

**Cleanup<sup>®</sup>**

**Presentation Material:  
Announcement of FY2005 Interim  
Results**

**November 15, 2005**

**Cleanup Corporation**

Tokyo Stock Exchange, 1<sup>st</sup> Section, Code 7955



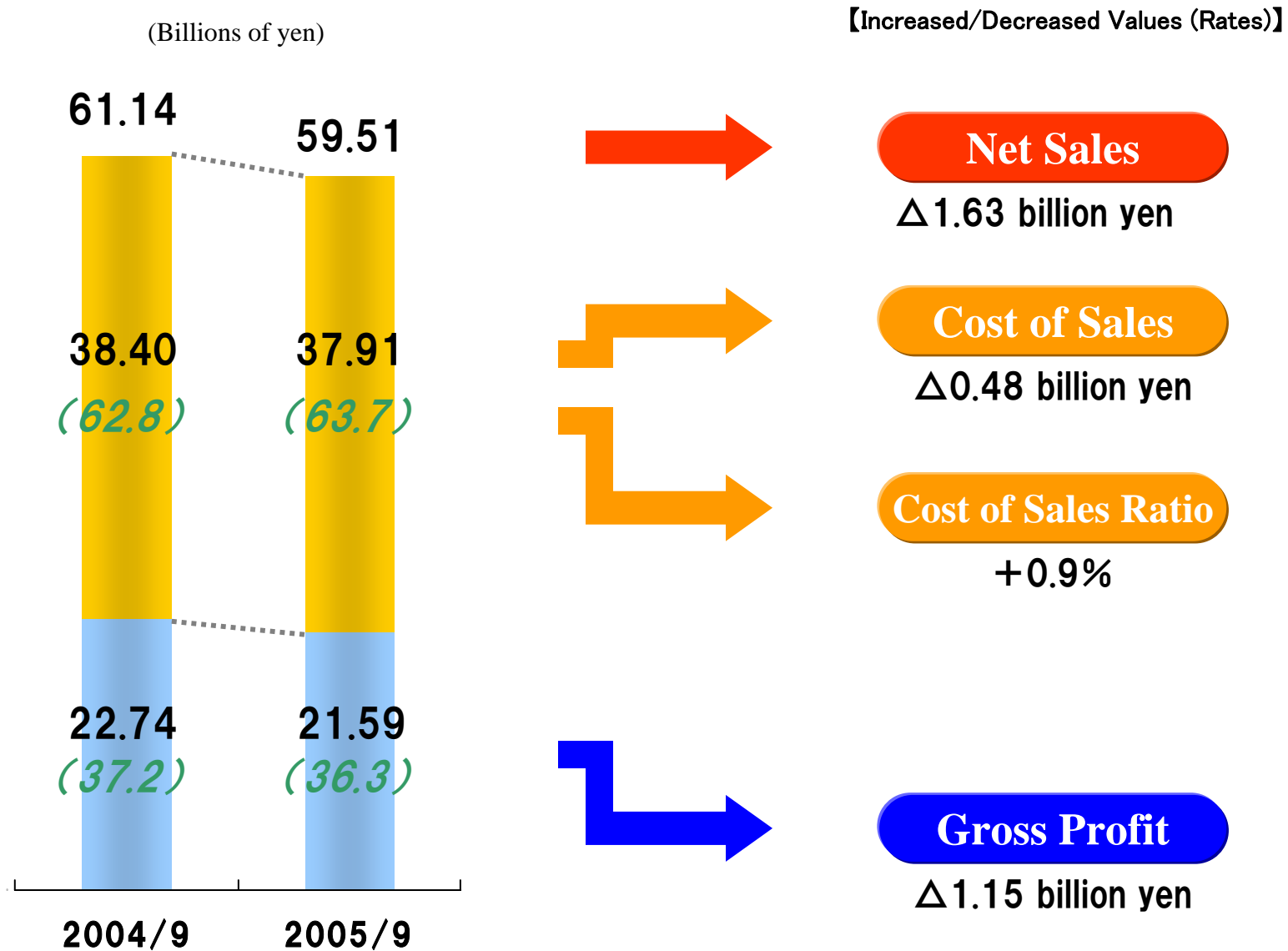
# I. Interim Results Outline

## 1. Outline of Consolidated Results for Interim Period Ended September 2005

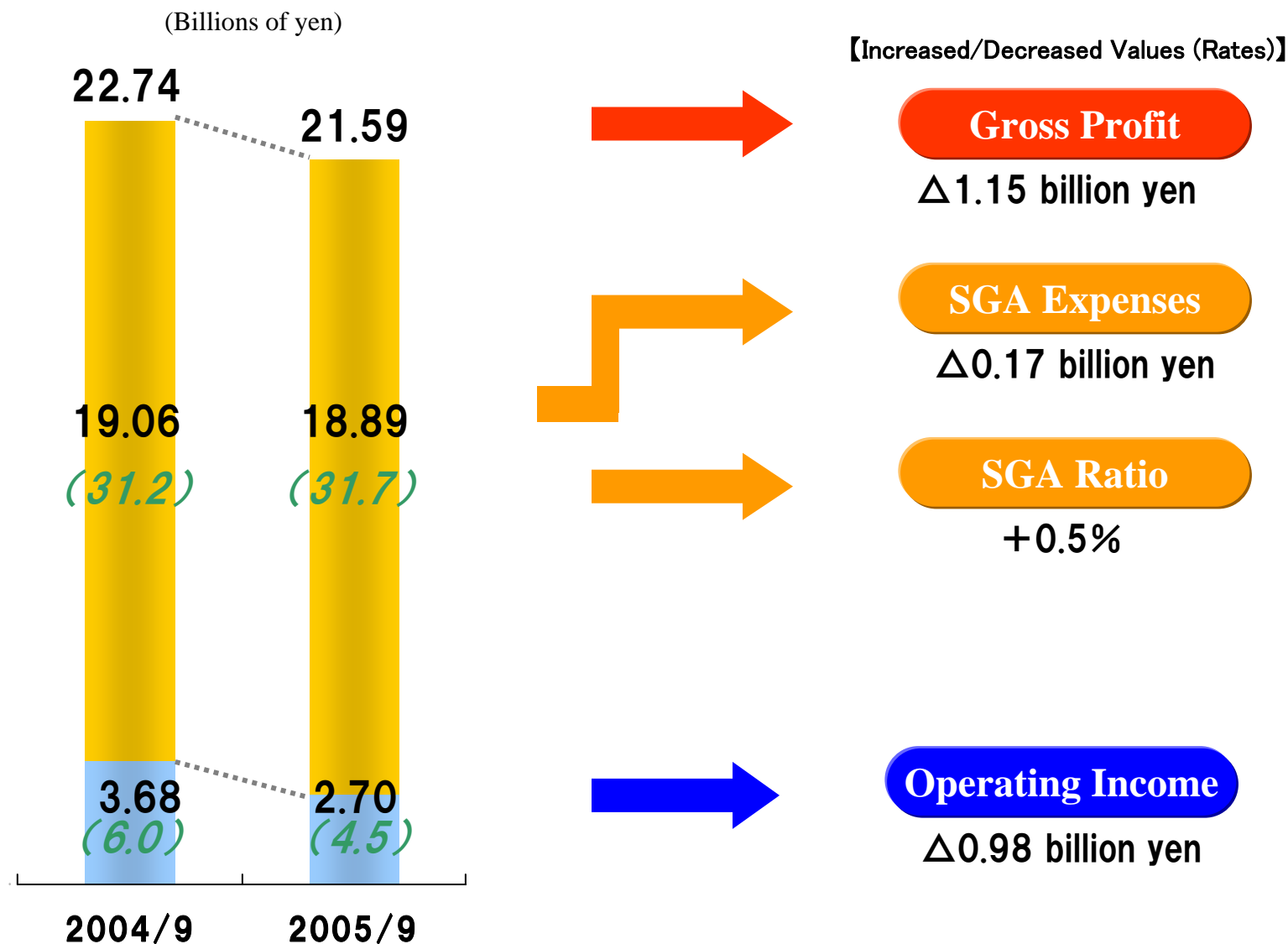
(Unit: millions of yen)

	2005/9 (Actual Results)	2004/9 (Actual Results)	<i>Change From Prev. Period</i>	2005/9 (Planned)	<i>Compared To Plan</i>
Net Sales	59,510	61,148	$\Delta 2.7\%$	62,200	$\Delta 4.3\%$
Operating Income	2,700	3,686	$\Delta 26.7\%$	3,100	$\Delta 12.9\%$
Ordinary Profit	2,571	3,528	$\Delta 27.1\%$	3,000	$\Delta 14.3\%$
Interim Net Income	1,241	1,870	$\Delta 33.6\%$	1,300	$\Delta 4.5\%$
Interim Net Income Per Share	25.40 yen	38.26 yen	$\Delta 33.6\%$	26.60 yen	$\Delta 4.5\%$

2. Consolidated Profits ① Net Sales, Gross Profit

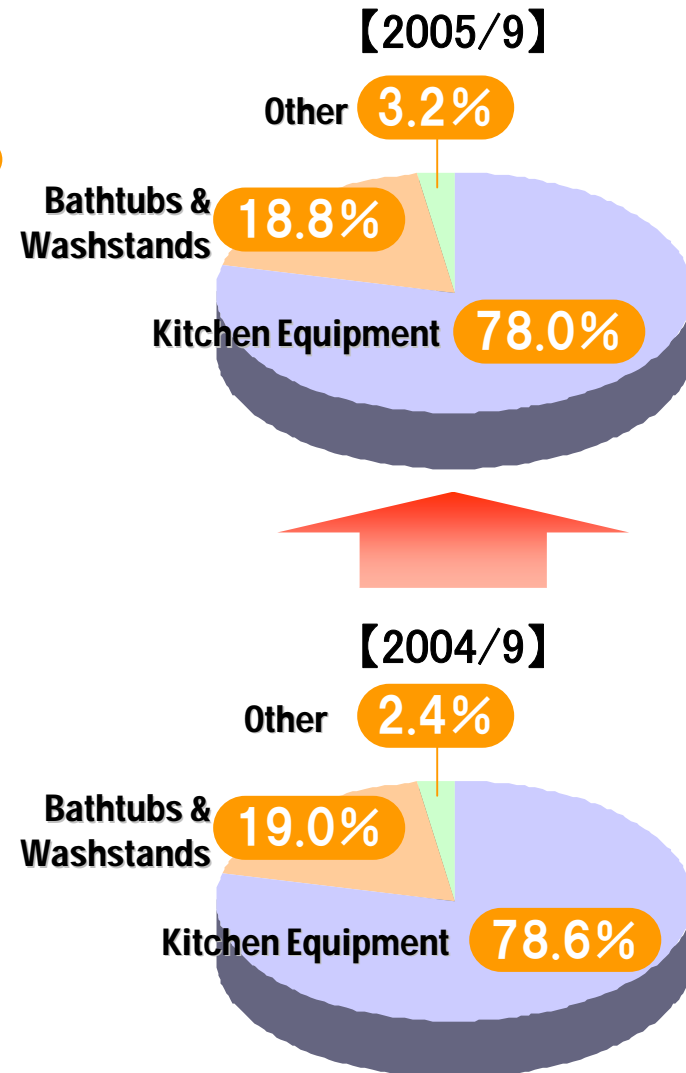
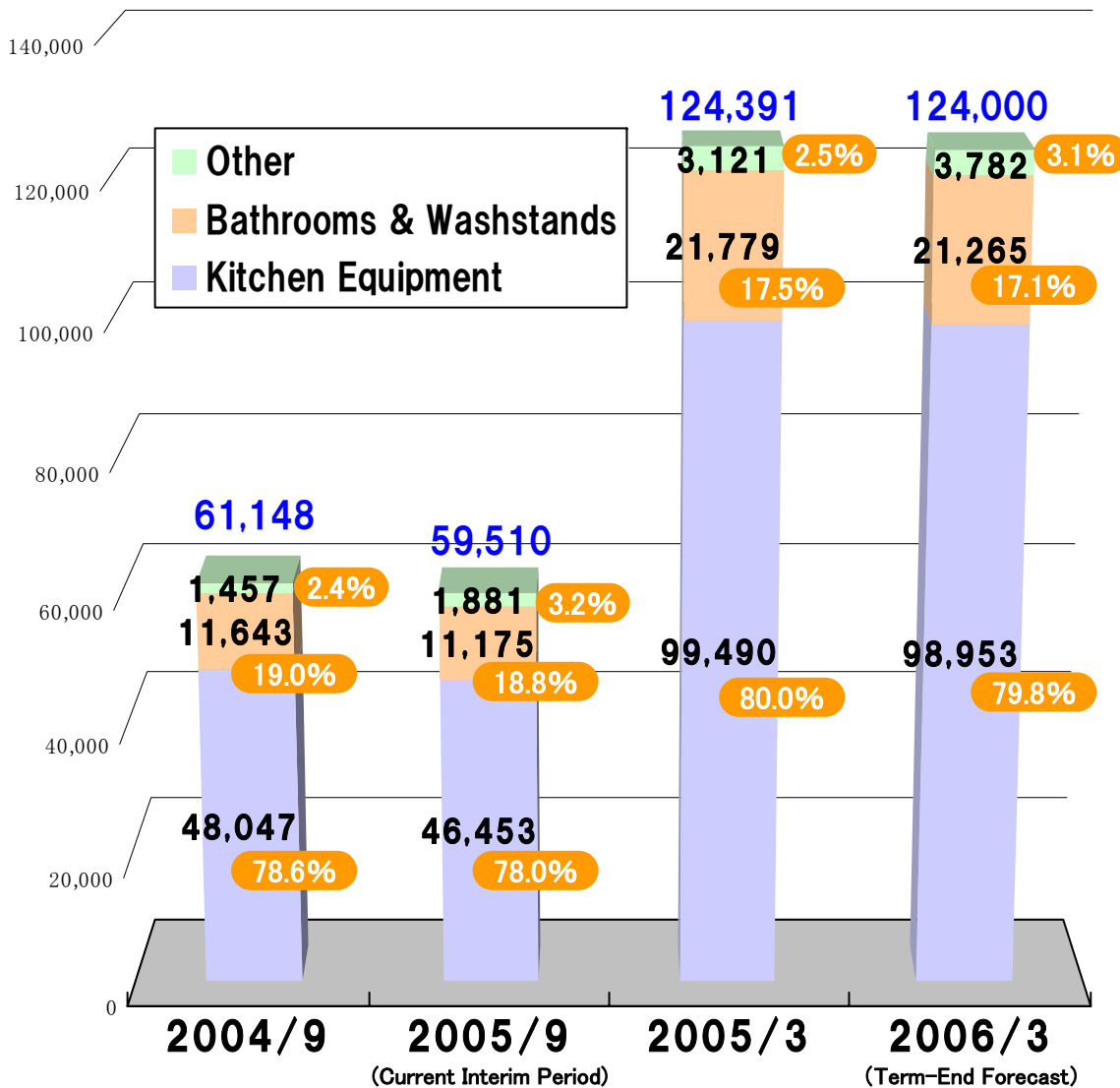


## 2. Consolidated Profits ② SGA Expenses, Operating Income

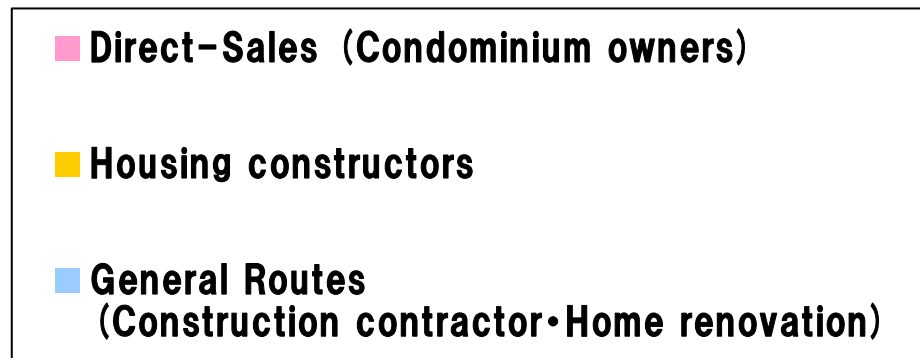


### 3. Sales Composition ① By Segment (Consolidated)

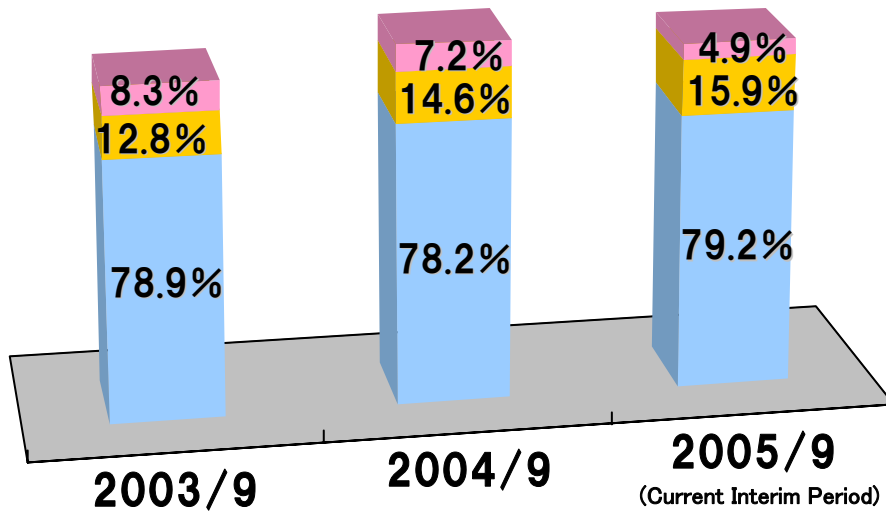
(Millions of yen)



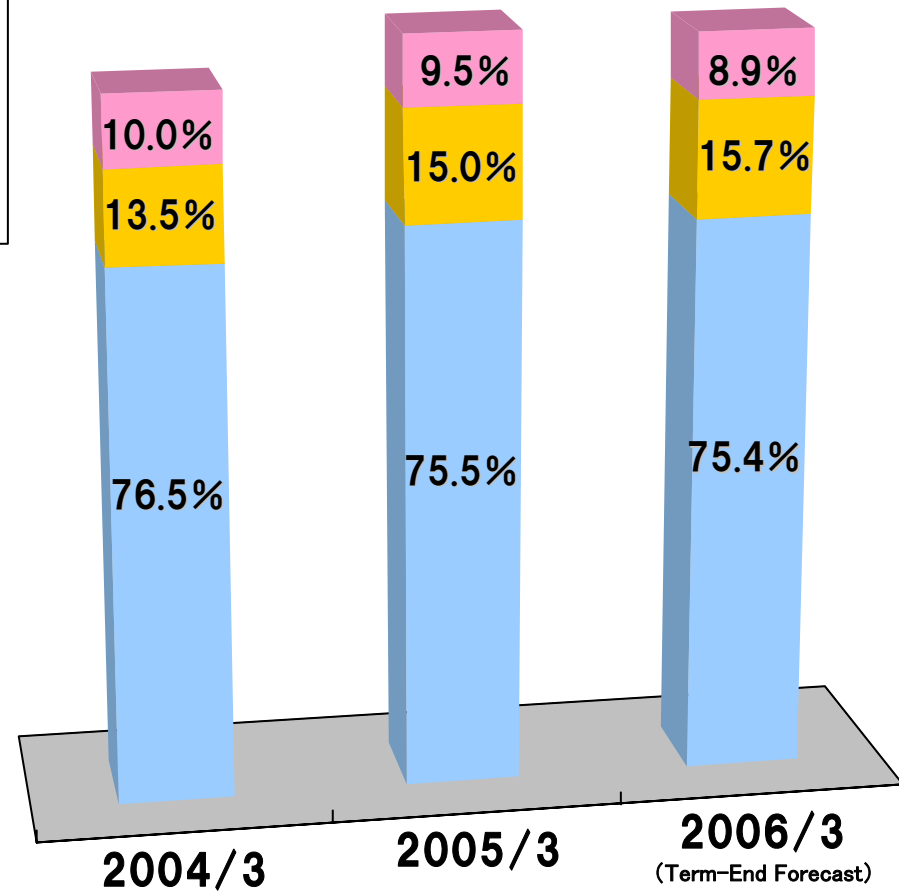
### 3. Sales Composition ② By Sales Route (Non-Consolidated)



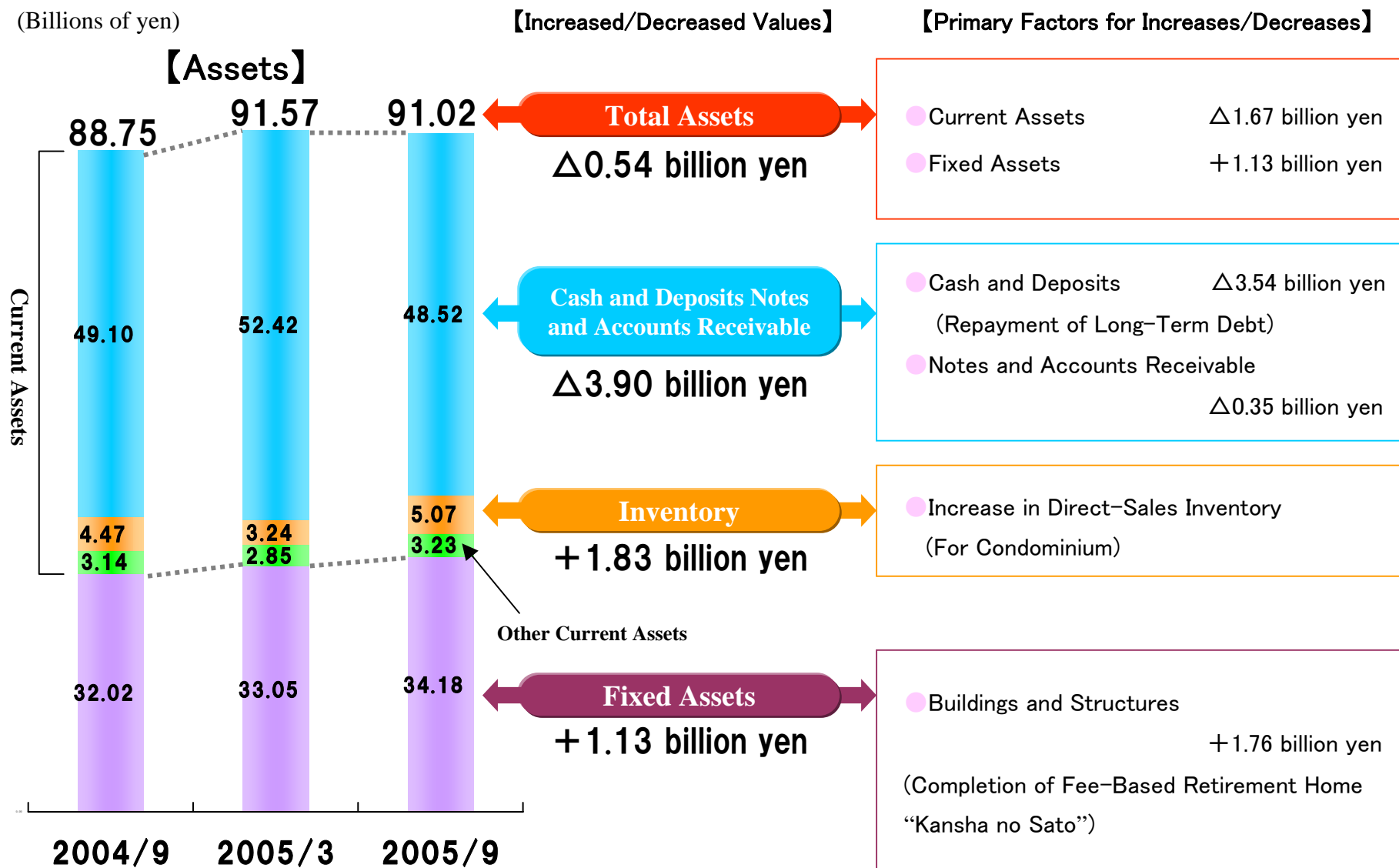
【First-Half Base】



【Full-Term Base】



## 4. Consolidated Balance Sheet Summary – 1/2

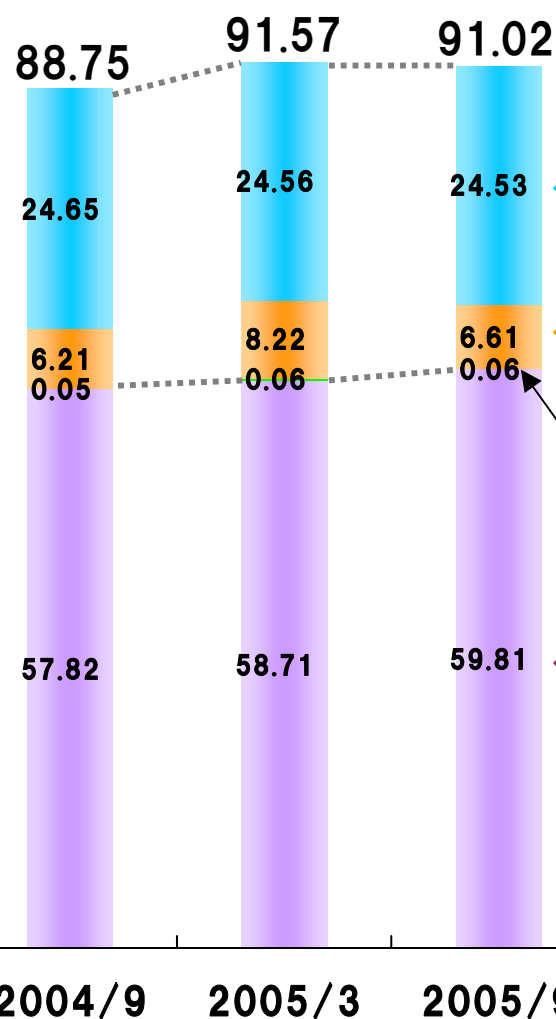




## 4. Consolidated Balance Sheet Summary – 2/2

(Billions of yen)

【Liabilities・Minority Interests・Assets】



【 Increased/Decreased Values 】

**Current Liabilities**  
 $\Delta 0.03$  billion yen

**Long-Term Liabilities**  
 $\Delta 1.61$  billion yen

Minority Interests

**Total Assets**  
 $+ 1.09$  billion yen

【Primary Factors for Increases/Decreases】

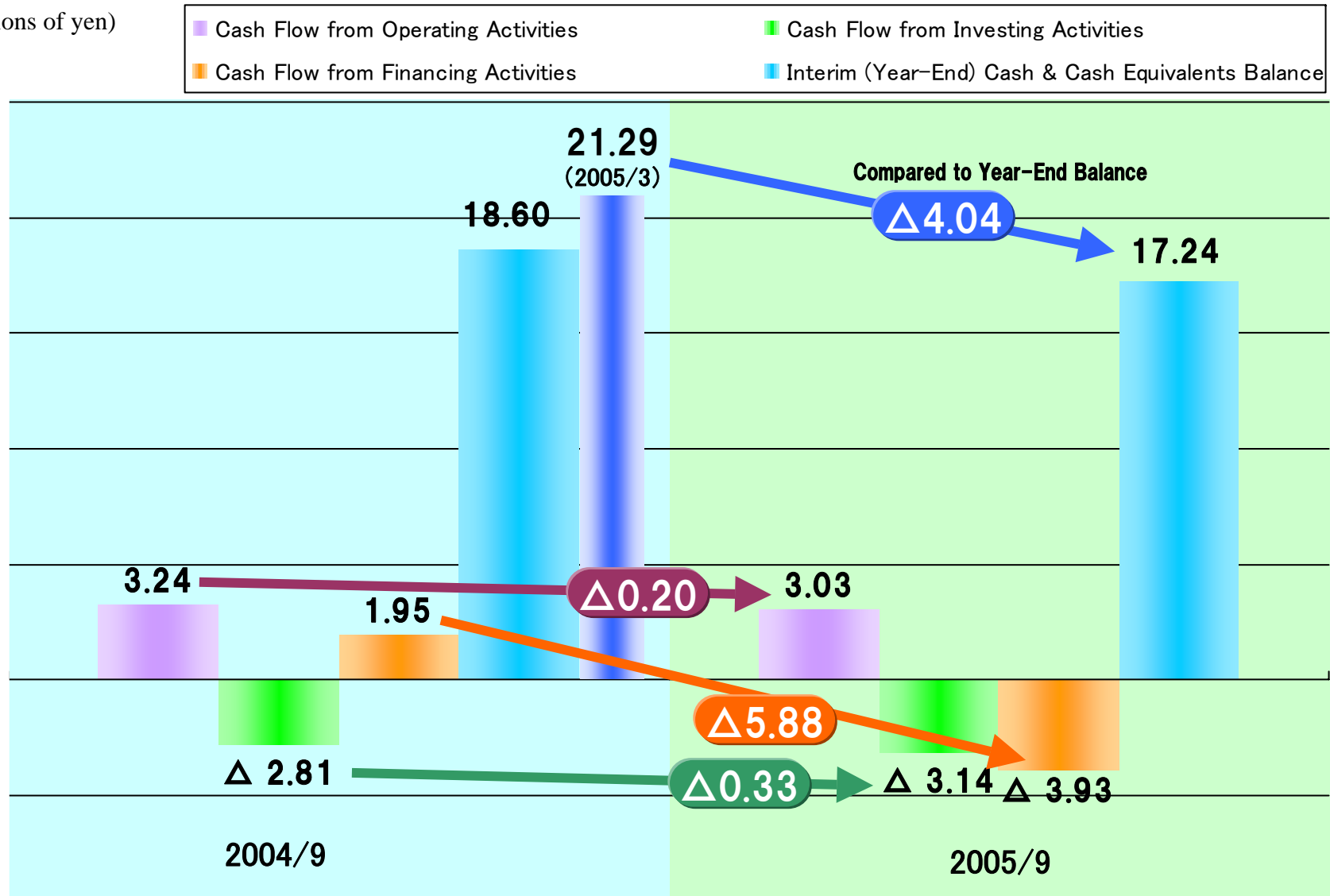
Accounts Payable	+0.47 billion yen
Short-Term Debt	+1.90 billion yen
Current Portion of Long-Term Debt	$\Delta 4.40$ billion yen
Unpaid Obligations	+0.92 billion yen
Bonus Reserves	+0.032 billion yen
Advanced Payments Received	+0.83 billion yen

Long-Term Debt	$\Delta 0.93$ billion yen
Long-Term Unpaid Obligations	+1.15 billion yen
Retirement Benefits Reserve Fund	$\Delta 1.94$ billion yen

Retained Earnings	+0.71 billion yen
Unrealized Gain on Securities	+0.38 billion yen

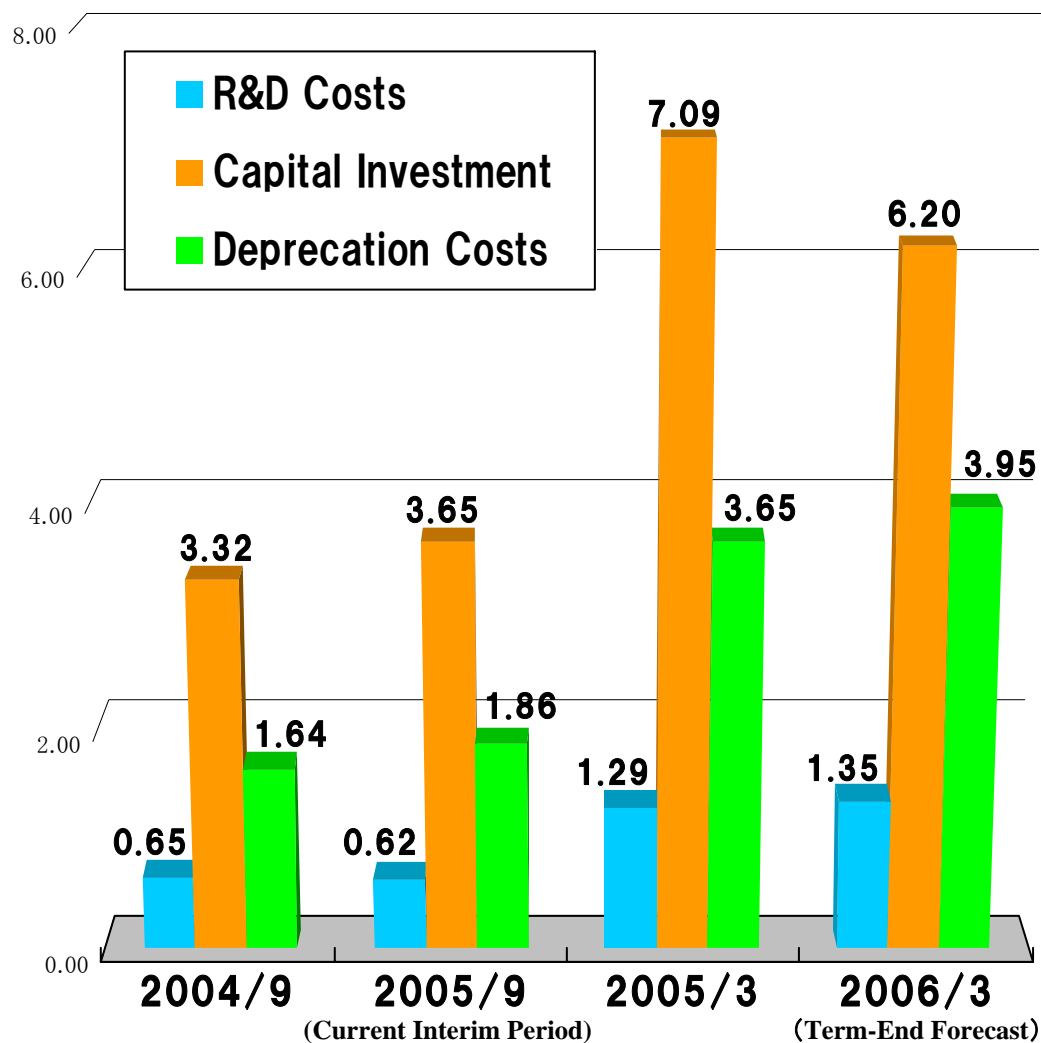
## 5. Consolidated Cash Flow Statement Summary

(Billions of yen)



## 6. Capital Investments (Consolidated)

(Billions of yen)



### 【Major FY2005 Capital Investment Details】

#### First-Half Results

- ① Dies and Equipment for New Product                      0.44 billion yen
- ② Production Facilities Rationalization                      0.28 billion yen
- ③ Showroom Transfer, etc.                      0.19 billion yen
- ④ Information Investment                      0.58 billion yen
- ⑤ Fee-Based Retirement Home                      0.91 billion yen

#### Second-Half Plan

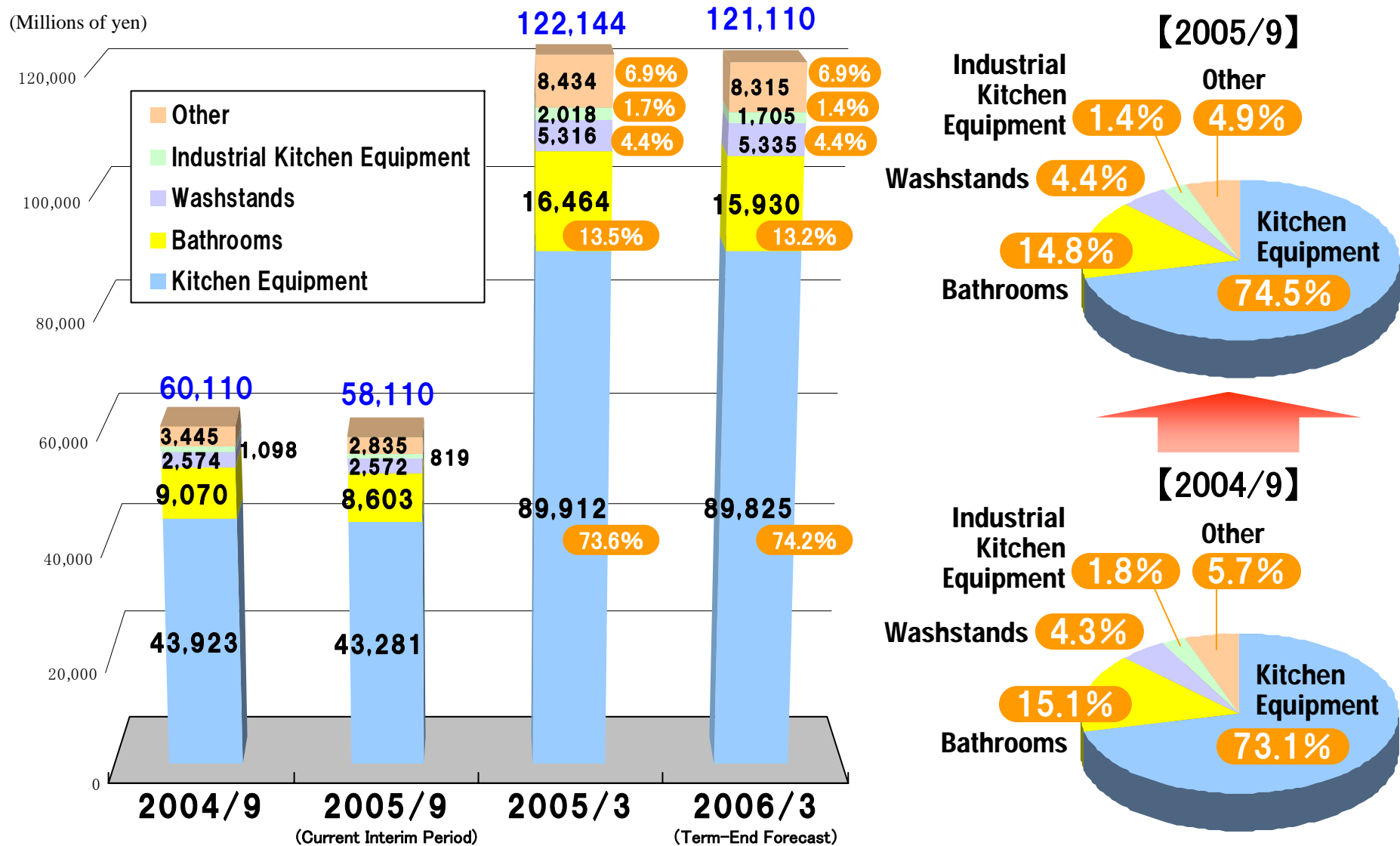
- ① Production-Related                      0.87 billion yen
- ② Operations-Related                      0.92 billion yen
- ③ Information-Related                      0.58 billion yen
- ④ Others                      0.17 billion yen

## 7. Outline of Non-Consolidated Results For Interim Period Ended September 2005

(Units: millions of yen)

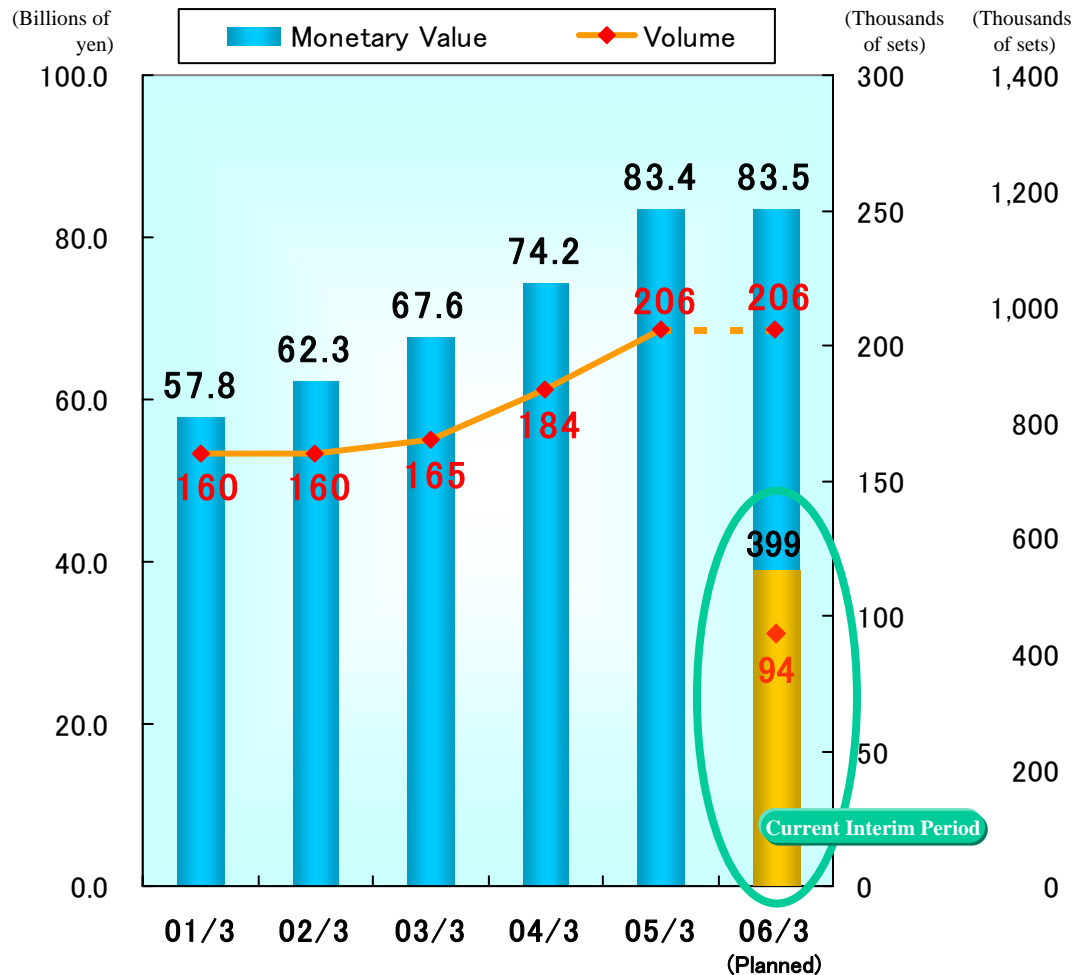
	2005/9 (Actual Results)	2004/9 (Actual Results)	<i>Change From Prev. Period</i>	2005/9 (Planned)	<i>Compared To Plan</i>
Net Sales	58,110	60,110	$\Delta 3.3\%$	61,000	$\Delta 4.7\%$
Operating Income	2,477	3,300	$\Delta 24.9\%$	2,950	$\Delta 16.0\%$
Ordinary Profit	2,580	3,346	$\Delta 22.9\%$	3,000	$\Delta 14.0\%$
Current Period Net Income	1,387	1,863	$\Delta 25.6\%$	1,400	$\Delta 0.9\%$
Interim Net Income Per Share	28.38 yen	38.12 yen	$\Delta 25.6\%$	28.64 yen	$\Delta 0.9\%$

## 8. Non-Consolidated Sales Composition By Segment

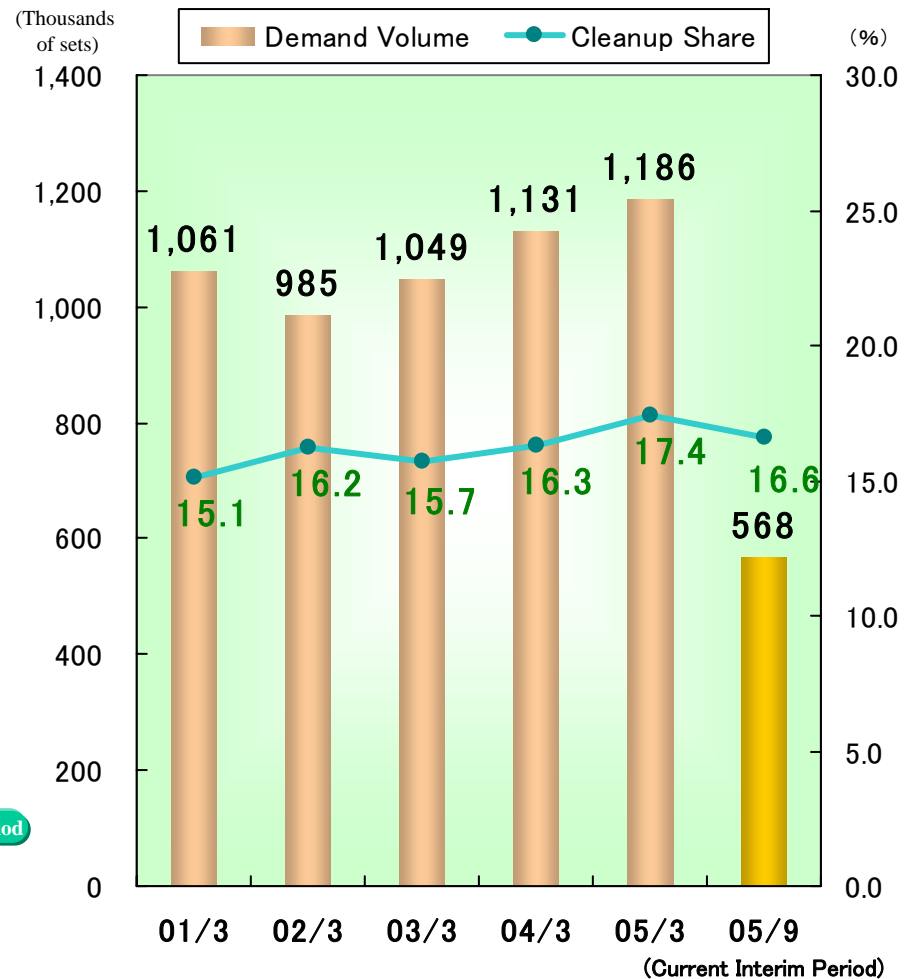


## 9. Sales Results For Major Products and Cleanup Market Share - 1/4

### Complete System Kitchen Sales Results

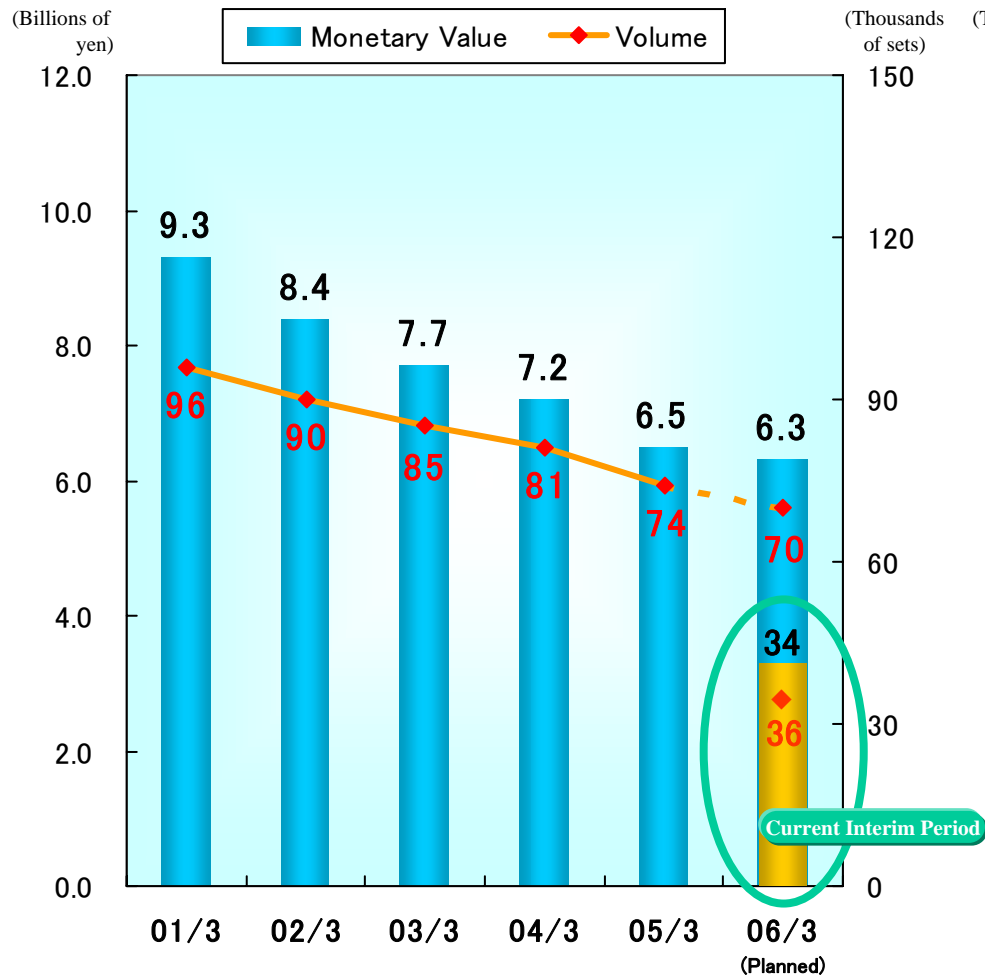


### Demand Trends and Market Share

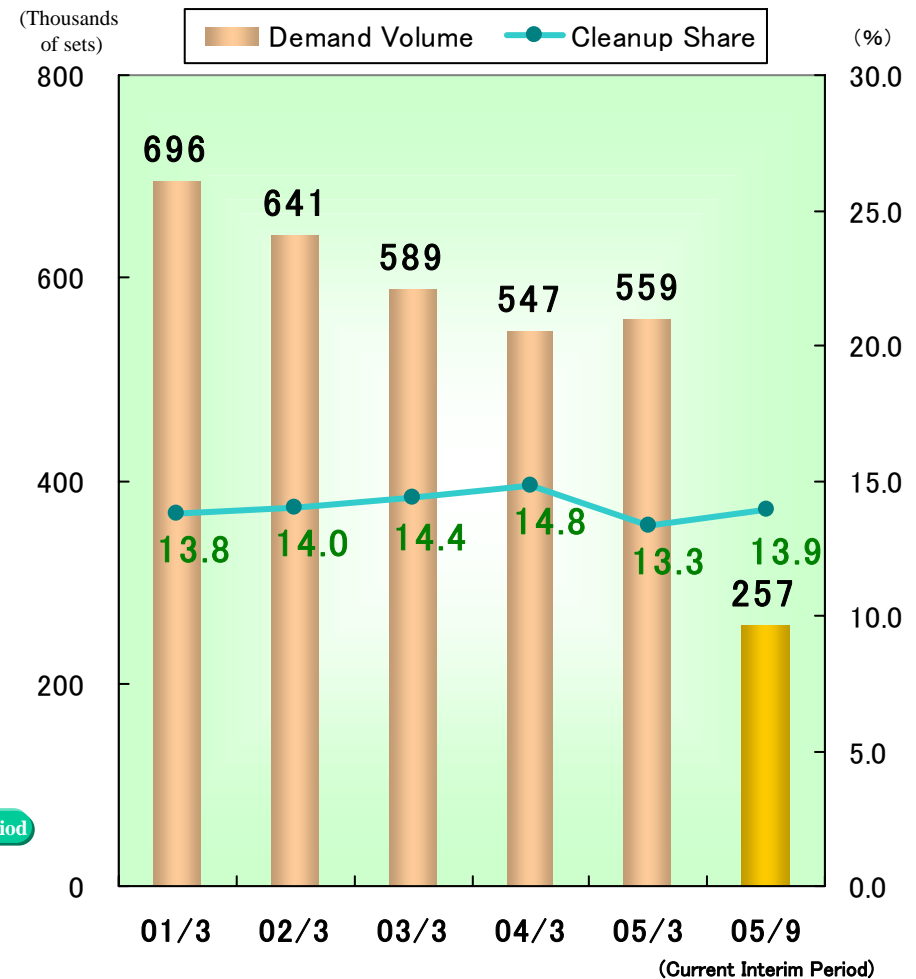


## 9. Sales Results For Major Products and Cleanup Market Share - 2/4

### Sectional System Kitchen Sales Results

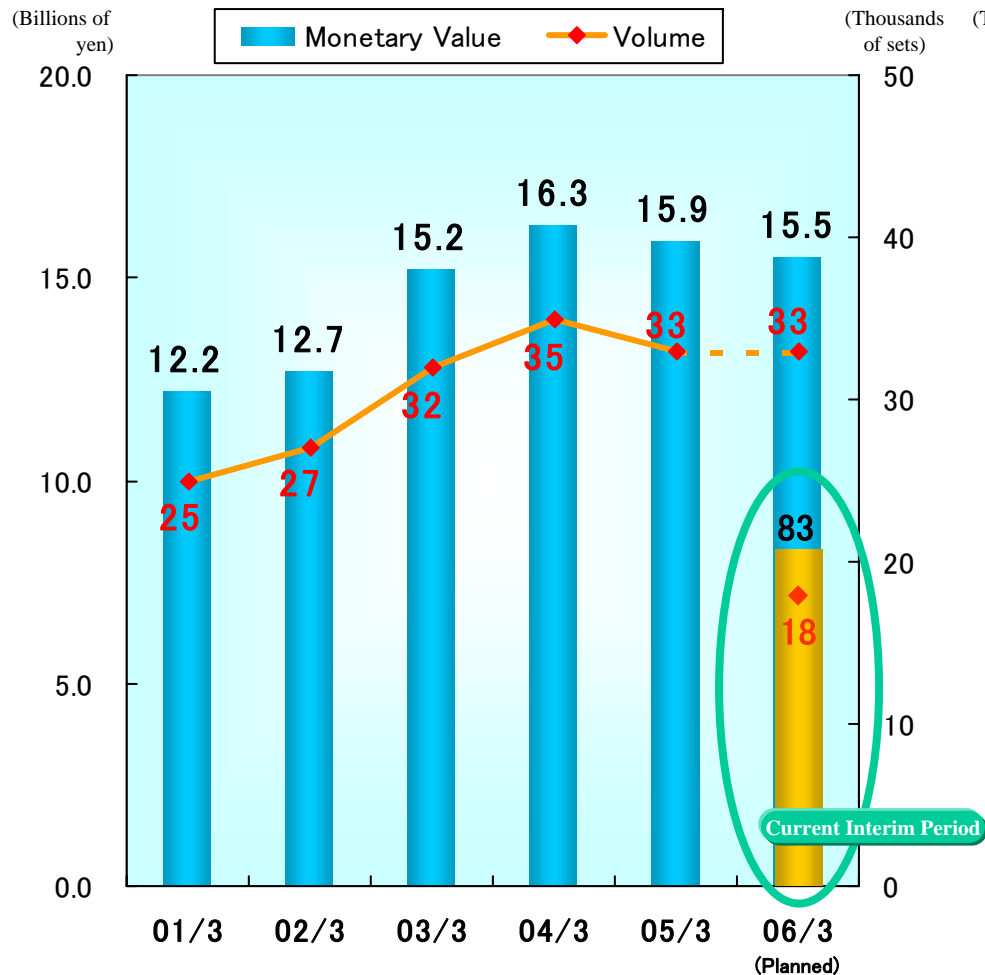


### Demand Trends and Market Share

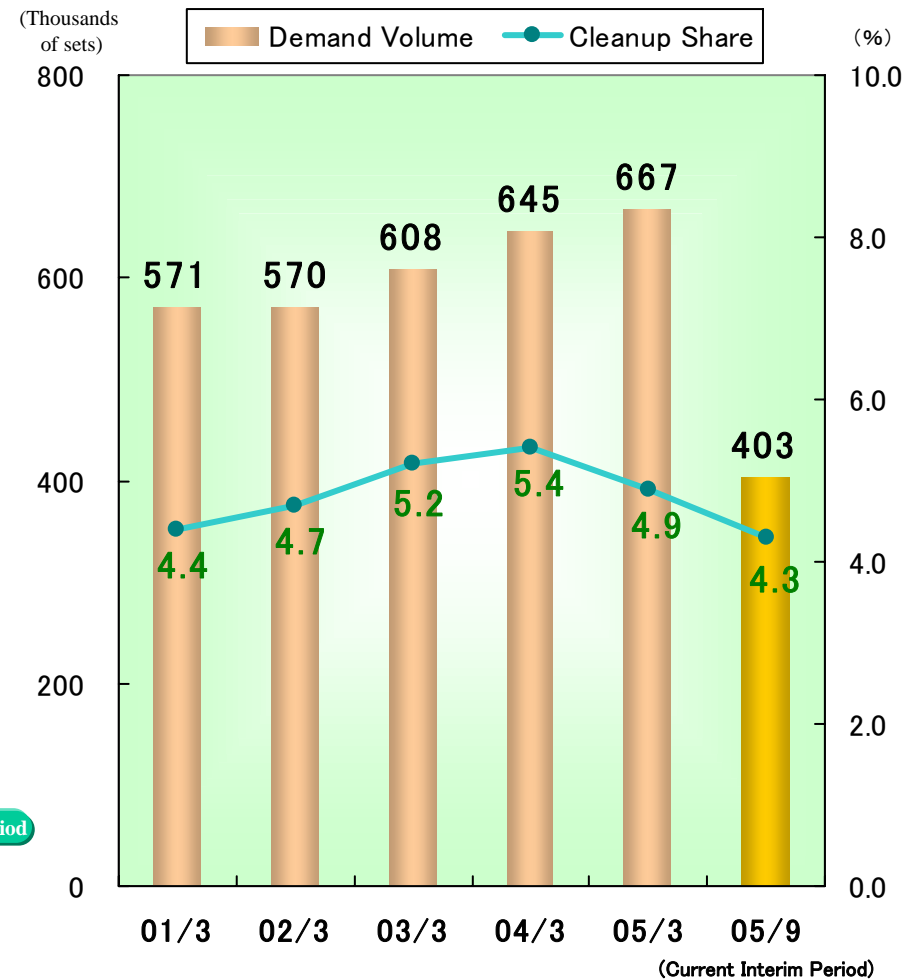


## 9. Sales Results For Major Products and Cleanup Market Share - 3/4

### Modular System Bathroom Sales Results



### Demand Trends and Market Share

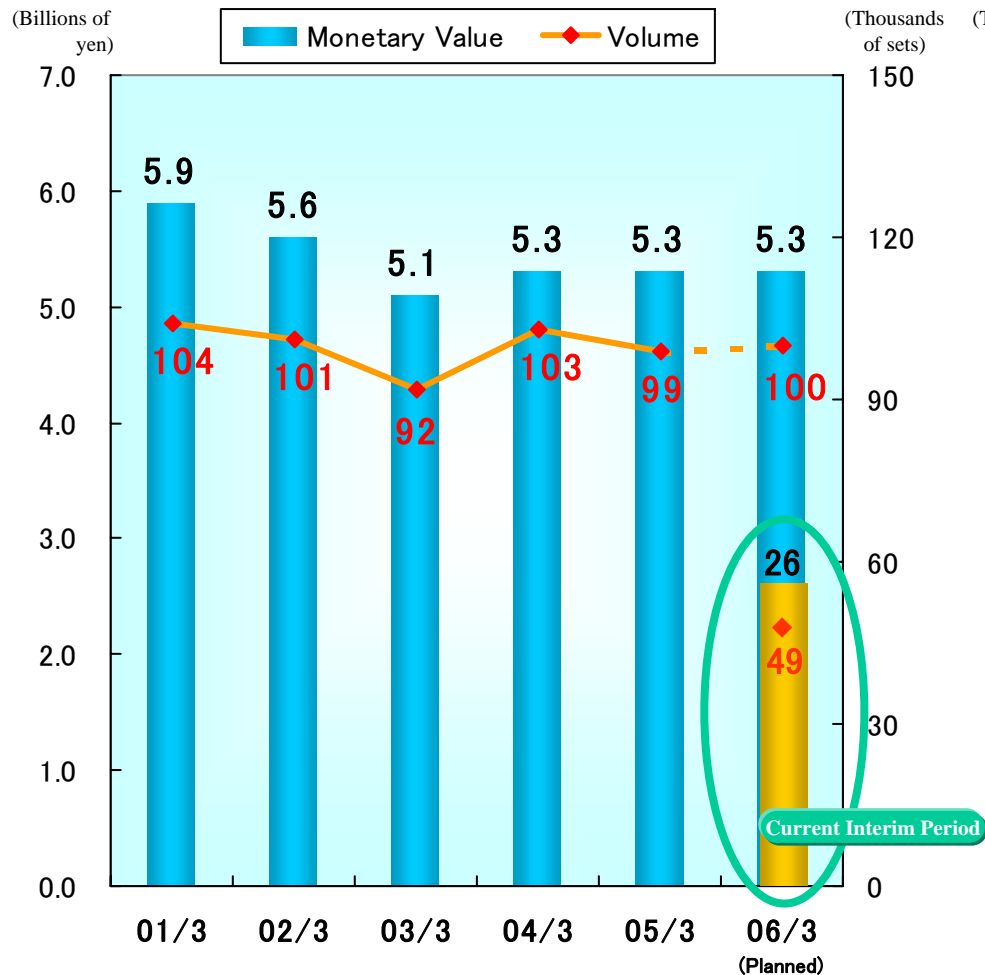


Note: Total number of companies increased from 11 to 15 in FY2005 16

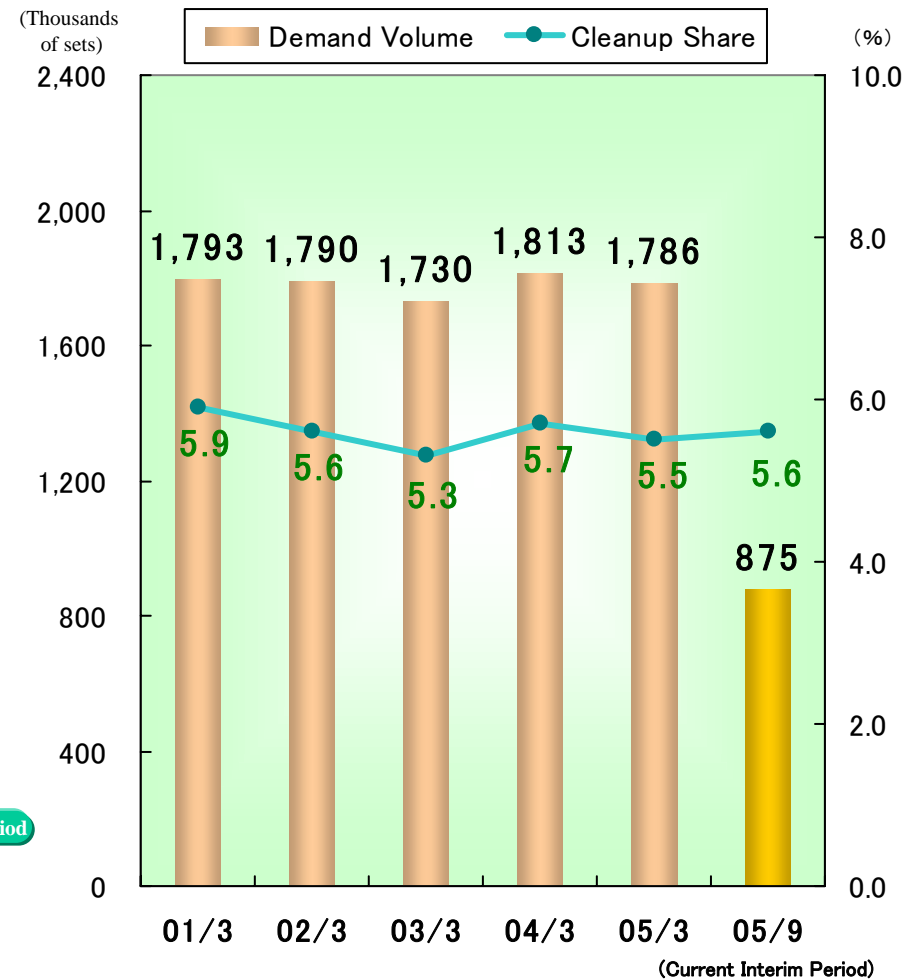


## 9. Sales Results For Major Products and Cleanup Market Share - 4/4

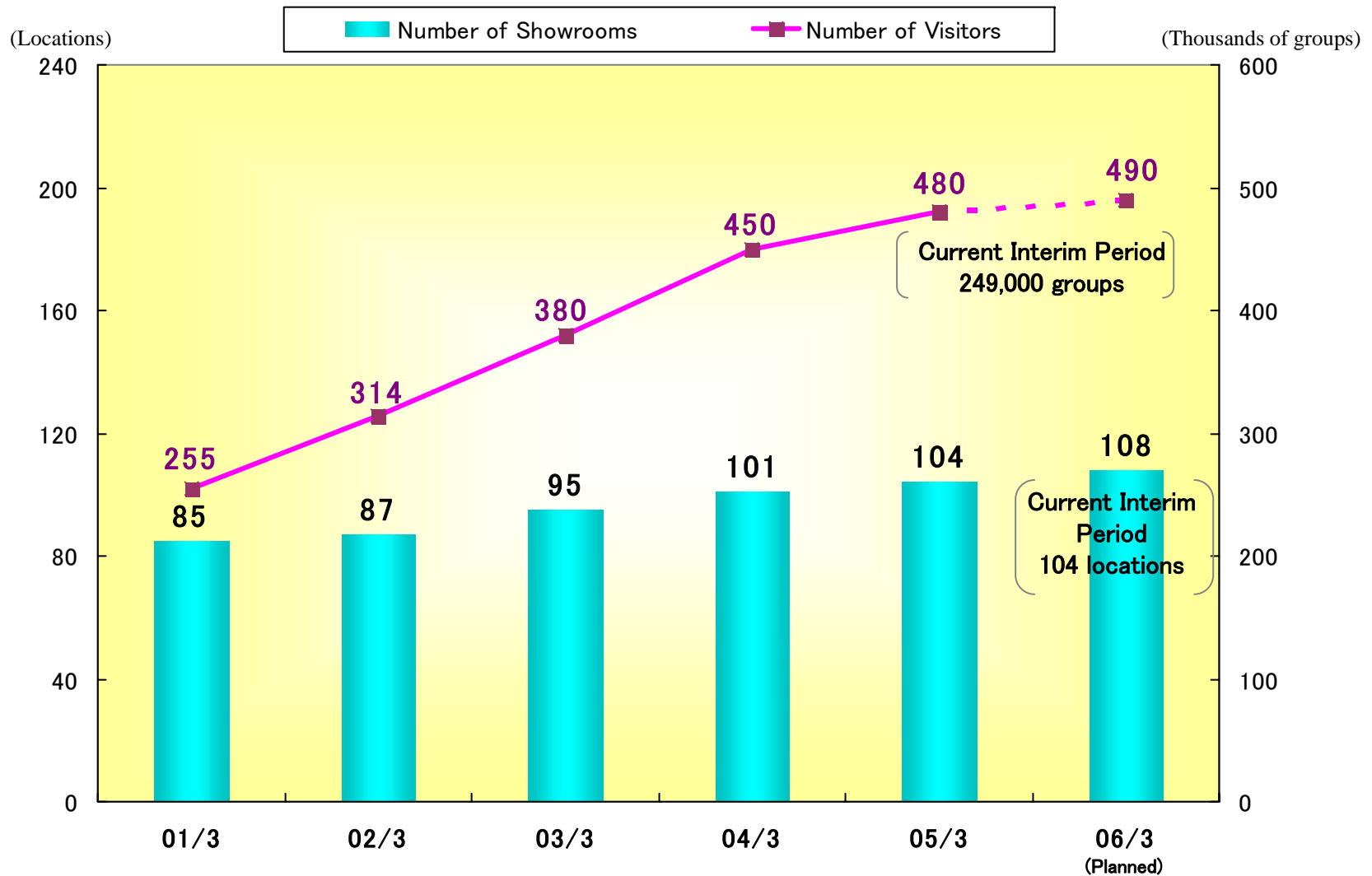
### Washstands/Vanities



### Demand Trends and Market Share



# 10. Showrooms And Visitor Numbers



## 11. Forecast Consolidated Results For The Period Ending March 2006

(Unit: millions of yen)

	2005/3 (Actual Results)	2006/3 (Initial Plan)	2006/3 (Term-End Forecast)	Change From Prev. Period	Compared To Plan
Net Sales	124,391	130,000	124,000	Δ0.3%	Δ4.6%
Operating Income	6,844	6,900	5,150	Δ24.8%	Δ25.4%
Operating Margin	5.5%	5.3%	4.2%	—	—
Ordinary Profit	6,541	6,600	5,000	Δ23.6%	Δ24.2%
Ordinary Profit Margin	5.3%	5.1%	4.0%	—	—
Current Period Net Income	3,142	3,200	2,300	Δ26.8%	Δ28.1%
Current Period Return on Revenues	2.5%	2.5%	1.9%	—	—

## 12. Forecast Non-Consolidated Results For The Period Ending March 2006

(Unit: millions of yen)

	2005/3 (Actual Results)	2006/3 (Initial Plan)	2006/3 (Term-End Forecast)	Change From Prev. Period	Change From Prev. Period
Net Sales	122,144	127,500	121,110	Δ0.8%	Δ5.0%
Operating Income	6,078	6,250	4,750	Δ21.8%	Δ24.0%
Operating Margin	5.0%	4.9%	3.9%	—	—
Ordinary Profit	6,040	6,150	4,800	Δ20.5%	Δ22.0%
Recurring Profit Margin	4.9%	4.8%	4.0%	—	—
Current Period Net Income	2,948	3,000	2,340	Δ20.6%	Δ22.0%
Current Period Return on Revenues	2.4%	2.4%	1.9%	—	—



## **II . Summary and Progress of Medium-Term Business Plan**

## 1. Basics of Medium-Term Business Plan

### 2005 Medium-Term Business Plan (FY2005 ~ FY2007)

#### Operating Vision

Aiming to be a business trusted by customers, by providing attractive products and customer support

#### Operating Goal

Growing from a simple home equipment manufacturer to a “creator of home living space services”

#### Important Target Indices

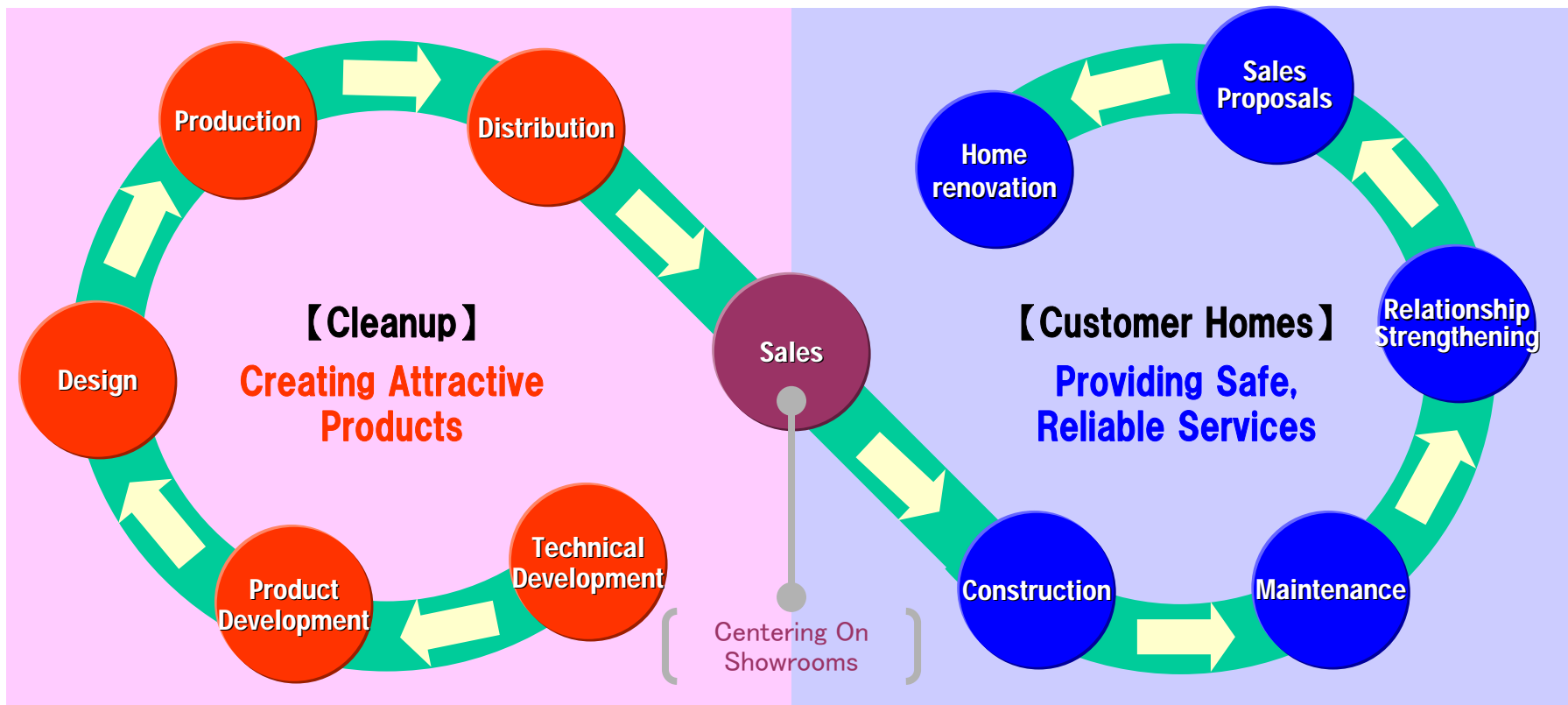
Concentrating on sales of value-added products, increasing our brand strength as an exclusive manufacturer and improving our earning rate (ordinary profit margin) .

## 2. Basic Strategy

Basic Strategy

# Construction of a life-cycle support system

Attacking the home renovation market by focusing our business structure on “customer relationships”



### 3. Market Trends (Home Renovation Market Expansion)

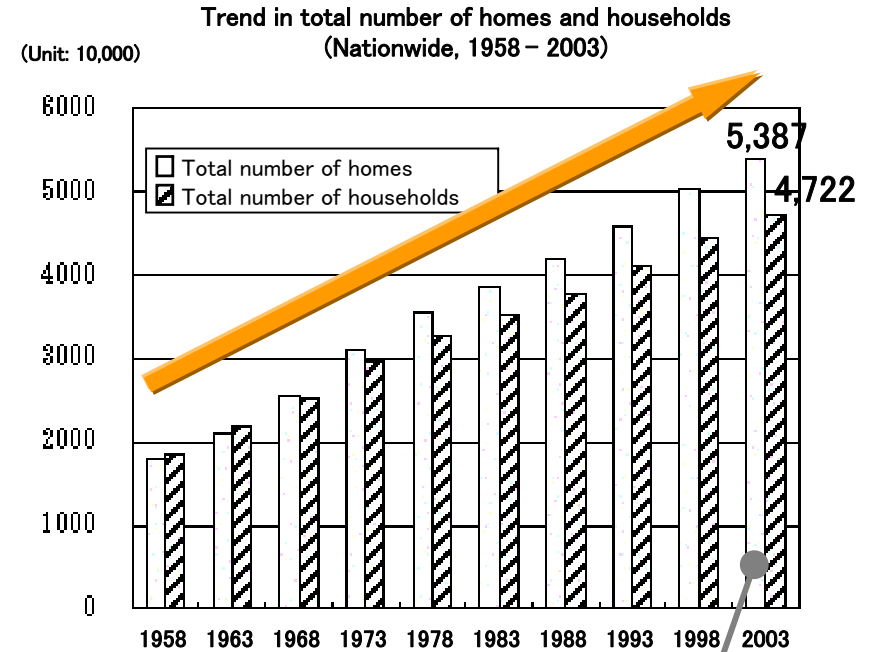
#### Rise in Housing Stock

- No. of stock: 7.2% increase over 10 years
- Empty homes: 12.2% (0.7pt increase over 5 years)
- Homes older than 24 years: 37.5%

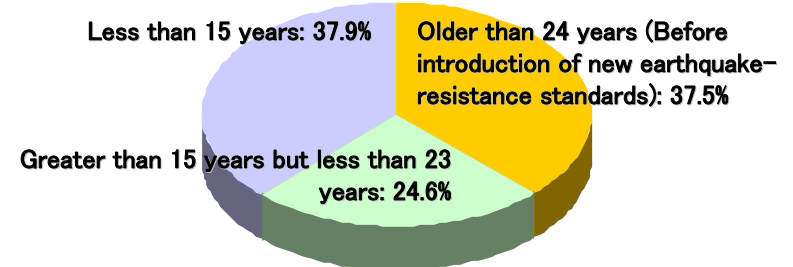
#### Baby Boomer Retirement

Approx. 7 million retirees in the 4 years from 2007

Expected to spur expansion in the home renovation market



#### Distribution by Home Age



\*Source: Ministry of Internal Affairs and Communications' "2005 Home and Land Statistical Survey."



## 4. Business Strategy

- ① Focus on main business
- ② Establish and expand a service and support system
- ③ Improve overall strength by strengthening the group's operational base
- ④ Commercialize services
- ⑤ Establish a strategic information system to support the business strategy

## 5. Business Strategy ① Focus on Main Business – 1/3

Adding further value to core products in the main business, such as System kitchens, System bathrooms, etc.

### 【System Kitchen-Related】

● Began sales of diffused price-range system kitchens, with standard use of Silent Sinks and increased functionality such as sliding-type storage (from March 1, 2005)

● Began sales of the “CLEANLADY” and the “S.S.”, equipped with an industry-first, the “Super Silent e-sink” (from April 1, 2005)



Super Silent e-Sink



S.S. S.S.-3 Series

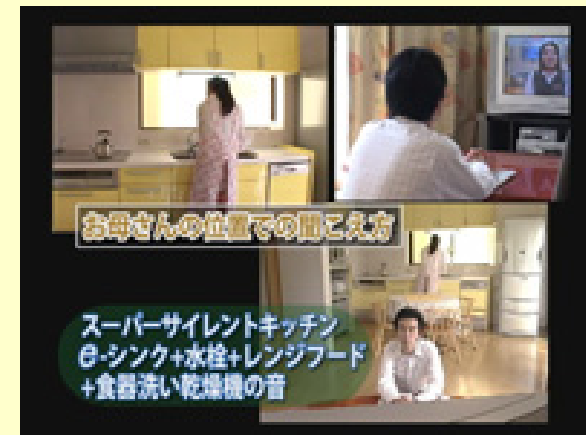


CLEANLADY Stage 3

## 5. Business Strategy ① Focus on Main Business – 2/3

### DVD: “Building A Kitchen You Won’t Regret: The Super Silent Kitchen”

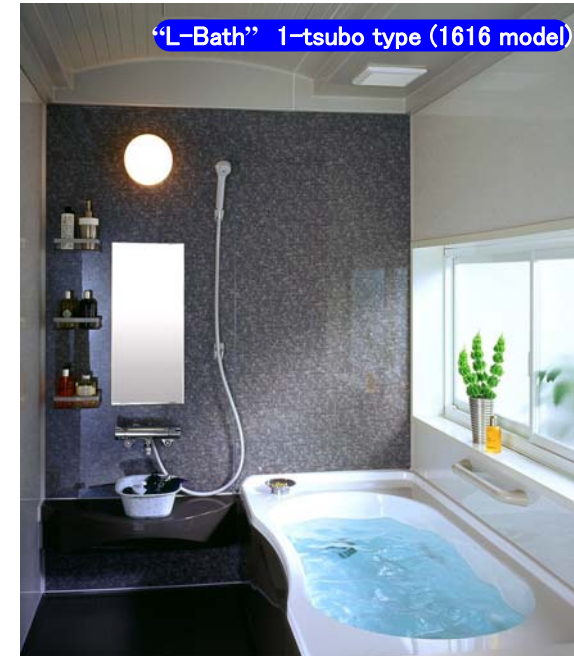
- Easy-to-understand and attractive ideas, from home renovation examples to concrete comparison studies (5.1ch home theater)
  - Before/after kitchen renovation comparison
  - Comparison with former products
  - Actual use comparisons (comparing stains, etc.)
  - Product introductions
  - Visiting users, etc.
  
- Audio-visual effects aimed at showroom visitors from early October
  - Will also provide to distributors, contractors and end-users as a more effective sales promotion strategy



## 5. Business Strategy ① Focus on Main Business – 3/3

### 【System Bathroom-Related】

- Begin sales of the “L-Bath” (from July 1, 2005).  
New system bathroom series, with a focus on “warming the entire bathroom” (heat retention) and “cleaning the entire bathroom” (sanitization)  
(Product strengthening in diffused zones)
- Minor changes to the “AQUALIA Bath” without a change in price. (From September 10, 2005)
  - ① Use the “Pika · Pita Floor’s” hygienic, man-made acrylic marble as the standard specifications.  
(patent/registration pending)
  - ② “Warming the entire bathroom”  
(Differentiating between intermediate class and luxurious)



Enlarged illustration of floor→→→→

- More slip-resistant than previous products
- Excellent drainage and resistant to stains, such as scales.

## 6. Business Strategy ② Service And Support System - 1/3

Promoting increased functionality, the showroom will be positioned as the center for customer support, from advice and planning to construction and maintenance.

- Relocation and opening of the Fukuoka Showroom
- Renewal opening of the “Aizu Showroom” (Both on September 10, 2005)



▲ Fukuoka Showroom

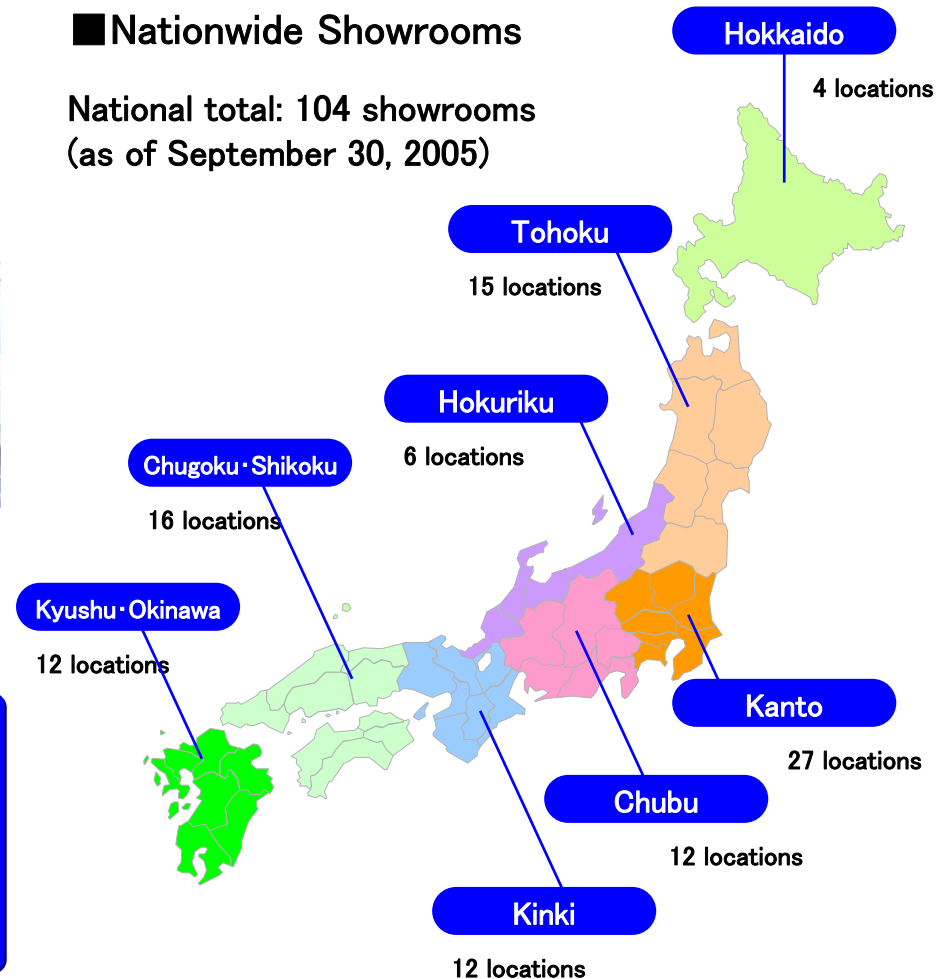


▲ Aizu Showroom

**4 new showrooms, 4 relocations  
and 1 renewal  
planned for the latter half of this period.**

### ■ Nationwide Showrooms

National total: 104 showrooms  
(as of September 30, 2005)



## 6. Business Strategy ② Service And Support System - 2/3

### Toward a more functional showroom

- Improved proposal abilities by combining with a “Training Center”

- Creation of “Multi-Purpose Areas”

- Establishment of “corners” using local features

- Condominium renovation proposal corner
- Builder proposal corner
- “Super Silent e-Sink” demonstration corner
- Solution corner (for renovations, etc.)
- Kids’ corner, etc.



▲ Shinjuku Showroom

- Speedy proposals through the design system “PLAN-KAN”  
(On-site creation of perspective drawings, floor plans and estimates)

6. Business Strategy ② Service And Support System - 3/3

Advancing a new sales system while keeping an eye on the expansion of the home renovation market



● Investigation of channel expansion



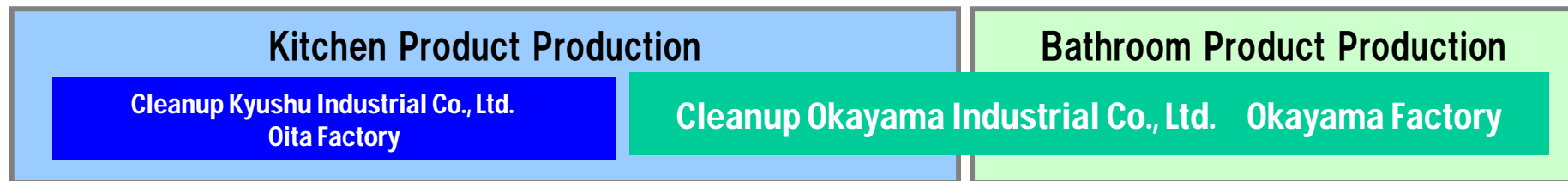
● Alliances with local, influential renovation shops

Home Renovation Fairs	1,593 (as of the 1 <sup>st</sup> half of 2005)
Home Renovation Seminars	625 ( " )

## 7. Business Strategy ③ Improve Overall Strength - 1/3

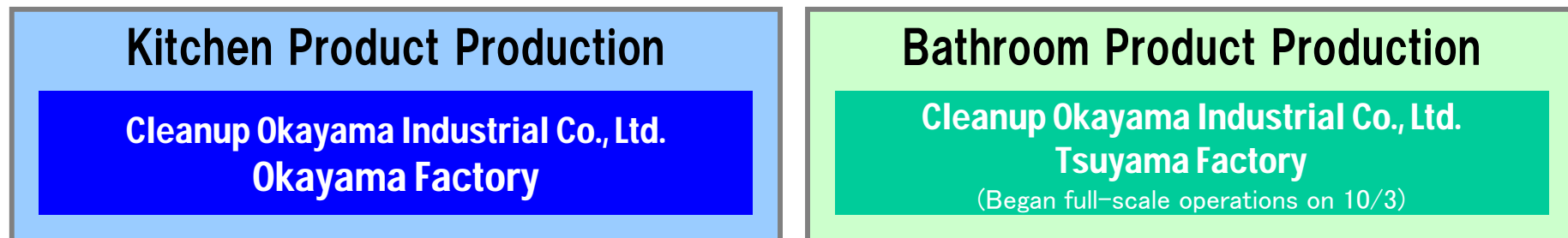
Promoting “Improved Production Efficiency” and “Aggressive Production System” by Tuning-Up and Concentrating Manufacturing Subsidiaries’ Production Systems

<Past West-Japan Production Locations>



- Dissolution of Cleanup Kyushu Industrial Co., Ltd. is planned for December 31, 2005
- Cleanup Okayama Industrial Co., Ltd. was reconstructed as the Tsuyama Factory, an exclusive System Bathroom factory.

<Future Production>





## 7. Business Strategy ③ Improve Overall Strength - 2/3

### Tsuyama Factory Outline

- A new factory controlled by consolidated subsidiary Cleanup Okayama Industrial Co., Ltd.
- Exclusive System Bathroom factory  
→ Preparing a production location for expanded sales of System Bathrooms in the West Japan area
- Accessible from Okayama Factory by car in approx. 10 minutes
- Plans to ship from Kinki region to West Japan



Address: 558-3 Kanai, Tsuyama City, Okayama Prefecture 708-0855

Land area: 28,270m<sup>2</sup>

Factory area: 3,478m<sup>2</sup>

Office building: 1,069m<sup>2</sup> (two-story)

Structure: One-story steel frame

Products: System Bathroom "AQULIA", 500 sets/month

System Bathroom "L-Bath", 300 sets/month

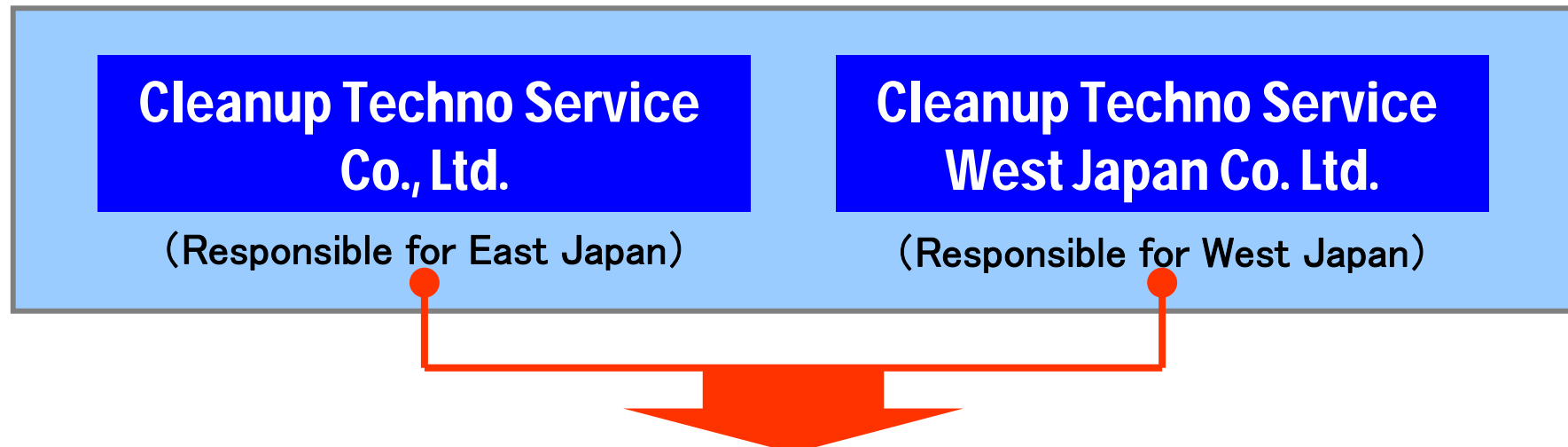
Employees: 21

Total capital: 304 million yen

## 7. Business Strategy ③ Improve Overall Strength - 3/3

Reconsidering the construction service system by consolidating subsidiaries responsible for construction and after-service

<Previous construction /after-service subsidiaries' organization>



### Consolidation on November 1, 2005

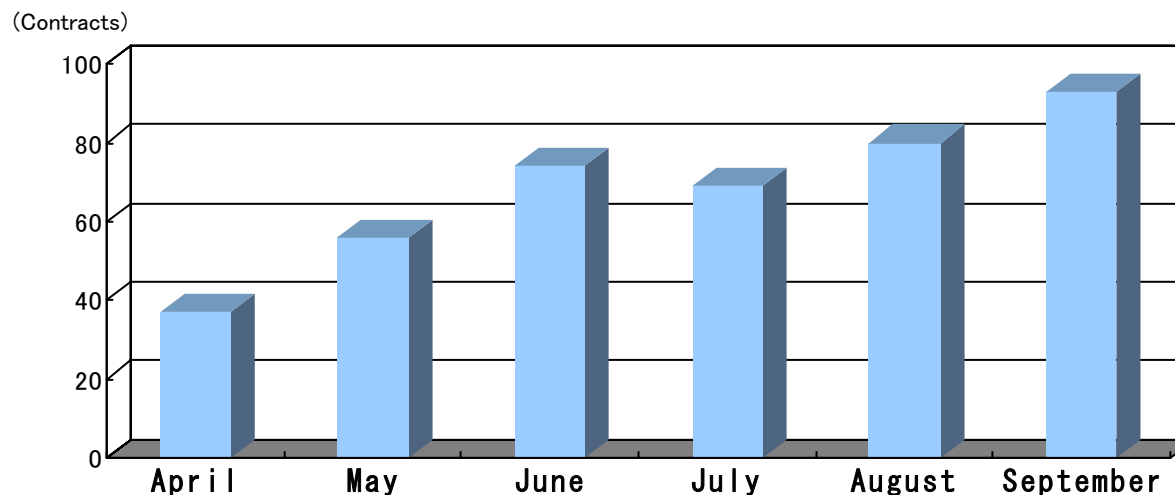
- Cleanup Techno Service Co., Ltd. will merge and absorb Cleanup Techno Service West Japan Co. Ltd.
- ① Increasing effectiveness and ② ensuring service quality, uniformly and nation-wide, by unifying headquarters' functions, area reorganization, etc.

## 8. Business Strategy ④ Commercializing Services

Began initial visitation services for the System Kitchen "S.S." from April

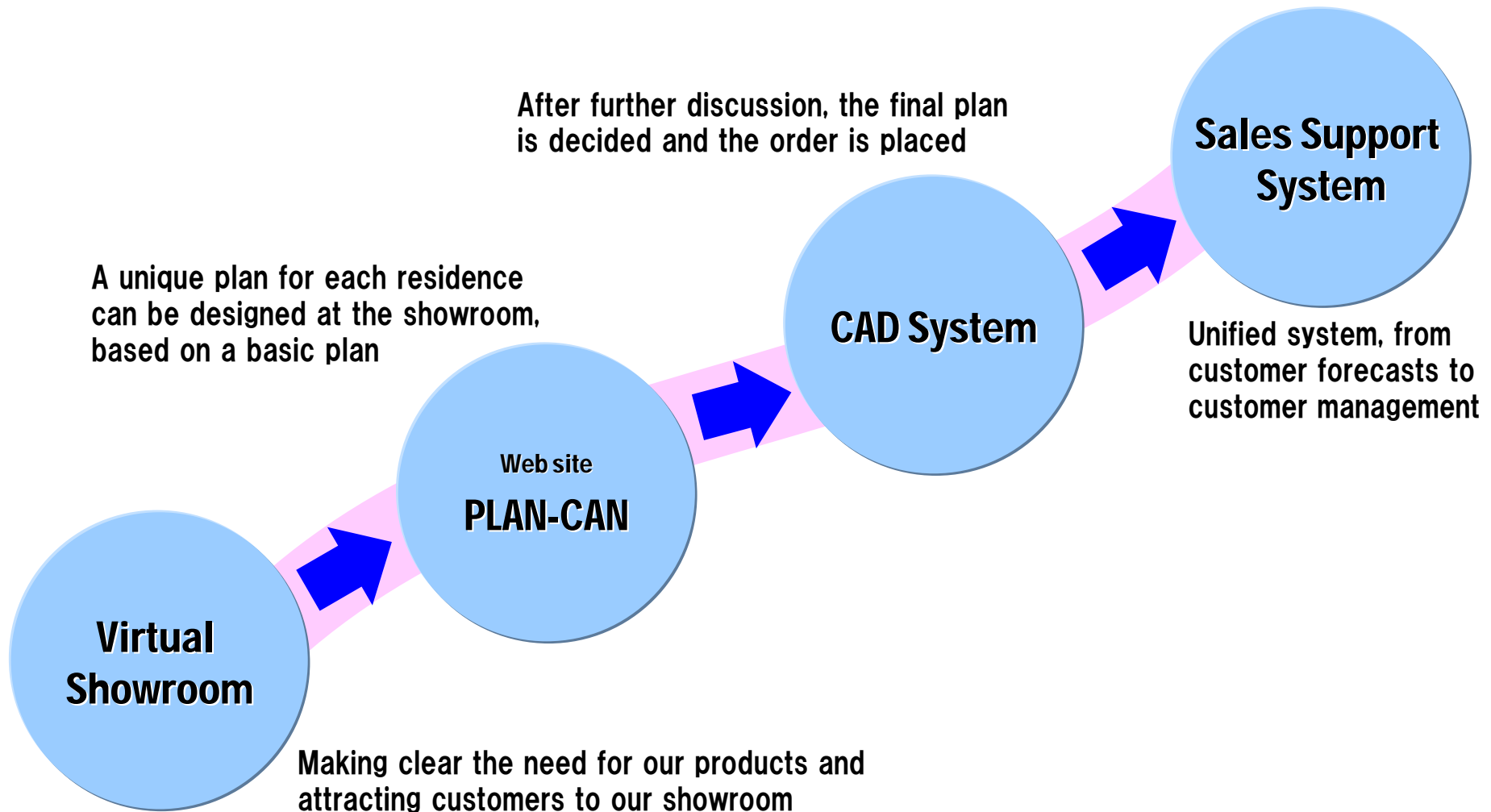
- Direct responses to customer maintenance and repair requests
- Program for concluding fee-based maintenance contracts
- Parts sales in showrooms (21 locations at end of Oct.)

<Fee-based Maintenance Contracts: Number of Successful Contracts by Month>



## 9. Business Strategy ⑤ Strategic Information System

Constructing a strategic system, from making need evident to closing the deal



## 10. Important Second-Half Topics and Major Plans

### 【Product Strategy】

- Increase awareness of “e-Sink” products
- Strengthening “CLEANLADY” products

### 【Showroom Strategy】

- 4 new planned locations (Yokote, Takaoka, Toyota, Mizusawa)
- Strengthening the appeal of current locations through aggressive relocations and renovations
  - Relocations (Nagano, Atsugi, Fukuyama, Joetsu)
  - Renovations (Yokkaichi)

### 【Home renovation Strategy】

- 1,340 home renovation fairs    625 home renovation seminars
- Increased ability to respond to demands for both scattered regional styles and concentrated metropolitan styles

For any questions concerning investor relations,  
please contact:

# **Cleanup Corporation**

**Public Relations Department**

**Tel 03-3810-8241**

**Fax 03-3893-9577**

**URL <http://cleanup.jp/english/index.html>**

## **Disclaimer**

**This material is intended to provide information regarding FY2006 Interim Results (April 2005 ~September 2005) and does not constitute a solicitation to invest in Cleanup Co., Ltd.-issued securities.**

**Furthermore, this material was created based upon data current as of November 15, 2005. Opinions and forecasts contained within this material were the subjective judgments of Cleanup Co., Ltd. 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.**