



キッチンから、笑顔をつくろう

*"To create smiles from the kitchen"*

**Presentation Material:  
Announcement of FY 2013 Interim Results**

**November 15, 2013**



キッチンから、笑顔をつくろう

*"To create smiles from the kitchen"*

# I . Interim Results Outline

# 1. Outline of Consolidated Results for Interim Period Ended September 2013

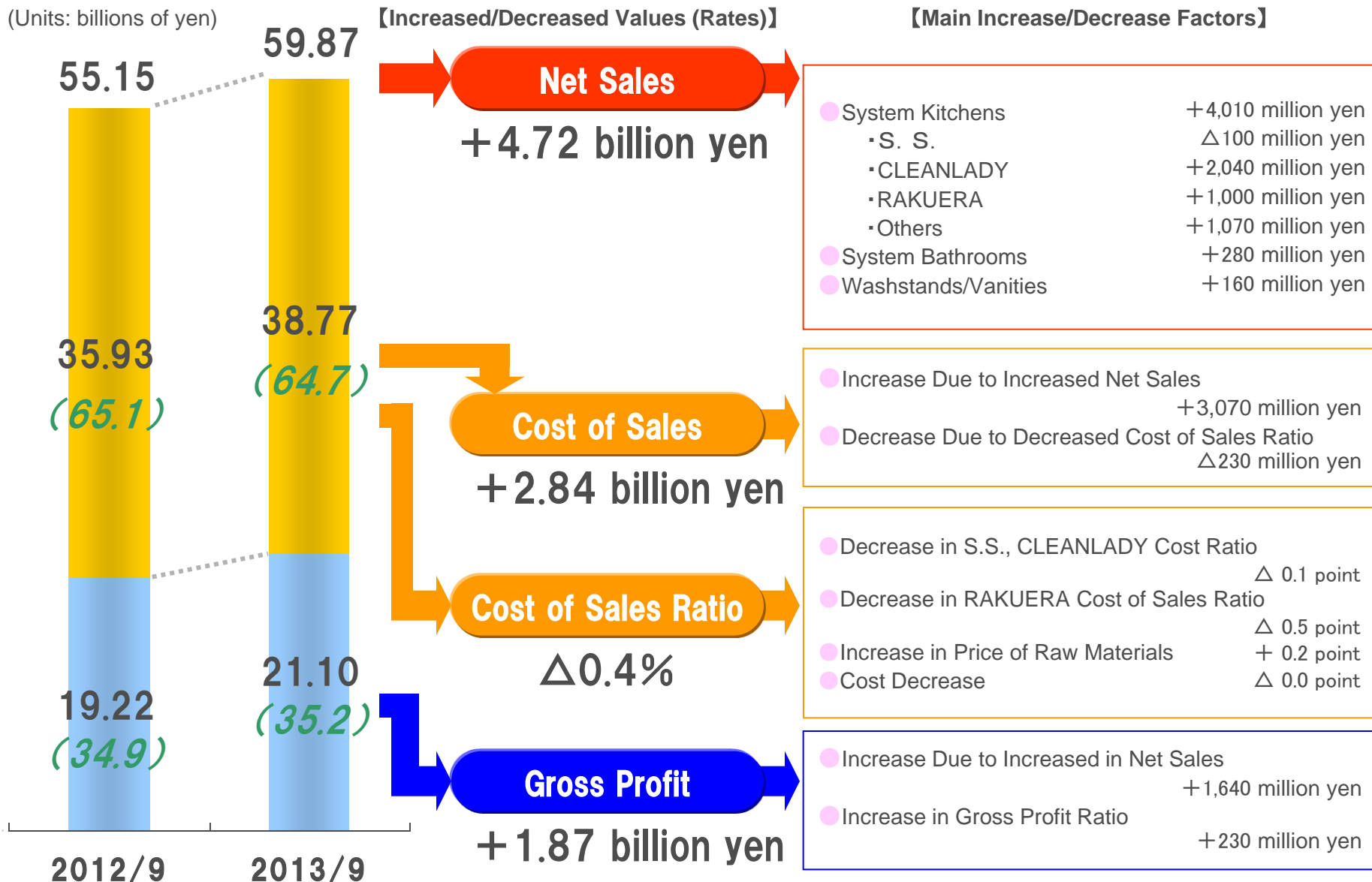
(Units: millions of yen)

	<b>2013/9</b> (Actual Results)	<b>2012/9</b> (Actual Results)	<i>Change From Prev. Period</i>	<b>2013/9</b> (Previous Forecast)	<i>Compared To Revised Plan</i>
<b>Net Sales</b>	<b>59,876</b>	<b>55,159</b>	<b>8.6%</b>	<b>57,000</b>	<b>5.0%</b>
<b>Operating Income</b>	<b>3,764</b>	<b>2,338</b>	<b>61.0%</b>	<b>2,350</b>	<b>60.2%</b>
<b>Ordinary Income</b>	<b>3,563</b>	<b>2,146</b>	<b>66.0%</b>	<b>2,200</b>	<b>62.0%</b>
<b>Interim Net Income</b>	<b>2,119</b>	<b>1,290</b>	<b>64.2%</b>	<b>1,300</b>	<b>63.0%</b>
<b>Interim Net Income Per Share</b>	<b>45.49yen</b>	<b>27.70yen</b>	<b>64.2%</b>	<b>27.90yen</b>	<b>63.0%</b>

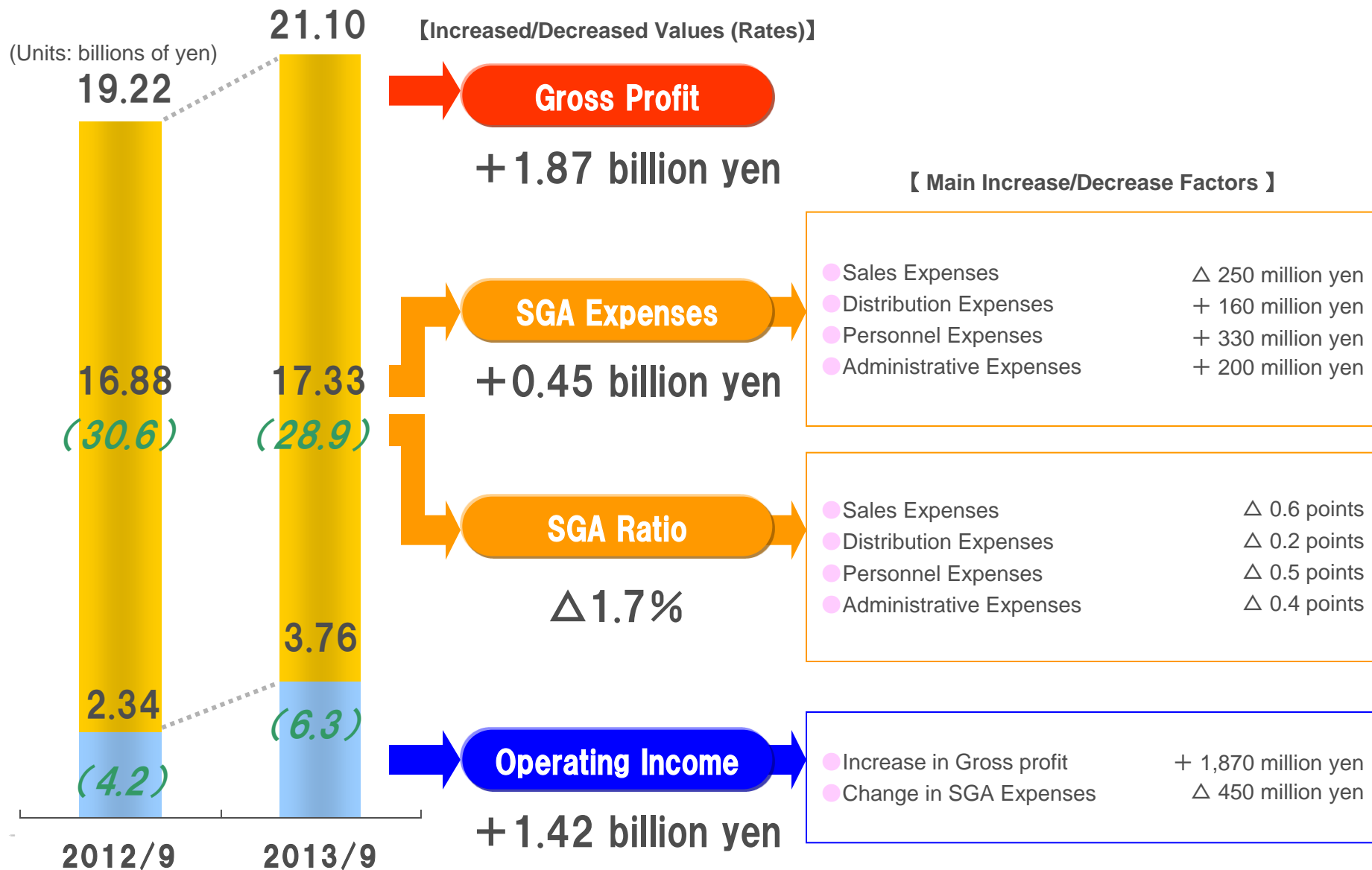
\* Previous Forecast: Announced May 8, 2013

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

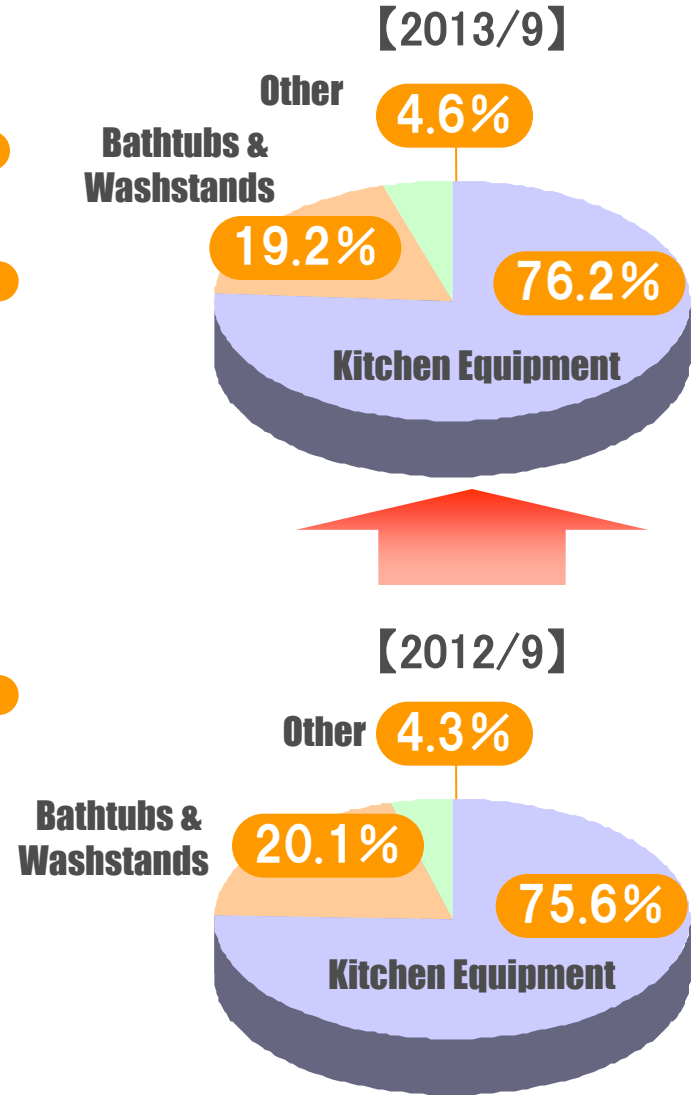
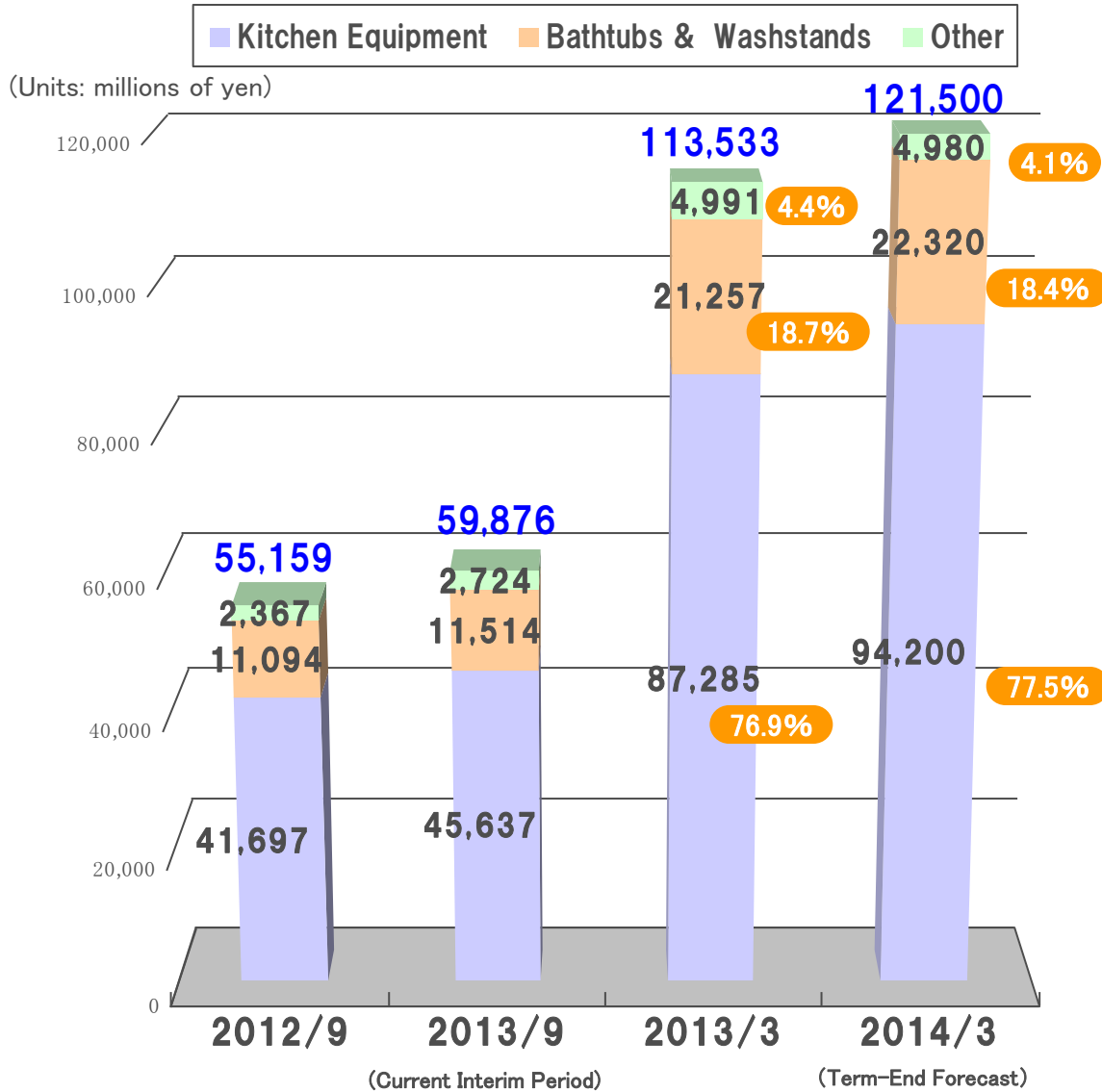
(Units: billions of yen)



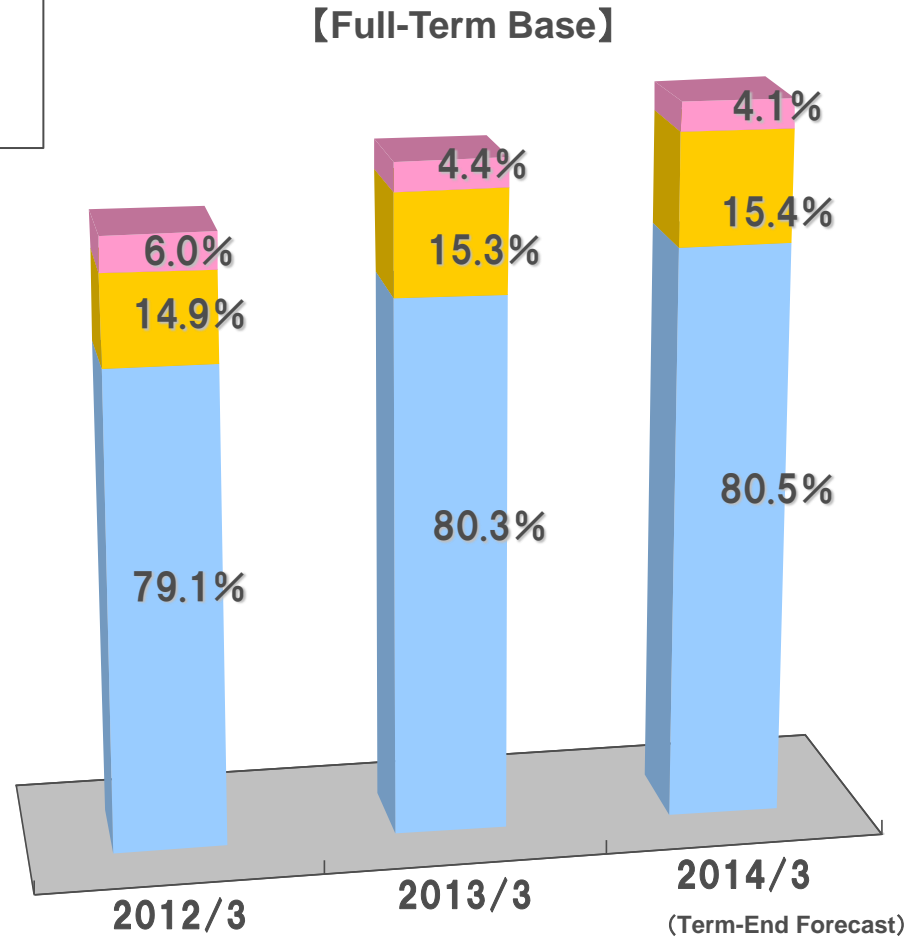
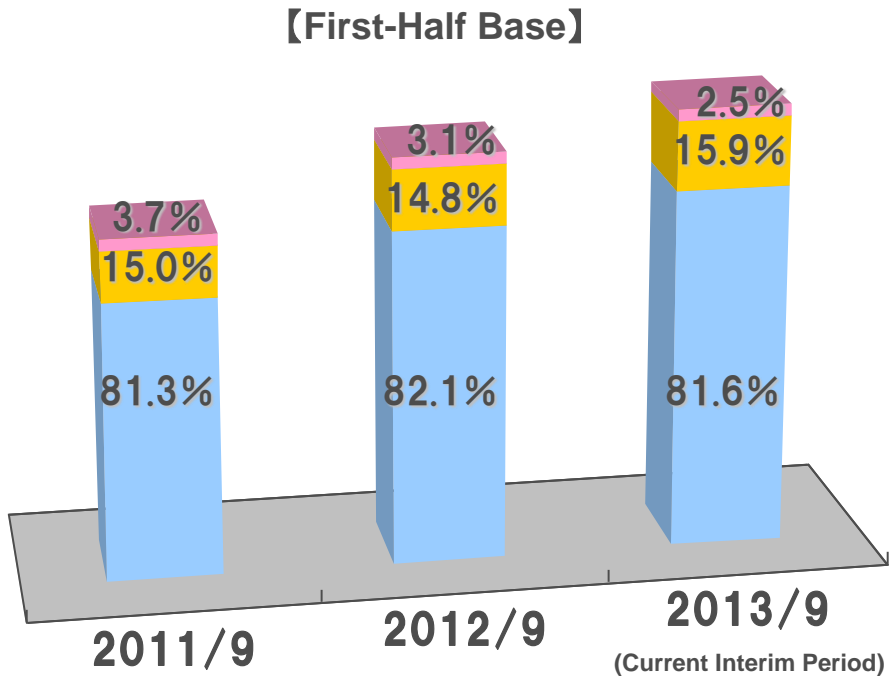
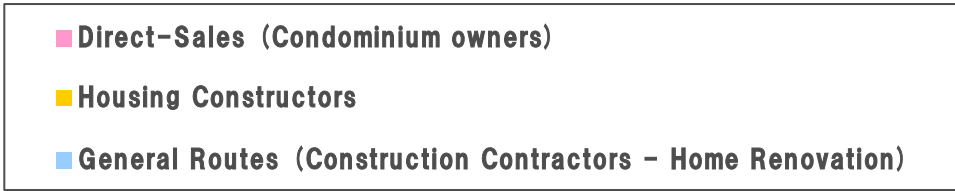
## 2. Consolidated Profits ② SGA Expenses, Operating Income



# 3. Sales Composition ① By Segment (Consolidated)

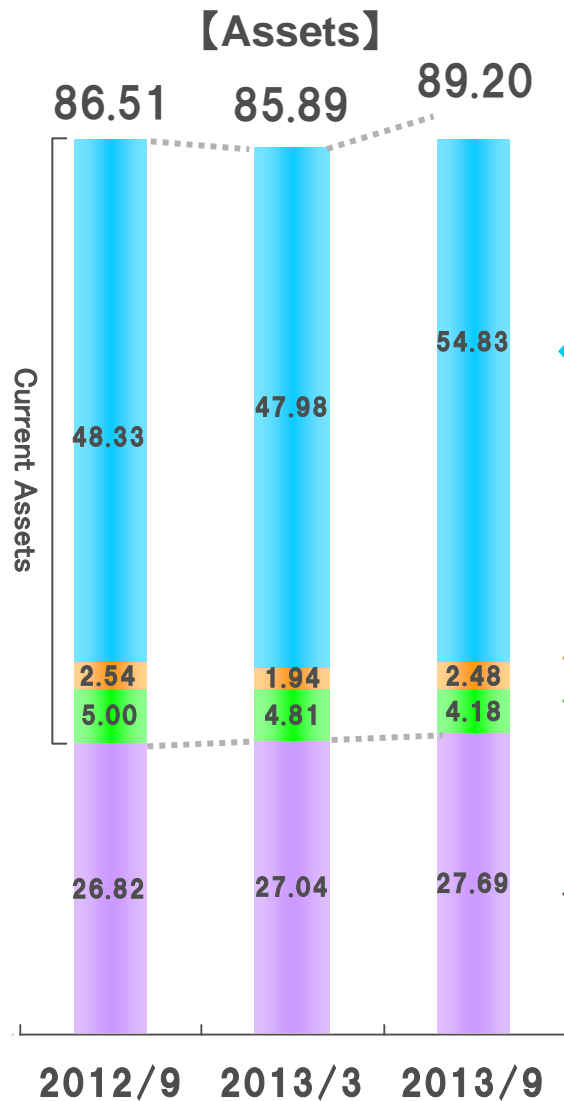


### 3. Sales Composition ② By Sales Route (Non-Consolidated)



# 4. Consolidated Balance Sheet Summary – 1/2

(Units: billions of yen)



**【Increased/Decreased Values】**

**Total Assets**

+ 3.31 billion yen

**Cash and Deposits  
Notes and Accounts  
Electronically Recorded  
Monetary Claims**

+ 2.75 billion yen

**Inventory**

+ 0.53 billion yen

**Other Current Assets**

△ 0.63 billion yen

**Fixed Assets**

+ 0.65 billion yen

**【 Main Increase/Decrease Factors 】**

● Current Assets +2,660 million yen  
● Fixed Assets +650 million yen

● Cash and Deposits +2,410 million yen  
● Notes and Accounts Receivable +230 million yen  
● Electronically Recorded Monetary Claims +110 million yen

● Increase in Direct-Sales Inventory

● Decrease in Securities △6,900 million yen

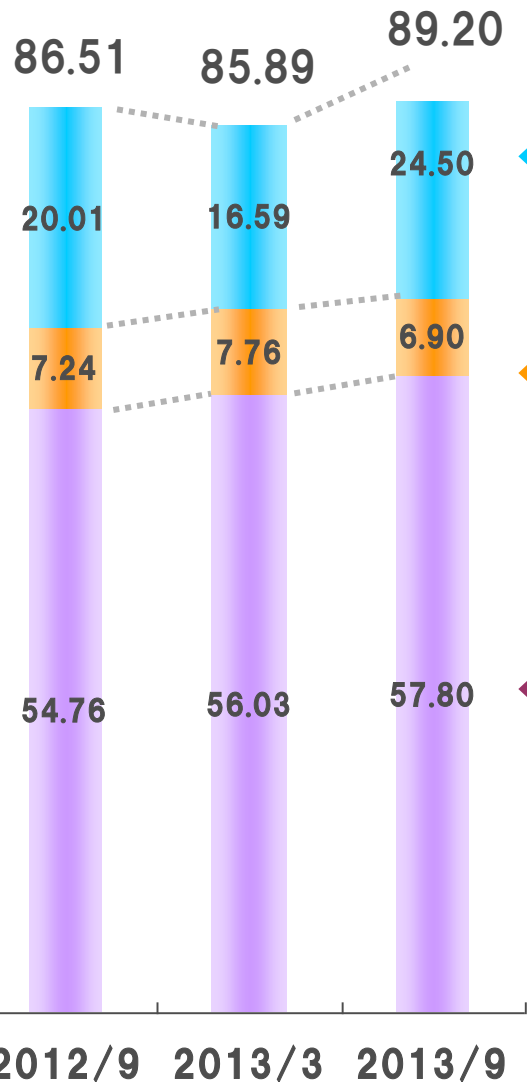
● Tangible Fixed Assets +1,800 million yen  
● Intangible Fixed Assets +3,800 million yen  
● Securities Investments +90 million yen



# 4. Consolidated Balance Sheet Summary – 2/2

(Units: billions of yen)

【Liabilities·Minority Interests·Assets】



【 Increased/Decreased Values 】

**Current Liabilities**

**+ 2.41 billion yen**

**Long-Term Liabilities**

**△0.86 billion yen**

**Total Assets**

**+ 1.77 billion yen**

【Primary Reasons for Increase/Decrease】

- Short-term Borrowing +1,500 million yen
- Income Taxes Payable +670 million yen

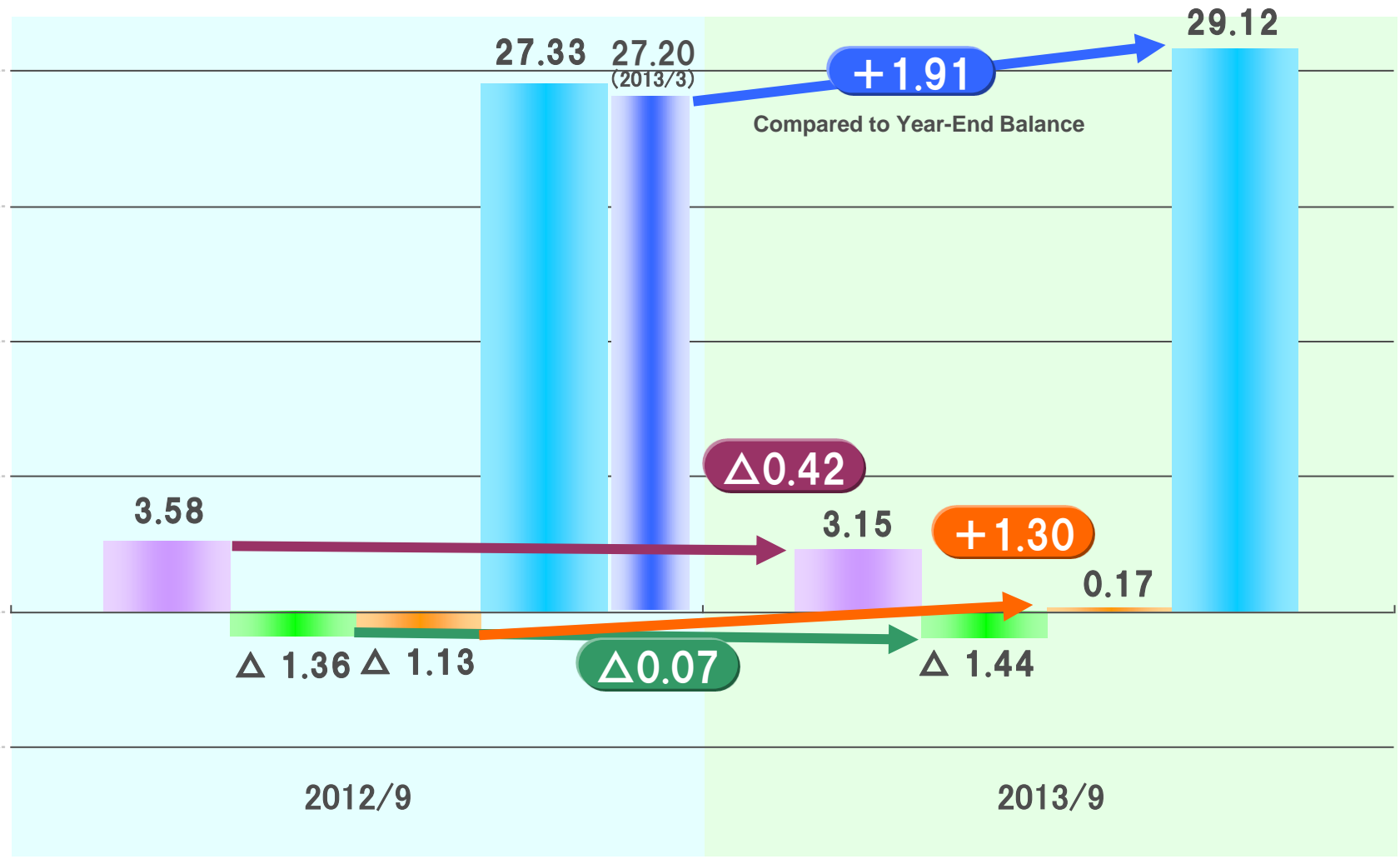
- Long-term Borrowing △790 million yen

- Interim Net Income +2,120 million yen
- Dividends △460 million yen
- Valuation difference on available-for-sale securities △110 million yen

# 5. Consolidated Cash Flow Statement Summary

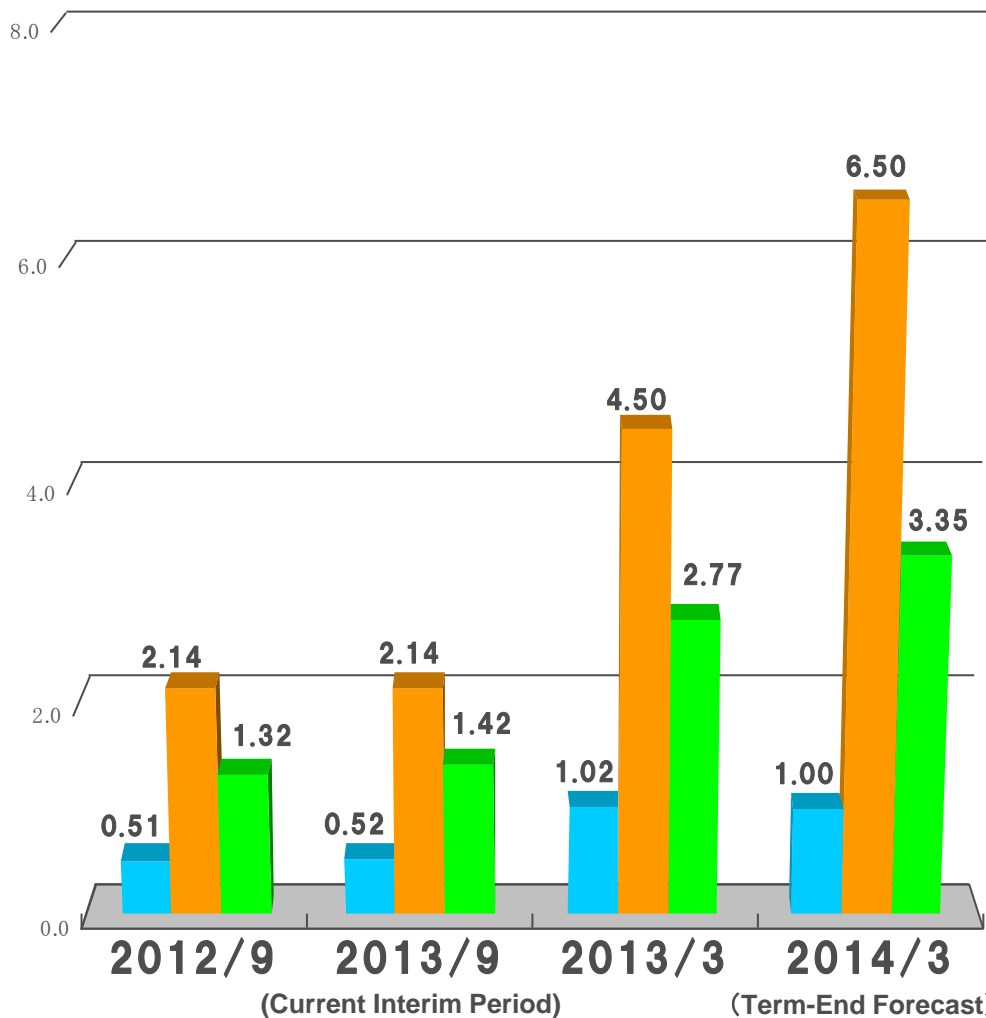
(Units: billions of yen)

- 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)

(Units: billions of yen)



## 【FY2014 Major Capital Investment Details】

### First-Half Results

- ① Production Equipment 670 million yen
- ② Showroom Renovation 610 million yen
- ③ Information Investment 730 million yen

### Second-Half Plans

- ① Production-Related 2,260 million yen
- ② Operations-Related 1,220 million yen
- ③ Information-Related 710 million yen
- ④ Others 170 million yen

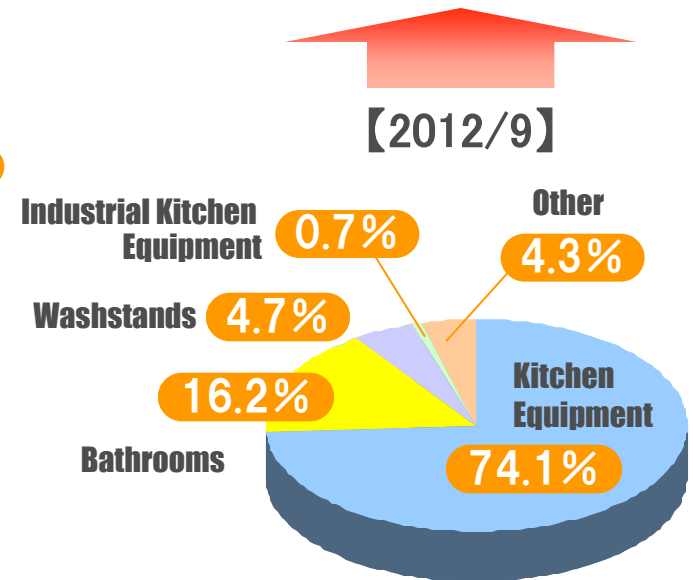
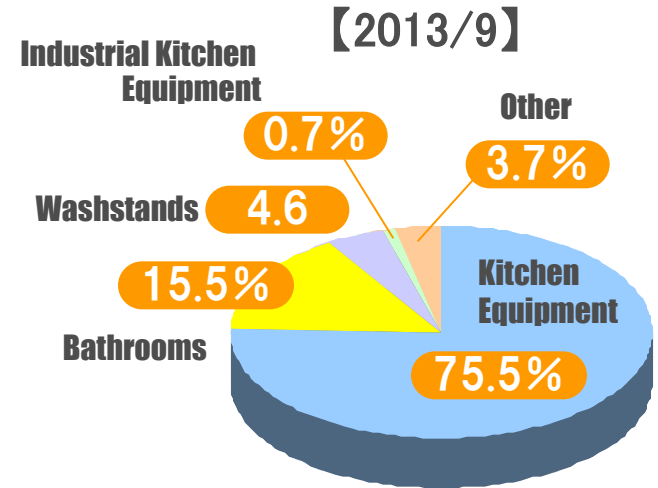
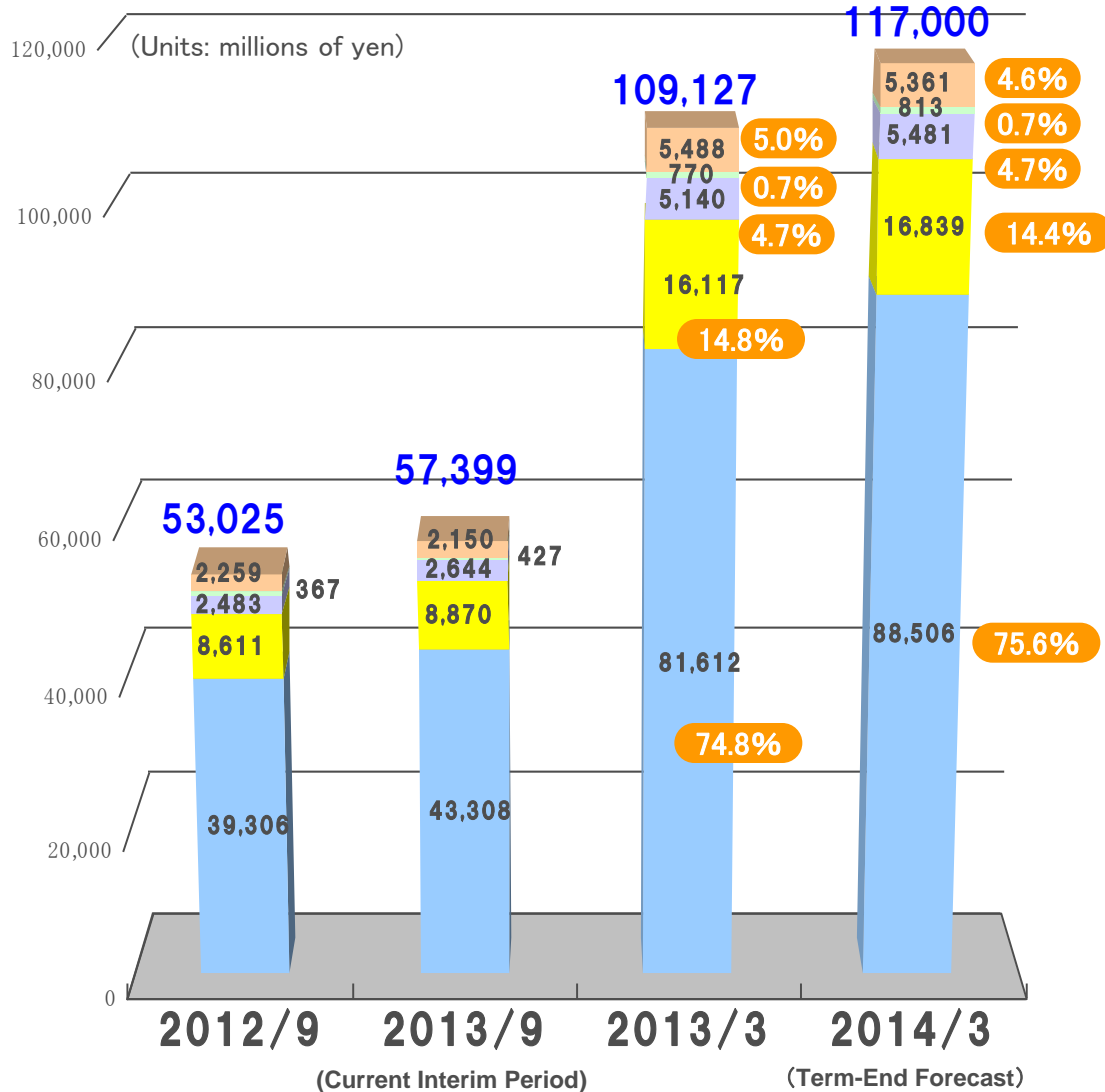
## 7. Outline of Non-Consolidated Results for Interim Period Ended September 2013

(Units: millions of yen)

	<b>2013/9</b> (Actual Results)	<b>2012/9</b> (Actual Results)	<i>Change From Prev. Period</i>
<b>Net Sales</b>	<b>57,399</b>	<b>53,025</b>	<b>8.2%</b>
<b>Operating Income</b>	<b>3,365</b>	<b>1,868</b>	<b>80.1%</b>
<b>Ordinary Income</b>	<b>3,510</b>	<b>1,944</b>	<b>80.5%</b>
<b>Interim Net Income</b>	<b>2,211</b>	<b>1,247</b>	<b>77.3%</b>
<b>Interim Net Income Per Share</b>	<b>47.46yen</b>	<b>26.78yen</b>	<b>77.3%</b>

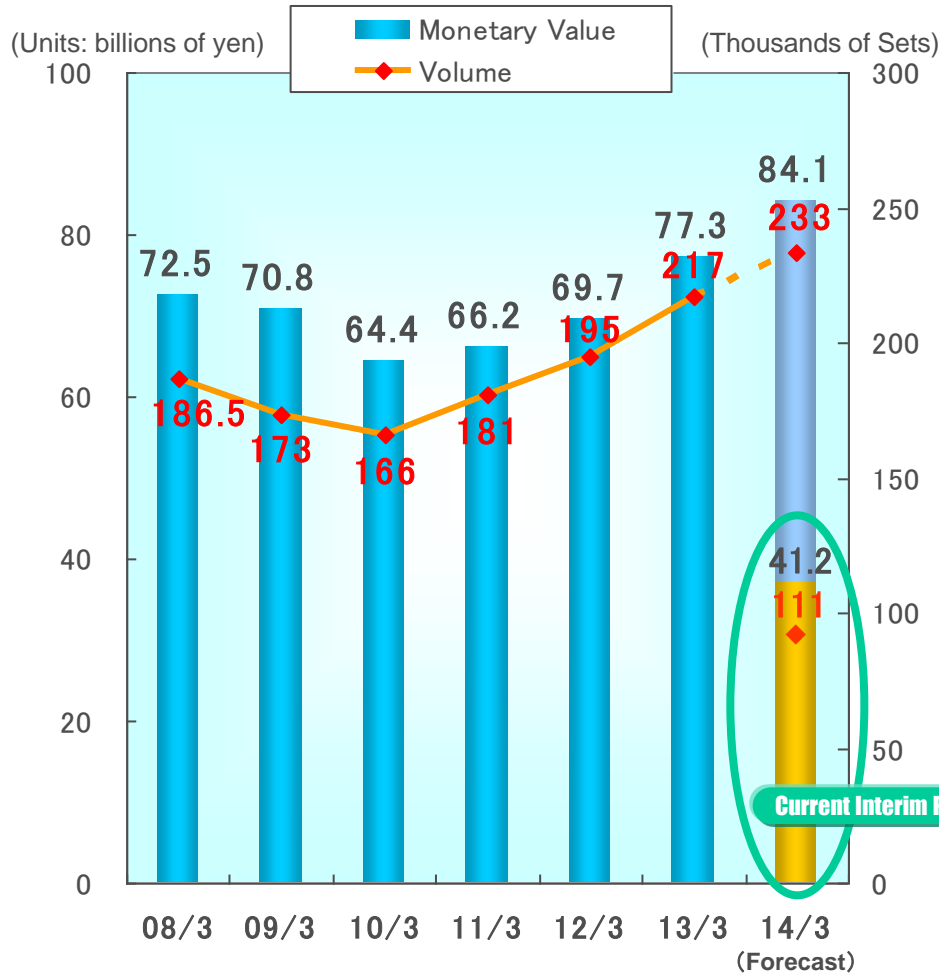
# 8. Non-Consolidated Sales Composition By Segment

■ Kitchen Equipment 
 ■ Bathrooms 
 ■ Washstands 
 ■ Industrial Kitchen Equipment 
 ■ Other

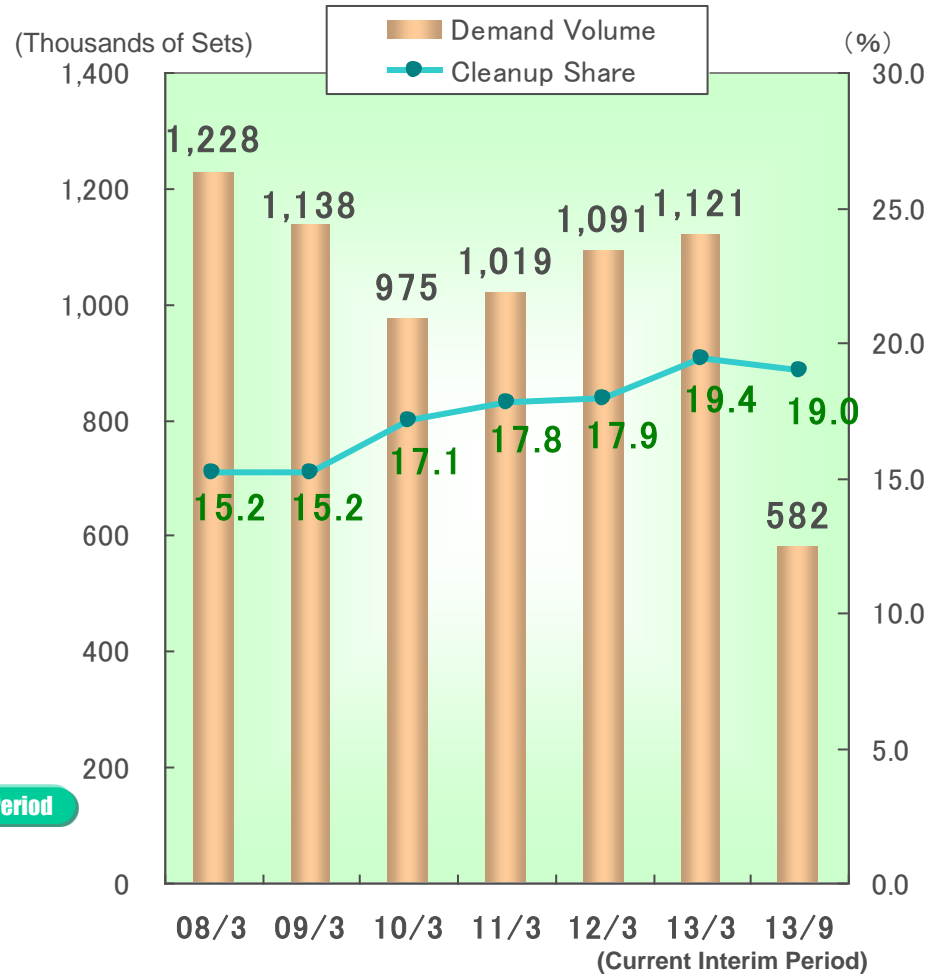


# 9. Sales Results For Major Products and Cleanup Market Share - 1/4

## Complete System Kitchen Sales Results



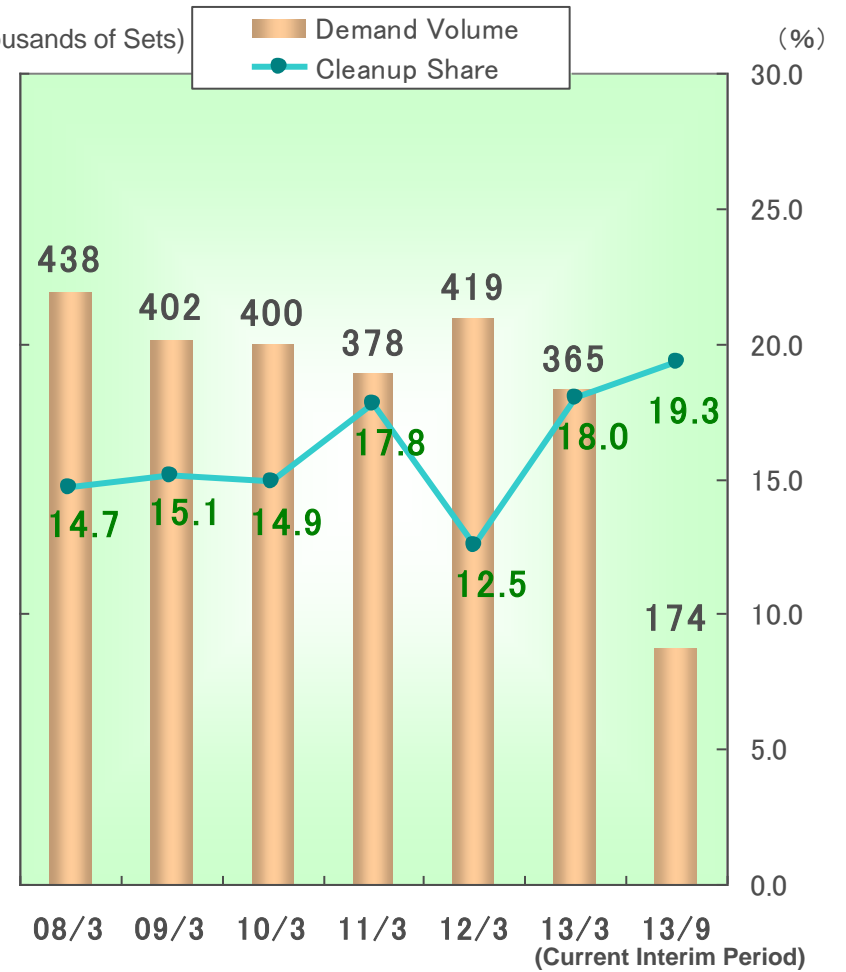
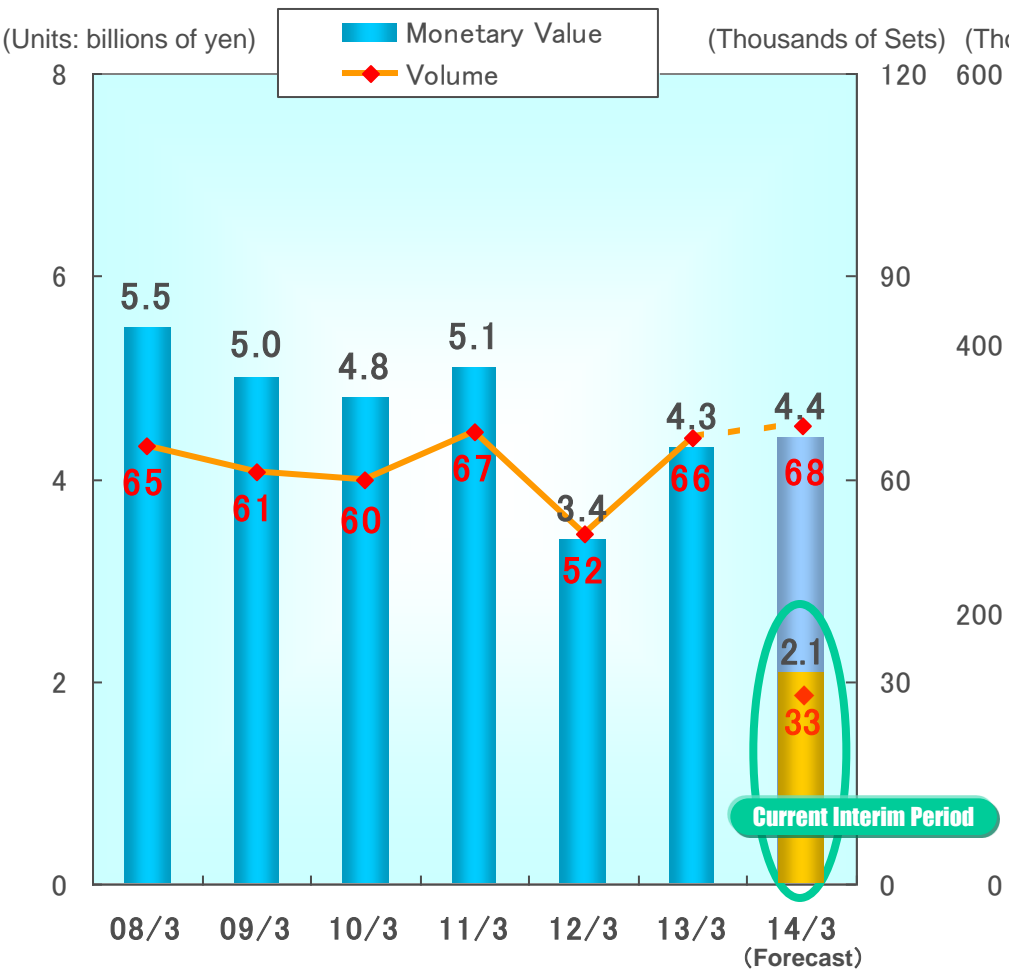
## Demand Trends and Market Share



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

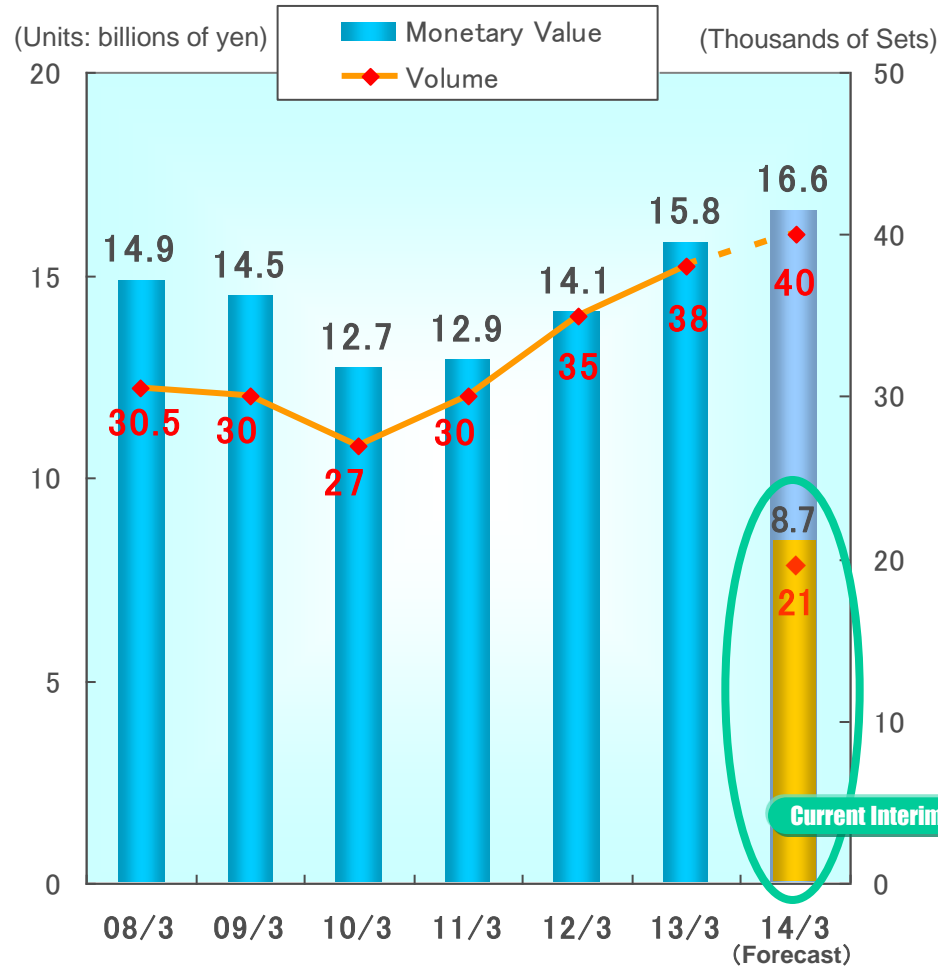
## Sectional System Kitchen Sales Results

## Demand Trends and Market Share

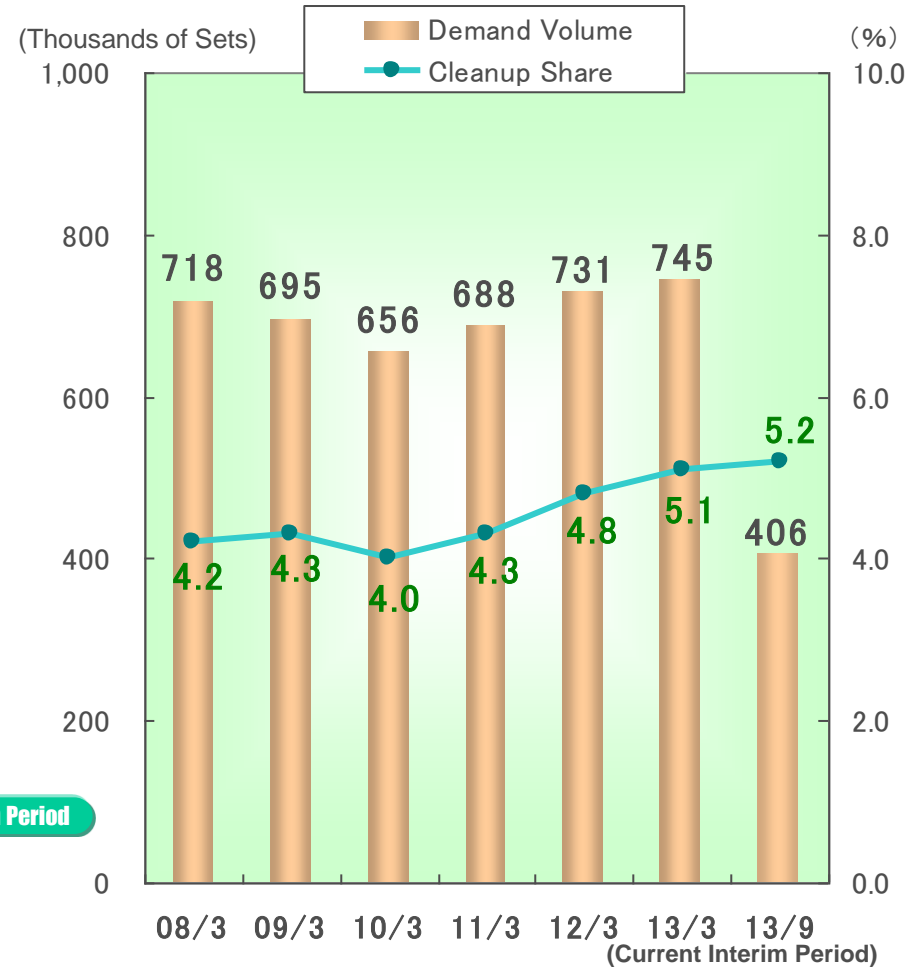


# 9. Sales Results For Major Products and Cleanup Market Share - 3/4

## Modular System Bathroom Sales Results



## Demand Trends and Market Share

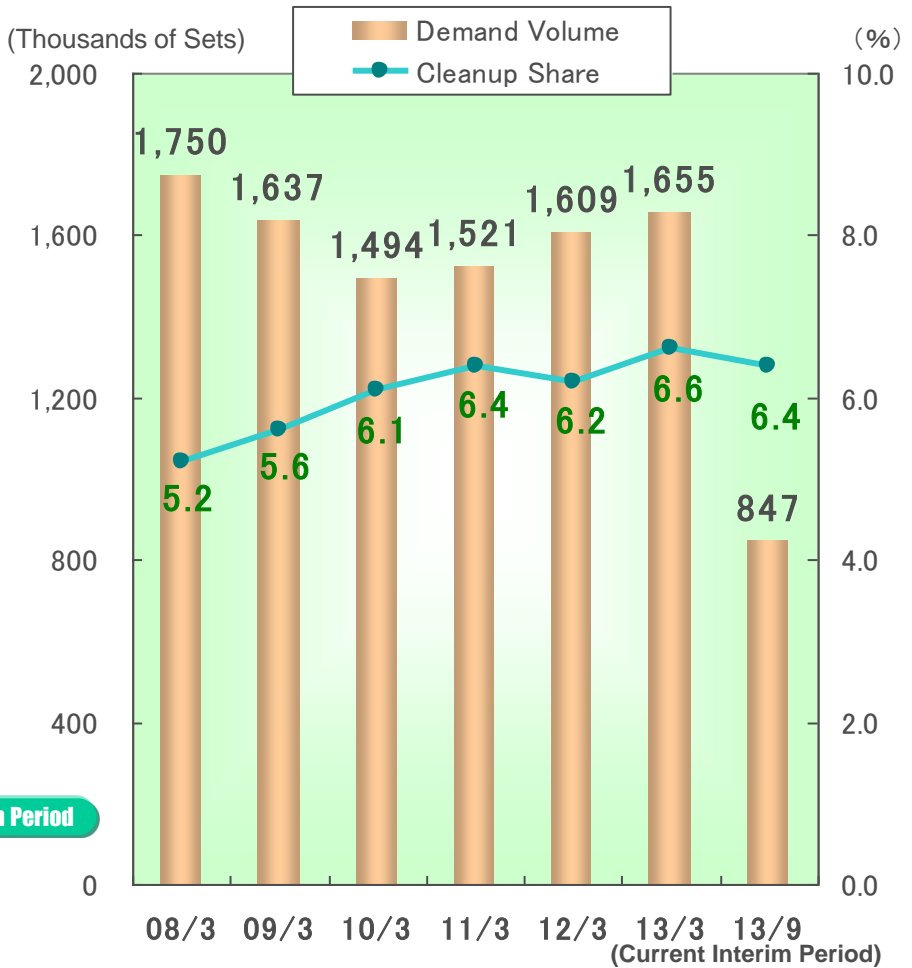
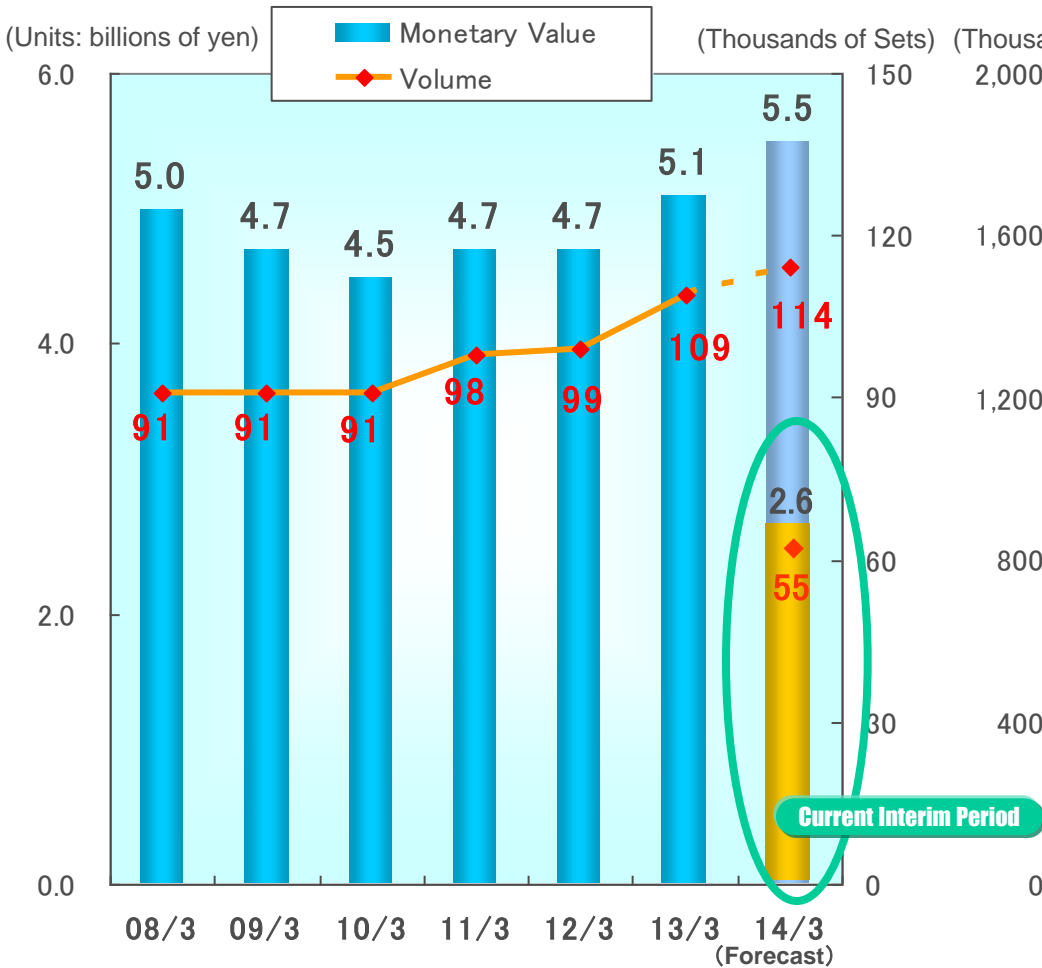




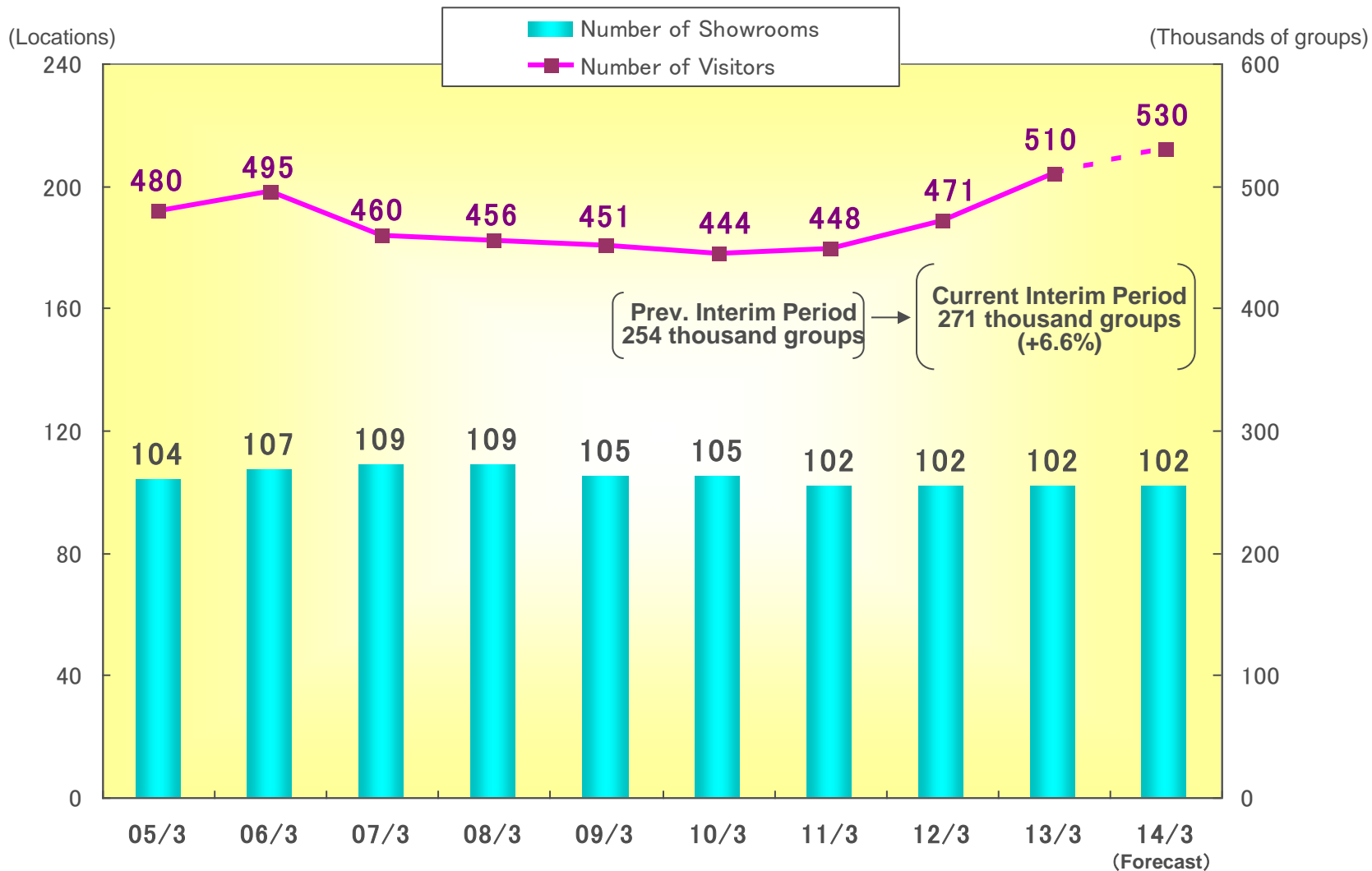
# 9. Sales Results For Major Products and Cleanup Market Share - 4/4

## 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 (Previous Forecast)	2014/3 (Full-Term Forecast)	Change From Prev. Period	Compared to Plan
Net Sales	113,533	118,800	121,500	7.0%	2.3%
Operating Income	4,755	4,800	5,800	22.0%	20.8%
Operating Margin	4.2%	4.0%	4.8%	—	—
Ordinary Income	4,372	4,500	5,500	25.8%	22.2%
Ordinary Income Margin	3.9%	3.8%	4.5%	—	—
Net Income	2,506	2,550	3,000	19.7%	17.6%
Net Income Margin	2.2%	2.1%	2.5%	—	—

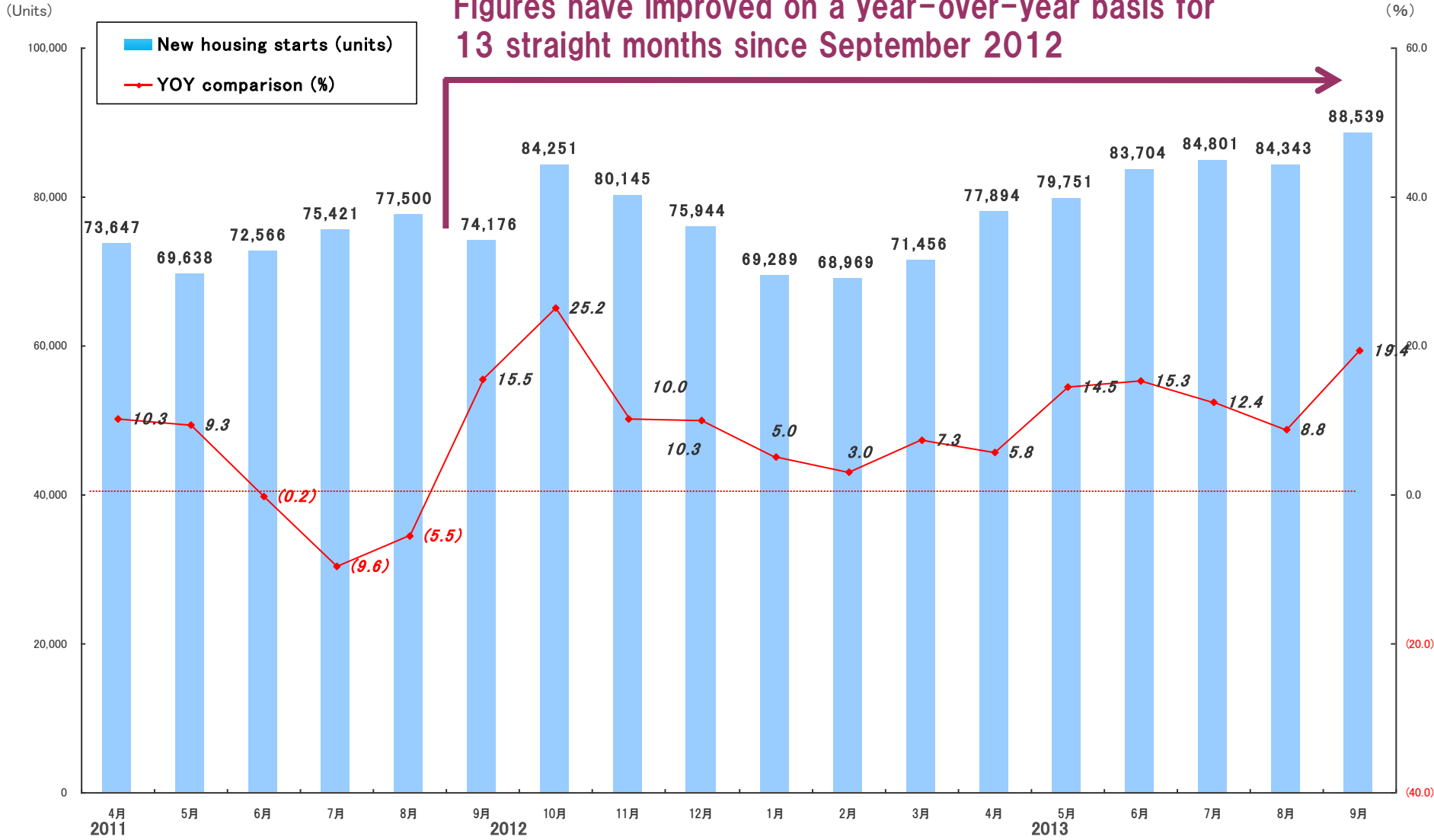


キッチンから、笑顔をつくろう

## II . Future Strategy

# 1. Management Environment

## New housing starts



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

### 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

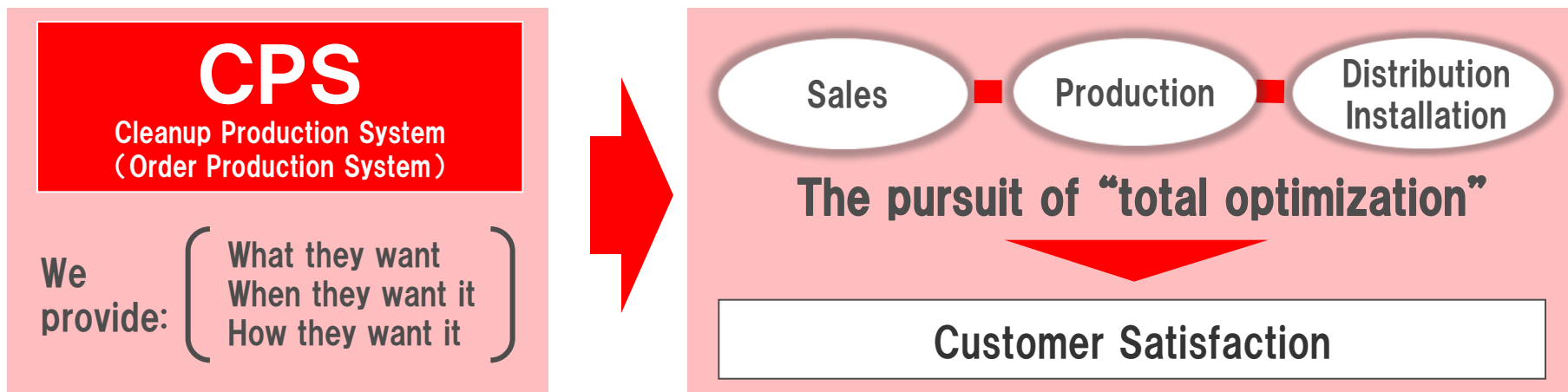
## Thoroughly promote the 12 mid-term plans to become “the kitchen company”



**Realization of “The Kitchen Company”**

# 4. "Production Capabilities"

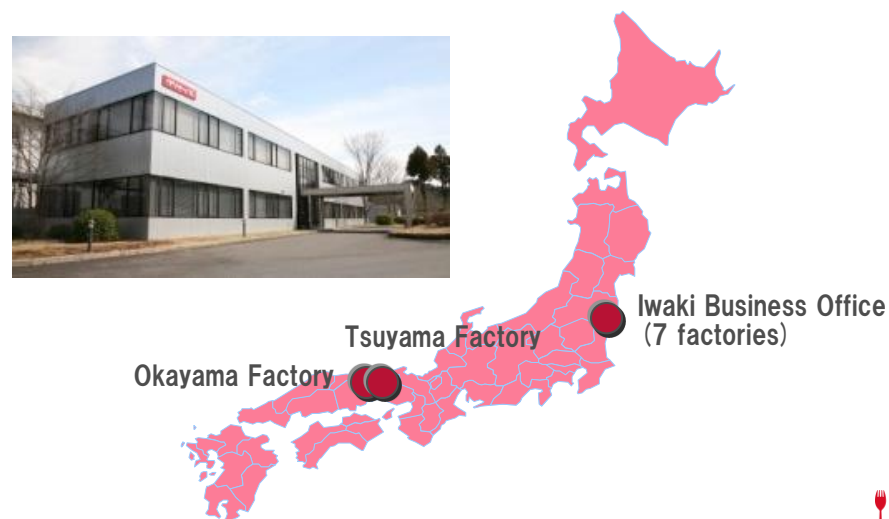
## ● The deepening and evolution of craftsmanship



## ● Improve western Japan's production system ⇒ establish 2 production centers in the east and west

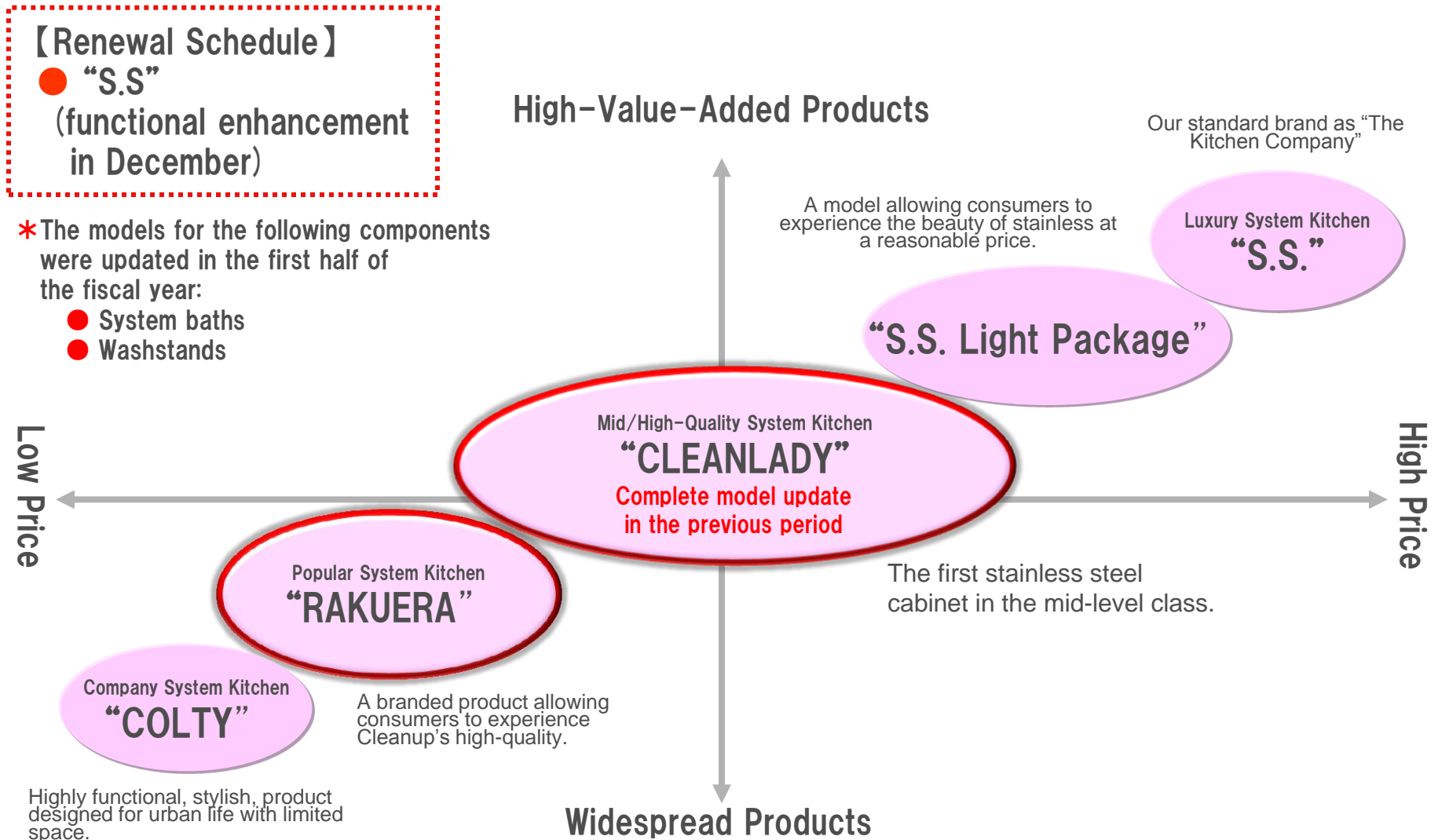
Create a system that can produce system kitchens independently in western Japan

<b>Tsuyama Factory</b>	Expand
(Operation began in April 2013)	
Expanded production line-up of kitchen counters	
<b>Okayama Factory</b>	Improve production capabilities
(Estimated completion in FY 2013)	
Increase production of kitchen cabinets	





## Craftsmanship Leveraging the Strengths of a Specialist Manufacturer



Renewal of luxury system kitchen “S.S.”  
The extremely durable and hygienic “Bi-Coat Worktop” as standard.



### Advantages of the “Bi-Coat Worktop”

#### ● “Bi-Coat”

(Unique hydrophilic ceramic coating)

This unique hydrophilic ceramic coating attracts water. A layer of water forms under any grime, effectively lifting the grime off the surface. It is also scratch resistant, so it maintains its looks even if you use a stainless steel scourer.

#### ● “Unique Embossed Finish”

The worktop’s unique embossed finish minimises the surface area of the worktop that come into contact with utensils. The surface does not scratch easily and scratches are less noticeable.

# 6. "Sales Capabilities" (1) Improve Overall Showroom Competitiveness

## 6 refurbished showrooms opened throughout the country

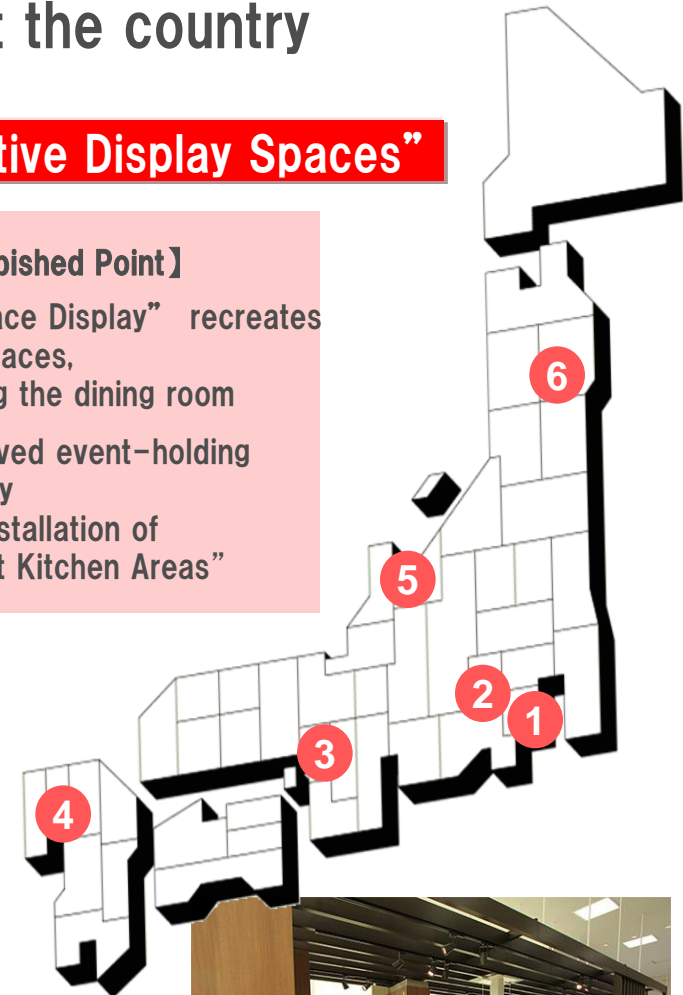
(April to October, 2013)

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



### 【Refurbished Point】

- "Space Display" recreates living spaces, including the dining room
- Improved event-holding capacity  
⇒ Installation of "Test Kitchen Areas"



### 【First Half Results】

Visitors + 6.6%  
Contracts + 10.1%



ひとりひとりの、キッチンストーリーへ。

## KITCHEN TOWN Cleanup

### Multiple refurbishments implemented at "Kitchen Town Cleanup Osaka"

#### Plans from 15 "salonese"

Workshops conducted by 15 "salonese" registered with Cleanup's Dreamia Salon

Planning around the individual's character, lifestyle, and family

#### Plans from "Water Section Workshop" member stores

Kitchen design competitions held at Cleanup "Water Section Workshop" member stores

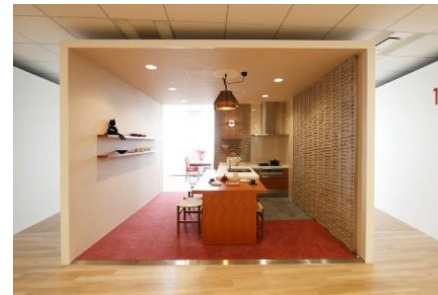
Winning plans displayed



**No. 301**  
"Natural beauty kitchen story"



**No. 303**  
"Family-centered kitchen story"

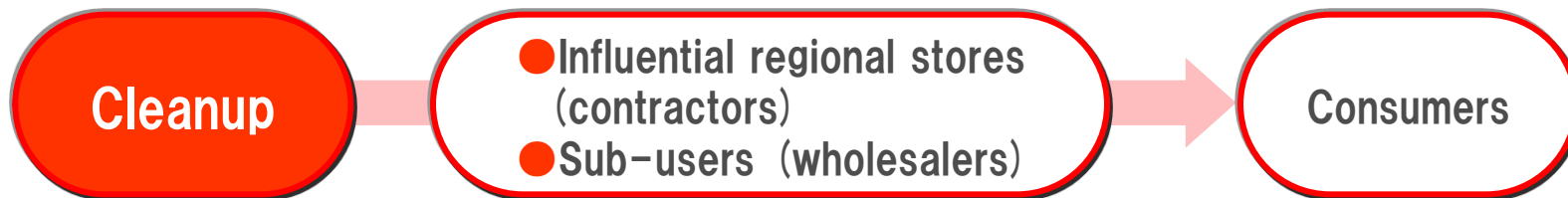


**No. 306**  
"3-generation heritage kitchen story"



**No. 308**  
"Surfer's sea-view kitchen story"

Building and strengthening a comprehensive system to meet the demands of renovators



### Strengthen renovation strategy

- “Water Section Workshops” member stores to 3,100 store system (As of September 31, 2013)
- Renovation Fairs  
Held before last year: 2,183 (YoY 178.2%)  
Planned last year: 3,036 (YoY 139.0%)  
Current First-Half Period : 2,030 (YoY 115.9%)



### 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



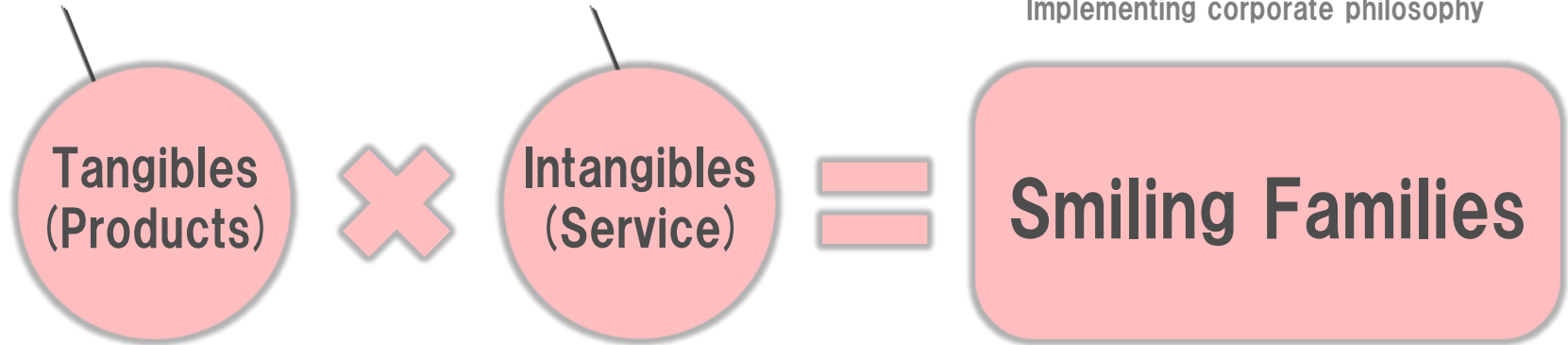
## 7. Brand Power (1) Aiming for Improved Brand Value

Aiming for increased brand power by implementing our corporate philosophy through various activities leveraging our strengths as a specialist manufacturer.

Deepening and evolution of craftsmanship based on our CPS

Expanded communication activities  
Using the theme of  
“fulfilling food and lifestyle.”

Implementing corporate philosophy



**Improving Cleanup's Brand Value**

**Becoming “The Kitchen Company”**

# 7. Brand Power (2) Events Focusing on the Theme of “Food”

## Regular cooking classes at showrooms with a “salonese” as an instructor



“Salonese” who have registered with the members-only food information community website “Dreamia Club” (approximately 17,000 members)

\* “Salonese” are women who act as instructors and share their specialist cooking knowledge etc. from home salons

### Previous Second Half

● Collaborative events held at venues such as the Shinjuku Showroom and Kitchentown Cleanup Osaka

### Current First Half

● Expanded to showrooms around Japan (173 events held in 50 locations)



## Actively engaging in food education activities by participating in the “Bento Day Support Project”



### ● Holding presentations and children’s cooking classes at the Shinjuku Showroom

- Presentation: “Form Family Bonds at the Dinner Table” (Presenter: Mr Yoshihiro Inamasu from Atago Elementary School in Fukuoka)
- Cooking class theme: “Let’s Make a Bento!”

### ● Supporting “Food Education Lectures” held by the “Bento Day” committee in the Nippori area of Arakawa ward

- Purpose: To increase children’s appreciation of the significance of packing their own lunches or cooking meals, as well as the importance of their parents or carers





# 8. Overseas Business Capabilities

## ● China

In partnership with a house manufacturer, We supplied model rooms with kitchens in Shenyang, Suzhou, and Taicang.

## ● Vietnam

Using our Hanoi and Ho Chi Minh City showrooms, we expanded sales to include end-users as well as corporate clients.

## ● Taiwan

We focused on expanding sales by providing support to agents.



Taicang Apartment Sales Center



Wuxi Town House



Apartment Site in Shenyang

## "Family"

## "We Love Family Time!" campaign

An award ceremony was held, where a Cleanup luxury system kitchen, "S.S." was awarded to the winner of the "Best Episode Award" and the "Special Award."



## "Earthquake Recovery Support"

## Sponsoring messages to aid in Fukushima's emotional recovery

### ● Pro Baseball "Mazda All-Star Game 2013" (July 22, 2013)

(Since 2011, the 3<sup>rd</sup> match has been held at a stadium in one of the disaster-affected areas to aid in the recovery of the Tohoku region)

⇒ We co-sponsored the message displayed in the outfield stand at Iwaki Green Stadium during the all-star game

### ● "Fukushima Recovery Festival" (July 21 to 22, 2013)

⇒ We co-sponsored the message displayed at the temporary stage at 21 Seiki No Mori Park



### Asian Championships (New Delhi, India)

Hiroe Suzuki earned a gold medal, and Shota Tanokura earned a silver medal



Hiroe Suzuki

### Universiade (Kazan, Russia)

Shota Tanokura earned a bronze medal



Shota Tanokura

### World Wrestling Championships (Budapest, Hungary)

Hiroe Suzuki, Shogo Maeda, and Shota Tanokura represented Japan



Hiroe Suzuki



Shogo Maeda

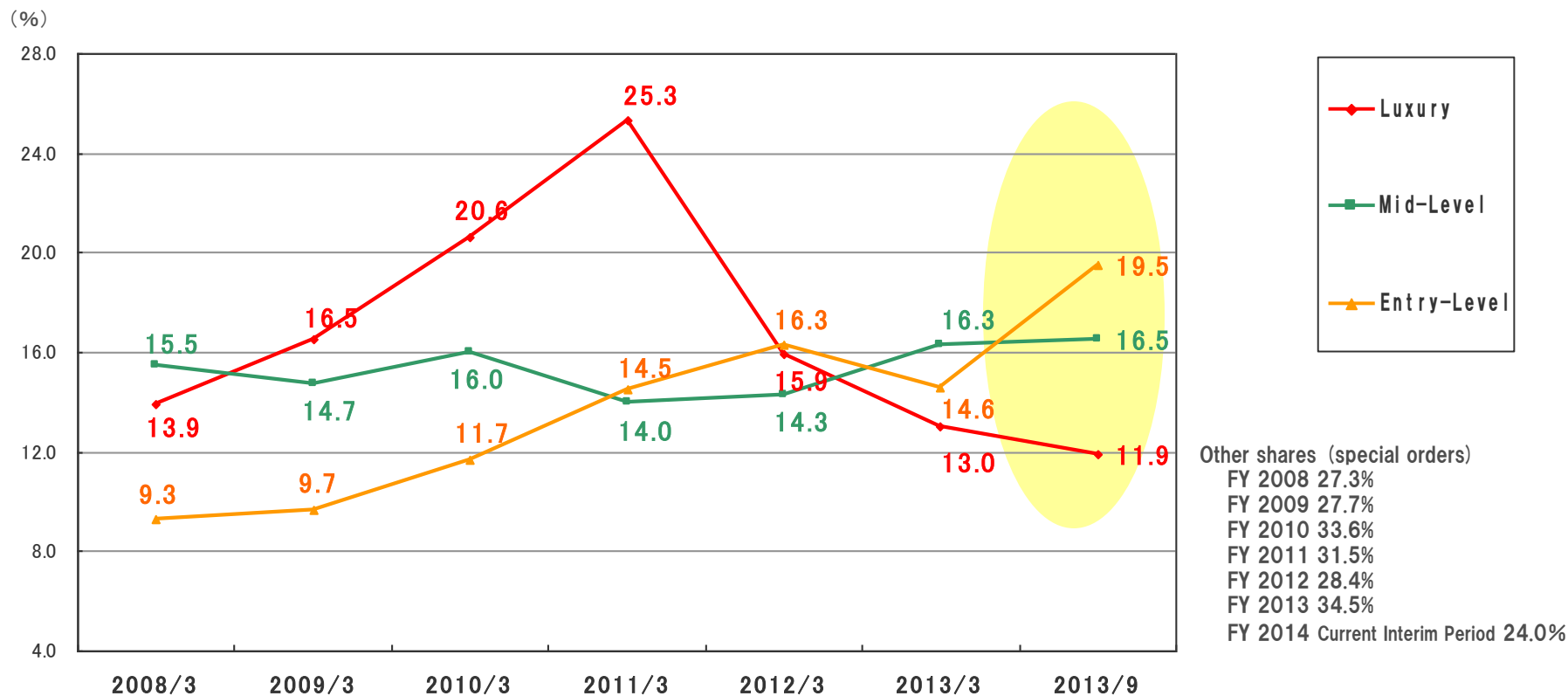


Shota Tanokura

# 10. System Kitchen Market Share by Class

**Due to the favorable progress of RAKUERA, we were able to increase our market share of entry-level system kitchens**

Changes in System Kitchen Market Share by Class



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

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.

## Compliance with Laws/Systems

- Housing Function Display System (Quality Assurance Law)
- Effective Resource Use Promotion Law
- Long-Term Quality Housing Promulgation and Promotion Law, etc.

Cleanup's  
Product Creation  
“Products You Can Trust”



CSR  
Environmental  
Compliance

## 3R Efforts

- Reduce (Reduce creation of waste products)
- Reuse (Reuse waste products)
- Recycle (Reuse as raw materials)

## 【 The Foundation of Product Creation 】

CPS (Cleanup Production System), based on Cleanup's unique quality management beliefs

◎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

**Cleanup Corporation**

Corporate Planning Department,  
Public Relations Section

**Tel 03-3810-8241**

**Fax 03-3800-2261**

**URL <http://cleanup.jp/>**

## Disclaimer

**This material is intended to provide information regarding FY2013 Interim Results (April 2013~September 2013) and does not constitute a solicitation to invest in Cleanup Corporation-issued securities.**

**Furthermore, this material was created based upon data current as of November 15, 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.**