

FY06/23

Financial Results



(TSE Prime 6036 JT)

August 10, 2023

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1. Financial Highlights

FY06/23 Actual (July 2022 - June 2023)

Sales 17.04 bn yen (+18.7% YOY) OP 5.47 bn yen (+26.5% YOY)

OPM 32.2% (+ 2.0pt YOY)

Annual Div 43 yen (est. 40 yen: Payout Ratio 29.6%)

- Sales in the Products Related Segment and existing LABO stores exceeded expectations, but the impact of delays in opening new LABO stores could not be offset, resulting in slightly lower sales than anticipated.
- Due to delayed expenses, OP was in line with the plan.
- New stores: 12 new stores opened as planned, while the Itabashi store (temporarily closed on June 26, 2022) was permanently closed, resulting in a net increase of +11 directly operated stores.

FY06/24 Guidance (July 2023 - June 2024)

Sales 21.13 bn yen (+24.0% YOY) OP 6.60 bn yen (+20.6% YOY)

OPM 31.2% (- 0.9pt YOY)

Annual Div forecast of 50 yen (Payout Ratio 29.7%)

- Compared to the mid-term plan (Sales 20.814 bn yen, OP 6.598 bn yen), sales are expected to exceed in the Products Related Segment.
- Due to factors such as base salary increases, investments in overseas expansion, new LABO stores, promotion and IT infrastructure, the OP is expected to remain in line with the plan.
- New stores: +15 stores as per the mid-term plan. In order to ensure an increase of +30 stores in the final year of the mid-term plan, we aim to achieve even higher numbers to gain confidence and trust in our ability to reach the goal of +30.

2. Results for FY06/23 (July 2022 - June 2023)

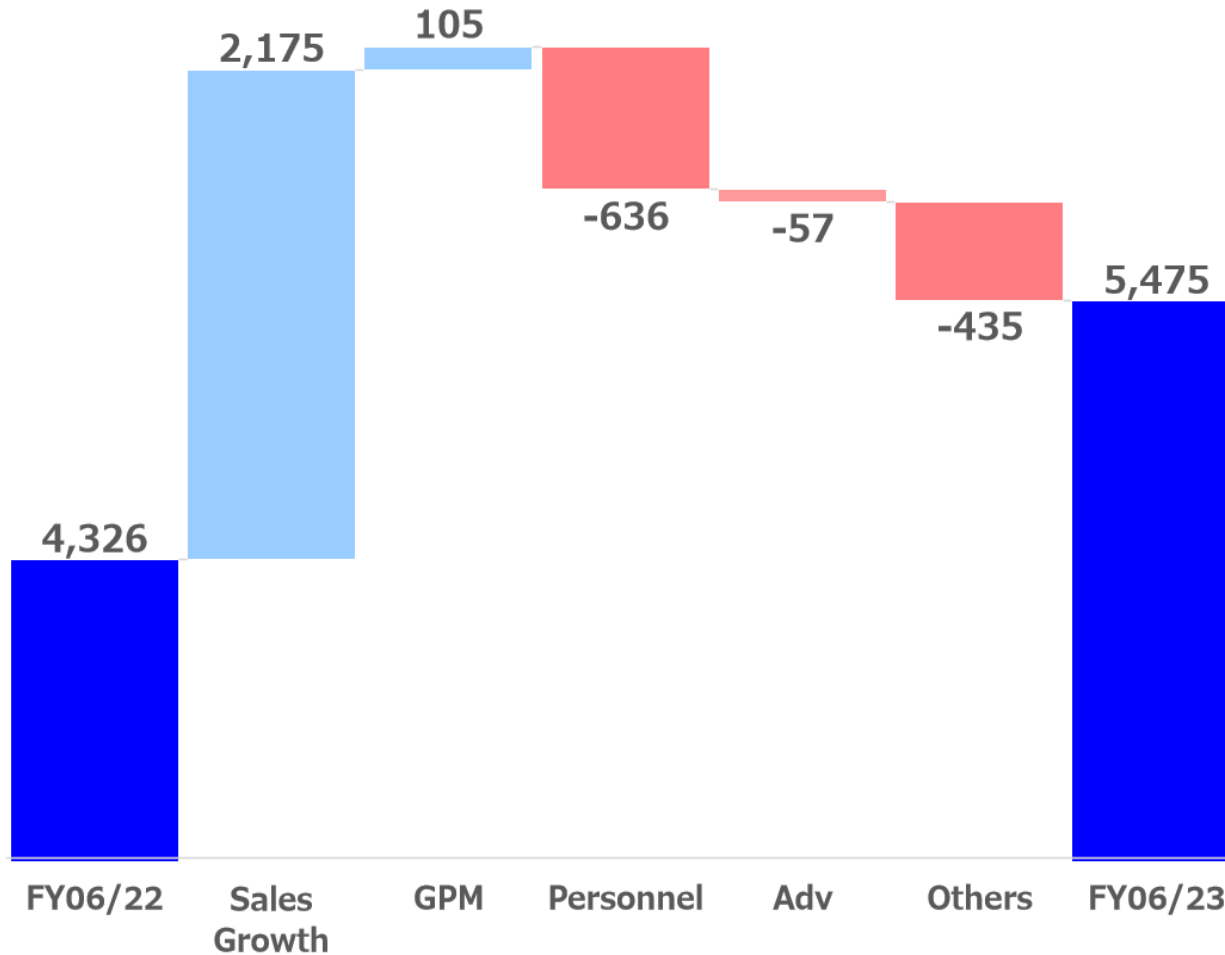
PL

(million yen)	FY06/22 Actual	FY06/23 Actual	YoY	FY06/23 Guidance	vs CoE	FY06/23 Q4	QoQ
Net Sales	14,358	17,042	18.7%	17,237	98.9%	4,680	23.3%
Product-related	6,436	7,384	14.7%	7,421	99.5%	2,045	26.5%
LABO stores	7,921	9,658	21.9%	9,816	98.4%	2,636	21.0%
COGS	2,722	3,126	14.8%	3,123	100.1%	880	24.4%
GP	11,636	13,916	19.6%	14,114	98.6%	3,800	23.1%
GPM	81.0%	81.7%	+0.7pt	81.9%	-0.2pt	81.2%	-0.2pt
Product-related	4,441	5,536	24.7%	5,328	103.9%	1,566	37.1%
LABO stores	7,087	8,379	18.2%	8,785	95.4%	2,249	11.7%
SG&A	7,310	8,440	15.5%	8,651	97.6%	2,361	14.2%
OP	4,326	5,475	26.5%	5,463	100.2%	1,440	41.3%
OPM	30.1%	32.1%	+2.0pt	31.7%	+0.4pt	30.8%	+4.0pt
Product-related	2,118	2,890	36.4%	-		761	40.1%
LABO stores	2,207	2,585	17.1%	-		675	42.0%
RP	4,325	5,470	26.5%	5,463	100.1%	2,529	40.4%
NP	3,093	3,957	27.9%	3,805	104.0%	1,183	72.2%
EPS	113.41	145.06	27.9%	139.49		43.34	72.2%
Dividend (yen)	31.00	43.00	38.7%	40.00	107.5%		
Payout (%)	27.3%	29.6%	+2.3pt	28.7%	+0.9pt		

2. Results for FY06/23 (July 2022 - June 2023)

OP : Profit and Loss Analysis

(mn yen) (YoY change)



Sales/GPM factors: +2.28 bn yen

Sales increase: Both segments increased.

GPM: maintained the GPM despite the increase in the COGS thru the combined effects of quantity increase and price increase.

SG&A factor: -1.13 bn yen

Personnel: up by 636 mn yen

Strengthened our existing stores and increased personnel for the new stores

Advertising: up by 57 mn yen

Delayed launch of TV commercials

Other: up by 435 mn yen

- Rise in rent due to the increase in number of stores
- Increased in expenses due to resumption of operations
- Increased in utilities

3. Plan for FY06/24 Full Year (July 2023 - June 2024)

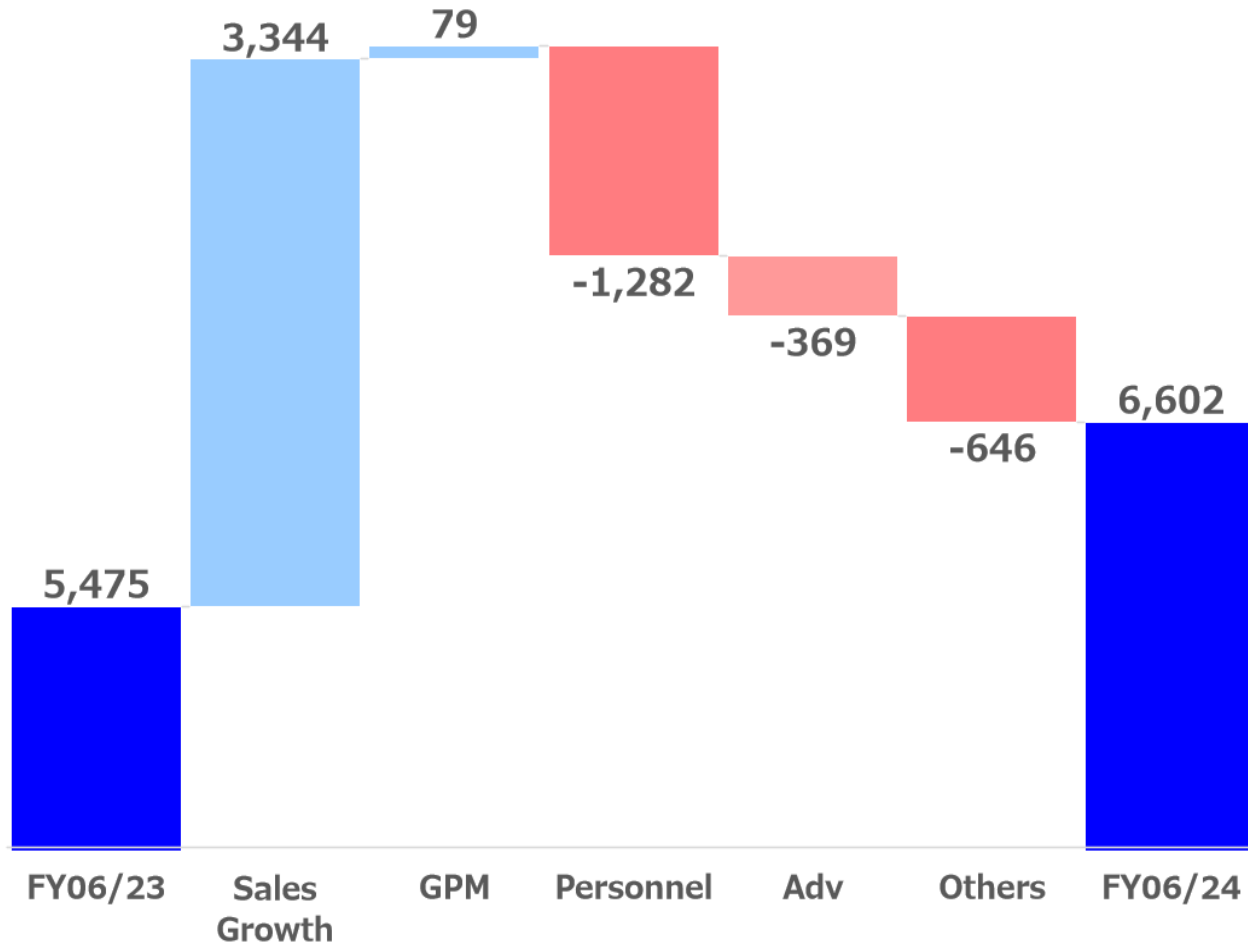
PL

(million yen)	FY06/22 Actual	FY06/23 Actual	YoY	FY06/24 Guidance	YoY	FY06/24 Mid	vs Mid	FY06/25 Mid
Net Sales	14,358	17,042	18.7%	21,137	24.0%	20,814	101.6%	25,159
Product-related	6,436	7,384	14.7%	9,355	26.7%	9,030	103.6%	10,771
LABO stores	7,921	9,658	21.9%	11,781	22.0%	11,784	100.0%	14,388
COGS	2,722	3,126	14.8%	3,797	21.5%	3,784	100.3%	4,548
GP	11,636	13,916	19.6%	17,339	24.6%	17,030	101.8%	20,611
GPM	81.0%	81.7%	+0.7pt	82.0%	+0.3pt	81.8%	+0.2pt	81.9%
Product-related	4,441	5,536	24.7%	7,117	28.6%	6,483	109.8%	7,734
LABO stores	7,087	8,379	18.2%	10,221	22.0%	10,547	96.9%	12,877
SG&A	7,310	8,440	15.5%	10,737	27.2%	10,432	102.9%	12,636
OP	4,326	5,475	26.5%	6,602	20.6%	6,598	100.1%	7,975
OPM	30.1%	32.1%	+2.0pt	31.2%	-0.9pt	31.7%	-0.5pt	31.7%
Product-related	2,118	2,890	36.4%	-				
LABO stores	2,207	2,585	17.1%	-				
RP	4,325	5,470	26.5%	6,602	20.7%	6,598	100.1%	7,975
NP	3,093	3,957	27.9%	4,595	16.1%	4,619	99.5%	5,583
EPS	113.41	145.06	27.9%	168.44	16.1%	-	-	-
Dividend (yen)	31.00	43.00	38.7%	50.00	16.3%			
Payout (%)	27.3%	29.6%	+2.3pt	29.7%	+0.1pt			

3. Plan for FY06/24 Full Year (July 2023 - June 2024)

OP : Profit and Loss Analysis

(mn yen) (YoY change)



Sales/GPM factors: +3.42 bn yen

Sales increase: Both segments increased.

GPM: GPM maintained

SG&A factors: -2.3 bn yen

Personnel: up by 1.28 bn yen

Salary base increase and headcount increase

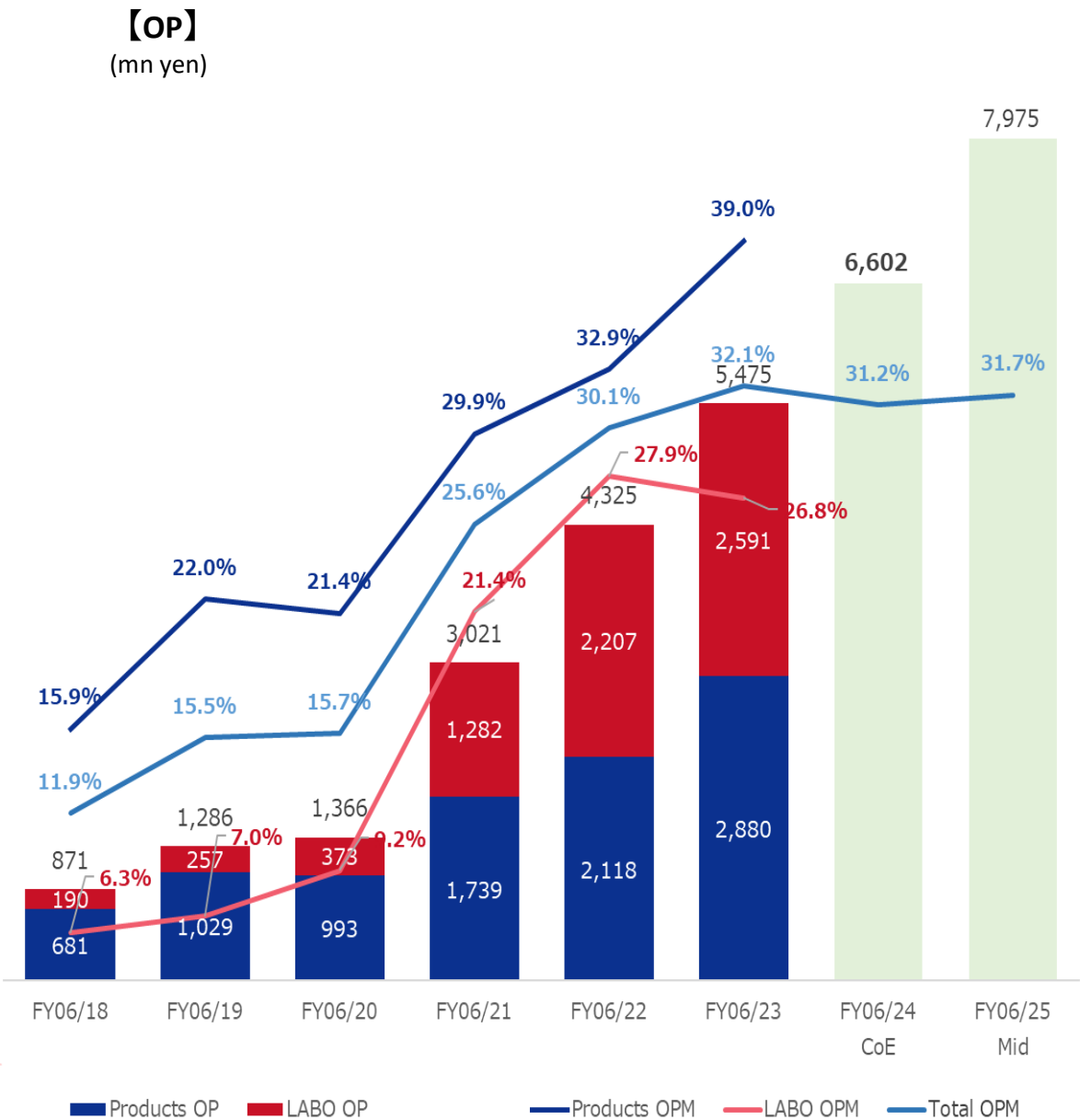
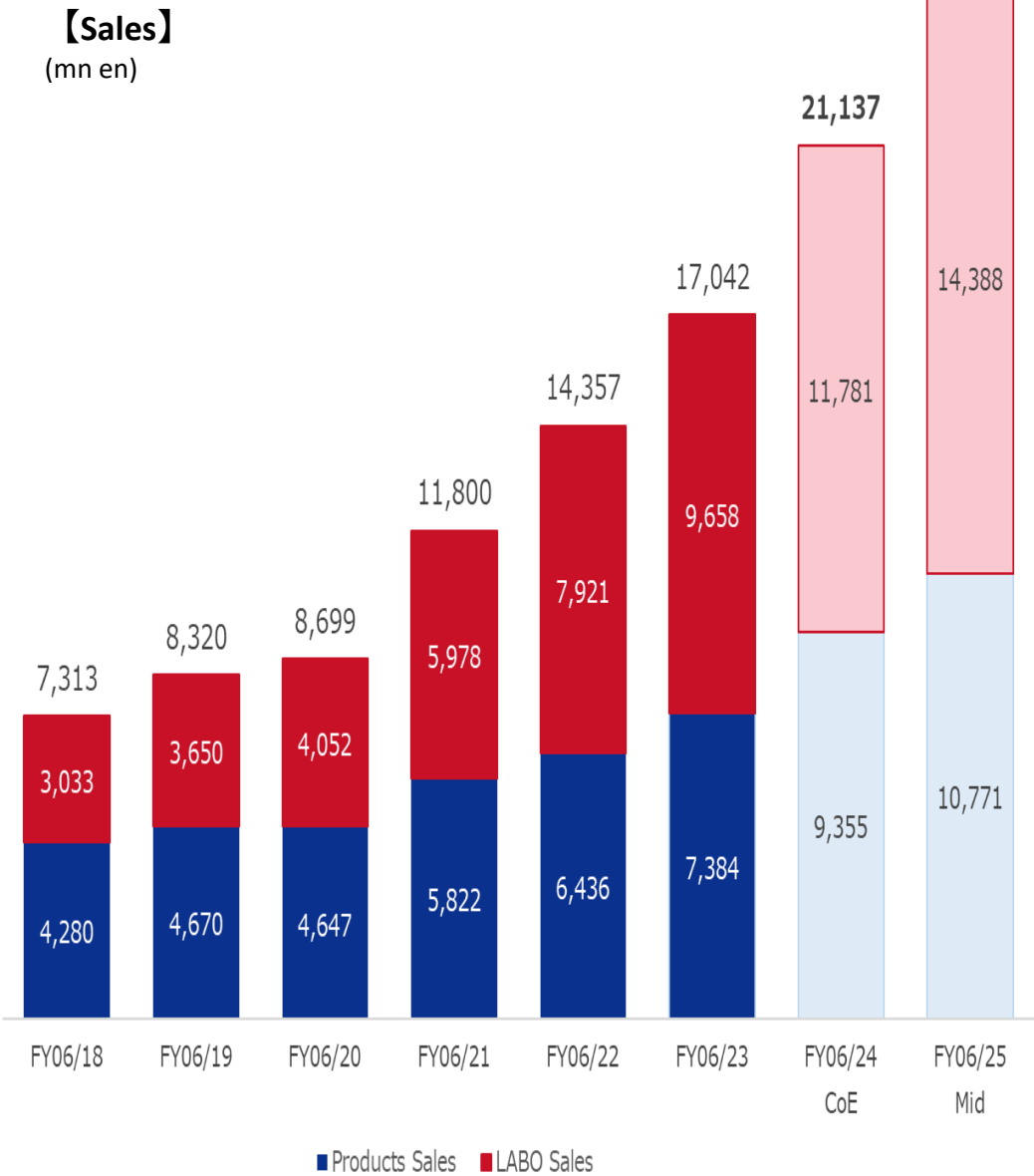
Advertising: up by 369 mn yen

Year-round TVCM advertising

Other: up by 646 mn yen

- Rising rent, Depr and utility cost
- Upfront costs for overseas expansion
- Investment in IT infrastructure

3. Segment Breakdown



4. New LABO store and Expansion of Coating Booths

FY06/23: New stores opened

Name	Location	Date
1 Niiza	Niiza, Saitama	Nov 2, 2022
2 Ogura Minami	Kita-Kyushu, Fuku	Nov 26, 2022
3 Yokkaichi Minami	Yokkaichi, Mie	Mar 30, 2023
4 Ariake	Koto-ku, Tokyo	May 13, 2023
5 Matsuyama IC	Matsuyama, Ehime	May 31, 2023
6 Musashi Murayama	Musashi Murayama	Jun 9, 2023
7 Kakamigahara	Kakamigahara, Gifu	Jun 22, 2023
8 Akita Minami	Akita, Akita	Jun 29, 2023
9 Yoga	Setagaya-ku, Tokyo	Jun 29, 2023
10 Fussa	Fussa, Tokyo	Jun 30, 2023
11 Higashi Omiya	Saitama, Saitama	Jun 30, 2023
12 Isezaki	Isesaki, Gunma	Jun 30, 2023

Relocation and re-opening

Name	Location	Date
Hachioji	Hachioji, Tokyo	Sep 26, 2022

FY06/24: New stores to open (confirmed)

Name	Location	Date
1 Fuchu	Fuchu, Tokyo	Aug 9, 2023
2 Osaka Hirano	Osaka, Osaka	Sep, 2023
3 Okayama	Okayama, Okayama	Nov, 2023
4 Koshigaya	Koshigaya, Saitama	Dec, 2023
5 Fukuoka Sawara	Fukuoka, Fukuoka	Jan, 2024
6 Utsunomiya	Utsunomiya, Tochigi	Jan, 2024
7 Nara Daianji	Nara, Nara	Mar, 2024
8 Ichikawa	Ichikawa, Chiba	Mar, 2024
9 Kobe Nishi	Kobe, Hyogo	Mar, 2024
10 Sakai Nishi	Sakai, Osaka	May, 2024
11 Ageo	Ageo, Saitama	May, 2024

Relocation and re-opening

Name	Location	Date
New Matsudo Higashi	Matsudo, Chiba	Apr, 2024

Renovation of existing stores

Renovated	18 stores
Booths increased	18 stores 60 booths→124 booths (+64)
Washrooms remodeled	14 stores 47 washrooms
completed in Q4	5 stores
Booths increased	5 stores 26 booths→53 booths (+27)
Washrooms remodeled	5 stores 17 washrooms

In progress	13 stores
Booths increased	13 stores 51 booths→97 booths (+46)
Washrooms remodeled	8 stores 25 washrooms
completed in Q4	3 stores
Booths increased	3 stores 11 booths→20 booths (+9)
Washrooms remodeled	0 stores 0 washroom



5. Topic 1: Expansion of Fresh Keeper

TVCM

- 1 「マツコの知らない世界」
TBS(火曜/夜8:57~)
- 2 「家事ヤロウ!!!」
テレビ朝日(火曜/夜7:00~)



- 3 「ZIP!」
日本テレビ
(月~金曜/朝5:50~8:00)



タクシー広告



<https://youtu.be/PVItVk2qOh8>

Since the full-scale launch in October 2022,
combining LABO and PRO SHOPS..

300,000 units installed.

Number of units installed at all LABO stores

Up 17% YOY

* combined with Crystal Keepers of the same durability period type.

In the gas station-based PRO SHOP, which female
customers frequent.

The growth in the number of units installed, as estimated from
the number of chemicals sold, has seen

Even higher growth rates!!

Recommending the “self-cleaning coating” to customers
who come for a car wash at gas stations is also contributing
to an increase in the number of coating applications.

In addition, based on feedback from the field, the coating
service is definitely reaching female customers effectively.

雑誌広告



SNS広告



YouTube動画



WEB広告& 特設サイト



読者プレゼント



5. Topic 2: Ariake Store as "front runner" for dealers and LABO

On May 13, 2023, **KeePer LABO Ariake** opened as a shop-in-shop at the combined Toyota and Lexus store in Ariake, Tokyo.

Despite having only 3 dedicated booths, the Ariake locations allowed us to leverage its advantage effectively.

Nation's top selection rate for high value coatings
Sales in July exceeded 10 mn yen

LABO's customers can visit Toyota showrooms and guest rooms during the waiting time. They have the opportunity to test drive vehicles and browse thru brochures



LABO contributes to attracting more customers to the dealership!



The requests for LABO setups within various dealerships are increasing, and there is potential for synergy with the Product Related Segment



Topic 3: Overseas Development

While supporting the local dealers in expanding the PRO SHOPS, this year will mark the beginning of our activities to **explore the possibilities for LABO's overseas expansion.**

In addition to considering the proposed opportunities as we did with previous PRO SHOP openings, we are proactively reaching out to overseas distributors to initiate shop openings.

Personnel Structure

- Establish a system centered around senior executives, including the president.
- Further expand the workforce as needed.
- Started employee training for overseas expansion.

PRO SHOP to be opened

Korea



Scheduled to open in September 2023

Toyota-affiliated dealership that operates "Lexus" and "Toyota," are setting up KeePer booths within their established store.

Mexico



Scheduled to open by the end of the year

5 local staff members from Japanese manufacturer-affiliated dealers underwent a 3-6 month training in Japan, and all of them obtained Level 1 certification.



5. Topic 4 Progress in Product Development aimed at Contributing to Environmental Conservation

Coating for Ship Bottoms

Project in collaboration with the Tokyo University of Marine Science and Technology to create a coating that can easily remove marine organisms (such as barnacles) adhered to ship bottoms.

(Benefits)

- Currently, ship-bottom paints contain toxic components such as copper oxide to prevent rust, corrosion, and barnacles, so replacing these with KeePer coatings will prevent the leakage of harmful substances.
- By reducing barnacle adhesion, we can contribute to improving fuel efficiency and reducing maintenance burdens for ships.

(Issue)

Durability under actual operating conditions for ships

Ship's bottom plate tested at sea



Coating Coating
Yes No

⇒

Plate after high pressure cleaning



Coating Coating
Yes No

Dry Wash

Charging an EV car and having it washed simultaneously!
To ensure safety during charging, we hand wash cars without using water.

(Benefits)

- No detergent is used and only a glass of water to finish the process, saving water and reducing water pollution.
- The 30-minute recharging time and the safe car wash make the waiting time worthwhile.

(Issue)

Recycling of used wet wipes



急速充電 と同時にできる
【プロの洗車品質を】
ドライウオッシュ はじめました

例: テスラ モデル3 ¥5,220 (急速充電込み)

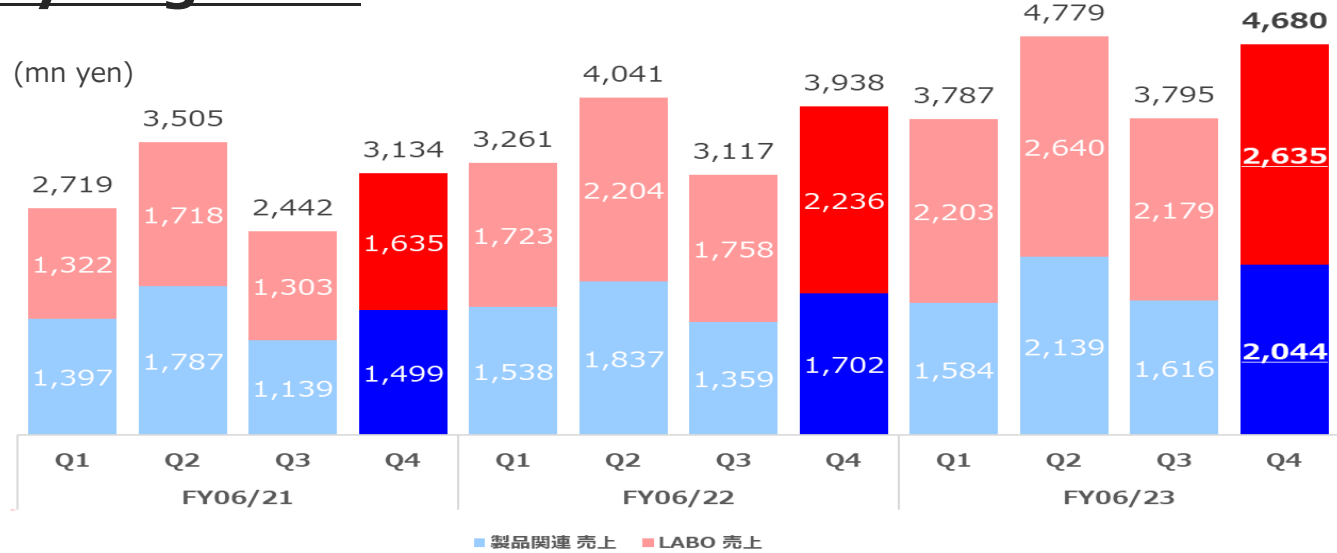
KeePer
FOR SMART CAR LIFE

Supplemental Data

Q'ly Segment Breakdown

(mn yen)		FY06/21					FY06/22					FY06/23				
		Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY	Q1	Q2	Q3	Q4	FY
Total	Sales	2,719	3,505	2,442	3,134	11,801	3,261	4,041	3,117	3,938	14,358	3,787	4,779	3,795	4,680	17,042
	yoy	465	928	685	1,024	3,102	542	536	675	804	2,557	526	738	678	742	2,684
	yoy (%)	20.6%	36.0%	39.0%	48.5%	35.7%	19.9%	15.3%	27.6%	25.7%	21.7%	16.1%	18.3%	21.8%	18.8%	18.7%
	OP	711	1,097	502	711	3,021	797	1,519	778	1,231	4,326	1,169	1,847	1,019	1,439	5,475
	yoy	420	548	350	337	1,654	86	422	276	520	1,305	372	328	241	208	1,149
	yoy (%)	1440.0%	98.3%	2444.4%	89.8%	121.0%	12.1%	38.5%	55.0%	73.1%	43.2%	46.7%	21.6%	31.0%	16.9%	26.6%
	OPM	26.1%	31.3%	20.6%	22.7%	25.6%	24.4%	37.6%	25.0%	31.3%	30.1%	30.9%	38.6%	26.9%	30.7%	32.1%
LABO	Sales	1,322	1,718	1,303	1,635	5,978	1,723	2,204	1,758	2,236	7,921	2,203	2,640	2,179	2,635	9,658
	yoy	342	546	398	640	1,926	401	486	455	601	1,943	480	436	421	399	1,737
	yoy (%)	34.9%	46.6%	44.0%	64.3%	47.5%	30.3%	28.3%	34.9%	36.8%	32.5%	27.9%	19.8%	23.9%	17.8%	21.9%
	OP	298	458	198	328	1,282	368	810	378	651	2,207	582	859	475	669	2,585
	yoy	244	234	199	232	909	70	352	180	323	925	214	49	97	18	378
	yoy (%)	451.9%	104.5%	-	241.7%	243.7%	23.5%	76.9%	90.9%	98.5%	72.2%	58.2%	6.0%	25.7%	2.8%	17.1%
	OPM	22.5%	26.7%	15.2%	20.1%	21.4%	21.4%	36.8%	21.5%	29.1%	27.9%	26.4%	32.5%	21.8%	25.4%	26.8%
VOL	yoy (%)	10.6%	28.1%	25.8%	53.0%	29.1%	25.5%	23.5%	27.4%	19.3%	23.5%	13.7%	9.5%	12.6%	11.6%	11.6%
ASP	yoy (%)	25.5%	16.3%	15.7%	8.3%	16.2%	5.1%	4.8%	7.3%	15.3%	7.3%	12.8%	9.9%	10.6%	4.9%	9.3%
Products	Sales	1,397	1,787	1,139	1,499	5,822	1,538	1,837	1,359	1,702	6,436	1,584	2,139	1,616	2,044	7,384
	yoy	123	383	287	382	1,175	141	50	220	203	614	46	302	257	342	948
	yoy (%)	9.7%	27.3%	33.7%	34.2%	25.3%	10.1%	2.8%	19.3%	13.5%	10.5%	3.0%	16.4%	18.9%	20.1%	14.7%
	OP	413	639	304	383	1,739	429	709	400	580	2,118	587	989	543	770	2,889
	yoy	176	305	160	105	746	16	70	96	197	379	158	280	143	190	771
	yoy (%)	74.3%	91.3%	111.1%	37.8%	75.1%	3.9%	11.0%	31.6%	51.4%	21.8%	36.8%	39.5%	35.8%	32.8%	36.4%
	OPM	29.6%	35.8%	26.7%	25.6%	29.9%	27.9%	38.6%	29.4%	34.1%	32.9%	37.1%	46.2%	33.6%	37.7%	39.1%

FY06/23 Q4 (Apr 2023 - June 2023) Results by Segment



LABO Operation Sales +17.8%

Number of store visits +11.6% YOY

Average unit price +4.9% YOY

Due to yellow sand and pollen contamination in April, the number of low-priced car washes increased, and unit price growth was sluggish.

OPM: -3.7 pt

- Increase in personnel expenses due to increase in new store staff and existing stores.
- Expenses related to new store openings and higher rent due to an increase in the number of stores.

Product Related Sales +20.1%

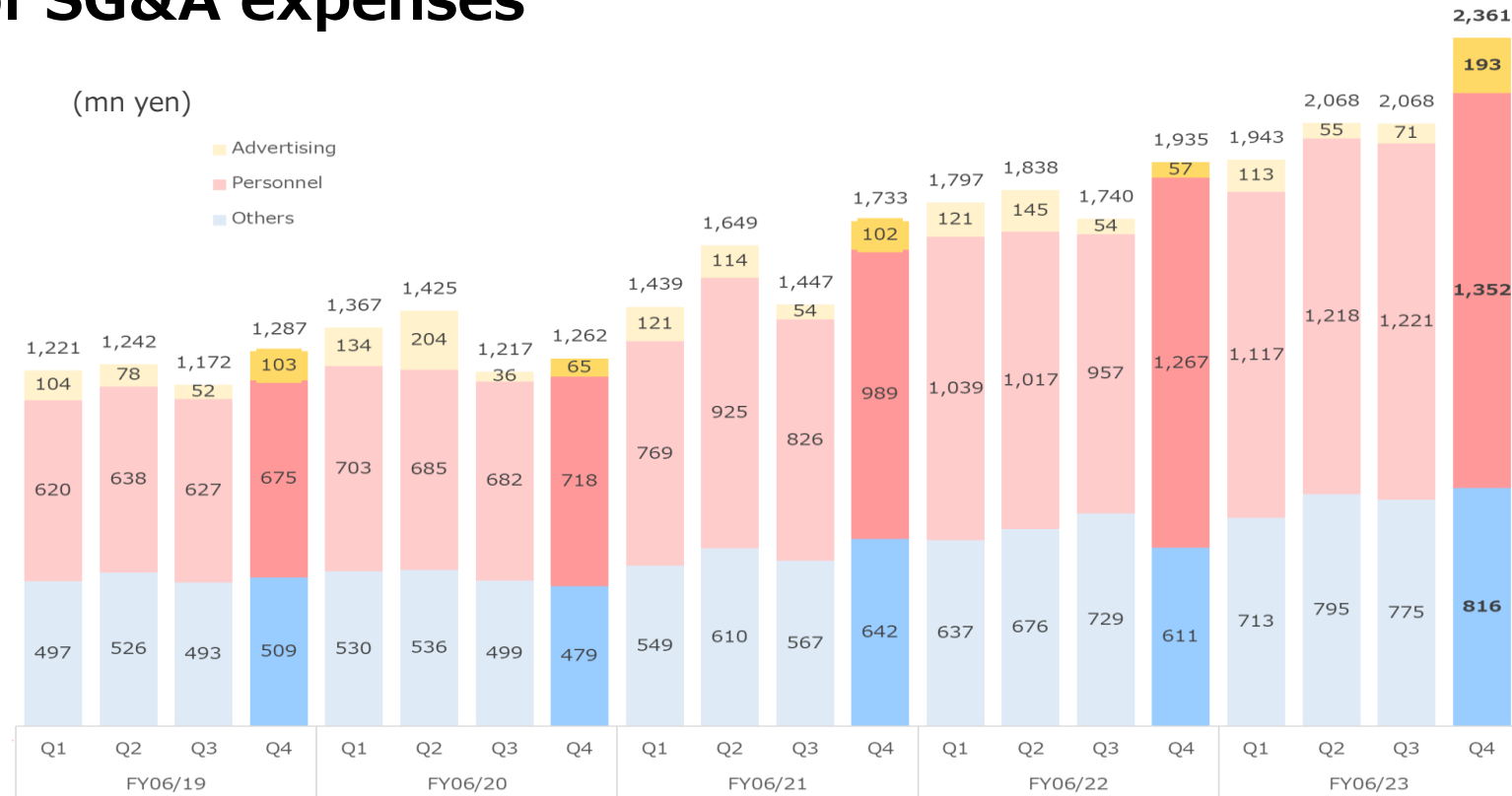
The number of FreshKeeper installations at PRO SHOPS increased due to TV commercial advertising from April.

In the new car market, sales to Honda, which started to adopt the product as a factory-installed model on March 31, contributed significantly.

OPM: 3.6 pt improvement

Improved profit margin due to increase in Fresh KeePer and high value-added coatings

Breakdown of SG&A expenses

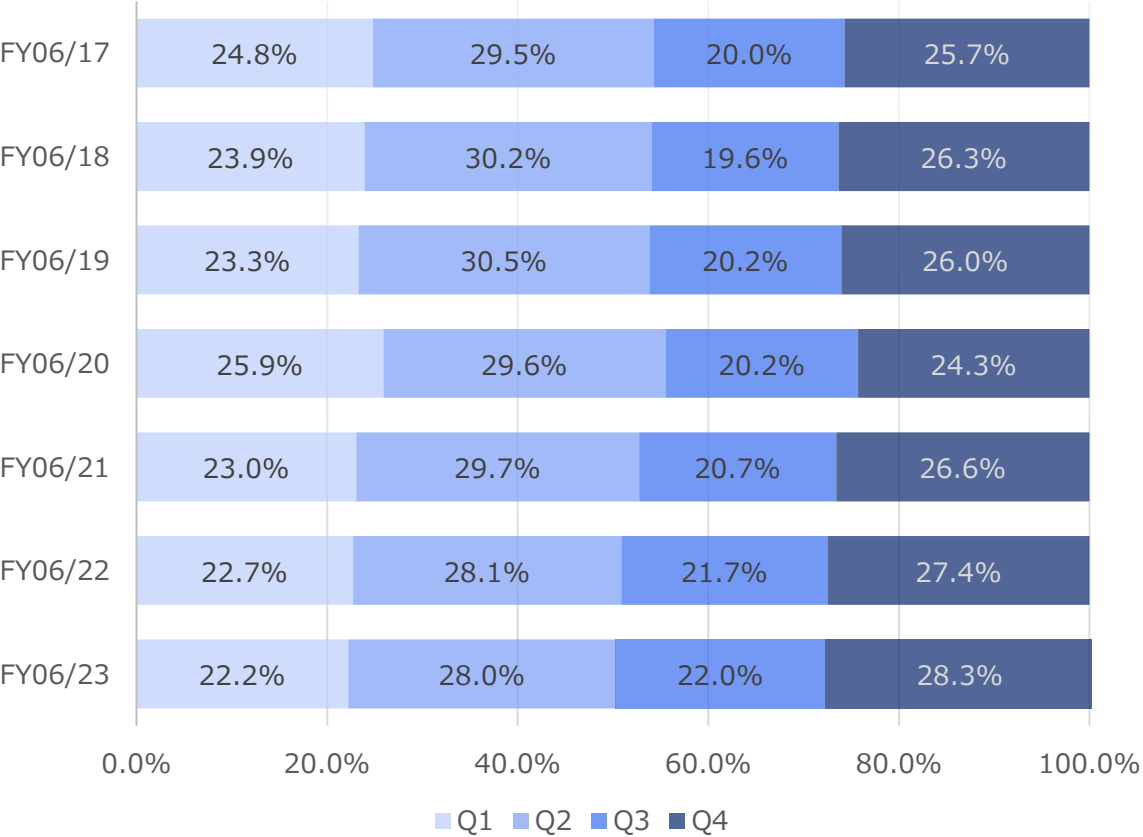


	FY06/19				FY06/20				FY06/21				FY06/22				FY06/23			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Advertising	104	78	52	103	134	204	36	65	121	114	54	102	121	145	54	57	113	55	71	193
YOY (%)					28.8%	161.5%	-30.8%	-36.9%	-9.7%	-44.1%	50.0%	56.9%	0.0%	27.2%	0.0%	-44.1%	-6.6%	-62.1%	31.5%	252.6%
Ad/SLS (%)	5.4%	3.1%	3.1%	4.8%	5.9%	7.9%	2.0%	3.1%	4.4%	3.3%	2.2%	3.3%	3.7%	3.6%	1.7%	1.4%	3.0%	1.2%	1.9%	4.3%
Personnel	620	638	627	675	703	685	682	718	769	925	826	989	1,039	1,017	1,022	1,196	1,117	1,218	1,222	1,352
YOY (%)					13.4%	7.4%	8.8%	6.4%	9.4%	35.0%	21.1%	37.7%	35.1%	9.9%	23.7%	20.9%	7.5%	19.8%	19.6%	13.0%
Personnel/SLS (%)	32.0%	25.1%	37.4%	31.2%	31.2%	26.6%	38.8%	34.0%	28.3%	26.4%	33.8%	31.5%	31.9%	25.2%	30.7%	32.2%	29.6%	25.5%	32.2%	28.9%
Others	497	526	493	509	530	536	499	479	549	610	567	642	637	676	664	682	710	795	776	816
YOY (%)					6.7%	1.9%	1.2%	-5.8%	3.6%	13.9%	13.5%	34.0%	16.0%	10.7%	17.2%	6.2%	11.5%	17.6%	16.9%	19.6%
others/SLS (%)	25.6%	20.7%	29.4%	23.5%	23.5%	20.8%	28.4%	22.7%	20.2%	17.4%	23.2%	20.5%	19.5%	16.7%	21.3%	17.3%	18.7%	16.6%	20.4%	17.4%
total SGA	1,221	1,242	1,172	1,287	1,367	1,425	1,217	1,262	1,439	1,649	1,447	1,733	1,797	1,838	1,740	1,935	1,943	2,068	2,068	2,361

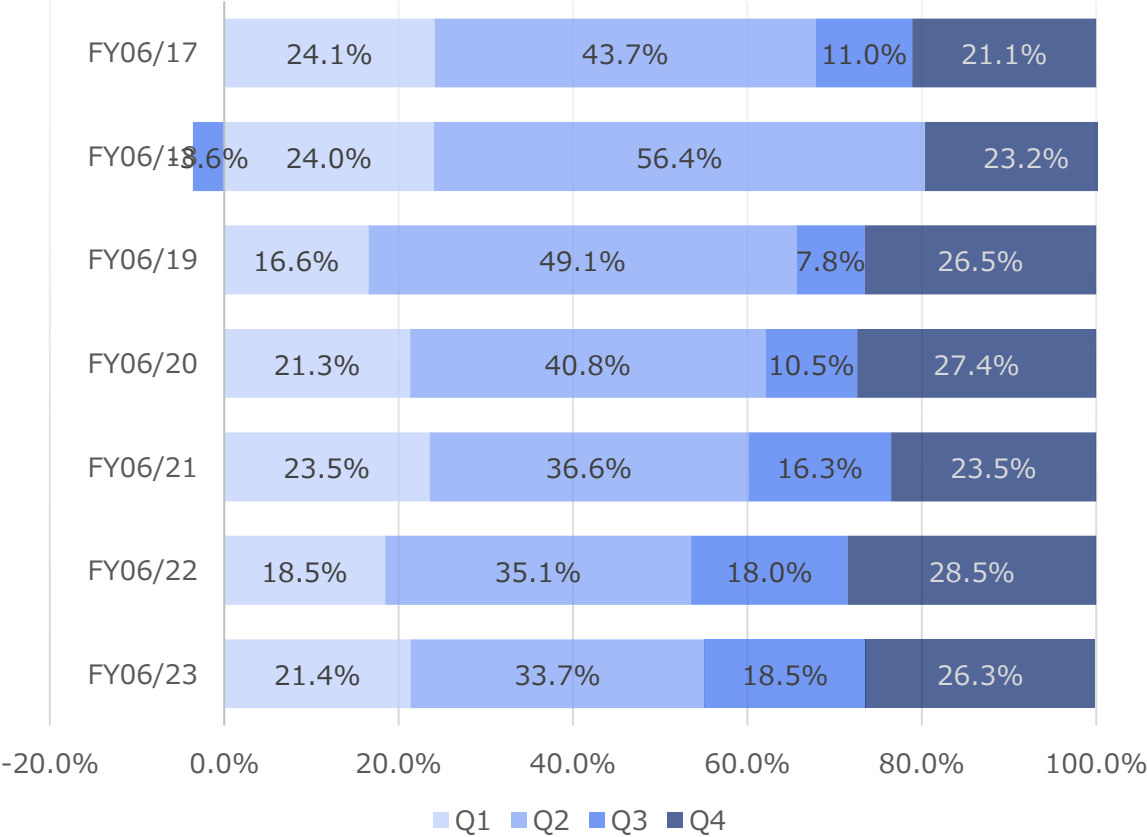
Ratio of Q'ly results to FY results



Sales



OP



Number of LABO stores

As of June 30, 2023, 106 KeePer LABO directly managed stores and 13 FC nationwide, for a total of 119 stores.

Directly-managed stores

▣ New openings (12): Niiza, Oguya Minami, Yokkaichi Minami, Ariake, Matsuyama IC, Musashi Murayama, Kakamigahara, Akita Minami, Yoga, Fussa, Higashi Omiya, and Isezaki

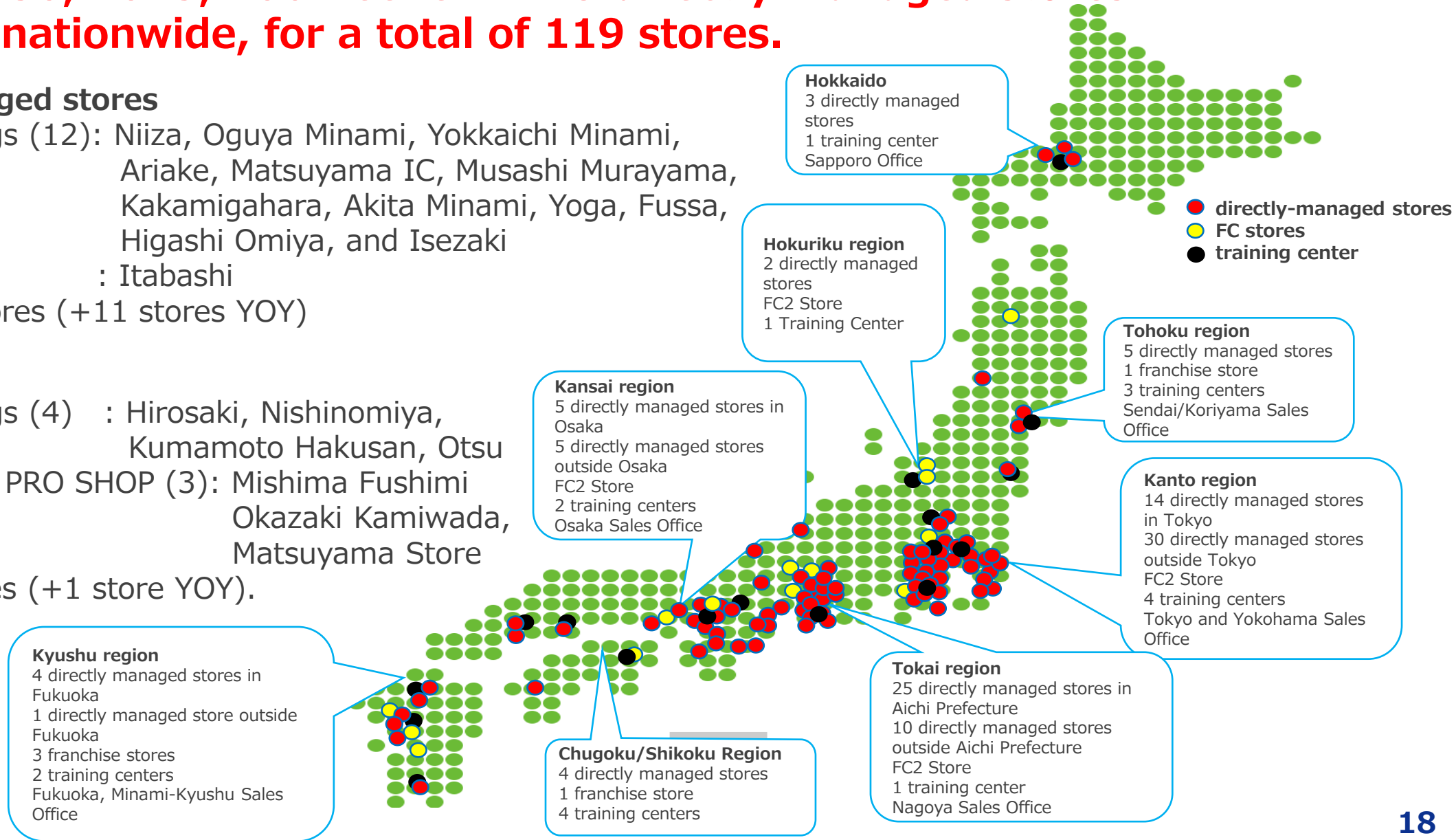
▣ Closed (1) : Itabashi
⇒ Total 106 stores (+11 stores YOY)

FC Stores

▣ New openings (4) : Hirosaki, Nishinomiya, Kumamoto Hakusan, Otsu

▣ Transition to PRO SHOP (3): Mishima Fushimi, Okazaki Kamiwada, Matsuyama Store

⇒ Total 13 stores (+1 store YOY).



FY ending June 30, 2023 (July 2022 - June 2023)

Balance Sheet

(mn yen)	FY06/21 Q4	FY06/22 Q4	YOY	FY06/23 Q4	YOY
Current Assets	3,542	5,029	1,487	6,675	1,646
Cash/Deposits	1,517	2,721	1,204	3,573	852
A/R	166	1,157	991	1,356	199
Inventories	776	774	-2	1,248	474
Fixed Assets	5,644	6,829	1,185	8,404	1,575
Tangible Assets	4,588	5,628	1,040	6,732	1,104
Total Assets	9,186	11,858	2,672	15,079	3,221
Liabilities	3,620	3,818	198	3,928	110
Interest-bearing debt	662	539	-123	160	-379
Shareholders' Equity	5,566	8,039	2,473	11,151	3,112
Treasury shares	2,188	2,188	0	2,189	1
Liabilities+Shr	9,186	11,858	2,672	15,079	3,221
Equity Ratio (%)	60.6%	67.8%	+7.2pts	73.9%	+6.1pts
ROE (%)	37%	45%		41%	

FY ending June 30, 2023 (July 2022 - June 2023)

CF

(mn yen)	FY06/21 Actual	FY06/22 Actual	Change	FY06/23 Actual	Change
Cash Flows from Operating Activities	3,093	3,221	128	3,663	442
Income before tax	2,993	4,323	1,330	5,460	1,137
Depreciation	280	288	8	330	42
Cash Flows from Investing Activities	-739	-1,349	-610	-1,586	-237
Capital Expenditures	-624	-1,347	-723	-1,120	227
FCF	2,354	1,872	-482	2,077	205
Cash Flows from Financing Activities	-2,731	-669	2,062	-1,226	-557
Payments to current debt	-331	-123	208	-379	-256
Net (increase) decrease in treasury stock	-2,188	-442	1,746	-601	-159
Cash Dividends Paid	-212	-545	-333	-845	-300
Net Increase (Decrease) in Cash	-376	1,204	1,580	852	-352
Cash and cash equivalents at the end of the period	1,517	2,721	1,204	3,573	852

Note:

This document has been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translated document and the Japanese original, the original shall prevail.

IR

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