



## PROSPECTUS

This document is very important for every distributor. Please read it carefully and sign in the form of last page. Then return it to the sales department of Enagic USA, Inc. Enagic may hold commission payment until signed paper is returned to Enagic.



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1. The first part of the report is devoted to a description of the experimental apparatus and the method of measurement. The second part contains the results of the measurements and a comparison with the theoretical predictions. The third part discusses the accuracy of the measurements and the possible sources of error.

The results of the measurements are in good agreement with the theoretical predictions. The accuracy of the measurements is estimated to be about 1%. The possible sources of error are discussed in the third part of the report.

# Enagic Distributor Agreement



## Qualification

1. A prospective distributor shall not be required to pay any sign-up fee or guarantee money to Enagic USA, Inc.(hereunder “Enagic”).
2. A prospective distributor must be referred by a distributor officially designated by Enagic, said distributor having explained the necessary details to the prospective distributor.
3. A prospective distributor must be at least eighteen years of age.
4. All resident aliens must have legal working permit to be eligible.
5. Enagic, not the distributor, has the sole responsibility for the products and their maintenance.
6. The distributor shall conduct sales in compliance with all applicable Laws and Regulations.
7. The distributor shall observe the Product Sales Policy, Agreement and the provision of the Distributor Agreement as prescribed by Enagic.
8. The distributor is an independent contractor involved in the sale of products and is therefore neither a director nor a representative of Enagic.
9. The distributor will retain its status even if no sales have been generated. However, disqualification may result for the violation of the Sales Policy, Distributor Agreement, etc.
10. The distributor status may be inherited by a family member, if applied by the distributor and the applicable family member and approved by Enagic.
11. Enagic may deny the prospective distributor’s application if such an individual is a member or associate of an illegal syndicate or is related to a member or associate member of such a syndicate, or if the individual is an adult under the care of a guardian or conservator, a person declared bankruptcy or in any other way deemed unfit by Enagic to be its distributor.

## Sales Activities and Prohibitions

12. The distributor shall state his/her name and that he/she is a distributor of Enagic and shall clearly explain the features of each product to the prospective buyer.
13. The distributor shall hand the necessary documentation to the prospective buyer. Customer copies of the "Prospectus", "Distributor's Agreement", and "Customer's copy of Credit" must be handed to the prospective buyer without fail.
14. The use of the third party's name in the Product Purchase Request, Distributor's Basic Agreement is strictly prohibited.
15. The solicitation or referred of other marketing networks or non-Enagic products to Enagic distributors is prohibited.
16. The role of a distributor is order is a order taker who solicits retail consumer product orders for Enagic, payment to Enagic and fulfillment from Enagic. Distributors do not purchase product for resale. The In the capacity as order soliciting from Enagic posted pricing schedules. Distributors must maintain the specified selling price and shall offer no discount or other concession.
17. When soliciting a prospective distributor to join our business, the distributor must clearly explain the following items:
  - (1) Type, performance and quality of each product (or types and details of the distributor's rights and duties).
  - (2) Conditions to be satisfied for participation in business dealings, such as the payment of sign-up fees, purchase of products and other monetary burdens.
  - (3) Cancellation of the sales agreement (cooling-off period).
  - (4) Expected income from business dealings (sales commission, bonus, referral fee, etc.)
  - (5) Other important items that will affect the judgment of the prospective distributor.

Never provide false information in order to encourage the conclusion of a sales agreement or to prevent the buyer from canceling the agreement, or never threaten or confuse the buyer, since it constitutes an offense that is punishable by the laws.

18. The distributor must not reproduce, copy or otherwise use the name, logo, trademark, design and other creative works and printed matters of Enagic without first obtaining permission from Enagic.
19. The distributor must not produce any advertisement or printed matter or any media, including

internet, of his/her own regarding the profile, products, business terms and other aspects of Enagic, nor engage in solicitation, sales or promotion activity using advertising media (newspapers, magazines, flyers, direct mail, etc.).

20. The distributor must not videotape or record the content of any business presentation meeting hosted by Enagic or another distributor without first obtaining permission from Enagic.
21. The distributor must not violate general laws or the Provisions of the Distributor Agreement, nor engage in any act that disturbs the public order.
22. The distributor must not engage in any act that interferes with the business growth of Enagic or product sales through its distributor.
23. The distributor must not use his/her website for the purpose of sales of Enagic products without prior consent from Enagic headquarters.
24. The distributor who obtained authorization for his/her website in the past also must not use his/her website without consent from Enagic newly.
25. The distributor who is an individual proprietor must file a tax return without fail.
26. The distributor is responsible to report any changes in their stated personal information.
27. Enagic is not responsible for non receipt of documents due to unreported changes of address.
28. Revised date is printed in this prospectus. Only latest version of prospectus is effective.
29. Commissions must be returned upon cancellation of sales made within the eight point structure.
30. Monies due to Enagic for any reason may be deducted from future payable commissions.
31. UKON FB SET will be deemed unreturnable if the packaging seal has been broken.

## Product Handling and Distributor's responsibility:

1. The prospective distributor shall fulfill stated personal sales volume requirements to be recognized and registered as an active Enagic distributor. Purchase a product from Enagic to register as a distributor.
2. Special favorable payment plans are available to distributors who wish to purchase company products. The prospective distributor who is not able to purchase a product may register as a distributor by signing a special payment plan.
3. The distributor may sell products through the credit companies that sign contract with Enagic.
4. The distributor shall take full responsibility for any of the following issues arising in connection with his/her own customer.
  - (1) The distributor shall take the following actions without delay in case of cancellation of a sales agreement during the cooling-off period.
    - (a) Return the commission and other applicable fees/charges to Enagic.
    - (b) Substitute the cancelled account with another account.
    - (c) Any actions other than (a) and (b) above will be taken after discussion among the distributor, Enagic and sponsor.
  - (2) Collection of money payable for the products.
  - (3) Handling of sales-related claims other than the above.

Money Payable for the Product and Sales Commission (to be settled using the method below after confirmation of the proceeds and the delivery of product)

- (1) Enagic shall issue a check in favor of the distributor, based on the distributor's instruction.
- (2) Enagic shall issue a check in favor of the distributor, after the expiration of the cooling-off period, based on the distributor's instruction.
- (3) If the above methods are not used, settlement will be carried out using a method mutually agreed by the distributor and Enagic.

## **Return Policy**

### **Effective January 1st, 2008**

The federal law mandating legally-acceptable returns is three business days. In an effort to abide by this federal law, we at Enagic have established our return policy around this three-day period. We also understand that there are extraordinary circumstances in which a longer period would be necessary. Under these circumstances which require approval by the company there is a strict guideline which follows.

1. If the new, unused machine is returned within three days of receipt, you will be refunded the full amount minus postage.
2. If a new machine is not returned within 3 days of receipt, you will be charged with a restocking fee. \*
3. If a used machine is returned within 3 days of receipt, you will be charged with a restocking fee.\*
4. If a used machine is returned after 3 days of receipt, you will be charged with a processing fee.\*\*
5. If a machine is returned more than one month after receipt, there will be no refund.
6. Shipping fees and installment charges are not subject to refund.

\*Restocking fee = \$100

\*\*Processing fee is = Machine deposit (In case of SD 501 = \$680)

- A) Days are counted starting on the day that the order was processed or in case of shipping, begins on the date of signed delivery.
- B) Three days are business days, one month is counted as a calendar month.
- C) A machine is considered used once water has been run through it.

## Corporate Profile:

### Nature of Business:

1. Manufacturing and sales of electrolysis water generator
2. Manufacturing and sales of health and beauty equipment
3. Manufacturing and sales of health food



### Factory:

1-40-1 Hoshida Kita, Katano City, Osaka  
Tel: 072-893-2290

### Service:

Enagic Services, Inc.  
1-40-1 Hoshida-Kita, Katano City, Osaka,  
Tel: 072-893-3306

### Supply:

Enagic Supply Center, Inc.  
1-40-1 Hoshida-Kita, Katano City, Osaka,  
Tel: 072-893-9027

### Bank:

UFJ Bank, Kyobashi Branch  
Mizuho Bank, Tokyo Chuo Branch  
Risona Bank, Tokyo Chuo Branch  
Mitsui Sumitomo Bank, Nihonbashi Chuo Branch

### Credit:

Life Corporation  
Gakken Credit  
ACOM Co., Ltd.  
Fine Credit  
QUOQ, Inc.

**Trade Name:** Enagic Co., Ltd.

**Head Office:** Echizenya Bldg., 7F  
1-1-6 Kyobashi, Chuo-ku, Tokyo, Japan  
Tel: 03-5205-6030  
Fax: 03-5205-69035

**CEO:** Hironari Oshiro

**Capital:** 60,000,000.00 Yen

**Established:** June 21, 1974

### Affiliates:

Enagic USA, Inc.  
Okinawa Kangen Ukon Co., Ltd.  
Enagic Travel Co., Ltd.  
Enagic Finance Co., Ltd.  
Enagic Trading Co., Ltd.

### Branches:

#### LA Branch

4115 Spencer St., Torrance, CA 90503  
Tel: 310-542-7700 Fax: 310-542-1700

#### Hawaii Branch

1585 Kapiolani Blvd. #1535, Honolulu, HI 96814  
Tel: 808-949-5300 Fax: 808-949-5336

#### Taipei Branch

Asia World Bldg., 12B, 337, Sec. 3,  
Nanjing E. Rd. 7th Blvd., Sungshan Block, Taipei, Taiwan  
Tel: 886-2-2713-2936 Fax: 886-2-2713-2938

#### New York Branch

780 Third Ave. 7F, NY, NY 10017  
Tel: 212-888-8816 Fax: 212-888-8819

#### Chicago Branch

1148 S. Elmhurst Rd., Mt. Prospect, IL 60056  
Tel: 847-437-8201 Fax: 847-437-8201

#### Hong Kong Branch

Unit 617, 16F Miramar Tower, 132 Nathan Rd.,  
Tsim Sha Tsui, Kowloon, Hong Kong  
Tel: 852-2154-0077 Fax: 852-2154-0027

#### Tai Chung Branch

122-18, Sec. 2, Tai Chung Kang Rd., Taichung, Waiwan  
Tel: 886-4-2452-8056 Fax 886-4-2452-8235

#### Canada Branch

8291 Ackroyd, Unit 110, Richmond,  
British Columbia, Canada V6X3J9





\* Please fill out the following form and  
Return the Original Copy with your signature.

4115 Spencer St., Torrance, CA 90503  
TEL: 310-542-7700 FAX: 310-542-1700  
www.enagic.com Toll free: 1-866-261-9500

To: Enagic USA, Inc.

Date: \_\_\_\_\_

Distributor ID \_\_\_\_\_

Distributor's name: \_\_\_\_\_

Address: \_\_\_\_\_

Street

City State Zip Code

Home Phone #: \_\_\_\_\_ Fax # \_\_\_\_\_

Cellular phone. #: \_\_\_\_\_

E-mail : \_\_\_\_\_

Signature

Date

\* The provisions of above agreement and any other contents of this prospectus are subject to change without notice.

\* Commissions will be with held until a signed copy of the new prospectus is received.

I hereby reviewed and fully understood the above prospectus dated July 1, 2007 and I will follow the rules provided in the distributor agreement.

Revised on July 1, 2008

ORIGINAL COPY

