

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.

Non-consolidated Financial Results for the Nine Months Ended March 31, 2025 [Japanese GAAP]

May 15, 2025

Company name: KeePer Technical Laboratory Co., Ltd.
Listing: Tokyo Stock Exchange, Nagoya Stock Exchange
Securities code: 6036
URL: <http://www.keepercoating.jp/corp/>
Representative: Toshiyuki Kaku
Inquiries: Ayako Yamashita
Telephone: +81-562-45-5777
Scheduled date to commence dividend payments: -
Preparation of supplementary material on financial results: Yes
Holding of financial results briefing: Yes

Representative Director, President, and COO
Chief Financial Officer

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

1. Non-consolidated Financial Results for the Nine Months Ended March 31, 2025 (July 1, 2024 to March 31, 2025)

(1) Non-consolidated Operating Results

(Percentages indicate year-on-year changes.)

	Net sales		Operating profit		Ordinary profit		Net income	
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
Nine months ended March 31, 2025	17,242	14.1	5,370	22.2	5,357	22.0	3,660	23.0
March 31, 2024	15,109	22.2	4,392	8.8	4,391	8.4	2,976	7.3

	Basic earnings per share	Diluted earnings per share
	Yen	Yen
Nine months ended March 31, 2025	134.11	-
March 31, 2024	109.08	-

(2) Non-consolidated Financial Position

	Total assets	Net assets	Capital adequacy ratio
	Millions of yen	Millions of yen	%
As of March 31, 2025	23,160	16,887	72.9
June 30, 2024	19,284	14,466	75.0

(Reference) Equity: As of March 31, 2025: ¥ 16,887 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	-	0.00	-		
Fiscal year ending June 30, 2025 (Forecast)				53.00	53.00

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

(Note) Breakdown of the 3rd 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
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):

March 31, 2025: 28,280,840 shares
June 30, 2024: 28,280,840 shares

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

March 31, 2025: 989,578 shares
June 30, 2024: 989,024 shares

3) Average number of shares outstanding during the period:

Nine months ended March 31, 2025: 27,291,446 shares
Nine months ended March 31, 2024: 27,286,259 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

1. Qualitative Information on Quarterly Financial Results

(1) Explanation of Operating Results

During the fiscal year from July 1, 2024, to March 31, 2025, Japan's economy exhibited positive aspects such as improvements in employment and income conditions, as well as an increase in inbound demand. However, uncertainties persist due to factors like rising energy and raw material prices, policy developments in the United States following the Trump administration, the slowdown in China's economic growth, and tensions in the Middle East.

In this environment, we believe that maintaining and enhancing the quality of KeePer coatings provided to our users is crucial. This approach not only aims to improve our current performance but also to solidify the branding of KeePer for future development.

2025 Fiscal Year Q3 Results

For the cumulative period of the third quarter (July 1, 2024, to March 31, 2025), the company achieved net sales of ¥17,242 million, a 14.1% increase year-on-year; operating income of ¥5,370 million, up 22.2%; and ordinary income of ¥5,357 million, up 21.9%, resulting in overall revenue and profit growth.

In the third quarter accounting period (January 1 to March 31, 2025), net sales were ¥5,143 million, a 16.7% increase year-on-year; operating income was ¥1,338 million, up 24.7%; and ordinary income was ¥1,344 million, up 25.9%.

KeePer LABO Operation Segment

The KeePer LABO Operation Segment recorded net sales of ¥9,357 million, a 13.9% increase year-on-year, and operating income of ¥2,051 million, up 22.0%. In the third quarter accounting period (January 1 to March 31, 2025), net sales were ¥2,742 million, a 16.7% increase year-on-year, and operating income was ¥367 million, up 32.9%, indicating revenue and profit growth.

From January to February, vehicles were especially prone to becoming dirty due to seasonal factors such as road salt (used for de-icing), nighttime condensation from low temperatures, and airborne PM2.5 particles. In March, the arrival of spring brought higher-than-usual levels of yellow dust and pollen. With minimal rainfall and prolonged sunny weather, the signature effect of KeePer coatings—where rainwater helps keep coated vehicles clean—was less apparent. As a result, demand for thorough cleaning increased notably. Our “Spring Fair” campaign, launched in March, was well received by customers. During the third quarter period, car wash demand grew significantly, with total wash volume reaching 91,388 vehicles—a 16.7% year-on-year increase.

The “Spring Fair” is a seasonal campaign offering an “Under WASH” service to all customers, thoroughly removing dirt accumulated under vehicles during winter, especially from road salt.

Demand for KeePer coatings continued to grow. The high-value “EX KeePer,” popular on social media, saw 3,209 applications, an 8.3% increase year-on-year. The “Diamond KeePer” series, benefiting from strong new car sales, reached 12,800 applications, up 12.4%. The “Fresh KeePer” and “Crystal KeePer,” both with similar durability, totaled 19,281 applications, a 15.2% increase. Maintenance applications for existing KeePer coatings also rose by 22.8% year-on-year, reflecting a growing desire among customers to maintain their vehicles in pristine condition over time.

As a result, total customer visits during the third quarter reached 167,666, a 20.7% increase year-on-year, marking a record high. However, the average transaction value decreased to ¥16,233, a 5.7% decline, due to an increased proportion of lower-priced car wash services.

Initiation of KeePer LABO Franchise Recruitment

In August 2024, we commenced a business alliance with Idemitsu Kosan Co., Ltd., and began recruiting franchise stores in November of the same year. Approximately 50 companies, including gas stations and new car dealers, have expressed interest in joining. With the expanding demand for KeePer, the full-scale expansion of the KeePer LABO store network has begun, and new franchise store openings will continue as scheduled.

For the current fiscal year, we planned to open 31 new stores, including both directly operated and franchise locations. However, some delays in applications and construction have caused shifts in the planned opening dates.

New Store Development

Opened Stores:

Store Name	Location	Opening Date	Cumulative LABO Stores (Directly Operated)
Singapore	Singapore	August 1, 2024	134 (121)
Kobe Okaba	Kobe, Hyogo	Aug 28, 2024	135 (122)
Sakai Otori	Sakai Nishi, Osaka	Aug 31, 2024	136 (123)
Hiroshima Kannnon	Hiroshima, Hiroshima	Sep 20, 2024	137 (124)
Shinagawa	Shinagawa, Tokyo	Sep 28, 2024	138 (125)
Kurokawa	Nagoya, Aichi	Oct 9, 2024	139 (126)
Kobe Tarumi (FC)	Kobe, Hyogo	Nov 8, 2024	140
Kanazawa Kanaizumi	Kanazawa, Ishikawa	Nov 14, 2024	141 (127)
Toyota Tsuchihashi	Toyota, Aichi	Nov 27, 2024	142 (128)
Nonami (FC)	Nagoya, Aichi	Dec 18, 2024	143
Nagasaki Togitsu (FC)	Nishisonogi, Nagasaki	Feb 1, 2025	144
Totsuka Harajuku	Yokohama, Kanagawa	Feb 19, 2025	145 (129)
Yokohama Azamino (FC)	Yokohama, Kanagawa	Feb 26, 2025	146
Utsunomiya Tsuruta (FC)	Utsunomiya, Tochigi	Mar 12 2025	147
Miyagino	Sendaim Miyagi	Mar 28, 2025	148 (130)
Shonandai (FC)	Fujisawa, Kanagawa	Apr 11, 2025	149
Sano	Sano, Tochigi	Apr 23, 2025	150 (131)
Kyoto Ukyo	Kyoto, Kyoto	Apr 25, 2025	151 (132)

As of the end of April 2025, the number of KeePer LABO stores reached 151, consisting of 132 directly operated stores and 19 franchise stores.

Upcoming Store Openings in Q4:

Store Name (Tentative)	Location	Planned Opening Date	Cumulative LABO Stores (Directly Operated)
Fujieda	Fujieda, Shizuoka	May 2025	152 (133)
Ashiya	Ashiya, Hyogo	June 2025	153 (134)
Matsumoto	Matsumoto, Nagano	June 2025	154 (135)
Morioka (FC)	Morioka, Iwate	June 2025	155
Aomori (FC)	Aomori, Aomori	June 2025	156
Natori	Natori, Miyagi	June 2025	157 (136)
Tokyo Kita	Kita, Tokyo	June 2025	158 (137)

Furthermore, as of the end of June 2025, the total number of stores is expected to increase to 158, with 137 directly operated stores (up 17 year-on-year) and 21 franchise stores (up 8 year-on-year), representing a total year-on-year increase of 25 stores.

Upcoming Store Openings in next FY:

Store Name (Tentative)	Location	Planned Opening Date
Inazawa	Inazawa, Aichi	July 2025
Kokubunji (FC)	Kokubunji, Tokyo	July 2025
Sapporo West	Sapporo, Hokkaido	July 2025
Yamato (FC)	Yamato, Kanagawa	Aug 2025
Yao	Yao, Osaka	Sep 2025
Nagano	Nagano, Nagano	Sep 2025
Takamatsu	Takamatsu, Kagawa	Oct 2025
Okazaki Harisaki	Okazaki, Aichi	Oct 2025
Tsukuba (FC)	Tsukuba, Ibaraki	Oct 2025
Ritto (FC)	Ritto, Shiga	Oct 2025
Sapporo West IC	Sapporo, Hokkaido	Nov 2025
Shunan	Shunan, Yamaguchi	Nov 2025

KeePer Products Related Segment

The KeePer Products Related Segment achieved net sales of ¥7,884 million, a 14.3% increase year-on-year, and segment profit of ¥3,318 million, up 22.3%. In the third quarter accounting period (January 1 to March 31, 2025), net sales were ¥2,401 million, a 16.7% increase year-on-year, and operating income was ¥971 million, up 22.1%, indicating revenue and profit growth.

	FY06/2024	% Total	FY06/2025	YoY	% Total
	Q3 Accum.		Q3 Accum.		
Products Related	6,897	100.0%	7,884	114.3%	100.0%
After Market	4,779	69.3%	4,845	101.4%	61.4%
New Car Market	1,736	25.2%	2,377	136.9%	30.1%
Overseas	52	0.8%	71	136.5%	0.9%
Non-Auto	335	4.9%	591	176.4%	7.5%

In the "aftermarket" segment, primarily comprising gas stations, sales saw a modest increase of 1.3% year-on-year. This limited growth is attributed to the sharp rise in retail fuel prices following the end of gasoline subsidies at the end of 2024, leading to consumer restraint in spending on non-fuel services like coatings and car washes.

Additionally, in anticipation of the scheduled merger of three major ENEOS-affiliated oil sales companies in April 2025, some operational adjustments and restructuring began earlier, causing disruptions at the site level. This led to a noticeable decline in proactive sales activities for coatings and car washes at certain locations.

Anticipating such developments, our company has proactively shifted its sales focus toward the new car market. Sales to new car dealers, particularly Toyota-affiliated dealerships, have shown significant growth, with the "new car market" segment increasing by 36.9% year-on-year. The sales composition ratio for this segment rose from 25.2% in the previous fiscal year to 30.1%.

Notably, sales to Toyota dealers, which account for over 50% of the new car market segment, have achieved over 200% year-on-year growth for three consecutive years. Furthermore, since March 2025, KeePer coatings have been adopted as

genuine products by Volvo Car Japan Co., Ltd., and are being well-received at Volvo dealer locations, with application numbers steadily increasing.

In the "non-automotive services" segment, sales have grown significantly by 76.1% year-on-year. KDDI Corporation, operating the "au" brand, has adopted KeePer's mobile device coating "Mobile KeePer," resulting in the delivery of coating agents for 550,000 units. Given the high compatibility between mobile devices and KeePer's offerings, we have high expectations for further business expansion in this area.

On August 1, 2024, we opened our first overseas "KeePer LABO" store in Singapore, located within the premises of the car shop "Autobacs." Initially, the store attracted attention from Autobacs customers, with monthly sales averaging around ¥3 million. However, following the Chinese New Year period in Singapore, consumer sentiment declined significantly, mirroring the typical downturn observed in Japan during January and February. Additionally, the store's location within a car shop limits exposure to a broader customer base, presenting a challenge in reaching new clientele.

To address this, we plan to implement marketing strategies utilizing social media platforms like YouTube, which have proven effective in Japan. Although still in the exploratory phase, customers who have experienced KeePer coatings in Singapore have expressed satisfaction comparable to that in Japan. The key focus moving forward is on effectively communicating the value of our services to a wider audience.

In Hong Kong, Taiwan, and South Korea, our KeePer PROSHOP network continues to expand steadily. Sales in these regions increased by 36.5% year-on-year, demonstrating solid progress in our overseas operations.

Quarterly Non-consolidated Financial Statements

Quarterly Non-consolidated Balance Sheets

(Thousands of yen)

	As of June 30, 2024	As of March 31, 2025
Assets		
Current assets		
Cash and deposits	5,137,452	2,661,786
Notes receivable - trade	193,628	124,700
Accounts receivable - trade	1,637,166	2,205,678
Merchandise	1,120,808	1,176,904
Supplies	123,979	132,342
Prepaid expenses	254,301	235,263
Short-term loans receivable from subsidiaries and associates	23,996	19,381
Other	97,981	33,022
Allowance for doubtful accounts	(180)	(234)
Total current assets	8,589,133	6,588,844
Non-current assets		
Property, plant and equipment		
Buildings, net	5,573,389	6,310,974
Structures, net	319,749	357,565
Machinery and equipment, net	44,351	39,259
Vehicles, net	39,933	43,701
Tools, furniture and fixtures, net	233,398	242,054
Land	2,016,836	2,016,836
Leased assets	295,013	313,909
Construction in progress	78,793	200,039
Total property, plant and equipment	8,601,463	9,524,341
Intangible assets		
Software	66,133	102,897
Other	77,067	56,321
Total intangible assets	143,201	159,218
Investments and other assets		
Investment securities	22,237	4,470,258
Shares of subsidiaries and associates	70,339	70,339
Long-term prepaid expenses	44,430	43,184
Leasehold and guarantee deposits	599,705	651,318
Construction assistance fund receivables	295,013	307,601
Insurance funds	11,460	11,460
Deferred tax assets	445,076	481,761
Other	462,469	852,063
Allowance for doubtful accounts	-	(7)
Total investments and other assets	1,950,732	6,887,982
Total non-current assets	10,695,397	16,571,543
Total assets	19,284,531	23,160,387

(Thousands of yen)

	As of June 30, 2024	As of March 31, 2025
Liabilities		
Current liabilities		
Accounts payable - trade	729,482	656,234
Current portion of long-term borrowings	48,000	506,316
Accounts payable - other	682,512	549,020
Income taxes payable	1,008,874	1,002,219
Accrued expenses	355,059	289,834
Lease liabilities	22,242	25,294
Provision for bonuses	70,479	293,646
Contract liabilities	277,011	325,029
Other	161,438	45,673
Total current liabilities	3,355,100	3,693,269
Non-current liabilities		
Long-term borrowings	64,000	1,069,684
Provision for retirement benefits	493,793	545,599
Provision for retirement benefits for directors (and other officers)	288,243	291,612
Lease liabilities	272,770	288,615
Asset retirement obligations	339,767	372,519
Other	4,043	11,387
Total non-current liabilities	1,462,617	2,579,417
Total liabilities	4,817,718	6,272,686
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	16,519,628
Treasury shares	(2,164,590)	(2,164,825)
Total shareholders' equity	14,463,440	16,751,379
Valuation and translation adjustments		
Valuation difference on available-for-sale securities	3,371	136,321
Total valuation and translation adjustments	3,371	136,321
Total net assets	14,466,812	16,887,701
Total liabilities and net assets	19,284,531	23,160,387

Quarterly Non-consolidated Statements of Income

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

(Thousands of yen)

	For the nine months ended March 31, 2024	For the nine months ended March 31, 2025
Net sales	15,109,301	17,242,026
Cost of sales	7,182,825	8,202,404
Gross profit	7,926,476	9,039,621
Selling, general and administrative expenses	3,533,625	3,669,443
Operating profit	4,392,851	5,370,178
Non-operating income		
Interest income	1,649	4,551
Dividend income	228	245
Foreign exchange gains	-	20,745
Commission income	3,826	1,721
Other	2,200	6,798
Total non-operating income	7,904	34,061
Non-operating expenses		
Interest expenses	262	3,182
Foreign exchange losses	8,517	-
Other	27	43,463
Total non-operating expenses	8,807	46,645
Ordinary profit	4,391,948	5,357,594
Extraordinary income		
Gain on sale of non-current assets	1,181	2,236
Total extraordinary income	1,181	2,236
Extraordinary losses		
Loss on sale and retirement of non-current assets	12,057	106
Total extraordinary losses	12,057	106
Profit before income taxes	4,381,071	5,359,724
Income taxes - current	1,488,941	1,794,162
Income taxes - deferred	(84,207)	(94,618)
Total income taxes	1,404,734	1,699,544
Profit	2,976,337	3,660,180

3. Notes to Quarterly Financial Statements

(Notes Regarding the Assumption of a Going Concern)

There are no applicable items.

(Notes on Significant Changes in Shareholders' Equity)

There are no applicable items.

(Segment Information, etc.)

Information on Sales, Profit or Loss by Reporting Segment and Revenue Breakdown

Cumulative Q3 of the Fiscal Year Ended June 30, 2024 (July 1, 2023 – March 31, 2024)

(Unit: thousand yen)

	Segment			Adjustments	Amount on Q'yly Income Statement
	KeePer Products	KeePer LABO	Total		
Revenue					
Sapporo Office	305,176	—	305,176	—	305,176
Sendai Office	749,729	—	749,729	—	749,729
Tokyo Office	1,391,868	—	1,391,868	—	1,391,868
Yokohama Office	692,100	—	692,100	—	692,100
Nagoya Office	1,433,147	—	1,433,147	—	1,433,147
Osaka Office	761,272	—	761,272	—	761,272
Hiroshima Office	673,051	—	673,051	—	673,051
Fukuoka	891,238	—	891,238	—	891,238
Eastern Japan	—	4,177,999	4,177,999	—	4,177,999
Western Japan	—	4,033,717	4,033,717	—	4,033,717
Revenue from contracts with customers	6,897,584	8,211,717	15,109,301	—	15,109,301
External revenue	6,897,584	8,211,717	15,109,301	—	15,109,301
Intersegment revenue or transfers	1,110,078	—	1,110,078	△1,110,078	—
Total	8,007,662	8,211,717	16,219,380	△1,110,078	15,109,301
Segment profit	2,712,789	1,680,062	4,392,851	—	4,392,851

Note: Intersegment sales represent transactions from the KeePer Related Products Segment to the KeePer LABO Operation Segment.

Cumulative Q3 of the Fiscal Year Ending June 30, 2025 (July 1, 2024 – March 31, 2025)

(Unit: thousands of yen)

	Segment			Adjustments	Amount on Q'yly Income Statement
	KeePer Products	KeePer LABO	Total		
Revenue					
Sapporo Office	389,742	—	389,742	—	389,742
Sendai Office	847,524	—	847,524	—	847,524
Tokyo Office	1,740,353	—	1,740,353	—	1,740,353
Yokohama Office	726,998	—	726,998	—	726,998
Nagoya Office	1,633,890	—	1,633,890	—	1,633,890
Osaka Office	805,202	—	805,202	—	805,202
Hiroshima Office	754,994	—	754,994	—	754,994
Fukuoka	985,946	—	985,946	—	985,946
Eastern Japan	—	4,665,033	4,665,033	—	4,665,033
Western Japan	—	4,692,342	4,692,342	—	4,692,342
Revenue from contracts with customers	7,884,651	9,357,375	17,242,026	—	17,242,026
External revenue	7,884,651	9,357,375	17,242,026	—	17,242,026
Intersegment revenue or transfers	386,427	—	386,427	△386,427	—
Total	8,271,078	9,357,375	17,628,453	△386,427	17,242,026
Segment profit	3,318,654	2,051,523	5,370,178	—	5,370,178

Note: Intersegment sales represent transactions from the KeePer Related Products Segment to the KeePer LABO Operation Segment.

(Notes on the Statement of Cash Flows)

A quarterly statement of cash flows for the current cumulative third quarter period has not been prepared. Depreciation expenses (including amortization of intangible assets) for the period are as follows:

Period	Depreciation Expense
Cumulative Q3 (July 1, 2023 – March 31, 2024)	¥308,990 thousand
Cumulative Q3 (July 1, 2024 – March 31, 2025)	¥400,110 thousand

(Revenue Recognition)

Breakdown of revenue from contracts with customers is presented in “Notes: Segment Information.”

(Significant Subsequent Events)

There are no applicable items.