

# First Half of FY22 ending June 2023 Supplementary Materials



February 10, 2023

# Contents

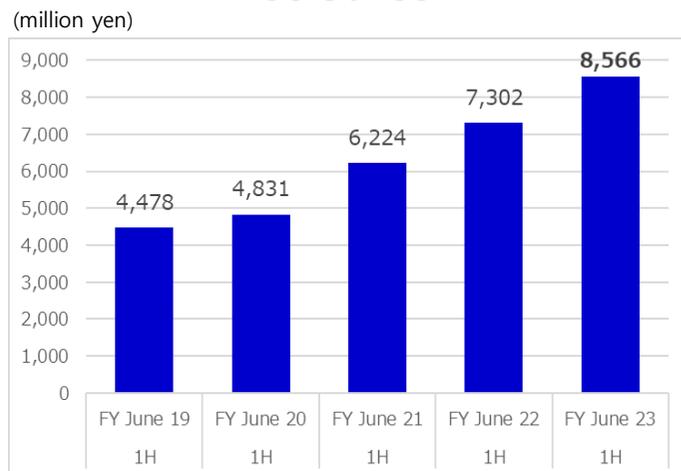
- 1. Financial Highlights**
- 2. FY22 1H Results (July-December 2022)**
- 3. Progress toward FY22 Full Year Forecast**
- 4. Supplemental data**

# 1. FY22 1H Results (July-December 2022)

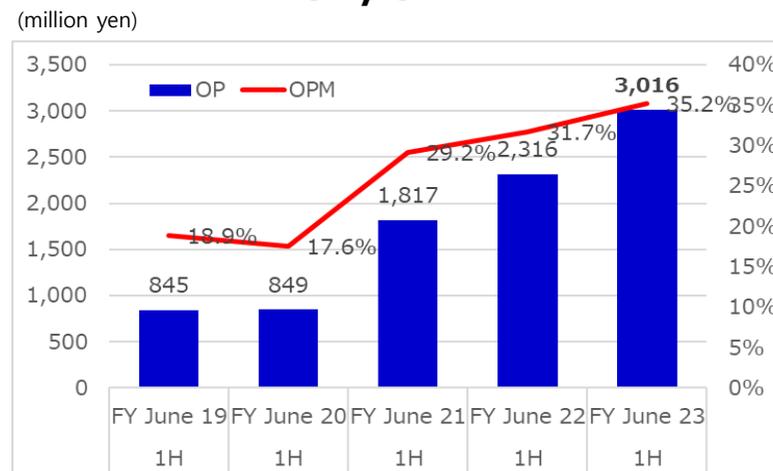
## Financial Highlights

- 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.

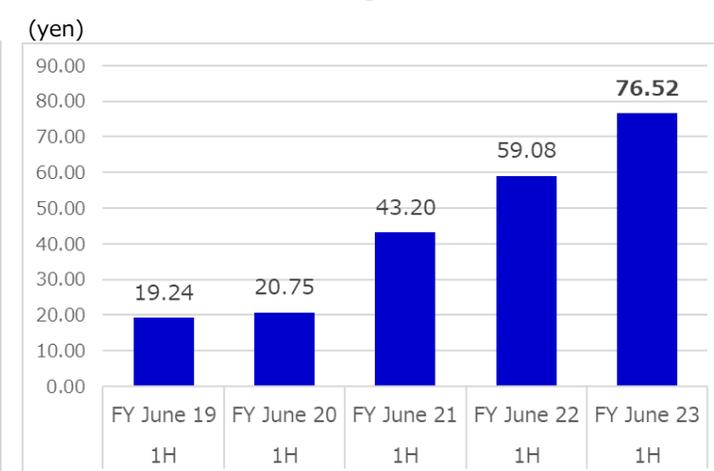
### Net Sales



### OP/OPM



### EPS



## 2. FY22 1H Results (July-December 2022)

### P/L

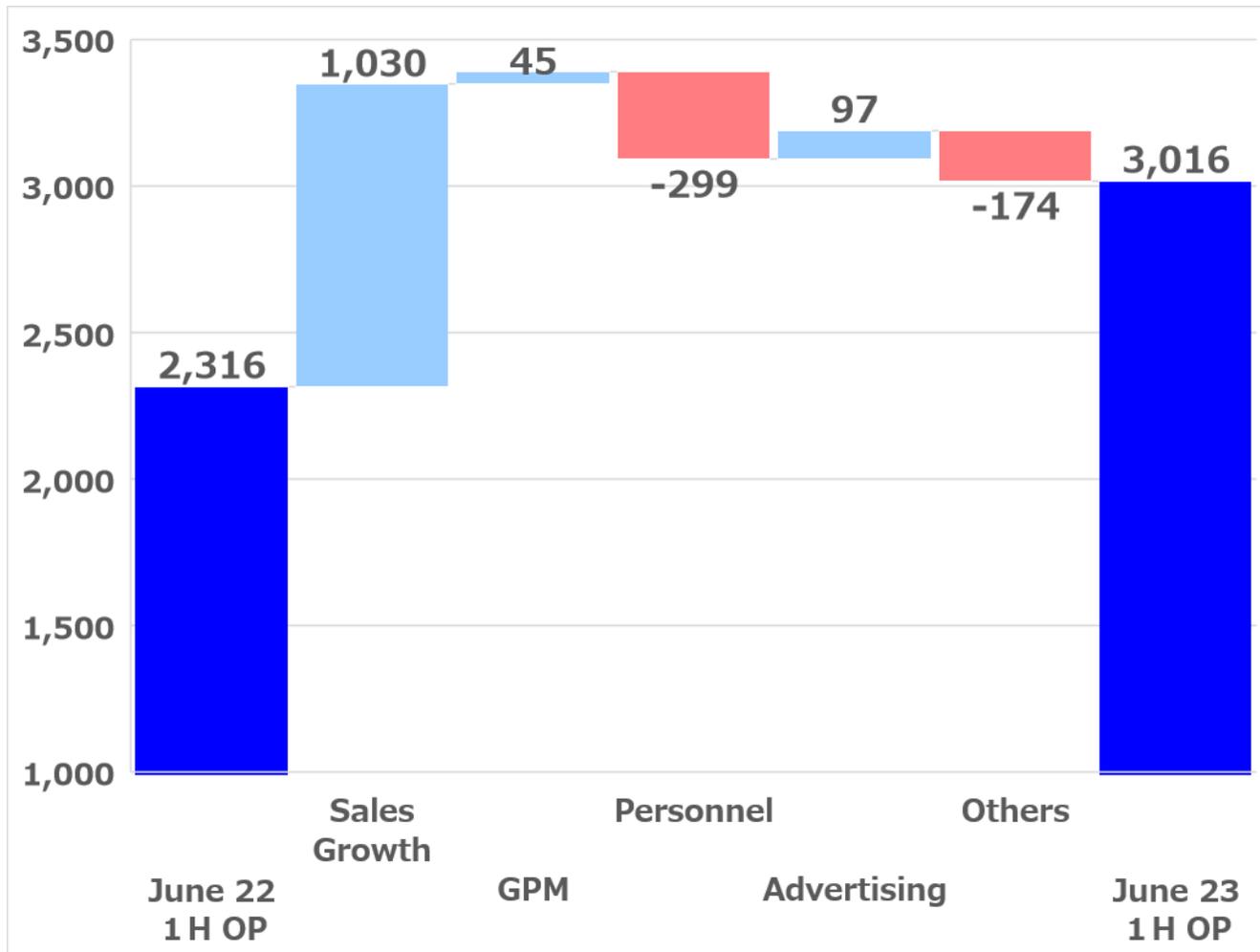
(million yen)	June 22 1H	June 23 1H	YOY	1H Guidance	Progress Rate
<b>Net Sales</b>	<b>7,302</b>	<b>8,566</b>	<b>17.3%</b>	<b>8,713</b>	<b>98.3%</b>
Product-related	3,375	3,723	10.3%		
LABO stores	3,927	4,843	23.3%		
<b>COGS</b>	<b>1,351</b>	<b>1,540</b>	<b>14.0%</b>		
<b>GP</b>	<b>5,952</b>	<b>7,027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

## 2. FY22 1H Results (July-December 2022)

### OP Analysis of Factors

(YoY change)

(million of yen)



**(GP +1.075 billion yen YOY)**

**Sales:** Both segments increased.  
(see page 6)

**GPM:** Higher unit purchase cost was offset by the effect of increased volume and maintained high GPM due to the ASP increase.

**(SG&A +376 million yen YOY)**

**Personnel expenses:** increased due to new store openings, and expanding capacity at existing stores as an upfront investment.

**Advertising expenses:** decreased as the TV show “Cambria Palace” effect and increased recognition by SNS etc.

Advertising expenses have not been fully used in H1.

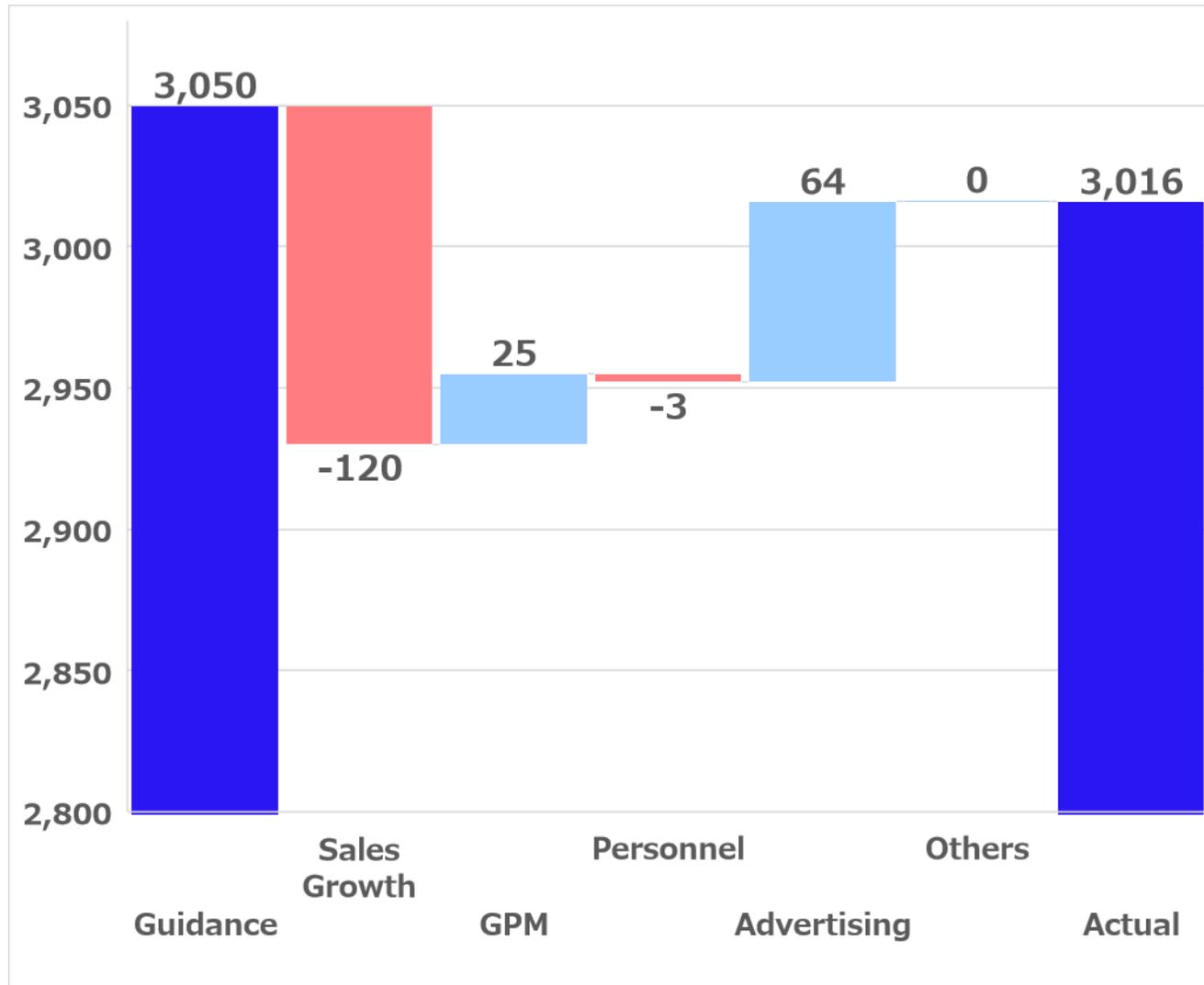
**Other cost:** increased in utility costs and sales activities were finally resumed due to the ease of movement restriction.

## 2. FY22 1H Results (July-December 2022)

### OP Analysis of Factors

(compared to the guidance)

(Millions of yen)



**(GP 0.95 billion yen short )**

**Sales:** New store plans were behind the schedule due to the delays in construction. The slow delivery of new vehicles affected the growth.

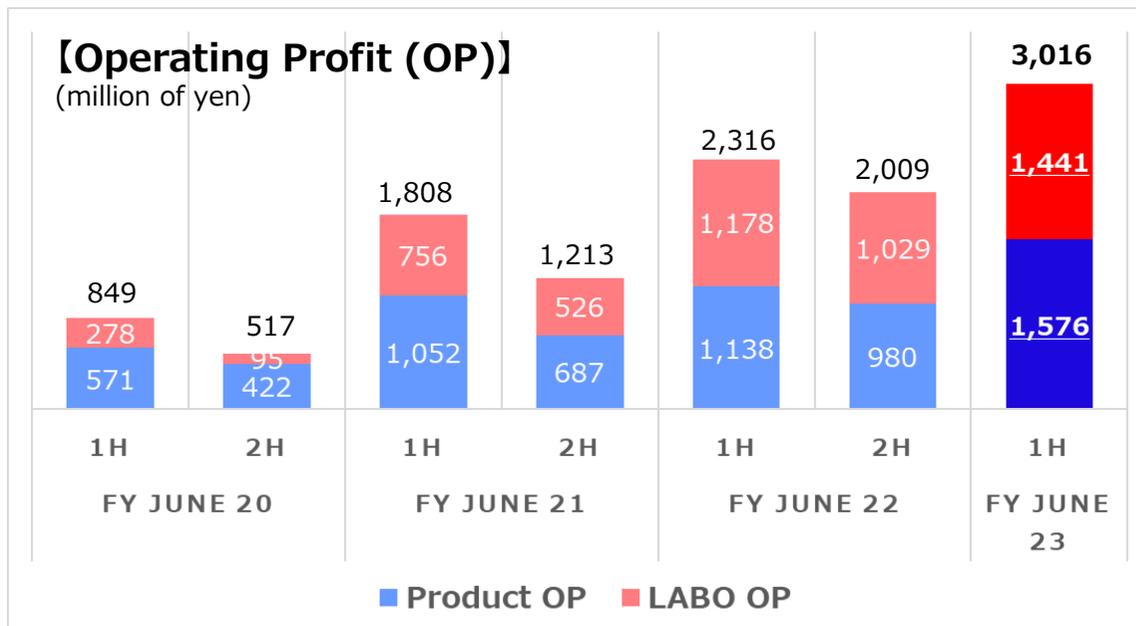
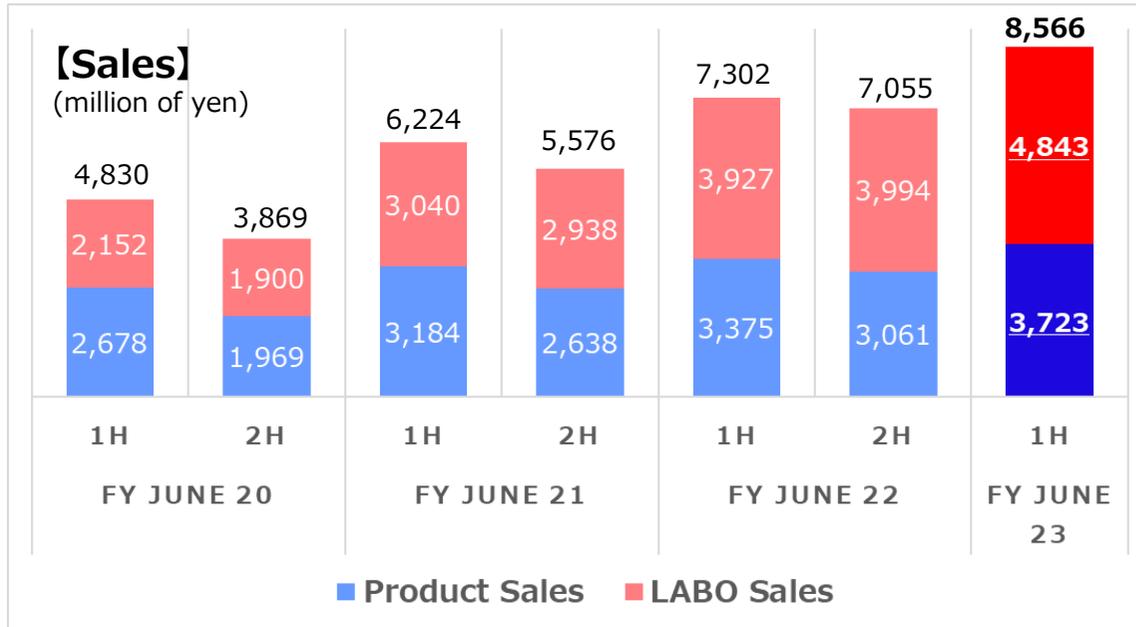
**(SG&: 0.61 billion yen short)**

**Advertising expenses:** Advertising expenses not yet used.

Personnel and other expenses: Upfront investments are in line with plans.

## 2. FY22 1H Results (July-December 2022)

### Segment information



#### (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 26<sup>th</sup>.

#### (Product-related) +10.3% YOY

- For gas stations: "Fresh KeePer" 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.

## 2. FY22 1H Results (July-December 2022)

### B/S

(million yen)	FY June 22 June end	FY June 23 Dec-end	HOH	FY June 22 Dec-end	YOY
<b>Current Assets</b>	<b>5,029</b>	<b>5,949</b>	920	<b>3,753</b>	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
<b>Fixed Assets</b>	<b>6,829</b>	<b>7,258</b>	429	<b>6,400</b>	858
Tangible Assets	5,628	5,981	353	5,294	687
<b>Total Assets</b>	<b>11,858</b>	<b>13,207</b>	1,349	<b>10,153</b>	3,054
<b>Liabilities</b>	<b>3,818</b>	<b>3,925</b>	107	<b>3,594</b>	331
Interest-bearing debt	539	353	-186	832	-479
<b>Net Assets</b>	<b>8,039</b>	<b>9,281</b>	1,242	<b>6,558</b>	2,723
Treasury shares	2,188	2,188	0	2,188	0
<b>Total Liab/Net Assets</b>	<b>11,858</b>	<b>13,207</b>	1,349	<b>10,153</b>	3,054
<b>Equity Ratio (%)</b>	<b>67.8%</b>	<b>70.3%</b>	+2.5pts	<b>64.6%</b>	+5.7pts

### 3. Progress toward FY22 Full Year Forecasts

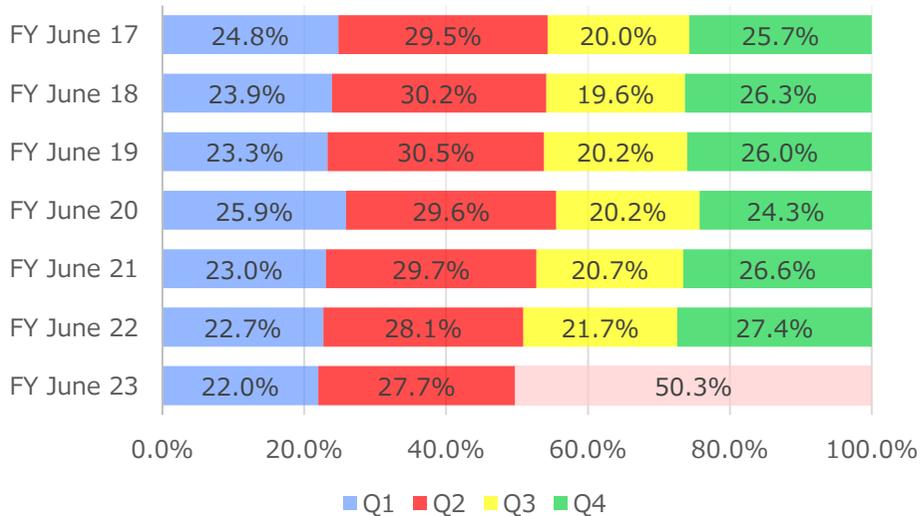
## No change from the original forecasts

(million yen)	FY June 22			FY June 23				
	1H Actual	2H Actual	FY Actual	1H Actual	2H Guidance	YOY	FY Guidance	YOY
<b>Net Sales</b>	<b>7,302</b>	<b>7,056</b>	<b>14,358</b>	<b>8,566</b>	<b>8,671</b>	<b>22.9%</b>	<b>17,237</b>	<b>20.1%</b>
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%
<b>COGS</b>	<b>1,350</b>	<b>1,372</b>	<b>2,722</b>	<b>1,540</b>				
<b>GP</b>	<b>5,952</b>	<b>5,684</b>	<b>11,636</b>	<b>7,027</b>				
GPM	81.5%	80.6%	81.0%	82.0%				
<b>SG&amp;A</b>	<b>3,634</b>	<b>3,676</b>	<b>7,310</b>	<b>4,011</b>				
<b>OP</b>	<b>2,316</b>	<b>2,010</b>	<b>4,326</b>	<b>3,016</b>	<b>2,447</b>	<b>21.7%</b>	<b>5,463</b>	<b>26.3%</b>
OPM	31.7%	28.5%	30.1%	35.2%	28.2%	-0.3pt	31.7%	+1.6pt
<b>RP</b>	<b>2,330</b>	<b>1,995</b>	<b>4,325</b>	<b>3,042</b>	<b>2,421</b>	<b>21.4%</b>	<b>5,463</b>	<b>26.3%</b>
<b>NP</b>	<b>1,611</b>	<b>1,482</b>	<b>3,093</b>	<b>2,087</b>	<b>1,718</b>	<b>15.9%</b>	<b>3,805</b>	<b>23.0%</b>
<b>EPS</b>	<b>59.08</b>	<b>54.33</b>	<b>113.41</b>	<b>76.52</b>	<b>62.97</b>	<b>15.9%</b>	<b>139.49</b>	<b>23.0%</b>

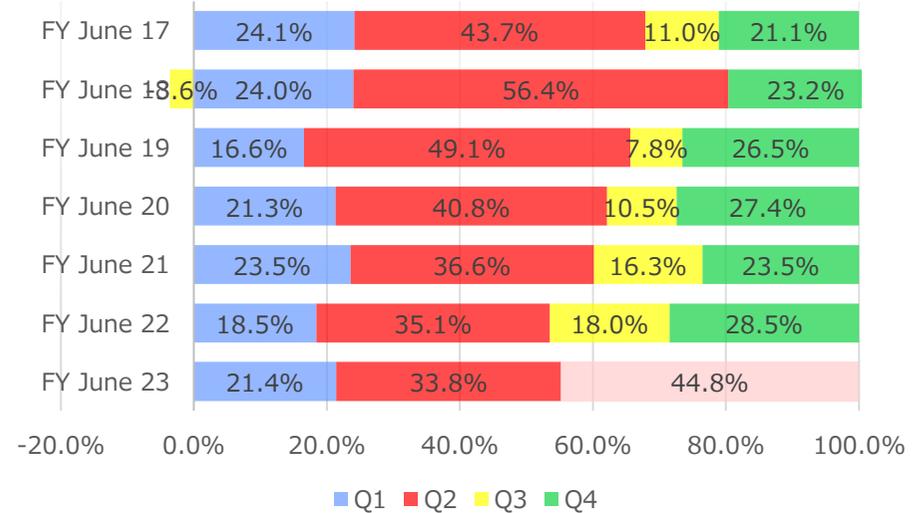
## 4. Progress toward FY22 Full Year Forecasts

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

**【Net Sale】**



**【OP】**



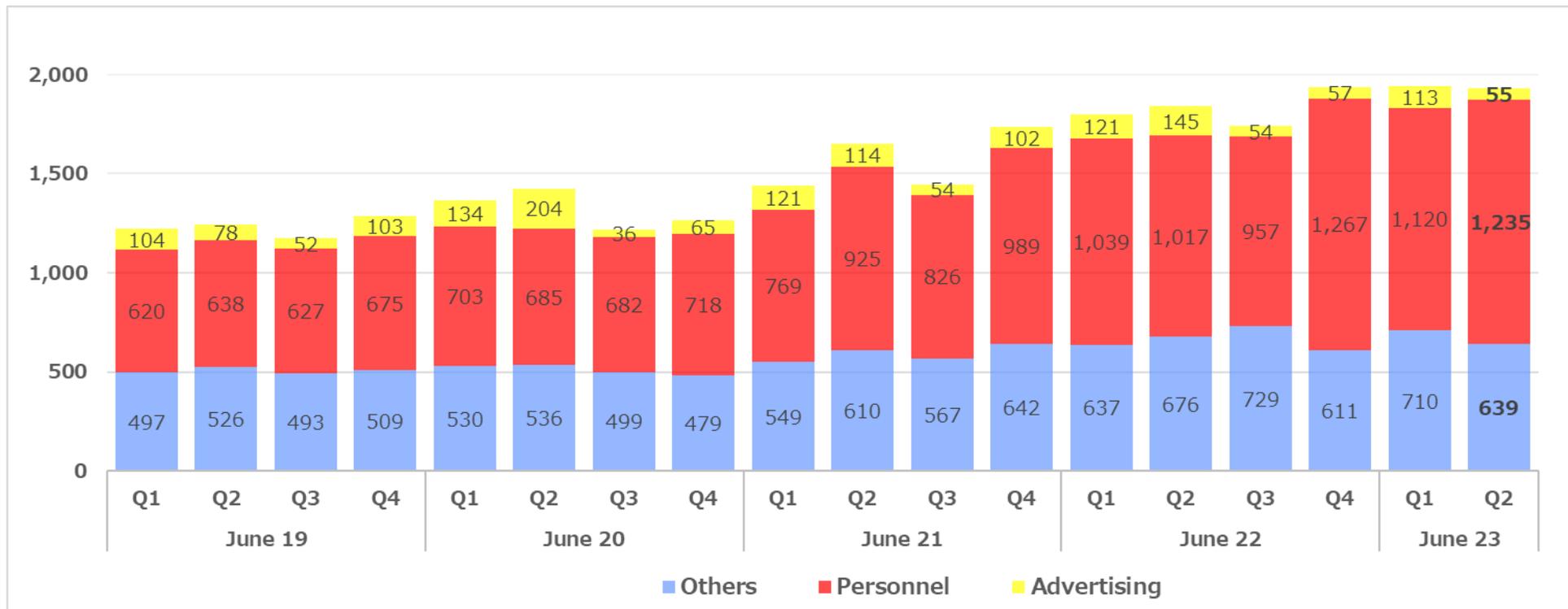
- The Q2 (October-December) is the biggest sales quarter when car wash demand increases significantly in conjunction with year-end cleaning. The seasonality of each quarter is gradually leveling out as the KeePer's name recognition improves.

- 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.

## 5. Supplemental data

# Breakdown of SG&A expenses by quarter



	June 19				June 20				June 21				June 22				June 23	
	Q1	Q2	Q3	Q4	Q1	Q2												
<b>Advertising</b>	104	78	52	103	134	204	36	65	121	114	54	102	121	145	54	57	113	55
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%
<b>Personnel</b>	620	638	627	675	703	685	682	718	769	925	826	989	1,039	1,017	957	1,267	1,120	1,235
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%	25.8%
<b>Others</b>	497	526	493	509	530	536	499	479	549	610	567	642	637	676	729	611	710	639
<b>total SGA</b>	<b>1,221</b>	<b>1,242</b>	<b>1,172</b>	<b>1,287</b>	<b>1,367</b>	<b>1,425</b>	<b>1,217</b>	<b>1,262</b>	<b>1,439</b>	<b>1,649</b>	<b>1,447</b>	<b>1,733</b>	<b>1,797</b>	<b>1,838</b>	<b>1,740</b>	<b>1,935</b>	<b>1,943</b>	<b>2,068</b>

## 5. Supplemental data

### New LABO stores, coating booths and car washrooms

<b>New openings</b>			<b><u>New stores opened</u></b>		
<b>Opened</b>	<b>2 stores</b>		<b>Name</b>	<b>Location</b>	<b>Date</b>
Jan-June 23	10 stores		Niiza	Niiza, Saitama	Nov 2, 2022
After July 23	7 stores		Ogura Minami	Kita-Kyushu, Fukuoka	Nov 26, 2022
<b>Renovation of existing stores</b>			<b><u>New stores schedule</u></b>		
<b>Renovated</b>	<b>10 stores</b>		<b>Name (temporary)</b>	<b>Location</b>	<b>Date</b>
Booth added	8 stores	23 booths→50 booths	Yokkaichi Minami	Yokkaichi, Mie	March, 2023
Wash rooms remodeled	7 stores	23 washrooms	Yoga	Setagaya-ku, Tokyo	April, 2023
<b>In progress</b>	<b>8 stores</b>		Musashi Murayama	Mursashi Murayama, Tokyo	May, 2023
Booth added	8 stores	28 booths→58 booths	Kakamigahara	Kakamigahara, Gifu	May, 2023
Wash rooms remodeled	6 stores	19 washrooms	Koto	Koto-ku, Tokyo	May, 2023
<b>Relocation and re-opening</b>			Matsuyama	Matsuyama, Ehime	May, 2023
<b>Opened</b>	<b>1 store</b>		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
			<b><u>Re-location</u></b>		
			<b>Name</b>	<b>Location</b>	<b>Date</b>
			Hachioji	Hachioji, Tokyo	Sep 26, 2022

**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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