

# **Q2 FY06/2024 Financial Results Briefing Materials**



**(TSE PRIME : 6036 JT)**

**15 Feb. 2024**

# Agenda

1. Highlights
2. Financial results compared to company plan
3. KeePer Products Related Business
4. KeePer LABO Operation Business



**Net sales****10,702** mn yen**+24.9% YoY****Operating Profit****3,320** mn yen**+10.0% YoY**

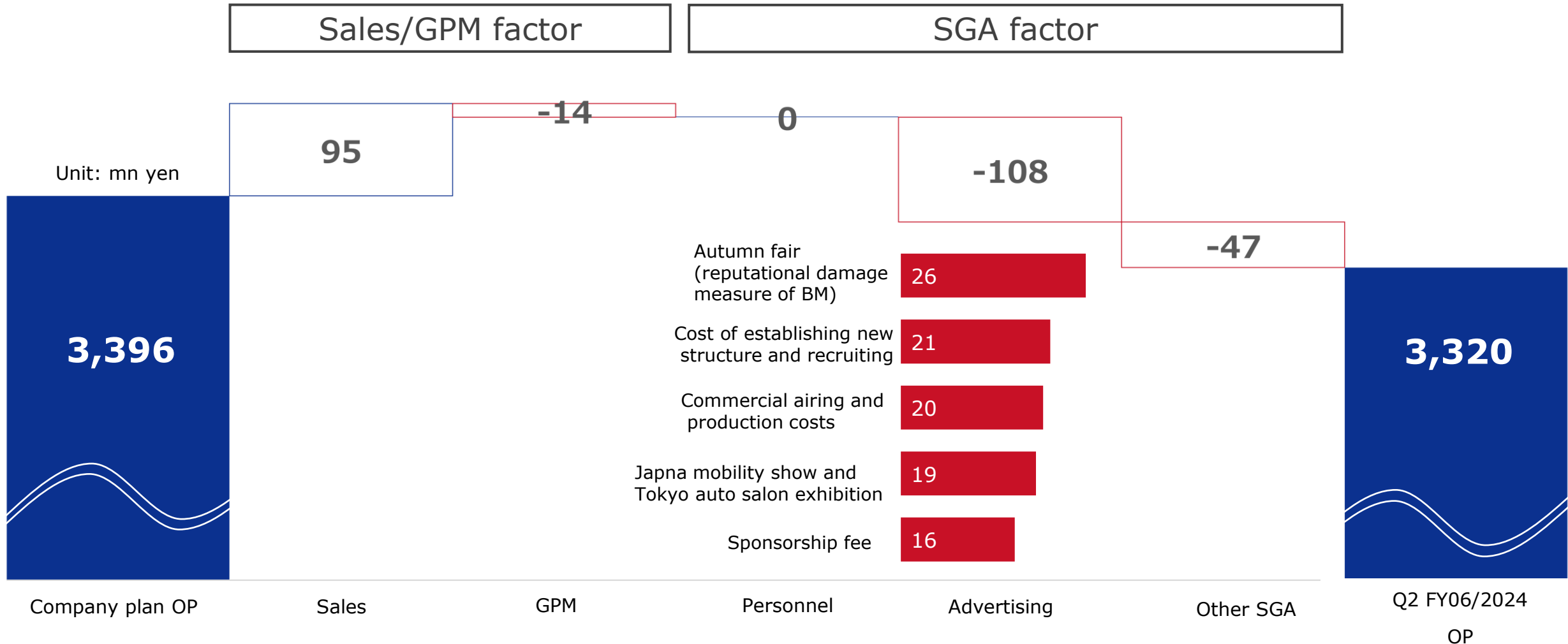
Unit: mn yen

	Q1 (July-Sep.)			Q2 (Oct.-Dec.)			H1 (July-Dec.)		
		YoY	Progress of Plan		YoY	Progress of plan		YoY	Progress of plan
<b>Sales</b>	<b>4,762</b>	<b>+25.7%</b>	<b>101.3%</b>	<b>5,940</b>	<b>+24.3%</b>	<b>100.9%</b>	<b>10,702</b>	<b>+24.9%</b>	<b>101.1%</b>
Products related business (internal transaction)	2,132 (357)	+34.6%	105.0%	2,707 (472)	+26.6%	100.4%	4,840 (829)	+30.0%	102.4%
LABO operation business	2,629	+19.3%	98.5%	3,232	+22.4%	101.4%	5,862	+21.0%	100.1%
<b>Gross profit</b>	<b>3,879</b>	<b>+24.6%</b>	<b>101.0%</b>	<b>4,879</b>	<b>+24.6%</b>	<b>100.8%</b>	<b>8,759</b>	<b>+24.6%</b>	<b>100.9%</b>
SGA	2,703	+39.1%	105.1%	2,736	+32.2%	100.9%	5,439	+35.6%	103.0%
<b>Operating profit</b>	<b>1,176</b>	<b>+0.5%</b>	<b>92.8%</b>	<b>2,143</b>	<b>+16.1%</b>	<b>100.6%</b>	<b>3,320</b>	<b>+10.0%</b>	<b>97.7%</b>
Products related business (internal transaction)	714 (271)	+21.6%	-	1,202 (336)	+21.0%	-	1,917 (607)	+21.7%	-
LABO Operation Business	461	<b>-20.7%</b>	-	941	<b>+10.4%</b>	-	1,403	-2.6%	-
<b>Ordinary profit</b>	<b>1,181</b>	<b>+0.1%</b>	<b>93.3%</b>	<b>2,143</b>	<b>+15.0%</b>	<b>100.7%</b>	<b>3,324</b>	<b>+9.3%</b>	<b>97.9%</b>

While sales increased compared to the plan, advertising expenses were 108 mn yen higher than the company plan, which put a slight squeeze on profit.

→About 26 mn yen for reputational damage measures of BM

→About 39 mn yen for TV commercials and exhibition expenses, etc. (The response to the TV commercials was greater than expected, so we continued to strengthen advertising to gain recognition)



# KeePer Products Related business segment (B-to-B)

**KeePer**

PRO SHOP  
キーパープロショップ



## Sales breakdown

Unit: mn yen

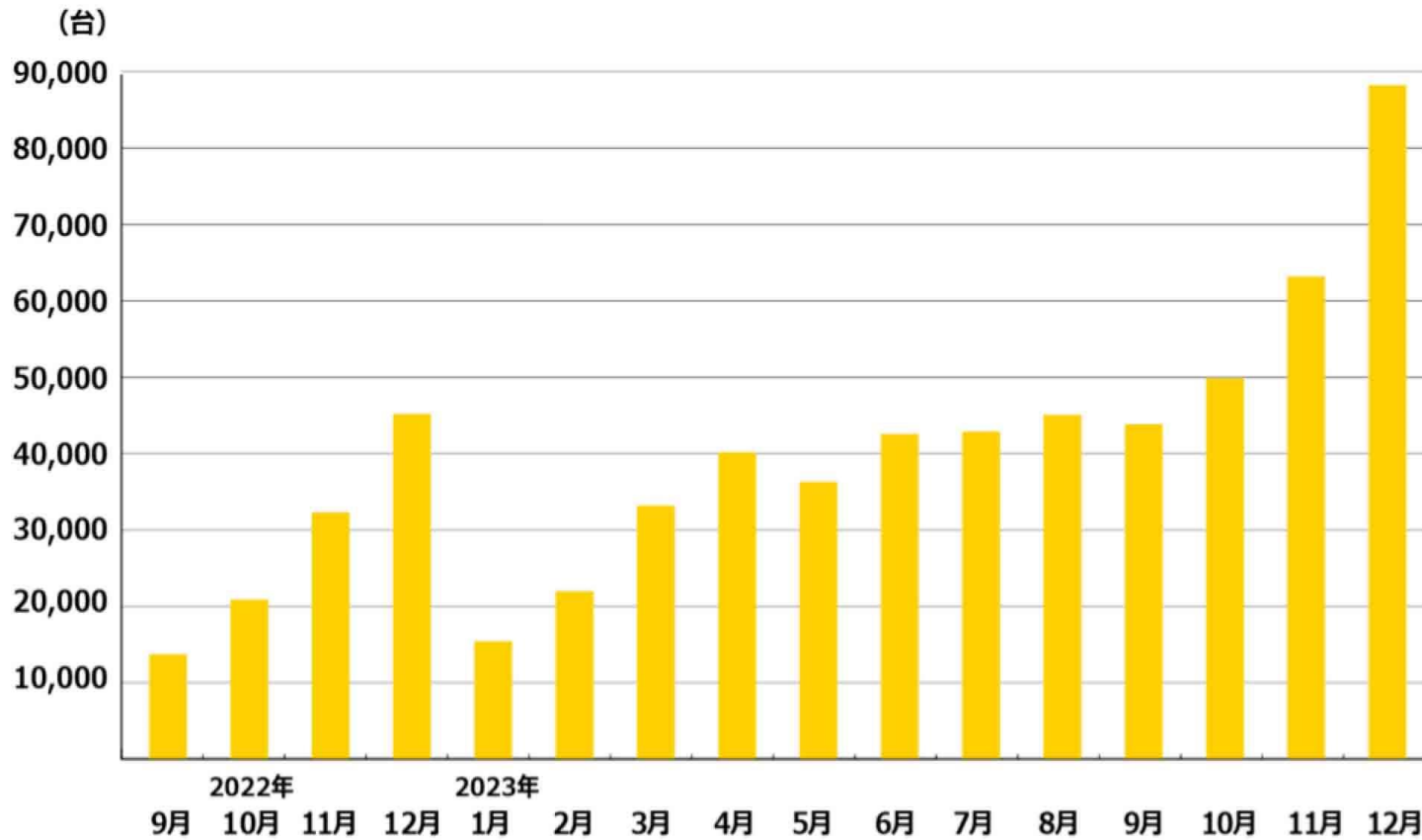
	H1 FY06/2023		H1 FY06/2024		
		Composition ratio		Composition ratio	YoY
<b>KeePer products related business sales</b>	<b>3,723</b>	<b>100.0%</b>	<b>4,835</b>	<b>100.0%</b>	<b>+29.9%</b>
After market	3,004	80.7%	3,553	73.5%	+18.3%
New car market	568	15.3%	1,092	22.6%	+92.2%
Overseas	19	0.5%	31	0.7%	+63.8%
Non-car coating	130	3.5%	157	3.3%	+20.6%

In the "after-market," mainly keeper pro shops, there was a significant increase of 18.3% YoY.

# フレッシュキーパー

FRESH KEEPER

## No. of Applied unit



From July to December of this year, the "Self-Supporting Clean" commercial ran in the form of three programs offered on national television, and "Fresh Keeper" was widely spread to users, especially women, as a practical and daily product that reduces car washing, "rain becomes a car wash."

## SUBARU

With the launch of new vehicles in the high-priced range, the growth in the number of units installed is once again accelerating.

## TOYOTA

The expansion of the number of dealers and the accumulation of orders are expected to lead to significant growth in the future.

## HONDA

The new car market is expected to be a major driver in the current fiscal year. The percentage of vehicles with accessories has yet to reach 10%, and is expected to grow further with the expansion of the range of products handled.

## Mitsubishi

Mitsubishi," which was launched in October, is also continuing its strong start, and company-wide expansion is progressing further than expected.

**In addition, an increasing number of car dealerships that have not yet adopted KeepPer coating as a factory-installed product are also using the popular KeepPer coating as a recommended product. We will aim for further adoption of KeepPer coatings by the end of the current fiscal year.**





KeePer LABO Ariake, located on the premises of Toyota and Lexus dealerships, opened in May 2023 in a SHOP-IN-SHOP format and serves as a customer attraction to the dealerships.

Furthermore, the introduction of KeePer (LABO or PRO SHOP) brings regular visits to the dealership and maintenance income, creating a new business model that is win-win for both parties.

As a result, demand for KeePer LABO stores on dealership premises has increased, and the number of projects in progress is growing.

The number of LABO stores on dealer premises is expected to increase rapidly in the future.



### Daegu : 1<sup>st</sup> store in South Korea



First store opening in Korea in Daegu Metropolitan City in September 2023. Booths where KeePer coating is available inside new Lexus and Toyota dealerships



### Kwun Tong: 11<sup>th</sup> store in Hong Kong



11th Hong Kong store to open in December 2023.

### Zhubei: 3<sup>rd</sup> store in Taiwan



Third Taiwan store to open in November 2023, recorded sales of over 9 mn yen in a single month in Dec. the month after opening. Average LABO sales in Dec. 2023 in Japan : 13 mn yen Average monthly sales of new LABO stores in Japan: (opened since Sep. 2014) 3.4 mn yen



### BARRANCA DEL MUERTO : 1<sup>st</sup> store in Mexico

First Mexican store to open in Mexico City, the capital city, in Nov. 2023. Operated by Subaru Mexico, a distributor of Subaru vehicles

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Demand is solid overseas, and we will expand our business through both KeePer LABO (BtoC) and PRO SHOP (BtoB), just as we have done in Japan.

## 【Tsuyapika】



Cleaner for all materials of golf club heads and shafts. It can easily clean stubborn hit marks and dirt on turf mats.

In addition to removing stains, the water-repellent protective ingredients provide a water-repellent effect and stain resistance, allowing you to use your valuable golf clubs beautifully for a long time.

## 【Bathroom KeePer】



Sales are scheduled to begin in March at home improvement stores. The sales are expected to get off to a good start, with more reservations than anticipated for the briefing sessions and training sessions.

## 【Smartphone KeePer】



Smartphone KeePer, which applies car coating technology to smartphones, has been available at docomo stores nationwide since 2019, and is beginning to re-accelerate here as other manufacturers are introducing the technology.

## 【Vending machines】



Since it significantly reduces the burden of maintenance on vending machine operators, we have begun deliveries to major vending machine manufacturers. We will continue to strive to become the de facto standard in the industry.

# KeepPer LABO Operation segment (B-to-C)



お知らせ

株式会社ビッグモーター様が提供の「ダイヤモンドコート(コーティング)」は、**KeePer**の『ダイヤモンドキーパー』とは、全く別物であり、何の類似性も関連もありません。

株式会社ビッグモーター様 取り扱い  
 ダイヤモンドコート  
 又は  
 ダイヤモンドコーティング

✗

DIAMOND  
**KeePer**

**KeePerは、株式会社ビッグモーター様と関係は一切ありません。**

株式会社ビッグモーター様の、一部メディアで報道のあった「ダイヤモンドコート」は、KeePer技研㈱の『ダイヤモンドキーパー』と名前が似ているため、一部ユーザーより「同一のサービスではないか」と誤解の質問がりましたが、これは、まったくの別の物です、何の類似性もありません。また、KeePerブランドの製品販売もサービスの提供も、KeePer技研㈱は、株式会社ビッグモーター様に対し一切行なっていません。

2023年9月17日  
KeePer技研株式会社



夏が終わって、秋が来た!

夏の汚れをリフレッシュ  
**オートム秋フェア開催**

10月1日(日)~10月31日(火)まで、  
すべての洗車、  
キーパーコーティングに**3つのプラス!プレゼント**

1

虫取りと  
アンダーウォッシュ



2

オールクリア(除菌)



3

前席マット2枚を  
掃除機掛け



※100円 洗車券払い洗車 ※100円 洗車券払い洗車 プレミアム ※100円 洗車券払い洗車 プレミアム ※100円 洗車券払い洗車 プレミアム ※100円 洗車券払い洗車 プレミアム ※100円 洗車券払い洗車 プレミアム



カーコーティングと洗車の専門店

From the latter half of August, KeePer's "Diamond KeePer" was misunderstood as Big Motor's "Diamond Coat," and the sales impact (approximately 100 million yen as gross profit) was strongly felt in Q1.

In order to dispel this misunderstanding, an Autumn Fair was held from October.

In Q2, the company achieved the planned level of sales plus alpha, despite the costs related to the Autumn Fair.

Although it was not enough to offset the amount of costs not achieved in Q1 (approx. 90 million yen), it not only cleared up the misunderstanding, it also helped to uncover new customers who had not visited the store for a while.

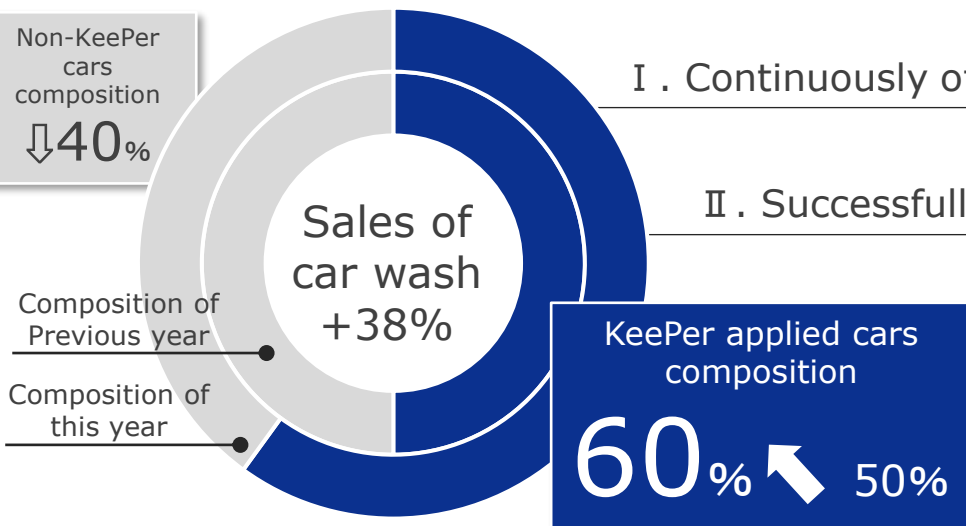
## Price increase for hand car washes

Car wash prices will be raised with a differential price increase for keeper-applied and non-keeper cars effective September 1, 2023.

Hand Washed Car with Purified Water				
Non-KeePer cars (Average price rise +68%)			KeePer applied cars (Average price rise +37%)	
(JPY)	old	new	old	new
SS	2,310	→ 3,720	SS	2,040 → 2,740
S	2,440	→ 4,080	S	2,150 → 2,950
M	2,730	→ 4,640	M	2,390 → 3,290
L	2,990	→ 5,150	L	2,640 → 3,640
LL	3,400	→ 5,760	LL	2,990 → 4,090
XL	4,150	→ 7,100	XL	3,610 → 4,910

Premium Hand Washed Car with Purified Water				
Non-KeePer cars (Average price rise +41%)			KeePer applied cars (Average price rise +21%)	
	old	new	old	New
SS	3,720	→ 5,130	SS	3,400 → 4,100
S	4,150	→ 5,790	S	3,830 → 4,630
M	4,680	→ 6,590	M	4,370 → 5,270
L	5,220	→ 7,380	L	4,900 → 5,900
LL	5,540	→ 7,900	LL	5,220 → 6,320
XL	6,930	→ 9,880	XL	6,600 → 7,900

### Result of price increase for hand car washes . . .

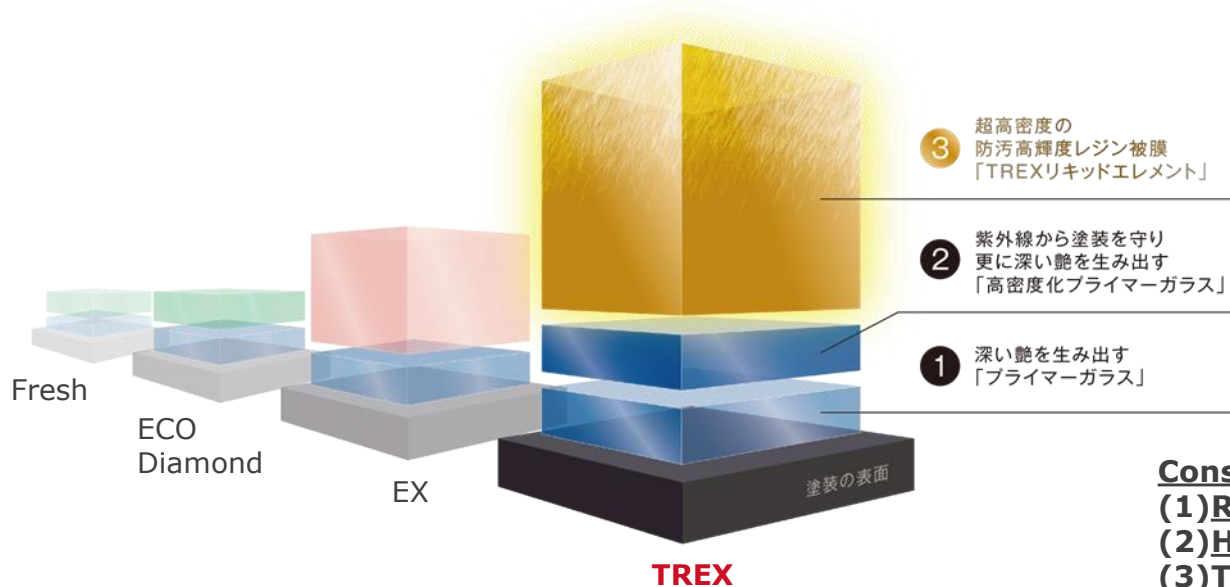


I . Continuously offsetting increases in labor costs associated with base and salary increases

II . Successfully expanded coating capacity, enabling further average selling price increases

The frequency of visits by keeper-applied cars has increased, while the number of keeper-untreated cars has decreased, leading to increased capacity for coatings. Previously, affordable hand car washes were the main product for new customers, but now that branding has been established, many new customers are choosing coatings from the beginning. Therefore, we needed to expand our coating capacity.

# TREX KeePer" debuts in January 2024!



### Construction Environment

- (1) **Room temperature: 22° to 28**
- (2) **Humidity: 35% to 65%**
- (3) **Time required for film curing only: 7 hours**
- (4) **Construction time including curing time: 24 hours in total**

Size	Price: JPY
SS	340,400
S	379,200
M	413,200
L	450,400
LL	470,000

## Background of TREX Keeper Development

TREX Keeper is so effective that even EX Keeper, which was outstandingly effective, is not even close to TREX Keeper, and the transparency is amazing, as if the surface is covered with "syrup". However, as difficult as it is to apply (poor workability), even TREX Meisters who are certified to do so can only apply it to one car per day, and they have already experienced applying it to several cars. The TREX Meister says, "I never want to do more than five units in a month. It also requires special equipment and environment (temperature and humidity are kept constant for a certain time). TREX Keeper is a symbolic product among KeePer coatings, and if the effect and finish are exceptional, naturally the price must also be exceptional, and it is not a product that sells in numbers, It is not a product that can be sold in large numbers, nor is it a product that one wants to sell in large numbers. In a sense, EX Keeper had this aspect, but now that TREX Keeper has been developed, we want to make EX Keeper a "normal product" as much as possible. The TREX Keeper is meant to make EX Keeper a "normal product" that can be used by as many people as possible.



# New LABO and additional coating booths, remodeled washrooms

## No. of stores in each prefecture as of the end of January 2024 (including 13 franchise stores)

22 Nov. 2023 opened : 2-13-107, Kitanagase Omote-cho, Kita-ku, Okayama City, Okayama Prefecture

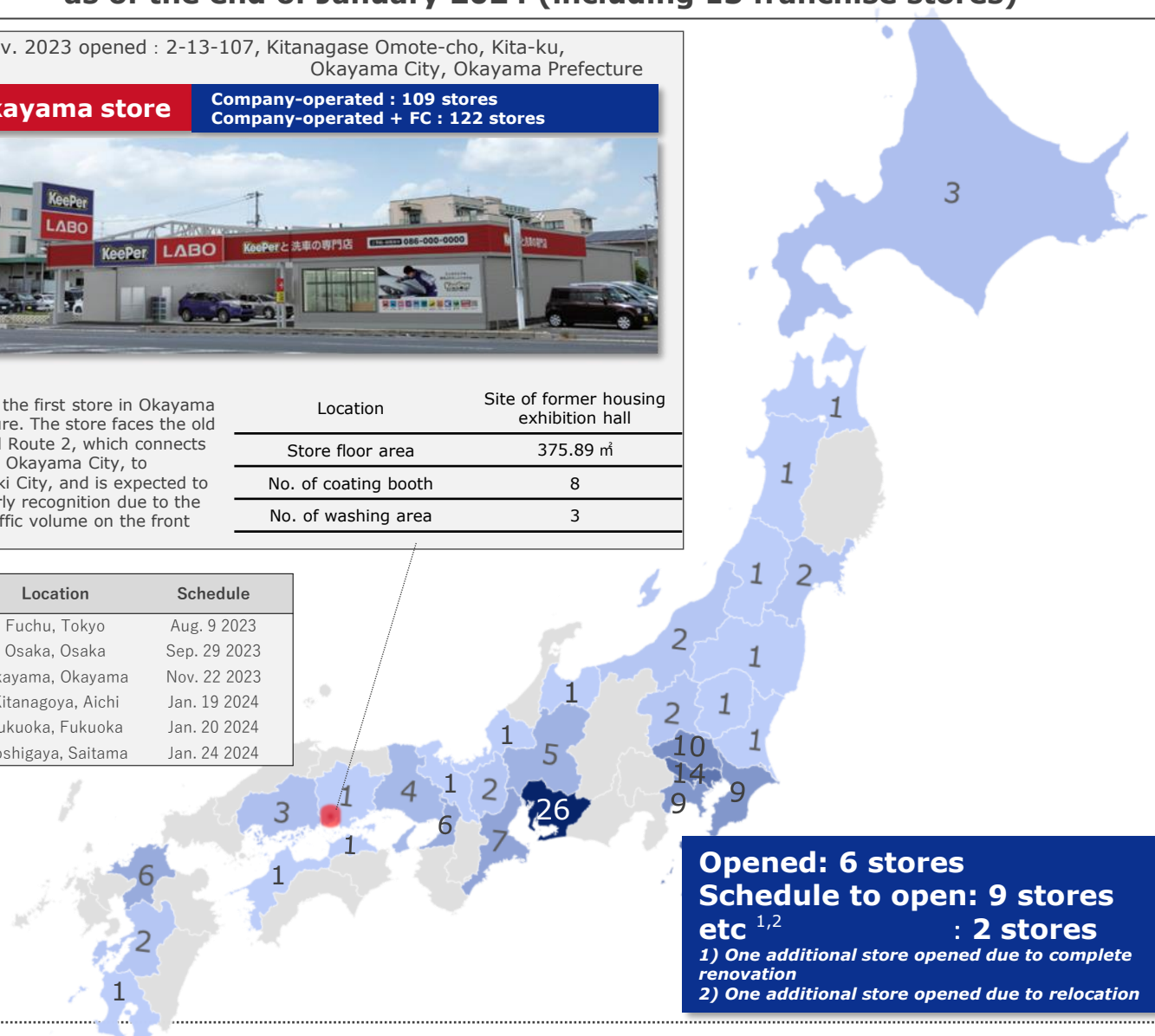


**Okayama store** Company-operated : 109 stores  
Company-operated + FC : 122 stores

■This is the first store in Okayama Prefecture. The store faces the old National Route 2, which connects Kita-ku, Okayama City, to Kurashiki City, and is expected to gain early recognition due to the high traffic volume on the front road.

Location	Site of former housing exhibition hall
Store floor area	375.89 m <sup>2</sup>
No. of coating booth	8
No. of washing area	3

Store	Location	Schedule
Fuchu	Fuchu, Tokyo	Aug. 9 2023
Hirano	Osaka, Osaka	Sep. 29 2023
Okayama	Okayama, Okayama	Nov. 22 2023
Nishiharu	Kitanagoya, Aichi	Jan. 19 2024
Sawara	Fukuoka, Fukuoka	Jan. 20 2024
Koshigaya	Koshigaya, Saitama	Jan. 24 2024



**Opened: 6 stores**  
**Schedule to open: 9 stores etc**  
**: 2 stores**  
1) One additional store opened due to complete renovation  
2) One additional store opened due to relocation

Store name	Location	Schedule
Utsunomiya	Utsunomiya, Tochigi	Mar. 2024
Yawara Inter	Tsukubamirai, Ibaragi	Mar. 2024
Nara Daianji	Nara, Nara	Apr. 2024
Kobenishi	Kobe, Hyogo	Apr. 2024
<b>Fukuoka Kasuga</b> <sup>1</sup>	Fukuoka, Fukuoka	Apr. 2024
Kishiwada	Kishidwada, Osaka	May 2024
Ichikawa	Ichikawa, Chiba	May 2024
Kobekita	Kobe, Hyogo	May 2024
<b>Shinmatsudohigashi</b> <sup>2</sup>	Matsudo, Chiba	June 2024
Ageo	Ageo, Saitama	June 2024
Sakinishi	Sakai, Osaka	June 2024

Store name	Location	Booth renovation	Wash area Renovation	Closed
▼renovated				
Fukuyama	Hiroshima	3→6	4	6 days
Suginami	Tokyo	4→6		
Fukuuiwada	Fukui	4→9	4	15 days
Narumi	Aichi	4→8	4	9 days
Omiya	Saitama	4→7	3	4 days
Urawamisono	Saitama	3→5	3	
Amagasaki	Hyogo	4→6		12 days
Koriyama	Fukushima	6→10	3	10 days
246Tamagawa	Kanagawa	3→6		
Takabari	Aichi	3→5	4	14 days
▼future renovation				
Kamimizo	Kanagawa	3→6		
Hachioji	Tokyo	6→10		
Yokkaichi	Mie	3→5		
Ichihara	Chiba	3→7		
Togo	Aichi	4→8	3	10 days
Adachi	Tokyo	7→12		1 month
Komakiyama	Aichi	4→6		
Katanao	Osaka	4→7		
Hikone	Shiga	4→8		14 days
Toyama	Toyama	5→7		
Higashiurawa	Saitama	5→7		
Kodaira	Tokyo	4→9		10 days



2023年8月【東京都 府中市】  
**府中店**



2023年9月【大阪府 大阪市】  
**平野店**



2023年11月【岡山県 岡山市】  
**岡山店**



2024年1月【愛知県 北名古屋市】  
**西春店**



2024年1月【福岡県 福岡市】  
**早良店**



2024年1月【埼玉県 越谷市】  
**越谷店**



2024年3月【栃木県 宇都宮市】  
**宇都宮店** (仮称)



2024年3月【茨城県 つくばみらい市】  
**谷和原インター店** (仮称)



2024年4月【奈良県 奈良市】  
**奈良大安寺店** (仮称)



2024年4月【兵庫県 神戸市】  
**神戸西店** (仮称)



2024年5月【大阪府 岸和田市】  
**岸和田店** (仮称)



2024年5月【千葉県 市川市】  
**市川店** (仮称)



2024年5月【兵庫県 神戸市】  
**神戸北店** (仮称)



2024年6月【埼玉県 上尾市】  
**上尾店** (仮称)



2024年6月【大阪府 堺市】  
**堺西店** (仮称)



2024年4月【福岡県】  
**福岡春日店** (改築オープン)



2024年6月【千葉県 松戸市】  
**新松戸東店** (移転オープン)

