



Presentation Material:  
Announcement of FY 2008  
Interim Results

November 17, 2008

**Cleanup Corporation**  
Tokyo Stock Exchange,  
1st Section, Code 7955



# I. Interim Results Outline

## 1. Outline of Consolidated Results for Interim Period Ended September 2008

(Units: millions of yen)

	2008/9 (Actual Results)	2007/9 (Actual Results)	Change From Prev. Period	2008/9 (Initial Plan)	2008/9 (Revised Plan)	Compared To Revised Plan
Net Sales	54,193	54,759	△1.0%	58,400	54,400	△0.4%
Operating Income	△606	△306	— %	450	△800	— %
Ordinary Income	△652	△352	— %	350	△900	— %
Interim Net Income	△1,020	△740	— %	0	△1,250	— %
Interim Net Income Per Share	△20.91 yen	△15.15 yen	— %	0.00円	△25.57円	— %

\* Initial Plan: Announced May 8, 2008

\* Revised Plan: Announced August 6, 2008

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

(Units: billions of yen)

【Increased/Decreased Values (Rates)】

【Main Increase/Decrease Factors】

54.75

54.19

**Net Sales**

**Δ0.56 billion yen**

- System Kitchens Δ280 million yen
  - SS Δ100 million yen
  - CLEANLADY Δ980 million yen
- Increasingly popular class, primarily RAKUERA
- Sectional System Kitchen Δ300 million yen

35.80

36.20

**Cost of Sales**

**+0.39 billion yen**

- Decrease Due to Decreased Earnings Δ370 million yen
- Increase Due to Increased Cost of Sales Ratio +770 million yen

(65.4)

(66.8)

**Cost of Sales Ratio**

**+1.4%**

- Worsening Kitchen Section Product Mix (S.S. Servo Campaign, etc.) +1.2 points
- Increase in System Bathroom Cost Ratio +0.6 points
- Sales Route Distribution Ratio Δ0.1points
- Increase in Cost of Raw Materials +0.4 points
- Cost Decrease Δ0.7 points

18.95

17.98

**Gross Profit**

**Δ0.96 billion yen**

- Decrease Due to Decreased Earnings Δ190million yen
- Decrease in Gross Profit Ratio Δ770 million yen

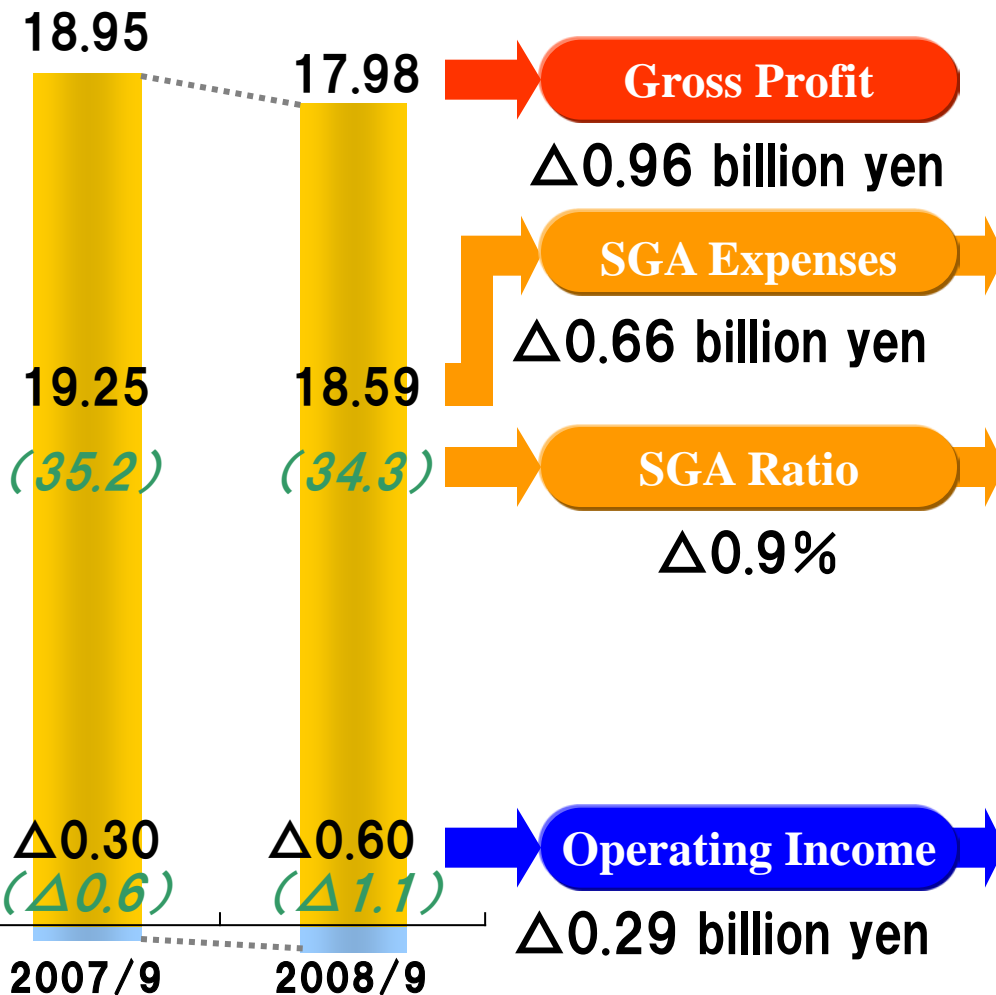
2007/9

2008/9

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

(Units: billions of yen)

【Increased/Decreased Values (Rates)】



【 Main Increase/Decrease Factors 】

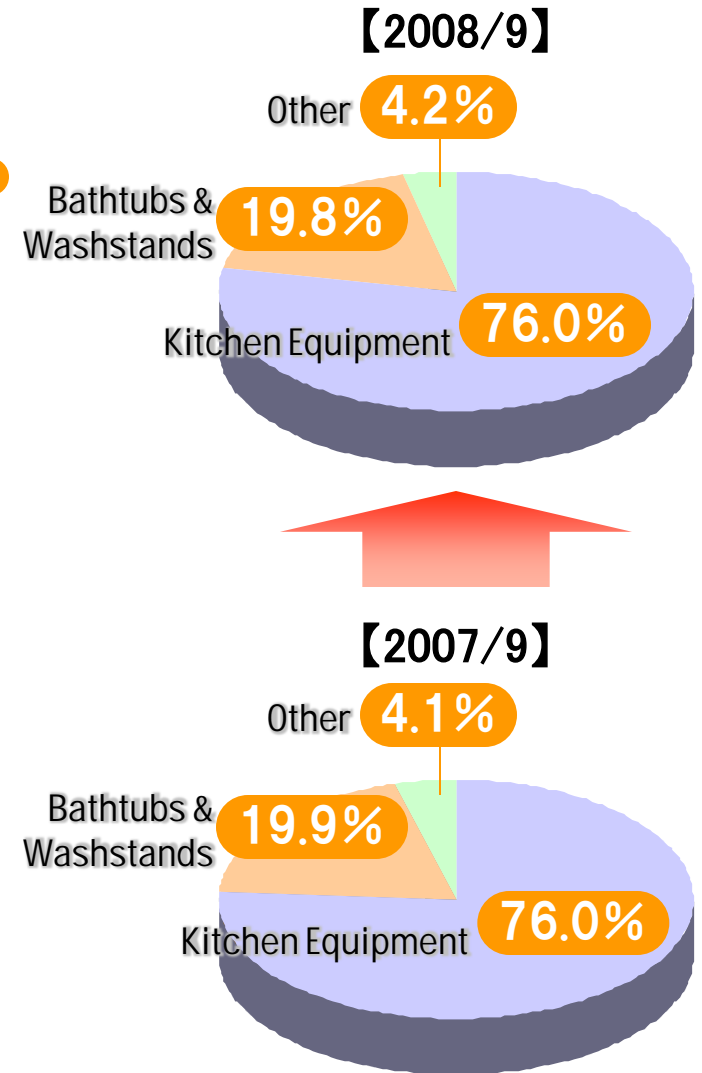
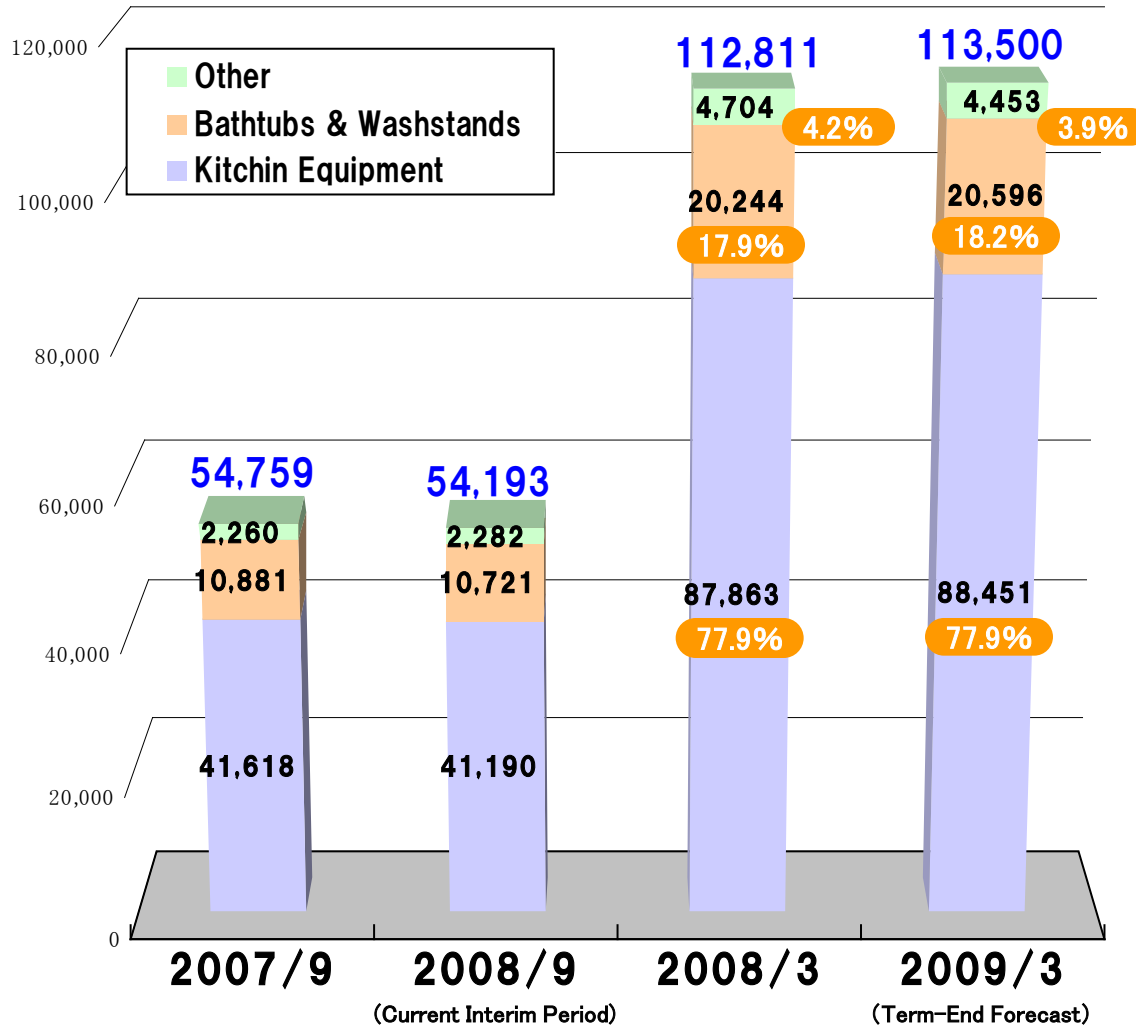
● Sales Expenses	Δ390 million yen
● Distribution Expenses	Δ140 million yen
● Repair Expenses (Showroom Renovation)	Δ90 million yen
● R&D Costs	Δ40 million yen

● Sales Expenses	Δ0.7 points
● Distribution Expenses	Δ0.2 points

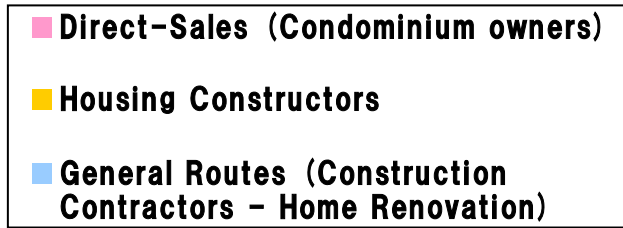
● Change in Gross Profit	Δ960 million yen
● Change in SGA Expenses	+660 million yen

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

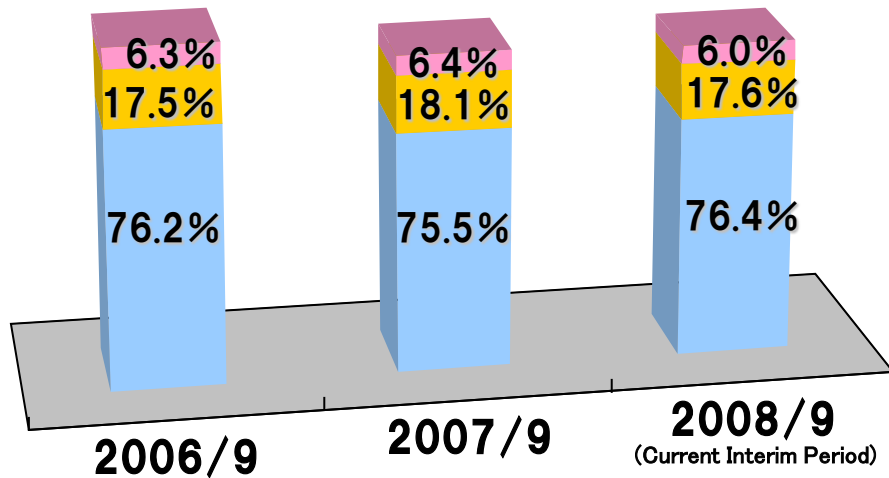
(Units: millions of yen)



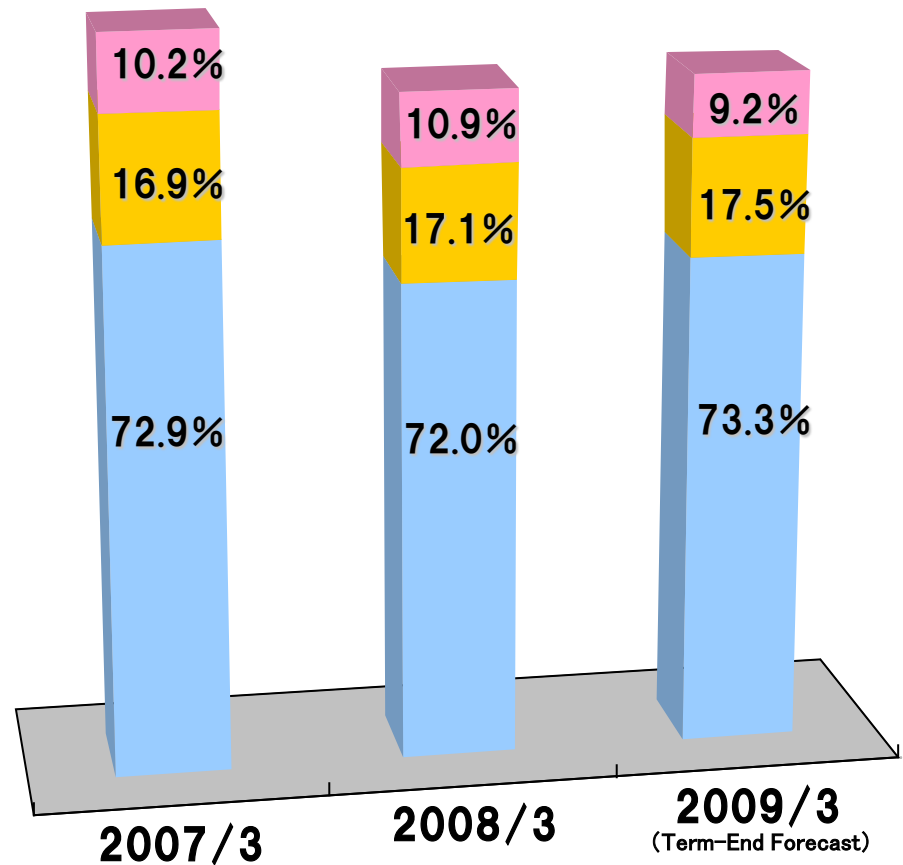
### 3. Sales Composition ② By Sales Route (Non-Consolidated)



【First-Half Base】



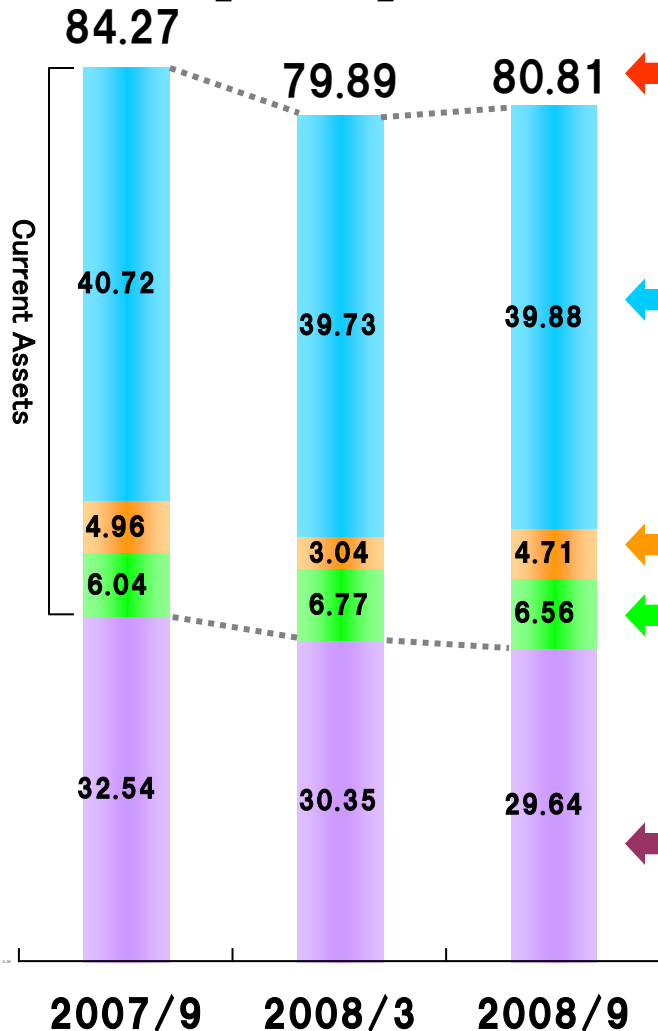
【Full-Term Base】



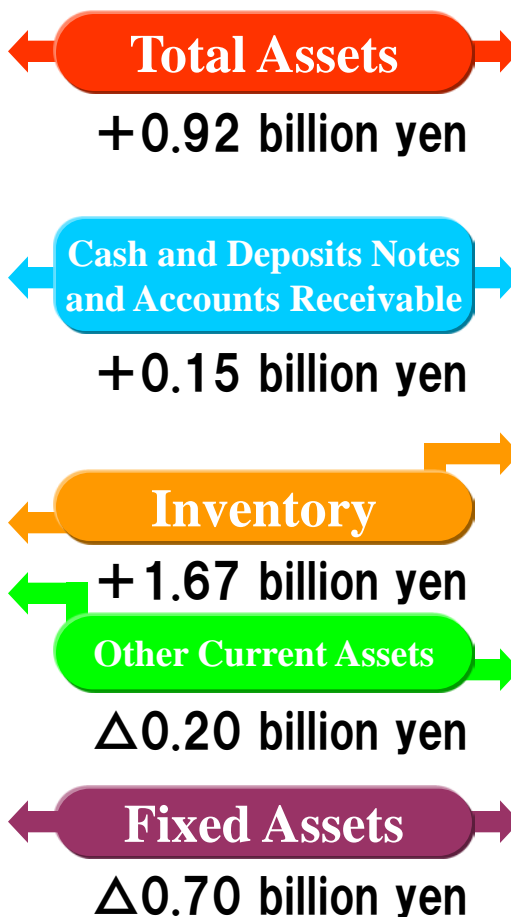
## 4. Consolidated Balance Sheet Summary – 1/2

(Units: billions of yen)

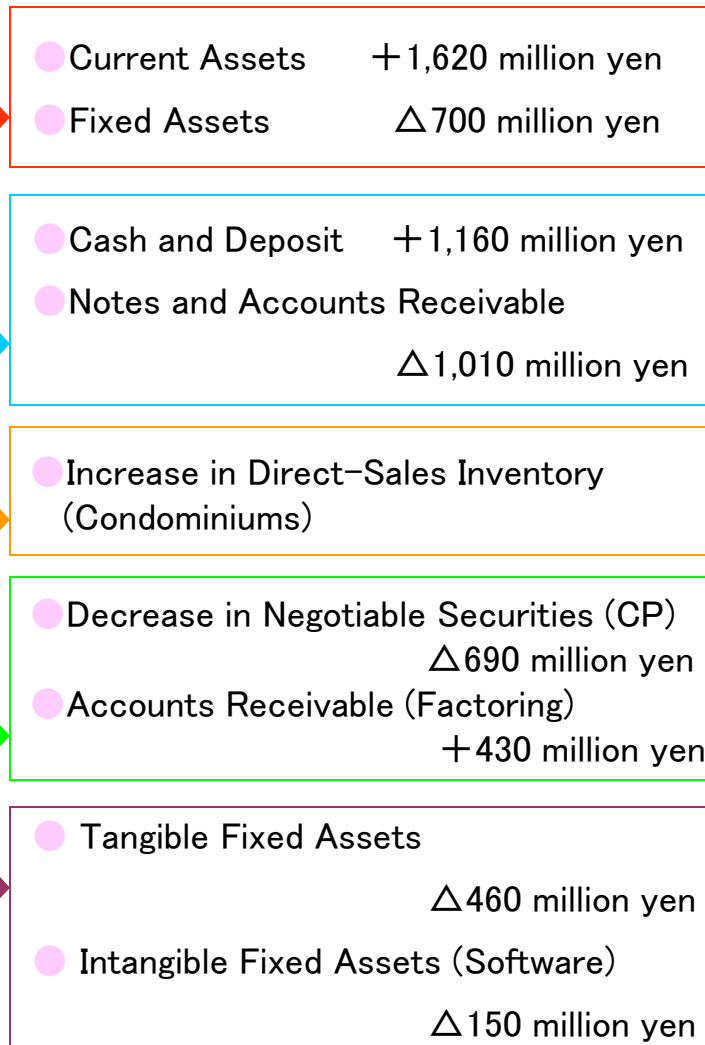
### 【Assets】



### 【Increased/Decreased Values】



### 【 Main Increase/Decrease Factors 】

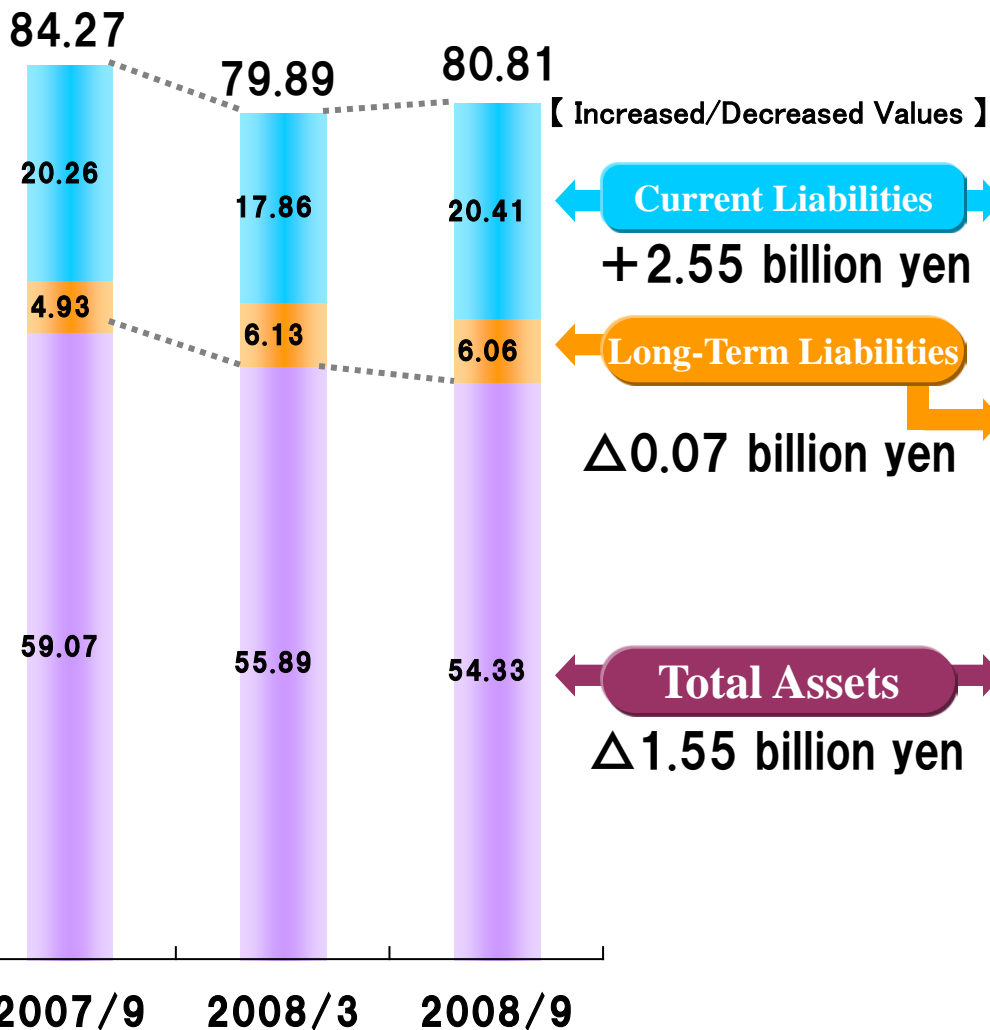




## 4. Consolidated Balance Sheet Summary – 2/2

(Units: billions of yen)

【Liabilities・Minority Interests・Assets】



【 Main Increase/Decrease Factors 】

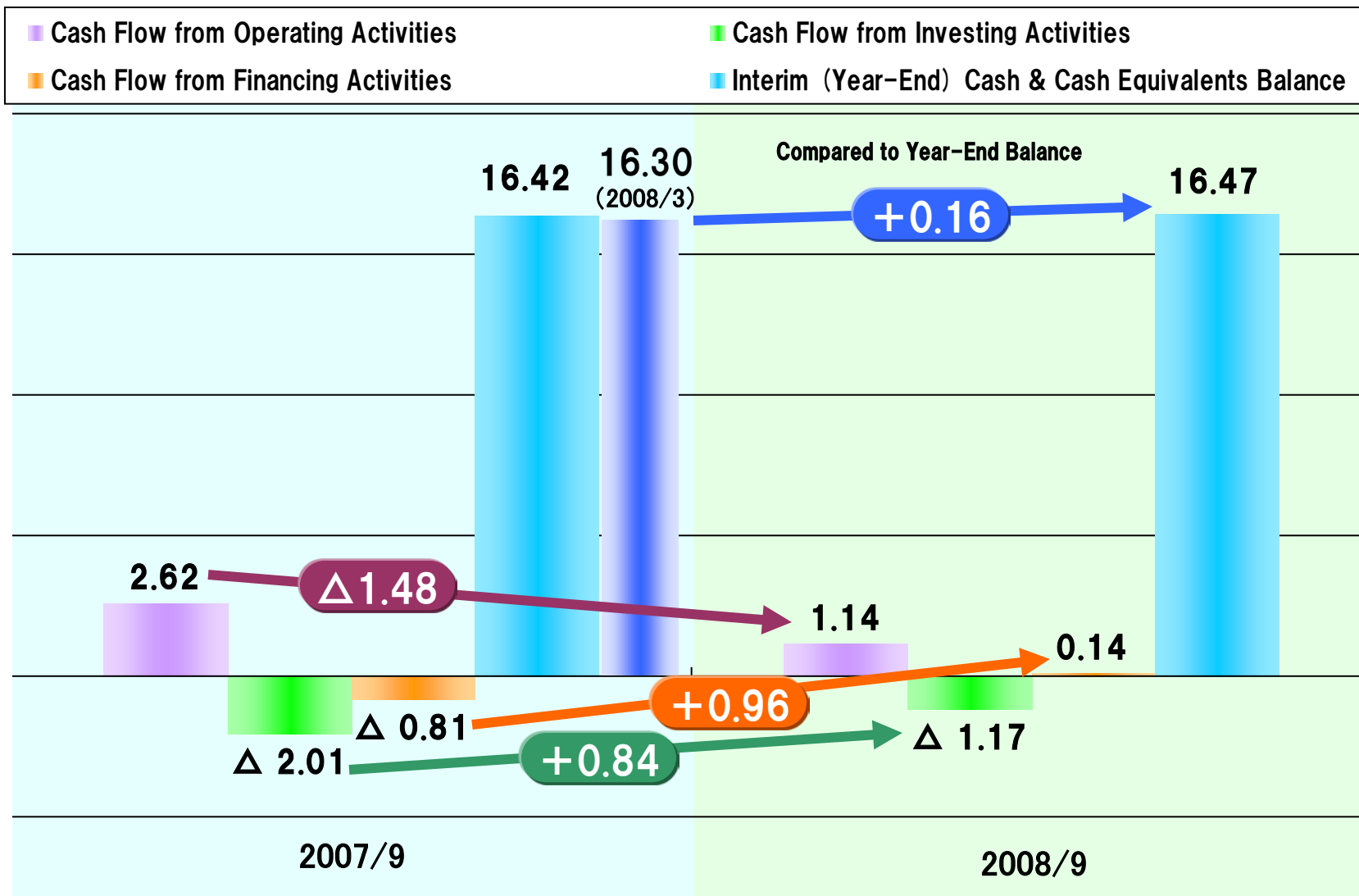
Accounts Payable	+620 million yen
Short-Term Debt	+1,500 million yen
Advance Receipts	+530 million yen

Long-Term Debt	Δ240 million yen
Accrued Retirement Benefits	+100 million yen

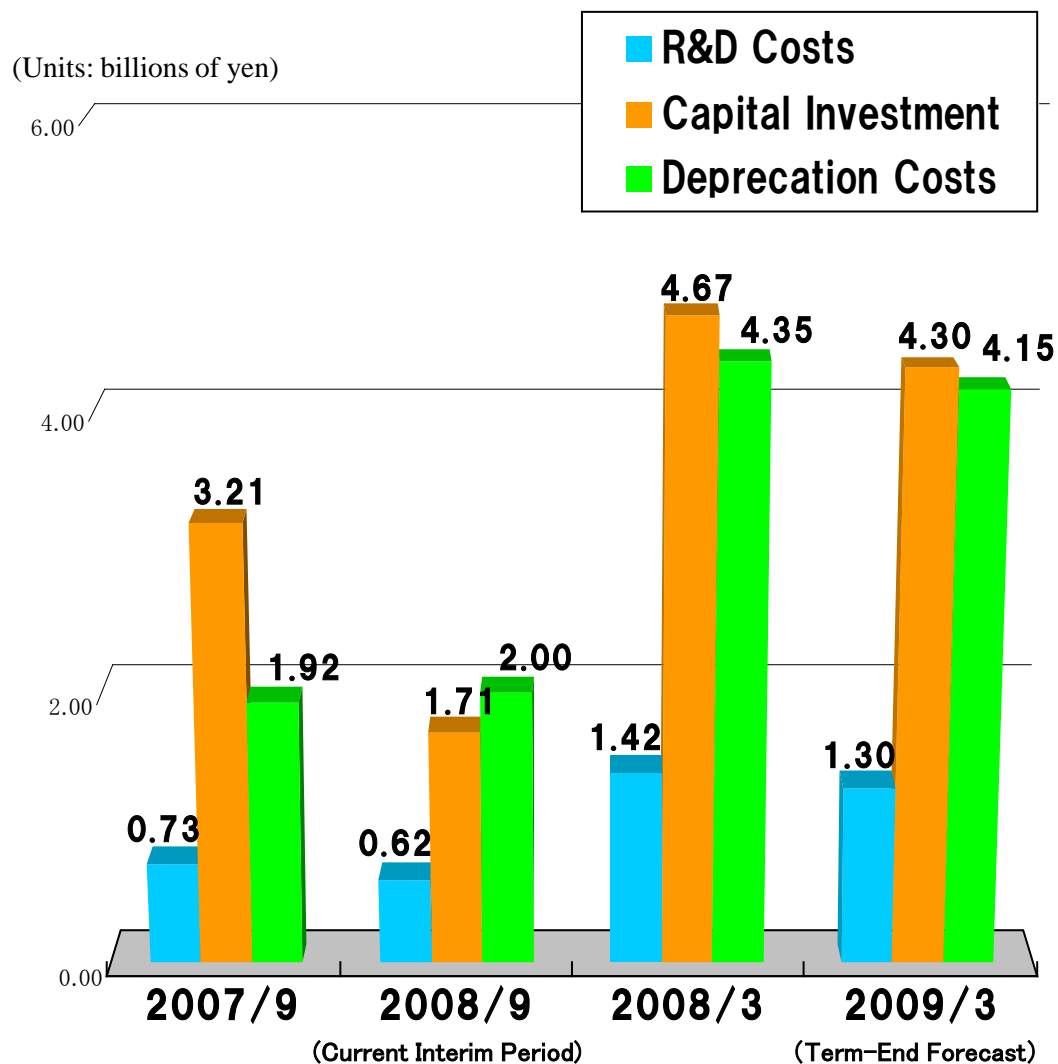
Retained Earnings	Δ1,480 million yen
Treasury Shares	Δ90 million yen

## 5. Consolidated Cash Flow Statement Summary

(Units: billions of yen)



## 6. Capital Investments (Consolidated)



## 【FY2008 Major Capital Investment Details】

## First-Half Results

- ① Dies for New Products 240 million yen
- ② Showroom Renovations, etc. 930 million yen
- ③ Information Investment 330 million yen

## Second-Half Plans

- ① Production-Related 950 million yen
- ② Operations-Related 800 million yen
- ③ Information-Related 740 million yen

## 7. Outline of Non-Consolidated Results for Interim Period Ended September 2008

(Unit: millions of yen)

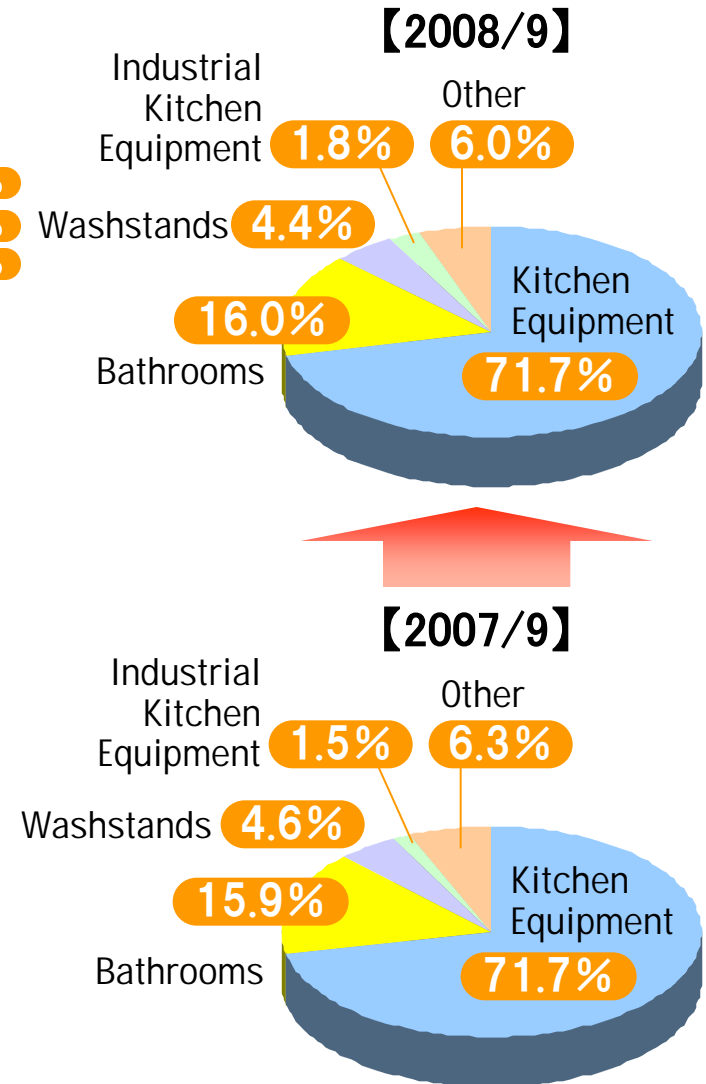
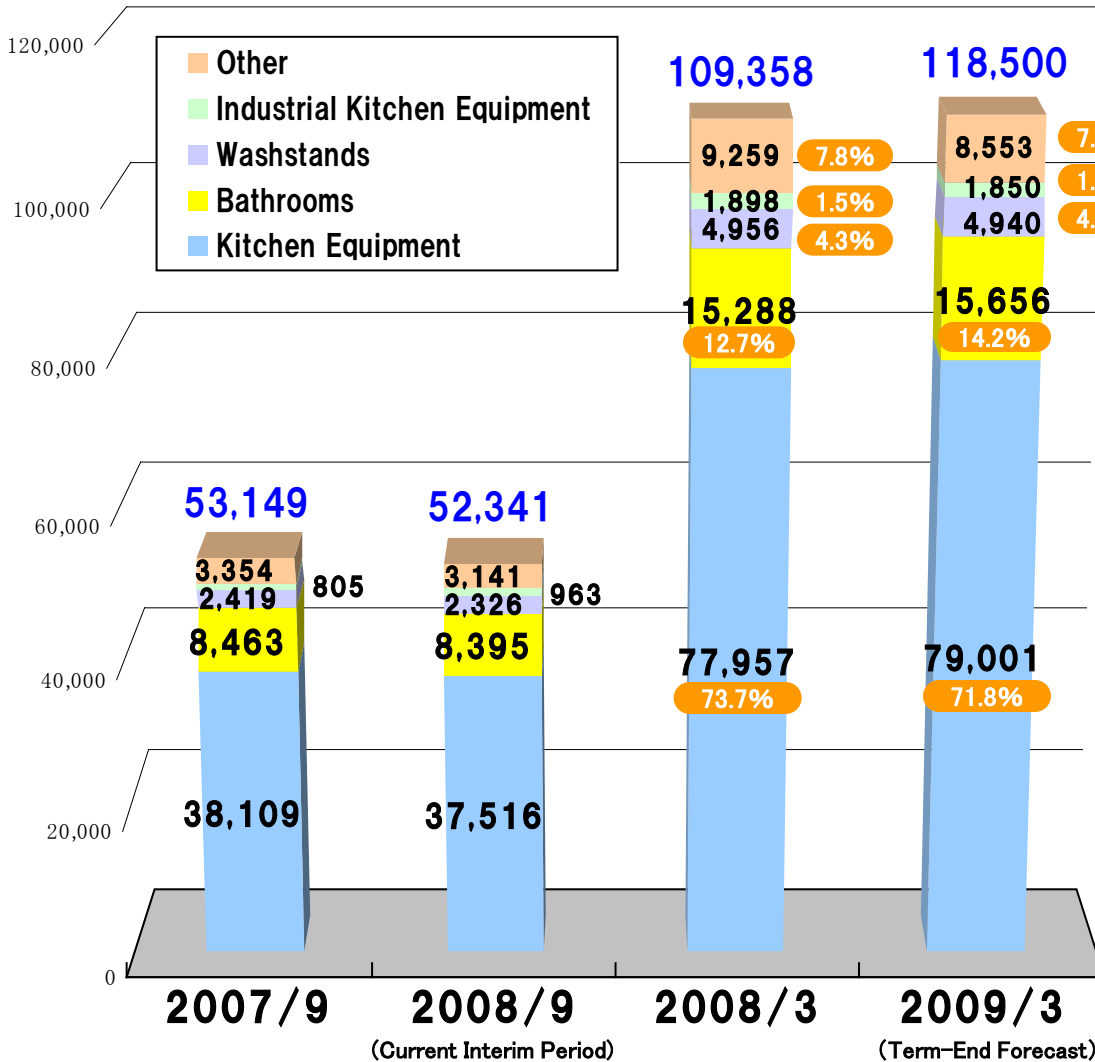
	2008/9 (Actual Results)	2007/9 (Actual Results)	Change From Prev. Period	2008/9 (Initial Plan)	2008/9 (Revised Plan)	Compared To Revised Plan
Net Sales	52,341	53,149	△1.5%	56,700	52,700	△0.7%
Operating Income	△899	△479	— %	180	△1,000	— %
Ordinary Income	△706	△148	— %	300	△850	— %
Interim Net Income	△950	△498	— %	50	△1,100	— %
Interim Net Income Per Share	△19.48 yen	△10.19 yen	— %	1.02 yen	△22.50 yen	— %

\* Initial Plan: Announced May 8, 2008

\* Revised Plan: Announced August 6, 2008

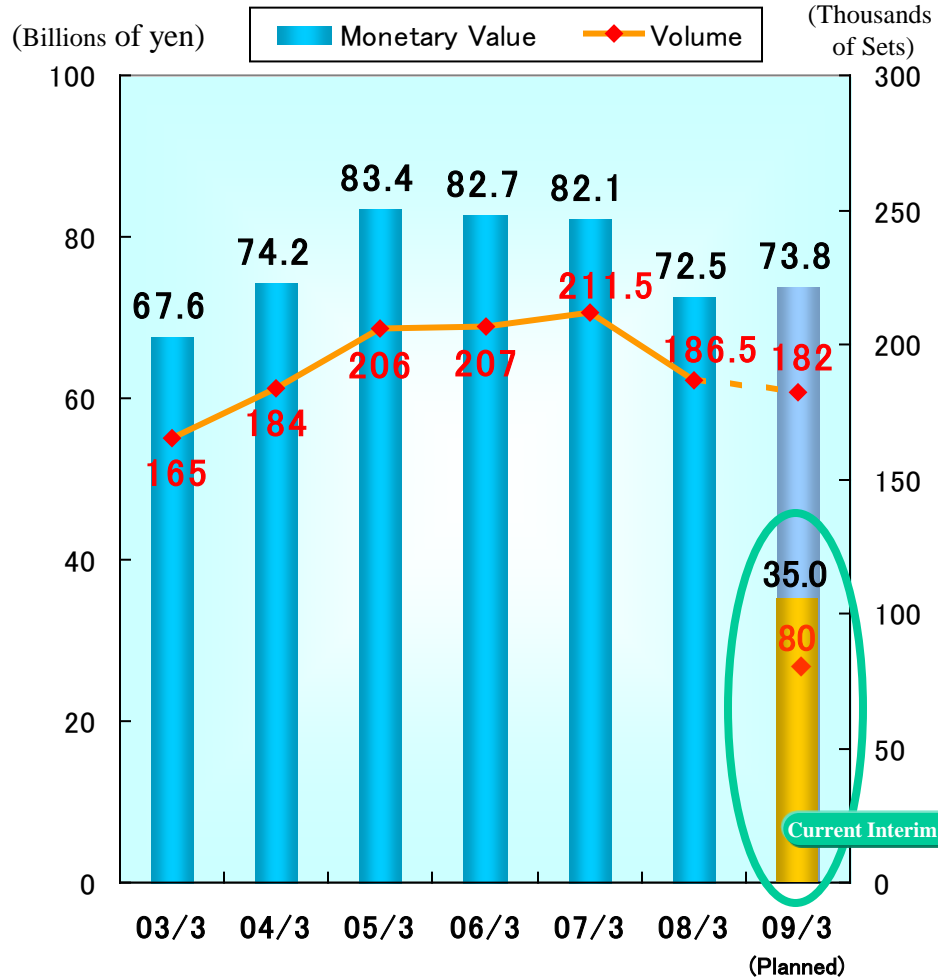
## 8. Non-Consolidated Sales Composition by Segment

(Unit: millions of yen)

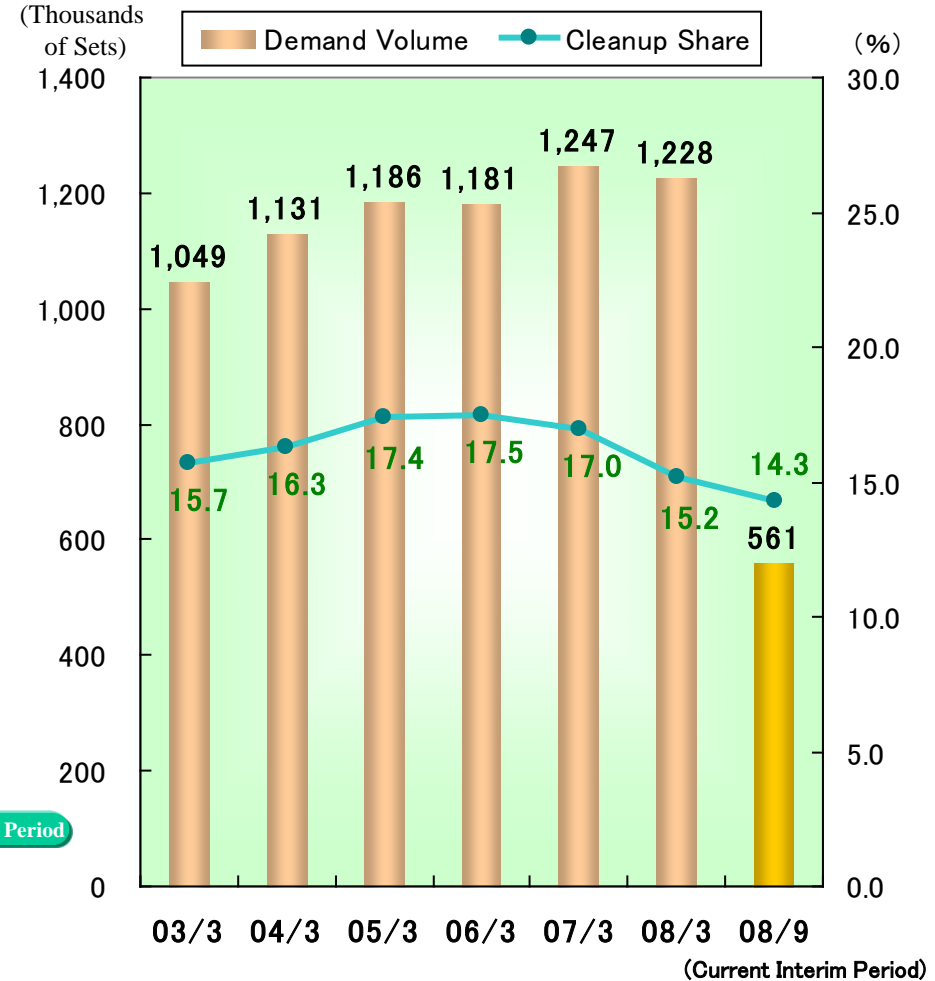


## 9. Sales Results for Major Products and Cleanup Market Share - 1/4

### Complete System Kitchen Sales Results

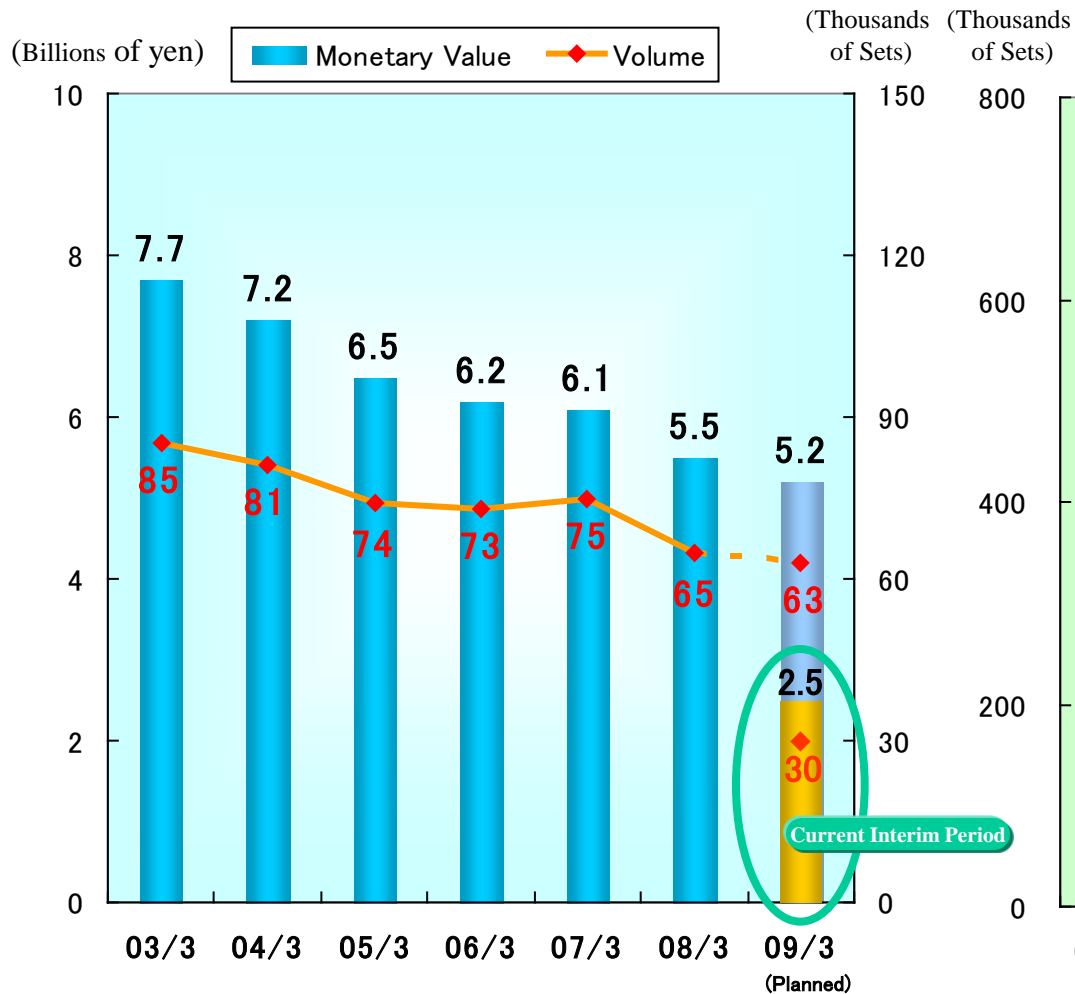


### Demand Trends and Market Share

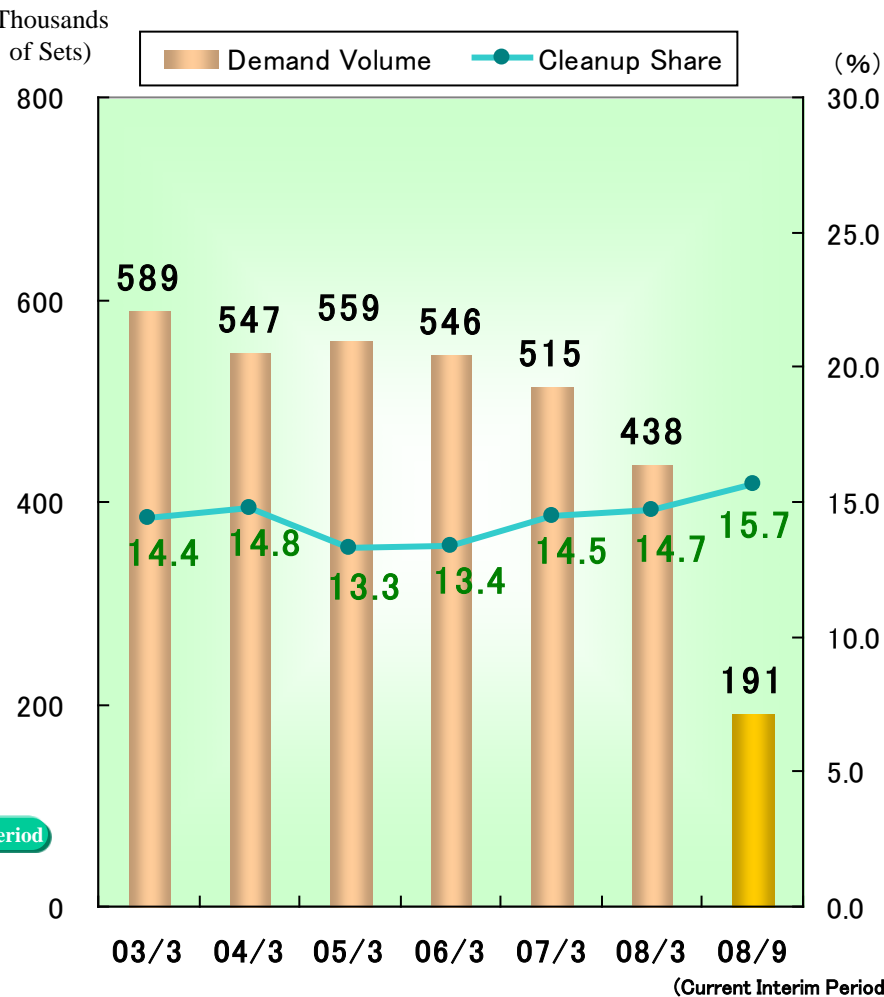


# 9. Sales Results for Major Products and Cleanup Market Share - 2/4

## Sectional System Kitchen Sales Results

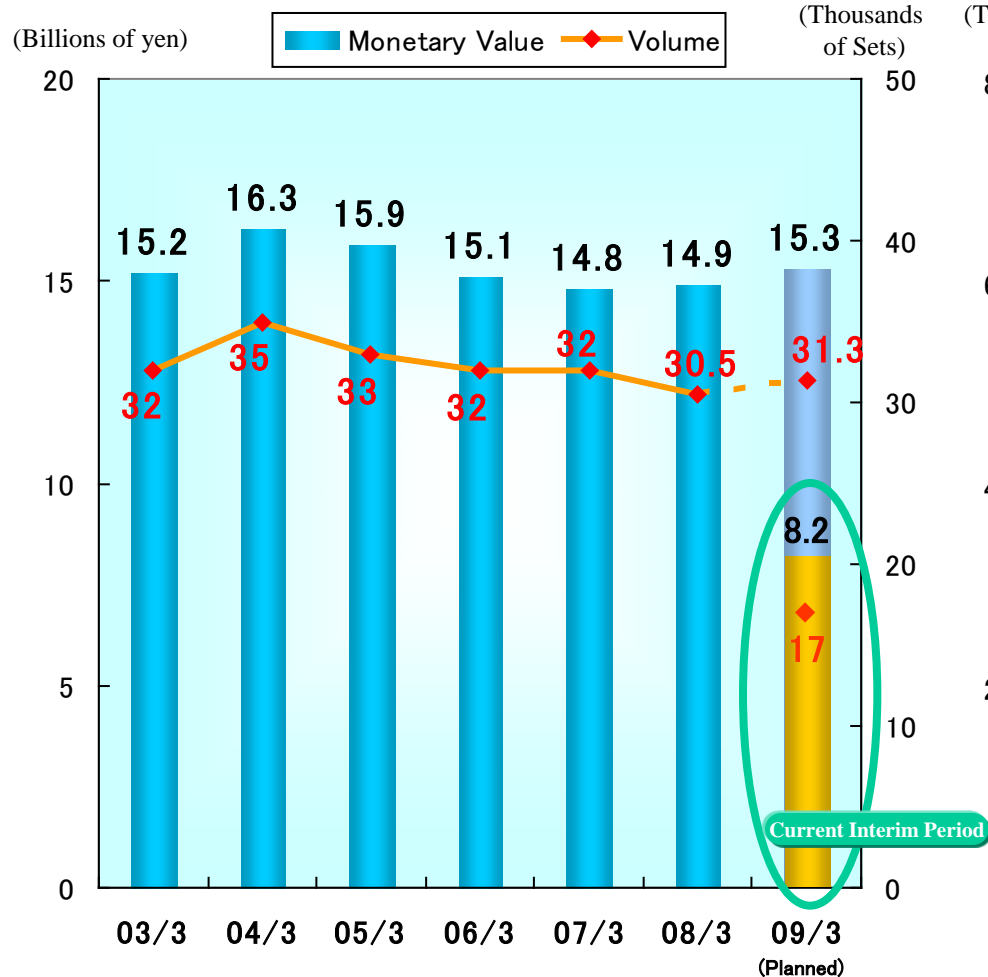


## Demand Trends and Market Share

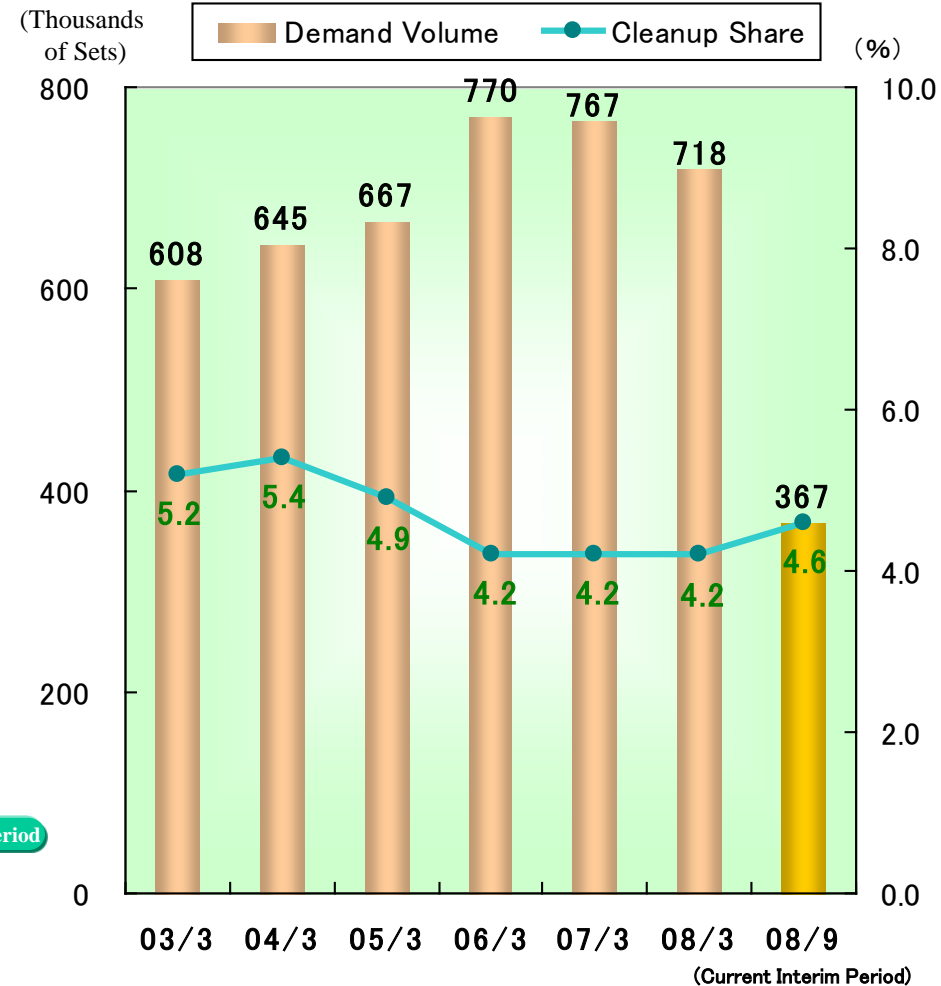


## 9. Sales Results for Major Products and Cleanup Market Share - 3/4

### Modular System Bathroom Sales Results



### Demand Trends and Market Share



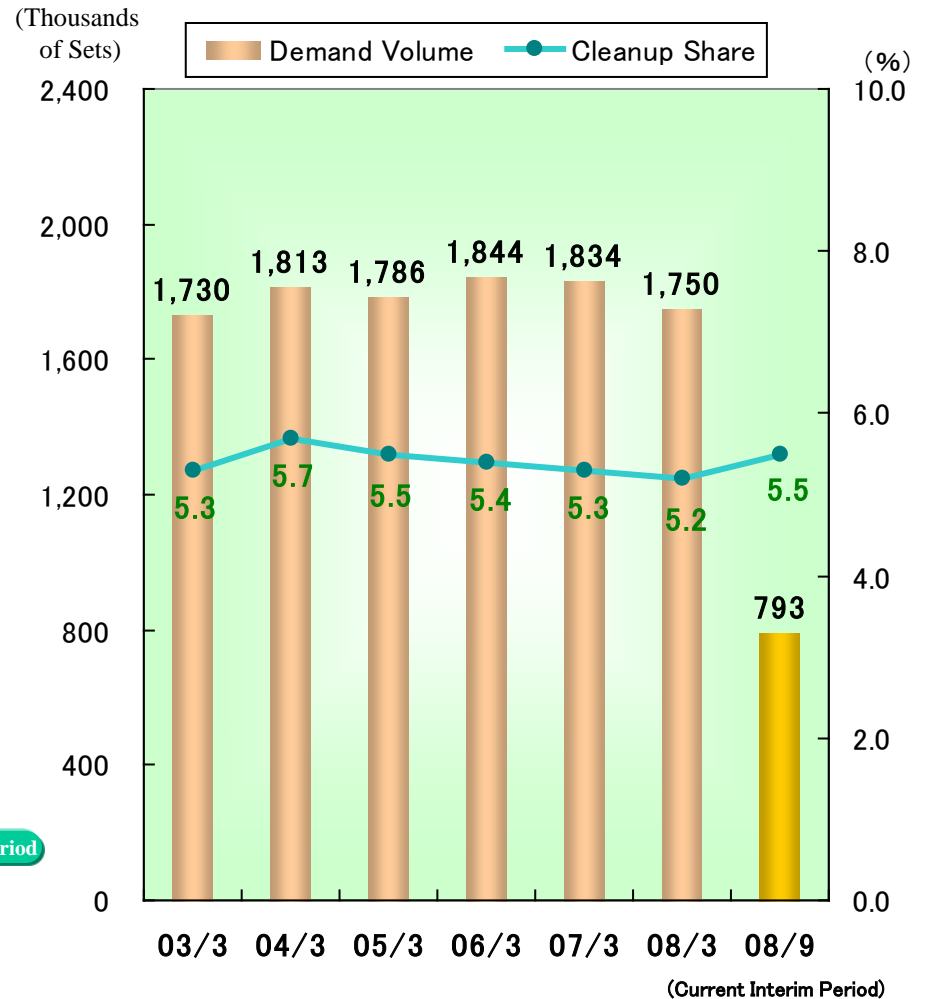
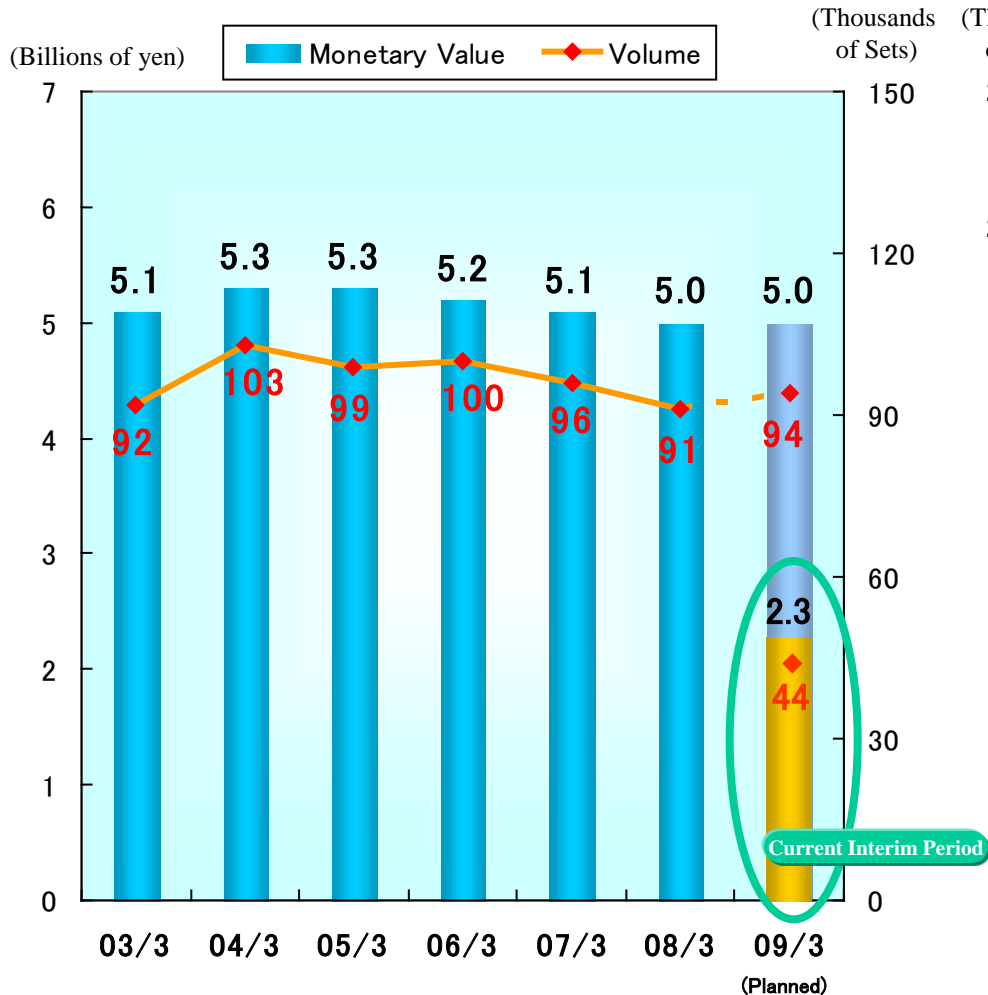
Note: Total number of companies increased from 11 to 15 in FY2005 **15**



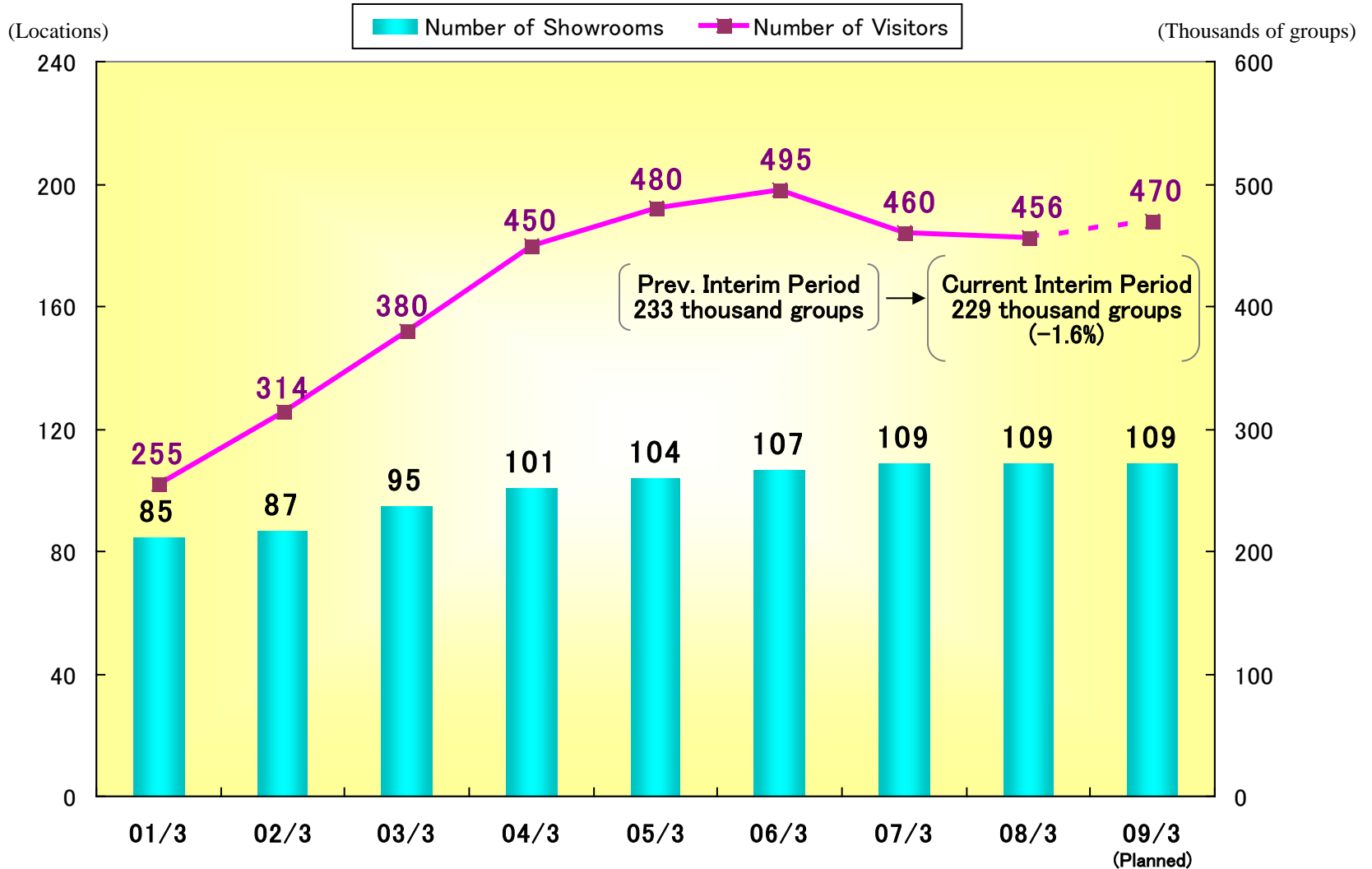
# 9. Sales Results for Major Products and Cleanup Market Share - 4/4

## Washstands/Vanities

## Demand Trends and Market Share



# 10. Showrooms and Visitor Numbers



## 11. Forecast Consolidated Results for the Period Ending March 2009

(Unit: millions of yen)

	2008/3 (Actual Results)	2009/3 (Initial Plan)	2009/3 (Revised Plan)	Change From Prev. Period	Compared To Initial Plan
<b>Net Sales</b>	<b>112,811</b>	<b>122,000</b>	<b>113,500</b>	<i>0.6%</i>	$\Delta 7.0\%$
<b>Operating Income</b>	$\Delta 1,301$	<b>1,700</b>	$\Delta 600$	— %	— %
Operating Margin	$\Delta 1.2\%$	<b>1.4%</b>	$\Delta 0.5\%$	—	—
<b>Ordinary Income</b>	$\Delta 1,382$	<b>1,600</b>	$\Delta 650$	— %	— %
Ordinary Income Margin	$\Delta 1.2\%$	<b>1.3%</b>	$\Delta 0.6\%$	—	—
<b>Net Income</b>	$\Delta 3,078$	<b>800</b>	$\Delta 1,450$	— %	— %
Net Income Margin	$\Delta 2.7\%$	<b>0.7%</b>	$\Delta 1.3\%$	—	—

## 12. Forecast Non-Consolidated Results for the Period Ending March 2009

(Unit: millions of yen)

	2008/3 (Actual Results)	2009/3 (Initial Plan)	2009/3 (Revised Plan)	Change From Prev. Period	Compared To Initial Plan
Net Sales	109,358	118,500	110,000	0.6%	Δ7.2%
Operating Income	Δ1,831	1,250	Δ1,100	— %	— %
Operating Margin	Δ1.7%	1.1%	Δ1.0%	—	—
Ordinary Income	Δ1,484	1,300	Δ1,000	— %	— %
Ordinary Income Margin	Δ1.4%	1.1%	Δ0.9%	—	—
Net Income	Δ3,042	700	Δ1,600	— %	— %
Net Income Margin	Δ2.8%	0.6%	Δ1.5%	—	—



## **II . Medium-Term Strategy Progress**

## 1. FY 2008 Basic Management Policy

### 1 Focus on Base Building (Establish Foothold)

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#### ● “The Kitchen Company”

~Creating a product lineup and system, in our role as the leading company in kitchen-related goods, suited to the needs of a new age and the business environment.

#### ● Reconstruction of the business process

~Undertaking a complete review of the business process with a focus on keywords such as “efficiency”, “speed” and “uniformity”.

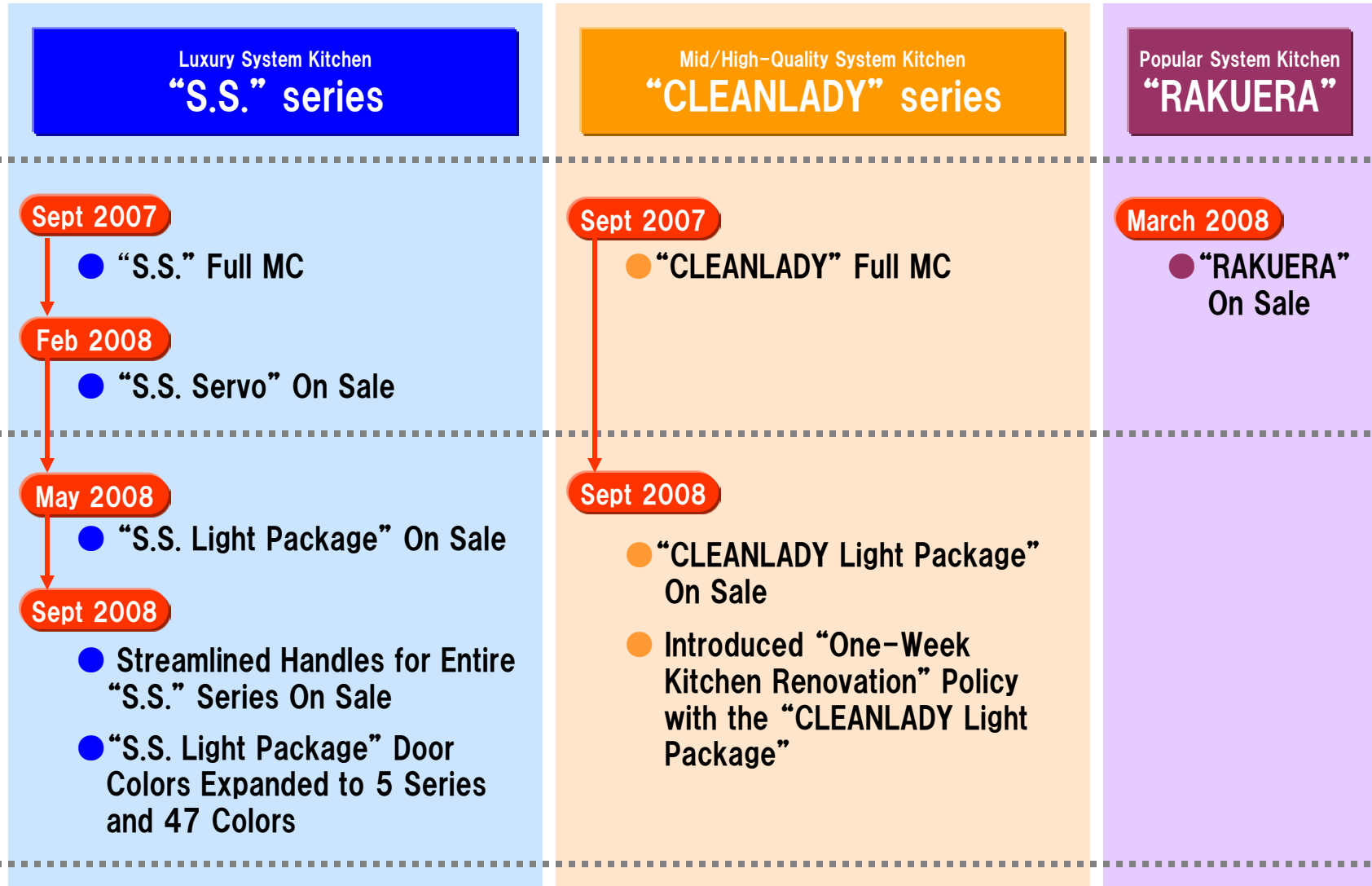
### 2 Continue Working from a Medium-Term Viewpoint

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#### ● Constant strengthening of food/housing communication

~Increasing the Cleanup brand value and building medium-term kitchen demand by proposing a new kitchen culture.

## 2. Strengthen Main Products ① Recent Efforts



## 2. Strengthen Main Products ② Characteristics of Recently Developed Products

### Providing Cleanup technology and quality

- Adjusting the product lineup to reflect the benefits of Cleanup's roots – the stainless kitchen
- Providing a relaxing, quiet kitchen through the development of the "Beautiful Silent Sink"
- Development, provision, etc., of various functions that are "firsts in the industry"

### Cleanup lifestyle proposals in-step with the times

## Product Creation for Satisfying Lifestyles

Keyword

おいしい時間を  
育むよろこび。

日本の「食」を支え、  
キッチンから日本の未来をつくる。

### Actively responding to customer needs

#### S.S.

- Added a new streamlined handle design after receiving many customer requests to make our kitchens more compatible with interior design, like furniture.

#### S.S. Light Package

- Limited to the two most-requested "S.S." sizes (I-model, 2550mm and 2700mm)
- Stringent selection of popular "S.S." door colors (Expanded to 5 series, 47 colors from September)

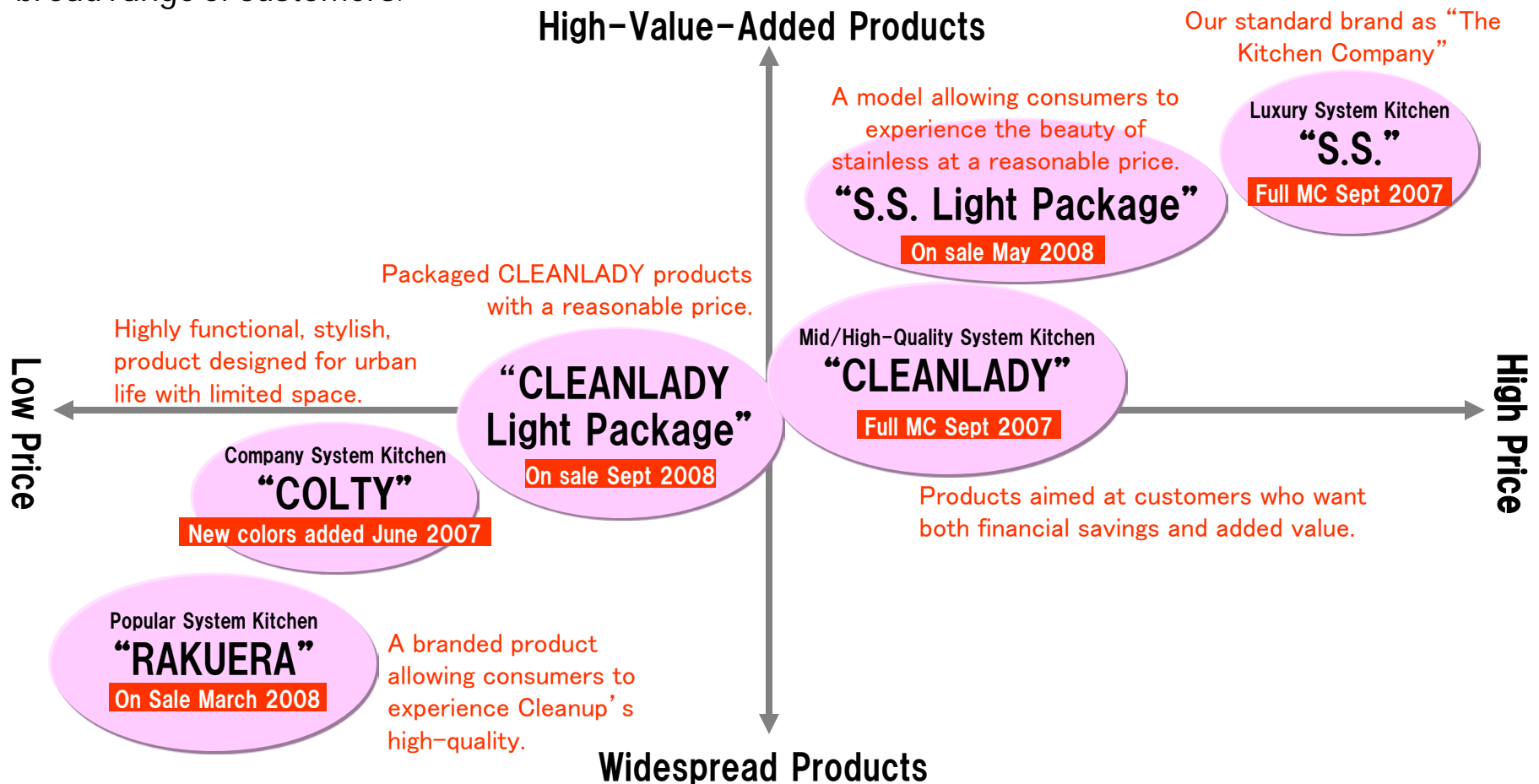
#### CLEANLADY Light Package

- Standardized Washable Range Hood specifications to simplify cleaning and reflect customer requests for easier cleaning and storage
- In showroom surveys, customers revealed they expected kitchen renovation to take approx. 1 week, from product selection to completion. In response, we implemented the "One-Week Kitchen Renovation."



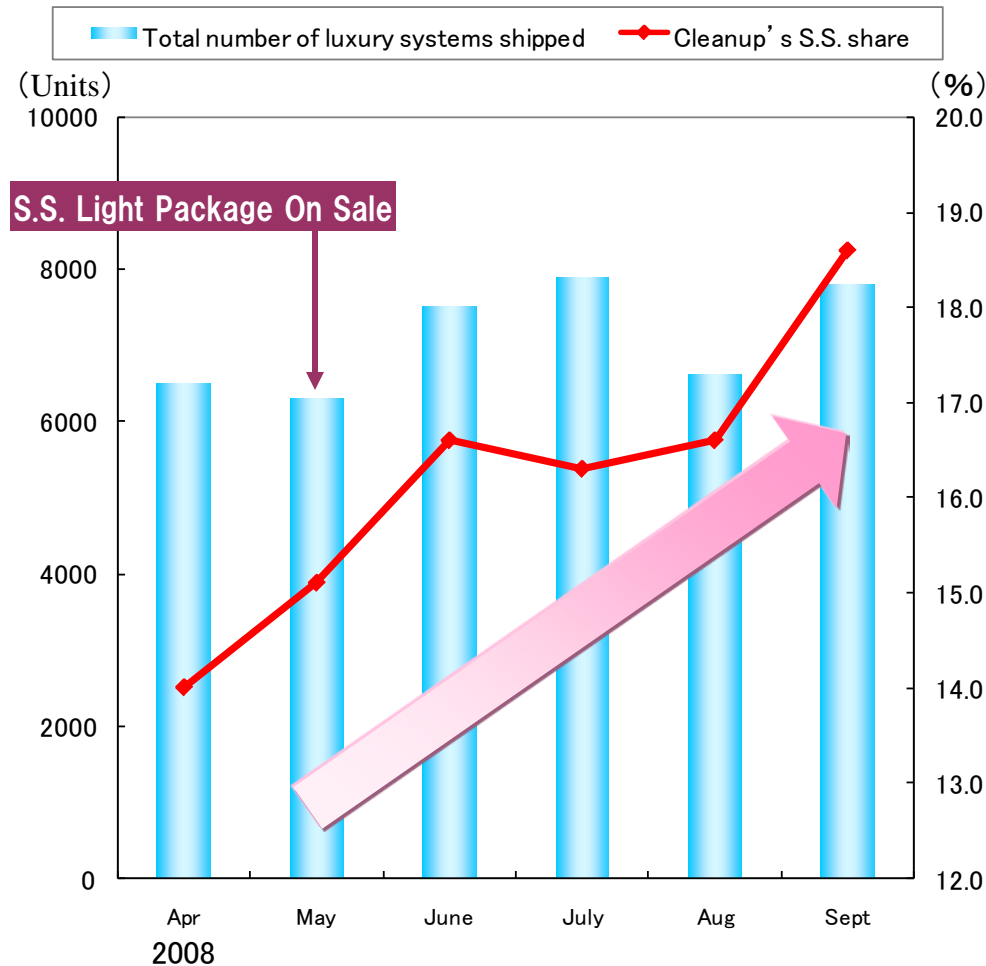
## 2. Strengthen Product Lineup ③ Product MD Map

In addition to the development of the popular “RAKUERA” class and the introduction of the “light packages” to the luxurious “S.S.” class, the introduction of the “light packages” to the mid- to top-range “CLEANLADY” class completes a product lineup that can accurately respond to the various needs of a broad range of customers.



## 2. Strengthen Product Lineup ④ Effects of New Product Introduction

Since the launch of the “S.S. Light Package” in May 2008, Cleanup’s S.S. has rapidly recovered and increased its share of the luxury system kitchen class.



S.S. Light Package  
(Standard Package Plan)

### 3. System Strengthening Results ① Reduced Lead Time

Realization of “One-Week Renovation” with the “CLEANLADY Light Package” on sale from September 1, 2008

We made one-week renovations possible by reducing the lead time in our made-on-demand production system from 6 days to 4 days.

\* We are currently the only company capable of providing this service without maintaining stock.

This was made possible by our company structure

#### 1 Production System

Focused improvement efforts in the CPS (Cleanup Production System)

#### 2 Structure Reorganization

Organized a “Kitchen Business Division” charged with integrated process management, from development to production, within a single department (from March 2008)

#### 3 Group Reorganization

Improved efficiency of nationwide installation/service systems and provision of high-quality services by Cleanup Techno Service

### 3. System Strengthening Results ② Evolution of “Water Section Workshop”



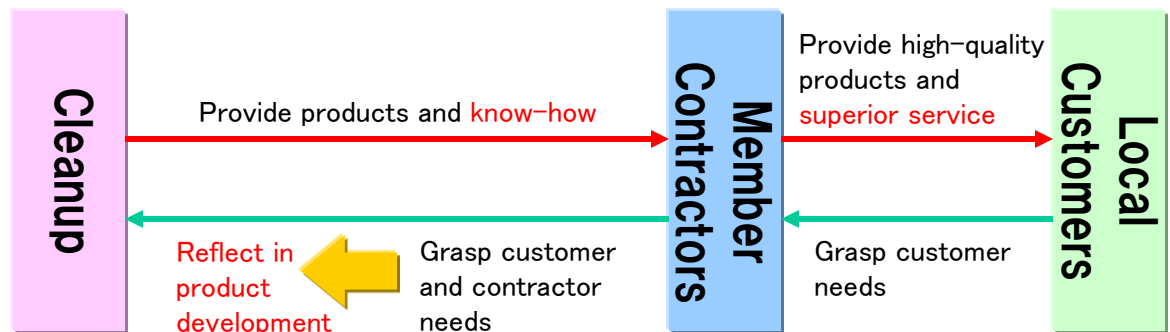
- Began a membership registration system from Nov. 2006 to bring in local, popular contractors (builders, remodeling specialists).
- Nearly all of the member contractors renewed their registrations during the April 2008 renewal period.



Total No. of “Water Section Workshop Members”  
(as of September 30, 2008)  
Approx. **1,200** businesses

We have established solid, mutually beneficial relationships with member contractors to further business development.

No. of Stores Holding Renovation Seminars	<b>510</b>
No. of Renovation Fairs	<b>1,250</b>
No. of Mobilized Customers	<b>4,200</b>

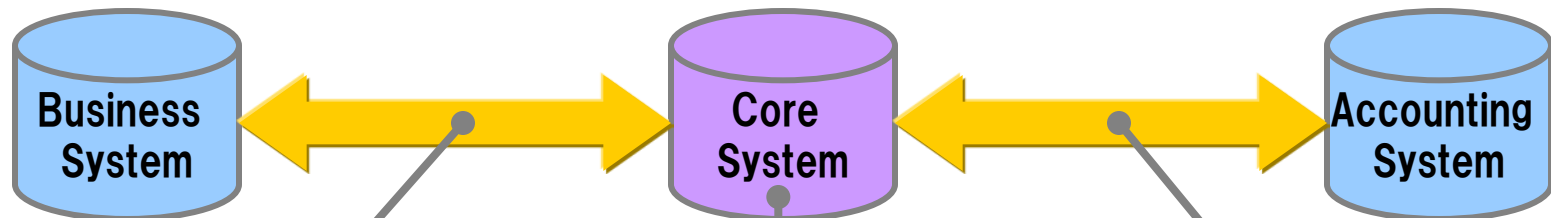


(For the six-month period between April 2008 and September 2008)

## 4. Business Process Reconstruction ① IT System

During the current interim period, Cleanup invested 330 million yen in our IT system infrastructure, the foundation of our business process reconstruction.

Supporting fast and efficient business operations



**New CAD System**

Promote effective use of talented staff, including our own former employees, by transforming our CAD design environment to allow operation from the home

**CS Core System**

Redesigned into a system capable of making better use in development and sales of the customer database derived from business activities

**Internal Control System**

A system to promote efficiency in internal control auditing and daily monitoring

## 4. Business Process Reconstruction ② Logistics

The Cleanup Group's logistics reorganization is nearing completion following the April 2008 merger of Cleanup Logistics Co. and Cleanup Transportation Co.

### 【History of the Reorganization of Distribution Subsidiaries】

Aug 1969	Cleanup Transportation Co. established
Oct 2002	Cleanup Logistics Co. established as a non-asset (business model without Cleanup assets such as distribution centers, vehicles, etc.)
Nov 2002	Cleanup Transportation Co. absorbs Tokyo Transportation and Storage Service Ltd.
Jan 2006	Cleanup Transportation Co. absorbs Cleanup Okayama Transportation Co.
Apr 2008	Cleanup Logistics Co. absorbs Cleanup Transportation Co.



A new system to achieve further logistics efficiency

Modal shift from overland transport via the Hokkaido main line to sea transport



## 5. Continuous Strengthening of Food/Housing Communication

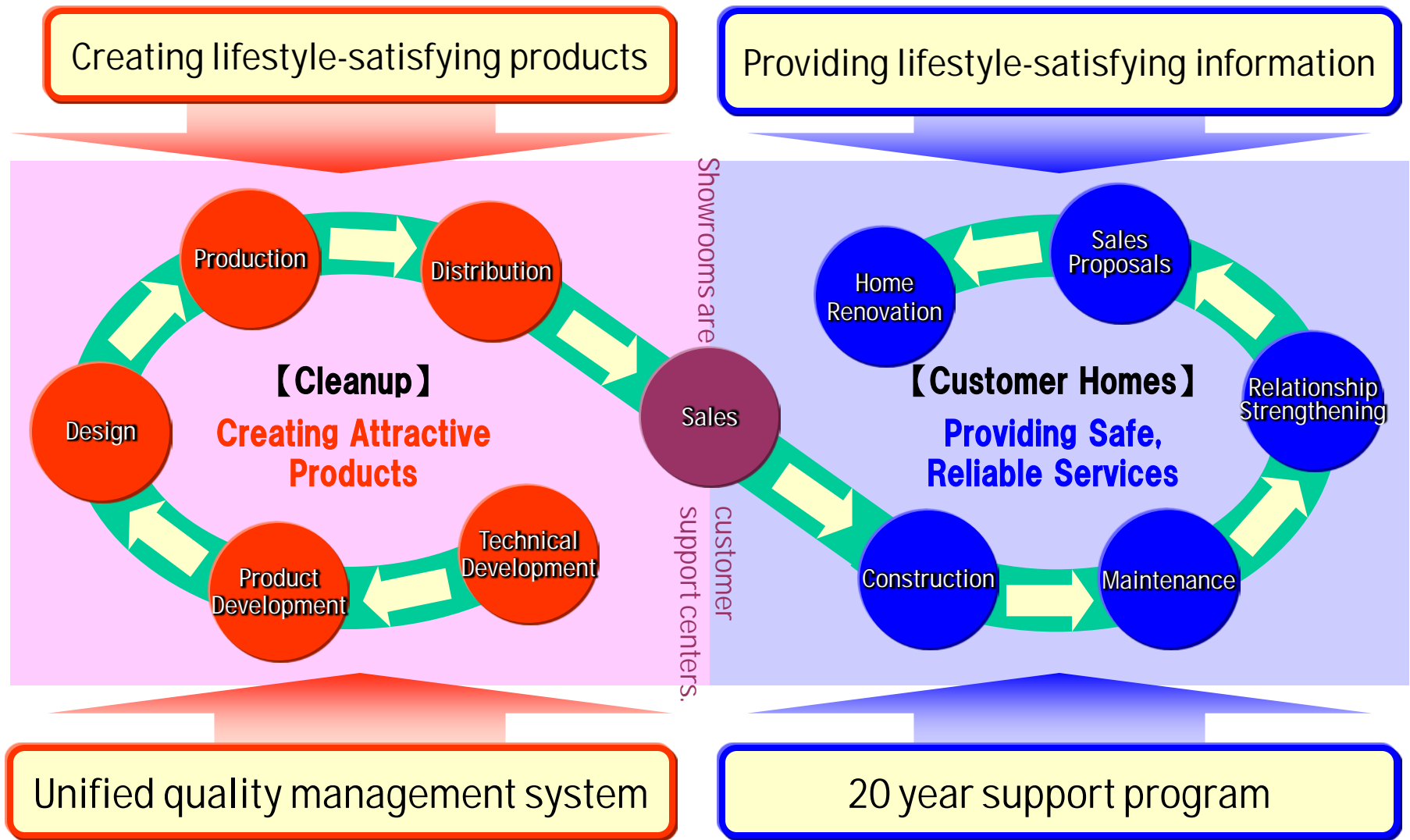
- Continuously holding cooking classes using showrooms



- Newly opened "Dreamia Club," a Web site providing lifestyle ideas



## 6. "Creation of Home Living Space Services"





**For any questions concerning investor relations,  
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## Disclaimer

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**Furthermore, this material was created based upon data current as of November 17, 2008. 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.**