

Results Presentation for the Year Ended March 31, 2009

Kurita Water Industries Ltd.

(Stock code : 6370)

May 8, 2009

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I . Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

【 1 】 Financial Highlights

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I . Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

【1】 Financial Highlights



(Billions of Yen)

	03/2008	03/2009	Year-on-year change	Revised projection issued Feb. 26, 2009	Initial projection
Orders	208.7	195.1	- 6.5%	196.0	218.0
Net Sales	204.9	199.7	- 2.5%	200.0	213.0
Operating Income	30.5	27.9	- 8.3%	26.5	32.0
Ordinary Income	31.2	28.9	- 7.4%	27.0	32.3
Net Income	18.3	16.3	- 10.9%	13.6	18.5

Water Treatment Chemicals Business

- Marked drop in clients' factory operating rates from fiscal second half
- Greater-than-expected rise in raw materials prices

Water Treatment Facilities Business

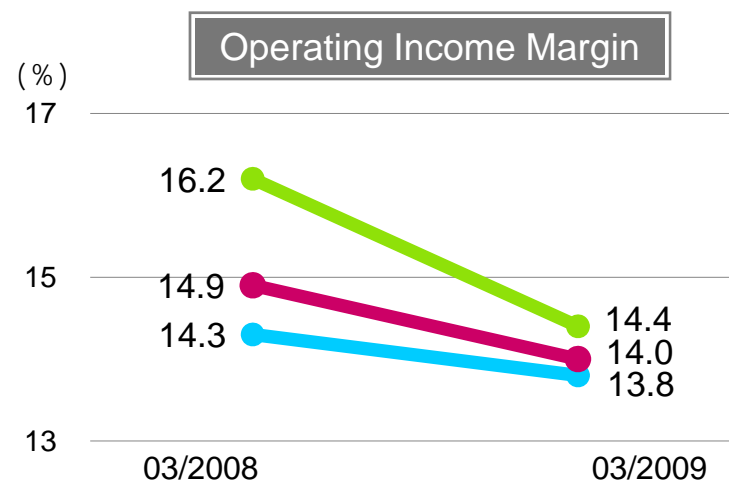
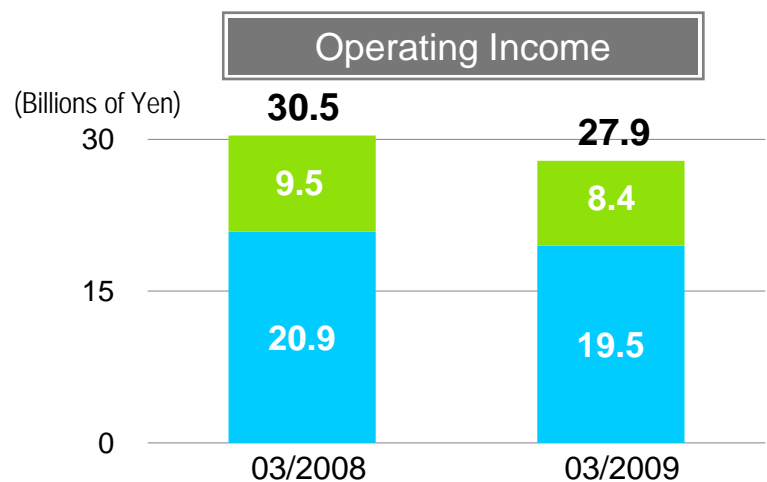
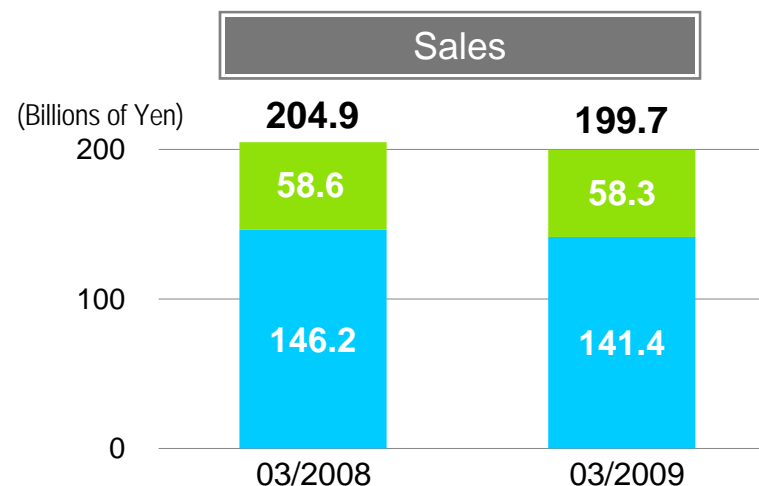
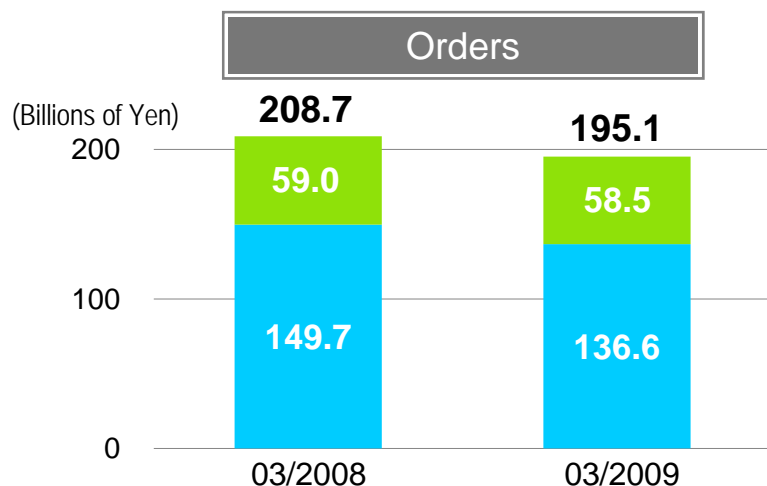
- Sudden cooling of capital expenditure demand in electronics industries
- Decline in clients' factory operating rates in all industries
- Ultrapure water supply business expanded steadily

I . Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

【3】 Orders, Sales, Operating Income, and Operating Income Margin

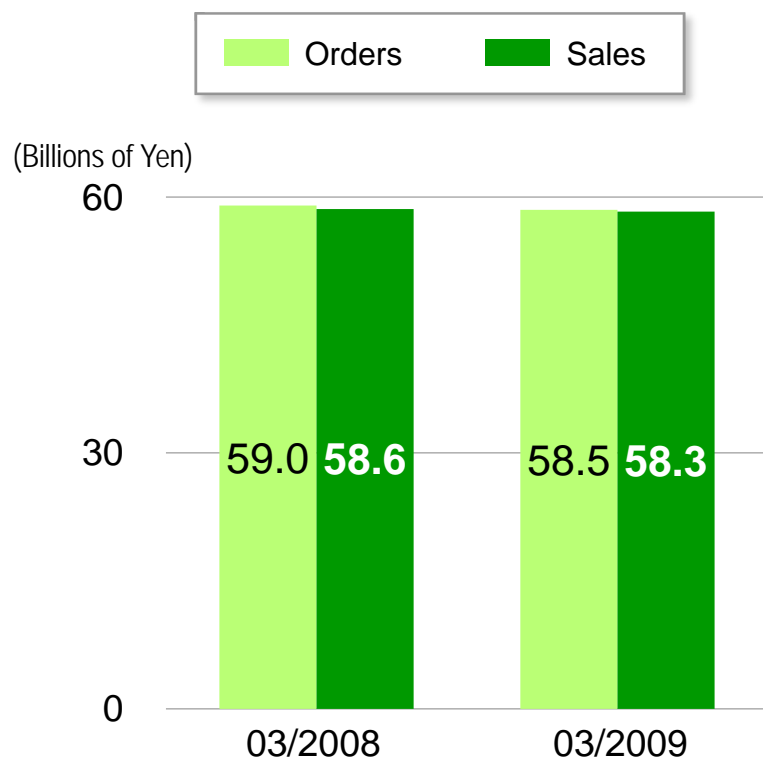


■ Water treatment chemicals
 ■ Water treatment facilities
 —●— Total



【4】 Water treatment chemicals

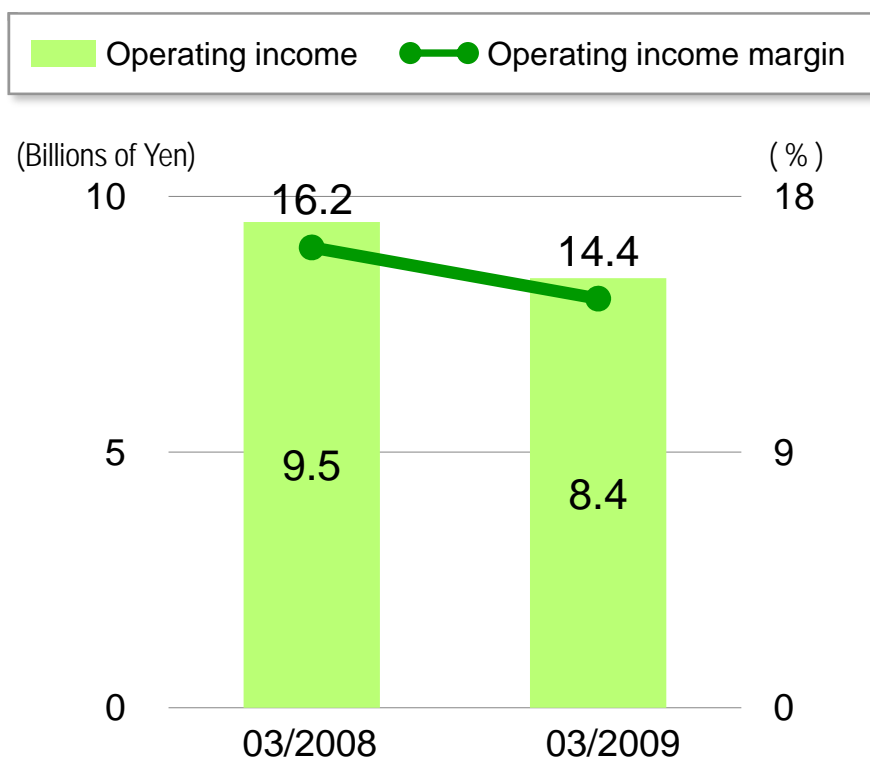
Orders and Sales



【Major areas of growth or decline】

- Growth: Domestic process treatment chemicals (steel, petroleum), wastewater treatment chemicals
- Decline: Domestic boiler water treatment chemicals, equipment

Operating Income and Operating Income Margin



【Major determinants of income decline】

- Rising raw materials prices
- Deteriorating product mix
- Increased SG&A expenses

I . Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

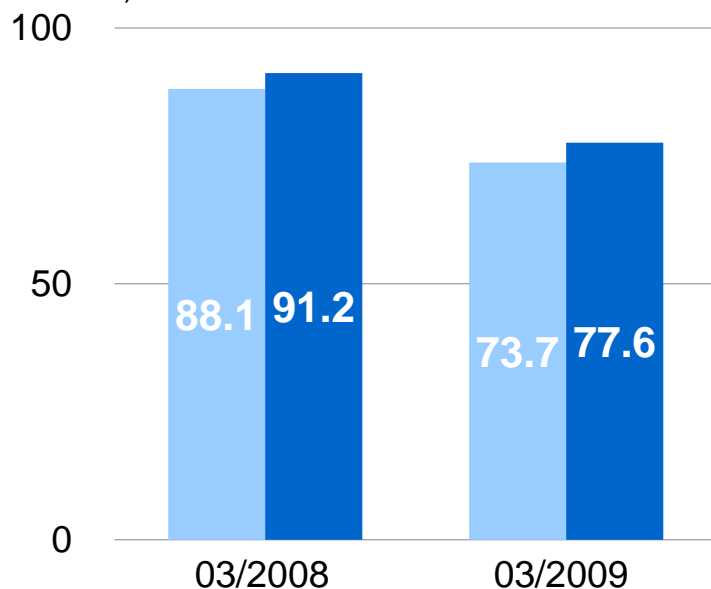
【5】 Water treatment facilities (for the electronics industry)



Orders and Sales

Orders Sales

(Billions of Yen)



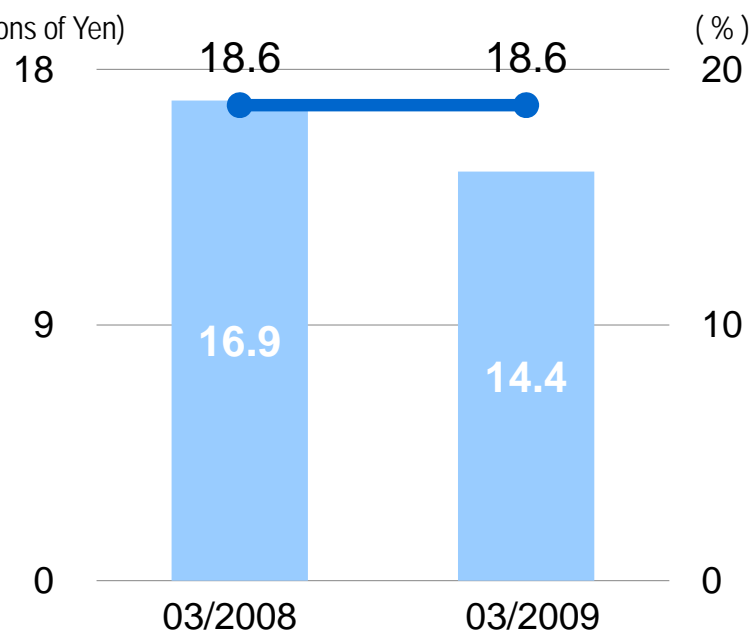
【Determinants of orders/sales growth or decline】

- Lower orders/sales for hardware, maintenance services, and tool cleaning services in Japan and overseas
- Ultrapure water supply business expanded

Operating Income and Operating Income Margin

Operating income Operating income margin

(Billions of Yen)



【Major determinants of income growth or decline】

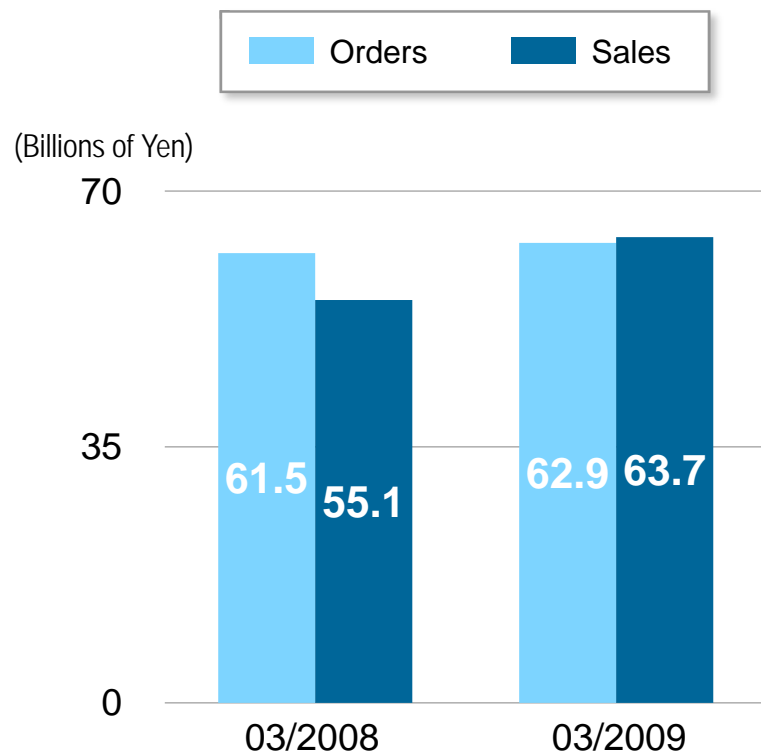
- Decreased revenue from hardware, maintenance services, and tool cleaning services
- Revenue growth in the ultrapure water supply business

I . Consolidated Financial Results for the Fiscal Year Ended March 31, 2009

【6】 Water treatment facilities (for general industries)



Orders and Sales



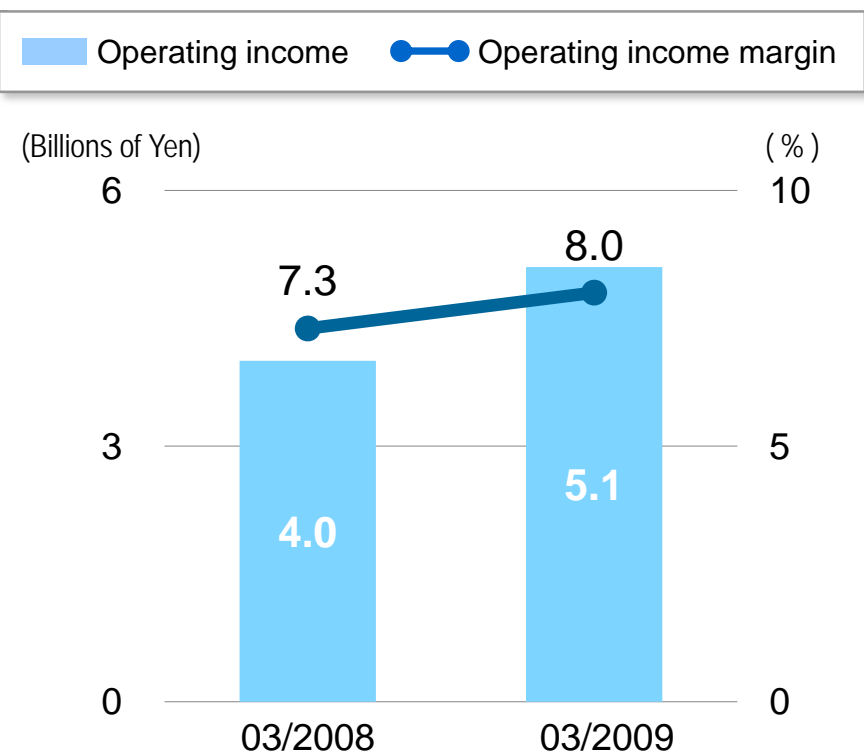
【Major areas of orders growth】

■ Electric power generation, maintenance services

【Major areas of sales growth】

■ Steel, electric power generation, soil remediation, maintenance services

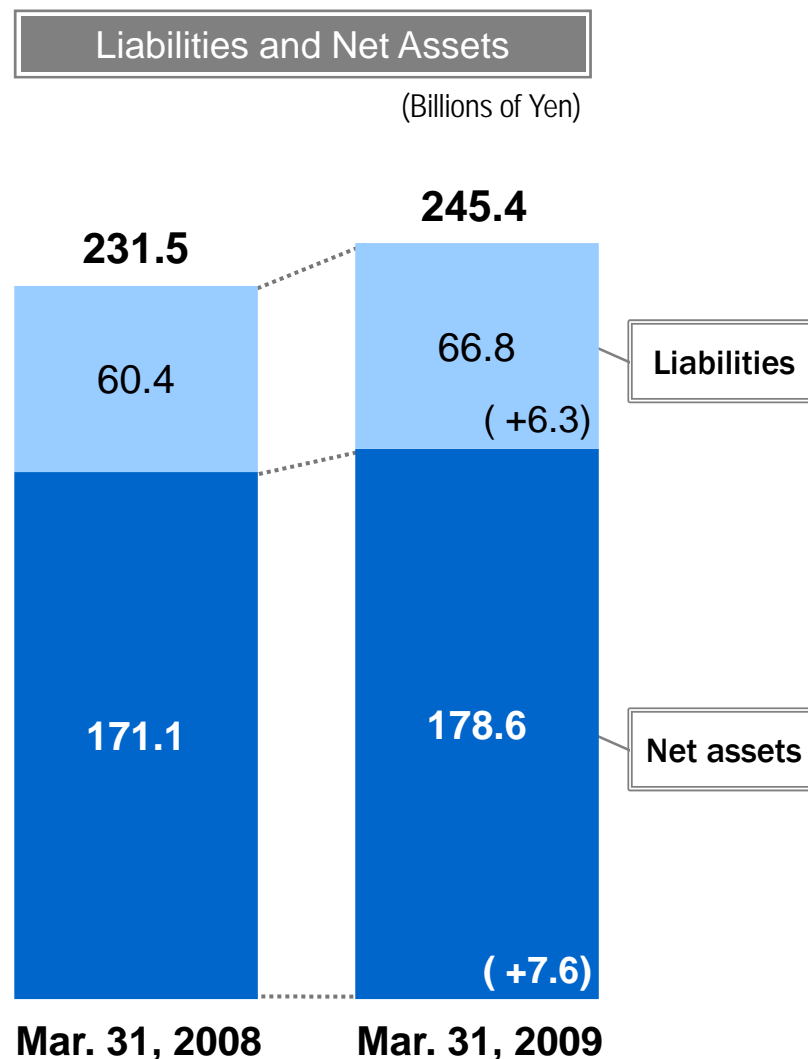
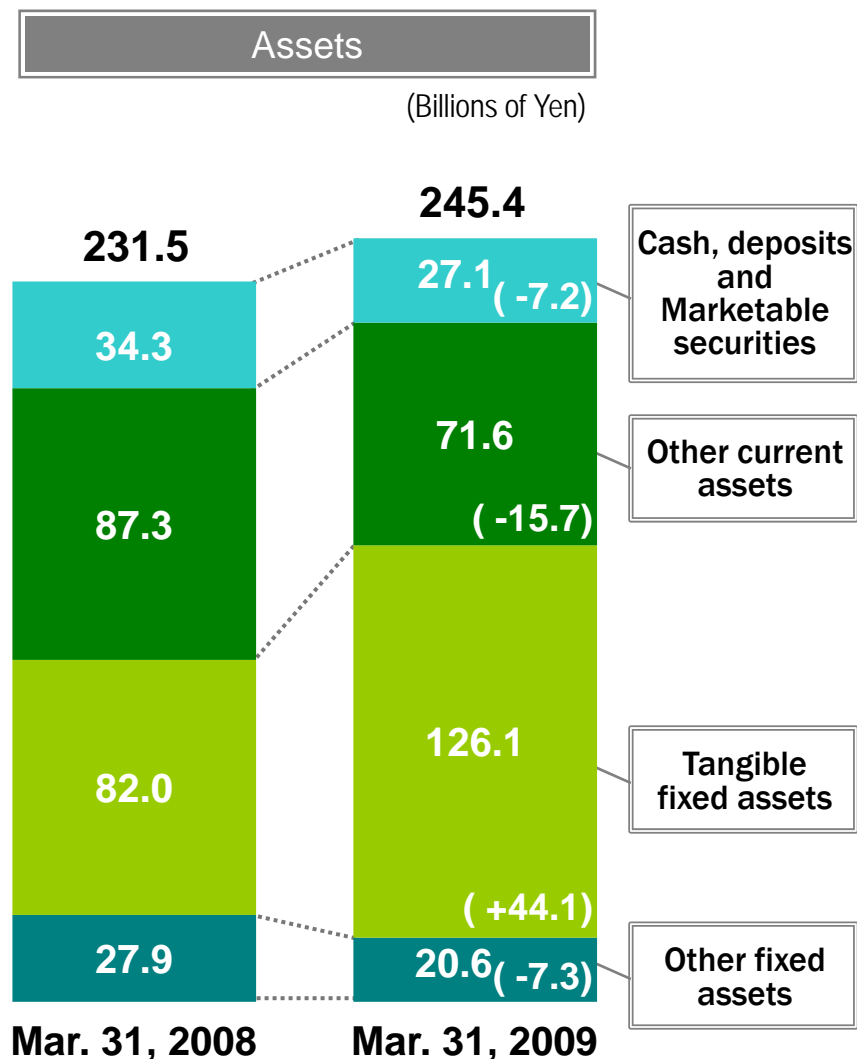
Operating Income and Operating Income Margin



【Determinants of income growth】

■ Increased revenue from hardware and improved margins

【7】 Financial Condition





Ⅱ . Summary of medium-term management plan G-8 (Growth 2008)

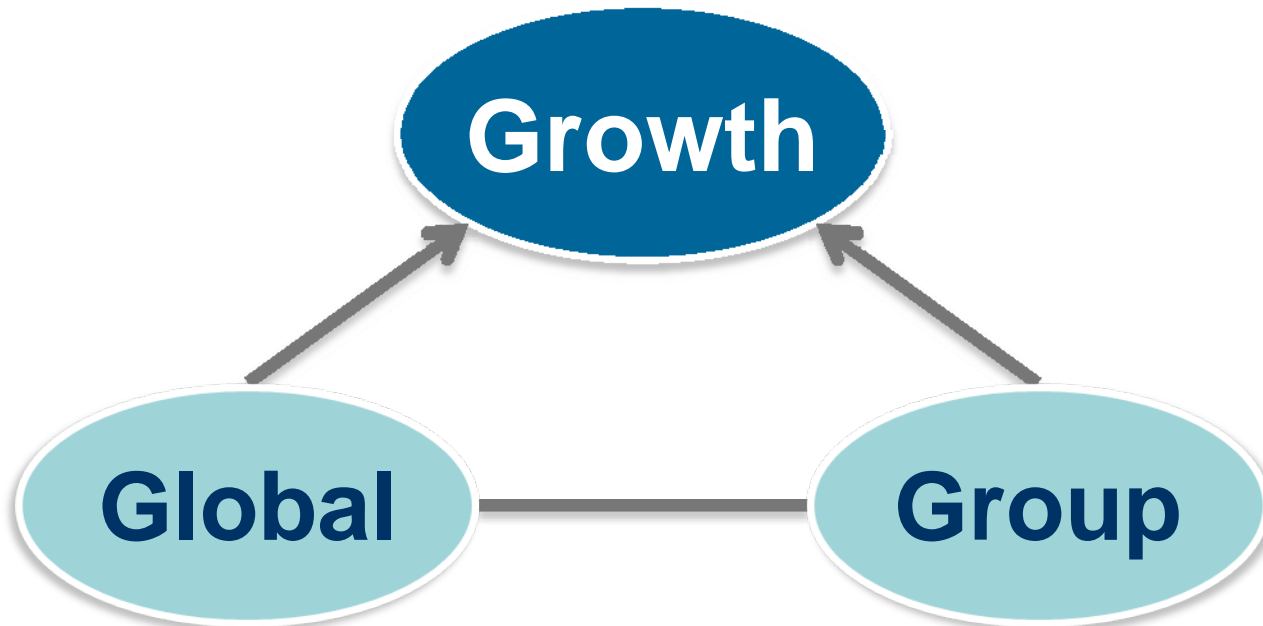
【 1 】 Basic themes

【 2 】 Performance targets and actual results

【 3 】 Key strategies and results

(1) Accelerate shift to service-based business model

(2) Expand global business operations



Growth and Innovation

Bring about growth coupled with strong earnings power

Basic Policy

“ We will promote innovation in the value we provide, and win the overwhelming trust of our customers. ”

Ⅱ . Summary of medium-term management plan G-8 (Growth 2008)

【2】 Performance targets and actual results



G - 8

(Billions of Yen)

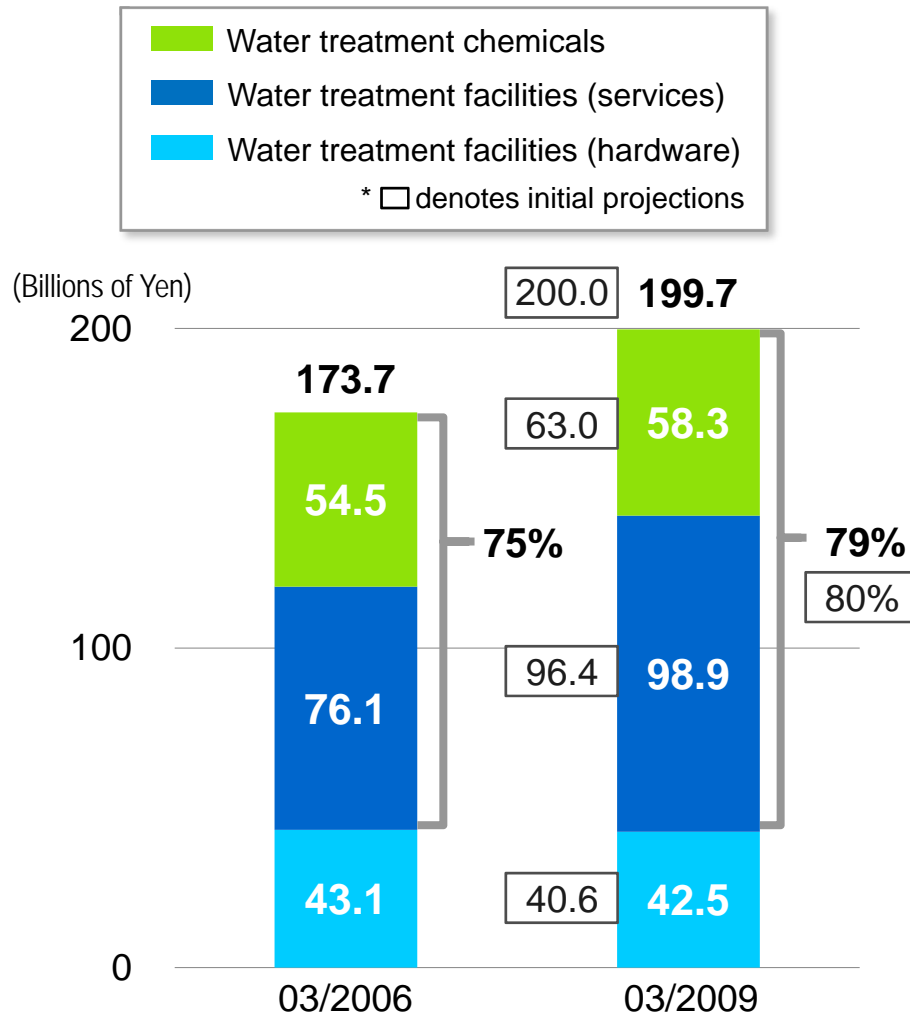
	03/2006	03/2007	03/2008	03/2009	G-8's initial target for 03/2009
Net Sales	173.7	197.1	204.9	199.7	200.0
Operating Income	17.3	24.3	30.5	27.9	27.0
Net Income	10.5	14.2	18.3	16.3	15.4

II. Summary of medium-term management plan G-8 (Growth 2008)

【3】 Key strategies and results

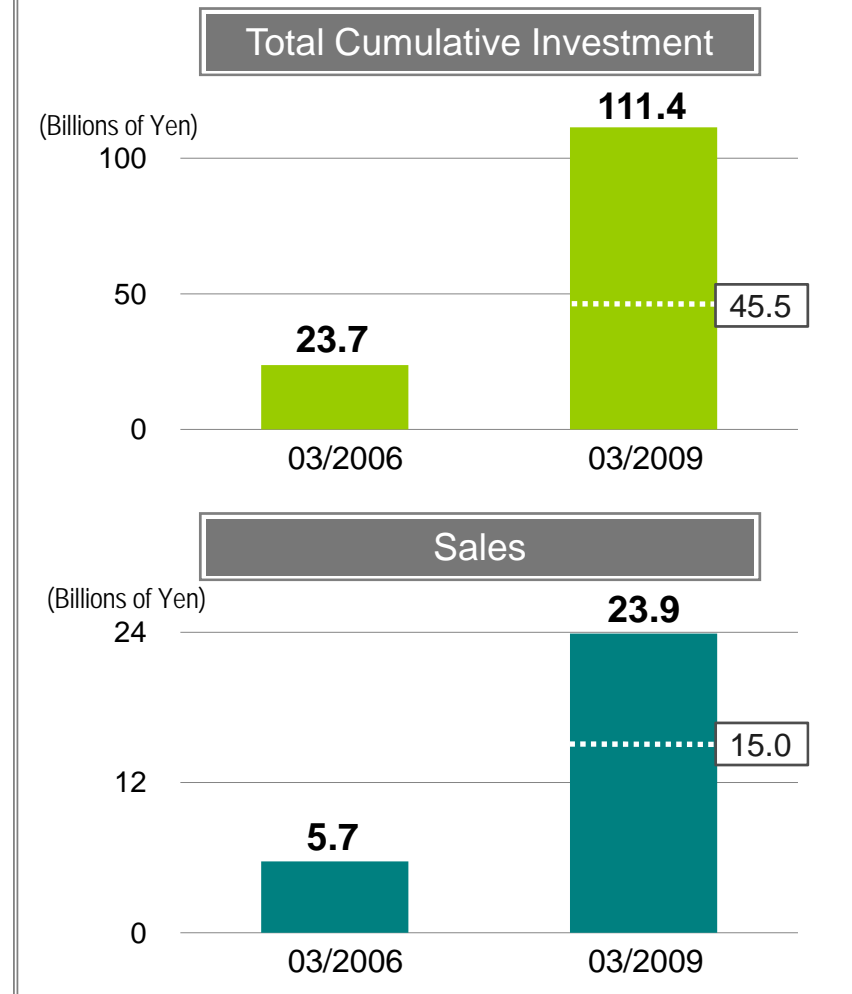


(1) Accelerate shift to service-based business model



【 Ultrapure Water Supply Business 】

* □ denotes initial projections



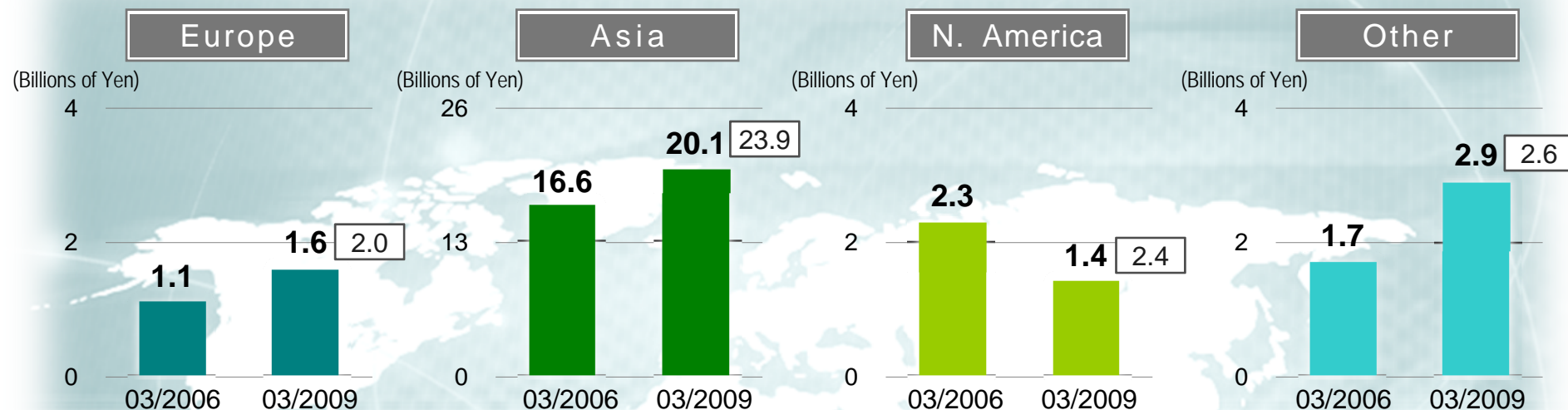
II. Summary of medium-term management plan G-8 (Growth 2008)

【3】 Key strategies and results

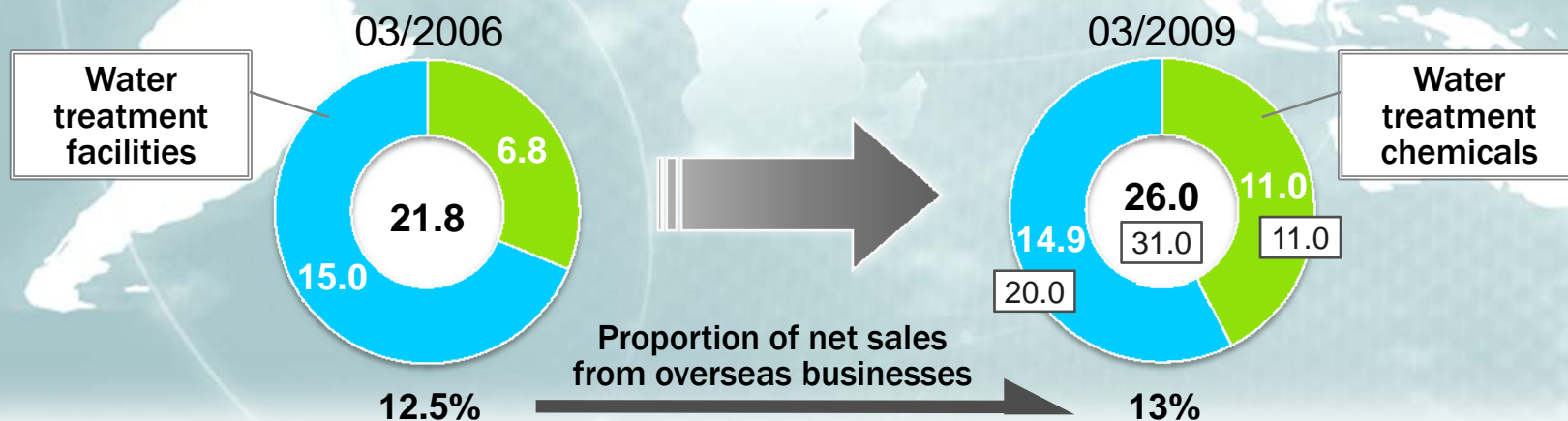


(2) Expand global business operations

* □ denotes initial projections



Sales by Overseas Business Segment





III. Overview of new medium-term management plan, MP-11 (Make Progress 2011)

【 1 】 Basic themes and medium-term vision

【 2 】 Performance targets

【 3 】 Key strategies

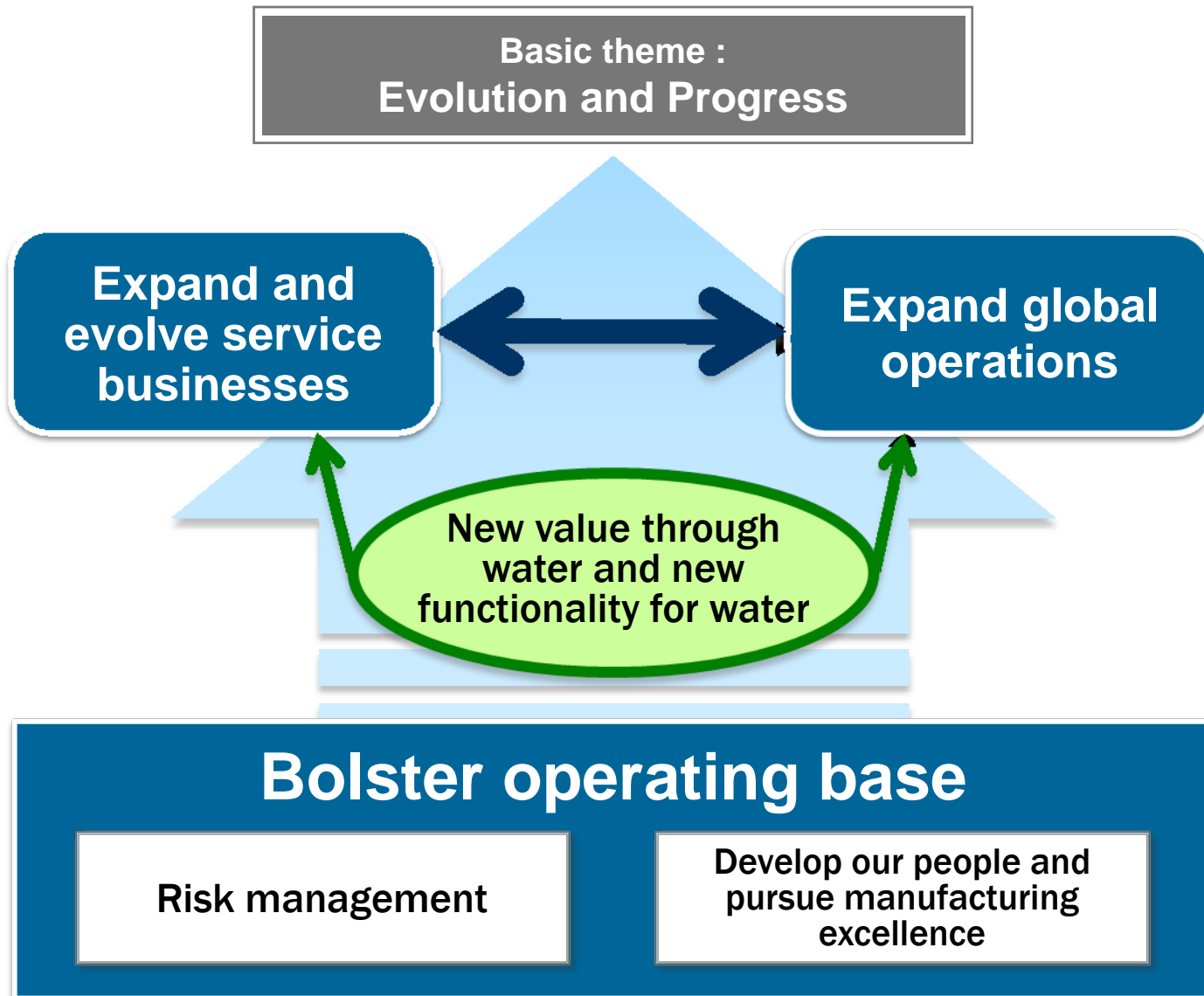
(1) Expand and evolve service businesses

(2) Expand global operations

(3) Create and expand into new business areas

(4) Bolster operating base

【 4 】 Segment projections



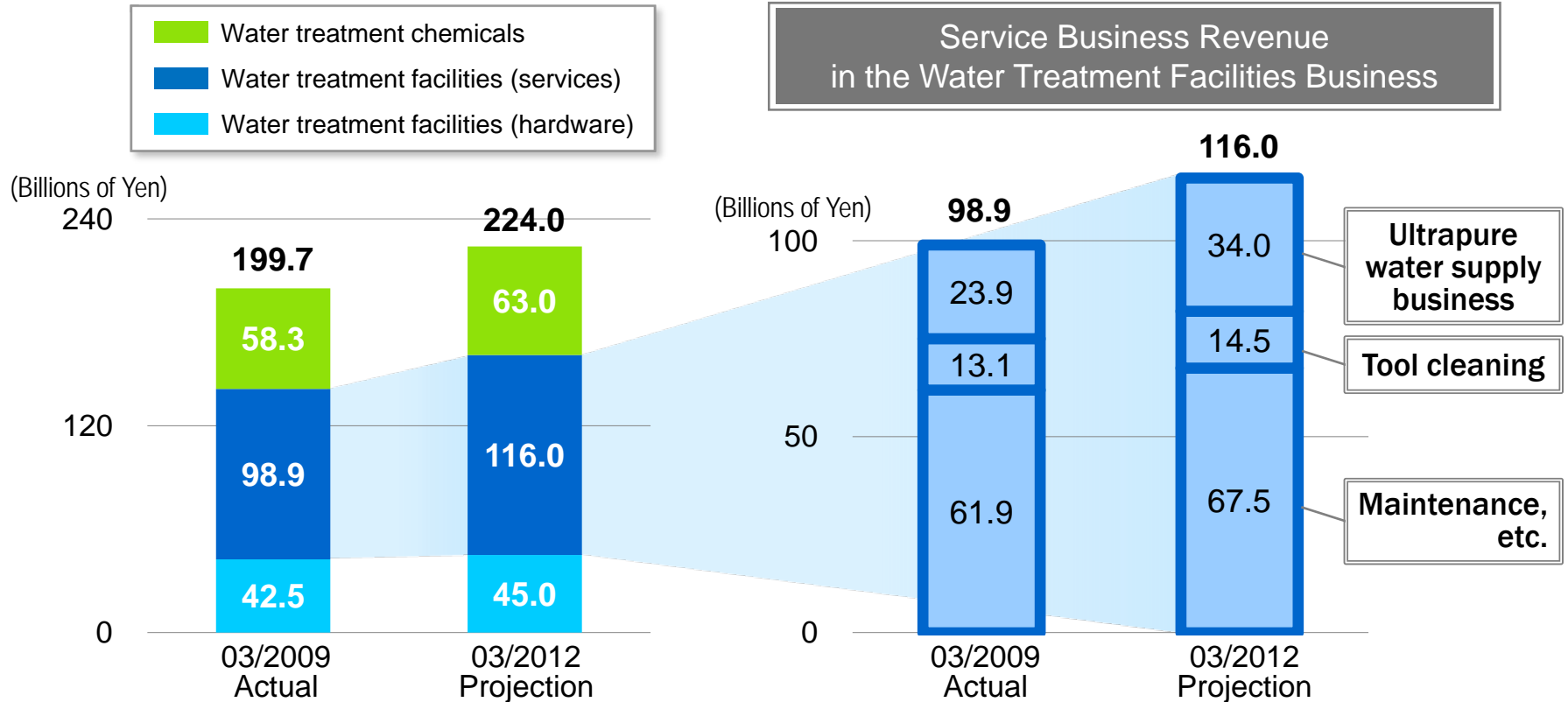
【2】 Performance targets

(Billions of Yen)

	03/2009	03/2012	3-year avg. growth rate
Orders	195.1	228.0	+ 5.3%
Net Sales	199.7	224.0	+ 3.9%
Operating Income	27.9	36.0	+ 8.9%
Ordinary Income	28.9	36.3	+ 7.9%
Net Income	16.3	20.6	+ 8.1%

【3】 Key strategies

(1) Expand and evolve service businesses



- Solve clients' issues to help them boost productivity and reduce environmental burdens
- Evolve the Kurita Group's unique business model, as exemplified by the ultrapure water supply business
- Create new value through water and new functionality for water

【3】 Key strategies

(2) Expand global operations

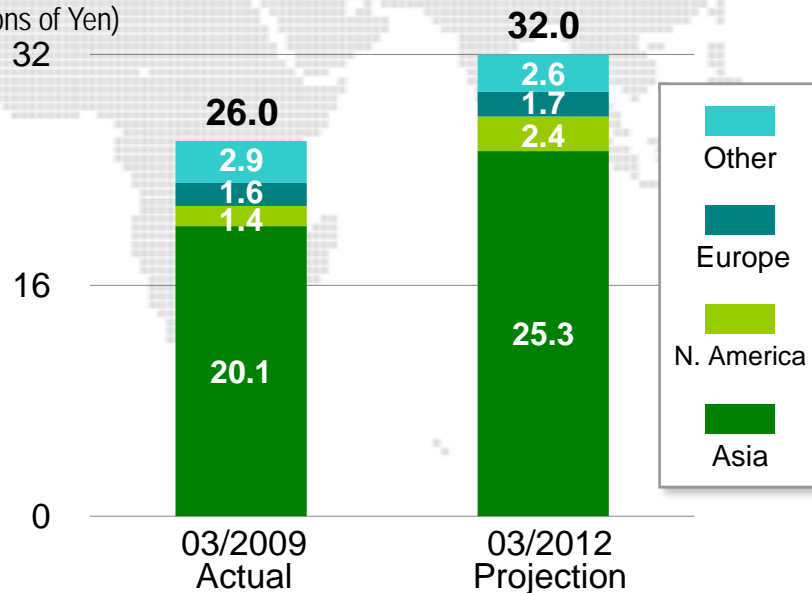
- Water, food and energy shortages
- Spread of environmental pollution

Add new personnel,
particularly in China and
Southeast Asia

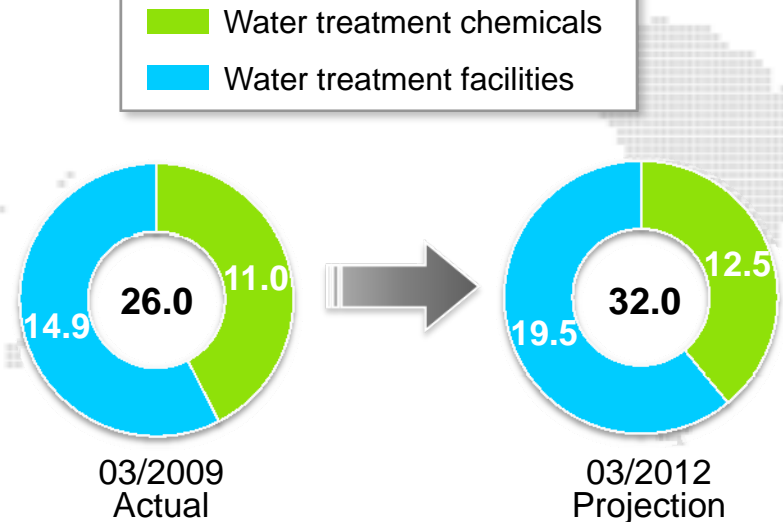
Develop globally competent
human resources and bolster
organizational strengths

Sales by Region

(Billions of Yen)
32



Sales by Overseas Business Segment



(3) Create and expand into new business areas

Problems facing all of mankind



New value through water and new functionality for water

Improve productivity

Reduce environmental burdens

(4) Bolster operating base

Enhance corporate value



**Strengthen risk
management**

**Establish and strengthen
the Group's internal
controls**

**Improve quality and
productivity, and develop
the human resources to
sustain the improvements**

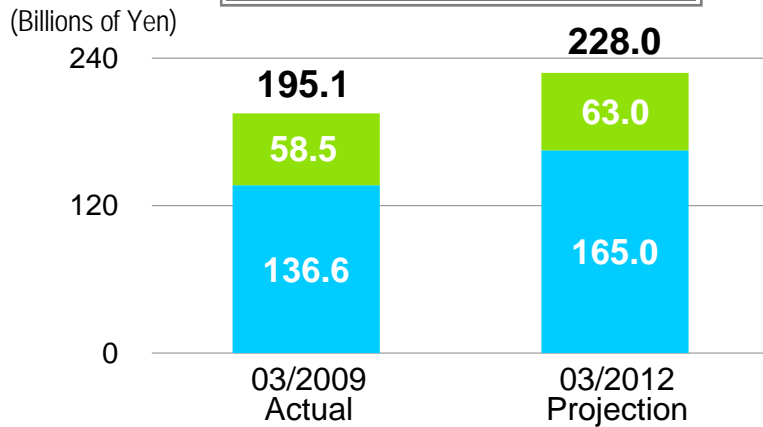
III. Overview of new medium-term management plan, MP-11 (Make Progress 2011)

【4】 Segment projections

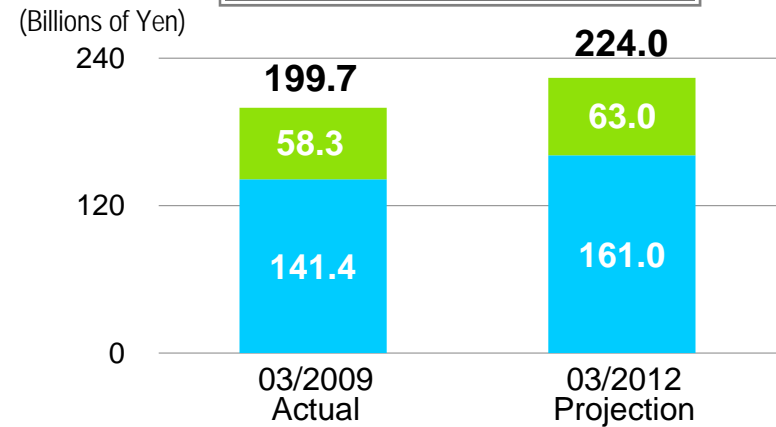


Water treatment chemicals Water treatment facilities Total

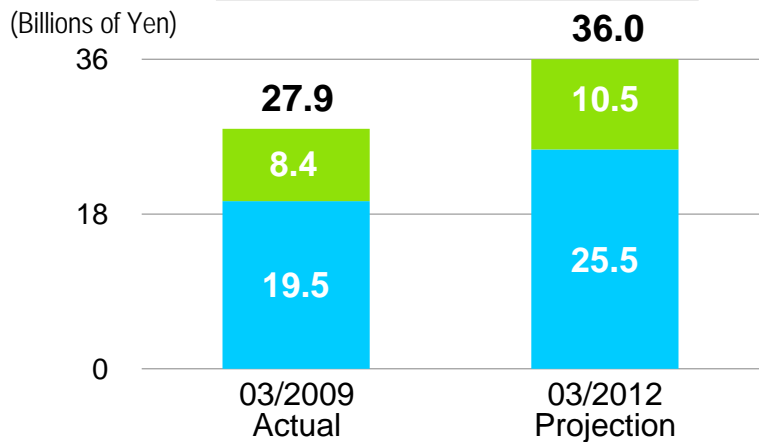
Orders



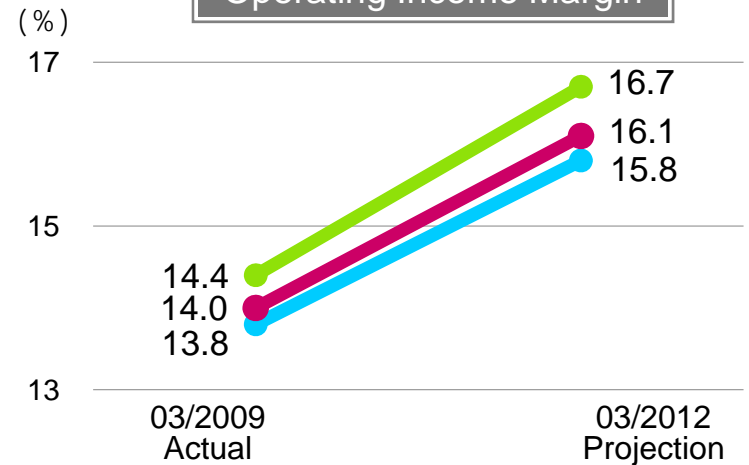
Sales



Operating Income



Operating Income Margin





IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

- 【 1 】 Key Assumptions**
- 【 2 】 Overview**
- 【 3 】 Orders, Sales, Operating Income, and Operating Income Margin**
- 【 4 】 Water treatment chemicals**
- 【 5 】 Water treatment facilities (for the electronics industry)**
- 【 6 】 Water treatment facilities (for general industries)**
- 【 7 】 Service Business Revenue**
- 【 8 】 Ultrapure Water Supply Business (Trends)**
- 【 9 】 Expand Ultrapure Water Supply Business**
- 【10】 Overseas Businesses**
- 【11】 Capital Expenditures, Depreciation, and R&D Expenses**
- 【12】 Dividend Policy**

【1】 Key Assumptions

Water Treatment Chemicals Business

- Operating rates will decline in all industries throughout Japan
- Clients' strong need to boost productivity and tackle environmental issues will continue
- Emerging economies' growth will falter
- Raw materials prices will decline

Water Treatment Facilities Business

- The ultrapure water supply business will expand
- Capital expenditure and operating rates will decline in all industries throughout Japan
- The electronics industry will undergo restructuring

IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

【2】 Overview



(Billions of Yen)

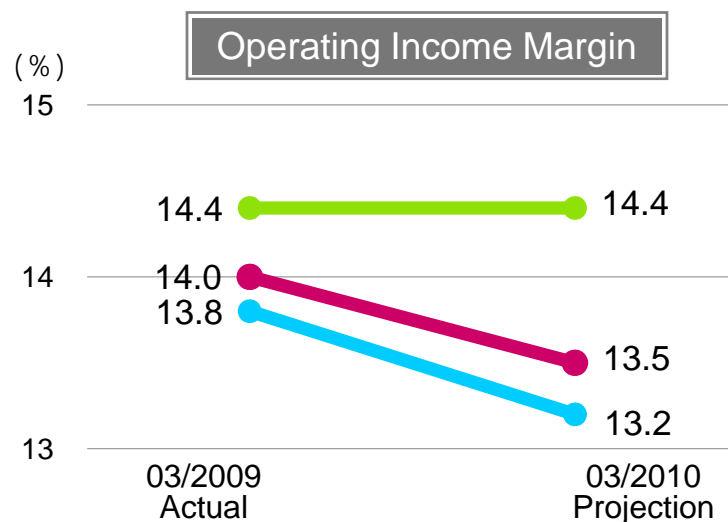
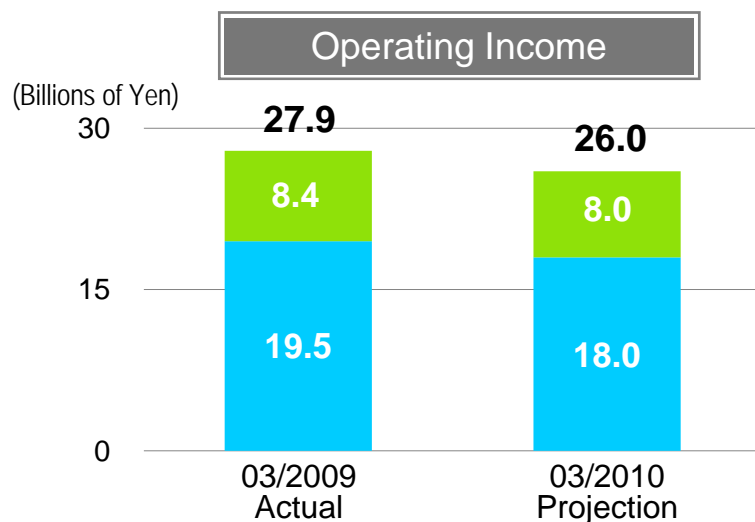
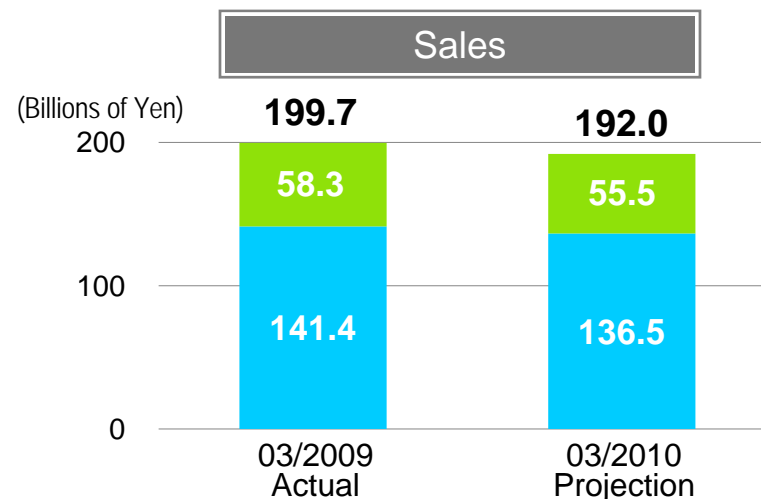
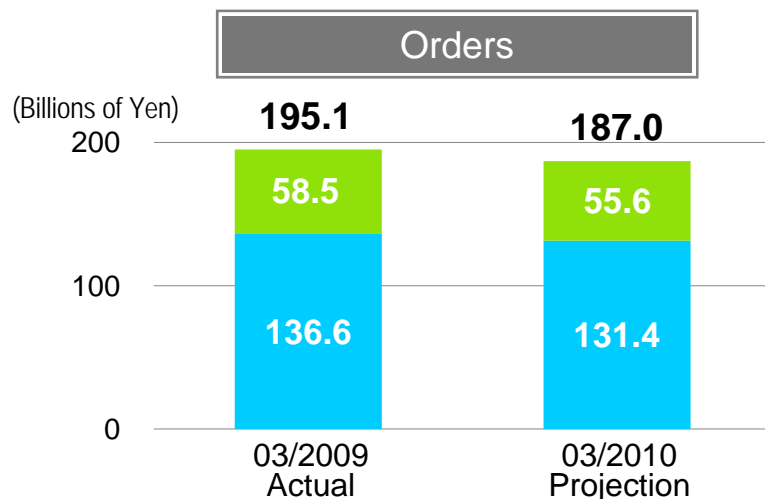
	03/2009 Actual	03/2010 Projection	Year-on-year change
Orders	195.1	187.0	- 4.1%
Net Sales	199.7	192.0	- 3.9%
Operating Income	27.9	26.0	- 6.9%
Ordinary Income	28.9	26.5	- 8.4%
Net Income	16.3	15.0	- 8.0%

IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

【3】 Orders, Sales, Operating Income, and Operating Income Margin



■ Water treatment chemicals
 ■ Water treatment facilities
 —●— Total

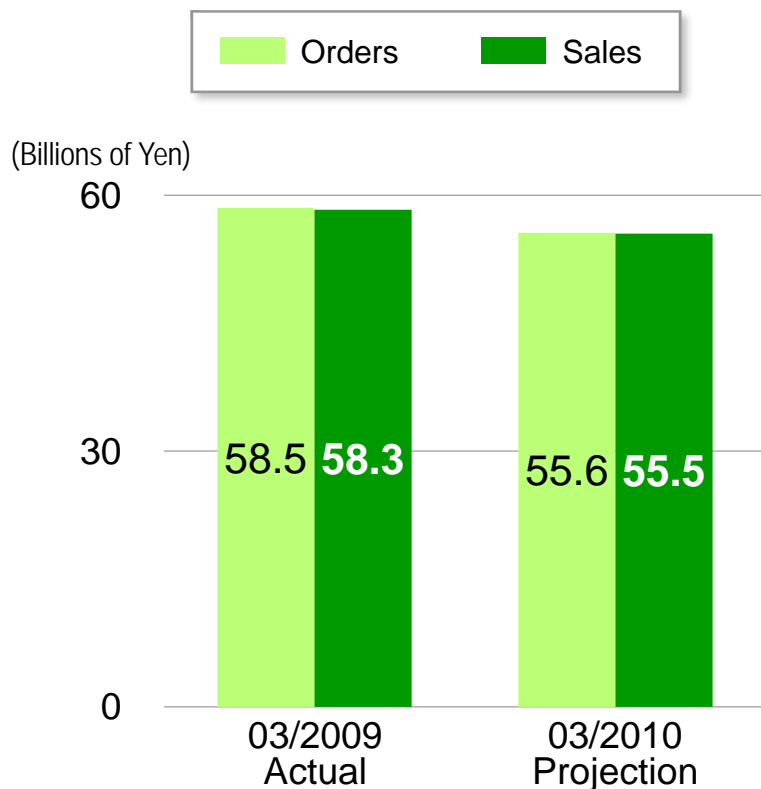


IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

【4】 Water treatment chemicals



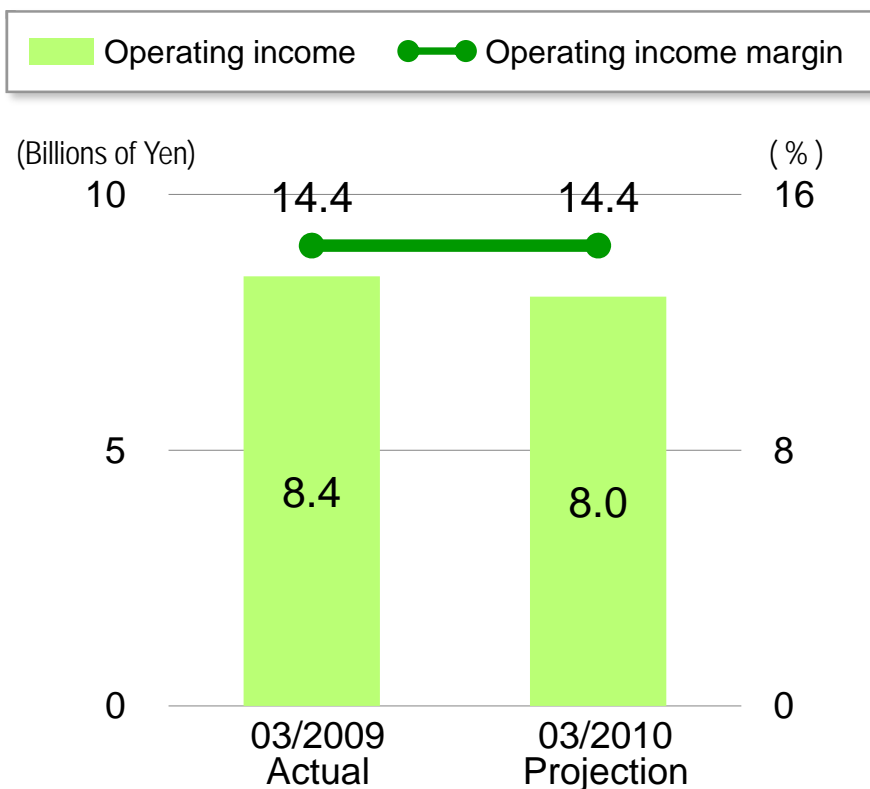
Orders and Sales



【Major determinants of change】

- Decline in shipment volumes
- Growth in products that help enhance productivity

Operating Income and Operating Income Margin



【Major determinants of change】

- Lower revenue in Japan and overseas
- Lower cost prices
- Curbing of SG&A expenses

IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

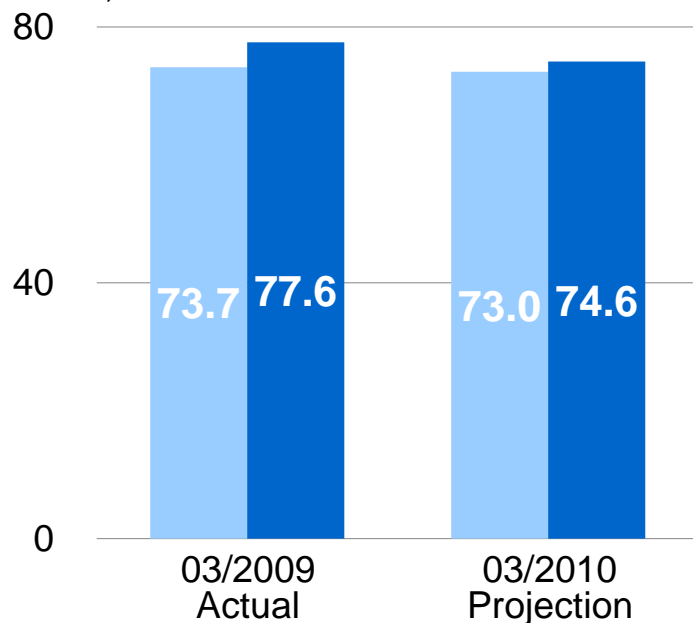
【5】 Water treatment facilities (for the electronics industry)



Orders and Sales

Orders Sales

(Billions of Yen)



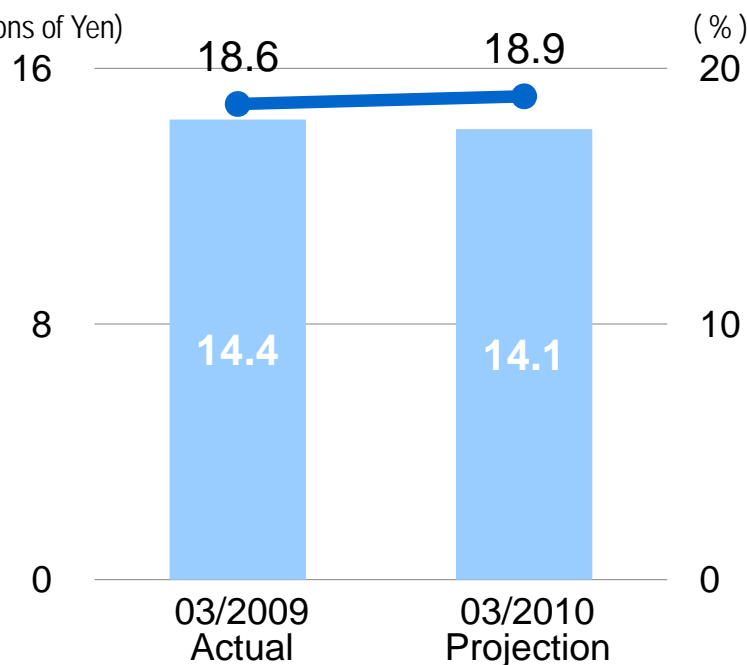
【Major determinants of change】

- Declines in hardware in Japan and overseas and in tool cleaning services in Japan
- Growth in the ultrapure water supply business

Operating Income and Operating Income Margin

Operating income Operating income margin

(Billions of Yen)



【Major determinants of change】

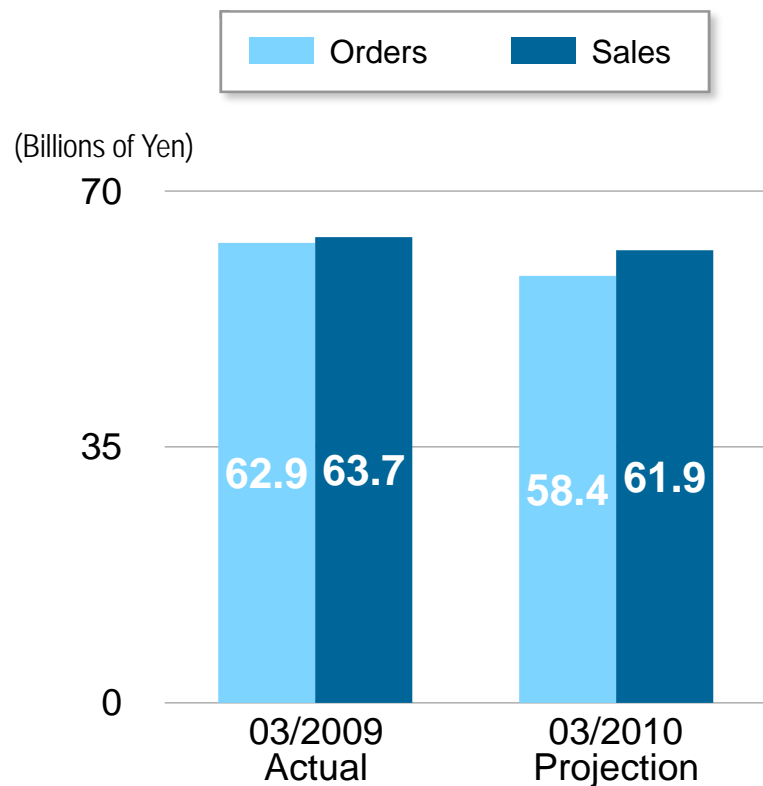
- Decline in revenue from hardware and tool cleaning services
- Revenue growth in the ultrapure water supply business

IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

【6】 Water treatment facilities (for general industries)



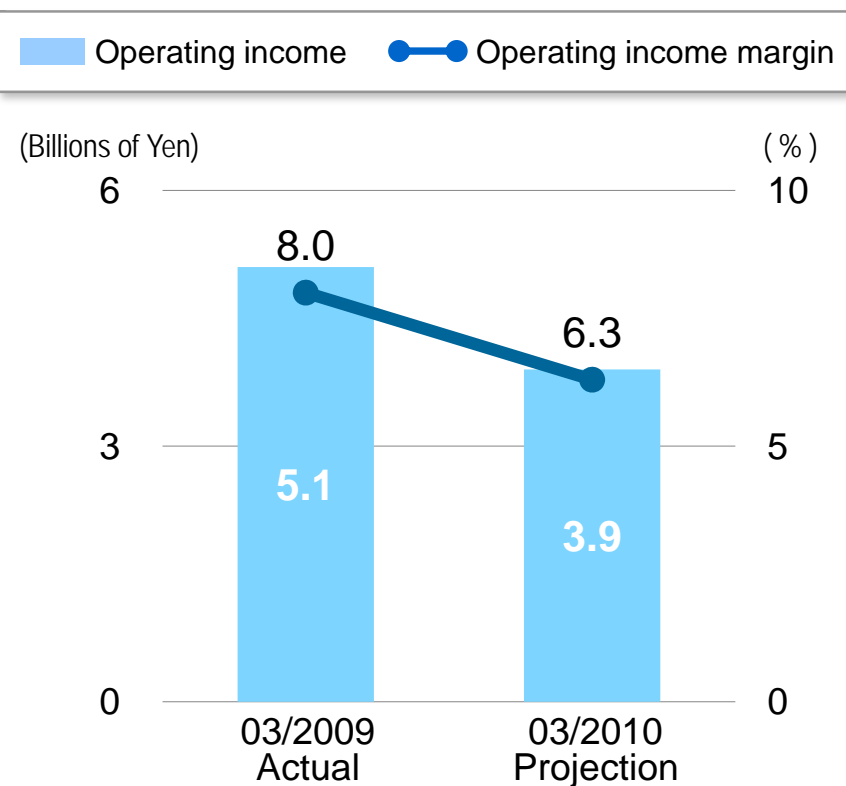
Orders and Sales



【Major determinants of change】

- Growth in maintenance services
- Decline in orders from / sales to the steel industry

Operating Income and Operating Income Margin



【Major determinants of change】

- Decline in hardware

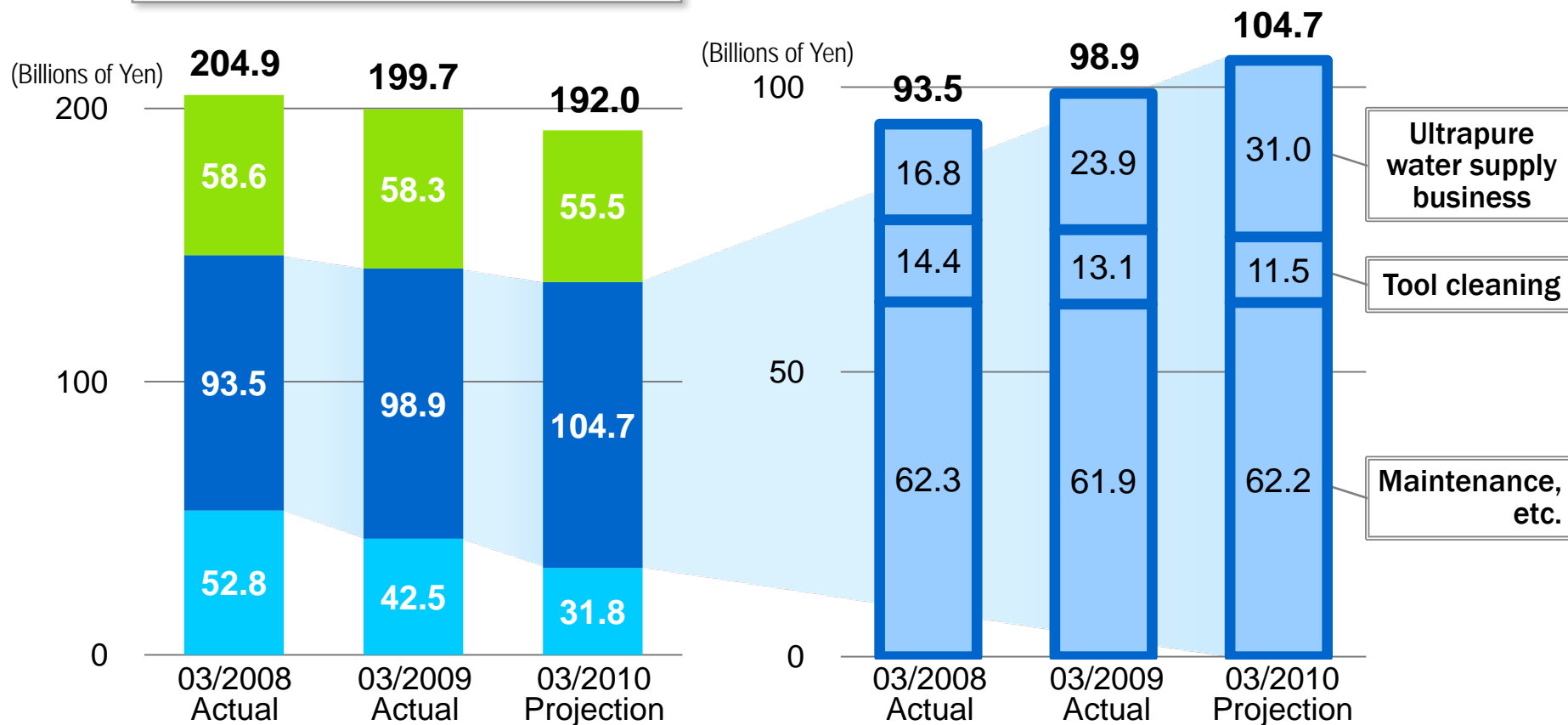
IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

【7】 Service Business Revenue



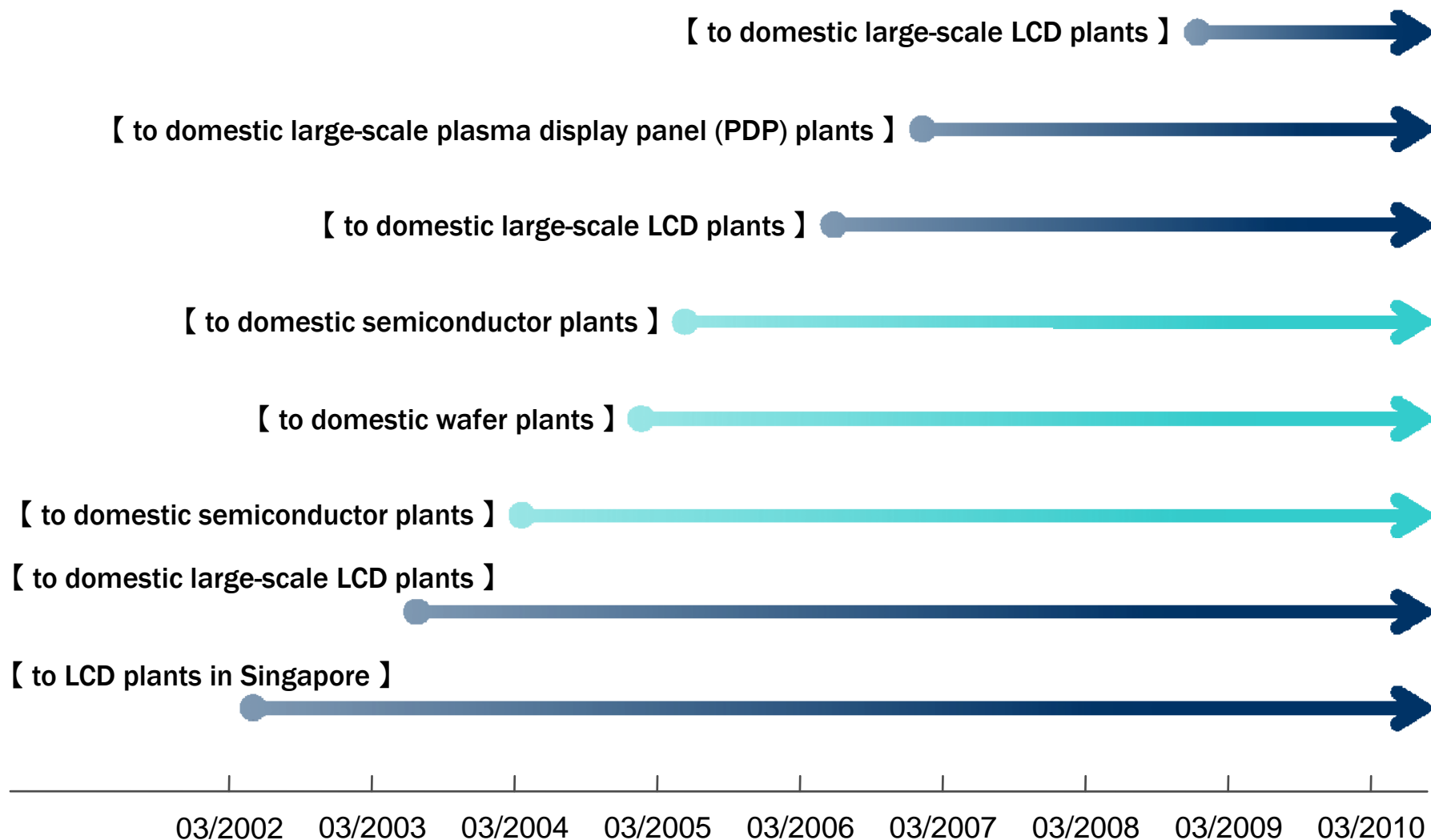
- Water treatment chemicals
- Water treatment facilities (services)
- Water treatment facilities (hardware)

Service Business Revenue in the Water Treatment Facilities Business



*The soil remediation business is included in "Maintenance, etc."

【8】 Ultrapure Water Supply Business (Trends)

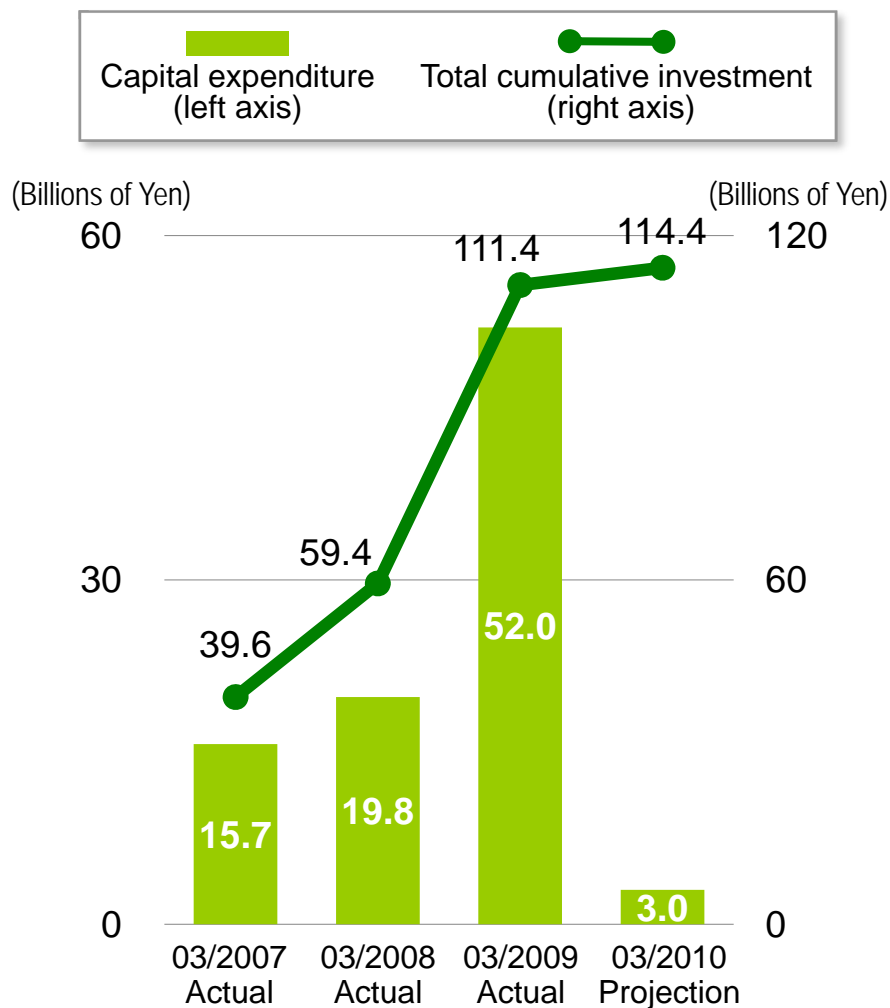


IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

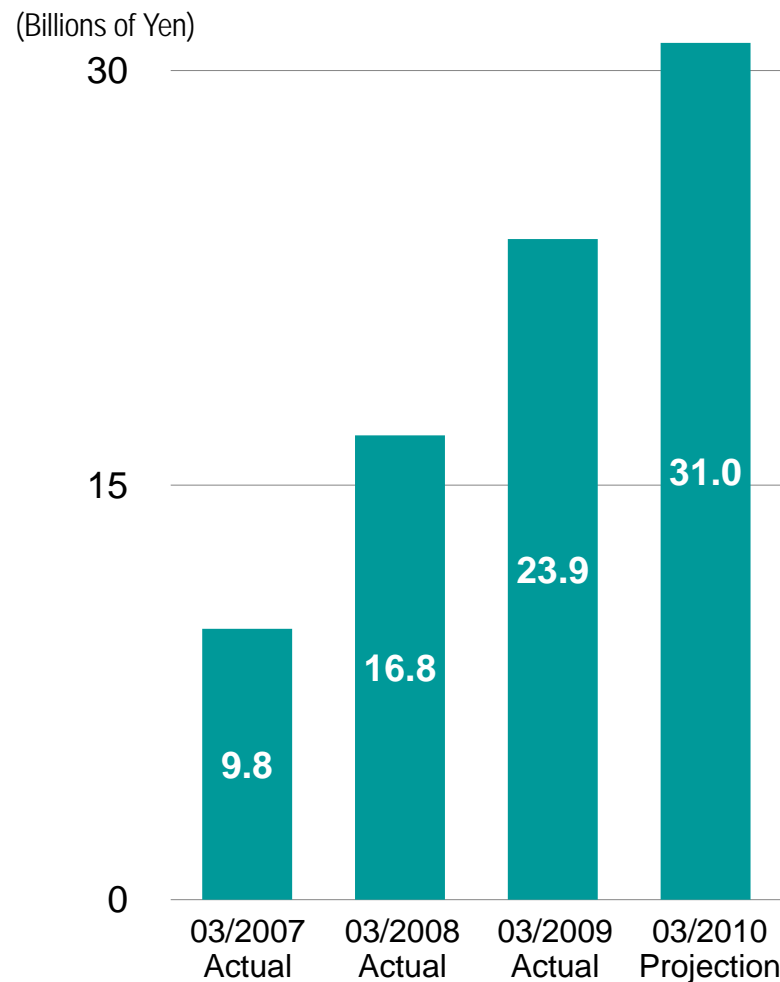
【9】 Expand Ultrapure Water Supply Business



Capital Expenditures and
Total Cumulative Investment



Sales

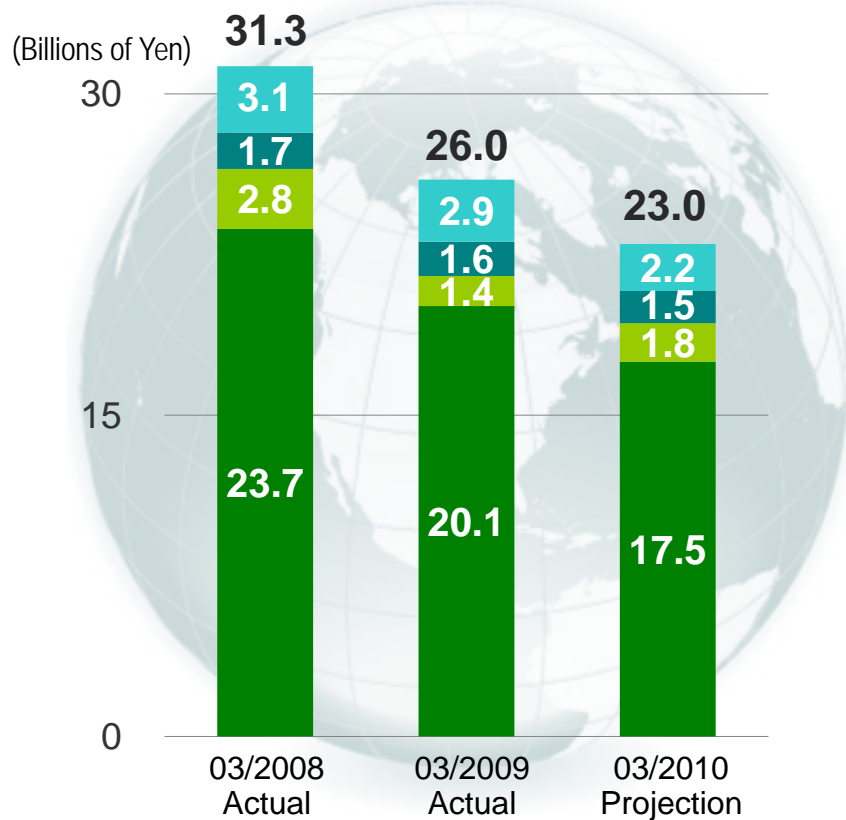


IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

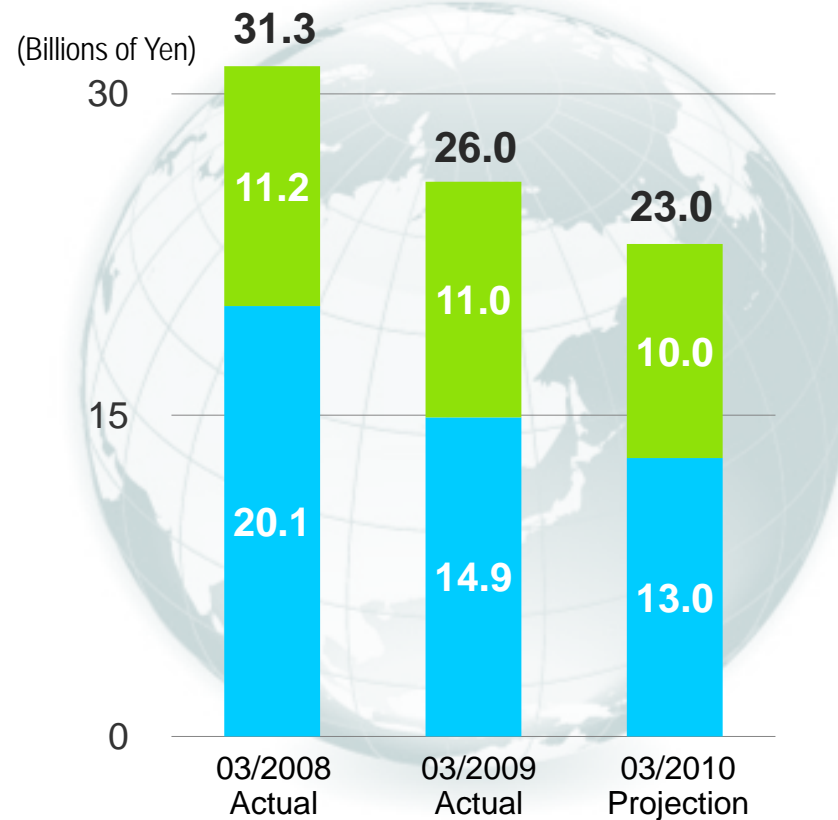
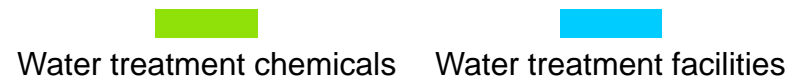
【10】 Overseas Businesses



Sales by Region



Sales by Overseas Business Segment






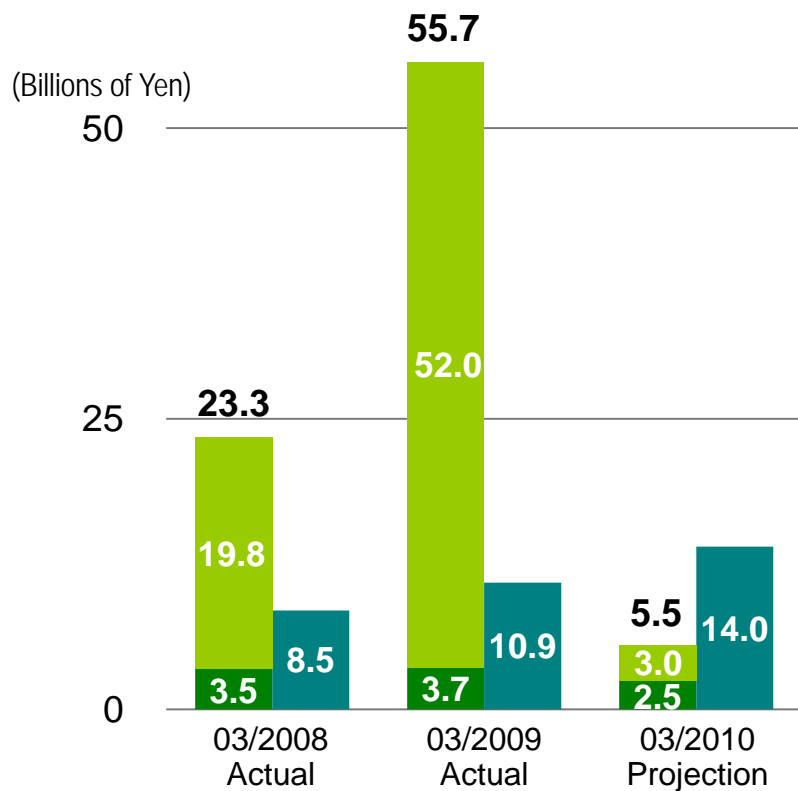
IV. Consolidated Business Plan for the Fiscal Year Ending March 31, 2010

【11】 Capital Expenditures, Depreciation, and R&D Expenses



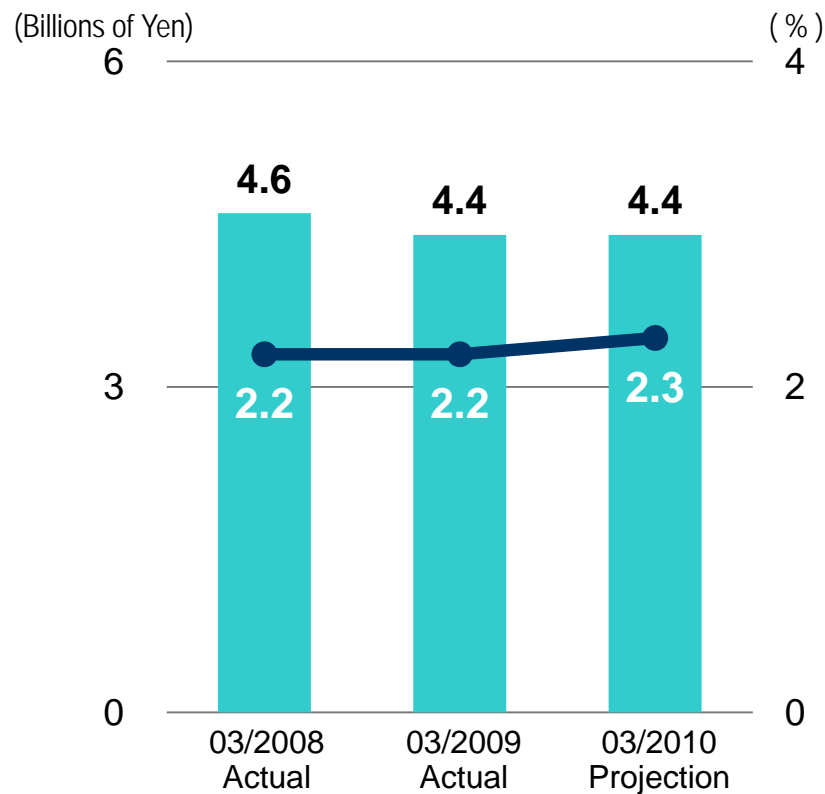
Capital Expenditures and Depreciation

 Capital expenditures (ultrapure water supply business)
 Capital expenditures (excl. ultrapure water supply business)
 Depreciation

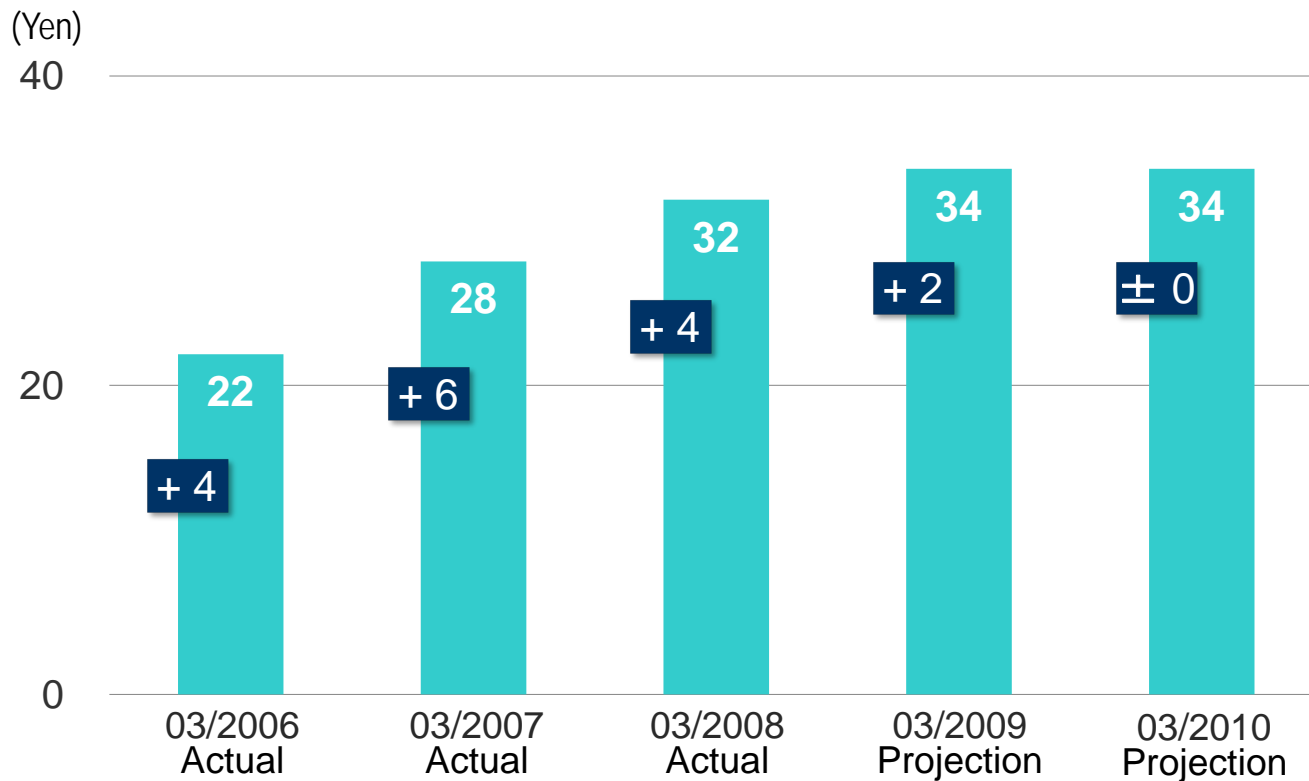


R&D Expenses

 R&D Expenses
 Percentage of net sales



【12】 Dividend Policy



Basic Dividend Policy

Kurita's basic policy is to maintain stable dividends, and the company will work to increase dividends while giving due consideration to trends in results and investments in its businesses.



V. Reference Materials

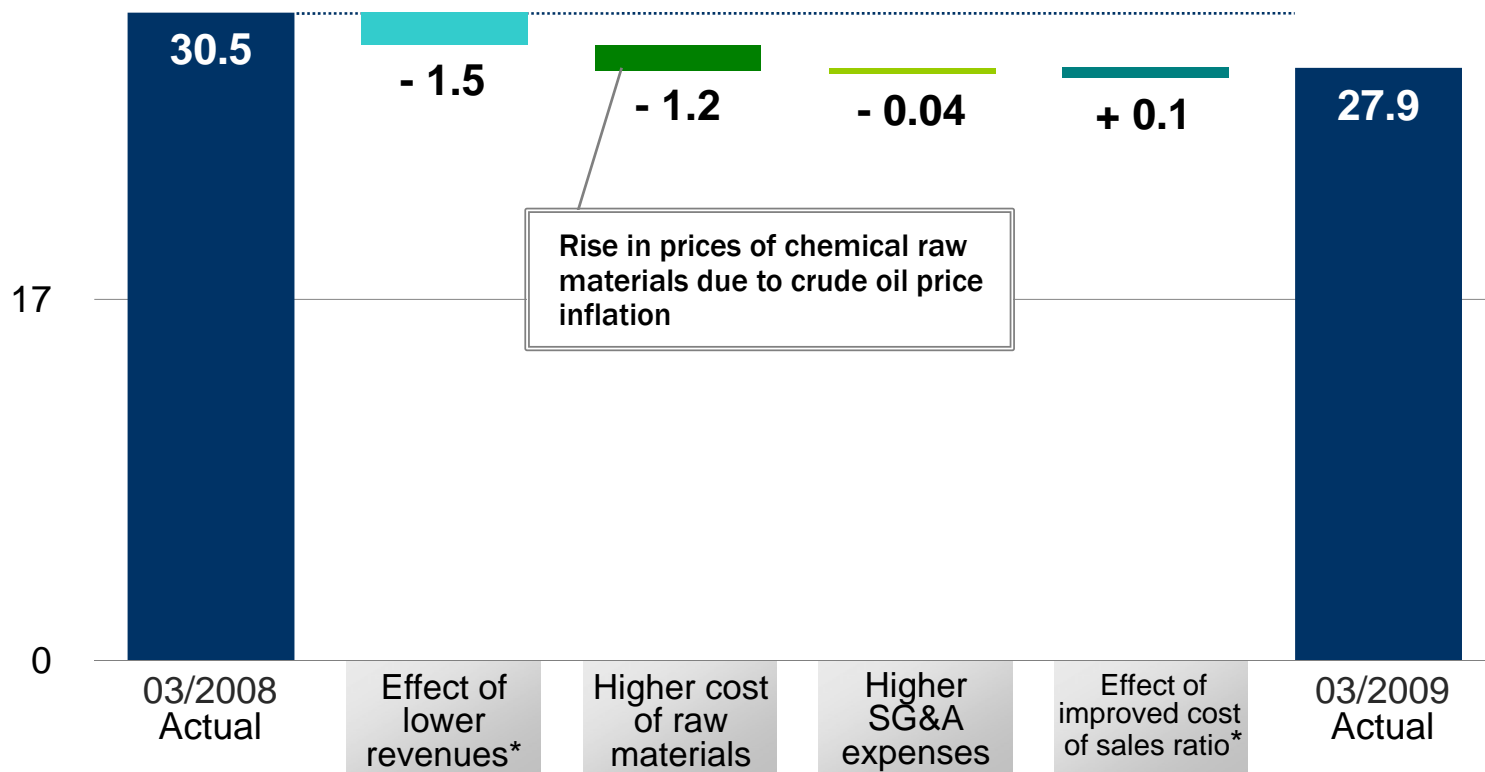
V. Reference Materials

Analysis of Changes in First-half Operating Income for the Fiscal Year Ending March 31, 2009



(Billions of Yen)

34



* Effects of lower revenues and improved cost of sales ratio are calculated using the gross profit margin.

Kurita Water Industries Ltd.

■ U R L ■ <http://www.kurita.jp/>

■ M A I L ■ ir@kurita.co.jp

Forward-looking Statements

This presentation contains forward-looking statements, business plan projections, and judgments based on information available to management at the time of writing. Due to the existence of a variety of risk factors and uncertainties, actual results may differ from those specified or implied by these forward-looking statements and projections.