

April 24, 2014

Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2014

[Japanese GAAP]

Company name: NIHON TRIM CO., LTD.

Listing: Tokyo Stock Exchange, First Section

Securities code: 6788

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Scheduled date of Annual General Meeting of Shareholders: June 24, 2014
 Scheduled date of filing of Annual Securities Report: June 25, 2014
 Scheduled date of payment of dividend: June 25, 2014
 Preparation of supplementary materials for financial results: None
 Holding of financial results meeting: Yes (for investors)

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

1. Consolidated Financial Results for the Fiscal Year Ended March 31, 2014 (April 1, 2013 – March 31, 2014)

(1) Consolidated results of operations (Percentages shown for net sales and incomes represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income	
	Million yen	%	Million yen	%	Million yen	%	Million yen	%
Fiscal year ended Mar. 31, 2014	13,144	23.0	3,114	42.6	3,442	41.1	2,507	64.3
Fiscal year ended Mar. 31, 2013	10,690	11.2	2,184	11.3	2,440	21.3	1,526	37.9

Note: Comprehensive income (million yen) Fiscal year ended Mar. 31, 2014: 2,354 (up 63.8%)
 Fiscal year ended Mar. 31, 2013: 1,437 (up 25.7%)

	Net income per share	Diluted net income per share	Return on equity	Ordinary income on total assets	Operating income on net sales
	Yen	Yen	%	%	%
Fiscal year ended Mar. 31, 2014	296.69	295.10	18.4	19.3	23.7
Fiscal year ended Mar. 31, 2013	179.31	179.18	12.9	16.3	20.4

Reference: Investment gain (loss) by equity method (million yen) Fiscal year ended Mar. 31, 2014: (17)
 Fiscal year ended Mar. 31, 2013: (4)

Note: The Company conducted a 2-for-1 common stock split on October 1, 2013. Net income per share and diluted net income per share have been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2013.

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Mar. 31, 2014	19,997	15,462	74.5	1,747.31
As of Mar. 31, 2013	15,684	12,477	78.6	1,465.38

Reference: Shareholders' equity (million yen) As of Mar. 31, 2014: 14,906 As of Mar. 31, 2013: 12,330

Note: The Company conducted a 2-for-1 common stock split on October 1, 2013. Net assets per share have been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2013.

(3) Consolidated cash flows

	Cash flows from operating activities	Cash flows from investing activities	Cash flows from financing activities	Cash and cash equivalents at end of period
	Million yen	Million yen	Million yen	Million yen
Fiscal year ended Mar. 31, 2014	1,910	593	(144)	8,614
Fiscal year ended Mar. 31, 2013	931	(277)	(509)	6,223

2. Dividends

	Dividend per share					Total dividends	Dividend payout ratio (consolidated)	Dividend on equity (consolidated)
	1Q-end	2Q-end	3Q-end	Year-end	Total			
	Yen	Yen	Yen	Yen	Yen	Million yen	%	%
Fiscal year ended Mar. 31, 2013	-	-	-	70.00	70.00	294	19.5	2.4
Fiscal year ended Mar. 31, 2014	-	-	-	50.00	50.00	426	16.9	3.1
Fiscal year ending Mar. 31, 2015 (forecasts)	-	-	-	50.00	50.00		21.8	

Note: The Company conducted a 2-for-1 common stock split on October 1, 2013. Year-end dividend per share for the fiscal year ended March 31, 2013 is the actual amount before the stock split. Year-end dividend per share for the fiscal year ended March 31, 2014 and year-end dividend for the fiscal year ending March 31, 2015 are the amount after the stock split.

3. Consolidated Forecast for the Fiscal Year Ending March 31, 2015 (April 1, 2014 – March 31, 2015)

(Percentages represent year-on-year changes)

	Net sales		Operating income		Ordinary income		Net income		Net income per share
	Million yen	%	Million yen	%	Million yen	%	Million yen	%	Yen
First half	7,230	9.3	1,720	(0.6)	1,740	(10.3)	1,080	(22.3)	127.78
Full year	14,000	6.5	3,050	(2.1)	3,130	(9.1)	1,940	(22.6)	229.52

*** Notes**

(1) Changes in consolidated subsidiaries during the period (changes in specified subsidiaries resulting in changes in the scope of consolidation): Yes

Newly added: 1 (StemCell Institute Inc.) Excluded: -

(2) Changes in accounting policies and accounting-based estimates, and restatements

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

b. Changes in accounting policies other than 1) above: None

c. Changes in accounting-based estimates: None

d. Restatements: None

(3) Number of outstanding shares (common shares)

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

As of Mar. 31, 2014:	8,656,780 shares	As of Mar. 31, 2013:	9,256,780 shares
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b. Number of treasury shares at end of period

As of Mar. 31, 2014:	125,610 shares	As of Mar. 31, 2013:	842,078 shares
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c. Average number of shares outstanding during the period

Fiscal year ended Mar. 31, 2014:	8,452,324 shares	Fiscal year ended Mar. 31, 2013:	8,513,228 shares
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Note: The Company conducted a 2-for-1 common stock split on October 1, 2013. Number of shares has been calculated as if this stock split had taken place at the beginning of the fiscal year ended March 31, 2013.

* Indication of audit procedure implementation status

The current financial report is not subject to the audit procedures based on the Financial Instruments and Exchange Law. At the time of disclosure, the audit procedures based on the Financial Instruments and Exchange Law for the 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 "Analysis of Results of Operations" on page 2 of the attachments for assumptions for forecasts and notes of caution for usage.

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1. Analysis of Results of Operations and Financial Position

(1) Analysis of Results of Operations

I. Summary of the fiscal year

In the fiscal year that ended on March 31, 2014, the Nihon Trim Group took a variety of actions aimed at further growth based on the theme of “a new stage of growth.” As a result, sales and earnings surpassed the records set in the previous fiscal year.

Nihon Trim is promoting “the new habit of water healthcare” by making water that is good for the body a part of everyone’s daily lives to staying healthy. As Japan’s population ages, preventive medical care is vital to achieving the healthy society with a long life expectancy that is one goal of Abenomix. Nihon Trim believes that “scientific water” and electrolyzed hydrogen water (EHW) can play an important role in creating a healthy society. Nihon Trim is performing R&D activities to identify new functions for EHW. Other goals are increasing the use of Electrolyzed Water Hemodialysis®, which is a medical application of EHW, and expanding operations involving genetic diagnosis. There is also a regenerative medicine business at StemCell Institute Inc. By taking these actions, Nihon Trim is aiming to increase its focus on the medical care sector. Positioning the Nihon Trim Group as a supplier of medical devices will also help increase sales of household EHW systems. Nihon Trim will continue to take many actions with the goal of sustaining growth in sales and earnings.

Distributing earnings to shareholders is one of the highest priorities of Nihon Trim. Our basic policy is to pay a consistent dividend that increases along with our earnings while maintaining a sound base of operations and raising the return on equity. In addition, we are dedicated to strengthening and upgrading corporate governance in order to maximize our corporate value.

In the fiscal year that ended on March 31, 2014, both sales and profits increased as follows. Net sales increased 23.0% year on year to 13,144 million yen, operating income increased 42.6% to 3,114 million yen, ordinary income increased 41.1% to 3,442 million yen, and net income increased 64.3% to 2,507 million yen.

Results by business segment were as follows.

[Water Healthcare Business]

<Electrolyzed hydrogen water (EHW) systems sales>

(Japan)

Workplace sales (DS, DS/HS Division) increased 4.4%. Three offices were opened in September 2013 to further expand operations. In addition, we continue to further improve sales efficiency and strengthen tie-ups with large sales agents as another way to increase sales. We have been working with new sales agents with the goal of significantly enlarging operations starting in the fiscal year ending on March 31, 2015. Progress has fallen behind the initial schedule due in part to higher demand for existing products at these agents prior to the April 2014 consumption tax hike. However, we are continuing to prepare for the full-scale start of activities with these new agents.

For installation and referral sales (HS, DS/HS Division), we worked on receiving more introductions to potential new customers from current users, participated in exhibitions and conducted other activities. These measures were accompanied by a focus on customer relationship management and steps to improve customer satisfaction and earnings. The result was a 26.9% increase in sales.

For store event sales (SS Division), there were measures to raise sales volume of each salesperson and hold more events at department stores and fitness clubs. As a result, sales increased 20.3%. For OEM and wholesale sales (MS Division), OEM agreements with major home appliance manufacturers and other new customers raised sales by 58.1%.

Sales of water purification cartridges, which generate a consistent revenue stream, continued to grow steadily and also benefited from a rush to make purchases in March before the April 2014 consumption tax hike. The result was a 15.5% increase in sales.

(Overseas)

a. Indonesia

PT. Super Wahana Tehno, a consolidated subsidiary in Indonesia, is focusing on increasing sales of water in this country by using its core Pristine brand PET bottles and gallon bottles. The company is also expanding its exports to Singapore and other countries. The market for consumer products in Indonesia to grow. PT. Super Wahana Tehno plans to further increase sales and earnings in order to make an even larger contribution to consolidated earnings.

b. China, Taiwan

China-based Trim (Guangzhou) Water & Health Co., Ltd. is making steady progress as a result of consistent and effective marketing activities. Sales were 54.3% higher than in the previous fiscal year. Although the scale of operations is still small, sales and earnings rose to new all-time highs as the steady growth of this company continued. Our Taiwan affiliate MedFirst Trim Co., Ltd. aims to continue increasing sales of EHW systems in Taiwan.

(Others)

With a view to raise the ratio of people who decide to purchase our products, we have been concentrating on social networking services and other Internet activities with the goals of using word-of-mouth to raise awareness of Nihon Trim and to make brands more powerful. Activities include the redesign of the Company website, development of the website of production plant and the establishment of an official YouTube channel. In addition, there were public relations activities that utilize media coverage. One example is the TV program “Sugoi-ne! Go-Tochi Kyaraben!” on CS broadcasting, a cooking program produced in conjunction with local mascot characters. We believe that these measures will lead to a significant increase in the pace of sales growth.

As part of CSR activities, Nihon Trim made a donation of 100 million yen to Kochi prefecture in April 2013 for establishing the Kochi Business Challenge Fund (the Nihon Trim Fund) which provides support for start-up businesses. This fund was recorded as selling, general and administrative expenses.

<Agriculture>

We are involved in effect assessment concerning the use of our EHW for growing crops with the Kochi University Faculty of Agriculture, JA Nankoku City and other organizations. Data have been collected regarding higher yields, an increase in anti-oxidants and other benefits of EHW. At the Kochi Kodawari Produce Market in Osaka 2014, which took place in January 2014, the Reduced Vegetables® including spinach, komatsuna (mustard spinach) and tomatoes that were exhibited and generated substantial interest among members of Japan Vegetable Sommelier Association and other visitors.

Overall, sales in the water healthcare business increased 15.5% to 12,171 million yen and operating income increased 24.1% to 2,608 million yen.

[Medical Business]

<R&D for medical and preventive healthcare>

For Electrolyzed Water Hemodialysis®, we are continuing to move ahead with clinical research with Karolinska Institute, Tohoku University, Fukushima Medical University and other partners, and an R&D project which started with subsidies of about 230 million yen from The Japan Science and Technology Agency and the Fukushima Prefecture Medical and Welfare Equipment Development Project. In late 2013 and early 2014, we delivered two large hemodialysis systems for the centralized dialysis method and one system for individual use. Currently, this system is used at 14 hospitals and a total of 188 beds. We believe that the commercialization of this system will have an enormous positive impact on sales of our household EHW systems.

Regarding basic research, we are continuing to perform research jointly with Kyushu University with the objective of identifying the mechanism for the benefits of EHW. In addition, we are continuing to perform research with Karolinska Institute concerning the beneficial effect of EHW on cerebral neurogenic inflammation.

<Genetic diagnosis>

TrimGen Corporation is performing R&D, manufacturing and sales activities involving mutated gene detection kits and gene extraction kits that use this company's exclusive technologies. The goal is to provide medical care that matches each individual (personalized medicine) in order to reduce risks associated with drug side effects and healthcare accidents. This involves the selection of anti-cancer and other drugs, control of the amount of anticoagulants administered, and other measures. TrimGen plans to expand this business and grow on a global scale.

TrimGen has been performing research and development activities consistently since its establishment in 1999. Over the time, there have been advances worldwide involving the business environment for TrimGen's technologies. For example, health insurance systems in Europe, North America and Japan have started including genetic examinations in their coverage.

The genetic diagnosis business is currently advancing from the R&D phase to the stage of launching full-scale business operations. In October 2013, holding company TrimGen Holdings Co., Ltd. opened an office in Osaka. This office strengthens the framework for R&D and administrative operations and creates a stronger base for the start of operations in Japan and worldwide. This business sector uses highly advanced technologies and is changing rapidly. TrimGen Holdings plans to conduct an initial public offering in Japan in order to achieve the self-reliance and procure the funds needed for growth. As a result, this company is implementing capital measures, establishing internal controls and taking other actions. Furthermore, costs are increasing for workforce growth to strengthen R&D, sales and administrative operations, initial public offering preparations, and other reasons.

In the fiscal year that ended on March 31, 2014, there was an increase in the number of kits supplied to a clinical study company that is performing tests using the anticoagulant warfarin with the approval of the U.S. Food and Drug Administration. As a result, sales increased 353.1% to 619 million yen, operating income increased 823.8% to 467 million yen. Following the foreign exchange gain of 204 million yen as a non-operating income, ordinary income increased 371.1% to 677 million yen, and net income increased 383.2% to 693 million yen.

<Regenerative medicine>

In September 2013, StemCell Institute Inc. became a consolidated subsidiary of Nihon Trim. Established in 1999, StemCell Institute was Japan's first private cord blood bank and is now the country's largest. The company's primary business is the long-term storage of cord blood in anticipation of its use in regenerative medicine and cellular therapy and for treating future diseases. The company held cord blood from 31,132 individuals as of March 31, 2014. Results of operations in the fiscal year that ended on March 31, 2014 include six months (October 2013 to March 2014) of the performance of StemCell Institute.

As a result, sales in the medical business increased 545.7% to 973 million yen and operating income increased 516.6% to 506 million yen.

II. Forecasts for the next fiscal year

The Nihon Trim Group believes that we advanced to a new stage of growth in the fiscal year that ended on March 31, 2014 as sales and earnings both increased for the fifth consecutive year.

In the water healthcare business, more growth is foreseen for demand for EHW systems, which are superior in terms of health benefits and cost while also being environmentally responsible. All companies now operate in a social climate that demands an even higher level of compliance. Nihon Trim is subject to increasingly strict restrictions on sales methods, advertising and other activities because EHW systems, which are the company's core product, are classified as a medical device by Japan's Pharmaceutical Affairs Act. All group companies comply with laws and regulations and are quickly making improvements as needed to reflect shifts in social standards concerning adherence to socially acceptable standards of behavior and corporate ethics.

The Nihon Trim Group is currently expanding its core EHW systems business. In addition, we are working on the establishment and growth of new businesses in the fields of medical (electrolyzed water hemodialysis), agriculture, genetic diagnosis and regenerative medicine. We plan to achieve more growth in these activities in the fiscal year ending on March 31, 2015.

We expect higher sales in the fiscal year ending on March 31, 2015 but declines in operating income, ordinary income and net income from one year earlier. In the water healthcare business, we forecast an increase of about 370 million yen in operating income. However, we have adopted a cautious outlook for earnings at TrimGen Corporation because of numerous sources of uncertainty at this time. This company, which operates in genetic diagnosis sector, made a significant contribution to earnings in the fiscal year ended on March 31, 2014. In addition, in the same fiscal year, ordinary income was benefited from a foreign exchange gain of about 230 million yen as a non-operating income.

All relevant information required to be disclosed regarding these forecasts will be released in a speedy and timely manner.

[Water Healthcare Business]

<EHW systems sales>

(Japan)

For workplace sales, we will continue to improve sales efficiency and form new relationships with large sales agents. We have been working on establishing ties with large sales agents since 2013. We have revised our plan because of delays in the initial plan for a number of reasons and will step up nationwide activities to develop more sales agent relationships.

For installation and referral sales, we will increase the workforce and take other steps in order to concentrate even more on customer relationship management. The objective is to achieve synergies that raise customer satisfaction and drive growth.

For store event sales, our goals are to increase sales at department stores, fitness clubs and other locations, and to sell products at large home appliance retailers.

For OEM and wholesale sales, we plan to increase sales to new OEM customers that signed contracts late in 2013 as well as to current customers. Another goal for achieving growth is to establish ties with large new customers.

For sales of water purification cartridges, which generate a consistent revenue stream, we are taking steps to increase the rate at which users perform periodic replacements by using direct mail, e-magazines, seasonal magazines and other channels. We are also providing sales promotion support to wholesale buyers of our cartridges to establish a stable earnings foundation.

(Overseas)

a. Indonesia

The bottled water (gallon bottle) business in Indonesia is expected to continue to grow as consumer spending increases along with growth of the population, which is the fourth largest in the world, and economy. We plan to add more production lines and, to support future growth, locate a new source of water. Our goals are to increase our market share and to use PT. Super Wahana Tehno as a base for further growth that includes exports to other countries in Southeast Asia.

b. China, Taiwan

In China, we will take many actions aimed at growth, including the establishment of alliances with companies in this country. In Taiwan, we plan to increase sales and become profitable by establishing ties with large sales agents. Our activities will also include many initiatives to develop markets in other Asian countries.

(Others)

We will conduct a variety of strategic public relations measures. We intend to raise public awareness of EHW and water purification systems by providing the media with a constant stream of information as well as increasing our exposure with Internet initiatives that utilize word-of-mouth and social networking services, magazines, and other channels.

<Agriculture>

In the agriculture sector, we will start the full-scale cultivation of reduced vegetables in May 2014 at a large greenhouse with an area of about 1,300 square meters in the city of Nankoku in Kochi prefecture. Plans also include further enlarging this business. We want to use Reduced Vegetables® in order to start and expand business operations actively in the agriculture sector, such as growing crops more efficiently, growing functional crops with outstanding nutrition and using EHW at plant factories. Our goal is to play a part in introducing high-quality, value-added agricultural operations in countries around the world.

[Medical Business]

<R&D for medical and preventive healthcare>

For Electrolyzed Water Hemodialysis®, we will continue to perform clinical research with Karolinska Institute, Tohoku University, Fukushima Medical University and other partners, and perform the above-mentioned R&D activities with subsidies. We expect to receive new orders for hemodialysis systems from four hospitals. Furthermore, we believe that the use of these systems will increase steadily as growing awareness of this technology slowly increases the number of inquiries from medical institutions and other organizations.

<Genetic diagnosis>

The accuracy of products and high level of technologies at TrimGen Holdings (and TrimGen Corporation) has been proven with the selection of this company's testing kit by the U.S. Food and Drug Administration in the fiscal year that ended on March 31, 2014.

For testing use, currently work has advanced to the final compilation of data. In the fiscal year ending on March 31, 2015, we will concentrate on business development for cancer-related genetic diagnosis kits, which have been the primary target. In the field of cancer, several genes have already been approved for healthcare insurance coverage. This is a sector with the largest market for diagnostic applications.

TrimGen has performed clinical trials with Mie University in order to submit an external diagnosis drug application in Japan during the fiscal year ending on March 31, 2015. The goal is to prepare for the start of full-scale operations in Japan and overseas in the following fiscal year. At the same time, this company will work on receiving CE (Conformity European) mark certification during 2014 in order to start business activities in Europe and China.

In the fiscal year ending on March 31, 2015, we have established a conservative sales plan because we anticipate a temporary decline in activities involving tests, which contributed to sales in the previous fiscal year. Furthermore, we do not expect earnings in the genetic diagnosis sector in this fiscal year because of higher costs resulting mainly from more employees to strengthen R&D and administrative operations and from preparations for the initial public offering. TrimGen will continue to take numerous actions, such as focusing on R&D programs, forming alliances with other companies for growth, and implementing measures involving capital to prepare for the initial public offering.

<Regenerative medicine>

In the field of regenerative medicine, there are many joint public-private sector R&D programs involving iPS cells and other subjects taking place primarily in Japan and the United States. There are high hopes for this research to yield treatments for diseases where there is currently no treatment. We believe that there will be growing demand for a service for the long-term storage of cord blood and cells required for regenerative medicine. This will be needed to prepare for regenerative medicine and cellular therapy and for future diseases. The United States stores cord blood of about 7% of infants and this percentage is about 12% in South Korea. Since the percentage is only about 0.4% in Japan, we believe that there is much room for growth in this market.

We are strongly committed to achieving rapid growth of the functional water business and expanding operations on a global scale. We will continue to aim for growth of the household EHW system sales business and in the fields of medical and agriculture. Our growth plans also include starting operations outside Japan, chiefly in Asia, and entering new business fields by using measures that may include mergers and acquisitions.

We ask for the continuous support of shareholders as we take the actions outlined in this section in order to continue to grow.

(2) Analysis of Financial Position

Total assets increased 4,312 million yen, or 27.5%, from the end of the previous fiscal year to 19,997 million yen at the end of the current fiscal year on a consolidated basis.

(i) Assets

Current assets increased 3,753 million yen, or 35.4%, from the end of the previous fiscal year to 14,365 million yen. The main factors were increases of 2,690 million yen in cash and deposits, 605 million yen in notes and accounts receivable-trade, and 261 million yen in accounts receivable-installment.

Non-current assets increased 558 million yen, or 11.0%, from the end of the previous fiscal year to 5,631 million yen. Long-term time deposits of 300 million yen was reclassified to current assets, but there were increases in goodwill of 665 million yen, 115 million yen in other (guarantee deposits), and 67 million yen in property, plant and equipment.

(ii) Liabilities

Current liabilities increased 852 million yen, or 39.2%, from the end of the previous fiscal year to 3,027 million yen. Current portion of bonds of 300 million yen was reclassified from non-current liabilities, and there were increases of 77 million yen in notes and accounts payable-trade, 205 million yen in income taxes payable and 189 million yen in other (unearned revenue).

Non-current liabilities increased 475 million yen, or 46.0%, from the end of the previous fiscal year to 1,507 million yen. Bonds payable of 300 million yen was reclassified to current liabilities, but there was an increase of 782 million yen in other (long-term unearned revenue).

(iii) Net assets

Net assets increased 2,985 million yen, or 23.9%, from the end of the previous fiscal year to 15,462 million yen. There were decreases of 294 million yen in cash dividends paid, 181 million yen in foreign currency translation adjustment, net income of 2,507 million yen, an increase of 415 million yen in minority interests and a decrease of 939 million yen in treasury shares.

Cash flows

Cash and cash equivalents (net cash) increased 2,390 million yen from the end of the previous fiscal year to 8,614 million yen at the end of the current fiscal year on a consolidated basis.

Cash flows from operating activities

Net cash provided by operating activities totaled 1,910 million yen.

The main factors were income taxes paid of 874 million yen, a 476 million yen increase in notes and accounts receivable-trade, a 261 million yen increase in accounts receivable-installment, and income before income taxes and minority interests of 3,543 million yen.

Cash flows from investing activities

Net cash provided by investing activities totaled 593 million yen.

The main factor was proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation of 766 million yen.

Cash flows from financing activities

Net cash used in financing activities totaled 144 million yen.

The main factors were proceeds from share issuance to minority shareholders of 269 million yen, cash dividends paid of 294 million yen, and purchase of treasury shares of 79 million yen.

Reference: Cash flow indicators

	FY3/10	FY3/11	FY3/12	FY3/13	FY3/14
Shareholders' equity ratio	77.5	78.1	79.9	78.6	74.5
Shareholders' equity ratio based on market value	63.9	65.6	65.1	85.0	259.8
Average debt repayment period (years)	0.6	0.5	0.2	0.3	0.2

Notes: Shareholders' equity ratio: Shareholders' equity / Total assets

Shareholders' equity ratio based on market value: Market capitalization / Total assets

Average debt repayment period: Interest-bearing debt / Operating cash flows

* All indicators are calculated based on consolidated figures.

* Market capitalization is calculated by multiplying the closing price at the end of period by the number of shares outstanding at the end of period (excluding treasury shares).

* Operating cash flows are the figures for operating cash flows in the consolidated statement of cash flows. Interest-bearing debt includes all debt on the consolidated balance sheet that incur interest.

* There are no figures for interest coverage ratio (operating cash flows / interest payments) because the amount of interest payments is insignificant.

(3) Basic Policy for Profit Distribution, and Dividends in the Current and Next Fiscal Years

Distributing earnings to shareholders is one of the highest priorities of Nihon Trim. We are committed to preserving a stable base of operations and increasing the return on equity. Our current basic policy is to continue paying a consistent dividend and increase the dividend in stages based on results of operations while aiming to maintain a consolidated payout ratio of 30% for the time being.

As was announced in the October 24, 2013 news release, we plan to pay a year-end ordinary dividend of 50 yen per share applicable for the fiscal year ended on March 31, 2014.

We plan to pay a year-end dividend of 50 yen for the fiscal year ending on March 31, 2015.

Retained earnings will be used for R&D programs in order to support more growth in our operations.

(4) Business Risks

This section lists the major risk factors that may affect the results of operations, financial position and other aspects of the businesses of the Nihon Trim Group. These are only the major risk factors and are therefore not a complete list of risk factors at the Group.

Forward-looking statements in this section are based on the judgments of the Nihon Trim Group as of the day that results of operations were announced.

a. Products

Electrolyzed hydrogen water (EHW) systems (medical devices) are the major product of Nihon Trim and account for a large share of sales in each fiscal year. As a result, sales and earnings are determined primarily by these systems.

Sales by product category and sales composition in the last three fiscal years are shown below.

	FY3/12		FY3/13		FY3/14	
	Million yen	%	Million yen	%	Million yen	%
Electrolyzed hydrogen water (EHW) systems	6,784	70.6	7,240	67.7	8,315	63.3
Cartridges	2,417	25.1	2,649	24.8	3,062	23.3
Electrical potential treatment systems	4	0.0	2	0.0	1	0.0
Electrolyzed reduced hot spring systems	4	0.0	7	0.1	26	0.2
Others	407	4.3	790	7.4	1,738	13.2
Total	9,616	100.0	10,690	100.0	13,144	100.0

b. Restrictions imposed by the Pharmaceutical Affairs Act on the manufacture and sale of Nihon Trim products

The manufacture and sale of Nihon Trim products (medical devices) are regulated by the Pharmaceutical Affairs Act.

In accordance with this act, the manufacture of medical devices requires the receipt of medical device manufacturing and sales certification from a third-party certification agency that has been designated by the Ministry of Health, Labour and Welfare. There are restrictions concerning rules, the naming of supervising engineers, advertising and other activities at manufacturing and sales locations.

c. Nihon Trim sales operations

The workplace sales unit is the primary sales unit at Nihon Trim. Sales personnel make appointments at client companies and then visit their workplaces to hold information meetings about products.

Using this sales method makes it possible to give consumers a proper understanding of the products, which are medical devices as defined by the Pharmaceutical Affairs Act. This method also allows providing thorough explanations of the features of the products. However, this sales method relies on the sales skills of sales personnel and time is needed to train these individuals. As a result, resignations, insufficient skills and other issues involving sales personnel may have an effect on the Company's results of operations.

d. Nihon Trim's sales method and Article 2 of the Act on Specified Commercial Transactions

The workplace information meeting sales method of Nihon Trim is subject to Article 2 of the Act on Specified Commercial Transactions.

However, when approval in writing has been received from a manager of a location where an information meeting is held, this sales method is exempt from this act as stated in Article 26, Paragraph 2-2. As a result, although the cooling-off system (a certain period during which a transaction can be canceled for any reason) in Article 9 of this act does not apply, Nihon Trim voluntarily establishes a cooling-off period of one month after a sales contract is signed.

e. Leaks of personal information

The Nihon Trim Group manages customer information with extreme care. However, if there is a leak of this information to an external party, any problems involving liability and the loss of public trust may have an effect on the Group's results of operations.

f. Purchase of raw materials and parts

The Nihon Trim Group purchases raw materials and parts from a large number of suppliers. Movements in market prices and the ability of companies to consistently supply raw materials and parts, both of which are beyond the control of the Group, may have an effect on the Group's results of operations and financial condition.

g. Product defects

The Nihon Trim Group does everything possible at each step from the development and manufacture of products to the provision of services to ensure safety, which is the Group's highest priority. There is insurance to cover liability involving products the Group manufactures but there are still risks that are not insured. In addition, there may be a large recall of products to protect the safety of customers. These events or any other incident involving product defects that results in significant expenses may have an effect on the Group's results of operations and financial condition.

2. Corporate Group

The Nihon Trim Group (Nihon Trim Co., Ltd. and its affiliated companies) consists of 14 companies. In addition to Nihon Trim Co., Ltd. (the Company), there are consolidated subsidiaries Trim Electric Machinery Co., Ltd., TrimGen Holdings Co., Ltd., TrimGen Corporation, Functional Water & Cell Analyzing Center Co., Ltd., Trim Financial Service Co., Ltd., Trim (Guangzhou) Water & Health Co., Ltd., Trim Medical Institute Co., Ltd., Trim Life Support Co., Ltd., PT. Super Wahana Tehno and StemCell Institute Inc., and equity-method affiliates MedFirst Trim Co., Ltd., Nankoku City Industrial Promotion Organization and Nishijima Flower Garden Co., Ltd.

StemCell Institute Inc., Japan's largest private cord blood bank, was included in the scope of consolidation in the current fiscal year, as a majority of the number of outstanding shares of this company was purchased in September 2013. Nankoku City Industrial Promotion Organization and Nishijima Flower Garden Co., Ltd. were included in the scope of application of the equity method in the current fiscal year following the stock acquisition in July 2013.

The following diagram shows the business activities of Nihon Trim and its group companies, the positioning of each company and their relationships with business segments.

(1) Water Healthcare Business

(The Company)

NIHON TRIM CO., LTD.

Nihon Trim is engaged primarily in the sale of health devices, mainly EHW systems, and the sale of associated products.

(Six consolidated subsidiaries)

Trim Electric Machinery Co., Ltd.

Manufacture of EHW systems and other products.

Functional Water & Cell Analyzing Center Co., Ltd.

Measurement and scientific analysis of functional water and activate hydrogen.

Trim Financial Service Co., Ltd.

Installment sales.

Trim (Guangzhou) Water & Health Co., Ltd.

Import, manufacture and sale of EHW systems and other products.

Trim Life Support Co., Ltd.

Installation of EHW systems and management of customer information by providing after-sales services.

PT. SUPER WAHANA TEHNO

Manufacture and sale of bottled water.

(Three equity-method affiliates)

MEDFIRST TRIM CO., LTD.

Import and sale of EHW systems and other products.

Nankoku City Industrial Promotion Organization

Signed an agreement to cooperate with the City of Nankoku in Kochi prefecture for the purpose of rebuilding Nishijima Flower Garden Co., Ltd.

Nishijima Flower Garden Co., Ltd.

Operation of a tourism garden and other facilities in City of Nankoku in Kochi prefecture.

(2) Medical Business

(Four consolidated subsidiaries)

TrimGen Holdings Co., Ltd.

A holding company that aims to expand on a global scale for activities including testing, chiefly the mutated gene detection kits of TrimGen Corporation.

TrimGen Corporation

R&D, manufacture and sale of mutated gene detection kits.

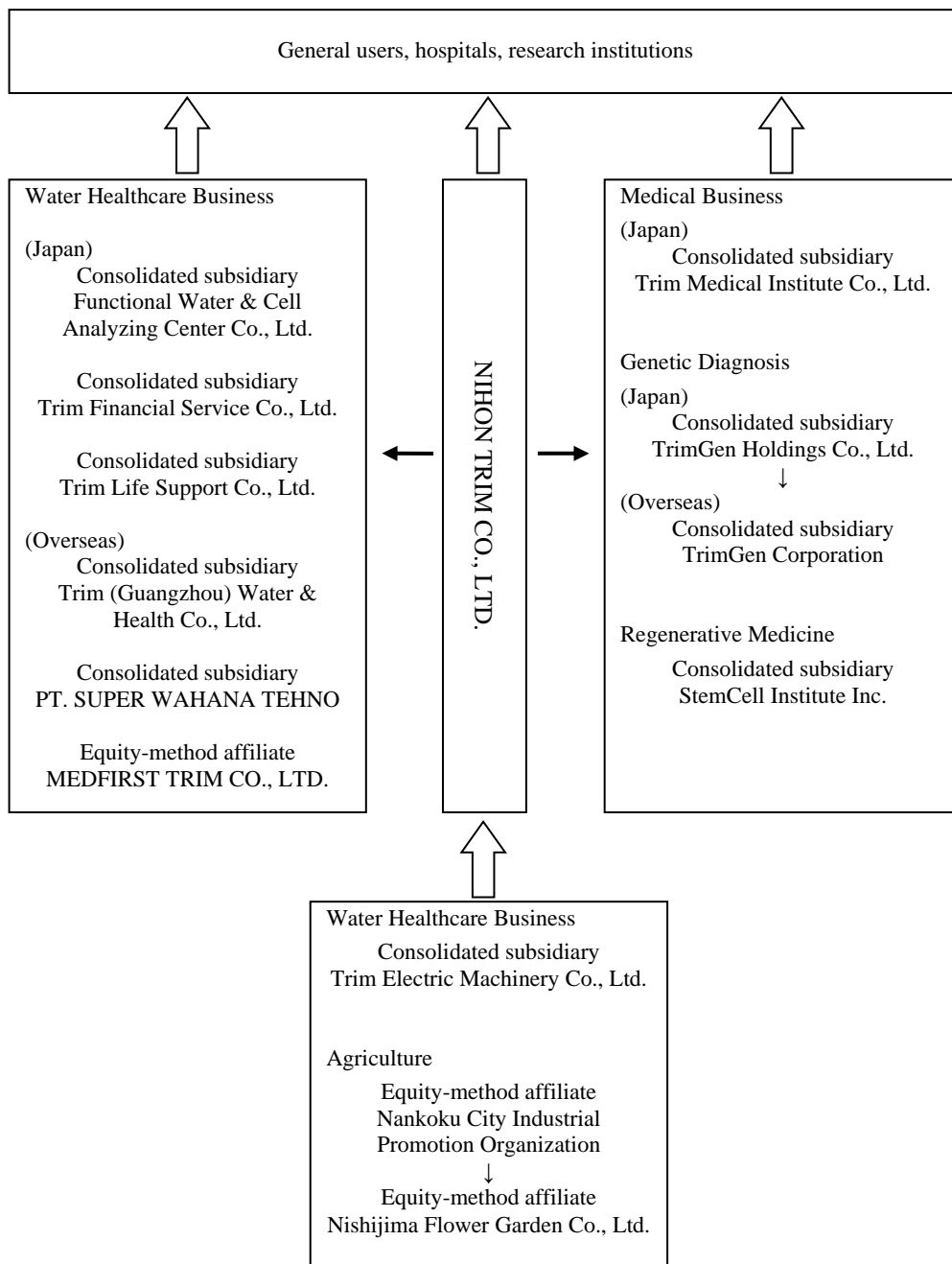
Trim Medical Institute Co., Ltd.

An outsourced measurement services start-up company formed jointly with the clinical research of the Tohoku University Graduate School.

StemCell Institute Inc.

Contract management of hematopoietic stem cells, R&D for new treatments using these cells and promotion of these treatments, contract management of peripheral stem cells.

A flowchart of business operations is as follows.



3. Management Policies

(1) Basic Management Policy

Operations of the Nihon Trim Group are guided by the corporate philosophy of “contributing to the creation of pleasant and healthy lives.” We are constantly seeking to determine the best possible water for human consumption. Underpinned by an entrepreneurial spirit, our operations seek to create new value for water that is scientifically supported by functions. In addition, we use efficient operations and a sound internal management system to meet demands involving health and safety. We are determined to sustain financial performance that reflects our listing on the Tokyo Stock Exchange first section and to contribute to society. We will use this stance to remain a company that has an excellent reputation among the public and shareholders.

(2) Performance Targets

To achieve efficient and streamlined operations, the medium-term target is to raise ordinary income to at least 25% of consolidated net sales. In the fiscal year that ended on March 31, 2014, the ordinary income ratio increased to a record-high 26.2%. One reason was higher sales of EHW systems. Profitability also benefited from higher sales of TrimGen Holdings, which operates in the highly profitable genetic diagnosis field. In addition, there was a foreign exchange gain of 230 million yen.

In the fiscal year ending on March 31, 2015, the goal is to raise this ratio to at least 20% even while making substantial investments for R&D, public relations and other activities in order to continue growing rapidly.

(3) Medium to Long-Term Management Strategy

Our strategy is to perform joint research programs with universities in the fields of hemodialysis and the treatment and prevention of diabetes and other lifestyle diseases as well as to start businesses in these fields. Moreover, the spillover effect of these activities is expected to lead to greater use of household EHW systems, which is our current business, along with higher sales of cartridges, which generate a consistent revenue stream. The objective is to achieve rapid growth. Outside Japan, operations in Indonesia will be used as a model for global expansion centered on the bottled water business. Expansion may include alliances with large overseas companies. Furthermore, we plan to start businesses in new fields, chiefly involving the medical development sectors of TrimGen Corporation and Trim Medical Institute CO., Ltd. Using synergies among group companies to enter new market sectors is another goal. By taking these actions, we plan to use exclusive technologies to make the Nihon Trim Group an organization like no other in the world.

(4) Challenges

The 21st century is often called the age of water. Disputes over water supplies are intensifying worldwide. But problems involving the volume of water are now increasingly accompanied by demands involving the quality of water. The Nihon Trim Group is taking actions for growth from a short-term standpoint. At the same time, we believe that it is vital to develop the drinking water business from a longer term perspective in order to become the leading company in the coming age of water. To accomplish this goal, we have established four central themes: a. make more progress with R&D; b. develop innovative products; c. respond to the Japanese public’s new perception of water following the Great East Japan Earthquake; and d. firmly establish the Trim brand.

a. In anticipation of the growing importance of water quality, we have been involved in many joint research projects with universities in order to learn more about the functions of water. These projects have yielded data that show the effectiveness of functional water. We used cellular tests and tests with mice and rats to confirm that this water can help fight diabetes. We also obtained data showing that EHW produces benefits for individuals with lifestyle diseases like metabolic syndrome. Clinical research is already under way. We are making preparations for applied research for hemodialysis, which has reached the stage of actual use, and for clinical research to verify benefits of this water for people who have diabetes and metabolic syndrome. In Japan, there are an estimated 20 million people who have diabetes or metabolic syndrome or are likely to develop one of these problems in the future. If the benefits of EHW can be proven, we are confident that the spillover effect will trigger an enormous sales increase in our household EHW systems business.

- b. Our goal is to raise the penetration rate for water purifiers to 20% of all households in Japan for our entire industry. Reaching this goal will require developing high-performance products that can meet a broad range of consumer needs and are suitable for many applications. Obviously functions will have to be upgraded in order to supply even higher quality water. But we will also have to make improvements concerning ease of use, designs, size, cost and many other aspects of water purification products. To do this, we will need to develop and improve products by using innovative ideas that are not restricted by our thinking in the past.

- c. The Great East Japan Earthquake made the people of Japan even more aware of the importance of water. We will use extensive public relations programs so that even more people know about the ability of our EHW systems to produce water that is safe and healthy. We are confident that the resulting synergies will generate rapid growth in sales in our household EHW systems business.

- d. We understand that outstanding functions, technologies and development skills involving water will not be enough alone to achieve rapid growth. Building a powerful perception for our brand will be essential to our growth, too. This is why we are using mass media and the Internet to make more people aware of our brand. Furthermore, we have many social contribution and other corporate social responsibility activities that are reinforcing our reputation as a responsible corporate citizen. Customer satisfaction and public trust are also vital to our success. We will take actions for upgrading our ability to serve customers after they make a purchase, internal administrative functions, internal controls and other elements of our operations.

4. Consolidated Financial Statements

(1) Consolidated Balance Sheet

	(Thousands of yen)	
	FY3/13 (As of Mar. 31, 2013)	FY3/14 (As of Mar. 31, 2014)
Assets		
Current assets		
Cash and deposits	6,223,960	8,914,255
Notes and accounts receivable-trade	1,357,592	1,963,331
Accounts receivable-installment	2,460,008	2,721,101
Finished goods	149,596	156,039
Raw materials	219,515	325,212
Deferred tax assets	123,775	167,531
Other	80,577	131,376
Allowance for doubtful accounts	(2,952)	(12,982)
Total current assets	10,612,073	14,365,865
Non-current assets		
Property, plant and equipment		
Buildings and structures	1,495,760	1,662,824
Accumulated depreciation	(770,315)	(853,618)
Buildings and structures, net	725,445	809,205
Land	2,421,037	2,503,181
Other	1,142,360	1,291,349
Accumulated depreciation	(726,163)	(973,525)
Other, net	416,197	317,824
Total property, plant and equipment	3,562,680	3,630,211
Intangible assets		
Goodwill	-	665,739
Other	172,547	192,774
Total intangible assets	172,547	858,514
Investments and other assets		
Investment securities	83,635	23,370
Deferred tax assets	114,711	142,383
Long-term time deposits	800,000	500,000
Other	351,440	516,970
Allowance for doubtful accounts	(12,375)	(40,162)
Total investments and other assets	1,337,412	1,142,561
Total non-current assets	5,072,640	5,631,287
Total assets	15,684,714	19,997,153

	(Thousands of yen)	
	FY3/13	FY3/14
	(As of Mar. 31, 2013)	(As of Mar. 31, 2014)
Liabilities		
Current liabilities		
Notes and accounts payable-trade	584,919	662,094
Current portion of bonds	-	300,000
Income taxes payable	467,940	673,643
Provision for bonuses	113,400	119,600
Provision for product warranties	10,000	14,000
Provision for sales returns	29,000	50,000
Other	969,673	1,207,891
Total current liabilities	2,174,933	3,027,229
Non-current liabilities		
Bonds payable	300,000	-
Provision for retirement benefits	139,973	-
Provision for directors' retirement benefits	149,637	160,901
Net defined benefit liability	-	165,694
Long-term guarantee deposited	251,861	230,400
Other	191,130	950,720
Total non-current liabilities	1,032,604	1,507,716
Total liabilities	3,207,537	4,534,946
Net assets		
Shareholders' equity		
Capital stock	992,597	992,597
Capital surplus	986,429	977,957
Retained earnings	11,310,281	13,138,168
Treasury shares	(1,109,480)	(169,577)
Total shareholders' equity	12,179,827	14,939,145
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	5,233	5,213
Foreign currency translation adjustment	145,717	(36,256)
Remeasurements of defined benefit plans	-	(1,489)
Total accumulated other comprehensive income	150,950	(32,532)
Subscription rights to shares	11,939	5,799
Minority interests	134,459	549,795
Total net assets	12,477,176	15,462,207
Total liabilities and net assets	15,684,714	19,997,153

(2) Consolidated Statement of Income and Consolidated Statement of Comprehensive Income**Consolidated Statement of Income**

(Thousands of yen)

	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)
Net sales	10,690,132	13,144,780
Cost of sales	2,359,962	2,965,833
Gross profit	8,330,170	10,178,946
Provision for sales returns	-	21,000
Reversal of provision for sales returns	3,000	-
Gross profit-net	8,333,170	10,157,946
Selling, general and administrative expenses	6,148,481	7,043,395
Operating income	2,184,688	3,114,551
Non-operating income		
Interest income	7,046	7,663
Dividend income	191	508
Commission fee	1,123	1,264
Real estate rent	98,258	98,258
Foreign exchange gains	161,063	235,820
Other	22,655	54,790
Total non-operating income	290,339	398,306
Non-operating expenses		
Interest expenses	9,486	6,403
Interest on bonds	1,800	1,809
Depreciation of assets for rent	12,326	11,964
Share of loss of entities accounted for using equity method	4,579	17,776
Provision of allowance for doubtful accounts	-	27,787
Other	6,788	4,184
Total non-operating expenses	34,981	69,926
Ordinary income	2,440,045	3,442,931
Extraordinary income		
Gain on sales of non-current assets	-	4,515
Gain on sales of shares of subsidiaries and associates	-	30,175
Gain on change in equity	-	108,622
Total extraordinary income	-	143,313
Extraordinary losses		
Loss on sales of non-current assets	-	163
Loss on retirement of non-current assets	-	4,289
Loss on sales of investment securities	-	37,835
Total extraordinary losses	-	42,287
Income before income taxes and minority interests	2,440,045	3,543,957
Income taxes-current	897,794	1,070,929
Income taxes-deferred	7,958	(70,044)
Total income taxes	905,752	1,000,885
Income before minority interests	1,534,293	2,543,072
Minority interests in income	7,796	35,333
Net income	1,526,496	2,507,738

Consolidated Statement of Comprehensive Income

(Thousands of yen)

	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)
Income before minority interests	1,534,293	2,543,072
Other comprehensive income		
Valuation difference on available-for-sale securities	4,869	(19)
Foreign currency translation adjustment	(102,924)	(190,713)
Share of other comprehensive income of entities accounted for using equity method	1,099	2,320
Total other comprehensive income	(96,955)	(188,412)
Comprehensive income	1,437,337	2,354,659
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	1,435,522	2,325,744
Comprehensive income attributable to minority interests	1,815	28,914

(3) Consolidated Statement of Changes in Equity

FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	992,597	986,826	10,047,359	(905,660)	11,121,123
Changes of items during period					
Dividends of surplus			(257,793)		(257,793)
Net income			1,526,496		1,526,496
Purchase of treasury shares				(219,199)	(219,199)
Disposal of treasury shares		(397)		15,379	14,981
Retirement of treasury shares					-
Change of scope of consolidation			(5,781)		(5,781)
Transfer to capital surplus from retained earnings					-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(397)	1,262,921	(203,820)	1,058,703
Balance at end of current period	992,597	986,429	11,310,281	(1,109,480)	12,179,827

	Accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	364	241,560	-	241,924	12,334	259	11,375,641
Changes of items during period							
Dividends of surplus							(257,793)
Net income							1,526,496
Purchase of treasury shares							(219,199)
Disposal of treasury shares							14,981
Retirement of treasury shares							-
Change of scope of consolidation							(5,781)
Transfer to capital surplus from retained earnings							-
Net changes of items other than shareholders' equity	4,869	(95,843)	-	(90,973)	(395)	134,200	42,831
Total changes of items during period	4,869	(95,843)	-	(90,973)	(395)	134,200	1,101,535
Balance at end of current period	5,233	145,717	-	150,950	11,939	134,459	12,477,176

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Thousands of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury shares	Total shareholders' equity
Balance at beginning of current period	992,597	986,429	11,310,281	(1,109,480)	12,179,827
Changes of items during period					
Dividends of surplus			(294,514)		(294,514)
Net income			2,507,738		2,507,738
Purchase of treasury shares				(79,845)	(79,845)
Disposal of treasury shares		414,991		210,949	625,940
Retirement of treasury shares		(808,800)		808,800	-
Change of scope of consolidation					-
Transfer to capital surplus from retained earnings		385,337	(385,337)		-
Net changes of items other than shareholders' equity					
Total changes of items during period	-	(8,471)	1,827,886	939,903	2,759,318
Balance at end of current period	992,597	977,957	13,138,168	(169,577)	14,939,145

	Total accumulated other comprehensive income				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Foreign currency translation adjustment	Remeasurements of defined benefit plans	Total accumulated other comprehensive income			
Balance at beginning of current period	5,233	145,717	-	150,950	11,939	134,459	12,477,176
Changes of items during period							
Dividends of surplus							(294,514)
Net income							2,507,738
Purchase of treasury shares							(79,845)
Disposal of treasury shares							625,940
Retirement of treasury shares							-
Change of scope of consolidation							-
Transfer to capital surplus from retained earnings							-
Net changes of items other than shareholders' equity	(19)	(181,974)	(1,489)	(183,483)	(6,139)	415,335	225,712
Total changes of items during period	(19)	(181,974)	(1,489)	(183,483)	(6,139)	415,335	2,985,030
Balance at end of current period	5,213	(36,256)	(1,489)	(32,532)	5,799	549,795	15,462,207

(4) Consolidated Statement of Cash Flows

(Thousands of yen)

	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)
Cash flows from operating activities		
Income before income taxes and minority interests	2,440,045	3,543,957
Depreciation	122,994	248,181
Increase of subscription rights to shares	2,623	1,863
Increase (decrease) in provision for bonuses	5,000	6,200
Increase (decrease) in provision for retirement benefits	23,368	-
Increase (decrease) in net defined benefit liability	-	24,231
Increase (decrease) in provision for directors' retirement benefits	(36,889)	11,263
Interest and dividend income	(7,237)	(8,172)
Interest expenses	9,486	6,403
Interest on bonds	1,800	1,809
Share of (profit) loss of entities accounted for using equity method	4,579	17,776
Foreign exchange losses (gains)	(161,063)	(235,820)
Loss (gain) on sales of investment securities	-	37,835
Loss (gain) on sales of shares of subsidiaries and associates	-	(30,175)
Loss (gain) on sales of non-current assets	-	(4,352)
Loss (gain) on change in equity	-	(108,622)
Decrease (increase) in notes and accounts receivable-trade	(280,670)	(476,075)
Decrease (increase) in accounts receivable-installment	(467,640)	(261,093)
Decrease (increase) in inventories	32,911	(105,997)
Increase (decrease) in notes and accounts payable-trade	39,400	70,915
Increase (decrease) in accrued consumption taxes	(4,952)	53,146
Other, net	164,290	(8,114)
Subtotal	1,888,047	2,785,160
Interest and dividend income received	7,238	8,249
Interest expenses paid	(6,435)	(8,203)
Income taxes paid	(957,035)	(874,462)
Net cash provided by (used in) operating activities	931,814	1,910,743
Cash flows from investing activities		
Purchase of property, plant and equipment	(266,134)	(136,512)
Proceeds from sales of property, plant and equipment	-	15,183
Purchase of intangible assets	(5,131)	(12,714)
Proceeds from sales of investment securities	-	2,164
Purchase of shares of subsidiaries and associates	-	(23,504)
Proceeds from sales of shares of subsidiaries and associates	-	69,679
Payments for lease and guarantee deposits	-	(94,521)
Proceeds from collection of lease and guarantee deposits	-	16,637
Proceeds from purchase of shares of subsidiaries resulting in change in scope of consolidation	-	766,015
Other, net	(6,670)	(8,985)
Net cash provided by (used in) investing activities	(277,936)	593,442

	(Thousands of yen)	
	FY3/13	FY3/14
	(Apr. 1, 2012 – Mar. 31, 2013)	(Apr. 1, 2013 – Mar. 31, 2014)
Cash flows from financing activities		
Repayments of guarantee deposits received	(32,817)	(32,817)
Purchase of treasury shares	(219,199)	(79,845)
Proceeds from exercise of share options	11,963	38,322
Proceeds from share issuance to minority shareholders	-	269,679
Cash dividends paid	(256,667)	(294,019)
Other, net	(13,261)	(45,605)
Net cash provided by (used in) financing activities	(509,982)	(144,285)
Effect of exchange rate change on cash and cash equivalents	46,563	30,393
Net increase (decrease) in cash and cash equivalents	190,458	2,390,294
Cash and cash equivalents at beginning of period	5,952,693	6,223,960
Increase in cash and cash equivalents from newly consolidated subsidiary	80,808	-
Cash and cash equivalents at end of period	6,223,960	8,614,255

(5) Notes to Consolidated Financial Statements

Going Concern Assumption

Not applicable.

Significant Accounting Policies in the Preparation of Consolidated Financial Statements

1. Scope of consolidation

All subsidiaries are included in the consolidation.

Number and name of consolidated subsidiaries: 10 (9 in the previous fiscal year)

Trim Electric Machinery Co., Ltd.
 TrimGen Corporation
 Functional Water & Cell Analyzing Center Co., Ltd.
 Trim Financial Service Co., Ltd.
 Trim (Guangzhou) Water & Health Co., Ltd.
 TrimGen Holdings Co., Ltd.
 Trim Medical Institute Co., Ltd.
 Trim Life Support Co., Ltd.
 PT. SUPER WAHANA TEHNO
 StemCell Institute Inc.

StemCell Institute Inc. was included in the scope of consolidation, as a majority of the number of outstanding shares of this company was purchased in September 2013.

2. Application of the equity method

(1) Number and name of equity-method affiliates: 3 (1 in the previous fiscal year)

MEDFIRST TRIM CO., LTD.
 Nankoku City Industrial Promotion Organization
 Nishijima Flower Garden Co., Ltd.

Nankoku City Industrial Promotion Organization and Nishijima Flower Garden Co., Ltd. were included in the scope of application of the equity method in the current fiscal year following the stock acquisition in July 2013.

(2) Name of affiliates not accounted for by the equity method

TRIM RESORT CO., LTD.
 Kochi Fighting Dogs Co., Ltd.

These affiliates are not accounted for by the equity method, since they have a very minor effect on net income/loss (equity in earnings) and retained earnings (equity in earnings) and are relatively insignificant in the context of the consolidated financial statements.

(3) Some equity-method subsidiaries and affiliates end their fiscal years on a date that differs from the end of the fiscal year for the consolidated financial statements, and financial statements for the fiscal years of these companies are used to prepare the consolidated financial statements.

Segment and Other Information

Segment information

1. Overview of reportable segment

Segments used for financial reporting are the Group's constituent units for which separate financial information is available and for which the highest management decision-making body performs periodic studies for the purposes of determining the allocation of resources and evaluating performance.

Consequently, there are two reportable business segments: the water healthcare business and the medical business.

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

2. Calculation methods for net sales, profits or losses, assets, liabilities, and other items for each reportable segment

The accounting method used for reportable business segments is generally the same as the methods listed in "Significant Accounting Policies in the Preparation of Consolidated Financial Statements."

Profits for reportable segments are operating income figures.

3. Information related to net sales, profits, assets, and other items for each reportable segment

FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)

(Thousands of yen)

	Reportable segment			Adjustments	Total
	Water healthcare	Medical	Subtotal		
Net sales					
Sales to external customers	12,171,656	973,124	13,144,780	-	13,144,780
Inter-segment sales and transfers	-	-	-	-	-
Total	12,171,656	973,124	13,144,780	-	13,144,780
Segment profits	2,608,343	506,214	3,114,558	-	3,114,558
Segment assets	15,707,760	2,814,416	18,522,176	1,474,978	19,997,153
Other items					
Depreciation and amortization	194,321	41,895	236,216	11,964	248,181
Increase in property, plant and equipment and intangible assets	172,158	723,655	895,813	-	895,813

Per Share Information

(Yen)

	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)
Net assets per share	1,465.38	1,747.31
Net income per share	179.31	296.69
Diluted net income per share	179.18	295.10

Note 1: The following is a reconciliation of net income per share and diluted net income per share.

Note 2: The Company conducted a 2-for-1 common stock split on October 1, 2013. Net assets per share, net income per share and diluted net income per share have been calculated as if this stock split had taken place at the beginning of FY3/13.

	FY3/13 (Apr. 1, 2012 – Mar. 31, 2013)	FY3/14 (Apr. 1, 2013 – Mar. 31, 2014)
Net income per share		
Net income (Thousands of yen)	1,526,496	2,507,738
Amount not available to shareholders of common stock (Thousands of yen)	-	-
Net income attributable to common shares (Thousands of yen)	1,526,496	2,507,738
Average number of common shares outstanding during the period (Shares)	8,513,228	8,452,324
Diluted net income per share		
Adjusted to net income (Thousands of yen)	-	-
Increase in the number of common shares (Shares)	6,278	45,477
Summary of potential shares not included in the calculation of "Diluted net income per share" since there was no dilutive effect	Stock acquisition rights resolved at annual general meeting of shareholders on June 26, 2012 and the Board of Directors meeting on January 31, 2013 (Number of stock acquisition rights: 140)	-

Subsequent Events

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.