

July 25, 2025

Company name BEAUTY GARAGE Inc.
Name of representative Hideki Nomura, Representative Director,
Chairman and Chief Executive Officer
(Securities code:3180
Prime Market of the Tokyo Stock Exchange)
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Notice Regarding Disposal of Treasury Shares for Performance-Linked Stock Compensation

We hereby announce that at the Board of Directors meeting held today, it was resolved to dispose of treasury shares as stock compensation (hereinafter referred to as the "Disposal of Treasury Shares" or the "Disposal") as outlined below.

1. Summary of Dispositions

(i) Record date	August 15, 2025
(ii) The type and number of shares to be disposed of	9,563 shares of our common stock
(iii) Disposition price	JPY 1,697 per share
(iv) Total disposition amount	JPY 16,228,411
(v) The recipients of the shares, the number of recipients, and the number of shares to be disposed of	The directors of our company (excluding directors who are members of the Audit Committee and Outside Directors) and Executive Officers, as well as certain Directors of our Group Companies. 11 individuals, 9,563 shares
(vi) Others	Regarding the disposition of these treasury shares, a securities registration statement has been filed in accordance with the Financial Instruments and Exchange Act.

2. Purpose and Reason for the Disposition

On June 22, 2018, our Board of Directors resolved to introduce a performance-linked stock compensation plan (hereinafter referred to as "the Plan") for the directors of our company (excluding directors who are Audit Committee Members and Outside Directors, hereinafter referred to as "Eligible Directors"). The Plan aims to clarify the link between the compensation of the Eligible Directors and the value of the company's stock, thereby promoting greater value sharing with our shareholders and enhancing their awareness of contributing to the increase in corporate value. This resolution was

approved at our 16th Annual General Meeting of Shareholders held on July 26, 2018, allowing us to grant monetary compensation claims of up to 40 million yen per fiscal year to the Eligible Directors under the Plan.

Subsequently, at our 19th Annual General Meeting of Shareholders held on July 29, 2021, approval was obtained to increase this amount to up to 80 million yen per fiscal year.

Additionally, at the Board of Directors meeting held on July 26, 2018, it was resolved to introduce the Plan to the Executive Officers of our company and certain directors of our Group Companies (collectively with the Eligible Directors, hereinafter referred to as "Eligible Directors, etc."). The overview of the Plan is as follows:

【Overview of the Plan】

Under the Plan, the Eligible Directors, etc., will contribute all the monetary compensation claims granted by the company as contributed assets, and in return, they will receive the company's common stock either through issuance or disposition. This will be conducted based on a performance-linked stock allocation agreement (hereinafter referred to as "the Allocation Agreement") concluded between the company and the Eligible Directors, etc.

3. Plan Details

(1) Target Period

The target period for the Plan is from the day after the annual General Meeting of Shareholders (inclusive) each year to the day of the next annual General Meeting of Shareholders (inclusive) (hereinafter referred to as "the Target Period"). The period for evaluating the achievement of performance targets is the fiscal year in which the start date of the Target Period falls (hereinafter referred to as "the Performance Evaluation Period").

(2) Eligibility

The Eligible Directors, etc. New appointees during the Target Period are also eligible for the Plan.

(3) Method of Granting

After the end of the Target Period, at a Board of Directors meeting, monetary compensation claims for in-kind contribution will be granted based on the number of shares calculated by the method in (5).

The Eligible Directors, etc., will acquire the company's common stock by contributing these monetary compensation claims as in-kind contribution.

(4) Maximum amount of remuneration and number of shares to be allocated for monetary compensation claims under the Scheme

The maximum amount of monetary compensation claims under this Scheme to be granted to the Eligible Directors out of the Eligible Directors, etc., is set at up to 80 million yen per fiscal year, as resolved at the 19th Annual General Meeting of Shareholders held on July 29, 2021, with the total number of shares to be allocated under the Scheme not exceeding 20,000 shares per fiscal year.

However, if there is an increase or decrease in the total number of issued shares due to a stock consolidation, stock split, or stock dividend, the maximum number of shares will be reasonably adjusted according to the ratio. Note that there are no such limits set for Executive Officers, as this does not fall under matters requiring a resolution of the General Meeting of Shareholders.

(5) Calculation Method for the Number of Allocated Shares

The amount of monetary compensation claims to be granted and the number of shares to be allocated

(hereinafter referred to as “the Final Allocated Shares”) to each Eligible Director, etc., will be calculated based on their position and the achievement rate of the company’s performance targets as follows.

Amount of monetary compensation receivable = final number of shares to be delivered × the amount to be paid per share as determined in (6).

Final number of shares delivered = standard number of shares delivered (i) × performance coefficient (ii) × periodicity ratio (iii) × ratio of role adjustment (iv)

(i) Standard number of shares delivered

The Base Allocated Shares is calculated by dividing the amount obtained by multiplying the monthly salary of each Eligible Director, etc., by a factor between 1 and 4, depending on their position (hereinafter referred to as “the Stock Compensation Base Amount”), by the average closing price of the Company’s common stock in regular trading on the Tokyo Stock Exchange for the month preceding the start of the Target Period.

(ii) Performance coefficient

The Performance Coefficient is determined based on the achievement rate, which is calculated by dividing the consolidated ordinary profit stated in the securities report corresponding to the Performance Evaluation Period by the consolidated ordinary profit in the initial consolidated financial forecast for the Performance Evaluation Period published in the Company’s financial results summary. The coefficient ranges from 0 to 1.5, as shown below.

Rate of achievement	Performance Coefficient
More than 125%	1.5
More than 110% and less than 125%	1.25
More than 100% and less than 110%	1.0
More than 90% and less than 100%	0.9
More than 80% and less than 90%	0.8
More than 70% and less than 80%	0.7
More than 60% and less than 70%	0.6
More than 50% and less than 60%	0.5
Less than 50%	0

(iii) Periodicity ratio

The ratio for the monthly proration of the final number of shares to be delivered is determined according to the period of service in the subject period.

(iv) Ratio of role adjustment

A coefficient for adjusting the number of shares granted so that the number of shares corresponding to the position is granted in the event of a change of position during the period covered.

Position Adjustment Ratio = (Stock Compensation Base Amount for Initial Position × Number of Months in Initial Position + Stock Compensation Base Amount for Changed Position × Number of Months in Changed Position) ÷ (Stock Compensation Base Amount for Initial Position × Total Number of Months in the Target Period)

(6) Per share payment amount

The per share payment amount for the Company's stock allocated to the Eligible Directors, etc., under this Scheme shall be the closing price of the Company's common stock on the Tokyo Stock Exchange on the business day preceding the date of the Board of Directors meeting at which the allocation is determined (if no trading is conducted on that day, the closing price on the most recent trading day prior to that).

(7) Other

In the event of a reorganization or other event during the applicable period, the amount of money to be paid will be calculated by multiplying the final number of shares to be delivered by the market value of the Company's shares on the effective date of the reorganization or the approval date of the reorganization. In the event of a stock split or reverse stock split, the amount of money to be paid will be calculated by multiplying the final number of shares to be delivered by the market value of the Company's shares on the effective date of the stock split or reverse stock split. Other details of this system are determined by the Board of Directors as regulations related to this system.

4. Basis for Calculation of the Amount to be Paid In and Specific Details Thereof

This disposal of treasury shares is carried out in accordance with the Scheme. To ensure that the disposal price is a price that eliminates arbitrariness, the disposal price has been set at JPY 1,697, which is the closing price of the Company's ordinary shares on the Tokyo Stock Exchange on July 23, 2025 (the business day before the date of the resolution by the Board of Directors). This is the market share price immediately prior to the date of the resolution of the Board of Directors of the Company and is reasonable and not a particularly advantageous price.

In addition, the Audit Committee has expressed its opinion that the above disposal price does not correspond to a particularly favorable disposal price for the intended recipient.