



キッチンから、笑顔をつくろう

Announcement of FY 2023 Year-End Results

May 27, 2024

I . Results Outline

1. Outline of Consolidated Results for the Period Ended March 2024 【1】

		Change From Prev. Period
Net Sales	127.9 billion yen	+ 3.2%
<p>The number of construction works, starting for new residential buildings, decreased during this period and although the predicted figures could not be reached, due to weak demand for renovations, revenue increases were still achieved, compared to the previous period, due in part to the revised sales prices and the like.</p>		
Operating Income	1.2 billion yen	△57.5%
Ordinary Income	1.8 billion yen	△49.2%
Profit attributable to owners of parent	1.4 billion yen	△41.8%

Profits decreased, compared to the previous period, as a result of the significant increase in sales costs, due to the impact of rising raw materials, energy costs and the like, combined with a substantial increase in selling, general and administrative expenses.

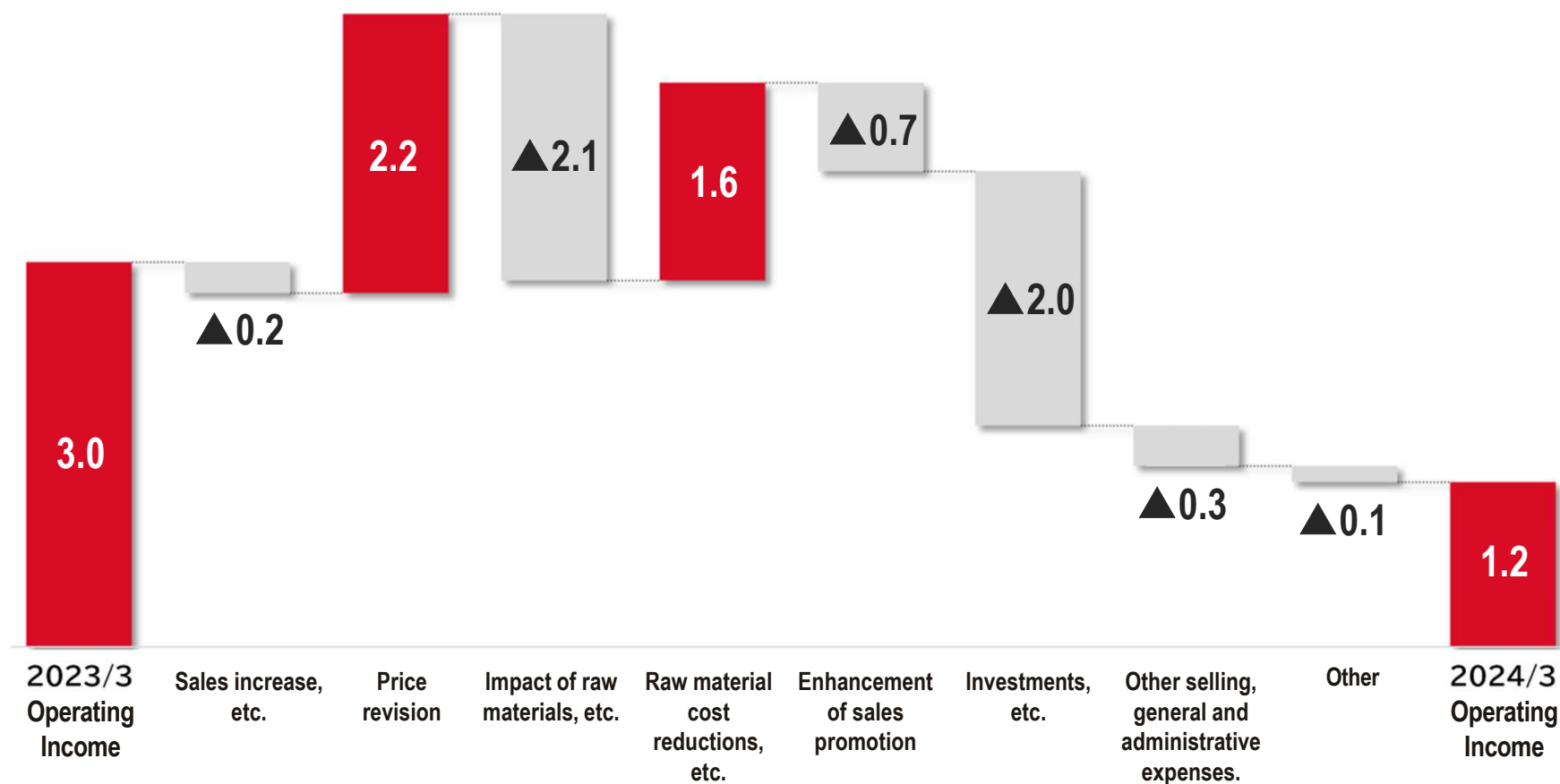
1. Outline of Consolidated Results for the Period Ended March 2024【2】

(Units: billions of yen)

	2023/3 (Actual Results)		2024/3 (Actual Results)				2025/3 (Forecast)	
	Amount	Sales distribution ratio	Amount	Sales distribution ratio	Variation amount	Variation percentage	Amount	Variation percentage
Net Sales	124.0	100.0%	127.9	100.0%	+ 3.9	+ 3.2%	134.0	+ 4.7%
Gross Profit	39.5	31.9%	39.9	31.2%	+ 0.3	+ 0.9%	43.6	+ 9.2%
Selling, general and administrative expenses	36.5	29.5%	38.6	30.2%	+ 2.0	+ 5.7%	41.5	+ 7.4%
Operating Income	3.0	2.4%	1.2	1.0%	△1.7	△57.5%	2.1	+ 63.8%
Ordinary Income	3.5	2.9%	1.8	1.4%	△1.7	△49.2%	2.7	+ 49.2%
Profit attributable to owners of parent	2.5	2.0%	1.4	1.1%	△1.0	△41.8%	1.6	+ 9.0%

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

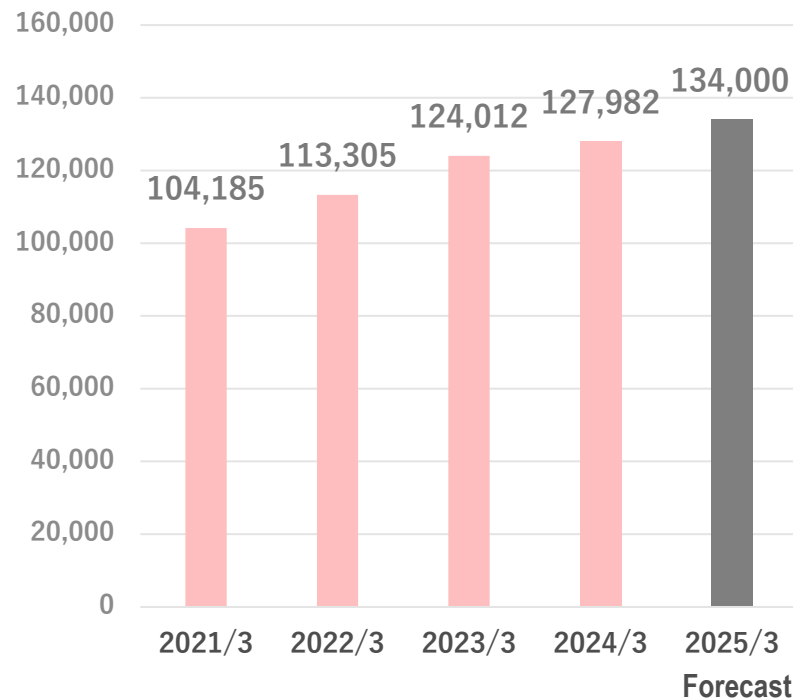
(Units: billions of yen)



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

(Units: millions of yen)

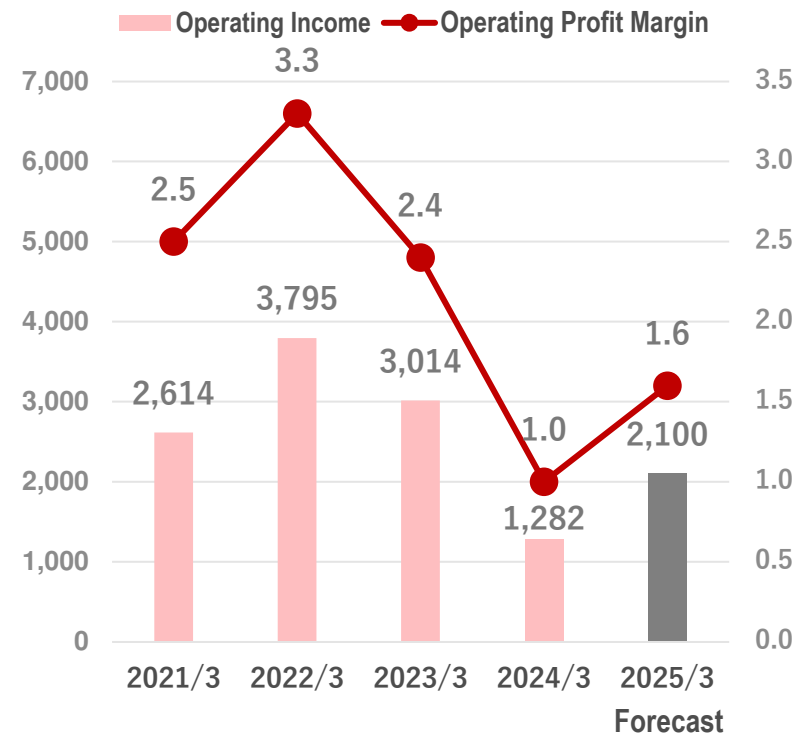
Net Sales



Sales growth was secured in the period ending March 2022, due to the requirement for people to stay home, arising from the COVID-19 pandemic and through a revision of prices conducted in response to the rising costs of raw materials, since the period ending March 2023, as well as the development of demand in the kitchen sector.

(Units: millions of yen / %)

Operating Income / Operating Profit Margin

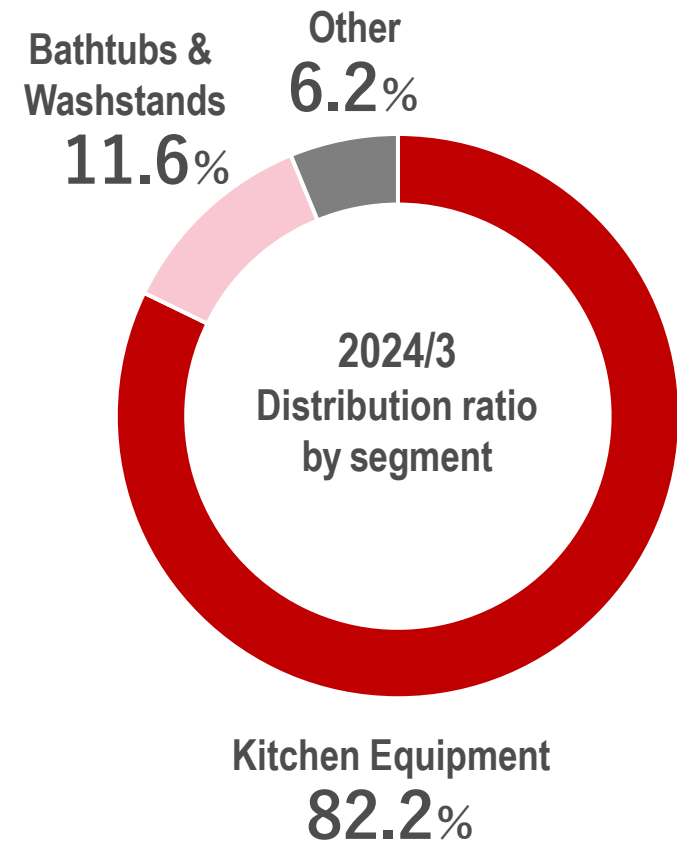


Securing profit was a struggle, due to the rising costs of raw materials and the increases to selling, general and administrative expenses, as well as the increased sales distribution ratio of low-priced products.

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

(Units: billions of yen)

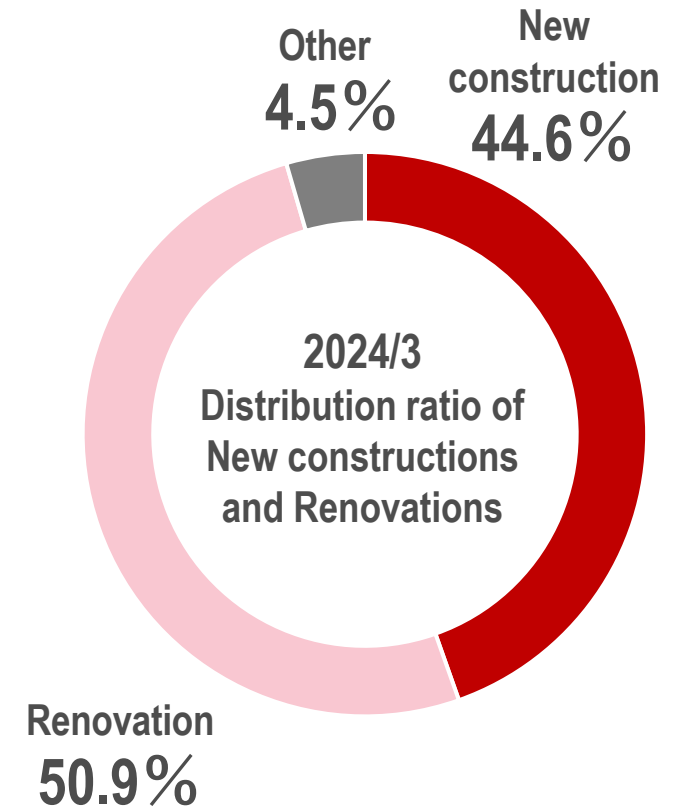
	2023/3 (Actual Results)		2024/3 (Actual Results)	
	Amount	Sales distribution ratio	Amount	Sales distribution ratio
Kitchen Equipment	100.8	81.3%	105.1	82.2%
Bathtubs & Washstands	15.2	12.3%	14.8	11.6%
Other	7.9	6.4%	8.0	6.2%



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

(Units: billions of yen)

	2023/3 (Actual Results)		2024/3 (Actual Results)	
	Amount	Sales ratio	Amount	Sales ratio
New construction	54.2	43.7%	57.1	44.6%
Renovation	64.2	51.8%	65.0	50.9%
Other	5.5	4.5%	5.7	4.5%



4. Consolidated Balance Sheet Summary

(Units: millions of yen)

		End of March 2023	End of March 2024	Variation amount	Main Factors
Assets	Current assets	56,787	55,769	△1,018	Cash and deposits △3,453 Electronically recorded monetary claims +1,811
	Non-current assets	31,151	35,423	+ 4,271	Property, plant and equipment +1,640 Intangible assets +1,318
Total Assets		87,938	91,192	+3,253	
Liabilities	Current liabilities	26,387	28,113	+ 1,725	Electronically recorded obligations +1,156
	Non-current liabilities	5,693	6,409	+ 716	Long-term borrowings +658
Total liabilities		32,081	34,523	+ 2,441	
Net assets		55,857	56,669	+ 811	Profit +1,468 Dividends paid △959
Total liabilities and net assets		87,938	91,192	+ 3,253	

5. Consolidated Cash Flow Statement Summary

(Units: millions of yen)

	End of March 2023	End of March 2024	Main Factors
Cash and cash equivalents at beginning of period	21,986	22,034	
Cash flows from operating activities	4,303	2,433	Profit before income taxes + 2,162 Depreciation + 4,328 Increase in trade receivables Δ 1,951 Increase in inventories Δ 1,369 Income taxes paid Δ 948
Cash flows from investing activities	Δ 2,285	Δ 5,358	Proceeds from sales of investment securities + 657 Purchase of property, plant and equipment Δ 3,613 Purchase of intangible assets Δ 2,441
Cash flows from financing activities	Δ 2,025	Δ 572	Proceeds from long-term borrowings + 3,000 Repayments of long-term borrowings Δ 1,675 Dividends paid Δ 959 Purchase of treasury shares Δ 641
Cash and cash equivalents at end of period	22,034	18,580	

6. Capital Investments (Consolidated)

(Units: Billions of yen)

Major Capital Investment Details

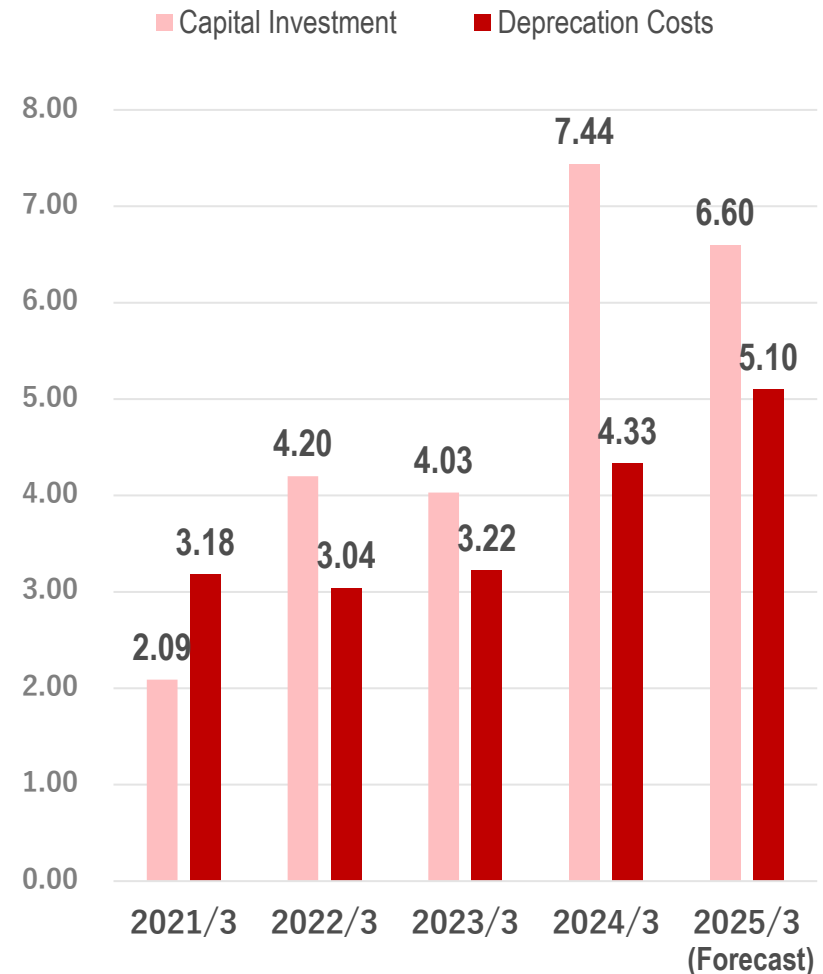
FY 2023 Results

① Production-Related	2,940 million yen
② Operations-Related	1,310 million yen
③ ESG-Related	230 million yen
④ Information-Related	2,410 million yen
⑤ Others	530 million yen

FY 2024 Plan

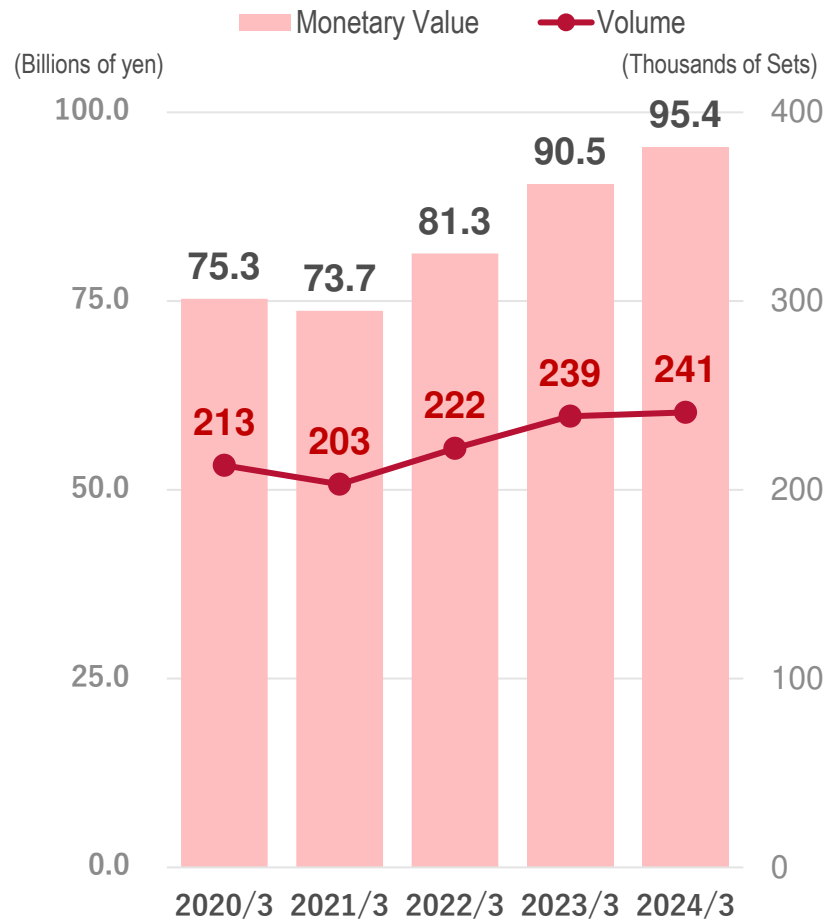
① Production-Related	2,080 million yen
② Operations-Related	790 million yen
③ ESG-Related	810 million yen
④ Information-Related	2,300 million yen
⑤ Others	590 million yen

Trends in Capital Investment and Depreciation Costs

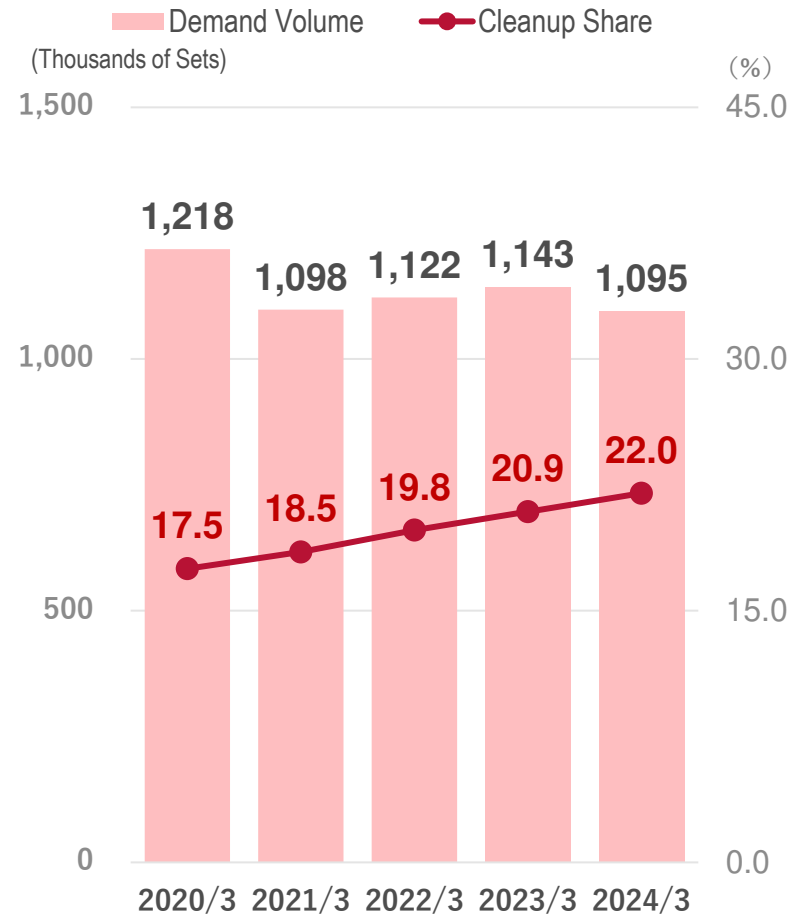


7. Sales Results For Major Products and Cleanup Market Share – 1/3 Complete System Kitchen

Complete System Kitchen Sales Results

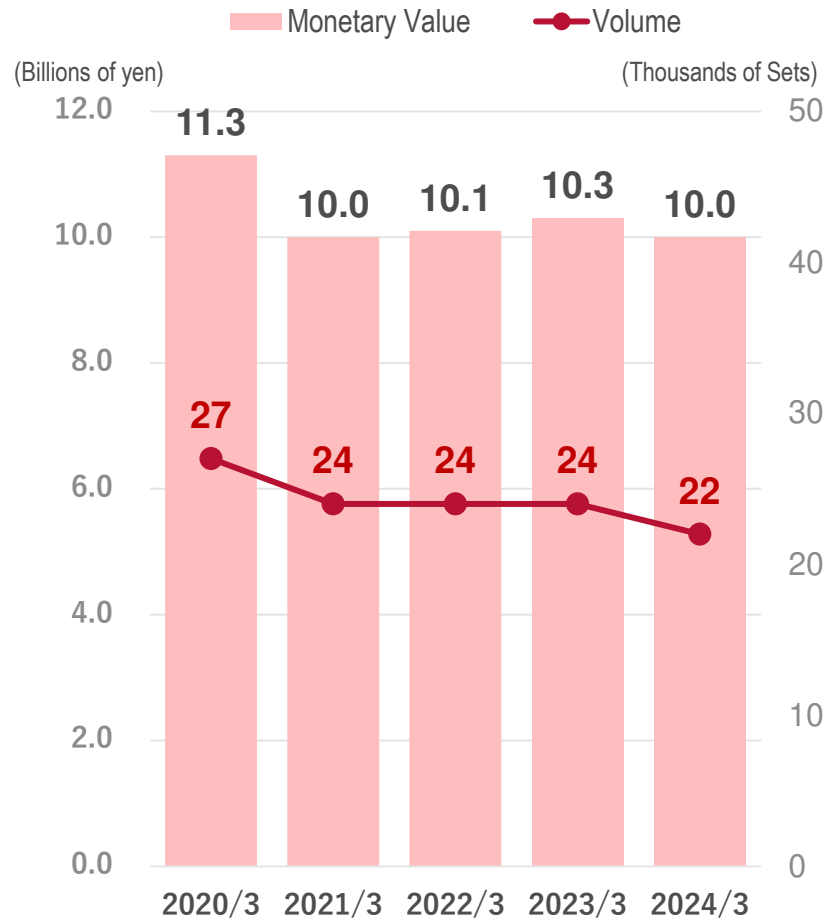


Demand Trends and Market Share

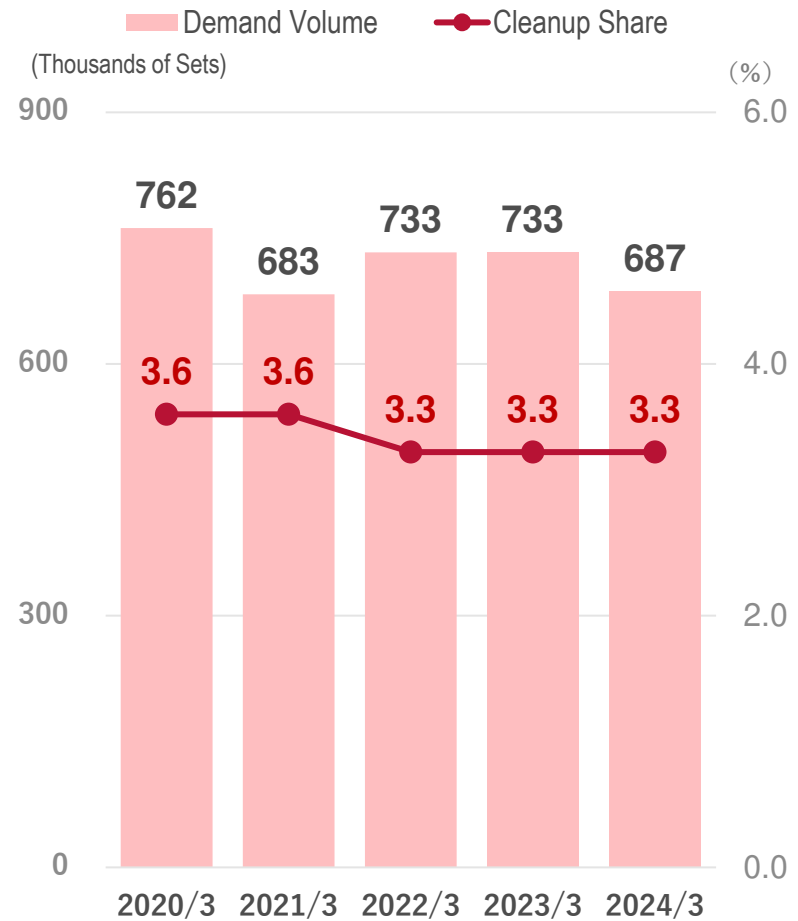


7. Sales Results For Major Products and Cleanup Market Share – 2/3 Modular System Bathroom

Modular System Bathroom Sales Results

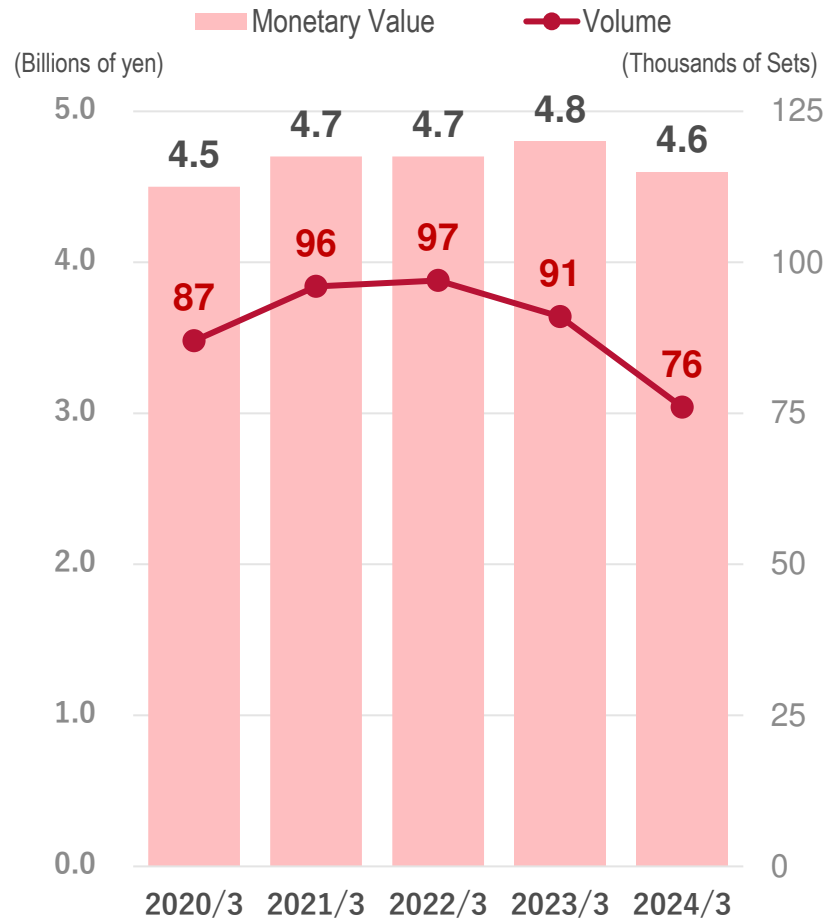


Demand Trends and Market Share

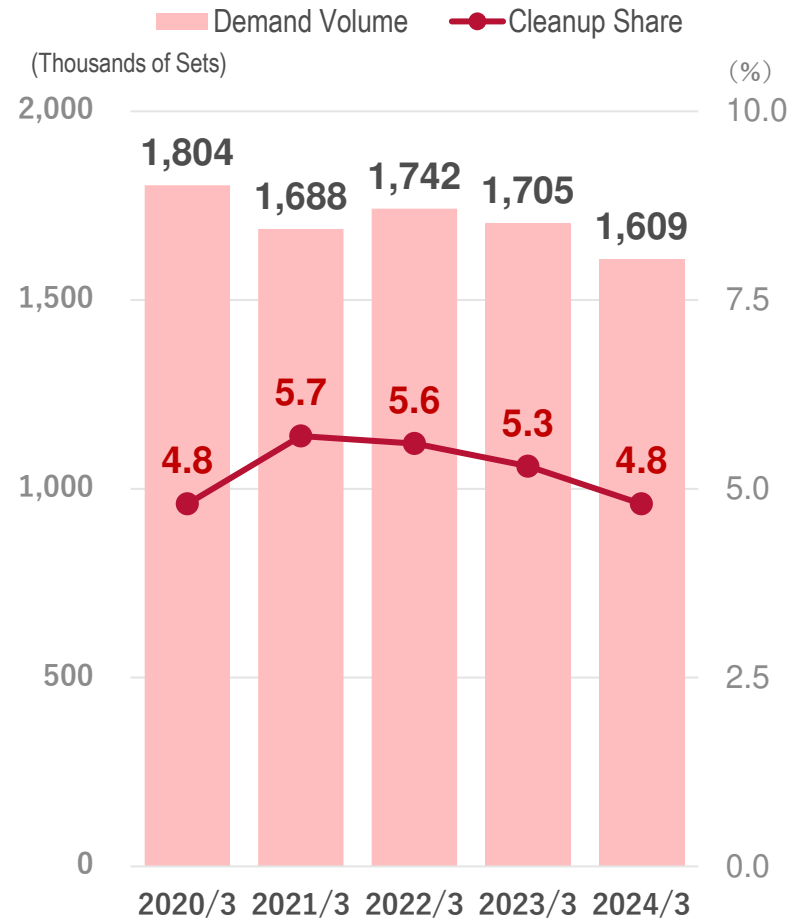


7. Sales Results For Major Products and Cleanup Market Share – 3/3 Washstands/Vanities

Washstands/Vanities Sales Results



Demand Trends and Market Share



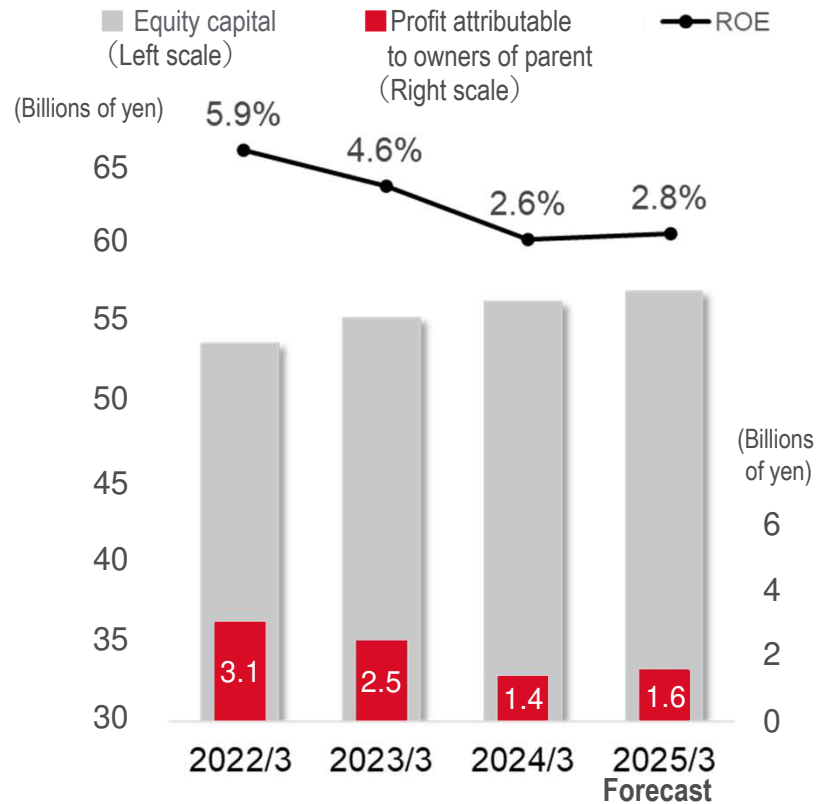
8. Forecasted Consolidated Results for the Period Ending March 2025

(Units: billions of yen)

	2023/3 (Actual Results)	2024/3 (Forecast)	Variation amount	Variation percentage
Net Sales	127.9	134.0	+ 60	+ 4.7%
Gross Profit	39.9	43.6	+ 36	+ 9.2%
Selling, general and administrative expenses	38.6	41.5	+ 28	+ 7.4%
Operating Income	1.2	2.1	+ 8	+ 63.8%
Ordinary Income	1.8	2.7	+ 8	+ 49.2%
Profit attributable to owners of parent	1.4	1.6	+ 1	+ 9.0%

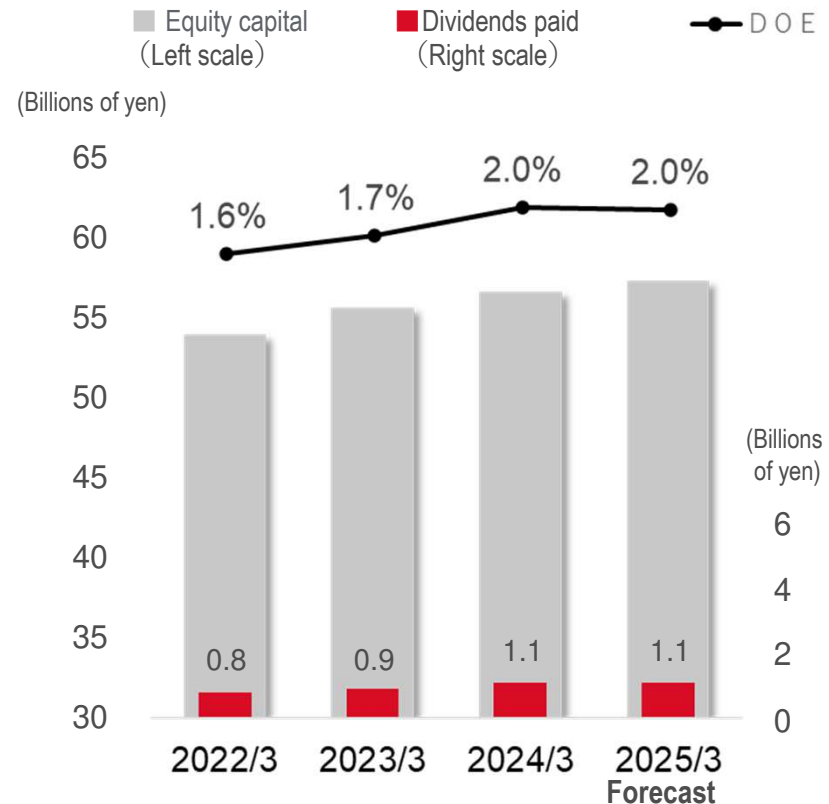
9. Profit Return Status and Plan

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 ① Kitchen

Flagship products Model change of "CENTRO"

A model change was implemented with the "CENTRO" stainless kitchen, our flagship product, which reached its 50th anniversary in 2023, as the very first system kitchen launched in Japan, with orders accepted since June 1. A large-scale model change was implemented with the "CENTRO", the first of such action taken, since the brand's renewal in 2018, "with the concept of **"changing aspirations into joy"**", delivered with high quality and sophisticated designs, as well as substantiated functionality, with users in mind, arriving at a form that represents aspirations and ideals of each individual person.

[Three major points]



Design with a solid sense of utility

Unity of space

Brand equipment

- Dishwashers and dryers supplied by the high-end brand "Miele".
- High-end faucet.



Reinforced acrylic artificial marble "Vortex"



Our original technology "Dark e-Coat" used in the kitchen worktop "Vibration Dark"



The standard sink "Stream Flow Square Sink"

High-end faucet (faucets manufactured by Hansgrohe), objects of aspirations

Product Related ① Kitchen

Sales of new business in the kitchen sector, **"Valcucine JP", launched nationwide**

Japan-exclusive model of the leading luxury kitchen brand from Italy, Valcucine, produced in Japan



- Nationwide sales launched from July, 2023 (previously sold only through direct sales routes).
- Organization established to facilitate the sales launch, capable of responding to planning, sales, installation and fitting, as well as after sales service requirements at Cleanup sales offices across the nation.
- A fusion of Italian "aesthetics" and Japanese "technology" delivers unprecedented supreme kitchens at retail sales and housing manufacture sales nationwide.

Exhibition booths for "Valcucine JP" currently being extended nationwide

- Minamiaoyama, Tokyo
Valcucine showroom
- Kitchen Town Tokyo
- Kitchen Town Osaka
- Kitchen Town Nagoya
- Sapporo Showroom
- Kobe Showroom
- Fukuoka Showroom, etc.

The ability to deliver products from an overseas brand that responds quickly and elaborately to customer requirements, is only possible for domestic production models manufactured by Cleanup, a dedicated kitchen manufacturer with many years of experience in manufacturing and sales of kitchens.

Product Related ① Kitchen



The stainless steel worktop "Vibration Dark" featured in "CENTRO"'s product lineup, received the 2023 **Good Design Award**



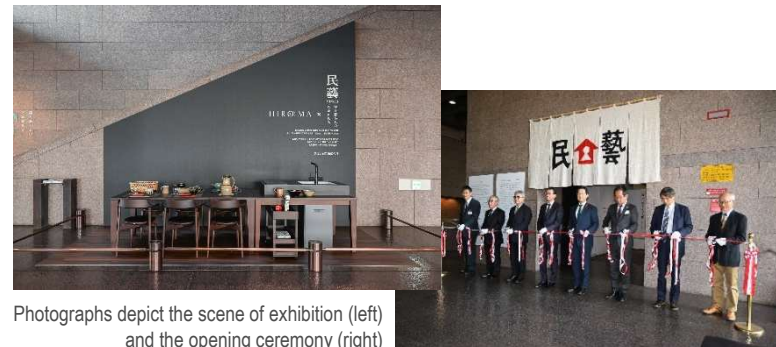
The new concept kitchen "HIROMA" received the **"Seed for the Future Award"***



* An award given to products that can contribute to the creation of superior architecture and products that lay foundations for the future

Proactively implemented exhibits of "HIROMA", as part of the kitchen proposal activities, with new concepts

- Sponsored and exhibited in "Mingei" special exhibition at Iwaki City Art Museum (from October 28 to December 17, 2023).
- Exhibited at "BAMBOO EXPO 20" (from November 20 to 21, 2023).



Photographs depict the scene of exhibition (left) and the opening ceremony (right)

Product Related ② Sanitary Facilities (baths and washstands)

Two bath and two washstand brands were introduced at the same time in February 2024.

[System Bathroom]

The new concept "Living Bathroom"]

The concept of making the "water sections more flexible and more like a living room", nurtured through many years of kitchen developments, was projected on the system bathroom as well. The bathroom is considered to be a room and designed as a space with interior styling, comfort and suitability for a diverse range of uses.



Medium price range "SELEVIA"

Interior components with textures of superior quality are used not only to configure bathrooms, but also as a means for coordinating the interior designs for connecting spaces



An entry model that offers both high design quality and ease of use

Popular price range "rakuvia"

[Washstands]

A common concept with the living bathroom
A product lineup that facilitates coordination for the space between the system bathroom and washroom, based on the concept of "creating a space that is loved and used more by the family"



New vessel type "ELVITA"

[Concept]

"The washstand that can create a space of aspirations"

[Concept]

"The standard washstand that facilitates easier living in the ideal space"



Standard model "rakutowa"

Showroom Related Matters

Showrooms are continuously renovated to sustain their attractive appeal

Showrooms at three locations were renovated in the period ending March 2024

Principal aspects of renovations

Showrooms for sharing sensations to experience lifestyles

- The "Space Proposal Corner" that reproduces the living space between the latest kitchen, the system bathroom and the washstand, as well as the sanitary facility room.
- The "Kitchen Studio" is where visitors can experience the sensation of using our products and it facilitates various events.



Nagasaki Showroom

Relocated and opened on November 18 (Saturday)



Tama Showroom

Renovated and opened on March 9 (Saturday)



Kobe Showroom

Renovated and opened on March 1 (Friday)



Overseas Business Related

Activities aimed at creating new overseas markets are continued, primarily for Asia

Prioritized activities for implementation of overseas business

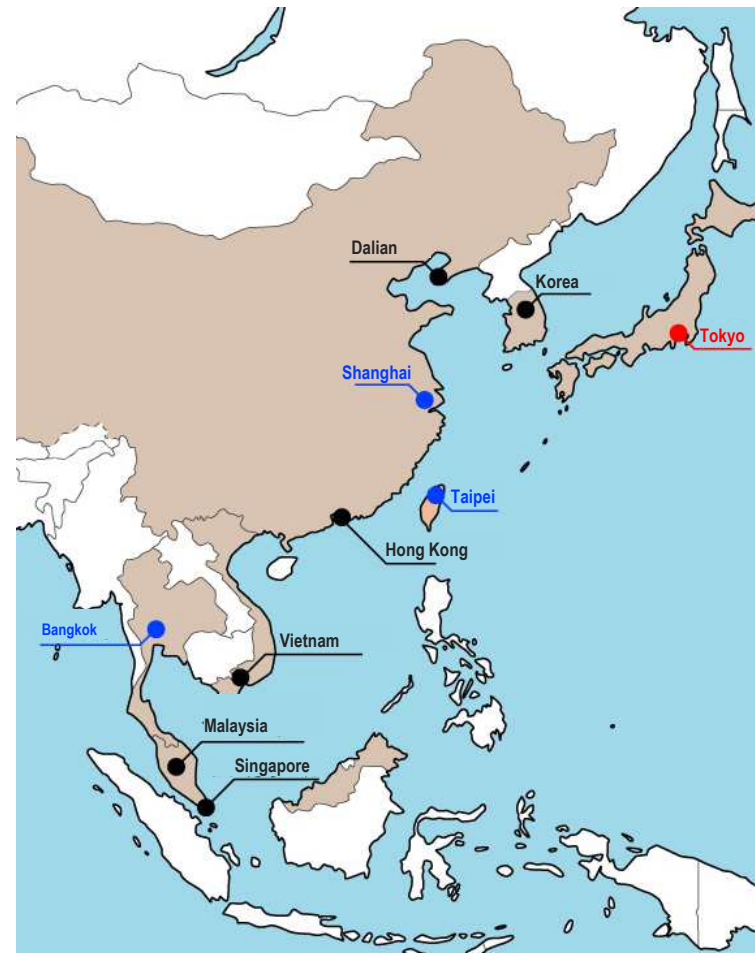
- Exports and sales of kitchen products made with stainless steel, are considered key items, primarily for Asian destinations.
- Locally produced model of the system kitchen in Thailand, "R&C", undergoes continuous model changes in response to the needs of customers.
- Proactive implementations of sales activities and sales channel expansions through on-site visits.
- New plans implemented through such efforts as the development of product specifications for overseas markets and the utilization of local SNS arenas



Exhibit of new locally produced models



Introduction of products overseas, through SNS



Sustainability Related

Diverse developments of the long-term vision "Future Kitchen Project"

[Future Kitchen Illustration Contest]

3,003 illustrations were submitted from across the nation in 2023, which marked the first year of the contest, with 18 illustrations selected for the Grand Prize and the Merit Awards



<Grand Prize> Miss Ren Nishioka, 3rd Grade at Chiba City Tokeminami Elementary School



A scene from the award ceremony of the Cleanup "Future Kitchen Project" industry and academia joint presentation, convened on March 7, 2024 (Thursday) (at Ichigaya Campus of Musashino Art University)

[Mobility Kitchen]

A prototype was presented of the next-generation kitchen "Mobility Kitchen", from research and development conducted through this project



- Although it is intended to offer a new function of mobility, it also features the functionality of a main kitchen.
- The sink is fitted with a filtering device to facilitate a continuous supply of water, even at locations where no water supply facilities are available.
- The heating device is battery powered, to facilitate cooking anywhere.
- Components can be stacked to reduce the bulk to a compact size, making the system small enough to transport outdoors on small vehicles.
- A future is envisioned where people support each other by sharing food through the "Mobility Kitchen", used at individual homes, as well as by businesses in the event of a disaster.
- Unveiled after about five years following its conception.

A scene from the unveiling at the Cleanup "Future Kitchen Project" industry and academia joint presentation, convened on March 7, 2024 (Thursday) (at Ichigaya Campus of Musashino Art University)



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