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Non-consolidated Financial Results for the Three Months Ended September 30, 2024 [Japanese GAAP]

November 11, 2024

Company name: KeePer Technical Laboratory Co., Ltd.
Listing: Tokyo, Nagoya
Securities code: 6036
URL: https://keepergiken.co.jp/
Representative: Toshiyuki Kaku Representative Director,President,and COO
Inquiries: Ayako Yamashita Chief Financial Officer
Telephone: +81-562-45-5258

Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Non-consolidated Financial Results for the Three Months Ended September 30, 2024 (July 1, 2024 to September 30, 2024)

(1) Non-consolidated Operating Results (Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2024	5,411	13.6	1,497	27.2	1,503	27.3	1,019	27.7
September 30, 2023	4,762	25.7	1,176	0.5	1,181	0.1	798	(1.0)

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
September 30, 2024	37.36	-
September 30, 2023	29.28	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
As of	Millions of yen	Millions of yen	%
September 30, 2024	18,684	14,113	75.5
June 30, 2024	19,284	14,466	75.0

(Reference) Equity: As of September 30, 2024: ¥ 14,113 million
As of June 30, 2024: ¥ 14,466 million

2. Dividends

	Annual dividends				
	1st quarter-end	2nd quarter-end	3rd quarter-end	Year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended June 30, 2024	-	0.00	-	50.00	50.00
Fiscal year ending June 30, 2025	-				
Fiscal year ending June 30, 2025 (Forecast)		0.00	-	53.00	53.00

(Note) Revision to the forecast for dividends announced most recently: None

(Note) Breakdown of the 1st quarter dividend for the fiscal year ending June 30, 2025 :

Commemorative dividend - yen

Special dividend - yen

3. Non-consolidated Financial Results Forecast for the Fiscal Year Ending June 30, 2025(July 1, 2024 to June 30, 2025)

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Six months ending December 31, 2024	12,400	15.9	3,800	14.4	3,800	14.3	2,700	19.3	98.95
Full year	24,500	19.1	7,000	14.7	6,950	14.4	4,800	8.6	175.90

(Note) Revision to the financial results forecast announced most recently: None

* Notes:

(1) Adoption of accounting treatment specific to the preparation of quarterly non-consolidated financial statements: None

(2) Changes in accounting policies, changes in accounting estimates, and restatement

1) Changes in accounting policies due to revisions to accounting standards and other regulations: None

2) Changes in accounting policies due to other reasons: None

3) Changes in accounting estimates: None

4) Restatement: None

(3) Number of issued shares (common shares)

1) Total number of issued shares at the end of the period (including treasury shares):

September 30, 2024: 28,280,840 shares

June 30, 2024: 28,280,840 shares

2) Number of treasury shares at the end of the period:

September 30, 2024: 989,051 shares

June 30, 2024: 989,024 shares

3) Average number of shares outstanding during the period:

Three months ended September 30, 2024: 27,291,808 shares

Three months ended September 30, 2023: 27,280,165 shares

* Review of the Japanese-language originals of the attached quarterly non-consolidated financial statements by certified public accountants or an audit firm:

* Proper use of earnings forecasts, and other special matters

-FY2025 Q1 Results-

For Q1 FY06/2025, sales totaled 5.411 billion JPY (up 13.6% YoY), operating profit was 1.497 billion JPY (up 27.2%), recurring profit was 1.503 billion JPY (up 27.3%), and net profit was 1.019 billion JPY (up 27.7%).

-Segment Performance: KeePer LABO Operation Segment-

Sales reached 2.972 billion JPY (up 13.0% YoY), with segment profit at 536 million JPY (up 30.1%).
The summer heatwaves in July and August drove high demand for coating and washing services but posed challenges for staff in such harsh working conditions. Measures included frequent hydration breaks and extended cool-down periods, allowing operations to continue thanks to the dedication of our staff. However, with extreme heat expected to increase, we will work toward structural changes for outdoor work and consider adjusting operational hours, such as introducing summer time, to balance employee health and customer needs.

The number of EX KeePer coatings, popular on social media, increased to 3,474 units (up 21.0% YoY). The Diamond KeePer series reached 12,932 units (up 5.0%), influenced by slower new car sales. Fresh KeePer and Crystal KeePer achieved 21,487 units (up 6.3%). Maintenance for each coating type rose by 14.0%, showing a growing demand to maintain car aesthetics over time. As a result, Q1 saw 171,225 total store visits (up 0.6%) with an average spend per customer of 17,358 JPY (up 12.4%).

| New Store Development Plans
Thirty new stores are planned for this fiscal year, including directly managed (DM) and franchise (FC) stores, progressing as scheduled.

| Stores Opened to Date

- **Singapore Store** (Singapore) - Opened Aug. 1, 2024
- **Kobe Okaba Store** (Hyogo, Kobe) - Opened Aug. 28, 2024
- **Sakai Ohtori Store** (Osaka, Sakai) - Opened Aug. 31, 2024
- **Hiroshima Kannon Store** (Hiroshima) - Opened Sep. 20, 2024
- **Shinagawa Store** (Tokyo) - Opened Sep. 28, 2024
- **Kurokawa Store** (Aichi, Nagoya) - Opened Oct. 9, 2024

As of Oct. 2024, we have 126 DM stores, 13 FC stores, totaling 139 LABO stores.

- Segment Performance: KeePer Products Related Segment-

The KeePer products segment achieved sales of 2.439 billion JPY (up 14.4%), with segment profit at 960 million JPY (up 25.6%).

Net sales composition

Unit: mn yen	Q1 FY06/'24	Compositon ratio	Q1 FY06/'25	Composition Ratio	YoY
Products-related	2,132	-	2,439	-	114.4%
-Aftermarket	1,550	72.7%	1,613	66.1%	104.0%
-New car market	479	22.5%	733	30.1%	153.0%
-Overseas	11	0.5%	16	0.7%	143.6%
-Non-auto servises	90	4.3%	78	3.2%	86.7%

- **Aftermarket**: Sales increased slightly by 4.0% YoY. High summer temperatures led to reduced operational capacity due to heat stress on technicians, especially in non-air-conditioned coating booths.
- **New Car Market**: Expanded with strong user interest in KeePer, achieving 733 million JPY (up 53.0%), representing 30.1% of product segment sales, up from 22.5% last year.
- **Non-Auto Services**: Sales decreased by 13.3% due to shipping delays, with significant progress expected from Q2 onward.
- **Overseas Business**: Up by 43.6% YoY. KeePer LABO launched its first international store in Singapore on Aug. 1, 2024, and the number of "KeePer PROSHOPS" in Hong Kong, Taiwan, and South Korea continues to grow.

Quarterly Non-consolidated Financial Statements

Quarterly Non-consolidated Balance Sheets

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Assets		
Current assets		
Cash and deposits	5,137,452	3,866,487
Notes receivable - trade	193,628	135,643
Accounts receivable - trade	1,637,166	1,635,805
Merchandise	1,120,808	1,298,068
Supplies	123,979	141,656
Prepaid expenses	254,301	209,447
Short-term loans receivable from subsidiaries and associates	23,996	23,996
Other	97,981	111,317
Allowance for doubtful accounts	(180)	(199)
Total current assets	8,589,133	7,422,222
Non-current assets		
Property, plant and equipment		
Buildings, net	5,573,389	5,890,036
Structures, net	319,749	326,849
Machinery and equipment, net	44,351	42,384
Vehicles, net	39,933	41,672
Tools, furniture and fixtures, net	233,398	244,645
Land	2,016,836	2,016,836
Leased assets	295,013	295,013
Construction in progress	78,793	68,820
Total property, plant and equipment	8,601,463	8,926,257
Intangible assets		
Software	66,133	102,059
Other	77,067	40,603
Total intangible assets	143,201	142,662
Investments and other assets		
Investment securities	22,237	21,592
Shares of subsidiaries and associates	70,339	70,339
Long-term prepaid expenses	44,430	43,177
Leasehold and guarantee deposits	599,705	611,742
Construction assistance fund receivables	295,013	289,464
Insurance funds	11,460	11,460
Deferred tax assets	445,076	502,481
Other	462,469	643,330
Total investments and other assets	1,950,732	2,193,588
Total non-current assets	10,695,397	11,262,508
Total assets	19,284,531	18,684,731

(Thousands of yen)

	As of June 30, 2024	As of September 30, 2024
Liabilities		
Current liabilities		
Accounts payable - trade	729,482	805,530
Current portion of long-term borrowings	48,000	48,000
Accounts payable - other	682,512	478,643
Income taxes payable	1,008,874	578,147
Accrued expenses	355,059	322,988
Lease liabilities	22,242	22,242
Provision for bonuses	70,479	276,023
Contract liabilities	277,011	307,628
Other	161,438	245,170
Total current liabilities	3,355,100	3,084,376
Non-current liabilities		
Long-term borrowings	64,000	52,000
Provision for retirement benefits	493,793	512,749
Provision for retirement benefits for directors (and other officers)	288,243	292,763
Lease liabilities	272,770	272,770
Asset retirement obligations	339,767	352,239
Other	4,043	4,043
Total non-current liabilities	1,462,617	1,486,565
Total liabilities	4,817,718	4,570,941
Net assets		
Shareholders' equity		
Share capital	1,347,557	1,347,557
Capital surplus	1,049,019	1,049,019
Retained earnings	14,231,454	13,879,050
Treasury shares	(2,164,590)	(2,164,697)
Total shareholders' equity	14,463,440	14,110,929
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,371	2,860
Total valuation and translation adjustments	3,371	2,860
Total net assets	14,466,812	14,113,789
Total liabilities and net assets	19,284,531	18,684,731

Quarterly Non-consolidated Statements of Income

Quarterly Non-consolidated Statements of Income (For the three months)

(Thousands of yen)

	For the three months ended September 30, 2023	For the three months ended September 30, 2024
Net sales	4,762,068	5,411,814
Cost of sales	882,130	1,039,682
Gross profit	3,879,937	4,372,132
Selling, general and administrative expenses	2,703,154	2,875,005
Operating profit	1,176,783	1,497,127
Non-operating income		
Interest income	562	1,066
Foreign exchange gains	1,254	37,241
Commission income	2,032	607
Other	637	1,435
Total non-operating income	4,485	40,350
Non-operating expenses		
Interest expenses	95	65
Other	19	33,891
Total non-operating expenses	115	33,956
Ordinary profit	1,181,154	1,503,520
Extraordinary income		
Gain on sale of non-current assets	669	2,005
Total extraordinary income	669	2,005
Extraordinary losses		
Loss on sale and retirement of non-current assets	1,434	3,301
Total extraordinary losses	1,434	3,301
Profit before income taxes	1,180,389	1,502,224
Income taxes - current	426,493	539,805
Income taxes - deferred	(44,806)	(57,182)
Total income taxes	381,687	482,622
Profit	798,702	1,019,601