

Company Profile



February 27-28, 2023

Corporate Vision

“Making a New Car Wash Culture in Japan”

We aim to expand the Car Care Business in Japan with high-quality car wash and car coating that appeals to Japanese high standard for cleanliness and aesthetics. We believe making cars more beautiful will provide customers with joy and happiness throughout Japan that we all can share.

Our goal is to create a car wash culture unique to Japan by fostering a joyful and satisfying environment within each and every one of our workforce locations, where every employee involved takes pride in the high quality service we provide.

We believe these principles will simultaneously realize high customer satisfaction (CS) and employee satisfaction (ES) experience.



Agenda

- 1. Company Overview**
- 2. Mid-Term Plan**
- 3. Recent Financial Results**

Supplemental Information

- Market Data**
- Products**

1.Company Overview

1. History of KeePer Technicals



- Aug, 1985 ■ TaniCo Ltd. founded Kyodo Oil Refueling Station, then expanded to a second location to include the Super Polymer Division, a car wash and coating business
- Feb, 1993 ■ Spun off the Super Polymer Division from TaniCo. Ltd, to establish "i-Tac Co. Ltd." in Kariya, Aichi to engage in sale of and provide training for car coating chemicals and tools
- July, 1998 ■ Opened the first car wash shop "Kaisentai 快洗隊" in Kariya, Aichi (currently "KeePer LABO" Kariya)
- May, 2001 ■ Developed "Diamond KeePer Chemical" and "Hybrid Resin" together with SONAX, a German car chemical manufacturer, and started sales of "Diamond KeePer" and "Crystal KeePer" body glass coatings with our original application method
- July, 2006 ■ Relocated the head office, Nagoya Sales Office and Central Training Center to Obu, Aichi
- Jan, 2007 ■ Established a coating technology certification system and registered the first certified KeePer PRO SHOP.
- Sep, 2014 ■ Renamed "i-Tac Co. Ltd." to "KeePer Technical Laboratory"
- Feb, 2015 ■ Listed on Tokyo Stock Exchange Mothers
- Mar, 2016 ■ Changed listing market to the First Section of the Tokyo Stock Exchange and listed on the First Section of Nagoya Stock Exchange
- April, 2022 ■ Moved from the First Section of the Tokyo Stock Exchange to Prime Market
- Dec, 2022 ■ Number of KeePer LABO: 97 direct stores and 15 FC stores
Number of KeePer PROSHOP: 6,421 stores



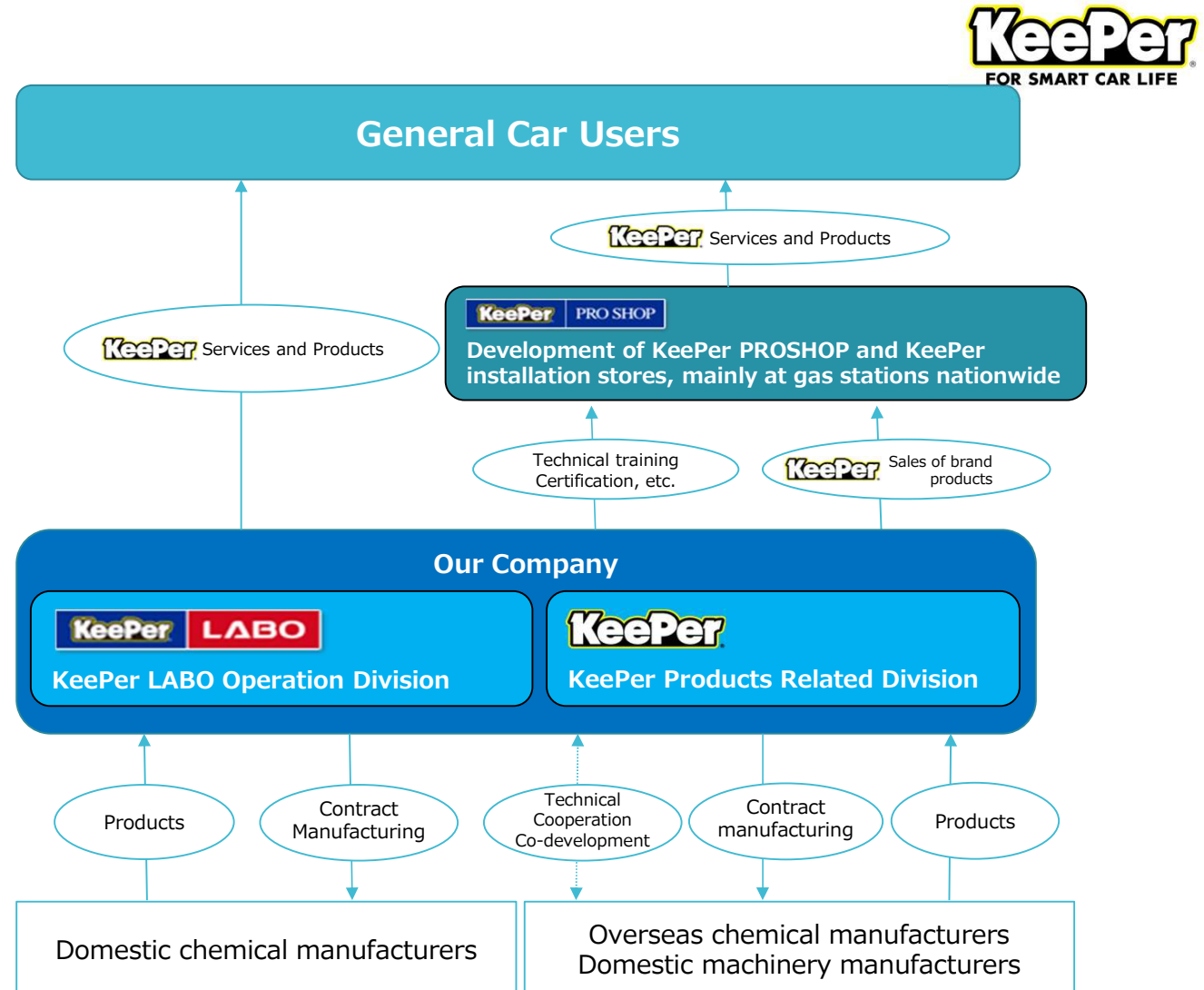
1. Business Model

KeePer LABO Operation (B-to-C)

- Provides services centered on automobile coating for general car users at our direct stores
- 97 direct stores and 15 FC stores nationwide as of Dec 2022.

KeePer Products Related (B-to-B)

- Develops, manufactures and sells car coating chemicals as well as tools /machineries for professional use to "Keeper PROSHOPS" mainly gas stations where certified technicians are placed.
- 6,421 gas stations around the country are registered as of Dec 2022.
- The number of contracted stores such as new car dealers is growing rapidly and the sales accounts for 20% of the division.

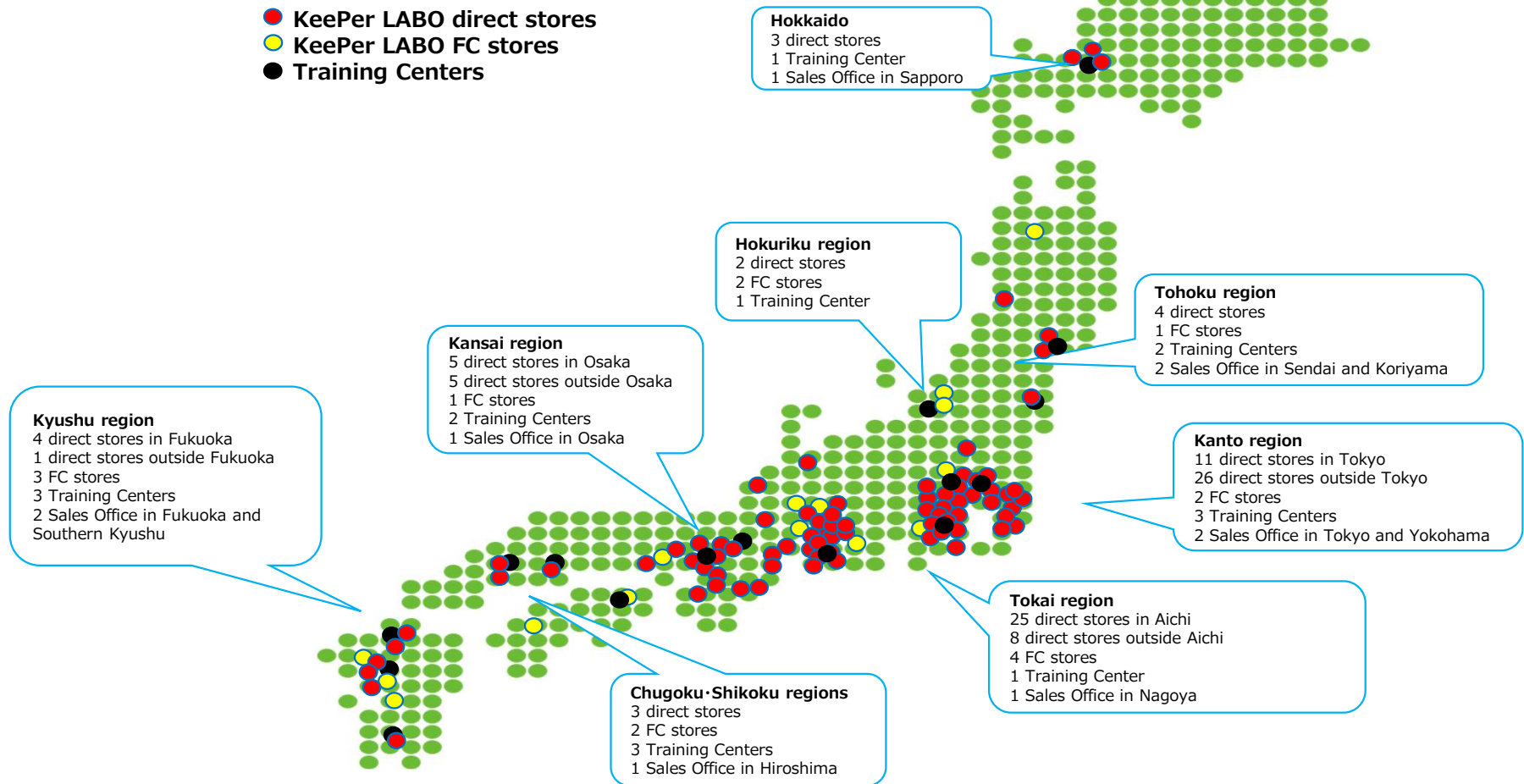


KeepPer LABO Operation Segment (B-to-C)



97 direct and 15 FC stores nationwide as of Dec 31, 2022

Currently concentrated in Kanto and Chubu regions



Market Potential for KeePer LABO is around 500 stores nationwide.

Appropriate distances between KeePer LABO stores, taking probability into consideration:

- For urban stores, where trade areas have work force population of more than 150,000 within 3km radius, stores can be opened as long as there is 3km linear distance from each other.
- For regional stores, stores can be opened as long as there is 6km linear distance from each other.
- Unless the above two criteria are met, we will not open new store.



Aichi Prefecture, where the place of foundation is and which has population around 7.54 million, has the highest store intensity with around 30 stores in the prefecture.

Based on the above store intensity, we estimate Japan can accommodate up to 480 stores (National Population 120 million/7.54 million x 30 stores)

KeePer Products Related Segment (B-to-B)

Topics

- ① Gas Stations
- ② Car Dealers
- ③ Non-Auto applications
- ④ Overseas



① Gas Station Industry

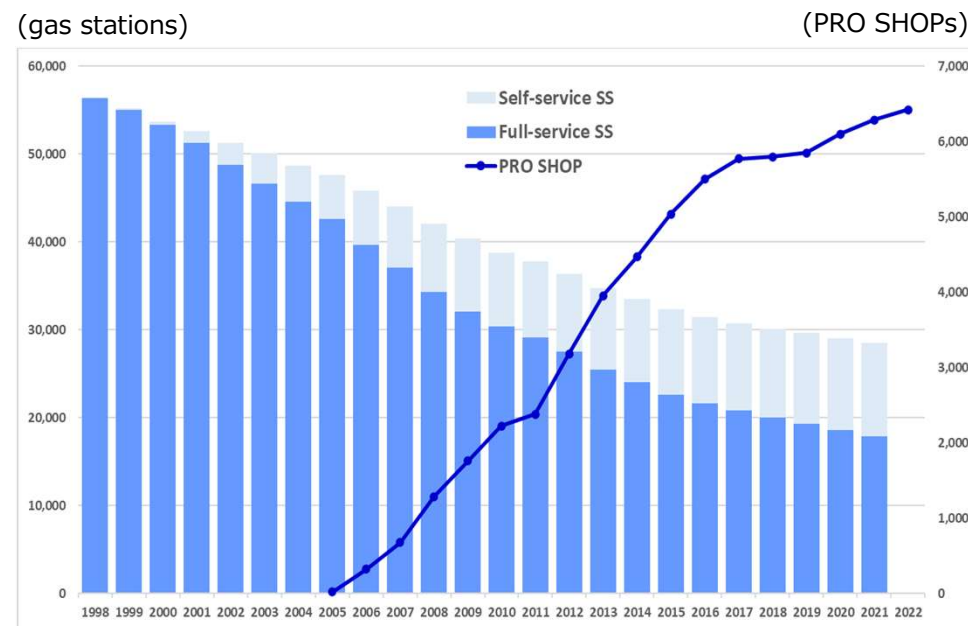
The number of KeePer PRO SHOPS at gas stations is increasing while the number of gas stations is declining.

KeePer coating service has been positioned as the core of “non-oil services” and is being actively sold in KeePer PRO SHOPS.

To combat climate change, we will be consuming far less fossil fuels. With the transition to using cleaner energy sources, the number of gas stations will continue to decline.

This has promoted us to strengthen our relationships with automotive OEMS.

Number of KeePer PRO SHOPS operated primarily by gas stations



Source: Agency for Natural Resources and Energy

②Car Dealers (OEMs)

KeePer creates and expands the body coating market through cooperation with automobile manufacturers to promote the application of coatings at the time of purchasing a new car, and to continue providing aftercare post purchase, which allows synergy with the used car market.



Car Coating Market Enters into a New Phase



Changes in the Environment Surrounding the Automotive Industry



Shift in Domestic Strategies for Auto Manufactures



Cooperation with Auto Manufacturers to Create New Markets

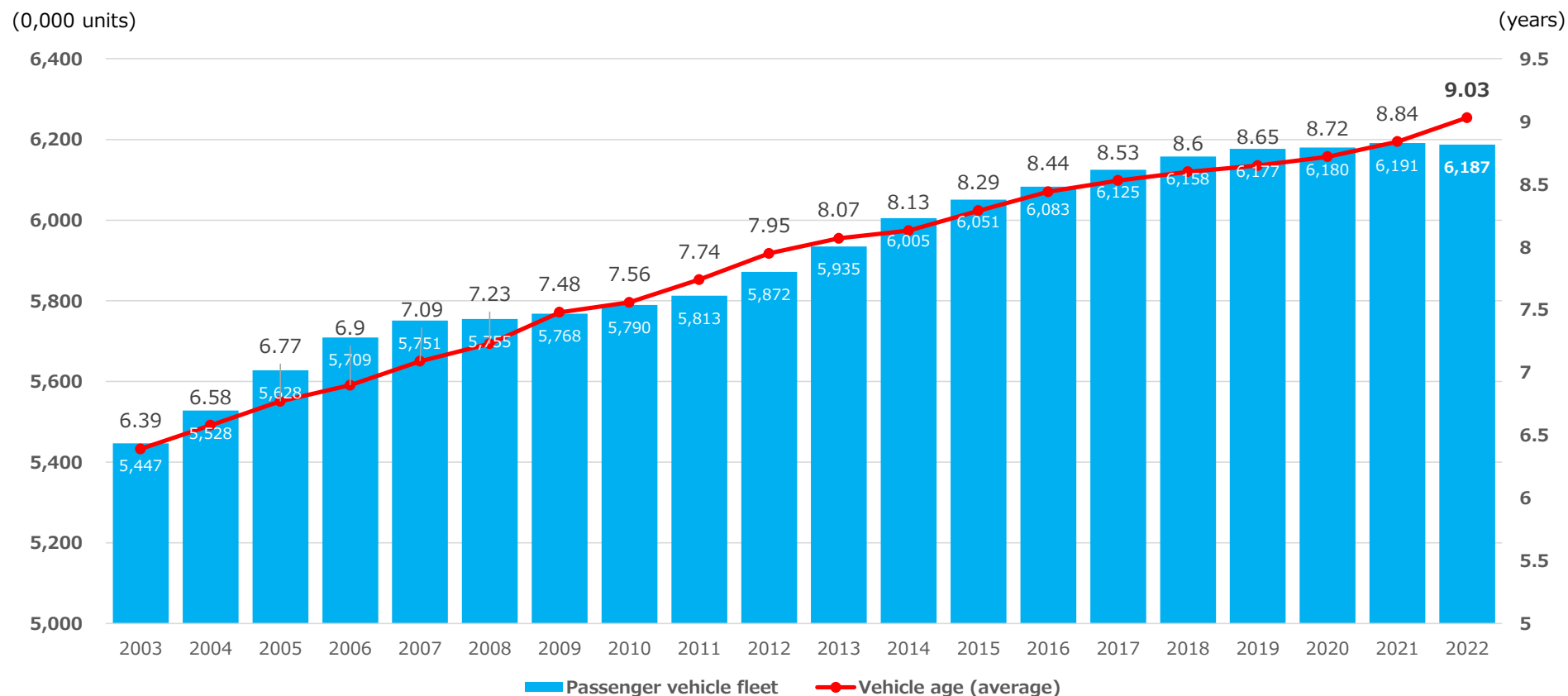


Car OEM



Passenger Vehicle Fleet and Average Vehicle Age

Average vehicle age from extended by over 2 years from 6.39 years in 2003 to 9.03 years in 2022, with an after-market also expanding.



Source: Automobile Inspection & Registration Information Association

③ Other applications

Starting with coatings for mobile devices, there is a great demand for coatings for other applications such as signboards and residential kitchen and bathrooms.

Such demand is also supported from the perspective of SDGs, as coating helps products stay clean and last longer.



④ Overseas

Overseas business activities have been suspended due to the spread of COVID-19 but will be resumed in the near future. However, our priority is the Japanese market, rather than aggressively going overseas to conduct activities.

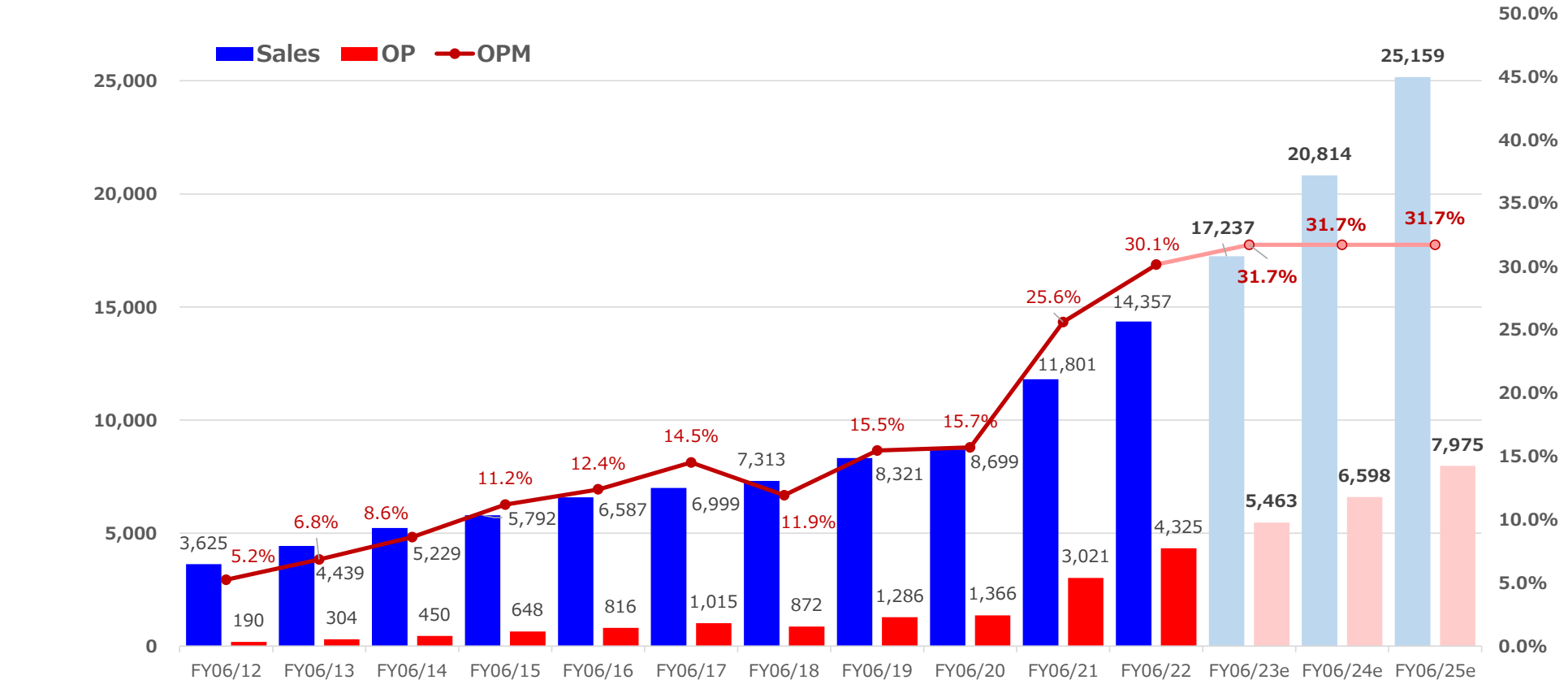
In a fashion similar to KeePer PRO SHOPS in Japan, leading local companies in HK and Taiwan are carrying out business activities already and are generating sufficient profits.



2. Mid-Term Plan

(FY 06/23 – FY 06/25)

2. Mid-Term Plan (FY 06/23-FY 06/25)



(# of stores)

LABO	25	29	31	37	43	56	72	80	82	87	95	107	122	152
yoy	+5	+4	+2	+6	+6	+13	+16	+8	+2	+4	+8	+12	+15	+30
PRO SHOP	2,377	3,179	3,952	4,465	5,035	5,500	5,769	5,792	5,849	6,098	6,283	-	-	-
yoy	+154	+802	+773	+513	+570	+465	+269	+23	+57	+249	+185			

2. Mid-Term Plan (FY 06/23-FY 06/25)



(million yen)	Actual	Guidance		Mid-term		Mid-term	
	FY 06/22	FY 06/23	yoy	FY 06/24	yoy	FY 06/25	yoy
Net Sales	14,358	17,237	20.1%	20,814	20.8%	25,159	20.9%
Product-related	6,436	7,421	15.3%	9,030	21.7%	10,771	19.3%
LABO stores	7,921	9,816	23.9%	11,784	20.0%	14,388	22.1%
COGS	2,722	3,123	14.7%	3,784	21.2%	4,548	20.2%
GP	11,636	14,114	21.3%	17,030	20.7%	20,611	21.0%
Product-related	4,548	5,328	17.2%	6,483	21.7%	7,734	19.3%
LABO stores	7,087	8,785	24.0%	10,547	20.1%	12,877	22.1%
GPM	81.0%	81.9%	+0.9pt	81.8%	flat	81.9%	flat
SG&A	7,309	8,650	18.3%	10,432	20.6%	12,636	21.1%
OP	4,327	5,464	26.3%	6,598	20.8%	7,975	20.9%
OPM	30.1%	31.7%	+1.6pt	31.7%	flat	31.7%	flat
RP	4,325	5,463	26.3%	6,598	20.8%	7,975	20.9%
NP	3,093	3,805	23.0%	-		-	
EPS	113.4	139.5	23.0%	-		-	

2. Mid-Term Plan (FY 06/23-FY 06/25)

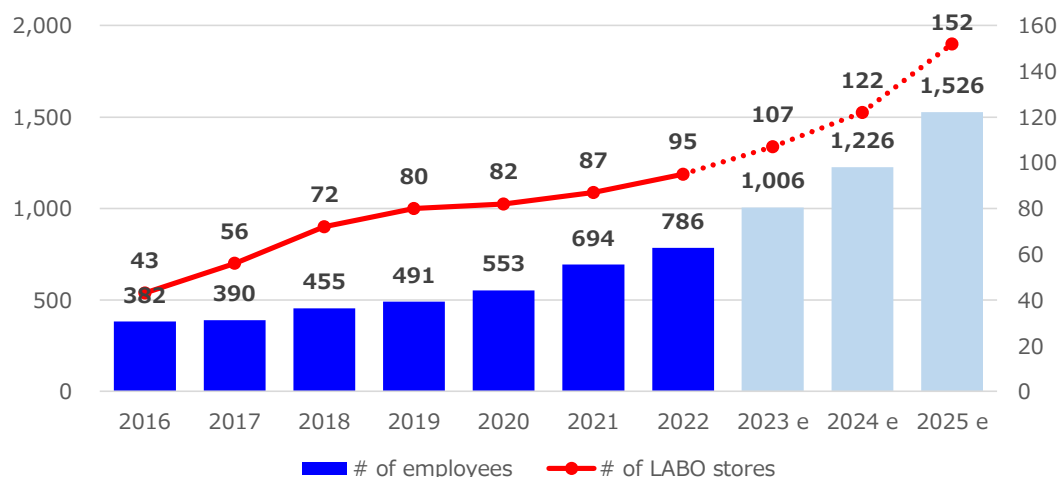


Changes in the number of employees

Employee Structure primarily consisting of Full Time Employees

In order to maintain and develop our business model, a labor force structure primarily consisting of full-time employees is optimal, as our business model focuses on simultaneous realization of CS (Customer Satisfaction) and ES (Employee Satisfaction).

It is necessary to increase the number of employees by 200-300 in line with the growth of new and existing stores as well as personnel for new product development.



Based on the FY 06/22 results, this pace can be maintained, but the future challenge will be evolve and explore recruitment methods, with a view to further development in the years ahead.

2. Mid-Term Plan (FY 06/23-FY 06/25)

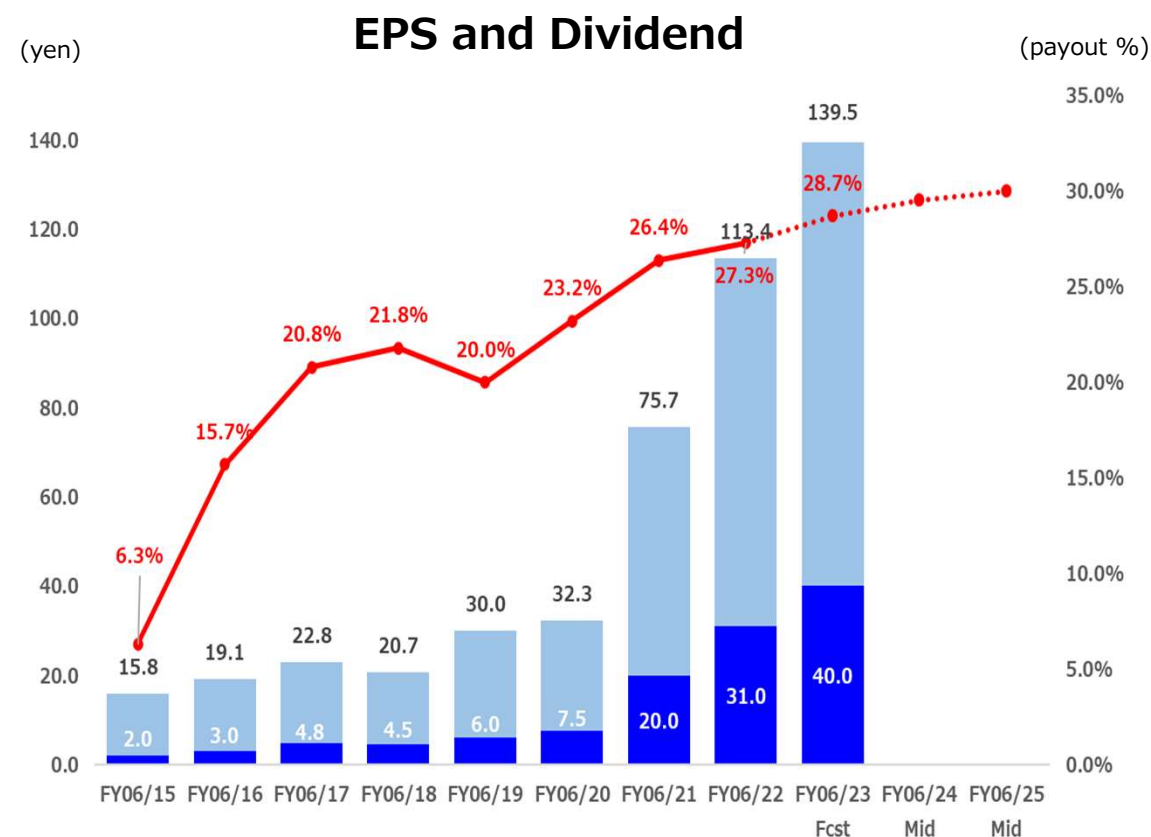


Capital Allocation

The Company's basic policy is to continue to pay dividends in line with business performance while enhancing internal reserves for the strengthening of the corporate structure and future business development.

The Company will use retained earnings to strengthen its financial position for business expansion especially opening Keeper LABO stores, while striving to maintain and improve the level of dividends paid to shareholders over the long run.

Based on the above policy, we aim to achieve a dividend payout ratio of 30% over the medium term in order to clearly emphasize the importance of returning profits to shareholders.



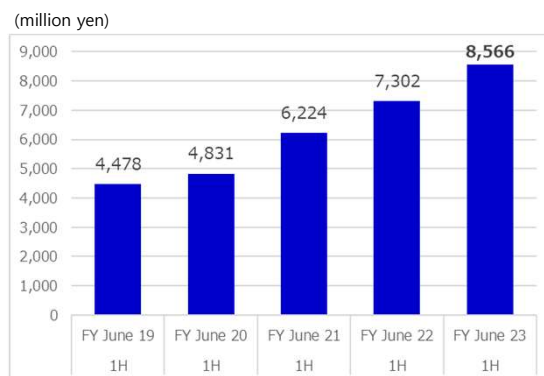
3. Recent Financial Results

3. Financial Results

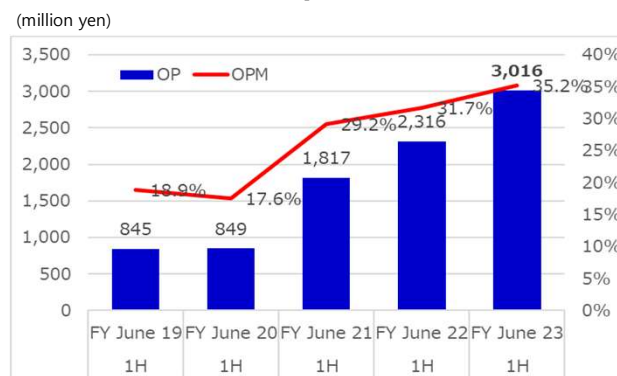
FY June 23 1H Highlight (July-December 2022)

- In the 1H of the fiscal year ending June 30, 2023, the net sales of 8.57 billion yen (up 17.3% yoy) and operating profit of 3.02 billion yen (up 30.2% yoy), marked the 9th consecutive increase since the listing.
- In the Q2, the net sales were 4.78 billion yen (up 18.2% yoy) and operating profit was 1.85 billion yen (up 21.5% yoy), achieving a record high OPM of 38.6%.
- Although the delays of new LABO store plans and the new vehicle delivery affected the projected sales forecast, we achieved the OPM target of 35% by maintaining the high GPM and underspending the SG&A cost. We are in line with the FY forecast.
- By the end of December 2022, 2 new stores were opened, and 10 more stores are scheduled to launch in the 2H to meet the FY target 12 stores.

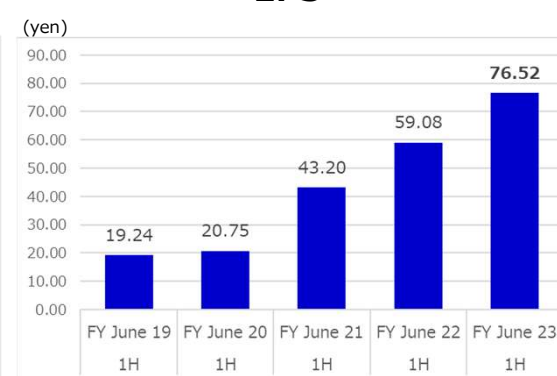
Net Sales



OP/OPM



EPS



3. Financial Results

FY June 23 1H Highlight (July-December 2022)

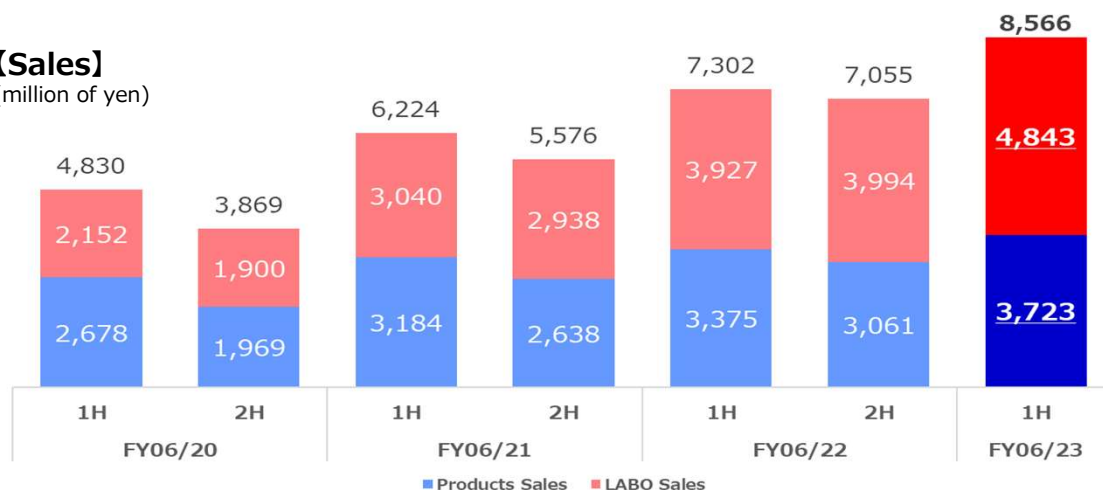
(million yen)	June 22 1H	June 23 1H	YOY	1H Guidance	Progress Rate
Net Sales	7,302	8,566	17.3%	8,713	98.3%
Product-related	3,375	3,723	10.3%		
LABO stores	3,927	4,843	23.3%		
COGS	1,351	1,540	14.0%		
GP	5,952	7,027	18.1%		
GPM	81.5%	82.0%	+0.5pt		
SG&A	3,634	4,011	10.4%		
OP	2,316	3,016	30.2%	3,050	98.9%
OPM	31.7%	35.2%	+3.5pt	35.0%	+0.2pts
RP	2,330	3,042	30.6%	3,050	100.1%
NP	1,611	2,087	29.5%	2,124	99.8%
EPS	59.08	76.52	29.5%	77.89	98.2%

3. Financial Results

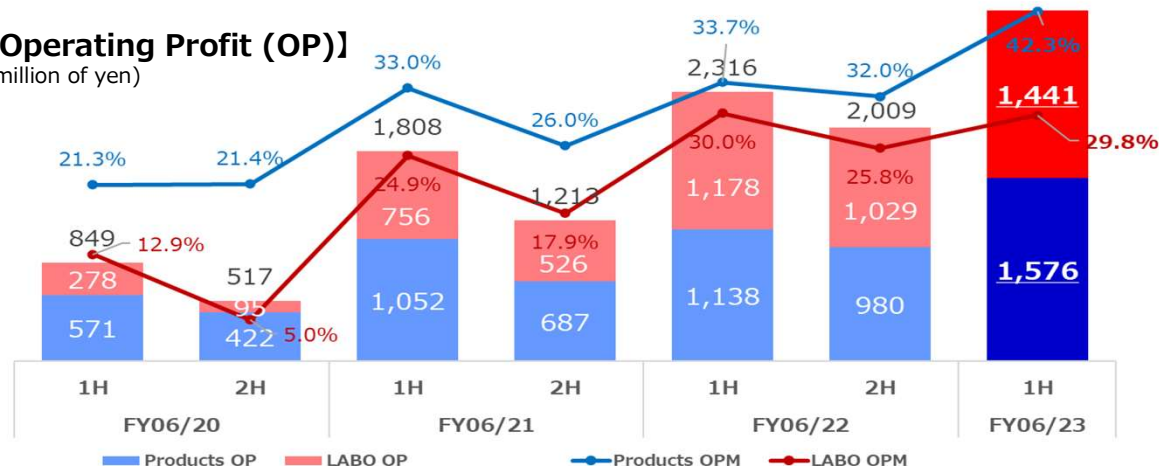
FY June 23 1H Highlight (July-December 2022)



【Sales】
(million of yen)



【Operating Profit (OP)】
(million of yen)



(LABO stores) +23.3% YOY

Number of store visits +11.3% YOY
Average unit price +11.2% YOY
Number of units installed +14.4% YOY

- The longer delivery time for new vehicles has led to an increase in the numbers of coating work on owned vehicles as well as used vehicles in order to lengthen the life of those cars.

- The number of visits to our stores increased significantly after the airing of "Cambria Palace" on May 26th.

OPM -0.2pt YOY

Increased in personnel expenses and utility costs

(Product-related) +10.3% YOY

- For gas stations: "Fresh KeepPer" which went on sale in October 2022 made a significant contribution.

- For car dealers: Not only did the attach ratio increase, but the effects of new strategies to create new customers were beginning to emerge.

OPM +8.6pt YOY

Thanks to the increase in the sales workforce last FY, the sales growth fully contributed to the OPM increase.

3. Financial Results

FY June 23 1H Highlight (July-December 2022)

(million yen)	FY June 22 June end	FY June 23 Dec-end	HOH	FY June 22 Dec-end	YOY
Current Assets	5,029	5,949	920	3,753	2,196
Cash/Deposits	2,721	2,696	-25	1,114	1,582
A/R	1,157	1,718	561	1,431	287
Inventories	774	1,070	296	812	258
Fixed Assets	6,829	7,258	429	6,400	858
Tangible Assets	5,628	5,981	353	5,294	687
Total Assets	11,858	13,207	1,349	10,153	3,054
Liabilities	3,818	3,925	107	3,594	331
Interest-bearing debt	539	353	-186	832	-479
Net Assets	8,039	9,281	1,242	6,558	2,723
Treasury shares	2,188	2,188	0	2,188	0
Total Liab/Net Assets	11,858	13,207	1,349	10,153	3,054
Equity Ratio (%)	67.8%	70.3%	+2.5pts	64.6%	+5.7pts

3. Financial Results

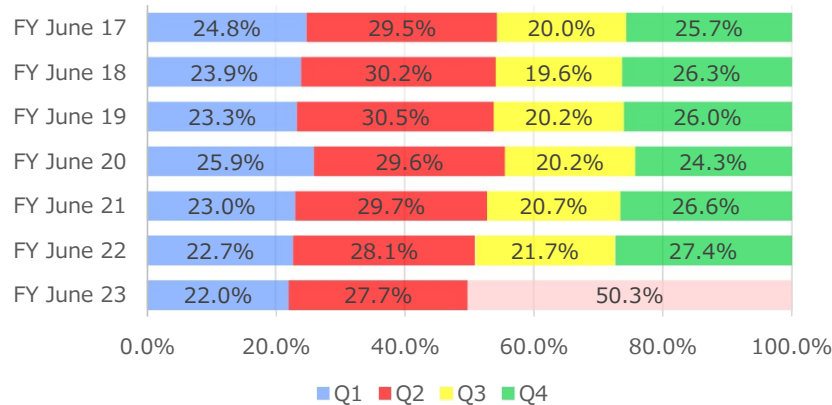
Progress toward FY June 2023 Target (July 2022-June 2023)

(million yen)	FY June 22			FY June 23				
	1H Actual	2H Actual	FY Actual	1H Actual	2H Guidance	YOY	FY Guidance	YOY
Net Sales	7,302	7,056	14,358	8,566	8,671	22.9%	17,237	20.1%
Product-related	3,375	3,061	6,436	3,723	3,698	20.8%	7,421	15.3%
LABO stores	3,927	3,994	7,921	4,843	4,973	24.5%	9,816	23.9%
COGS	1,350	1,372	2,722	1,540				
GP	5,952	5,684	11,636	7,027				
GPM	81.5%	80.6%	81.0%	82.0%				
SG&A	3,634	3,676	7,310	4,011				
OP	2,316	2,010	4,326	3,016	2,447	21.7%	5,463	26.3%
OPM	31.7%	28.5%	30.1%	35.2%	28.2%	-0.3pt	31.7%	+1.6pt
RP	2,330	1,995	4,325	3,042	2,421	21.4%	5,463	26.3%
NP	1,611	1,482	3,093	2,087	1,718	15.9%	3,805	23.0%
EPS	59.08	54.33	113.41	76.52	62.97	15.9%	139.49	23.0%
	1H Actual	2H Actual	FY Actual	1H Actual	2H Guidance	YOY	FY Guidance	YOY
Dividend (yen)	0.0	31.0	31.0	0.0	40.0	0.0	40.0	9.0
Payout (%)			27.3%				28.7%	+1.4pt

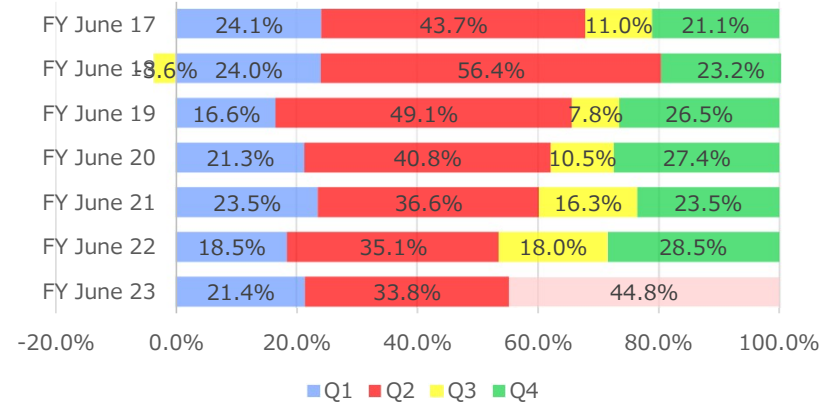
3. Financial Results

Ratio of the Q'ly earnings in the actual/forecasts

[Net Sale]



[OP]



- The Q2 (October-December) is the biggest sales quarter when car wash demand increases significantly in conjunction with year-end cleaning. The seasonality of each quarter is gradually leveling out as the Keeper's name recognition improves.

- From spring onward, we plan to aggressively advertise "Fresh Keeper" to capture demand for the upcoming rainy season and the new fiscal year.

- In addition, we expect to open a record number of new stores in 2H, positioning the company as a forward-looking investment for the next fiscal year.

Store Opening Plan for FY June 2023

New LABO stores, Coating Booths and Car Washrooms

New openings

Opened	2 stores
Jan-June 23	10 stores
After July 23	7 stores

Renovation of existing stores

Renovated	10 stores
Booths added	8 stores 23 booths→50 booths
Washrooms remodeled	7 stores 23 washrooms
In progress	8 stores
Booths added	8 stores 28 booths→58 booths
Washrooms remodeled	6 stores 19 washrooms

Relocation and re-opening

Opened	1 store
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New stores opened

Name	Location	Date
Niiza	Niiza, Saitama	Nov 2, 2022
Ogura Minami	Kita-Kyushu, Fukuoka	Nov 26, 2022

New stores schedule

Name (temporary)	Location	Date
Yokkaichi Minami	Yokkaichi, Mie	March, 2023
Yoga	Setagaya-ku, Tokyo	April, 2023
Musashi Murayama	Musashi Murayama, Tokyo	May, 2023
Kakamigahara	Kakamigahara, Gifu	May, 2023
Koto	Koto-ku, Tokyo	May, 2023
Matsuyama	Matsuyama, Ehime	May, 2023
Akita	Akita, Akita	June, 2023
Omiya Higashi	Saitama, Saitama	June, 2023
Isesaki	Isesaki, Gunma	June, 2023
Koshigaya	Koshigaya, Saitama	June, 2023
Fussa	Fussa, Tokyo	July, 2023
Nishiharu	Kita-Nagoya, Aichi	July, 2023
Fuchu	Fuchu, Tokyo	July, 2023
Fukuoka Sawara	Fukuoka, Fukuoka	July, 2023
Osaka Hirano	Osaka, Osaka	August, 2023
Utsunomiya	Utsunomiya, Tochigi	September, 2023
Ageo	Ageo, Saitama	September, 2023

Re-location

Name	Location	Date
Hachioji	Hachioji, Tokyo	Sep 26, 2022

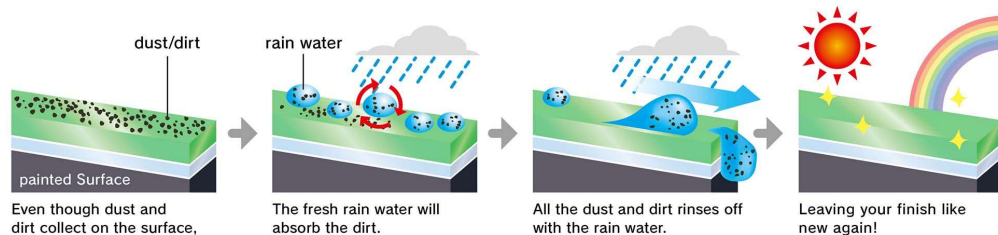
"Fresh KeePer" Debut! in October 2022

"Fresh KeePer" changes the thinking from "when it rains, the car gets dirty" to "when it rains, the car gets **CLEANER!**"



"Fresh KeePer," which combines attractive features at a price that make it easy to promote the benefits of our coatings to customers who are new to the coating market.

As with Cristal KeePer, Fresh KeePer is a gateway to the coating market, and leads customers to seek greater benefits, such as durability and gloss, for the next time they apply a coating or purchase a new cars.



"How does rain become a car wash?"

The special structure of Fresh Keeper keeps the distance from substances adhering to the surface of the film minute and prevents the "Van der Waals force (a kind of intermolecular force)" from working sufficiently. As a result, even if dirt adheres to Fresh Keeper's surface, the dirt does not adhere to it, and when it rains, the dirt disperses into raindrops and flows down with the raindrops, creating a "self-cleaning effect."

ESG/SDGs Initiatives

From an environment contribution stand point, we provide water conservation and sustainable car life plans from the perspective of SDG Goal

#6: "Clean Water and Sanitation"

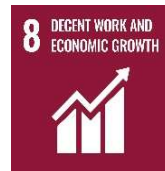
#12: "Responsible Consumption and Production"

#13: "Climate Action".

From a society contribution stand point, we provide an environment where employees can work with a sense of fulfillment together with the growth of the company

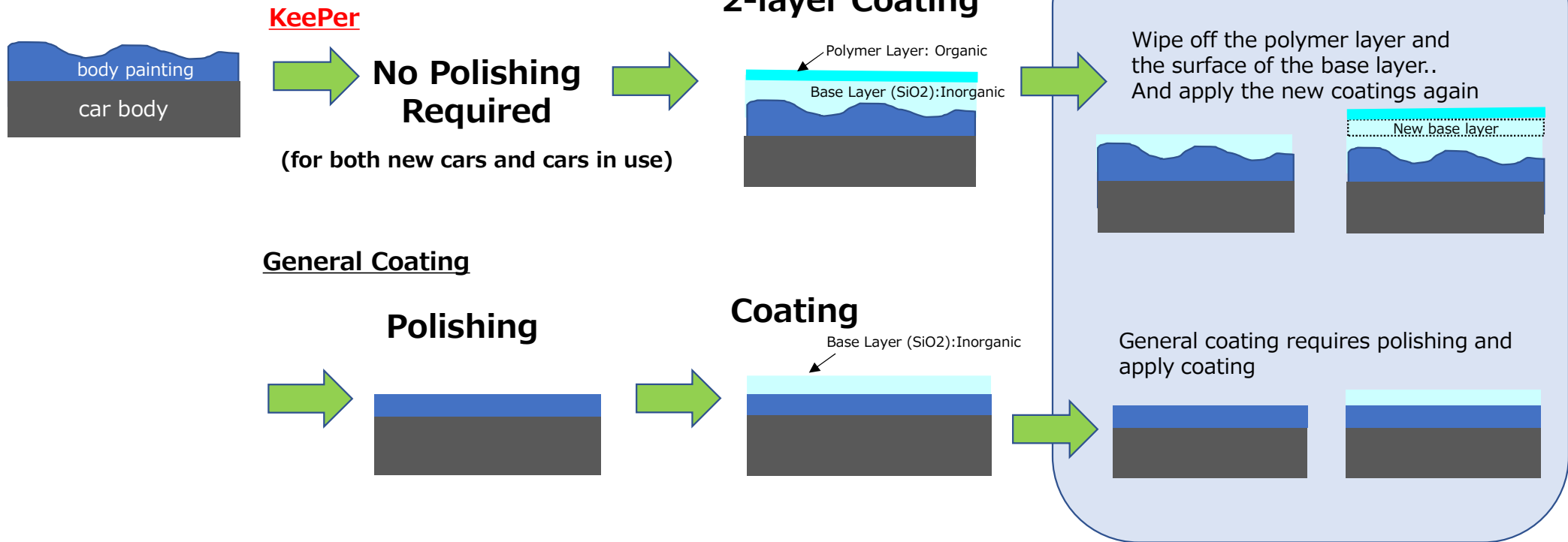
#8: "Decent Work and Economic Growth". At the same time, we aim to create a workplace where women can shine.

KeePer Technical Laboratory aims to achieve growth with contributing to a more sustainable world.



Supplemental Information

KeePer's Coating vs General Coating



KeePer uses a unique "two-layer coating" patent that eliminates the need to polish and leaves no water stains after application.

Amazing shine
Lasting satisfaction
Easy-peasy

KeePer Line-up

KeePer
FOR SMART CAR LIFE

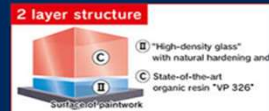
II + C Outstanding gloss and satisfaction out of all KeePer series.

EX KEEPER

- Lasts for 3 years with no maintenance
- Lasts for 6 years with maintenance once every 2 years (or 1 year)

SS	¥113,500	L	¥150,200
S	¥123,800	LL	¥160,200
M	¥134,900	XL	¥174,600

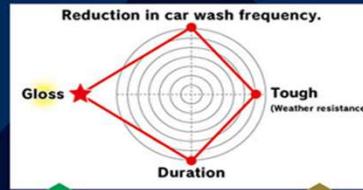
(tax included)



Premium option available for an extra charge

SS	¥170,200	L	¥225,200
S	¥189,600	LL	¥235,000
M	¥206,600	XL	¥267,600

(tax included)



The glossy look attained by applying EX KeePer is as though the paint work has been coated with a transparent veil, giving it a feel so outstanding that it could even be described as "excessively" glossy. Not only does it enhance the beauty of the car's paintwork, but the coating itself has its own presence - a beauty that has never been seen before in the history of cars.



II × 2 + B Even tougher and shinier.

W Dia



SS	¥72,200	L	¥93,200
S	¥79,900	LL	¥102,900
M	¥87,600	XL	¥131,400

Premium option available for an extra charge (tax included)

II + A More glossy and tougher.

ECO Dia

- Lasts for 3 years with no maintenance
- Lasts for 5 years with maintenance once every 2 years (or 1 year)

SS	¥72,200	L	¥93,200
S	¥79,900	LL	¥102,900
M	¥87,600	XL	¥131,400

(tax included)

Premium option available for an extra charge



II + B More glossy and tougher.

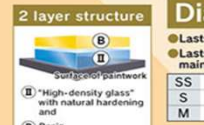
Diamond KeePer

- Lasts for 3 years with no maintenance
- Lasts for 5 years with maintenance once a year.

SS	¥49,900	L	¥64,400
S	¥55,100	LL	¥70,900
M	¥60,400	XL	¥90,700

(tax included)

Premium option available for an extra charge



Premium option available for an extra charge

Latest

I + A Beauty and easy can be compatible.

Fresh KeePer

- Lasts for 1~2 years with no maintenance.

SS	¥27,400	L	¥33,900
S	¥29,500	LL	¥38,400
M	¥31,800	XL	¥42,900

(tax included)



I + B Another smart choice.

Crystal KeePer

- Lasts for 1 year with no maintenance.

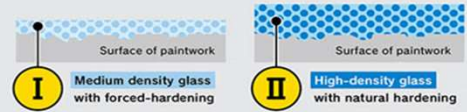
SS	¥17,400	L	¥23,900
S	¥19,500	LL	¥28,400
M	¥21,800	XL	¥32,900

(tax included)



KeePer's
multi-layer coating

The first layer of "glass coating" protects the paint.



A second layer of "resin coating" protects against water stains.



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.

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