

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

Monthly Report for October 2023

<<Total Sales>>

The total sales performance for October across the entire company amounted to 1,729,722 thousand yen, representing a remarkable increase of 26.3%.

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

The performance of all 108 LABO direct stores increased by 24.0% to 987,876 thousand yen compared to the same month last year when there were 94 stores. Among the existing 94 stores, revenue increased by 14.1% to 909,450 thousand yen compared to the same month last year, showing strong performance.

In October, the Owada store in Fukui underwent an expansion of its coating booths from 4 to 9, resulting in a 4-day closure (combined with the previous month for a total of 14 days). Additionally, the Narumi store expanded its coating booths from 4 to 8, and underwent renovations for an additional 4 bays, resulting in a 9-day closure.

Last month, there was a misunderstanding caused by the similarity between our product 'Diamond KeePer' and the coating product 'Diamond Coat' offered by Big Motor Company. This led to a decrease in the number of Diamond KeePer series applications in August

and September compared to the previous year. However, in October, the number of applications increased by 22% compared to the previous year, indicating that many customers' misconceptions and concerns have been significantly cleared up.

Additionally, our positive 'Autumn Fair' promotion reached approximately 360,000 customers across all LABO stores over the past two years. This contributed to an increase in customer visits to our stores.

In particular, the 'Autumn Fair' campaign has brought in many customers who haven't visited us in a year or two. They expressed sentiments like 'I came back after a long time and noticed new services available, so I decided to try them out' or 'It was past time for reapplication of Crystal KeePer, but I took this opportunity to come back for it.' This has resulted in a resurgence in demand.

• Regarding the number of coatings for each KeePer type:

EX KeePer exceeded 1,000 units for the first time in two months, reaching 1,049 units (a 33% increase) since July. The Diamond KeePer series, now featuring ECO Plus Diamond KeePer, demonstrated a notable growth of 22% with a total of 4,534 units, as previously mentioned. Coatings with higher added value showed higher growth rates. Crystal KeePer increased by 11% to reach 5,345 units, even with the presence of Fresh KeePer, which has the same durability period. Fresh KeePer, on the other hand, saw significant growth, reaching 2,690 units (a 92% increase).

Furthermore, maintenance for each KeePer coating also saw a 20% increase, indicating a sustained demand for keeping vehicles clean and in good condition for an extended period. This reflects an even greater demand for high-value coatings.

- The car washes that underwent price adjustments saw an ASP increase of approximately 37%. Moreover, the number of units increased by 5.6%.

Since September 1st, car washes that underwent price adjustments went from an average unit price of 2,928 yen to 4,025 yen, marking an increase of about 37%. Additionally, there was a 5.6% increase in the number of units. Breaking down the figures, cars without KeePer application, which saw a significant price adjustment, decreased by 18.4% (within expected range). On the other hand, cars with KeePer application increased by 28.2%. Despite the price increase, customers appreciated the widened price gap compared to non-applied cars, resulting in a significant increase.

Due to the strong growth in each KeePer coating, the average unit price increased by 9.1% to 16,584 yen per unit. Despite a 14% increase in customer visits, labor productivity remains at 7,497 yen per hour (a 4% increase compared to the previous year), maintaining an appropriate level. Therefore, we are pleased that all store staff were able to implement the 'Autumn Fair' without experiencing excessive fatigue, allowing us to welcome many customers who were looking forward to it.

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

In October, the sales of KeePer Products Related segment achieved a significant increase, reaching an all-time high for a regular month, excluding the peak demand period of December. The revenue saw a substantial growth of 29.8%, totaling 741,845 thousand yen.

The introduction of "Fresh KeePer" since October 2022, coupled with the impact of our advertising efforts, has resulted in a steady increase in repeat applications by customers who had their vehicles coated a year ago. This positive trend continues to be observed

in both KeePer PRO SHOPS and authorized application centers.

Furthermore, the “KeePer WEB Reservation System” for KeePer PRO SHOPS, which commenced operations in November 2021, completed a two-year free trial period and began billing at a fixed monthly rate of 10,000 yen per store starting from October of this year.

The “8th Annual 2023 KeePer Technology Contest – All Japan Championship” took place on October 17th and 18th. The qualifying threshold for this high-level technical contest, which saw participation from 3,665 individuals, has reached an all-time high, befitting a national competition of such magnitude.

The championship title was won by player Natsumi Oyama, representing Gifu Prefecture. This makes it three consecutive tournaments where female participants have claimed the championship, showcasing remarkable achievements by women. This marks a remarkable feat, with women securing the championship for the third consecutive competition. In the qualifiers, the ratio of female participants was 10%. In the county championship, it rose to 15%. In the semi-finals, out of 49 participants, 12 were women, accounting for 25%. In the finals, out of 11 participants, 5 were women, making up approximately 45%. The outstanding performance of female athletes has yielded impressive results.

In the new car market, Honda and Toyota are experiencing strong growth in sales figures, and the initial performance of Mitsubishi Motors has also exceeded expectations, driving the market forward.

Companies that have introduced KeePer have seen an increase in coating attachment rates and coating revenue due to the strong

product and brand power of KeePer, making it easier for their sales staff to sell. This success story highlights the unique features of KeePer, and there is a sense of momentum for further expansion in the new car market in the future.

Furthermore, in addition to the expansion in the automotive coating business, we are actively working on further developments to ensure the widespread adoption of KeePer in non-automotive coating ventures moving forward.

《Total Sales》

(,000 yen)	Total Sales	YoY	Products	YoY	LABO	YoY
2021/7	1,152,658	34.4%	548,946	15.8%	603,711	59.5%
2021/8	1,100,899	4.2%	536,606	2.0%	564,292	6.7%
2021/9	1,019,278	27.1%	453,902	13.4%	565,376	41.7%
2021/10	1,150,290	28.1%	505,874	11.8%	644,416	45.3%
2021/11	1,223,309	14.6%	634,475	7.2%	588,834	24.4%
2021/12	1,699,611	9.0%	699,101	-6.9%	1,000,509	24.2%
2022/1	800,758	26.8%	304,292	13.0%	496,465	37.5%
2022/2	938,561	21.5%	392,857	18.6%	545,704	24.2%
2022/3	1,403,788	34.5%	663,294	23.2%	740,493	47.0%
2022/4	1,352,616	12.7%	552,986	-5.1%	799,630	29.7%
2022/5	1,248,362	28.2%	521,921	26.0%	726,441	30.3%
2022/6	1,354,483	37.7%	630,648	24.4%	723,835	52.6%
2022/7	1,313,435	13.9%	505,498	-7.9%	807,937	33.8%
2022/8	1,285,163	16.7%	558,749	4.1%	726,413	28.7%
2022/9	1,223,148	20.0%	521,789	15.0%	701,359	24.1%
2022/10	1,369,581	19.1%	571,581	13.0%	797,999	23.8%
2022/11	1,459,252	19.3%	762,027	20.1%	697,225	18.4%
2022/12	1,963,071	15.5%	805,976	15.3%	1,157,094	15.7%
2023/1	948,222	18.4%	387,791	27.4%	560,431	12.9%
2023/2	1,235,501	31.6%	507,632	29.2%	727,869	33.4%
2023/3	1,612,126	14.8%	720,800	8.7%	891,325	20.4%
2023/4	1,745,862	29.1%	740,634	33.9%	1,005,227	25.7%
2023/5	1,425,883	14.2%	615,963	18.0%	809,920	11.5%
2023/6	1,508,814	11.4%	688,316	9.1%	820,498	13.4%
2023/7	1,763,277	34.2%	763,163	51.0%	1,000,113	23.8%
2023/8	1,565,335	21.8%	733,871	31.3%	831,464	14.5%
2023/9	1,455,244	19.0%	622,488	19.3%	832,756	18.7%
2023/10	1,729,722	26.3%	741,845	29.8%	987,876	24.0%

Note : The figures published as a monthly report are unaudited preliminary figures.

Therefore, they may differ from the figures in the earnings report and may be revised in the next update.

These figures are for KeePer LABO directly managed shops and do not include the results of FC stores.

《LABO Stores: All Stores》

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						
2021/7	603,711	59.5%	86	5,365	59%	5,283	47%			3,141	57%	567	95%	42,932		14,062	-7.0%	6,788	1%
2021/8	564,292	6.7%	86	4,827	-21%	4,748	-12%			2,903	19%	636	96%	38,989		14,473	22.0%	6,877	-3%
2021/9	565,376	41.7%	88	4,703	50%	4,563	33%			3,002	34%	619	67%	39,094		14,462	-4.0%	6,753	-2%
2021/10	644,416	45.3%	88	5,295	38%	5,030	33%			3,150	40%	803	85%	46,321		13,912	3.0%	7,019	1%
2021/11	588,834	24.4%	88	4,795	16%	4,841	15%			2,927	30%	652	44%	43,877		13,420	7.0%	6,648	-4%
2021/12	1,000,509	24.2%	88	9,484	21%	8,117	13%			4,283	23%	1,181	41%	64,370		15,543	5.0%	7,834	-7%
2022/1	496,465	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	545,704	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	740,493	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	799,630	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	726,441	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	723,835	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	807,937	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	726,413	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	701,359	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	797,999	24.2%	94	6,087	15%	4,795	-4%	1,402	-	3,712	18%	789	-2%	52,446	14%	15,195	9.2%	7,192	2%
2022/11	697,225	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	1,157,094	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	560,431	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	727,869	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	891,325	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	1,005,227	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	809,920	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	820,498	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%	3,947	16%	913	20%	49,989	14%	16,659	4.2%	6,725	-4%
2023/10	987,876	24.0%	108	7,320	20%	5,345	11%	2,690	92%	4,534	22%	1,049	33%	59,567	14%	16,584	9.1%	7,494	4%

«LABO Stores: Existing Stores»

Existing Stores	Sales ,000 yen YoY		# stores	Number of coating units applied												ASP (yen/visit) YoY		Productivity (yen/hr) YoY	
				Pure, maint	YoY	Crystal	YoY	Fresh	YoY	Dia related	YoY	EX	YoY	# visits	YoY				
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%
2023/10	909,450	14.1%	94	6,999	15%	5,064	6%	2,439	74%	4,183	13%	935	19%	55,426	6%	16,408	8.0%	7,604	6%