BEAUTY GARAGE

1Q FY 2027（Fiscal Year Ended April 2027） Financial Report Supplementary Material

September 9, 2026

Company Overview

Company name	BEAUTY GARAGE Inc.
Headquarters	1-34-25 Sakura-shinmachi, Setagaya Ward, Tokyo
Established	April 24, 2003
Capital	768,385,250円
Securities exchange listing	Tokyo Stock Exchange Prime Market (Securities code: 3180)
Director and CEO/COO	Hideki Nomura（CEO）/Yoshiaki Kabashima（COO）
Total Employees	644 (including 433 full-time employees) (on a consolidated basis at the end of July 2026)
Offices	<Sales offices> Sapporo / Sendai / Niigata / Kanazawa / Tokyo / Saitama / Nagoya / Osaka / Hiroshima/ Fukuoka <Other> Kashiwa DC / Amagasaki DC / Representative office in Guangzhou, China / Singapore / Malaysia / Vietnam
Group Companies	Japan: 13 companies, overseas: 3 companies

Slogan

Change the beauty industry

Mission

Contribute to the prosperity of salon business by creating new value in the beauty industry.

Vision

Be the No.1 concierge for beauty salons, providing total Support, from launch through ongoing growth and expansion.

Basic Belief

1. **Provide pleasure and excitement to customers**
2. **Continue to make new challenges**
3. **Improve and evolve every day**
4. **Value effort , ideas , and speed**
5. **Make judgement on right or wrong, rather than profitable or not.**

Executive Summary

sales: 113.7% of the previous period

Ordinary profit: 188.2% of the previous period's level

In the first quarter of fiscal year 2027, we maintained double-digit revenue growth and shifted to a significant increase in profit.

- sales performed well, continuing to exceed the ¥10 billion mark on a quarterly basis.
- Gross margin reached a record high on a quarterly basis. Operating profit and ordinary profit also saw significant increases, driven by the containment of selling, general, and administrative (SG&A) expenses.

◎

➢ **【Wholesale business】 sales expanded steadily, and profitability improved significantly due to reduced logistics costs.**

- Stable operations at the new logistics facility (Kashiwa FC) helped curb logistics-related costs, resulting in segment profit reaching a record high on a quarterly basis.
- Despite the ongoing suspension of card payments, transaction volume has steadily expanded, driven by a robust customer base and highly convenient e-commerce and logistics systems.

△

➢ **【 Store design business】 Both net sales and segment profit fell below the levels of the same period last year.**

- While the number of contracted projects increased compared to the previous year, net sales remained sluggish due to a slight decline in the average unit price.

◎

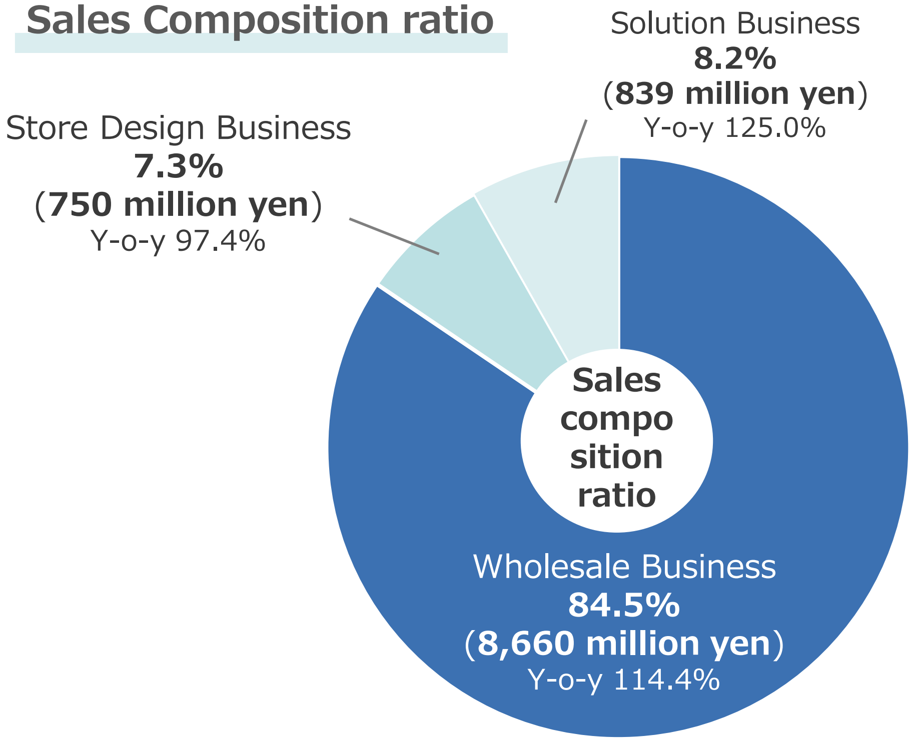
➢ **【Solution business】 Continuing to steadily expand the scale of operations.**

- The store lease/sublease business continues to drive sales.
- Various solution services—such as business launch support, salon insurance, and logistics services—are also performing steadily.

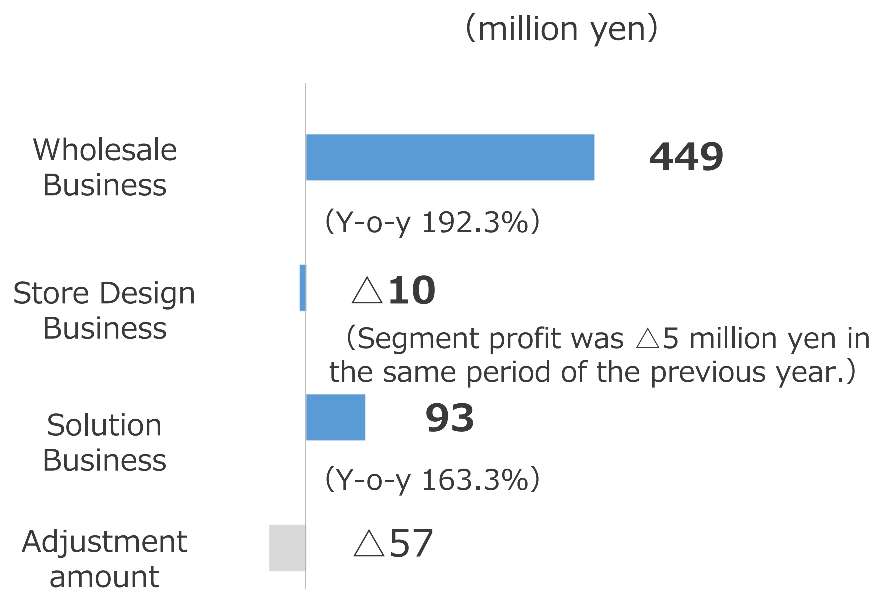
Highlights of 1Q FY 2027 (Consolidated/Cumulative)

- **Sales** **10,250 million yen** Y-o-y 113.7%
- **Ordinary profit** **456 million yen** Y-o-y 188.2%

Sales Composition ratio



Business segment profit composition



Overview Earnings for 1Q FY 2027 (Consolidated/Cumulative)

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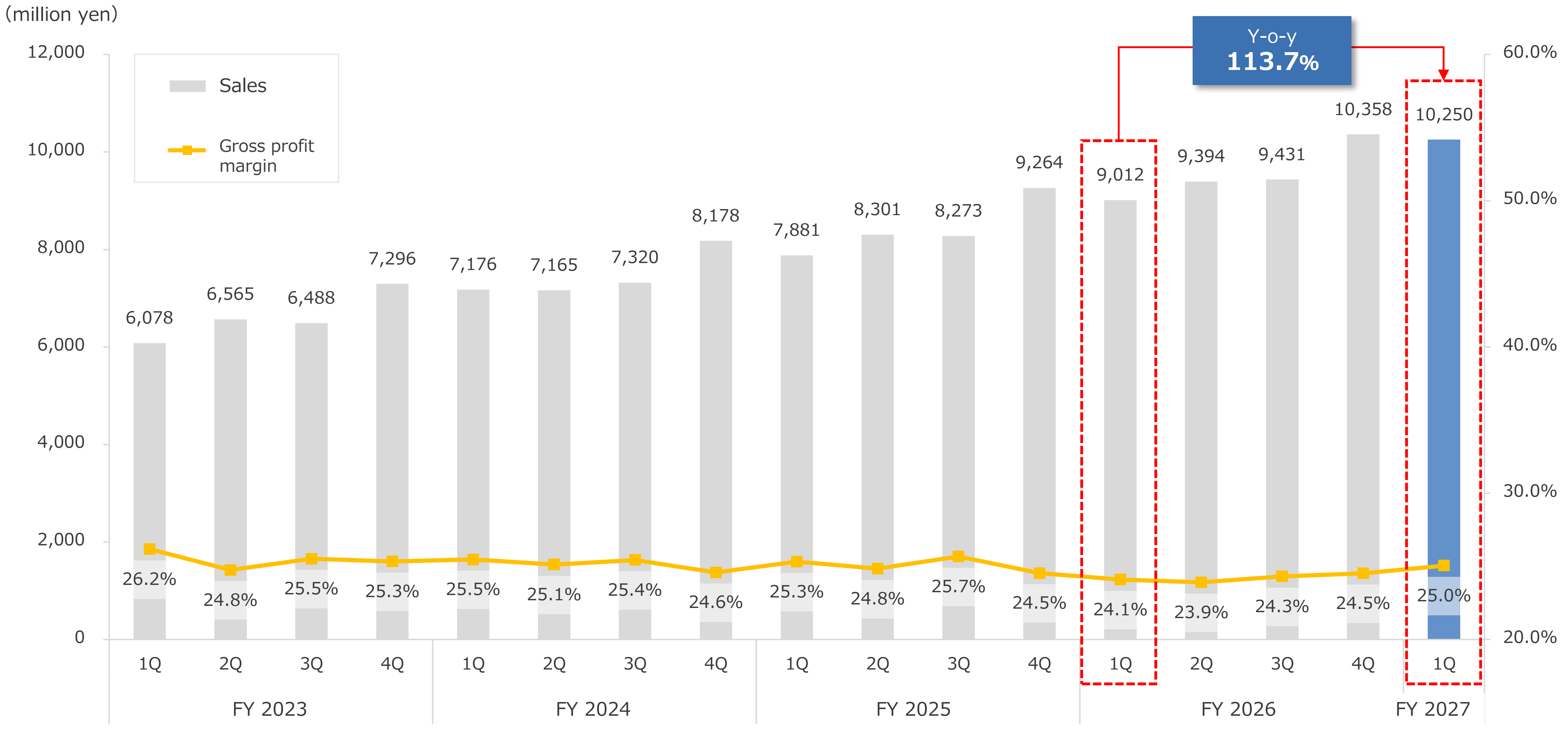
- Driven by sales growth, combined with an improved gross profit margin and a reduced ratio of selling, general and administrative expenses, operating profit, ordinary profit, and net income all significantly exceeded the results from the same period of the previous year.

(Million yen)

Consolidated	1Q FY2026		**1Q FY2027**		**Y-o-y**
	Actual	Sales ratio	**Actual**	**Sales ratio**	
Sales	9,012	100.0%	**10,250**	100.0%	113.7%
Gross margin	2,171	24.1%	**2,567**	25.0%	118.2%
Selling , General and Administrative Expenses	1,931	21.4%	**2,091**	20.4%	108.3%
Operating profit	239	2.7%	**475**	4.6%	198.4%
Ordinary profit	242	2.7%	**456**	4.5%	188.2%
Net profit attributable to shareholders of the parent company	162	1.8%	**273**	2.7%	167.8%

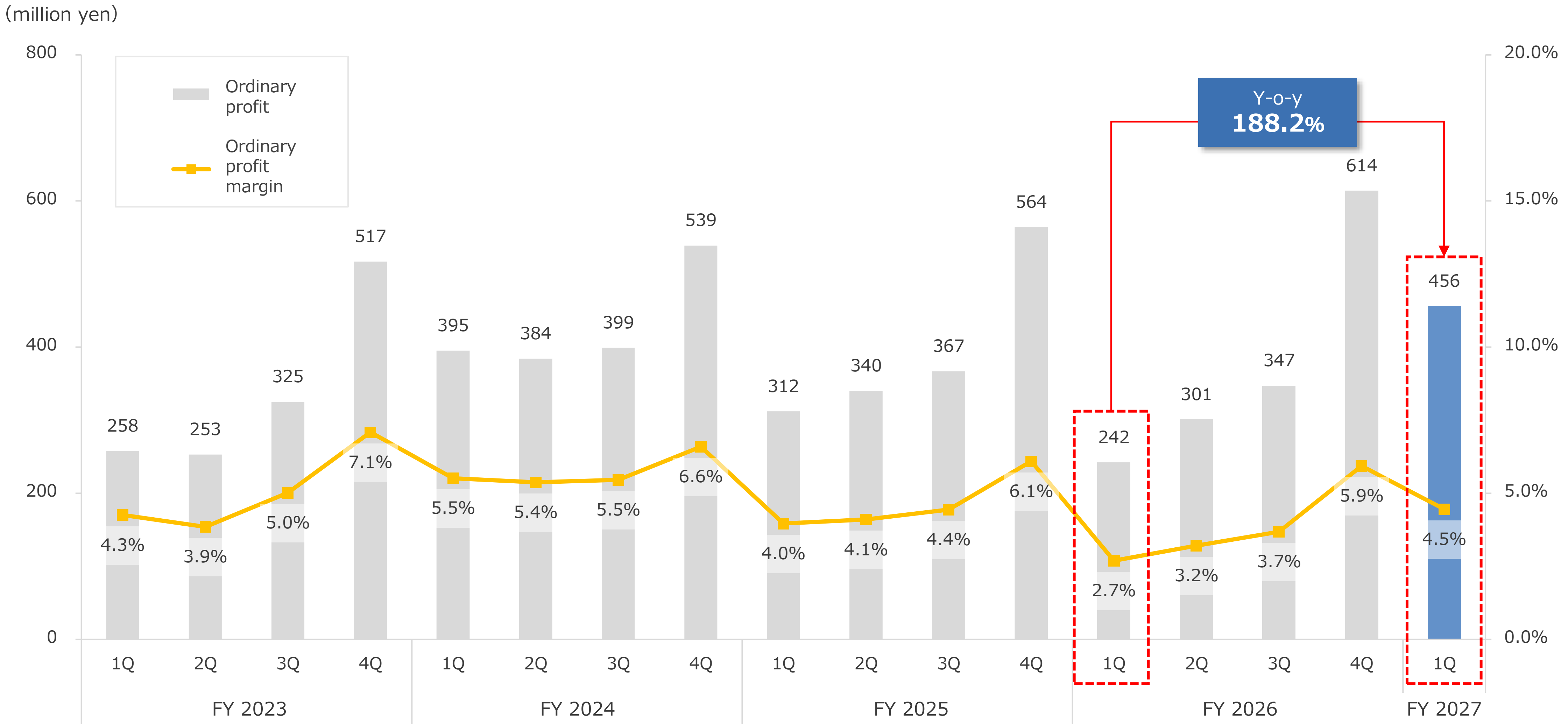
Trends in Sales and Gross Profit Margin (consolidated)

- While the first quarter often sees sluggish growth due to the post-peak effect following the busy fourth quarter, sales for the first quarter of the current fiscal year exceeded the ¥10 billion mark for the second consecutive quarter. The gross margin has also continued to recover since bottoming out in the second quarter of the previous fiscal year (driven by a downward trend in shipping costs—a component of cost of sales—as logistics operations stabilized).



Trends in Ordinary Profit and Ordinary Profit Margin (Consolidated)

■ The ordinary profit margin for the first quarter of the current fiscal year was 4.5%; while this represents a decline quarter-on-quarter, it marks a significant improvement year-on-year, with the ordinary profit amount reaching a record high for a first quarter.



Selling, General and Administrative Expenses (Consolidated/Cumulative)

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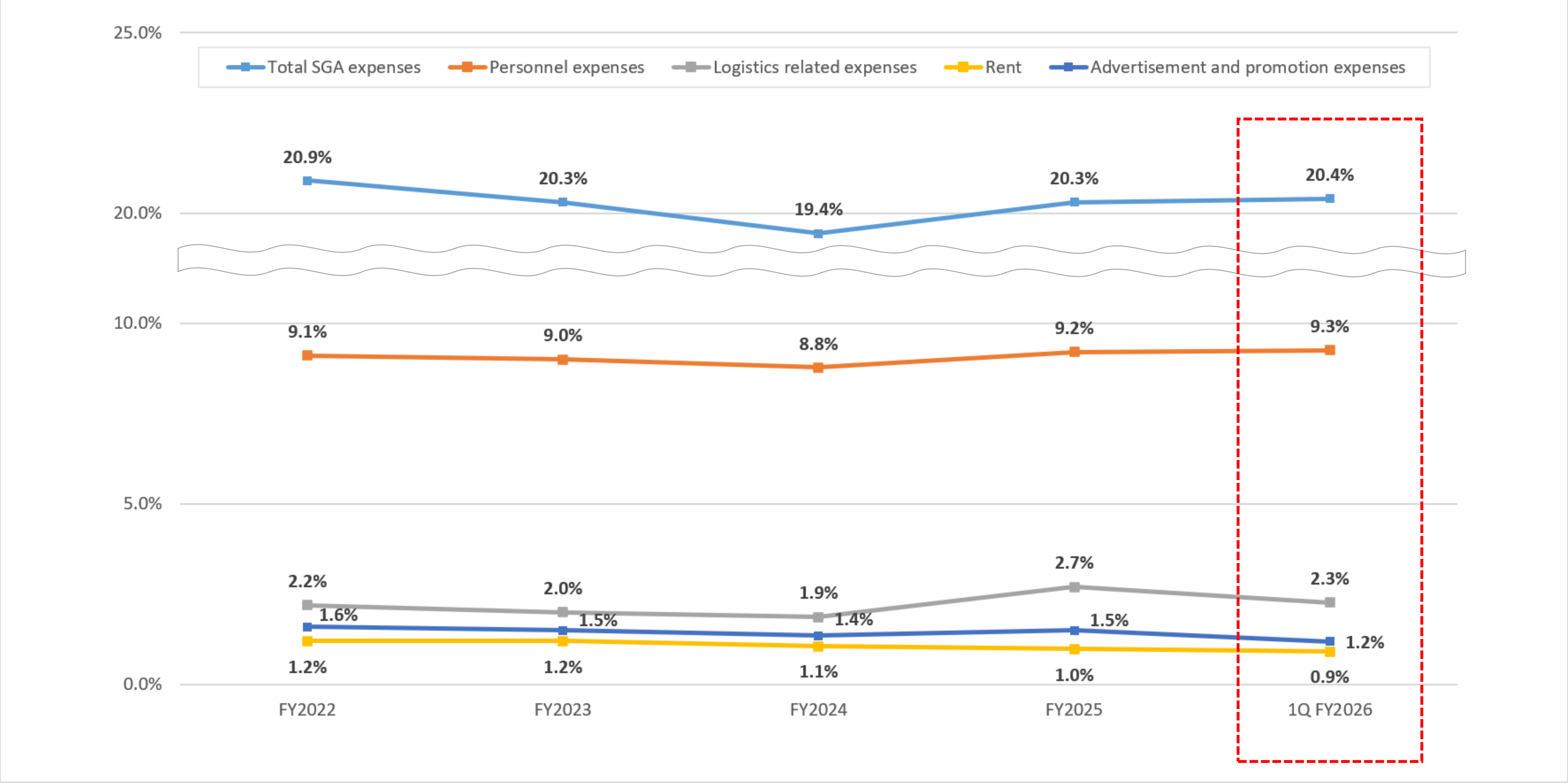
- In addition to eliminating the need to operate both old and new logistics facilities simultaneously, the advancement of automation has led to reduced costs for temporary logistics personnel and packaging materials.
- We are actively implementing measures such as establishing a Business Continuity Plan (BCP) framework and investing in human capital (including employee pay raises and increased hiring).

(million yen)

	1Q FY2026	1Q FY2027		Main factors
	Actual	Actual	Y-o-y	
Personnel expenses (Directors' remuneration/Salaries and allowances/Legal welfare expense/Commuting costs/Temporary staffing costs, etc.)	889	**948**	106.7%	✓ Increase in employee compensation due to salary raises, etc. ✓ Decrease in temporary staffing fees (△¥28 million)
Logistics related expense (Storage charge/Rent for logistics center)	259	**233**	90.0%	✓ Decrease in packaging material costs (impact of reduced split shipments)
Rent (Office/Showroom)	88	**93**	106.0%	✓ Relocation of Group Company Headquarters
Advertisement and promotion expenses	100	**122**	121.1%	✓ Increased participation in trade shows (BWJ)
IT equipment costs/software amortization costs	125	**146**	116.5%	✓ Increase in development costs (including the establishment of a BCP framework)
Commission paid	179	**237**	132.3%	✓ Increase in payment processing fees resulting from higher sales and the shift in payment methods.
Goodwill amortization/depreciation	72	**69**	95.5%	
Others	216	**240**	111.3%	✓ Increase in recruitment-related expenses due to increased hiring
Total selling and administrative expenses	1,931	**2,091**	108.3%	

Selling, General and Administrative Expenses（consolidated）

- The selling, general and administrative expense ratio for the first quarter has gotten off to a fairly restrained start.
- The logistics related expenses ratio decreased by 0.3 percentage points compared to the previous fiscal year.



Balance Sheet Summary （Consolidated）

■ The equity ratio has improved due to a decrease in borrowings. Additionally, inventory levels are trending upward in line with the growth in sales.

(million yen)

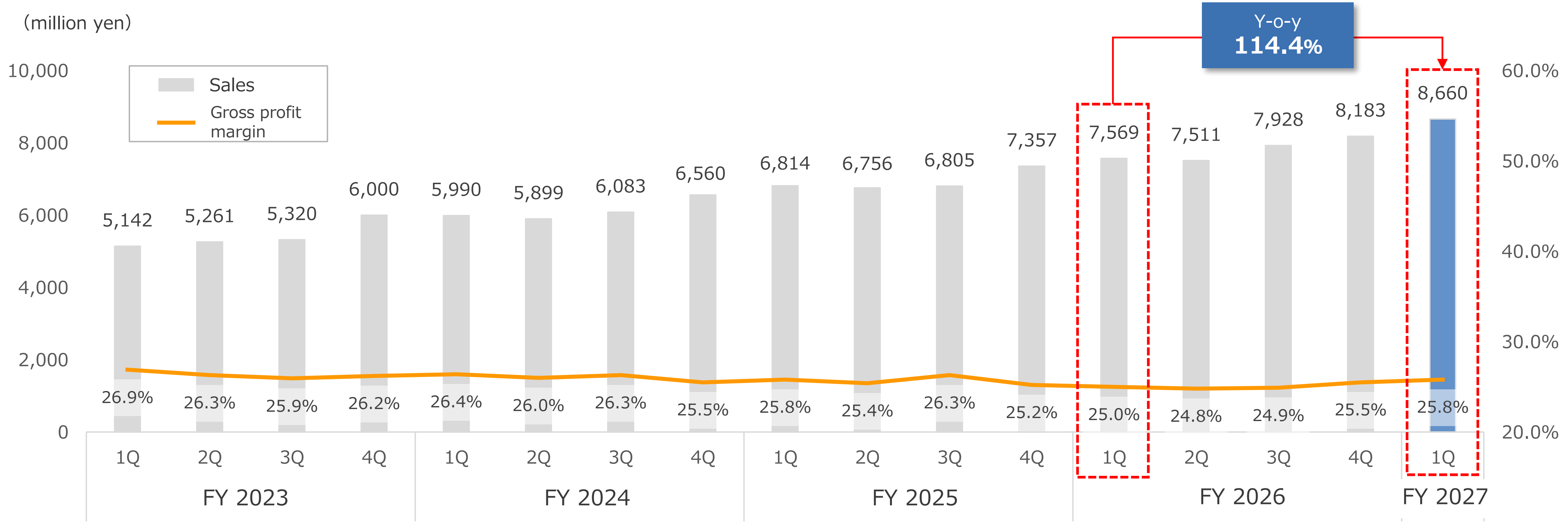
	FY 2026		1Q FY 2027			Key change factors (Compared to the end of the previous fiscal year)	
	Actual	Composition ratio	Actual	Composition ratio	Compared with the end of the previous fiscal year		
Assets	18,515	100.0%	**18,301**	100.0%	98.8%		
Current assets	13,495	72.9%	**13,190**	72.1%	97.7%	✓ Decrease in cash and deposits ✓ Decrease in accounts receivable ✓ Increase in inventory	△250 △246 +222
Fixed assets	5,019	27.1%	**5,111**	27.9%	101.8%	✓ Increase in software ✓ Increase in security deposits and guarantee deposits	+39 +38
Liabilities	9,834	53.1%	**9,404**	51.4%	95.6%		
Current liabilities	6,940	37.5%	**6,622**	36.2%	95.5%	✓ Decrease in accounts payable	△312
Fixed liabilities	2,893	15.6%	**2,782**	15.2%	95.8%	✓ Decrease in long-term borrowings	△198
Net assets	8,681	46.9%	**8,896**	48.6%	102.5%	✓ net income ✓ Dividend payments	+273 △100
Equity ratio	45.2%		**46.7%**				
Current ratio	194.7%		**199.2%**				

1Q FY 2027 Wholesale Business①
【 Changes in sales/gross profit margin ratio 】

■ **Sales** **8,660** **million yen** (Y-o-y 114.4%)

■ **Segment Profit** **449** **million yen** (Y-o-y 192.3%)

- ■ Sales from Medical Garage Co., Ltd., a new consolidated subsidiary, increased on a net basis (176 million yen). (Excluding Medical Garage, sales were 112.1% of the same quarter of the previous year.).
- ■ Shipping costs have decreased due to a significant reduction in split shipping from both the old and new logistics centers, and the gross profit margin is showing signs of improvement.



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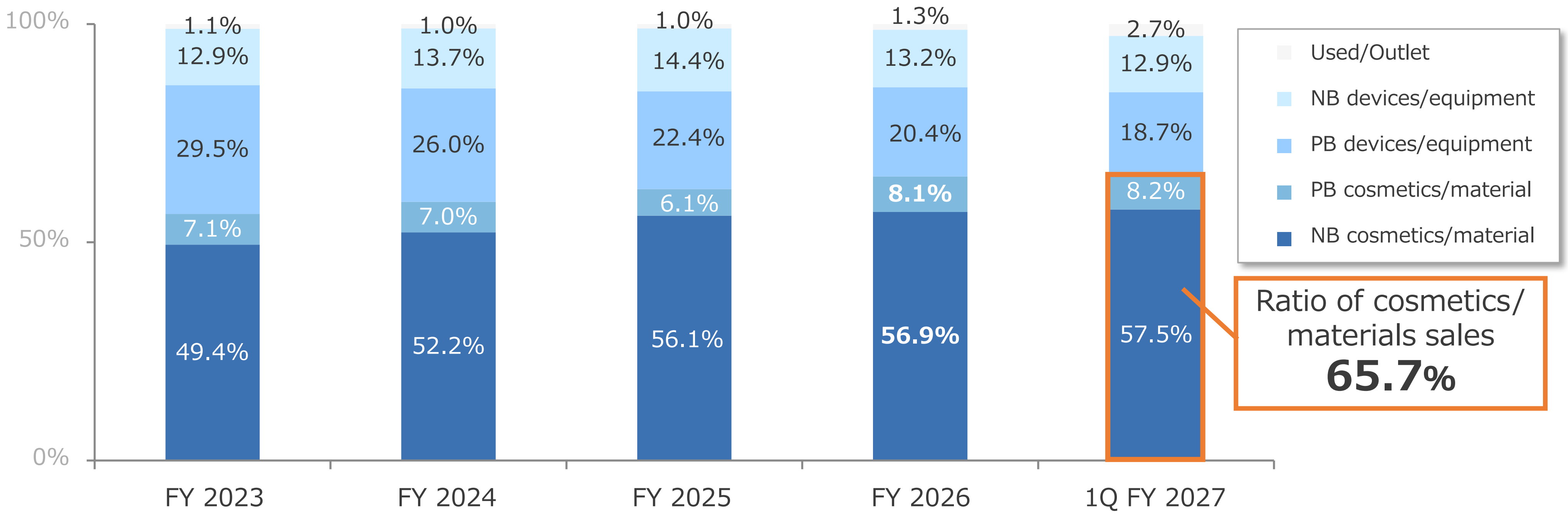
- **Devices/equipment sales** **2,968** million yen (Y-o-y 111.9%)
- **Cosmetics/material sales** **5,691** million yen (Y-o-y 115.8%)

- Continued strong growth in cosmetics and materials continues to drive sales expansion.
- With the addition of sales from Medical Garage Co., Ltd., sales of devices and equipment also posted double-digit growth. (Excluding Medical Garage, sales of devices and equipment were 105.2% compared to the same quarter of the previous year.)

Changes in the sales ratio by product



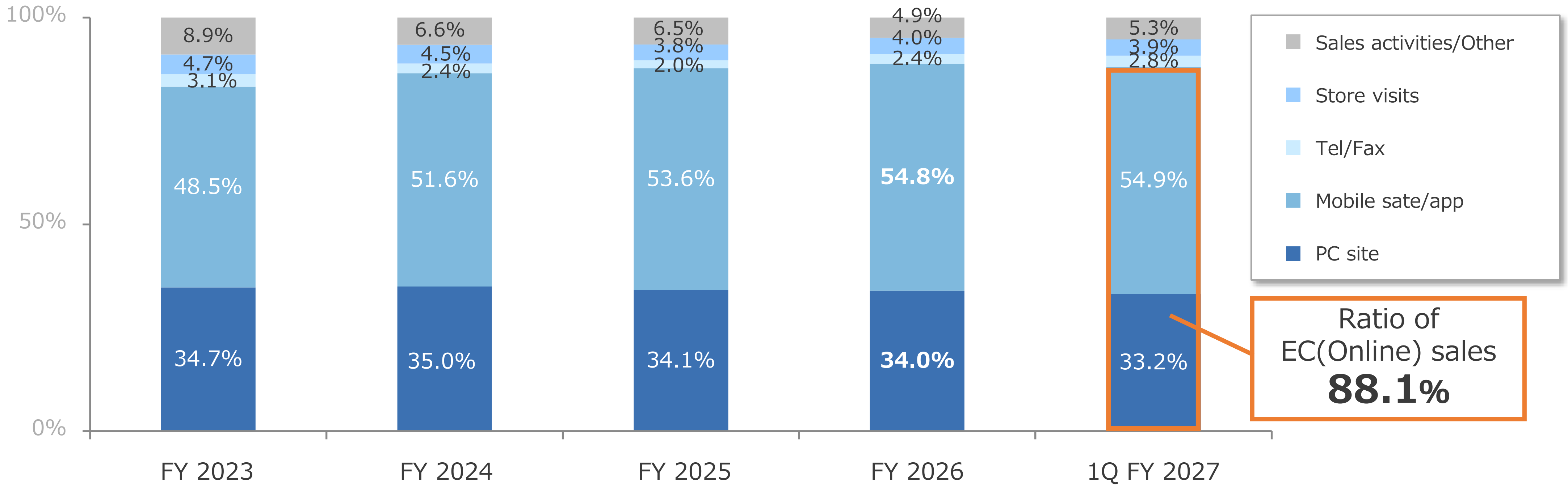
1Q FY 2027 Wholesale Business③
【 Sales by Channel 】

■ **EC(Online) sales** **7,625** **million yen** (Y-o-y 112.9%)

■ **Non-EC(Offline) sales** **1,034** **million yen** (Y-o-y 127.2%)

■ Although offline sales grew significantly in the first quarter, partly due to the success of events for in-person visitors, convenient online sales continue to account for nearly 90 percent of total sales.

Changes in the sales ratio by channel



1Q FY 2027 Wholesale Business④ 【 KPI Highlights 】

KPI	Result	Y-o-y	1Q FY 2026 result
■Active users（YAU） Users who made one or more purchases in the past year	214,442 accounts	Y-o-y 109.4%	※1Q FY 2026 result : 196,513 accounts
■Loyal users Users who made six or more purchases in the past year	96,329 accounts	Y-o-y 111.9%	※1Q FY 2026 result : 87,333 accounts
■Yearly ARPU ARPU is the abbreviation for "Average Revenue Per User"	149,696 Yen	Y-o-y 103.3%	※1Q FY 2026 result : 145,214 Yen
■Contracts of purchasing customers	587,010 contracts	Y-o-y 111.8%	※1Q FY 2026 result : 559,145 contracts
■Average spending per order	13,581 Yen	Y-o-y 101.0%	※1Q FY 2026 result : 12,617 Yen
■"Salon.EC" Number of application salons	3,572 applications	Y-o-y 113.5%	※1Q FY 2026 result : 3,177 applications
■"Salon.EC" Total transaction volume	151,428 thousands of yen	Y-o-y 212.5 %	※1Q FY 2026 result : 90,171 thousands of yen

※The above KPI figures do not include the sales of group companies other than Beauty Garage and Eyelash Garage.

※Annual ARPU does not reflect sales from users within one year after registration of membership.

1Q FY 2027 Store Design Business①
【 Changes in sales/gross profit margin ratio 】

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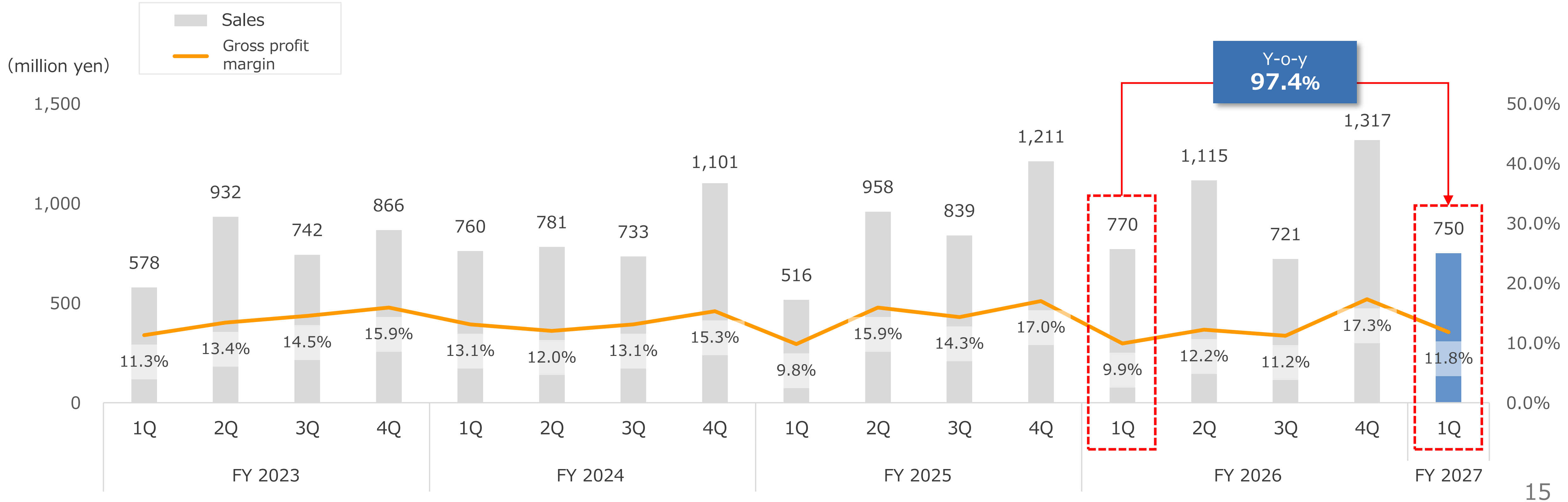
■ Sales **770 million yen** (Y-o-y 97.4%)

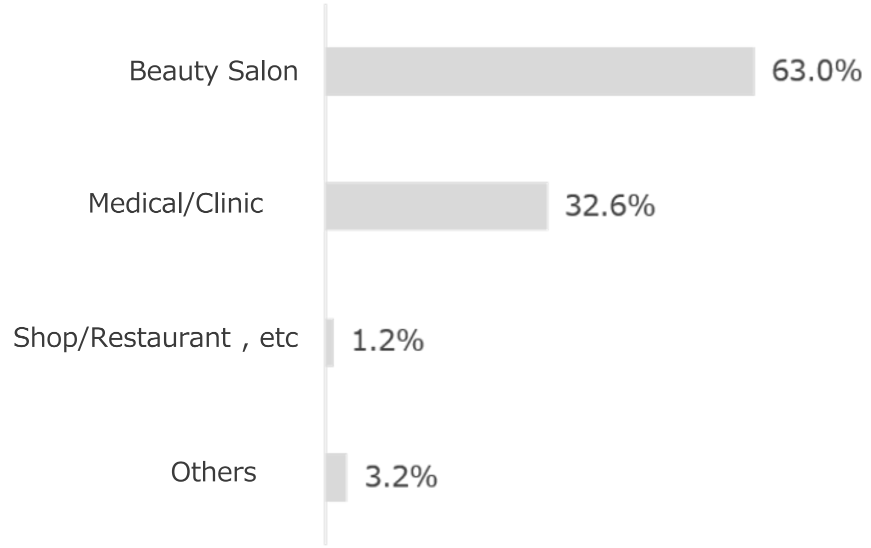
■ Segment Profit **△10 million yen** (Segment profit was △5million yen in the same period of the previous year.)

- While the acquisition of salon-related projects was strong, medical and clinic-related projects underperformed, resulting in net sales falling below the previous year's level.
- Selling, general, and administrative expenses rose due to costs associated with the head office relocation, increased personnel expenses, and upfront investments—such as the revamp of websites for medical clinics—resulting in an operating loss for the segment.

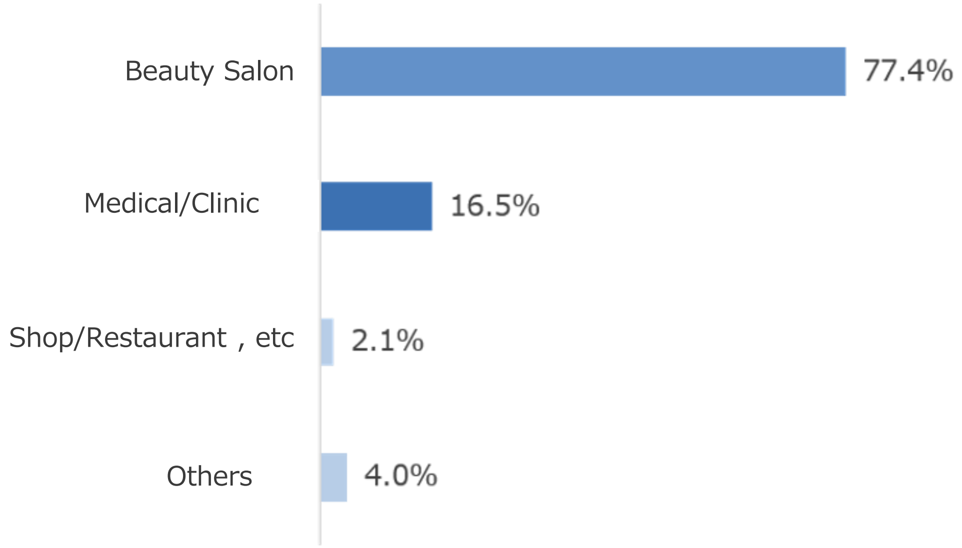


1Q FY 2027 Store Design Business②
【 Sales composition ratio by project category 】

1Q FY2026



1Q FY2027



Case example

Beauty Salon

Esthetic Salon

Medical/Clinic

Shop/Restaurant , etc

1Q FY 2027 Store Design Business③
【 entrusted contracts/average unit price/Sales composition by base 】

Entrusted contracts

(those with sales of 1 million yen or more)

80 per year

(Y-o-y 105.3%)

※Entrusted contracts total 1,089 when including those with sales of less than 1 million yen.(Y-o-y 102.4%)

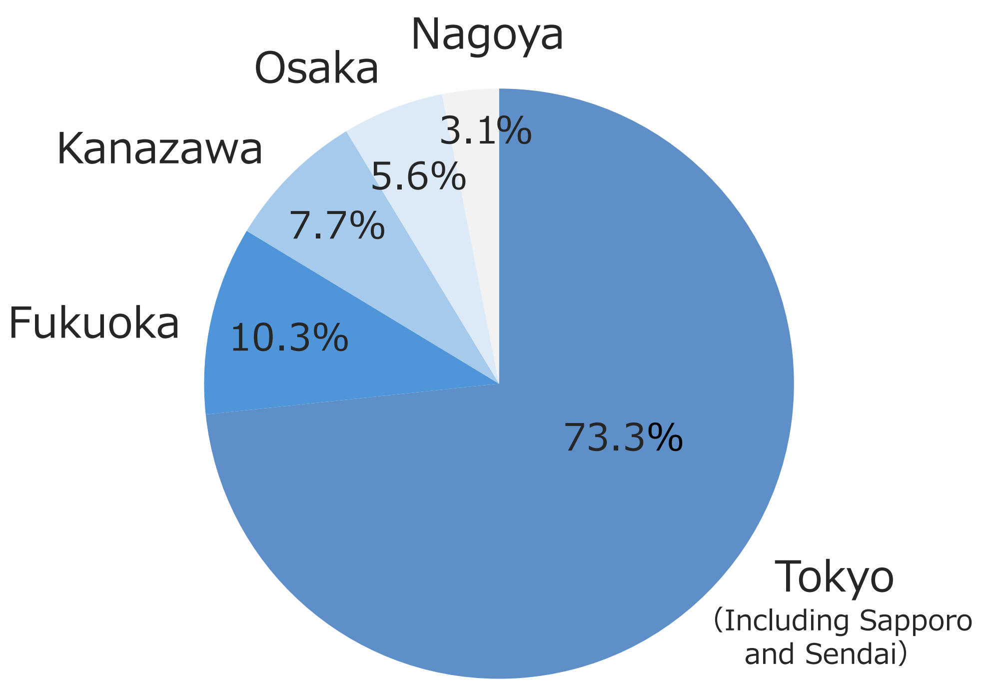
Average unit price of contracts

(those with sales of 1 million yen or more)

@9,347 thousand yen

(Y-o-y 94.2%)

Sales composition by base

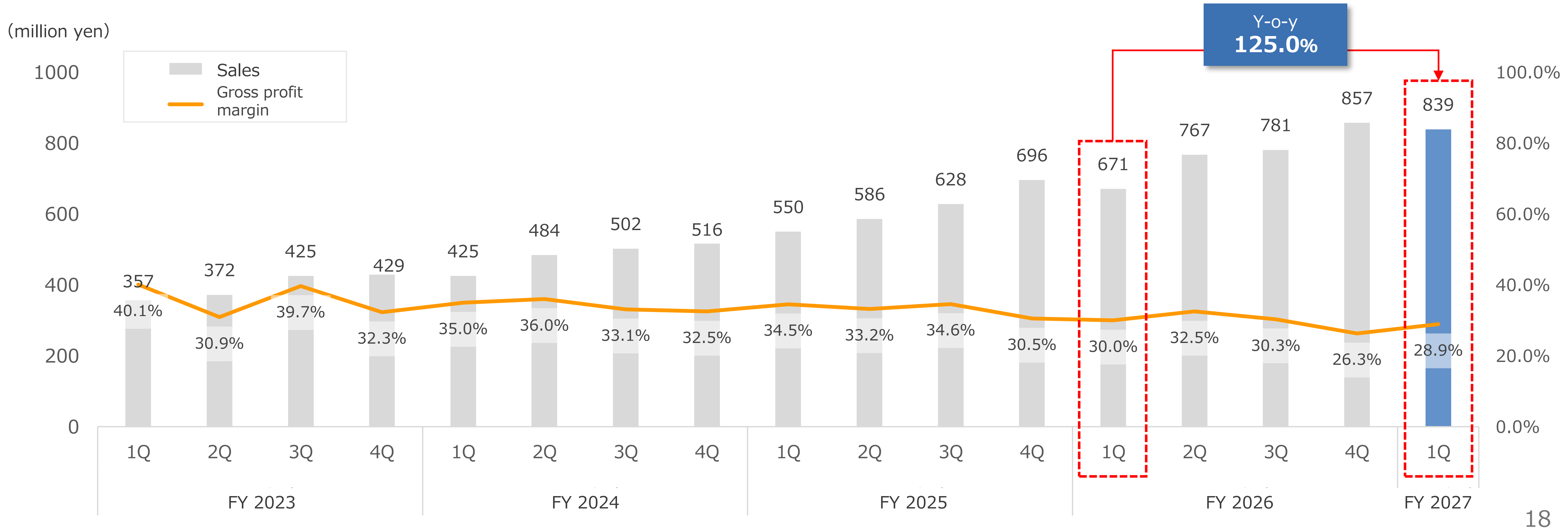


1Q FY 2027 Other Solution Business①
【 Changes in sales/gross profit margin ratio 】

■ **Sales** **839 million yen** (Y-o-y 125.0%)

■ **Segment Profit** **93 million yen** (Y-o-y 163.3%)

■ Sales remained solid due to the accumulation of store lease and sublease contracts, and segment profit also increased significantly.



1Q FY 2027 Solution Business②
【 KPI Highlights 】

■ Number of store lease / sublease contracts	**390** Contracts	Y-o-y 130.0%	※1Q FY 2026 result : 300 Contracts
■ Number of salon insurance contracts	**16,306** contracts	Y-o-y 118.9%	※1Q FY 2026 result : 13,715 Contracts
■ Number of affiliated business cards issued (Salon Professional Card)	**7,026** Cards	Y-o-y 110.0%	※1Q FY 2026 result : 6,389 Cards
■ Number of card payment terminal contracts	**2,183** Contracts	Y-o-y 109.3%	※1Q FY 2026 result : 1,997 Contracts
■ Number of contracts for various infrastructure services (Electricity, Optical line, USEN, POS, e-book)	**3,175** Contracts	Y-o-y 118.5%	※1Q FY 2026 result : 2,679 Contracts

※All of the above figures are basically cumulative and are values currently held.

Earnings Forecasts for FY 2027 (Consolidated)

■ There are no changes to the earnings forecast.

(million yen)

	Sales	Operating profit	Ordinary profit	Net profit
FY 2026 (Actual)	38,197	1,518	1,506	913
FY 2027 (Forecast)	**43,153**	**2,217**	**2,200**	**1,351**
	–	Operating profit ratio 5.1%	Ordinary profit ratio 5.1%	Net profit ratio 3.1%
Y-o-y	113.0%	146.0%	146.0%	148.0%

Reference: Regarding the temporary suspension of credit card payments on the Beauty Garage e-commerce site (follow-up report)

Previous forensic investigation by an external expert agency has not succeeded in clearly identifying the facts. Therefore, we commissioned a new external expert agency to conduct a re-investigation starting on August 12, 2026. We will disclose the facts and causes as soon as they are ascertained.

Currently, we believe the impact on our business performance due to the suspension of credit card payments is minor. However, if any facts arise in the future that indicate a significant impact on our business performance, we will disclose them immediately.

Chronology and Progress

February 6, 2026

Concern Regarding Credit Card Information Leak and Temporary Suspension of Card Payments

- Received notification regarding potential credit card information leak on our EC site.
- Temporarily suspended credit card payments.

February 20, 2026

Execution of Forensic Investigation

- Conducted a forensic investigation by an external specialist.
- Reported to the police and relevant regulatory authorities.

June 9, 2026

Investigation Not Completed at the Time of FY2025 Financial Results Announcement

- Failed to clearly identify whether information leakage occurred or not.
- Continued the suspension of credit card payments.

August 12, 2026

Re-investigation Commissioned to a New External Specialist

- Initiated a re-investigation to thoroughly clarify the facts.
- Resumption of credit card payments will be addressed after investigating the cause and implementing preventive measures.

Currently Available Payment Methods

- PayPay Payment
- Bank Transfer
- Convenience Store Settlement
- Invoice Post-payment (NP deferred payment)
- Cash on Delivery ※Credit card payment accepted upon product arrival

Reference: Launch of "HAIRGORA," a Product Information Site for Hairdressers

On July 27, 2026, we launched "HAIRGORA," a product information site for hairdressers. This unique product information platform combines the highly specialized technical content cultivated by our operating consolidated subsidiary, HAIRMODE Co., Ltd., through its beauty-focused media, with over 60,000 product reviews held by our company.

Through integration with our EC site, we have established a new purchasing route from "product reviews to purchase" in addition to conventional product searches. We will continue to contribute to the development of the entire beauty industry while leveraging group synergies.

Over 60,000 Product Reviews

Establishing direct accounts (official distributor agreements) with leading manufacturers is a key challenge for our further growth. By expanding our offerings of popular brands, we will further enhance our value as a purchasing platform.

①Commenced Sales of "oggi otto" as an Authorized Distributor

- On July 23, 2026, commenced handling of Techno-Eight Co., Ltd.'s popular premium hair care brand "oggi otto" as an authorized distributor.
- Secured distribution by establishing a promotion system that leverages our physical channels and sales force across 10 locations nationwide, meeting the brand's requirement for face-to-face support post-sale and installation.

② Acquired Exclusive Distribution Rights for "DEMI COSMETICS" in the Malaysian Market

- On August 18, 2026, concluded an exclusive distribution agreement in Malaysia for "DEMI COSMETICS," developed by NICCA CHEMICAL CO., LTD., through BEAUTY GARAGE ASIA SDN. BHD. (Malaysian subsidiary).
- As part of the ASEAN expansion outlined in the Midterm Management Plan, we are advancing market development in Malaysia by leveraging our local network and e-commerce infrastructure.

DEMI

Appendix

Business Model

Beauty Garage is a corporate group operating businesses for beauty salons such as hair salons, esthetic salons, nail salons and eyelash salons, (i) B to B wholesale business of beauty products, (ii) store design business and (iii) opening/management solution business, with a combination of IT and real.

Corporate Philosophy/Slogan

Change the beauty industry

Beauty Garage aims to change the old-fashioned beauty industry bound with vested interests and old business practices by creating new value.

Business description

Wholesaling Business
of beauty products for professionals

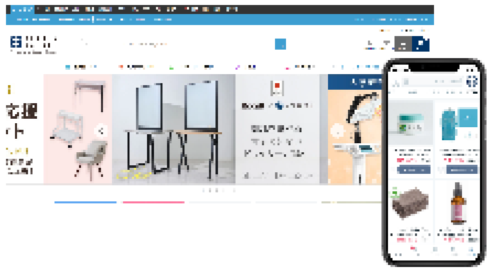
Store Design Business

Solution Business
Business start-up support, property introduction, store leasing, customer acquisition support, training, insurance, etc.

Sales channels

ONLINE（Digital）

EC site & app



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OFFLINE（Face to face）

Showroom & Store

+

Corporate sales

Main customers

- Barbers Beauty salons
- Esthetic salons
- Massage Relaxation
- Nail salons
- Eyelash salons
- Acupuncture and osteopathic clinic
- Fitness Sports Gym
- Beauty Cinic

Major Group Companies

Group companies total 17 companies,
including 14 Japanese companies and 3 overseas companies.

Name of company	Business description
Tough Design Product Inc.	Store design/construction
Eyelash Garage Inc.	Services for eyelash salons
BG Partners Inc.	Store lease/financial support
Adachi Factory Inc.	Manufacturing and selling of meatal devices/equipment
MATSUKAZE CO., LTD.	Manufacture and sale of professional eyelash extensions
BG Reuse, Inc.	Sales of used hairdressing equipment
GYM GARAGE, Inc.	Sales of used fitness equipment
BG Ventures, Inc.	Investment business/operation of investment partnerships
HAIR MODE Inc.	Publishing magazines, books, video content, and e-books for hairdressers
Medical Garage Co., Ltd.	Sales of medical and beauty clinic equipment and opening support

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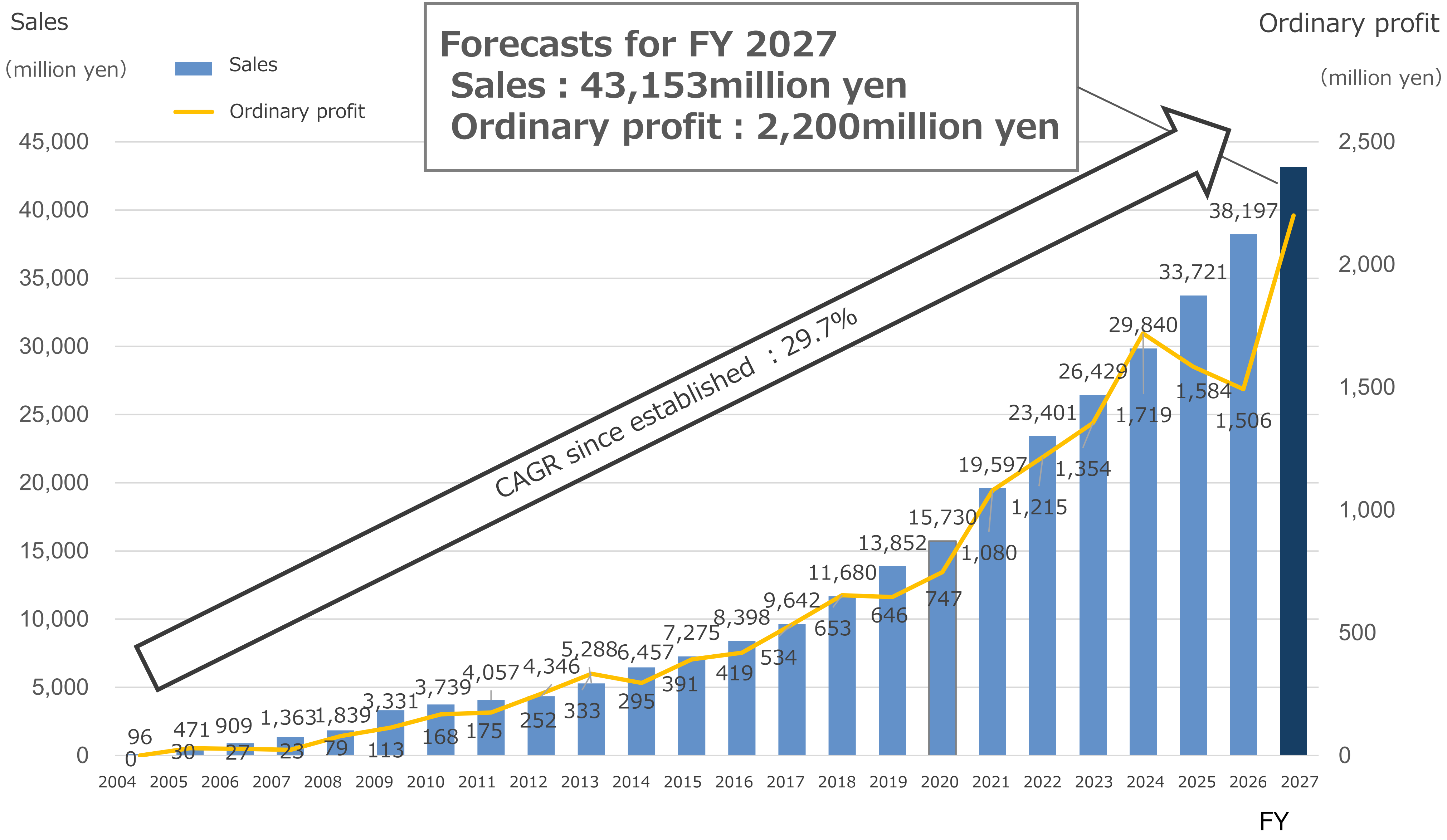
Historical Changes in Earnings



Japan's No. 1 BtoBplatform for purchasing beauty products for professionals

BEAUTY GARAGE ONLINE SHOP

Smart phone site

PC site

app

X

X

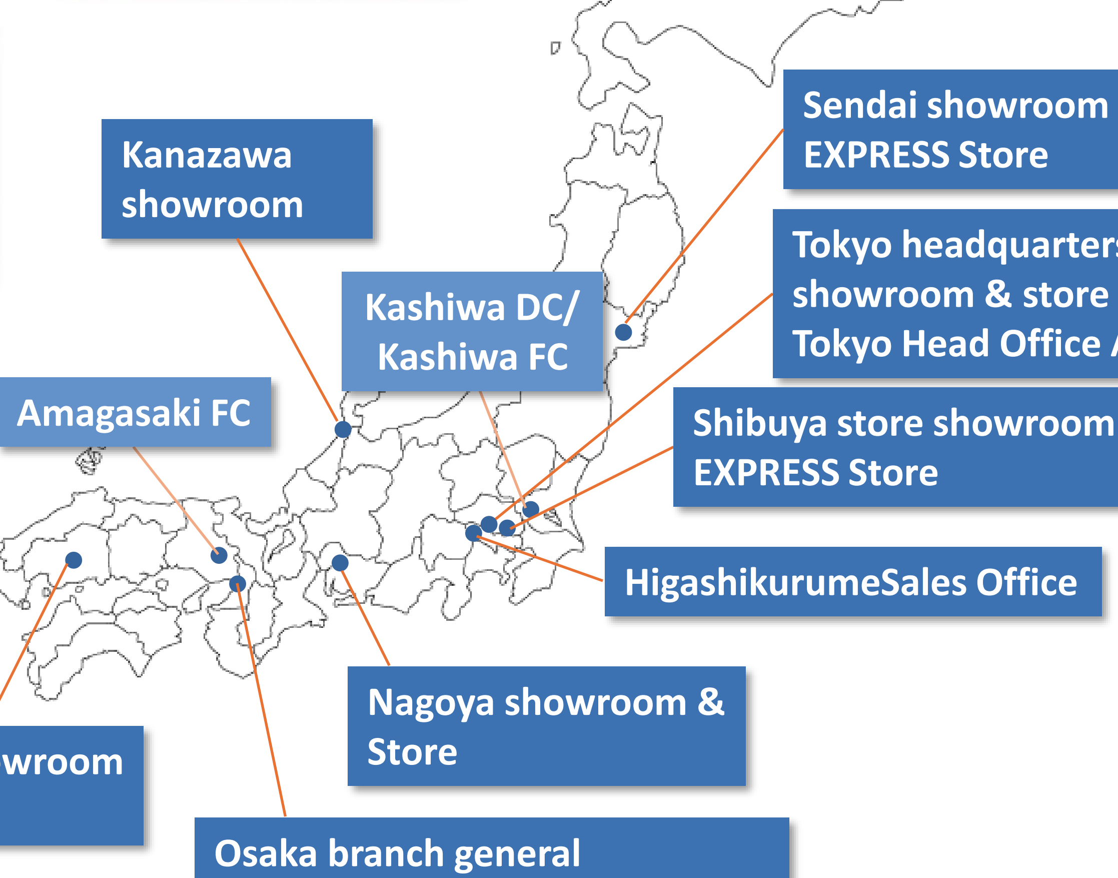
ONLINE × OFFLINE

Omni-channel approach

OMO

Showroom · store / Corporate sales

Our advantage② Real bases covering major cities nationwide



Our advantage③ A product lineup with “everything you need for your salon”

Product Category

Total number of products sold : over **3.89** million ※As of the end of July 2026

Beauty salons equipment	Esthetic equipment	Nail furniture	Eye beauty equipment	Fitness equipment
Beauty cosmetics	Esthetic cosmetics	nail materials	Eye beauty materials	Fitness supplies
Acupuncture and osteopathic supplies	Medical devices			

Main brands handled

Total : **1,931** ※As of the end of July 2026

ARIMINO, b-ex, Schwarzkopf PROFESSIONAL, NAKANO, WELLA PROFESSIONALS, ADJUVANT

OOHIRO, 003 NUMBER THREE, PHYTOMER, EST LABO, REAL, MUCOTA

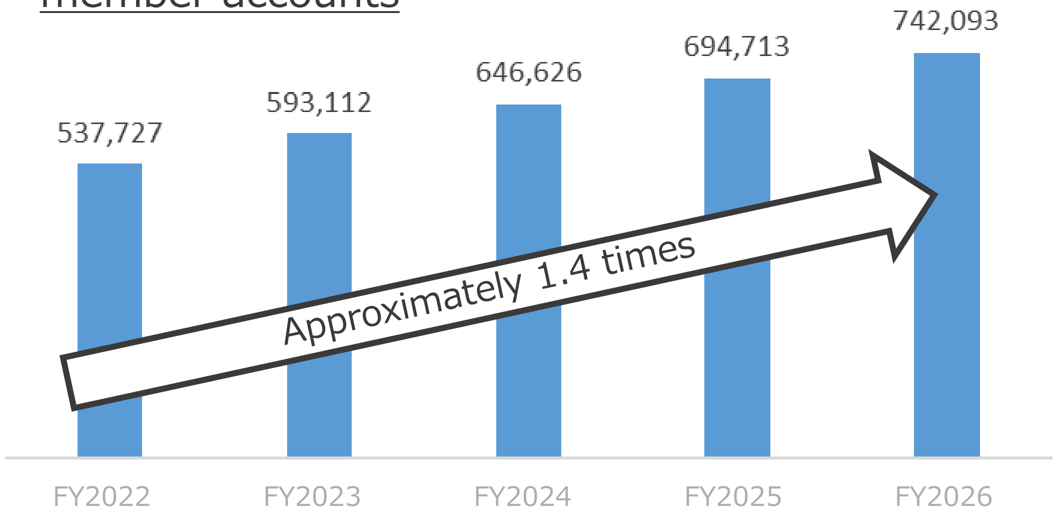
THALGO LA BEAUTE MARINE, PREGEL, VETRO, Miss eye d'or JAPAN LASHES, Ladycoco, para gel PROFESSIONAL NAIL

O·P·I, Esthe Pro Labo, La SINCIA, TEAtrico, L'ORÉAL PROFESSIONNEL PARIS, MATRIX

SEIRIN, YAMASHO, hoyu Professional, SHISEIDO PROFESSIONAL, Oggi otto, dyson

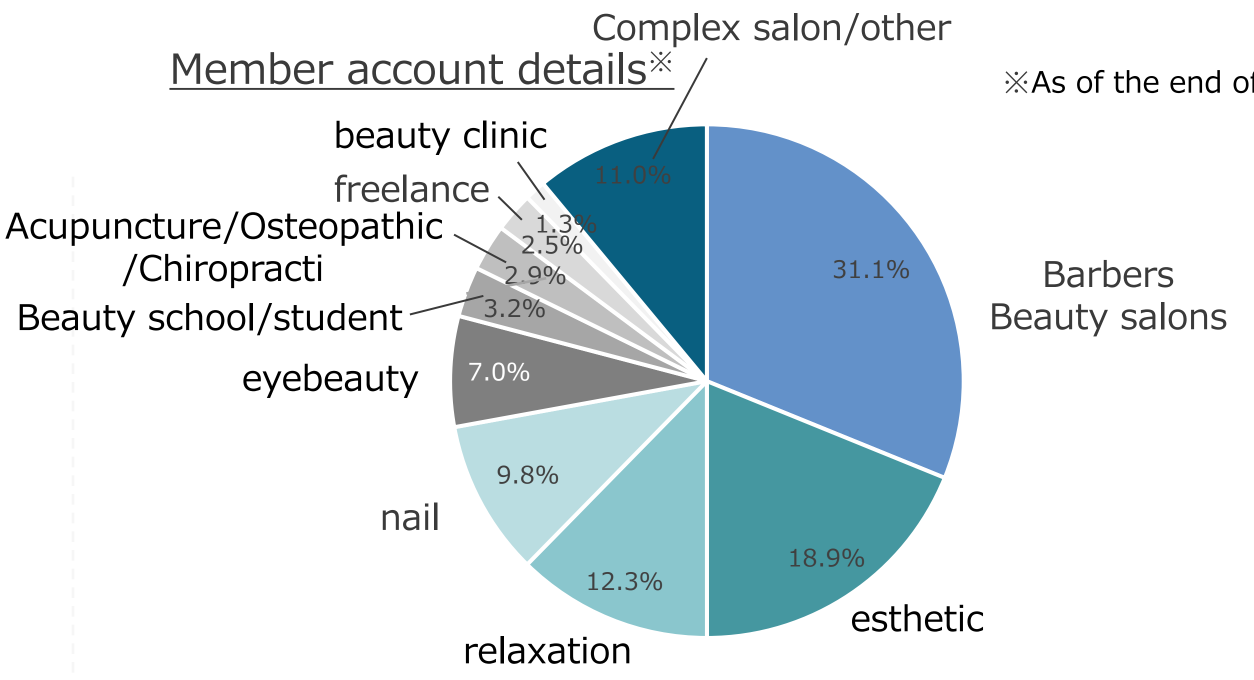
Our advantage④　Japan's No. 1 overwhelming member base of beauty business operators

Changes in the number of Cumulative member accounts

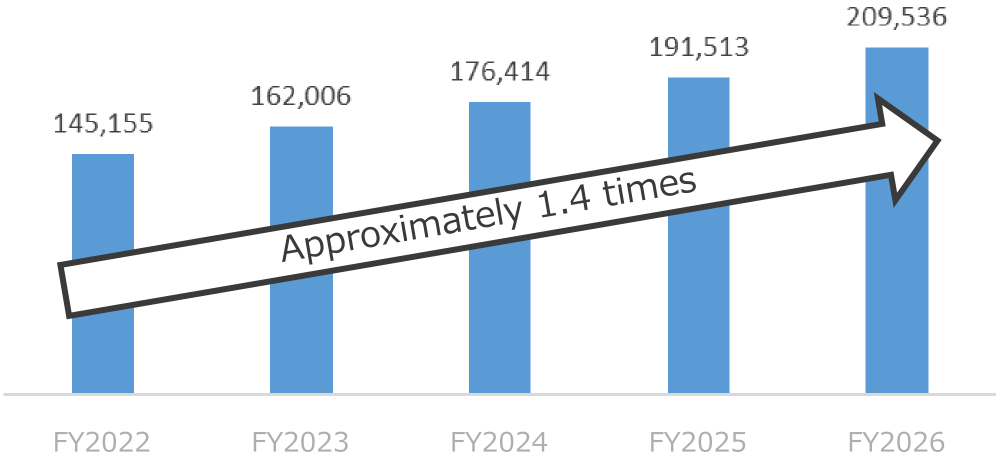


Member account details※

※As of the end of April 2025

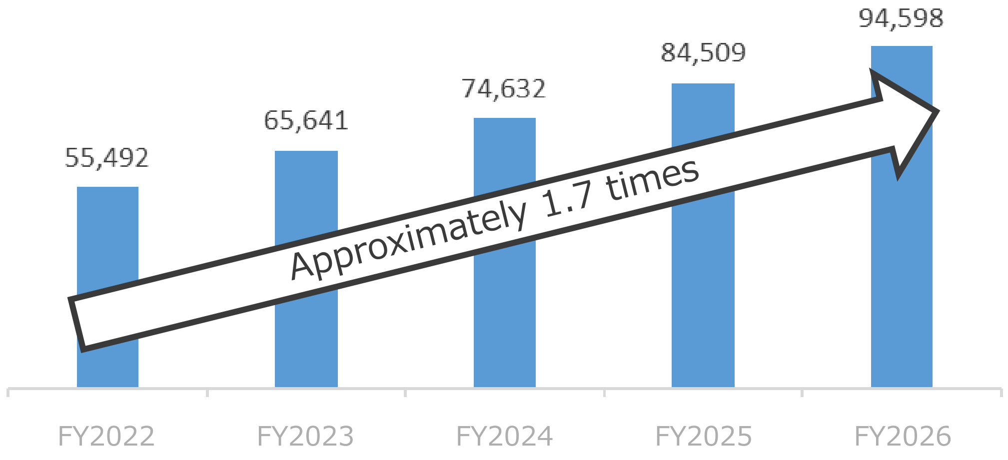


Changes in the number of active users



Users who made one or more purchases in the past year

Changes in the Number of loyal users



Users who made six or more purchases in the past year

Our advantage⑤　A logistics platform system that supports the beauty industry

■Product flow in the BtoB beauty industry that we are involved in

In addition to delivering manufacturer products to salons, we also handle shipping from salons to general consumers.

Manufacturer
Salon Headquarters
Salon store
Salon Customer

Next day delivery available areas

Amagasaki FC

Kashiwa DC＋Kashwa FC

※九州地区(一部の離島および山間部を除く)は
12時までにご注文をいただいた場合に限ります。

■Part of the latest material handling equipment installed at Kashiwa FC

Achieving significant productivity improvement (cost reduction) through promotion of automation

①High-performance, space-saving storage and retrieval system "Multi-Shuttle"

②Tray-type vertical storage system "Modula"

③DPS
(Digital picking system)

④Intelligent conveyor system "Ecoloveya"

Our advantage⑥　Store design department that is strong in beauty salons

- Many up-and-coming young designers including first-class/second-class architects are enrolled
- The industry's largest number of contracts and sales
- Covering a wide area with 7 bases nationwide:
  Tokyo/Osaka/Nagoya/Fukuoka/Kanazawa/Sapporo/Sendai

01 HAIR SALON

02 NAIL / EYELASH ESTHE SALON

03 BARBER

04 CLINIC

05 SHOP

06 HOUSE RENOVATION

Opening support service

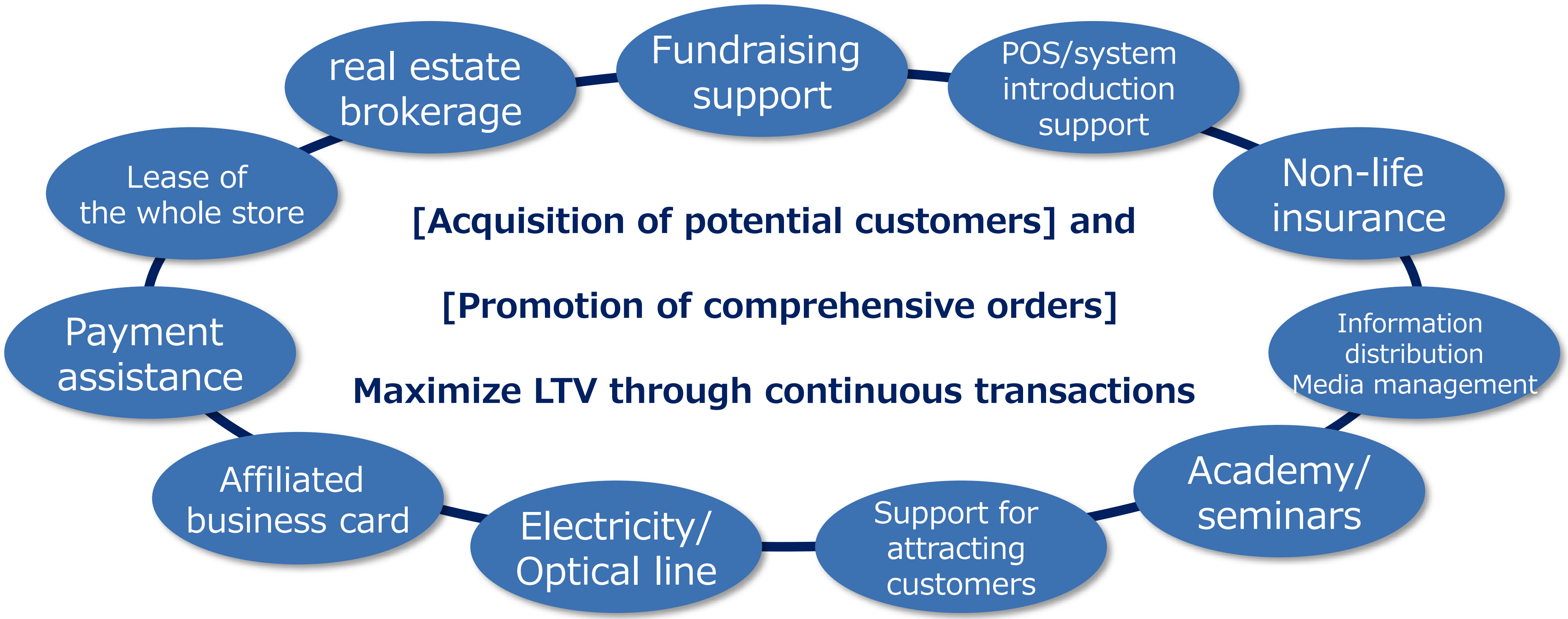
By capturing latent demand for independent openings and new store openings, we aim to promote comprehensive orders centered on equipment and interiors.

→ **Flow-type revenue**

Management support service

Continue to accumulate orders for materials such as consumables and cosmetics by strengthening prosperity support services for existing stores and customers after opening.

→ **stock-type revenue**



Future Growth Strategy (TAM)

BEAUTY GARAGE

We will continue to expand our services with a focus on solutions, and also strive to expand our target customer base by expanding into neighboring markets and overseas.

Expanding the range of products and services offered

In-depth growth strategy

- Strengthening retail products and fitness equipment
- Support for building e-commerce sites for salons
- Expanding store and equipment leasing
- Support for attracting customers, recruiting, and accounting
- Education support, media business, etc.

<Future potential market size>

Approx. 1,450 billion yen expected

- **Wholesaling 715 billion yen**
- **Store Design 288 billion yen**
- **Other Solution 445 billion yen**

<Current potential market size>

Approx. 630 billion yen expected

- **Wholesaling 272 billion yen**
- **Store Design 226 billion yen**
- **Other Solution 131 billion yen**

Our sales are about 38.2 billion yen and our market share is about 6%.

- Fitness/training gyms
- Acupuncture/bone setting clinics
- SPA/hot spring facilities
- Beauty clinics/aesthetic dentistry
- BtoBtoC (for general consumers)

Lateral growth strategy

Expanding target customer areas

※Figures are estimates based on Yano Research Institute's "Beauty Salon Marketing Directory 2024 Edition" and "Aesthetic Salon Marketing Directory 2024 Edition," the Japan Nail Technician Association's "Nail White Paper 2024," Nihon Jitsugyo Publishing's "The Latest Beauty Salon Opening Guide Without Failure," articles in the Eye Beauty Journal, materials from the Japanese Society of Aesthetic Plastic Surgery (JSAPS), and the Ministry of Health, Labor and Welfare's "2024 Medical Facility [Dynamics] Survey."