



キッチンから、笑顔をつくろう

*"To create smiles from the kitchen"*

Presentation Material:

# Announcement of FY 2012 Year-End Results

May 21, 2013



キッチンから、笑顔をつくろう

# I . Results Outline

# 1. Outline of Consolidated Results for Period Ended March 2013



(Units: millions of yen)

	<b>2013/3</b> (Actual Results)	<b>2012/3</b> (Actual Results)	<i>Change From Prev. Period</i>	<b>2013/3</b> (Initial Forecast 11/6)	<b>2013/3</b> (Revised Forecast 4/24)	<i>Compared To Revised Plan 11/6</i>
<b>Net Sales</b>	113,533	103,377	<i>9.8%</i>	112,300	113,500	<i>1.1%</i>
<b>Operating Income</b>	4,755	2,370	<i>100.6%</i>	3,500	4,750	<i>35.9%</i>
<b>Ordinary Income</b>	4,372	2,083	<i>109.8%</i>	3,200	4,370	<i>36.6%</i>
<b>Net Income</b>	2,506	2,155	<i>16.3%</i>	1,800	2,500	<i>39.2%</i>
<b>Net Income Per Share</b>	53.79円	46.27円	<i>16.3%</i>	38.63円	53.66円	<i>39.2%</i>

\* Initial Forecast 11/6: Announced November 6, 2012

\* Revised Forecast 4/24: Announced April 24, 2013

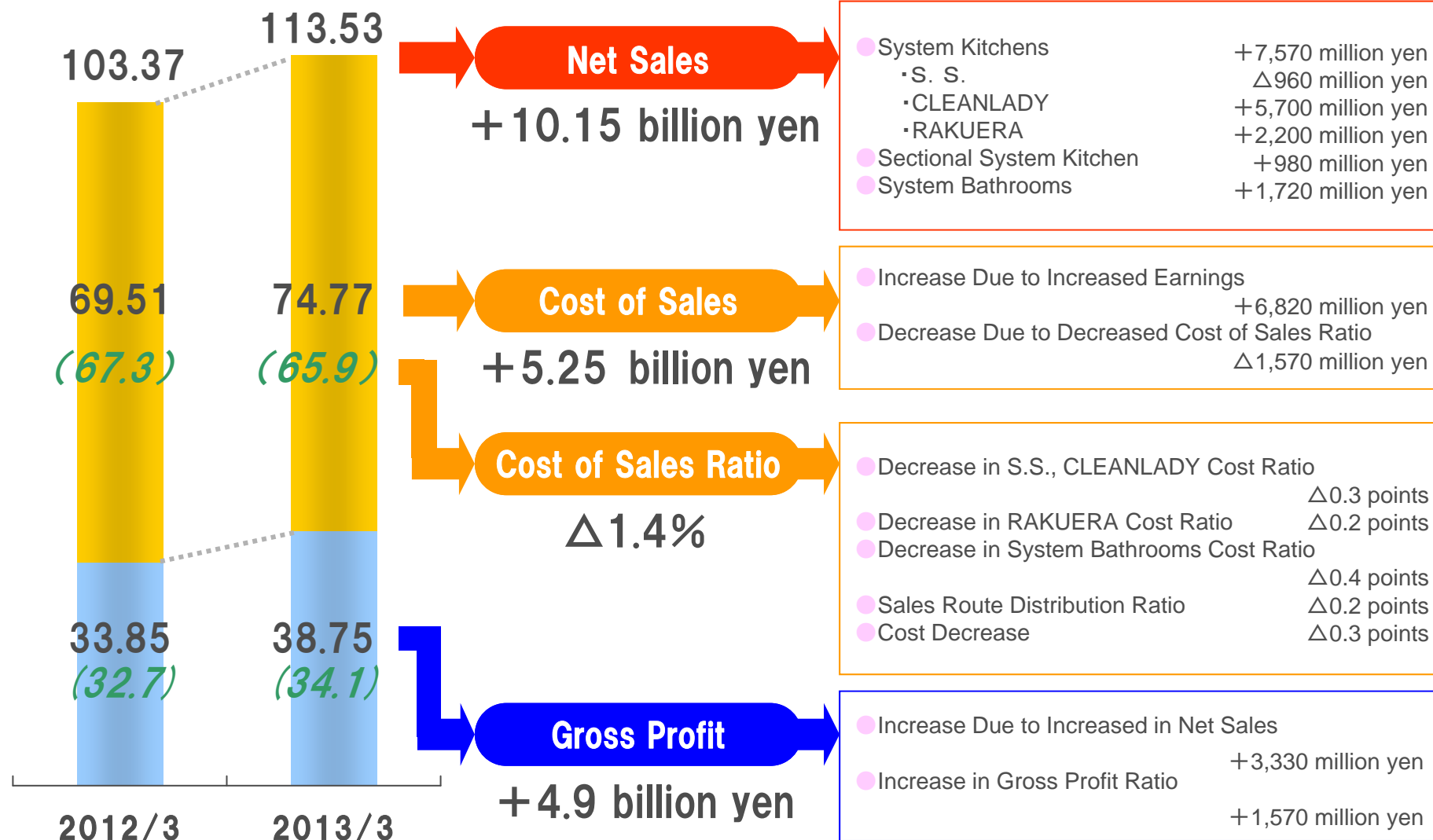


## 2. Consolidated Profits (1) Net Sales, Gross Profit

(Units: billions of yen)

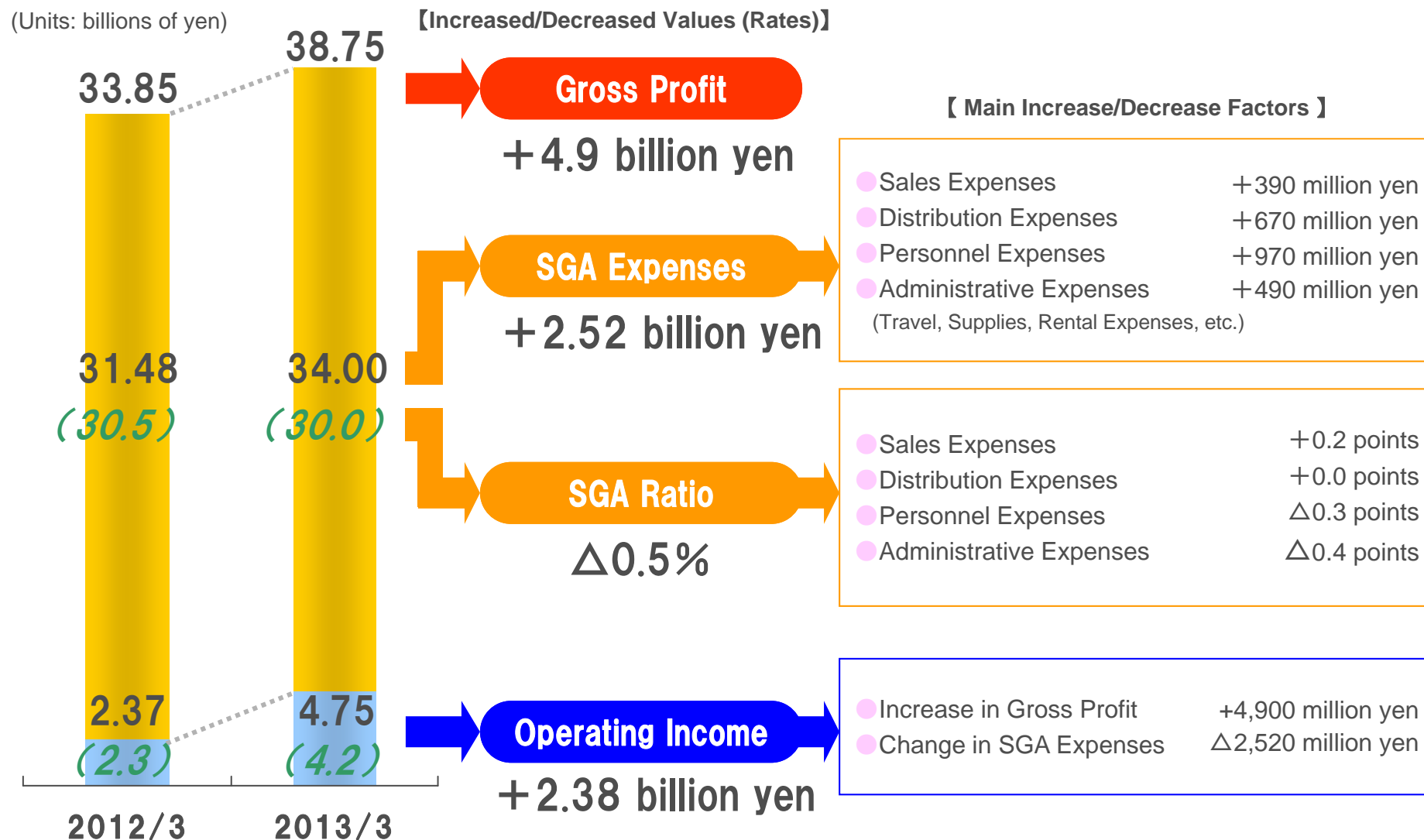
【Increased/Decreased Values (Rates)】

【Main Increase/Decrease Factors】

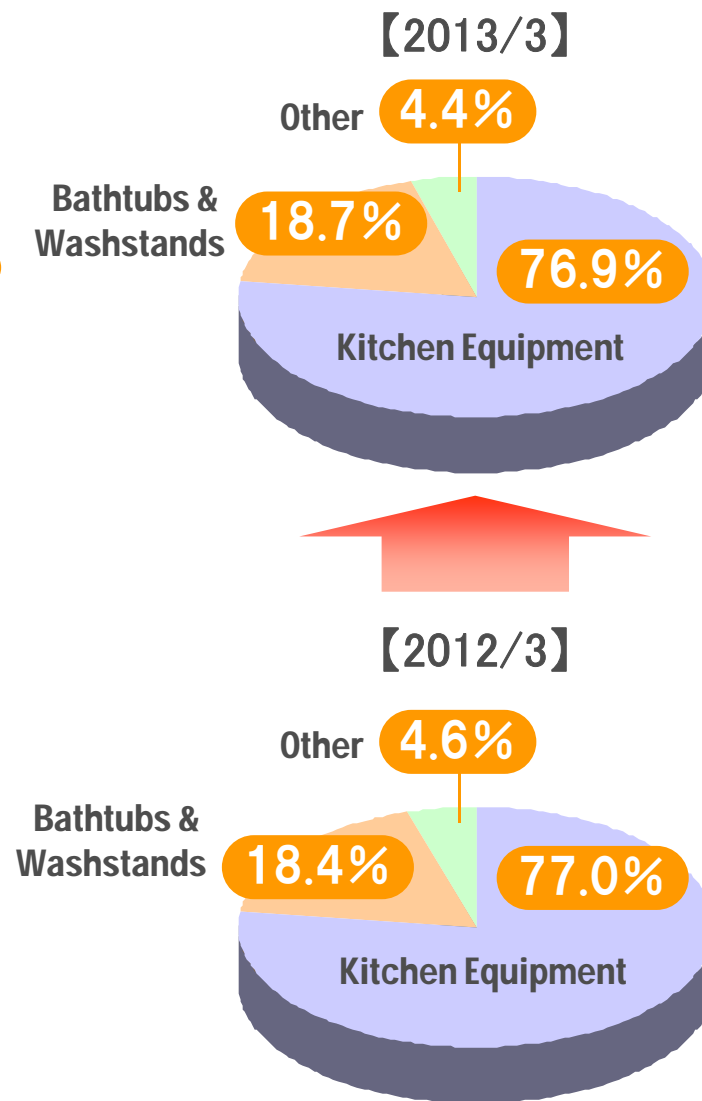
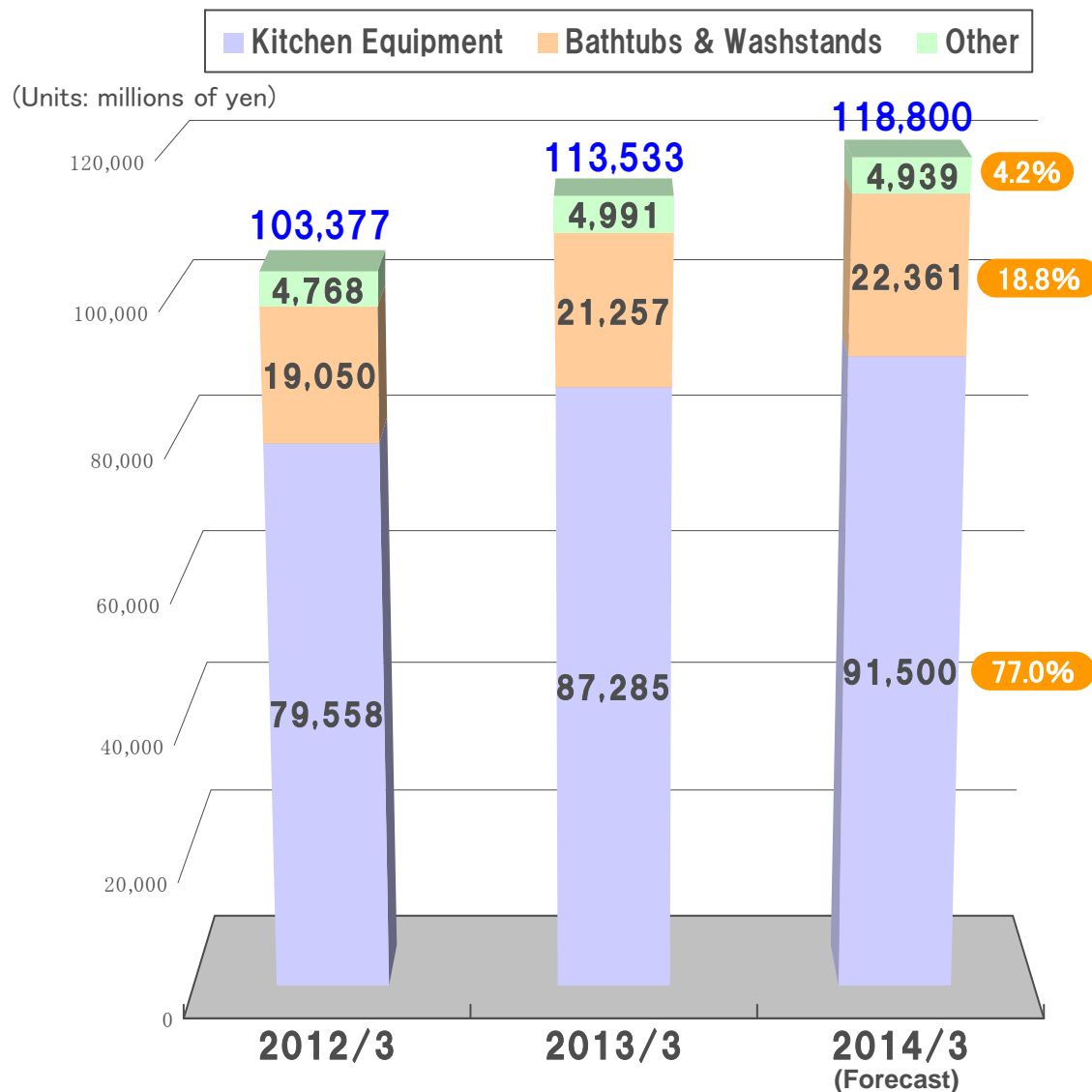


## 2. Consolidated Profits (2) SGA Expenses, Operating Income

(Units: billions of yen)

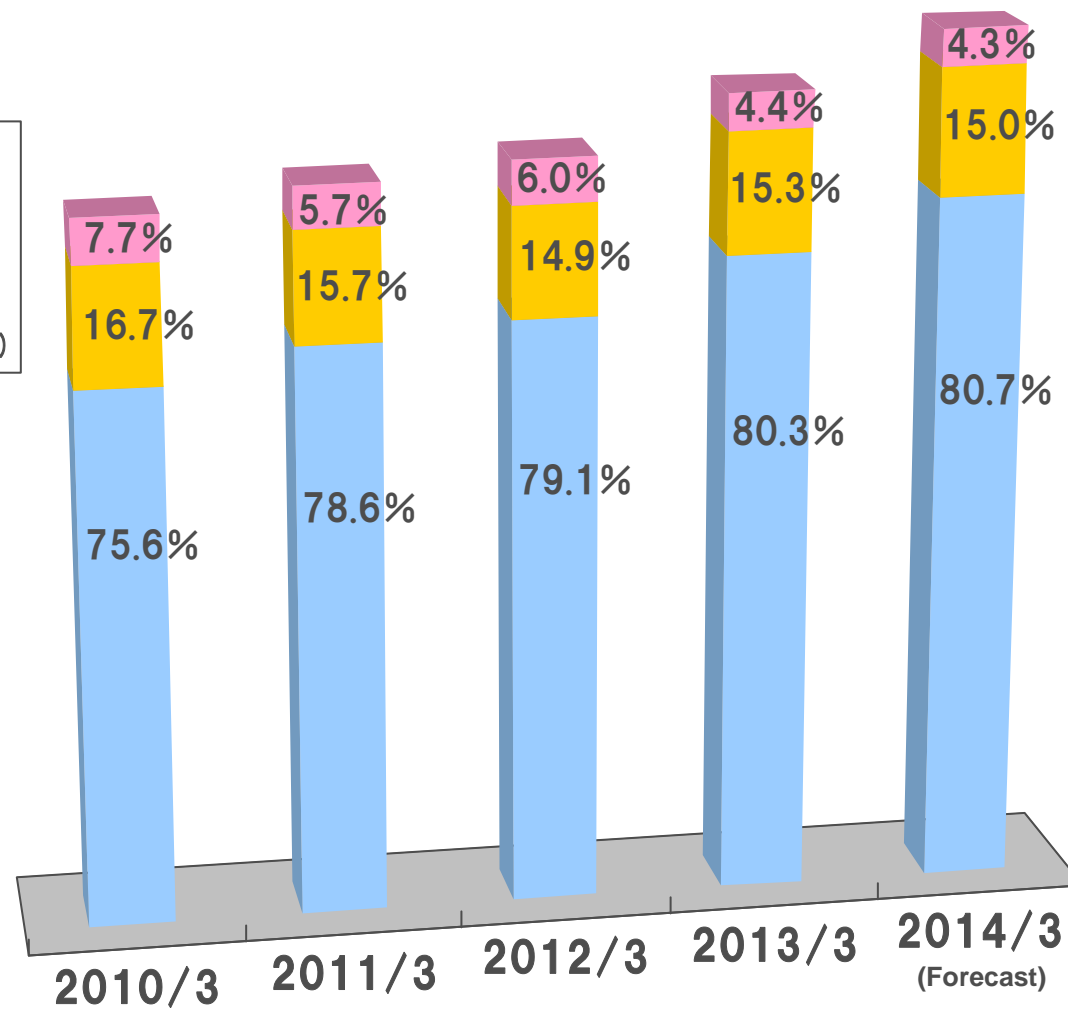


### 3. Sales Composition (1) By Segment (Consolidated)

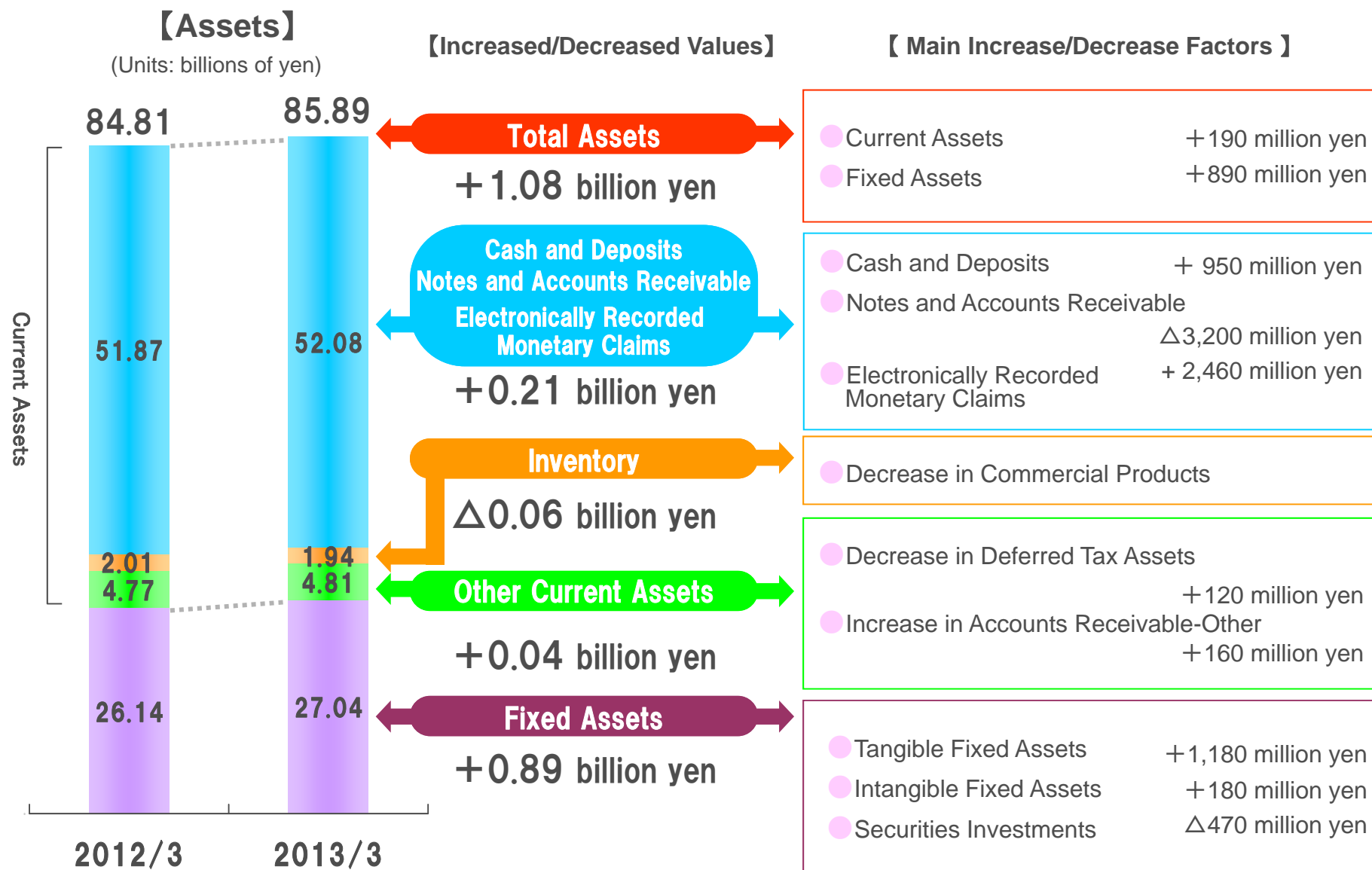


### 3. Sales Composition (2) By Sales Route (Non-Consolidated)

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



# 4. Consolidated Balance Sheet Summary – 1/2





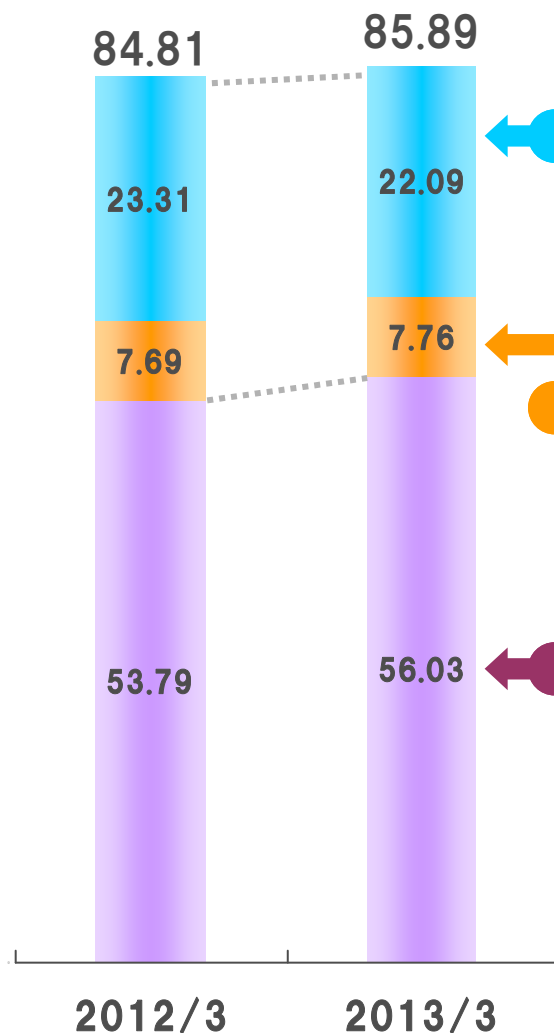
# 4. Consolidated Balance Sheet Summary – 2/2

## 【Liabilities / Net assets】

(Units: billions of yen)

### 【 Increased/Decreased Values 】

### 【 Primary Reasons for Increase/Decrease 】



**Current Liabilities**

**△ 1.22 billion yen**

**Long-Term Liabilities**

**+ 0.07 billion yen**

**Total Net Assets**

**+ 2.23 billion yen**

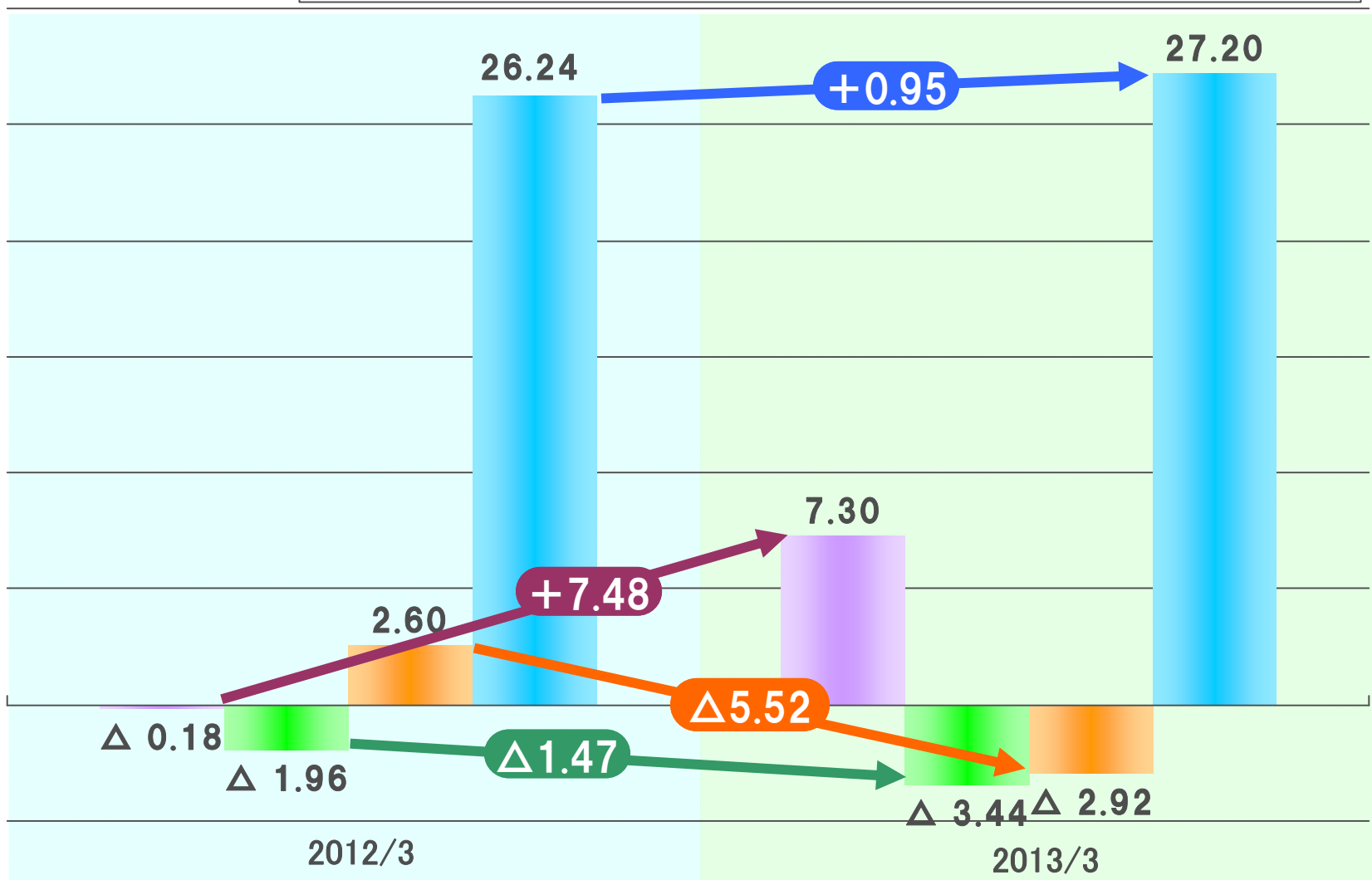
● Trade Accounts Payable, Other Accounts Payable	+ 520 million yen
● Income Tax Payable, Consumption tax	+ 470 million yen
● Short-Term Loans Payable	△ 1,360 million yen
● Current Portion of Long-Term Loans Payable	△ 980 million yen

● No change	
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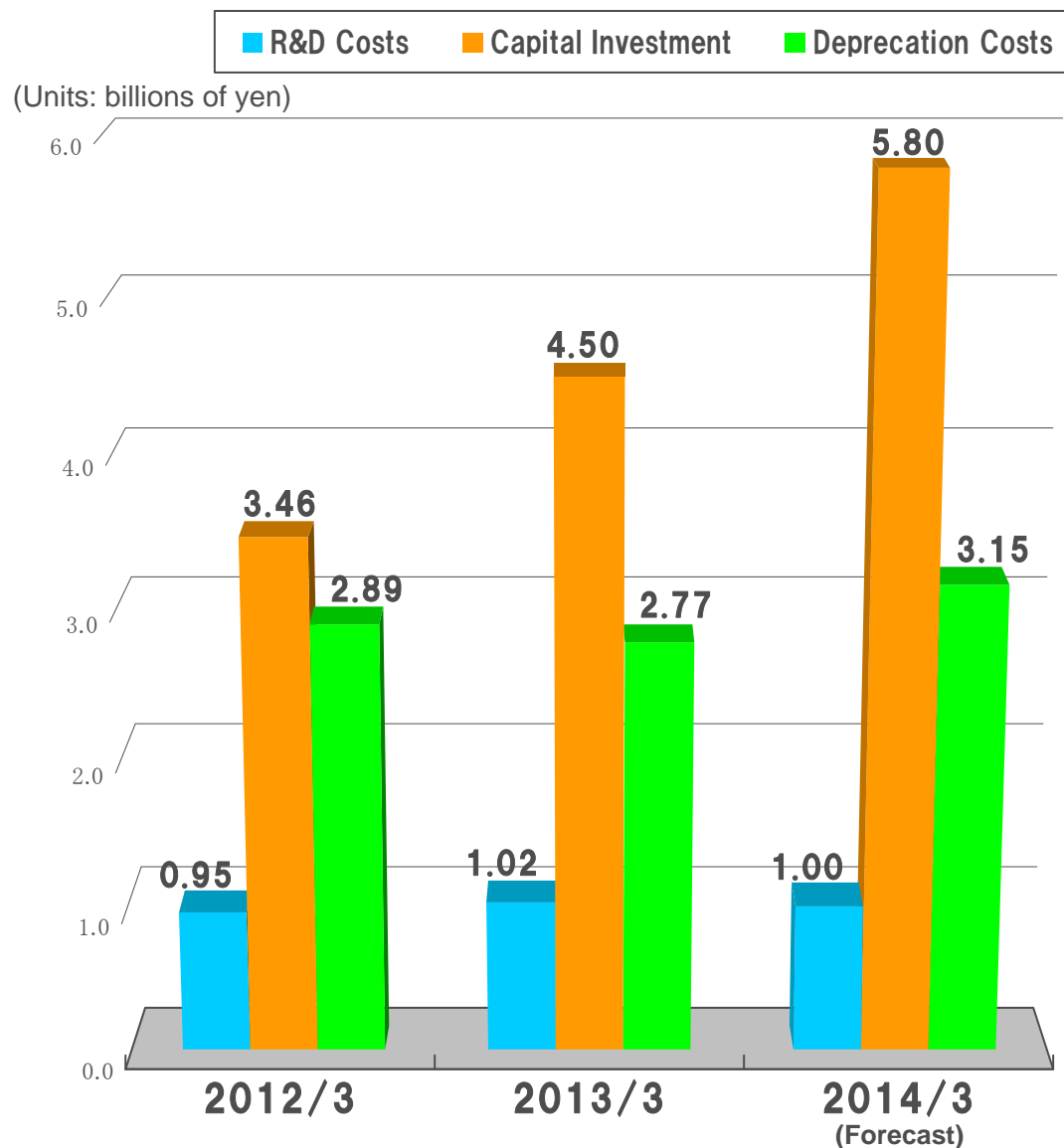
● Net Income	+ 2,500 million yen
● Dividends	△ 460 million yen
● Valuation difference on available-for-sale securities	+ 180 million yen

# 5. Consolidated Cash Flow Statement Summary

(Units: billions of yen)



## 6. Capital Investments (Consolidated)



### 【Major Capital Investment Details】

#### FY 2012 Results

- ① Production-Related 1,590 million yen
- ② Showroom Renovation 1,750 million yen
- ③ Information Investment 770 million yen
- ③ Others 390 million yen

#### FY 2013 Plan

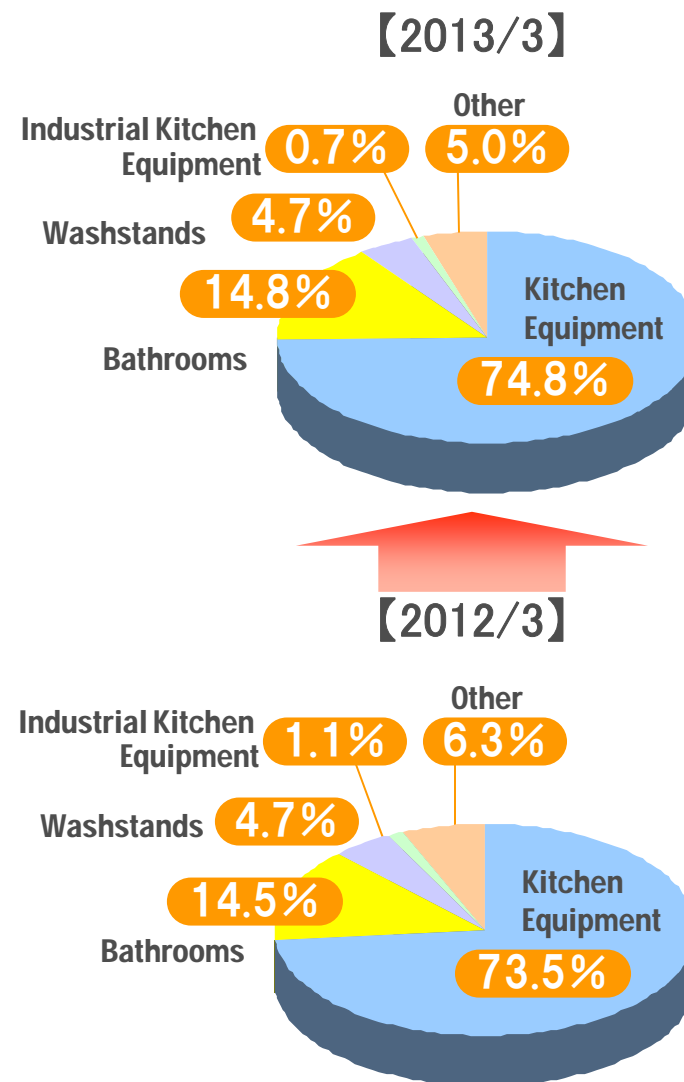
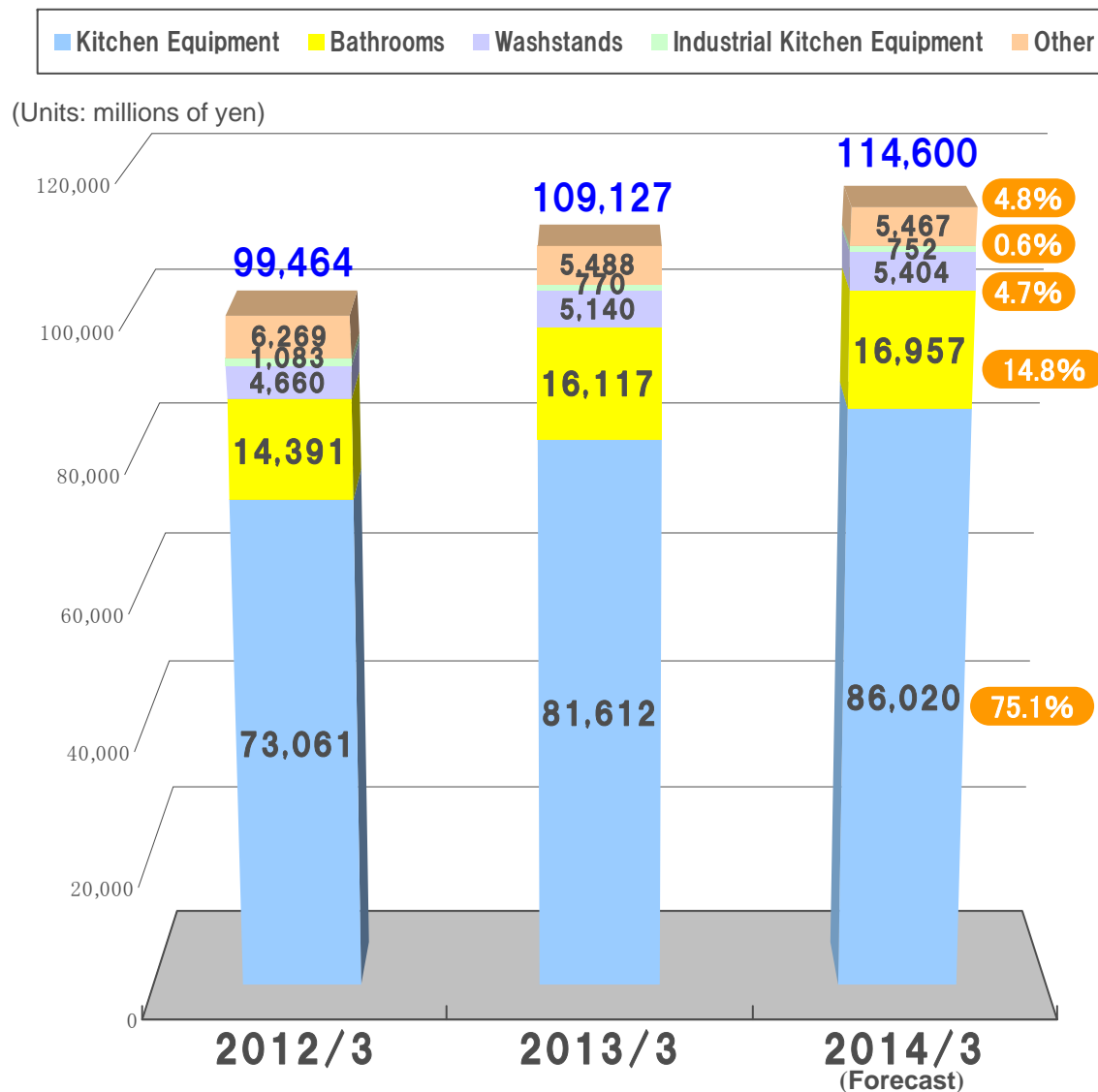
- ① Production-Related 2,370 million yen
- ② Operations-Related 1,830 million yen
- ③ Information-Related 1,270 million yen
- ④ Others 330 million yen

## 7. Outline of Non-Consolidated Results for Period Ended March 2013

(Units: millions of yen)

	<b>2013/3</b> (Actual Results)	<b>2012/3</b> (Actual Results)	<i>Change From Prev. Period</i>
<b>Net Sales</b>	<b>109,127</b>	<b>99,464</b>	<b>9.7%</b>
<b>Operating Income</b>	<b>3,905</b>	<b>1,406</b>	<b>177.6%</b>
<b>Ordinary Income</b>	<b>3,822</b>	<b>1,362</b>	<b>180.6%</b>
<b>Net Income</b>	<b>2,243</b>	<b>2,033</b>	<b>10.3%</b>
<b>Net Income Per Share</b>	<b>48.15yen</b>	<b>43.65yen</b>	<b>10.3%</b>

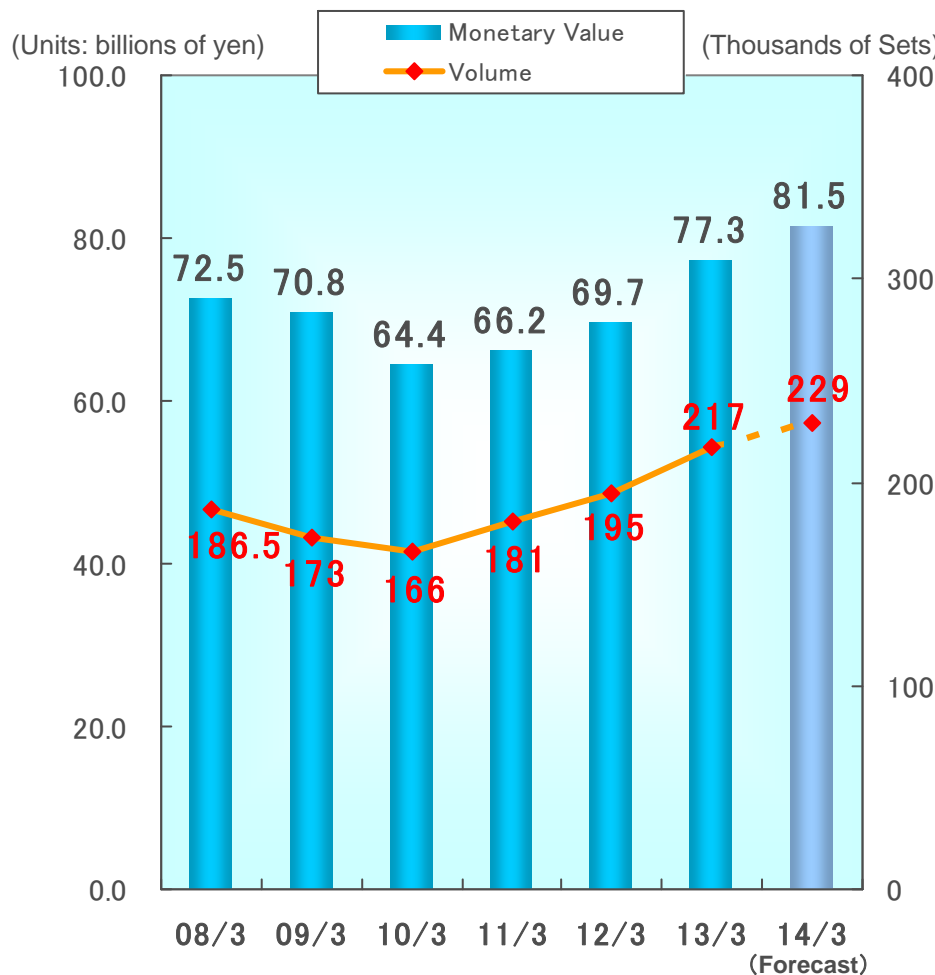
# 8. Non-Consolidated Sales Composition By Segment



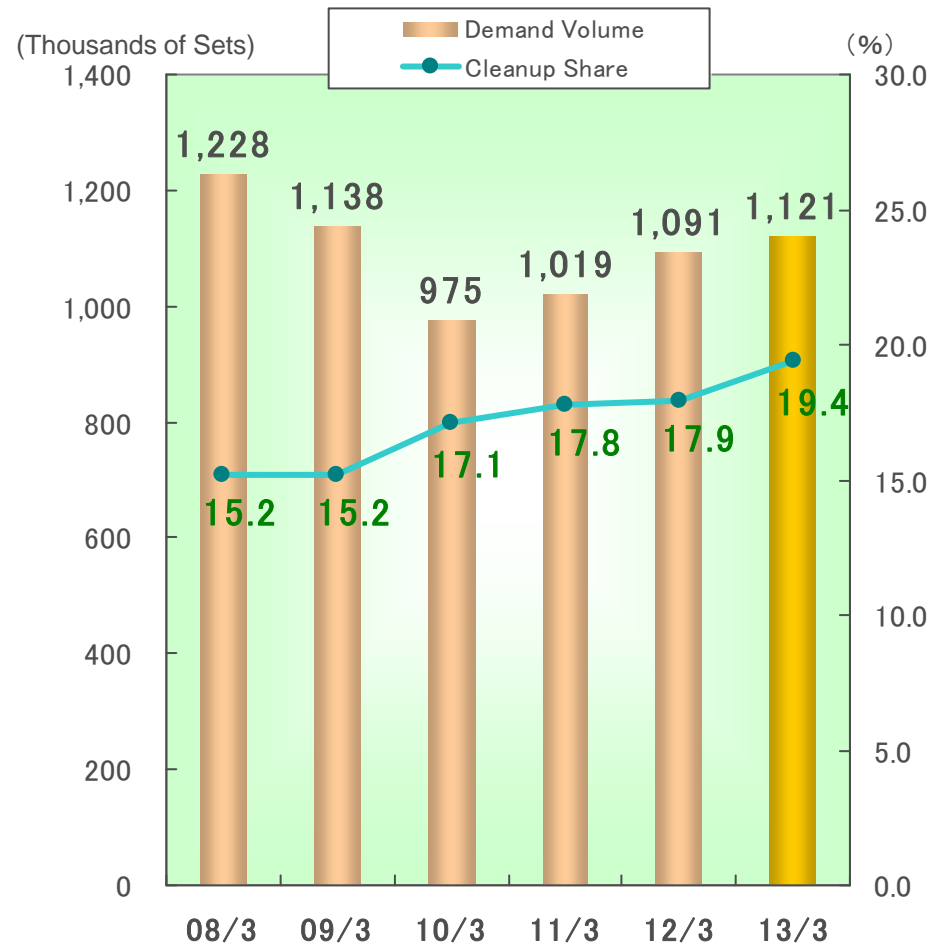
# 9. Sales Results For Major Products and Cleanup Market Share - 1/4



## Complete System Kitchen Sales Results



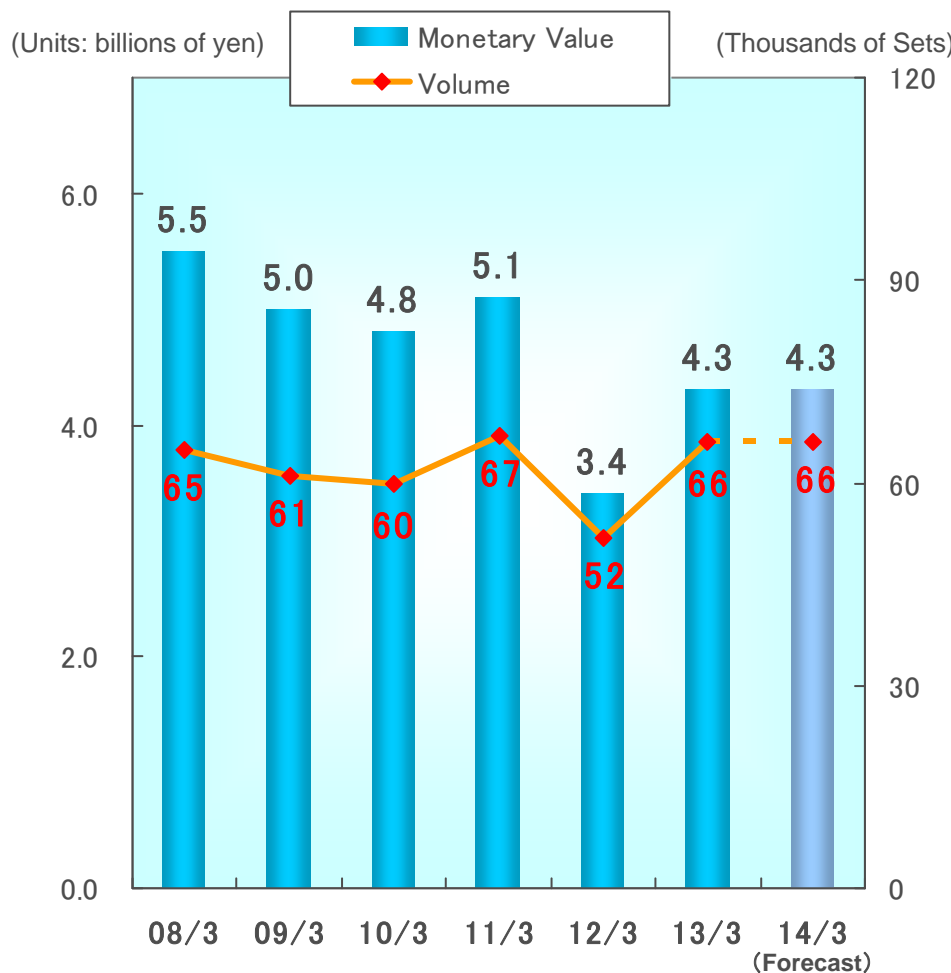
## Demand Trends and Market Share



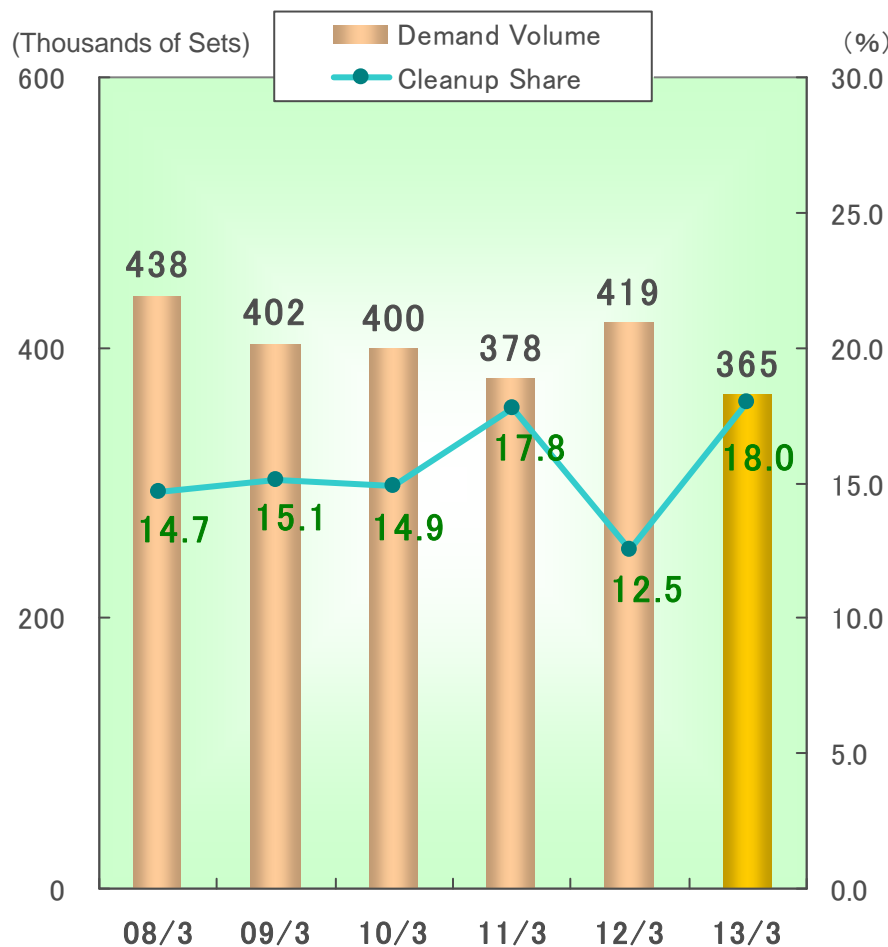
# 9. Sales Results For Major Products and Cleanup Market Share - 2/4



## Sectional System Kitchen Sales Results

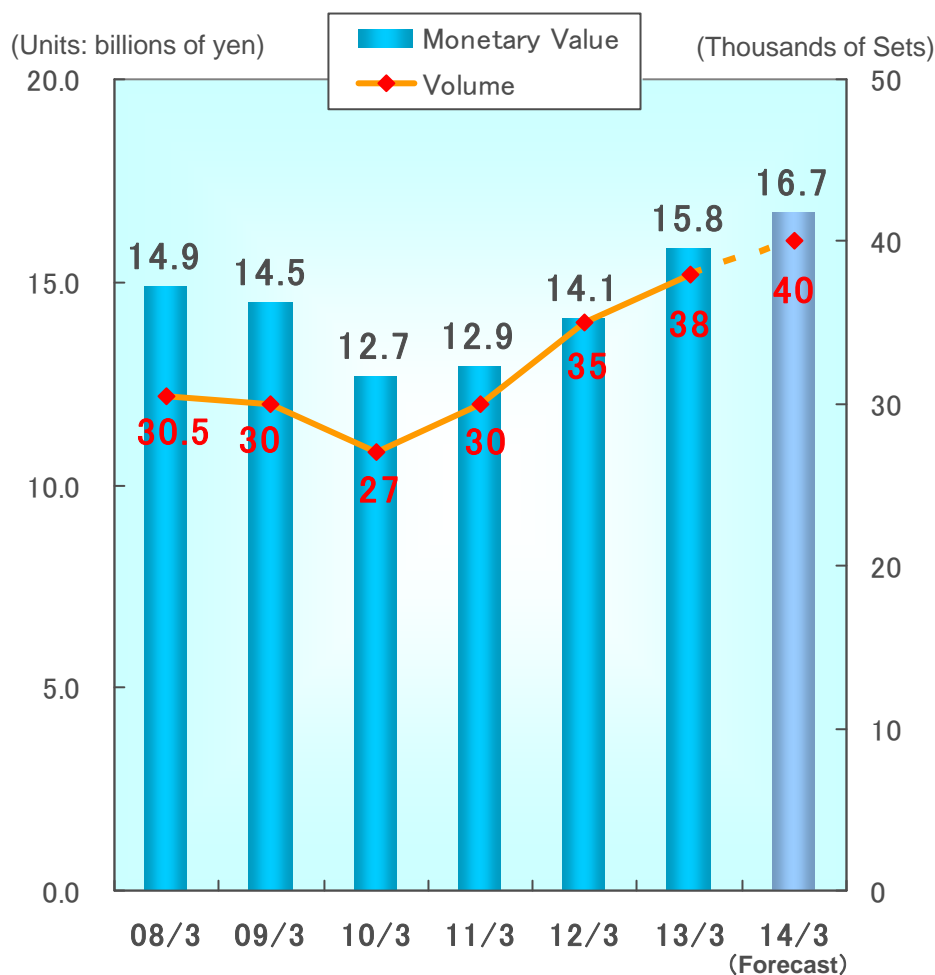


## Demand Trends and Market Share

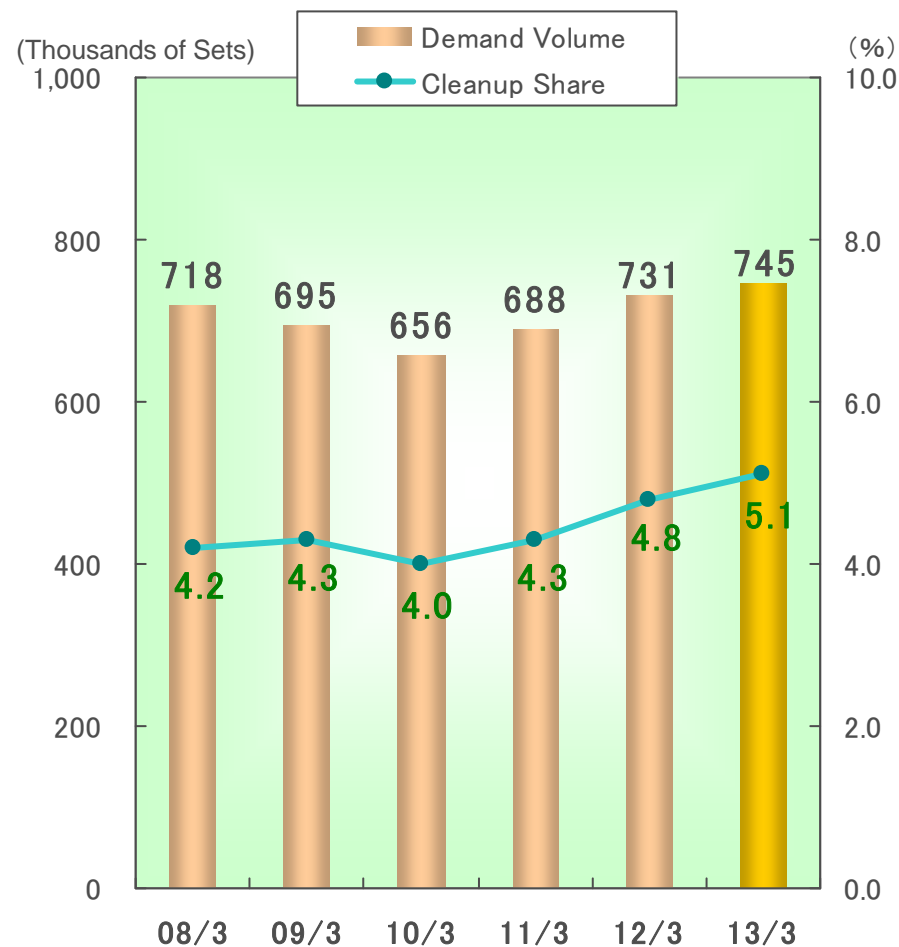


# 9. Sales Results For Major Products and Cleanup Market Share - 3/4

## Modular System Bathroom Sales Results



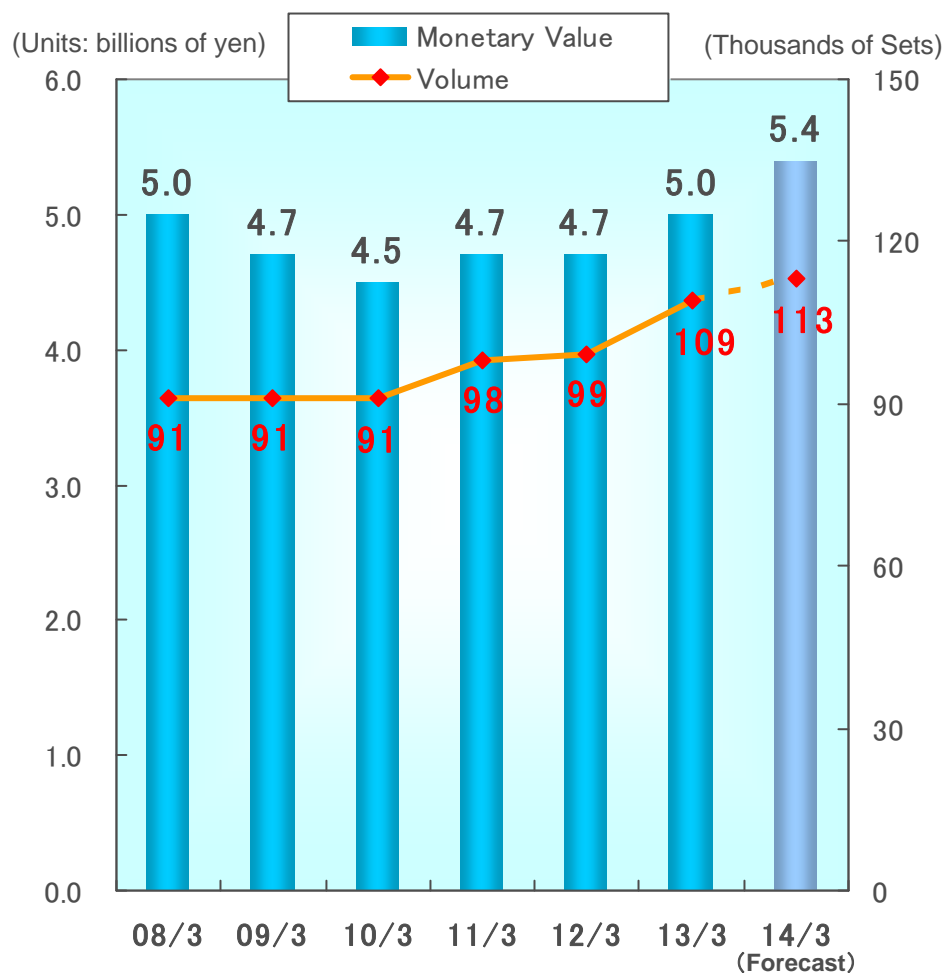
## Demand Trends and Market Share



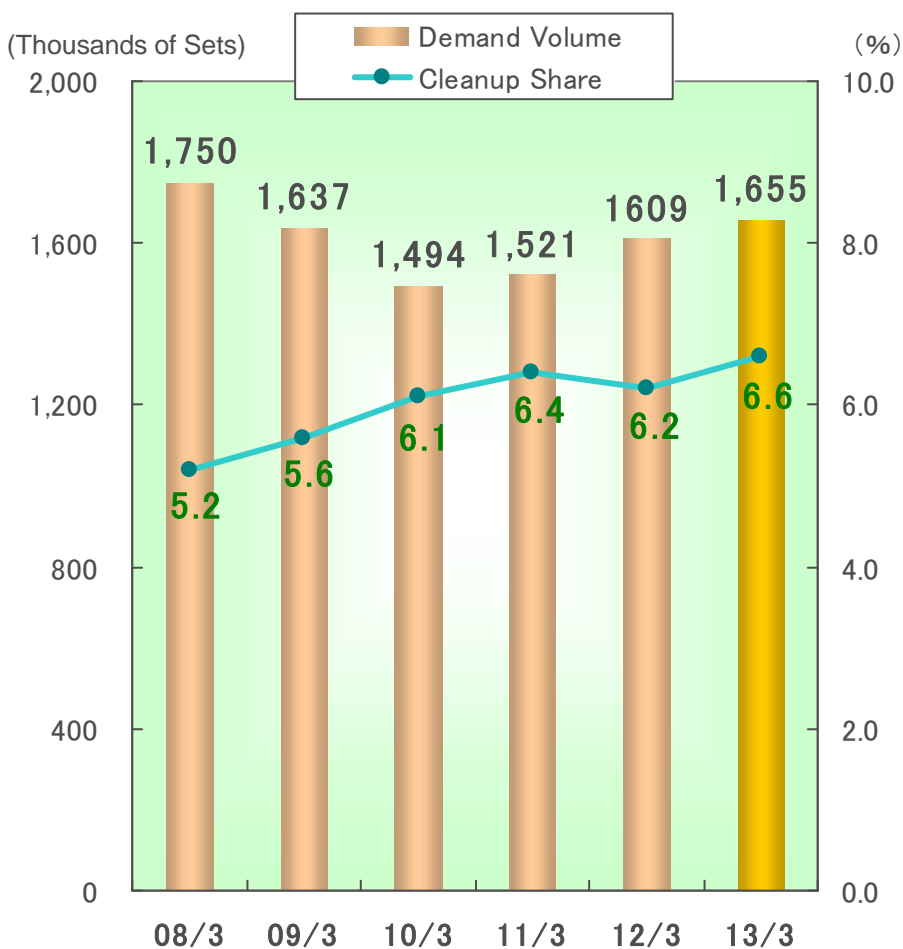


# 9. Sales Results For Major Products and Cleanup Market Share - 4/4

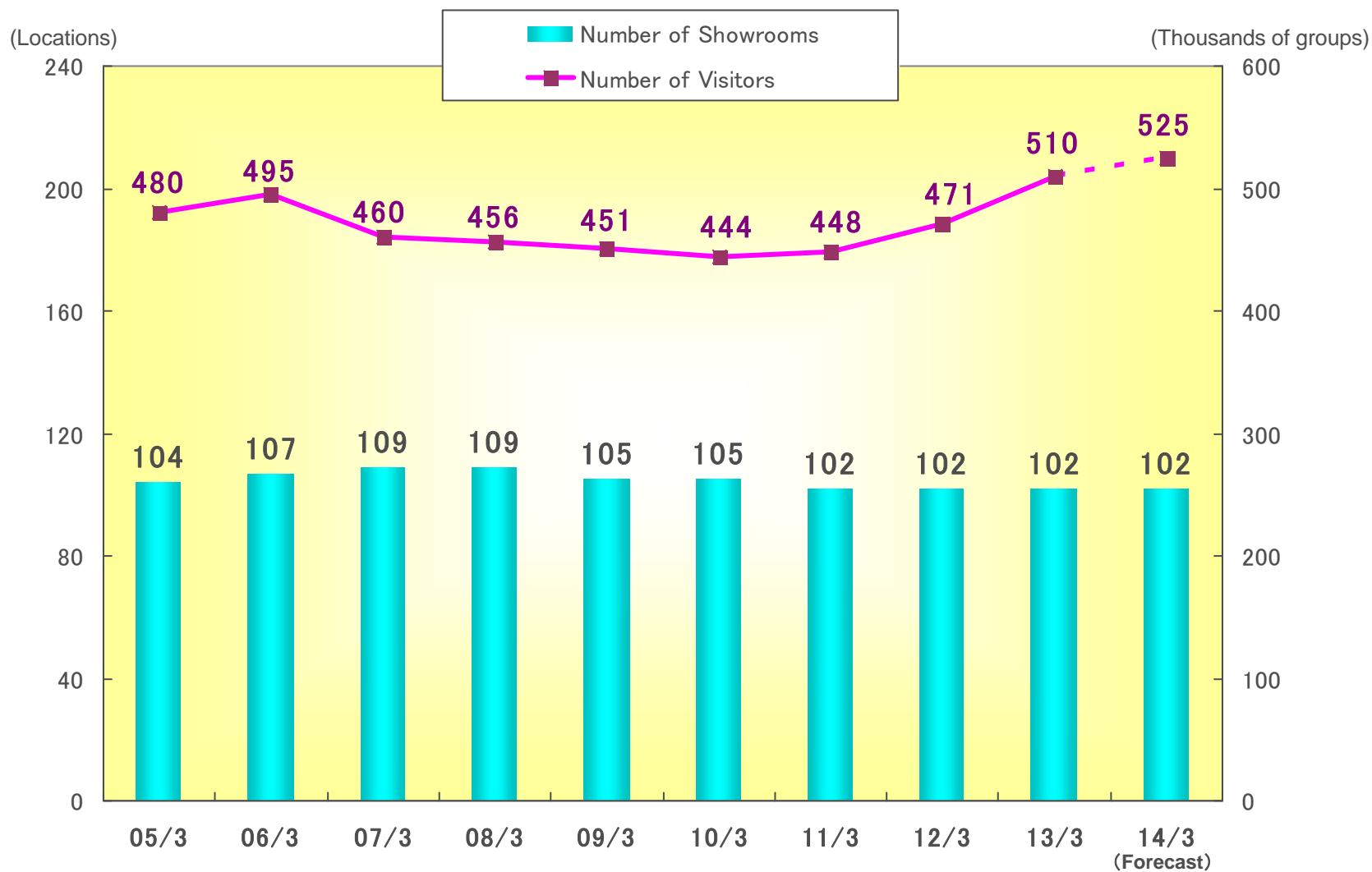
## Washstands/Vanities



## Demand Trends and Market Share



# 10. Showrooms And Visitor Numbers



# 11. Forecasted Consolidated Results For The Period Ending March 2014

(Units: millions of yen)

	2013/3 (Actual Results)	2014/3 (Forecast)	Change From Prev. Period
Net Sales	113,533	118,800	4.6%
Operating Income	4,755	4,800	0.9%
Operating Income Margin	4.2%	4.0%	—
Ordinary Income	4,372	4,500	2.9%
Ordinary Income Margin	3.9%	3.8%	—
Net Income	2,506	2,500	1.8%
Net Income Margin	2.2%	2.1%	—



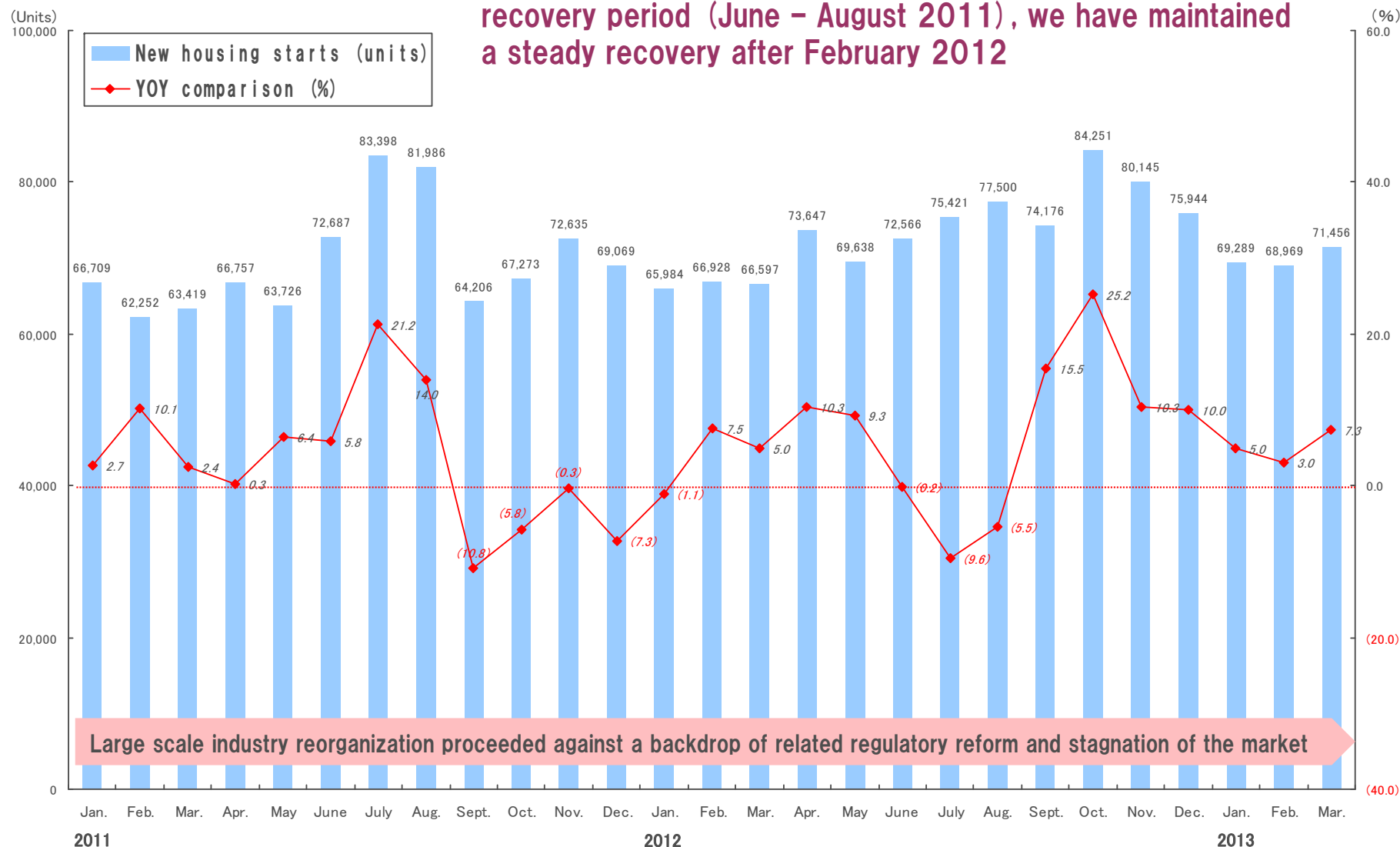
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## **Ⅱ . Results from this term and the outlook from now on**

# 1. Management Environment

## New housing starts

In light of the outlying values reported in the post-disaster recovery period (June – August 2011), we have maintained a steady recovery after February 2012



Large scale industry reorganization proceeded against a backdrop of related regulatory reform and stagnation of the market

\* Ministry of Land, Infrastructure, Transport and Tourism Monthly Economic Construction Statistics, Building Starts

### Period Ended March 2013 Management Policy

We established “The Kitchen Company” by thoroughly implementing our 2012 mid-term management plan.

① Increase market share of system kitchens centered on CLEANLADY

② Promote renovation measures

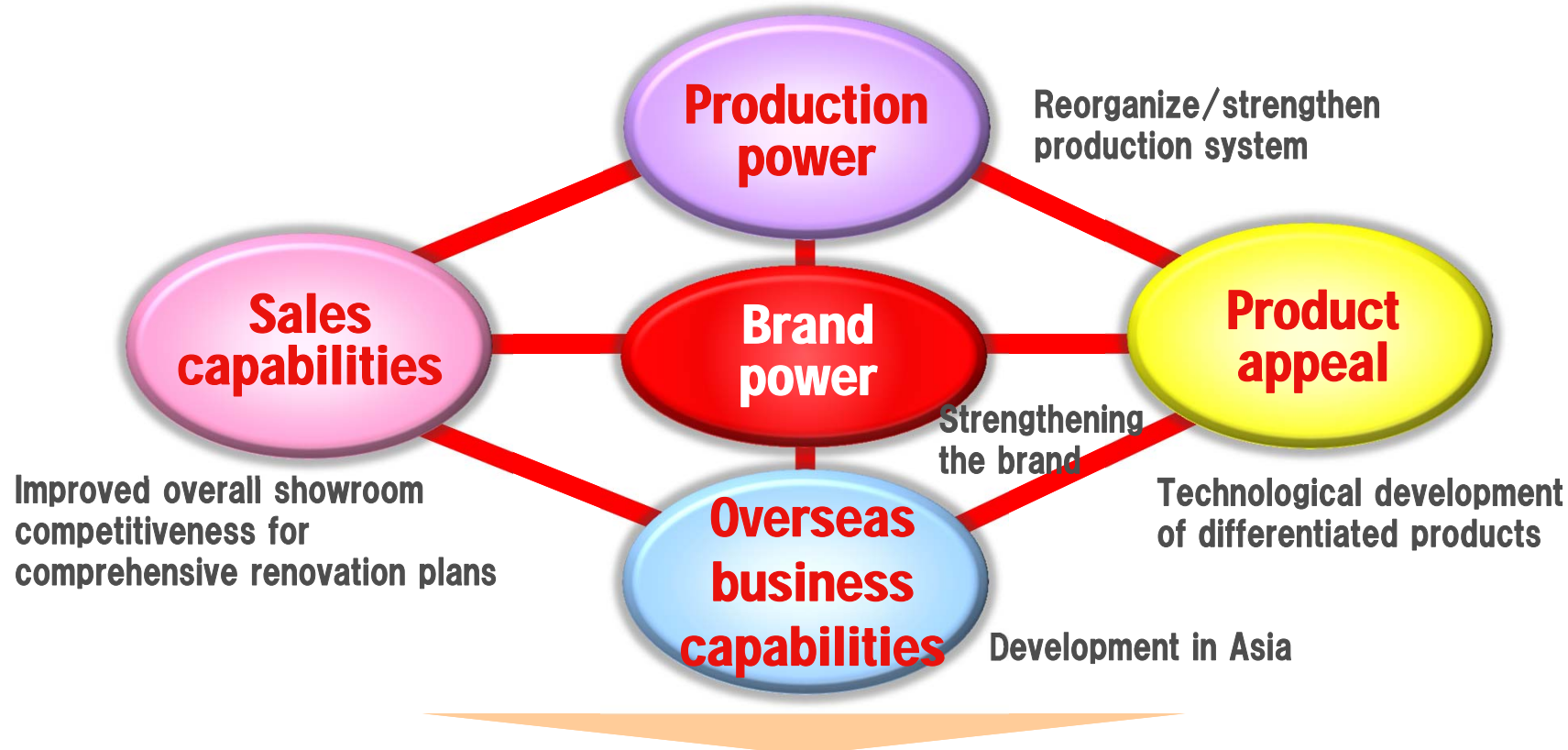
③ Improve overall showroom competitiveness

④ Improve total product quality and decrease total costs

⑤ Expand overseas business

⑥ Create personnel environment that leverages workplace capabilities

## Thoroughly promote the 12 mid-term plans to become “the kitchen company”



**Realization of “The Kitchen Company”**

## 4. "Production Capabilities" (1) Strengthen Production System and BCP Measures



Improve western Japan production system ⇒ construct 2 production centers in the east and west

In western Japan, we have created a system that can produce system kitchens independently

**Tsuyama Factory** Expand

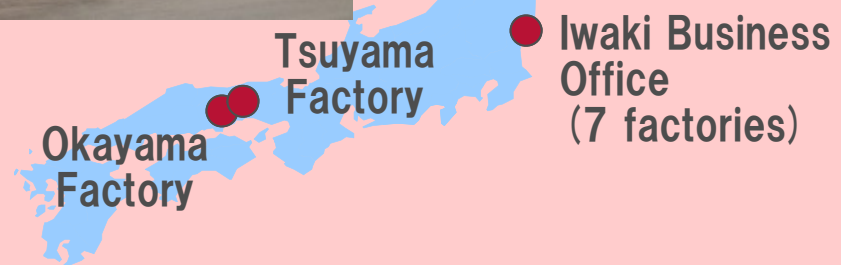
(Operation begins in April 2013)

Produce kitchen counters at  
Tsuyama Factory

**Okayama Factory** Improve production capabilities

(Estimated completion in 2013)

Produce kitchen cabinets at  
Okayama Factory



### ● BCP (Business Continuity Planning) Measures

Protocols to address unforeseen events such as disasters and accidents

- Continue business operations with limited management resources
- Reopen within target recovery time



### 【Cleanup's Showroom Expansion Philosophy】

Rather than focusing our expansion on large cities that would prioritize our bottom line, we will expand to many showrooms around the country to better serve consumers and construction firms nationwide

**Our philosophy is that every customer interaction is important**

**102 Showrooms  
Nationwide**

(As of the end of March 2013)

#### Large Cities

- Cleanup's largest "Super Showroom" "Kitchen Town Cleanup Osaka" (Opened July 2012, Osaka Umeda)
- At "Shinjuku Showroom," the Kanto region's largest showroom, we built a new space to sell books as a tie-in with Asahiya Bookstores

#### Nationwide

- We renewed 14 showrooms nationwide in the past year
- At all showrooms nationwide, we continue to actively expand events such as renovation fairs and cooking classes

## 5. "Sales Capabilities" (1) Improve Overall Showroom Capabilities

# The opening of 14 renewed showrooms across the country

Our concept is "Able to Support Events" and "Interactive Display Spaces"



Mito(Ibaraki)



Kashiwa(Chiba)



Kumagaya(Saitama)



Yokohamakita(Kanagawa)



Oyama(Tochigi)



Takasaki(Gunma)



Matsumoto(Nagano)



Gifu(Gifu)



Osaka(Osaka)



Tsuyama(Okayama)



Hiroshima(Hiroshima)



Matsuyama(Ehime)



Kurume(Fukuoka)



Kumamoto(Kumamoto)



The number of visitors during the current term was  
**510,627**  
(108.2% compared to the previous year)

### Strengthen renovation strategy

- Expand “Water Section Workshops” member stores to 3,120 store system (As of March 31, 2013)
- Renovation fairs
  - Period Ended March 2012 Exhibition Numbers:  
2,183 events (178.2 % compared with previous year)
  - Period Ended March 2013 Exhibition Numbers:  
3,036 events (139.0% compared with previous year)



### Strengthen logistics cooperation

- Implement renovation seminars for sub-customers in cooperation with strong local firms
- Implement renovation fairs with strong firms/sub-customers as sponsors



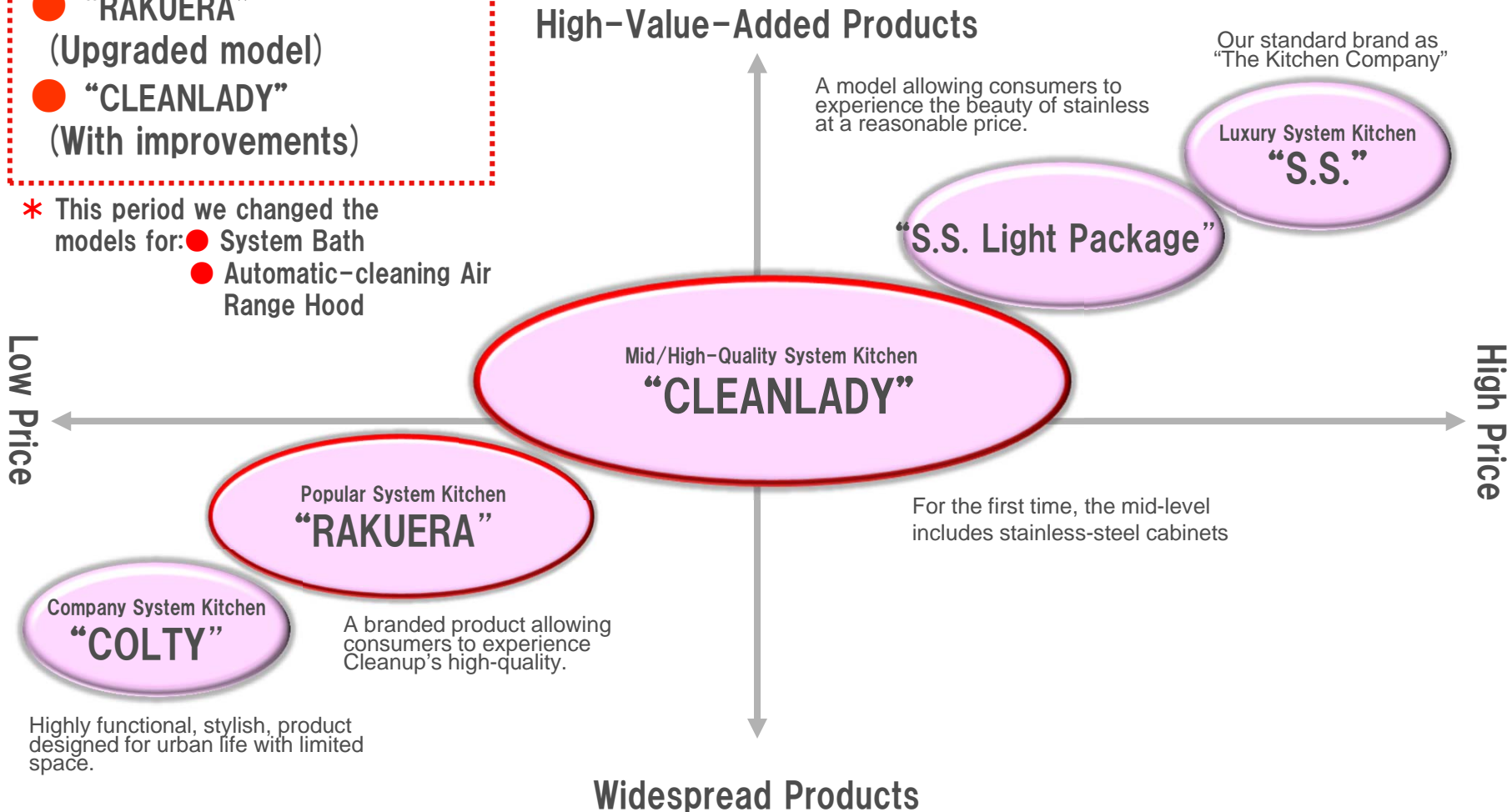
# The Craftsmanship of a Specialist Manufacturer

**【Renewal results for FY2012】**

- “RAKUERA” (Upgraded model)
- “CLEANLADY” (With improvements)

\* This period we changed the models for:

- System Bath
- Automatic-cleaning Air Range Hood



## 7. "Brand Power" (1) Events Centered on Food

### ◎Cooking Academy to Create Smiles from the Kitchen

- Program began in 2009, and 2013 will be the fifth year
  - First three years: Seitoku University (Matsudo, Chiba)
  - Since 2012: Mukogawa Women's University (Nishinomiya, Hyōgo)



Total of approx. 80 participants

### ◎Cooking Academy to Think About the Food in a Home

- Once a month from October 2012 to March 2013 for six total classes held in six showrooms across the country
  - In order, the hosts were: Shinjuku, Fukuoka, Kobe, Nagoya, Shizuoka, and Osaka



### ◎Created regular cooking classes at showrooms with a "salonese" as instructor

Nationwide Showrooms

102 showrooms



Salonese Members Nationwide

930 members



Method of providing information to the community  
(Held 152 times in the current term)



## 7. "Brand Power" (2) Dietary Education Related



With "bento making" as the theme, we participated in a **"Bento Day Promotion Project"** by supporting "Bento Day" at Arakawa City Sixth Nippori Elementary School



7/14 Kyushu University Graduate School  
Instructor Michikazu Hiramatsu



10/27 Children's cooking class (Home  
economics class, Sixth Nippori Elementary School)



11/10 First "Bento Day" event



2/9 Second "Bento Day" event



協賛企業:



## 8. Overseas Business Capabilities

### ● China

In cooperation with a housing manufacturer, full supply of Suzhou has begun. In Shenyang and Wuxi, we supplied model houses with kitchens.

### ● Vietnam

Constructed a police substation and opened local offices along with showrooms in Hanoi and Ho Chi Minh City

### ● Taiwan

Opened a local office to support our existing agent



## 9. "CSR Activities" (1) Disaster Recovery Related

◎ Established "**Cleanup Foundation**" to help the affected areas in Fukushima Prefecture

Scholarship Program

Sports Promotion Program

R&D Promotion Program

◎ Assisted in the establishment and management of the **Elderly Refugees Support Center** in Tomioka, Fukushima

- Completely managed by affiliate company Cleanup Career Services Co., Ltd.
- Provides life support and health management guidance to elderly refugees



◎ Major Sponsor of the fourth annual Iwaki Sunshine Marathon  
The Women's champion was presented with a CLEANLADY





## 9. "CSR Activities" (2) Environment Related

◎ Cooperative delivery of system kitchens established with TOTO to go beyond the past framework in order to make distribution more efficient and reduce our impact on the environment



◎ Awarded top prize for "Our Company's Conservation Techniques" in the Arakawa City electricity conservation contest

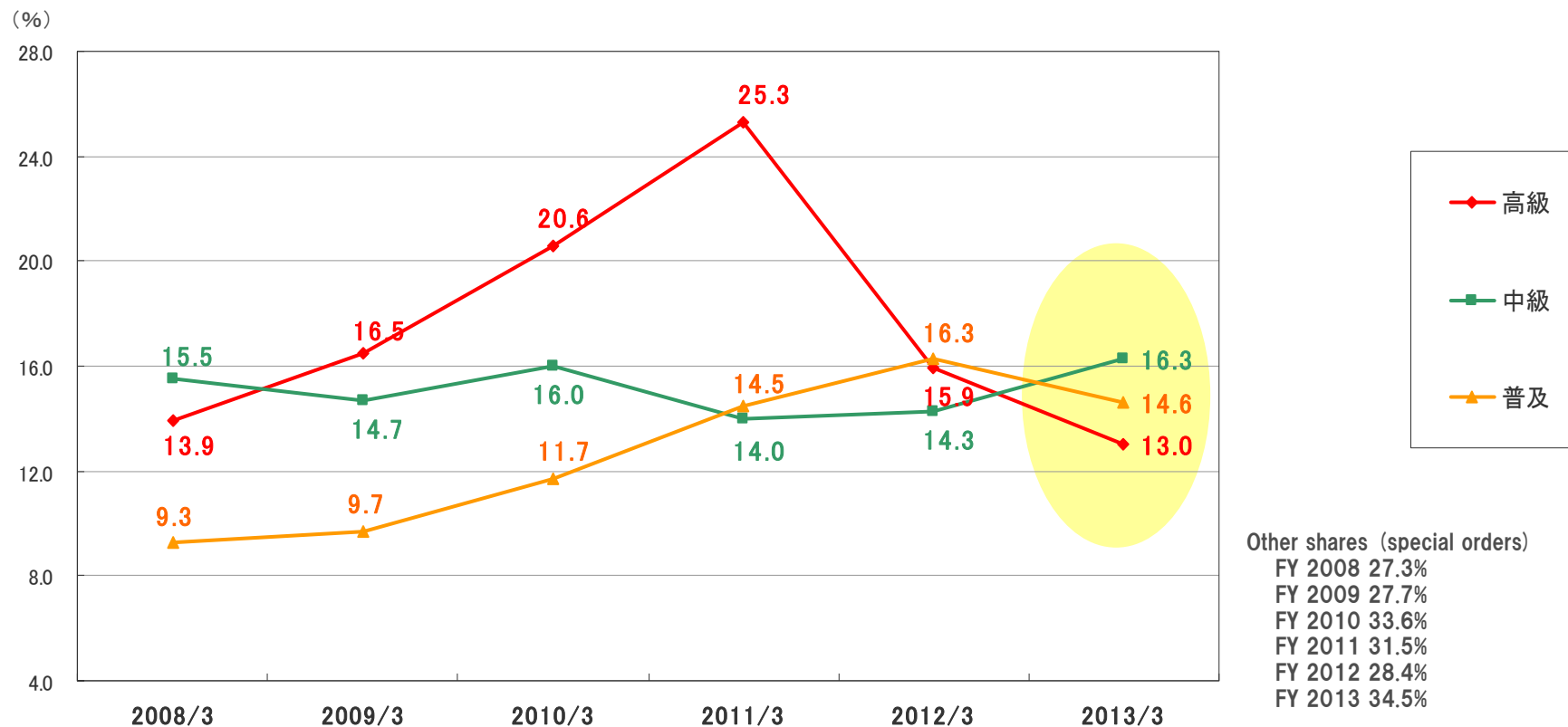
- Designate a temperature for the air conditioning
  - Change company lighting to LED
  - Affix conservation reminder stickers to every computer
- Our "Computer shutdown campaign" was praised



# 10. System Kitchen Market Share by Class

## We expanded our share in mid-level and entry level kitchens

### Changes in System Kitchen Market Share



\*Calculated based on shipping statistics from the Japan Association of Kitchen & Bath.

### Period Ending March 2014 Management Policies

#### Firmly establish “The Kitchen Company”

- ① Increase market share of mid- and high-level system kitchens centered on the CLEANLADY
- ② Increase the speed of renovation measures
- ③ Improve overall showroom competitiveness
- ④ Deepen and develop CPS improvement activities
- ⑤ Improve total product quality and decrease total costs
- ⑥ Strategically promote overseas business
- ⑦ Create personnel environment that leverages workplace capabilities

## Period Ending March 2014 Important Measures

**Firmly establish “The Kitchen Company”**

**Deepen and develop product creation**

**CPS**

Cleanup Production System  
(Order Production System)

Our belief is that striving to be customer oriented is linked to our profits

We provide:

What they want  
When they want it  
How they want it

Sales

Production

Distribution  
Installation

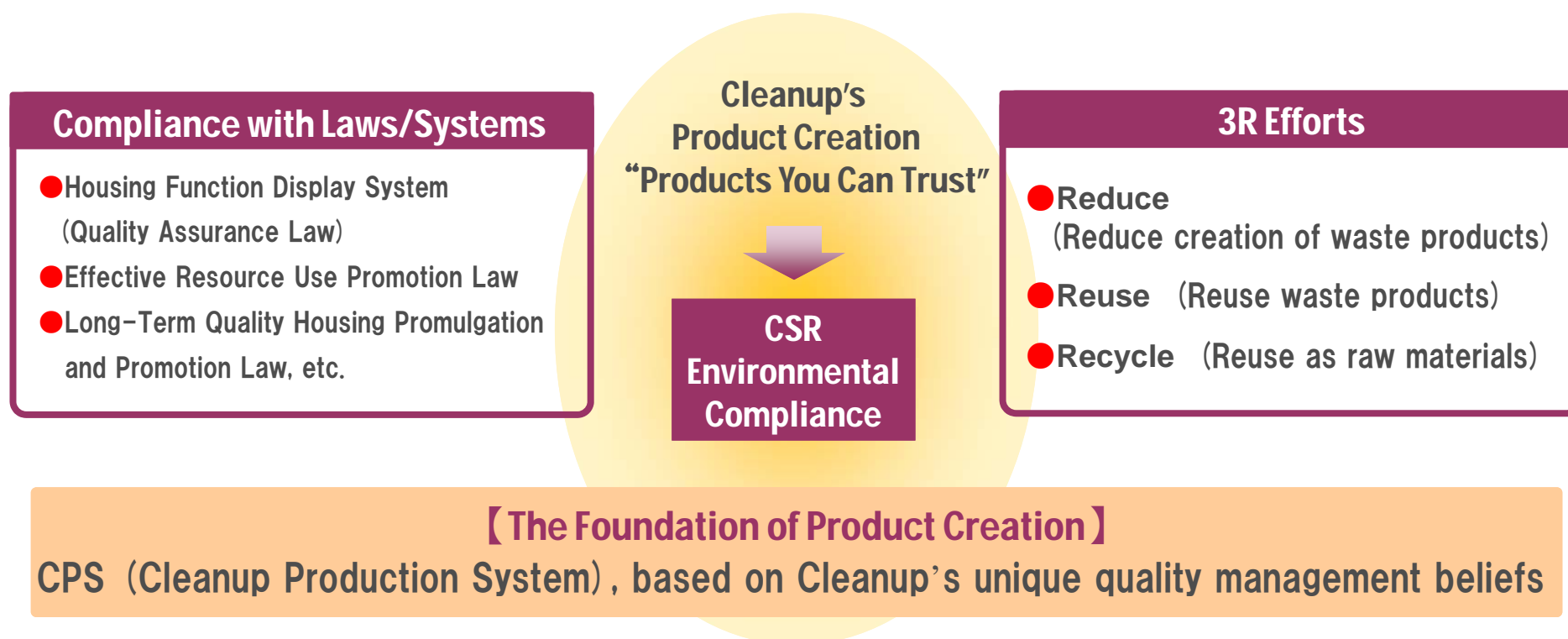
The pursuit of “total optimization”

**Customer Satisfaction**



Aiming to create “products you can trust”...

Cleanup will continue to provide high-quality products, regardless of the times, and always with an emphasis on the consumer's point of view.



◎ On 65<sup>th</sup> anniversary of our inauguration, creating a foundation suitable for a “second inauguration”



Aiming for a business that develops globally, while valuing individuals, families, and communities, based on our experience with the earthquake

For any questions concerning investor relations,  
please contact:

クリナップ株式会社

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## Disclaimer

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Furthermore, this material was created based upon data current as of May 21, 2013. 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.