



September 12, 2002

Team in Focus Corporate
6851 Distribution Avenue South
Jacksonville, FL 32256

Dear Team in Focus Members:

I have been asked to provide a more detailed explanation of how private Japanese insurance companies and the Japanese Ministry of Health support the use of Wellness Filtered water (called Phylaxia in Japan) to assist in the treatment of certain diseases – most notably diabetes.

Japan has a major problem with the growing incidence of diabetes and the increasing cost of treatment. Nearly ten (10) percent of the population now either have some form of diabetes or are suspected to have diabetes and treatment is costing nearly one-third of the Ministry's Health budget. In a March 1998 study conducted by the Japanese Ministry of Health, the number of people in this category totaled 13,700,000. The numbers are growing.

I became very well known at the Ministry of Health for my work with water enhancement, medical treatment with water, healthy diets, and lifestyle changes (particularly exercise). The Ministry also came to know me through my many years as the Japanese Olympic Swim Team Coach, the successful testing of our water with the Ministry for treatment of skin ailments, and the reported works of famous doctors like Dr. Tadahiro Hotta (renowned cancer and general health specialist) who successfully tested my water for cancer and diabetes treatment.

The Japanese Ministry of Health realized that something must be done to reduce the incidence of diseases, especially cancer and diabetes. Costs to the Government-funded Social Insurance (Shakai Hoken—employees health insurance) and National Health Insurance (Kokumin Kenko Hoken—self-employed and those not covered by Social Insurance) were becoming prohibitive. They asked me to make scheduled visits and lectures almost every month for two years to nearly all areas of Japan. I gave long lectures to large groups of local doctors and medical professionals.

The theme of my lecture was to teach doctors how to prevent and treat disease without the use of medicine. I talked about dietary changes, exercise, life style changes (drinking clean water, etc.), and the use of Wellness water. I told them about the use of Wellness water in Ministry of Health spas for skin treatment, for treating cancer and stomach ailments, and diabetes as confirmed by Dr. Tadahiro Hotta.



Most of the questions I was asked were always about water and especially about diabetes treatment. They wanted to know how it was possible for water from a filter to treat diabetes. Once again, having Dr. Hotta test, use, and prescribe the filter gave Wellness water great credibility. Also, the Ministry of Health recognized the benefits of our water from their own experiences with diabetes treatment. I was also told, even encouraged, by the Ministry of Health to have the doctors prescribe our filter to their diabetic patients. If the doctors made out a treatment prescription, the Nation's Private Life Insurance Program would cover the filter.

Insurance in Japan is different than in the United States. After the war, we tried to pay all medical costs and our system ran out of money. Then we created the National Insurance and Social Health Insurance Programs that pay between 70 and 80 percent of medical care costs (hospital stays, doctors, and medicines). Employees, companies, and the self-employed pay monthly fees into the program.

There is another form of insurance in Japan that covers loss of life and some medical needs (primarily medical equipment like crutches, wheelchairs, home healthcare equipment, etc.). These are private policies and nearly 90 percent of Japanese citizens participate. Policies vary in scope according to individual choice. Some of the largest participating companies are Nissay Dowa General, Nippon Life Insurance, Mitsui Mutual Life Insurance, Sony Life Insurance Company, and Sumatomo Life Insurance Company. All of these private insurance companies are approved to pay for a Wellness (Phylaxia) Filter® when prescribed by a doctor for treatment of diabetes. As a result of my lectures, many Japanese doctors routinely prescribe our filter for their patients. The private insurance companies were persuaded by the Ministry of Health to include our filter for medical treatment since it will reduce the need for medicines and decrease diabetic-related mortalities.

I hope that this clarifies the issue of insurance reimbursement for the Wellness Filter in Japan.

Sincerely,

A handwritten signature in blue ink, reading "Harusuke Naito" in cursive, with the Japanese characters "内藤晴輔" written below it.

Harusuke Naito
Managing Director