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Monthly Report for September 2023

<<Total Sales>>

The total sales for September were up 19.0% yoy to 1,455,244 thousand yen.

<<KeePer LABO Operation Segment (B-to-C)>>

In September, the Hirano Store, the sixth store in Osaka Prefecture, was opened in Hirano-ku, Osaka, making it the 108th direct LABO store. In addition, the Fukui Owada store underwent an expansion of its coating booths from the current 4 to 9, resulting in a 10-day closure.

The sales results for all 108 directly stores totaled 832,756 thousand yen, showing an 18.8% increase compared to the same month of the previous year at 94 directly managed stores. Sales at the existing 94 stores increased 9.1% yoy to 764,608 thousand yen.

- **An abnormal situation occurred in the Kanto (mainly Tokyo and Kanagawa Prefecture) and Kansai (Osaka Prefecture) regions, where several stores experienced significant drops**

Katsushika (93%), Adachi (86%), Setagaya (66%), Suginami (97%), Mitaka (87%), Akishima (68%), 246 Tamagawa (94%), Yokohama Tsunashima (79%), Osaka Tsurumi (92%) and Takatsuki (85%) showed unusual performance, which was unprecedented.

(However, as mentioned in last month's reports, the Mitaka and Akishima stores were affected by the Hachioji store's role in accommodating customers from the relocation and renovation of the Hachioji store. Additionally, the Setagaya store was influenced by the dispersion of customers due to the opening of the Yoga store in the vicinity).

These abnormal values began appearing from the beginning of September, and on the 1st of the same month, there were reports in some

media outlets suggesting that "Big Motor Company may have been selling car coatings as part of the sale, but in reality, the coatings were never applied. The coating is called "Diamond Coat (coating)," which is similar to our "Diamond KeePer" in the "diamond" part, so we asked the store staff and managers if there was any confusion. The majority of them responded that they had not heard any such comments from customers at this time.

Nevertheless, as regular operations continued, it became evident that unusual figures were gradually appearing in stores in the Tokyo 23 wards, as well as in Western Tokyo and Kanagawa. As a result, stores where the sales performance was abnormal showed a notable improvement after we placed messages on the homepage of the KeePer LABO website and the top pages of each store on September 15th, and put up posters in all KeePer LABO stores. This led to a recovery of the performance in the Tokyo, Kanagawa, and Osaka stores that had shown abnormal values, ultimately resulting in a 5% increase compared to the same month of the previous year in the performance of existing stores in Eastern Japan.

【ご注意】 (株)ビッグモーター様が提供の「ダイヤモンドコート」は、
当社の「ダイヤモンドキーパー」とは、全く関係なく別物です。 [詳しくはこちら](#)

It was clear that many customers had misunderstood due to the news reports, thinking, "Was the coating from Big Motor Company actually 'KeePer'?" As for the slowdown in performance that occurred mainly in Kanto from late August, we initially believed it was an extension of the impact of the high number of people returning home during the Obon period after the pandemic. However, it is now possible that this misunderstanding had an effect starting from late August.

Despite this, we believe that there are still many customers who have not visited us while holding this misunderstanding. Therefore, we have decided to send positive messages labeled as the "Autumn Fair" via direct mail to approximately 360,000 KeePer LABO customers over the past two years. In this DM, we will modestly convey that "Diamond Coat (Coating)" and "Diamond KeePer" are completely unrelated and entirely separate from each other, and that KeePer has no dealings or connections with Big Motor Company.

- **Car washes with price revisions saw a 6% increase in volume and an average unit price increase of approximately 42%.**

It is important to note that customers who made reservations in August are still being serviced at the 'previous prices,' so at this point, we cannot fully measure the extent of its impact. Nevertheless, the average unit price for car washes has increased from 2,912 yen per unit to 4,133 yen per unit, representing an approximately 42% rise.

Number of units of each KeePer coating applied

EX KeePer has seen the highest growth with 913 units (up 20%). The Diamond KeePer series, with the addition of ECO Plus Diamond KeePer, showed an increase of 16% to 3,947 units despite the aforementioned misunderstanding involving "Diamond." Crystal KeePer decreased by 3% to 3,982 units, but when combined with Fresh KeePer, which are the same durability period, the total was 5,947 units, an increase of 13%. The maintenance items for each KeePer coating also increased by 11%, indicating a continued high demand for coatings that keep vehicles clean and in good condition for extended periods.

<<KeePer Products Related Segment (B-to-B)>>

In September, sales in the KeePer Products Related Segment increased 19.2% to 622,488 thousand yen. Fresh KeePer continues to sell well at KeePer PRO SHOPS and KeePer installation stores. Fresh KeePer," which went on sale in October last year, has been receiving repeat installations from customers who had it applied a year ago, and we anticipate further growth in the future.

And the "KeePer Skill Contest Prefecture Championship Tournament (among PRO SHOPS)" was held from September 5 to 26. Out of 1,271 participants who cleared the preliminary rounds, a high-level intense competition took place, particularly highlighting the achievements of female technicians. Among the 48 prefectural champions, a record-high of 12 were female.

Only the "All Japan Championship Tournament" on October 17th and 18th remains, and soon the "Best KeePer Technician in Japan" will be determined. This excitement is sure to be a significant positive factor as we approach the peak demand period.

Regarding the new car market, particularly Honda has shown strong growth. Brands like "KeePer" that offer coatings are well known

among end users, making it easier for sales staff to promote. Additionally, "SUBARU," "Toyota," and "Mitsubishi," which have adopted KeePer as their genuine product, have shown a steady increase, contributing significantly to sales and the sales ratio in the KeePer Product Related Segment. This trend suggests that KeePer is steadily becoming established in the new car market, and we feel confident in its further expansion.

Furthermore, efforts to expand the "Coating Business for Non-Cars" under the new system that began in July have started to show results gradually. Coating applications for "vending machines" have started, receiving positive feedback as it makes the machines less prone to dirt, leading to a significant reduction in cleaning frequency. Additionally, the release of "bath coating" is imminent, and it has already begun to spread beyond cars.

<Total Sales>

(,000 yen)	Total Sales	yoy	Products	yoy	LABO	yoy
2021/7	1,159,148	34.4%	548,084	15.8%	610,700	59.5%
2021/8	1,107,431	4.2%	536,462	2.0%	570,969	6.7%
2021/9	1,016,789	27.1%	452,642	13.4%	564,146	41.7%
2021/10	1,145,127	28.1%	503,465	11.8%	641,662	45.3%
2021/11	1,219,449	14.6%	632,465	7.2%	586,983	24.4%
2021/12	1,696,155	9.0%	697,199	-6.9%	998,955	24.2%
2022/1	798,324	26.8%	303,228	13.0%	495,096	37.5%
2022/2	937,061	21.5%	392,224	18.6%	544,836	24.2%
2022/3	1,404,685	34.5%	665,946	23.2%	738,739	47.0%
2022/4	1,349,490	12.7%	551,960	-5.1%	797,529	29.7%
2022/5	1,247,519	28.2%	522,172	26.0%	725,346	30.3%
2022/6	1,352,773	37.7%	630,212	24.4%	722,561	52.3%
2022/7	1,312,029	12.8%	505,192	-8.1%	806,837	32.1%
2022/8	1,283,843	15.7%	558,729	4.0%	725,113	27.0%
2022/9	1,220,943	19.8%	520,208	14.6%	700,734	24.2%
2022/10	1,367,502	18.9%	570,574	12.8%	796,927	24.2%
2022/11	1,475,666	20.6%	770,858	21.5%	704,808	20.1%
2022/12	1,976,792	16.3%	802,256	14.8%	1,174,535	17.6%
2023/1	959,591	19.8%	390,149	28.2%	569,442	15.0%
2023/2	1,246,503	32.8%	506,900	29.0%	739,603	35.7%
2023/3	1,624,916	15.8%	719,696	8.5%	905,220	22.5%
2023/4	1,760,552	30.2%	739,465	33.7%	1,021,087	28.0%
2023/5	1,438,744	15.3%	614,926	17.8%	823,818	13.6%
2023/6	1,487,193	9.8%	685,976	8.8%	801,216	10.9%
2023/7	1,763,277	34.2%	763,163	51.0%	1,000,113	24.0%
2023/8	1,565,335	21.8%	733,871	31.3%	831,464	14.7%
2023/9	1,455,244	19.1%	622,488	19.6%	832,756	18.8%

<LABO Stores : All Store Sales>

All Stores	Sales (,000 yen)	yoy	# stores	Number of coating units applied										# visits	yoy	ASP (yen/visit)	yoy	Productivity (yen/hr)	yoy
				Pure, maint	yoy	Crystal	yoy	Fresh	yoy	Dia related	yoy	EX	yoy						
2020/7	386,750	36.2%	82	3,370	26%	3,642	17%			2,020	35%	293	-	25,614		15,099	32.0%	6,708	20%
2020/8	534,942	52.5%	82	6,132	61%	5,370	45%			2,447	47%	324	-	44,987		11,891	15.0%	7,097	21%
2020/9	398,034	17.3%	82	3,130	5%	3,432	-2%			2,240	9%	370	-	26,409		15,072	29.0%	6,920	11%
2020/10	441,650	58.2%	83	3,829	52%	3,771	32%			2,256	46%	435	-	32,824		13,455	20.0%	6,947	24%
2020/11	471,755	56.1%	83	4,151	30%	4,219	29%			2,256	58%	453	-	37,692		12,516	21.0%	6,933	23%
2020/12	804,250	37.3%	84	7,814	0%	7,210	17%			3,489	24%	837	-	54,122		14,860	9.0%	8,469	16%
2021/1	359,949	54.2%	84	3,075	19%	2,998	44%			1,758	41%	357	-	32,338		11,131	9.0%	6,565	21%
2021/2	438,527	49.2%	84	3,410	18%	3,512	29%			2,332	41%	480	1448%	34,965		12,542	20.0%	7,457	24%
2021/3	502,455	35.2%	84	3,549	3%	3,881	16%			2,935	39%	609	236%	33,564		14,970	18.0%	7,673	12%
2021/4	614,966	135.5%	86	4,997	93%	5,043	107%			3,311	127%	614	321%	46,364		13,264	6.0%	8,102	15%
2021/5	556,472	42.3%	86	4,805	8%	5,016	20%			2,854	52%	475	118%	43,007		12,939	8.0%	6,572	-1%
2021/6	474,371	40.5%	87	3,653	9%	4,070	15%			2,520	46%	523	162%	31,661		14,983	11.0%	6,449	-2%
2021/7	610,700	59.5%	86	5,365	59%	5,283	47%			3,141	57%	567	95%	43,429		14,062	-7.0%	6,788	1%
2021/8	570,969	6.7%	86	4,827	-21%	4,748	-12%			2,903	19%	636	96%	39,451		14,473	22.0%	6,877	-3%
2021/9	564,146	41.7%	88	4,703	50%	4,563	33%			3,002	34%	619	67%	39,009		14,462	-4.0%	6,753	-2%
2021/10	641,662	45.3%	88	5,295	38%	5,030	33%			3,150	40%	803	85%	46,123		13,912	3.0%	7,019	1%
2021/11	586,983	24.4%	88	4,795	16%	4,841	15%			2,927	30%	652	44%	43,739		13,420	7.0%	6,648	-4%
2021/12	998,955	24.2%	88	9,484	21%	8,117	13%			4,283	23%	1,181	41%	64,270		15,543	5.0%	7,834	-7%
2022/1	495,096	37.5%	89	4,178	36%	3,601	20%			2,160	23%	612	71%	42,967	33%	11,523	3.5%	6,628	1%
2022/2	544,836	24.2%	90	3,564	5%	3,785	8%			2,749	18%	782	63%	38,006	9%	14,336	14.3%	7,326	-2%
2022/3	738,739	47.0%	90	5,199	46%	5,308	37%			3,868	32%	1,039	71%	47,546	42%	15,537	3.8%	7,914	3%
2022/4	797,529	29.7%	91	5,332	7%	5,812	15%			3,559	7%	1,082	76%	47,048	1%	16,951	27.8%	7,707	-5%
2022/5	725,346	30.3%	92	6,160	28%	5,905	18%			3,005	5%	670	41%	52,667	22%	13,772	6.4%	7,076	8%
2022/6	722,561	52.3%	95	4,796	31%	6,387	57%			3,405	35%	738	41%	43,420	37%	16,641	11.1%	7,670	19%
2022/7	806,837	32.1%	94	5,670	6%	6,650	26%			3,805	21%	861	52%	48,294	11%	16,707	18.8%	7,642	13%
2022/8	725,113	27.0%	94	5,611	16%	5,785	22%			3,430	18%	685	8%	46,241	17%	15,681	8.3%	7,115	3%
2022/9	700,734	24.2%	94	4,846	3%	4,094	-10%	1,167	-	3,414	14%	760	23%	43,840	12%	15,984	10.5%	7,002	4%
2022/10	796,927	24.2%	94	6,087	15%	4,848	-4%	1,349	-	3,712	18%	789	-2%	52,446	14%	15,195	9.2%	7,192	2%
2022/11	704,808	20.1%	96	5,131	7%	4,183	-14%	1,142	-	3,228	10%	806	24%	45,037	3%	15,650	16.6%	6,938	4%
2022/12	1,174,535	17.6%	96	10,624	12%	7,440	-8%	2,137	-	4,553	6%	1,223	4%	71,008	10%	16,541	6.4%	8,061	3%
2023/1	569,442	15.0%	96	4,473	7%	3,108	-14%	922	-	2,403	11%	705	15%	43,642	2%	13,048	13.2%	6,527	-2%
2023/2	739,603	35.7%	96	4,707	32%	3,767	0%	1,089	-	3,348	22%	1,215	55%	47,781	26%	15,479	8.0%	7,973	9%
2023/3	905,220	22.5%	97	5,747	11%	6,442	21%	1,458	-	4,439	15%	1,210	16%	53,286	12%	16,988	9.3%	7,936	0%
2023/4	1,021,087	28.0%	97	6,814	28%	5,866	1%	1,937	-	4,720	33%	1,325	22%	59,414	26%	17,186	1.4%	7,838	2%
2023/5	823,818	13.6%	99	6,278	2%	4,898	-17%	1,780	-	3,708	23%	952	42%	53,357	1%	15,440	12.1%	6,613	-7%
2023/6	801,216	10.9%	106	5,187	8%	4,531	-29%	1,725	-	3,857	13%	952	29%	47,016	8%	17,041	2.4%	6,761	-12%
2023/7	1,000,113	24.0%	106	7,278	28%	5,733	-14%	2,206	-	4,588	21%	1,076	25%	64,254	33%	15,565	-6.8%	7,310	-4%
2023/8	831,464	14.7%	107	6,146	10%	4,596	-21%	1,724	-	3,771	10%	883	29%	55,985	21%	14,852	-5.3%	6,628	-7%
2023/9	832,756	18.8%	108	5,403	11%	3,982	-3%	1,965	69.0%	3,947	16%	913	20%	49,989	14%	16,659	4.2%	6,725	-4%

<LABO Stores : Same Store Sales>

Existing Stores	Sales		# stores	Number of coating units applied								ASP		Productivity					
	(,000 yen)	yoy		Pure, maint	yoy	Crystal	yoy	Fresh	yoy	Dia related	yoy	EX	yoy	# visits	yoy	(yen/visit)	yoy	(yen/hr)	yoy
2020/7	379,485	33.6%	80	3,319		3,584	16%			1,981	33%	287	-			15,066	31.0%	6,725	20%
2020/8	524,254	49.5%	80	6,059		5,273	43%			2,399	44%	316	-			11,865	15.0%	7,094	21%
2020/9	391,283	15.3%	80	3,095		3,386	-3%			2,201	7%	363	-			15,088	29.0%	6,931	11%
2020/10	431,598	54.6%	80	3,768		3,702	30%			2,199	43%	423	-			13,427	20.0%	6,984	25%
2020/11	459,989	52.2%	80	4,101		4,113	26%			2,184	53%	443	-			12,455	21.0%	6,951	24%
2020/12	781,619	33.4%	80	7,655		7,039	14%			3,365	20%	805	-			14,801	9.0%	8,495	17%
2021/1	346,108	48.2%	80	3,011		2,904	40%			1,690	35%	336	-			11,020	8.0%	6,578	22%
2021/2	422,192	43.7%	80	3,318		3,369	24%			2,238	35%	466	1403%			12,467	19.0%	7,487	24%
2021/3	481,273	29.5%	80	3,466		3,780	13%			2,804	33%	569	214%			14,849	17.0%	7,653	11%
2021/4	597,176	128.7%	81	4,891		4,915	102%			3,200	119%	593	306%			13,206	5.0%	8,107	15%
2021/5	532,271	36.1%	81	4,667		4,838	15%			2,691	44%	452	107%			12,822	7.0%	6,563	-2%
2021/6	456,605	35.2%	82	3,574		3,965	12%			2,403	39%	498	149%			14,848	10.0%	6,448	-2%
2021/7	582,084	52.1%	81	5,215		5,072	41%			2,979	49%	526	81%	41,738		13,946	-8.0%	6,786	1%
2021/8	544,346	1.8%	81	4,704		4,572	-15%			2,736	12%	598	85%	37,902		14,362	21.0%	6,882	-3%
2021/9	536,283	34.7%	81	4,544		4,386	28%			2,845	27%	579	56%	37,304		14,376	-5.0%	6,786	-2%
2021/10	604,468	36.9%	82	5,049		4,804	27%			2,953	31%	746	71%	43,977		13,745	2.0%	7,022	1%
2021/11	555,567	17.8%	82	4,606		4,621	10%			2,769	23%	603	33%	41,625		13,347	7.0%	6,698	-3%
2021/12	953,238	18.5%	84	9,154		7,794	8%			4,068	17%	1,114	33%	61,535		15,491	4.0%	7,866	-7%
2022/1	470,325	30.7%	84	4,023		3,447	15%			2,054	22%	564	58%	41,045	27%	11,459	2.9%	6,651	1%
2022/2	510,589	16.4%	84	3,417		3,574	2%			2,572	15%	722	50%	35,953	3%	14,202	13.2%	7,349	-1%
2022/3	691,704	37.7%	84	4,981		4,970	28%			3,593	28%	969	59%	44,784	33%	15,445	3.2%	7,949	4%
2022/4	757,660	23.2%	86	5,136		5,515	9%			3,354	5%	1,029	68%	45,134	-3%	16,787	26.6%	7,748	-4%
2022/5	682,844	22.7%	86	5,954		5,594	12%			2,814	5%	613	29%	50,245	17%	13,590	5.0%	7,080	8%
2022/6	680,258	43.4%	87	4,606		6,010	48%			3,183	32%	693	33%	41,250	30%	16,491	10.1%	7,740	20%
2022/7	740,093	21.2%	86	5,393		6,185	17%			3,491	17%	758	34%	45,078	4%	16,418	16.8%	7,686	13%
2022/8	667,169	16.8%	86	5,340		5,377	13%			3,120	14%	615	-3%	43,173	9%	15,453	6.8%	7,201	5%
2022/9	653,697	15.9%	87	4,635	-1%	3,866	-15%	1,084	-	3,152	5%	694	12%	41,320	6%	15,820	9.4%	7,046	4%
2022/10	746,154	16.3%	87	5,865	11%	4,596	-9%	1,237	-	3,448	9%	723	-10%	49,461	7%	15,086	8.4%	7,272	4%
2022/11	649,478	10.6%	87	4,885	2%	3,923	-19%	1,038	-	2,924	0%	731	12%	42,051	-4%	15,445	15.1%	6,986	5%
2022/12	1,095,574	9.7%	87	10,213	8%	7,077	-13%	2,001	-	4,167	-3%	1,123	-5%	66,503	3%	16,474	6.0%	8,183	4%
2023/1	532,447	7.5%	88	4,303	3%	2,930	-19%	863	-	2,230	5%	652	7%	41,048	-4%	12,971	12.6%	6,635	0%
2023/2	692,672	27.1%	89	4,537	27%	3,573	-6%	1,024	-	3,124	14%	1,120	43%	45,329	19%	15,281	6.6%	8,053	10%
2023/3	849,908	15.0%	89	5,546	7%	4,686	-12%	1,375	-	4,160	8%	1,116	7%	50,216	6%	16,925	8.9%	8,033	2%
2023/4	963,527	20.8%	90	6,567	23%	5,580	-4%	1,828	-	4,444	25%	1,239	15%	56,348	20%	17,100	0.9%	7,906	3%
2023/5	780,073	7.5%	91	6,096	-1%	4,667	7%	1,678	-	3,502	17%	882	32%	50,818	-4%	15,350	11.5%	6,666	-6%
2023/6	768,436	6.3%	94	5,063	6%	4,408	-31%	1,658	-	3,694	8%	894	21%	45,566	5%	16,864	1.3%	6,797	-11%
2023/7	930,241	15.3%	94	6,962	23%	5,443	-18%	2,035	-	4,266	12%	964	12%	60,319	25%	15,422	-7.7%	7,368	-4%
2023/8	772,594	6.5%	94	5,845	4%	4,355	-25%	1,592	-	3,493	2%	803	17%	52,410	13%	14,741	-6.0%	6,695	-6%
2023/9	764,608	9.1%	94	5,138	6%	3,760	-8%	1,765	52%	3,644	7%	796	5%	46,630	6%	16,397	2.6%	6,753	-4%