

**Summary of Consolidated Financial Results for the Second Quarter  
of the Fiscal Year Ending March 31, 2017  
(Six Months Ended September 30, 2016)**

[Japanese GAAP]

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Scheduled date of filing of Quarterly Report: November 11, 2016

Scheduled date of payment of dividend: -

Preparation of supplementary materials for quarterly financial results: Yes

Holding of quarterly financial results meeting: Yes (for investors)

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

**1. Consolidated Financial Results for the Six Months Ended September 30, 2016 (Apr. 1, 2016 – Sep. 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	%
Six months ended Sep. 30, 2016	8,122	9.2	1,765	15.0	1,719	6.0	1,182	15.0
Six months ended Sep. 30, 2015	7,438	11.4	1,535	15.7	1,621	18.8	1,028	58.8

Note: Comprehensive income (million yen) Six months ended Sep. 30, 2016: 1,213 (up 20.8%)

Six months ended Sep. 30, 2015: 1,004 (up 74.6%)

	Net income per share	Diluted net income per share
	Yen	Yen
Six months ended Sep. 30, 2016	140.55	140.42
Six months ended Sep. 30, 2015	121.50	121.43

## (2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Sep. 30, 2016	23,648	17,882	73.8	2,073.84
As of Mar. 31, 2016	23,704	17,233	71.0	2,000.12

Reference: Shareholders' equity (million yen) As of Sep. 30, 2016: 17,447 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	-	-	-	-	-
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 (Apr. 1, 2016 – Mar. 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
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 Sep. 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 Sep. 30, 2016:	243,655 shares	As of Mar. 31, 2016:	247,610 shares
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c. Average number of shares outstanding during the period

Six months ended Sep. 30, 2016:	8,412,335 shares	Six months ended Sep. 30, 2015:	8,463,564 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 5 of the attachments for assumptions for forecasts and notes of caution for usage.

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## 1. Qualitative Information on Quarterly Consolidated Financial Performance

### (1) Explanation of Results of Operations

During the first six months of the current fiscal year, the Group has reported net sales of 8,122 million yen (up 9.2% year-on-year) with operating income of 1,765 million yen (up 15.0% year-on-year), ordinary income of 1,719 million yen (up 6.0% year-on-year), and profit attributable to owners of parent of 1,182 million yen (up 15.0% year-on-year). Due to the hydrogen water boom continued from the last year, electrolyzed hydrogen water (EHW) apparatus sales business kept its very strong performance. However, as we saw a series of negative media coverage over hydrogen water following the report from Sankei News in May gradually affect our business in the second quarter, the direct sales divisions experienced a temporary decline in the efficiency of sales. It is noted that our EHW apparatus is the only device whose safety and effectiveness is officially confirmed and is a controlled medical device with an effect of improving gastrointestinal problems certified by the Ministry of Health, Labour and Welfare of Japan in accordance with the Pharmaceutical and Medical Devices Act. At this moment, our product is clearly distinguishable from the hydrogen water products in the soft drink category that are packed in aluminum foil pouch or other containers. As our efforts to increase awareness of the difference are bearing fruit and once overheated media coverage almost calmed down due to growing awareness of the fact that various scientific studies have been conducted on hydrogen water, we saw the efficiency of sales gradually recovering. As we have appealed to the consumers for years, our EHW apparatus is characterized not only by its health benefit but also by its low running costs and eco-friendliness from the medium- to long-term perspective. In light of these benefits, we expect that users of water purifier, store bought hydrogen water and PET-bottled water, and gallon bottle delivery service will eventually switch to the EHW apparatus. We are confident that demand for EHW 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. In addition to the existing household EHW apparatus, we have started selling the business-use EHW apparatus in October. We will strive to expand our products for use in restaurants and other establishments.

We have decided to conduct a joint study based on public-private partnership. In the study, we will provide our EHW apparatus to 500 households (as planned) in Susaki City, Kochi Prefecture and will collect data for the study from those citizens who drink EHW on a daily basis with the help of Kochi Medical School. We will then conduct studies over them, which include the data analysis and investigation on medical fees. We are now under preparation to start the study in May next year. We are also working hard on various research studies aiming to identify more functions of EHW and differentiate EHW from other types of hydrogen water produced by methods like the hydrogen gas bubbling. Such studies include a clinical test over EHW drinking on diabetes patients with Tohoku University School of Medicine, a joint study with the School of Engineering at the University of Tokyo to identify physical properties and mechanism of EHW, and a joint study with Karolinska Institute on effect of drinking EHW to reduce depression. Utilizing the results from these studies, we will expand the market of the EHW apparatus and will achieve a dramatic growth of our business.

Results by business segment were as follows.

[Water Healthcare Business]

<Electrolyzed hydrogen water (EHW) apparatus>

In direct sales divisions (workplace sales, installation and referral sales (DS/HS Division) and store event sales (SS Division), sales efficiency dropped temporarily due to adverse rumors on hydrogen waters. However, it is gradually recovering. On the other hand, with a proposal of “health management” utilizing the EHW apparatus, more and more companies are introducing or considering introducing it. Exposure to media is increasing as a result of our effort to strengthen public relations and advertising activities. The Company is making more challenges to improve the sales efficiency.

In addition to sales to existing customers in Japan, OEM and wholesale sales (MS Division) are focusing on expansion into other countries and working on negotiations to win additional large-scale deals.

Sales of water purification cartridge, which generates a consistent revenue stream once the apparatus is installed, is growing steadily due to an increase in the number of the EHW apparatus users and a strengthened follow-up of the customers.

#### <Overseas>

In preparation for a rapid growth of the Indonesian market going forward, consignment production of PET bottle products will start in this November at East Java located on the eastern part of the Java Island and the production capacity will be reinforced to double the current capacity. With operation of this factory, the Company will expand the sales channels into Surabaya and the other eastern part of the country including the Bali Island in addition to the existing channels in the western part of the Java Island centered on Jakarta. We will aggressively develop public relations and advertising activities as well to expand our share in Indonesia.

#### <Agriculture>

In the agricultural sector, the Company aims to realize high quality and value-added agriculture with application of EHW to contribute to a structural reform to improve earnings of the agriculture sector. Under 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 is now under construction by utilizing subsidy received from “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. We are planning to start growing Reduced Vegetable® at the end of this November. Regarding the cultivation of Kusatsu Melon in Kusatsu City, Shiga Prefecture, which has been conducted since 2015, we have confirmed reproducibility with a substantially significant difference compared with melons cultivated with ordinary water supplied from Lake Biwa in terms of yield (130% increase) and sugar content (around 18 Bx against 14.8 Bx). We will keep accumulating cultivation data and actively engage in nation-wide promotion of the EHW apparatus for Reduced Vegetables® as well.

Regarding the paper on “Effect of drinking electrolyzed hydrogen water on prevention of the development of gastric ulcers in horses” we published last June in Journal of the Veterinary Medicine as a result of a joint research project with Obihiro University of Agriculture and Veterinary Medicine, we have obtained satisfactory results in drinking test conducted on the racehorses at Oi racetrack (a. k. a. Tokyo City Keiba) and planning another submission of a paper in the near future. In addition to racehorses, we will enter into the field of livestock agriculture as well.

Overall, sales in the water healthcare business increased by 9.5% year-on-year to 7,701 million yen and operating income increased by 12.6% year-on-year to 1,744 million yen.

#### [Medical Business]

##### <Advanced medical care>

StemCell Institute Inc. (hereinafter, “the Institute”) provides long-term storage service of stem cells from cord blood in anticipation of their use in regenerative medicine, cellular therapy and treatment of intractable blood diseases. Currently it dominates around 90% of the Japanese market.

The regenerative medicine is a field led by a strong national policy for its practical implementation. In 2013, the laws were enacted to enable people of Japan to receive the regenerative medicine quickly and safely. Further in 2014, the Act Concerning Safety Assurance of Regenerative Medicine, etc. was enacted, aiming for enhancing overall process from R&D to clinical application. This law enabled medical institutions to outsource cell processing to private for-profit companies with a permission (a license for manufacturing of specified cell

products) from the government. In February, the Institute acquired the license from the Ministry of Health, Labour and Welfare for the manufacturing in accordance with the Act. With this license in place, it has developed a path to applications of cord blood in regenerative medicine. The Institute is planning to start joint research projects and clinical trials in Japan in collaboration with various universities. From this October, the Institute has started new service of transporting peripheral blood stem cells being stored at medical institutions at a very low temperature (minus 196°C) and another new service of storing peripheral blood stem cell at its Cell Cryopreservation Center, one of the largest facilities of its kind in Japan. The Institute is also planning a new business on mesenchymal stem cells from perinatal tissues such as umbilical cord that has been drawing attention around the world.

#### <Hospital operation in China>

The Company is conducting a project to establish the chronic care hospital operation business to treat diabetes, hemodialysis and other chronic diseases, demand for which is sharply increasing in People's Republic of China. This project is aiming to prevent diabetes patients from getting into severe stages, in the country where patients of the disease are said to be approaching 200 million. Our plan under public-private partnerships is to deploy multiple hospitals providing Japanese-style medical services. Currently we are preparing for opening the flagship hospital in Beijing to start with.

#### <Electrolyzed water hemodialysis>

In the business of Electrolyzed Water Hemodialysis®, a new dialysis treatment method anticipated to reduce side effects of hemodialysis that dialysis patients are facing, we have started selling a new type of electrolyzed water hemodialysis system in September. The new system is smaller than the existing system and equipped not only with improved hot water disinfection function but also with function to generate electrolyzed reverse osmosis water with stabilized dissolved hydrogen density that is less affected by the installed environment. While electrolyzed water hemodialysis is currently used at 15 locations on 254 beds, we are reinforcing our sales force to work actively on full-scale deployment of the system. On the other hand, we established a joint research division at Tohoku University in October to make research on electrolyzed water hemodialysis with them. We are going to establish evidence by clinical researches on each symptom such as fatigue to enhance more use of the electrolyzed water hemodialysis systems. We also will work on development of new technologies and clinical trials in field of peritoneal dialysis by application of expertise and technologies in electrolyzed water hemodialysis.

Overall, sales in the medical business increased 3.5% year-on-year to 420 million yen and operating income was 21 million yen compared with operating loss of 13 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 of course expand the EHW apparatus sales business and at the same time develop our business in the new domains such as agriculture and medical care. 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 decreased 56 million yen, or 0.2%, from the end of the previous fiscal year to 23,648 million yen at the end of the second quarter of the current fiscal year on a consolidated basis. The main factors were decreases of 415 million yen in cash and deposits and 320 million yen in notes and accounts receivable-trade, which were partly offset by increases of 431 million yen in investments and other assets due primarily to purchases of investment securities and shares of subsidiaries and associates, 71 million yen in accounts receivable-installment, and 66 million yen in raw materials and supplies.

Total liabilities decreased 705 million yen, or 10.9%, from the end of the previous fiscal year to 5,765 million yen. The main factors were decreases of 397 million yen in income taxes payable and 161 million yen in notes and accounts payable-trade.

Net assets increased 648 million yen, or 3.8%, from the end of the previous fiscal year to 17,882 million yen. The main factors were reporting of profit attributable to owners of parent of 1,182 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 half 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)	Second quarter of FY3/17 (As of Sep. 30, 2016)
<b>Assets</b>		
Current assets		
Cash and deposits	12,595,031	12,179,263
Notes and accounts receivable-trade	2,234,859	1,913,949
Accounts receivable-installment	2,461,510	2,532,572
Finished goods	231,086	251,454
Raw materials and supplies	470,064	536,230
Other	299,354	398,274
Allowance for doubtful accounts	(8,070)	(5,978)
Total current assets	18,283,836	17,805,766
Non-current assets		
Property, plant and equipment		
Land	2,504,159	2,499,759
Other, net	982,345	1,014,972
Total property, plant and equipment	3,486,504	3,514,731
Intangible assets		
Goodwill	597,458	580,388
Other	105,139	83,628
Total intangible assets	702,598	664,016
Investments and other assets		
Other	1,422,936	1,677,687
Allowance for doubtful accounts	(191,067)	(13,893)
Total investments and other assets	1,231,868	1,663,793
Total non-current assets	5,420,971	5,842,542
Total assets	23,704,808	23,648,308
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable-trade	962,955	801,613
Income taxes payable	786,270	388,861
Provision for bonuses	148,994	143,627
Provision for product warranties	24,000	38,000
Provision for sales returns	56,000	54,000
Other	1,548,526	1,264,186
Total current liabilities	3,526,746	2,690,289
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	168,854
Net defined benefit liability	194,767	207,796
Other	1,152,004	1,130,661
Total non-current liabilities	2,944,253	3,075,570
Total liabilities	6,471,000	5,765,860



	(Thousands of yen)	
	FY3/16 (As of Mar. 31, 2016)	Second quarter of FY3/17 (As of Sep. 30, 2016)
Net assets		
Shareholders' equity		
Capital stock	992,597	992,597
Capital surplus	856,479	804,233
Retained earnings	15,695,068	16,368,684
Treasury shares	(659,940)	(649,548)
Total shareholders' equity	16,884,204	17,515,966
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,974	5,719
Foreign currency translation adjustment	(60,981)	(66,211)
Remeasurements of defined benefit plans	(9,823)	(8,011)
Total accumulated other comprehensive income	(64,831)	(68,503)
Subscription rights to shares	9,642	15,978
Non-controlling interests	404,792	419,007
Total net assets	17,233,808	17,882,448
Total liabilities and net assets	23,704,808	23,648,308

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

(Thousands of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Net sales	7,438,811	8,122,091
Cost of sales	1,865,273	1,996,077
Gross profit	5,573,538	6,126,013
Selling, general and administrative expenses	4,037,839	4,360,101
Operating income	1,535,698	1,765,911
Non-operating income		
Interest and dividend income	3,472	1,837
Real estate rent	47,487	47,383
Share of profit of entities accounted for using equity method	10,806	14,325
Foreign exchange gains	21,105	-
Insurance premiums refunded cancellation	13,197	6,552
Other	3,181	8,591
Total non-operating income	99,250	78,691
Non-operating expenses		
Interest expenses	3,376	6,193
Interest on bonds	526	524
Foreign exchange losses	-	107,217
Depreciation of assets for rent	5,693	5,377
Other	3,408	5,684
Total non-operating expenses	13,004	124,999
Ordinary income	1,621,944	1,719,603
Extraordinary income		
Gain on sales of shares of subsidiaries and associates	-	67,772
Total extraordinary income	-	67,772
Profit before income taxes	1,621,944	1,787,375
Income taxes-current	606,736	573,143
Income taxes-deferred	(13,347)	(5,181)
Total income taxes	593,389	567,962
Profit	1,028,555	1,219,412
Profit attributable to non-controlling interests	196	37,086
Profit attributable to owners of parent	1,028,358	1,182,326

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

(Thousands of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Profit	1,028,555	1,219,412
Other comprehensive income		
Valuation difference on available-for-sale securities	(95)	(254)
Foreign currency translation adjustment	(22,907)	7,649
Remeasurements of defined benefit plans, net of tax	(1,733)	1,812
Share of other comprehensive income of entities accounted for using equity method	901	(14,931)
Total other comprehensive income	(23,835)	(5,723)
Comprehensive income	1,004,719	1,213,689
Comprehensive income attributable to:		
Owners of parent	1,014,912	1,178,654
Non-controlling interests	(10,192)	35,034

**(3) Quarterly Consolidated Statement of Cash Flows**

(Thousands of yen)

	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Cash flows from operating activities		
Profit before income taxes	1,621,944	1,787,375
Depreciation	97,327	89,567
Amortization of goodwill	17,070	17,070
Increase of subscription rights to shares	1,196	7,180
Increase (decrease) in allowance for doubtful accounts	4,690	(28,092)
Increase (decrease) in provision for bonuses	5,363	(5,366)
Loss (gain) on sales of shares of subsidiaries and associates	-	(67,772)
Interest and dividend income	(3,472)	(1,837)
Interest expenses	3,376	6,193
Interest on bonds	526	524
Share of (profit) loss of entities accounted for using equity method	(10,806)	(14,325)
Foreign exchange losses (gains)	(21,105)	107,217
Decrease (increase) in accounts receivable-installment	1,297	(71,062)
Decrease (increase) in notes and accounts receivable-trade	(166,932)	316,806
Decrease (increase) in inventories	(75,105)	(118,240)
Increase (decrease) in notes and accounts payable-trade	217,951	(161,218)
Increase (decrease) in accrued consumption taxes	(108,673)	(70,997)
Other, net	69,794	(121,689)
Subtotal	1,654,443	1,671,332
Interest and dividend income received	3,538	1,394
Interest expenses paid	(2,305)	(5,437)
Income taxes paid	(452,464)	(961,976)
Net cash provided by (used in) operating activities	1,203,210	705,313
Cash flows from investing activities		
Payments into time deposits	(500,000)	(500,000)
Proceeds from withdrawal of time deposits	-	920,610
Purchase of property, plant and equipment	(21,368)	(127,369)
Purchase of intangible assets	(802)	(1,439)
Purchase of investment securities	-	(311,100)
Purchase of shares of subsidiaries and associates	-	(146,828)
Payments for sales of shares of subsidiaries resulting in change in scope of consolidation	-	(22,263)
Other, net	1,888	(3,537)
Net cash provided by (used in) investing activities	(520,282)	(191,926)

	(Thousands of yen)	
	First six months of FY3/16 (Apr. 1, 2015 – Sep. 30, 2015)	First six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)
Cash flows from financing activities		
Proceeds from long-term loans payable	182,400	141,828
Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation	(182,400)	(69,679)
Repayments of guarantee deposits received	(16,408)	(16,408)
Purchase of treasury shares	(301,888)	(267)
Cash dividends paid	(423,003)	(504,005)
Other, net	(23,782)	(16,586)
Net cash provided by (used in) financing activities	(765,083)	(465,120)
Effect of exchange rate change on cash and cash equivalents	7,189	(43,423)
Net increase (decrease) in cash and cash equivalents	(74,965)	4,842
Cash and cash equivalents at beginning of period	10,747,862	11,674,421
Cash and cash equivalents at end of period	10,672,897	11,679,263

**(4) 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 six months of FY3/17 (Apr. 1, 2016 – Sep. 30, 2016)

(Thousands of yen)

	Reportable segment			Adjustments	Total
	Water healthcare	Medical	Subtotal		
Net sales					
Sales to external customers	7,701,750	420,340	8,122,091	-	8,122,091
Inter-segment sales and transfers	-	-	-	-	-
Total	7,701,750	420,340	8,122,091	-	8,122,091
Segment profits	1,744,614	21,297	1,765,911	-	1,765,911

## 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.*