



キッチンから、笑顔をつくろう

Announcement of FY 2024 Interim Results

November 21, 2024

I . Results Outline

1. Outline of Consolidated Results 【1】

Change From
Prev. Period

Net Sales

63.5 billion yen

△4 million yen

The sales amount was slightly lower in comparison with the same period of the previous year, as the performance fell short of the forecast figures announced at the beginning of the period, due to the sluggish trend with the amount of new construction work, which in turn stagnated demand for the water section, renovation work.

Operating Income

0.3 billion yen

△63.8%

Ordinary Income

0.6 billion yen

△53.7%

**Profit attributable
to owners of parent**

0.2 billion yen

△66.1%

The profit decreased compared to the previous period, due to an increase in sales costs that resulted from rising raw materials and logistics costs, combined with an increase in depreciation expenses arising from investments made, which led to higher selling and administrative costs.

1. Outline of Consolidated Results 【2】

(Units: billions of yen)

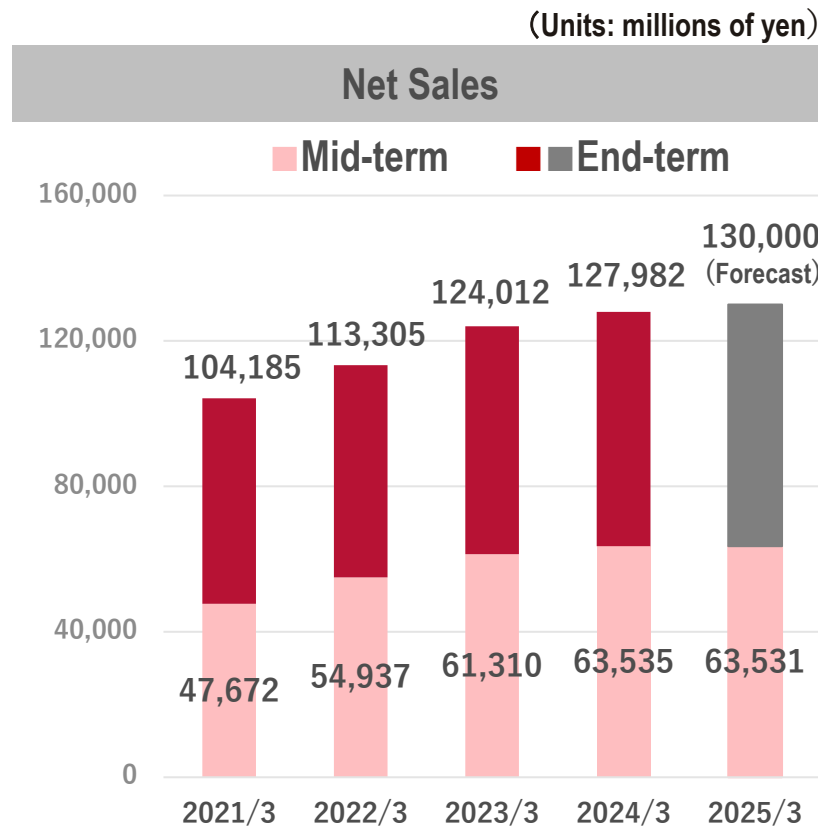
	2023/9 (Actual Results)		2024/9 (Actual Results)				2025/3 (Forecast)	
	Amount	Sales distribution ratio	Amount	Sales distribution ratio	Variation amount	Variation percentage	Amount	Variation percentage
Net Sales	63.5	100.0%	63.5	100.0%	△0.0	△0.0%	130.0	+1.6%
Gross Profit	20.3	32.1%	19.8	31.3%	△0.4	△2.3%	40.5	+1.4%
Selling, general and administrative expenses	19.3	30.4%	19.5	30.7%	+0.1	+1.0%	39.5	+2.2%
Operating Income	1.0	1.6%	0.3	0.6%	△0.6	△63.8%	1.0	△22.0%
Ordinary Income	1.3	2.1%	0.6	1.0%	△0.7	△53.7%	1.5	△17.1%
Profit attributable to owners of parent	0.7	1.2%	0.2	0.4%	△0.4	△66.1%	0.9	△35.3%

2. Consolidated Profit and Loss Status ① Factors for Increased and Decreased Operating Income

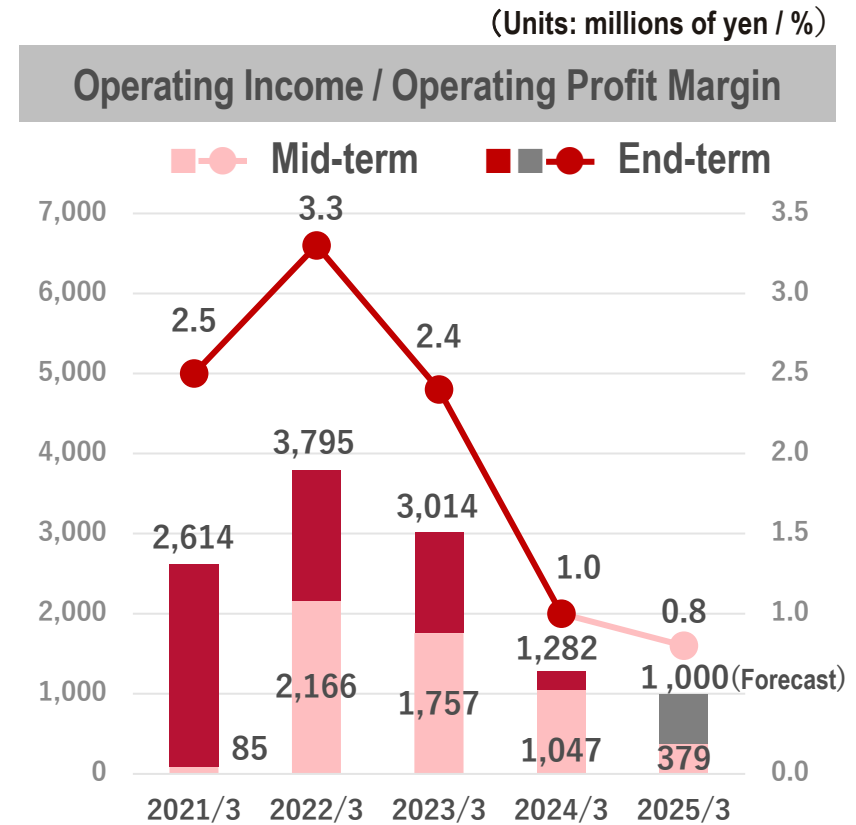
(Units: billions of yen)



2. Consolidated Profits (1) Net Sales, Operating Income



Sales growth was secured in the period ending March 2022, due to the demand for people to stay home, arising from the COVID-19 pandemic, through the revision of prices conducted in response to the rising cost of raw materials, since the period ending March 2023, as well as the development of demand in the kitchen sector. However- in the first half of the current fiscal year, sales decreased in a slightly sluggish trend, with the number of new construction works and stagnated demand for the water section renovation work.

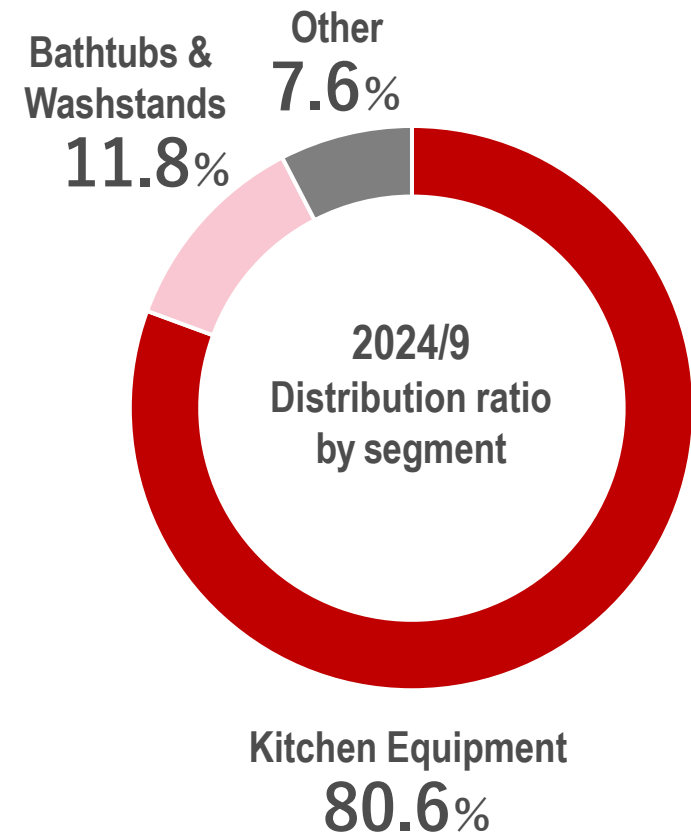


Securing profits was a struggle, due to the rising costs of raw materials and increases in the selling, general and administrative expenses, as well as an increased sales distribution ratio of low-priced products. In addition to the above, profits decreased in the first half of the current fiscal year, due to an increase in depreciation expenses and the like, resulting from a significant increase in investment in the previous and current fiscal years.

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

(Units: billions of yen)

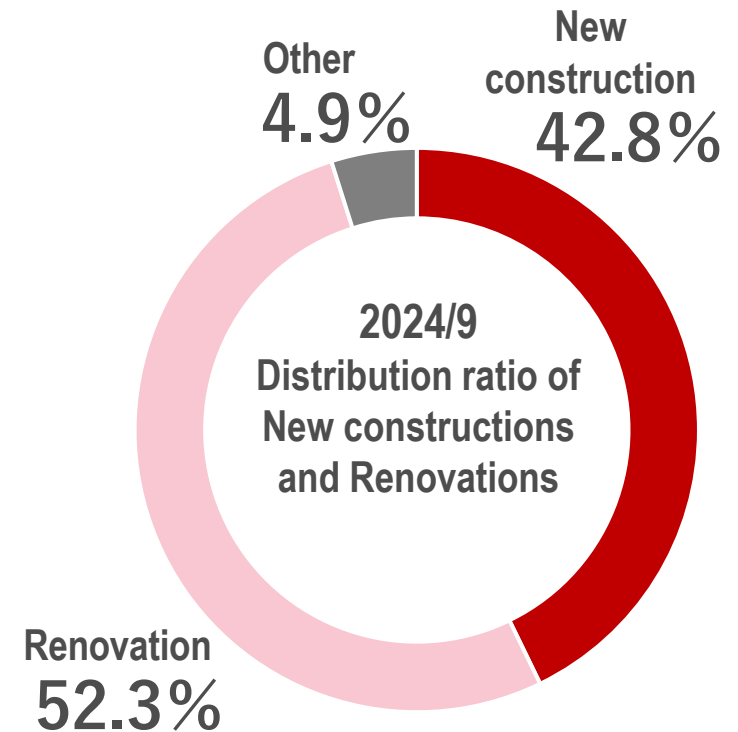
	2023/9 (Actual Results)		2024/9 (Actual Results)	
	Amount	Sales distribution ratio	Amount	Sales distribution ratio
Kitchen Equipment	51.9	81.8%	51.2	80.6%
Bathtubs & Washstands	7.7	12.3%	7.4	11.8%
Other	3.7	5.9%	4.8	7.6%



3. Sales Composition (2) By New Constructions/Renovations (Consolidated)

(Units: billions of yen)

	2023/9 (Actual Results)		2024/9 (Actual Results)	
	Amount	Sales distribution ratio	Amount	Sales distribution ratio
	New construction	27.1	42.7%	27.1
Renovation	33.6	52.9%	33.2	52.3%
Other	2.7	4.4%	3.1	4.9%



4. Consolidated Balance Sheet Summary

(Units: millions of yen)

		End of September 2023	End of September 2024	Variation amount	Main Factors
Assets	Current assets	55,769	54,948	△820	Cash and deposits +454 Electronically recorded monetary claims △1,217
	Non-current assets	35,423	35,556	+ 133	Property, plant and equipment△195 Intangible assets +171 Investments and other assets + 156
Total Assets		91,192	90,504	△687	
Liabilities	Current liabilities	28,113	27,098	△1,015	Electronically recorded obligations △945 Short-term borrowings + 1,005 Accounts payable – other △903
	Non-current liabilities	6,409	6,972	+ 562	Long-term borrowings + 671
Total liabilities		34,523	34,070	△452	
Net assets		56,669	56,433	△235	Net income + 256 Dividends paid △649 Foreign currency translation adjustment + 131
Total liabilities and net assets		91,192	90,504	△687	

5. Consolidated Cash Flow Statement Summary

(Units: millions of yen)

	End of September 2023	End of September 2024	Main Factors
Cash and cash equivalents at beginning of period	22,034	18,580	
Cash flows from operating activities	17	2,119	Profit before income taxes + 575 Depreciation + 2,568 Decrease in trade receivables + 1,634 Increase in inventories \triangle 478 Decrease in trade payables \triangle 1,077 Income taxes paid \triangle 397
Cash flows from investing activities	\triangle 2,458	\triangle 2,664	Purchase of property, plant and equipment \triangle 1,671 Purchase of intangible assets \triangle 986
Cash flows from financing activities	533	878	Proceeds from long-term borrowings + 3,000 Repayments of long-term borrowings \triangle 1,323 Dividends paid \triangle 649
Cash and cash equivalents at end of period	20,172	19,034	

6. Capital Investments (Consolidated)

(Units: Billions of yen)

Major Capital Investment Details

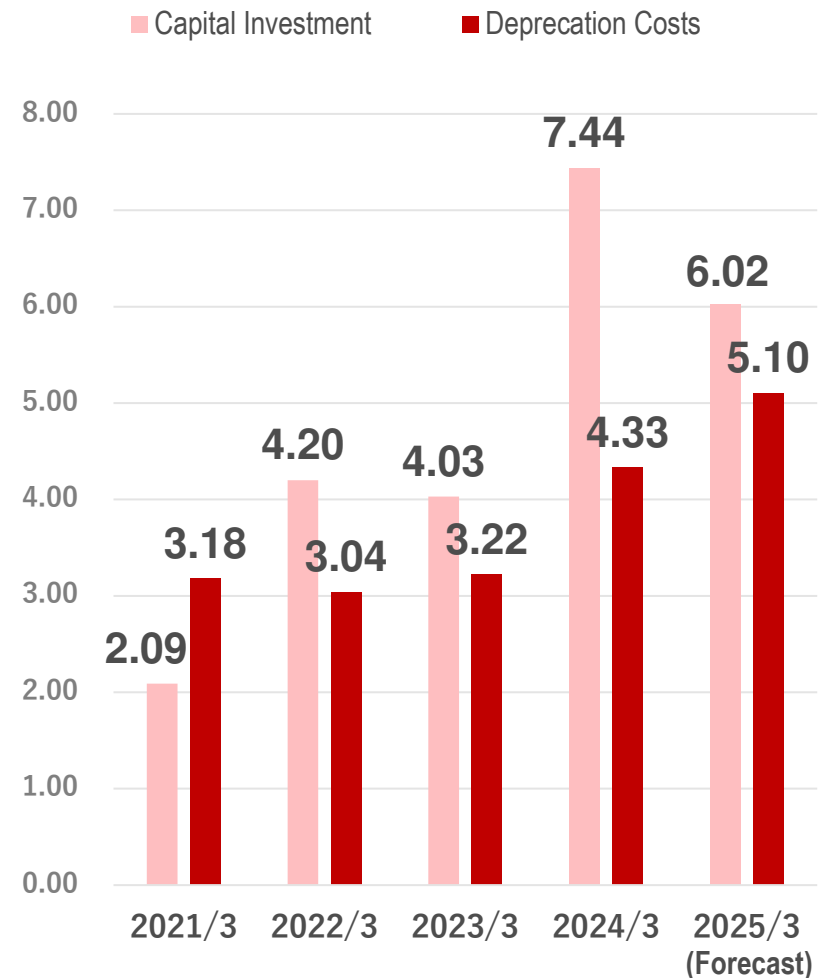
2024/9 (Actual Results)

① Production-Related	800 million yen
② Operations-Related	460 million yen
③ ESG-Related	290 million yen
④ Information-Related	940 million yen
⑤ Others	60 million yen

2025/3 (Plan)

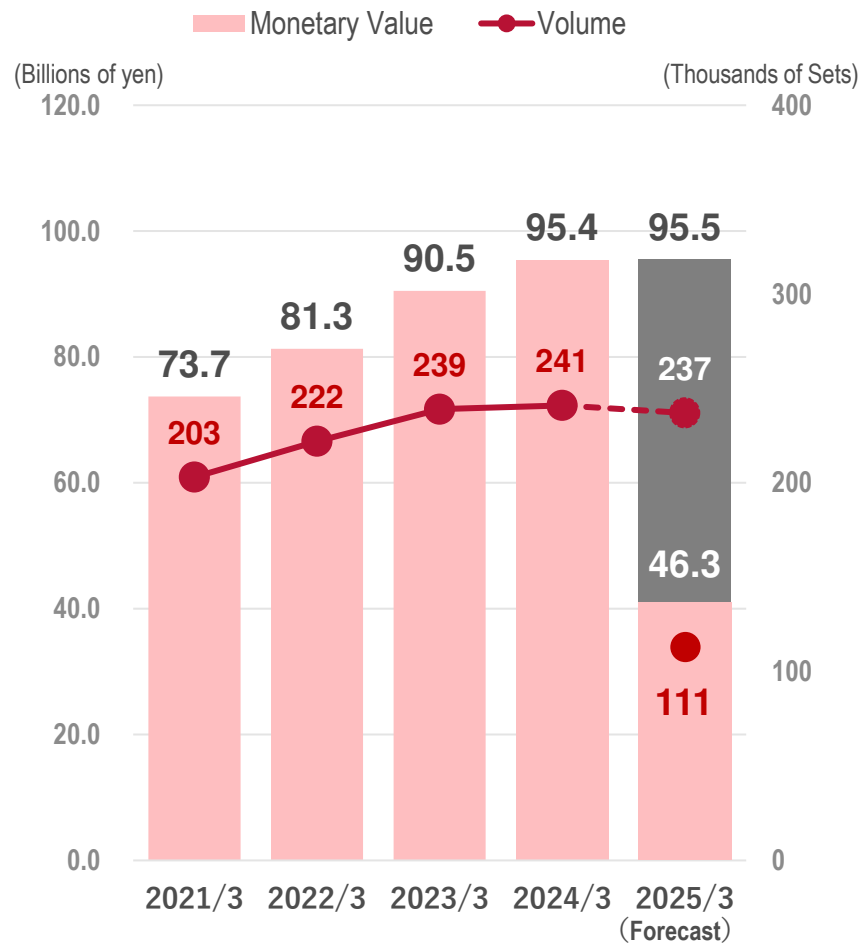
① Production-Related	1,880 million yen
② Operations-Related	830 million yen
③ ESG-Related	760 million yen
④ Information-Related	2,040 million yen
⑤ Others	510 million yen

Trends in Capital Investment and Depreciation Costs

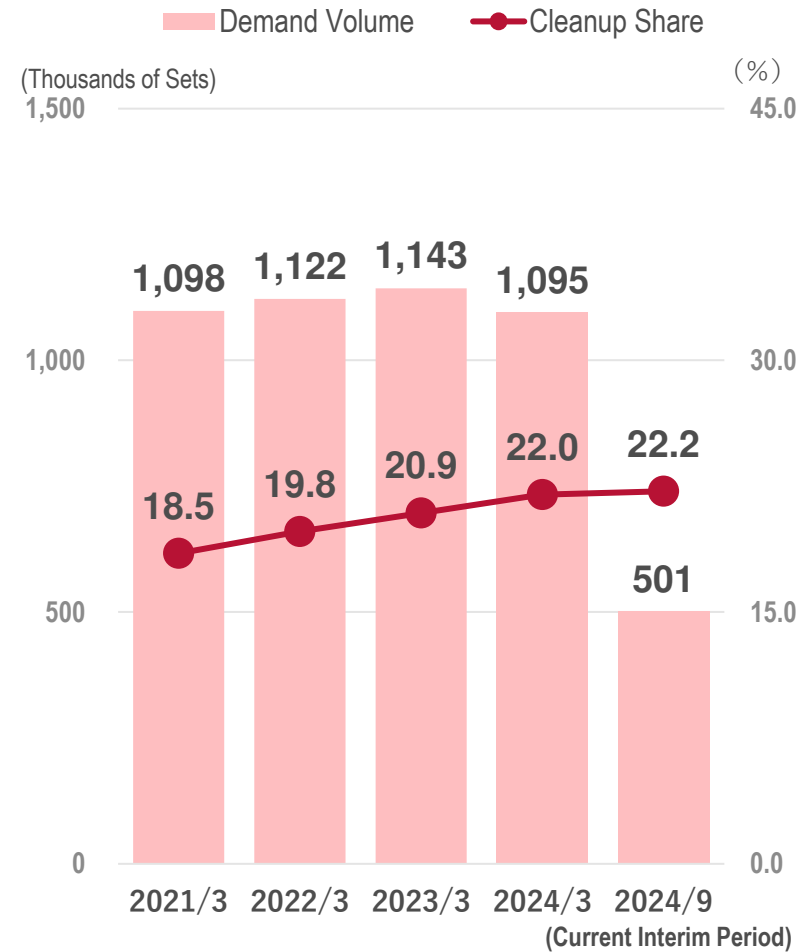


7. Sales Results For Major Products and Cleanup Market Share – 1/3 Complete System Kitchen

Complete System Kitchen Sales Results

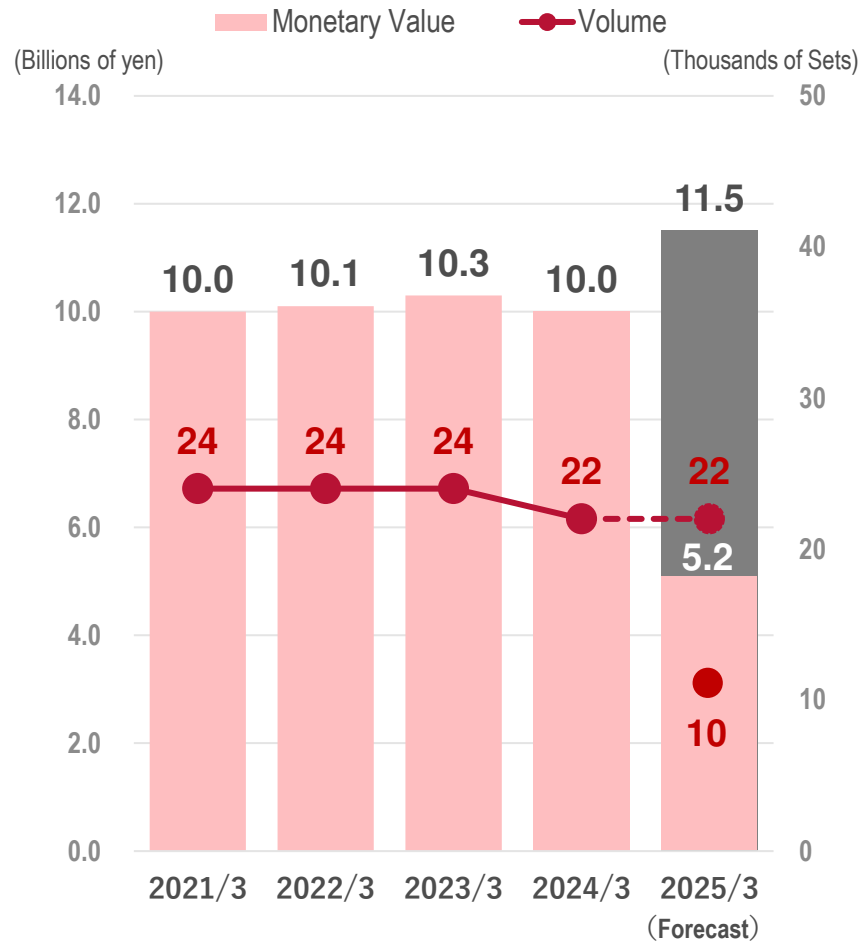


Demand Trends and Market Share

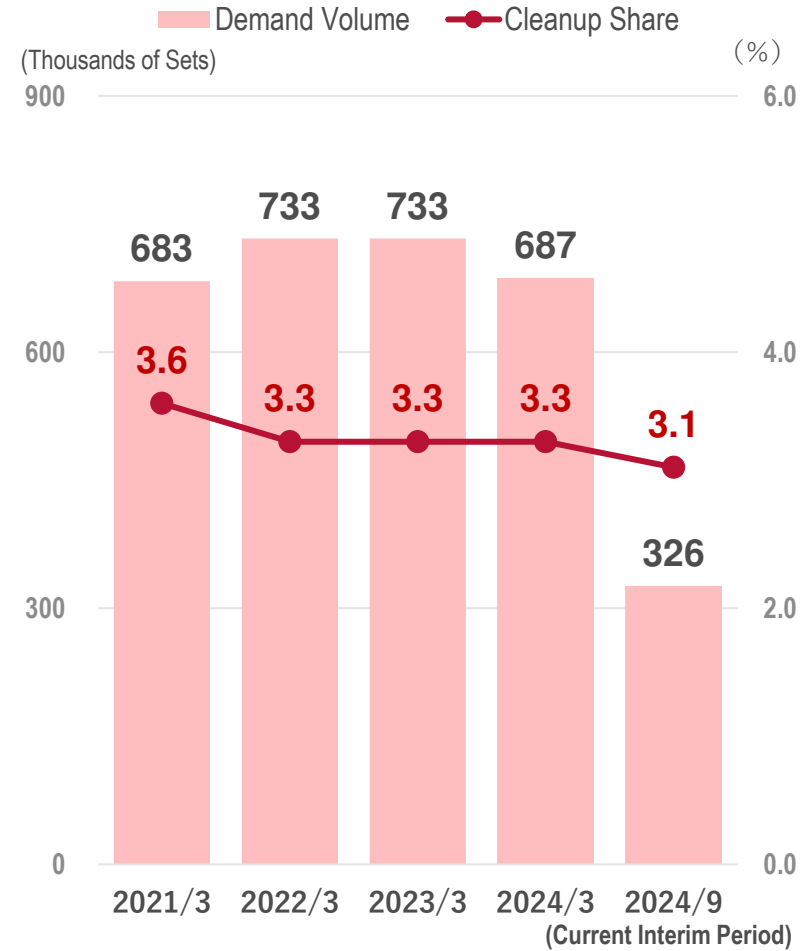


7. Sales Results For Major Products and Cleanup Market Share – 2/3 Modular System Bathroom

Modular System Bathroom Sales Results

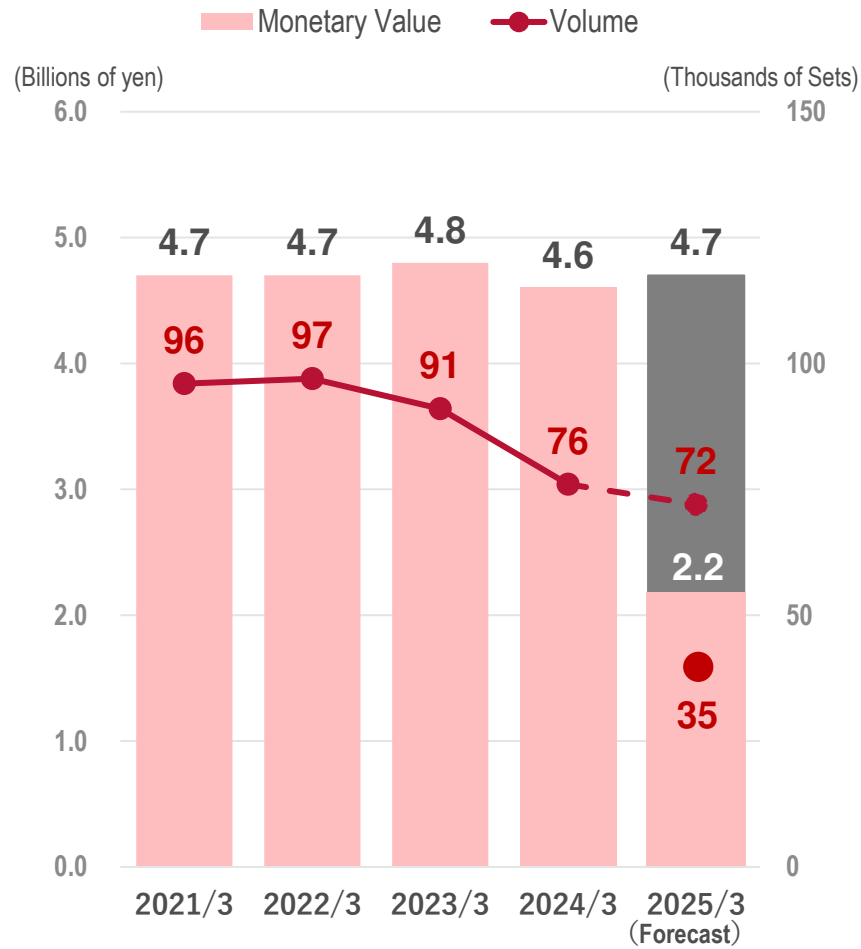


Demand Trends and Market Share

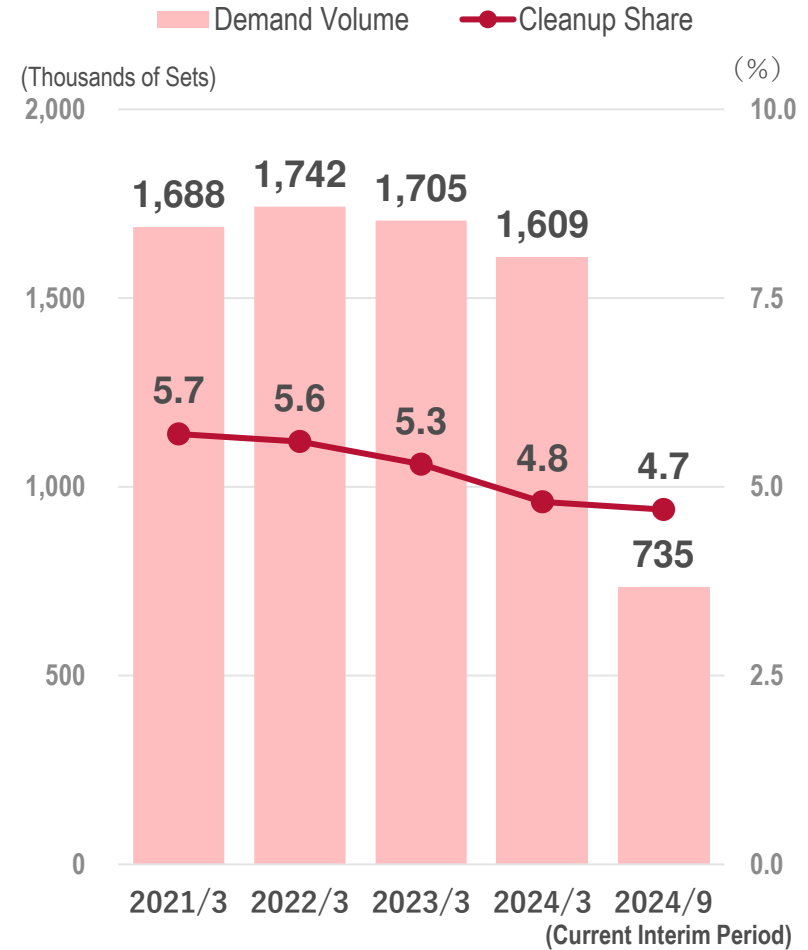


7. Sales Results For Major Products and Cleanup Market Share – 3/3 Washstands/Vanities

Washstands/Vanities Sales Results



Demand Trends and Market Share



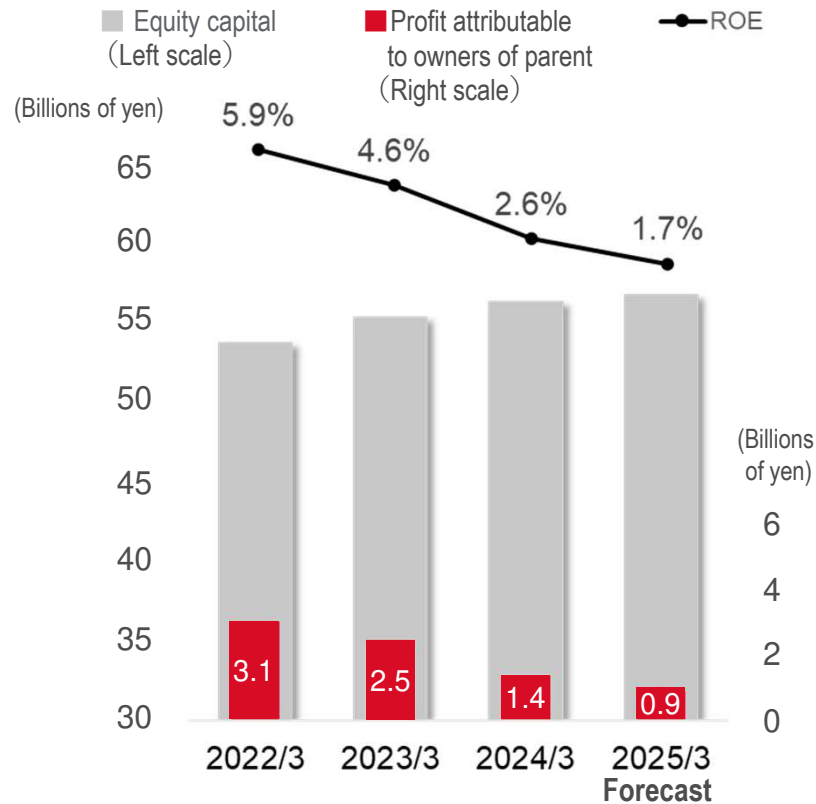
8. Forecasted Consolidated Results for the Period Ending March 2025

(Units: billions of yen)

	2024/3 (Actual Results)	2025/3 (Forecast)	Variation amount	Variation percentage
Net Sales	127.9	130.0	+ 2.0	+ 1.6%
Gross Profit	39.9	40.5	+ 0.6	+ 1.4%
Selling, general and administrative expenses	38.6	39.5	+ 0.8	+ 2.2%
Operating Income	1.2	1.0	△0.3	△22.0%
Ordinary Income	1.8	1.5	△0.3	△17.1%
Profit attributable to owners of parent	1.4	0.9	△0.5	△35.3%

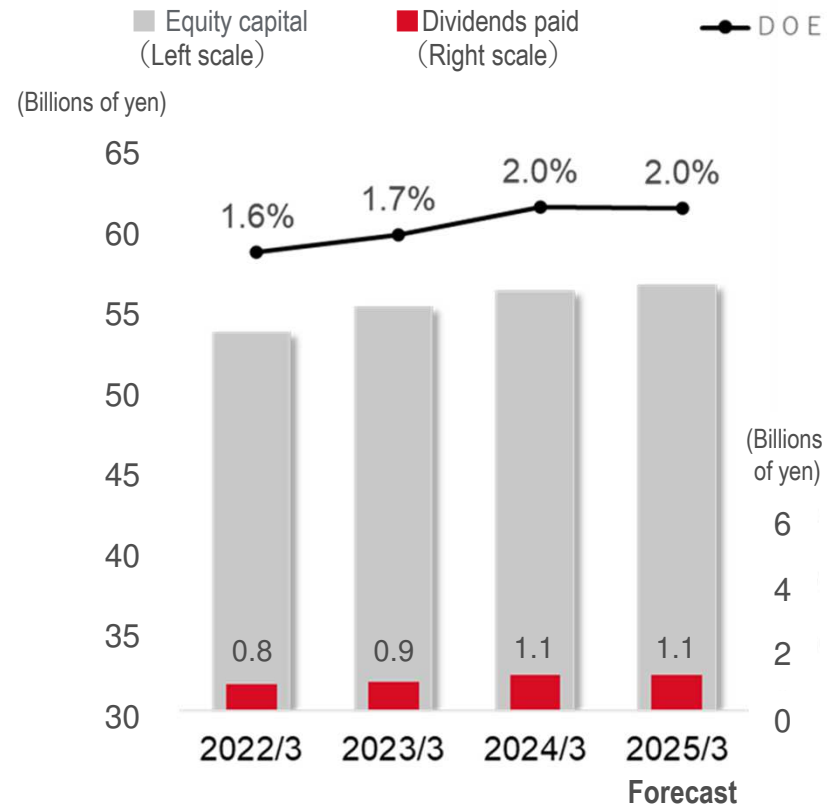
9. Profit Return Status and Plan

Trends and plan for ROE (Rate of Return on Equity)



- Aim to improve the ROE and increase the PBR, through activities of the 2024 Medium-term Plan.

Demand trend for products and our market share



- Enhance shareholder returns, based on stable dividends.
- Acquire and cancel appropriate number of Treasury shares.

II . Topics

Product Related

Affordable price range system kitchens **rakuera** model change

The “rakuera” series underwent a model change and acceptance of orders started on September 2 (Monday).
While keeping the concept of “think of the kitchen as furniture”, the designs for drawer heights were changed with improvements made for better usability and easier planning.



The dual top face-to-face plan of rakuera

[Storage example]



In line with the “zone concept”, the previous two-panel door system was changed to a three-panel door system.

⇒ This enables the storage of items frequently used in the “hand area” and the “eye area”, while the storage of items that are used less frequently, are for stocking at the “foot area”, on the foot level, enabling storage even at the base level.



New proposed “kagutas storage” for storage even in the base wheels

The space created by reconsidering the location of the base wheels, was moved to directly under the counter, making it possible to provide a new lifestyle proposal for peripheral storage. The storage space has not been reduced to solve the problem of kitchen space.

Showroom Related Matters

Showrooms are continuously renovated to sustain their attractive appeal

Kumamoto Showroom was relocated and renovated in the first half of the term ending in March, 2025.

The “Kumamoto Showroom” was relocated and a grand opening held on July 6 (Saturday), for the purpose of enhancing customer contact and to improve access convenience.



External view of the new Kumamoto Showroom

[Principal features of the new Kumamoto Showroom]

Concept:

[A showroom that changes the lives of families]

- Assisting the realization of an ideal life.

A showroom for experiencing and resonating to reach a decision -

- ① Six new bathroom set products and three vanity sets were introduced in February, 2024
- ② The compact kitchen “HIROMA”, produced through a collaboration between Cleanup and Hida Sangyo, arrived in Kumamoto for the first time
- ③ The installation of a space proposal corner was created for the latest kitchens and the latest living bathrooms

(Total of six features in the corner, consisting of five kitchen sets and one sanitary set)



STEDIA
Space proposal corner



The STEDIA space proposal corner was produced using the HIROMA



Sanitary space proposal corner
(System bath: SELEVIA & Vanity: ELVITA)



Equipment search corner

Overseas Business Related

The first “Cleanup Dealers Conference” held on mainland China

The very first conference of its type held overseas, the "Cleanup Chinese Dealers Conference" was held in Shanghai on June 12, 2024, for the purpose of enhancing sales on mainland China, where the economy is going through a rapid growth. Business policies and goals were shared with 20 people, who included representatives from four local dealerships in China.



Representatives of the respective dealers (4 at the center) attended the dealership conference

Four local dealers are selling primarily on the coastal regions of China, from north to south.

- ▶ Shanghai Union Co., Ltd.
- ▶ Karino Family Building materials (Dalina) Co., Ltd
- ▶ SHANGHAI BOGU IMPORT & EXPORT TRADING CO., LTD.
- ▶ Wuxi baibenmujia import and export trade co., Ltd.

[Current status of Cleanup’s overseas export business]

- A sales network comprised of 65 locations in nine countries and regions, primarily in East Asia and Southeast Asia, has currently been formed.
- The sales of our flagship stainless steel kitchens were strong in FY2023, recording a significant growth by 130% over the previous term.



[Overseas measures under FY2024 Medium-Term Management Plan]

- The “expansion of overseas business” is promoted as one of prioritized measures.
- The target for FY2024 on mainland China in particular, where a significant growth is experienced, is 150% over the previous term



[Towards achieving our goal on mainland China...]

- Our very first overseas conference, the “Cleanup Chinese Dealers Conference” was held at Grand Mercure Shanghai Hongqiao in Shanghai, as a part of our efforts to enhance our sales
- Cleanup’s business policy was shared and the opinions of the respective local dealers were heard intently in order to share information at this conference
- Specific initiatives, to firmly back up the respective dealers, include the increased installation of showrooms, which are important customer points of contact, dissemination of information on social media and the like

Sustainability Related 【1】

Deepening communication about food and housing culture

As a part of the “Future Kitchen Project” [The Second Future Kitchen Illustration Contest]

(Application period: From June 1 to October 15, 2024)



Cleanup Tasty Life Research Institute [The Kitchen Whitepaper 2024]

“The ‘present state’ of consumers was analyzed from the perspective of the kitchen”, by investigating, analyzing and presenting the findings on the changes relating to food, goods and space, in order to publish the “Kitchen Whitepaper” each year.

Survey
outline

- Survey Period: August 31 to September 4, 2023
- Target of survey: Males and females between the age of 25 and 59, nationwide
- Number of respondents: 800 people
- Survey method: Questionnaire survey on the internet

- The “consumer survey on kitchen space” was conducted at this time
- Major changes, based on comparisons with the previous survey (2017), are... ..

- ① The kitchen space transformed from the “castle of the housewife” to the “space shared by the family”
- ② The kitchen is shared with items that are not directly connected to cooking, such as smart speakers and fitness tools



Sustainability Related 【2】

Activities for the environment are promoted, in order to achieve a sustainable society

Working to reduce greenhouse gas emissions, in line with the Environmental Vision 2050

Okayama Plant: Operation of solar power generation started

A self-consuming solar power generation system was installed at Okayama Plant (Shoo Town in Okayama Prefecture), which is our production site in Western Japan, as part of our efforts to reduce greenhouse gas emissions. The system has been utilized since April 2024, for electric power consumed at the plant.



Solar panels at Okayama Plant

The status of activities conducted at the Cleanup Group is to reduce greenhouse gas emissions

[2023]

- The "Cleanup Group Environmental Vision 2050" (CEV50) established
- Solar power generating panels installed and hybrid vehicles implemented for corporate vehicles at the Yumoto Plant
- The "FY2030 Greenhouse Gas Reduction Targets", medium-term targets, were approved by the SBT Initiative(*)

* An international environmental initiative was established in 2015, to promote climate change prevention activities, advocating the greenhouse gas emissions reduction targets based on science



Solar car port at Tsuyama Showroom



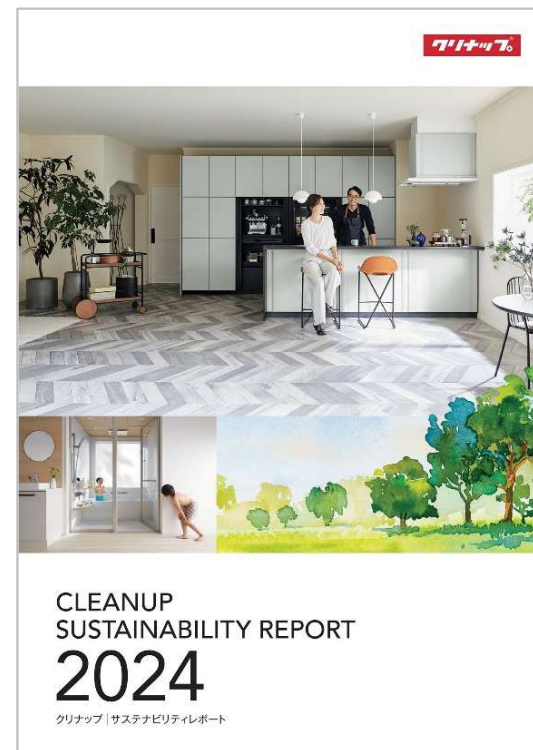
The amount of electricity generated and consumed can be verified on monitors

[Sustainability Report 2024]

The concept of sustainability at Cleanup, as well as activities relating to the ESG and SDGs are conveyed in line with the environmental (E) and social (S) governance (G)

Principal new featured elements in this report

- New targets for the "reduction of GHG greenhouse gas emissions"
- Priority issues for new sustainability



The 75th anniversary of the founding and related matters

We are grateful to have reached Cleanup's 75th anniversary of its founding on October 5, 2024

New brand movies and a commemorative timeline, which look back through the 75 years of history, were produced and featured on our website, to mark our 75th anniversary of its founding.

The uniform for the advisors at our showrooms, which are important points of contact with our customers, have been completely redesigned.

New brand movies

Our aspirations for the future were published, by incorporating them in the two brand movies

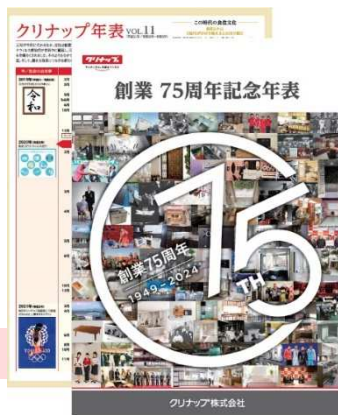
- Release date: October 3
- Released site: Our official YouTube channel



“Moving the heart. Enriching people.” Edition
<https://youtu.be/FoUYdATdhng>



“Change Challenge Creation” Edition
<https://youtu.be/ujaXVRe8Zjl>



The new uniform of our showroom advisors

The look and feel of Cleanup has been expressed, based on the gray image of stainless steel and the red line of Cleanup that is suggestive of the flow of water. Worn since October 1 (Tuesday).

Our chronicle starting from the founding is featured in a booklet. Introducing product developments that led our industry and the like, while keeping with the changes in the lives of people.

75th anniversary of the founding timeline



New uniform expressing the Cleanup identity

For any questions concerning investor relations, please contact:

Cleanup Corporation

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

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URL <https://cleanup.jp/>

Disclaimer

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