



キッチンから、笑顔をつくろう

"To create smiles from the kitchen"

**Presentation Material:
Announcement of FY 2010 Interim Results**

November 15, 2010



キッチンから、笑顔をつくろう

I . Interim Results Outline

1. Outline of Consolidated Results for Interim Period Ended September 2010

(Units: millions of yen)

	2010/9 (Actual Results)	2009/9 (Actual Results)	<i>Change From Prev. Period</i>	2010/9 (Initial Plan)	<i>Compared To Revised Plan</i>
Net Sales	50,982	48,482	5.2%	48,700	4.7%
Operating Income	1,874	1,362	37.6%	450	316.5%
Ordinary Income	1,760	1,278	37.7%	350	402.9%
Interim Net Income	1,249	1,134	10.1%	△150	— %
Interim Net Income Per Share	26.66yen	24.10yen	10.6%	△3.20yen	— %

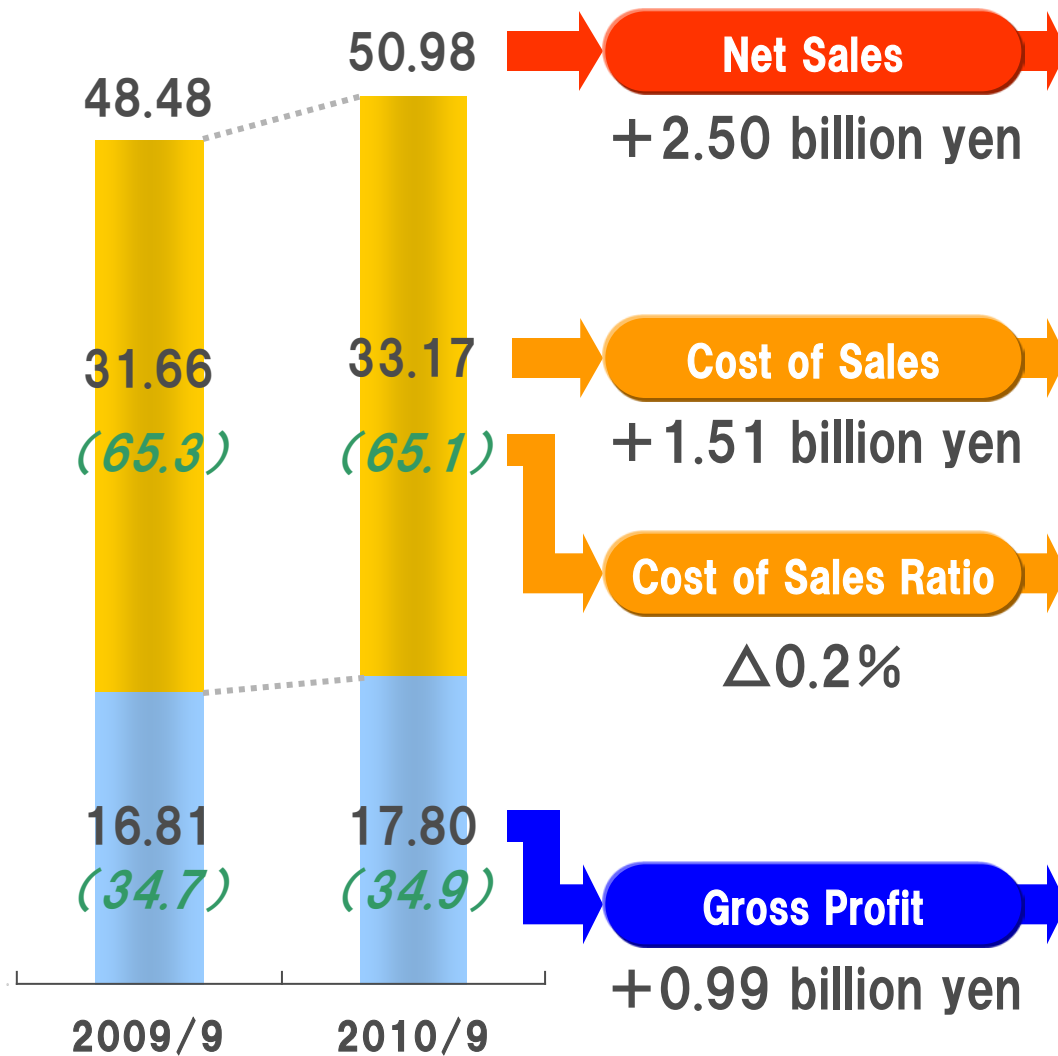
* Initial Plan: Announced May 11, 2010

2. Consolidated Profits ① Net Sales, Gross Profit

(Units: billions of yen)

【Increased/Decreased Values (Rates)】

【Main Increase/Decrease Factors】



● System Kitchens	+1,960 million yen
・S. S.	△140 million yen
・CLEANLADY	+260 million yen
・RAKUERA	+2,040 million yen
● Sectional System Kitchen	+310 million yen
● System Bathrooms	△70 million yen

● Increase Due to Increased Net Sales	+1,630 million yen
● Decrease Due to Decreased Cost of Sales Ratio	△120 million yen

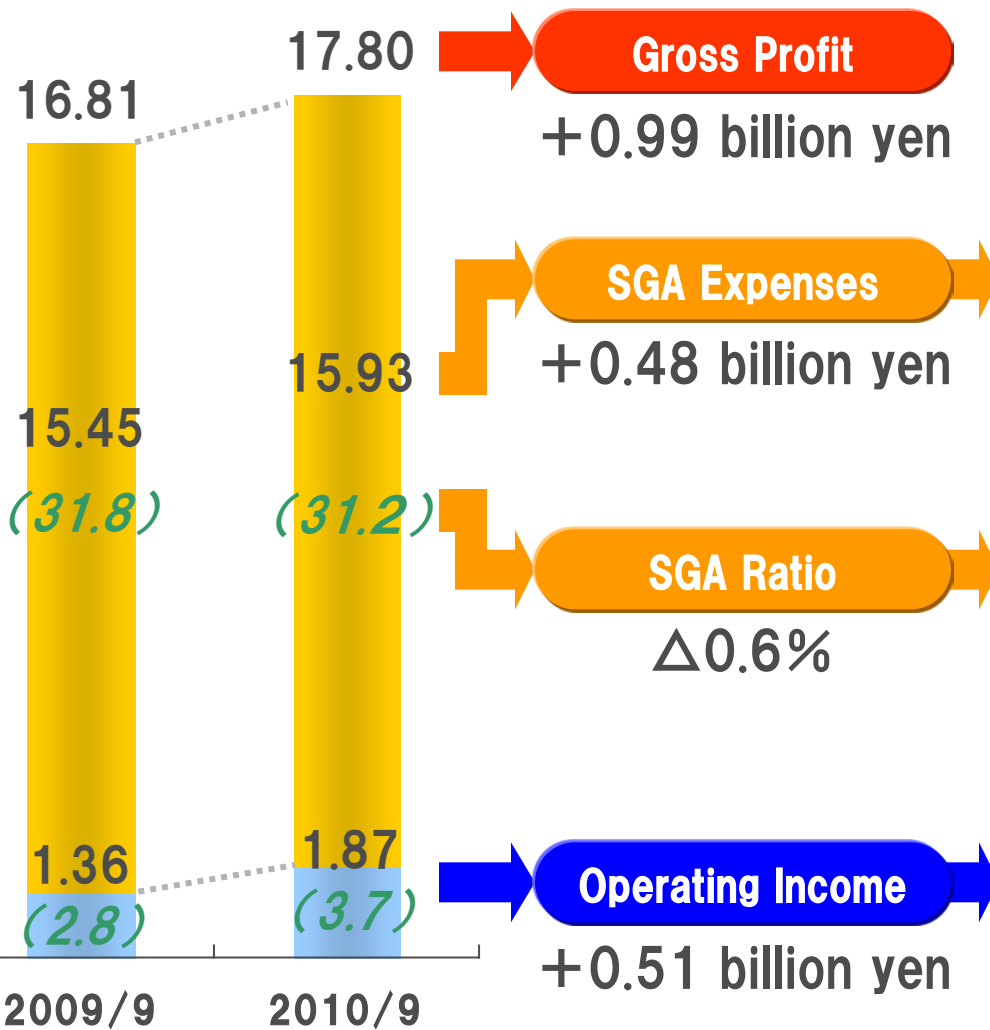
● Increase in S.S., CLEANLADY Cost Ratio	+0.9 point
● Increase in RAKUERA Cost Ratio	+0.6 point
● Increase in System Bathrooms Cost of Sales Ratio	+0.1 point
● Decrease in Cost of Raw Mat	+0.2 point
● Sales Route Distribution Ratio	△0.2 point
● Cost Decrease	△1.8 point

● Increase Due to Increased in Net Sales	+870 million yen
● Increase in Gross Profit Ratio	+120 million yen

2. Consolidated Profits ② SGA Expenses, Operating Income

(Units: billions of yen)

【Increased/Decreased Values (Rates)】



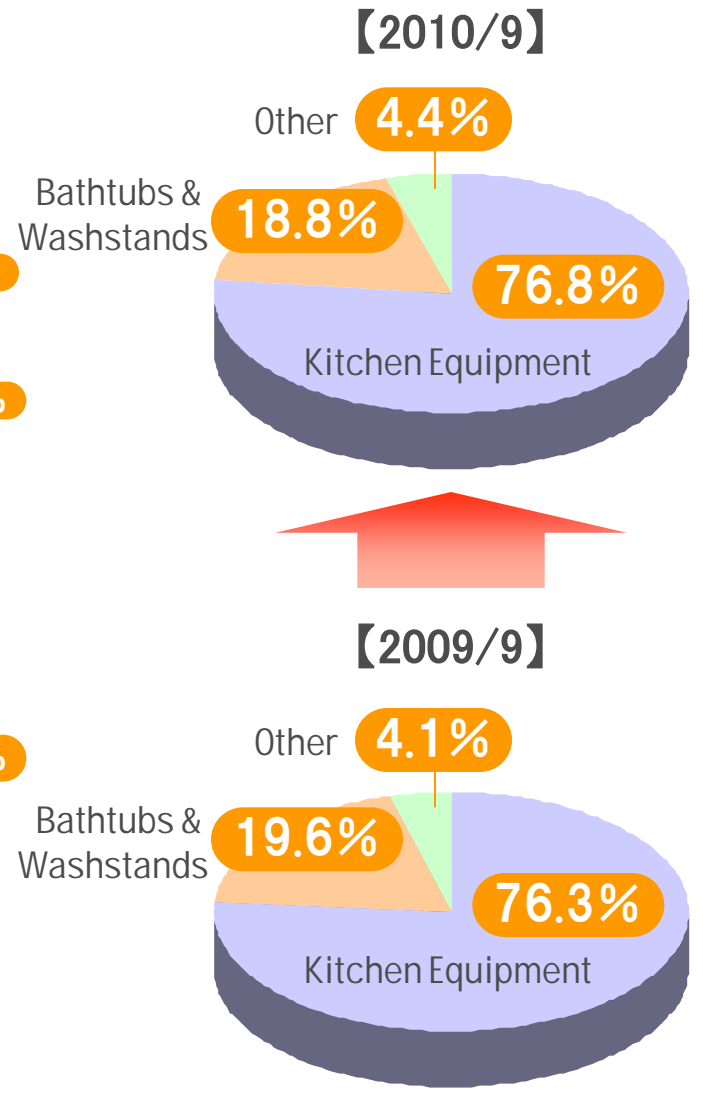
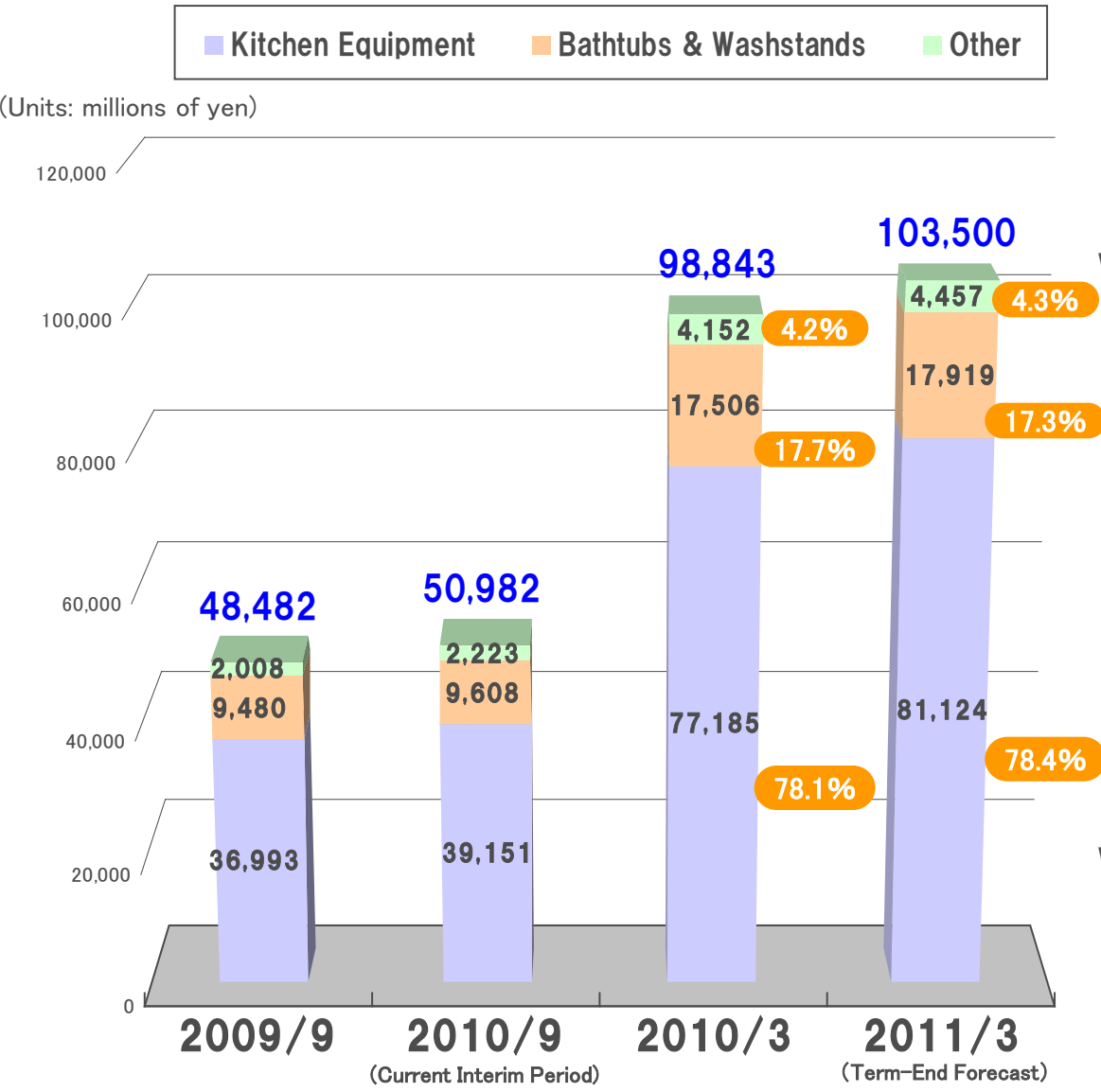
【 Main Increase/Decrease Factors 】

● Sales Expenses	Δ160 million yen
● Distribution Expenses	+290 million yen
● Personnel Expenses	+580 million yen
● Administrative Expenses (Depreciation, leasing fees, etc.)	Δ230 million yen

● Sales Expenses	Δ0.4 points
● Distribution Expenses	+0.3 points
● Personnel Expenses	+0.5 points
● Administrative Expenses	Δ1.0 points

● Increase in Gross profit	+990 million yen
● Change in SGA Expenses	Δ480 million yen

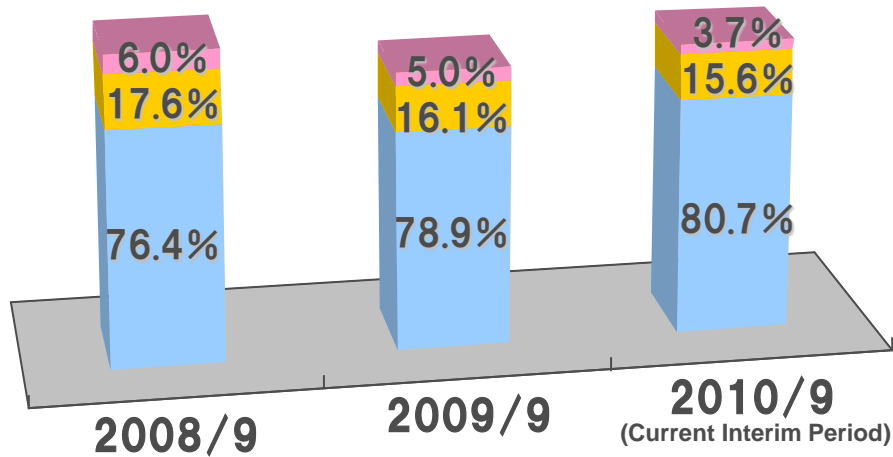
3. Sales Composition ① By Segment (Consolidated)



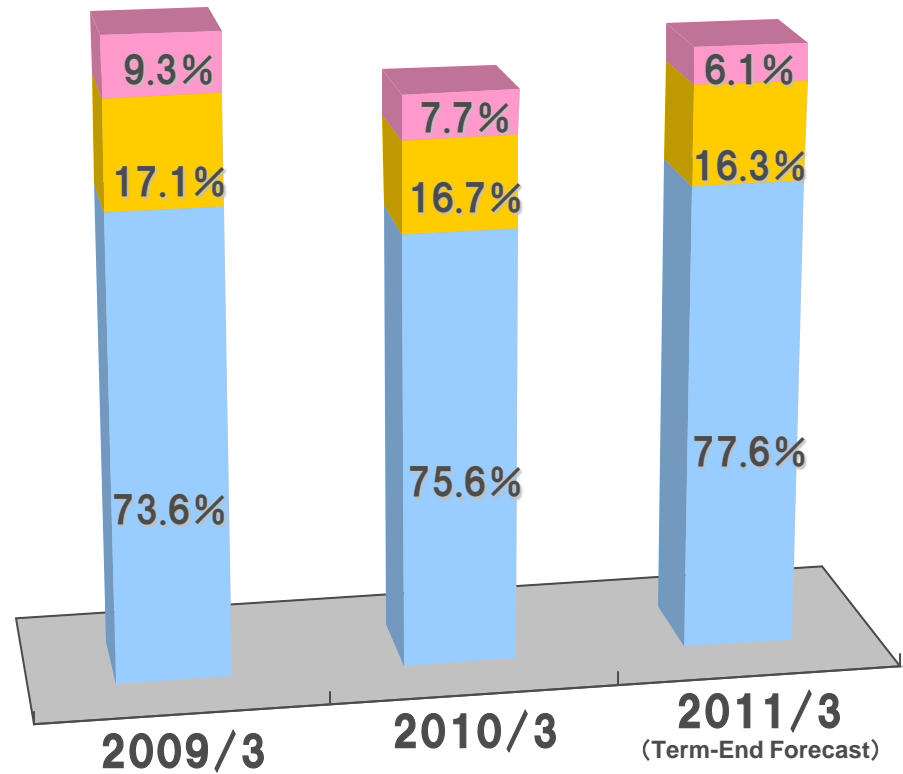
3. Sales Composition ② By Sales Route (Non-Consolidated)

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

【First-Half Base】



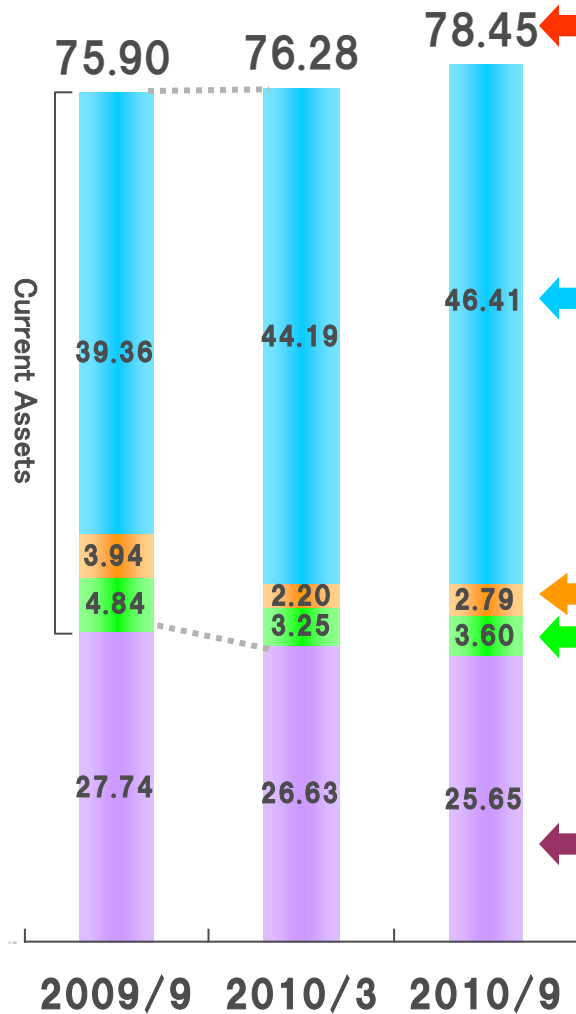
【Full-Term Base】



4. Consolidated Balance Sheet Summary – 1/2

(Units: billions of yen)

【Assets】



【Increased/Decreased Values】

Total Assets

+2.17 billion yen

Cash and Deposits Notes and Accounts Receivable

+2.22 billion yen

Inventory

+0.58 billion yen

Other Current Assets

+0.35 billion yen

Fixed Assets

△0.98 billion yen

【 Main Increase/Decrease Factors 】

- Current Assets +3,140 million yen
- Fixed Assets △970 million yen

- Cash and Deposits +1,040 million yen
- Notes and Accounts Receivable +1,180 million yen

- Increase in Direct-Sales Inventory

- Increase in marketable securities (CP) +200 million yen

- Decrease due to Depreciation
 - Tangible Fixed Assets △530 million yen
 - Intangible Fixed Assets △230 million yen
- Securities Investments △150 million yen

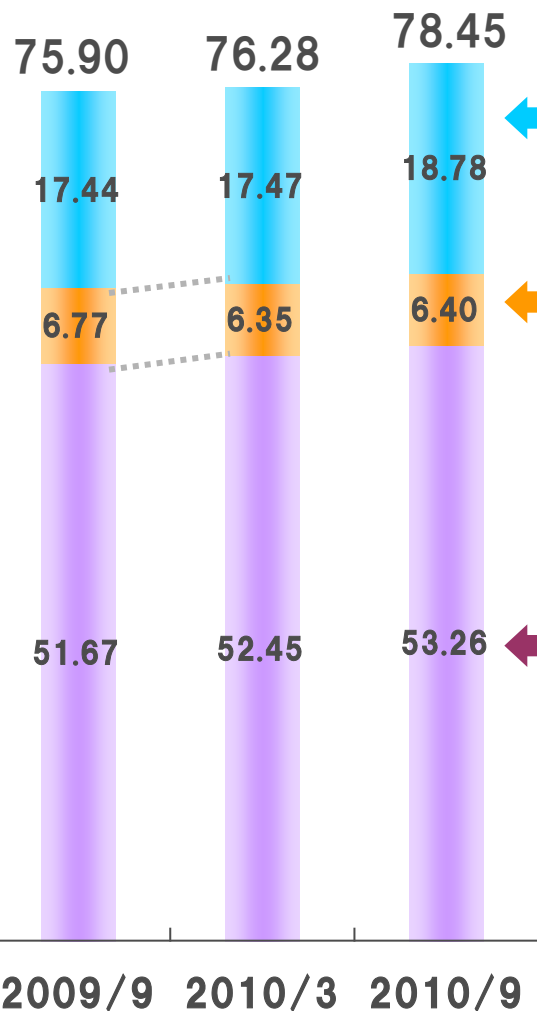
4. Consolidated Balance Sheet Summary – 2/2

(Units: billions of yen)

【 Increased/Decreased Values 】

【 Primary Reasons for Increase/Decrease 】

【 Liabilities · Minority Interests · Assets 】



Current Liabilities
+1.31 billion yen

Long-Term Liabilities
+0.05 billion yen

Total Assets
+0.81 billion yen

- Other Accounts Payable +690 million yen
- Advance Receipts +500 million yen
- Accrued bonuses +90 million yen

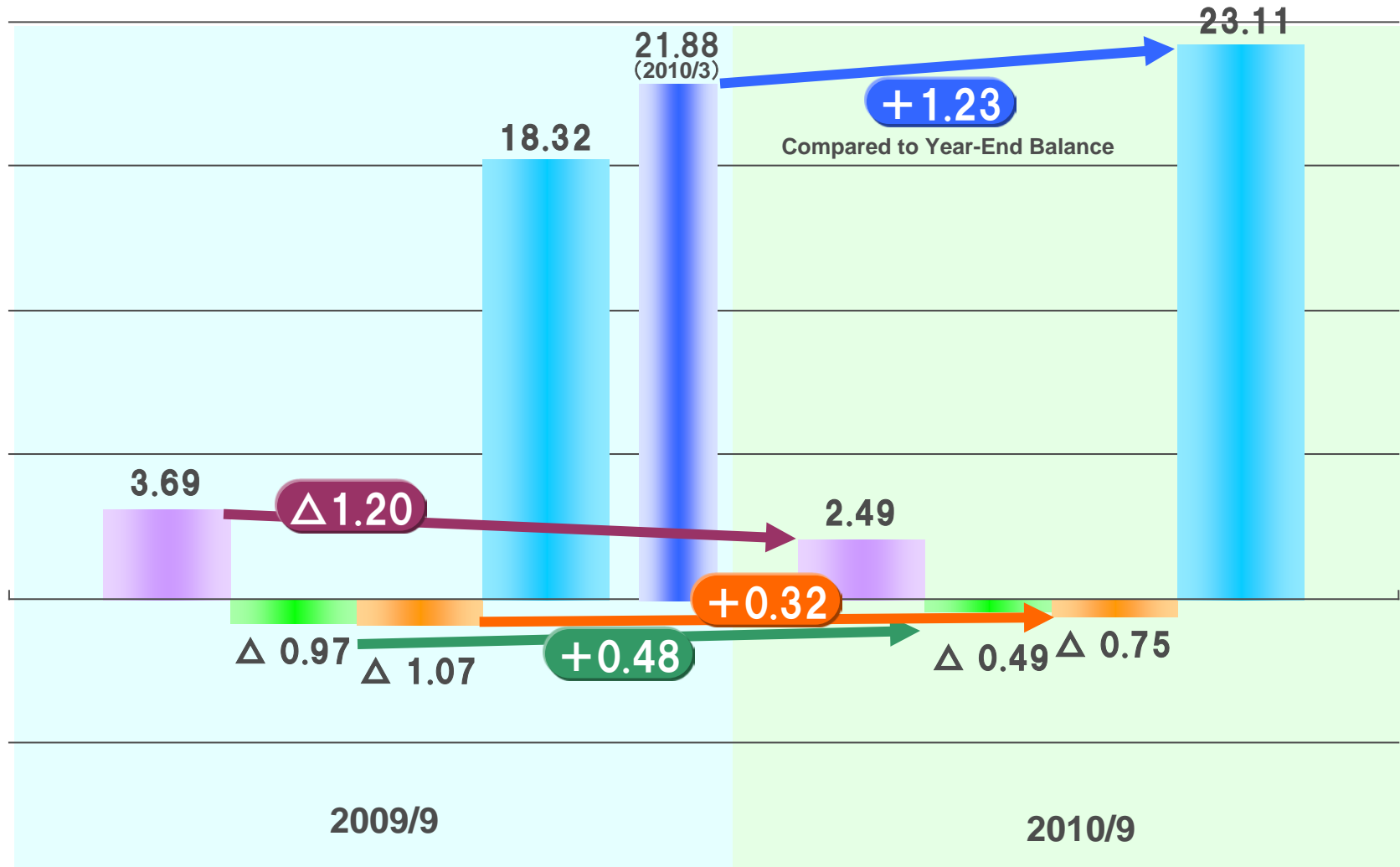
- Long-term borrowing Δ490 million yen
- Retirement Benefit Reserves +180 million yen
- Asset retirement obligations +340 million yen

- Interim Net Income +1,240 million yen
- Dividends Δ230 million yen
- Unrealized Gain on Securities Δ200 million yen

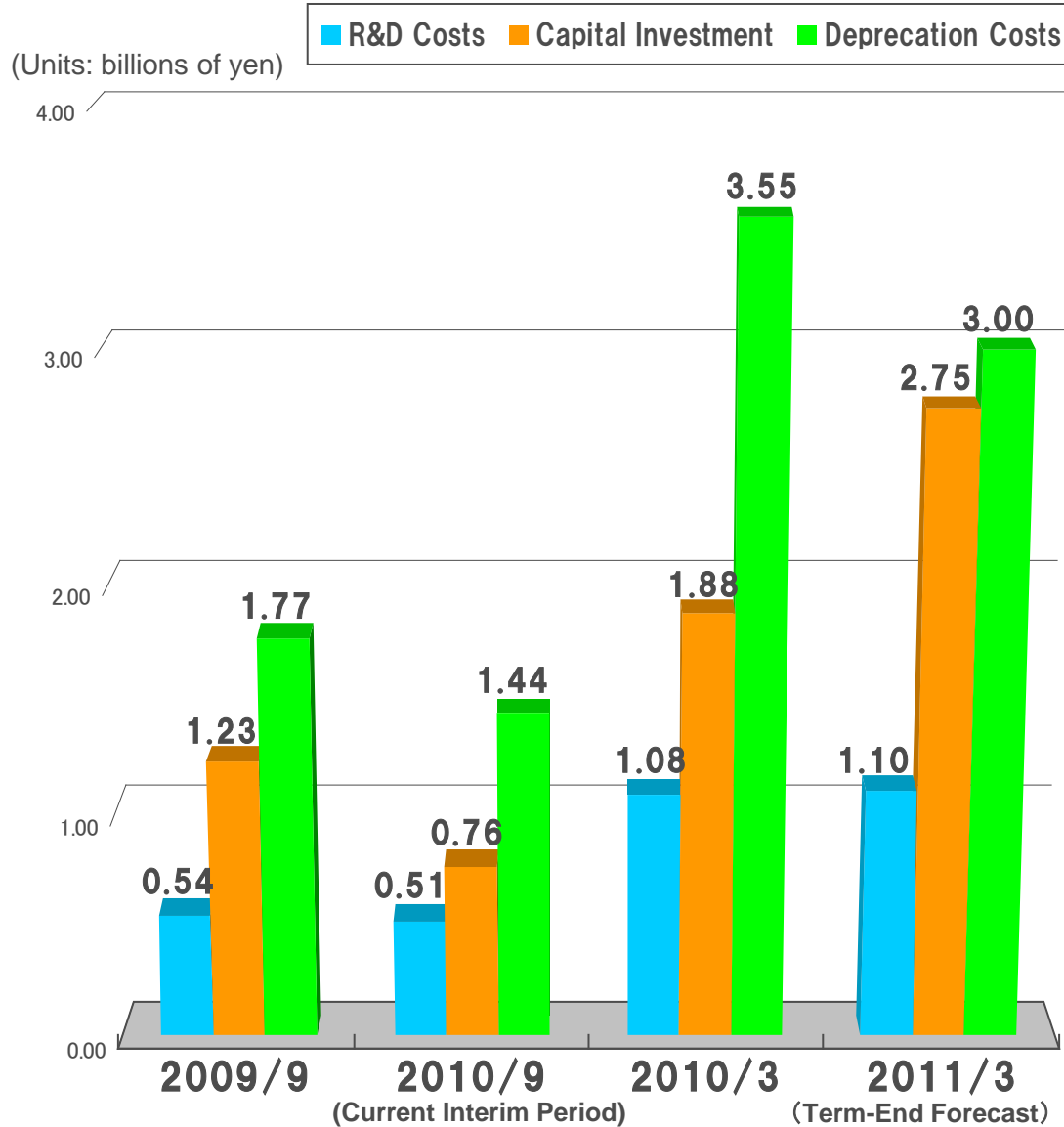
5. Consolidated Cash Flow Statement Summary

(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)



【FY2011 Major Capital Investment Details】

First-Half Results

- ① Dies and Equipment for New Products 70 million yen
- ② Showroom Renovation 410 million yen
- ③ Information Investment 190 million yen

Second-Half Plans

- ① Production-Related 1,010 million yen
- ② Operations-Related 590 million yen
- ③ Information-Related 300 million yen
- ④ Others 90 million yen

7. Outline of Non-Consolidated Results for Interim Period Ended September 2010

(Units: millions of yen)

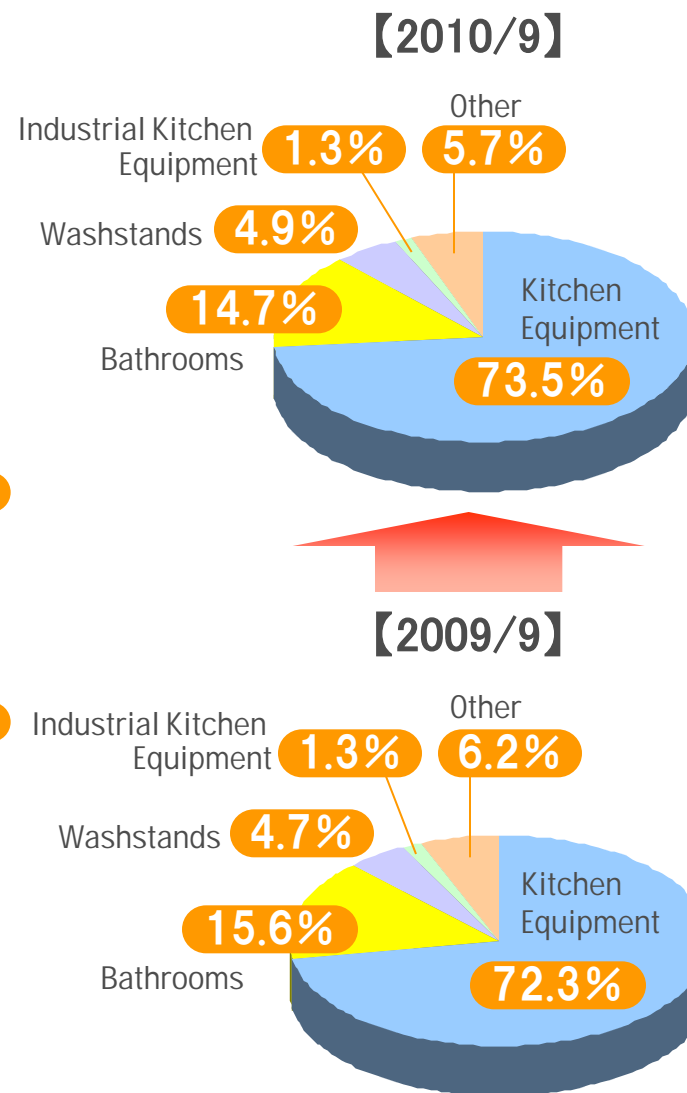
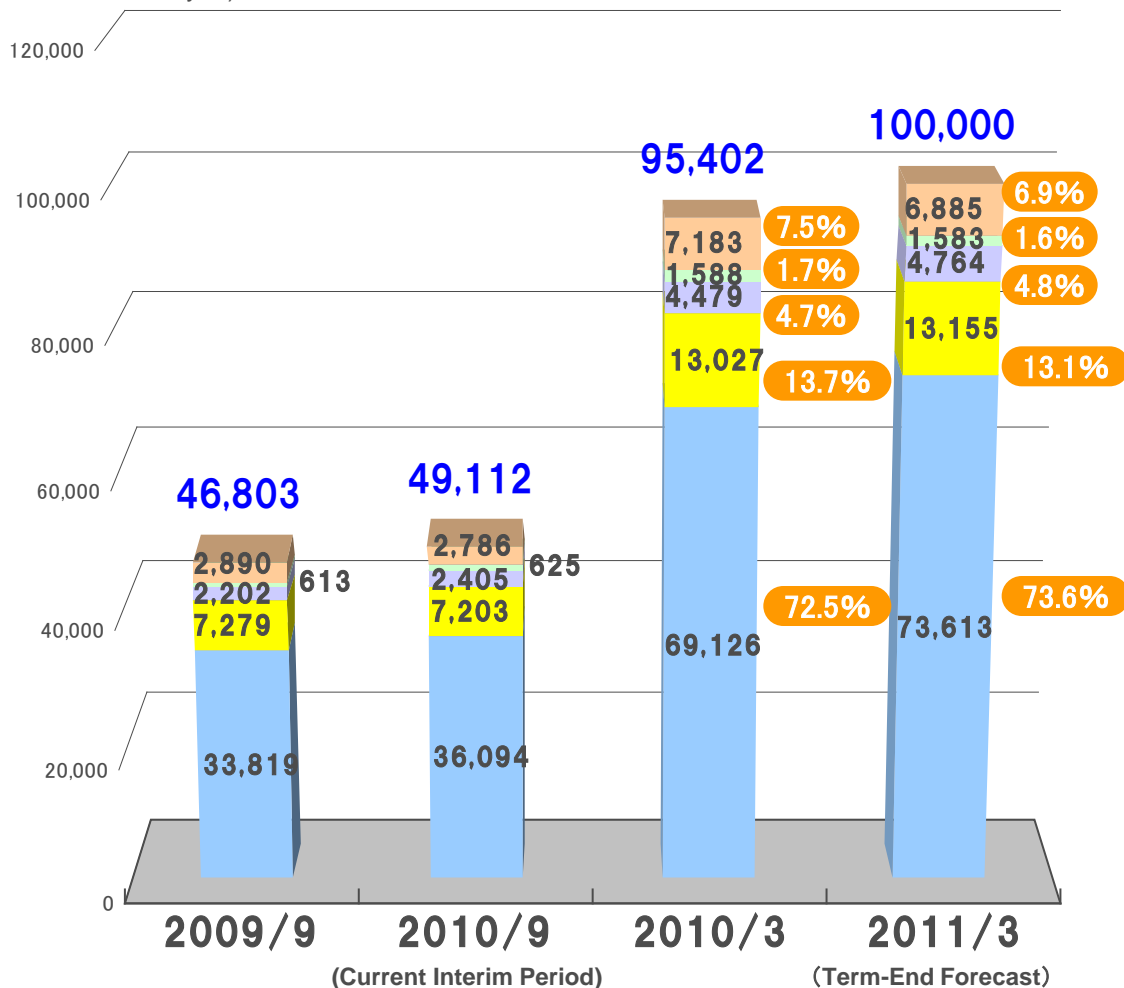
	2010/9 (Actual Results)	2009/9 (Actual Results)	<i>Change From Prev. Period</i>	2010/9 (Initial Plan)	<i>Compared To Revised Plan</i>
Net Sales	49,112	46,803	4.9%	47,000	4.5%
Operating Income	1,462	1,016	43.9%	300	387.6%
Ordinary Income	1,580	1,165	35.6%	400	295.2%
Interim Net Income	1,141	1,109	2.9%	△100	— %
Interim Net Income Per Share	24.36yen	23.57yen	3.4%	△2.13yen	— %

* Initial Plan: Announced May 11, 2010

8. Non-Consolidated Sales Composition By Segment



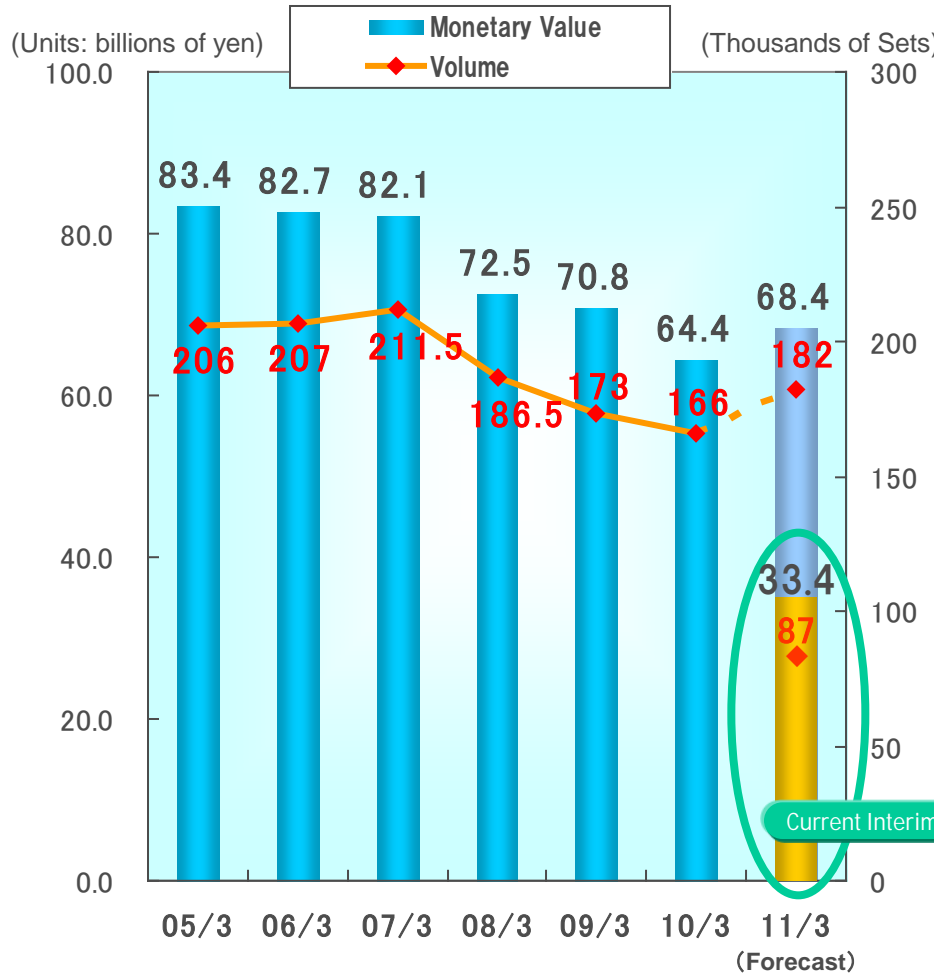
(Units: millions of yen)



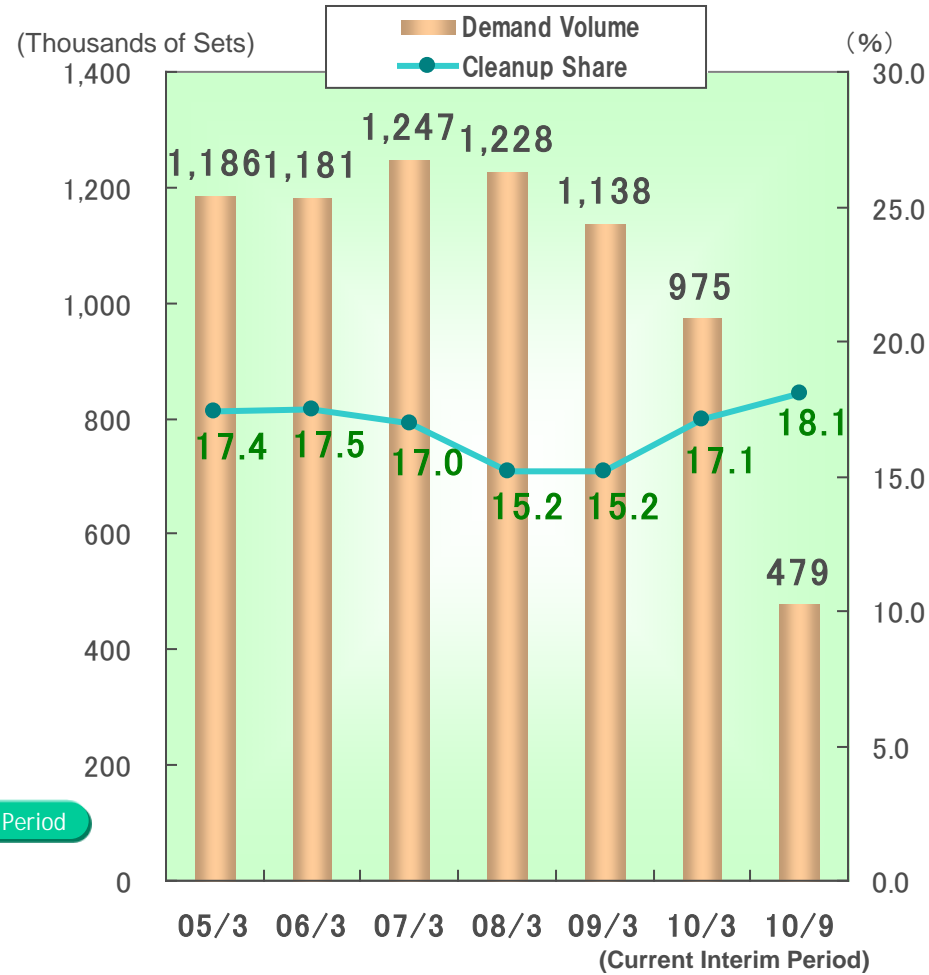
9. Sales Results For Major Products and Cleanup Market Share - 1/4



Complete System Kitchen Sales Results

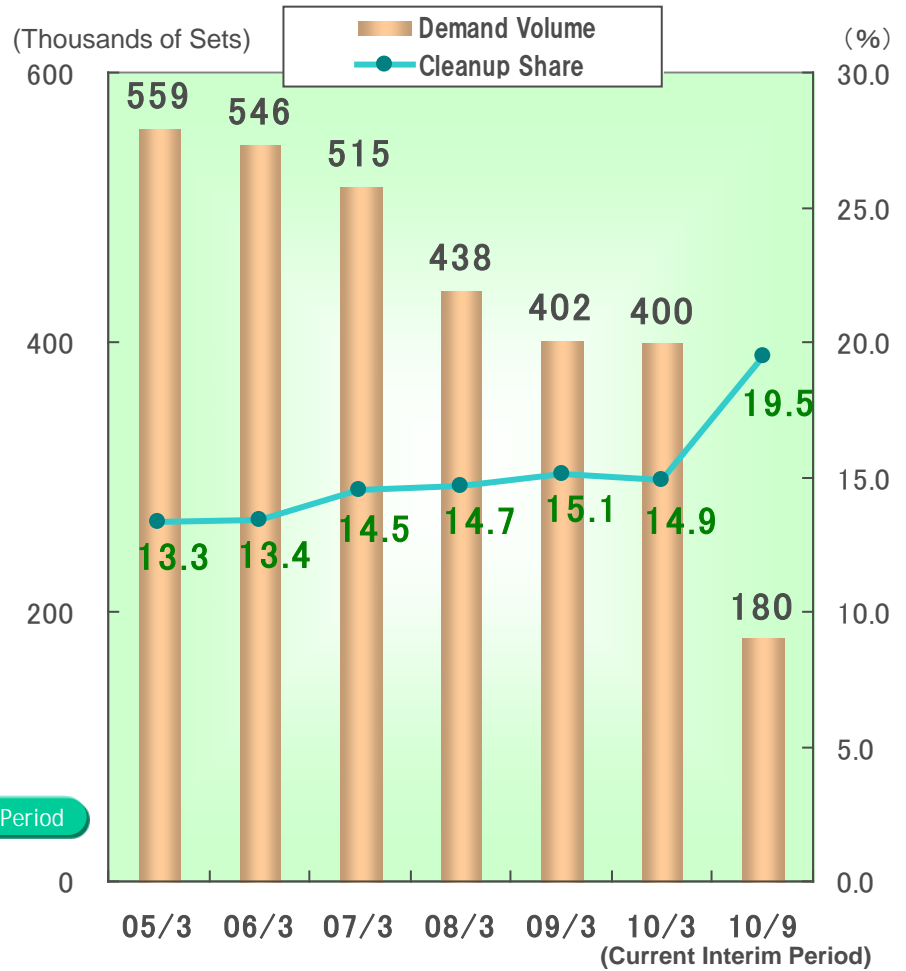
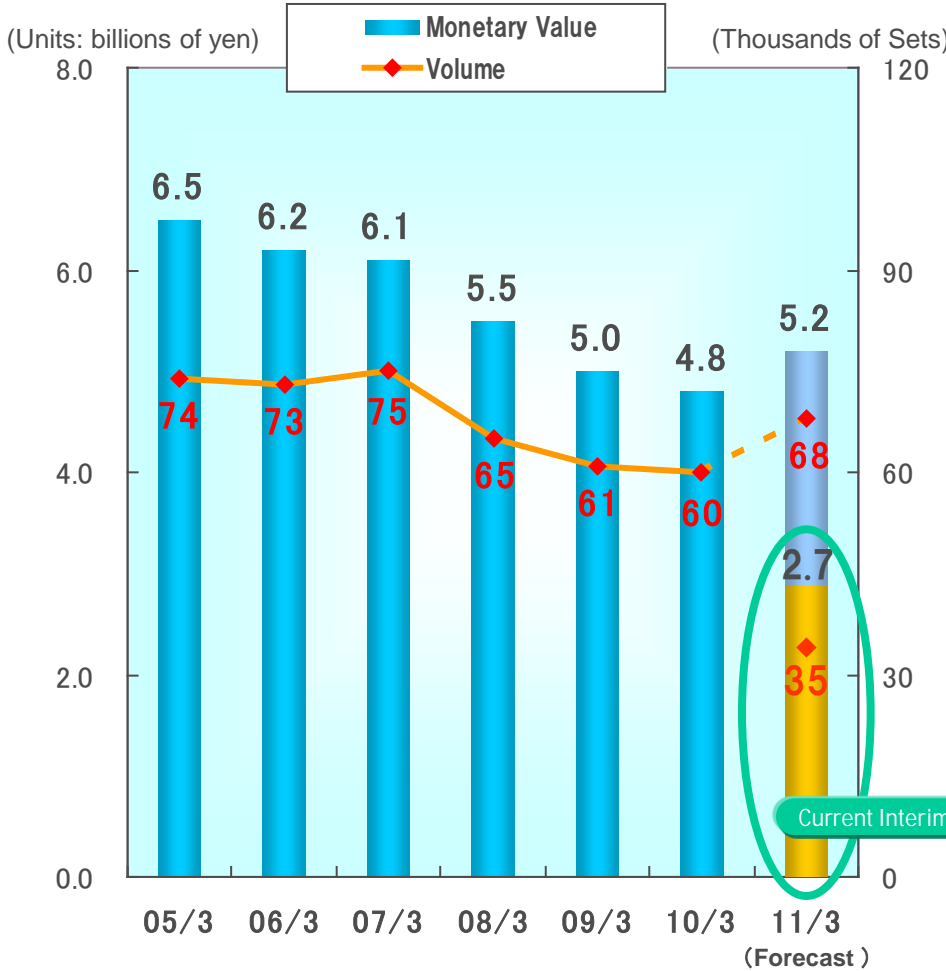


Demand Trends and Market Share

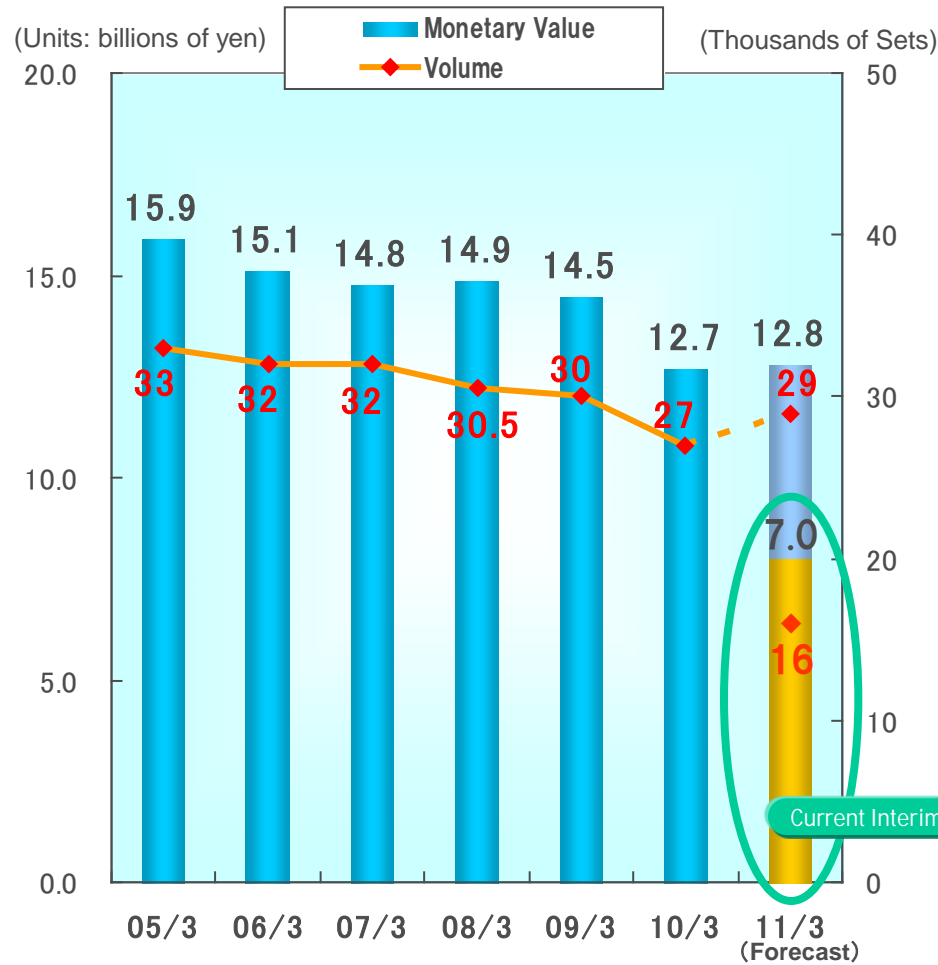


Sectional System Kitchen Sales Results

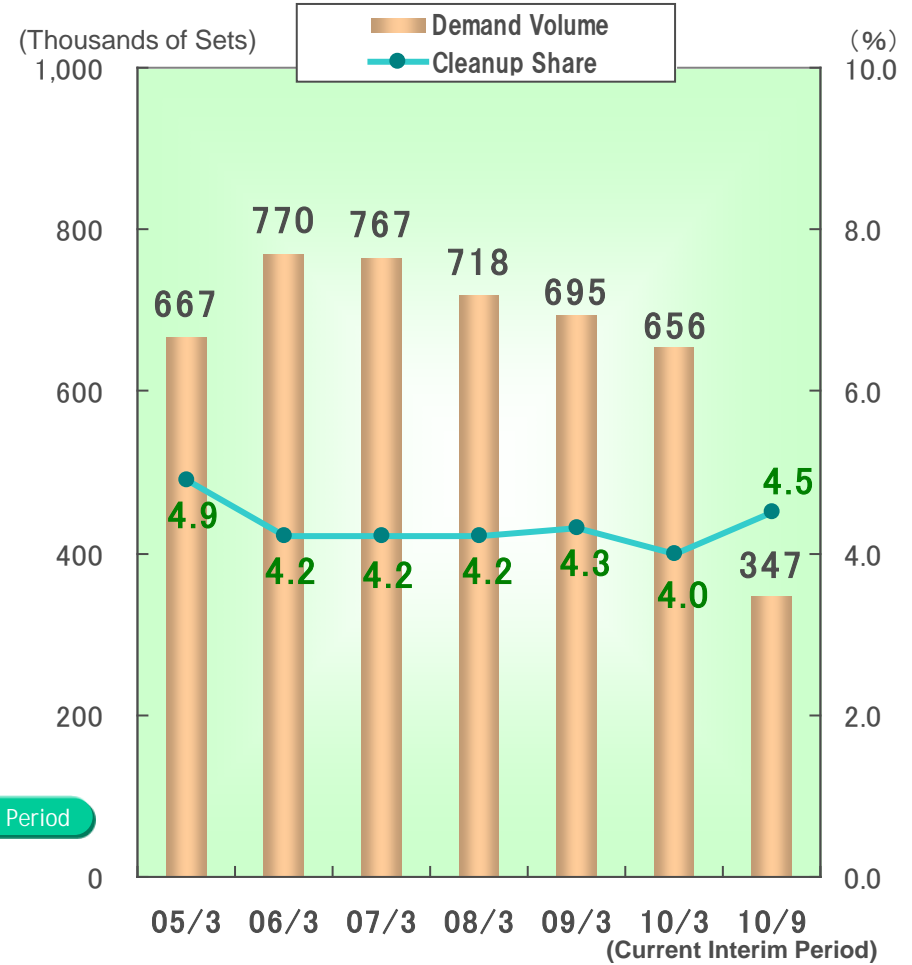
Demand Trends and Market Share



Modular System Bathroom Sales Results



Demand Trends and Market Share

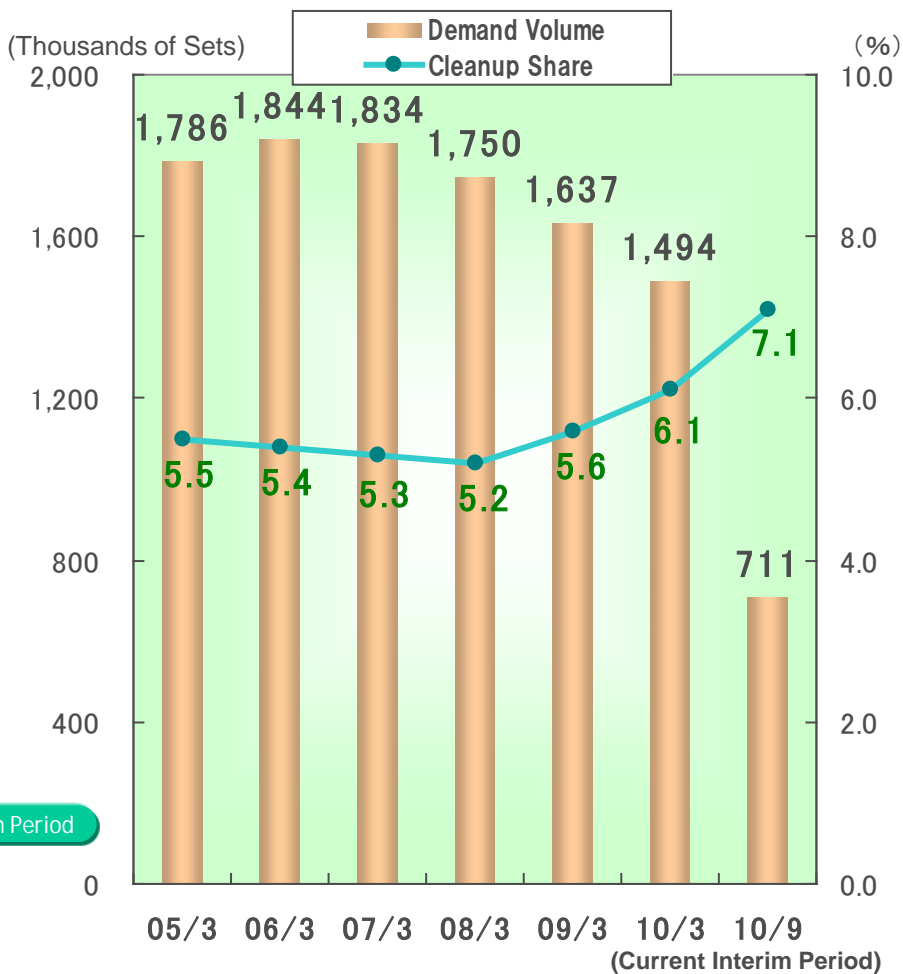
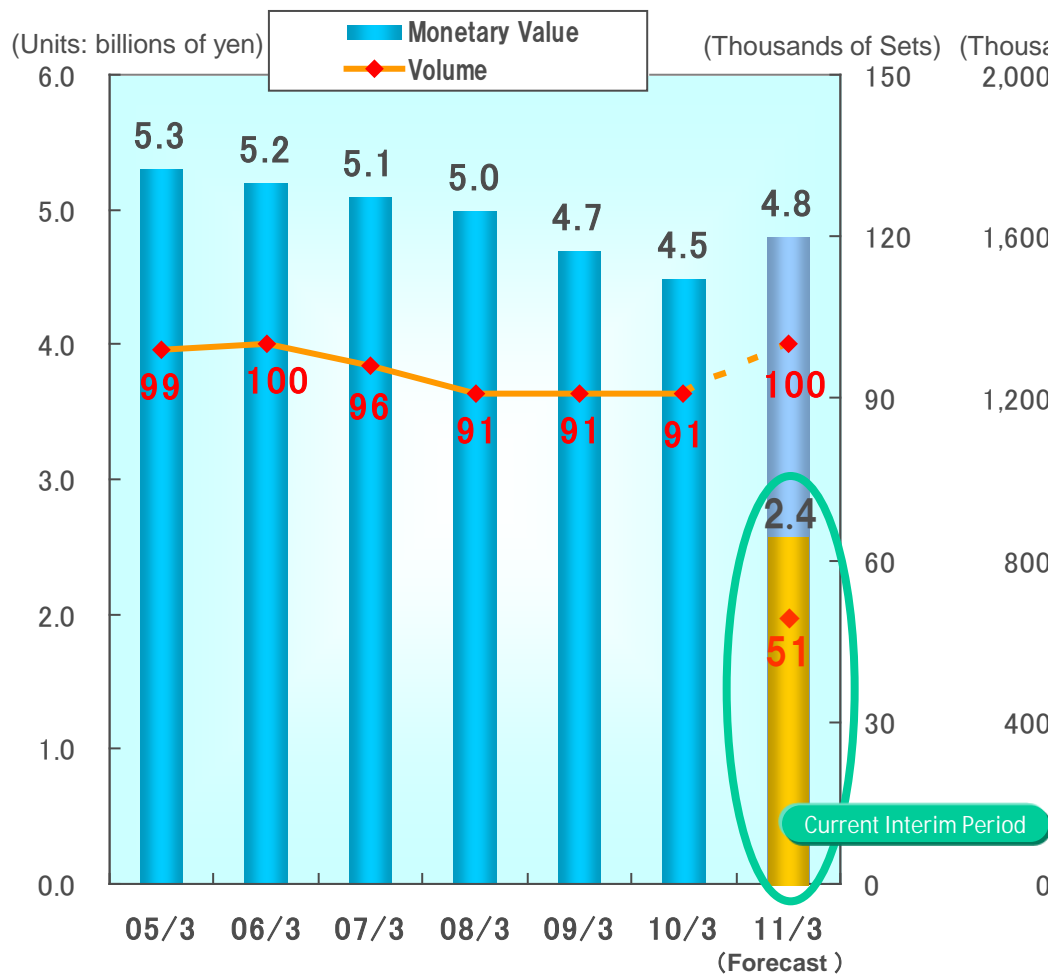


Note) Total number of companies increased from 11 to 15 from FY2005

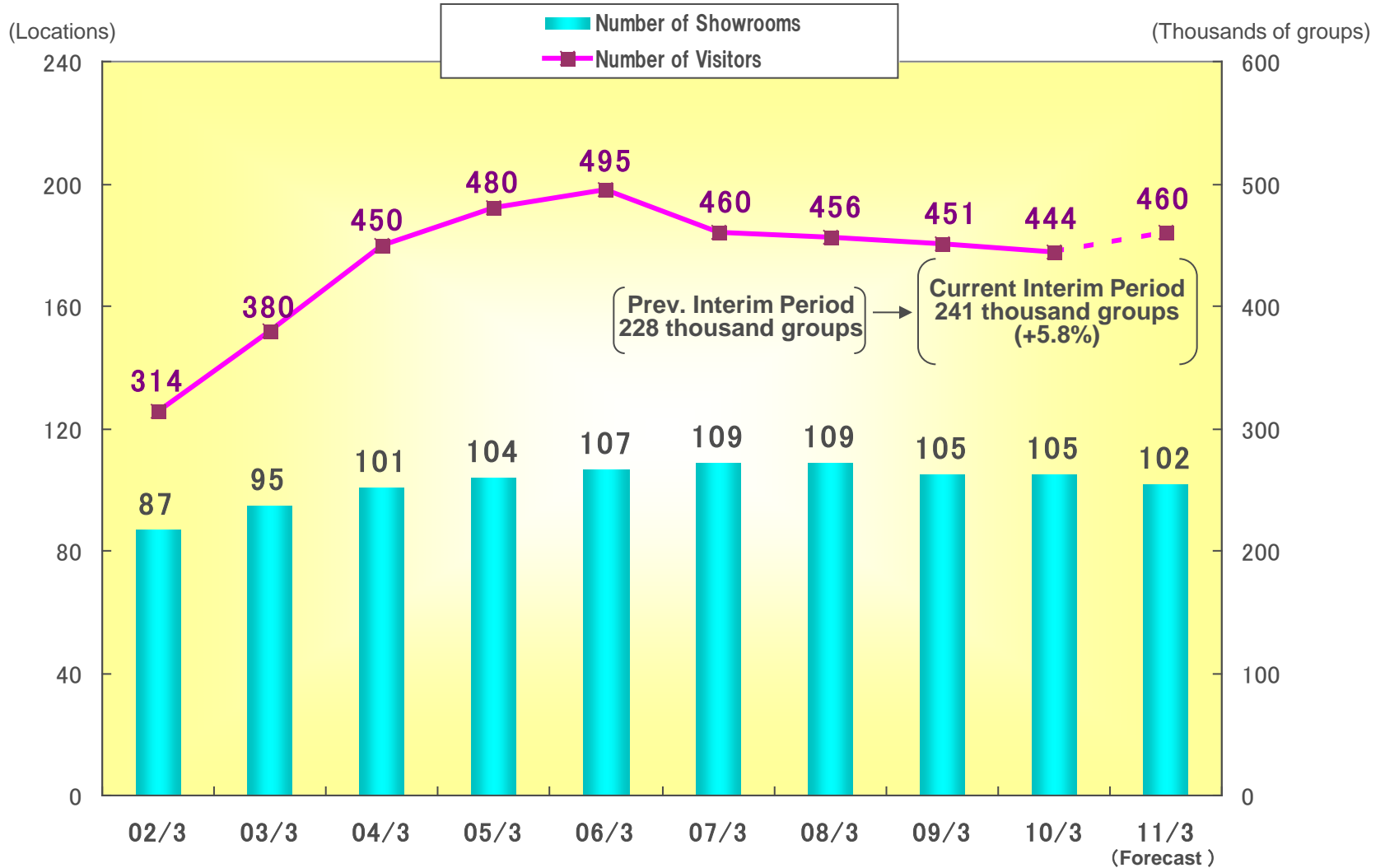
9. Sales Results For Major Products and Cleanup Market Share - 4/4

Washstands/Vanities

Demand Trends and Market Share



10. Showrooms And Visitor Numbers



11. Forecasted Consolidated Results For The Period Ending March 2011

(Units: millions of yen)

	2010/3 (Actual Results)	2011/3 (Initial Plan)	2011/3 (Full-Term Forecast)	<i>Change From Prev. Period</i>	<i>Compared to Plan</i>
Net Sales	98,843	100,000	103,500	4.7%	3.5%
Operating Income	1,840	1,050	2,200	19.5%	109.5%
Operating Margin	1.9%	1.1%	2.1%	-	-
Ordinary Income	1,679	850	2,000	19.1%	135.3%
Ordinary Income Margin	1.7%	0.9%	1.9%	-	-
Net Income	2,104	100	1,200	△43.0%	1100.0%
Net Income Margin	2.1%	0.1%	1.2%	-	-

12. Forecasted Non-Consolidated Results For The Period Ending March 2011

(Units: millions of yen)

	2010/3 (Actual Results)	2011/3 (Initial Plan)	2011/3 (Full-Term Forecast)	Change From Prev. Period	Compared to Plan
Net Sales	95,402	96,500	100,000	1.2%	3.6%
Operating Income	1,103	750	1,650	49.6%	120.0%
Operating Margin	1.2%	0.8%	1.7%	-	-
Ordinary Income	1,225	750	1,650	34.7%	120.0%
Ordinary Income Margin	1.3%	0.8%	1.7%	-	-
Net Income	1,894	50	1,000	△47.2%	1,900.0%
Net Income Margin	2.0%	0.1%	1.0%	-	-



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II . Future Strategy

【Current Situation】

【Industry Position】

Cleanup's reputation and market share continue to grow

【Lineup and Business System】

Promoting the creation of high-value-added products/services from consumer's point-of-view

【Profit Structure】

Returned to profitability in FY 2010 and prepared a base for future strategic development

As the environment grows favorable, Cleanup will further promote our policy of “operating from the consumer's point-of-view”

FY 2011 Basic Management Policy

Main Theme

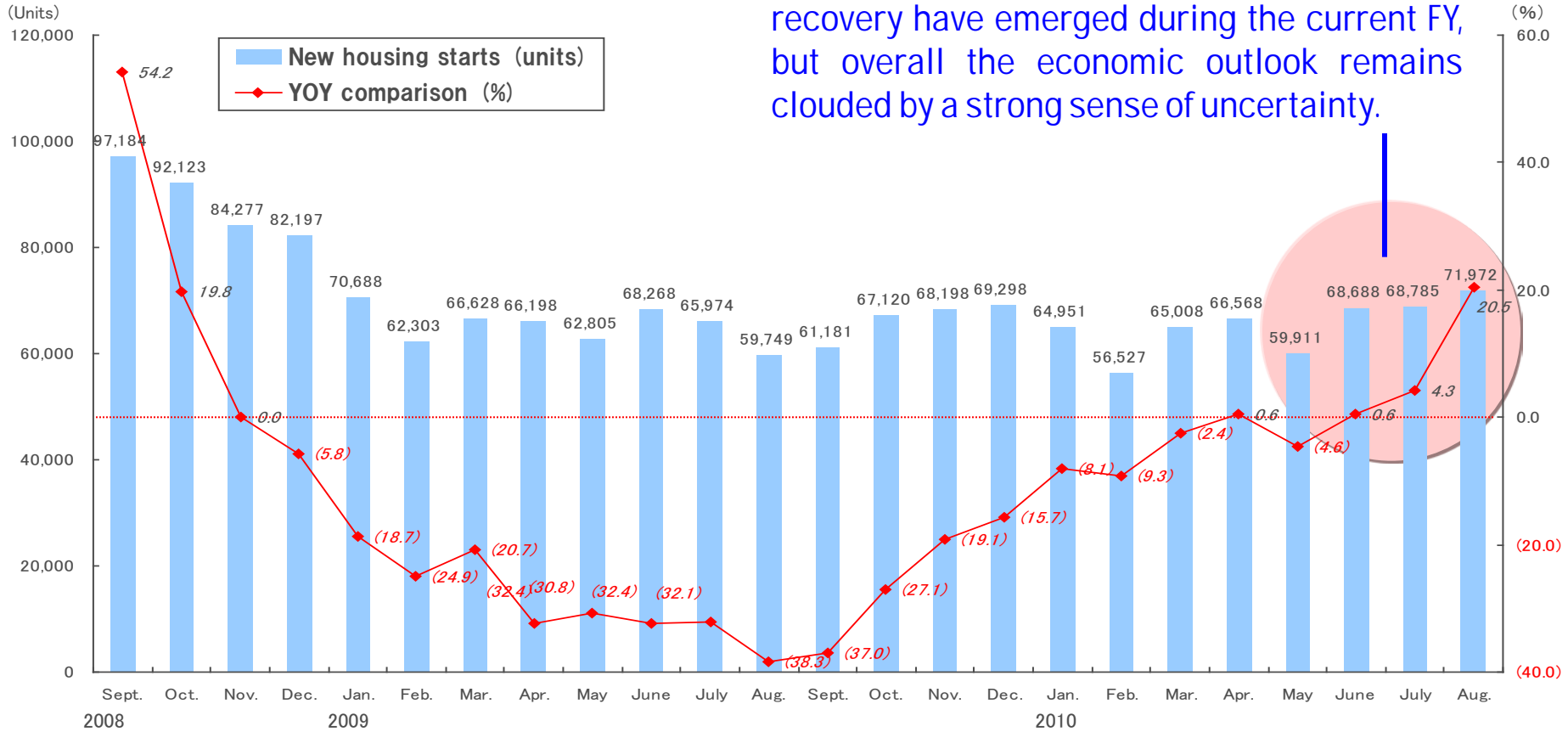
Becoming “The Kitchen Company”

Sub-Theme

Transforming profit structure to one based on business from the consumer's point-of-view

2. FY 2011 Management Environment

New housing starts



Signs of a housing construction industry recovery have emerged during the current FY, but overall the economic outlook remains clouded by a strong sense of uncertainty.

* Ministry of Land, Infrastructure, Transport and Tourism Monthly Economic Construction Statistics, Building Starts

1999: Housing Quality Assurance Act and deflation

2007: Amended Building Standard Law

2008: Lehman Brothers bankruptcy

Unprecedented storm of industry reorganization

3. Pushing Ahead to Become “The Kitchen Company”

Actualize Cleanup's “strengths” in the industry through unprecedented difficult economic times



Realization of “The Kitchen Company”

Last year we celebrated the 60th anniversary of Cleanup's founding,
and to demonstrate our appreciation to our customers
we simultaneously launched 4 new products on June 1

1 System kitchens
New model "S.S. Light Package"

2 Popular model system kitchens
New model "RAKUERA"

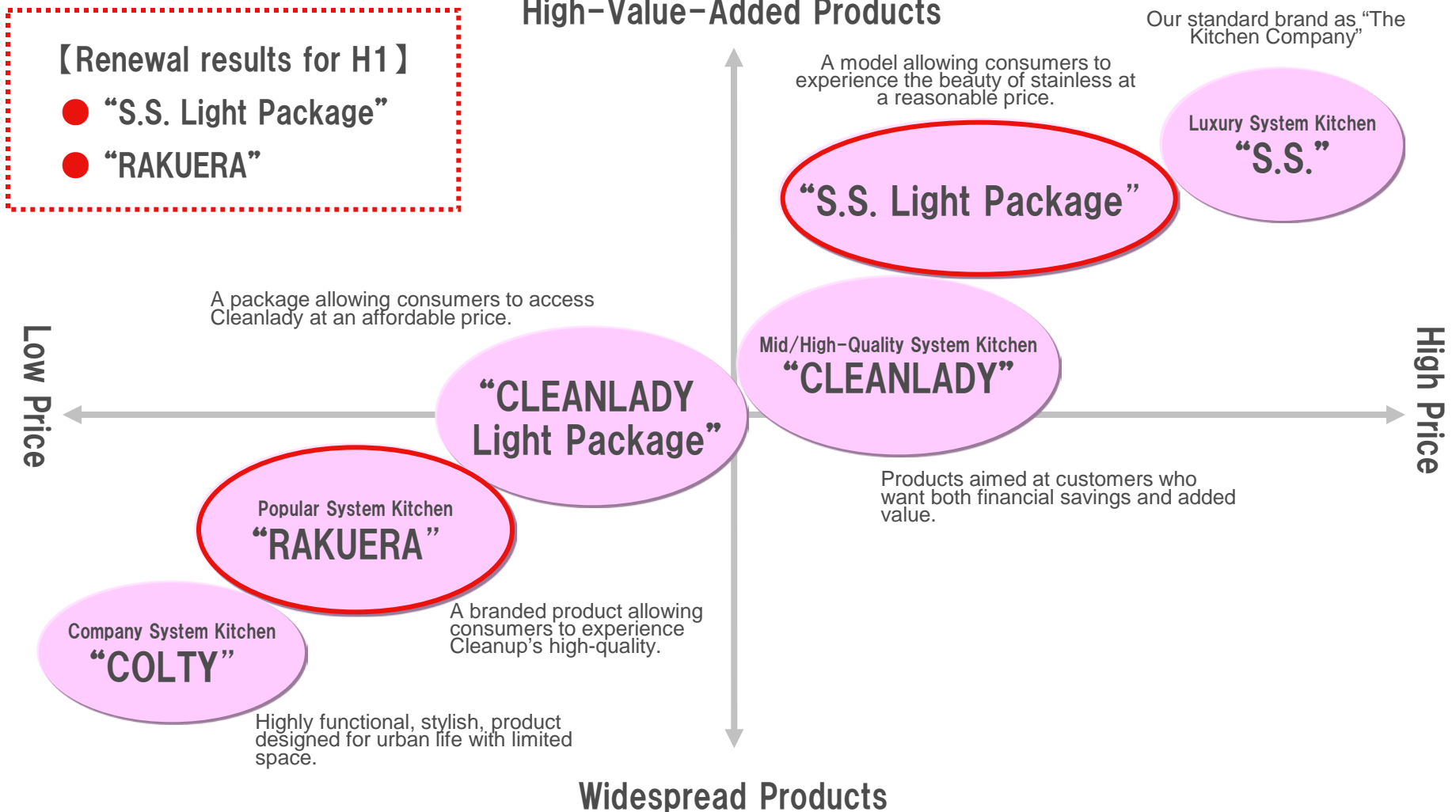
3 Shower-equipped washstands
New "BTG" series

4 System bathrooms
New model "hairo"



These 3 products can be fully coordinated!

A full product lineup as “The Kitchen Company”



【Renewal results for H1】

- “S.S. Light Package”
- “RAKUERA”

5. Measures to Enhance Sales Capabilities

▪ Strengthen renovation strategy

- Expand “Water Section Workshops” member stores to 2,000 store system
- Continue sponsoring renovation seminars and renovation fairs
- Strengthen collaboration with major renovation channels
 - Condominium renovations
 - Home/energy/volume appliance/DIY-retailers, etc.



▪ Strengthen logistics cooperation

In cooperation with strong local firms, implement “plant tours to create ‘buzz’” before holding reform seminars

Convert “sub-customers” (mainly local contractors and reform shops) into Cleanup fans

Attract and keep end users

Plant tour to create “buzz”



- Implemented during Sept.–Oct. 2010
- About 800 participants in total

Expansion of party space

Open fourth "party space" in Nagoya showroom, to join those in Tokyo, Kobe and Fukuoka

【Main uses】

- Enables customers to confirm actual benefits prior to purchase
- Also used as a space for various food events such as parties centered on cooking classes and cuisine
(Rented for sponsored events and local resident use)



Seitoku University hold complimentary course again during the current FY

A complimentary "Cooking Academy to Create Smiles from the Kitchen" will be held at Seitoku University's Open Academy again this fiscal year

【Overview】

- Term: Oct. 8, 2010–Mar. 4, 2011
(once a month for 6 months)
- Location: Seitoku Open Academy Kitchen Studio



Communications based on showrooms nationwide to greatly increase participation by customers in each region

Expand “kitchen cleaning classroom”

【FY 2010】

Held once in each showroom nationwide
(Nov.–Dec.)

Expand based
on popular
demand

【FY 2011】

Hold twice in all showrooms nationwide

1st session

July–Sept.

2nd session

Nov.–Dec.



- Held for a broad range of participants and not limited to customers of Cleanup products
- No participation fee
- Participants receive a gift
Such as *Pika-pika Reader*, our original booklet summarizing Cleanup’s kitchen care and cleanup knowhow

Special contents to introduce the benefits of stainless steel kitchen fixtures “When you think ‘kitchen,’ think stainless”



<http://cleanup.jp/stainless/>

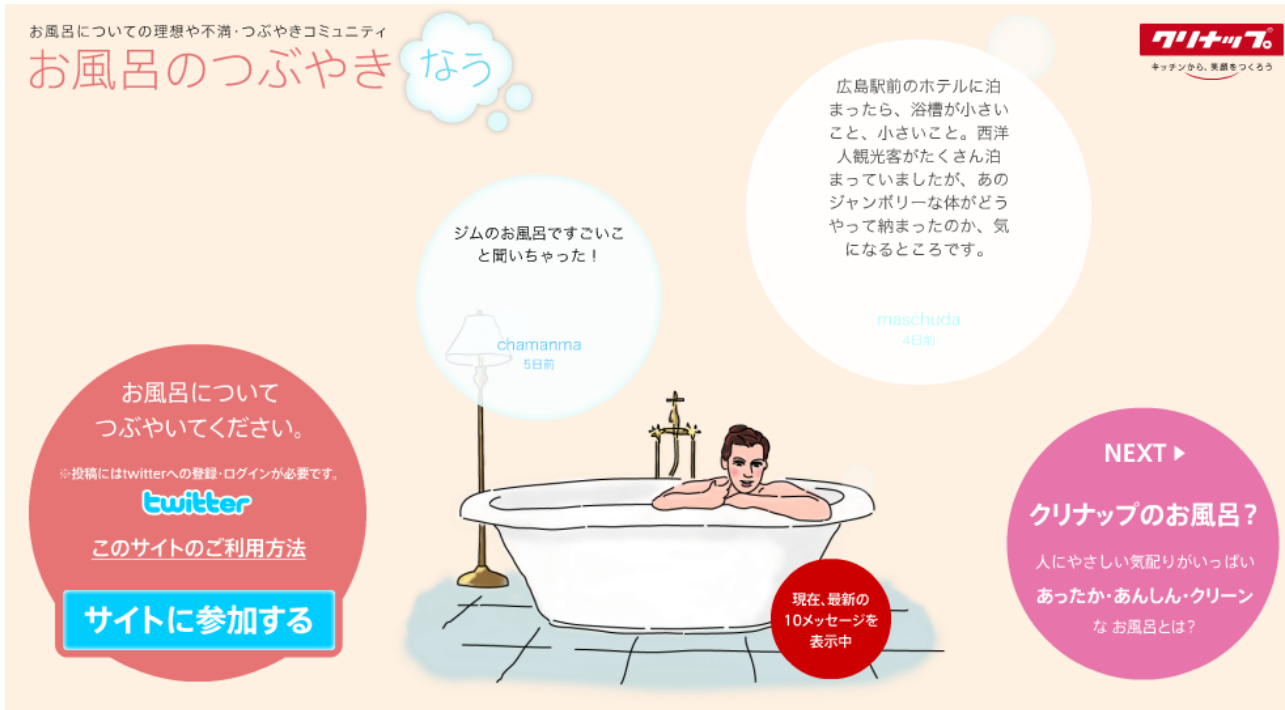


- ① どちらもピカピカがお似合いです！
～ステンレスキッチンがいつもきれいな秘密～
- ② どちらも研究が大切です。
～クリ夫先生のなるほどステンレス講座～ 理科&国語講座UP!
- ③ どちらも永いおつきあいとなります。
～ロングユーザーさま紹介～ New!
- ④ どちらも使ってみればわかります。
～おススメアイテム紹介～

Because we want to once more let our customers firmly know that stainless steel, with its characteristics of cleanliness and strength, is the best and most appropriate kitchen material

The twitter community on the ideal bath and bath dissatisfaction

“Bath tweets”



お風呂についての理想や不満・つぶやきコミュニティ
お風呂のつぶやき **なう**

広島駅前のホテルに泊まったら、浴槽が小さいこと、小さいこと。西洋人観光客がたくさん泊まっていますが、あのジャンボリーな体がどうやって納まったのか、気になるところです。

maschuda
4日前

ジムのお風呂ですごくと聞きちゃった!

chamanma
5日前

お風呂についてつぶやいてください。
※投稿にはtwitterへの登録・ログインが必要です。
twitter
このサイトのご利用方法
サイトに参加する

NEXT ▶
クリナップのお風呂?
人にやさしい気配りがいっぱい
あったか・あんしん・クリーン
なお風呂とは?

現在、最新の10メッセージを表示中

By developing a community using Twitter we can monitor bath needs and utilize the information for product development

We can also use the same site to provide information on Cleanup's product concept and highlight the appeal of our products

Obtain the “Kurumin Mark”

certification mark based on the Next Generation Education and Support Promotion Act



Features of Cleanup's
youth education support system

Reflect in-house survey



Create systems that surpass
legal standards

- ①Extended child-care leave
- ②Provide paid child-care leave in some instances
- ③Shortened working hours child care leave system through third grade
- ④Nursing leave through third grade

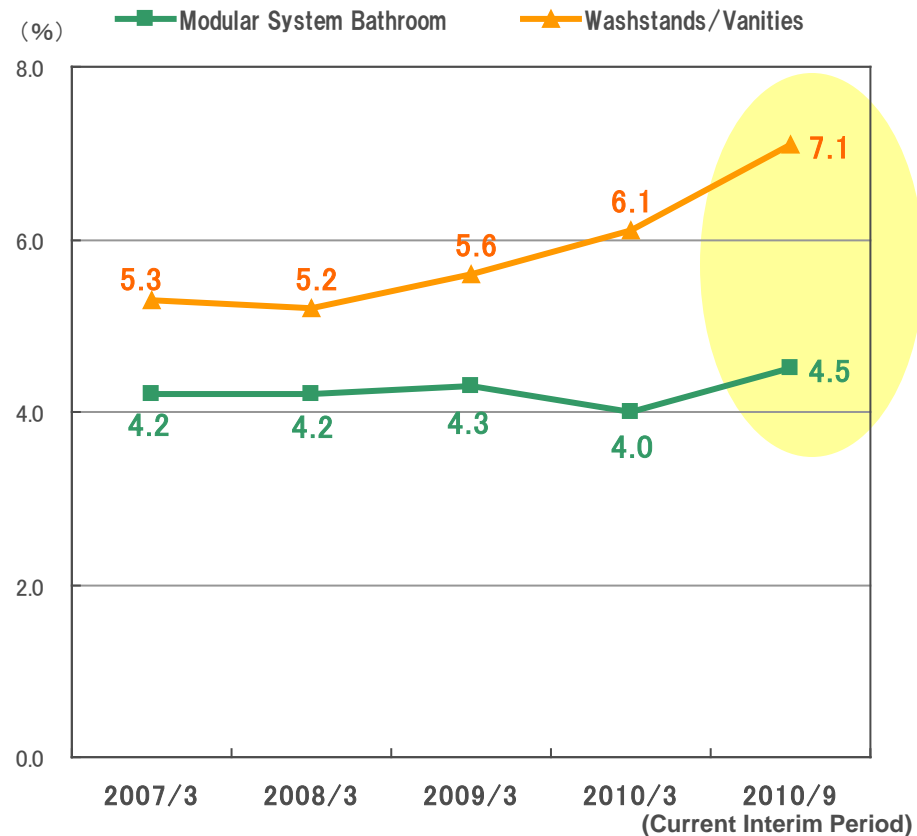
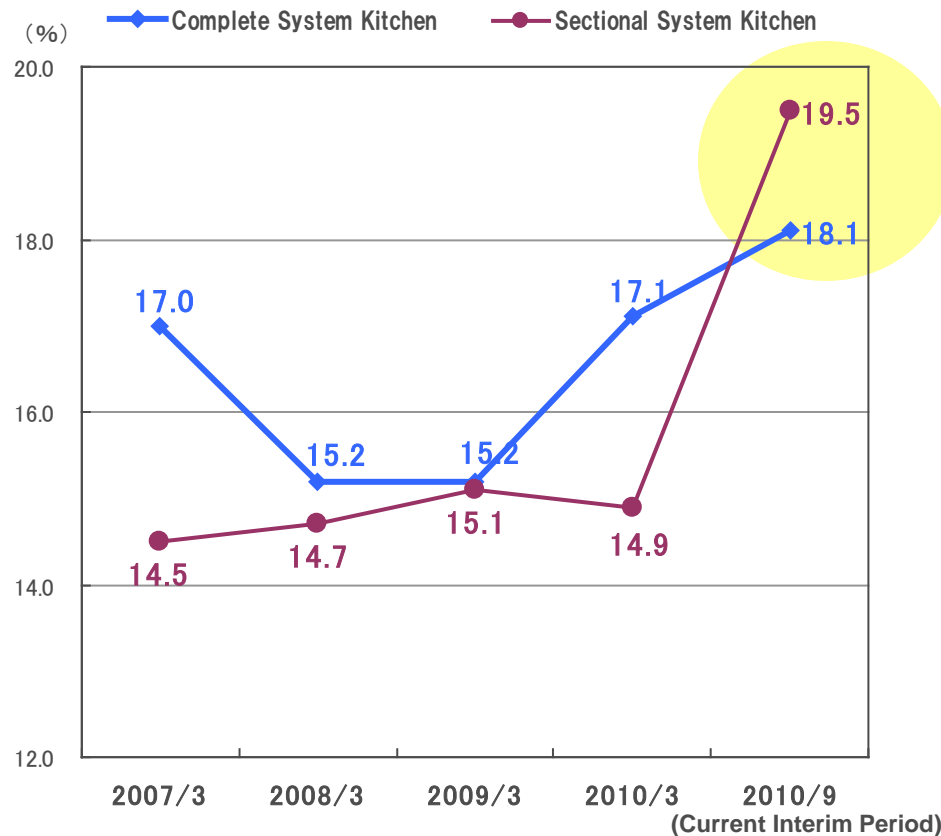
Upgraded PC servers at all 129 branches to environmentally friendly model

Key results
from
introduction

- Reduce annual CO₂ emissions by 181 tons (equivalent to 12,928 cedar trees) (1/3 of past volume)
- Projected annual cost savings of about 7.0 million yen from significantly reduced energy consumption
- Achieved an improved work environment through use of low-noise design

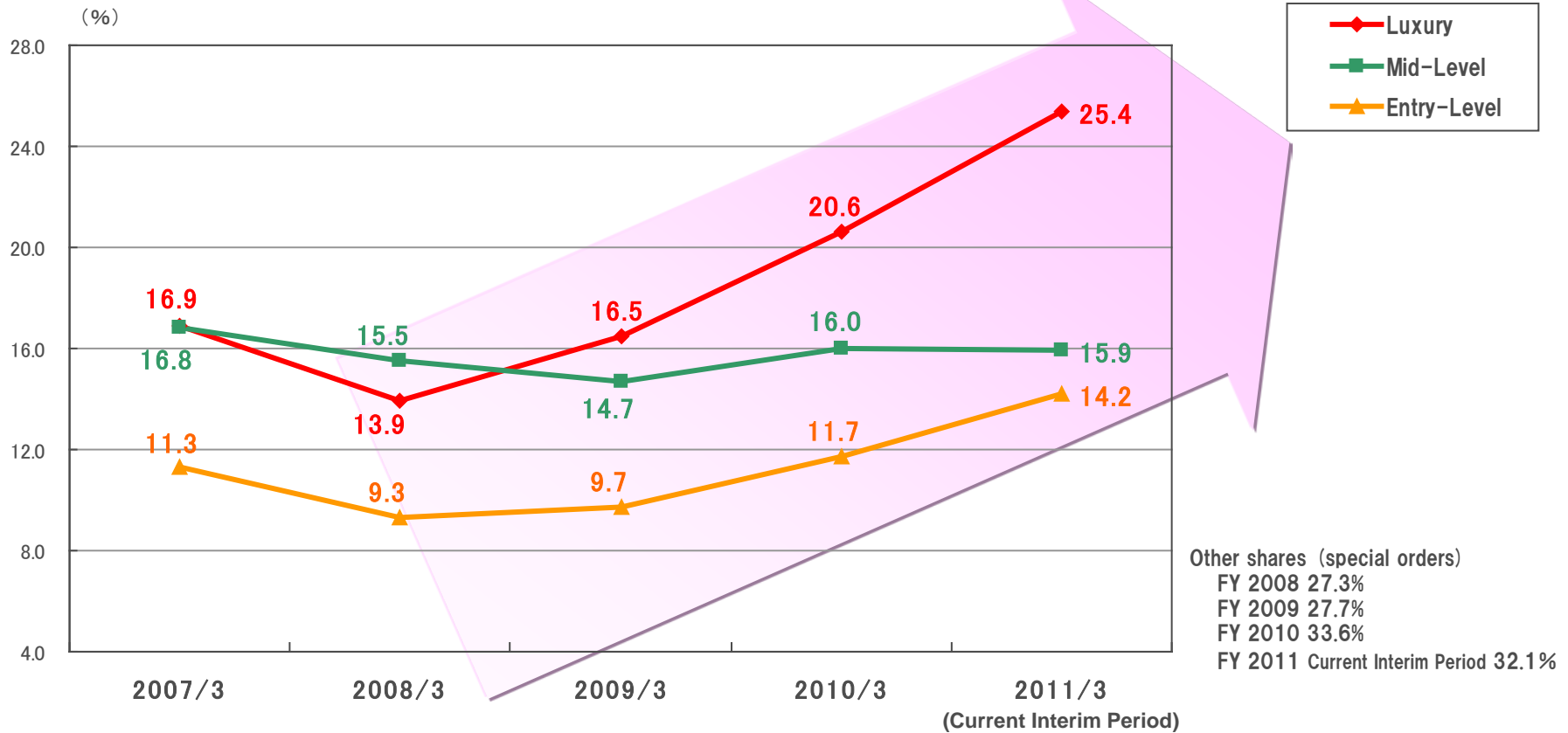
Improved market share for all divisions

Change in industry market share for each division



Steadily expanded share in core system kitchen market

Changes in System Kitchen Market Share



Aiming to create “products you can trust”...

Cleanup will continue to provide high-quality products, regardless of the times, and always with an emphasis on the consumer's point of view.

Compliance with Laws/Systems

- Housing Function Display System (Quality Assurance Law)
- Effective Resource Use Promotion Law
- Long-Term Quality Housing Promulgation and Promotion Law, etc.

Cleanup's Product Creation
“Products You Can Trust”



CSR
Environmental
Compliance

3R Efforts

- Reduce (Reduce creation of waste products)
- Reuse (Reuse waste products)
- Recycle (Reuse as raw materials)

【The Foundation of Product Creation】

CPS (Cleanup Production System), based on Cleanup's unique quality management beliefs

Establishing a "New Corporate Philosophy" for our 60th anniversary and challenging ourselves to achieve innovation in our "2nd Founding"...



For any questions concerning investor relations,
please contact:

クリナップ株式会社

Cleanup Corporation

Corporate Planning Department,
Public Relations Section

Tel 03-3810-8241

Fax 03-3800-2261

URL <http://cleanup.jp/>

Disclaimer

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Furthermore, this material was created based upon data current as of November 15, 2010. 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.