

**Summary of Consolidated Financial Results for the Third Quarter
of the Fiscal Year Ending March 31, 2016
(Nine Months Ended December 31, 2015)**

[Japanese GAAP]

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 Scheduled date of filing of Quarterly Report: February 10, 2016
 Scheduled date of payment of dividend: -
 Preparation of supplementary materials for quarterly financial results: None
 Holding of quarterly financial results meeting: None

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

1. Consolidated Financial Results for the Nine Months Ended December 31, 2015 (Apr. 1, 2015 – Dec. 31, 2015)

(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	%
Nine months ended Dec. 31, 2015	11,117	14.6	2,231	26.5	2,341	21.4	1,482	53.7
Nine months ended Dec. 31, 2014	9,704	(1.4)	1,763	(27.4)	1,928	(27.9)	964	(48.5)

Note: Comprehensive income (million yen) Nine months ended Dec. 31, 2015: 1,401 (up 54.4%)
 Nine months ended Dec. 31, 2014: 908 (down 48.5%)

	Net income per share	Diluted net income per share
	Yen	Yen
Nine months ended Dec. 31, 2015	175.53	175.43
Nine months ended Dec. 31, 2014	113.60	113.30

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio	Net assets per share
	Million yen	Million yen	%	Yen
As of Dec. 31, 2015	22,414	16,594	72.3	1,927.71
As of Mar. 31, 2015	21,506	16,163	72.8	1,841.01

Reference: Shareholders' equity (million yen) As of Dec. 31, 2015: 16,210 As of Mar. 31, 2015: 15,661

2. Dividends

	Dividend per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
Fiscal year ended Mar. 31, 2015	-	-	-	50.00	50.00
Fiscal year ending Mar. 31, 2016	-	-	-	-	-
Fiscal year ending Mar. 31, 2016 (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, 2016 (Apr. 1, 2015 – Mar. 31, 2016)

(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	15,100	17.7	3,070	36.3	3,150	24.6	1,950	49.2	229.22

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-based estimates, and restatements

a. Changes in accounting policies due to revisions in accounting standards, others: None

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

c. Changes in accounting-based estimates: None

d. Restatements: None

(4) Number of outstanding shares (common shares)

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

As of Dec. 31, 2015:	8,656,780 shares	As of Mar. 31, 2015:	8,656,780 shares
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b. Number of treasury shares at the end of the period

As of Dec. 31, 2015:	247,610 shares	As of Mar. 31, 2015:	149,610 shares
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c. Average number of shares outstanding during the period

Nine months ended Dec. 31, 2015:	8,446,177 shares	Nine months ended Dec. 31, 2014:	8,489,375 shares
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* Information regarding the implementation of quarterly review procedures

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

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

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

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1. Qualitative Information on Quarterly Consolidated Financial Performance

(1) Explanation of Results of Operations

Regarding the operating results for the first nine months of the current fiscal year, sales volume of electrolyzed hydrogen water (EHW) systems for the third quarter (from October to December) set a record high, and our business is progressing faster than our plan prepared at the beginning of the current fiscal year. The full year sales volume is expected to also reach a record high. In a comprehensive consideration of our strong performance and our financial position, we have revised the dividend forecast from 50 yen to 60 yen per common share for the fiscal year ending March 31, 2016, as was publicly announced on January 5, 2016.

Business environment for us is improving a lot. The hydrogen water market is further expanding: hydrogen water is covered by many health programs on TV and magazine articles, and many companies newly enter into the market. Our EHW systems are the controlled medical devices with an effect of improving gastrointestinal problems, which are certified by the Ministry of Health, Labour and Welfare of Japan in accordance with the Pharmaceutical and Medical Devices Act. In addition to health benefit, the running cost of our EHW systems is low (at about 6 yen per liter when using the TRIM ION HYPER unit, our main product, for five years), and our EHW systems help protect the environment. In light of these merits, we are confident that buyers of ordinary hydrogen water and hydrogen water in PET bottles or through a home delivery service will eventually switch to an EHW system. Moreover, we focused on development of business customers under the theme of health management, which is attracting attention as Japanese government has set a goal to enable people to enjoy a long life in good health. As a result, the number of companies installed our products to protect their employees' health has increased, including the case that a group company of a major auto manufacture installed 142 units to its business sites at the same time.

Furthermore, we have also focused on R&D programs and started a joint research project with the School of Engineering, the University of Tokyo in October 2015 to identify physical properties and mechanism of EHW. In the future, we will expand the market for EHW systems and achieve a phenomenal growth of our business by pursuing and claiming a difference between EHW and other types of hydrogen water produced by methods like the hydrogen gas bubbling as well as by identifying the mechanism of EHW.

In the first nine months of the current fiscal year, net sales increased 14.6% year-on-year to 11,117 million yen, operating income increased 26.5% to 2,231 million yen, ordinary income increased 21.4% to 2,341 million yen, and profit attributable to owners of parent increased 53.7% to 1,482 million yen.

Results by business segment were as follows.

[Water Healthcare Business]

<Electrolyzed hydrogen water (EHW) systems>

For workplace sales (DS, DS/HS Division), the number of units sold at each sales presentation, which is the indicator of sales efficiency, continues to maintain a record-high level. In the installation and referral sales (HS, DS/HS Division) and the store event sales (SS Division) categories, both divisions marked a record high in the number of units sold per salesperson, so that all direct sales divisions remained strong. In 2016, our performance has been extremely well, and we will continue to take many actions aimed at further improving sales efficiency under the external environment where we are increasing recognition of hydrogen water through the media, and many business leaders are working on health management in earnest.

In the OEM and wholesale sales category, we started to operate one of new large-scale OEM deals last December, and schedule to begin another one in February. Boosted by a tailwind of growth of the hydrogen water market, we are promoting many negotiations for new deals, and will realize a dramatic increase in sales volumes in the next fiscal year onward.

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

<Agriculture>

In the agriculture sector, with an application of our EHW for growing crops, we aim to realize high quality and value-added agriculture. Last year, Nihon Trim, the Kochi Prefectural Government, the City of Nankoku, JA Nankoku City and Kochi University signed a partnership agreement to promote the Reduced Vegetables® Project. This partnership of the industrial, public and academic sectors is now working on verifying the effectiveness and promoting consumption of the Reduced Vegetables®. About next August, a large horticultural facility worth about 320 million yen will be completed and growing the Reduced Vegetables® will start by means of horticulture at the next-generation facility. At the end of last year, we sold the Reduced Vegetables® in a limited quantity to the EHW system users, and they were sold out because of their good reputation. While we continue to strive for research activities of the Reduced Vegetables® and promote branding, we will also work on expanding the production.

Overall, sales in the water healthcare business increased 16.1% to 10,514 million yen and operating income increased 31.4% to 2,266 million yen.

[Medical Business]

In the regenerative medicine sector, the primary business is the long-term storage service of cord blood in anticipation of its use in regenerative medicine and cellular therapy to treat diseases in the future. As of the end of December 2015, the number of cord blood storage is 36,506 individuals and sales and operating income increased 6.7% and 8.6%, respectively year-on-year, which showed steady growth. Expectation of treatment of intractable illnesses with regenerative medicine is heightening. Kurashiki Central Hospital in Okayama prefecture conducted clinical research using stem cells in the cord blood. We heard the news that the Institute of Medical Science, the University of Tokyo will start clinical research using stem cells in the cord blood in 2016 and launch development of therapeutic agents in 2020. We think of the market with very high potential, and will concentrate on appealing the importance of storing the cord blood and increasing the number of this blood held.

In the electrolyzed water hemodialysis sector, we diffuse Electrolyzed Water Hemodialysis® using dialysis fluid that is diluted with EHW in order to reduce the side effects of dialysis including physical weariness, itchiness, and dialysis hypotension, and improve the quality of life of dialysis patients. We started trial sales of a new system. Compared with the existing one, the new system is more compact to allow greater flexibility in where the unit is used, strengthened cleansing performance and improved dissolved hydrogen synthesis capability. We proceed our business in line with our goal to provide this system as a widespread type at once and schedule to begin sales in June this year. We have already received about 40 inquiries, and expect it to contribute to our earnings after next fiscal year onward with a view to overseas operations in China, etc.

In the genetic diagnosis sector, we continue to concentrate on the development of products for next-generation genetic testing systems and have a policy to promote our business primarily with newly developed products. Sales of this sector, which are down 69.7% year-on-year, reflect this policy.

Trim Medical Holdings Inc., a holding company, is developing a structure which enables it to prepare for the IPO, though expenses increased due to adding employees, and so on.

As a result, sales in the medical business decreased 6.9% year-on-year to 602 million yen and operating loss was 34 million yen compared with operating income of 39 million yen one year earlier.

To continue growing, the Nihon Trim Group must expand the EHW system sales business as well as new domains such as agriculture, medical and other businesses even faster. We will also concentrate on growth in the advanced medical care field. Additionally, we plan to grow overseas and to start new businesses by using measures that may include mergers and acquisitions.

(2) Explanation of Financial Position

Total assets increased 907 million yen, or 4.2%, from the end of the previous fiscal year to 22,414 million yen at the end of the third quarter of the current fiscal year on a consolidated basis. The main factor was an increase of 930 million yen in cash and deposits.

Total liabilities increased 476 million yen, or 8.9%, from the end of the previous fiscal year to 5,819 million yen. The main factors were increases of 295 million yen in notes and accounts payable-trade and 182 million yen in long-term loans payable.

Net assets increased 431 million yen, or 2.7%, from the end of the previous fiscal year to 16,594 million yen. The main factors were reporting of profit attributable to owners of parent of 1,482 million yen, while there were decreases due to cash dividends paid of 425 million yen and purchase of treasury shares, etc. of 362 million yen as well as a decrease of 116 million yen in capital surplus as a result of additional purchase of subsidiaries' shares and a corresponding decrease of 121 million yen in non-controlling interests.

(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, 2016, which was disclosed in the Summary of Consolidated Financial Results for the Fiscal Year Ended March 31, 2015 dated April 27, 2015.

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-based Estimates, and Restatements

Not applicable.

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

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Assets		
Current assets		
Cash and deposits	10,747,862	11,678,497
Notes and accounts receivable-trade	1,801,930	1,962,295
Accounts receivable-installment	2,444,698	2,362,485
Finished goods	151,124	210,995
Raw materials and supplies	368,272	391,692
Other	294,530	237,931
Allowance for doubtful accounts	(41,049)	(46,280)
Total current assets	15,767,369	16,797,616
Non-current assets		
Property, plant and equipment		
Land	2,508,559	2,501,226
Other, net	1,038,661	974,056
Total property, plant and equipment	3,547,220	3,475,282
Intangible assets		
Goodwill	631,599	605,993
Other	155,468	116,124
Total intangible assets	787,067	722,118
Investments and other assets		
Other	1,624,096	1,637,790
Allowance for doubtful accounts	(219,460)	(218,593)
Total investments and other assets	1,404,635	1,419,196
Total non-current assets	5,738,923	5,616,597
Total assets	21,506,293	22,414,213
Liabilities		
Current liabilities		
Notes and accounts payable-trade	566,871	862,126
Income taxes payable	469,882	435,834
Provision for bonuses	129,565	49,041
Provision for product warranties	15,000	18,000
Provision for sales returns	56,000	52,000
Other	1,399,251	1,499,509
Total current liabilities	2,636,570	2,916,510
Non-current liabilities		
Bonds payable	300,000	300,000
Long-term loans payable	944,160	1,126,560
Provision for directors' retirement benefits	157,755	167,498
Net defined benefit liability	150,907	167,468
Other	1,153,183	1,141,310
Total non-current liabilities	2,706,007	2,902,837
Total liabilities	5,342,577	5,819,347

	(Thousands of yen)	
	FY3/15 (As of Mar. 31, 2015)	Third quarter of FY3/16 (As of Dec. 31, 2015)
Net assets		
Shareholders' equity		
Capital stock	992,597	992,597
Capital surplus	972,532	856,479
Retained earnings	14,018,199	15,070,547
Treasury shares	(295,234)	(657,880)
Total shareholders' equity	15,688,094	16,261,743
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	8,514	9,763
Foreign currency translation adjustment	(43,496)	(67,191)
Remeasurements of defined benefit plans	8,661	6,143
Total accumulated other comprehensive income	(26,320)	(51,283)
Subscription rights to shares	1,637	6,052
Non-controlling interests	500,304	378,353
Total net assets	16,163,715	16,594,865
Total liabilities and net assets	21,506,293	22,414,213

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

	(Thousands of yen)	
	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Net sales	9,704,422	11,117,115
Cost of sales	2,485,015	2,733,719
Gross profit	7,219,407	8,383,396
Selling, general and administrative expenses	5,455,502	6,151,831
Operating income	1,763,904	2,231,564
Non-operating income		
Interest and dividend income	4,914	5,034
Real estate rent	73,693	70,898
Share of profit of entities accounted for using equity method	-	677
Foreign exchange gains	81,591	5,181
Insurance premiums refunded cancellation	-	13,197
Other	25,085	36,994
Total non-operating income	185,284	131,983
Non-operating expenses		
Interest expenses	4,060	5,809
Interest on bonds	1,315	790
Depreciation of assets for rent	8,740	8,540
Share of loss of entities accounted for using equity method	1,830	-
Other	5,123	7,053
Total non-operating expenses	21,071	22,194
Ordinary income	1,928,118	2,341,353
Extraordinary losses		
Provision of allowance for doubtful accounts	160,779	-
Total extraordinary losses	160,779	-
Income before income taxes and non-controlling interests	1,767,338	2,341,353
Income taxes-current	673,433	859,545
Income taxes-deferred	189,466	32,065
Total income taxes	862,900	891,611
Profit	904,437	1,449,741
Loss attributable to non-controlling interests	(59,931)	(32,787)
Profit attributable to owners of parent	964,369	1,482,529

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

	(Thousands of yen)	
	First nine months of FY3/15 (Apr. 1, 2014 – Dec. 31, 2014)	First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)
Profit	904,437	1,449,741
Other comprehensive income		
Valuation difference on available-for-sale securities	1,589	1,249
Foreign currency translation adjustment	1,495	(45,662)
Remeasurements of defined benefit plans, net of tax	412	(2,517)
Share of other comprehensive income of entities accounted for using equity method	138	(848)
Total other comprehensive income	3,636	(47,779)
Comprehensive income	908,074	1,401,962
Comprehensive income attributable to:		
Owners of parent	965,418	1,457,566
Non-controlling interests	(57,344)	(55,604)

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

Not applicable.

Significant Changes in Shareholders' Equity

Effective on September 30, 2015, Trim Medical Holdings Inc., which is a consolidated subsidiary of the Company, completed an additional acquisition of shares of StemCell Institute Inc., which is also a consolidated subsidiary of the Company. As a result, capital surplus decreased 116,052 thousand yen during the first nine months of the current fiscal year.

Segment and Other 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 and a regenerative medicine business.

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

First nine months of FY3/16 (Apr. 1, 2015 – Dec. 31, 2015)

(Thousands of yen)

	Reportable segment			Adjustments	Total
	Water healthcare	Medical	Subtotal		
Net sales					
Sales to external customers	10,514,370	602,745	11,117,115	-	11,117,115
Inter-segment sales and transfers	-	-	-	-	-
Total	10,514,370	602,745	11,117,115	-	11,117,115
Segment profits (losses)	2,266,480	(34,915)	2,231,564	-	2,231,564

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.