

Nihon Trim (6788)

Consolidated Fiscal Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
FY03/2019		15,179	2,250	2,121	1,250	157.05	60.00	2,162.68
FY03/2020		16,116	2,303	1,007	218	27.67	70.00	2,128.85
FY03/2021CoE		14,510	1,770	1,870	1,220	154.78	35.00	-
FY03/2020		YoY	6.2%	2.4%	(52.5%)	(82.5%)	-	-
FY03/2021CoE		YoY	(10.0%)	(23.2%)	85.5%	458.4%	-	-
Consolidated Half Year (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 to Q2 FY03/2020		8,693	1,615	1,517	1,002	-	-	-
Q3 to Q4 FY03/2020		7,423	687	(510)	(783)	-	-	-
Q1 to Q2 FY03/2021CoE		6,190	360	410	260	-	-	-
Q3 to Q4 FY03/2021CoE		8,320	1,410	1,460	960	-	-	-
Q1 to Q2 FY03/2021CoE		YoY	(28.8%)	(77.7%)	(73.0%)	(74.1%)	-	-
Q3 to Q4 FY03/2021CoE		YoY	12.1%	105.0%	-	-	-	-
Consolidated Quarter (Million Yen)		Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent	EPS (Yen)	DPS (Yen)	BPS (Yen)
Q1 FY03/2020		4,172	728	660	414	-	-	-
Q1 FY03/2021		3,441	455	482	299	-	-	-
Q1 FY03/2021		YoY	(17.5%)	(37.4%)	(26.9%)	(27.6%)	-	-

Source: Company Data, WRJ Calculation

1.0 Executive Summary (6 October 2020)

With COVID-19

Nihon Trim, which mainly runs operations to promote sale of Antioxidant Water System, is developing measures that cope with the society with COVID-19. Sales of main body for Antioxidant Water System principally sold face-to-face are coming down due to the impacts stemming from COVID-19, but replacement demand for cartridge (used in water purification) pre-installed inside main body is picking up and thus sales likewise. This demonstrates the active acceptance amongst existing users for “new practice of water healthcare” advocated by the Company, which takes in “water that is healthy” into their lives. Meanwhile, the Company is planning to shift its allocation of resources from face-to-face sale to online sale. In view of the recent heightened awareness of health issues, demand for the Company’s Antioxidant Water System is expected to grow substantially going forward, with which the Company is to cope through online sale. Meanwhile, longer-term, the Company is “aiming at an exponential growth as global medical company” and thus the Company is aggressively developing operations associated with regenerative medicine and electrolyzed water dialysis.

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2.0 Company Profile

Aiming at an Exponential Growth as Global Medical Company

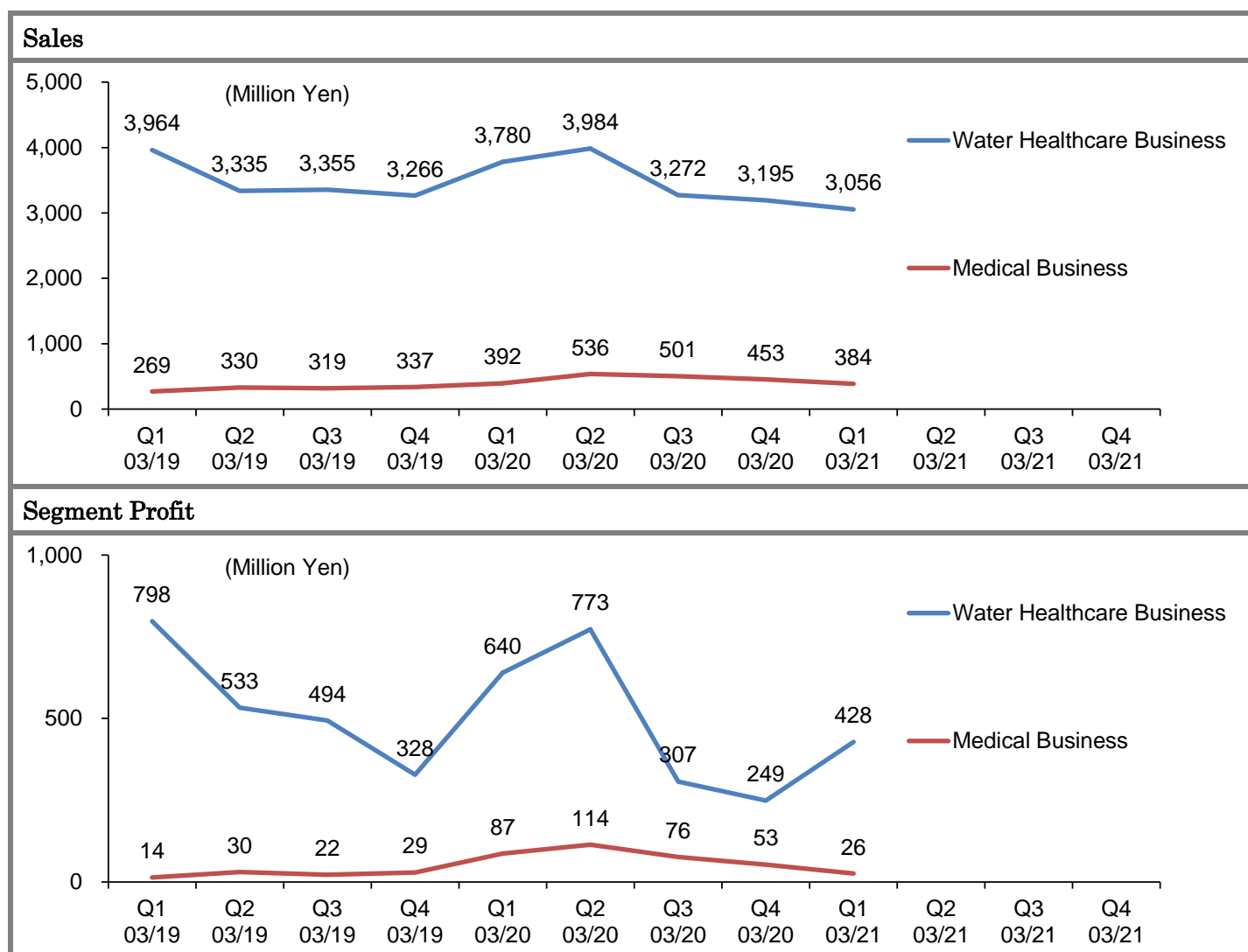
Company Name	NIHON TRIM CO., LTD. Website IR Information Share Price (Japanese)	
Established	12 June 1982	
Listing	1 March 2004: Tokyo Stock Exchange 1st section (ticker: 6788) 4 February 2003: Tokyo Stock Exchange 2nd section 28 November 2000: JASDAQ over-the-counter registration	
Capital	¥992m (as of the end of June 2020)	
No. of Shares	8,656,780 shares, including 866,958 treasury shares (as of the end of June 2020)	
Main Features	<ul style="list-style-type: none"> ● Leading the market for Antioxidant Water System in Japan, certified as controlled medical device for home use by MHLW (the Ministry of Health, Labour and Welfare) ● Principally sold face-to-face through so-called workplace sale, etc. ● Focus on regenerative medicine and electrolyzed water dialysis 	
Business Segments	I . Water Healthcare Business II . Medical Business	
Top Management	CEO : Shinkatsu Morisawa	
Shareholders	Shinkatsu Morisawa 45.20%, Japan Trustee Services, T. 8.95%, Master Trust Bank of Japan, T. 2.78% (as of the end of March 2020, but for treasury shares)	
Headquarters	Kita-ku, Osaka-city, Osaka-prefecture, JAPAN	
No. of Employees	Consolidated: 575, Parent: 338 (as of the end of March 2020)	

Source: Company Data

3.0 Recent Trading and Prospects

Q1 FY03/2021 Results

In Q1 FY03/2021, sales came in at ¥3,441m (down 17.5% YoY), operating profit ¥455m (down 37.4%), recurring profit ¥482m (down 26.9%) and profit attributable to owners of parent ¥299m (down 27.6%), while operating profit margin 13.2% (down 4.2% points). Compared with Q1 to Q2 Company forecasts (announced on 14 May 2020), the Company saw progress rate of 55.6% for sales, 126.6% for operating profit, 117.7% for recurring profit and 115.2% for profit attributable to owners of parent.



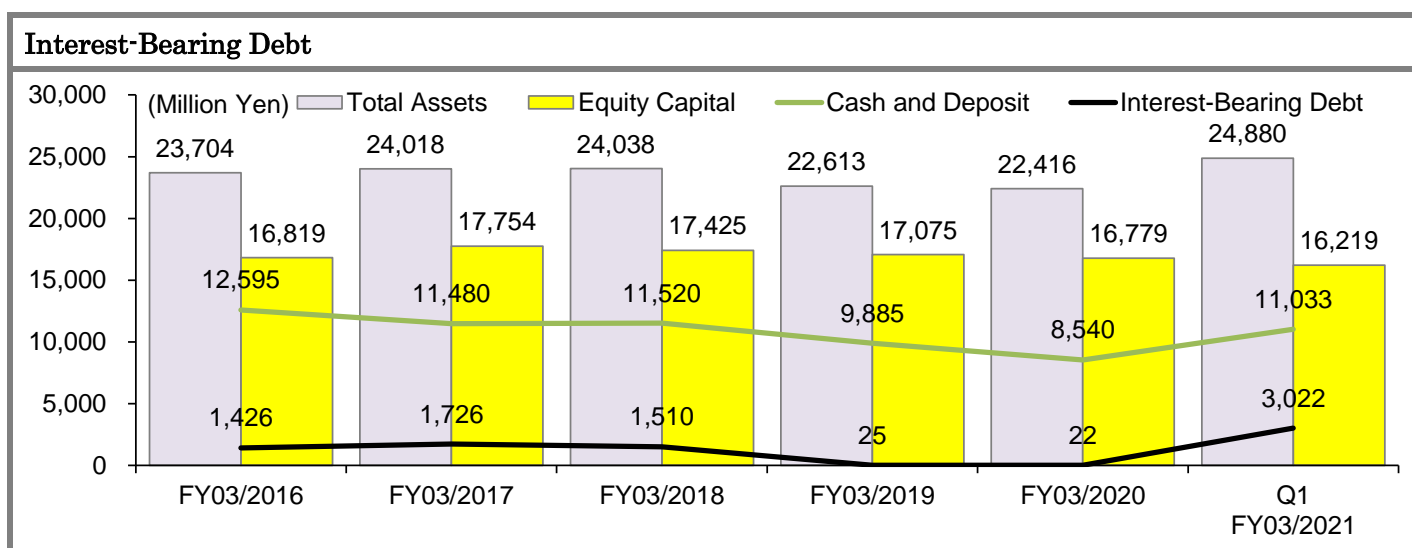
Source: Company Data, WRJ Calculation

Company forecasts, announce under the state of emergency, assume that business conditions will remain severe by Q2 due to the impacts stemming from COVID-19, which will be followed by a start of gradual normalization of business environment in Q3. Meanwhile, prospective sales in Q1 were rather exceeded and thus earnings likewise. In the first place, Company is inclined to see a large upside in earnings with an upside in sales due to its high marginal profit ratio, while currently making steady progress in cutting back on fixed costs. As a result, the Company saw earnings in Q1 across the board larger than prospective earnings in Q1 to Q2, while the same trends have been persisting so far in Q2. Nevertheless, Company forecasts have remained unchanged, as it is too early for uncertainty associated with the impacts stemming from COVID-19 to be fully dispelled.

By business segment, Water Healthcare Business saw sales of ¥3,056m (down 19.1%), segment profit of ¥428m (down 33.1%) and segment profit margin of 14.0% (down 2.9% points), while Medical Business sales of ¥384m (down 1.9%), segment profit of ¥26m (down 69.3%) and segment profit margin of 7.0% (down 15.3% points). Water Healthcare Business, having accounted for 88.8% of sales as a whole for the Company and 94.1% of operating profit, has an overwhelmingly significant impact for the performance as a whole for the Company. On the other hand, Medical Business has remained insignificant in this respect, but it should be noted that sales have been rather stable despite the impacts stemming from COVID-19. According to the Company, Medical Business is seeing a favorable performance as business segment in light of this, while a steady progress has been made towards the aim of becoming global medical company with this.

Aggressive Upfront Investment

It has been revealed since the announcement of the Q1 results that the Company is to aggressively implement upfront investment, assuming a transition to the society with COVID-19. With respect to main body to Antioxidant Water System, accounting for the bulk of sales in the mainstay Water Healthcare Business, the Company is to invest in building new sales channel from a long-term perspective, given the impacts stemming from COVID-19.

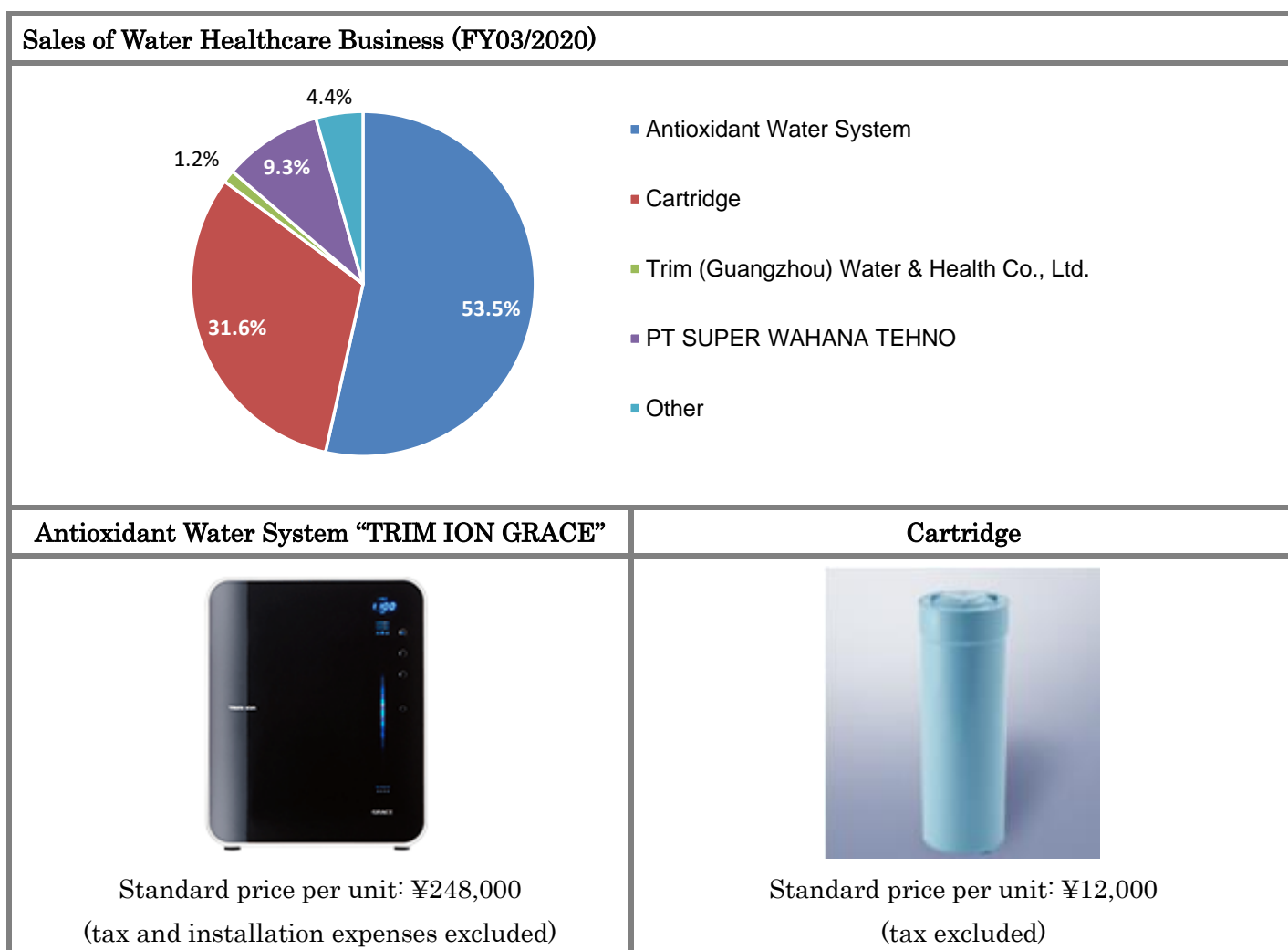


Source: Company Data, WRJ Calculation

The Company has revealed its intention to invest in online sales promotion for main body of Antioxidant Water System. On top of this, considering probability to strengthen R&D for long-term growth and/or expand its business through corporate acquisitions at the same time, the Company has raised ¥3,000m in debt towards the end of Q1. Still, the Company has remained solid with its financial state. As of the end of Q1, total assets stood at ¥24,880m and equity capital ¥16,219m, having resulted in equity ratio of 65.2%. Meanwhile, net cash stood at ¥8,011m and the Company saw net debt equity ratio of minus 49.4%.

Water Healthcare Business

Sales of Water Healthcare Business basically comprise those of Antioxidant Water System and cartridge (used in water purification). In FY03/2020, Antioxidant Water System accounted for 53.5% of segment sales and cartridge for 31.6%, collectively 85.1%. Sales of Antioxidant Water System are booked by sale of main body, while sales of cartridge by sale of replacement-use cartridge for cartridge pre-installed inside main body, which is recommended to be replaced in around one year after the first use of main body or 10,000 liters, i.e., some 27 liters per day, in terms of volume for water flow. It is also recommended to do so after the first replacement.



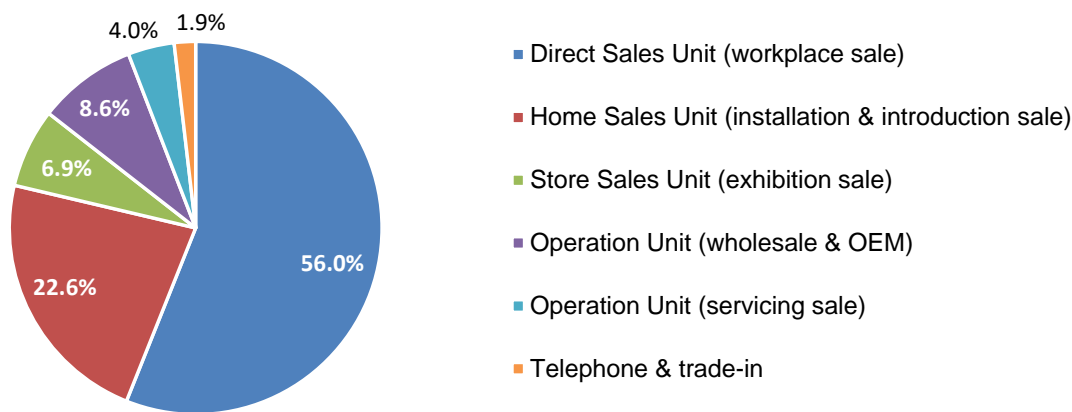
Source: Company Data

For example, if the main product “TRIM ION GRACE” is used for 5 years in accordance with the above-mentioned recommendation, “cost” per liter is around ¥7, implying a fairly high cost efficiency. Meanwhile, “efficiency” in this context represents realization of “new practice of water healthcare” advocated by the Company, which takes in “water that is healthy” into one’s life. In Q1 FY03/2021, sales of main body for Antioxidant Water System, principally sold on face-to-face sale, were sluggish due to the impacts stemming from COVID-19. More importantly, however, demand for replacement of cartridge has remained firm and sales here have increased by 12.2% over the same period of the previous year. It should be the case, in light of this, that existing users believe that “cost” is more than compensated for by “efficiency”.

Meanwhile, so-called workplace sale accounts for more than half of sales for main body of Antioxidant Water System by sales channel. In workplace sale, the Company holds seminars to promote sales of Antioxidant Water System, while the number of seminars has plummeted in Q1 due to the impacts stemming from COVID-19, which equated to some 20% of the number during the same month in the previous year for the results in April and May 2020. Still, the number of seminars has started to recover in line with the lifting of the state of emergency, i.e., some 30% of the number during the same month in June and some 60% in July. In other words, the worst-case period is already over.

Amongst the seminar participants, the Company now perceives heightened awareness of health issues driven by the impacts stemming from COVID-19 and it enhances sale efficiency. The Company's Antioxidant Water System has been certified as controlled medical device for home use by MHLW (the Ministry of Health, Labour and Welfare) to be able to get "the intestines" in better physical condition, which has a lot to do with immunological capacity. Thus, the Company spots this contributes to enhance immune strength. Meanwhile, in light of all those trends, the Company believes that demand for its Antioxidant Water System is likely to pick up nicely in a long-term perspective. In order to cope with increased demand in the future or promptly set up new sales channel other than those of face-to-face sale, the Company has built a project team to beef up online sale by facilitating own web environment and/or trying to pursue the best solution for development of web advertising. The Company is aiming at the scale of sales stemming from here as large as creating a new business unit by the end of FY03/2021.

Sales of Antioxidant Water System by Sales Channel (FY03/2020)



Source: Company Data, WRJ Calculation

According to sales of Antioxidant Water System by sales channel in FY03/2020, sales of main body for Antioxidant Water System appear to comprise face-to-face sale by more than 90%. Sales of the mainstay Direct Sales Unit (workplace sale) accounted for 56.0% of total, Home Sales Unit (installation & introduction sale) 22.6%, Store Sales Unit (exhibition sale) 6.9%, Operation Unit (wholesale & OEM) 8.6%, Operating Unit (servicing sale) 4.0% and telephone & trade-in 1.9%.

In the mainstay Direct Sales Unit (workplace sale), major trading companies, manufacturers and co-ops act as agents. In line with introductions from all those agents, the Company's representatives go to see people in specific workplace of diverse individual companies and hold seminars for them, where the Company's Antioxidant Water System is talked about with respect to its characteristics and differentiating factors for the sake of sale to the participants in the seminars. The Company pays referral fees to the making of introductions by the agents based on their track records.

In Home Sales Unit (installation & introduction sale), the Company sees sales of Antioxidant Water System stemming from introductions of relatives and/or friends for the Company's representatives by the purchasers through workplace sale, etc., which takes place when they go to see the purchasers to install the system at their residents. Meanwhile, in Store Sales Unit (exhibition sale), the Company sees sales stemming from literally exhibition sale by the representatives who go to see visitors at gyms, mass retailers, department stores and other locations. In Operation Unit (wholesale & OEM), the Company sees sales through wholesale and those of an OEM basis, while those of replacement in Operation Unit (servicing sale), which takes place when the Company's representatives go to see the users at their residents for servicing.

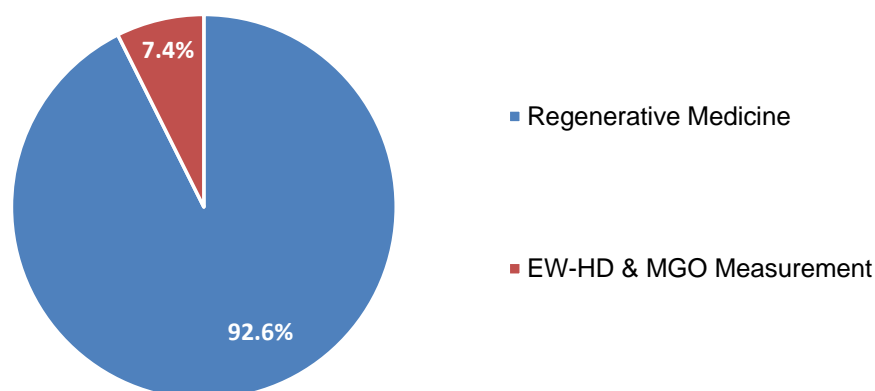
Meanwhile, on top of Antioxidant Water System and cartridge, the Company is also exposed to some other business domains in Water Healthcare Business. In FY03/2020, Trim (Guangzhou) Water & Health Co., Ltd., which is a subsidiary based in China, accounted for 1.2% of segment sales and PT SUPER WAHANA TEHNO, which is a subsidiary based in Indonesia, accounted for 9.3%.

With respect to the subsidiary based in Indonesia, which has the largest scale in sales, the Company runs operations of bottled water through collaboration with the local partner Sinrmass Group. The impacts stemming from COVID-19 has appeared locally too, but sales through January to March 2020, which are reflected in the Company's consolidated accounts of Q1, increased by 22.2% over the same period of the previous year on a local currency basis. The mainstay operations to sell in the form of a plastic bottle to retailers on a wholesale basis suffered from decreased volume, but increased sales in the form of a gallon where this subsidiary delivers to each household are more than compensating, albeit rather smaller in the scale of sales.

Medical Business

Medical Business has a large exposure to regenerative medicine in terms of sales. In FY03/2020, regenerative medicine accounted for 92.6% of segment sales and EW-HD (Electrolyzed Water Hemodialysis) & MGO Measurement accounted for 7.4%. Meanwhile, it appears that the bulk of sales in regenerative medicine comprise those of StemCell Institute Inc., which is the Company's subsidiary to run operations of private cord blood bank as the largest one in Japan. On top of this, the Company is also involved with management of hospital in China.

Sales of Medical Business (FY03/2020)

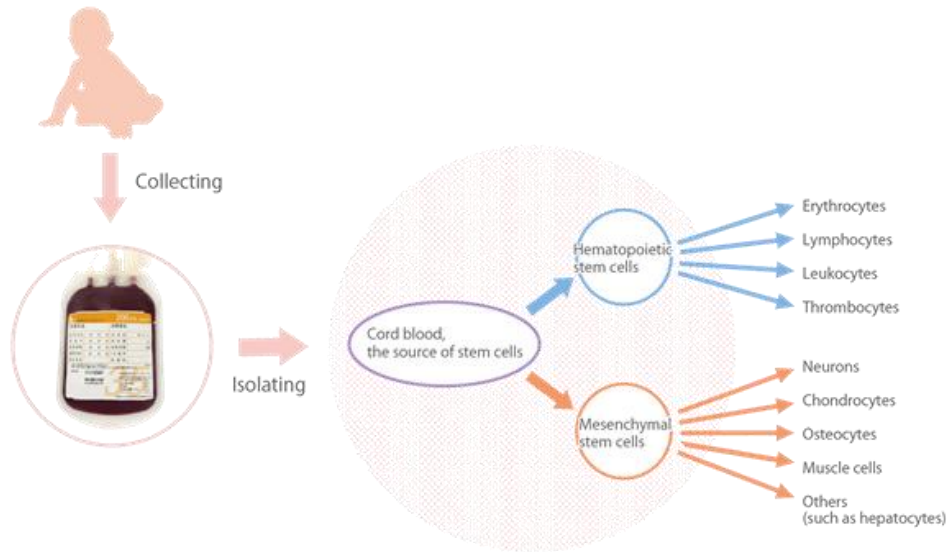


Source: Company Data, WRJ Calculation

StemCell Institute Inc. is private cord blood bank, which has a market share of some 99% in Japan. In Q1 FY03/2021, it appears that sales were sluggish due to restrictions on access to healthcare facilities caused by the impacts stemming from COVID-19, but it is likely that demand for cord blood storage will continue to grow from a long-term perspective. In addition to numerous clinical researches conducted overseas, clinical studies related to cerebral paralysis and autism are being conducted in Japan, whose progress is expected to drive demand. In view of all those trends, the Company reveals that it is now expanding its facilities for CPC (Cell Processing Center) in Yokohama-city. The new facilities are scheduled to begin operations in January 2021 and the maximum processing capacity is expected to be 2.5 times the current capacity.

Cord blood is blood going around between placenta and umbilical cord for unborn baby to obtain feeding and oxygen from mother, while stem cell, included here, is gathering attention in regards to its potentials to develop innovative ways of medical treatment for diverse diseases. Since 1993, transplantation therapy for patients suffering from intractable hematologic diseases represented by leukemia has been established, while usefulness of cord blood has got acknowledged very well. Public cord blood bank is in charge of playing the role of mediator for this with its operations to solicit for contributions of cord blood with an objective to apply for transplantation therapy for patients suffering from intractable hematological diseases represented by leukemia and to apply donated cord blood for medical treatment with third-party patients who does not have anything to do with the donators.

What is Cord Blood?



Source: [StemCell Institute Inc.](#)

On the other hand, StemCell Institute Inc., running private cord blood bank in Japan almost exclusively, has a business model to get paid for preservation of cord blood provided by freezing basically with no limit of period. Cord blood provided here is to be preserved for the sake of future medical treatment of the provider or the person concerned, i.e., newborn baby for regenerative medicine and/or cell therapy (cerebral paralysis, autism, etc.). Thus, this represents preservation for so-called autotherapy based on cord blood. The Company also suggests that cord blood preserved could be applied for medical treatment for genetically close sibs of newborn baby, i.e., father and mother or brothers and sisters.

Electrolyzed Water Dialysis System:

Electrolyzed Water Dialysis® MULTIPERSON Dialysis-use Water Preparation Equipment "EW-SP75"



Source: Company Data

With respect to EW-HD (Electrolyzed Water Hemodialysis) & MGO Measurement, the Company has disclosed that sales came in at ¥139m (up 755.9% YoY) in FY03/2020, which is expected to be followed by further strengths in FY03/2021, albeit small in the scale of sales. The bulk of sales here are those of Electrolyzed Water Dialysis System developed by the Company and put into the marketplace. In Q1 FY03/2021, sales were delayed in line with the impacts stemming from COVID-19. Still, the Company has successfully introduced MULTIPERSON Electrolyzed Water Dialysis System at St. Luke's International Hospital (Chuo-ku, Tokyo), which is a core facility in the Kanto region, implying that this will have a ripple effect going forward, according to the Company.

To date, the Company's Electrolyzed Water Dialysis System has been adopted for dialysis of some 1,500 patients. Meanwhile, on 21 April 2020, the Company has launched new product "EW-SP75", which is superior to existing ones for its standardization, downsizing and weight saving. The Company expects all those favorable features are to drive sales going forward. When compared with existing ones built on order, the number is to exponentially increase for healthcare institutions represented by hospitals that could adopt the system, according to the Company.

Generally speaking, dialysis is of operations to bring blood contaminated by uremic toxin out of human body and to go through dialyzer or artificial liver with certain amount of the blood brought out for the sake of returning to human body after cleaning by means of wastes removal, electrolyte replenishment and hydration adjustment. Meanwhile, all those operations of dialysis require the use of dialysate (dialysis fluid) as much as 120 liters per session and the dialysate is generated by dilution of undiluted solution or powder with water for dialysis. The Company's Electrolyzed Water Dialysis System is in charge of generating electrolyzed RO water as water for dialysis. Electrolyzed RO water is obtained by RO processing of electrolyzed cathode water containing hydrogen and unique features are added by dissolution of hydrogen within to a certain amount. That is to say, biocompatibility is improved with dialysis, cutting back on side effects represented by oxidative stress.

For example, a treatise posted on “Scientific Reports” or scientific magazine of England published in 2018 discusses that decrease and illness to lead to decrease came down by 41% with the Company’s Electrolyzed Water Dialysis System when compared with conventional equivalents. This has triggered significant increase in awareness on the Company’s Electrolyzed Water Dialysis System and thus expectations likewise. Meanwhile, going forward, the Company intends to expand into markets overseas in addition to Japan to set up the next-generation standard on a global basis.

Meanwhile, the Company's non-operating balance have worsened by ¥1,167m (from minus ¥128m to minus ¥1,295m) in FY03/2020 over FY03/2019. This is because equity in earnings of affiliates worsened by as much as ¥1,222m (from minus ¥243m to minus ¥1,466m), which has a lot to do with the booking of a provision for the full amount of loans (¥1,100m) associated with Beijing-based Han-Kun Hospital with which the Company is involved for management. That is to say, the Company has already written off all of the investment for this hospital. The Company mentions that its performance will be consequently immune to the performance here in FY03/2021.

Due to the impacts stemming from COVID-19, it had become likely that the period required to recover investment would exceed the initial expectations. In the first place, this hospital in Beijing has been awaiting approval for the application of public insurance for some time and is at the stage of preparing for full-scale operations. When approved, it is expected that the number of patients will increase steadily as a result of the launch of medical treatments based on public insurance. It is also expected that the number of uncontrolled medical treatments, which are lucrative, will increase. In China, certain "medical zones" are to be allocated upon approval for the application of public insurance and the above-mentioned movements are supposed to accompany this.

Income Statement (Cumulative/Quarterly)

Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	YoY
(Million Yen)	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	03/2021	Net Chg.
Sales	4,172	8,693	12,467	16,116	3,441	-	-	-	-	(730)
Cost of Sales	1,181	2,505	3,633	4,757	1,010	-	-	-	-	(171)
Gross Profit	2,991	6,187	8,833	11,359	2,431	-	-	-	-	(559)
SG&A Expenses	2,263	4,572	6,833	9,056	1,975	-	-	-	-	(287)
Operating Profit	728	1,615	2,000	2,303	455	-	-	-	-	(272)
Non Operating Balance	(67)	(97)	(150)	(1,295)	26	-	-	-	-	+94
Recurring Profit	660	1,517	1,849	1,007	482	-	-	-	-	(177)
Extraordinary Balance	-	14	14	10	-	-	-	-	-	-
Profit before Income Taxes	660	1,532	1,863	1,018	482	-	-	-	-	(177)
Total Income Taxes	241	525	662	781	155	-	-	-	-	(85)
NP Belonging to Non-Controlling SHs	5	4	(4)	18	27	-	-	-	-	+21
Profit Attributable to Owners of Parent	414	1,002	1,205	218	299	-	-	-	-	(114)
Sales YoY	(1.4%)	+10.0%	+7.7%	+6.2%	(17.5%)	-	-	-	-	-
Operating Profit YoY	(10.4%)	+17.4%	+5.7%	+2.4%	(37.4%)	-	-	-	-	-
Recurring Profit YoY	(14.6%)	+14.1%	+2.5%	(52.5%)	(26.9%)	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	(13.6%)	+21.2%	+9.9%	(82.5%)	(27.6%)	-	-	-	-	-
Gross Profit Margin	71.7%	71.2%	70.9%	70.5%	70.6%	-	-	-	-	(1.0%)
Sales to SG&A Expenses Ratio	54.2%	52.6%	54.8%	56.2%	57.4%	-	-	-	-	+3.2%
Operating Profit Margin	17.4%	18.6%	16.0%	14.3%	13.2%	-	-	-	-	(4.2%)
Recurring Profit Margin	15.8%	17.5%	14.8%	6.3%	14.0%	-	-	-	-	(1.8%)
Profit Attributable to Owners of Parent Margin	9.9%	11.5%	9.7%	1.4%	8.7%	-	-	-	-	(1.2%)
Total Income Taxes/Profit before Income Taxes	36.5%	34.3%	35.6%	76.7%	32.3%	-	-	-	-	(4.2%)
Income Statement	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	YoY
(Million Yen)	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	03/2021	Net Chg.
Sales	4,172	4,520	3,773	3,649	3,441	-	-	-	-	(730)
Cost of Sales	1,181	1,324	1,127	1,123	1,010	-	-	-	-	(171)
Gross Profit	2,991	3,196	2,646	2,525	2,431	-	-	-	-	(559)
SG&A Expenses	2,263	2,308	2,261	2,222	1,975	-	-	-	-	(287)
Operating Profit	728	887	384	303	455	-	-	-	-	(272)
Non Operating Balance	(67)	(30)	(52)	(1,144)	26	-	-	-	-	+94
Recurring Profit	660	857	331	(841)	482	-	-	-	-	(177)
Extraordinary Balance	-	14	0	(3)	-	-	-	-	-	-
Profit before Income Taxes	660	871	331	(845)	482	-	-	-	-	(177)
Total Income Taxes	241	284	137	118	155	-	-	-	-	(85)
NP Belonging to Non-Controlling SHs	5	(1)	(8)	22	27	-	-	-	-	+21
Profit Attributable to Owners of Parent	414	588	202	(986)	299	-	-	-	-	(114)
Sales YoY	(1.4%)	+23.3%	+2.7%	+1.2%	(17.5%)	-	-	-	-	-
Operating Profit YoY	(10.4%)	+57.4%	(25.5%)	(15.3%)	(37.4%)	-	-	-	-	-
Recurring Profit YoY	(14.6%)	+53.7%	(30.1%)	-	(26.9%)	-	-	-	-	-
Profit Attributable to Owners of Parent YoY	(13.6%)	+69.0%	(24.8%)	-	(27.6%)	-	-	-	-	-
Gross Profit Margin	71.7%	70.7%	70.1%	69.2%	70.6%	-	-	-	-	(1.0%)
Sales to SG&A Expenses Ratio	54.2%	51.1%	59.9%	60.9%	57.4%	-	-	-	-	+3.2%
Operating Profit Margin	17.4%	19.6%	10.2%	8.3%	13.2%	-	-	-	-	(4.2%)
Recurring Profit Margin	15.8%	19.0%	8.8%	(23.1%)	14.0%	-	-	-	-	(1.8%)
Profit Attributable to Owners of Parent Margin	9.9%	13.0%	5.4%	(27.0%)	8.7%	-	-	-	-	(1.2%)
Total Income Taxes/Profit before Income Taxes	36.5%	32.6%	41.4%	(14.1%)	32.3%	-	-	-	-	(4.2%)

Source: Company Data, WRJ Calculation

Segmented Information (Cumulative/Quarterly)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1 03/2020	Q1 to Q2 03/2020	Q1 to Q3 03/2020	Q1 to Q4 03/2020	Q1 03/2021	Q1 to Q2 03/2021	Q1 to Q3 03/2021	Q1 to Q4 03/2021	Q1 to Q4 03/2021	Net Chg.
Water Healthcare Business	3,780	7,765	11,037	14,233	3,056	-	-	-	-	(723)
Medical Business	392	928	1,430	1,883	384	-	-	-	-	(7)
Sales	4,172	8,693	12,467	16,116	3,441	-	-	-	-	(730)
Water Healthcare Business	(4.6%)	+6.4%	+3.6%	+2.2%	(19.1%)	-	-	-	-	-
Medical Business	+45.6%	+54.8%	+55.6%	+49.9%	(1.9%)	-	-	-	-	-
Sales (YoY)	(1.4%)	+10.0%	+7.7%	+6.2%	(17.5%)	-	-	-	-	-
Water Healthcare Business	90.6%	89.3%	88.5%	88.3%	88.8%	-	-	-	-	-
Medical Business	9.4%	10.7%	11.5%	11.7%	11.2%	-	-	-	-	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-
Water Healthcare Business	640	1,414	1,721	1,971	428	-	-	-	-	(211)
Medical Business	87	201	278	331	26	-	-	-	-	(60)
Operating Profit	728	1,615	2,000	2,303	455	-	-	-	-	(272)
Water Healthcare Business	(19.7%)	+6.2%	(5.7%)	(8.4%)	(33.1%)	-	-	-	-	-
Medical Business	+521.5%	+352.1%	+317.0%	+243.4%	(69.3%)	-	-	-	-	-
Operating Profit (YoY)	(10.4%)	+17.4%	+5.7%	+2.4%	(37.4%)	-	-	-	-	-
Water Healthcare Business	88.0%	87.5%	86.1%	85.6%	94.1%	-	-	-	-	-
Medical Business	12.0%	12.5%	13.9%	14.4%	5.9%	-	-	-	-	-
Operating Profit (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-
Water Healthcare Business	16.9%	18.2%	15.6%	13.9%	14.0%	-	-	-	-	(2.9%)
Medical Business	22.3%	21.7%	19.4%	17.6%	7.0%	-	-	-	-	(15.3%)
Operating Profit Margin	17.4%	18.6%	16.0%	14.3%	13.2%	-	-	-	-	(4.2%)

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1 03/2020	Q2 03/2020	Q3 03/2020	Q4 03/2020	Q1 03/2021	Q2 03/2021	Q3 03/2021	Q4 03/2021	Q4 03/2021	Net Chg.
Water Healthcare Business	3,780	3,984	3,272	3,195	3,056	-	-	-	-	(723)
Medical Business	392	536	501	453	384	-	-	-	-	(7)
Sales	4,172	4,520	3,773	3,649	3,441	-	-	-	-	(730)
Water Healthcare Business	(4.6%)	+19.5%	(2.5%)	(2.2%)	(19.1%)	-	-	-	-	-
Medical Business	+45.6%	+62.3%	+57.0%	+34.3%	(1.9%)	-	-	-	-	-
Sales (YoY)	(1.4%)	+23.3%	+2.7%	+1.2%	(17.5%)	-	-	-	-	-
Water Healthcare Business	90.6%	88.1%	86.7%	87.6%	88.8%	-	-	-	-	-
Medical Business	9.4%	11.9%	13.3%	12.4%	11.2%	-	-	-	-	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-
Water Healthcare Business	640	773	307	249	428	-	-	-	-	(211)
Medical Business	87	114	76	53	26	-	-	-	-	(60)
Operating Profit	728	887	384	303	455	-	-	-	-	(272)
Water Healthcare Business	(19.7%)	+45.0%	(37.7%)	(23.8%)	(33.1%)	-	-	-	-	-
Medical Business	+521.5%	+274.0%	+246.4%	+78.8%	(69.3%)	-	-	-	-	-
Operating Profit (YoY)	(10.4%)	+57.4%	(25.5%)	(15.3%)	(37.4%)	-	-	-	-	-
Water Healthcare Business	88.0%	87.1%	80.1%	82.4%	94.1%	-	-	-	-	-
Medical Business	12.0%	12.9%	19.9%	17.6%	5.9%	-	-	-	-	-
Operating Profit (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	-	-	-	-	-
Water Healthcare Business	16.9%	19.4%	9.4%	7.8%	14.0%	-	-	-	-	(2.9%)
Medical Business	22.3%	21.3%	15.3%	11.8%	7.0%	-	-	-	-	(15.3%)
Operating Profit Margin	17.4%	19.6%	10.2%	8.3%	13.2%	-	-	-	-	(4.2%)

Source: Company Data, WRJ Calculation

Balance Sheet (Quarterly)

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q4	Net Chg.
	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	03/2021	
Cash and Deposit	8,136	8,593	8,832	8,540	11,033	-	-	-	-	+2,897
Accounts Receivables	5,252	5,449	4,809	4,771	4,456	-	-	-	-	(796)
Inventory	964	821	926	974	1,066	-	-	-	-	+102
Other	796	689	776	188	573	-	-	-	-	(223)
Current Assets	15,150	15,552	15,345	14,474	17,130	-	-	-	-	+1,980
Tangible Assets	3,528	3,594	3,597	3,567	3,729	-	-	-	-	+201
Intangible Assets	553	546	534	569	568	-	-	-	-	+15
Investments and Other Assets	3,628	3,627	3,938	3,804	3,452	-	-	-	-	(175)
Fixed Assets	7,709	7,768	8,071	7,941	7,750	-	-	-	-	+40
Total Assets	22,860	23,321	23,416	22,416	24,880	-	-	-	-	+2,020
Accounts Payables, etc.	927	839	1,019	759	809	-	-	-	-	(118)
Corporate Bond	-	-	-	-	-	-	-	-	-	-
Long Term Debt (Less than 1 Year)	12	13	11	11	3,011	-	-	-	-	+2,998
Other	2,422	2,302	1,905	3,835	3,825	-	-	-	-	+1,403
Current Liabilities	3,362	3,155	2,936	4,606	7,646	-	-	-	-	+4,283
Corporate Bond	-	-	-	-	-	-	-	-	-	-
Long Term Debt	11	10	12	11	10	-	-	-	-	(1)
Other	2,133	2,223	2,355	674	660	-	-	-	-	(1,472)
Fixed Liabilities	2,144	2,233	2,368	686	671	-	-	-	-	(1,473)
Total Liabilities	5,507	5,389	5,304	5,293	8,317	-	-	-	-	+2,809
Shareholders' Equity	17,082	17,670	17,873	16,850	16,318	-	-	-	-	(763)
Other	270	261	238	272	244	-	-	-	-	(25)
Net Assets	17,352	17,932	18,111	17,123	16,563	-	-	-	-	(789)
Total Liabilities and Net Assets	22,860	23,321	23,416	22,416	24,880	-	-	-	-	+2,020
Equity Capital	17,024	17,607	17,798	16,779	16,219	-	-	-	-	(805)
Interest-Bearing Debt	24	24	23	22	3,022	-	-	-	-	+2,997
Net Debt	(8,111)	(8,569)	(8,808)	(8,517)	(8,011)	-	-	-	-	+100
Equity Ratio	74.5%	75.5%	76.0%	74.9%	65.2%	-	-	-	-	(9.3%)
Net Debt Equity Ratio	(47.6%)	(48.7%)	(49.5%)	(50.8%)	(49.4%)	-	-	-	-	(1.7%)
ROE (12 months)	7.0%	8.2%	7.8%	1.3%	0.6%	-	-	-	-	(6.4%)
ROA (12 months)	8.6%	9.7%	9.2%	4.5%	3.5%	-	-	-	-	(5.1%)
Days for Inventory Turnover	74	57	75	79	96	-	-	-	-	-
Quick Ratio	398%	445%	465%	289%	203%	-	-	-	-	-
Current Ratio	451%	493%	523%	314%	224%	-	-	-	-	-

Source: Company Data, WRJ Calculation

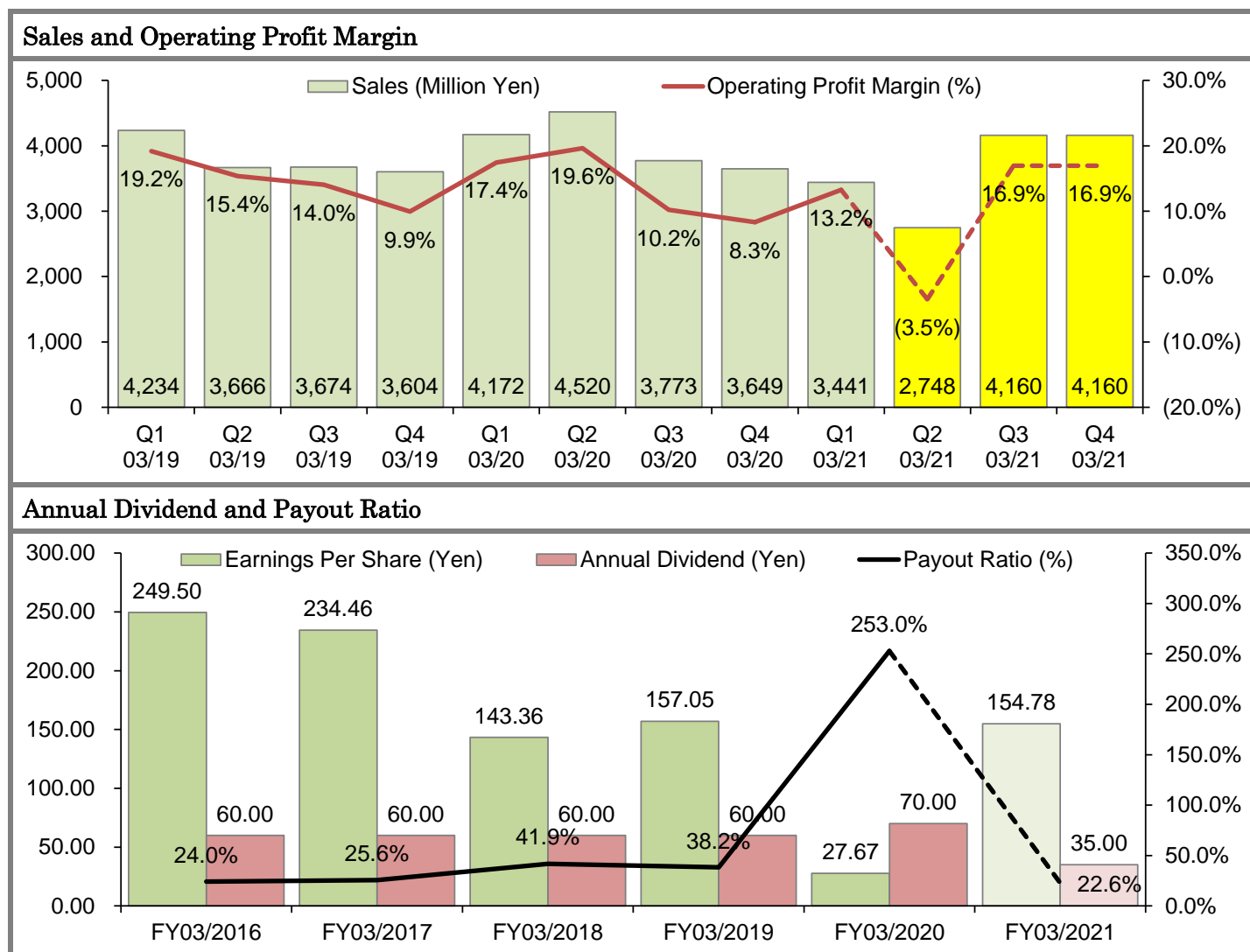
Cash Flow Statement (Cumulative)

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	YoY
	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q1	Q1 to Q2	Q1 to Q3	Q1 to Q4	Q4	Net Chg.
	03/2020	03/2020	03/2020	03/2020	03/2021	03/2021	03/2021	03/2021	03/2021	
Operating Cash Flow	-	696	-	1,823	-	-	-	-	-	-
Investing Cash Flow	-	(1,504)	-	(2,644)	-	-	-	-	-	-
Operating Cash Flow and Investing Cash Flow	-	(807)	-	(820)	-	-	-	-	-	-
Financing Cash Flow	-	(477)	-	(518)	-	-	-	-	-	-

Source: Company Data, WRJ Calculation

FY03/2021 Company Forecasts

FY03/2021 initial Company forecasts (announced on 14 May 2020) have remained unchanged, going for prospective sales of ¥14,510m (down 10.0% YoY), operating profit of ¥1,770m (down 23.2%), recurring profit of ¥1,870m (up 85.5%) and profit attributable to owners of parent of ¥1,220m (up 458.4%), while operating profit margin of 12.2% (down 2.1% points). Company forecasts have remained unchanged also for prospective annual dividend, going for ¥35.00 per share, implying payout ratio of 22.6%.



Source: Company Data, WRJ Calculation (Q3 and Q4 FY03/2021: H2 Company forecasts, pro rata)

The Company's basic dividend policy is to pay dividend with a stability and it had maintained annual dividend of ¥60.00 per share through FY03/2016 to FY03/2019. With respect to FY03/2020, the Company paid annual dividend of ¥70.00 per share, which was higher by ¥10.00 than ¥60.00 prior to this, as initially planned, in spite of the fact that initial Company forecasts were not met. However, for FY03/2021, the Company plans to pay annual dividend of ¥35.00 per share, implying payout ratio of 22.6%. i.e., halved when compared with FY03/2020. The uncertainty of the impacts stemming from COVID-19 is cited as the background. Meanwhile, the Company will be watching the trends in the market going forward as well as own prospective performance for the sake of considering the appropriate level of dividend. When changes for prospective dividend are to take place, the Company is to promptly announce the changes.

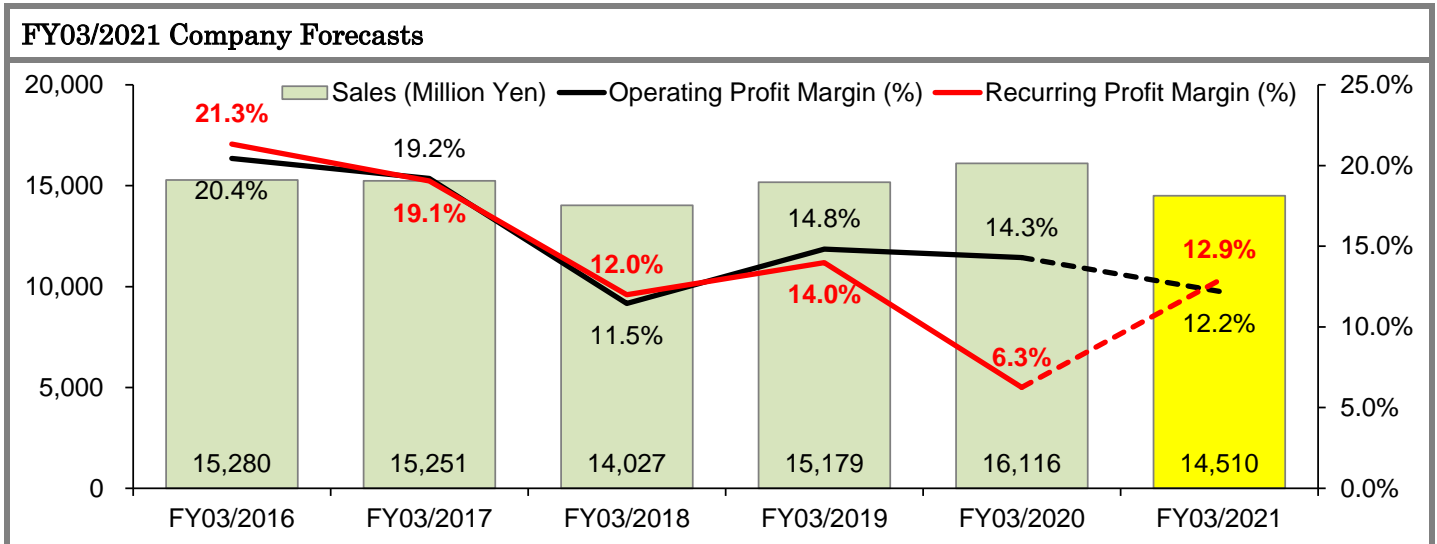
FY03/2021 Company Forecasts

Consolidated Fiscal Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
FY03/2021CoE	14-May-20	Q4 Results	14,510	1,770	1,870	1,220
FY03/2021CoE	05-Aug-20	Q1 Results	14,510	1,770	1,870	1,220
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
FY03/2021CoE	14-May-20	Q4 Results	14,510	1,770	1,870	1,220
FY03/2021CoE	05-Aug-20	Q1 Results	14,510	1,770	1,870	1,220
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q1 to Q2 FY03/2021CoE	14-May-20	Q4 Results	6,190	360	410	260
Q1 to Q2 FY03/2021CoE	05-Aug-20	Q1 Results	6,190	360	410	260
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q1 to Q2 FY03/2021CoE	14-May-20	Q4 Results	6,190	360	410	260
Q1 to Q2 FY03/2021CoE	05-Aug-20	Q1 Results	6,190	360	410	260
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Consolidated Half Year (Million Yen)	Date	Event	Sales	Operating Profit	Recurring Profit	Profit Attributable to Owners of Parent
Q3 to Q4 FY03/2021CoE	14-May-20	Q4 Results	8,320	1,410	1,460	960
Q3 to Q4 FY03/2021CoE	05-Aug-20	Q1 Results	8,320	1,410	1,460	960
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%
Q3 to Q4 FY03/2021CoE	14-May-20	Q4 Results	8,320	1,410	1,460	960
Q3 to Q4 FY03/2021CoE	05-Aug-20	Q1 Results	8,320	1,410	1,460	960
		Amount of Gap	0	0	0	0
		Rate of Gap	0.0%	0.0%	0.0%	0.0%

Source: Company Data, WRJ Calculation

Long-Term Prospects

The Company is planning to gradually shift to “global medical company”, setting the 5-year period through FY03/2019 to FY03/2023 as a period to make a certain progress for this. The Company also aims at efficient and robust management and uses recurring profit margin as the management indicator, going for prospective recurring profit margin of 25% or more as the target in a long-term view.



Source: Company Data, WRJ Calculation

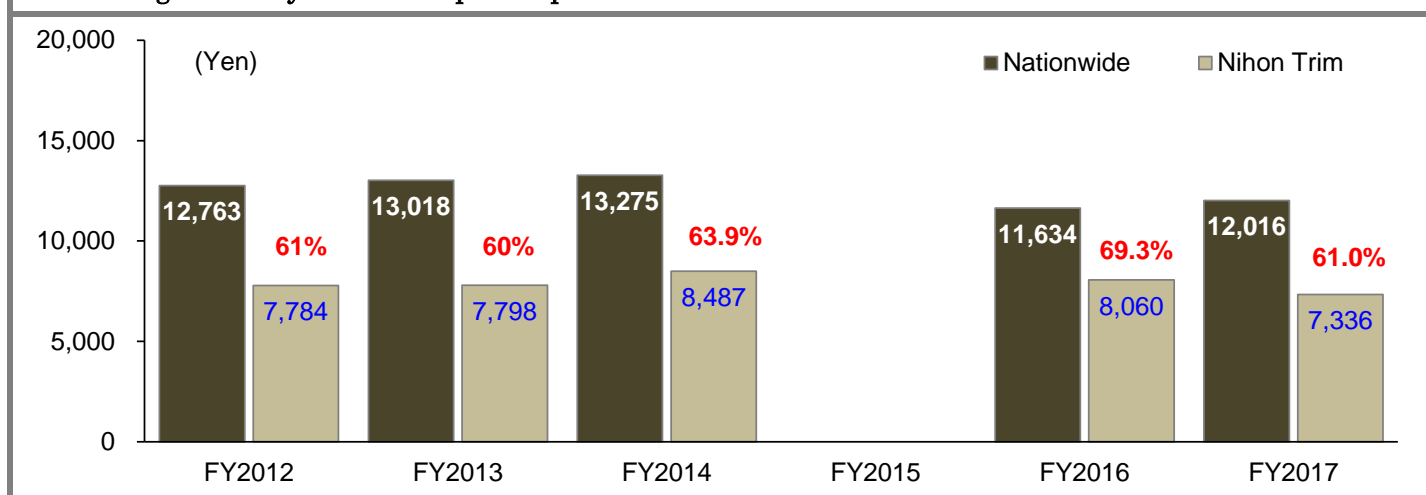
Meanwhile, recurring profit margin temporarily came down to 6.3% in FY03/2020 due to one-off expenses at the non-operating level. Still, the Company is going for prospective recovery in recurring profit margin up to 12.9% for FY03/2021, in spite of lowered operating profit margin negatively affected by the impacts stemming from COVID-19, as the above-mentioned one-off expenses are not to reappear

4.0 Business Model

Elucidating the Mechanism

The Company is actively working to "newly elucidate mechanism of electrolyzed hydrogen water". For example, the average monthly medical expenses per person for the Company's personnel have remained at a fairly low level, which may contribute to elucidation of the mechanism. Over the past several years, they have been lower than the nationwide average by 30% to 40%. The Company suggests that this disparity may be due to differences in the extent of drinking electrolyzed hydrogen water in the regular life. In other words, it is suggested that the regular use of electrolyzed hydrogen water produced by the Company's Antioxidant Water System, which has been certified by MHLW (the Ministry of Health, Labour and Welfare) as controlled medical device for home use to be able to "improve gastrointestinal symptoms", has a good potential to contribute to health and/or cut back on medical expenses.

The Average Monthly Medical Expenses per Person



Source: Company Data (FY2012 to FY2014: Japan Health Insurance Association, FY2015: not available due to changeover to KENPOREN and FY2016 to FY2017: KENPOREN or National Federation of Health Insurance Societies)

The Company's personnel belonging to the health industry are all highly health-conscious in the first place and regularly use electrolyzed hydrogen water with no exceptions and thus they drink it far more than the nationwide average. Even when looking at the data by age group, the average monthly medical expenses per person with the Company are similarly lower than the nationwide average.

The Company, actively conducting joint research with industry, government, academia, etc., is now making progress for verification project with Susaki-city, Kochi-prefecture on the impacts to medical expenses. At the moment, this project is in the process of soliciting for individual participants. Meanwhile, the Company is conducting joint research to study the drinking effects to lifestyle diseases with Susaki-city, Kochi-prefecture and Kochi Medical School. At the same time, the Company suggests that a number of collective treatises are to be published on international magazines towards the end of FY03/2021, i.e., that of the drinking effects to diabetes with Tohoku University School of Medicine, that of comprehensive study on electrolyzed hydrogen water (basic, animal and clinical trials being simultaneously underway) with RIKEN. The Company also suggests that all those treatises are to make progress for elucidation of the mechanism and improvement of awareness, eventually driving penetration of the Company's Antioxidant Water System.

5.0 Financial Statements

Income Statement

Income Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	YoY Net Chg.
	FY 03/2016	FY 03/2017	FY 03/2018	FY 03/2019	FY 03/2020	FY 03/2021	
Sales	15,280	15,251	14,027	15,179	16,116	14,510	(1,606)
Cost of Sales	3,840	3,860	4,225	4,332	4,757	4,550	(207)
Gross Profit	11,439	11,390	9,802	10,847	11,359	9,960	(1,399)
SG&A Expenses	8,315	8,461	8,196	8,596	9,056	8,190	(866)
Operating Profit	3,123	2,929	1,606	2,250	2,303	1,770	(533)
Non Operating Balance	135	(23)	75	(128)	(1,295)	100	+1,395
Recurring Profit	3,258	2,905	1,681	2,121	1,007	1,870	+862
Extraordinary Balance	-	71	161	(66)	10	-	(10)
Profit before Income Taxes	3,258	2,976	1,842	2,055	1,018	1,870	+851
Total Income Taxes	1,168	932	607	772	781	590	(191)
NP Belonging to Non-Controlling SHs	(14)	74	53	32	18	60	+41
Profit Attributable to Owners of Parent	2,104	1,969	1,181	1,250	218	1,220	+1,001
Sales YoY	+19.1%	(0.2%)	(8.0%)	+8.2%	+6.2%	(10.0%)	-
Operating Profit YoY	+38.7%	(6.2%)	(45.2%)	+40.1%	+2.4%	(23.2%)	-
Recurring Profit YoY	+28.9%	(10.8%)	(42.1%)	+26.2%	(52.5%)	+85.5%	-
Profit Attributable to Owners of Parent YoY	+61.0%	(6.4%)	(40.0%)	+5.8%	(82.5%)	+458.4%	-
Gross Profit Margin	74.9%	74.7%	69.9%	71.5%	70.5%	68.6%	(1.8%)
Sales to SG&A Expenses Ratio	54.4%	55.5%	58.4%	56.6%	56.2%	56.4%	+0.3%
Operating Profit Margin	20.4%	19.2%	11.5%	14.8%	14.3%	12.2%	(2.1%)
Recurring Profit Margin	21.3%	19.1%	12.0%	14.0%	6.3%	12.9%	+6.6%
Profit Attributable to Owners of Parent Margin	13.8%	12.9%	8.4%	8.2%	1.4%	8.4%	+7.1%
Total Income Taxes/Profit before Income Taxes	35.9%	31.3%	33.0%	37.6%	76.7%	31.6%	(45.2%)

Source: Company Data, WRJ Calculation

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Segmented Information

Segmented Information (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	YoY Net Chg.
	FY 03/2016	FY 03/2017	FY 03/2018	FY 03/2019	FY 03/2020	FY 03/2021	
Water Healthcare Business	14,457	14,418	13,046	13,922	14,233	-	-
Medical Business	822	832	981	1,256	1,883	-	-
Sales	15,280	15,251	14,027	15,179	16,116	14,510	(1,606)
Water Healthcare Business	+20.9%	(0.3%)	(9.5%)	+6.7%	+2.2%	-	-
Medical Business	(6.3%)	+1.3%	+18.0%	+28.0%	+49.9%	-	-
Sales (YoY)	+19.1%	(0.2%)	(8.0%)	+8.2%	+6.2%	(10.0%)	-
Water Healthcare Business	94.6%	94.5%	93.0%	91.7%	88.3%	-	-
Medical Business	5.4%	5.5%	7.0%	8.3%	11.7%	-	-
Sales (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
Water Healthcare Business	3,159	2,898	1,629	2,153	1,971	-	-
Medical Business	(35)	30	(23)	96	331	-	-
Operating Profit	3,123	2,929	1,606	2,250	2,303	1,770	(533)
Water Healthcare Business	+43.3%	(8.3%)	(43.8%)	+32.1%	(8.4%)	-	-
Medical Business	-	-	-	-	+243.4%	-	-
Operating Profit (YoY)	+38.7%	(6.2%)	(45.2%)	+40.1%	+2.4%	(23.2%)	-
Water Healthcare Business	101.1%	98.9%	101.5%	95.7%	85.6%	-	-
Medical Business	(1.1%)	1.1%	(1.5%)	4.3%	14.4%	-	-
Operating Profit (Composition Ratio)	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	-
Water Healthcare Business	21.9%	20.1%	12.5%	15.5%	13.9%	-	-
Medical Business	(4.4%)	3.7%	(2.4%)	7.7%	17.6%	-	-
Operating Profit Margin	20.4%	19.2%	11.5%	14.8%	14.3%	12.2%	(2.1%)

Source: Company Data, WRJ Calculation

Balance Sheet

Balance Sheet (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Cash and Deposit	12,595	11,480	11,520	9,885	8,540	-	-
Accounts Receivables	4,696	4,651	4,381	4,726	4,771	-	-
Inventory	701	809	934	1,036	974	-	-
Other	291	287	212	156	188	-	-
Current Assets	18,283	17,228	17,050	15,805	14,474	-	-
Tangible Assets	3,486	3,542	3,568	3,519	3,567	-	-
Intangible Assets	702	635	609	562	569	-	-
Investments and Other Assets	1,231	2,611	2,809	2,726	3,804	-	-
Fixed Assets	5,420	6,789	6,987	6,808	7,941	-	-
Total Assets	23,704	24,018	24,038	22,613	22,416	-	-
Accounts Payables, etc.	962	812	822	914	759	-	-
Corporate Bond	-	300	-	-	-	-	-
Long Term Debt (Less than 1 Year)	-	1,426	13	12	11	-	-
Other	2,563	1,785	2,249	3,706	3,835	-	-
Current Liabilities	3,526	4,323	3,085	4,632	4,606	-	-
Corporate Bond	300	-	-	-	-	-	-
Long Term Debt	1,126	-	1,497	12	11	-	-
Other	1,517	1,559	1,667	571	674	-	-
Fixed Liabilities	2,944	1,559	3,164	584	686	-	-
Total Liabilities	6,471	5,883	6,249	5,217	5,293	-	-
Shareholders' Equity	16,884	17,787	17,458	17,141	16,850	-	-
Other	349	347	330	253	272	-	-
Net Assets	17,233	18,135	17,788	17,395	17,123	-	-
Total Liabilities and Net Assets	23,704	24,018	24,038	22,613	22,416	-	-
Equity Capital	16,819	17,754	17,425	17,075	16,779	-	-
Interest-Bearing Debt	1,426	1,726	1,510	25	22	-	-
Net Debt	(11,168)	(9,753)	(10,009)	(9,860)	(8,517)	-	-
Equity Ratio	71.0%	73.9%	72.5%	75.5%	74.9%	-	-
Net Debt Equity Ratio	(66.4%)	(54.9%)	(57.4%)	(57.7%)	(50.8%)	-	-
ROE (12 months)	13.0%	11.4%	6.7%	7.2%	1.3%	-	-
ROA (12 months)	14.4%	12.2%	7.0%	9.1%	4.5%	-	-
Days for Inventory Turnover	67	77	81	87	75	-	-
Quick Ratio	490%	373%	515%	315%	289%	-	-
Current Ratio	518%	398%	553%	341%	314%	-	-

Source: Company Data, WRJ Calculation

Cash Flow Statement

Cash Flow Statement (Million Yen)	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.Act	Cons.CoE	
	FY	FY	FY	FY	FY	FY	YoY
	03/2016	03/2017	03/2018	03/2019	03/2020	03/2021	Net Chg.
Operating Cash Flow	2,573	1,438	2,151	1,875	1,823	-	-
Investing Cash Flow	(768)	(1,134)	(321)	(500)	(2,644)	-	-
Operating Cash Flow and Investing Cash Flow	1,804	303	1,830	1,375	(820)	-	-
Financing Cash Flow	(871)	(969)	(1,890)	(3,115)	(518)	-	-

Source: Company Data, WRJ Calculation

Per Share Data

Per Share Data (Before Adjustments for Split) (Yen)	Cons.Act FY 03/2016	Cons.Act FY 03/2017	Cons.Act FY 03/2018	Cons.Act FY 03/2019	Cons.Act FY 03/2020	Cons.CoE FY 03/2021	YoY Net Chg.
No. of Shares FY End (thousand shares)	8,657	8,657	8,657	8,657	8,657	-	-
Net Profit/ EPS (thousand Shares)	8,437	8,402	8,244	7,962	7,895	-	-
Treasury Shares FY End (thousand shares)	248	323	542	761	775	-	-
Earnings Per Share	249.50	234.46	143.36	157.05	27.67	154.78	-
Earnings Per Share (fully diluted)	249.36	234.30	143.30	156.95	27.66	-	-
Book Value Per Share	2,000.12	2,130.27	2,147.35	2,162.68	2,128.85	-	-
Dividend Per Share	60.00	60.00	60.00	60.00	70.00	35.00	-
Per Share Data (After Adjustments for Split) (Yen)	Cons.Act FY 03/2016	Cons.Act FY 03/2017	Cons.Act FY 03/2018	Cons.Act FY 03/2019	Cons.Act FY 03/2020	Cons.CoE FY 03/2021	YoY Net Chg.
Share Split Factor	1	1	1	1	1	1	-
Earnings Per Share	249.50	234.46	143.36	157.05	27.67	154.78	-
Book Value Per Share	2,000.12	2,130.27	2,147.35	2,162.68	2,128.85	-	-
Dividend Per Share	60.00	60.00	60.00	60.00	70.00	35.00	-
Payout Ratio	24.0%	25.6%	41.9%	38.2%	253.0%	22.6%	-

Source: Company Data, WRJ Calculation

6.0 Other Information

Aiming at an Exponential Growth as Global Medical Company

The Company advocates “aiming at an exponential growth as global medical company”. According to Shinkatsu Morisawa, the founder and current CEO, the Company will maintain the venture spirit at the time of its founding in June 1982 and is actively taking on the challenge of developing new business, while also considering corporate acquisitions at the same time. He expects this will lead to the transition to a new growth stage. To date, looking to the potential for significant expansion in the market for regenerative medicine and cell therapy domains for the future, the Company had acquired StemCell Institute Inc. to have been consolidated as subsidiary since September 2013, which is now starting to contribute a lot.

Furthermore, the Company intends to set up the domains of regenerative medicine and cell therapy as one of the pillars of business for the future, including the impacts stemming from the operations in tandem with STREX Inc. which manufactures and sells equipment associated with regenerative medicine. With respect to operations in China to run hospital in charge of the treatment of chronic diseases, it is likely to take a while for them to contribute, but the Company's attempt here has been attracting attention as Japan's first full-fledged operations of Japanese-style hospital abroad in the first place. From a long-term perspective, the Company is planning to develop multiple facilities in China.

At the same time, the Company mentions that its mission is to start up and/or enhance penetration of Antioxidant Water System abroad. So far, the Company has been growing due mainly to the measures to beef up penetration in Japan, but it is also the case abroad that lifestyle diseases are a social problem as in Japan. Thus there is a large need for prevention of diseases and reduction of medical expenses also abroad. It appears that the Company will be actively responding to this issue in the future.

Company History

Date	Events
June 1982	NIHON TRIM CO., LTD., established with an objective to manufacture and sell Antioxidant Water System
May 1983	Antioxidant Water System “TRIM ION TI-100”, approved for the manufacture by the Ministry of Health and Welfare (58B-491) and launched
February 1990	Tosashimizu Factory (currently, Trim Electric Machinery Co., Ltd.), opened in Tosashimizu-city, Kochi-prefecture
April 1995	Joint research with the National Taiwan University, started
March 1996	Joint research with Laboratory of Cellular Regulation Technology of Kyushu University, started
April 1996	Trade right, assigned from Trim Electric Machinery Co., Ltd. and manufacturing division, given to the same
January 1998	Head office, moved to 1-8-34 Oyodonaka, Kita-ku, Osaka-city
November 2000	JASDAQ over-the-counter registration
September 2002	Kochi Factory of Trim Electric Machinery Co., Ltd., newly established in Nankoku-city, Kochi-prefecture and operations, started
February 2003	Listed on Second Section of Tokyo Stock Exchange
March 2004	Listed on First Section of Tokyo Stock Exchange
April 2004	Functional Water & Cell Analyzing Center Co., Ltd. or a venture company through industry-university cooperation with Kyushu University, established
October 2005	Trim (Guangzhou) Water & Health Co., Ltd., established in Guangzhou, Guangdong Province, China
October 2006	Capital injections in PT SUPER WAHANA TEHNO (equity-accounted affiliate)
May 2007	TrimGen Holdings Co., Ltd. (holding company), established
November 2007	Trim Medical Institute Co., Ltd. or a venture company through industry-university joint cooperation with Tohoku University, established
January 2010	Recycling of cartridge (used in water purification), started
February 2012	Trim Life Support Co., Ltd., established
July 2012	PT SUPER WAHANA TEHNO, based in Indonesia, consolidated as subsidiary
August 2013	Head office, moved to 22nd floor, Herbis ENT Office Tower, 2-2-22 Umeda, Kita-ku, Osaka-city
September 2013	StemCell Institute Inc., consolidated as subsidiary
April 2014	Antioxidant Water System “TRIM ION HYPER”, launched
October 2014	Reduced Vegetable Water System (agriculture-use) “TRIM AG-10” and “TRIM AG-30”, launched
March 2015	TrimGen Holdings Co., Ltd., newly identified as Trim Medical Holdings Inc.
July 2015	Partnership agreement to promote Reduced Vegetables Project, concluded with Nankoku-city, JA of Nankoku-city, Kochi-prefecture and Kochi University
February 2016	Specific cell processed product manufacturing permission, based on “act on guarantee of safety concerning regenerative medicine, etc.”, obtained by cell treatment center of StemCell Institute Inc.

April 2016	Trim Medical Holdings Inc., participated in business to run hospital for medical treatment on chronic diseases in China
September 2016	Reverse Osmotic Water Preparation System for Electrolyzed Water Dialysis “EW-SP11-HD”, launched
October 2016	Business-use water system “TI-10” and “TI-30”, launched
October 2016	Joint research division for Electrolyzed Water Dialysis System with Tohoku University, established
May 2017	Trim Medical Holdings Inc., consolidated STREX Inc. as subsidiary
May 2017	Joint research with RIKEN, started
July 2017	“TRIM Electrolyzed Water Server”, launched
September 2017	Antioxidant Water System “TRIM ION GRACE”, launched
May 2018	Beijing-based Han-Kun Hospital, opened in China
June 2019	Bottled water “I’m fine”, renewed and launched
April 2020	The series for MULTIPERSON Dialysis-use Water Preparation Equipment "EW-SP75", launched

Disclaimer

Information here is a summary of “IR Information” of the Company, compiled by Walden Research Japan, from a neutral and professional standing point, in the form of a report. “IR Information” of the Company comprises a) contents of our interview with the Company, b) contents of presentations for institutional investors, c) contents of timely disclosed information and d) contents of the homepage, etc.

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