

**Summary of Consolidated Financial Results for the First Quarter
of the Fiscal Year Ending March 31, 2017
(Three Months Ended June 30, 2016)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: August 9, 2016

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: None

Holding of quarterly financial results meeting: None

(All amounts are rounded down to the nearest million yen)

1. Consolidated Financial Results for the Three Months Ended June 30, 2016 (April 1, 2016 – June 30, 2016)

(1) Consolidated results of operations

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Three months ended Jun. 30, 2016	4,289	18.7	948	40.8	922	28.9	601	33.8
Three months ended Jun. 30, 2015	3,612	9.5	673	2.4	715	8.9	449	16.7

Note: Comprehensive income (million yen) Three months ended Jun. 30, 2016: 628 (up 41.6%)

Three months ended Jun. 30, 2015: 443 (up 8.8%)

	Net income per share	Diluted net income per share
	Yen	Yen
Three months ended Jun. 30, 2016	71.46	71.39
Three months ended Jun. 30, 2015	52.96	52.93

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Jun. 30, 2016	23,892	17,367	70.9	2,013.07
As of Mar. 31, 2016	23,704	17,233	71.0	2,000.12

Reference: Shareholders' equity (million yen) As of Jun. 30, 2016: 16,936 As of Mar. 31, 2016: 16,819

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended Mar. 31, 2016	-	-	-	60.00	60.00
Fiscal year ending Mar. 31, 2017	-	-	-	60.00	60.00
Fiscal year ending Mar. 31, 2017 (forecasts)	-	-	-	60.00	60.00

Note: Revisions to the most recently announced dividend forecast: None

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2017 (April 1, 2016 – March 31, 2017)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Profit attributable to owners of parent		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	8,430	13.3	1,730	12.7	1,780	9.7	1,150	11.8	136.76
Full year	17,300	13.2	3,470	11.1	3,550	8.9	2,270	7.8	269.94

Note: Revisions to the most recently announced consolidated forecast: None

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): None

Newly added: -

Excluded: -

(2) Application of special accounting methods for presenting quarterly consolidated financial statements: None

(3) Changes in accounting policies and accounting estimates, and restatements

a. Changes in accounting policies due to revisions in accounting standards, others: Yes

b. Changes in accounting policies other than a. above: None

c. Changes in accounting estimates: None

d. Restatements: None

(4) Number of outstanding shares (common shares)

a. Number of shares outstanding at end of period (including treasury shares)

As of Jun. 30, 2016:	8,656,780 shares	As of Mar. 31, 2016:	8,656,780 shares
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b. Number of treasury shares at end of period

As of Jun. 30, 2016:	243,610 shares	As of Mar. 31, 2016:	247,610 shares
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c. Average number of shares outstanding during the period

Three months ended Jun. 30, 2016:	8,411,500 shares	Three months ended Jun. 30, 2015:	8,484,393 shares
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* Information regarding the implementation of quarterly review procedures

The current quarterly financial report is not subject to the quarterly review procedures based on the Financial Instruments and Exchange Act. At the time of disclosure, the review procedures based on the Financial Instruments and Exchange Act for the quarterly financial statements have not been completed.

* Cautionary statement with respect to forward-looking statements, and other special items

Earnings forecasts regarding future performance in this material are based on assumptions judged to be valid and information currently available to the Company. Actual results may differ significantly from these forecasts for a number of factors. Please refer to "1. Qualitative Information on Quarterly Consolidated Financial Performance, (3) Explanation of Consolidated Forecast and Other Forward-looking Statements" on page 4 of the attachments for assumptions for forecasts and notes of caution for usage.

Contents of Attachments

1. Qualitative Information on Quarterly Consolidated Financial Performance	2
(1) Explanation of Results of Operations	2
(2) Explanation of Financial Position	4
(3) Explanation of Consolidated Forecast and Other Forward-looking Statements	4
2. Matters Related to Summary Information (Notes)	4
(1) Changes in Significant Subsidiaries during the Period	4
(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements	4
(3) Changes in Accounting Policies and Accounting-based Estimates, and Restatements	4
(4) Additional Information	5
3. Quarterly Consolidated Financial Statements	6
(1) Quarterly Consolidated Balance Sheet	6
(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income	8
(3) Notes to Quarterly Consolidated Financial Statements	10
Going Concern Assumption	10
Segment and Other Information	10

1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

During the first three months of the current fiscal year (April to June 2016), we have achieved a record high quarterly sales volume of electrolyzed hydrogen water (EHW) apparatus with sales volume and amount for June hitting a record high on a monthly basis. Accordingly, our business is progressing faster than our plan prepared at the beginning of the current fiscal year with the Group's net sales of 4,289 million yen (up 18.7% year-on-year), operating income of 948 million yen (up 40.8% year-on-year), ordinary income of 922 million yen (up 28.9% year-on-year), and profit attributable to owners of parent of 601 million yen (up 33.8% year-on-year).

Our EHW apparatus is a controlled medical device with an effect of improving gastrointestinal problems, which are certified by the Ministry of Health, Labour and Welfare of Japan in accordance with the Pharmaceutical and Medical Devices Act. In fact, our EHW apparatus is the only device whose safety and effectiveness is officially confirmed. In addition to health benefit, the running cost of our EHW apparatus is low (at about 6 yen per liter when using the TRIM ION HYPER unit, our main product, for five years), and our EHW apparatus helps protect the environment. In light of these merits, we expect that users of water purifier and gallon bottle delivery service as well as buyers of commercially available hydrogen water and PET bottled water will eventually switch to an EHW apparatus. Furthermore, as evidenced by a variety of media coverage regarding hydrogen water, we are confident that demand for hydrogen water will further expand going forward from the perspective of "health management," which has started receiving attention since the Japanese government set a goal to enable people to enjoy a long life in good health.

We will strive to expand the market for EHW apparatuses and achieve a phenomenal growth of our business by pursuing and claiming a difference between EHW and other types of hydrogen water produced by methods like the hydrogen gas bubbling, let alone further uncovering the function of EHW.

Results by business segment were as follows.

[Water Healthcare Business]

<Electrolyzed hydrogen water (EHW) apparatus>

For the workplace sales (DS, DS/HS Division) category, the number of units sold at each sales presentation, which is the indicator of sales efficiency, has continued to mark a record-high level. The installation and referral sales (HS, DS/HS Division) and the store event sales (SS Division) categories also marked a record high in terms of the number of units sold per salesperson, so that all direct sales divisions remained strong. We will continue to take various actions aimed at further improving sales efficiency specifically through proposals of "health management" utilizing EHW, public relations activities, as well as strengthening of the advertising activities.

In the OEM and wholesale sales category, we are successfully handling new large-scale OEM deals that started operations in the second half of the previous fiscal year. We are under negotiation with several new large-scale deals, which we aim to close so that we can start operations during the current fiscal year.

The sales of water purification cartridges, which generate a consistent revenue stream, continued to grow steadily due to an increase in the number of EHW apparatus users and the strengthening of a customer follow-up.

<Overseas>

In Indonesia, we have enhanced collaboration with the Sinarmas Group, our local partner, since last year and rapidly expanded sales channels. As a result, operating results have steadily improved as shown for example by nearly doubled sales year-on-year. We are currently planning to expand our production bases as well as enhance public relations and advertisement to further increase our share in the domestic market.

<Agriculture>

In the agriculture sector, we are focusing on developing high quality and high value-added agriculture with electrolyzed hydrogen water. In this autumn, under the “the Reduced Vegetables® Project,” which is promoted in Kochi Prefecture in collaboration of industry, government and academia, a large horticultural facility worth about 320 million yen will be completed and will start growing “Reduced Vegetable®” by means of horticulture at the next-generation facility. This project has been chosen as one of the “Demonstration Projects for Establishing Advanced Model Agriculture under the Partnership of the Agricultural Community and the Economic Community” supported by the Ministry of Agriculture, Forestry and Fisheries and is qualified for a subsidy. Also, in April this year, our EHW apparatus for agricultural use was added to the objects for “Projects for Promoting the Spread of Environmental Control Technology” supported by Kochi Prefecture and eligible persons to satisfy requirements will receive up to two-thirds of the equipment introduction cost as subsidy. Our effort to promote Reduced Vegetable was introduced on the television programs “Good Morning, Japan,” which was broadcast by NHK on June 10, and “Chichin Puipui” (a popular weekday-afternoon live show featuring mainly local topics and stories), which was broadcast by MBS on July 14, and we received great responses and interests. As such, we are vigorously promoting it nationwide.

In the field of livestock agriculture, we have published a paper on “Effect of drinking electrolyzed hydrogen water on prevention of the development of gastric ulcers in horses” in Journal of the Veterinary Medicine as a result of a joint research project with Obihiro University of Agriculture and Veterinary Medicine. We are currently continuing further study at Oi racetrack (a. k. a. Tokyo City Keiba) and planning to apply results of the study in the field of livestock agriculture.

Overall, sales in the water healthcare business increased by 19.5% year-on-year to 4,084 million yen and operating income increased by 37.4% year-on-year to 945 million yen.

[Medical Business]

<Advanced medical care>

StemCell Institute Inc., dominating over 90% of the Japanese market, mainly provides long-term storage service of stem cells from cord blood in anticipation of their use in regenerative medicine and cellular therapy to treat diseases in the future. The business is growing steadily with a total number of cord blood storage of 38,016 individuals as of June 30, 2016. Following the enforcement of the Act Concerning Safety Assurance of Regenerative Medicine, etc. last year, clinical tests in Japan are expected to start this year. We expect the market to expand dramatically against a backdrop of cord blood gaining wider recognition and regenerative medicine getting more common with a support of the government policy.

Regarding TrimGen Corporation in the United States, it has become evident that a significant amount of time will be required to develop next-generation products. As there is a company that shows interest in TrimGen’s technology, we are reconsidering the future directions of this business.

<Hospital operation in China>

Regarding hospital operation in China, preparation for opening a flagship hospital in Beijing is steadily in progress. As the impact of the hospital operation business on the consolidated results is yet uncertain, it is not incorporated in the forecasts for the current fiscal year.

<Electrolyzed Water Hemodialysis>

For Electrolyzed Water Hemodialysis business, we are continuing to perform clinical research and product development with Karolinska Institute, Tohoku University, Fukushima Medical University, and other partners. At the Annual Meeting of the Japanese Society for Dialysis Therapy in Osaka held in June 2016, six presentations were made on subjects involving electrolyzed water hemodialysis. Moreover, we held a seminar targeting corporate clients for the first time with as many as 250 participants, which exceeded the seat capacity. We have thus realized that there is an increasing interest in, and recognition of, the electrolyzed water hemodialysis. We are currently

schedule to release the new model, which is expected to contribute to our earnings from the second half of the current fiscal year.

Overall, sales in the medical business increased 5.7% year-on-year to 204 million yen and operating income was 2 million yen compared with operating loss of 14 million yen one year earlier.

To ensure sustainable growth in the future, the Nihon Trim Group will make a leap from a household medical device manufacturer to a medical company. To this end, we will expand the EHW apparatus sales business as well as new domains such as agriculture, medical and other businesses even faster. We will also focus on growth in the advanced medical care field. Additionally, we plan to grow overseas and to enter into new businesses by using measures that may include mergers and acquisitions.

(2) Explanation of Financial Position

Total assets increased 187 million yen, or 0.8%, from the end of the previous fiscal year to 23,892 million yen at the end of the first quarter of the current fiscal year on a consolidated basis. The main factors were increases of 242 million yen in other in current assets (accounts receivable-other), 197 million yen in notes and accounts receivable-trade, 141 million yen in other in investments and other assets (shares of subsidiaries and associates), 79 million yen in accounts receivable-installment and 72 million yen in raw materials and supplies, which were partly offset by a decrease of 540 million yen in cash and deposits.

Total liabilities increased 54 million yen, or 0.8%, from the end of the previous fiscal year to 6,525 million yen. The main factors were increases of 307 million yen in other in current liabilities (deposited received), 167 million yen in other in current liabilities (accounts payable-other) and 141 million yen in long-term loans payable, which were partly offset by a decrease of 503 million yen in income taxes payable.

Net assets increased 133 million yen, or 0.8%, from the end of the previous fiscal year to 17,367 million yen. The main factors were reporting of profit attributable to owners of parent of 601 million yen, while there was a cash dividends paid of 504 million yen.

(3) Explanation of Consolidated Forecast and Other Forward-looking Statements

There are no revisions to the full-year consolidated forecast for the fiscal year ending March 31, 2017, which was disclosed in the Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2016 dated April 26, 2016.

2. Matters Related to Summary Information (Notes)

(1) Changes in Significant Subsidiaries during the Period

Not applicable.

(2) Application of Special Accounting Methods for Presenting Quarterly Consolidated Financial Statements

Not applicable.

(3) Changes in Accounting Policies and Accounting Estimates, and Restatements

Change in accounting policies

(Application of Practical Solution on a Change in Depreciation Method due to Tax Reform 2016)

Following the revision of the Corporation Tax Act, the Company has applied the “Practical Solution on a Change in Depreciation Method due to Tax Reform 2016” (Accounting Standards Board of Japan (ASBJ) Practical Issues Task Force (PITF) No. 32, June 17, 2016) from the first quarter of the current fiscal year, and changed the method for the depreciation of facilities attached to buildings and structures acquired on or after April 1, 2016, from the

declining-balance method to the straight-line method.

This change has immaterial effect on the results of operations for the first quarter of the current fiscal year.

(4) Additional Information

(Application of Implementation Guidance on Recoverability of Deferred Tax Assets)

Effective from the first quarter of the current fiscal year, the Company has applied the “Implementation Guidance on Recoverability of Deferred Tax Assets” (ASBJ Guidance No. 26, March 28, 2016).

3. Quarterly Consolidated Financial Statements**(1) Quarterly Consolidated Balance Sheet**

	(Thousands of yen)	
	FY3/16 (As of Mar. 31, 2016)	First quarter of FY3/17 (As of Jun. 30, 2016)
Assets		
Current assets		
Cash and deposits	12,595,031	12,054,927
Notes and accounts receivable-trade	2,234,859	2,432,194
Accounts receivable-installment	2,461,510	2,541,243
Finished goods	231,086	281,859
Raw materials and supplies	470,064	542,938
Other	299,354	505,830
Allowance for doubtful accounts	(8,070)	(7,134)
Total current assets	18,283,836	18,351,859
Non-current assets		
Property, plant and equipment		
Land	2,504,159	2,502,692
Other, net	982,345	1,009,154
Total property, plant and equipment	3,486,504	3,511,847
Intangible assets		
Goodwill	597,458	588,923
Other	105,139	95,222
Total intangible assets	702,598	684,146
Investments and other assets		
Other	1,422,936	1,524,029
Allowance for doubtful accounts	(191,067)	(179,418)
Total investments and other assets	1,231,868	1,344,610
Total non-current assets	5,420,971	5,540,604
Total assets	23,704,808	23,892,464
Liabilities		
Current liabilities		
Notes and accounts payable-trade	962,955	997,678
Income taxes payable	786,270	282,364
Provision for bonuses	148,994	48,197
Provision for product warranties	24,000	30,000
Provision for sales returns	56,000	63,000
Other	1,548,526	2,040,042
Total current liabilities	3,526,746	3,461,282
Non-current liabilities		
Bonds payable	300,000	300,000
Long-term loans payable	1,126,430	1,268,258
Provision for directors' retirement benefits	171,051	165,424
Net defined benefit liability	194,767	200,364
Other	1,152,004	1,129,921
Total non-current liabilities	2,944,253	3,063,969
Total liabilities	6,471,000	6,525,252

	(Thousands of yen)	
	FY3/16 (As of Mar. 31, 2016)	First quarter of FY3/17 (As of Jun. 30, 2016)
Net assets		
Shareholders' equity		
Capital stock	992,597	992,597
Capital surplus	856,479	856,479
Retained earnings	15,695,068	15,787,456
Treasury shares	(659,940)	(649,280)
Total shareholders' equity	16,884,204	16,987,252
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,974	4,742
Foreign currency translation adjustment	(60,981)	(46,744)
Remeasurements of defined benefit plans	(9,823)	(8,917)
Total accumulated other comprehensive income	(64,831)	(50,920)
Subscription rights to shares	9,642	12,388
Non-controlling interests	404,792	418,491
Total net assets	17,233,808	17,367,212
Total liabilities and net assets	23,704,808	23,892,464

(2) Quarterly Consolidated Statement of Income and Quarterly Consolidated Statement of Comprehensive Income**Quarterly Consolidated Statement of Income****(For the Three-month Period)**

(Thousands of yen)

	First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)	First three months of FY3/17 (Apr. 1, 2016 – Jun. 30, 2016)
Net sales	3,612,948	4,289,466
Cost of sales	927,116	1,062,961
Gross profit	2,685,832	3,226,504
Selling, general and administrative expenses	2,012,264	2,278,315
Operating income	673,567	948,189
Non-operating income		
Interest and dividend income	1,835	1,173
Real estate rent	23,972	23,598
Share of profit of entities accounted for using equity method	1,260	4,575
Foreign exchange gains	6,056	-
Insurance premiums refunded cancellation	13,197	-
Other	1,421	5,933
Total non-operating income	47,743	35,280
Non-operating expenses		
Interest expenses	1,170	3,594
Interest on bonds	262	262
Foreign exchange losses	-	50,415
Depreciation of assets for rent	2,846	2,688
Other	1,357	3,807
Total non-operating expenses	5,637	60,768
Ordinary income	715,672	922,701
Profit before income taxes	715,672	922,701
Income taxes-current	216,356	214,260
Income taxes-deferred	44,243	102,087
Total income taxes	260,600	316,348
Profit	455,072	606,352
Profit attributable to non-controlling interests	5,731	5,254
Profit attributable to owners of parent	449,340	601,098

Quarterly Consolidated Statement of Comprehensive Income
(For the Three-month Period)

(Thousands of yen)

	First three months of FY3/16 (Apr. 1, 2015 – Jun. 30, 2015)	First three months of FY3/17 (Apr. 1, 2016 – Jun. 30, 2016)
Profit	455,072	606,352
Other comprehensive income		
Valuation difference on available-for-sale securities	3,717	(1,231)
Foreign currency translation adjustment	(14,082)	28,080
Remeasurements of defined benefit plans, net of tax	(950)	906
Share of other comprehensive income of entities accounted for using equity method	206	(5,399)
Total other comprehensive income	(11,109)	22,355
Comprehensive income	443,963	628,708
Comprehensive income attributable to:		
Owners of parent	445,594	615,009
Non-controlling interests	(1,631)	13,698

(3) Notes to Quarterly Consolidated Financial Statements**Going Concern Assumption**

Not applicable.

Segment and Other Information

1. Overview of reportable segment

The Group's reportable segment is a component of the Group for which discrete financial information is available and which is regularly reviewed by the Group's highest decision-making body to make decisions about management resources to be allocated to the segment and assess its performance.

There are two reportable operating segments: the water healthcare business and the medical business.

The water healthcare business includes EHW apparatus sales and associated operations. The medical business performs R&D for medical and preventive healthcare and has a genetic diagnostic business and a regenerative medicine business.

2. Information related to net sales, and profits for each reportable segment

First three months of FY3/17 (Apr. 1, 2016 – Jun. 30, 2016)

(Thousands of yen)

	Reportable segment			Adjustments	Total
	Water healthcare	Medical	Subtotal		
Net sales					
Sales to external customers	4,084,610	204,855	4,289,466	-	4,289,466
Inter-segment sales and transfers	-	-	-	-	-
Total	4,084,610	204,855	4,289,466	-	4,289,466
Segment profits	945,755	2,434	948,189	-	948,189

3. Information related to impairment losses on non-current assets or goodwill, etc. for each reportable segment

Not applicable.

This financial report is solely a translation of "Kessan Tanshin" (in Japanese, including attachments), which has been prepared in accordance with accounting principles and practices generally accepted in Japan, for the convenience of readers who prefer an English translation.