Cleanup®

2007 Annual report

For the year ended March 31, 2007

Contents

Corporate History

1949 • Noboru Inoue, founder and the current Honorary Chairman of Cleanup, started a private company in Arakawa-ku, Tokyo for production and sales of zataku or low tables made of zelkova wood.

1954 • Inoue Shokutaku Co., Ltd. was established.

1960 • Changed company name to Inoue Kogyo Co., Ltd. and began production and sales of stainless steel sinks.

1961 • Launched the Cleanup brand.

1962 • Established Hisanohama Factory in Hisanohama-machi, Fukushima Pref. (current Iwaki City).

1967 • Established Yotsukura Factory as the main factory in Yotsukura-machi, Fukushima Pref. (current Iwaki City).

1970 • Opened the first showroom in Iidabashi, Tokyo.
Began production and sales of washstand vanities.

1971 • Introduced the kitchen Hana sink series, offering color variations and package products.

1973 • Introduced the first system kitchen in Japan.
Began production and sales of stainless steel bathtubs.

1974 • Formed Cleanup Coordinated Dealers Association, a distribution network of retailers.

1975 • Formed Cleanup Specified Agents Association, a distribution network of agents.

1983 • Changed the corporate name to Cleanup Corporation.
Developed and introduced the system kitchen Cleanlady to better suit the Japanese housing environment.

1984 • Established Kashima System Factory (Iwaki City, Fukushima).
Began production and sales of system bathrooms.

1986 • Introduced the new production system CPS (Cleanup Production System).

1988 • Registered with Japan Securities Dealers Association for OTC trading.

1990 • Listed on the Second Section of the Tokyo Stock Exchange.

1991 • Upgraded to the First Section of the Tokyo Stock Exchange.

1996 • Cleanup Service Co., Ltd. was founded.

1998 • Launched the industry's first system kitchen S.S. with all sliding storage spaces.

1999 • Improved the system kitchen with all sliding storage spaces and equipped S.S. and Cleanlady with the floor container feature.

2004 • Equipped S.S. and Cleanlady with the very quiet Super Silent feature.

2005 • In addition to the Super Silent feature, developed sinks that reduce stains and scratches and equipped S.S. and Cleanlady with these features.

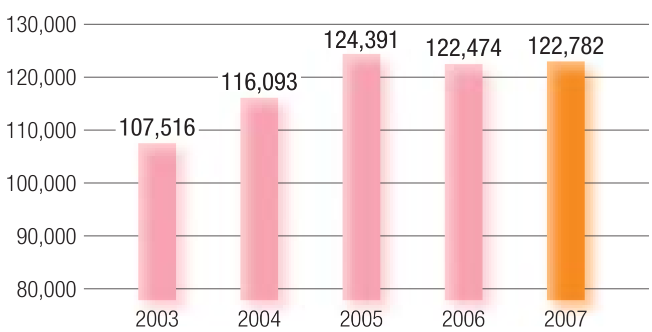
2006 • Remodeled the system bathroom Aqulia.

Financial Highlights

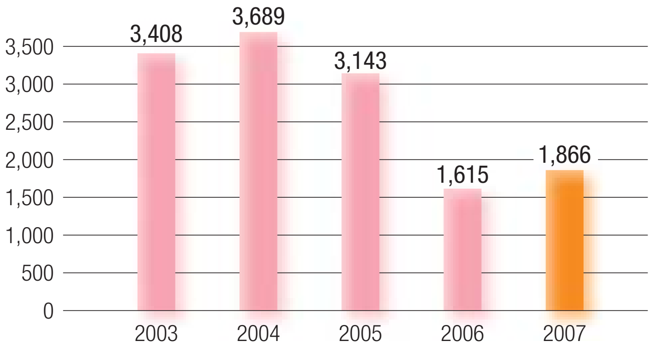
For the years ended March 31, 2006 and 2007.

	(Millions of yen)		(Thousands of U.S. dollars)
	2007	2006	**2007**
Consolidated			
Net Sales	**¥ 122,782**	¥ 122,474	**$ 1,040,083**
Operating Income	**4,139**	4,381	**35,063**
Net Income	**1,866**	1,615	**15,804**
Shareholders' Equity	**60,595**	60,129	**513,303**
Total Assets	**86,950**	88,737	**736,556**
	(Yen)		(U.S. dollars)
	2007	2006	**2007**
Per Share Data (Note 11)			
Net Income Per Share	**38.17**	32.62	**0.32**
Dividends Per Share	**20.00**	20.00	**0.17**

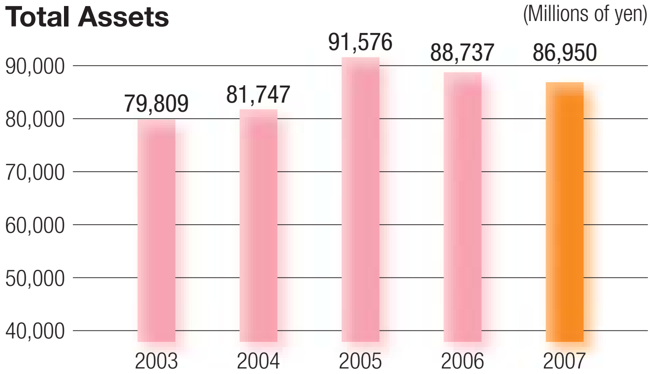
Net Sales (Millions of yen)



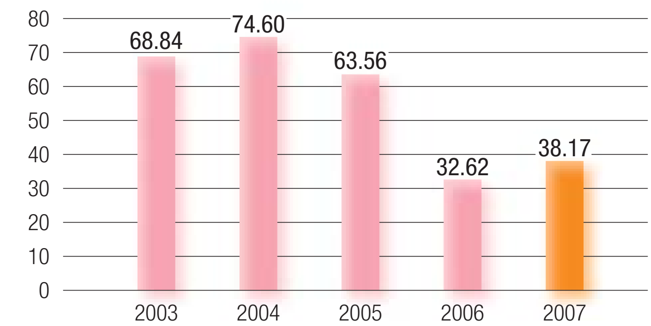
Net Income (Millions of yen)



Total Assets (Millions of yen)



Net Income Per Share (yen)



Message from the President

Basic Management Policies

Since its establishment, Cleanup has been committed to serving the customers and society. As the company to have developed the first system kitchen in Japan, our primary mission has been to continuously provide innovative products that help improve customers' lifestyles, and we are very proud of what the Cleanup brand has achieved in the market. Meanwhile, as the current industry trend is shifting from uncovering demand in the new construction market to the housing renovation market, and with the advent of an aging society with a declining birthrate, our second most important mission is to provide extensive customer-oriented services accompanying quality products, and thereby we are now promoting efforts to provide fast and reliable construction and services throughout the entire Cleanup group.
Under a management vision, 'Development of a Life Cycle Support System,' we will continue to provide our customers with soft (=services) and hard (=products) services.

Business Results of the Consolidated Year

The overall Japanese economy showed a gradual recovery trend during this consolidated fiscal year, although it was affected by soaring crude oil prices and slower-than-expected recovery in consumer spending.
In the household equipment and appliances industry, sales in the first half of the year focused on economy-class products, while the second half showed some recovery in medium- and high-class products. Meanwhile, although new housing construction exceeded 1.25 million houses for the first time in nine years, strong demand in the market has not yet surfaced, as the recovery trend in home ownership was slow with lack of momentum in renovation demand.
Cleanup changed the model names for the system kitchens S.S. and Cleanlady to Be Silent Sink (Beautiful & Silent Sink) and introduced additional models in the first half of the year. In February 2007, the system bathroom Aqulia was remodeled with enhanced features, including the new Tokonatsu Shower (Everlasting Summer

Kyoichi Inoue

Kyoichi Inoue
President

Shower) with improved heat retention, to facilitate the series of steps when taking a bath. Cleanup also introduced the washstand vanity "S" applying stainless steel processing and color development technologies. Additional television and radio commercials were ran for the new Aqulia to reinforce product announcement and penetration among consumers. The rise in cost of raw materials including stainless steel continued from the previous year, making it difficult to absorb cost increases, and thereby suggested retail prices for all products excluding Aqulia were revised for orders received starting in January 2007.

Following the opening of the Mizusawa Showroom in Iwate in July 2006, the Tsuruga Showroom opened in December 2006, expanding our network of showrooms to 109 locations nationwide. The Fukuyama, Hikone, and Tsukuba showrooms were also relocated and renewed.

Furthermore, Mizumawari Kobo (Wet area workshop) was created in November 2006 as a membership organization of building and renovation contractors in Japan with an aim to stimulate and secure demand in the renovation market. Also in November 2006, Cleanup Design Co., Ltd. was established as the company to contract renovation plans, design and construction.

As a result of the above, our consolidated results for the fiscal year ended March 2007 (April 1, 2006 to March 31, 2007) recorded net sales of 122.781 billion yen (0.3% increase from the previous year), operating income of 4.139 billion yen (5.5% decrease, ditto), and net income of 1.865 billion yen (15.5% increase, ditto) due to large extraordinary losses posted in the previous consolidated year.

Medium Term Business Strategy

Japan's economy will need to continue keeping an eye on trends in the U.S. economy as well as trends in cost of raw materials such as crude oil, but the economy continues to show a gradual recovery, and the recent changes in the supply-demand relationship in employment is expected to gradually stimulate consumer spending. While the housing-related industry is seeing a slight decrease in new housing construction, the fact that the baby boom generation has reached the retirement age is expected to trigger increases in renovation demand. The household equipment and appliances industry not only sees a growth potential in economy-class products but can expect gradual increases in sales of medium- and high-class products in response to this renovation demand.

Against this backdrop, Cleanup will aim to raise business efficiency, strengthen cost management, and improve earnings in the final fiscal year of our 2005 Medium Term Management Plan. The following are focus areas in achieving our goals.

1. Emphasizing the principal operation of mainstay system kitchen and bath products through stronger product development and consolidated marketing efforts.
2. Improving and expanding customer service and support framework that focus on enhancing customer relations at the time of sales, construction, and maintenance services.
3. Developing a strategic information system to assist every business segment.
4. Improving overall competitiveness through integrated management of the Cleanup group.
5. Actively communicating to the society via environmental conservation campaigns and IR activities.
6. Commercialization of customer services by charging maintenance services.

   Cleanup will also enhance its corporate value by ensuring compliance and strengthening internal control.

Kitchen Equipment Segment

The net sales of the kitchen equipment segment for the fiscal year ended March 2007 (April 1, 2006 to March 31, 2007) reached 98.098 billion yen, up by 0.4% from the previous year. Major factors affecting sales were a double-digit drop in sales of the flagship system kitchen "S.S." both in unit and amount from the previous year due to sluggish demand for high-class products, while sales of the flagship system kitchen "Cleanlady" posted sales increases both in unit and amount from the previous year owing to the slight recovery in demand for medium-class products in the second half of the year, along with last-minute orders before the revised suggested retail prices went into effect for orders received starting in January 2007. In addition, system kitchen sales to house builders and condominiums increased from the previous year. Sectional kitchens also increased in unit sales, mainly owing to the increase in economy-class products, but the sales amount remained at the same level as the previous year.

Silent Sink with Counter

Stainless System Kitchen

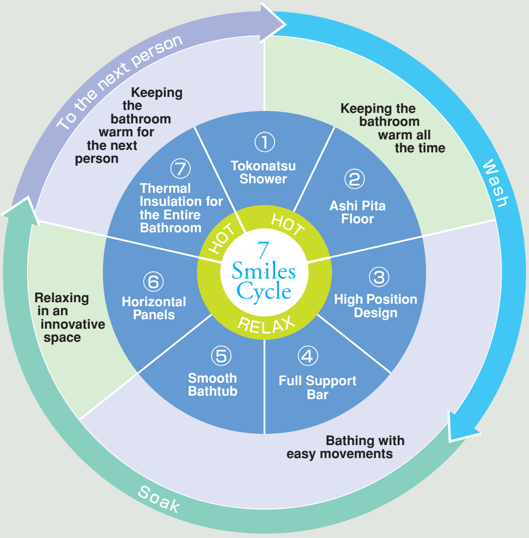
Baths & Washstands Segment

The net sales of the baths and washstands segment for the fiscal year ended March 2007 (April 1, 2006 to March 31, 2007) reached 20.288 billion yen, down by 2.6% from the previous year. This was mainly due to the steady sales of economy-class products such as the system bathroom "L-Bath" both in unit and amount, posting a double-digit growth from the previous year, and the model changes in medium- and high-class system bathrooms "Aqulia" in February 2007 contributed to increased sales versus the previous year in the final quarter, but sales figures for the total fiscal year dropped both in unit and amount compared to the previous year. Therefore overall sales of system bathrooms posted a slight increase in units from the previous year, while the sales amount decreased. The sales of washstands decreased slightly in unit and amount mainly with economy-class products.

The first total support concept focusing on the activities of a family taking a bath.

7 Smiles Cycle

The "7 Smiles Cycle" development concept of Aqulia is the first total support concept focusing on the activities of a family taking a bath. Seven new functions are proposed in the bathing process of "Washing," "Soaking," and "To the next person" in the home. Unique proposals from Cleanup include Tokonatsu Aqulia Shower, a shower running from the counter to warm up the bathroom, and Ashi Pita Floor that is less slippery when wet and fits against the soles.




System Bathroom AQULIA-BATH


Washstand S

Consolidated Balance Sheets

March 31, 2006 and 2007.

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
ASSETS	**2007**	2006	**2007**
Current Assets :			
Cash and deposits	**¥ 15,827**	¥ 15,365	**$ 134,071**
Trade receivables :			
Notes	**15,529**	16,716	**131,546**
Accounts	**15,009**	15,420	**127,140**
Allowance for doubtful accounts (Note 2)	**(69)**	(63)	**(584)**
Marketable securities (Notes 2 and 4)	**807**	807	**6,839**
Inventories (Notes 2 and 5)	**3,306**	3,660	**28,000**
Other	**4,576**	2,663	**38,765**
Total current assets	**54,985**	54,568	**465,777**
Property, Plant and Equipment, at cost			
(Notes 2 and 8) :			
Land	**6,748**	6,867	**57,165**
Buildings	**22,758**	22,720	**192,790**
Machinery and equipment	**21,096**	21,071	**178,704**
Construction in progress	**54**	25	**455**
	50,656	50,683	**429,114**
Accumulated depreciation	**(28,383)**	(27,366)	**(240,436)**
Net property, plant and equipment	**22,273**	23,317	**188,678**
Investments and Other Assets :			
Investment securities (Notes 2 and 4)	**2,826**	3,334	**23,942**
Lease deposits	**2,435**	2,463	**20,625**
Other	**4,431**	5,055	**37,534**
Total investments and other assets	**9,692**	10,852	**82,101**
Total	**¥ 86,950**	¥ 88,737	**$ 736,556**

The accompanying notes are an integral part of these statements.

LIABILITIES AND SHAREHOLDERS' EQUITY	(Millions of yen) 2007	2006	(Thousands of U.S. dollars) (Note 3) 2007
Current Liabilities :			
Short-term bank loans (Note 7)	**¥ 1,500**	¥ 2,000	**$ 12,706**
Current portion of long-term debt (Notes 7 and 8)	**1,633**	1,802	**13,830**
Trade accounts payable	**6,926**	7,284	**58,669**
Accrued income taxes (Note 10)	**977**	570	**8,277**
Accrued employees' bonuses	**1,213**	1,287	**10,275**
Accrued expenses	**9,546**	8,745	**80,862**
Other	**342**	691	**2,901**
Total current liabilities	**22,137**	22,379	**187,520**
Long-term Liabilities :			
Long-term debt (Notes 7 and 8)	**909**	2,542	**7,702**
Long-term deposits payable	**1,358**	1,345	**11,502**
Other	**1,951**	2,341	**16,529**
Total long-term liabilities	**4,218**	6,228	**35,733**
Minority Interests	**-**	64	**-**
Contingent Liabilities (Note 12)			
Shareholders' Equity :			
Common stock :			
Authorized : 130,000,000 shares			
Issued : 48,942,374 shares	**13,267**	13,267	**112,387**
Additional paid-in capital	**12,352**	12,352	**104,630**
Retained earnings (Note 2 and 9)	**34,073**	33,205	**288,634**
Unrealized gain on securities	**966**	1,305	**8,188**
	60,658	60,129	**513,839**
Treasury Stock, at cost :			
62,528 shares in 2006	**-**	(63)	**-**
62,967 shares in 2007	**(63)**	-	**(536)**
Total shareholders' equity	**60,595**	60,066	**513,303**
Total	**¥ 86,950**	¥ 88,737	**$ 736,556**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Income

For the years ended March 31, 2006 and 2007.

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
	2007	2006	**2007**
Net Sales	**¥ 122,781**	¥ 122,474	**$ 1,040,083**
Cost of Sales	**80,722**	80,118	**683,799**
Gross profit	**42,059**	42,356	**356,284**
Selling, General and Administrative Expenses	**37,920**	37,975	**321,221**
Operating income	**4,139**	4,381	**35,063**
Other Income (Expenses) :			
Interest and dividend income	**51**	27	**431**
Interest expenses	**(61)**	(76)	**(517)**
Loss on impairment of fixed assets (Note 6)	**(60)**	(219)	**(511)**
Other, net	**(682)**	(1,155)	**(5,779)**
	(752)	(1,423)	**(6,376)**
Income before Income Taxes	**3,387**	2,958	**28,687**
Income Taxes (Notes 2 and 10) **:**			
Current	**1,279**	1,312	**10,837**
Deferred	**244**	28	**2,065**
	1,523	1,340	**12,902**
Minority Interests	**2**	(3)	**19**
Net Income	**1,866**	1,615	**15,804**

	(Yen)		(U.S. dollars) (Note 3)
	2007	2006	**2007**
Per Share Data (Note 11) **:**			
Net income	**¥ 38.17**	¥ 32.62	**$ 0.32**
Cash dividends	**20.00**	20.00	**0.17**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Shareholders' Equity

For the years ended March 31, 2006 and 2007.

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
	2007	2006	**2007**
Common stock			
Balance at beginning of the year	**¥ 13,267**	¥ 13,267	**$ 112,387**
Balance at end of the year	**13,267**	13,267	**112,387**
Additional paid-in capital			
Balance at beginning of the year	**12,352**	12,352	**104,630**
Balance at end of the year	**12,352**	12,352	**104,630**
Retained earnings			
Balance at beginning of the year	**33,205**	32,604	**281,280**
Net income	**1,866**	1,615	**15,804**
Cash dividends	**(978)**	(978)	**(8,281)**
Bonuses to directors	**(20)**	(36)	**(169)**
Balance at end of the year	**34,073**	33,205	**288,634**
Unrealized gain on securities			
Balance at beginning of the year	**1,305**	557	**11,057**
Net change during the year	**(339)**	748	**(2,869)**
Balance at end of the year	**966**	1,305	**8,188**
Treasury stock			
Balance at beginning of the year	**(63)**	(62)	**(532)**
Net change during the year	**(0)**	(1)	**(4)**
Balance at end of the year	**(63)**	(63)	**(536)**
Minority interests			
Balance at beginning of the year	**64**	63	**539**
Net change during the year	**(64)**	1	**(539)**
Balance at end of the year	**-**	64	**-**

The accompanying notes are an integral part of these statements.

Consolidated Statements of Cash Flows

For the years ended March 31, 2006 and 2007.

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
	2007	2006	**2007**
Cash Flows from Operating Activities :			
Income before income taxes	**¥ 3,387**	¥ 2,958	**$ 28,688**
Depreciation and Amortization	**3,598**	3,954	**30,482**
Loss on disposal of property, plant and equipment	**480**	143	**4,066**
Decrease in allowance for doubtful accounts	**(11)**	(26)	**(91)**
Decrease in estimated director's retirement	**(154)**	-	**(1,305)**
Loss on write-down of investment securities	**0**	0	**0**
Gain on sales of investment securities	**-**	(0)	**-**
(Decrease) Increase in estimated employee's bonuses	**(74)**	26	**(624)**
Decrease in lease deposits	**28**	50	**236**
Increase in long-term prepayment	**(446)**	(454)	**(3,778)**
Interest and dividend income	**(51)**	(27)	**(431)**
Interest expense	**47**	62	**394**
Decrease in trade receivables	**1,217**	340	**10,307**
Increase in inventories	**(65)**	(971)	**(554)**
(Decrease) Increase in trade payables	**(358)**	437	**(3,031)**
Loss on impairment of fixed assets	**60**	219	**511**
Other	**(965)**	193	**(8,176)**
Net	**6,693**	6,904	**56,694**
Interest and dividend income received	**47**	27	**403**
Interest expense paid	**(45)**	(79)	**(383)**
Income taxes paid	**(867)**	(2,076)	**(7,346)**
Net cash provided by operating activities	**5,828**	4,776	**49,368**
Cash Flows from Investing Activities :			
Acquisition of property, plant and equipment	**(1,121)**	(3,363)	**(9,492)**
Acquisition of intangible property	**(988)**	(1,252)	**(8,366)**
Sales of investment securities	**10**	0	**80**
Other	**14**	27	**114**
Net cash used in investing activities	**(2,085)**	(4,588)	**(17,664)**
Cash Flows from Financing Activities :			
Repayment of long-term debt	**(1,802)**	(6,230)	**(15,261)**
Cash dividends paid	**(977)**	(977)	**(8,275)**
Other	**(501)**	1,898	**(4,247)**
Net cash used in financing activities	**(3,280)**	(5,309)	**(27,783)**
Translation Difference of Cash and Cash Equivalents	**0**	0	**0**
(Decrease) Increase in Cash and Cash Equivalents	**463**	(5,121)	**3,921**
Cash and Cash Equivalents at Beginning of the Year	**16,171**	21,292	**136,989**
Cash and Cash Equivalents at End of the Year	**¥ 16,634**	¥ 16,171	**$ 140,910**

Notes to Consolidated Financial Statements

1. Basis of presenting consolidated financial statements

(a)
The accompanying consolidated financial statements have been prepared from the financial statements filed with the Minister of Finance as required by the Japanese Securities and Exchange Law in accordance with accounting principles generally accepted in Japan.

For the purposes of preparing the consolidated financial statements, certain reclassifications and rearrangements have been made to the consolidated financial statements issued domestically in Japan in order to present these statements in a form which is more familiar to readers outside Japan. In addition, the notes to the consolidated financial statements include information which is not required under accounting principles generally accepted in Japan, but which is presented herein as additional information for the purposes of this document.

(b)
Cleanup Corporation (the "Parent company") had 11 majority-owned subsidiaries as of March 31, 2007. The consolidated financial statements include the accounts of the Parent company and nine of its significant subsidiaries in Japan (together, the "Companies"). All significant intercompany transactions have been eliminated. The Companies maintain their records and prepare their financial statements in accordance with accounting principles generally accepted in Japan.

Investments in unconsolidated subsidiaries are stated at cost.

(c)
Goodwill and negative goodwill are amortized evenly over a period of 5 years. However, immaterial items are fully amortized in the fiscal year they arise.

2. Summary of significant accounting policies

(a) Foreign currency translation
Short-term receivables and payables in foreign currencies are translated into Japanese yen at the current rate of exchange as of each balance sheet date. Long-term receivables and payables in foreign currencies are translated at the historical rates of exchange.

(b) Marketable and investment securities
Available-for-sale securities for which the fair market value is not readily determinable are stated at cost based on the moving average method, while available-for-sale securities with fair market value are stated at fair market value as of balance sheet date. Unrealized gains and losses on these securities are reported, net of applicable income taxes, as a separate component of the shareholders' equity. The cost of securities sold is determined primarily by the moving average method.

(c) Inventories
Finished goods are stated at cost, being determined by the average method. Work in process and raw materials are stated at average cost and supplies are stated principally at the most recent purchase prices.

(d) Property, plant and equipment
Depreciation of property, plant and equipment is computed by the declining-balance method except for buildings, whose depreciation is computed by the straight-line method, over the estimated useful lives of the assets.
The estimated useful lives are as follows:-

Buildings	3 to 50 years
Machinery and equipment	2 to 20 years

Ordinary maintenance and repairs are charged to income as incurred. Major replacements and improvements are capitalized.

(e) Retirement Benefits
The Companies maintain non-contributory pension plans covering all employees.
Liability for employees' retirement benefits is calculated based on the estimated amounts of projected benefit

obligation and the fair value of the plan assets at the year end. Generally, an unrecognized net transition obligation or asset is amortized over 5 years. Unrecognized actuarial net gains or losses are amortized within the average remaining service period of 10 years on a straight-line basis commencing from succeeding period.

(f) Income taxes

Provision is made for income taxes applicable to all items of revenues and expenses included in the accompanying consolidated statements of income and retained earnings regardless of when such items are taxable or deductible.

(g) Appropriations of retained earnings

Under the Japanese Corporate Code (JCC) and Articles of Incorporation of the Companies, the plan for appropriations of retained earnings (primarily for cash dividend payments) proposed by the Board of Directors must be approved by the shareholders' meeting which must be held within three months after the end of each financial year.
The appropriations of retained earnings reflected in the accompanying consolidated financial statements represents the results of such appropriations applicable to the immediately preceding financial year which were approved by the shareholders' meeting and disposed of during that year. Dividends are paid to shareholders on the register at the end of each financial year.

(h) Allowance for doubtful accounts

In general, the Companies provide the allowance based on the past loan loss experience for a certain reference period. Furthermore, for receivables with financial difficulty which could affect the debtor's ability to perform their obligations, the allowance is provided for estimated unrecoverable amounts individually.

(i) Allowance for investment losses

The Companies provide the allowance for possible losses of investment to affiliates based on the financial condition of the investee.

3. United States dollar amounts

The United States dollar amounts included herein are presented solely for convenience. The translations should not be construed as representations that Japanese yen have been, could have been or could in the future be converted into United States dollars. Such dollar amounts have been translated from yen at the exchange rate of $1 = ¥118.05, the approximate exchange rate prevailing on March 31, 2007.

4. Marketable and investment securities

The following is a summary of acquisition cost and balance sheet amount of fair market value of marketable securities included in investment securities as at March 31, 2006 and 2007.

	(Millions of yen)			
	2007			
Available-for-sale: Equity securities ·········	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Balance sheet amount
	¥ 1,028	¥ 1,636	¥ 24	¥ 2,640

	(Millions of yen)			
	2006			
Available-for-sale: Equity securities ·········	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Balance sheet amount
	¥ 1,028	¥ 2,177	¥ 1	¥ 3,203

	(Thousands of U.S. dollers) (Note 3)			
	2007			
Available-for-sale: Equity securities ·········	Acquisition cost	Gross unrealized gains	Gross unrealized losses	Balance sheet amount
	$ 8,712	$ 13,854	$ 207	$ 22,359

5. Inventories

Inventories comprised the following:-

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
	2007	2006	**2007**
Finished goods	**¥ 2,019**	¥ 2,327	**$ 17,100**
Work in process	**182**	205	**1,546**
Raw materials and supplies	**1,104**	1,128	**9,354**
	¥ 3,305	¥ 3,660	**$ 28,000**

6. Loss on impairment of fixed assets

The companies reviewed their fixed assets for impairment as of the year ended March 31, 2007, and as a result, recognized an impairment loss of ¥45 million (US $379 thousand) on unused land and ¥15 million (US $132 thousand) on unused buildings.
The recoverable amount was measured at its net selling price determined by appraisal report from an independent real-estate appraiser.

7. Short-term bank loans and long-term debt

Short-term bank loans consisted of term loans with banks, and bore interest at the average annual rate of 0.98% during the year ended March 31, 2007.
Long-term debt comprised the following:-

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
	2007	2006	**2007**
0.67% to 3.00% loans from Japanese banks due through 2012	**¥ 1,847**	¥ 3,106	**$ 15,644**
0.34% to 0.67% loans from other financial institutions due through 2008	**695**	1,237	**5,888**
	2,542	4,343	**21,532**
Less: Current portion of long-term debt	**(1,633)**	(1,801)	**(13,830)**
	¥ 909	¥ 2,542	**$ 7,702**

The aggregate annual maturities of long-term debt (including current portion) at March 31, 2007, were as follows:-

Year ending March 31,	(Millions of yen)	(Thousands of U.S. dollars) (Note 3)
2008	¥ 1,633	$ 13,830
2009	711	6,025
2010	56	474
2011	56	474
2012 and thereafter	86	729
	¥ 2,542	$ 21,532

8. Pledged assets

Assets pledged as collateral for long-term debt were as follows:-

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
	2007	2006	**2007**
Property, plant and equipment	**¥ 1,426**	¥ 1,469	**$ 12,083**

9. Legal reserve and cash dividends

JCC provides that an amount equal to at least 10% of appropriations of retained earnings to be paid in cash be appropriated as a legal reserve until total additional paid in capital and legal reserve equals to 25% of stated common stock. Either additional paid in capital or legal reserve may be available for dividends by resolution of the shareholders to the extent that the amount of total additional paid in capital and legal reserve exceeds 25% of stated common stock.

10. Income taxes

The Companies were subject to Japanese corporate, inhabitants and enterprise taxes, based on income, at a combined normal statutory tax rate of approximately 40%. The effective tax rates reflected in the accompanying statements of income for each of the years ended March 31, 2006 and 2007. The Companies provide for income taxes applicable to all items of included in the consolidated statements of income regardless of when such taxes are payable. Income taxes based on temporary differences between tax and financial reporting purposes are reflected as deferred income taxes in the consolidated financial statements using the asset and liability method.

11. Per share data

Net income per share shown in the consolidated statements of income are computed by dividing income available to common shareholders by the weighted average number of common stock outstanding during the year.

12. Contingent liabilities

Contingent liabilities were as follows:-

	(Millions of yen)		(Thousands of U.S. dollars) (Note 3)
	2007	2006	**2007**
Trade notes receivable endorsed	**¥ 4,289**	¥ 3,726	**$ 36,333**
Guarantees for bank loans of employees	**107**	103	**904**
a non-consolidated subsidiary	**46**	44	**388**

13. Subsequent events

On June 27, 2007, the general meeting of shareholders of the Parent company approved the following appropriations of the retained earnings:-

	(Millions of yen)	(Thousands of U.S. dollars) (Note 3)
Cash dividends	¥ 489	$ 4,141

Report of Independent Certified Public Accountants

MEIWA

MEIWA Audit Corporation
Nankai-Tokyo Building 15-1,Ginza 5-chome Chuoku
Tokyo,Japan 104-0061

Independent Auditors' Report

To the Board of Directors of Cleanup Corporation

We have audited the accompanying consolidated balance sheets of Cleanup Corporation and subsidiaries as of March 31, 2006 and 2007, and the related consolidated statements of income, shareholders' equity, and cash flows for the years then ended, expressed in Japanese yen. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in Japan. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Cleanup Corporation and subsidiaries as of March 31, 2006 and 2007, and the consolidated results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in Japan.

We also have reviewed the translation into U.S. dollars of the consolidated financial statements referred to above and, in our opinion, the translated amounts have been computed on the basis set forth in Note3.

Meiwa Audit Corporation
MEIWA Audit Corporation

June 27, 2007

Corporate Data

Head Office	22-22, Nishinippori 6-Chome Arakawa-ku, Tokyo 116-8587, Japan Telephone : 03-3894-4771 Facsimile : 03-3893-5402
Date of Founding	October 5, 1949
Date of Establishment	October 5, 1954
Paid-in Capital	¥13,267 million
Number of Employees	2,557 (As of March 31, 2007)
Common Stock	Authorized : 130,000,000 shares Issued : 48,942,374 shares
Number of Shareholders	4,497 (As of March 31, 2007)

Directors and Auditors

As of June 27, 2007

President	Kyoichi Inoue
Directors	Makoto Takashima Kazuo Kawaai Hitoshi Sakai Ryoichi Kato Teruo Kojima Yuko Komatsu
Statutory Auditors	Yasumasa Yamane Yoshiyuki Igari Kenichi Araya Fuminobu Aruga

Overview of Subsidiaries

As of March 31. 2007

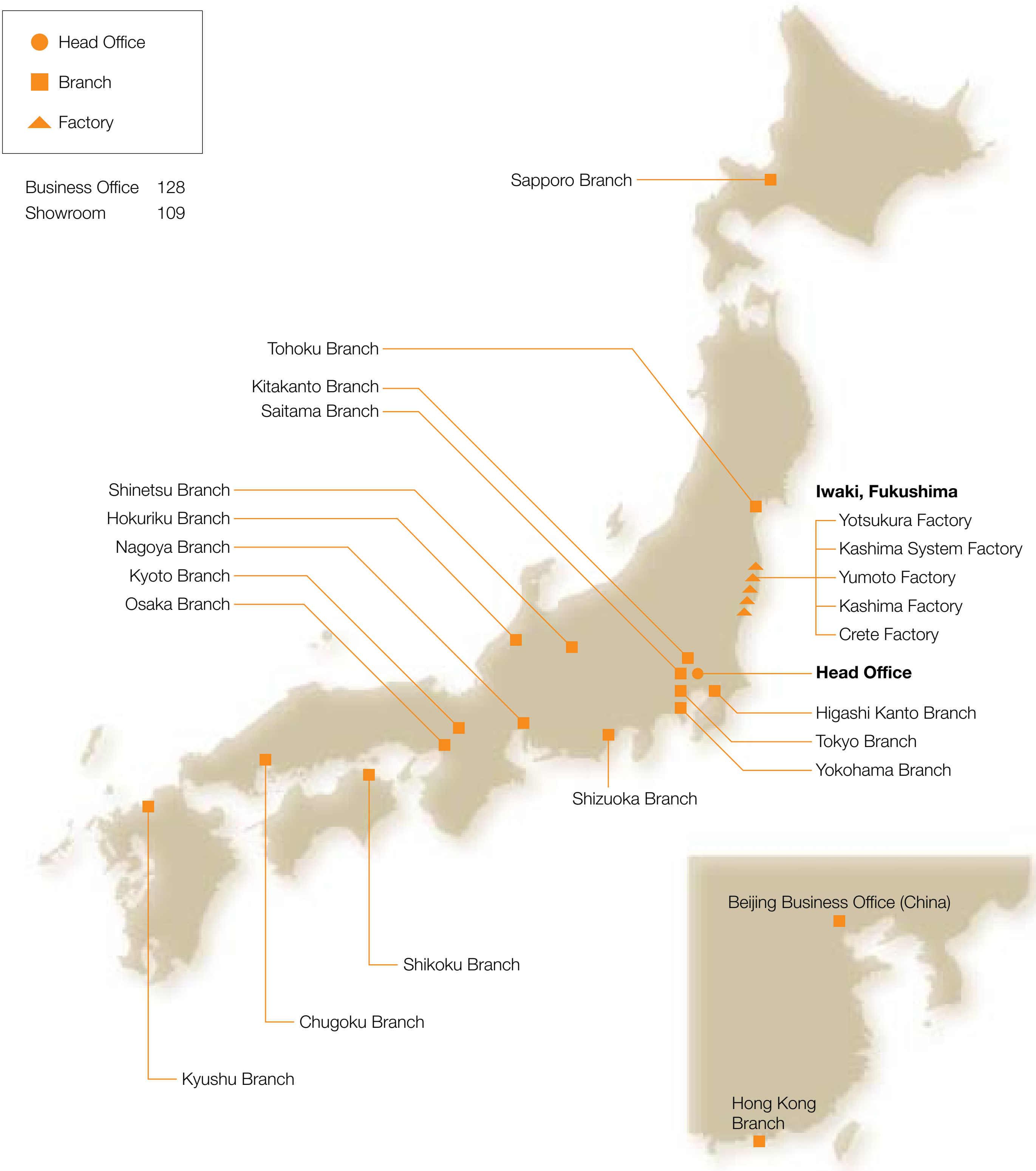
Name	Capital (Millions of yen)	Ownership (%)	Principal Business
Consolidated Subsidiaries			
• **Cleanup Commercial Kitchen Industrial Co., Ltd.**	35	100	Manufacturing and sales of commercial-use kitchen equipment
• **Cleanup Okayama Industrial Co., Ltd.**	13	100	Manufacturing and sales of kitchen equipment
• **Cleanup Steel Processing Co., Ltd.**	126	100	Processing and colouring of stainless steel
• **Inoue Kosan Co., Ltd.**	10	100	Sales of stainless steel and plywood
• **Cleanup Transportation Co., Ltd.**	35	100	Transportation and storage
• **Cleanup Techno Service Co., Ltd.**	88	100	Maintenance service and Installation of kitchen and bath equipment
• **Cleanup Design Co., Ltd.**	50	100	Consultancy and construction contract
• **Cleanup Career Service Co., Ltd.**	20	100	Temporary personnel service
• **Cleanup Logistics Co., Ltd.**	50	100	Third party logistics

Non-Consolidated Subsidiaries

In Shanghai city, Shanghai Cleanup Kitchen Equipment Co., Ltd. was founded in October 2004, with the investment ratio of 51% by Cleanup Co., Ltd., for the purpose of manufacturing and marketing of kitchen units in China. In addition, Cleanup (Shanghai) Co., Ltd. was established in January 2005 through 100% capital participation by Cleanup Co., Ltd., to conduct sales, procurement of raw materials and parts, and importing/exporting of products in China.

Network

As of May 1. 2007



Cleanup Corporation

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Printed in Japan