



Enagic®

ENAGIC COMPLIANCE GUIDELINES

A brief of do's and don'ts for staying compliant and growing your business legally.

*THIS IS A GUIDE AND NOT INTENDED TO BE A COMPREHENSIVE MANUAL

THE THREE PILLARS TO TRUTHFUL ADVERTISING



**INCOME/LIFESTYLE
CLAIMS**



**DECEPTIVE
RECRUITING
PRACTICES**



**MEDICAL CLAIMS
AND OR
TESTIMONIALS**

What is an income claim?

An MLM's representations and messaging concerning the business opportunity it offers must be truthful and non-misleading to avoid being deceptive under Section 5 of the FTC Act. An MLM's representations about its business opportunity, including earnings claims, violate Section 5 of the FTC Act if they are false, misleading, or unsubstantiated material to consumers.

- A company must have a reasonable basis for the claims it makes or disseminates to current or prospective participants about its business opportunity. A “reasonable basis” means objective evidence that supports the claim. If a company lacks such objective supporting evidence, the claims are likely deceptive.
- Some business opportunities may present themselves as a way for participants to get rich or lead a wealthy lifestyle. They may make such representations through words or through images such as expensive houses, luxury automobiles, and exotic vacations. If participants generally do not achieve such results, these representations likely would be false or misleading to current or prospective participants.
- Business opportunities may also claim that participants, while not necessarily becoming wealthy, can achieve career-level income. They may represent through words or images that participants can earn thousands of dollars a month, quit their jobs, “fire their bosses,” or become stay-at-home parents. If participants generally do not achieve such results, these representations likely would be false or misleading to current or prospective participants.



INCOME & LIFESTYLE

WHAT IS AN INCOME CLAIM?

What is an income claim?

- Even truthful testimonials from the very small minority of participants who do earn career-level income or more will likely be misleading unless the advertising or presentation also makes clear the amount earned or lost by most participants.

For more information on this topic, see the FTC's [Guides Concerning the Use of Endorsements and Testimonials in Advertising](#).

- In addition, a hypothetical earnings scenario—such as “if you recruit 30 people who each sell \$1,000 of product each month, you will earn \$1,500 a month”—may imply that the assumptions made (e.g., the number of people recruited, the amount sold by each recruit) are consistent with the actual experiences of typical participants. If the assumptions are not, the earnings scenario likely would be false or misleading to consumers.
- An MLM's compensation structure may give its participants incentives to make representations about the business opportunity to current or prospective participants. As a consequence, an MLM should (i) direct its participants not to make false, misleading, or unsubstantiated representations and (ii) monitor its participants so they don't make false, misleading, or unsubstantiated representations.



INCOME & LIFESTYLE

WHAT IS AN INCOME CLAIM?

UNACCEPTABLE REPRESENTATION OF INCOME & LIFESTYLE

“I made a million dollars with this business. Let me show you how you can too.”

“Here I am working from a beach in Bali. Join my team so you too can work from anywhere.”

“Just bought my dream car! Thanks to my Enagic business!”

“I love going to my mailbox everyday and getting #Stacks of checks. Ask me how I do it!”

“I just made \$10,000 in two weeks! I love my new business. Want to know more? Message me!”

“I fired my boss in 3 months after starting my new business. Do you want to fire yours?”

THESE EXAMPLES, WHILE BY NO MEANS COMPREHENSIVE, ARE ALL DECEPTIVE. THEY MAY IN FACT BE TRUE FOR YOU, HOWEVER, NONE OF THESE ARE TYPICAL AND REPRESENTATIVE TO THE MAJORITY OF DISTRIBUTORS.

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

ACCEPTABLE REPRESENTATION OF INCOME POTENTIAL

Explanation of the compensation plan and Enagic USA Earnings Disclosure Statement located on www.enagic.com

Stating that your customer can join your team in doing business. **However, you cannot guarantee their success.** Like all businesses it takes hard work and dedication to be successful.

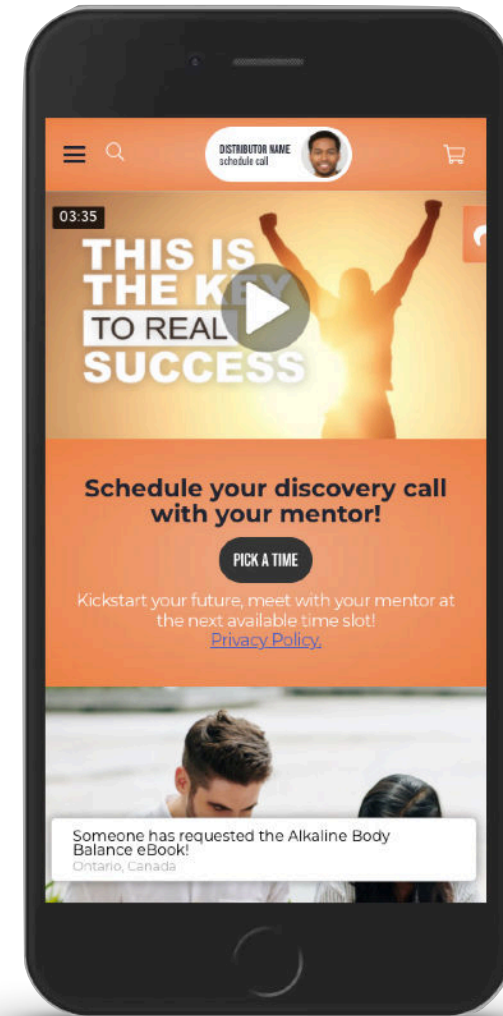
Join my team, I will show you what I do. That doesn't mean it will work for you, but it can provide a foundation for you to start out. Over time, practice, and fine tuning, you can figure out what works best for you in order to succeed. I will give you the support you need and help you get started. But inevitably your success depends on how much effort and time you put into your business.

ACCEPTABLE REPRESENTATION OF INCOME POTENTIAL

Enagic has provided an opportunity website via the official EnagicWebSystem.com that explains the opportunity correctly.

Use the OPPORTUNITY website at EWS to recruit new team members. Its unique marketing angle explains the Enagic opportunity in the company approved way.

www.EnagicWebSystem.com





DECEPTIVE RECRUITING PRACTICES

WHAT ARE DECEPTIVE
RECRUITING PRACTICES?

What are deceptive recruiting practices?

- Any advertisement stating easy money.
- Portrayal of the business and or system is automated.
- Stating that you will provide referrals and or sales. I.e:
“Join my team and I will help you get 10 checks in 60 days.”
- Guarantee of sales and or earnings.
- Selling a system that will generate sales with little to no effort.



COMPLIANCE APPLIES TO BOTH DIRECT & INDIRECT MARKETING

What is indirect marketing?

- Any marketing that omits Enagic trademarks but ultimately sells Enagic products is indirect marketing
- Avoiding use of trademarks to break compliance policies is not acceptable.
- Having your own business that ultimately sells Enagic products means you must uphold Enagic compliance policies.

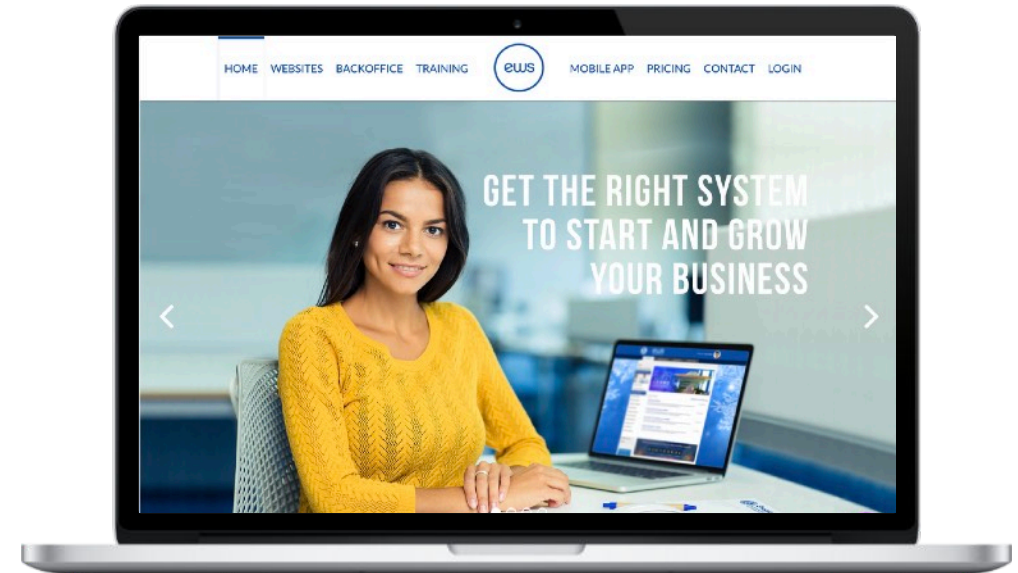
Marketing is *only* permitted through
our approved marketing system



APPROVED MARKETING SYSTEM

- Distributors must refrain from any independent marketing of Enagic directly or indirectly.
- All marketing and advertising must be through our approved compliant marketing system.
- EWS (www.EnagicWebSystem.com) is the only permitted form of marketing you may use.

www.EnagicWebSystem.com



A close-up photograph of a woman's hands holding a black smartphone. She is looking at the screen, and her fingers are positioned as if she is about to tap or scroll. The background is blurred, showing a light-colored jacket. A yellow diagonal graphic element is on the left side of the image.

THIS INCLUDES ALL SOCIAL MEDIA POSTS AND ADVERTISEMENTS.

BOTH PUBLIC AND PRIVATE GROUPS.

ALL social posting must be through EWS Social Campaign system, which permits you to create campaigns that automatically post to your social media channels. Doing so gives Enagic the ability to review and remove non-compliant posts at any time.

ALL advertisements must link directly to websites you can acquire from EWS.

MEDICAL CLAIMS/TESTIMONIALS

ANY claim that states or insinuates that Kangen Water ® / Kangen Ukon treat, cure, prevent, helps, aids in, restores, alleviates, mends, improves, rectify, rehabilitate, repair, or remedies any illness, disease, symptom, or ailment.

Why can't I use testimonials?

An advertisement employing testimonials by one or more consumers about the performance of an advertised product or service will be interpreted as representing that the product or service is effective for the purpose depicted in the advertisement. Therefore, the advertiser must possess and rely upon adequate substantiation, including, when appropriate, competent and reliable scientific evidence, to support such claims made through endorsements in the same manner the advertiser would be required to do if it had made the representation directly, i.e., without using endorsements. Consumer endorsements themselves are not competent and reliable scientific evidence. All deceptive. They may in fact be true for you, however, none of these are typical and representative to the majority of Distributors.

COMPETENT
& RELIABLE
SCIENTIFIC
EVIDENCE.



**"NO disease,
including cancer,
can exist in an
alkaline environment."**

Dr. Otto Warburg,
1931 Nobel Prize winner
for cancer discovery

DR. OTTO WARBURG'S RESEARCH

His research while great in its own regard, is grossly misrepresented and misquoted. His research never states alkaline or acidic. It is focused on cellular respiration for energy.

“Cancer, above all other diseases, has countless secondary causes. But, even for cancer, there is only one prime cause. Summarized in a few words, the prime cause of cancer is the replacement of the respiration of oxygen in normal body cells by a fermentation of sugar. All normal body cells meet their energy needs by respiration of oxygen, whereas cancer cells meet their energy needs in great part by fermentation. All normal body cells are thus obligate aerobes, whereas all cancer cells are partial anaerobes. From the standpoint of the physics and chemistry of life this difference between normal and cancer cells is so great that one can scarcely picture a greater difference. Oxygen gas, the donor of energy in plants and animals is dethroned in the cancer cells and replaced by an energy yielding reaction of the lowest living forms, namely, a fermentation of glucose.

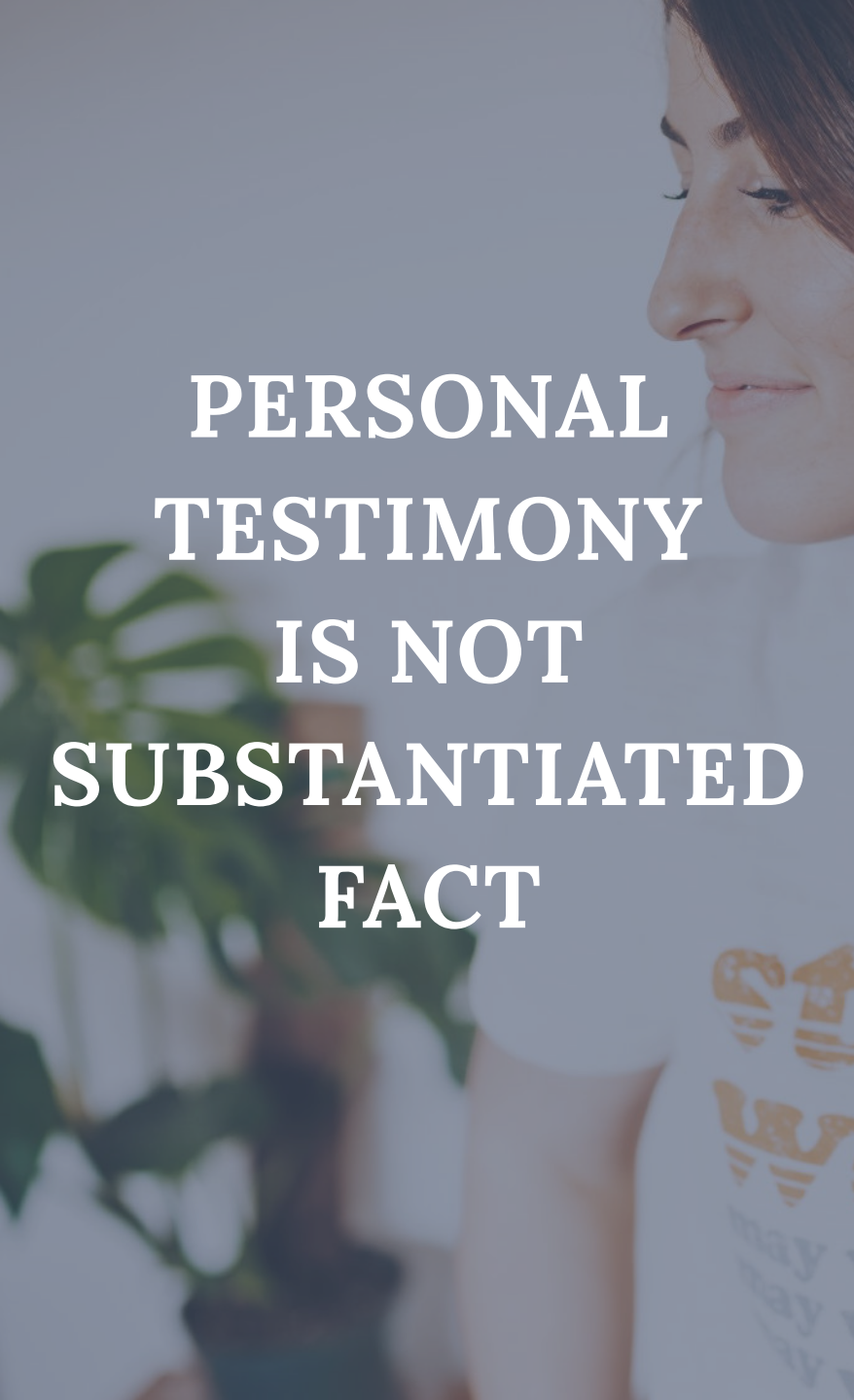
The key to the cancer problem is accordingly the energetics of life, which has been the field of work of the Dahlem institute since its initiation by the Rockefeller Foundation about 1930. In Dahlem the oxygen transferring and hydrogen transferring enzymes were discovered and chemically isolated. In Dahlem the fermentation of cancer cells was discovered decades ago; but only in recent years has it been demonstrated that cancer cells can actually grow in the body almost with only the energy of fermentation. Only today can one submit, with respect to cancer, all the experiments demanded by PASTEUR and KOCH as proof of the prime causes of a disease. If it is true that the replacement of oxygen-respiration by fermentation is the prime cause of cancer, then all cancer cells without exception must ferment, and no normal growing cell ought to exist that ferments in the body.”

No where is pH or alkalinity mentioned. This is not a credible, reliable, or accepted form of substantiation for the claims it is widely used for. Nor is it mentioned that cancer cannot live in alkaline environment.

NOT ALL PUBLISHED STUDIES MEET THE REQUIREMENTS OF PROOF

An advertiser conducts a literature search and finds several abstracts summarizing research about the association between a nutrient and the ability to perform better on memory tests. The advertiser relies on these summaries to support a claim that its supplement, which contains the same nutrient, aids memory. However, without looking carefully at the specifics of the study design, implementation, and results, there is no way for an advertiser to ascertain whether the research substantiates the product claims.

- For example, did the research use a comparable formulation of the ingredient?
- Was the study adequately controlled?
- Did the study yield results that are statistically significant?
- The advertiser should carefully review the underlying science, with the assistance of an expert if necessary, before drafting advertising claims.



**PERSONAL
TESTIMONY
IS NOT
SUBSTANTIATED
FACT**

Personal testimonies while however true to the individual do not constitute fact.

One's own personal experience cannot be expected to be duplicated in another individual and should not be used to sell any product. Even testimonials require competent and reliable scientific evidence to substantiate the claims.

Your personal story is key and is very important. It is important to remember that medical testimony cannot be used. For example you cannot say that you are on 13 different types of medication started drinking the water and now you no longer must take anymore medication.



WHAT CAN WE SAY ABOUT KANGEN WATER®?



Kangen Water® (Alkaline Water) provides better hydration than bottled water and or purified water.



Kangen Water® greatly reduces plastic bottle waste.



Kangen Water® can help maintain oxidative balance in healthy individuals.



Enagic's Kangen Water® Ionizers can save you money over the life of the machine.



Kangen water helps maintain healthy bodily functions.



Beauty water has the same pH (5.5-6.5 pH) of many expensive skin toners for a fraction of the cost.



Using Strong Kangen Water to clean your fruits and vegetables improves the taste and texture.



Strong Acidic water has been shown to reduce bacteria and viruses on foods and hard surfaces. Reducing the need for expensive and caustic chemicals.



**KANGEN WATER®
(ALKALINE WATER)
PROVIDES BETTER HYDRATION
THAN PURIFIED WATER**

Research suggests that electrolyzed alkaline water rehydrates healthy individuals after exercising better than purified water.



[HTTPS://WWW.NCBI.NLM.NIH.GOV/PMC/ARTICLES/PMC5126823/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5126823/)



KANGEN WATER® CAN HELP MAINTAIN HEALTHY OXIDATIVE BALANCE IN HEALTHY INDIVIDUALS

Recent research has shown Kangen Water® (Electrolyzed Reduced Water) to have the ability to neutralize ROS (reactive oxygen species, oxidants). It has also been shown to be superior to Hydrogen infused water (H₂ Water).



[HTTPS://WWW.NCBI.NLM.NIH.GOV/PMC/ARTICLES/PMC5921829/](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC5921829/)



**KANGEN WATER®
GREATLY REDUCES WASTE
FROM SINGLE USE PLASTIC
BOTTLES**

- Data from 2017 shows 42.1 gallons of bottled water per capital were consumed in the USA. That equals about 320 500ml bottles of water per person for the year. The population of the United States in 2017 was 325.7 million.
- That means in the USA alone : 104,224,000,000 bottles of waste in 2017 ALONE.
- A typical family of 4 equaled 1280 bottles of waste in 2017.
- Kangen Water does not use single use bottles for consumption. Greatly reducing your ecological footprint with every use.



**KANGEN WATER®
SAVES YOU MONEY
VS
DRINKING BOTTLED WATER**

1

\$1.45



$$\begin{aligned} & \$1.45 \times 365/\text{yr} \\ & = \end{aligned}$$

\$529.25 annual cost
per person

A family of 4:
**\$1856 per
year for
bottled water.**



2



An Enagic Leveluk
K8 costs \$4980.00

With 2
replacement filters
per year at \$260.



3

Let's extrapolate
the cost of
ownership for the
warranty duration
of 5 years:

$$\$4980 / 5 \text{ yr} = \$996/\text{yr}$$

$$2 \text{ Filters} / \text{yr} = \$260/\text{yr}$$

$$\text{Deep cleaning} = \$40/\text{yr}$$

\$1296 / yr

Annual ownership
cost of a K8 with
maintenance



4

Bottled water:
\$1856

Leveluk K8:
\$1296

**Saving you and
your family at
least \$560/yr.**

**Or \$2,800 over
the course of 5
years.**

THIS DOES NOT CONSIDER THE OTHER
SAVINGS OWNING A K8 CAN BRING BY
UTILIZING THE OTHER WATERS IT
PRODUCES.



BEAUTY WATER HAS THE SAME PH AS MANY EXPENSIVE SKIN TONERS AT A FRACTION OF THE COST

Your skin has a natural pH generally between 4.5pH and around 6.0pH. A large number of soaps and shampoos have been shown to be very alkaline. Using Beauty water on your skin helps to return your skin to its natural pH levels.

This is the reason many skin toners and other skin care products pH is generally around 5.5pH. You can get the same pH water right from your machine for a fraction of the cost of skin toners.

Skin toners can cost anywhere from \$5-\$300 for an 8 oz bottle.



USING STRONG KANGEN WATER TO CLEAN YOUR FRUITS AND VEGETABLES IMPROVES THE TASTE AND TEXTURE.

Strong Kangen water is a great cleaning solution. Not only can it help clean and break up oil, but it is excellent at cleaning produce. It easily removes dirt and grime from your fresh fruit and vegetables.



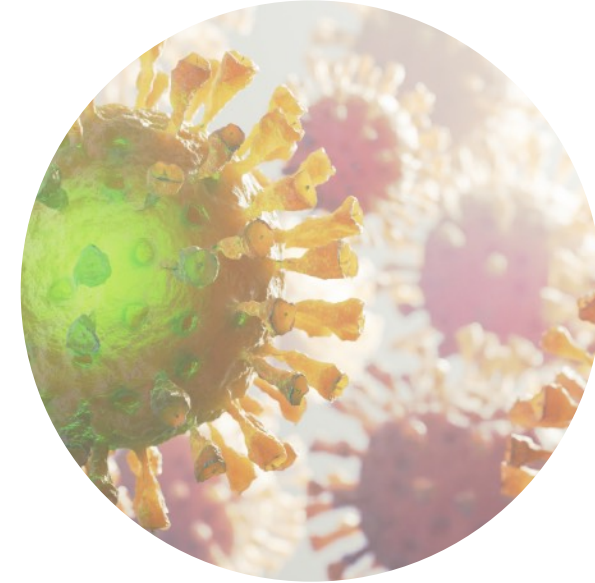
STRONG ACIDIC WATER HAS BEEN SHOWN TO REDUCE BACTERIA AND VIRUSES.



Strong Acidic Water is great to use in the kitchen and bathroom when cleaning. It has been shown to reduce bacteria and viruses. Use it after first washing with Strong Kangen Water for even better results.



Strong Acidic Water can also be used on your fresh produce to get them even cleaner! Just rinse them in some clean water after soaking.



Strong Acidic Water has NOT been tested against Coronavirus and it is a violation of Enagic Policies and Procedures, and against the law, to claim otherwise.



- All of these approved messages are already packaged into websites at EWS
- EnagicWebSystem.com has all of these approved statements throughout the websites available to all distributors.

EnagicWebSystem.com not only has the websites you need to market Enagic, but also a robust set of tools!

- Fully featured Backoffice (accessible from tablet or laptop)
- Contact Manager (CRM)
- Campaign Manager (auto-emailers)
- Social Campaigns (auto-post social marketing)
- Social Images (generate congrats and welcome images)
- AutoWebinar (market with compliant automated webinar funnels)
- Landing Pages (create video-driven single page funnels)
- Video Library (access all compliant videos and use them in your funnel for marketing)
- Mobile App (access to the most important features and notifications for your business)
- And so much more!



USE THE TOOLS
ENAGIC PROVIDES
FOR A UNIFIED &
COMPLIANT
BRAND MESSAGE





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