FOR IMMEDIATE RELEASE

Kurita Water Industries Reports Earnings for the Six Months Ended September 30, 2018

Tokyo, Japan, November 9, 2018—Kurita Water Industries Ltd. (TSE Securities Code 6370) announced net sales of 128,587 million yen and profit attributable to owners of parent of 6,516 million yen, or 58.04 yen per share, for the six months ended September 30, 2018 (April 1, 2018 – September 30, 2018).

Results of Operations

Total consolidated orders for the Kurita Group (Kurita Water Industries Ltd. and its consolidated subsidiaries and equity method affiliates) in the six months ended September 30, 2018 rose 11.4% from the level of the year-ago period, to 139,584 million yen, and net sales increased 18.9%, to 128,587 million yen. Operating income was 10,272 million yen, up 1.2% versus the same the year-ago period, and ordinary income was 10,376 million yen, up 1.0%. Profit attributable to owners of parent amounted to 6,516 million yen, down 12.1%.

Looking at the market environment surrounding the Kurita Group, in Japan, production in the manufacturing industry remained firm, and capital expenditure also continued to be solid on the back of robust corporate earnings. Overseas, although the economic outlook became increasingly uncertain mainly due to trade friction between the United States and China, the U.S. economy remained firm, and economies in Europe and emerging countries especially in China also recovered moderately.

In this environment, the Group sought to develop and market competitive products and services using IT and sensing technologies. It also proposed solutions to customers' challenges including the reduction of environmental footprints, energy saving and improvements in productivity.

The Group has expanded the scope of application of the percentage-of-completion method mainly in the Water Treatment Facilities business. As a consequence, net sales increased 6,655 million yen, and operating income and ordinary income rose 1,110 million yen, respectively. In addition, the Group recorded a 2,162 million yen gain on sales of shareholdings of other listed companies (gain of sales of investment securities) in extraordinary income, while a 2,885 million yen loss associated with the transfer of the aluminum compound business of Kurita Europe GmbH (loss on transfer of business) was posted in extraordinary losses.

Segment Information

The Group consists of two reportable segments in its segment information: Water Treatment Chemicals and Water Treatment Facilities

Water Treatment Chemicals

Total Group orders for the Water Treatment Chemicals segment were 52,473 million yen, up 17.7% versus the same period of the fiscal year ended March 31, 2018, while sales rose 17.7%, to 51,875 million yen.

Operating income climbed 17.3%, to 4,516 million yen mainly due to the increase in overseas sales.

In Japan, orders and sales increased only slightly due to the absence of the posting of spot projects of equipment and services that was made in the year-ago period, while sales and orders in cooling water treatment chemicals and process treatment chemicals for iron and steel increased thanks to segment efforts to develop new customers by proposing problem solutions using new products and services.

Overseas, both orders and sales rose, reflecting an increase in the consolidation period for operating results of Hansu Co., Ltd. in South Korea, which became a consolidated subsidiary in the fourth quarter of the previous fiscal year, by six months, in addition to an increase in demand for water treatment, particularly in Asia.

Water Treatment Facilities

Total Group orders for the Water Treatment Facilities segment were 87,110 million yen, up 7.9% versus the same period of the previous fiscal year. Partly thanks to the expansion of the scope of application of the percentage-of-completion method, sales rose 19.8%, to 76,711 million yen.

Operating income declined 8.6%, to 5,763 million yen due to the deteriorated cost of sales ratio because of the occurrence of unprofitable projects, despite an increase in income due to higher sales.

In Japan, in the electronics industry, both orders and sales increased in water treatment facilities. Orders and sales in maintenance services rose, thanks to increase of orders for expansion and remodeling projects against a backdrop of a rise in capacity utilization at customers' plants.

In general industries, orders and sales of water treatment facilities decreased, but orders and sales of maintenance services increased mainly for remodeling and expansion projects at customers' plants for the purpose of expanding production capacity. Meanwhile, orders for water treatment facilities for electric power and soil remediation increased due to orders received for large-scale projects, and sales also increased significantly thanks to progress in construction work for large-scale projects the orders for which were received in the previous fiscal year.

Overseas, both orders and sales of water treatment facilities increased due to orders received for large-scale projects in China and South Korea and progress in construction in these projects. Sales in the ultrapure water supply business in Japan and overseas increased due to the posting of sales from expansion projects.

Financial Condition

(1) Assets, liabilities, and net assets

1) Total assets: 342,973 million yen (increased 19,927 million yen from the end of the previous fiscal year)

Current assets totaled 173,172 million yen at the end of the first half (September 30, 2018), an increase of 12,763 million yen from the end of the previous fiscal year (March 31, 2018). This was mainly a result of an increase of 9,933 million yen in funds in hand, or cash and deposits and marketable securities, due to proceeds from sales of investment securities and the receipt of long-term advances received, as well as an increase of 4,218 million yen in trade accounts receivable due to higher sales, despite a decrease of 1,681 million yen in work in progress due to the absence of posting of the relevant projects chiefly associated with the expansion of the scope of application of the percentage-of-completion method.

Non-current assets totaled 169,801 million yen at the end of the six-month period (September 30, 2018), an increase of 7,164 million yen from the end of the previous fiscal year. This increase mainly reflected capital expenditure in the ultrapure water supply business (Water Treatment Facilities business), which outweighed the depreciation of existing facilities.

2) Liabilities: 100,343 million yen (increased 18,150 million yen from the end of the previous fiscal year)

Current liabilities totaled 57,377 million yen at the end of the period, an increase of 1,228 million yen from the end of the previous fiscal year. The increase mainly reflected a rise of 5,889 million yen in Other due to an increase in advances received, while trade accounts payable and income taxes payable decreased 4,493 million yen and 1,237 million yen, respectively.

Non-current liabilities totaled 42,965 million yen at the end of the period, an increase of 16,921 million yen from the end of the previous fiscal year. This increase mainly reflected a rise of 16,859 million yen in Other due to the receipt of long-term advances received.

3) Net assets: 242,629 million yen (increased 1,776 million yen from the end of the previous fiscal year)

Net assets totaled 242,629 million yen at the end of the period, an increase of 1,776 million yen from the end of the previous fiscal year.

The increase was mainly due to a rise of 3,273 million yen in shareholders' equity, while accumulated other comprehensive income declined 1,342 million yen. The major factor for the increase in shareholders' equity was a climb of 3,554 million yen in retained earnings as a result of posting profit attributable to owners of parent, which outweighed the posting of year-end dividends. Meanwhile, the major factor for the decrease in accumulated other comprehensive income was a 2,491 million yen decline in foreign currency translation adjustments associated with the appreciation of the yen against foreign currencies, despite a 1,240 million yen increase in unrealized gains on available-for-sale securities as a result of rising unrealized gains on investment securities held.

(2) Cash Flows

1) Cash flows from operating activities

Net cash provided by operating activities during the first half of the fiscal year ending March 31, 2019, totaled 25,913 million yen, an increase of 14,956 million yen from a year ago. This was primarily a result of an increase in cash due to income before income taxes of 9,653 million yen, depreciation and amortization of 9,603 million yen including the amortization of goodwill, and an increase in advances received of 17,366 million yen, as well as a decrease in cash due to an increase in notes and accounts receivable - trade of 5,265 million yen and income taxes paid of 4,829 million yen.

2) Cash flows from investing activities

Net cash used in investing activities stood at 27,169 million yen, an increase of 17,572 million yen from a year earlier, chiefly reflecting net deposits into time deposit accounts of 13,834 million yen, payments for the purchase of property, plant and equipment, including capital expenditures for the ultrapure water supply business, of 13,287 million yen, and other outflows.

3) Cash flows from financing activities

Net cash used in financing activities came to 4,348 million yen, a decrease of 4,692 million yen from a year earlier, attributable mainly to cash used for cash dividends paid of 2,926 million yen.

Outlook for the Fiscal Year Ending March 31, 2019

With respect to the consolidated earnings forecast for the fiscal year ending March 31, 2019, the Group will revise its forecast for the full-year net sales stated in "Earnings Release for the Fiscal Year Ended March 31, 2018" announced on April 27, 2018 as described below in light of a significant increase in orders received during the first six-month period under review compared with the initial forecast.

(Consolidated earnings forecast)

Revision of the consolidated earnings forecast for the fiscal year ending March 31, 2019 (April 1, 2018 – March 31, 2019)

	Net sales	Operating income	Ordinary income	Profit attributable to owners of parent	Net income per share (Yen)
	Million yen	Million yen	Million yen	Million yen	Yen
Previous forecast (A)	255,000	24,000	24,200	17,000	151.41
Revised forecast (B)	260,000	24,000	24,200	17,000	151.41
Change (B – A)	5,000	–	–	–	–
Percent change (%)	2.0	–	–	–	–
For reference: Fiscal year ended March 31, 2018	236,815	22,475	22,104	17,897	159.37

Financial Statements — Consolidated

Balance Sheet — Consolidated

(Million yen)

	As of March 31, 2018	As of September 30, 2018
	Amount	Amount
Assets		
Current assets		
Cash and deposits	61,086	69,579
Notes receivable – trade	7,870	7,869
Accounts receivable – trade	78,994	83,212
Marketable securities	3	1,443
Finished products	3,968	4,103
Work in process	3,621	1,940
Raw materials and supplies	2,800	2,653
Other	2,528	2,850
Allowance for doubtful accounts	(464)	(480)
Total current assets	160,409	173,172
Non-current assets		
Property, plant and equipment		
Buildings (net)	11,132	12,193
Machinery and equipment (net)	42,843	43,745
Other (net)	32,051	36,056
Total property, plant and equipment	86,028	91,996
Intangible fixed assets		
Goodwill	20,362	21,567
Other	10,641	9,725
Total intangible fixed assets	31,003	31,292
Investments and other assets		
Investment securities	35,683	35,910
Other	10,099	10,778
Allowance for doubtful accounts	(176)	(177)
Total investments and other assets	45,605	46,511
Total noncurrent assets	162,637	169,801
Total assets	323,046	342,973

(Million yen)

	As of March 31, 2018	As of September 30, 2018
	Amount	Amount
Liabilities		
Current liabilities		
Notes payable – trade	2,073	2,636
Accounts payable – trade	26,801	22,308
Income taxes payable	4,806	3,569
Provision for bonuses	2,420	2,783
Other provision	1,015	1,159
Other	19,031	24,920
Total current liabilities	56,149	57,377
Non-current liabilities		
Net defined benefit liability	16,610	16,688
Provision	191	175
Other	9,242	26,101
Total non-current liabilities	26,044	42,965
Total liabilities	82,193	100,343

Net assets		
Shareholders' equity		
Common stock	13,450	13,450
Capital surplus	10,959	10,665
Retained earnings	209,149	212,703
Treasury stock	(10,943)	(10,931)
Total shareholders' equity	222,615	225,888
Accumulated other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	16,558	17,798
Deferred gains (losses) on hedges	(1)	(90)
Revaluation reserve for land	(380)	(380)
Foreign currency translation adjustments	6	(2,485)
Remeasurements of defined benefit plans	3	2
Total accumulated other comprehensive income	16,187	14,845
Non-controlling interests	2,049	1,895
Total net assets	240,853	242,629
Total liabilities and net assets	323,046	342,973

Statements of Income and Comprehensive Income — Consolidated

Statement of Income

(Million yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Amount	Amount
Net sales	108,107	128,587
Cost of sales	71,575	89,290
Gross profit	36,532	39,297
Selling, general and administrative expenses		
Directors' and corporate auditors' compensations, salaries and allowances	9,487	10,333
Provision for bonuses	1,465	1,628
Research and development expenses	2,554	2,683
Other	12,871	14,378
Total Selling, general and administrative expenses	26,378	29,024
Operating income	10,153	10,272
Non-operating income		
Interest income	94	73
Dividend income	281	292
Foreign exchange gains	–	277
Equity in earnings of unconsolidated subsidiaries and affiliates	72	34
Other	286	431
Total non-operating income	734	1,109
Non-operating expenses		
Interest expense	209	167
Foreign exchange losses	171	–
Loss on valuation of investments in capital	–	251
Acquisition expenses	70	290
Other	162	295
Total non-operating expenses	612	1,005
Ordinary income	10,274	10,376
Extraordinary income		
Gain on sales of investment securities	206	2,162
Total extraordinary income	206	2,162
Extraordinary losses		
Loss on transfer of business	–	2,885
Total extraordinary losses	–	2,885
Income before income taxes	10,480	9,653
Income taxes	3,015	3,152
Net income	7,465	6,500
Profit attributable to non-controlling interests	52	(15)
Profit attributable to owners of parent	7,412	6,516

Statement of Comprehensive Income

(Million yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Amount	Amount
Net income	7,465	6,500
Other comprehensive income		
Unrealized gains (losses) on available-for-sale securities	1,471	1,242
Deferred gains (losses) on hedges	(798)	(89)
Foreign currency translation adjustments	656	(131)
Remeasurements of defined benefit plans, net of tax	(4)	(0)
Share of other comprehensive income of associates accounted for using equity method	(17)	(31)
Total other comprehensive income	1,306	989
Comprehensive income	8,771	7,490
Components:		
Comprehensive income attributable to owners of parent	8,732	7,566
Comprehensive income attributable to non-controlling interests	39	(75)

Statement of Cash Flows — Consolidated

(Million yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Amount	Amount
Cash flows from operating activities		
Income before income taxes	10,480	9,653
Depreciation and amortization	7,648	8,779
Amortization of goodwill	561	824
Increase (decrease) in provision	382	631
Gain on sales of investment securities	(206)	(2,162)
Loss on transfer of business	–	2,885
(Increase) decrease in notes and accounts receivable – trade	(2,197)	(5,265)
(Increase) decrease in inventories	(1,769)	1,035
Increase (decrease) in notes and accounts payable – trade	(1,371)	(3,250)
Increase (decrease) in advances received	229	17,366
Increase (decrease) in net defined benefit liability	234	123
Income taxes paid	(2,911)	(4,829)
Other	(122)	122
Net cash provided by (used in) operating activities	10,957	25,913
Cash flows from investing activities		
Deposits into time deposit accounts	(9,533)	(15,659)
Withdrawals from time deposits	7,692	1,825
Payments for purchases of property, plant and equipment	(7,111)	(13,287)
Proceeds from sale of property, plant and equipment	30	15
Payments for purchases of investment securities	(4)	(0)
Proceeds from sales and redemption of investment securities	286	3,438
Purchase of shares of subsidiaries resulting in change in scope of consolidation	(137)	(2,338)
Other payments	(913)	(1,424)
Other proceeds	93	261
Net cash provided by (used in) investing activities	(9,597)	(27,169)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	–	383
Repayments of long-term loans payable	(250)	(308)
Repayment of finance lease obligations	(322)	(387)
Proceeds from sales of treasury shares	4	6
Purchase of treasury stock	(5,588)	(1)
Cash dividends paid	(2,863)	(2,926)
Dividends paid to non-controlling interests	(19)	(18)
Purchase of shares of subsidiaries without change in scope of consolidation	–	(1,094)
Net cash provided by (used in) financing activities	(9,040)	(4,348)

(Million yen)

	Six months ended September 30, 2017	Six months ended September 30, 2018
	Amount	Amount
Effect of exchange rate changes on cash and cash equivalents	32	506
Net increase (decrease) in cash and cash equivalents	(7,648)	(5,098)
Cash and cash equivalents at the beginning of the period	65,438	58,917
Increase in cash and cash equivalents due to the change of the closing date of consolidated subsidiaries	–	1,097
Cash and cash equivalents at the end of the period	57,789	54,915

Notes to Consolidated Financial Statements

(Notes on the Going-concern Assumption)

Six months ended September 30, 2018 (April 1, 2018 – September 30, 2018)

Not applicable

(Notes on Significant Changes in Shareholders' Equity)

Six months ended September 30, 2018 (April 1, 2018 – September 30, 2018)

Not applicable

(Changes in the scope of consolidation or the scope of application of the equity method)

(Changes in the scope of consolidation)

From the first quarter of the current fiscal year, Fracta, Inc. and Fracta (a wholly-owned subsidiary of Fracta, Inc.) are included in the scope of consolidation associated with the acquisition of shares of Fracta, Inc.

(Changes in matters related to the fiscal year of consolidated subsidiaries)

In the past, for all overseas consolidated subsidiaries whose closing date was December 31, the financial statements as of December 31 had been used and necessary adjustments had been made for consolidation for important transactions that had occurred during the period between their closing date and the consolidated closing date. However, the Group has changed the closing date of all overseas consolidated subsidiaries but Kurita Water Industries (Dalian) Co., Ltd., Kurita Water Industries (Jiangyin) Co., Ltd., Kurita Water Industries (Suzhou) Ltd., Kuritec (Shanghai) Co., Ltd. and Kurita do Brasil Ltda. to March 31. For the five companies above, the Group has changed their account settlement method to one in which a provisional closing equivalent to the full-year account settlement is made on the consolidated closing date. In association with this change, the Group has made an adjustment for profits and losses for three months from January 1, 2018 to March 31, 2018 using retained earnings and consolidated them in the first six-month period under review, and made an adjustment for cash flows using cash and cash equivalents at the beginning of the period and consolidated them.

(Changes in accounting policies)

(Changes to accounting policies that are difficult differentiating from changes to accounting estimates)

(Changes to the depreciation method of property, plant and equipment)

In the past, the Company adopted the declining-balance method for the deprecation of buildings (excluding facilities attached to buildings) acquired on or after April 1, 1998, facilities attached to buildings and structures acquired on or after April 1, 2016 and property, plant and equipment (excluding leased assets) except for facilities of ultrapure water supply business which the Company had installed at customer sites. However, the Company has changed the depreciation method for them to the straight-line method from the first quarter of the current fiscal year.

The Company has made this change because the pattern of consumption of the economic benefits of property, plant and equipment has changed as the expansion of the global business and a transition to the optimum production system have become clear. Given that actual production on a consolidated basis generally stays at a certain level and that the operation of facilities is also stable, the Company has determined that the straight-line method is more suitable for the consumption pattern of the economic benefits of property, plant and equipment.

The impact of this change on profits and losses in the first six-month period under review is minor.

(Application of Accounting Unique to the Creation of Quarterly Consolidated Financial Statements)

Calculation of tax expense

The Company reasonably estimates an effective tax rate after the application of tax effect accounting for net income before income taxes for the consolidated fiscal year and multiplies the net income before income taxes by the estimated effective tax rate.

(Additional Information)

(Adoption of the “Partial Amendments to Accounting Standard for Tax Effect Accounting”)

The Company has adopted the “Partial Amendments to Accounting Standard for Tax Effect Accounting” (ASBJ Statement No. 28 on February 16, 2018), among others, from the beginning of the first quarter of the current fiscal year. As a result, deferred tax assets are presented in investments and other assets, and deferred tax liabilities are presented in non-current liabilities.

(Expansion the scope of application of the percentage-of-completion method)

In the past, the Company applied the percentage-of-completion method to construction work for progress of which the certainty of outcome can be recognized and applied the completed-contract method to other construction work. However, the Company has applied the percentage-of-completion method to other construction work from the first quarter of the current fiscal year because a reliable estimate has become possible for most of them due to the development and strengthening of the cost management system.

As a result, net sales have increased 6,655 million yen, and operating income, ordinary income and income before income taxes have increased 1,110 million yen, respectively.

(Statement of income)

* Loss on transfer of business

Six months ended September 30, 2018 (April 1, 2018 – September 30, 2018)

A loss on transfer of business of 2,885 million yen comprises mainly of a loss on transfer pertaining to the sale of the aluminum compound business of Kurita Europe GmbH, its non-core business, and compensation money for the business continuation.

(Segment Information)

1. Sales and income by reportable segment

Six months ended September 30, 2017 (April 1, 2017 – September 30, 2017)

(Million yen)

	Reportable Segments			Adjustments (note 1)	Amounts reported on the quarterly statements of income (note 2)
	Water Treatment Chemicals	Water Treatment Facilities	Total		
Sales					
Sales to outside customers	44,074	64,032	108,107	–	108,107
Inter-segment sales or transfers	202	128	330	(330)	–
Total	44,276	64,161	108,438	(330)	108,107
Segment income	3,850	6,307	10,158	(5)	10,153

Notes:

1. Adjustments related to sales represent elimination of inter-segment sales. Resultant adjustment of segment income is reflected in segment income adjustments.
2. Segment income is shown at the operating income level.

Six months ended September 30, 2018 (April 1, 2018 – September 30, 2018)

(Million yen)

	Reportable Segment			Adjustments (note 1)	Amounts reported on the quarterly statements of income (note 2)
	Water Treatment Chemicals	Water Treatment Facilities	Total		
Sales					
Sales to outside customers	51,875	76,711	128,587	–	128,587
Inter-segment sales or transfers	392	694	1,087	(1,087)	–
Total	52,268	77,406	129,674	(1,087)	128,587
Segment income	4,516	5,763	10,279	(7)	10,272

Notes:

1. Adjustments related to sales represent elimination of inter-segment sales. Resultant adjustment of segment income is reflected in segment income adjustments.
2. Segment income is shown at the operating income level.

2. Matters related to changes in reportable segments

(Changes in the depreciation method of property, plant and equipment)

As stated in changes in accounting policies, the Company has changed the depreciation method for certain property, plant and equipment from the declining-balance method to the straight-line method from the first quarter of the current fiscal year. Associated with this, the Company has also changed the depreciation method for property, plant and equipment in the relevant reportable segments from the declining-balance method to the straight-line method.

The impact of this change on segment income in the Water Treatment Chemicals business and the Water Treatment Facilities business in the six months under review is minor.

(Expansion of the scope of application of the percentage-of-completion method)

As stated in additional information, the Company has expanded the scope of application of the percentage-of-completion method from the first quarter of the current fiscal year.

As a result, net sales in the Water Treatment Facilities business has increased 6,655 million yen in the six months under review, and the segment income has risen 1,110 million yen.

(Significant subsequent events)

(Acquisition of equity interests through a consolidated subsidiary)

On October 5, 2018, the Company concluded an agreement to acquire 25.0% of shares of Pentagon Technologies Group, Inc. (hereinafter “Pentagon Technologies”), a precision tool cleaning company in the United States, through Kurita America Holdings Inc., a wholly owned subsidiary of the Company. Pentagon Technologies will become an affiliated company accounted for using the equity method of the Company.

1. Name, address, the name of representative, the amount of capital and business of the company whose equity interests the Company will acquire

(1) Name:	Pentagon Technologies Group, Inc.
(2) Address:	21031Alexander Ct. Hayward, California, U.S.A.
(3) Name of representative:	Chairman, Irwin H. Pfister
(4) Amount of capital:	2,000 US dollars
(5) Business:	Precision tool cleaning business, the development of surface particle measuring instruments of semiconductor manufacturing equipment, and the provision of clean room-related services

2. Purpose of acquiring equity interests

The Group aims to significantly expand its overseas businesses by establishing a global platform built on four pivotal regions – Japan, Asia, Europe and the Americas, and this investment will be made as part of the Group’s initiatives to strengthen business in the United States, a strategic market. The Group also aims to further accelerate business growth and provide new value by creating synergies with the domestic tool cleaning business it is developing. It will do this by further strengthening market competitiveness with the acquisition of the foundations for service business overseas in the electronics industry, which the Group positions as one of the priority business domains, and through the acquisition of the advanced cleaning technology and know-how of Pentagon Technologies.

3. Time of acquiring equity interests

The Group will acquire equity interests as soon as it has obtained the approval from the authorities.

4. Acquisition price and the ownership ratio after acquisition

(1) Acquisition price:	50,000,000 US dollars
(2) Ownership ratio after acquisition:	25.0%

Supplementary Information — Consolidated

(1) Order Intake

(Million yen)

	Six months ended September 30,			
	2017		2018	
Business segment	Amount	%	Amount	%
Water Treatment Chemicals	44,582	35.6	52,473	37.6
Water Treatment Facilities	80,717	64.4	87,110	62.4
Total	125,300	100.0	139,584	100.0

(2) Net Sales

(Million yen)

	Six months ended September 30,			
	2017		2018	
Business segment	Amount	%	Amount	%
Water Treatment Chemicals	44,074	40.8	51,875	40.3
Water Treatment Facilities	64,032	59.2	76,711	59.7
Total	108,107	100.0	128,587	100.0

(3) Capital Expenditures (Property, Plant and Equipment)

(Million yen)

	Six months ended September 30,			
	2017		2018	
Business segment	Amount	%	Amount	%
Water Treatment Chemicals	917	10.4	1,613	12.5
Water Treatment Facilities	7,901	89.6	11,323	87.5
Total	8,819	100.0	12,936	100.0

(4) Depreciation (Property, Plant and Equipment)

(Million yen)

	Six months ended September 30,			
	2017		2018	
Business segment	Amount	%	Amount	%
Water Treatment Chemicals	843	12.8	998	13.3
Water Treatment Facilities	5,744	87.2	6,498	86.7
Total	6,588	100.0	7,496	100.0

Disclaimer

* This document is an English translation of the Earnings Report for the six Months Ended September 30, 2018 as reference information primarily for overseas investors. If there are any discrepancies between the Japanese version and the English version, the Japanese version shall take precedence in all cases.

* The quarterly financial report is outside the scope of audit procedures by certified public accountants and audit firm.

* Comment regarding appropriate usage of earnings forecast, and other special notes
Forward-looking statements such as earnings forecasts contained in this material are based on information currently available for the Company and certain assumptions which the Company deems reasonable, and the Company does not guarantee that they will be realized. Actual results may differ materially from forecasts due to various factors. Please see "Outlook for the Fiscal Year Ending March 31, 2019" on page 4 of the accompanying materials for notes to the use of earnings forecasts and preconditions, or assumptions, for the forecasts.