



キッチンから、笑顔をつくろう

Presentation Material:
Announcement of FY 2020 Interim Results

November 6, 2020



キッチンから、笑顔をつくろう

I . Interim Results Outline

1. Outline of Consolidated Results for Interim Period Ended September 2020

(Units: millions of yen)

	2020/9 (Actual Results)	2019/9 (Actual Results)	Change From Prev. Period	2020/9 (Previous Forecast)	Increase / decrease Amounts (Actual Results - Forecast)	Compared To Revised Plan
Net Sales	47,672	54,778	△13.0%	46,600	1,072	2.3%
Operating Income	85	2,224	△96.2%	△800	885	—
Ordinary Income	171	2,256	△92.4%	△750	921	—
Profit attributable to owners of parent	△142	1,572	—	△960	817	—
Interim Net Income Per Share	△3.87yen	42.95yen	—	△26.02yen	—	—

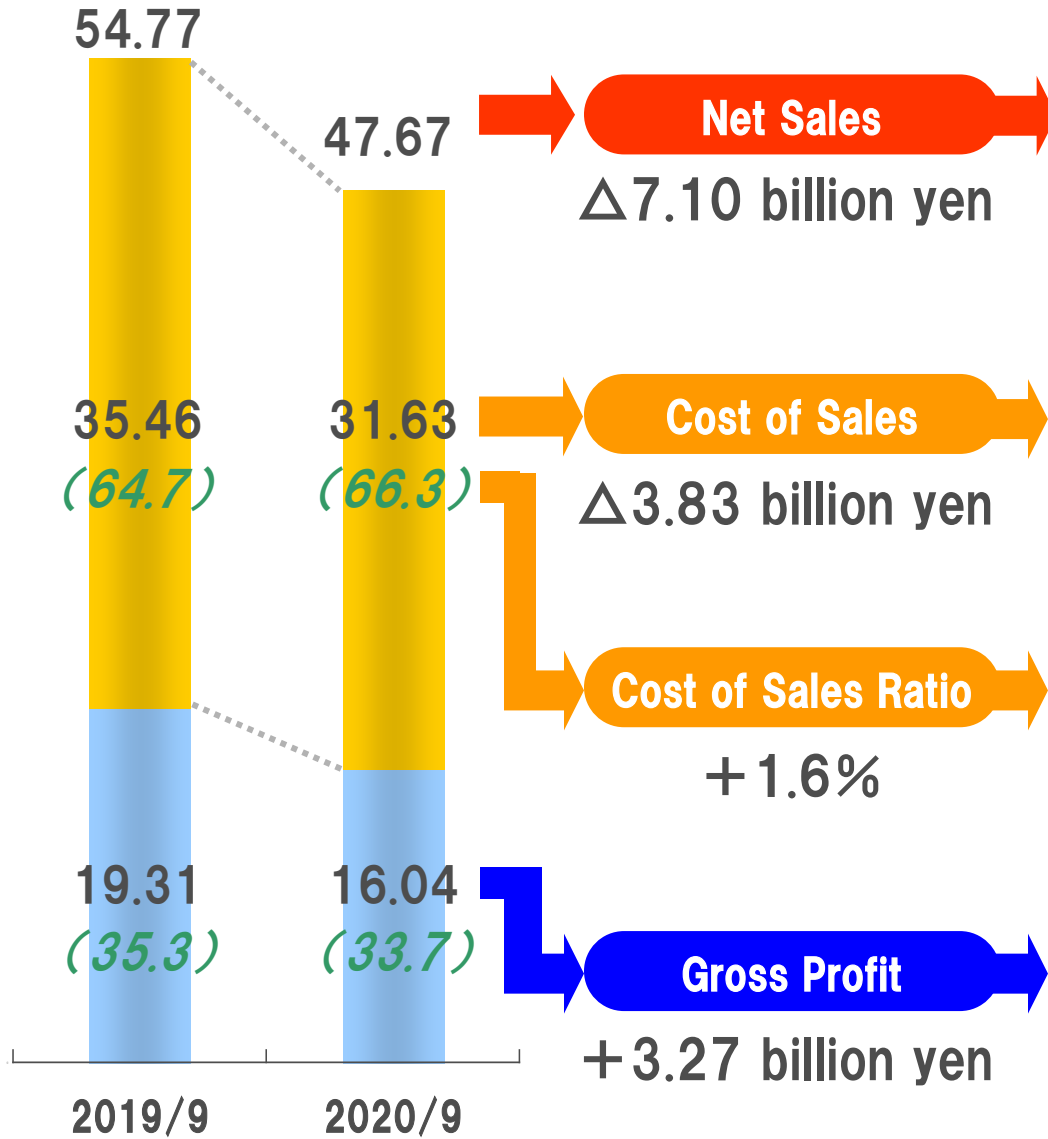
* Previous Forecast: Announced August 6, 2020

2. Consolidated Profits (1) Net Sales, Gross Profit

(Units: billions of yen)

【Increased/Decreased Values (Rates)】

【Main Increase/Decrease Factors】



- System Kitchens Δ 5,350 million yen
- System Bathrooms Δ 1,320 million yen
- Washstands/Vanities Δ 70 million yen etc.

- Decrease Due to Decreased Net Sales Δ 4,600 million yen
- Increase Due to Increased Cost of Sales Ratio + 760 million yen

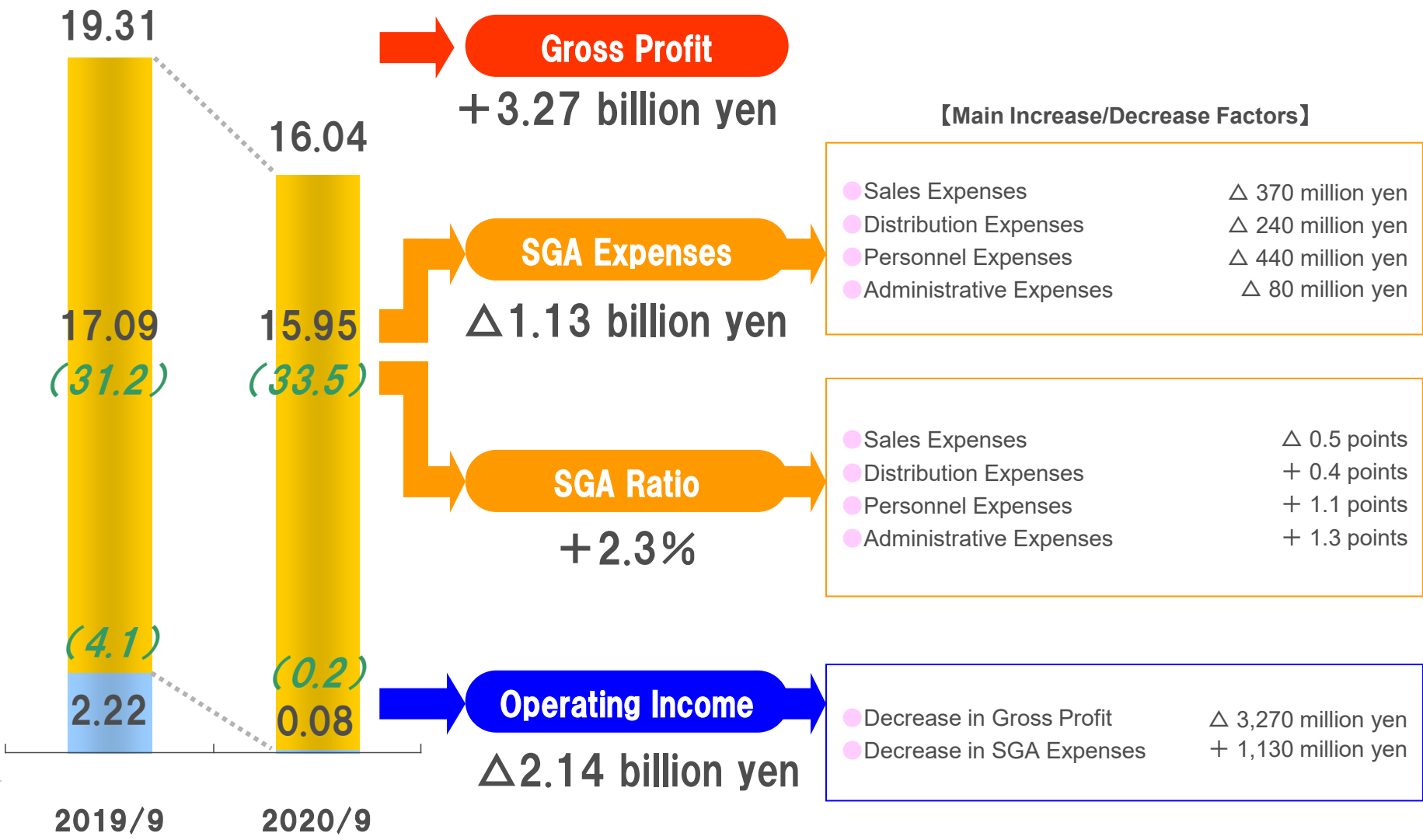
- Increase in STEDIA Cost of Sales Ratio + 0.38 point
- Increase in System Bathrooms Cost of Sales Ratio + 0.05 point
- Influence of Raw Materials and Others + 0.10 point
- Others, model constitution differences + 1.07 point etc.

- Decrease Due to Decreased in Net Sales Δ 2,510 million yen
- Decrease Due to Decreased in Gross Profit Ratio Δ 760 million yen

2. Consolidated Profits ② SGA Expenses, Operating Income

(Units: billions of yen)

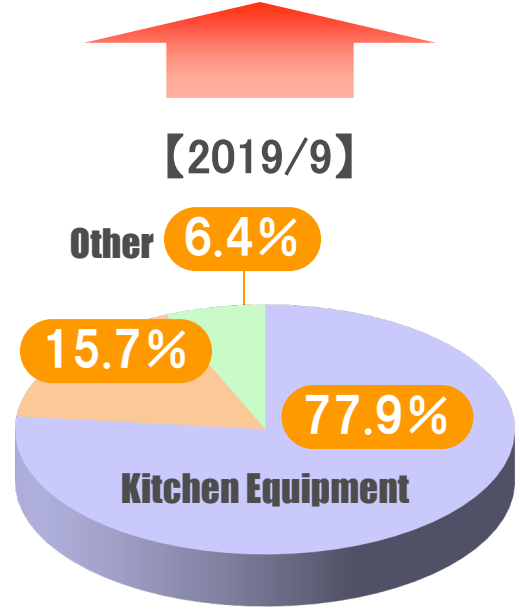
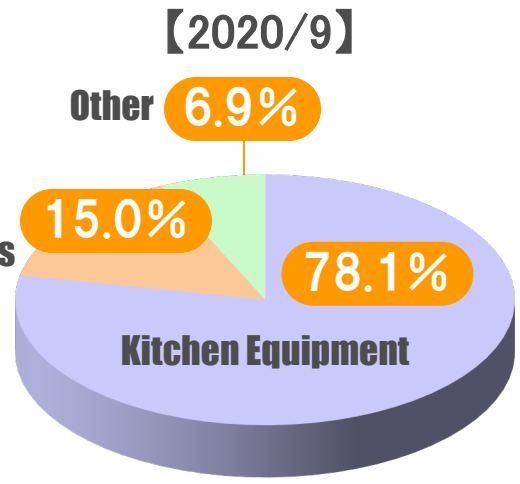
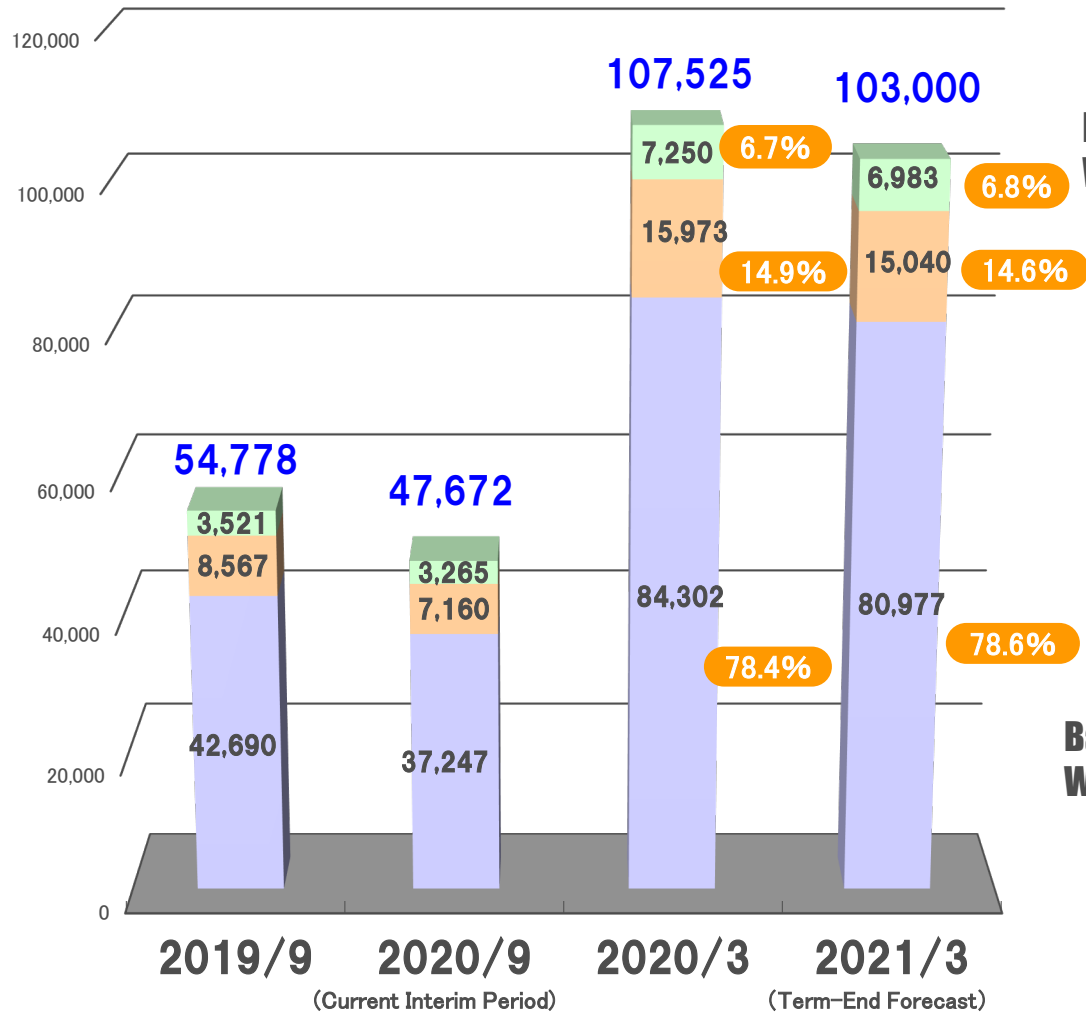
【Increased/Decreased Values (Rates)】



3. Sales Composition ① By Segment (Consolidated)

■ Kitchen Equipment
 ■ Bathtubs & Washstands
 ■ Other

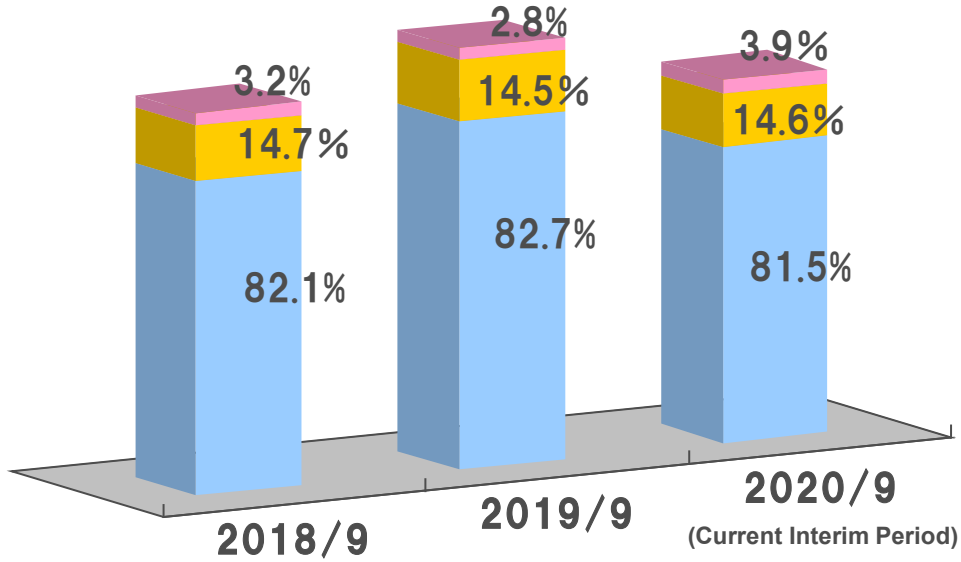
(Units: millions of yen)



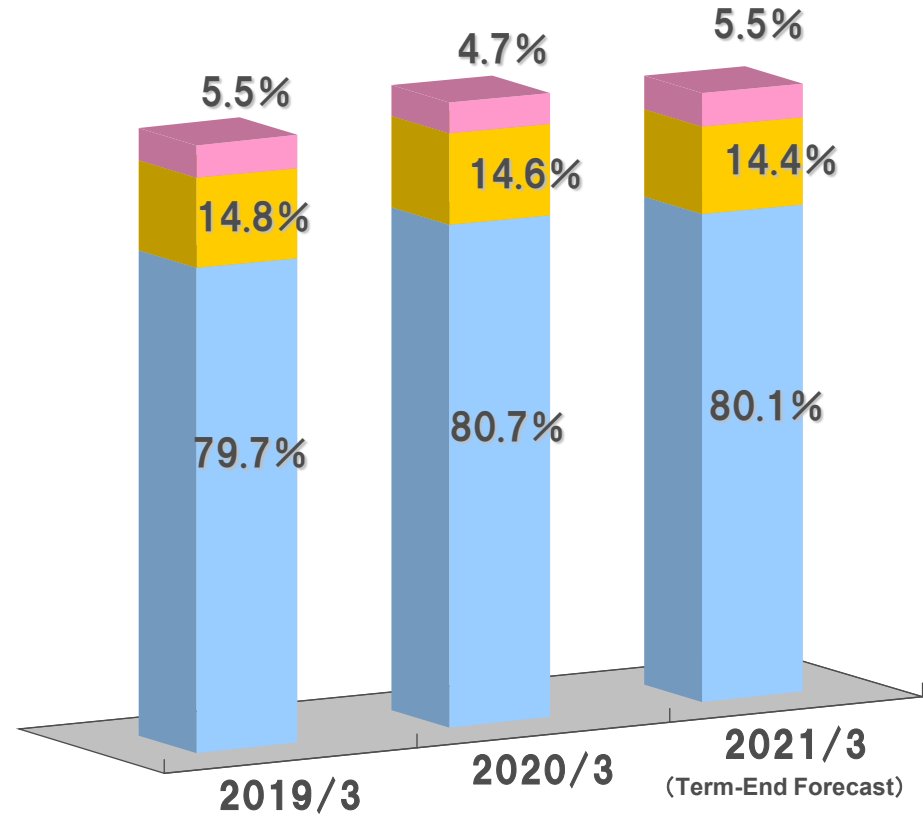
3. Sales Composition ② By Sales Route (Non-Consolidated)

- Direct-Sales (Condominium owners)
- Housing Constructors
- General Routes (Construction Contractors - Home Renovation)

【First-Half Base】



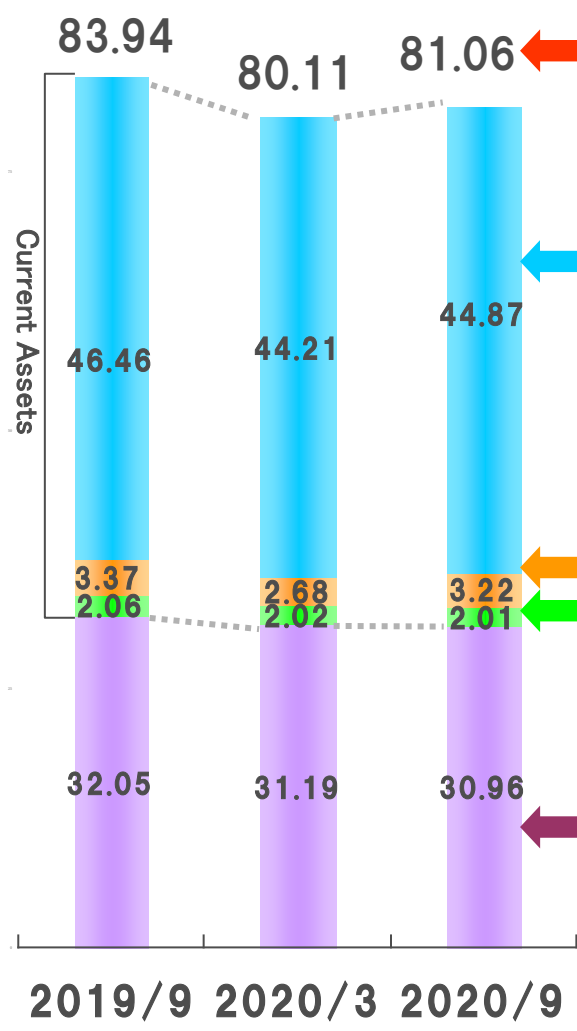
【Full-Term Base】



4. Consolidated Balance Sheet Summary – 1/2

(Units: billions of yen)

【Assets】



【Increased/Decreased Values】

- Total Assets**
+ 0.96 billion yen
- Cash and Deposits
Notes and Accounts
Electronically Recorded
Monetary Claims**
+ 0.66 billion yen
- Inventory**
+ 0.54 billion yen
- Other Current Assets**
△ 0.01 billion yen
- Fixed Assets**
△ 0.23 billion yen

【 Main Increase/Decrease Factors 】

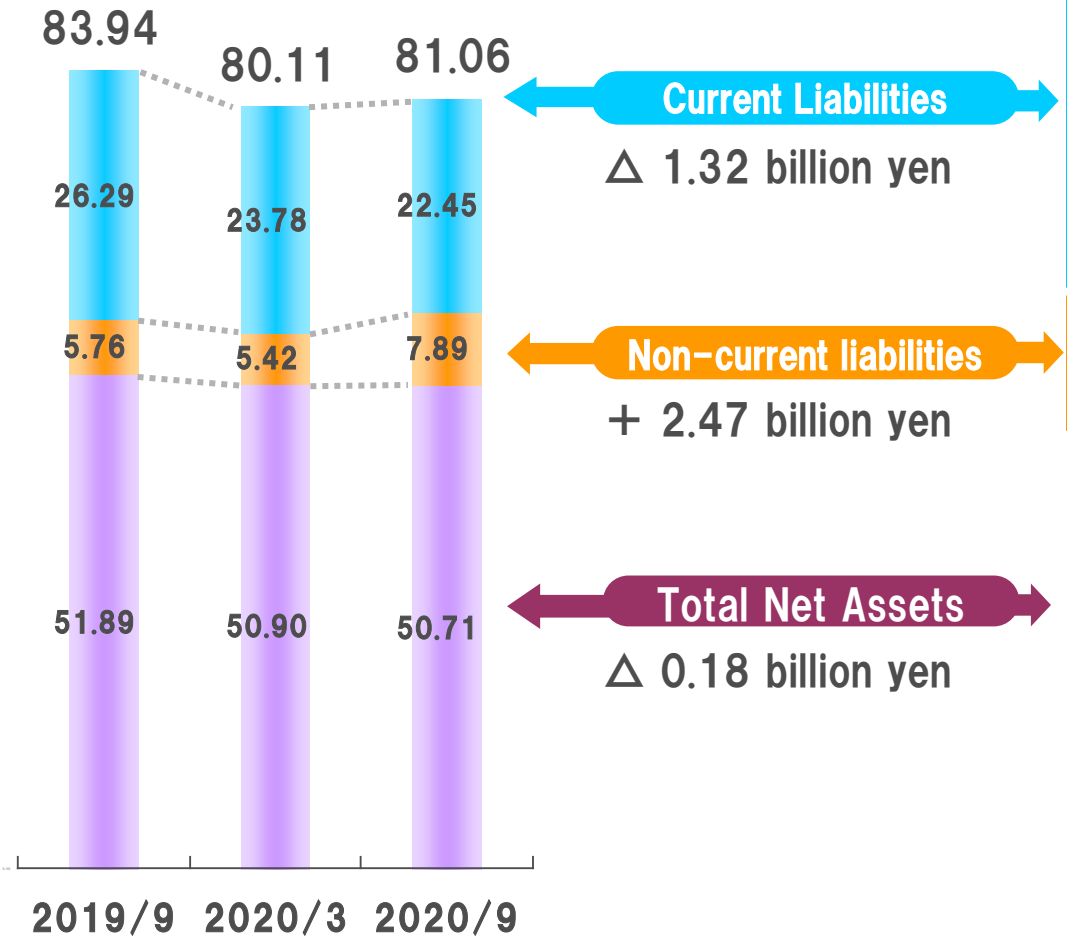
● Current Assets	+ 1,190 million yen
● Fixed Assets	△ 230 million yen
● Cash and Deposits	+ 1,600 million yen
● Notes and Accounts Receivable	△ 400 million yen
● Electronically Recorded Monetary Claims	△ 530 million yen
● Merchandise and Finished Goods	+ 500 million yen
● Tangible Fixed Assets	△ 410 million yen
● Intangible Fixed Assets	△ 140 million yen
● Securities Investments	△ 320 million yen

4. Consolidated Balance Sheet Summary – 2/2

(Units: billions of yen)

【Liabilities・Minority Interests・Assets】

【 Increased/Decreased Values 】



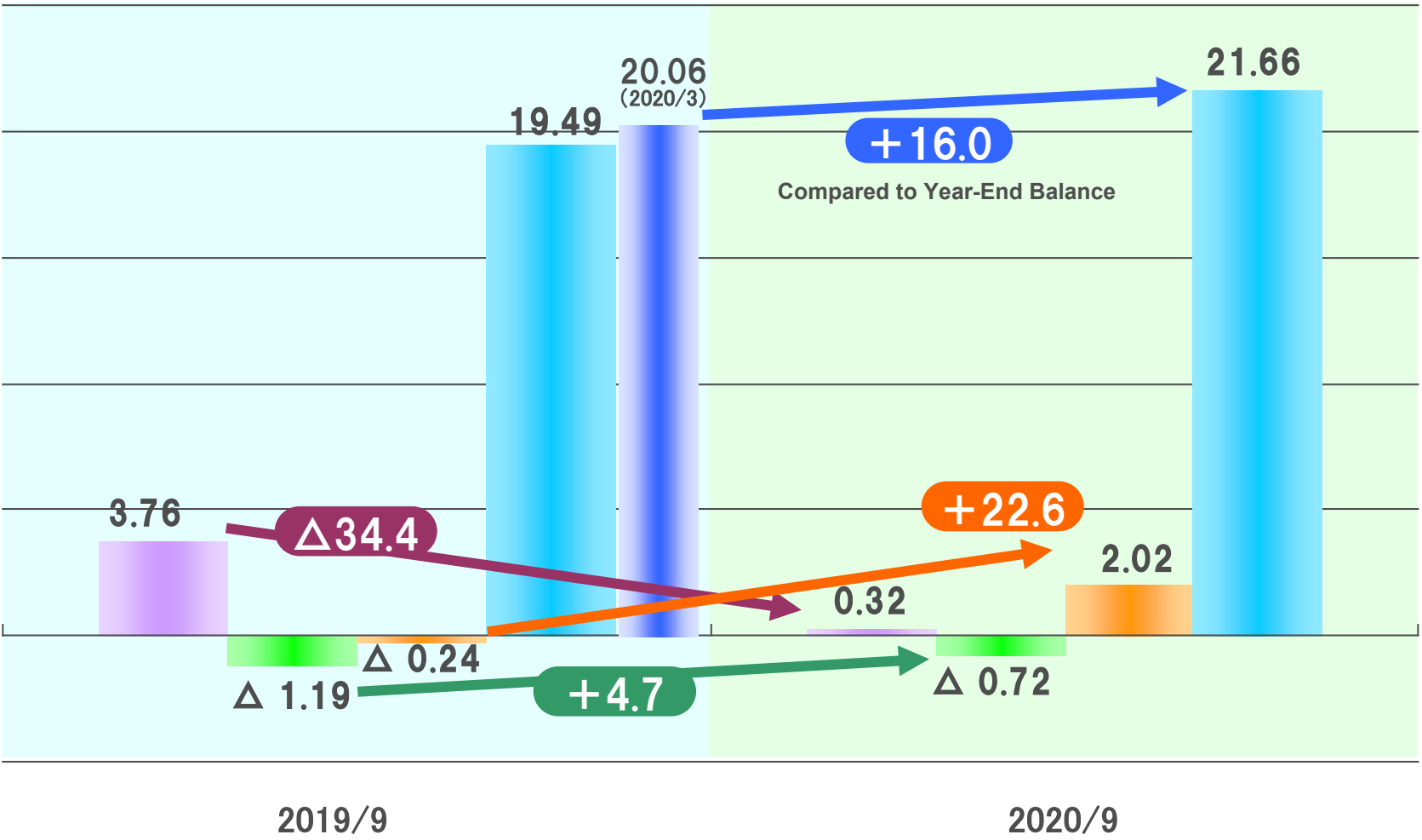
【Primary Reasons for Increase/Decrease】

● Short-term Borrowing	△ 2,000 million yen
● Current Portion of Short-term Borrowings	+ 1,710 million yen
● Electronically Recorded Obligations - Operating	△ 720 million yen
● Income taxes payable	△ 220 million yen
● Long-term Borrowing	+2,760 million yen
● Retirement Benefit Liability	△ 210 million yen
● Interim Net loss	△ 140 million yen
● Dividends	△ 370 million yen
● Valuation Difference on Available-for-Sale Securities	+ 390 million yen

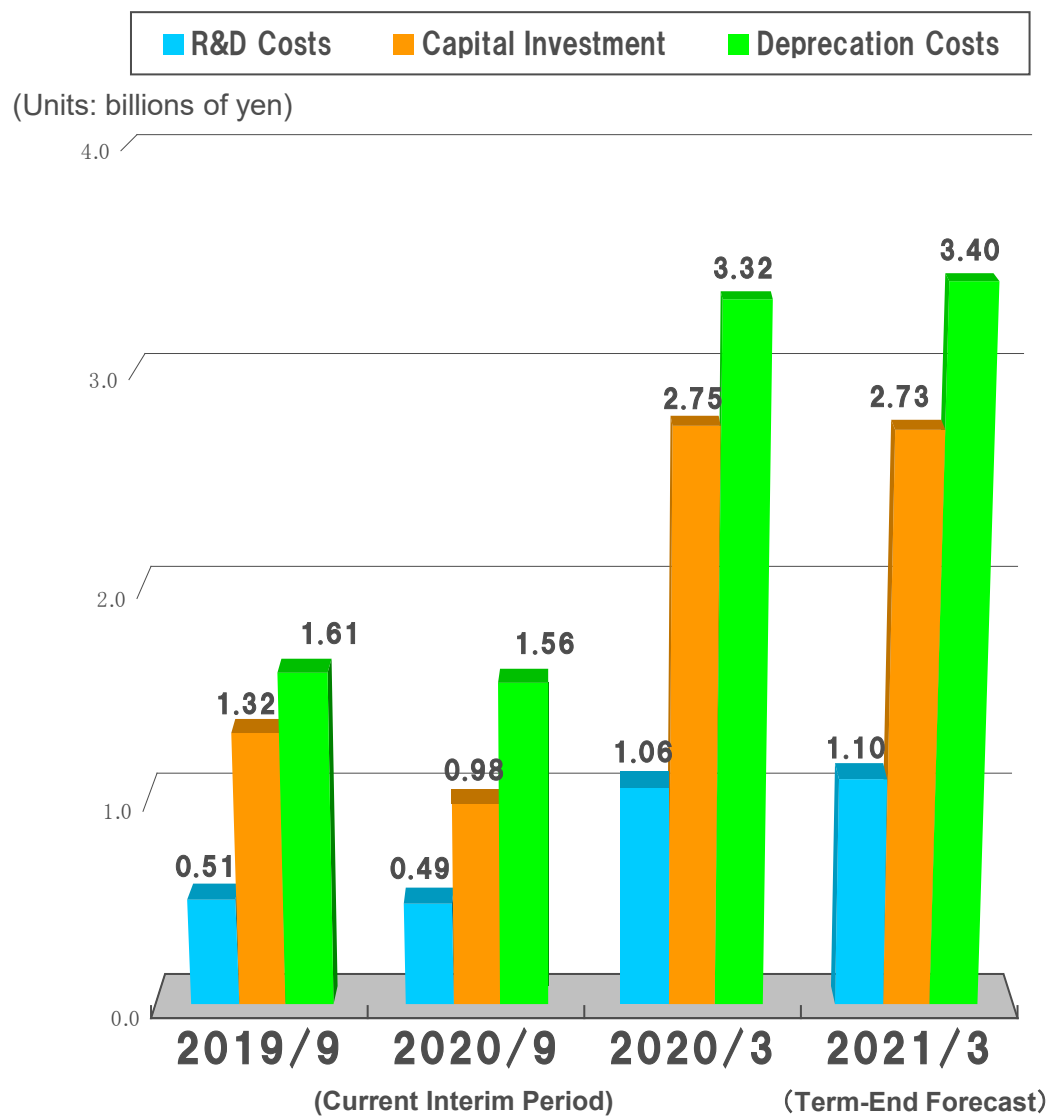
5. Consolidated Cash Flow Statement Summary

(Units: billions of yen)

- Cash Flow from Operating Activities
- Cash Flow from Investing Activities
- Cash Flow from Financing Activities
- Interim (Year-End) Cash & Cash Equivalents Balance



6. Capital Investments (Consolidated)



【FY2020 Major Capital Investment Details】

First-Half Results

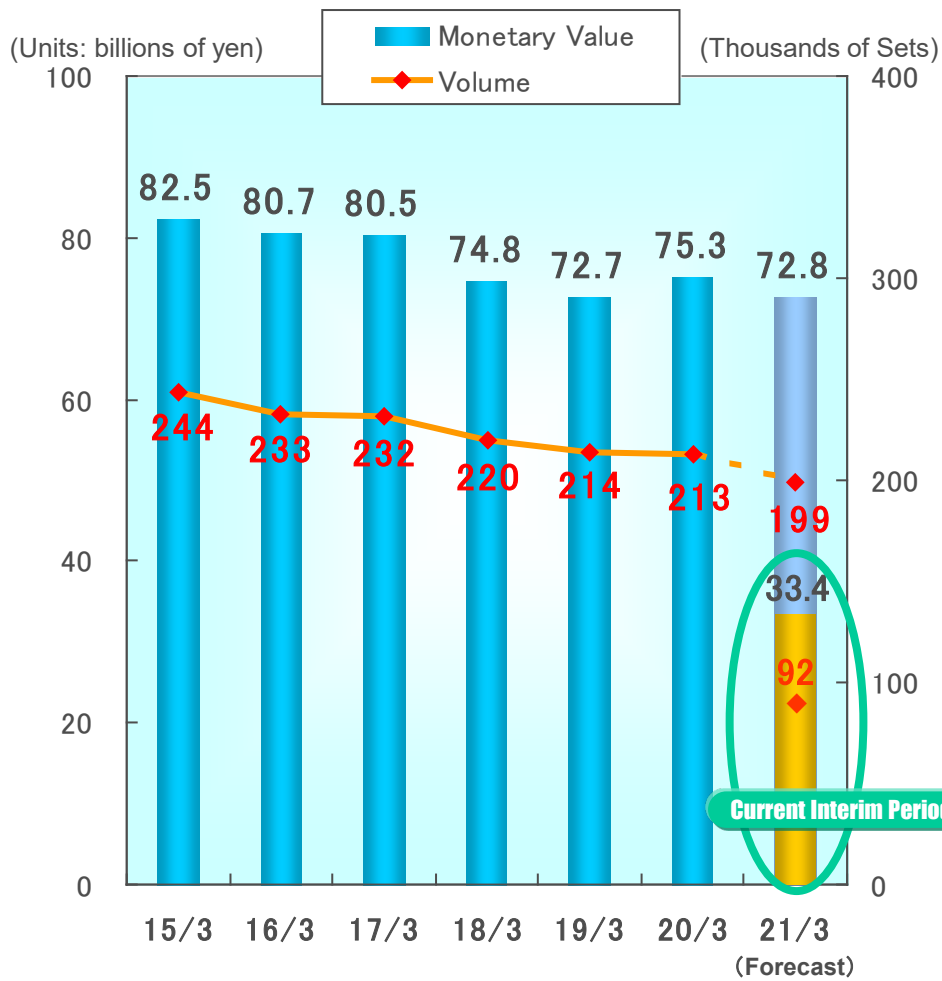
- ① Production Equipment 250 million yen
- ② Operations-Related 370 million yen
(Showroom Renovation etc.)
- ③ Information-Related 290 million yen
- ④ Others 70 million yen

Second-Half Plans

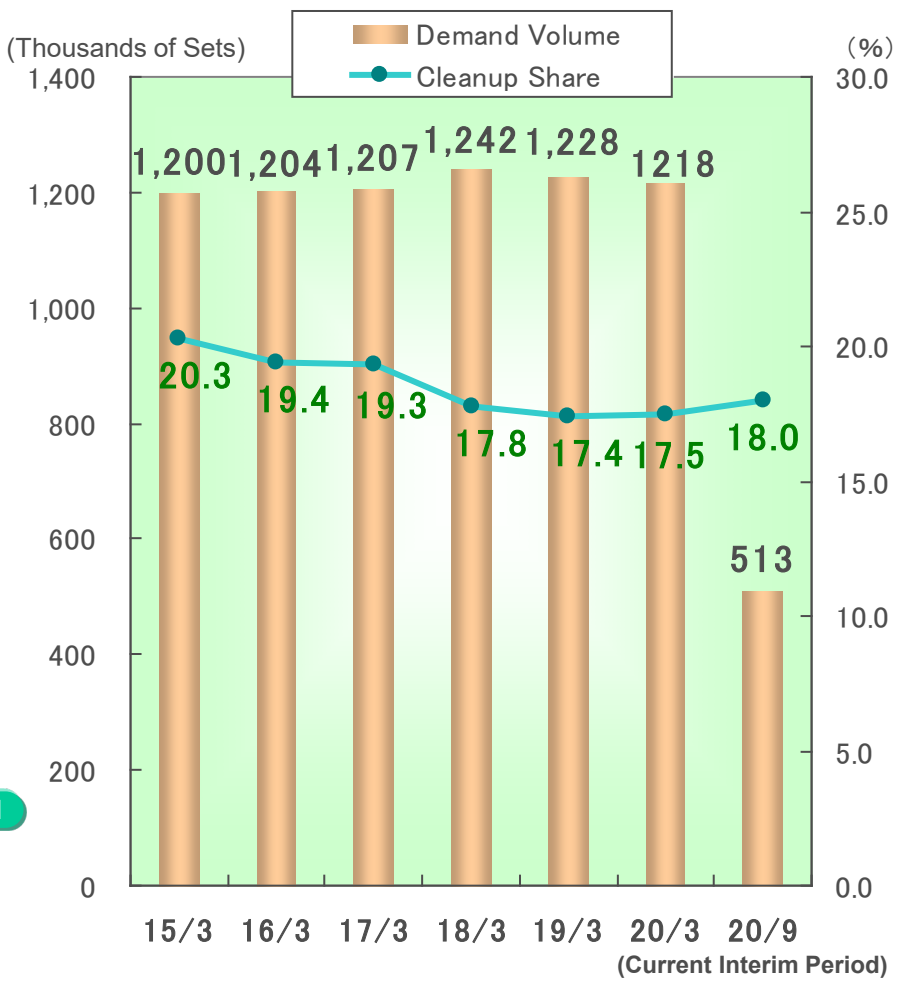
- ① Production-Related 790 million yen
- ② Operations-Related 240 million yen
- ③ Information-Related 630 million yen
- ④ Others 90 million yen

7. Sales Results For Major Products and Cleanup Market Share - 1/3

Complete System Kitchen Sales Results

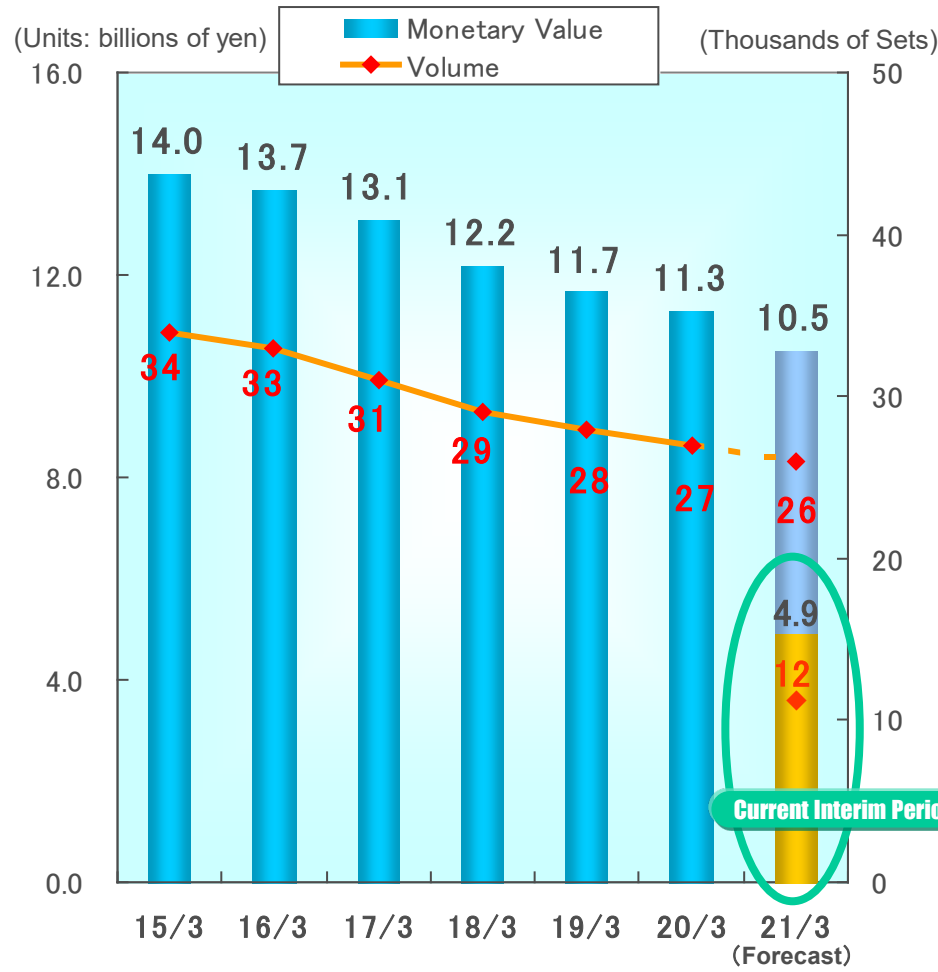


Demand Trends and Market Share

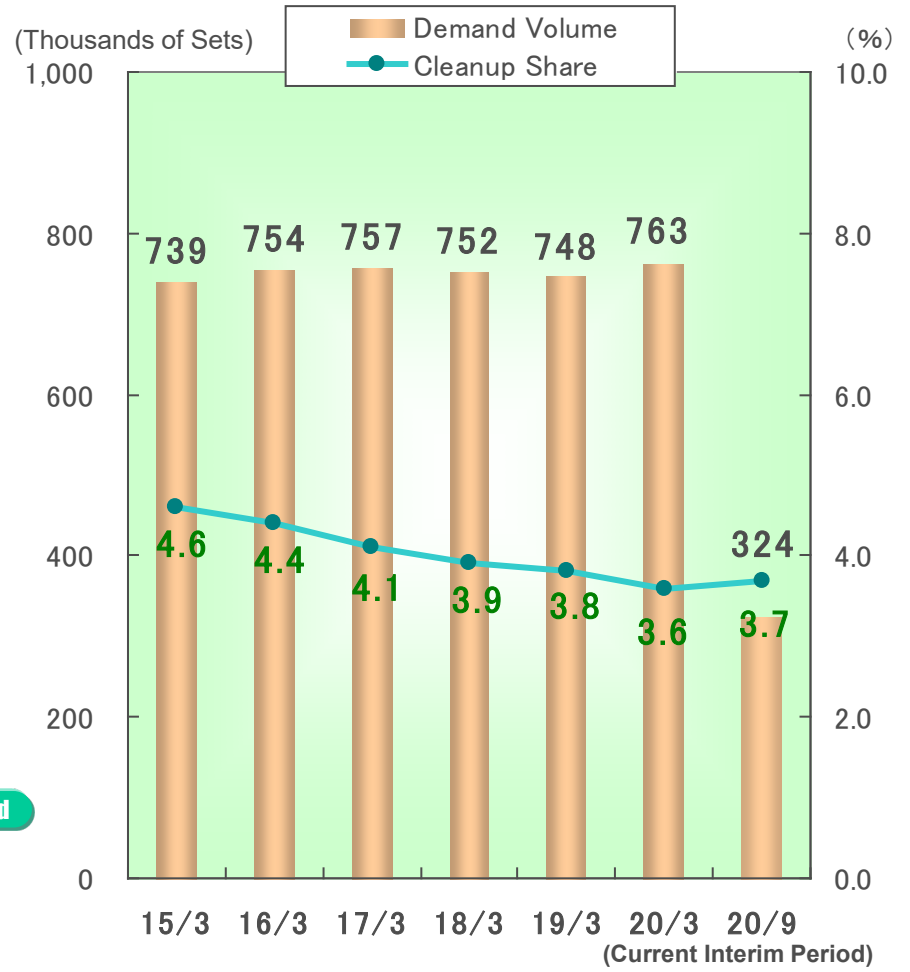


7. Sales Results For Major Products and Cleanup Market Share - 2/3

Modular System Bathroom Sales Results

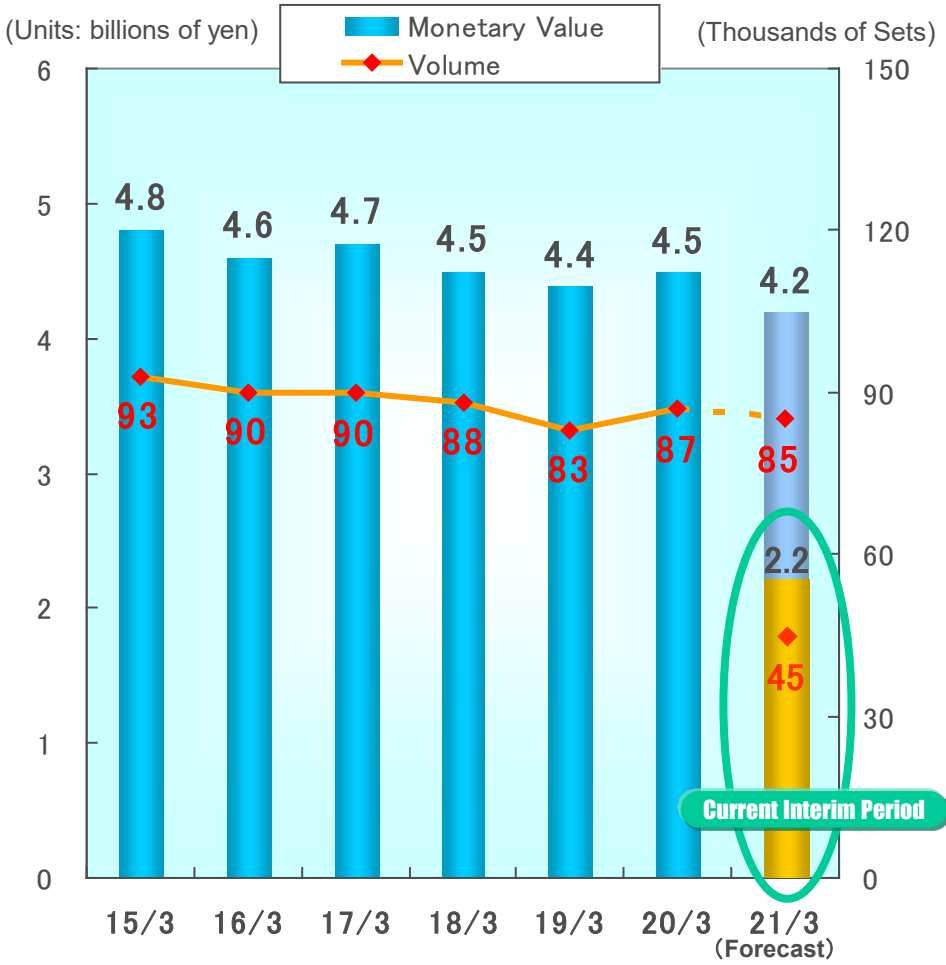


Demand Trends and Market Share

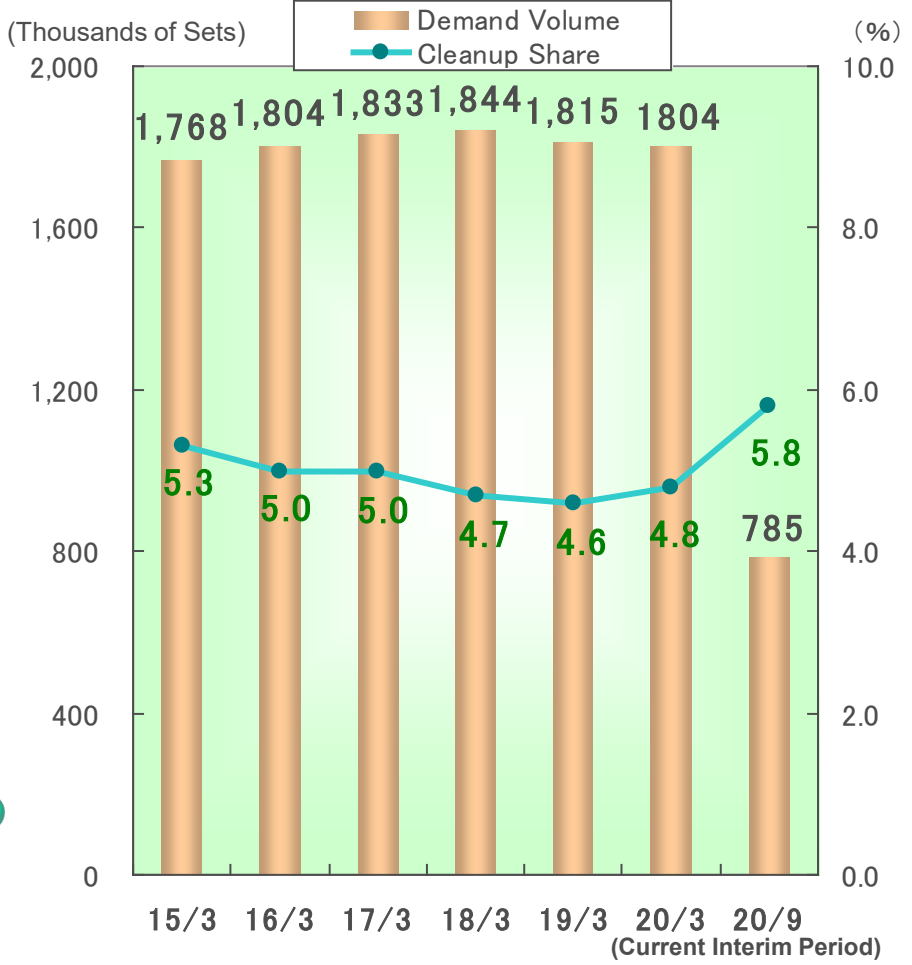


7. Sales Results For Major Products and Cleanup Market Share - 3/3

Washstands/Vanities



Demand Trends and Market Share



8. Forecasted Consolidated Results For The Period Ending March 2021

(Units: millions of yen)

	2020/3 (Actual Results)	2021/3 (Forecast)	Change From Prev. Period
Net Sales	107,525	103,000	△4.2%
Operating Income	2,499	700	△72.0%
Operating Margin	2.3%	0.7%	—
Ordinary Income	2,545	800	△68.6%
Ordinary Income Margin	2.4%	0.8%	—
Profit attributable to owners of parent	1,465	400	△72.7%
Net Income Margin	1.4%	0.4%	—



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II. Future Strategy

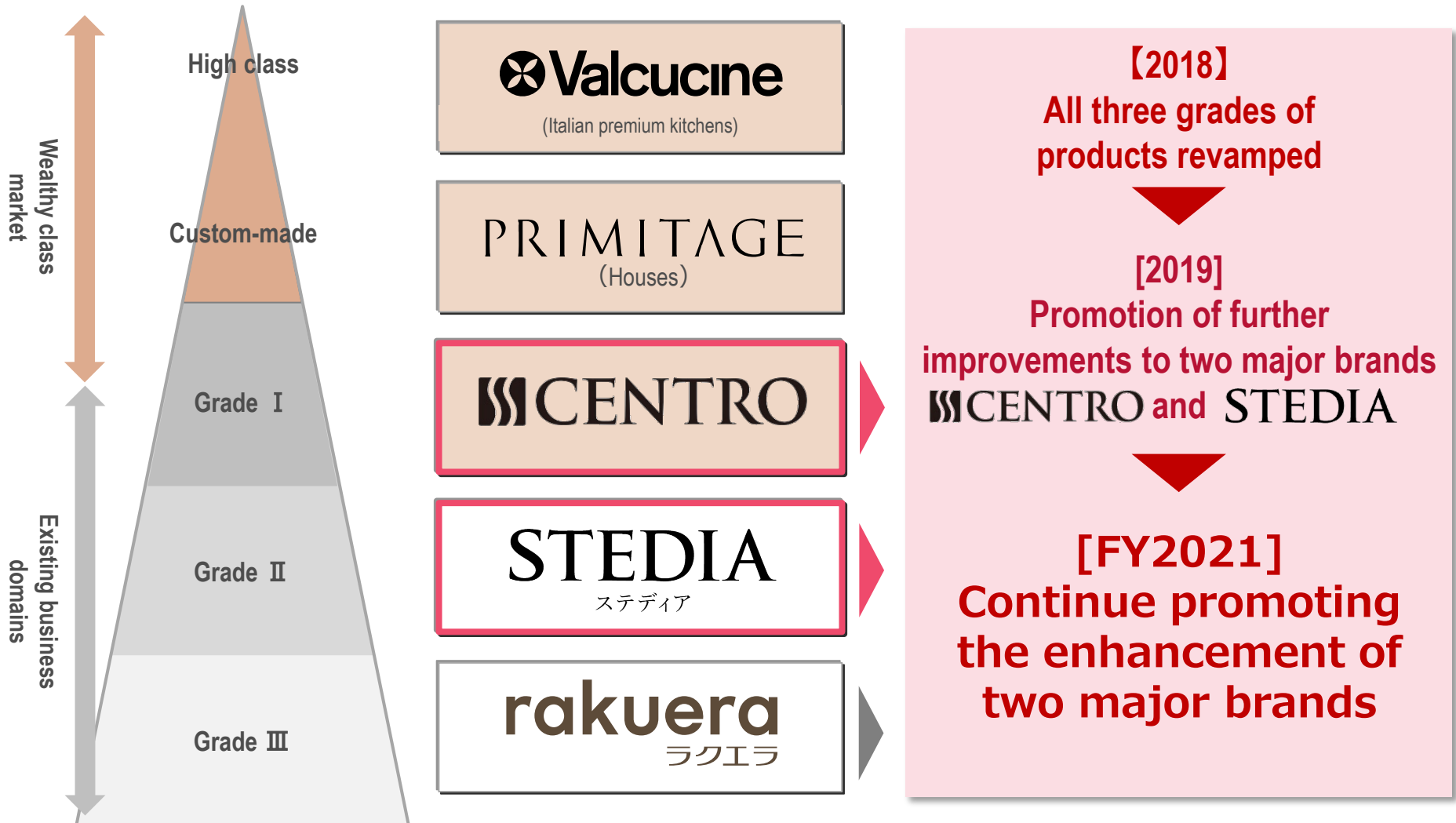
Progress of Medium-Term Management Plan

1. Outline of 2018 Medium-term Management Plan (2018 to 2020) Commitments and Framework

Commemorating the 70th anniversary of our establishment, moving forward.
At Cleanup we take on the challenging task of “Reformation and Creation”.



Implementation of sales promotions centered around three core grades



STEDIA

ステディア

Renewal work to accommodate a broader range of customers in terms of both design and pricing.

1 The expression of “individuality” for the kitchen is achieved in response to a broader range of interior preferences.



[Principal aspects of renovations]

- The varied range of door surface materials and handles, enhances the pivotal features of design.
- A fresh introduction of stainless worktops offers the popular “flat open plan”.
- A “60 cm depth type”, which can be accommodated in a limited space, has been added.

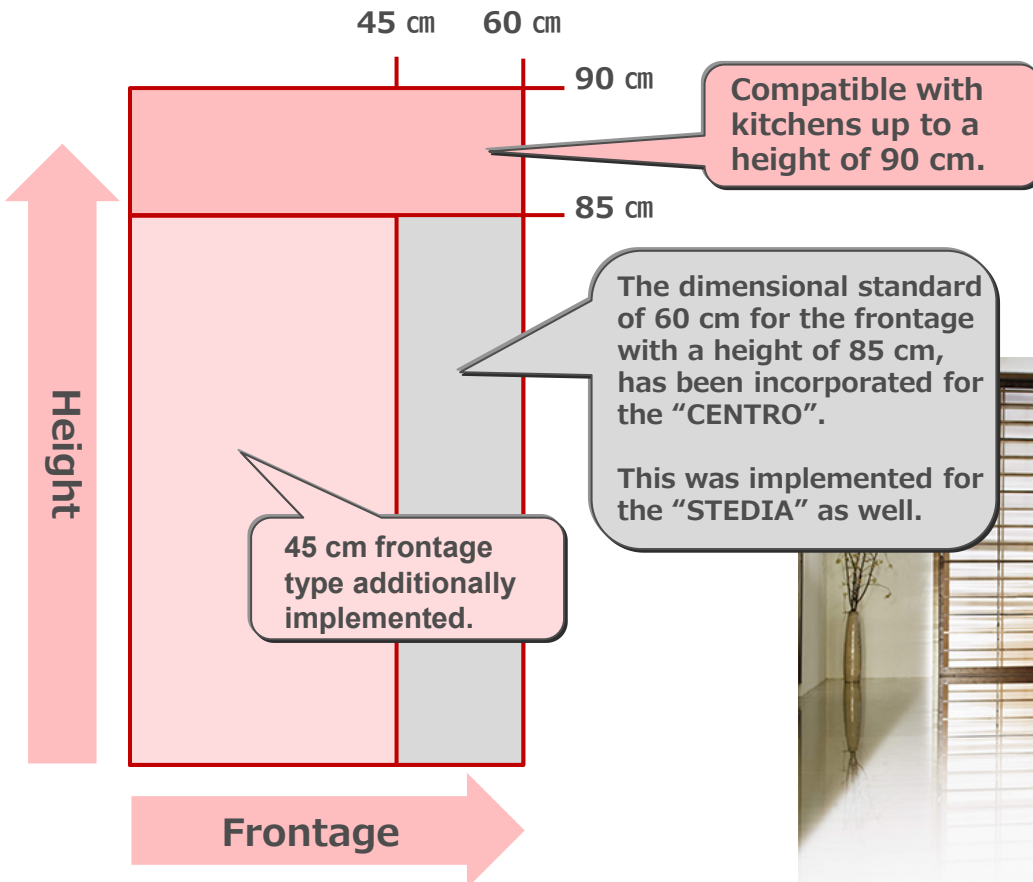
2 Stylish designs at more affordable prices, with the establishment of the new “Stylish Plan”.



CENTRO STEDIA

ステディア

The range of German high-end dishwashers from “Miele” has been expanded.



Principal features of “Miele”

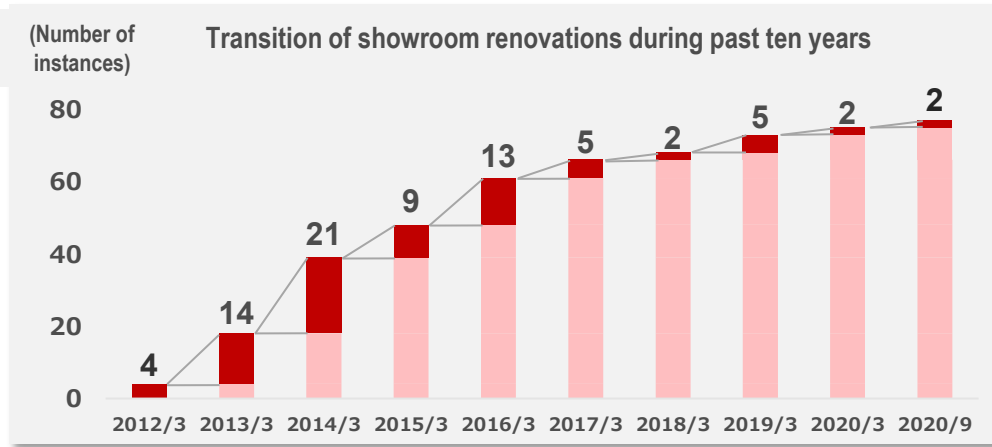
- The premium brand that attracts overwhelming support from wealthy clientele.
- Generous capacity with a strong cleansing capability.



2. Enhancements in mid to high-end markets [2] Showrooms

Showrooms, which serve as important points of contact for customers, will continue to be improved

■ Showrooms nationwide: Renovations continuously implemented to sustain attraction



■ Renovation achievements for the current fiscal term



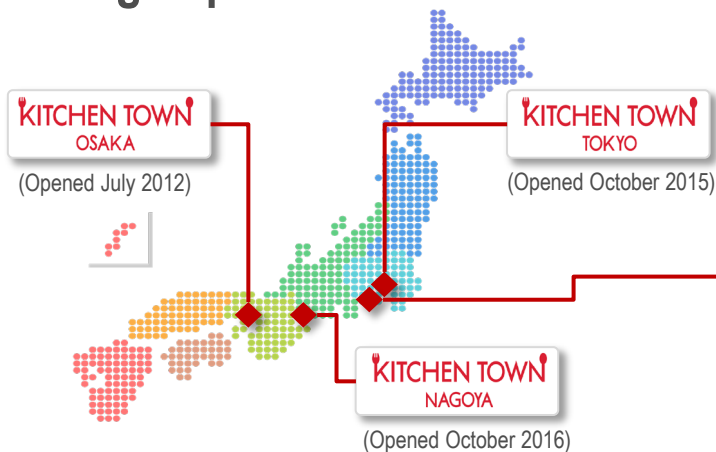
“Fukushima Showroom”
Relocated site opened.
June 6 (Saturday)



“Komaki Showroom”
Reopened after renovation.
September 26 (Saturday)

■ Flagship showrooms: Four locations established nationwide

[TOKYO・YOKOHAMA・NAGOYA・OSAKA]



Opened at Minatomirai on June 28





Renewing the compact kitchen “colty” in response to the latest trend

Renovation responsive capabilities have been improved in a multifaceted manner, in order to accommodate recent demands for renovations in the rental residential market.

Attractive design

Door colors, handles and peripheral storage, reflecting interior trends, achieve a high designability with an awareness about “home staging” for facilitating easier imaging of living.

Flat open plan introduced

The flat open layout connects the living and kitchen spaces, to add more space giving a comfortable, liberating and spacious feel.

Two types of depth settings

Two different depths are available for selection, to suit the space available at any given property.



4. Marketing Measures in Response to “New Lifestyle”

The **Virtual to Real** feature promotes customer visits, utilizing the web and digital media.

New marketing measures increase the contract signing rate at showrooms.

Attention

TV ads (Satellite broadcasts)



Advertising that features product appeal.

Interest & searches

Online showroom



Web seminars



Action

Showrooms



Conducting fairs and events.

New web content for simulated experiences of touring showrooms

The “Online Showroom”, open since October 1, facilitates increased opportunities for customers considering the purchase of products online.

[Principal Features]

- ① Anyone can gain access from the Cleanup website, without any user registration requirements.
- ② A miniature garden-style showroom offers an overall perspective at a glance.
- ③ Easy to understand, intuitive operability and viewability on computers, as well as smart phones.

Merchandise introduction room “STEDIA”

- ⇒ “CENTRO” Room
Opening scheduled for late November
- ⇒ Featured brands to be expanded in the future

A broad range of information content, which includes the concepts of craftsmanship at Cleanup, as well as the features of the products and user feedback, are provided at an “Entrance”.

Select built-in appliances at the “Selection Room”



Seminars on home making are filled with topics on the time spent at home and sharing housework.

夫婦喧嘩も減る？



ストレスフリーな在宅が叶う家づくり



- Seminars full of ideas for spending comfortable time at home.
- Online seminars provided via Zoom.
 - Individuals interested in participating are informed of the URL for the seminar by email, the day before it is conducted.
- Four seminars are broadcast.

<Program>

① 10:00 to 10:45

Share household work! Introducing storage ideas and goods for married couples.

[Lecturer: Ms. Chika Okuma, Residential Storage Specialist]

② 11:15 to 12:00

Harmonious married couples. Comfortably working at home: A living room, dining room and kitchen layout is ideal for

[Lecturer: Ms. Chie Ichimura, Second Class Registered Architect]

③ 14:00 to 14:45

Kitchens nowadays are “quiet & comfortable”! A thorough outline of the latest items.

[Lecturer: Ms. Yuko Inotsume, Cleanup Techno Service Co., Ltd.]

④ 15:15 to 16:00

Lifestyle changes! Before and after case examples of renovations.

[Lecturer: Renovations Coordinator, Cleanup Techno Service Co., Ltd.]

4. (New Lifestyle Responsive Measures) [3] Family Home Substantiation Fair

New measures are implemented to facilitate the promotion of showroom visitor bookings.

Events for making life at the family home even more pleasant are arranged, with the concept of *Reevaluating "time at the family home"!*

おうちが
さらに
楽しくなる!!

クリナップショールーム /
イエナカ充実フェア

ショールームご来場で素敵なグッズをプレゼント!

2020.9.1-12.25開催

**Principal COVID-19
contamination preventive
measures at showrooms**

- The wearing of masks, washing hands with alcohol, checking all body temperatures at the entrances to venues, etc.
- Events administered with the standards for promoting advance booking to avoid overcrowding.

5. Expansion of Overseas Business Operations

- ◆ The sale and export to primarily Asian destinations for kitchen products made with stainless steel that are considered key items.
- ◆ Effective sales strategies are implemented through such means as online sales, in order to cope with the ongoing COVID-19 crisis.

● China

- Kitchen products and the like to be supplied to major house manufacturers (Suzhou, Taicang, etc.).
- Sales to be made to Japanese developers, while enhancing collaboration with distributors.

● Taiwan

- Earnings are secured with effective sales strategies, according to government measures, while suppressing the impact of COVID-19.
- Showrooms have been established throughout Taiwan by strategically extending sales areas.

● Singapore, Malaysia, Thailand and Vietnam

- The establishment of new showrooms at our distributors, as well as our engagements with social media and distribution of videos, drive and support sales promotions, etc.

● Other parts of Asia

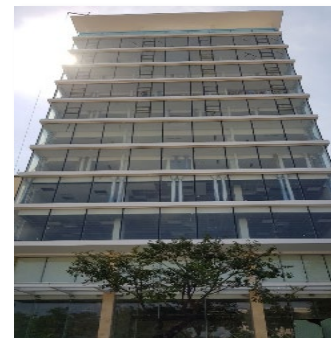
- Establish distributors at major nations and implement marketing primarily to wealthy populations.



Taiwan exhibit



Vietnam exhibit



Deliveries in Vietnam



Deliveries in China

Sustainability Report 2020 issued (November 2020)

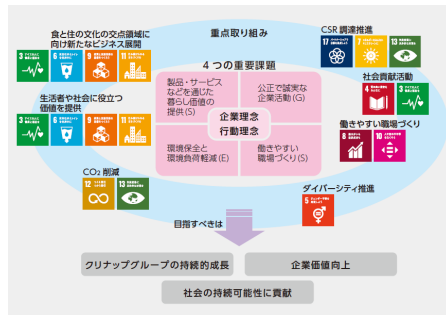
● Aiming for the realization of a sustainable society through CSR activities



The “Social and Environmental Report” was revamped last year as the **“Sustainability Report”**. Our activities are introduced from the perspective of the ESG, intended to achieve a sustainable society.

■ Activities for SDGs

Aiming to achieve a sustainable society through practical activities for the fulfillment of the corporate philosophy of a “company creating cheerful smiles in the family”, the four major agendas and seven critical aspects for actions taken by our corporate group are defined.



“Sustainability Report 2020”

- Issued mid November, 2020 (scheduled)
- Issuing department: Environmental and ISO Promotions Section, Legal and Auditing Department

Enhanced support for students on scholarships by Cleanup Foundation

- The scholarship program started in FY2013, and **FY2020 marks the eighth series of conferment.**
⇒ **Cumulative total number of students receiving our scholarship over eight years: 310 students.**
- Starting from FY2020, the **number of eligible students and the amount of scholarships increased.**

Eligible persons

Number increased by
10 persons

50 persons
(Including seven persons who are continuing recipients)

Scholarship

5,000 yen per month
increase

25,000 yen per month
(per person)

[Outline of Cleanup Foundation]

- Established the year following the Great East Japan Earthquake (December 2012).
- The foundation conducts activities for the recovery of Fukushima Prefecture, as an expression of gratitude for support given to us that led to the early resumption of orders received and production, despite the damages sustained by the earthquake disaster.

For any questions concerning investor relations, please contact:

Cleanup Corporation

Corporate Planning Department, Public Relations Section

Phone +81 - (0) 3-3894-4771

URL <https://cleanup.jp/>

Disclaimer

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Furthermore, this material was created based upon data current as of November 6, 2020. Opinions and forecasts contained within this material were the subjective judgments of Cleanup Corporation at the time of creation. No guarantee or promise is made as to the accuracy or completeness of this information. Additionally, this information is subject to change without prior notice.