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# Announcement of FY 2021 Year-End Results

May 26, 2022



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# I . Results Outline

# 1. Outline of Consolidated Results for the Period Ended March 2021

(Units: millions of yen)

	2022/3 (Actual Results)	2021/3 (Actual Results)	Change From Prev. Period	2022/3 (Revised Forecast)
Net Sales	113,305	104,185	+8.8%	112,500
Operating Income	3,795	2,614	+45.2%	3,200
Ordinary Income	4,261	2,714	+57.0%	3,600
Profit attributable to owners of parent	3,155	1,746	+80.7%	2,300
Net Income Per Share	85.55 yen	47.34 yen	—	62.35 yen

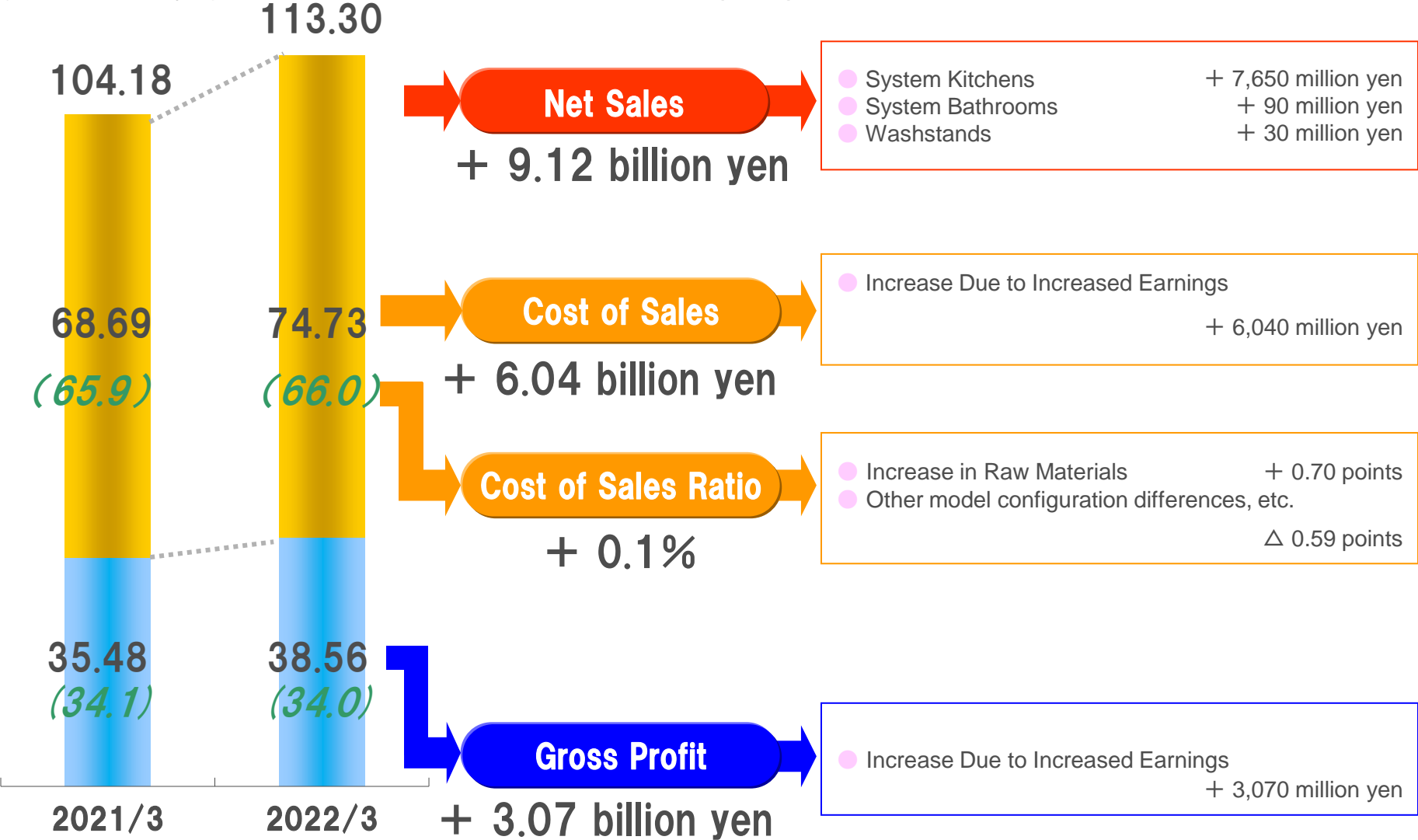
\* Revised Forecast : Announced November 5, 2021

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

(Units: billions of yen)

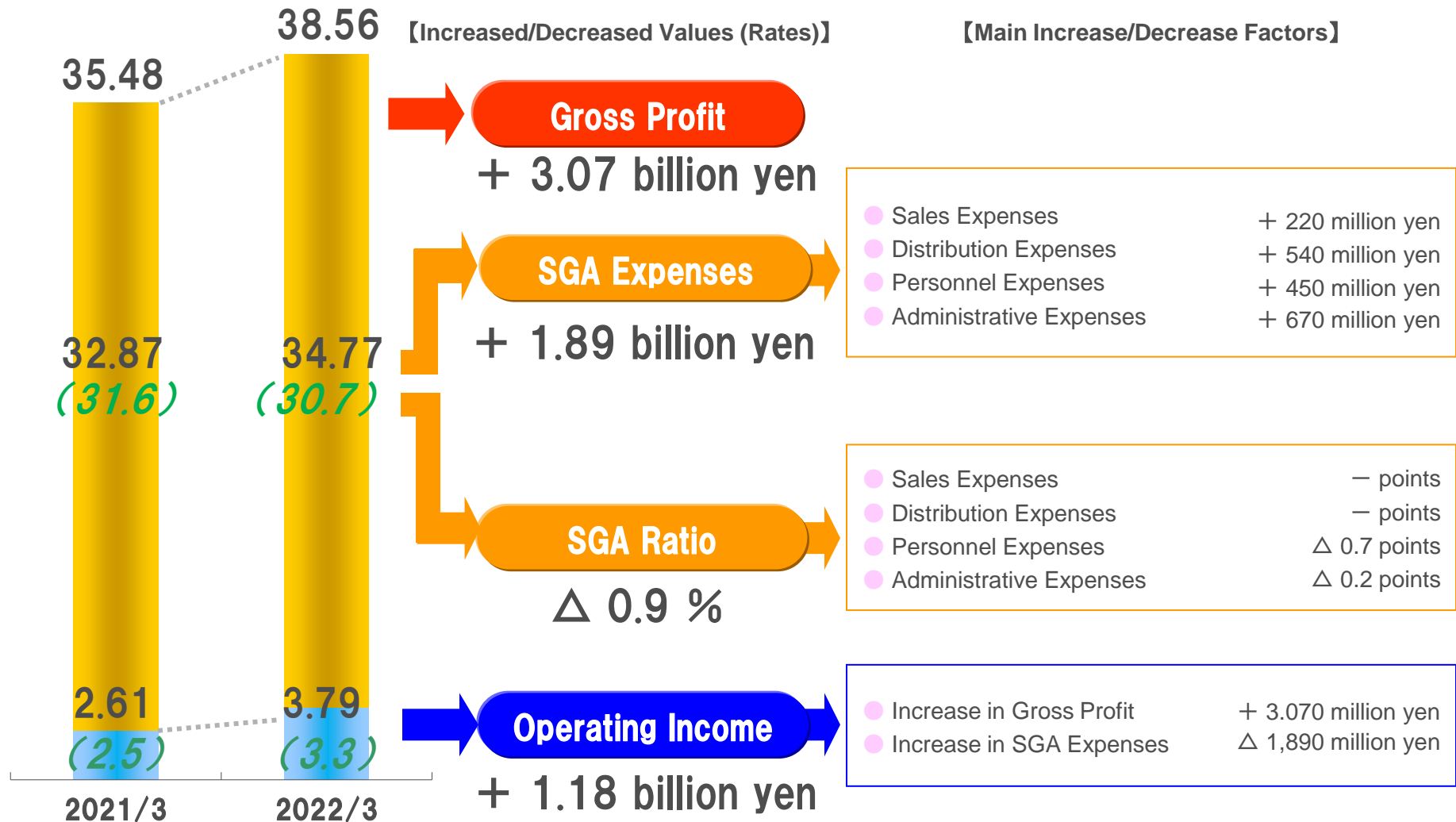
【Increased/Decreased Values (Rates)】

【Main Increase/Decrease Factors】



## 2. Consolidated Profits (2) SGA Expenses, Operating Income

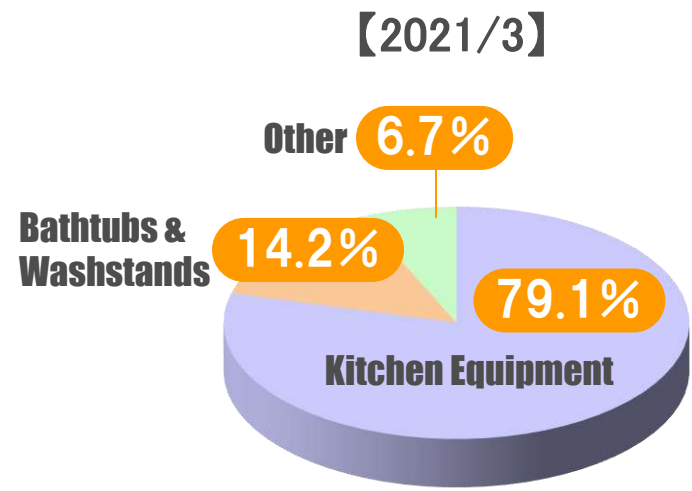
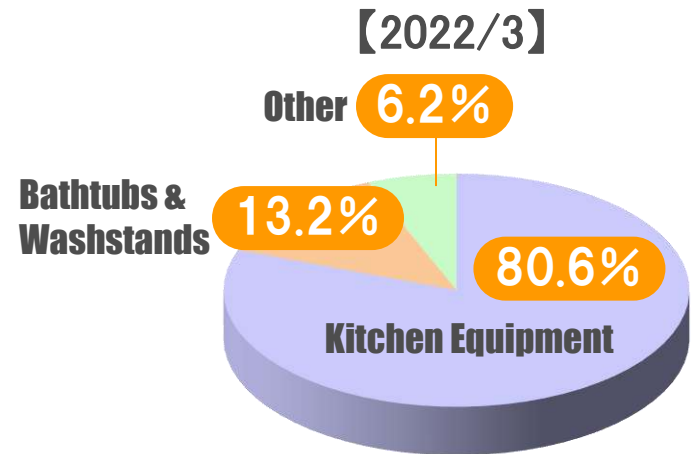
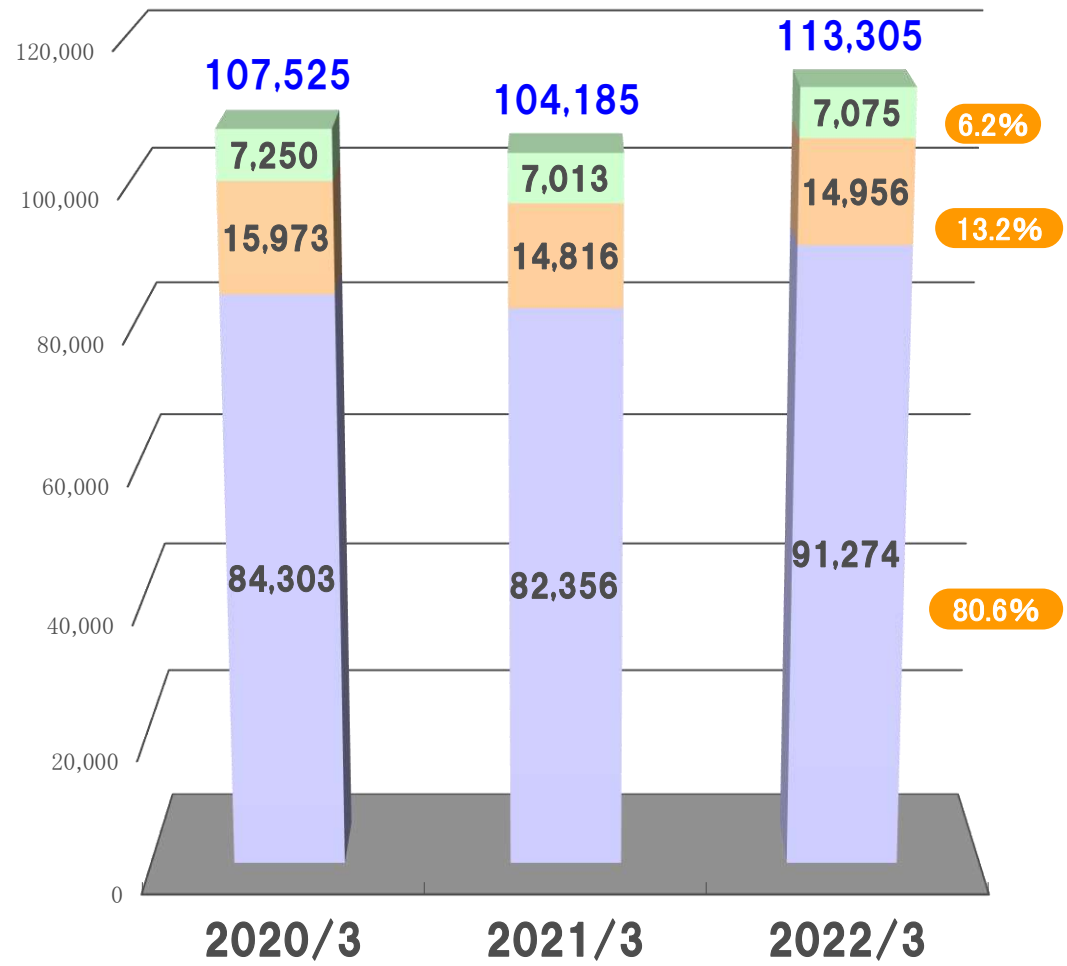
(Units: billions of yen)



# 3. Sales Composition (1) By Segment (Consolidated)

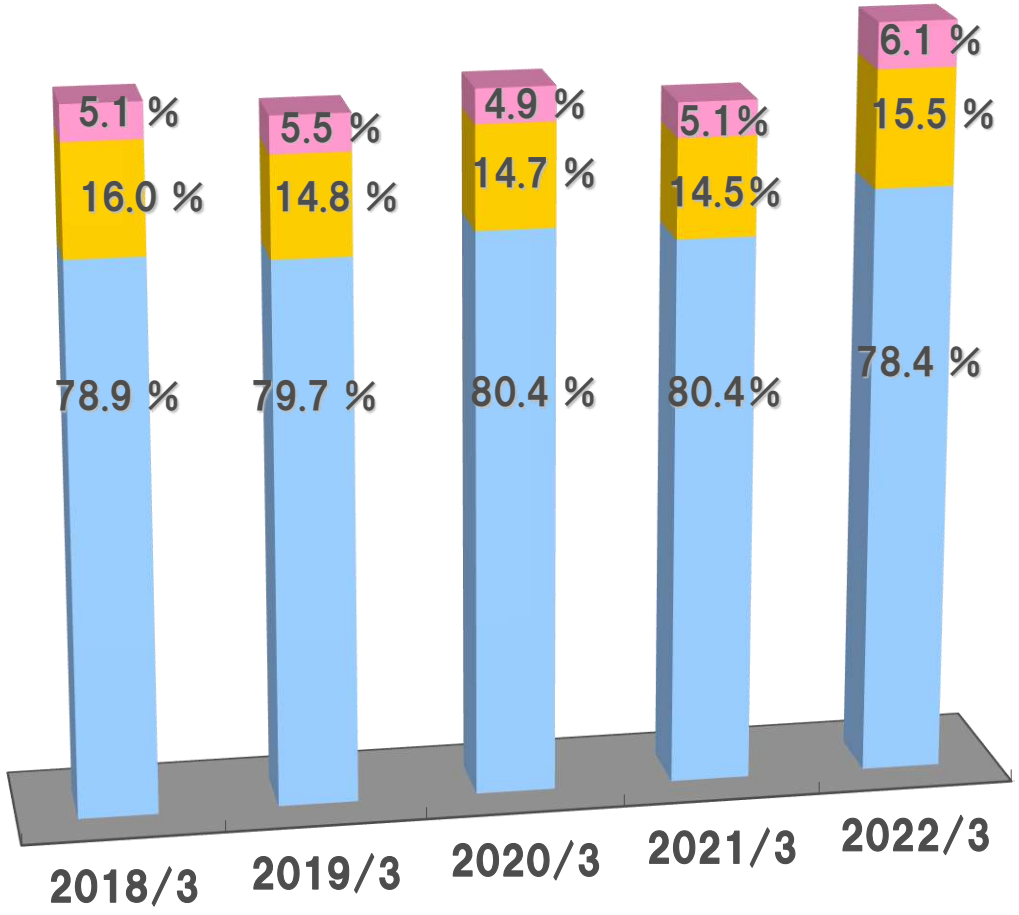
■ Kitchen Equipment   
 ■ Bathtubs & Washstands   
 ■ Other

(Units: millions of yen)



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

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



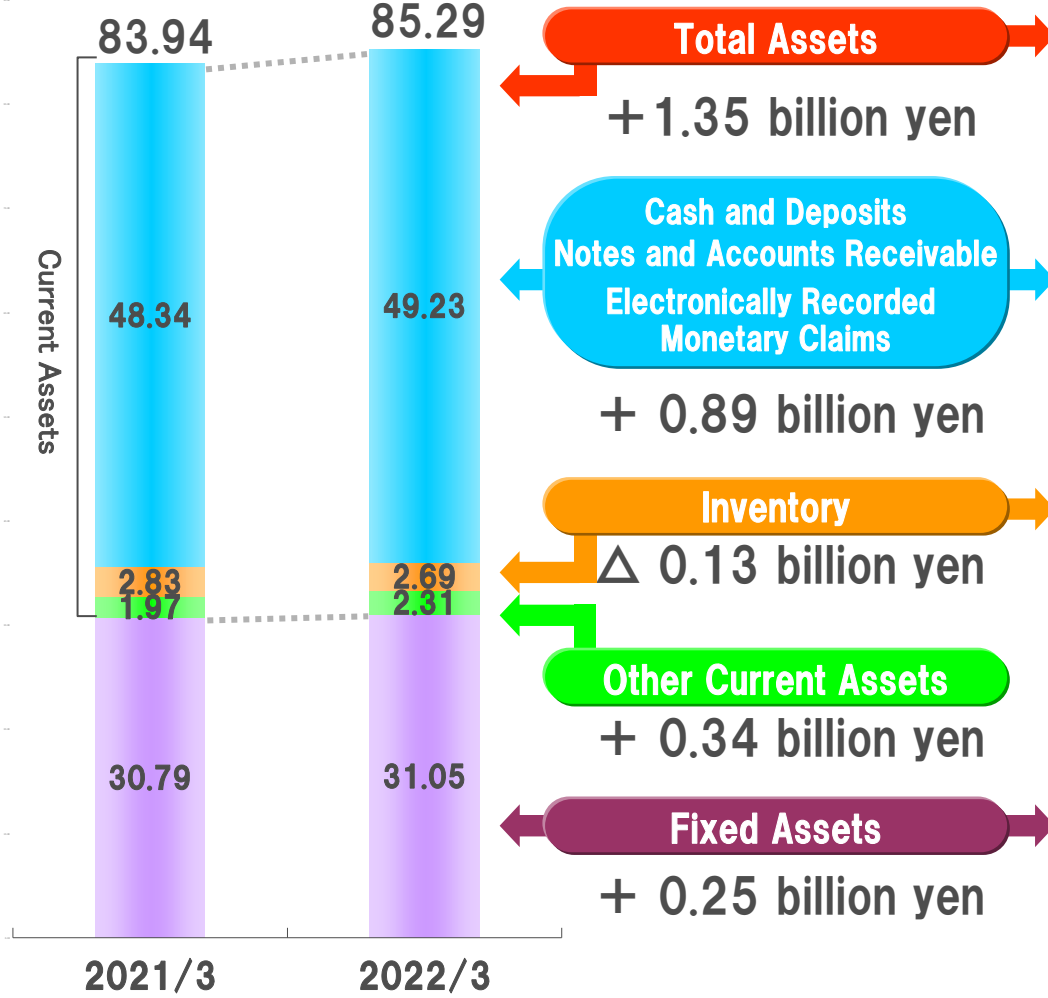
# 4. Consolidated Balance Sheet Summary – 1/2

## 【Assets】

### 【Increased/Decreased Values (Rates)】

### 【Main Increase/Decrease Factors】

(Units: billions of yen)



● Current Assets	+ 1,090 million yen
● Fixed Assets	+ 260 million yen

● Cash and Deposits	Δ 370 million yen
● Notes and Accounts Receivable	+ 400 million yen
● Contract Assets	+ 320 million yen
● Electronically Recorded Monetary Claims	+ 520 million yen

● Decrease in Merchandise and Finished Goods	Δ 230 million yen
● Increase in Raw Materials	+ 120 million yen

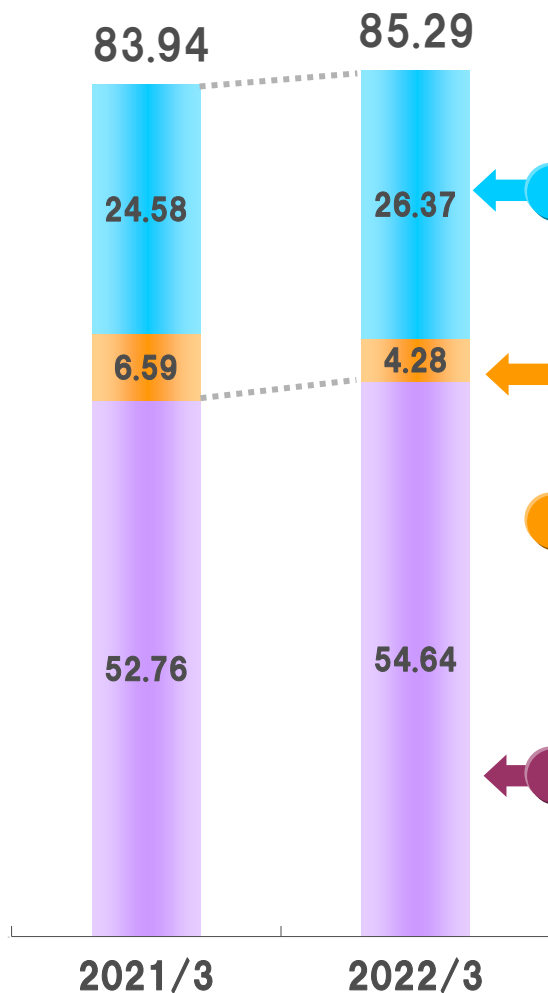
● Tangible Fixed Assets	+ 490 million yen
● Intangible Fixed Assets	+ 570 million yen
● Securities Investments	Δ 810 million yen



# 4. Consolidated Balance Sheet Summary – 2/2

## 【Liabilities/Net assets】

(Units: billions of yen)



### 【Increased/Decreased Values】

### 【Primary Reasons for Increase/Decrease】

**Current Liabilities**  
+ 1.79 billion yen

- Accounts Payable - Trade + 640 million yen
- Current Portion of Long-term Borrowings  $\Delta$  690 million yen
- Electronically Recorded Obligations – Operating
- Contract Liability + 1,080 million yen + 700 million yen

**Long-Term Liabilities**  
 $\Delta$  2.31 billion yen

- Long-term Loans Payable  $\Delta$  2,000 million yen

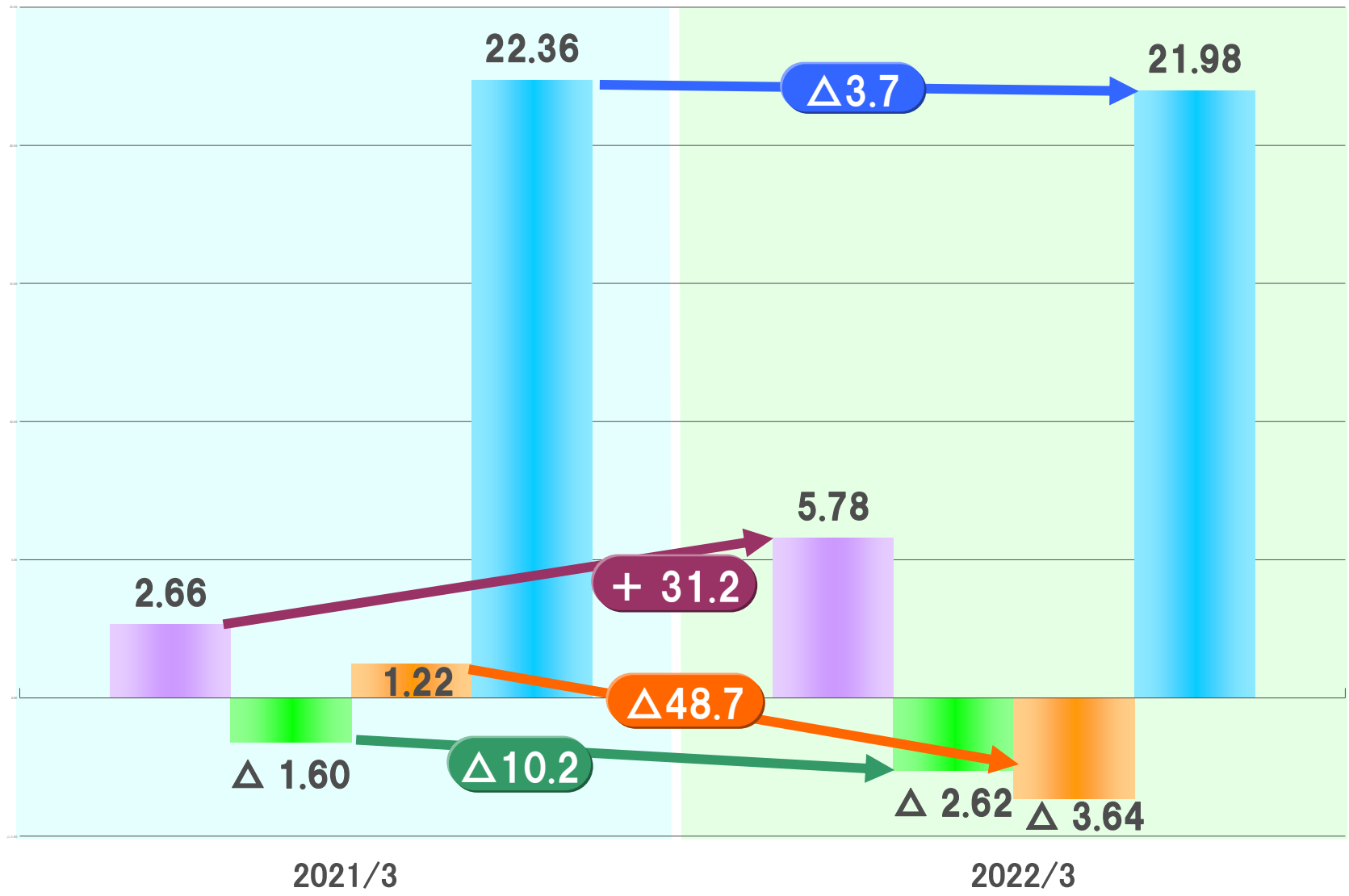
**Total Net Assets**  
+ 1.87 billion yen

- Net Income + 3,150 million yen
- Dividends  $\Delta$  740 million yen
- Valuation Difference on Available-for-Sale Securities  $\Delta$  350 million yen
- Remeasurements of Defined Benefit Plans  $\Delta$  240 million yen

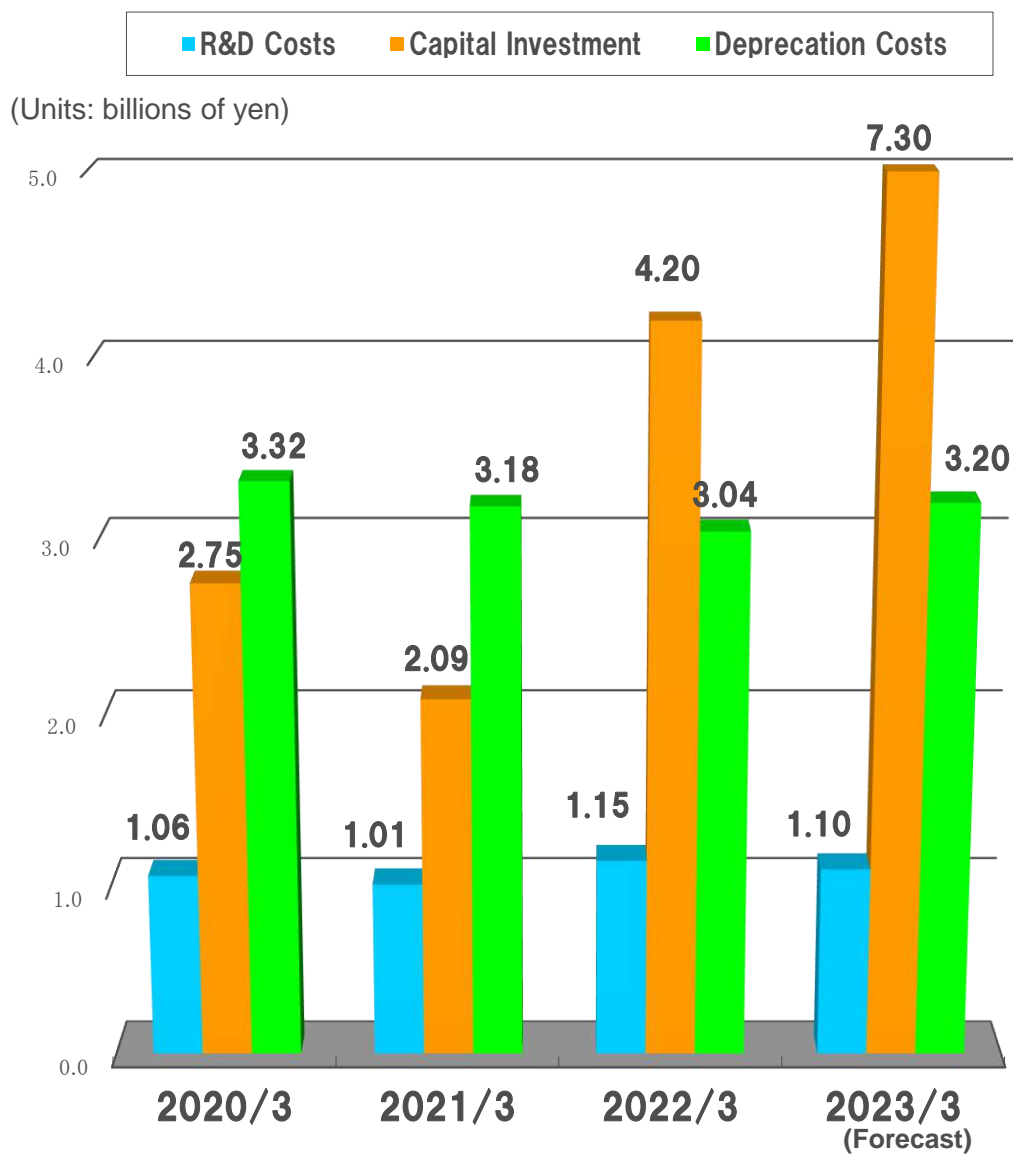
# 5. Consolidated Cash Flow Statement Summary

(Units: billions of yen)

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



# 6. Capital Investments (Consolidated)



## 【Major Capital Investment Details】

### FY 2021 Results

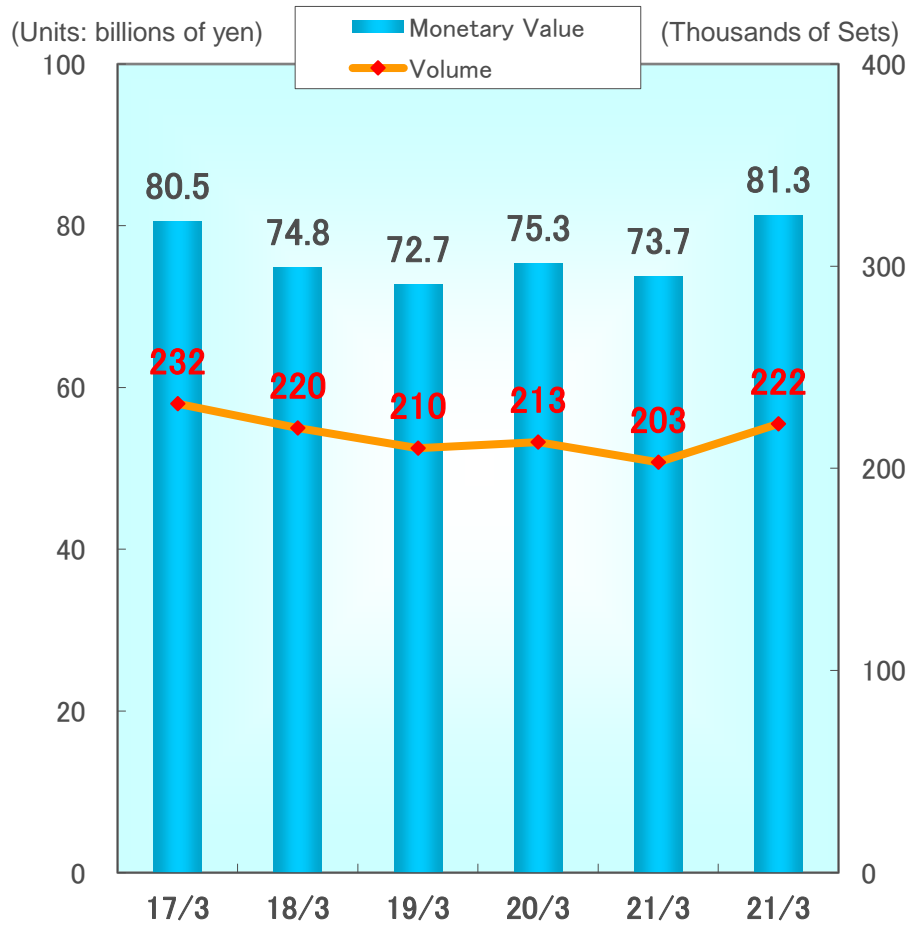
① Production-Related	1,520 million yen
② Operations-Related	810 million yen
③ Information-Related	1,740 million yen
③ Others	120 million yen

### FY 2022 Plan

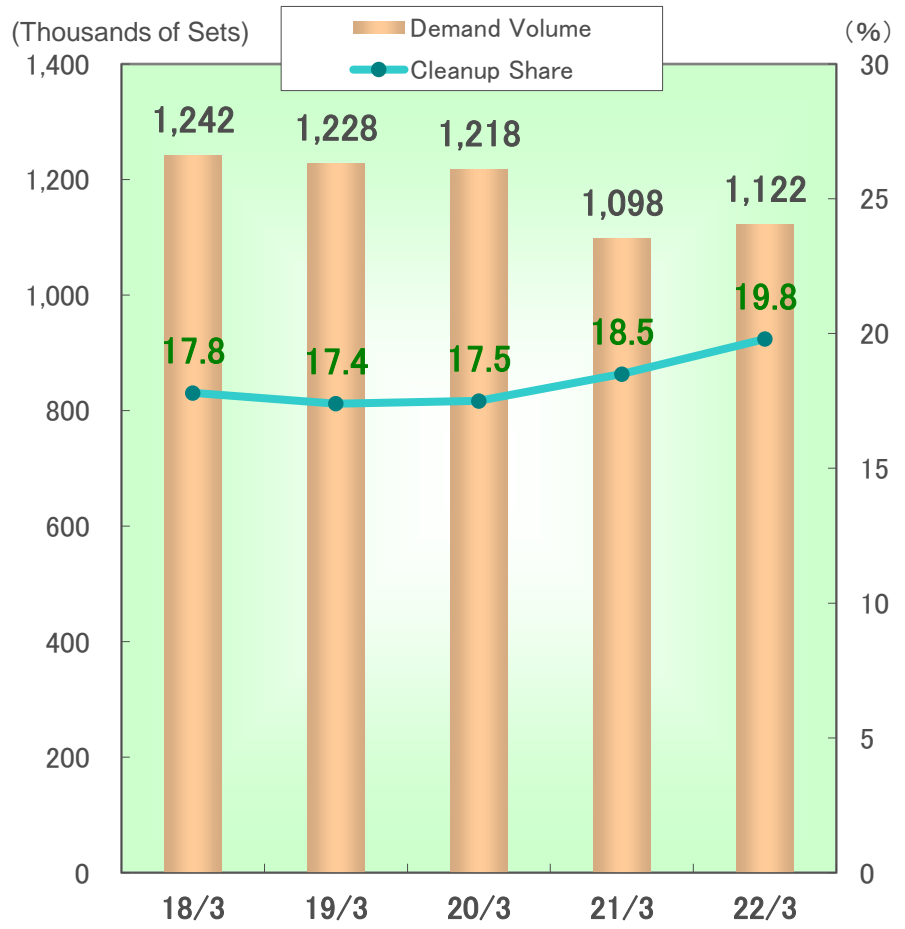
① Production-Related	2,610 million yen
② Operations-Related	1,260 million yen
③ Information-Related	2,940 million yen
③ Others	430 million yen

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

## Complete System Kitchen Sales Results



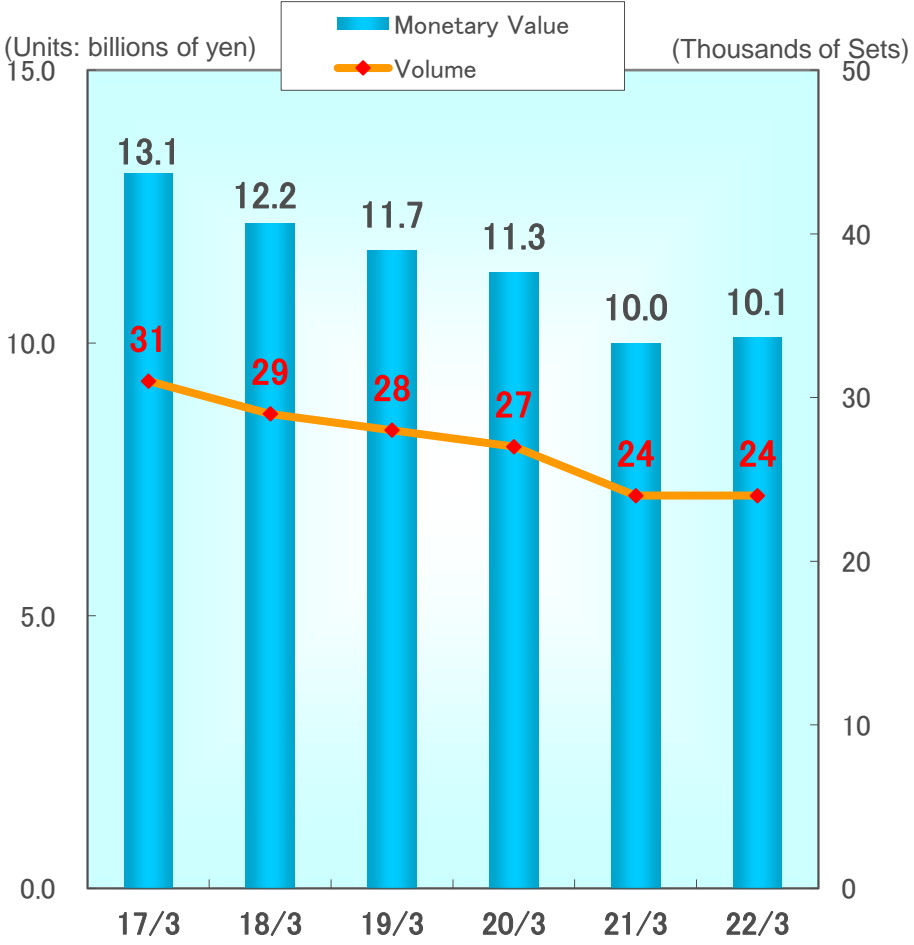
## Demand Trends and Market Share



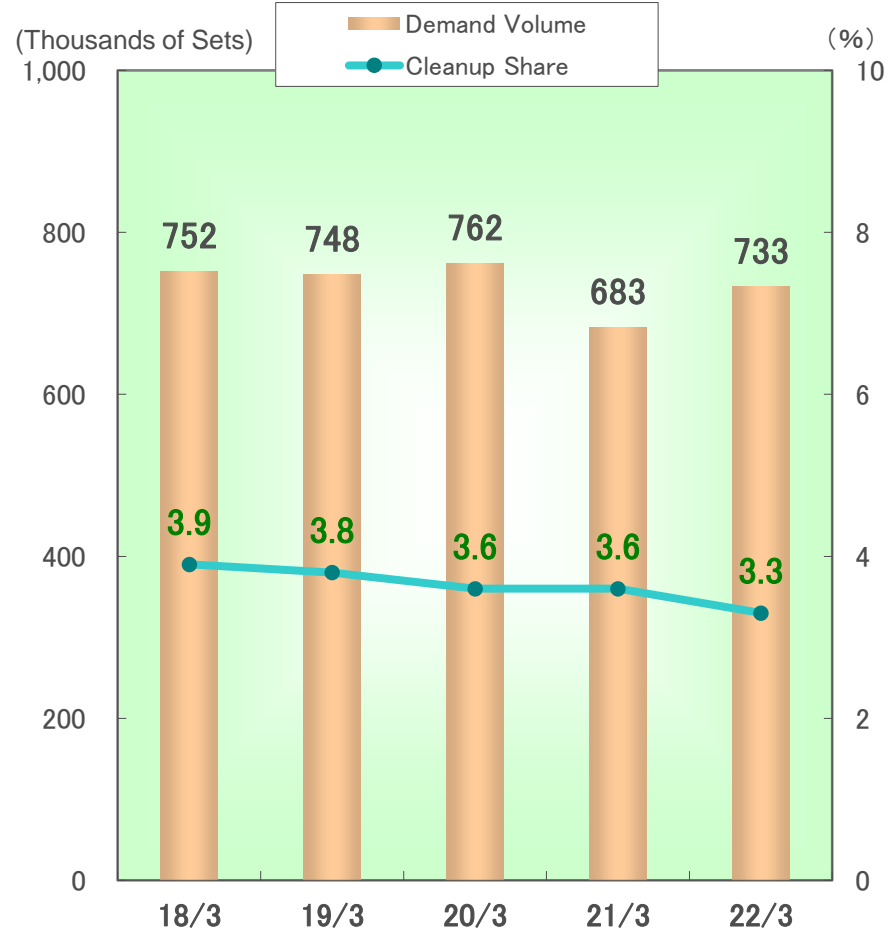
# 7. Sales Results For Major Products and Cleanup Market Share - 2/3



## Modular System Bathroom Sales Results



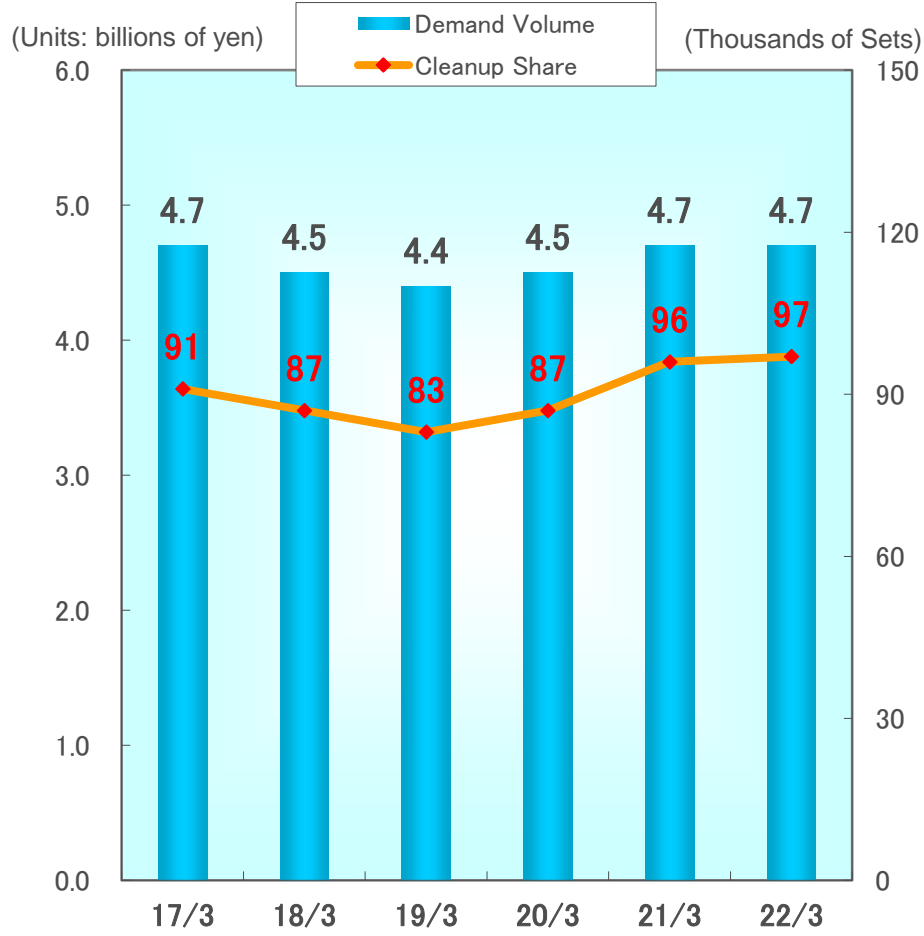
## Demand Trends and Market Share



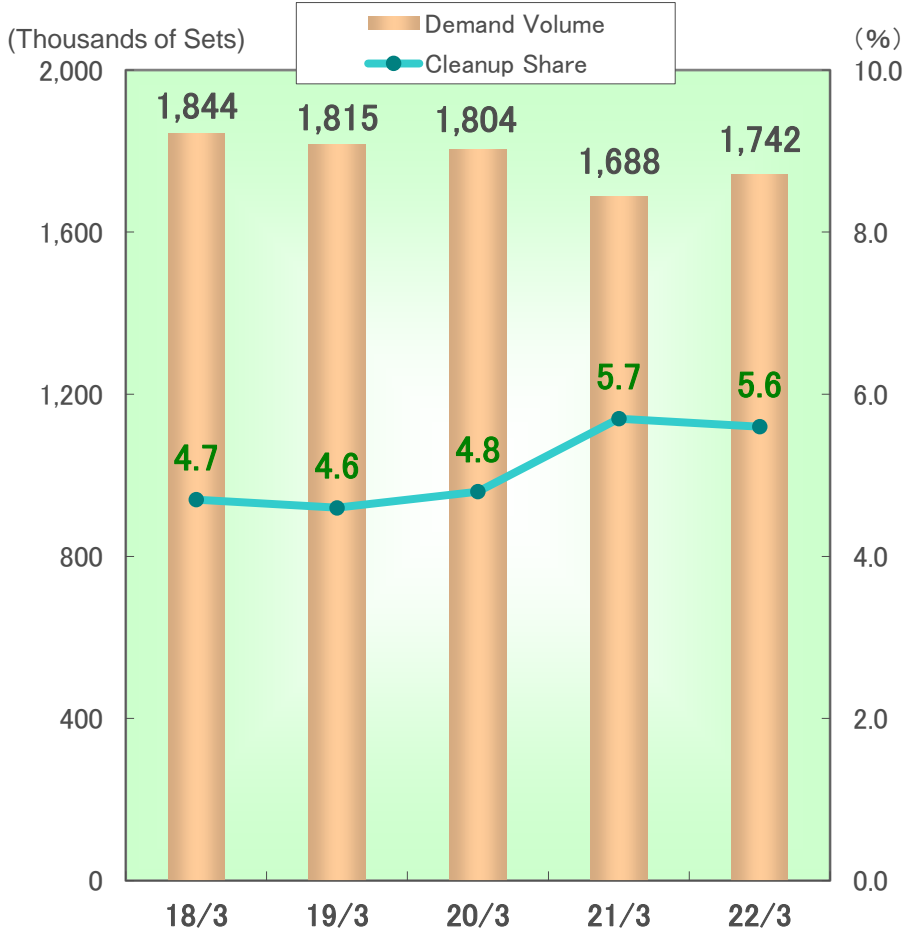
# 7. Sales Results For Major Products and Cleanup Market Share - 3/3



## Washstands/Vanities



## Demand Trends and Market Share



## 8. Forecasted Consolidated Results for the Period Ending March 2023

(Units: millions of yen)

	2022/3 (Actual Results)	2023/3 (Forecast)	Change From Prev. Period
Net Sales	113,305	118,000	+4.1%
Operating Income	3,795	4,000	+5.4%
Operating Income Margin	3.3%	3.4%	—
Ordinary Income	4,261	4,470	+4.9%
Ordinary Income Margin	3.8%	3.8%	—
Profit attributable to owners of parent	3,155	3,200	+1.4%
Net Income Margin	2.8%	2.7%	—



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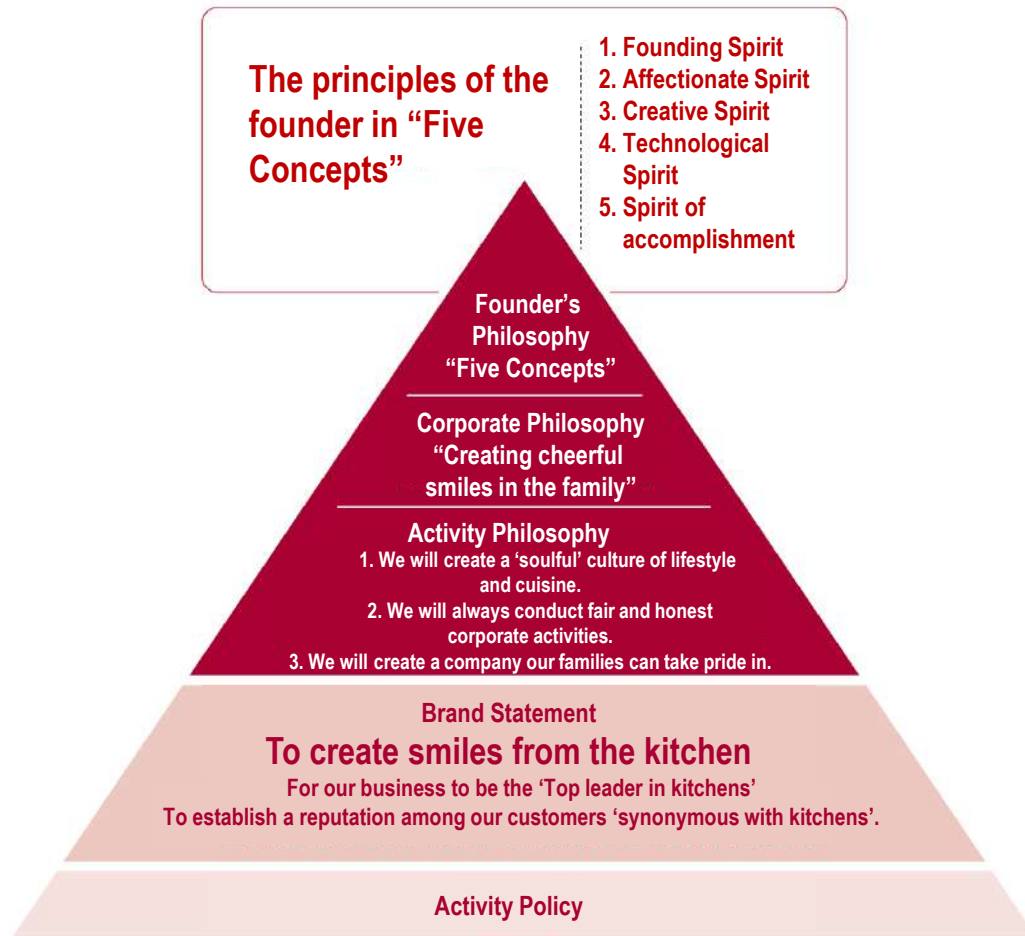
## **II. Future Strategy**

### **Progress of Medium-Term Management Plan**



# 1. Management philosophy: Mission of Cleanup Group

Cleanup Group has been striving to contribute to the creation of abundant residences of our customers through our business activities, with the “Five Concepts” as the core of our management. We will continue to create and propose “new lifestyle values”, as we advance to attain our corporate philosophy on “creating cheerful smiles in the family”.



## The founder's principles of “Five Concepts”

### 1. Founding Spirit

We must abide by the spirit of one family of a tribe sharing happiness and hardships together, as we strive to build a company that progresses in development indefinitely.

### 2. Affectionate Spirit

The affectionate spirit is the foundation of a family, an enterprise and a society. We must cherish the fellowship of a spirit from one person to another and trust in each other, while working together in our lives.

### 3. Creative Spirit

Ingenuity and development are the lifelines of our company. We must never forget this, as we strive to generate a prosperous company, while contributing to society.

### 4. Technological Spirit

We must integrate a broad range of technologies from internal as well as external sources, to create new markets. We must also refine our wisdom for creating technologies.

### 5. Spirit of accomplishment

The mission of our company is to serve society through our business operations. We must continually maintain our sense of gratitude and never forget it, as we strive forward.

The company formulated the “Long-term Vision” in April 2021 and the Medium-term Management Plan is currently proceeding to achieve this vision.

### 【 Long-term vision 】

## Cleanup Sustainability Vision 2030 (CSV30)

### “Leading the way to the future for people and their lifestyle”

At Cleanup we are the pioneers of fitted kitchens as we endeavor to become the company that continues to be selected by families all around the world, through our efforts to broaden the potential of new living and dining spaces before we create them.

#### ■ Important Guidelines

1. We take on the challenges of new business domains to build a stable revenue base as a kitchen manufacturer.
2. We respond to the diversification of customer contacts and digitization, as we continue to remain a presence selected as a more familiar choice.
3. We utilize our personnel assets and create workplaces where people can exhibit their capabilities to the maximum extent.
4. We are a company that contributes to building a sustainable society.

## Basic policy of 2021 Medium-term Management Plan

We utilize the strengths of Cleanup Group to achieve “sustainable growth”.

1. Improve profitability of existing businesses
2. Expand business domains
3. Enhance management base for growth

### Strategy 1

Develop demand for existing businesses and turn them around from a low-income structure

- Engage in the following business activities, with the aim of securing a stable income from the business of three wet area ranges (kitchens, bathrooms and washrooms):
  - ① Enhance the sales capabilities for medium to superior quality products, improve the baseline of system bathrooms and acquire demand for renovations
  - ② Expand external sales businesses in service and distribution fields by utilizing know-how nurtured in the business operations of the three wet areas
  - ③ Reduce costs with core drivers of production reforms and CPS, improving the efficiency of indirect work operations, while improving profitability

### Strategy 2

Create new customers through new businesses

- The following activities shall be implemented with the aim of creating new customers, as a part of our medium to long-term growth strategy:
  - ① Roll out measures for new products and services, as well as new channels to our implementation plans
  - ② Promote the enhancement of three business models for our overseas business strategy

### Strategy 3

Enhance management base from perspective of ESG/SDGs

- Engage in pursuits to resolve important issues (ESG and SDGs) towards the creation of a sustainable society, through our business activities

### Strategy 1

Develop demand for existing businesses and turn them around from a low-income structure



#### ■ Progress status

Fitted  
Kitchens 1

▶ Introduction of new “STEDIA”+ Renovation Grand Prix No. 1

Fitted  
Kitchens 2

▶ Enhancement of “designability” for Rakuera

System  
Bathrooms

▶ Enhancement of system bathrooms

Marketing  
Measures

▶ Creating a system that enhances the “New Lifestyle”

▶ Introduction of new “STEDIA + “Renovation Grand Prix 2022” No. 1

High evaluations in the market drove the business performance for FY2021



The “Dual Top Open Plan” is loaded with features that characterize Cleanup  
(Newly introduced in February 2022, with model changes on a large scale)

STEDIA

ステディア



Kitchen category  
overall ranking

**No.1**

Residential facility equipment is selected by renovation sales professionals and planners  
Renovation Grand Prix 2022 (Survey by: Renovation Industry Newspaper)

## ▶ Enhancement of “designability” for Rakuera

### Doors that best match interior decors for particular tastes

Substantiated assortment of door colors

[Latest additions]

11 colors



[Total]

30 colors



Refurbished content of basic plans

Popular functions provided as standard features

- Easily cleanable “Flat Slim Range Hood”  
Slim Range Hood”
- Large sinks of the “TG Sink” product series (frontage of 82cm), etc.



Product Launched September 2021

## ▶ Enhancement of system bathrooms

### “Aquila-Bath”

Quality remains the same, with increased focus on narrowly selected items to deliver plans with superior cost balance:  
Introducing the “Stylish Plan”.

Countertops for washbowl stands and support bars are eliminated to narrow down number of items, while providing the “ZAAVA” large volume shower as a standard feature



Product Launched September 2021

The temperature is 1.5°C higher than standard shower and features a shower head that offers showering comfort.

### “Yuasis”

Popular interior decorating elements incorporated as motifs, with addition of new patterns.



Product Launched September 2021



## ▶ Creating a system that enhances the “New Lifestyle”

### Showrooms



- Purposed for expanding the recognition of new products with sales promotions  
Promotional Item
- CENTRO, STEDIA, Aquilia-Bath and other flagship products are introduced

### Online showrooms



Experience  
any time,  
anywhere!



- Cleanup Kitchen Town  
The “360-degree virtual experiential simulation” is launched



### Strategy 2

## Create new customers through new businesses



#### ■ Progress status

**Kitchen 1** ▶ Luxury kitchen business for the wealthy class

**Kitchen 2** ▶ New lifestyles with kitchen “HIROMA”

**Overseas business** ▶ Expansion of Overseas Business Operations

## ▶ Luxury kitchen business for the wealthy class

### Overseas luxury brand

Luxury Italian  
kitchen brand

 **Valcucine**

This luxury brand is rolled out to 55 countries around the world. Innovative, skillful craftsmanship, artistic style and environmentally considerate with the world's top level sustainability. Premium kitchens made in response to the needs of the wealthy around the world.

### Domestic premium made-to-order kitchen

A brand delivered  
through a joint venture  
with Valcucine of Italy

 **Valcucine**<sup>JP</sup>

The design is supervised by Valcucine and produced under license at our manufacturing plants.

A “shortened delivery time” and “reduced importation costs” made possible in response to the needs of the domestic premium made-to-order kitchen market.

### ▶ New lifestyle with kitchen “HIROMA”



Proposing a new concept and lifestyle in the living room, dining room, kitchen layout



- Collaboration with Hida Sangyo, a long-established manufacturer of furniture
- Simplify the elements of the kitchen, as much as possible and merge them with the dining table



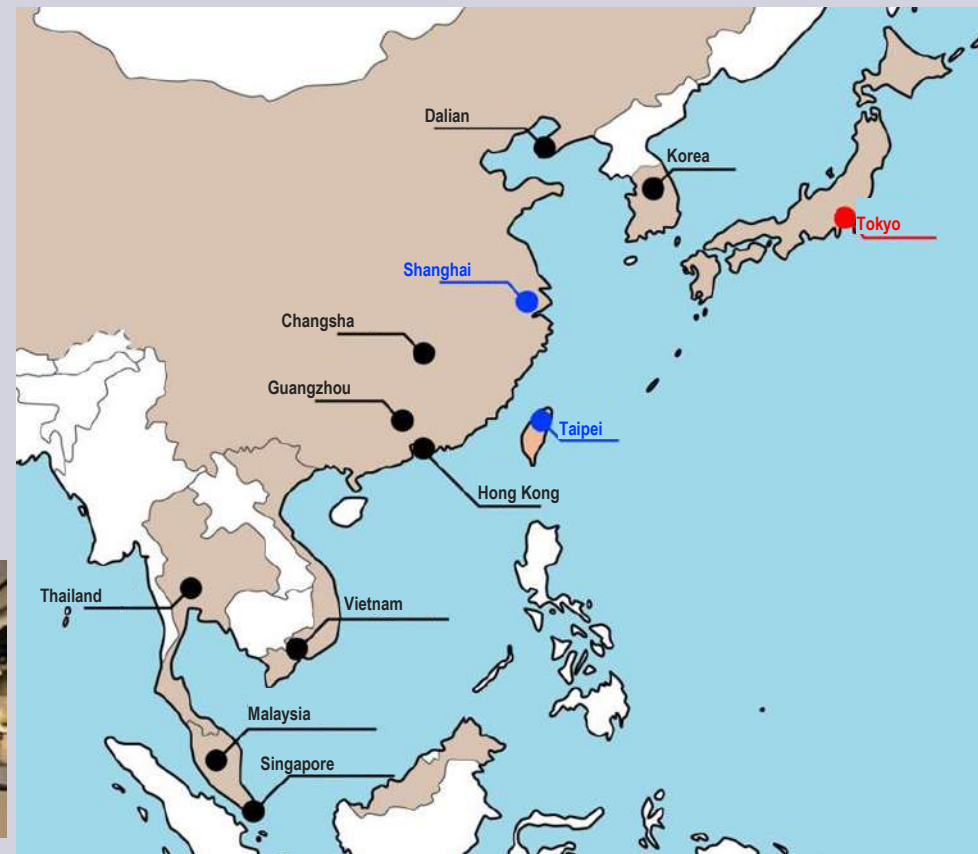
[Full-scale sales started from October 2021]  
Creating new movement in the market

[November 2021] Online sales also start  
HIROMA online shop opens to public

## ► Expansion of overseas business operations

### Creating new markets

- Exports and sales of kitchen products made with stainless steel, are considered key items, primarily for Asian destinations.
- Support and sales channel expansion for individual distributors, promoted through the utilization of web conferencing and social media, while we navigate through the COVID-19 pandemic
- Endeavors made for the development of new products overseas, as well as for new projects



An exhibit in Taipei



Hong Kong Showroom

### Strategy 3

Enhanced management base from the perspective of ESG/SDGs



#### ■ Progress status

##### KPI

▶ Three new non-financial targets are set

##### ESG activities 1

▶ Aiming to create a sustainable society

##### ESG activities 2

▶ A “Sustainability Report” is issued

## ▶ Three new non-financial targets are set

FY2030 non-financial targets	<b>Environment related KPIs</b>	<b>Human resources related KPIs (three new additions starting in FY2022)</b>		
	Greenhouse gasses reduced by 50%, in comparison with FY2013	Female manager ratio <b>15%</b>	Child care leave acquisition rate for males <b>100%</b>	Paid vacation acquisition rate <b>60%</b>

### ■ Important issues and activities at Cleanup

Important issues	Important activities aimed at resolving issues	Relationship with the implementations of the 2021 Medium-term Management Plan	SDGs item
Provide value for lifestyles through our products and services <i>S</i>	<ul style="list-style-type: none"> <li>➢ Implement new products, services and solutions for areas where cultures of food and residences cross.</li> <li>➢ Provide value that is useful for consumers and society (health, as well as saving energy, resources and water)</li> </ul>	<ul style="list-style-type: none"> <li>• Prioritize the implementation of the respective following strategies                             <ul style="list-style-type: none"> <li>• Develop demand for existing needs</li> <li>• Create new customers through new businesses</li> </ul> </li> </ul>	
Create pleasant workplaces <i>S</i>	<ul style="list-style-type: none"> <li>➢ Workplaces where the ability to work is maximized by providing rewarding work and facilitating various working styles</li> <li>➢ Utilize various personnel resources by promoting diversity</li> </ul>	<ul style="list-style-type: none"> <li>• Build a personnel system that enables “rewarding work”</li> </ul>	
Environmental conservation and reduction of environmental load <i>E</i>	<ul style="list-style-type: none"> <li>➢ Promote a reduction of CO<sub>2</sub> emissions, environmental loads and energy saving techniques in business activities</li> </ul>	<ul style="list-style-type: none"> <li>• Sustain and update ISO14001 certification</li> <li>• Consider the purchase of electrical power derived from renewable energy</li> </ul>	
Fair and honest corporate activities <i>S-G</i>	<ul style="list-style-type: none"> <li>➢ Aim to resolve social issues through our supply chain as a whole (encourage CSR procurement)</li> <li>➢ Promote social contributions through business activities, seeking to pursue progress as a member of the local society</li> </ul>	<ul style="list-style-type: none"> <li>• Promote CSR procurement</li> <li>• Provide employment opportunities for disabled persons and the continuation of relevant projects</li> <li>• Contribute to building a sustainable aging society through our nursing care business operations</li> </ul>	

### ▶ Aiming to create a sustainable society

Activities for achieving a reduction in greenhouse gasses by 50%, in comparison with FY2013

#### Installation of solar power generating systems

##### ▶ Electricity power sources updated to renewable energy



Solar power generation (Yumoto Factory)

## ▶ A “Sustainability Report” is issued

### ESG activities

**Cleanup Report**  
サステナビリティレポート2021

A “Sustainability Report” was issued introducing our activities intended to achieve a sustainable society.

**マクドナルド | Cleanup Report 2021**  
環境・サステナビリティを支えた暮らし最後の瞬間

**クリナップのものづくり**  
毎日の暮らしを豊かにする製品が生まれる瞬間が最後の瞬間。クリナップが、最新のデジタル技術を駆使して生産された製品が生まれる瞬間です。製品が完成し、お客様の手に渡るときは、最後の瞬間です。

**環境・健康への配慮**  
自分ができる暮らしのソリューション。暮らしが楽しくなること、暮らしが便利になること、暮らしが健康的になること。暮らしが楽しくなること、暮らしが便利になること、暮らしが健康的になること。

**ワークライフバランス**  
仕事と生活の両立を支援する取り組み。仕事と生活の両立を支援する取り組み。仕事と生活の両立を支援する取り組み。

**ダイバーシティ&インクルージョン**  
多様な人材の活躍を促す取り組み。多様な人材の活躍を促す取り組み。多様な人材の活躍を促す取り組み。

**環境・健康への配慮**  
環境に配慮した製品の開発と提供。環境に配慮した製品の開発と提供。環境に配慮した製品の開発と提供。

**社会貢献**  
社会貢献活動の推進。社会貢献活動の推進。社会貢献活動の推進。

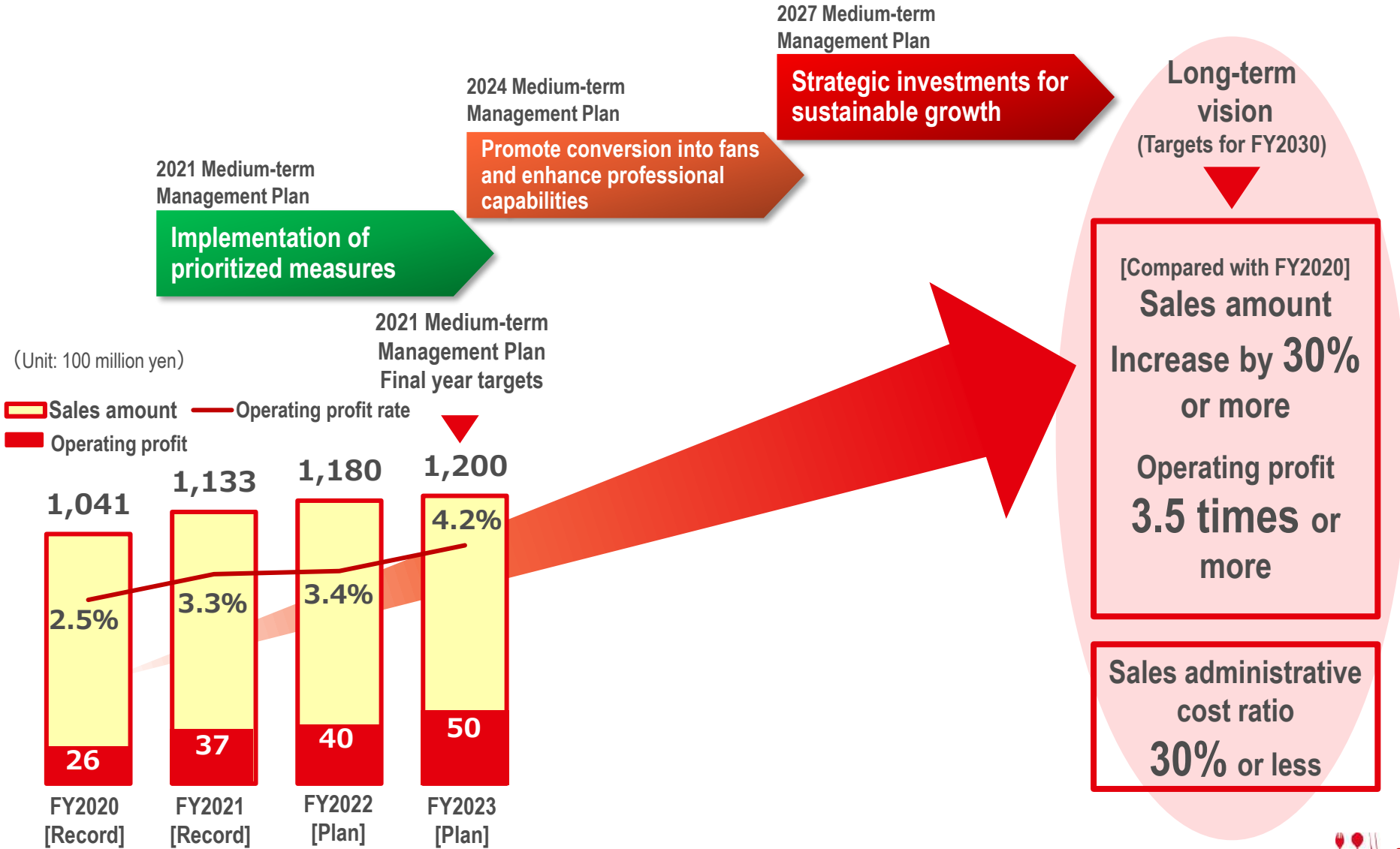
**ESG活動の進捗**  
ESG活動の進捗状況。ESG活動の進捗状況。ESG活動の進捗状況。

**ESG活動の進捗**  
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# 5. Toward the realization of the Long-term vision "CSV30"

## New outline of strategic scenario drawn up to achieve CSV30



## Cleanup Wrestling Club

### Promoting sports through wrestling

Since the establishment in 1992, the Wrestling Club operates as a company sports activity and contributes to the development of wrestling competition in Japan.

#### Affiliated athletes



**Kirin Kinoshita,**  
wrestler

Freestyle 74-kg class  
<Emperor's Cup> 2nd place  
<Meiji Cup> 2nd place



**Hiroe Minagawa,**  
wrestler

Women's wrestling 76kg class  
<Tokyo Olympic Games> 5th place



**Mei Shindo,**  
wrestler

Women's wrestling 72kg class  
<Emperor's Cup> 2nd place  
<Meiji Cup> 3rd place

**Hiroe Minagawa, wins 5th place at the "Tokyo Olympic Games"**



[1st round]



[Semi-final]



[3rd place playoff]

### Cleanup Kids Iwasaki Wrestling Club

Social contributions are provided to the local community, as well as activities to facilitate the healthy growth of children who carry our future, with support for the creation of a brighter future, which are facilitated through the administration of the kids wrestling program.



## Cleanup Foundation

### Giving back to local communities, with gratitude

The foundation, which was established in 2012, continues to provide support for training young people, who will be carrying the local communities and restoration activities within Fukushima Prefecture.

Scholarships were provided to 50 people in FY2021. The total number of students who received our scholarships amounted to 360 persons within the last nine years.



For any questions concerning investor relations, please contact:

## Cleanup Corporation

General Affairs Department, General Affairs / IR Section  
Contact our IR Representative

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

URL <https://cleanup.jp/>

### Disclaimer

This material is intended to provide information regarding the FY2021 financial results (April 2021 – March 2022) and does not constitute a solicitation to invest in Cleanup Corporation-issued securities.

Furthermore, this material was created based upon data current as of May 26, 2022. 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.