

# ENAGIC USA EARNINGS DISCLOSURE STATEMENT



## OUR MISSION

- Since 1974, Japan-based Enagic International has been a leading manufacturer of alkaline ionizers and water filtration machines around the world. Our passion is to transform the tap water in your home into pure, healthy electrolyzed-reduced drinking water.
- The Enagic direct sales system allows hard-working and passionate independent distributors to share Enagic products with customers and earn commissions from those sales. They fall in love with our products, and they spread the word about the positive changes Kangen Water® has brought into their lives.

## HOW DO DISTRIBUTORS GET PAID?

- Enagic distributors (Distributors) are independent contractors who have used their social and business networks to share Enagic products. Though some Distributors pursue the Enagic business opportunity on a full-time basis, most are simply trying to earn extra pocket money. Distributors are paid through the Enagic patented 8-Point Compensation System. They become eligible for a commission once they make their first direct sale and obtain the rank of 1A. Distributors then qualify to earn more commissions based on their own sales, and the sales of their team. As they accumulate sales, they advance through the ranks, with the highest rank in 2020 at 6A2-6.
- The Enagic 8-Point compensation plan is based on product sales.
- Distributors cannot earn income from sponsoring or recruiting team members.
- To stay eligible for a commission, Distributors must make direct sales to customers.

## WHAT CAN DISTRIBUTORS REASONABLY EXPECT TO EARN?

- Distributors' business results vary significantly, and no income is promised or guaranteed. Earnings depend on many factors, including leadership, business experience, expertise, quality and depth of your network, and individual effort. Potential distributors are urged to perform their own due diligence prior to making a decision to participate. Please review the Enagic Policies and Procedures\* before deciding whether to enroll.
- The statistics below reflect the median amount of commissions earned by distributors, divided by rank, from the sale of any Enagic product in 2020. This includes all allowances, bonuses and other incentives earned in recognition of performance. These statistics do not include expenses that may be incurred by Distributors, such as money they chose to spend on their own for events, supplies, or the like; these expenses can be significant.

*In 2020, fifty percent (50%) of Enagic distributors made more than \$440, and the other half made less. Sixty six percent (66%) of all Enagic distributors made less than \$1,000 in 2020.*

| Rank             | Number of Distributors | Percentage of Distributors | Median Amount Earned |
|------------------|------------------------|----------------------------|----------------------|
| 1A               | 13,747                 | 56.73%                     | \$285                |
| 2A               | 4,105                  | 16.94%                     | \$680                |
| 3A               | 1,497                  | 6.18%                      | \$1,445              |
| 4A               | 1,787                  | 7.37%                      | \$2,464              |
| 5A               | 994                    | 4.10%                      | \$2,814              |
| 6A               | 1,469                  | 6.06%                      | \$5,710              |
| 6A2              | 425                    | 1.75%                      | \$13,159             |
| 6A2-2            | 125                    | .52%                       | \$27,666             |
| 6A2-3            | 57                     | .24%                       | \$113,502            |
| 6A2-4            | 20                     | .08%                       | \$253,022            |
| 6A2-5            | 5                      | .02%                       | \$515,088            |
| 6A2-6 and higher | 3                      | .01%                       | \$1,715,931          |

To view or download Enagic's Policies and Procedures, go to [www.enagic.com](http://www.enagic.com), click on DISTRIBUTORS, then US Document Download; or contact Sales Support at 310-542-7700.