing, Curves Group's consolidated sales were 28 billion yen and operating profit was 5.4 billion yen. Immediately after going public, the Group was hit by the Corona pandemic. From the third quarter of the fiscal year ended August 2020, we have struggled with some quarters ended in deficits, but in the fiscal year ended August 2023, sales have recovered to 30 billion yen, and operating profit to 3.8 billion yen.

While we worked to reduce regular operating costs during the pandemic, we have actively invested in strategic measures such as financial supports to franchisees, marketing costs to recover membership, and development costs for online fitness systems, whereby the Group has successfully recovered from the pandemic. For the fiscal year ending August 2024, we forecast to achieve sales of 34 billion yen and operating profit of 4.7 billion yen.

### Trends of Consolidated Sales & Operating Profit of Curves Holdings

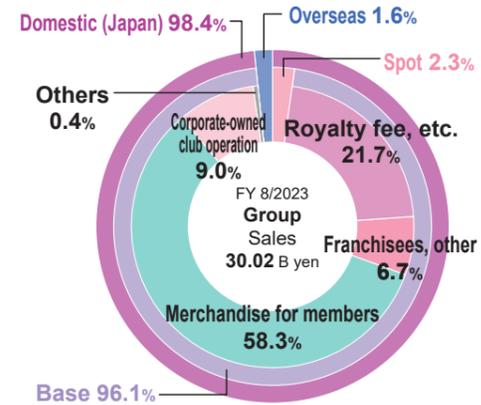


### Stable earnings foundation

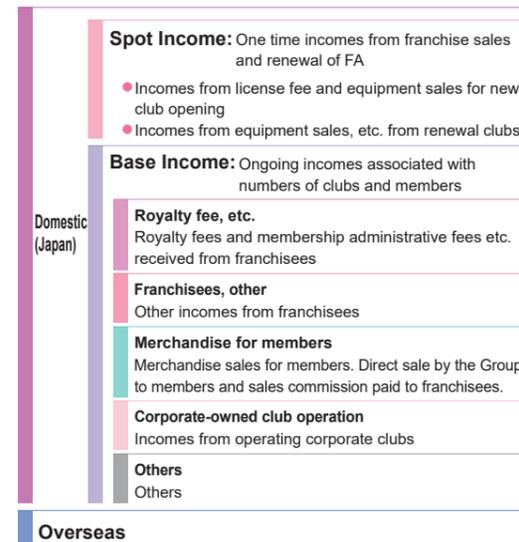
The majority of our revenues comes from royalties incomes charged at a certain rate on the membership fees and dues collected from members, and from sales of products to members, mainly protein products on subscriptions. We have built a highly stable stock-based earnings foundations.

### 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.



### Composition of Sales



### Ability to generate high cash flows

Curves operates a franchise system leveraging the know-how accumulated over years. It offers a high cash flow generation with a system that enables to expand business quickly with small investments.

## Domestic Curves business

### Franchiser operations

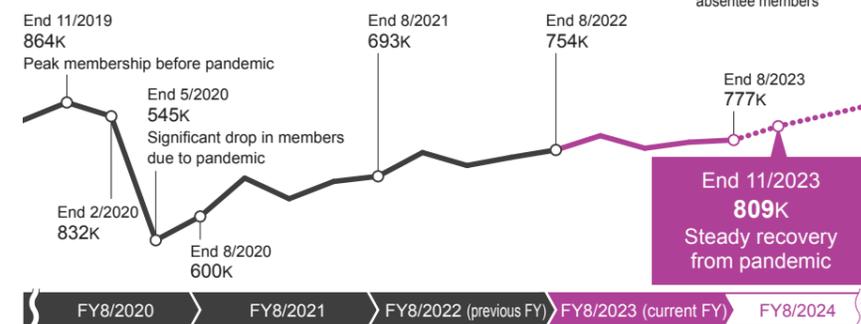
The two main sources of revenue are royalty fee incomes and merchandise sales to members. We are enhancing our efforts to increase the total membership being the key management indicator and to raise customers LTV (Life Time Value).

### Royalty Fee Incomes etc.

Royalty Fee Incomes etc. are the royalties incomes charged at a certain rate on the membership fees and dues collected by franchisees from members which fluctuate according to the number of members.

The number of members increased to 864,000 before the Covid-19 pandemic. It then dropped to 545,000 during the pandemic, and has recovered to 809,000 as of the end of November 2023. In the early pandemic period, there was a sharp increase in the number of members absenting/canceling membership, particularly among seniors (65 and older), and it was challenging to attract new members. We therefore have shifted marketing efforts to the younger senior demographic (under 65 and mainly the 50s). As a result, new membership in this age group has dramatically increased. At the same time, we have continually enhanced services, and successfully kept attrition rate low as comparable to that of senior members. 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 women 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. Currently, the social environments are changing, and we feel the senior women market is finally starting to come back, so we will also strive to acquire new members from the senior demographic.

### Membership Trends of Curves, 30-minute Fitness for Women



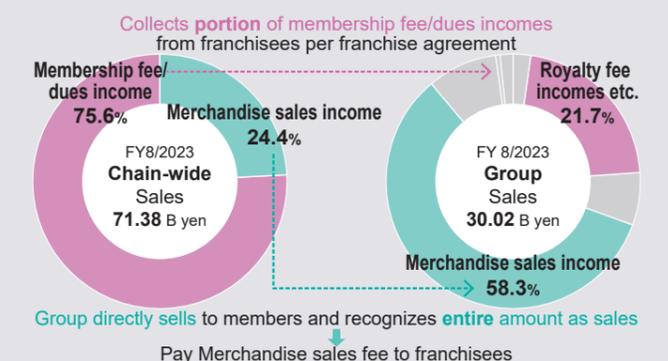
### Future Forecast and Strategies

- End FY8/2024 Forecast total 810K-820K members (including online members)
- Enhance new member sign-ups with attractive membership drive campaigns 3 times annually
- Focus on the hybrid online fitness program

### Relationship of Chain-wide Sales and the Group Sales

Approximately 75% of the entire Curves chain's sales for the fiscal year ended August 2023 came from "membership fees and monthly dues incomes" and approximately 25% from "merchandise sales". However, 58.3% of the Group's sales came from merchandise sales because the Group's main business is the franchiser headquarters operations. "Membership fee/dues incomes" representing 75% of the entire chain's sales are sales realized at franchisee clubs, and the Group receives a portion of the incomes as royalties from franchisees and recognizes as our sales.

On the other hand, "merchandise sales" is structured in a way that the corporate sells products directly to members and pays sales fees to franchisees. Hence, the entire sales from "merchandise sales" 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" are recorded as sales.

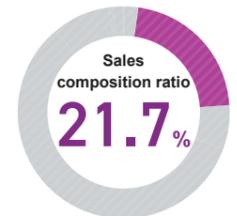


### 'Curves, 30-minute Fitness for Women'



### Total Sales of Royalty Fee Income etc.

**6.5 B yen**  
(108.2% y-on-y)



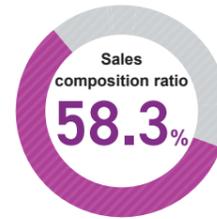
## Curves Group Business Overview

### Merchandise sales income

The main source of revenue from merchandise sales is protein products sales, which started in December 2010. It is sold on a subscription basis and has been growing steadily.

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 reached a record high, surpassing the pre-pandemic level.

Merchandise sales  
**17.4 B yen**  
(106.6% y-on-y)

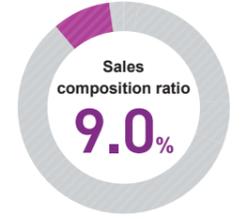


### Corporate-owned Club Operations

Corporate club operations include clubs operated by Curves Japan and by High Standard.

As of the end of August 2023, 76 clubs were in operation (excluding Men's Curves), playing an important role in the continued evolution of the chain.

Corporate Club Sales  
**2.7 B yen**  
(111.8% y-on-y)



### 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 running the cycle of setting hypothesis, experimenting and verification. This thinking is deeply rooted in 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

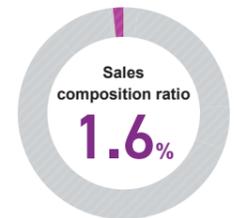
As the name suggests, High Standard practices high-level quality club operations and corporate management that serve as a model nationwide.

We strive to achieve management that not only performs well, but also achieves both high customer satisfaction and employee satisfaction, thereby continually raises the corporate value.

### 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.

Sales  
**470 M yen**  
(118.0% y-on-y)



### 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

- 1 To incorporate royalties payable by Curves Japan to Curves International, Inc. into the Group. Before the acquisition Curves Japan paid approximately 2 billion yen annually for royalties and fitness equipment purchases. Acquisition allows all of these incomes incorporated into the Group.
- 2 Perpetual acquisition of intellectual properties and Curves brand
- 3 Dramatic expansion of management freedom
- 4 Wider potentials for the chain's global expansion

### Curves Europe B.V.

In 7/2019, Group has acquired Curves Europe B.V., the European franchiser operations. The Group will leverage this market as a stepping stone for future global expansion. After the pandemic, the members per club has recovered to the pre-pandemic level. By implementing the Japanese know-how and focusing on creating a strong business model tailored to the current European environment, we are going to build a position to allow us to open multiple clubs in Europe as well.

#### Purpose of the acquisition

- 1 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.
- 2 In Europe, we have strong human resources including the management and the operations teams with proven track records.

### Future Forecast and Strategies

- Fiscal year 8/2024 is positioned as preparation stage for future growth.
- Deficits in operating profit annually are expected to continue.

### Curves, 30-minute Fitness for Women

**137 clubs**  
Franchise clubs in Europe  
(8 countries including Spain, Italy and UK)  
As of 6/2023  
(\* 2 months gap due to the fiscal year ending)



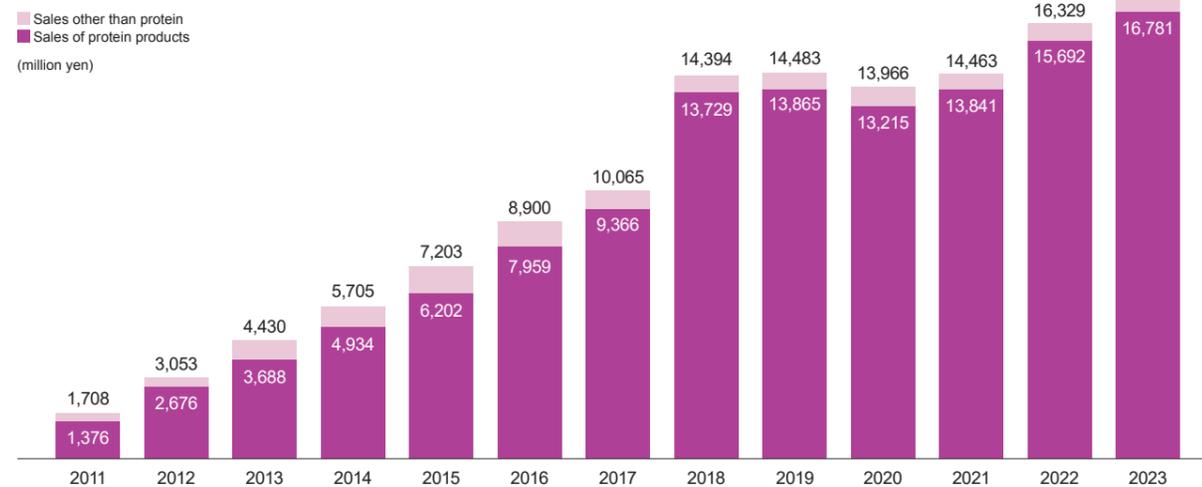
### History of Protein Products Development

The development of the 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 counsellings 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 was 143% of 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. We plan to release totally renewed protein products in FY8/2024.



### 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.

### Future Forecast and Strategies

- In December 2023, we have released a new protein product for younger senior members (under 65 and mainly the 50s), expecting to further increase sales.
- New protein products: Completely renewed the existing products. The unique ingredient formulation based on scientific evidence enhances the effectiveness for increasing muscle mass, maintaining and improving health.
- New product line: A major new product line will follow the protein products for subscription. A unique new product that solves the concerns of younger members and resolves their daily discontents (dissatisfaction, inconvenience, anxiety, etc.) based on feedback from members, dietary surveys and insight research.

## 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 chronic 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.

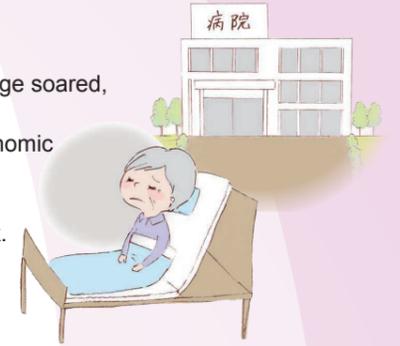
Medical expenses skyrocketed and the government was on the verge of economic collapse.

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 younger people who once struggled.

**The income gap between generations 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 gyms **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=XKuPtwnNIE>



# Curves

## Message from the President

The power to amaze yourself.

### Takeshi Masumoto

Representative Director & President  
CURVES HOLDINGS Co., Ltd.



## Create a new healthcare market and contribute to “prolonged healthy life expectancy”

### Overcoming the pandemic crisis and returning to a growth trajectory

“To create a society free from fears of illness, nursing cares and loneliness, filled with vitality for life.” - Based on this mission, the Group has increased the number of clubs and members since its inception in 2005, and continued expanding its business. In 2019, it has grown to be one of Japan’s leading fitness clubs with over 2,000 locations and over 800,000 members nationwide, and was listed on the First Section of the Tokyo Stock Exchange (currently Prime) in 2020.

Immediately after we went public, we were hit by the Covid-19 pandemic. In the fiscal year ended August 2020, we suffered a major blow with a decline in revenue and profits. However, through reorganizing our marketing strategy, both the membership and club count came back to a recovery trend, and Sales reached a record high 30 billion yen in the current fiscal year, surpassing the pre-pandemic levels. In the process of overcoming the pandemic, our business foundation has grown more solid by developing human resources, evolving the business model, and strengthening our relationships with franchisees.

We were unable to meet your expectations of growth for last 3 years, even with the unexpected changes in the environment caused by the pandemic, I now feel firmly that we are finally standing at the starting point for the next stage of growth.

### Taking on the challenge in business that creates customers and provides new value to society

Our group has been achieving the ‘creation of customers’ through leveraging our own strengths to develop new markets at all times. We believe this is one of the reasons for our growth.

When the company was founded, they said that “Curves would not succeed in Japan.” Reasons given were the Japanese fitness market was much smaller compared to other developed countries with a participation rate of 3%, and Curves succeeded in the United States as tailored to ‘women’s weight loss’ in a major obesity nation, but the Japanese market is different. We, however, did not agree with them.

As the post-war baby boomer generation was just entering their late 50s, we believed new markets would emerge, in particular the health-related market would undergo quantitative and qualitative changes going forward. We have acquired the rights to develop the US-born Curves franchise in Japan and started the business.

Women over the age of 50 would begin to feel changes in their bodies due to age, and awake to their own health issues. New senior women spend money on themselves. However, even after they have awoken, most of them had no experience of exercise and no place that could accurately meet their needs. We have created facilities and services to allow them with no experience to easily start, access, and continue exercise, built business models to respond to their needs, and thereby created a new market that never existed before.

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.

The fact that we are able to support the health of over 800,000 women literally translates to the creation of great social value. Further we have created a new market of annual sales of over 70 billion yen in the Japan’s deflationary economy called the ‘Lost 3 decades’ without taking customers away from other operators and generated employment for over 8,000 women, which can be regarded as a successful creation of the economic values.

### Know your customers deeply and continue to raise customer satisfaction

Our strength lies in knowing our customers well and deeply, and evolving and improving our services and business models.

In the service, we have been ranked NO.1 for nine consecutive years in the customer satisfaction survey (Japanese Customer Satisfaction Index in the fitness club industry) conducted by the SPRING. We have gained a high level of rapport from our customers for our caring service. High customer satisfaction raises the member retention rate, elevates LTV (customers’ lifetime value), and also leads to an acquisition of new members through their word-of-mouth referrals, whereby increases earnings and strengthens the business model.

The two pillars of our business model’s revenue are “membership fee incomes” and “merchandise sales revenue”. All the products generating the “merchandise sales revenue” are our original products developed in-house, without imitating other companies. Hence we have created new markets. We are able to discover latent needs that even customers themselves were not aware of, since we continue striving to get to know our customers well and deeply.

Creating customers, getting to know them deeply, developing and continuing to improve services and products will ultimately lead to building high barriers for any one to come in. The reason why Curves has no apparent competitors is this competition strategy without competing. Certainly, we must not be complacent. We will continue to manage our business by getting to know our customers more deeply and carefully anticipating what changes are upcoming.



### As a business foundation that supports sustainable growth and raising corporate value

In the 18 years since our founding, we have accumulated non-financial capitals as well as financial capital within the Group. These capitals are the management foundation that the Group has developed and are the source of sustainable growth and new value creation. We will continue to strengthen them in the perspective of further growth.

#### Intellectual Capital

30-minute exercise program that is effective in a short time/ Know-how for customer creation and satisfaction/ Management techniques for improvement and evolution

The first intellectual capital is the original 30-minute exercise system (Curves Workout). In just 30 minutes, you can do the whole body strength training, aerobic exercise, and stretching that women need, making it fun for everyone from beginners to aspiring athletes. Furthermore, this exercise has been proven effective by scientific evidence. No other exercise will give you these results in a short period of time.

The second is a set of consistent marketing, service, and product development know-how that help women with little exercise experience or reluctant start and continue exercising. We have accumulated unique intellectual assets just because we know our customers well and have created markets ourselves.

The third is the management technology and organizational culture that build these assets and continually improve and evolve. These include “experiment-oriented scientific management,” which starts with knowing the customers well, formulates and verifies hypotheses, and derives formula for success, as well as “collective wisdom management,” which leverages the wisdom of the field. We have systemized and standardized the technology to a level where we can pass down and train so that all employees can implement in the daily work. We have also fostered an organizational culture that is

## Message from the President

oriented toward experimenting and learning from each other.

One of the factors that helped us survive the pandemic was the shift in our customer base from seniors (over 65 years old) to younger seniors (under 65 years old). We have created a new customer base in a short period of time. I believe this was made possible precisely because of this scientific management technology.

### | Human Capital |

#### Customer satisfaction and employee satisfaction are linked

Based on the belief that the growth of employees is the source of the corporate's growth potential, and that the employee satisfaction generates customer satisfaction, we have been focusing on creating comfortable workplaces, hiring and training human resources as our important strategies.

Our primary human capital is approximately 8,000 Curves coaches (instructors) who interact with members and provide excellent services on a daily basis. We hire staff having a passion to contributing to the health of our customers, and provide systemized training opportunities for their career developments. The instructors acquire and improve knowledge and skills in areas such as specialized expertise, communication and management.

Since the inception, we have created a comfortable work environment by offering full-time employment, days off on Sundays and holidays, 2 days off per week, and no night shifts. In the service industry, labor shortages and changes in the employees' mindset are becoming common challenges. We will respond to such changes in the environment by creating even more comfortable and rewarding jobs, and strengthen our human capital.

The second is the corporate employees who plan the chain strategy and develop know-how, processes and products, etc. In addition to the acquisition of advanced expertise and general management knowledge, the employees were provided with training programs and systems that allow them to implement the "scientific management technology" and "collective wisdom management" as explained earlier as our intellectual capital in their daily activities.

### | Business Capital |

#### Community-based 360 franchise owners who share philosophy and values

Of the 1,970 Curves clubs, 1,895 are operated by 360 franchise owners, meaning that each owner operates an average of five or more clubs. One of the sources of Curves' strength is the community-based management conducted by those franchise owners who share a common business mission, philosophy, and values with the corporate and closely tied together through strong engagement. During the pandemic, we implemented a strategy specifically to support the management of

franchise owners and have overcome the hardships together, which has further strengthened mutual engagement.

### | Social Capital |

#### Synergistic effects of business-academia-government collaboration

The Group has been collaborating with numerous local governments to support their health promotion initiatives. We also collaborate with local medical institutions in such areas as disease and nursing care prevention and rehabilitation. We have also been conducting joint research and supports with universities and other research institutions and researchers.

We believe these activities will not only contribute to the society as "community-based health infrastructure", but also lead to the creation of our markets in the long term.

### Spreading our unique methods to create a society where people can enjoy life in good health

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. As a "community-based health infrastructure," the Group will continue contributing to solving these issues.

Currently, the population of Japan in their 50s, 60s, and 70s is approximately 48 million people (25 million women and 23 million men). The majority of the population do not have proper exercise habits and are not taking necessary steps to improve their health or prevent illness. In order to solve the social issue of "prolonging healthy life expectancy," it is crucial for 48 million people to gain "right exercise habits". From a

business perspective, this presents us a potential market for health and exercise. It also means that, as the total population continues to decline, this market will only keep expanding for coming 10 or more years.

### Growth strategy for building the community-based health infrastructure

In order to achieve further growth as the community-based health infrastructure, we will continue responding to the market needs and creating new markets with the high customer satisfaction services that only our group is able to provide.

### Growth of Domestic Curves Business

#### ① Expansion of Membership

In the domestic business, we will enhance marketing to younger seniors (under 65 and mainly the 50s) with the know-how accumulated during the pandemic. In particular, we will see the second generation of the baby boomers to turn to their 50s from 2023, expanding Curves' customer base. We will seize this opportunity accurately.

The senior market (65 years and older) is also giving a tailwind for us as the market begins to come back in the aftermath of the pandemic. We will further leverage our primary strength of word-of-mouth referral marketing, which will lead to an increase in new memberships.

The online fitness program "Ouchi-de-Curves" is getting increasingly popular with the hybrid program that allows members to exercise both in-club and at home. We feel that this service will have a great growth potential as a response to the diversified customer needs. We will continue to enhance it further.

At the same time, we will continue to enlarge our club network.

#### ② Raising Customer Satisfaction

We will further raise the customer satisfaction level by improving and evolving our services. This will elevate customer retention rates and LTV (customer lifetime value).

#### ③ Expanding Merchandise Sales

In December 2023, we have completely renewed our mainstay protein products and launched a new product line following the protein products. Going forward, we will continue to identify new needs and concerns that even customers are not yet aware of and develop new products for solutions.

First time in 6 years since Dec 2017

#### Release of New Protein Products

##### Complete Renewal of the Protein Products

Further promote the muscle mass increase and improve health with unique ingredients formulation based on scientific evidence

Major Product Line Released to Follow Protein Products

#### Launching New Products (subscription)

##### New products for younger seniors (under 65 and mainly the 50s)

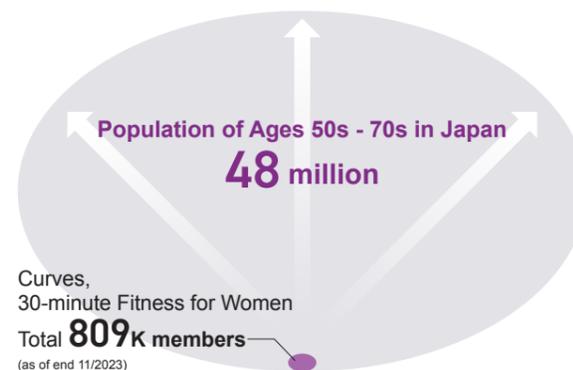
Uniquely developed new products to resolve concerns and discontents of younger seniors as identified through members' voices, diet survey and insight research.

### Development and roll-out of new business

In terms of new business, we are working on multi-unit development of Men's Curves clubs and creation of a new business format that has a different customer base and concept from Curves. We will aim to develop these businesses in a speedy manner.



### ■ Potential health and exercise market



Of the 809,000 members at the end of November 2023, approximately **60,000 members** are currently enrolled in online services, including users of the online fitness "Ouchi-de-Curves" only.



## Message from the President



## Overseas segment of Curves

The Group acquired all shares of Curves international, Inc. in 2018, gaining a position of the global franchiser. As the world continues to recover from the pandemic, we will aim to further grow our business by disseminating the unique know-how and business model we have developed in Japan. In particular, we are working to build a business foundation in Europe as a key market, which has a high standard of living and an aging population like Japan.

## Financial Forecast for Fiscal Year 8/2024

Based on the strategies explained, in the fiscal year ending August 2024, we forecast to generate sales of 34 billion yen (up 13.2% year on year), operating profit of 4.7 billion yen (up 22% year on year), ordinary profit of 4.65 billion yen (up 21% year on year), and profit attributable to owners of parent of 2.9 billion yen (up 13.7% year on year).

As of the end of the first quarter of the fiscal year ending August 2024, the number of clubs was 1,971 and membership was 809,000, both being progressing on plan.

The significance of fulfilling our social responsibility as the community-based health infrastructure will continue to grow. We will continue to do our best to resolve social issues through our business. We look forward to your continued support and guidance.

	Results of FY8/2023	Forecast of FY8/2024	Changes
Sales (billion yen)	30.02	34.00	+3.97 (113.2%)
Operating profit (billion yen)	3.85	4.70	+0.84 (122.0%)
Ordinary profit (billion yen)	3.84	4.65	+0.80 (121.0%)
Net profit attributable to parents and shareholders (billion yen)	2.55	2.90	+0.34 (113.7%)
Membership at end period (thousand members)	777	810-820	+33-43 (104-106%)
Club Count at end period (clubs)	1,962	1,982	+20 (101%)

## Strategies for FY8/2024

## Membership

- Seniors (age 65+)
  - Focus on new sign-ups as social restrictions loosened (Word-of-mouth referral marketing)
  - Collaboration with local governments
- Younger seniors (under 65, mainly the 50s)
  - 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 program

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

## New Business Development

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

## Further business expansion leveraging Curves' unique strength



## Five Management Guidelines

## CURVES Group: Five Management Guidelines

## 1. Management based on "Mission"

- We conduct business with the mission to serve the society and people.
- "To serve the society and people" is the purpose of the business, and "Sales and profit" are the means.
- We solve social problems through conducting business.

## 2. Management based on "Proactiveness"

- Goal-oriented management ○ Results-based management ×
- We set high ideals and goals, plan what needed to achieve goals, and put best efforts to achieve goals.
- Create customers  
Ex) We develop new markets instead of taking away competitors' markets.
- We create a system that will continue to grow sales and profits.
- We focus, create cores, and leverage.
- We pursue outstanding results.

## 3. Management based on "Discipline"

- We look straight at the harshest reality and the most unpleasant facts.
- We not only decide what to do, but also decide "what not to do" with a strong will.
- We have a long-term outlook, know the importance of perseverance, and conduct management that steadily moves forward.
- 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"

- Pursue science of business. Discover the law from the cycle of observation, hypothesis, and verification.
- We always focus on the facts.
- 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.
- We learn from unexpected successes, unexpected failures, and unexpected events.
- We accumulate improvements and bring about innovation.

## 5. Management based on "All staff participation"

- Development of independent (and autonomous) human resources
- Creating an organization of collective genius
- Building a team that harmonizes personal independence and psychological security at a high level

# Value Creation Process



\* For details, see "Curves Group's Business Model" on pages 8-9.

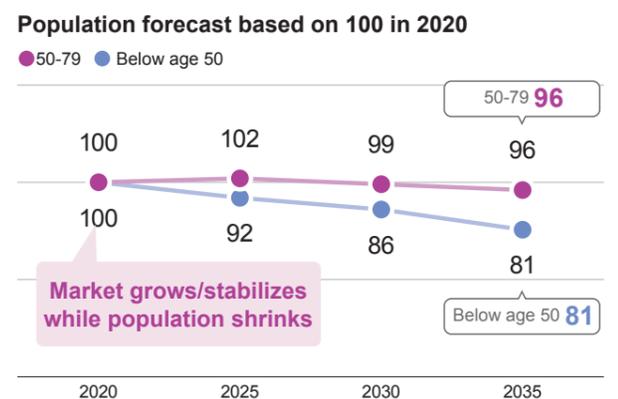
## Social Challenges/Market Opportunities

### Progress of Super Aging Society

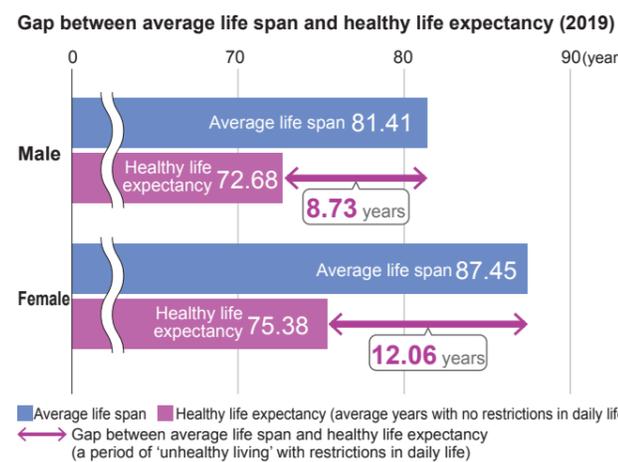
#### Population Forecast of Ages 50 - 79

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	



## Challenge is how to prolong healthy life expectancy



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](https://www.ipss.go.jp/pp-zenkoku/j/zenkoku2023/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 experiment-oriented and collective wisdom'

### Human Resource Capital

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

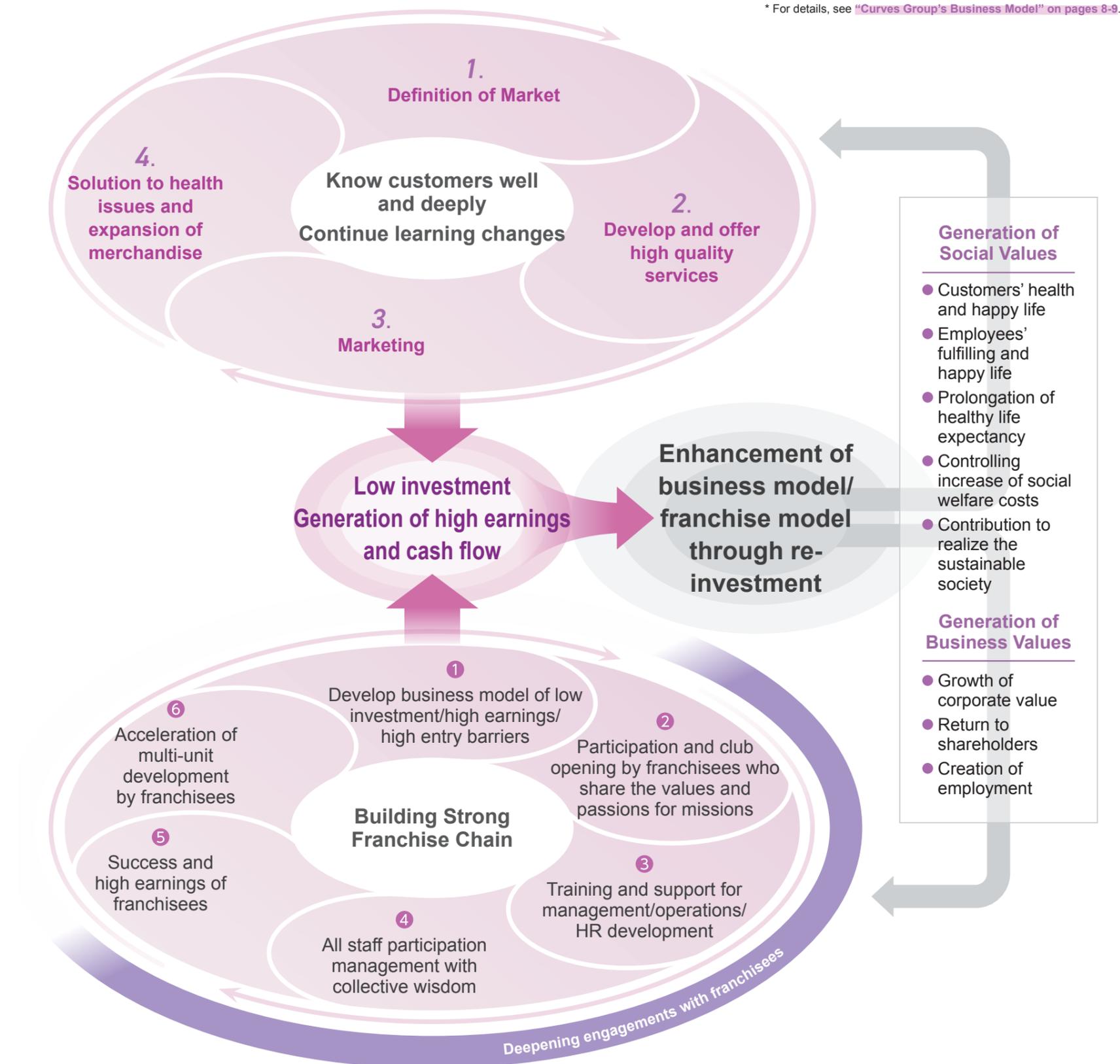
### Business Capital

- Approx. 360 community-based franchise owners
- 1,962 clubs domestically
- 137 clubs in Europe

### Social Capital

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

## Business Model



# Curves Group Sustainability



## Basic Sustainability Policy

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

### Corporate Philosophy

#### 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 Promotion Structure

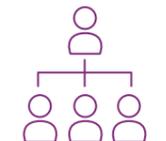
- 1 The Sustainability Management Promotion Committee is chaired by the president and the person responsible for it is president of Curves Japan, a major subsidiary. Consisting of members responsible for different areas of business (i.e. presidents and managing executive officers of subsidiaries), the Committee specifies sustainability-related issues, sets targets and manages their progress.
- 2 For the management of these efforts, we hold sustainability management promotion meetings on a quarterly basis.
- 3 Minutes of the sustainability management promotion meetings are reported to the Board of Directors which gives advice on challenges and initiatives.



# Materiality and Activity Status

## Materiality identification process

- 1 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
- 2 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
- 3 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

Materiality	Related SDGs	Why we think it is important	Initiative theme	Major activities	Page
<b>1</b>  <p><b>Materiality 1</b> Serving as community-based health infrastructure to help customers and society get mentally and physically healthier</p>		<p>The experience and knowledge gained through contributing to the physical and mental health of customers and society are the sources of our service planning and know-how creation, and this cycle of activity forms a community-based health infrastructure, leading to the Company's sustainable growth.</p>	<ul style="list-style-type: none"> <li>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.</li> <li>Scientifically verify the effect of exercise based on the idea of evidence-based exercise.</li> <li>Get actively involved in academic research that addresses health problems in society.</li> </ul>	<ul style="list-style-type: none"> <li>Dramatic improvement of customer satisfaction through the evolution and improvement of services and business models</li> <li>Medical and scientific evidence of the Curves exercise program</li> <li>Support and active participation in research that contributes to solving health problems in Japan</li> </ul>	P28-29
<b>2</b>  <p><b>Materiality 2</b> Business operation aimed at the highest safety and reliability for customers</p>		<p>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 this reason, we provide safety and security in terms of both tangible and intangible aspects, promoting their continuous improvement.</p>	<ul style="list-style-type: none"> <li>Safety and reliability of hardware (e.g. facilities, exercise equipment)</li> <li>Ensure safety and reliability in the offering of software services.</li> <li>Make the PDCA cycle of safety and reliability work to ensure continued improvements</li> </ul>	<ul style="list-style-type: none"> <li>Safety management and PDCA cycle in clubs</li> <li>Enhancement of information security</li> </ul>	P30-31
<b>3</b>  <p><b>Materiality 3</b> Create business models and operate clubs in a way that is eco-friendly and entails smaller risks of climate change</p>		<p>Addressing global climate change is positioned as one of the SDGs, and we consider our efforts to achieve a decarbonized society to be an extremely important mission. We operate environmentally friendly clubs to improve corporate value and reduce environmental impact simultaneously.</p>	<ul style="list-style-type: none"> <li>Create business models and a mechanism of club operation with a reduced environmental impact</li> <li>Initiatives for reducing the environmental impact in view of the entire supply chain</li> <li>Create business models and a mechanism of club operation in a way that is capable of reducing the risks of climate change</li> </ul>	<ul style="list-style-type: none"> <li>Environmentally friendly club operation</li> <li>Relocation of data center and diversification of protein raw material supplier regions to reduce risk of natural disasters</li> </ul>	P32-33 P46
<b>4</b>  <p><b>Materiality 4</b> Develop human resources and workplaces and operate organizations for each motivated individual to shine</p>		<p>It is essential to have not only employees of our Group, but also coaches (instructors) and franchisees who operate clubs and support customers in order to achieve community-based health infrastructure. We continue to support self-realization of each individual by creating a comfortable workplace and providing continuous learning opportunities for the purpose of sustainable club operations.</p>	<ul style="list-style-type: none"> <li>Develop human resources and operate organizations in a way that enhances a sense of "job satisfaction, growth, and value" of each worker (including franchisees).</li> <li>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.</li> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Work system that takes into consideration the work-life balance</li> <li>Provision of education and skill improvement opportunities</li> <li>Improvement of employee satisfaction</li> </ul>	P34-37 P46-47
<b>5</b>  <p><b>Materiality 5</b> Contributing to local communities</p>		<p>To realize a community-based health infrastructure, it is essential to not only contribute to the local community through business, but also support local governments' health promotion policies and support the resolution of medical issues aiming at resolution of health challenges in local communities.</p>	<ul style="list-style-type: none"> <li>Contribute to making local communities healthy and improving social capital.</li> <li>Operate a healthy franchise chain in an effort to contribute to the regional economy and employment.</li> </ul>	<ul style="list-style-type: none"> <li>Support for health promotion policies by local governments</li> <li>Support for resolving medical issues through collaboration with local medical institutions</li> </ul>	P38-40
<b>6</b>  <p><b>Materiality 6</b> Respect fair trade, human rights and human nature in the supply chain</p>		<p>It is important to form a good and resilient relationship with suppliers to provide stable services and develop long-term and sustainable business. We will work together to address social issues including human rights, and form a strong supply chain.</p>	<ul style="list-style-type: none"> <li>Form a partnership with suppliers</li> <li>Build reciprocal relationships with franchisees who are our business partners. (Obey the ethical guidelines established by the Japan Franchise Association)</li> <li>Build a supply chain that respects human rights and human nature</li> </ul>	<ul style="list-style-type: none"> <li>"Declaration of Partnership Building" and complying with the "Code of Ethics" established by the Japan Franchise Association, aiming to build a fair and equitable relationship that goes beyond compliance with laws and regulations</li> </ul>	P41
<b>7</b>  <p><b>Materiality 7</b> Effective corporate governance</p>		<p>In accordance with the Curves Group's five management guidelines, we will continue to strive to ensure compliance and improve management transparency and fairness. In addition, by effectively functioning both the axes of monitoring and innovation (development and execution) with sound governance, we will achieve long-term sustainable value creation.</p>	<ul style="list-style-type: none"> <li>Enhance medium- and long-term corporate value and make managerial decisions from a strategic perspective.                             <ul style="list-style-type: none"> <li>Observe the CURVES Group's five management guidelines in business management.</li> <li>Orient business management toward engagement with stakeholders.</li> <li>Base decision making on the open sharing of information and lively discussion.</li> </ul> </li> <li>Observe compliance requirements</li> <li>Build a risk management system</li> </ul>	<ul style="list-style-type: none"> <li>Evaluation of effectiveness of the Board of Directors</li> <li>Monitoring and corrective actions for compliance</li> <li>Addressing risks and responding to associated changes</li> </ul>	P42-45 P47



## Materiality 1



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

For more information, visit <https://www.curvesholdings.co.jp/en/sustainability/materiality01.html>



## Initiative theme

1

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.

2

Scientifically verify the effect of exercise based on the idea of evidence-based exercise.

3

Actively get involved in academic research that addresses health problems in society.

Curves has been operating closely with our customers, supporting their health from various angles in order to solve their health issues. We will continue to contribute to society as a "community-based health infrastructure" and "an enterprise pursuing longer healthy life expectancy," and will continue to work to support the healthy and fulfilling lives of growing number of people.

### 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.

The main research results include:

#### Results of joint research with the National Institutes of Biomedical Innovation, Health and Nutrition

(the 1st stage)

##### 1. Suggested that it is an effective method for preventing lifestyle-related diseases

Arterial stiffness has significantly decreased (-44mm/s: baPwM). Waist circumference (-1.2 cm), systolic blood pressure (-4.1 mmHg), and fasting blood glucose (-6 mg/dl) showed tendency of decrease.

##### 2. Significant reduction in body weight and body fat mass while maintaining lean body mass

Body weight (-1.0 kg) and body fat mass (-1.4 kg: DXA method) showed significant decreases. It should be noted that lean body mass was maintained despite significant decreases in body weight and body fat mass.

Weight loss through aerobic exercise or dietary restrictions would lead to a decline in physical strength, which is not considered healthy weight loss.

##### 3. Significant increase in leg extension power (+33%)

Leg extension power showed a significant increase (+33%), and sitting forward bending showed a tendency of increase (+2.2 cm). Maintaining leg muscle strength that supports body weight and flexibility that supports stride length are important physical fitness factors to reduce the risk of falling.

(the 2nd stage)

In Japanese middle-aged and elderly women, the higher the frequency of circuit training, the higher the preventive effect of the risk of Type 2 diabetes.

Circuit training can likely be considered an effective primary prevention measure.

#### Results of joint research with the Institute of Aging and Cancer, Tohoku University

(the 1st stage)

##### Four Weeks of Circuit Exercise Training improves broad cognitive function in elderly Adults — Expected to be applied to dementia prevention and cognitive function rehabilitation —

1. Improved executive function (abilities of patience and coping with abrupt changes)
2. Improved episodic memory (the ability to remember and recall)
3. Improved processing speed (ability to do numerous tasks in a limited amount of time)

(the 2nd stage)

##### A single session of 30 minutes of circuit training results in immediate improvements in cognitive function (inhibition ability) and vitality.

Cognitive function tends to decline with aging, and the decline in inhibition ability makes it challenging to control emotions and behaviors, causing difficulties in daily life.

⇒The results of this verification showed that just one session of 30-minute circuit training immediately improves cognitive function (inhibition ability) and vitality leading to a positive mood. This is also considered a notable result for Japan that has entered the super-aging society.

It is considered very important under the COVID pandemic to maintain good human relations by controlling emotions not to allow trivial things to irritate people, and to be positive and enjoy everyday life.

#### Results of joint research with Tokyo Metropolitan Institute of Gerontology

##### 1. Significant improvement in physical activity

The average number of steps showed a significant increase (+859 steps). The average number of steps taken in the control group decreased (-247 steps).

##### 2. Significant improvement in cardiopulmonary function (aerobic capacity)

6-minute walk showed a significant increase in distance (+57.8m).

#### Results of joint research with Kuno Laboratory, Graduate School Tsukuba

##### 1. Curves exercise program significantly increased muscle mass compared to 6 months of aerobic exercise

The cross-sectional area of the psoas major muscle increased significantly (7.1%) compared to the walking group (1.4%). The thigh muscle cross-sectional area increased significantly before and after the intervention.

##### 2. Significant increase in muscle strength compared to aerobic exercise

There was a significant difference in isokinetic knee joint flexion muscle strength (angular velocity 60°/sec) and hip joint flexion muscle strength (angular velocity 60°/sec) compared to the walking group (increase of 7.5% and 23.6%, respectively).

##### 3. Compared to aerobic exercise, thigh subcutaneous fat area significantly decreased

A significant decrease (-6.5%) was shown in the thigh subcutaneous fat area compared to the walking group (-1.8%).

Therefore, 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.

#### Results of joint research with Osaka University Graduate School of Medicine and Eli Lilly Japan

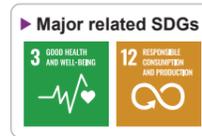
Participants who continued 30-minute circuit training for 3 months showed improvement in chronic musculoskeletal pain (CMP). In particular, participation in exercise more than twice a week improves catastrophic thinking and lower back and knee function, and is expected to be clinically useful as efficient exercise.

### Support and active participation in research that contributes to solving health problems in Japan

In order to contribute to the resolution of social issues, we support and actively participate in various research studies that would lead to the resolution of health issues such as the realization of a society with healthy and long-lived life.

The main activities include:

- 1 Sponsorship and participation in the R&D Center for Smart Wellness City Policies University of Tsukuba
- 2 Sponsorship and Participation in the Juntendo University Sportology Center Bunkyo Health Study
- 3 Participated as one of the founders of the Smart Wellness Community (SWC) Council
- 4 Research support for the FY2023 National Strategic Innovation Promotion Program, "Building an Inclusive Community Platform"



## Materiality 2



## Business operation aimed at the highest safety and reliability for customers

For more information, visit <https://www.curvesholdings.co.jp/en/sustainability/materiality02.html>



## Initiative theme

1

Safety and reliability of hardware (e.g. facilities, exercise equipment)

2

Ensure safety and reliability in the offering of software services.

3

Make the PDCA cycle of safety and reliability work to ensure continued improvements

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 have been making various efforts with the aim of being No. 1 in safety and security.

### How Curves ensures safe exercise

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. Curves coaches 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.

### High safety of Curves exercise program

Curves uses a highly safe hydraulic machine and has a highly safe exercise program that measures your heart rate every 8 minutes during exercise. In addition, other measures are taken for safe club operations including AEDs equipped in all clubs.

#### 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.

### Provision of safe and reliable services from coaches

Coaches check each user's physical condition before starting exercise and support them so they can exercise according to their condition on that day.

When a user comes to a club to begin exercising, coaches inside the circuit check the condition of the user that day, supporting them verbally and physically to ensure they can exercise without stress or strain.



Coaches are present in the circuit to assist users while they exercise

During business hours, coaches are present inside the circuit, where machines and boards are arranged in a circle, to ensure that users can exercise safely and effectively.

### Safety management and PDCA cycle in clubs

Curves has established "National Curves Safety Week" once a year to reaffirm the safety of clubs and conduct training across the nation for achieving "the safer and more secure exercise facility." We reaffirm necessary measures for preventing equipment accidents, infection prevention, emergency and disaster response by putting up posters, conducting safety and disaster prevention inspections, creating disaster prevention maps, and confirming evacuation routes. We keep striving for continuous improvement in safety and security through the PDCA cycle.



### Academic research results demonstrating high safety and low accident rate

We shared all accident history and safety management systems in Curves with the third-party research institute "Aichi Health Forest Health Science Center," and conducted joint research to improve safety. As a result, Curves was identified to have an exceptionally low accident rate as an exercise facility for middle-aged and elderly people. (Haruka Naito, Eri Nomura, Kazuyo Tsushita 2019), "Accident Occurrence Status and Safety Management System at National Chain Private Exercise Facilities -From Accident Report Surveys at 1,860 Curves Facilities -," Japanese Journal of Clinical Sports Medicine, Vol. 27 258-265)

We are also implementing measures to further improve safety based on the results of this survey.

### Efforts for the security of information

For the Curves Group, information is our important asset, wherefore implementing appropriate information security measures is essential to maintaining our group's superiority and protecting customers' personal information. Because of its importance, we have established internal regulations based on our information security policy and strive to manage and protect the information assets. In addition to building the management system to manage material information according to the level of confidentiality, we are working to ensure that employees are thoroughly familiar with education and regulations through conducting training on the handling of information assets as needed.

Materiality and Activity Status **Materiality 3**



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

For more information, visit <https://www.curvesholdings.co.jp/en/sustainability/materiality03.html>



Curves is creating business models and operating clubs in a way that is eco-friendly and entails smaller risks of climate change. Specifically, Curves is engaged in management adapted to environmental issues including climate change, guided by the above three initiatives.

### Environmentally friendly business model and club management

All fitness equipment used at Curves is hydraulically controlled and does not require electricity. The club facilities are built simple without baths, showers, etc. The size of the club is small, so not many lights are required. Business hours are short from 10am to 7pm, and no electricity is used at night. Therefore, the power consumption is kept low. In addition, Curves has introduced a system that allows all clubs to report its energy consumption on a regular basis, and to check and reduce the consumption in their own clubs. During the busy summer season, the corporate sends out notices to all clubs to encourage power saving.



Items		FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023
Scope 1	(t-co <sub>2</sub> )	27	30	34	30
Scope 2	(t-co <sub>2</sub> )	563	661	690	682
Scope 3	(t-co <sub>2</sub> )	40,403	40,569	44,083	47,937
Electricity consumption*1	(kWh)	1,222,118	1,488,320	1,555,530	1,532,711
Electricity consumption per club	(kWh)	10,983	13,280	14,134	13,698
Water intake*1·*2	(m <sup>3</sup> )	2,321	3,723	3,272	3,588
Water intake per club*2	(m <sup>3</sup> )	111	143	121	124
Wastewater volume*1·*2	(m <sup>3</sup> )	2,321	3,723	3,272	3,588
Wastewater volume per club*2	(m <sup>3</sup> )	111	143	121	124

\* Scope: The Company and domestic subsidiaries  
 \*1 Covers headquarters and corporate clubs in Japan.  
 \*2 Covers locations where water usage can be measured.

\* For details, see [Sustainability Data Book on page 46](#).

### Environmental load reduction in the supply chain

At Curves, we replace fitness machines in all clubs with new equipment once every 10 years. Franchisees purchase new machines and dispose of old ones. To ensure proper disposal of old machines as industrial waste, we have implemented a system where all disposals are managed under the central control of the corporate. When replacing the machines, we use railroads for medium to long-distance transportation (approximately 100 km or more) in an effort to keep carbon dioxide emissions low, like sending new machines to new clubs.



Further, the packaging materials used for the protein products we sell are aluminum pouches and cardboard, eliminating any plastic packaging materials. Curves will continue to strive to reduce the burden on the environment.



### Initiatives to address climate change risks

Curves clubs are spread all over the country with no concentration in a limited area.

▶ Related: Page 2 “Curves Group by the Numbers - Domestic Total Club Count”

As a result, we are able to reduce the impact of natural disaster risks due to climate change and other factors. In addition, Curves has relocated the data center that manages important Curves' customer information in order to reduce the risk of earthquake disasters.

Furthermore, the raw material suppliers of the protein products, which account for the bulk of the Group's sales, are spread over in the United States, New Zealand, the United Kingdom, Denmark, etc., and the domestic protein manufacturing plants are distributed in Saga, Tochigi and Saitama prefectures in Japan to reduce the climate change risk.

### Other efforts to protect the environment

As part of our efforts to protect forests, we donate 1% of the purchase price of the paper used for promotional flyers to the “Present Tree” run by the certified NPO Environmental Relations Institute. More than 3,000 trees have been planted through donations from Curves.



Materiality and Activity Status **Materiality 4**



Materiality 4



## Develop human resources and workplaces and operate organizations for each motivated individual to shine

For more information, visit <https://www.curvesholdings.co.jp/en/sustainability/materiality04.html>



Initiative theme

1

Develop human resources and operate organizations in a way that enhances a sense of “job satisfaction, growth, and value” of each worker (including franchisees).

2

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.

3

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.

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, 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

### 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, 2023.

### Male/female ratio

\* Curves Group total (the Company and 8 consolidated subsidiaries)

### Number of employees

Female 550 Male 109

### Ratio of male and female managers

Female 67.3% Male 32.7%

### Employee data

\* Company and domestic subsidiaries

Ratio of full-time employees

85.7%

Childcare leave acquisition rate

87.5%

Paid vacation usage rate

62.1%

Average length of service

6.1 years

Average age

35

\* For details, see Sustainability Data Book on pages 46-47.

\* As of August 31, 2023

### Making a career plan based on a life plan

At Curves Group, we have a philosophy of “making a career plan based on a life plan,” and I myself have built my career by making a plan every year and discussing it with my supervisor in individual meetings. While raising two daughters (ages 4 and 2), I am currently working as a supervising manager of a nationwide franchisee support unit. Because there are so many women in the workplace, we intend to value personal life while being a company that customers can trust.

A.T., Supervising Manager of Business Development Division, Curves Japan Co., Ltd.



### Initiatives for employees’ 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.

### 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.

## TOPIC



All employees made a habit to do a set of 30 minutes of strength training + aerobic exercise + stretching

Certified as a Sports Yell Company 2023 by the Japan Sports Agency

Curves Japan was certified as a Sports Yell Company 2023 by the Japan Sports Agency and as a Tokyo Sports Promotion Company for 2022 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

### Realization of the No. 1 workplace for women to shine

#### ■ Innovations in recruitment, retention, and education

- Operation of favorable employment systems such as full-time employment, two days off per week and Sundays and holidays off, and no night shifts
- Continuous efforts to improve the treatment of employee throughout the chain
- Skill development and organizational culture creation through a comprehensive training system that enhances a sense of “job satisfaction, growth, and value”

#### ■ Dramatic improvement in labor productivity

- Aggressive IT investments
- Thorough streamlining of operation processes in the field

### 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.



#### Initial training after joining Curves

##### In-house training at each company

We have developed a Human Resource Development Manual and In-house Training Program so that each company within the chain can set up systems for subsequent training based on these references.

##### Pre-camp

As preparation for becoming a Curves coach, the pre-camp includes learning about the values, codes of conduct, and the overview of Curves business and business model that we value. In addition, all coaches participate in a lifesaving course. While Curves' exercise program has been proven to be highly safe through academic research, coaches are trained to be able to respond quickly in case of an emergency.

##### Club camp

The club camp has been designed to teach the theory of Curves' unique and highly effective exercise program, exercise physiology, specialized machine instruction, and other aspects including customer service and club management operations. In addition, the program emphasizes the development of professional human resources through tests on the knowledge and skills necessary for Curves coaches, and participants are required to pass the tests in order to graduate as a coach.

#### Follow-up training

##### Leader training and manager training

Participants learn about club operations and team management, depending on their role. There are also regular group training sessions, where sharing problems and ways of working with employees from other clubs leads to new learning.

##### Convention

Approximately 8,000 Curves coaches gather to present case studies at the convention. There are also lectures by renowned experts and doctors, making it an event for deeper learning.

##### E-learning training

An E-learning environment has been established for online learning, allowing for the updating and acquisition of the latest fitness knowledge anytime, anywhere.

### Career after joining

#### ■ Climbing corporate ladder and learning team management

Employees gain team management skills and deeper club management skills by moving up from coach to club manager or manager

#### ■ Aiming to be a health specialist

Employees can further refine technical aspects such as counseling and dietary guidance, and the spirit of hospitality, aiming to become a health specialist

#### ■ Building a career while achieving a balance with childcare

It is possible to accumulate skills as a coach while raising children with our comprehensive maternity leave, childcare leave, and reduced working hour systems

### 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.

### 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 Curves coaches on their job satisfaction. It is compiled into reports for each franchisee for sharing with them as the “Organizational Culture Survey.”

### Amaze initiatives

Curves publishes a magazine called Amaze, featuring experiences and episodes of various coaches from different generations and environments under different themes each time, to provide a sense of job satisfaction and growth, and to resolve worries and concerns for employees, including those of franchisees, and distributes it regularly to club staff.



### Initiatives to improve employee treatment

At Curves, human resources are positioned as one of the most important 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.

For the fiscal year ended August 31, 2023, efforts have been made throughout the chain to improve employee wages and working conditions, aiming to further enhance recruitment competitiveness, strengthen human resources, and enhance organizational strength.

Materiality and Activity Status **Materiality 5**



Materiality 5



## Contributing to local communities

For more information, visit <https://www.curvesholdings.co.jp/en/sustainability/materiality05.html>



Initiative theme

1

Contribute to making local communities healthy and improving social capital.

2

Operate a healthy franchise chain in an effort to contribute to the regional economy and employment.

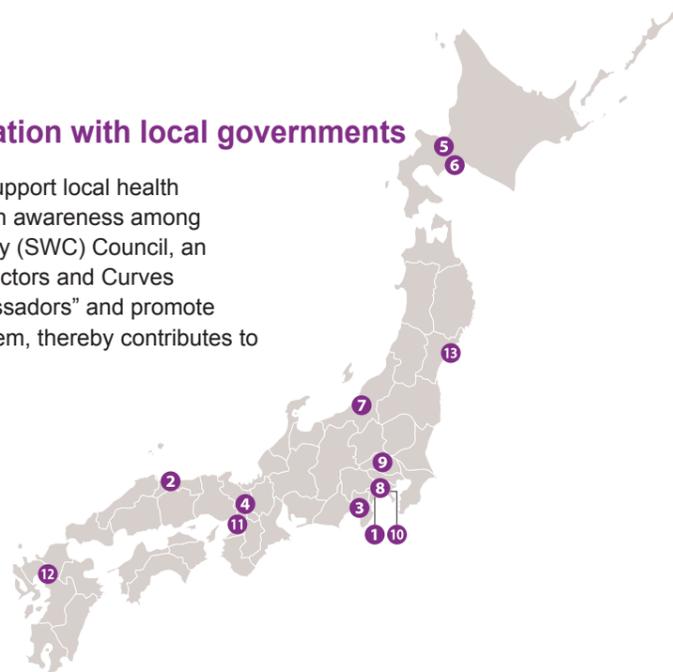
As a community-based health infrastructure, Curves not only contributes to the local community through business, but also supports local governments' health promotion policies and supports the resolution of medical issues through collaboration with local medical institutions aiming at resolution of health 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. Furthermore, Curves operates a franchise chain system. The franchisees are a group of 360 companies based in various regions. We contribute to the revitalization of the local economy and local employment through the chain management seeking harmonious and mutual prosperous relationship with franchisees.

### 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. In the activities of the Smart Wellness Community (SWC) Council, an industry-government-academia collaboration, Curves instructors and Curves voluntary members acquire qualifications as "Health Ambassadors" and promote activities to convey health information to people close to them, thereby contributes to the enhancement of social capital.

#### Major cooperation with local governments

1 June 2015	"Illness Prevention Center Curves Odawara," the first "Illness Prevention Center" certified by Kanagawa Prefecture, is established.
2 September 2015	"Curves Daisencho Health Center" opens. This countryside-revitalization effort was launched through coordination among industry, academia and government in the Town of Daisen, Tottori Prefecture, to reduce medical costs and encourage activity among the elderly.
3 August 2018	Curves signs a "health-building" pact with the City of Mishima, Shizuoka Prefecture.
4 November 2018	Curves signs a "Yawata Health and Happiness Promotion Partnership Agreement" with the City of Yawata, Kyoto Prefecture.
5 February 2019	Curves signs a "Comprehensive Partnership Agreement to Promote Healthy Sapporo 21" with the City of Sapporo, Hokkaido.
6 July 2019	Curves signs a "Partnership Agreement on Health Promotion" with the City of Tomakomai, Hokkaido.



7 July 2019	Curves signs a "Comprehensive Partnership Agreement on Health Promotion" with the City of Mitsuke, Niigata Prefecture.
8 October 2019	Nineteen Curves locations in Kanagawa Prefecture are certified as "Illness Prevention Centers," bringing the number of Curves locations in Kanagawa that are health promotion bases to 26.
9 June 2020	Curves signs an "Agreement on the Revitalization of Higashimatsuyama City, People, and Jobs" with the City of Higashimatsuyama, Saitama Prefecture.

10 April 2021	Curves signs an "Agreement on Cardiovascular Disease Control" with the City of Yokohama, Kanagawa Prefecture.
11 January 2022	Curves participates in "Osaka Smart Senior Life Demonstration Project Promotion Council."

12 May 2022	Curves signs a "Comprehensive Collaboration Partnership for Health Promotion" with the City of Omuta, Fukuoka Prefecture.
13 July 2023	Curves signs a "Comprehensive Collaboration Partnership for Health Promotion" with the City of Ishinomaki, Miyagi Prefecture.

## TOPIC

### Curves Japan Signs Comprehensive Collaboration Partnership for Health Promotion with Ishinomaki City

On July 11, 2023, Curves Japan signed a Comprehensive Collaboration Partnership for Health Promotion with Ishinomaki City, Miyagi Prefecture, to advance health promotion efforts in the city. This is the first such partnership with a municipality in the Tohoku region. We aim to extend the healthy life expectancy of citizens and raise health awareness through health promotion events and health education activities. Ishinomaki will also open its 17th Men's Curves in Japan on July 18, supporting health promotion for both men and women.



### Support for resolving medical issues through collaboration with medical institutions

In collaboration with medical institutions, they 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

- 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 and 9 other clinics

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

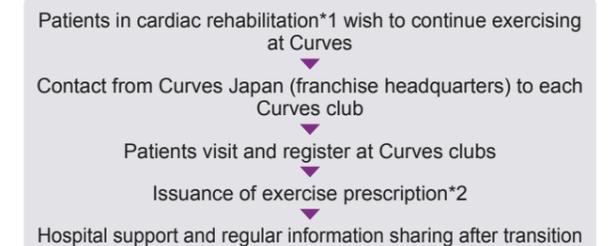


## TOPIC

### Patients Referral Partnership signed with Ageo Chuo Sogo Hospital (Ageo, Saitama)

Curves Japan has signed a Patients Referral Partnership with Ageo Central General Hospital and started collaboration from August 1, 2023. This is the first hospital in Saitama Prefecture to collaborate with Curves on cardiac rehabilitation. Ageo Chuo Sogo Hospital is focusing on creating an environment where patients can continue cardiac rehabilitation on their own initiative even after transitioning to outpatient care. Curves Japan, which has a track record in cardiac rehabilitation collaboration, decided to collaborate with Ageo Chuo Sogo Hospital as a private gym, with nine clubs in the central Saitama region participating. We will cooperate in efforts to prevent recurrence and rehospitalization of patients and extend their healthy life expectancy.

#### System for collaboration between Ageo Chuo Sogo Hospital and Curves clubs



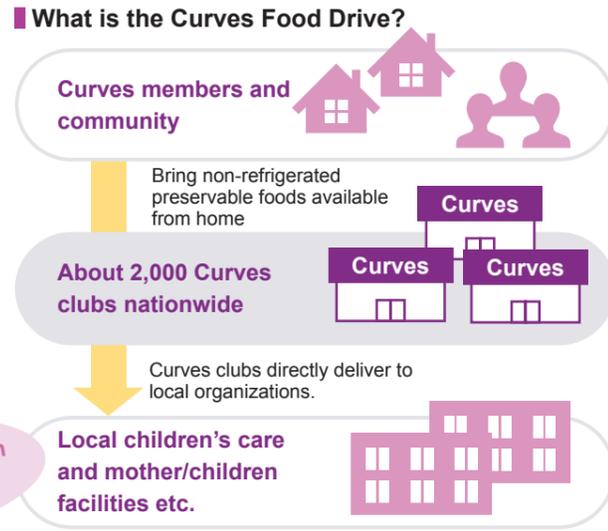
\*1 Cardiac rehabilitation is a comprehensive program of activities (exercise therapy, educational activities and lifestyle guidance, counseling, etc.) to prevent recurrence and rehospitalization for cardiovascular diseases. It is a cooperative effort among multiple professions including doctors, physiotherapists, nurses, and pharmacists, and has been shown to reduce rehospitalization rates and overall mortality in heart failure patients.  
 \*2 An exercise prescription is a prescription in which a doctor specifies the frequency, intensity, and type of exercise for health promotion.

### 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 one every year since 2007, when such an initiative was not yet widely known in Japan. 153,000 people participated in 2023. The approximately 214 metric tons of food collected were donated to 769 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.

The 16th campaign since 2007

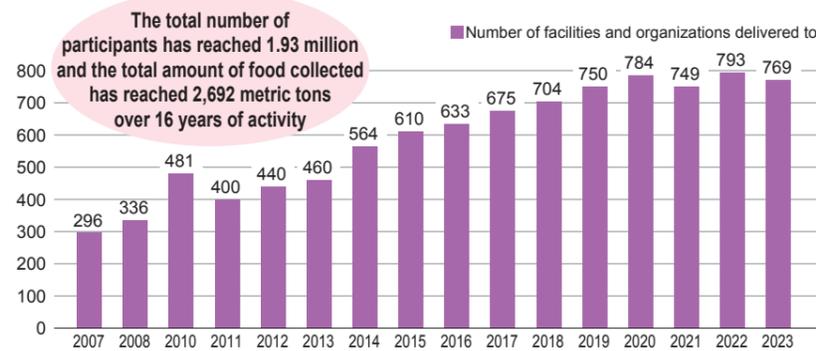


### 2023 Curves Food Drive Activity Report

In 2023, 153,400 participants collected 214 metric tons of food across clubs nationwide from January 16 to February 15.



#### Number of facilities and organizations delivered to (2007-2023)



#### Number of facilities and organizations delivered to (2023)

Foster homes	305
Facilities for the handicapped	123
Social welfare councils	78
Mother/children facilities	63
Food banks	56
Child cafeterias	35
Elderly support facilities	25
Other	84
<b>Total</b>	<b>769</b>



Children from infants to high school students live together at Kōshō Gakuen. Many of the children have a strong interest in food and really look forward to the food drive. Every year, when it is time for the food drive, they can't hold their excitement, saying, "It's about time for Curves to come, isn't it?" Cries of joy fill the air when they open the boxes. Food is essential not only for physical growth, but also for emotional growth. The food drive helps people realize that many people are supporting them and to learn about gratitude as an important part of life. They are valuable opportunities to feel a spiritual connection with everyone.

Yasuo Kaburagi, Director, Kōshō Gakuen

VOICE



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

Major related SDGs

- 8 GROWTH AND ECONOMIC GROWTH
- 10 REDUCED INEQUALITIES
- 17 PARTNERSHIPS FOR THE GOALS



## Respect fair trade, human rights and human nature in the supply chain

For more information, visit <https://www.curvesholdings.co.jp/en/sustainability/materiality06.html>



(Obey the ethical guidelines established by the Japan Franchise Association)

Positioning suppliers as partners for medium to long-term business development, we aim to build fair and equitable relationships with them to contribute to the sound development of society through the entire supply chain in addition to simply complying with laws and regulations. In our relationship with franchisees as our business partners, we focus not only on compliance with laws and regulations, but also on the medium to long-term development of the chain by building harmonious and mutual prosperous relationship and mutual benefit.

### Established and announced Declaration of Partnership Building

Curves has formulated and announced the "Declaration of Partnership Building" in agreement with the purpose of the "Council for Building Partnerships to develop the Future" consisting of the chairmen of the Japan Business Federation (Keidanren), the Japan Chamber of Commerce and Industry, and the Japan Federation of Trade Unions, as well as the relevant Ministers (Cabinet Office, Ministry of Economy, Trade and Industry, Ministry of Health, Labor and Welfare, Ministry of Agriculture, Forestry and Fisheries, and Ministry of Land, Infrastructure, Transport and Tourism). Based on this declaration, we will strive to further strengthen our partnerships and raise the added value of the entire supply chain.



**What is the Declaration of Partnership Building?**  
This is a declaration to build new partnerships by advancing collaboration, co-existence and co-prosperity with our business partners in the supply chain and businesses aiming for value creation.

#### Declaration of Partnership Building (excerpt)

We declare that we will focus on the following items to build new partnerships by promoting collaboration, co-existence co-prosperity with our business partners in the supply chain and businesses aiming for value creation.

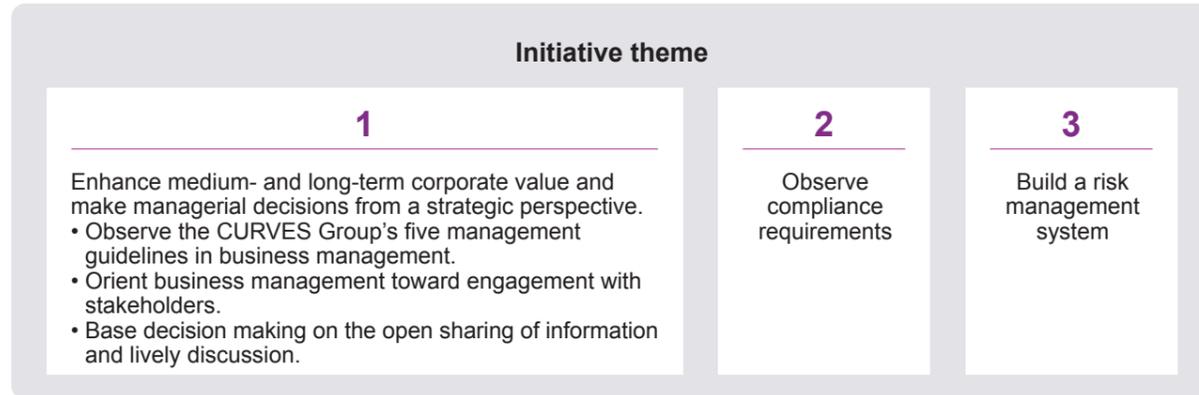
- 1. Co-existence and co-prosperity throughout the supply chain and new collaboration beyond scale, affiliations, etc.**  
By working through direct business partners to reach the next level of business partners (from Tier N to Tier N+1), we aim to enhance the added value throughout the supply chain and build co-existence and co-prosperity with our business partners through collaboration beyond existing business relationships and company sizes. In doing so, we will also support the introduction of remote-work and the formulation of a BCP (business continuity plan) for business partners from the perspectives of business continuity during disasters and work-style reform.
- 2. Compliance with Promotion Standards**  
We will comply with desirable business practices between large procuring enterprises and subcontractors ("Promotion Standards" based on the Act on the Promotion of Subcontracting Small and Medium-sized Enterprises) and actively work to correct business practices and commercial customs that hinder the establishment of partnerships with business partners.

◆ Curves Holdings' Declaration of Partnership Building \* Document in Japanese <https://www.biz-partnership.jp/declaration/16880-19-00-tokyo.pdf>



## Effective corporate governance

For more information, visit <https://www.curvesholdings.co.jp/en/sustainability/materiality07.html>

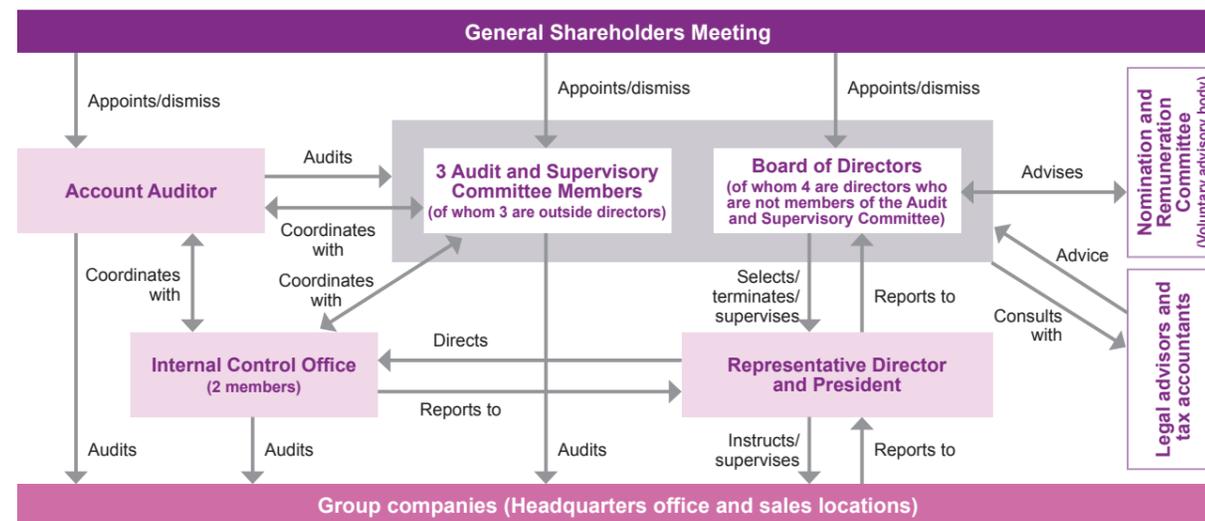


The Curves Group regards the enhancement of a highly effective corporate governance as an important management concern in order to achieve sustainable growth and improve corporate values over the medium to long term. We establish a system and are implementing various measures based on the basic policy 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 through active Q&A and discussions.



### 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, 2023, 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.

Evaluation items	Evaluation results
<ol style="list-style-type: none"> <li>Composition and operation of the Board of Directors</li> <li>Management strategy and business plan</li> <li>Corporate ethics and risk/crisis management</li> <li>Performance monitoring and management evaluation</li> <li>Dialogue with shareholders, etc.</li> <li>DX/Digital transformation</li> <li>Group governance</li> </ol>	The Group has confirmed that the Board of Directors of the Company is generally operated appropriately and its effectiveness is ensured. It was acknowledged that the initiatives for improvements of each issue have been progressing, while, on the other hand, we have confirmed that the contents and prior explanations of the discussion materials of the Board of Directors, DX transformation and the roles that the Group Corporate Office plays, etc. would need further efforts to improve.

### 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.

## Corporate Governance

### Management



**Takeshi Masumoto**

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



**Maki Sakamoto**

Director, CURVES HOLDINGS Co., Ltd.  
Director and President,  
Curves Japan Co., Ltd.



**Yoko Tajima (Masumoto)**

Director, CURVES HOLDINGS Co., Ltd.  
Director and Vice President, General  
Manager of Business Development Divi-  
sion, Curves Japan Co., Ltd.



**Shinya Matsuda**

Director, CURVES HOLDINGS Co., Ltd.  
General Manager,  
Administration Division



**Toyokazu Kawada**

Director (Full-time Audit and  
Supervisory Committee Member),  
CURVES HOLDINGS Co., Ltd.



**Sadayoshi Yamamoto**

Director (Audit and Supervisory  
Committee Member),  
CURVES HOLDINGS Co., Ltd.



**Masahide Teraishi**

Director (Audit and Supervisory  
Committee Member),  
CURVES HOLDINGS Co., Ltd.



**Masanori Murakami**

Managing Executive Officer,  
Deputy General Manager of Business  
Development Division,  
Curves Japan Co., Ltd.  
(Officer responsible for sales, personnel  
planning and new business)



**Tomoko Yotsukura**

Managing Executive Officer  
Deputy General Manager of Business  
Development Division,  
Curves Japan Co., Ltd.  
(Officer responsible for First Mentor and  
knowledge management operations)



**Daisuke Kato**

Managing Executive Officer,  
Deputy General Manager of Business  
Development Division,  
Curves Japan Co., Ltd.  
(Officer responsible for Third Mentor,  
business improvement and corporate  
club operations)



**Hikaru Saito**

Managing Executive Officer, Manager of  
Strategic Planning Department,  
Curves Japan Co., Ltd.  
(Officer responsible for advertising and  
marketing operations)



**Yumeji Nakauchi**

Managing Executive Officer, Manager of  
Product Planning Department,  
Curves Japan Co., Ltd.  
(Officer responsible for Franchise  
support and product planning opera-  
tions)



**Yasushi Suzuki**

Director and President,  
HIGH STANDARD Co., LTD.

### 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)						
<b>Takeshi Masumoto</b> Representative Director and President	◎	○	○	○	○	○	○			○	○	○	◎	◎
<b>Maki Sakamoto</b> Director	◎		◎	◎	○							○		
<b>Yoko Tajima (Masumoto)</b> Director	◎				◎	◎	◎			○		○		
<b>Shinya Matsuda</b> Director	○	◎	○					○						○
<b>Toyokazu Kawada</b> Director (Full-time Audit and Supervisory Committee Member)	○							○						
<b>Sadayoshi Yamamoto</b> Director (Audit and Supervisory Committee Member)		◎												
<b>Masahide Teraishi</b> Director (Audit and Supervisory Committee Member)	○													
<b>Masanori Murakami</b> Managing Executive Officer, Curves Japan Co., Ltd.	○			◎	○							○	○	
<b>Tomoko Yotsukura</b> Managing Executive Officer, Curves Japan Co., Ltd.	○				◎	◎	○			○		○		
<b>Daisuke Kato</b> Managing Executive Officer, Curves Japan Co., Ltd.	○				◎	◎	○			○		○		
<b>Hikaru Saito</b> Managing Executive Officer, Curves Japan Co., Ltd.	○				○					◎		○		
<b>Yumeji Nakauchi</b> Managing Executive Officer, Curves Japan Co., Ltd.	○		○					◎	◎		◎	○		○
<b>Yasushi Suzuki</b> 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.

# Sustainability Data Book

## Environment

Items		FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023	Scope
Scope 1	(t-CO <sub>2</sub> )	27	30	34	30	Company and domestic subsidiaries
Scope 2	(t-CO <sub>2</sub> )	563	661	690	682	
Scope 3	(t-CO <sub>2</sub> )	40,403	40,569	44,083	47,937	
Cat. 1	(t-CO <sub>2</sub> )	27,611	25,095	28,129	32,850	
Cat. 2	(t-CO <sub>2</sub> )	1,333	2,763	3,017	2,778	
Cat. 3	(t-CO <sub>2</sub> )	90	109	114	110	
Cat. 4	(t-CO <sub>2</sub> )	169	221	227	242	
Cat. 5	(t-CO <sub>2</sub> )	75	62	56	58	
Cat. 6	(t-CO <sub>2</sub> )	388	307	378	462	
Cat. 7	(t-CO <sub>2</sub> )	191	213	210	223	
Cat. 8	(t-CO <sub>2</sub> )	—	—	—	—	
Cat. 9	(t-CO <sub>2</sub> )	3	2	3	3	
Cat. 10	(t-CO <sub>2</sub> )	—	—	—	—	
Cat. 11	(t-CO <sub>2</sub> )	—	—	—	—	
Cat. 12	(t-CO <sub>2</sub> )	20	30	28	32	
Cat. 13	(t-CO <sub>2</sub> )	—	—	—	—	
Cat. 14	(t-CO <sub>2</sub> )	10,522	11,766	11,922	11,177	
Cat. 15	(t-CO <sub>2</sub> )	—	—	—	—	
Electricity consumption <sup>1</sup>	(kWh)	1,222,118	1,488,320	1,555,530	1,532,711	Curves Japan
Electricity consumption per club	(kWh)	10,983	13,280	14,134	13,698	
Water intake <sup>1, 2</sup>	(m <sup>3</sup> )	2,321	3,723	3,272	3,588	
Water intake per club <sup>2</sup>	(m <sup>3</sup> )	111	143	121	124	
Wastewater volume <sup>1, 2</sup>	(m <sup>3</sup> )	2,321	3,723	3,272	3,588	
Wastewater volume per club <sup>2</sup>	(m <sup>3</sup> )	111	143	121	124	
Number of Present Trees planted		188	148	164	131	

<sup>1</sup> Covers headquarters and corporate clubs in Japan.

<sup>2</sup> Covers locations where water usage can be measured.

## Social

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

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

<sup>1</sup> Executive officers are excluded from the calculation.

<sup>2</sup> 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).

<sup>3</sup> 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 executive officers.

<sup>4</sup> 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 in the fiscal year ended August 31, 2023 is shown as "-", as there are no male non-regular workers to be counted.

<sup>5</sup> 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, 2023, the gender pay gap among employees is as follows:

Gender pay gap (total employees)	(%)	84.8
Gender pay gap (managers and supervisors)	(%)	91.9
Gender pay gap (other employees)	(%)	93.5

## Governance

Items		FYE Aug. 2020	FYE Aug. 2021	FYE Aug. 2022	FYE Aug. 2023	Scope
Female directors ratio	(%)	14.3	14.3	14.3	14.3	Company
Female executive officers ratio	(%)	20.0	20.0	42.9	42.9	Company and domestic subsidiaries
Number of violations of code of conduct and ethics		0	0	0	0	
Number of investigations on corrupt practices (corruption and bribery)		0	0	0	0	
Number of investigations on anti-trust law (and related laws)		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), eight 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., Curves Operations Italy S.r.l., and KIMOSCAPE(PTY)LTD).

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

# Financial Data

## Financial/Non-financial Highlights

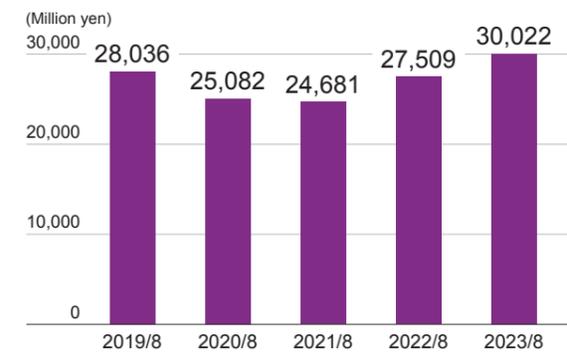
(Million yen)

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

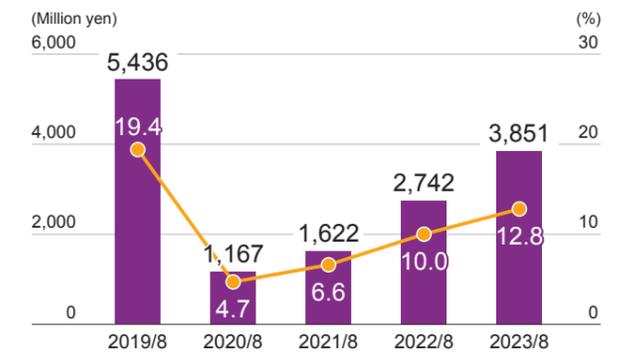
\*1 Free cash flows = net cash provided by (used in) operating activities + net cash provided by (used in) investing activities

\*2 Non-financial data refers to the figures for Curves, 30-minute fitness for women

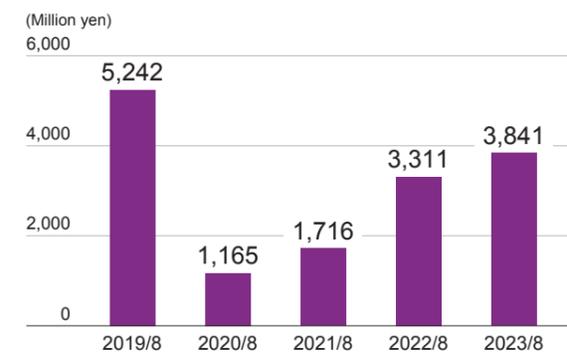
## Net sales



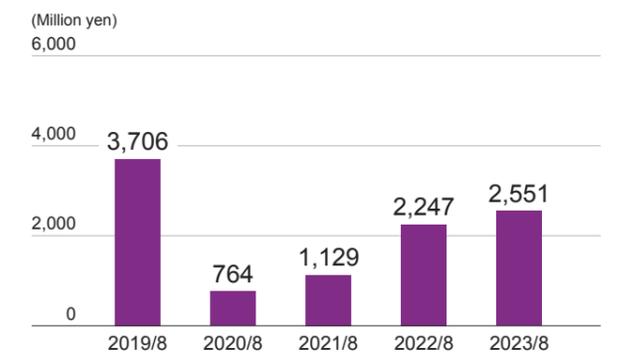
## Operating profit/Operating profit ratio



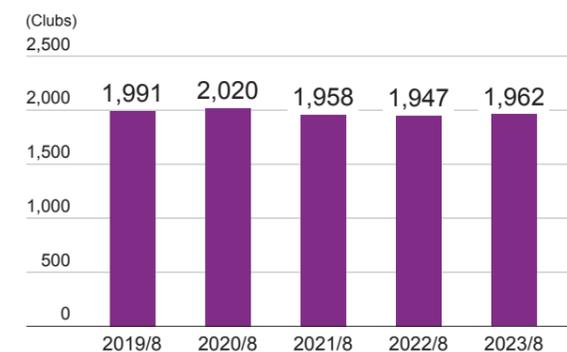
## Ordinary profit



## Profit attributable to owners of parent



## Total club count

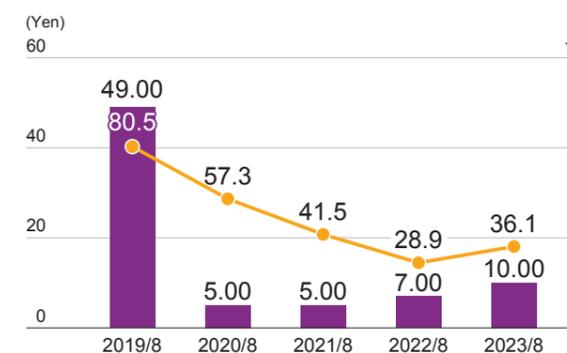


## Total membership count



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

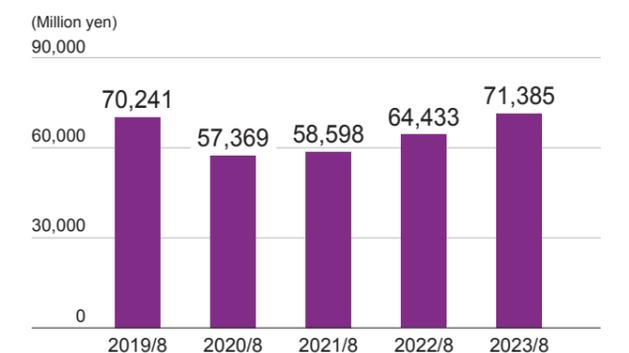
## Dividends per share/payout ratio



\* 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

## Chain-wide sales



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

## Financial Data

## Consolidated Balance Sheet

(Million yen)

	As of August 31, 2022	As of August 31, 2023		As of August 31, 2022	As of August 31, 2023
<b>Assets</b>			<b>Liabilities</b>		
Current assets			Current liabilities		
Cash and deposits	8,212	8,134	Notes and accounts payable - trade	1,747	2,028
Notes and accounts receivable - trade	4,156	4,444	Current portion of long-term borrowings	3,290	3,290
Merchandise	933	985	Accounts payable - other	627	570
Raw materials and supplies	4	46	Accrued expenses	304	317
Other	651	921	Income taxes payable	649	1,153
Allowance for doubtful accounts	(219)	(195)	Provision for bonuses	288	320
Total current assets	13,739	14,338	Provision for point card certificates	109	136
Non-current assets			Provision for shareholder benefit program	21	25
Property, plant and equipment			Deposits received	1,894	2,269
Buildings and structures	560	633	Other	375	573
Accumulated depreciation	(362)	(378)	Total current liabilities	9,307	10,686
Buildings and structures, net	197	255	Non-current liabilities		
Tools, furniture and fixtures	900	906	Long-term borrowings	11,956	8,665
Accumulated depreciation	(673)	(727)	Provision for share awards	222	272
Tools, furniture and fixtures, net	227	179	Deferred tax liabilities	4,390	4,272
Other, net	—	2	Asset retirement obligations	119	144
Total property, plant and equipment	424	437	Total non-current liabilities	16,688	13,354
Intangible assets			Total liabilities	25,996	24,041
Goodwill	1,559	1,546	<b>Net assets</b>		
Trademark right	20,258	20,126	Shareholders' equity		
Software	1,204	1,361	Share capital	848	848
Other	378	148	Capital surplus	828	828
Total intangible assets	23,401	23,183	Retained earnings	8,438	10,192
Investments and other assets			Treasury shares	(1,247)	(1,247)
Investment securities	28	17	Total shareholders' equity	8,868	10,621
Leasehold and guarantee deposits	294	313	Accumulated other comprehensive income		
Deferred tax assets	398	721	Valuation difference on available-for-sale securities	5	(1)
Other	69	106	Foreign currency translation adjustment	3,481	4,450
Allowance for doubtful accounts	(5)	(6)	Total accumulated other comprehensive income	3,487	4,448
Total investments and other assets	786	1,153	Total net assets	12,355	15,070
Total non-current assets	24,612	24,773	Total liabilities and net assets	38,352	39,111
Total assets	38,352	39,111			

## Consolidated Statement of Income

(Million yen)

	For the fiscal year ended August 31, 2022	For the fiscal year ended August 31, 2023
Net sales	27,509	30,022
Cost of sales	15,517	17,216
Gross profit	11,991	12,806
Selling, general and administrative expenses	9,248	8,954
Operating profit	2,742	3,851
Non-operating income		
Interest and dividend income	0	0
Foreign exchange gains	569	31
Subsidy income	23	1
Income insurance	0	2
Compensation income	4	—
Other	36	10
Total non-operating income	633	45
Non-operating expenses		
Interest expenses	56	47
Commission expenses	1	1
Other	6	5
Total non-operating expenses	64	55
Ordinary profit	3,311	3,841
Extraordinary losses		
Provision for share awards	170	—
Loss on retirement of non-current assets	5	9
Impairment losses	—	10
Total extraordinary losses	176	19
Profit before income taxes	3,134	3,822
Income taxes - current	1,173	1,957
Income taxes - deferred	(286)	(686)
Total income taxes	886	1,271
Profit	2,247	2,551
Profit attributable to owners of parent	2,247	2,551

## Consolidated Statement of Comprehensive Income

(Million yen)

	For the fiscal year ended August 31, 2022	For the fiscal year ended August 31, 2023
Profit	2,247	2,551
Other comprehensive income		
Valuation difference on available-for-sale securities	(20)	(7)
Foreign currency translation adjustment	3,010	968
Total other comprehensive income	2,989	960
Comprehensive income:	5,237	3,511
(Breakdown)		
Comprehensive income attributable to owners of parent	5,237	3,511
Comprehensive income attributable to non-controlling interests	—	—

## Financial Data

## Consolidated Statement of Cash Flows

(Million yen)

	For the fiscal year ended August 31, 2022	For the fiscal year ended August 31, 2023
<b>Cash flow from operating activities</b>		
Profit before income taxes	3,134	3,822
Depreciation	797	908
Impairment losses	—	10
Amortization of goodwill	88	102
Amortization of trademark right	1,108	1,298
Increase (decrease) in allowance for doubtful accounts	5	(33)
Increase (decrease) in provision for bonuses	47	30
Increase (decrease) in provision for share awards	222	50
Interest and dividend income	(0)	(0)
Interest expenses	56	47
Foreign exchange losses (gains)	(588)	(31)
Loss on retirement of non-current assets	5	9
Decrease (increase) in trade receivables	(188)	(252)
Decrease (increase) in inventories	172	(87)
Decrease (increase) in prepaid expenses	(20)	(29)
Increase (decrease) in trade payables	39	274
Increase (decrease) in accounts payable - other	(171)	(38)
Increase (decrease) in accrued expenses	(28)	10
Other, net	(14)	333
<b>Subtotal</b>	<b>4,667</b>	<b>6,426</b>
Interest and dividends received	0	0
Interest paid	(56)	(50)
Income taxes refund (paid)	(1,338)	(1,454)
<b>Net cash provided by (used in) operating activities</b>	<b>3,273</b>	<b>4,920</b>
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(218)	(162)
Purchase of intangible assets	(717)	(687)
Purchase of long-term prepaid expenses	(10)	(22)
Payments of leasehold and guarantee deposits	(4)	(38)
Proceeds from refund of leasehold and guarantee deposits	1	19
Other, net	5	—
<b>Net cash provided by (used in) investing activities</b>	<b>(943)</b>	<b>(891)</b>
<b>Cash flow from financing activities</b>		
Proceeds from long-term borrowings	1,000	—
Repayments of long-term borrowings	(3,173)	(3,290)
Purchase of treasury shares	(1,247)	—
Repayments of lease liabilities	—	(3)
Dividends paid	(797)	(797)
<b>Cash flow from financing activities</b>	<b>(4,218)</b>	<b>(4,091)</b>
Effect of exchange rate change on cash and cash equivalents	73	(25)
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(1,816)</b>	<b>(88)</b>
Cash and cash equivalents at beginning of period	9,760	7,943
<b>Cash and cash equivalents at end of period</b>	<b>7,943</b>	<b>7,855</b>

## Company Profile/Stock Information (As of August 31, 2023)

## Company profile

**Company name** CURVES HOLDINGS Co., Ltd.

**Representative** Takeshi Masumoto  
Representative Director and President

**Corporate address** 11F Shibaura Renasite Tower, 3-9-1  
Shibaura, Minato-ku, Tokyo

**Founded** February, 2005\*

**Number of employees (consolidated)** 659  
(including 91 temporary employees, average)

**Capital** 848,666 thousand yen

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

## 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** 47,169

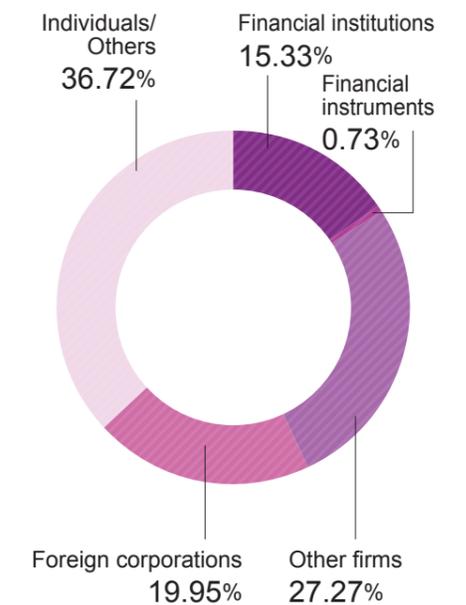
**Shareholder registry administrator** Mitsubishi UFJ Trust and Banking Corporation

## Major shareholders

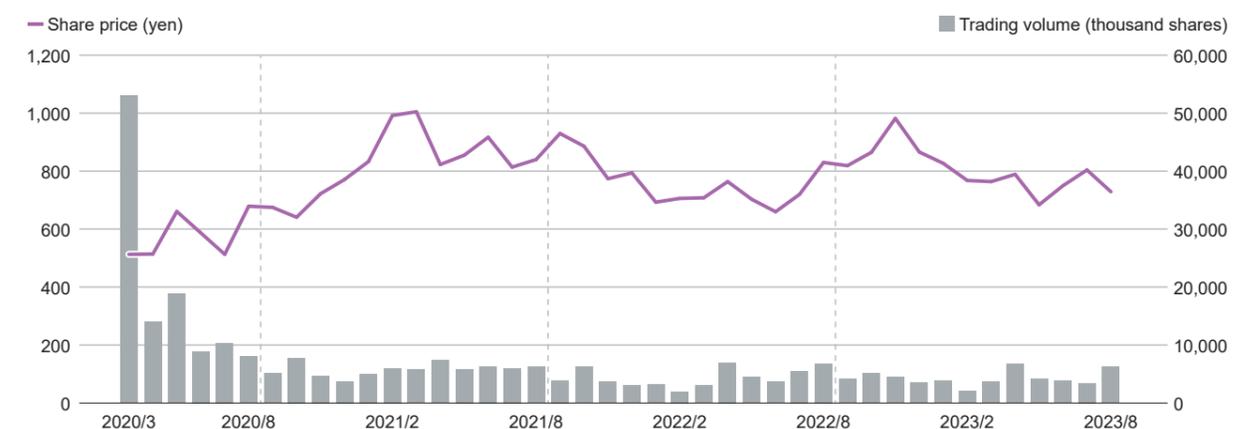
Shareholder	Number of shares	Percentage of total shares (%)
Yozan Co.	21,328,000	22.72
Japan Master Trust Trust Bank Co., Ltd. (trust account)	9,407,700	10.02
Hiroshi Koshidaka	9,240,000	9.84
Northern Trust Co. (AVFC) ReFidelity Funds	8,085,085	8.61
Takeshi Masumoto	5,109,941	5.44
IMO Co.	3,784,000	4.03
THE BANK OF NEW YORK MELLON (INTERNATIONAL) LIMITED	2,599,500	2.76
Custody Bank of Japan, Ltd. (trust account)	2,355,200	2.50
Osamu Koshidaka	2,087,700	2.22
Maki Sakamoto	2,077,447	2.21
Yoko Masumoto	2,077,447	2.21

(Note) The shareholding ratio is calculated by subtracting 123 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 1,800,000 shares) are not included in treasury shares.

## Distribution of Share Ownership by Shareholder Type



## Share price and trading volume trends





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