



キッチンから、笑顔をつくろう

Presentation Material:  
**Announcement of FY 2021 Interim Results**

November 18, 2021



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# I . Interim Results Outline

# 1. Outline of Consolidated Results for Interim Period Ended September 2021

(Units: millions of yen)

	2021/9 (Actual Results)	2020/9 (Actual Results)	Change From Prev. Period	2021/9 (Previous Forecast)	Increase / decrease Amounts (Actual Results - Forecast)	Compared To Revised Plan
Net Sales	54,937	47,672	15.2%	53,500	1,437	2.7%
Operating Income	2,166	85	—	1,300	866	66.7%
Ordinary Income	2,410	171	—	1,350	1,060	78.6%
Profit attributable to owners of parent	1,552	△142	—	830	722	87.0%
Interim Net Income Per Share	42.07yen	△3.87yen	—	22.50yen	—	—

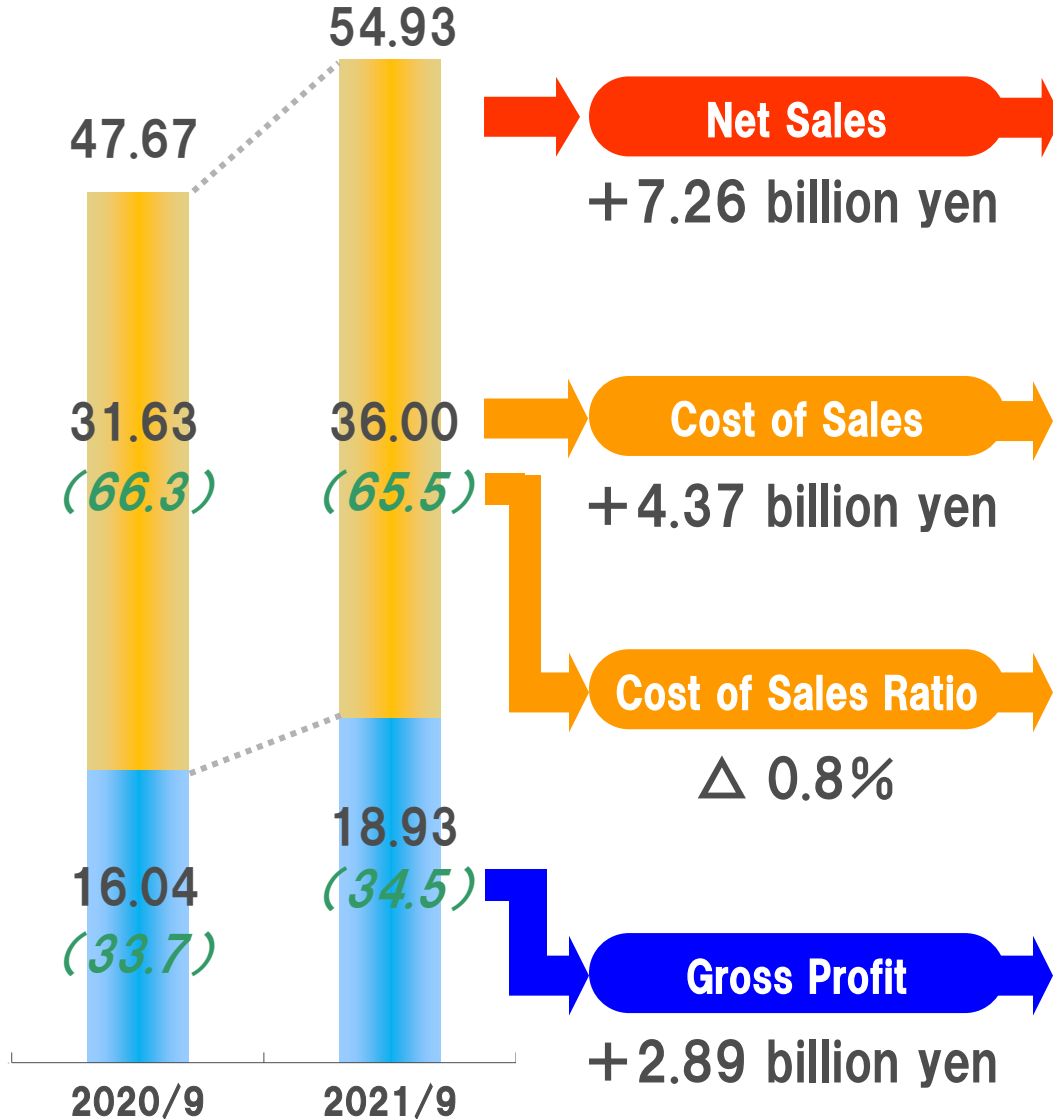
\* Previous Forecast: Announced May 11, 2021

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

(Units: billions of yen)

【Increased/Decreased Values (Rates)】

【Main Increase/Decrease Factors】



- System Kitchens + 5,520 million yen
- System Bathrooms + 500 million yen
- Washstands/Vanities + 90 million yen etc.

- Increase Due to Increased Net Sales + 4,820 million yen
- Decrease Due to Decreased Cost of Sales Ratio Δ 450 million yen

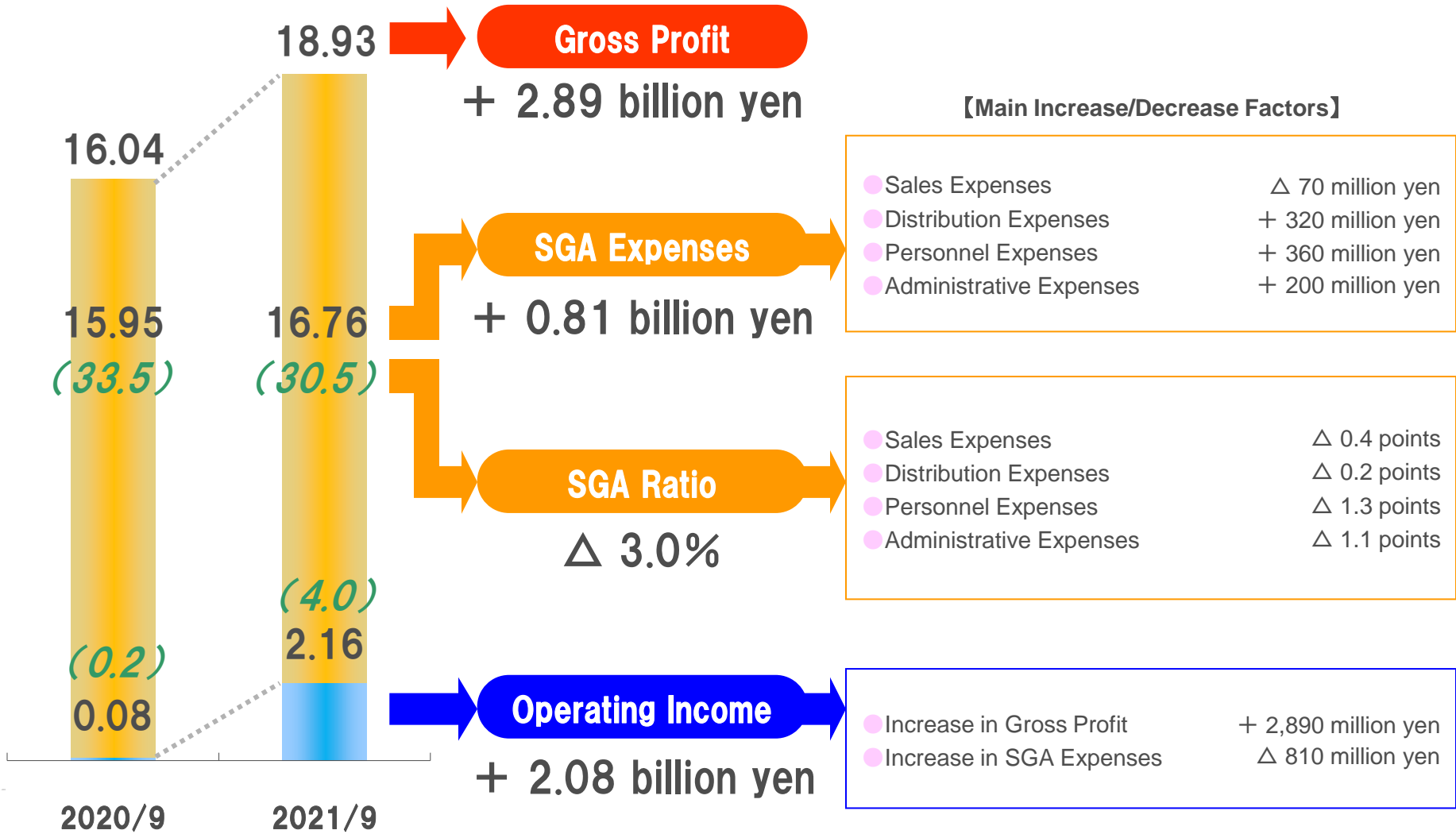
- Increase in Rakuera Cost of Sales Ratio + 0.25 point
- Decrease in System Bathrooms Cost of Sales Ratio Δ 0.08 point
- Influence of Raw Materials and Others + 0.19 point
- Others, model constitution differences Δ 1.16 point etc.

- Increase Due to Increased in Net Sales + 2,440 million yen
- Increase Due to Increased in Gross Profit Ratio + 450 million yen

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

(Units: billions of yen)

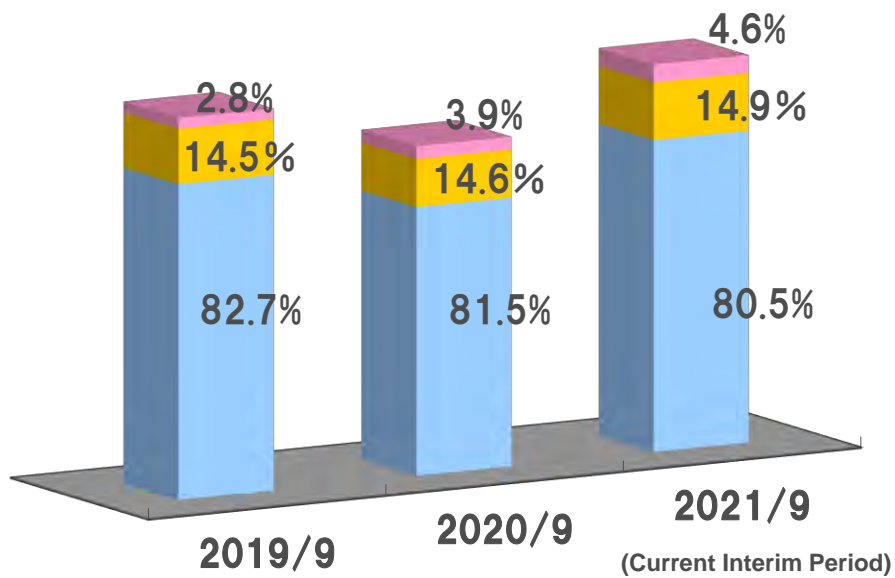
【Increased/Decreased Values (Rates)】



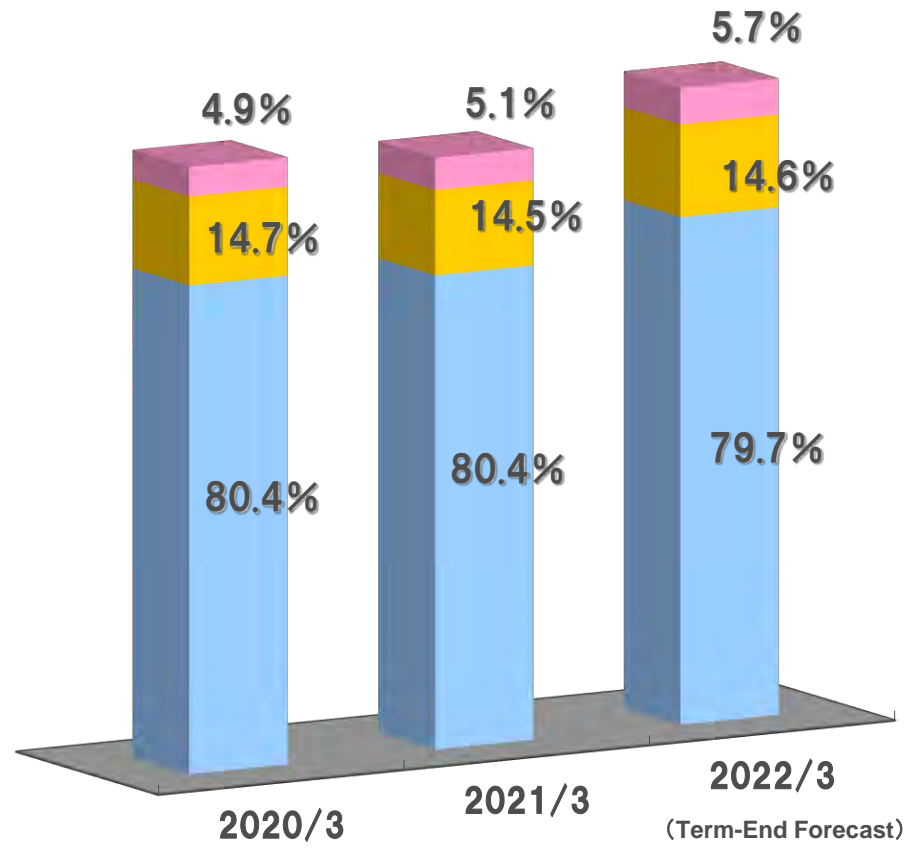
### 3. Sales Composition ② By Sales Route (Non-Consolidated)

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

【First-Half Base】



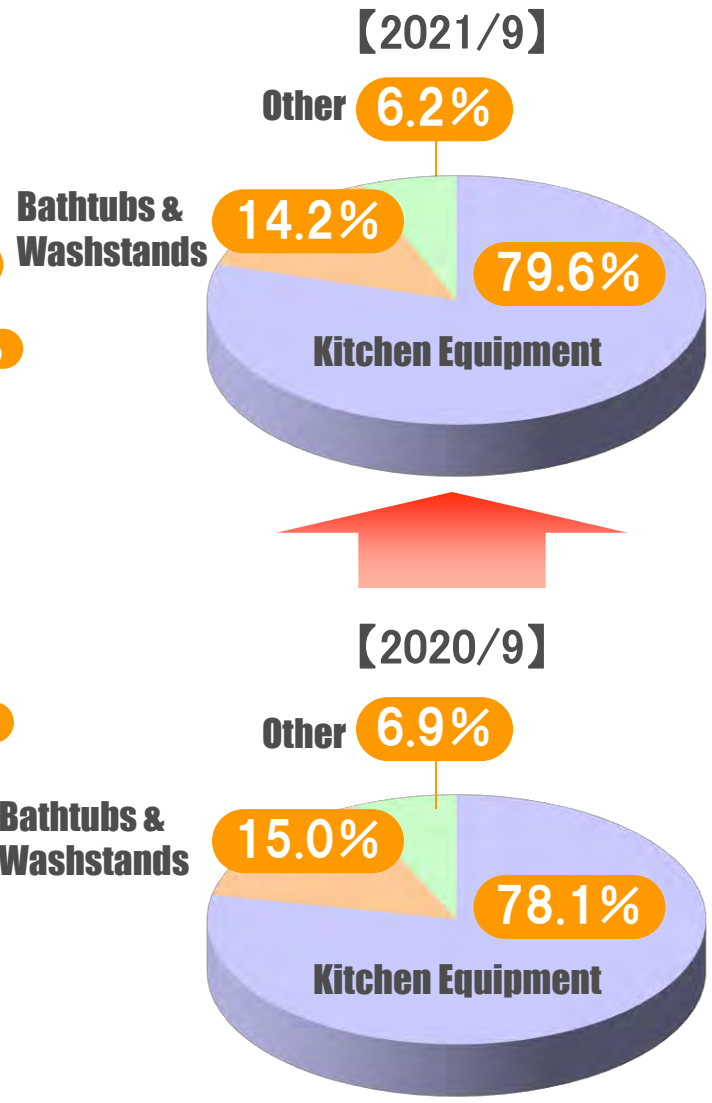
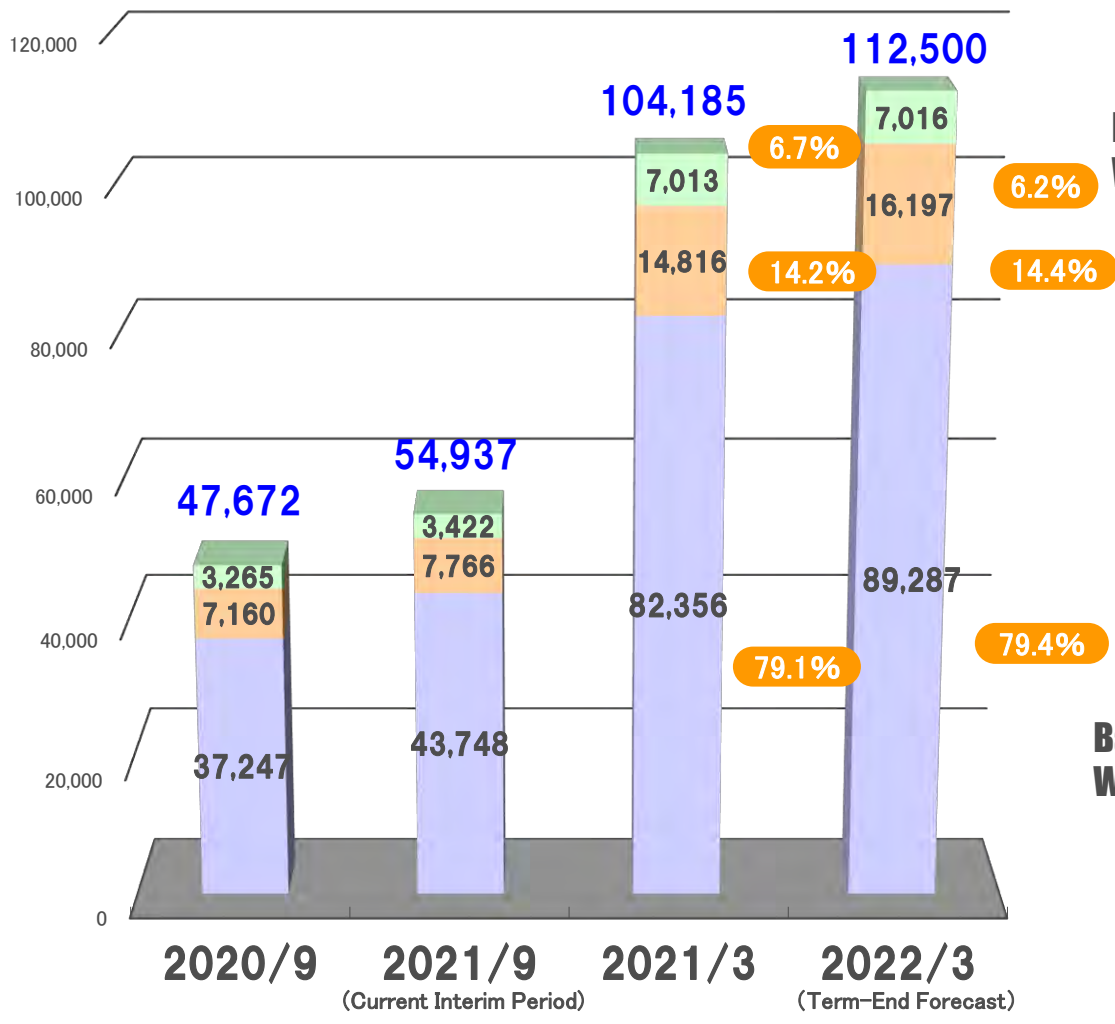
【Full-Term Base】



# 3. Sales Composition ① By Segment (Consolidated)

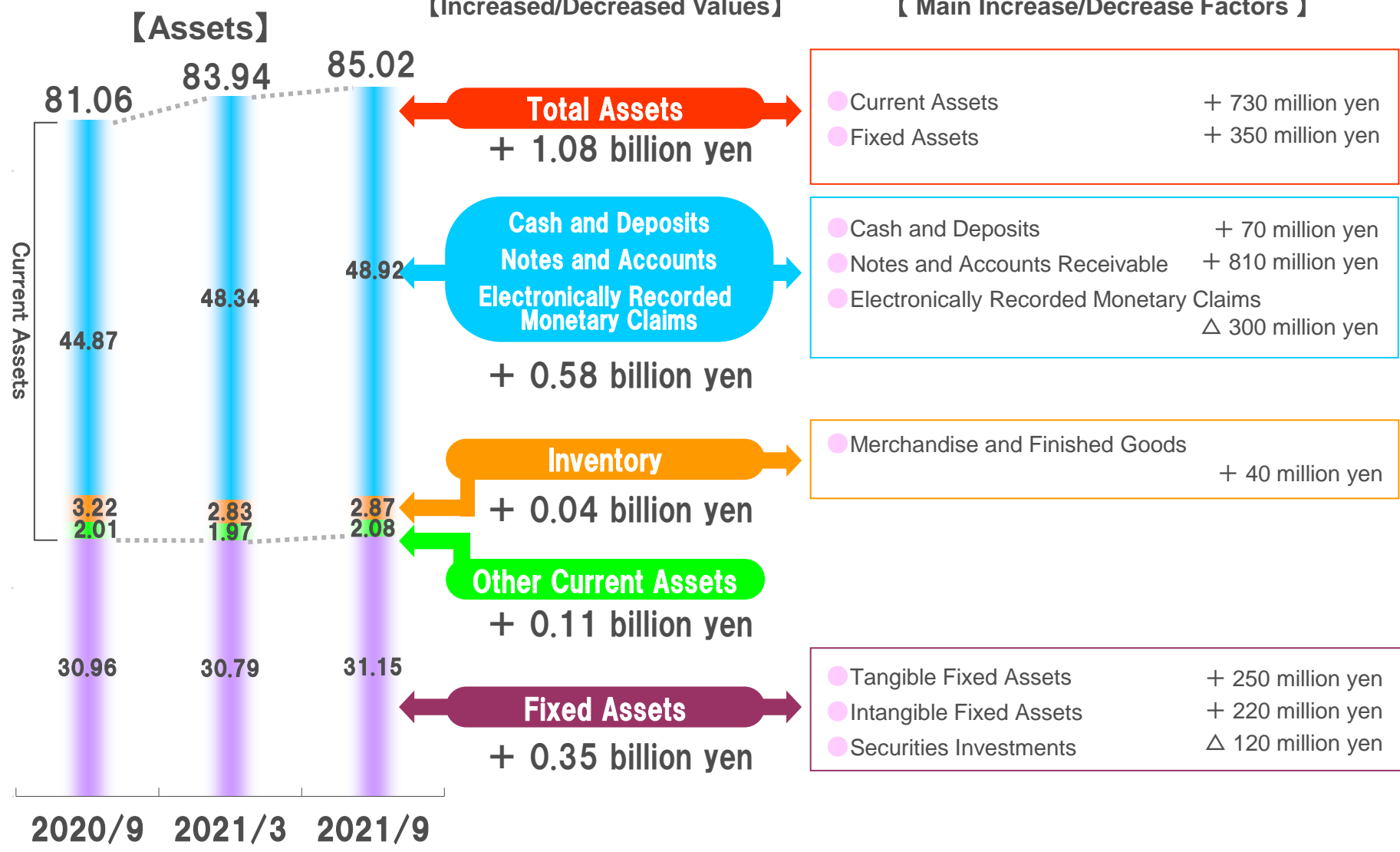
■ Kitchen Equipment ■ Bathtubs & Washstands ■ Other

(Units: millions of yen)



# 4. Consolidated Balance Sheet Summary – 1/2

(Units: billions of yen)



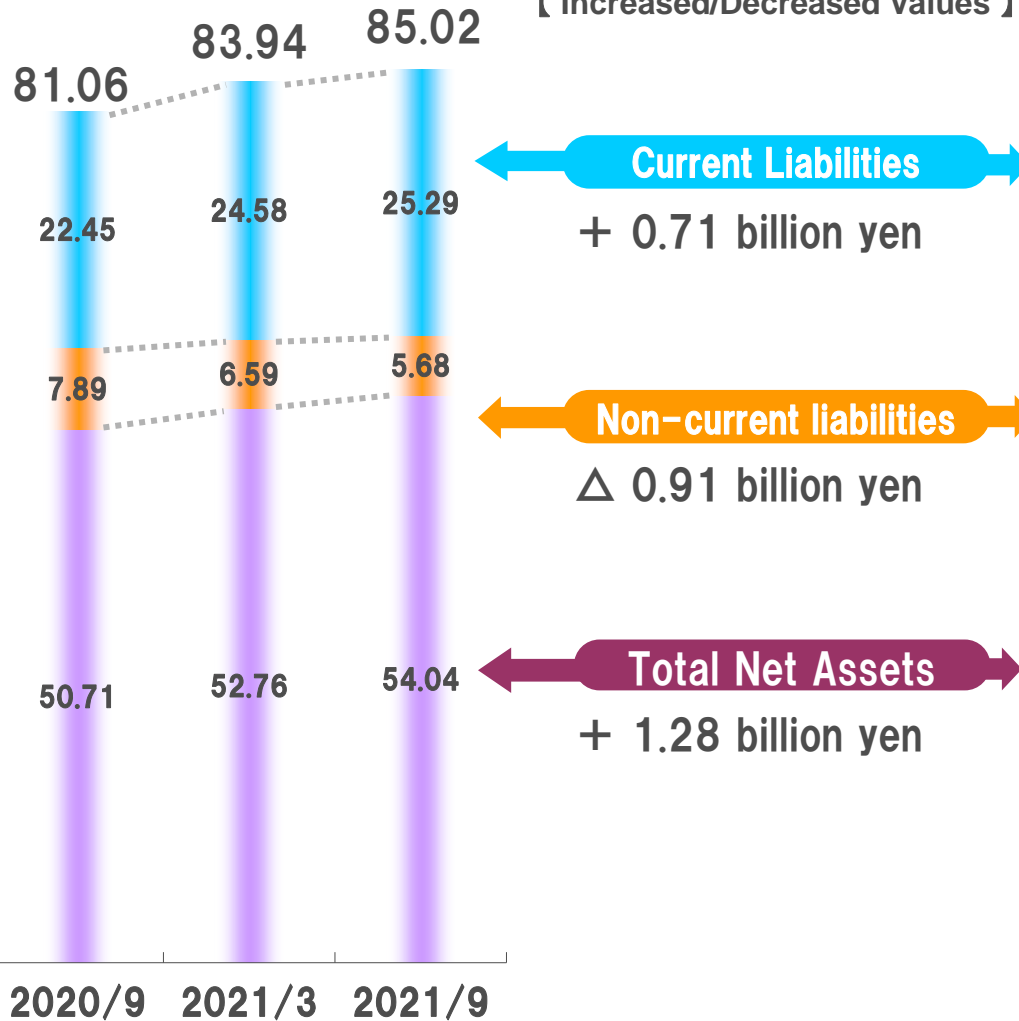


# 4. Consolidated Balance Sheet Summary – 2/2

(Units: billions of yen)

【Liabilities・Minority Interests・Assets】

【 Increased/Decreased Values 】



【Primary Reasons for Increase/Decrease】

● Short-term Borrowing	+ 290 million yen
● Current Portion of Short-term Borrowings	△ 560 million yen
● Electronically Recorded Obligations - Operating	+ 690 million yen
● Income taxes payable	+ 330 million yen

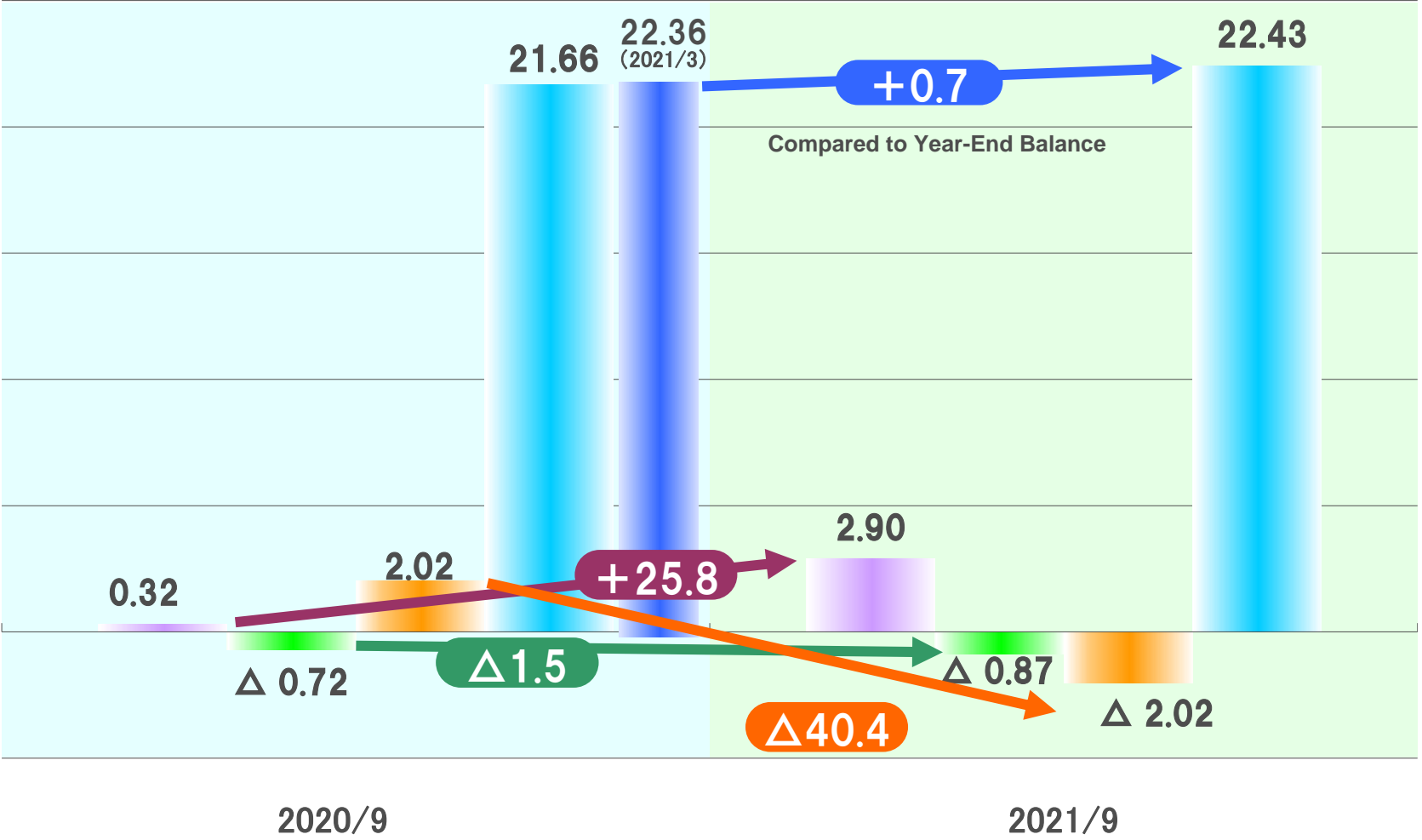
● Long-term Borrowing	△ 990 million yen
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● Interim Net loss	+ 1,550 million yen
● Dividends	△ 370 million yen
● Valuation Difference on Available-for-Sale Securities	+ 130 million yen

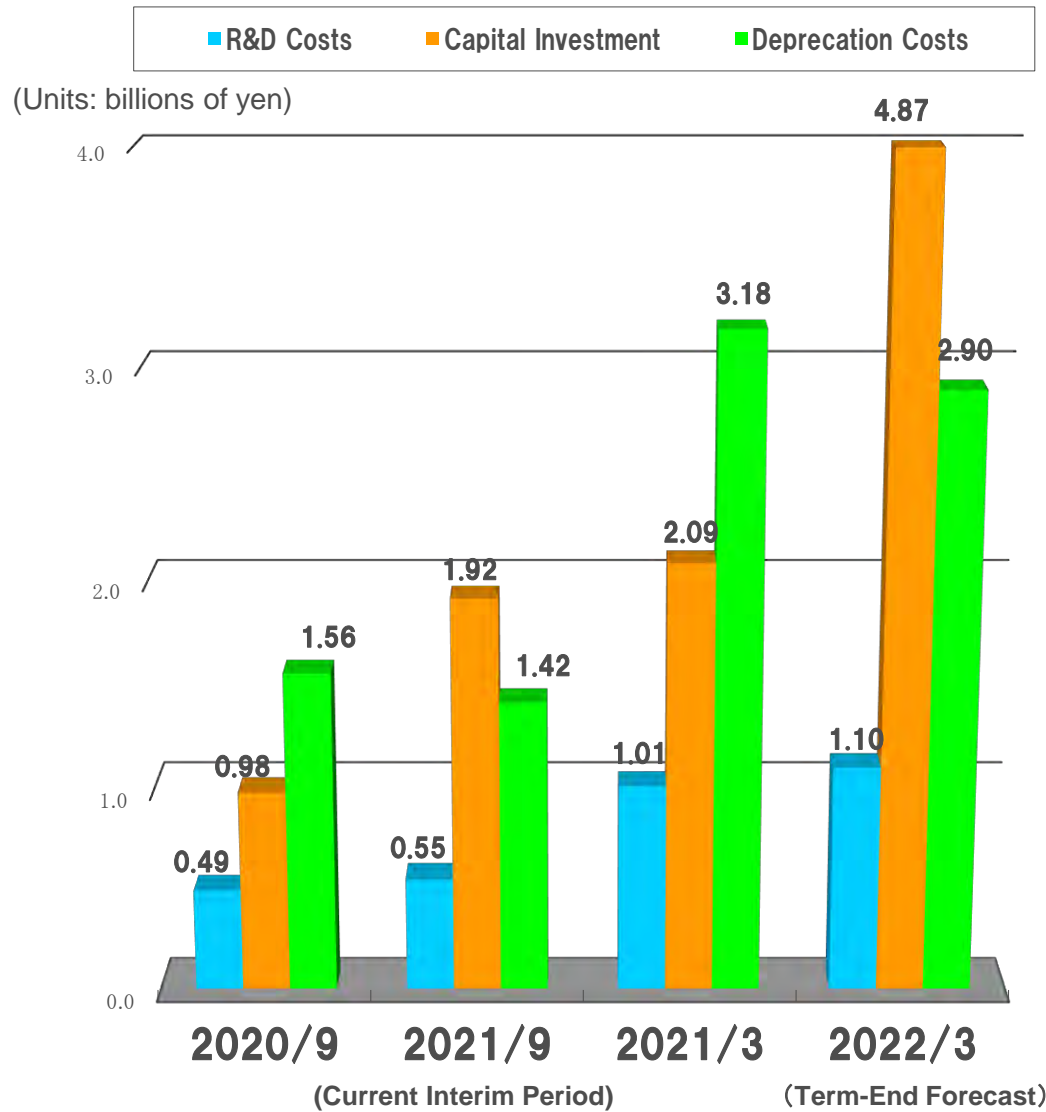
# 5. Consolidated Cash Flow Statement Summary

(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)



## 【FY2021 Major Capital Investment Details】

### First-Half Results

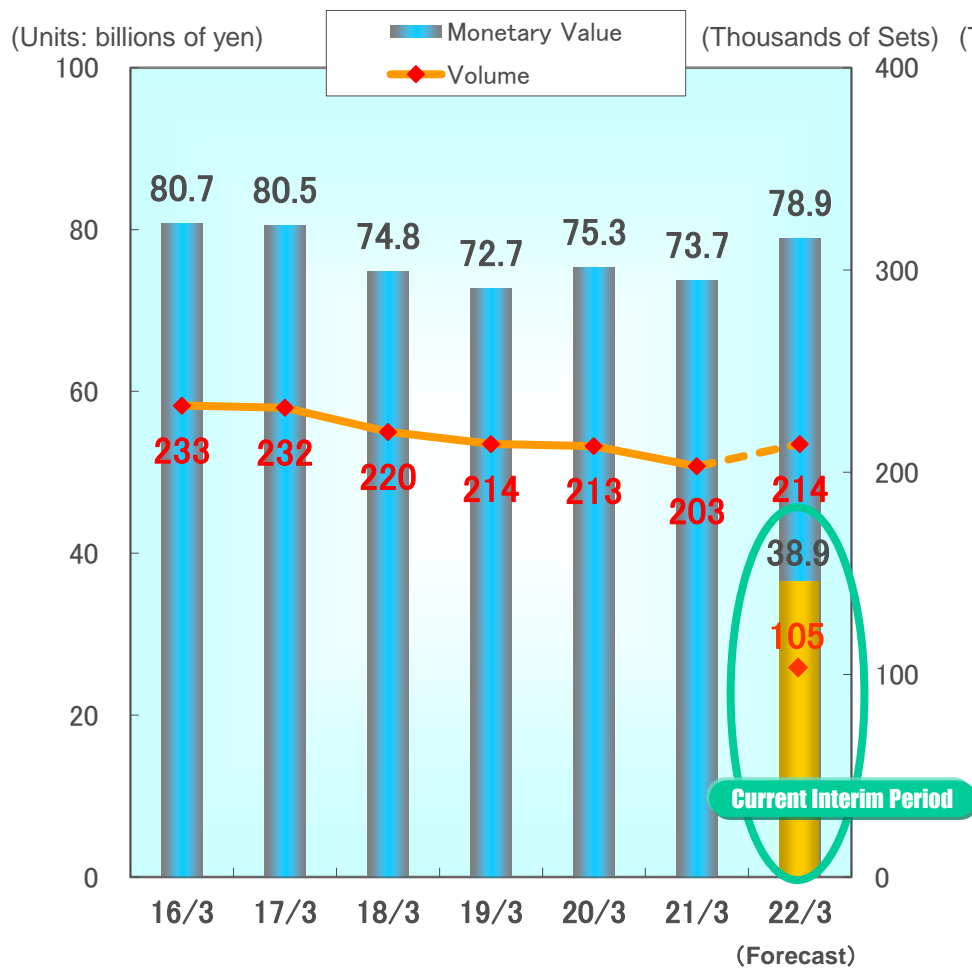
- ① Production Equipment 880 million yen
- ② Operations-Related 330 million yen  
(Showroom Renovation etc.)
- ③ Information-Related 610 million yen
- ④ Others 100 million yen

### Second-Half Plans

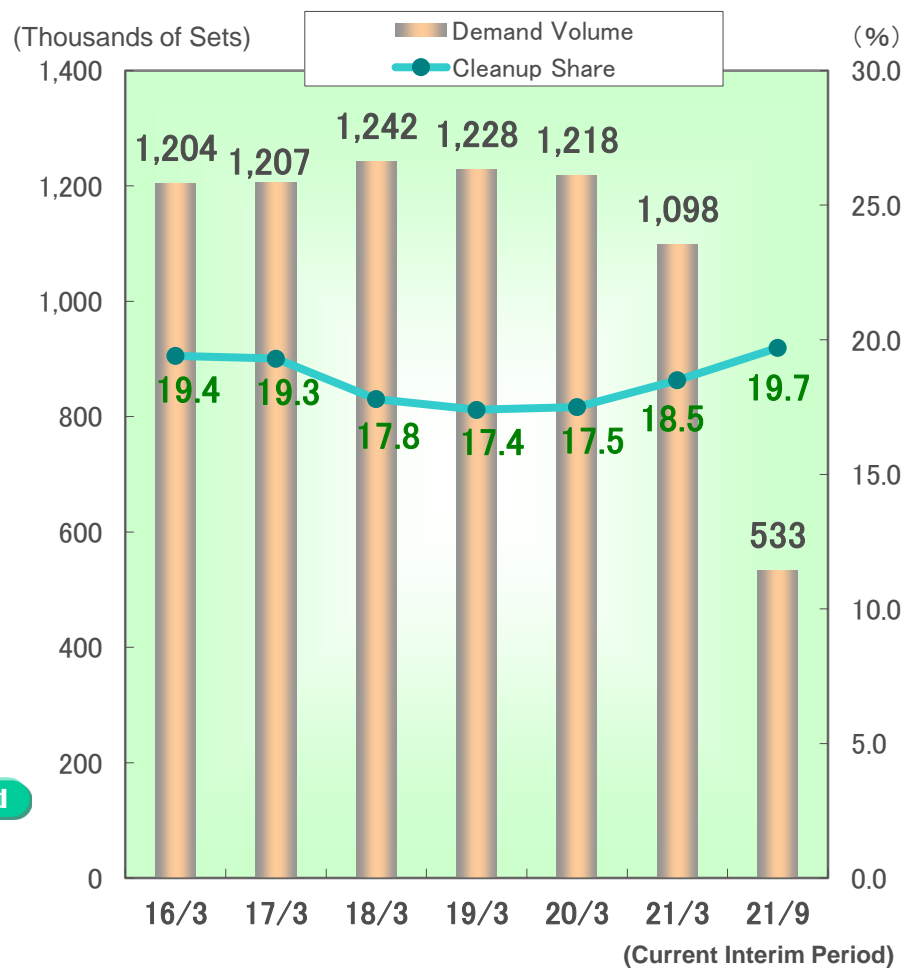
- ① Production-Related 1,130 million yen
- ② Operations-Related 520 million yen
- ③ Information-Related 1,250 million yen
- ④ Others 50 million yen

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

## Complete System Kitchen Sales Results

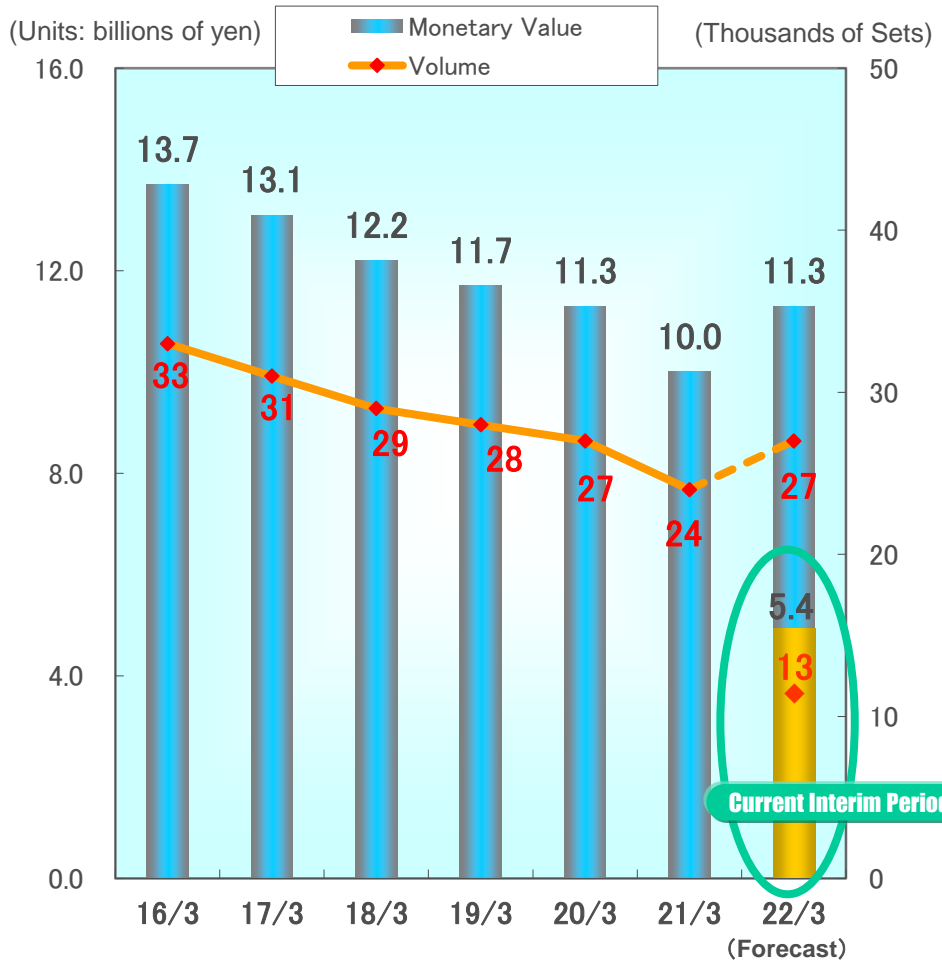


## Demand Trends and Market Share

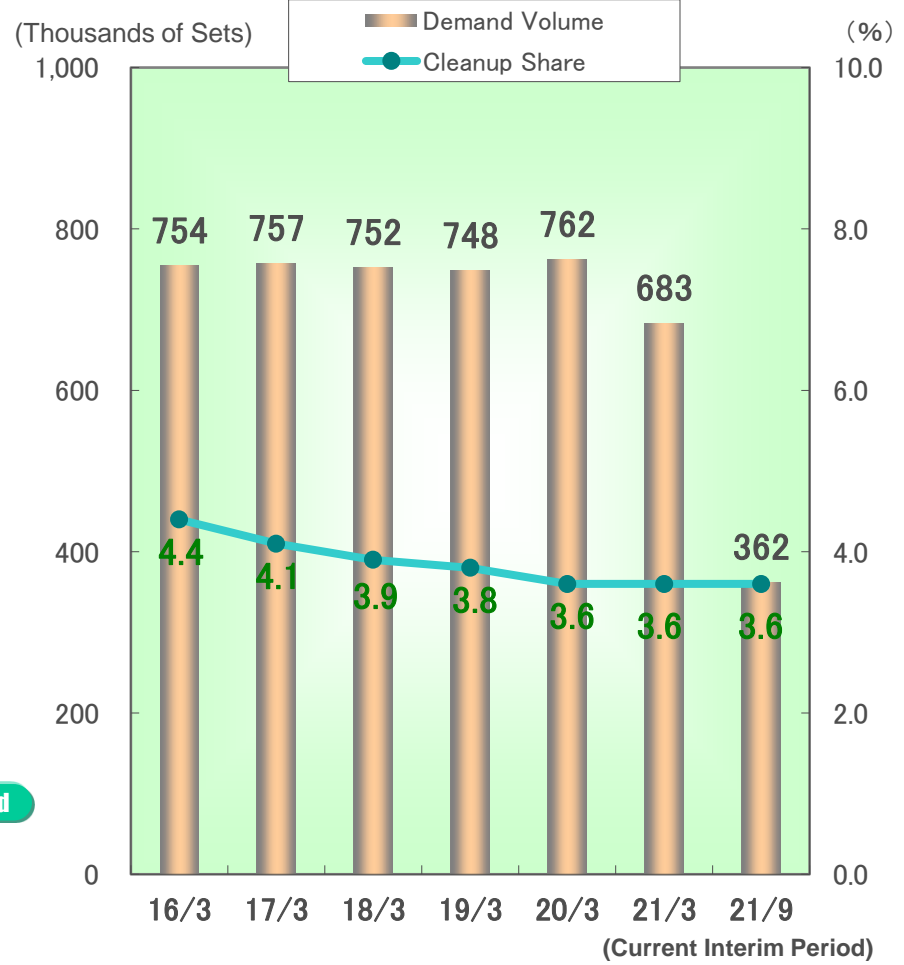


# 7. Sales Results For Major Products and Cleanup Market Share - 2/3

## Modular System Bathroom Sales Results



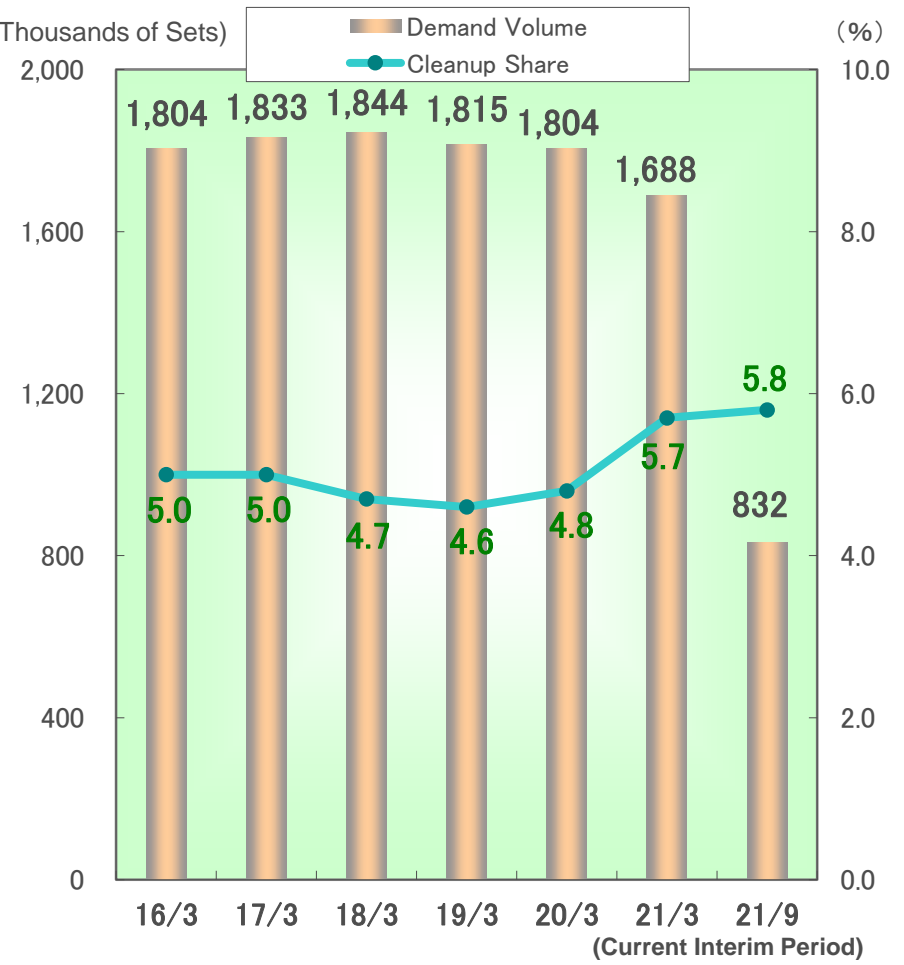
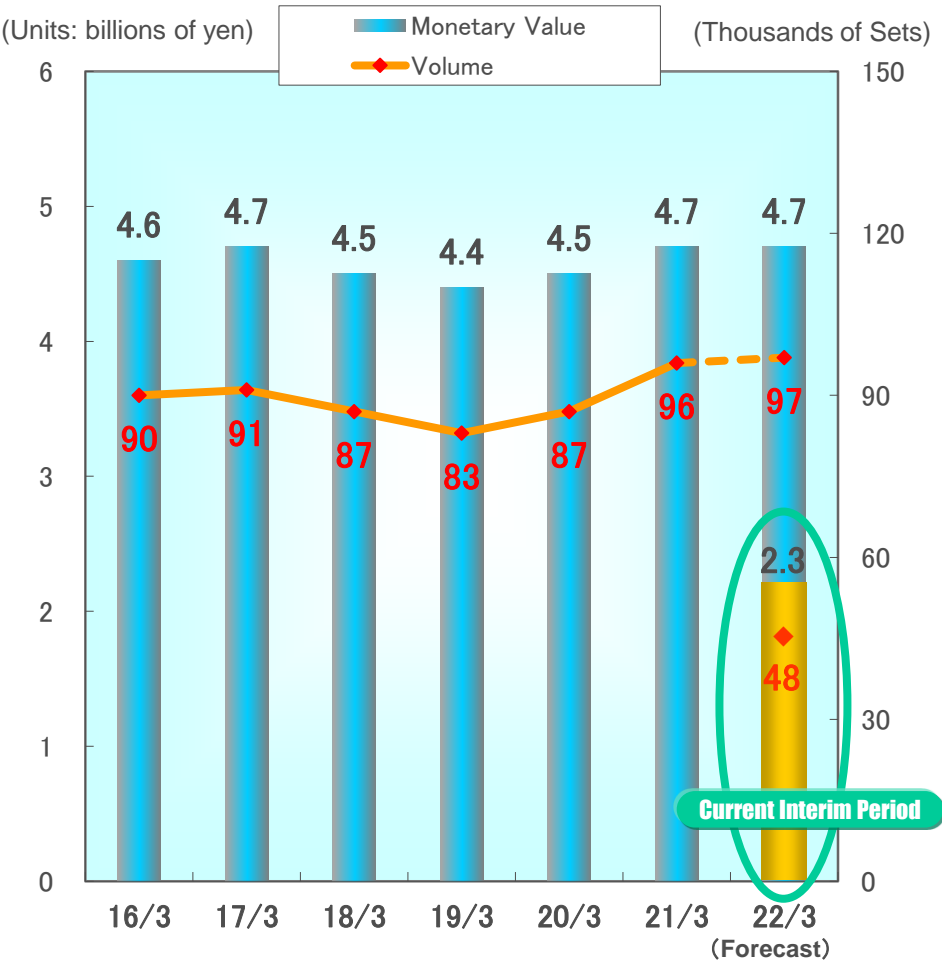
## Demand Trends and Market Share



# 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 2022

(Units: millions of yen)

	2021/3 (Actual Results)	2022/3 (Forecast)	Change From Prev. Period
Net Sales	104,185	112,500	+8.0%
Operating Income	2,614	3,200	+22.4%
Operating Margin	2.5%	2.8%	—
Ordinary Income	2,714	3,600	+32.6%
Ordinary Income Margin	2.6%	3.2%	—
Profit attributable to owners of parent	1,746	2,300	+31.7%
Net Income Margin	1.7%	2.0%	—



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## **II. Future Strategy**

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



New medium-term management plan from April 2021.

## 2021 Medium-term Management Plan 2021-2023



### [Features of New Medium-Term Management Plan]

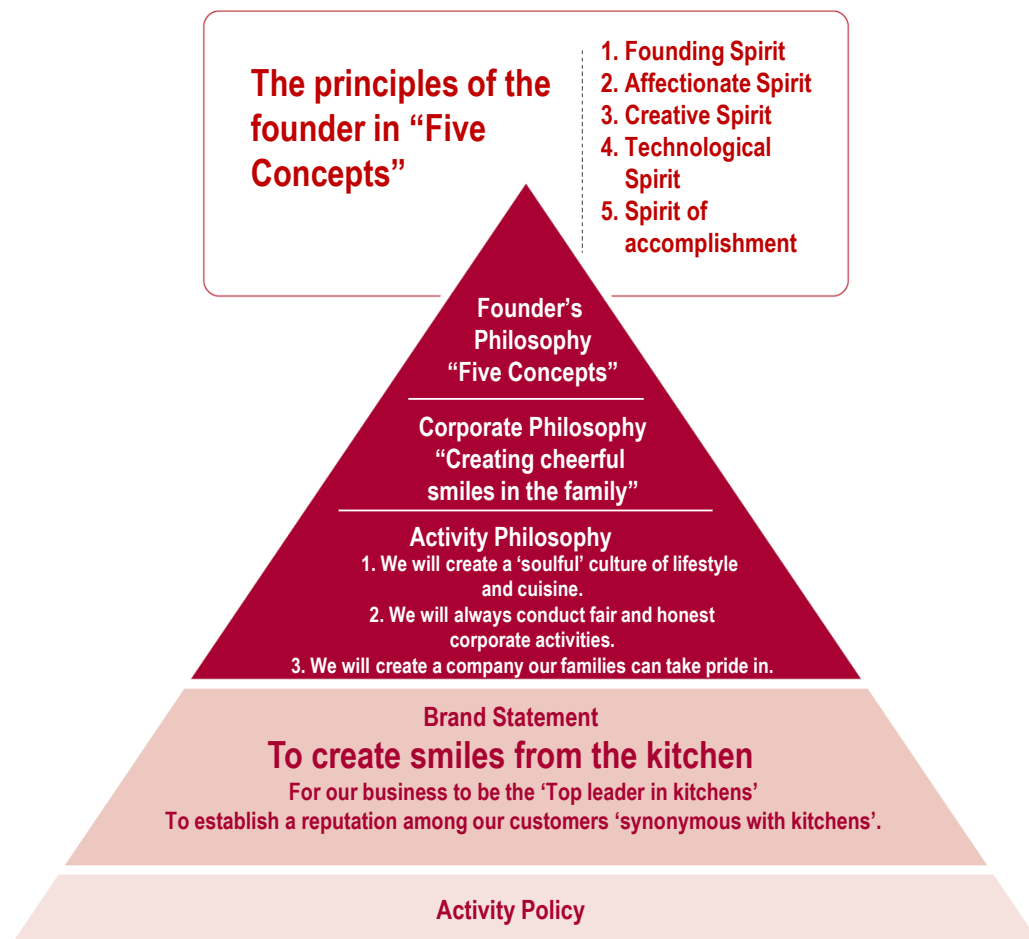
In an effort to formulate into reality our corporate philosophy on “Creating cheerful smiles in the family”, **we have established**

## **long-term visions**

- ▶ Further clarifying the orientation of our **sustainable management**
- ▶ Clarifying our intentions to promote activities for our **important issues (ESG and SDGs)**

## 2. 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.

### 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

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

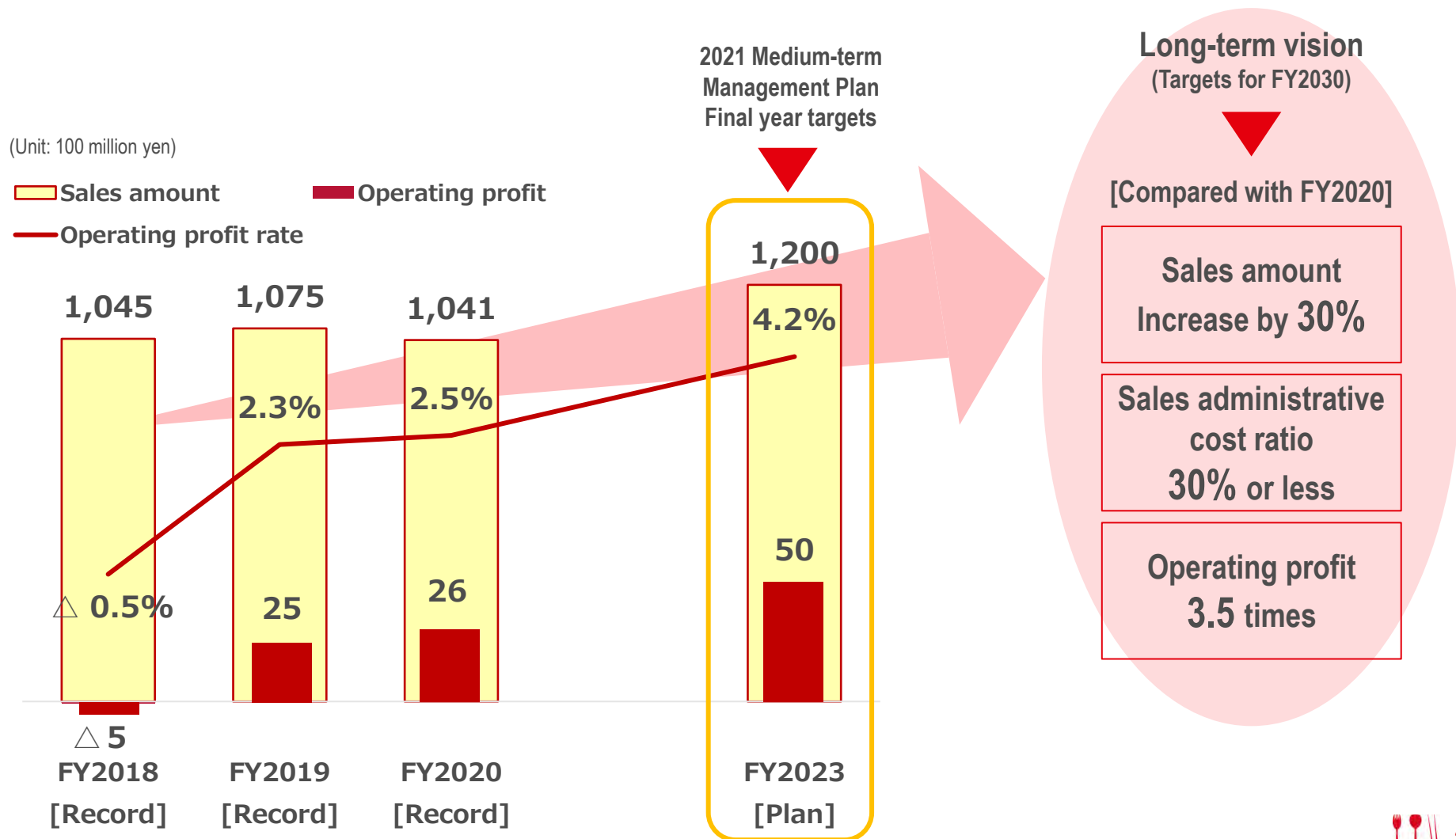
**[Non-financial targets] Reduce greenhouse gasses by 50% in comparison to FY2013, acquire an understanding regarding the engagement of our employees in this area and publish the findings**

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 <span style="float: right; font-size: 2em; opacity: 0.5;">S</span>	<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 <span style="float: right; font-size: 2em; opacity: 0.5;">S</span>	<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 <span style="float: right; font-size: 2em; opacity: 0.5;">E</span>	<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 <span style="float: right; font-size: 2em; opacity: 0.5;">S - G</span>	<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>	

## 6. Numerical targets for the “2021 Medium-term Management Plan” (2021 - 2023)

In the final year of the 2021 Medium-term Business Plan, we aim to achieve:

- Consolidated sales of ¥120 billion
- Consolidated operating profit of ¥5 billion (with an operating profit rate of 4.2%)



### 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”

[Fitted Kitchens 2]

▶ Enhancement of “designability” for Rakuera

[System Bathrooms]

▶ Enhancement of system bathrooms

[Showrooms/sales and marketing strategies]

▶ Expansion of lenaka Campaigns and Online Showrooms

▶ Introduction of new “STEDIA”: Large scale model change in February 2022

Introduction of new open plan that satisfies desires and true intentions

The desirable open plan kitchen, with the “Dual Top Island Plan”, can be realized even without trying



Plenty of items with “instant cleanability without even trying”



Stream Flow sink  
Wide type



Sliding pantry



e-Coat countertop



## ▶ 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.



## ▶ 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



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.



## ▶ Expansion of Ienaka Campaigns and Online Showrooms

# Marketing Measures in Response to “New Lifestyles”

### Showrooms



- Purposed for expanding the recognition of new products with sales promotions  
Promotional Item
- CENTRO, STEDIA, Aquila-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]

- ▶ Implementation of 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



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



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.



### ▶ Implementation of new lifestyle with kitchen “HIROMA”



## Full-scale sales start from October 4!



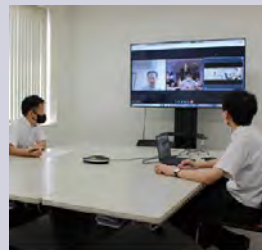
- Elements of the kitchen have been simplified to an ultimate degree and the dining table is merged with the kitchen, to introduce a new existence of residence comprised of a living room/dining room/kitchen layout to present the kitchen of a new concept in this modern era, in which energy-savings for housework and the compacting of the living room/dining room/kitchen spaces are progressing.
- Collaboration with Hida Sangyo, a long-established manufacturer of furniture

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

## ▶ Expansion of overseas business operations

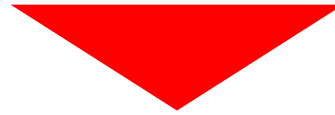
### Creating new markets

- Exports and sales of kitchen products made with stainless steel, are considered key items, primarily for Asian destinations.
- Effective sales strategies, implemented through such means as online sales, are used to cope with the ongoing COVID-19 crisis.



### Strategy 3

Enhanced management base from the perspective of ESG/SDGs



#### ■ Progress status

[Responsive action for issues of climate change]

▶ **Action for reducing carbon dioxide emissions**

[ESG activities]

▶ **A “Sustainability Report” is issued**



- ▶ Activities to resolve important issues (ESG and SDGs issues), towards the creation of a sustainable society, are performed through our business activities

## “Responsive action for climate change”: Activities for reducing carbon dioxide emissions

### Energy savings for facilities and equipment

The heat source, needed for the mold fabrication of artificial marble, is changed

Steam boilers that use grade A heavy oil as fuel, were upgraded to highly efficient LPG steam boilers in January 2020

Leading to a reduction in carbon dioxide



LPG gas tank  
(Yumoto Factory)



Steam boilers  
(Yumoto Factory)

### Activities for resource circulation

Support given for an Environment Exhibition Room, established by businesses of Iwaki City in Fukushima Prefecture, which are also our business partners, was part of the “Education on the Effective Use of Forest Resources for Students”



Resource circulation activities, conducted by Cleanup, featured on the exhibition panels

## ▶ Activities to resolve important issues (ESG and SDGs issues), towards the creation of a sustainable society, are performed through our business activities

### 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.

**マテリアリティ 1** 製品・サービスなどを通じた暮らし価値の提供

**マテリアリティ 2** 働きやすい職場づくり

**ワークライフバランス**

社員が心身ともに健康で充実した生活を送ることができるとは、社員がモチベーションを高め、生産性を向上させることに繋がります。

**ダイバーシティ＆インクルージョン**

性別、年齢、障がい、国籍など、社員が多様性を尊重し、それぞれの強みを生かして活躍できる環境を整えています。

**女性活躍推進と管理職任用**

クリナップのダイバーシティへの取り組みは、女性管理職の増加に注力してきました。女性管理職の割合は、2019年度末に17.7%、前年度比3.0%増となり、性別平等意識の浸透が顕著です。

**働きやすい職場づくり**

働きやすい職場づくりは、働き手にとって重要な要素です。働きやすい職場づくりは、働き手にとって重要な要素です。

**環境・健康への配慮**

暮らしでもできるエコロジーの取り組み。暮らしでもできるエコロジーの取り組み。

**新型コロナウイルス感染拡大における対応**

新型コロナウイルスの感染拡大により、多くの企業でリモートワークの導入が進んでいます。

**クリナップの取り組み**

クリナップは、働き手にとって重要な要素です。働きやすい職場づくりは、働き手にとって重要な要素です。

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

### Activities of the Wrestling Club

Hiroe Minagawa (Women's 76-kg class), wins 5th place at the "Tokyo Olympic Games"

[1st round]



[Semi-final]



[3rd place playoff]



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

This material is intended to provide information regarding the FY2021 financial results (April 2021 – September 2021) 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 18, 2021. 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.